

Annual Report

Executive summary

2021





Contents

01

Cecabank in figures 4

Key figures 5

Contribution to the gross income since 2017 7

02

People 8

Our employees 9

Social impact 10

03

Prosperity 12

Solvency 13

Lines of business 13

04

Planet 18

Climate change 19

Sustainable business 20

05

Governance 22

Corporate governance 23

Risk management and suppliers 24

01. Cecabank in figures



Key figures

These are Cecabank's key figures at December 2021.

Individual figures

Total assets
17,197,674
thousands of euros

Total equity
1,210,718
thousands of euros

Own funds
1,200,748
thousands of euros

**Result for
the financial year**
69,218
thousands of euros

CET1
30.1%

Balance sheet (thousands of euros) 2021

Total assets	17,197,674
Held-for-trading financial assets	1,414,378
Financial assets at fair value through other comprehensive income	3,238,947
Held-for-trading financial liabilities	1,085,136
Financial liabilities at amortised cost	14,726,825
Total equity	1,210,718
Own funds	1,200,748

Income statement (thousands of euros) 2021

Net interest income	6,374
Gross income	305,292
Profit before tax	93,736
Profit for the year	69,218

Solvency and liquidity 2021

CET1 ratio	30.1%
Own funds	1,200,748
Basic equity (core capital)	743,373
LCR	165%

Cecabank Rating 2021

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

Contribution to the gross income since 2017



Does not include contribution to the SRF

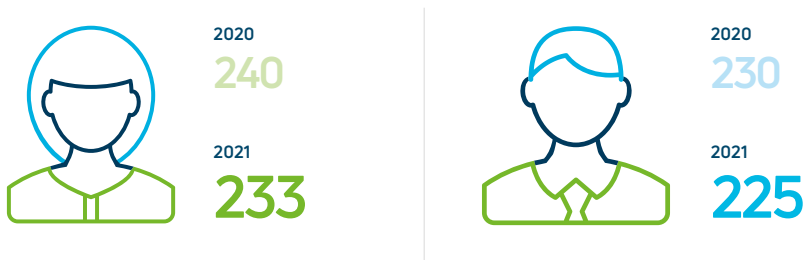
02. People



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

Our employees

Cecabank's employees in Spain are broken down as follows:



We care for our employees

Cecabank has introduced a new gender equality plan and work-life balance measures.



Equality Plan



Social benefits



Measures for work-life balance



Occupational risk prevention

Social impact

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



Cecabank annually renews its "Tú Eliges" programme, where staff members present various projects in the social, environmental or cultural field. Cecabank commits to financing projects selected after an internal voting process.

On the occasion of the 7th edition of the programme in 2021, a total of 19 projects were presented by various associations (14 social, 4 environmental and 1 cultural). Cecabank showed its support with an endowment of 97,000 euros.



Total Cecabank aid to the "Tú Eliges" programme

97.000

euros

02. People

Cecabank's institutional commitments are materialised through partnerships in various initiatives and collaboration with national and international organisations.

Network of partnerships

In 2021 Cecabank was part of:



Pacto Mundial
Red Española

spainsif

forética

Banco de Alimentos de Madrid



Since its inception, Cecabank has demonstrated its strong commitment to the Banco de Alimentos de Madrid. Currently, it maintains its support to this organisation by sponsoring "Avenida Cecabank" at its headquarters, located at San Fernando Educational Centre, and at "Plaza Cecabank" at its logistics centre. In 2021, the company continued its collaboration and increased the amount to 14,000 euros.

Humanitarian emergencies



Cecabank has maintained a collaboration agreement with the Spanish Emergency Committee since 2018. In 2021, the Committee consisted of 5 NGOs (Action Against Hunger, Oxfam Intermón, Médecins du Monde, Plan International and World Vision).

The main action this year was the humanitarian emergency campaign following the earthquake in Haiti. Cecabank joined this initiative by contributing 8,770 euros.

