

ANDBANK  
*Private Bankers*

ANNUAL  
REPORT 2025

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ANDBANK GROUP  
KEY FIGURES

# Andbank Group key figures



## Financial group founded in 1930

Our values define us as an organisation, competitive and demanding in search of excellence.

1,455	Professionals
12	Wealth and Fund managers and investment advisers
5	Banking licenses
5	Financial brokerage agencies
4	Brokerage agencies
2	Insurance agencies

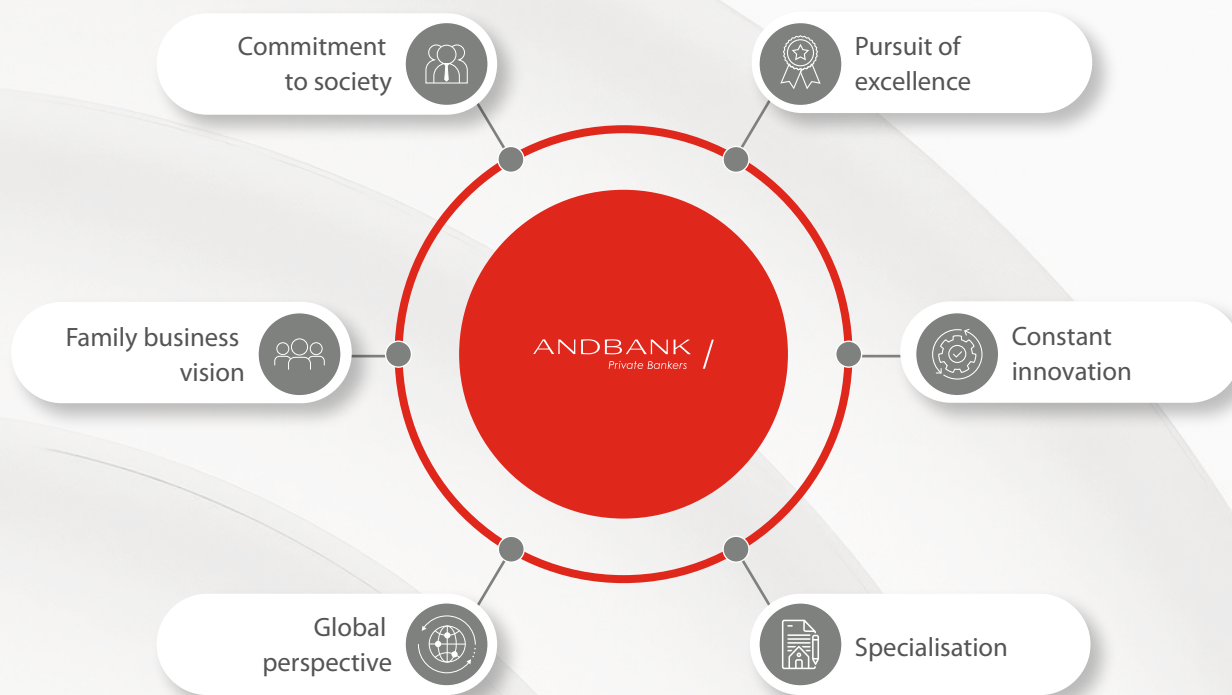


Preserving and growing the wealth of our customers is our only goal.

# Andbank Values



The values that unite us



# Key figures

66.2 MM€  
Business volume

62 MM€  
AUMs

50.6 M€  
Net profit

810 M€  
Capital

108 M€  
EBITDA

18.2 %\*  
TIER 1

335 %  
Liquidity LCR

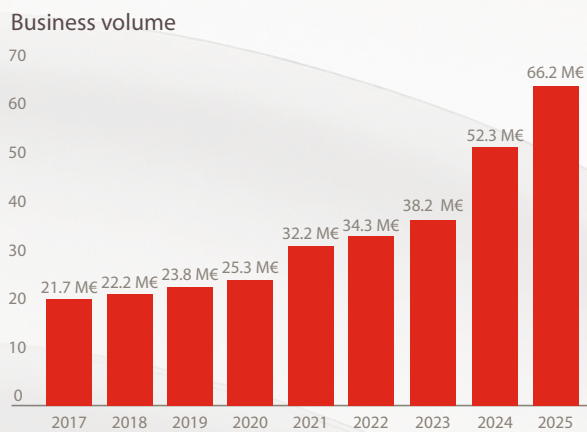
16.4 %  
CET1

BBB  
Rating with a  
stable outlook

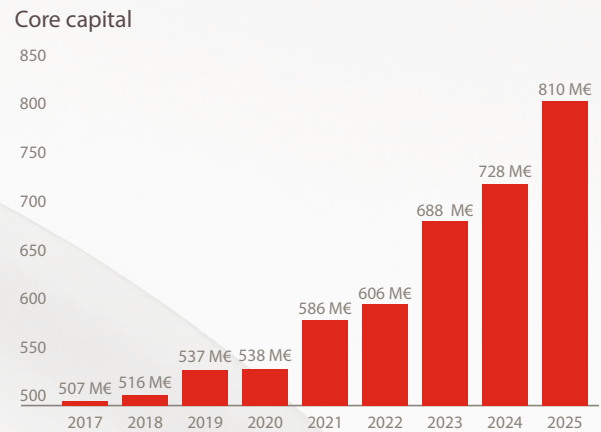
46 %  
LTD

\* Tier 1 capital ratio as of Q1 2026, including AT1 and Tier 2 instruments planned at year-end 2025 and subscribed during the first quarter of 2026.

## A bank that is growing



## A sound bank



## Dynamic and innovative

myinvestor

myandbank

Actyus

Partnerships with

creditas

dianacapital

FIN  
DAN  
GO



01

LETTER FROM  
THE CHAIRMAN

# Letter from the Chairman

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Manel  
Cerqueda  
Donadeu

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The year 2025 unfolded against a demanding economic and financial backdrop, marked by the transition towards gradually less restrictive monetary policies, a complex geopolitical environment and an acceleration of certain structural changes in the global economy. In this context, financial markets developed constructively, though not without occasional episodes of volatility — once again underlining the importance of rigorous management and a clear long-term focus.

The United States maintained a sustained pace of growth, supported by business investment, technological dynamism and rising productivity, while inflation continued to moderate and the Federal Reserve began a gradual process of interest rate cuts. In Europe, the recovery gradually gained traction, assisted by stronger consumption, the normalisation of energy costs and a more stable political environment, which also allowed the European Central Bank to make headway in easing its monetary policy. In Asia, performance was more uneven, with China still constrained by structural adjustments to its economic model and Japan embarking on a new political phase of economic stimulus and reform.

Against this background, the Andbank Group closed a very positive year, consolidating its growth and the soundness of its business model. In 2025, the Group's profit stood at EUR 50.6 million, an increase of 10% on the previous year, making for four consecutive years of double-digit growth.

Business volume reached EUR 66,150 million following a record increase of EUR 13,788 million, a rise of 26.3%. This growth was driven both by new business inflows, which contributed EUR 10,187 million, and by the revaluation of client portfolios, which added EUR 2,894 million, at an average return of 5.9%.

Assets under management stood at EUR 61,969 million, up 26.8%, while the loan portfolio grew by 20.4% to EUR 4,181 million. Spain consolidated its position as the principal driver of growth, with its business volume increasing by 33.9% to EUR 40,261 million, while in Andorra business volume grew by 15.7% to EUR 7,621 million and the loan portfolio by 23% to EUR 1,272 million.

In terms of contribution to profit, Spain accounted for EUR 24 million, followed by Andorra with EUR 10 million, Monaco with EUR 8.5 million and Luxembourg with EUR 7 million. The international business as a whole contributed EUR 40 million to the Group's results.

The strengthening of the capital base was another notable feature of the year. Equity grew by 11%, to EUR 810 million, while the Tier 1 capital ratio stood at 16.67%, rising to 18.20% at the close of the first quarter of 2026 when including the new AT1 and T2 issuances, and

CET1 at 16.4% — levels that reflect the Group's financial strength. The liquidity coverage ratio (LCR), meanwhile, reached 335%, well above regulatory requirements, and the loan-to-deposit (LTD) ratio stood at 46%, pointing to a particularly comfortable liquidity position.

During the year, Fitch Ratings confirmed the BBB rating with a stable outlook, making Andbank once again the highest-rated bank in Andorra. Among other factors, the agency highlighted the Group's international diversification, its business scale, its sound profitability, the quality of its assets and its conservative liquidity management.

Strategically, 2025 was also a significant year for corporate development. One highlight was the progress of MyInvestor, majority-owned by the Group, which closed a EUR 30 million funding round at a valuation of over EUR 300 million. Another was the completion of the sale of Andbank's banking licence in Brazil to Creditas; following a carve-out, Andbank retains 75% of the private banking business.

### **Commitment**

In corporate social responsibility, the Group continued to strengthen its commitment to initiatives with a high social impact, focusing in particular on support for cancer research and the development of the communities in which it operates. Andbank maintained its backing for leading projects in the fight against cancer, such as the Sant Joan de Déu Foundation, the Fero Foundation, the Contigo Foundation and CRIS contra el Càncer.

Andbank remains firmly committed to efficient, profitable growth, underpinned by a long-term vision and by the sound values — professionalism, honesty, closeness, trust and transparency — that guide our day-to-day conduct and our relationship with our clients.

On behalf of the Group, I wish to extend our immense gratitude to our clients for the trust they have placed in us, and to all of Andbank's professionals for their commitment and dedication. Their talent and effort are the foundation on which we continue to develop a sound and attractive business, one built to last.

### **Manel Cerqueda Donadeu**

Chairman



02 / REPORT  
AUDIT

# Report audit

*Translation of a report originally issued in Catalan based on our work performed in accordance with International Standards on Auditing (ISAs). In the event of a discrepancy, the Catalan-language version prevails.*

## INDEPENDENT AUDITOR'S REPORT

To the shareholders of Andorra Banc Agrícola Reig, SA:

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### Opinion

We have audited the accompanying consolidated financial statements of Andorra Banc Agrícola Reig, SA (the Parent Company) and other companies composing the Andbank Group (the Group), which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated income statement, the consolidated comprehensive income statement, the statement of changes in consolidated equity and the statement of consolidated cash flows corresponding to the annual financial year then ended, as well as the explanatory notes to the consolidated financial statements that include a summary of the significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the Group's financial position as at 31 December 2025, as well as its results and cash flows, all of which are consolidated, for the year then ended, in accordance with the International Financial Reporting Standards adopted in the European Union (IFRS-EU) as adopted in Andorra (IFRS-Andorra) and other provisions of the regulatory framework for financial reporting that are applicable in Andorra.

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### Basis of opinion

We conducted our audit in accordance with the International Auditing Standards (ISAs) and the rest of the regulatory framework governing statutory audits in force in the Principality of Andorra. Our responsibilities under these standards are described below in the Auditor's Responsibilities for the audit of the Consolidated Financial Statements section of our report.