Blood donation campaign with the Cruz Roja Española



69

Lives saved

On Cecabank's Solidarity Day, employees organised a blood donation campaign. According to the transfusion centre of the Public Health Service of Madrid and the Cruz Roja Española, the campaign saved 69 lives.



03. Prosperity



Cecabank works to create value by maintaining its solvency, committing itself to quality and excellence with the customer and a focus on innovation and digital development.

Solvency

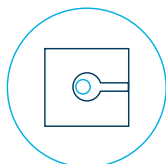
The capital ratio remains among the highest in the market. The speciality in Securities Services requires these levels to maintain customers' trust.

CET1 ratio
as of 31 December 2021

30.1%

Lines of business

The four lines of business have continued to perform in 2021 with the following progress:



Securities Services

- Depository
- Securities Custody and Settlement
- Integrated Securities Services
- Settlement of Derivatives in Organised Markets



Treasury management

- Financial Markets
- Equities Sales
- Debt Capital Markets
- Banknotes



Payments

- Card Payment Processing Solutions
- Instant Payment Processing Solutions
- Payment Infrastructures and Services



Digital solutions

- Digital Banking
- Trading and Risk Platform
- Reporting
- Technological outsourcing



Depository

Assets deposited

213,664

millions of euros

Shared by

1,135

CII-FP-ECR-EPSPV

Managed by

42

companies

Securities Custody and Settlement

Assets under custody above

297,600

millions of euros (including own portfolio)

Approx. no. of
settled operations

1,8

million

Integrated Securities Services

Asset Distribution Platform

- The Asset Distribution Platform is Cecabank's response to technological changes and operational needs of a new reality that completes the Securities Services value chain.
- Flexible, adjustable, agile and efficient. MiFID II compliance.

BPO for securities

Specialisation in the provision of services related to outsourcing securities service management.

Settlement of Derivatives in Organised Markets

- Access to the settlement of futures and options through efficient and automated management.
- Access to the most important ETD clearing houses worldwide.

No. of contracts settled

+6.5

million

Operational accounts

2,091



Financial Markets

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

- Cecabank is the Spanish Treasury Public Debt market maker.
- Member of EU market creators to collaborate on debt issues under the Next Generation EU programme.
- Direct member of the main Central Counterparty Clearing Houses (Meffrepo, LCH Paris and Eurex).
- Market maker in futures in organised markets (BME) of the xRolling FX product.

Equities Sales

Brokerage of equities for institutional customers in the main global markets through operational circuits that rely on the infrastructures of global investment banks.

Ranking among the 5 largest shares intermediaries in BME in some quarters.

Debt Capital Markets

Cecabank has continued to support the refinancing processes of several autonomous communities with which it maintains bilateral operations and has taken part in the open process to provide the Deposit Guarantee Fund with an extraordinary mechanism for access to liquidity to tackle exceptional market situations.

Banknotes

Wholesale market leader in Spain for foreign banknotes.

+12,000

bank branches provide the banknote service



Card Payment Processing Solutions

Almost

1,100

million transactions processed

+7

million cards issued

110,000

businesses processed

Average daily amount settled

130

millions of euros

Availability of

99.98%

of systems

Instant Payment Processing Solutions

92

million Bizum transactions processed

Payment Infrastructures and Services

No. of cheques processed

81,993

Account payable and receivable portfolio

143,578

notes deposited

SEPA transactions exchange (EBA and SNCE)

670

million transactions processed

03. Prosperity



Digital Banking

No. of online banking operations

3,300
million

Service availability above

99.5%

Trading and Risk Platform

27

financial institutions, Public Administrations, Management Companies of the Collective Investment Scheme (SGIIC) and corporates

Collateral contract management of

10
entities

Reporting

+30
clients

Coverage to
+1,000
financial statements

Analytical layer with
+3,000
metrics and indicators

DPM model with
+1,700
datapoints

+280,000
Validations and recalculations

Technological Outsourcing

Technological outsourcing services to financial institutions, insurance companies and fintech companies experiencing significant growth in the scope of service to payment processors thanks to being a certified operating centre under the PCI-DSS standard.