We are independent of the Group in accordance with the requirements of ethics, including those of independence, which are applicable to the audit of consolidated financial statements in the Principality of Andorra in accordance with the requirements of the regulations governing auditing of accounts and the International Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code of Ethics), and we have fulfilled the other ethics responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained provides a sufficient and appropriate basis for our opinion.

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## Other information

The Directors of the Parent Company are responsible for the other information. Other information includes the information included in the consolidated management report, which is not an integral part of the consolidated financial statements.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of conclusion that provides a degree of assurance thereon.

In connection with our audit of the consolidated financial statements, it is our responsibility to read the other information and, in doing so, consider whether there is a material inconsistency between the other information and the consolidated financial statements or the knowledge obtained by us in the audit, or whether there appears to be a material misstatement in the other information for some other reason. If, based on the work we have done, we conclude that there is a material inaccuracy in this other information, we are obliged to report it.

Based on the work carried out as described in the previous paragraph, the information contained in the consolidated management report is in accordance with that of the consolidated financial statements for the financial year 2025.

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## Responsibilities of the Directors and of the Audit Committee of the Parent Company in relation to the consolidated financial statements

The Directors of the Parent Company are responsible for preparing the accompanying consolidated financial statements, so that they present fairly the consolidated equity, consolidated financial position and consolidated results of the Group, in accordance with the International Financial Reporting Standards adopted in the European Union (IFRS-EU) as adopted in Andorra (IFRS-Andorra), and the internal control they deem necessary to allow the preparation of the consolidated financial statements free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors of the Parent Company are responsible for assessing the Group's ability to continue as a going concern, disclose, as appropriate, matters relating to the going concern and using the going concern basis of accounting unless the Directors of the Parent Company intend to liquidate the Group or to cease operations, or there is no other realistic alternative.

The Audit Committee of the Parent Company is responsible for supervising the process of preparing and presenting the consolidated financial statements.

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## Auditor's responsibilities in relation to the audit of consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high degree of assurance but does not guarantee that an audit conducted in accordance with the ISAs, and the rest of the regulatory framework governing statutory audits in force in the Principality of Andorra, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is included in Appendix I to this auditor's report. This description forms part of our auditor's report.

**DELOITTE ANDORRA AUDITORS | ASSESSORS, S.L.U.**

(Registered in the Register of Auditors of Accounts  
of the Principality of Andorra with no. S009)



Javier Pinilla Moreno

(Registered in the Register of Auditors of Accounts  
of the Principality of Andorra as an authorised non-resident)

March 30th, 2026

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## Appendix I to our auditor's report

In addition to what is included in our audit report, this Appendix includes our responsibilities with respect to the audit of the consolidated financial statements.

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### Auditor's responsibilities in relation to the audit of consolidated financial statements

As part of an audit in accordance with the ISAs, the rest of the regulatory framework governing statutory audits in force in the Principality of Andorra, we apply our professional judgment and maintain an attitude of professional scepticism throughout the audit. Also:

- We identify and assess risks of material misstatement in the consolidated financial statements, due to fraud or error, design and implement audit procedures to respond to these risks and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement due to fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, deliberate omissions, intentional misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of the accounting policies used and the reasonableness of the accounting estimates and the related disclosures made by the Directors of the Parent Company.
- We conclude on the appropriateness of the use by the Directors of the Parent Company of the going concern accounting principle and, based on the audit evidence obtained, we conclude on whether or not there is material uncertainty related to facts or conditions that may cast significant doubts about the Group's ability to continue as a going concern. If we conclude that material uncertainty exists, we must draw attention in our audit report to the relevant information disclosed in the consolidated financial statements or, if such disclosures are not adequate, to modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- We evaluate the overall presentation, structure, and content of the consolidated financial statements, including disclosed information, and whether the consolidated financial statements represent the underlying transactions and facts in a manner that achieves fair presentation.
- We plan and execute the Group's audit to obtain sufficient and appropriate audit evidence in relation to the financial information of the Group's entities or business units as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the work conducted for the purposes of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee of the Parent Company in relation to, among other matters, the scope and timing of the planned audit and the significant findings of the audit, as well as any significant internal control deficiencies that we identify during our audit.

We also provide the Audit Committee of the Parent Company with a statement that we have complied with applicable ethical requirements, including those of independence, and have communicated with it to report those matters that may reasonably pose a threat to our independence and, where appropriate, the related safeguards taken to eliminate or reduce the threat.



03

FINANCIAL STATEMENTS  
ANDBANK GROUP

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## **CONSOLIDATED FINANCIAL STATEMENTS**

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**Consolidated Statements of Financial Position: Liabilities**

**Consolidated Statements of Financial Position: Equity**

**Consolidated Income Statements**

**Consolidated Statements of Comprehensive Income**

**Consolidated Statements of Changes in Equity**

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## **APPENDIX**

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Appendix II: Annual banking report

## Statements of financial position

	Thousands of euros	
ASSETS	31/12/25	31/12/24
<b>Cash, cash balances at central banks and other demand deposits (note 5)</b>	<b>4,434,654</b>	<b>4,222,238</b>
Cash on hand	16,672	15,174
Cash balances at central banks	4,049,619	3,861,716
Other demand deposits	368,363	345,348
<b>Financial assets held for trading (note 6)</b>	<b>330,015</b>	<b>306,529</b>
Derivatives	136,264	147,068
Equity instruments	86,306	8,754
Debt securities	107,445	150,707
<b>Non-trading financial assets mandatorily at fair value through profit or loss (note 7)</b>	<b>11,370</b>	<b>6,461</b>
Equity instruments	11,370	6,461
<b>Financial assets designated at fair value through profit or loss (note 8)</b>	<b>9,204</b>	<b>22,847</b>
Debt securities	6,410	20,291
Loans and advances	2,794	2,556
<b>Financial assets at fair value through other comprehensive income (note 9)</b>	<b>517,194</b>	<b>317,948</b>
Equity instruments	32,163	14,287
Debt securities	485,031	303,661
<b>Financial assets at amortised cost (note 10)</b>	<b>5,068,513</b>	<b>4,440,834</b>
Debt securities	627,488	693,428
Loans and advances	4,441,025	3,747,406
<b>Derivatives - Hedge accounting (note 11)</b>	<b>4,635</b>	<b>7,140</b>
<b>Fair value changes of the hedged items in portfolio hedge of interest rate risk (note 11)</b>	<b>(3,475)</b>	<b>(3,790)</b>
<b>Investments in subsidiaries, joint ventures and associates (note 12)</b>	<b>10,077</b>	<b>9,548</b>
<b>Assets under insurance and reinsurance contracts (note 3.t)</b>	<b>34,483</b>	<b>27,854</b>
<b>Tangible assets (note 13)</b>	<b>153,242</b>	<b>166,577</b>
Property, plant and equipment	98,524	112,352
Investment property	54,718	54,225
<b>Intangible assets (note 14)</b>	<b>243,325</b>	<b>227,772</b>
Goodwill	134,680	126,086
Other intangible assets	108,645	101,686
<b>Tax assets (note 15)</b>	<b>21,865</b>	<b>24,266</b>
Current tax assets	1,716	4,496
Deferred tax assets	20,149	19,770
<b>Other assets (note 16)</b>	<b>141,832</b>	<b>119,218</b>
<b>Non-current assets and disposal groups classified as held for sale (note 17)</b>	<b>15,071</b>	<b>461,677</b>
<b>TOTAL ASSETS</b>	<b>10,992,005</b>	<b>10,357,119</b>

The accompanying notes form an integral part of the consolidated financial statements for the year ended 31 December 2025. The financial statements for 2024 are also included for comparative purposes (see note 2.c i d).

## Statements of financial position

	Thousands of euros	
<b>LIABILITIES</b>	<b>31/12/25</b>	<b>31/12/24</b>
<b>Financial liabilities held for trading (note 6)</b>	<b>75,681</b>	<b>93,237</b>
Derivatives	75,681	93,237
<b>Financial liabilities designated at fair value through profit or loss</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities measured at amortised cost (note 18)</b>	<b>9,891,271</b>	<b>8,966,066</b>
Deposits	9,625,003	8,665,232
Debt securities issued	165,262	184,775
Other financial liabilities	101,006	116,059
<b>Derivatives - Hedge accounting (note 11)</b>	<b>2,543</b>	<b>7,143</b>
<b>Fair value changes of the hedged items in portfolio hedge of interest rate risk (note 11)</b>	<b>-</b>	<b>-</b>
<b>Liabilities under insurance and reinsurance contracts (note 3.t)</b>	<b>39,923</b>	<b>27,843</b>
<b>Provisions (note 19)</b>	<b>20,366</b>	<b>22,091</b>
<b>Tax liabilities (note 15)</b>	<b>17,734</b>	<b>21,249</b>
Current tax liabilities	11,944	14,826
Deferred tax liabilities	5,790	6,423
<b>Share capital repayable on demand</b>	<b>-</b>	<b>-</b>
<b>Other liabilities (note 16)</b>	<b>132,049</b>	<b>105,505</b>
<b>Liabilities included in disposal groups classified as held for sale (note 17)</b>	<b>2,312</b>	<b>385,664</b>
<b>TOTAL PASSIU</b>	<b>10,181,879</b>	<b>9,628,798</b>

The accompanying notes form an integral part of the consolidated financial statements for the year ended 31 December 2025. The financial statements for 2024 are also included for comparative purposes (see note 2.c i d).

**Statements of financial position**

	Thousands of euros	
	31/12/25	31/12/24
<b>CAPITAL AND RESERVES</b>		
<b>Capital (note 20)</b>	<b>82,807</b>	<b>82,807</b>
Paid up capital	82,807	82,807
<b>Share premium (note 20)</b>	<b>103,842</b>	<b>103,842</b>
<b>Equity instruments issued other than capital (note 20)</b>	<b>82,150</b>	<b>65,050</b>
Other equity instruments issued	82,150	65,050
<b>Accumulated other comprehensive income (note 21)</b>	<b>(18,872)</b>	<b>(35,487)</b>
Items that will not be reclassified to profit or loss	147	(70)
Tangible assets	-	-
Intangible assets	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	147	(70)
Items that may be reclassified to profit or loss	(19,019)	(35,417)
Hedge of net investments in foreign operations (effective portion)	(10,980)	-
Foreign currency translation	(4,605)	(30,825)
Hedging derivatives Cash flow hedges (effective portion)	(318)	50
Fair value changes of debt instruments measured at fair value through other comprehensive income	(3,116)	(4,642)
<b>Retained earnings (note 20)</b>	<b>479,096</b>	<b>466,465</b>
<b>Other reserves (note 20)</b>	<b>(24,341)</b>	<b>(37,729)</b>
Reserves or accumulated losses of investments in subsidiaries, joint ventures and associates	158,413	125,782
Other	(182,754)	(163,511)
<b>(-) Treasury shares</b>	<b>(540)</b>	<b>(540)</b>
<b>Profit or loss attributable to owners of the Parent</b>	<b>50,631</b>	<b>46,018</b>
<b>Minority interests (non-controlling interests)</b>	<b>55,353</b>	<b>37,895</b>
Accumulated other comprehensive income	55,353	37,895
<b>TOTAL EQUITY</b>	<b>810,126</b>	<b>728,321</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>10,992,005</b>	<b>10,357,119</b>

The accompanying notes form an integral part of the consolidated financial statements for the year ended 31 December 2025.  
The financial statements for 2024 are also included for comparative purposes (see note 2.c i d).

## Statements of financial position

Thousands of euros

INCOME STATEMENT	31/12/25	31/12/24
<b>Interest income (note 24)</b>	<b>267,647</b>	<b>302,071</b>
Financial assets held for trading	4,626	4,583
Non-trading financial assets mandatorily at fair value through profit or loss	124	-
Financial assets designated at fair value through profit or loss	549	712
Financial assets at fair value through other comprehensive income	9,016	11,215
Financial assets at amortised cost	253,304	285,521
Other assets	28	40
Interest income on liabilities	-	-
<b>(Interest expenses) (note 24)</b>	<b>(152,611)</b>	<b>(187,249)</b>
(Financial liabilities measured at amortised cost)	(151,062)	(185,826)
(Derivatives - Hedge accounting, interest rate risk)	(207)	(119)
(Other liabilities)	(1,342)	(1,304)
<b>(Expenses on share capital repayable on demand)</b>	<b>-</b>	<b>-</b>
<b>Dividend income (note 25)</b>	<b>499</b>	<b>128</b>
Non-trading financial assets mandatorily at fair value through profit or loss	340	15
Financial assets at fair value through other comprehensive income	159	113
<b>Fee and commission income (note 26)</b>	<b>261,373</b>	<b>226,470</b>
<b>(Fee and commission expenses) (note 27)</b>	<b>(121,708)</b>	<b>(96,012)</b>
<b>Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net (note 28)</b>	<b>2,721</b>	<b>241</b>
Financial assets at fair value through other comprehensive income	2,452	(282)
Financial assets at amortised cost	276	523
Other	(7)	-
<b>Financial assets at fair value through other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Gains or losses on financial assets and liabilities held for trading, net (note 28)</b>	<b>31,764</b>	<b>29,280</b>
<b>Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net (note 28)</b>	<b>303</b>	<b>(8)</b>
<b>Gains or losses on financial assets and liabilities designated at fair value through profit or loss, net (note 28)</b>	<b>(10)</b>	<b>288</b>
<b>Gains or losses from hedge accounting, net (note 28)</b>	<b>276</b>	<b>343</b>
<b>Exchange differences (gain or loss), net (note 29)</b>	<b>(4,165)</b>	<b>13,191</b>
<b>Gains or losses on derecognition of non-financial assets, net</b>	<b>27,585</b>	<b>4,536</b>
<b>Other operating income (note 30)</b>	<b>9,230</b>	<b>10,800</b>
<b>(Other operating expenses) (note 30)</b>	<b>(8,616)</b>	<b>(6,978)</b>
<b>TOTAL OPERATING INCOME/EXPENSES, NET</b>	<b>314,288</b>	<b>297,101</b>
<b>(Administrative expenses) (note 31)</b>	<b>(206,157)</b>	<b>(187,850)</b>
(Staff expenses)	(133,303)	(122,067)
(Other administrative expenses)	(72,854)	(65,783)
<b>(Amortisation and depreciation)</b>	<b>(36,195)</b>	<b>(33,572)</b>
(Property, plant and equipment) (note 13)	(18,612)	(18,739)
(Investment properties) (note 13)	(22)	(22)
(Other intangible assets) (note 14)	(17,561)	(14,811)
<b>Modification gains or losses, net</b>	<b>-</b>	<b>-</b>
<b>(Provisions or reversal of provisions) (note 32)</b>	<b>(10,785)</b>	<b>(7,255)</b>
(Commitments and guarantees given)	(68)	48
(Other provisions)	(10,717)	(7,303)

**Statements of financial position**

	Thousands of euros	
<b>INCOME STATEMENT</b>	<b>31/12/25</b>	<b>31/12/24</b>
<b>(Impairment or reversal of impairment on financial assets not measured at fair value through profit or loss) (note 33)</b>	<b>(1,818)</b>	<b>717</b>
(Financial assets at fair value through other comprehensive income)	22	109
(Financial assets at amortised cost)	(1,840)	608
<b>(Impairment or reversal of impairment on non-financial assets) (note 34)</b>	<b>(5)</b>	<b>(630)</b>
(Property, plant and equipment)	(3)	-
(Goodwill)	-	-
(Other intangible assets)	(27)	(630)
(Other)	25	-
<b>Negative goodwill recognised in profit or loss</b>	<b>-</b>	<b>-</b>
<b>Share of the profit or loss of investments in subsidiaries, joint ventures and associates</b>	<b>1,521</b>	<b>1,105</b>
<b>Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (note 35)</b>	<b>3,485</b>	<b>(5,401)</b>
<b>PROFIT OR LOSS BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>64,334</b>	<b>64,215</b>
(Tax expense or income related to profit or loss from continuing operations) (note 37)	(11,794)	(14,879)
<b>PROFIT OR LOSS AFTER TAX FROM CONTINUING OPERATIONS</b>	<b>52,540</b>	<b>49,336</b>
<b>Profit or loss after tax from continuing operations</b>	<b>-</b>	<b>-</b>
<b>PROFIT OR LOSS FOR THE YEAR</b>	<b>52,540</b>	<b>49,336</b>
Attributable to minority interest (non-controlling interests)	1,909	3,318
<b>Attributable to owners of the Parent</b>	<b>50,631</b>	<b>46,018</b>

The accompanying notes form an integral part of the consolidated financial statements for the year ended 31 December 2025. The financial statements for 2024 are also included for comparative purposes (see note 2.c i d).

**Statement of comprehensive income**

	Thousands of euros	
<b>STATEMENT OF COMPREHENSIVE INCOME</b>	<b>31/12/25</b>	<b>31/12/24</b>
<b>Profit or loss for the year</b>	<b>52,540</b>	<b>49,336</b>
<b>Other comprehensive income</b>	<b>16,615</b>	<b>1,550</b>
<b>Items that will not be reclassified to profit or loss</b>	<b>218</b>	<b>(119)</b>
Tangible assets	-	-
Intangible assets	-	(93)
Income tax relating to items that will not be reclassified	(23)	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	241	(26)
<b>Items that may be reclassified to profit or loss</b>	<b>16,397</b>	<b>1,669</b>
Hedge of net investments in foreign operations (effective portion)	(10,980)	-
Valuation gains or losses taken to equity	(10,980)	-
Foreign currency translation	26,220	(1,941)
Translation gains or losses taken to equity	26,220	(1,941)
Taken to profit or loss	-	-
Hedging derivatives Cash flow hedges (effective portion)	(408)	309
Valuation gains or losses taken to equity	(408)	309
Debt instruments at fair value through other comprehensive income	1,694	3,702
Valuation gains or losses taken to equity	1,694	3,702
Income tax relating to items that may be reclassified to profit or loss	(129)	(401)
<b>Total comprehensive income for the year</b>	<b>69,155</b>	<b>50,886</b>
Attributable to minority interests (non-controlling interests)	1,909	3,318
Attributable to owners of the Parent	67,246	47,568

The accompanying notes form an integral part of the consolidated financial statements for the year ended 31 December 2025. The financial statements for 2024 are also included for comparative purposes (see note 2.c i d).

## Statement of changes in equity

	Thousands of euros										
	Capital	Share premium	Equity instruments issued other than capital	Accumulated other comprehensive income		Retained earnings	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the Parent	Minority interests Accumulated other comprehensive income	Total
<b>Balance at 31 December 2024</b>	<b>82,807</b>	<b>103,842</b>	<b>65,050</b>	<b>(35,487)</b>		<b>466,465</b>	<b>(37,729)</b>	<b>(540)</b>	<b>46,018</b>	<b>37,895</b>	<b>728,321</b>
Effects of corrections of errors	-	-	-	-		-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-		-	-	-	-	-	-
<b>Balance at 1 January 2025</b>	<b>82,807</b>	<b>103,842</b>	<b>65,050</b>	<b>(35,487)</b>		<b>466,465</b>	<b>(37,729)</b>	<b>(540)</b>	<b>46,018</b>	<b>37,895</b>	<b>728,321</b>
Issuance of preference shares	-	-	17,100	-		-	-	-	-	-	17,100
Dividends	-	-	-	-		(15,084)	-	-	-	-	(15,084)
Purchase of treasury shares	-	-	-	-		-	-	-	-	-	-
Sale or cancellation of treasury shares	-	-	-	-		-	-	-	-	-	-
Transfers among components of equity	-	-	-	-		30,167	-	-	(46,018)	-	(15,851)
Equity increase or decrease resulting from business combinations	-	-	-	-		-	595	-	-	-	595
Other increase or decrease in equity	-	-	-	-		(2,452)	12,793	-	-	15,549	25,890
Total comprehensive income for the year	-	-	-	16,615		-	-	-	50,631	1,909	69,155
<b>Balance at 31 December 2025</b>	<b>82,807</b>	<b>103,842</b>	<b>82,150</b>	<b>(18,872)</b>		<b>479,096</b>	<b>(24,341)</b>	<b>(540)</b>	<b>50,631</b>	<b>55,353</b>	<b>810,126</b>

	Thousands of euros										
	Capital	Share premium	Equity instruments issued other than capital	Accumulated other comprehensive income		Retained earnings	Other reserves	(-) Treasury shares	Profit or loss attributable to owners of the Parent	Minority interests Accumulated other comprehensive income	Total
<b>Balance at 31 December 2023</b>	<b>83,441</b>	<b>103,842</b>	<b>49,050</b>	<b>(37,037)</b>		<b>461,763</b>	<b>(49,913)</b>	<b>(2,307)</b>	<b>40,060</b>	<b>39,106</b>	<b>688,005</b>
Effects of corrections of errors	-	-	-	-		-	-	-	-	-	-
Effects of changes in accounting policies	-	-	-	-		-	-	-	-	-	-
<b>Balance at 1 January 2024</b>	<b>83,441</b>	<b>103,842</b>	<b>49,050</b>	<b>(37,037)</b>		<b>461,763</b>	<b>(49,913)</b>	<b>(2,307)</b>	<b>40,060</b>	<b>39,106</b>	<b>688,005</b>
Issuance of preference shares	-	-	16,000	-		-	-	-	-	-	16,000
Dividends	-	-	-	-		(11,500)	-	-	-	-	(11,500)
Purchase of treasury shares	-	-	-	-		-	-	(3,539)	-	-	(3,539)
Sale or cancellation of treasury shares	(634)	-	-	-		(4,272)	-	5,306	-	-	400
Transfers among components of equity	-	-	-	-		23,003	-	-	(40,060)	-	(17,057)
Equity increase or decrease resulting from business combinations	-	-	-	-		-	164	-	-	-	164
Other increase or decrease in equity	-	-	-	-		(2,529)	12,020	-	-	(4,529)	4,962
Total comprehensive income for the year	-	-	-	1,550		-	-	-	46,018	3,318	50,886
<b>Balance at 31 December 2024</b>	<b>82,807</b>	<b>103,842</b>	<b>65,050</b>	<b>(35,487)</b>		<b>466,465</b>	<b>(37,729)</b>	<b>(540)</b>	<b>46,018</b>	<b>37,895</b>	<b>728,321</b>

The accompanying notes form an integral part of the consolidated financial statements for the year ended 31 December 2025. The financial statements for 2024 are also included for comparative purposes (see note 2.c i d).