04. Planet



Cecabank is committed to the responsible and sustainable management of material resources and promotes efficiency in consumption in order to increase its positive impact on the social and environmental surroundings, both in its activity and in its sphere of influence.

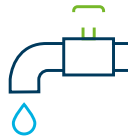
Climate change

In 2021, Cecabank continued to make progress in its commitment to fighting climate change:



Carbon-neutral bank

Cecabank took a further step in its commitment to the fight against climate change by offsetting its GHG emissions in 2020 and becoming a carbon-neutral bank.



Annual reduction in consumption

The company's efforts to improve its environmental performance have resulted in an annual reduction in consumption.



With regard to paper consumption

Organisational efforts to reduce and make better use of printing equipment have resulted in significant savings in printing toner and in the number of DinA4 packs consumed.

Sustainable business

Sustainable business development



Proxy Voting

Cecabank offers this voting service on securities held in any market in the world; tax accreditation and tax claims services, based on automated processes through RPA and the portfolio management support service through tri-party accounts including the option of digital onboarding.

Green issues

Cecabank traded in 2021 with 54 benchmarks considered "green" in both government and corporate debt.

The first green bond issued by the Spanish Treasury, which issued €5 billion in syndicated issues in September 2021, was issued with a demand of over €60 billion.



"Green" operations

54

First Spanish
Treasury green bond

5.000

millions of euros

Next Generation EU

This year, Cecabank was designated by the European Union as a member of the European market maker network (Primary Dealer Network). The first EU issues in which it participated were the macro debt issues that will finance the *Next Generation EU* Recovery Fund, the €750 billion aid package for Europe's economic, green and digital transformation.



cecabank

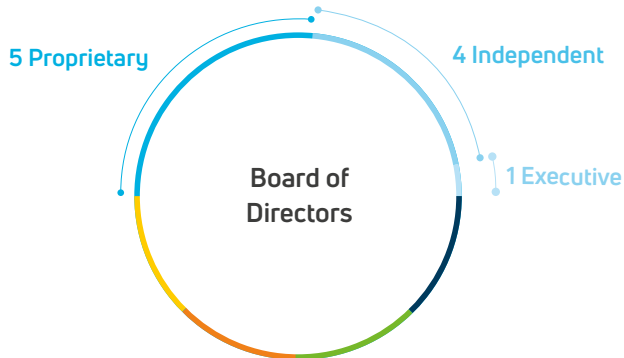
05. Governance



Cecabank meets the highest standards of good governance in the market.

Corporate governance

The Board of Directors has 10 members (5 proprietary, 4 independent and 1 executive) and 4 specialist committees with supervisory and advisory powers.



Appointments Committee

Chairperson

Julia Salaverría Monfort

Independent member

Risk Committee

Chairperson

Carmen Motellón García

Independent member

Remuneration Committee

Chairperson

Santiago Carbó Valverde

Independent member

Audit Committee

Chairperson

María del Mar Sarro Álvarez

Independent member

Risk management

The risk management philosophy is based on rigorous criteria of prudence, in a manner consistent with commercial strategy, aiming to ensure the efficient use of the capital assigned to the business units.

In line with its Risk Tolerance Framework, Cecabank considers the following risks as relevant:



Our suppliers

Cecabank maintains a high level of commitment to its suppliers, as they are fundamental to the development of its business and a key link in its product and service offering.



Commitment to employment and society

82.5% of purchases made locally.



Responsible

Supplier approval based on sustainability aspects.



Close communication

Transparent and fluid with suppliers.

Cecabank received these acknowledgements throughout 2021



Best Custodian Bank in Spain 2021

Cecabank upholds its excellence and quality of service as the premises in its provision of securities services, which has been acknowledged for the fifth consecutive year by *Global Banking & Finance Review* with its award Best Custodian Bank Spain 2021.



Verified Environmental CO₂ Certification



Family-Friendly Company Certification

Awarded by Fundación Másfamilia.

cecabank



Microsite
Annual Report 2021