		Thousands of euros	
<b>STATEMENT OF CASH FLOWS</b>		<b>31/12/25</b>	<b>31/12/24</b>
<b>A.</b>	<b>Cash flows from operating activities</b>	<b>159,157</b>	<b>1,712,023</b>
	<b>Profit for the year</b>	<b>50,631</b>	<b>46,018</b>
	<b>Adjustments to obtain cash flows from operating activities</b>	<b>30,299</b>	<b>35,650</b>
	Depreciation and amortisation	36,195	33,571
	Other adjustments	(5,896)	2,079
	<b>Net increase/decrease in operating assets</b>	<b>(872,623)</b>	<b>(82,108)</b>
	Financial assets held for trading	(34,089)	(61,332)
	Non-trading financial assets mandatorily at fair value through profit or loss	13,658	365
	Financial assets at fair value through other comprehensive income	(194,741)	66,444
	Financial assets at amortised cost	(629,670)	(68,944)
	Other operating assets	(27,781)	(18,641)
	<b>Net increase/decrease in operating liabilities</b>	<b>952,138</b>	<b>1,701,671</b>
	Financial liabilities held for trading	(17,556)	(5,481)
	Financial liabilities at amortised cost	942,281	1,708,366
	Other operating liabilities	27,413	(1,214)
	<b>Income tax received/paid</b>	<b>(1,288)</b>	<b>10,792</b>
<b>B.</b>	<b>Cash flows from investing activities</b>	<b>73,843</b>	<b>8,788</b>
	<b>Payments</b>	<b>(32,302)</b>	<b>(17,169)</b>
	Tangible assets	(3,510)	(7,354)
	Intangible assets	(22,479)	(11,066)
	Investments in joint ventures and associates	-	(5,418)
	Subsidiaries and other business units	(6,313)	(300)
	Non-current assets and liabilities classified as held for sale	-	6,969
	<b>Receipts</b>	<b>106,145</b>	<b>25,957</b>
	Tangible assets	753	5,908
	Subsidiaries and other business units	105,287	164
	Non-current assets and liabilities classified as held for sale	105	19,885
<b>C.</b>	<b>Cash flows used in financing activities</b>	<b>(20,583)</b>	<b>(130,389)</b>
	<b>Payments</b>	<b>(37,683)</b>	<b>(146,789)</b>
	Dividends	(15,084)	(11,500)
	Debt securities	(19,513)	(128,764)
	Redemption of own equity instruments	(3,086)	(2,986)
	Acquisition of own equity instruments	-	(3,539)
	<b>Receipts</b>	<b>17,100</b>	<b>16,400</b>
	Debt securities	-	-
	Issuance of own equity instruments	17,100	16,000
	Disposal of own equity instruments	-	400
<b>D)</b>	<b>Effect of exchange rate fluctuations</b>	<b>-</b>	<b>-</b>
<b>E)</b>	<b>Net increase/(decrease) in cash and cash equivalents (a+b+c+d)</b>	<b>212,416</b>	<b>1,590,422</b>
<b>F)</b>	<b>Cash and cash equivalents at the beginning of the period</b>	<b>4,222,238</b>	<b>2,631,816</b>
<b>G)</b>	<b>Cash and cash equivalents at end of the period</b>	<b>4,434,654</b>	<b>4,222,238</b>

The accompanying notes form an integral part of the consolidated financial statements for the year ended 31 December 2025. The financial statements for 2024 are also included for comparative purposes (see note 2.c i d).

# Notes to the Consolidated Annual Accounts

## 1. Nature, activity and composition of the Group

Andorra Banc Agrícola Reig, S.A. (hereinafter “Andbank” or “the Bank”) is a limited liability company incorporated in 1930, protected by the law of Andorra, with registered offices in Escaldes-Engordany (Principality of Andorra). The Bank’s statutory activity is to carry out banking activities, as defined by the regulations of the Andorran financial system. In addition, it can undertake any necessary activity or which complements its statutory activity. The Bank operates under the Tax Registration Number (TRN) A700158F.

In order to adapt to Law 7/2013 of 9 May 2013, on 28 June 2013 the Board of Directors expanded the statutory activities to all those activities that Andorran financial system legislation allows banking entities to carry out, including as many operations and activities which are accessory or complementary to the principal activity.

The Bank’s registered offices are at Carrer Manuel Cerqueda i Escaler, number 46, Escaldes - Engordany, Principality of Andorra.

In order to carry out the aforementioned statutory and principal activity, Andorra Banc Agrícola Reig, SA has the following commercial numbers: 915893 A, Casa Muxero, AD100-Canillo; 908555 X, Avda. Copríncep Episcopal, 006, AD200-Encamp; 906922 G, Carrer Sant Jordi 012, Edifici La Morera, Local E, Pas de la Casa, AD200-Encamp; 909868 F, Casa Nova Joanet, AD300-Ordino; 909099 Z, Avda. Sant Antoni 032, Edifici Ferrand’s, AD400-La Massana; 917946 Z, Plaça Rebes 007, AD500-Andorra La Vella; 911590 B, Avda. de Tarragona 014, Edifici l’Illa, AD500-Andorra La Vella; 906921 H, Avda. Verge de Canòlich, 053, AD600-Sant Julià de Lòria; 910675 E, Avda. Fiter i Rosell, 004 B, Edifici Centre de Negoci, AD700-Escaldes-Engordany.

At an extraordinary and universal meeting held on 10 May 2002, the shareholders adopted a resolution to change its registered name from Banc Agrícola i Comercial d’Andorra, S.A., to Andorra Banc Agrícola Reig, S.A., together with a corresponding modification of article 1 of its articles of association.

Andbank is the Parent of the Andorra Banc Agrícola Reig Group (hereinafter the Group or the Andbank Group), which comprises the companies listed in Appendix I.

As a member of the Andorran financial system, the Andbank Group is subject to the supervision of the AFA, the Andorran financial system’s authority which performs its functions independently from the General Administration. The Andbank Group is also subject to compliance with local Andorran legislation.

## 2. Basis of presentation of the consolidated annual accounts

### •a. Compliance with IFRS as adopted by the Andorran Government

The consolidated annual accounts for 2025 have been prepared in accordance with International Financial Reporting Standards as adopted by the Andorran Government (IFRS-Andorra) which are set out in the Decree dated 28 December 2016 which approves the accounting framework applicable to entities operating in the Andorran financial system and to Andorran collective investment undertakings in accordance with the international financial reporting standards as adopted by the European Union (IFRS-EU)

which have now been adopted by Andorra, to give a fair view of the consolidated equity, consolidated financial position, consolidated results of operations, consolidated cash flows and changes in consolidated equity of Andorra Banc Agrícola Reig, S.A. and subsidiaries at 31 December 2025 in accordance with the aforementioned framework.

International Financial Reporting Standards are the standards and interpretations issued by the International Accounting Standards Board (IASB). These standards comprise:

- International Financial Reporting Standards (hereinafter “IFRS”).
- International Accounting Standards (hereinafter “IAS”).
- IFRIC interpretations (hereinafter “IFRIC”); and
- SIC interpretations (hereinafter “SIC”).

### •b. Basis of presentation of the annual accounts

The consolidated annual accounts have been prepared on the basis of the accounting records of Andorra Banc Agrícola Reig, SA and the entities included in the Group, on a going concern basis.

The consolidated annual accounts have been prepared using the relevant accounting principles and valuation standards detailed in note 3. No mandatory accounting principles having a significant effect on the consolidated annual accounts have been excluded during their preparation. Since the accounting principles and measurement criteria applied in the preparation of the Group’s 2025 consolidated annual accounts may differ from those used by some of the entities comprising the Group, certain adjustments and reclassifications have been made in the consolidation process in order to standardise these principles and criteria and bring them into line with IFRS-Andorra and IFRS-EU applied by the Group.

The consolidated annual accounts for 2024, prepared in accordance with IFRS-Andorra and IFRS-EU in force in 2024, were approved by the shareholders at a general meeting held on 30 April 2025. The 2025 consolidated annual accounts of the Group and the annual accounts of the entities forming part of the Group, are pending approval by their respective shareholders. However, the Bank’s directors consider that these annual accounts will be approved without any significant changes.

### •c. Comparative information

At 31 December 2025 the consolidated annual accounts have been prepared in accordance with IFRS-Andorra and IFRS-EU and based on this accounting framework they include comparative information. The information contained in the accompanying consolidated financial statements at 31 December 2024 and consolidated notes thereto, prepared in accordance with standards prevailing in 2024, is presented solely and exclusively for the purpose of comparison with the information for 2025 and therefore does not constitute consolidated annual accounts of the Andbank Group for 2025.

### •d. Changes in accounting criteria and correction of errors

The consolidated statements of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the notes thereto for 2025 include comparative figures for 2024, which do not differ from those approved by the shareholders at a general meeting held on 30 April 2025.

During 2025 no changes in accounting criteria have arisen, or have any corrections been made to misstatements which have a significant effect on the consolidated profit for the year or on the consolidated statement of financial position.

#### •e. Functional and presentation currency

The figures disclosed in these consolidated annual accounts are expressed in Euros, the Group's functional currency. All the financial information is expressed in thousands of Euros.

#### •f. Relevant accounting estimates and relevant assumptions and judgements when applying accounting policies

Relevant accounting estimates and judgements and other estimates and assumptions have to be made when applying the accounting principles to prepare the consolidated annual accounts in accordance with IFRS-Andorra and IFRS-EU. A summary of the items requiring a higher degree of judgement, complexity or where the assumptions and estimates made are significant to the preparation of the consolidated annual accounts, is as follows:

##### (i) Relevant accounting estimates and assumptions

The main estimates made by the Group's directors to prepare these consolidated annual accounts are as follows:

- Impairment losses on financial assets and fair value of associated guarantees.
- Impairment losses on tangible assets.
- Impairment losses on non-current assets held for sale.
- Estimates of useful lives of intangible assets.
- Estimates used to calculate provisions.
- Estimates used to calculate corporate income tax.
- Assumptions used in actuarial calculations made to measure pension obligations and post-employment obligations.
- Fair value of certain financial assets and financial liabilities not quoted or quoted on official secondary markets.
- Fair value of investments in subsidiaries, joint ventures and associates.

These estimates have been calculated based on the best information available at the date of these consolidated annual accounts, although future events may require changes to these estimates in subsequent years.

##### (ii) Relevant judgements

Information on critical judgements on the application of accounting policies which have a significant effect on the amounts recognised in the consolidated financial statements mainly refers to:

- Classification of financial assets: evaluation of the business model used by the Group for managing the financial assets and evaluation of the contractual cash flow characteristics of financial assets.
- Establishing of criteria to determine whether the credit risk of financial assets has increased significantly since initial recognition and determining of the methodology to measure the expected credit loss.
- Determination of control over investees.

#### •g. New requirements of the IFRS introduced in 2025

During 2025 the following amendment published by the IASB and approved for its adoption in the European Union and Andorra has come into force:

Standards and interpretations approved for their adoption in the European Union and Andorra.		Mandatory adoption - years beginning on or after:
<b>Amendments to IAS 21.</b> The effects of changes in foreign exchange rates: lack of exchangeability	The aim of this amendment is to clarify when it is considered that a currency is exchangeable into another currency and how to estimate the spot exchange rate when it is considered that a currency lacks exchangeability.	<b>1 January 2025</b>

This amendment has not had a significant impact on the Group's financial statements for the period from 1 January 2025 to 31 December 2025.

#### •h. Recent IFRS pronouncements

During 2026 and prior to the date these annual accounts were authorised for issue, the following amendments published by the IASB and approved for their adoption in the European Union and Andorra have come into force:

Standards and interpretations approved for their adoption in the European Union and Andorra.		Mandatory adoption - years beginning on or after:
<b>Amendments to IFRS 9 and IFRS 7.</b> Classification and measurement of financial instruments	This amendment introduces changes relating to financial liabilities settled using an electronic payment system and with the assessment of the characteristics of contractual cash flows of financial assets with ESG-linked features. In addition, the disclosure requirements in investments in equity instruments designated at fair value through other comprehensive income are amended, and disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs were added.	1 January 2026
<b>Amendments to IFRS 9 and IFRS 7.</b> Contracts referencing nature-dependent electricity	In order to enable companies to better reflect in their financial statements contracts referencing nature-dependent electricity which are often structured as power purchase agreements (PPA), specific amendments have been introduced to IFRS 9 Financial instruments and IFRS 7 Financial instruments: Disclosures.	1 January 2026
<b>Annual improvements - Volume 11</b>	These amendments include clarifications, simplifications, corrections and minor changes aimed at improving the coherence of IFRS 1 First-time adoption of IFRS, IFRS 7 Financial instruments: disclosures and their application guidance, IFRS 9 Financial instruments, IFRS 10 Consolidated financial statements and IAS 7 Statement of cash flows.	1 January 2026

During 2026 and prior to the date these annual accounts were authorised for issue, the following amendment published by the IASB and approved for its adoption in the European Union, but not Andorra, has come into force:

Standards and interpretations approved for their adoption in the European Union and pending approval in Andorra.		Mandatory adoption - years beginning on or after:
<b>IFRS 18</b> Presentation and disclosure in financial statements	This new IFRS 18 will replace the current IAS 1 with the aim at improving the quality of the presentation of financial information by introducing the following requirements: - Introduction of a new classification of income and expenses (operating, investing and financing), as well as the obligation to include subtotals as operating profit or loss in the income statement. - Disclosures on management-defined performance measures (MPMs) will be required in the explanatory notes to the annual accounts. - New principles for aggregation and disaggregation of financial information will be introduced. In addition, IFRS 18 introduces narrow-scope amendments to IAS 7 Cash flow statements, IAS 33 Earnings per share and IAS 34 Interim financial reporting. These amendments have to be applied as of the date IFRS 18 enters into force.	1 January 2027

At the date these annual accounts were authorised for issue, the most significant standards, amendments and interpretations published by the IASB but which have still not been adopted by the European Union or Andorra, are as follows:

Standards and interpretations pending approval for their adoption in the European Union and Andorra.		Mandatory adoption - years beginning on or after:
<b>IFRS 19</b> Subsidiaries without public accountability: Disclosures	The application of this standard is optional and it permits eligible subsidiaries to provide reduced disclosures in their financial statements when they decide to apply IFRS. Eligible entities are those which are not of public interest and which belong to a group preparing consolidated financial statements under IFRS.	1 January 2027
<b>Amendments to IFRS 19</b> Subsidiaries without public accountability: Disclosures	With these amendments, IFRS 19 reflects the changes to the IFRS that will take effect on 1 January 2027, the date on which IFRS 19 will come into effect.	1 January 2027
<b>Amendments to IAS 21</b> The effects of changes in foreign exchange rates: Translation to a hyperinflationary presentation currency	These amendments clarify how companies should translate their financial statements from a non-hyperinflationary currency to a hyperinflationary currency.	1 January 2027

At the date these financial statements were authorised for issue, the Group had still not evaluated the effect that these standards could have on its financial statements, as they had not been approved for use in the European Union or Andorra.

### 3. Relevant accounting principles and valuation standards

#### **a. Business combinations and consolidation principles**

The consolidated financial statements of the Group at 31 December 2025 and 2024 have been prepared by the management of the Group.

The Andbank Group's consolidated statement of position includes, in addition to the figures for the Parent, those corresponding to the subsidiaries, jointly-controlled entities and associates. Appendix I contains a list of these companies.

The process used to integrate the assets and liabilities of these companies is carried out based on the type of control or influence exercised thereon.

#### **(i) Subsidiaries**

The statement of financial position includes, in addition to the figures for the Parent, those corresponding to the subsidiaries, jointly-controlled entities and associates.

The process used to integrate the assets and liabilities of these companies is carried out based on the type of control or influence exercised thereon.

The Andbank Group considers subsidiaries to be those over which it has control. Control arises when:

- It has power over the investee.
- It has exposure, or rights, to variable returns from its involvement with the investee.
- It has the ability to use its power over the investee to affect the amount of the investor's returns

Generally, voting rights give the power to direct relevant activities of an investee. To calculate this, all the direct and indirect voting rights are taken into account, including the potential rights such as call options on equity instruments of the investee. In certain situations, power could be used to direct activities without having the majority of voting rights.

In these situations it is evaluated whether it has the practical ability to direct its relevant activities unilaterally. Relevant activities include financial or operating activities or those relating to the appointment and remuneration of the management bodies, *inter alia*.

Prior to consolidation the financial statements of the subsidiaries are unified to IFRS-EU and IFRS-Andorra.

The subsidiaries are fully consolidated, irrespective of their activity, with those of the Andbank Group, which involves aggregating the assets, liabilities and equity, income and expenses of a similar nature disclosed in the individual statements of financial position. A percentage of the carrying amount of direct and indirect holdings in subsidiaries is eliminated equivalent to the proportion of equity of these subsidiaries represented by these holdings. The remaining balances and transactions between consolidated companies are eliminated in the consolidation process.

Results of the subsidiaries acquired during the year are consolidated based on the results generated since the acquisition date. Likewise, the results of subsidiaries which cease to be subsidiaries during the year, are consolidated by the amount of the results generated from the beginning of the year to the date on which control is lost.

Acquisitions and disposals which do not imply a change of control in the investee are recognised as asset and liability transactions and no gains or losses are recognised in the consolidated income

statement. The difference between the consideration given or received and the decrease or increase of non-controlling interests, respectively, is recognised under reserves.

IFRS 10 stipulates that when control of a subsidiary is lost, the assets, liabilities and non-controlling interests, as well as other items which could be recognised in valuation adjustments must be derecognised from the consolidated statement of financial position and the fair value of the consideration received as well as any retained investment is recognised. The difference between both these amounts is recognised in the consolidated income statement.

#### **(ii) Joint ventures (jointly-controlled entities)**

The Andbank Group considers jointly-controlled entities to be those which are not subsidiaries and which, due to contractual agreement, it controls together with other shareholders. In these situations, decisions about the relevant activities generally require the unanimous consent of the parties sharing control.

Prior to consolidation the financial statements of the jointly-controlled entities are unified to IFRS-EU and IFRS-Andorra.

#### **(iii) Associates**

Associates are entities over which the Andbank Group, either directly or indirectly, exercises significant influence (understood as the power to participate in the financial and operating policy decisions of an entity but is not control of those policies) and which are not subsidiaries or jointly-controlled entities. Significant influence arises, in the majority of cases, when 20% or more of the voting power of the investee is held. If less than 20% of the voting power is held, significant influence shall arise if any of the circumstances indicated in IAS 28 exist. The circumstances which usually evidence the existence of significant influence are the representation on the board of directors, participation in policy-making processes of the investee, the existence of material transactions between the entity and its investee, the interchange of managerial personnel or the provision of essential technical information.

Exceptionally, those entities in which more than 20% of voting rights are held in the investee are not considered as associates, since it can be clearly demonstrated that this influence does not exist and therefore the Andbank Group loses the power to participate in financial and operating policy decisions.

Prior to consolidation, the financial statements of the associates are harmonised with IFRS-EU.

Associates are accounted for in the consolidated statement of financial position of the Andbank Group using the equity method, i.e. for the percentage of their equity equal to the Andbank Group's percentage shareholding, after taking into account dividends received and other equity eliminations. The same percentage of any gains or losses from transactions with associates is eliminated. The proportional part is recognised in the Andbank Group's income statement based on the economic participation of the results of associates.

The Andbank Group has not used the financial statements of entities which are equity accounted and which refer to a date different to that of the Parent of the Andbank Group.

#### **(iv) Business combinations**

Accounting standards define business combinations as the union of two or more entities in a single entity or group of entities, with the acquirer obtaining control of another entity at the acquisition date. For those business combinations in which the Group obtains control, the cost of the business combination is determined, which is generally the fair value of the consideration transferred.

This consideration will be formed of assets acquired, liabilities assumed vis-a-vis the former owners of the acquiree and the equity interests issued by the acquirer. At acquisition date, the difference between the following is evaluated:

- The sum of the fair value of the consideration transferred, the non-controlling interests and the previously held equity interest in the entity or acquiree.
- The total net identifiable assets acquired and liabilities assumed, measured at fair value.

The positive difference between i) and ii) is recognised under Intangible assets - Goodwill on the balance sheet, provided that allocation is not possible to specific equity items or identifiable intangible assets of the entity or the acquiree. If the difference is negative, it will be recognised under Negative goodwill recognised in profit or loss on the income statement.

#### (v) Andbank Group companies

Appendix 1 includes information on the subsidiaries, jointly-controlled entities and associates included in the consolidated group, providing details of their domicile, percentage ownership and activities.

A brief description of the significant events arising in the Andbank Group companies during 2025 and 2024 is as follows:

#### 2025

On 21 January 2025, the AFA acknowledged receipt of the notification of the additional acquisition of a 2.11% stake, bringing the total holding to 80.03%, in Gesconsult, S.A., S.G.I.I.C. by Andbank España Banca Privada, S.A.U. On 28 January 2025, the transaction was formalised by means of a public deed, complementing the shareholder consolidation process and tightening strategic control over the aforementioned manager.

On 24 March 2025, the AFA authorised a new issuance of preference shares of MyInvestor Banco, S.A. for a maximum nominal amount of Euros 30.000.000, whereby Andbank subscribed Euros 17.3 million. Following the above, the transaction was formalised on 27 March 2025 by means of a notarial instrument incorporated into the issuance deed dated 14 March 2025, and was subsequently registered with the AFA.

On 16 May 2025, the AFA notified Andbank of its prior authorisation with no objection to the sale by its subsidiary Zumzeiga, B.V. of 50% of Columbus de Mexico, S.A. de C.V. Asesor en Inversiones Independiente. The transaction remains subject to the resolution of the National Banking and Securities Commission (CNBV) of Mexico and to the renewal of the authorisation by the AFA. All impacts associated with this sale transaction have been recognised in these annual accounts.

On 9 July 2025, the sole shareholder approved the dissolution and liquidation with immediate effect of the Dutch company Andorra Capital Agrícola Reig, B.V., wholly owned by Andbank.

On 19 September 2025, the AFA authorised an increase in capital of MyInvestor Banco, S.A. up to a total amount (nominal amount plus share premium) of Euros 30.000.000. On 5 November 2025, the capital increase was executed by means of a public deed, in which Andbank subscribed Euros 17 million.

On 23 September 2025, FINMA notified Andbank that its Swiss subsidiary Andprivate Wealth, S.A. had obtained formal authorisation to continue performing asset management activities in Switzerland. This authorisation allows this subsidiary to continue operating fully as a regulated entity under the supervision of the Swiss regulator, thus reinforcing the Group's international regulatory compliance framework.

On 26 September 2025, the AFA authorised Andbank's sale of its entire stake in the Israeli company Sigma M. Partners Ltd, equivalent to 49.801% of its share capital. On 29 October 2025, the transaction was formalised via the relevant share transfer instrument and closing documentation, resulting in the derecognition of the investment for an amount of Euros 762 thousand.

On 20 October 2025, the AFA authorised MyInvestor Banco, S.A. to acquire up to 30.5% of the share capital of Findango Finance, S.L., increasing its previous stake of 18.70%. On 27 October 2025, the public deeds were granted and the transaction was authorised, enabling MyInvestor to obtain the aforementioned stake and strengthening the Group's position in the alternative financing segment.

On 21 November 2025, the AFA authorised various corporate restructuring transactions in Brazil, including the sale of 100% of Andbank Brasil, S.A. to the Creditas Group (covering all activities related to its banking licence), the acquisition and incorporation of two new companies in Brazil, Andbank Wealth Participações, Ltda. and Andbank Holding, Ltda, (which carry out private banking activities previously performed by Andbank Brasil), as well as spin-offs and internal reorganisation relating to the restructuring, together with the sale of 25% of the share capital of APW Consultores Financeiros, Ltda., as parent of the group of entities conducting private banking activities within the Andbank Group in Brazil, once the entire restructuring process had been completed in favour of the Creditas Group. The respective transactions were approved by the supervisory authorities in Brazil and were formalised on 30 November 2025.

This transaction will enable Andbank to focus fully on its area of specialisation, maintaining its differentiated value offer, which combines an open-architecture digital investment platform, specialised banking services for high-net worth clients and a comprehensive advisory model under a multi-family office approach.

This transaction resulted in a gross positive impact of Euros 16 million in the Andbank Group's financial statements, recognised in the 2025 income statement under "Gains or losses on derecognition of non-financial assets, net" and "Foreign exchange differences (gain or loss), net". Additionally, taxes arising from the transaction amounting to Euros 4.9 million have been recognised in the income statement under "Administrative expenses - Other administrative expenses", together with a provision of Euros 1.8 million for potential contingent liabilities and associated future costs, recognised under "Provisions or reversal of provisions - Other provisions".

At the same time, the Andbank Group led the initial closing of Creditas' Series G financing round for an amount of US Dollars 108 million, recognised under "Financial assets held for trading - Equity instruments" in the statement of financial position and classified as Level 3 in the fair value hierarchy (note 39), becoming one of the company's eight reference shareholders with a potential 3.29% interest, based on a valuation of US Dollars 3.3 billion.

This valuation of US Dollars 108 million falls within the mid-range valuation validated by an independent expert, which applied a weighting of two methodologies (50% dividend discount model and 50% venture capital method) assuming  $K_e=27%$ ,  $i_g=6%$ .

Given the specific nature of this series and its low liquidity in the market, a prudence criteria was applied, reducing the valuation by 10%, with the impact recognised under "Provisions or reversal of provisions - Other provisions" in the income statement.

On 13 October 2025, the AFA notified Andbank of its prior authorisation with no objection for MyInvestor Banco, S.A. to acquire 134.716 shares, representing 0.3448% of its share capital.

This transaction was also authorised by the Banco de España. Subsequently, this transaction was formalised on 13 January 2026

In December 2025, Sigma-Clarity Ltd carried out a capital increase in which Andbank did not participate (having waived its pre-emptive subscription right), resulting in a reduction of its ownership interest in the company from 22.34% to 19.73%.

## 2024

On 10 January 2024 the AFA authorised Andbank to carry out the following: (i) the acquisition by its Spanish subsidiary MyInvestor Banco of 521.279 shares representing 1.466% of MyInvestor Banco, and (ii) reduction of the share capital of MyInvestor Banco in the amount of Euros 521.279, by redeeming all of the aforementioned treasury shares ("Acquisition of Treasury Shares" and "MyInvestor Capital Reduction", respectively). Banco de España approved the Acquisition of Treasury Shares and the MyInvestor Capital Reduction. In follow-up to what is mentioned above, prior to the execution of the Acquisition of Treasury Shares on 16 February 2024, on the same date the MyInvestor Capital Reduction was formalised in a public deed, setting the share capital of MyInvestor Banco, S.A. at the amount of Euros 35.026.072. represented by 35.026.072 shares, each with a par value of Euro 1.

On 26 February 2024 the AFA authorised Andbank to carry out the following transactions: (i) the acquisition by MyInvestor Banco, S.A. of a 73.47% stake in the share capital of the Spanish company Hellohipoteca, S.L. ("Helloteca" and the "Helloteca Acquisition", respectively) and, indirectly, of its subsidiary Lender Digital Finance, S.L.U., (ii) the reduction of the capital of Helloteca by Euros 1.665.159.58 Euros by redeeming 166.515.958 shares ("Helloteca Capital Reduction"), and; (iii) the increase in capital of Helloteca by Euros 750.000 by means of a monetary contribution and by creating 75.000.000 new shares with a share premium of Euros 1.250.000, an amount that was fully paid by the shareholder MyInvestor Banco, S.A. ("Helloteca Capital Increase"). The Helloteca Acquisition was formalised in a public deed on 19 March 2024 and the Helloteca Capital Reduction and the Helloteca Capital Increase were formalised in a public deed on 25 July 2024. After that date, during the second half of 2024 MyInvestor acquired shares from minority shareholders of Helloteca, and held a 99.97% shareholding at year end.

On 26 February 2024, the AFA authorised its Spanish subsidiary Andbank España Banca Privada, S.A.U. to acquire shareholding representing 30% of the share capital of the Spanish company Augusta Ream, S.L. ("Augusta" and the "Augusta Acquisition"). The Augusta Acquisition was formalised in a public share capital increase deed dated 19 March 2024.

On 27 March 2024 the AFA authorised Andbank to acquire a 100% stake in the Spanish company Inversiones Gambito, S.A. ("Inversiones Gambito"). The acquisition of Inversiones Gambito was formalised in June 2024 through Andbank's acquisition from the vendor shareholders of 747.759 shares representing a total stake of 91.68% of the share capital of Inversiones Gambito (the "Acquisition of Inversiones Gambito"). Prior to this transaction, Andbank held 30.366 shares representing 3.72% of the share capital of Inversiones Gambito and, in turn, Inversiones Gambito held 37.500 own shares representing 4.60% of its share capital.

On 28 May 2024, the AFA authorised Andbank to sell 413 shares of its Israeli subsidiary Sigma-Clarity, Ltd ("Sigma-Clarity") representing 41.3% of the share capital of Sigma-Clarity (the "Sale of Sigma-Clarity"), holding a stake of 22.34% at 31 December 2024. The Israel Securities Authority notified its authorisation of the Sale of Sigma-Clarity on 16 April 2024. The Sale of Sigma-Clarity was formalised in June 2024. This transaction entailed an impact of Euros 3.4 million in the consolidated income statement, primarily under "Gains or losses on disposal of non-financial assets, net".

On 6 June 2024, following previous communications sent by Andbank to the AFA, Andbank informed the aforementioned supervisor of a non-binding letter of intent for the sale to a third party of its stake, through Zumzeiga, B.V., in its Mexican subsidiary Columbus de Mexico, S.A. de C.V. Asesor en Inversiones Independiente (the "Sale of Columbus"). To complement the above, and as a relevant event occurring during 2024 but formalised in 2025, on 12 January 2025 Andbank requested prior authorisation from the AFA for the Sale of Columbus, subject to, inter alia, prior authorisation from the AFA and the National Banking and Securities Commission of Mexico.

On 9 July 2024, the AFA authorised Andbank to make a shareholder contribution, without increasing the share capital, to its direct Spanish subsidiary Actyus Private Equity, S.G.I.I.C., S.A.U. for the amount of Euros 150.000 (the "Actyus Shareholder Contribution"). The Actyus Shareholder Contribution was formalised in a sole shareholder's resolution on 15 July 2024.

On 25 July 2024, the AFA authorised Andbank España Banca Privada to acquire 77.92% of the share capital of the Spanish company Gesconsult, S.A., S.G.I.I.C. (the "Gesconsult Acquisition"). The CNMV communicated its non-opposition to the Gesconsult Acquisition on 7 October 2024. The Gesconsult Acquisition was formalised in a public deed on 18 October 2024, for an amount of Euros 4.406 thousand.

On 25 September 2024, the AFA authorised Andbank to carry out a fourth issuance of non-convertible, non-exchangeable, non-cumulative, and perpetual preference shares ("AT1") by MyInvestor Banco for a nominal amount of Euros 20 million (the "MyInvestor AT1 Issuance 4"). The MyInvestor AT1 Issuance 4 was formalised in a public deed on 8 November 2024.

On 25 September 2024, the AFA authorised Andbank to acquire up to 50% of the total nominal amount of the previous AT1 issuances made by MyInvestor Banco, which are related to the Group's 2023 transactions, including the MyInvestor AT1 Issuance 4 (the "MyInvestor AT1 Acquisition 4"). The MyInvestor AT1 Acquisition 4 was formalised subsequently up to 13 December 2024.

On 29 October 2024, the Dutch subsidiary Egregia, B.V. was liquidated and wound up.

On 23 December 2024, the AFA authorised Andbank to make a shareholder contribution, without increasing the share capital, to its direct Swiss subsidiary And Private Wealth, S.A. for the amount of Swiss Francs 1.5 million (the "APW Shareholder Contribution"). The APW Shareholder Contribution was formalised on 23 December 2024.

On 30 December 2024, the Irish subsidiary AB Covered Bonds, DAC was liquidated and wound up, without any significant impacts on the consolidated financial statements for 2024.

## •b. Financial instruments

### (i) Classification of financial assets and financial liabilities

IFRS 9 defines the criteria for classifying financial instruments based on an analysis of the business model of financial assets and the characteristics of contractual cash flows. The Group has identified three different business models for the debt securities portfolio and a business model for the loans and advances portfolio.

The three business models for the debt securities portfolio are as follows: a) model focused on receiving contractual cash flows, which mainly include financial instruments with a long-term time horizon and for the purpose of generating a stable financial margin; b) model focused on receiving contractual cash flows and on sales, which mainly include financial instruments with a medium-term time horizon for the purpose of generating a stable financial margin, as well as generating cash flows for sales when there are

optimum market conditions; and c) other business models, which include, on the one hand, a model focused on generating cash flows for active management of purchases and sales of financial instruments, as well as, on the other hand, a model focused on the management of liquidity through purchases and sales with a short-term time horizon.

The business model identified for the loan and advances portfolio is a model focused on receiving contractual cash flows for the purpose of generating a stable financial margin.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, measured at fair value through other comprehensive income, measured at fair value through profit or loss and held for trading.

The classification of financial instruments in the category of amortised cost or fair value involves two tests: the business model and assessment of contractual cash flows, known as solely payments of principal and interest (SPPI) criteria. The objective of the SPPI test is to determine whether, in accordance with the contractual characteristics of the instrument, its cash flows represent solely the payment of the principal and interest, understood as consideration of the time value of money and the credit risk of the debtor. Therefore, taking into consideration the business model and contractual cash flows:

- A financial instrument is classified in the amortised cost portfolio when it is held within a business model, whose objective is to hold the financial instrument in order to collect contractual cash flows and comply with the SPPI test.
- A financial instrument is classified under financial assets at fair value through other comprehensive income if the financial instrument is held within a business model, whose objective is achieved by both collecting contractual cash flows, and selling and complying with the SPPI test.
- A financial instrument is classified at fair value through profit or loss provided that the Group's business model for its management or the characteristics of its contractual cash flows, means that it should not be classified in any of the aforementioned portfolios.

Details of the valuation methods of financial instruments, taking into consideration their classification, are as follows:

- **Amortised cost:** These include financial instruments held within a business model whose objective is to collect principal and interest contractual cash flows, over those where no significant unjustified sales exist and fair value is not a key factor in managing these changes. Unjustified sales are those that are different from sales related to an increase in the asset's credit risk, with unanticipated funding needs (stress case scenarios), even if such sales are significant in value, or from sales of assets that no longer meet the credit criteria specified in the investment policy. Additionally, the contractual cash flow characteristics substantially represent a "basic financing agreement".

**Initial and subsequent measurement:**

Financial assets and financial liabilities at amortised cost are initially measured at fair value, plus or minus transaction costs, and are subsequently measured at their amortised cost using the effective interest method.

- **Fair value through other comprehensive income:** These include financial instruments held within a business model whose objective is achieved by both collecting cash flows of principal and interest and selling these assets, with the fair value being a key element in the management of assets. Additionally, the contractual cash flow characteristics substantially represent a "basic financing agreement".

**Initial measurement:**

Financial assets at fair value through other comprehensive income are initially recognised at fair value plus transaction costs directly attributable to the acquisition.

**Subsequent measurement:**

Subsequent to initial recognition financial assets classified in this category are measured at fair value, recognising gains or losses in other comprehensive income, with the exception of exchange gains or losses and expected credit losses. The amounts recognised under other comprehensive income are recognised in profit or loss upon derecognition of financial assets. However, interest calculated using the effective interest method is recognised in profit or loss.

- **Fair value through profit or loss for the period:** These include financial instruments held within a business model whose objective is not achieved using any of the aforementioned methods, with the fair value being a key factor in the management of these assets. In addition, the characteristics of the contractual cash flows do not substantially represent a basic financing agreement.

These include financial instruments designated upon initial recognition, such as for example hybrid financial assets and liabilities which have to be fully measured at fair value, as well as financial assets which are managed together as Liabilities under insurance contracts measured at fair value, or with financial derivatives to reduce exposure to variations in fair value or are managed together with financial liabilities and derivatives for the purpose of reducing the global interest rate risk exposure.

In general, this category includes all those assets which, in being classified as such, eliminate or significantly reduce a measurement or recognition inconsistency (accounting mismatches). The financial instruments in this category must be permanently subject to an integrated and consistent system of measuring, managing and controlling risks and results, which enables it to be proven that the risk is effectively reduced. Financial assets and financial liabilities can only be included in this portfolio on the date of their acquisition or when they originate.

**Initial measurement:**

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs directly attributable to the acquisition or issue are recognised as an expense when incurred.

**Subsequent measurement:**

After initial recognition, they are recognised at fair value through profit or loss. Changes in fair value include the interest and dividend component. Fair value is not reduced by transaction costs incurred on sale or disposal.

All financial liabilities are initially recognised at fair value, minus transaction costs that are directly attributable to the issue of financial instruments that are not measured at fair value through profit or loss.

Financial liabilities are classified in the following categories:

- Financial liabilities measured at amortised cost: liabilities recognised in this line item of the statement of financial position are measured after their acquisition at amortised cost, which is determined in accordance with the effective interest rate method.
- Financial liabilities held for trading: instruments are included in this category when the Group's objective is to generate profits through purchasing and selling these instruments.

After their initial recognition these financial instruments are measured at fair value and changes in their value (gains or losses) are recognised at their net amount in Gains (losses) on financial assets and liabilities designated at fair value through profit or loss, net on the income statement.

### **(ii) Impairment of financial assets**

The impairment model also applies to financial assets at amortised cost and financial assets at fair value through other comprehensive income, but not to equity investments and financial guarantee contracts and loan commitments that can be unilaterally revoked by the Bank. Likewise, the business model excludes all financial instruments measured at fair value through profit or loss.

When measuring financial assets or financial liabilities it will always be considered whether they are held for trading or whether they are mandatorily measured at fair value through profit or loss, financial assets and financial liabilities at amortised cost or financial assets measured at fair value through other comprehensive income, separating the equity instruments designated as such from the remaining financial assets.

IFRS 9 classifies financial instruments into three categories, depending on the performance of their credit risk from initial recognition. The first category includes transactions when they are initially recognised (Stage 1), the second category includes transactions for which a significant rise in the credit risk since initial recognition has been identified (Stage 2) and the third category includes credit-impaired transactions (Stage 3).

The calculation of credit risk coverage in each of these three categories is done differently. A 12-month expected credit loss must be recognised for transactions classified in the first of the aforementioned categories, whilst estimated credit losses for the whole of the expected remaining life of the transactions must be recognised for the transactions classified in the other two categories.

IFRS 9 differentiates between the following concepts of expected credit loss:

- 12-month expected credit losses: Are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date of the financial statements; and
- Life-time expected credit losses: Are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

### **(iii) Transfers and derecognition of financial assets and financial liabilities**

A financial asset is fully or partially derecognised from the consolidated statement of financial position when the contractual rights to the cash flows from the financial asset expire or when the asset is transferred to a third party outside the entity. Likewise, the derecognition of financial assets in those circumstances in which the Group retains the contractual rights to receive the cash flows only takes place when the contractual obligations to pay the cash flows to one or more recipients have been assumed and the following requirements are met:

- Payment of the cash flows is conditional on their prior collection;
- The Group is unable to sell or pledge the financial asset, and
- Cash flows collected on behalf of eventual recipients are remitted without material delay and the Group is not entitled to reinvest such cash flows. This criteria is not applied in the case of investments in cash or cash equivalents made by the Group during the settlement period from the collection date to the date of required remittance to

the eventual recipients, provided that the interest earned on such investments is passed to the eventual recipients.

The accounting treatment of transfers of assets depends on the extent to which the risks and rewards of ownership of the assets are transferred: In this case:

- If the risks and rewards of ownership of the financial asset are transferred substantially, (as in the case of unconditional sales, sales of financial assets under an agreement to repurchase them at their fair value at the date of repurchase, sale of financial assets with a purchased call option or written put option that is deeply out of the money, securitisation of assets in which the transferor does not retain a subordinated debt or grant any credit enhancement to new holders, inter alia), the transferred financial asset is derecognised in the consolidated statement of financial position and any right or obligation retained or created in the transfer is recognised simultaneously.
- If the risks and rewards inherent to ownership of the transferred financial asset are substantially retained (such as in the case of financial assets sold under an agreement to repurchase them at a fixed price or at the sale price plus a lender's return, the securities loan agreements in which the borrower is under the obligation to return these securities or similar assets or other similar situations) they are not derecognised in the consolidated statement of financial position and continue to be measured using the same criteria used prior to the transfer and the following are recognised:
  - An associated financial liability for an amount equal to that of the consideration received, which is measured subsequently at amortised cost, unless the requirements are met for classifying it as other liabilities at fair value through profit or loss.
  - Income from the transferred financial asset that is not derecognised and any expense incurred on the new financial liability without being offset.
- If all the risks and rewards associated with the transferred financial assets are neither substantially transferred nor retained (i.e. sale of a financial asset with a call option acquired or put option written in or outside the market, securitisation in which the transferor retains a subordinated debt or other type of credit enhancement for a portion of the transferred asset, and other similar cases) a distinction is made between:
  - If the transferor does not retain control of the transferred financial asset, it is derecognised from the consolidated statement of financial position and any right or obligation retained or created in the transfer is recognised.
  - If the transferor retains control of the transferred financial asset, it continues to recognise the asset in the consolidated statement of financial position for an amount equal to its exposure to changes in value and recognises a financial liability associated with the transferred asset. The net amount of the transferred asset and the associated liability is the amortised cost of the rights and obligations retained, if the asset is measured at amortised cost; or the fair value of the rights and obligations retained, if the transferred asset is measured at fair value.

Likewise, financial liabilities are removed from the consolidated statement of financial position when the obligations specified in the contract are discharged or cancelled or expire.

If, as a result of a transfer, a financial asset is derecognised in its entirety, the financial assets obtained or financial liabilities, including uncorrected servicing liabilities, are recognised at fair value.

**(iv) Offsetting financial assets and financial liabilities**

Financial assets and financial liabilities are offset, and consequently are presented in the consolidated statement of financial position at the net amount, only when the Andbank Group has the legally enforceable right to set off the recognised amounts and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously. So that the Group has the legally enforceable right, it must not be contingent on a future event and must be legally enforceable in the normal course of business, the event of default, or in the event of insolvency or bankruptcy.

At 31 December 2025 there are no offset financial asset and financial liability positions.

**(v) Hedge accounting**

The assets and liabilities recognised in these line items of the consolidated statement of financial position are measured at fair value.

Changes arising subsequent to the designation of the hedge, in the measurement of financial instruments designated as hedged items and financial instruments designated as accounting hedges, are recognised as follows:

- In the case of fair value hedges, the differences arising in the fair value of the derivatives and hedged instrument attributable to the hedged risk, are recognised directly under Gains or losses from hedge accounting, net on the consolidated income statement; using as a balancing entry the headings of the consolidated statements of financial position where the hedging item is recognised (Derivatives - hedge accounting) or the hedged item, where applicable. Almost all of the hedges made by the Group are interest rate hedges for which their valuation differences are recognised under Interest income or Interest expenses in the consolidated income statement.
- When hedging the fair value of interest rate risk of a portfolio of financial instruments or own debt (macro hedges), gains or losses arising from the valuation of the hedging instrument are recognised directly in the consolidated income statement and gains or losses arising from the valuation of the fair value of the hedged item (attributable to hedged risk) are also recognised in the consolidated income statement (in both cases under Gains or losses from hedge accounting, net) using as a balancing entry the asset and liability headings Fair value changes of the hedged items in portfolio hedge of interest rate risk in the consolidated statements of financial position, where applicable.
- For cash flow hedges, the differences in value arising in the effective portion of the hedged items are temporarily recognised under Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Hedging derivatives. Cash flow hedges on the consolidated statements of financial position, with a balancing entry in Derivatives - hedge accounting under assets or liabilities on the consolidated statements of financial position, where applicable. These differences are recognised in the consolidated income statement under Interest income or Interest expenses when the losses or gains on the hedged item are recognised in profit or loss, when the foreseen transactions are performed or on the maturity date of the hedged item. Almost all of the Group's hedges are interest rate hedges and therefore, differences in value are recognised under Interest income or Interest expenses in the consolidated income statement.
- Differences in value of the hedging instrument corresponding to the non-effective portion of the cash flow hedging operations are recognised directly under Gains or losses from hedge accounting, net in the consolidated income statement.

- For hedging of net investments in foreign operations, the differences in value arising in the effective portion of the hedged items are recognised temporarily in Accumulated other comprehensive income - Items that may be reclassified to profit or loss - Hedge of net investments in foreign operations on the consolidated statements of financial position, with a balancing entry under Derivatives - hedge accounting in assets or liabilities of the consolidated statements of financial position, where applicable. These differences in value are recognised under Exchange differences, net on the consolidated income statement when the foreign investment is disposed of or derecognised in the consolidated statements of financial position.

**(vi) Fair value of financial instruments**

All financial instruments are classified in one of the following input levels based on the methodology used to obtain their fair value:

- Level 1: Based on quoted prices in active markets.
- Level 2: Using valuation techniques in which the inputs considered correspond to directly or indirectly observable market data or quoted prices in active markets for similar instruments.
- Level 3: Using valuation techniques where some of the significant inputs are not derived from directly observable market data.

**Process of determining the fair value**

The process for determining the fair value established by the Group ensures that assets and liabilities are adequately measured. The Andbank Group has set up a structure of committees in charge of proposing and validating the contracting of financial instruments on the market. Market inputs and other parameters and methodologies used to measure and quantify risks, as well as the conditioning factors for recognising transactions and possible impacts of an accounting, legal or tax nature are subject to analysis prior to authorisation by the areas in charge. Issues relating to the measurement of derivative instruments and fixed income instruments are the responsibility of an independent and organisational unit located within the Middle Office department. The members of this unit report the decisions made to the management area where the new product is to be contracted. Without jeopardising its autonomy and independence in decision making with regard to the measurement and quantification of risks, this analysis involves contrasting, reconciling and, where possible, agreement with the business areas.

For the Andbank Group, the majority of the financial instruments recognised at fair value have as an objective benchmark for determining their fair value, quoted prices on active markets (Level 1) and therefore, in order to determine their fair value the price which would be paid in an organised, transparent and deep market would be used (quoted price or market price). In general, this level would include debt securities in a liquid market, quoted equity instruments and derivatives traded on organised markets, as well as investment funds.

The fair value of those instruments classified in Level 2 for which no directly observable market price exists, is estimated based on recent quoted prices of similar instruments and valuation models which have been sufficiently tried and trusted by the international financial community, taking into consideration the specific features of the instrument to be valued and, above all, the different types of associated risk. Almost all financial instruments recognised as trading derivatives and hedging derivatives are measured in accordance with the criteria set out for Level 2.

In order to obtain the fair value of the other financial instruments classified in Level 3, for the valuation no directly observable market data exists, and alternative techniques are used, including the

request of the price from the trading entity or the use of market parameters corresponding to instruments with a risk profile similar to the instrument subject to valuation, adjusted for the purpose of obtaining the different intrinsic risks.

For unquoted equity instruments classified in Level 3, it is considered that their cost of acquisition, reduced by any impairment loss obtained based on publicly available information is the best estimate of their fair value.

Valuations obtained for internal models could differ if other methods or assumptions had been applied in the interest rate risk, credit risk spreads, market risk, currency risk or in the corresponding matching and volatility. Nevertheless, the directors of the Andbank Group consider that the models and techniques applied adequately reflect the fair value of the financial assets and financial liabilities recognised in the consolidated statement of financial position, as well as the results generated by these financial instruments.

All financial instruments are initially recognised at fair value which, unless there is evidence to the contrary, equals the transaction price.

Subsequently, on a specific date, the fair value is taken to be the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The most objective benchmark for the fair value of a financial instrument is the quoted price in an active, transparent and deep market, for which the quoted price or market price is used.

If there is no market price, the fair value is estimated based on the price of recent transactions involving similar instruments and, failing that, on models that have been adequately tested and recognised by the international financial community. Consideration must always be given to the specific nature of the instrument to be valued and, in particular, to the different types of risk associated with the instrument.

Except for trading derivatives, all the variations in the value of financial instruments due to the accrual of interest and similar items, are recognised under Interest and similar income or Interest and similar charges, where applicable, in the income statement for the year in which the accrual takes place. Dividends received from other companies are recognised as Dividend income in the consolidated income statement of the year when the right to receive them arises.

#### **Transfers between levels**

In accordance with international standards, classification levels established based on the observability and significance of the inputs used in the methodology to calculate the fair value must be reviewed periodically. The criteria applied to revalue the portfolio is reviewed at least every month and two circumstances could arise:

- Improvements to the valuation level of financial instruments as a result of having obtained prices published by market price contributors or because the quality of the price published has improved.
- Worsening of the valuation level of financial instruments as a result of the market price contributors having ceased to publish prices or because the quality of the price published has worsened.

#### **Sensitivity analysis**

In order to determine whether a significant variation arises in the value of financial instruments classified in Level 3, as a result of changes to one or more unobservable market inputs which reflect reasonably probable alternative valuations, the Andbank Group

has performed an analysis of the most significant instruments and no substantial alterations to the values obtained have come to light (see note 39).

#### **Credit valuation adjustments.**

The credit valuation adjustment (CVA) is an adjustment to the valuation of over-the-counter (OTC) derivatives as a result of the risk associated with credit exposure of each counterparty.

The CVA is calculated taking into consideration the expected exposure with each counterparty in each future term, with the CVA for a certain counterparty being equal to the sum of CVA for all the terms. The adjustments to be made are calculated using an estimate of the exposure at impairment, the probability of impairment and the loss given impairment for all the derivatives on any underlying, at legal entity level with which the Andbank Group has exposure.

The data required to calculate the probability of impairment and the loss given impairment arise from credit markets (credit default swaps), applying that of the Bank in cases where it exists. For those cases in which this information is not available, the Andbank Group carries out an exercise which takes into consideration, inter alia, the sector and rating of the counterparty to assign probabilities of both probability of impairment and loss given impairment, calibrated directly to market or with an adjustment market factor for the probability of impairment and historical expected loss.

The debit valuation adjustment (DVA) is a valuation adjustment similar to the CVA, but in this case it arises as a result of the Bank's own risk, which is assumed for those counterparties which have exposure with OTC derivatives. Likewise, the DVA is calculated as the result of the expected negative exposure given the probability of impairment and multiplying the result by the loss given impairment of the Andbank Group. The Group has a residual DVA/CVA as all the derivatives are collateralised or are secured by guarantees, as our potential exposure with each counterparty is collateralised or a guarantee is required to cover this counterparty risk.

The credit spread at a certain term can be expressed as the result between the probability of impairment in this term and the loss given impairment.

#### **•c. Equity instruments issued**

An equity instrument is any contract that evidences a residual interest in the assets or an entity after deducting all of its liabilities. Therefore, to be classified as such, an instrument must meet both of the following conditions:

- There is no contractual obligation to deliver cash or another financial asset to another entity; or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable (to the issuer of the instrument).
- If a derivative can or may be settled in the issuer's own equity instruments then it is a derivative for which the issuer is obliged to deliver a fixed number of own equity instruments; or a derivative that will only be settled by the issuer by the exchange of a fixed amount of cash or another financial asset for a fixed number of its own equity instruments.

Therefore, an instrument is considered to be a financial liability if:

- There is a contractual obligation to deliver cash or another financial asset to another entity;
- There is a contractual obligation to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable (to the issuer of the instrument) or;

- It is a non-derivative for which the issuer is obliged to deliver a variable number of its own equity instruments; or
- A derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

On the contrary, if these four conditions are not met, the instrument will be classified as an equity instrument because as set out in IAS 32 an equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

#### •d. Financial guarantees

##### **Financial guarantees issued**

Financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due under contractual terms, irrespective of the way in which the obligation is instrumented, whether a guarantee, financial guarantee, insurance contract or credit derivative.

Financial guarantees are all those which directly or indirectly guarantee debt instruments such as loans, credits, finance lease operations and late payment of all kinds of debts.

Guarantees or guarantee contracts are insurance contracts which include the obligation to reimburse a beneficiary in the event that a specific obligation different to a specific debtor's payment obligation is not met, i.e. guarantees to secure participation in auctions and tenders, irrevocably formalised guarantee promises or any other technical guarantee.

Upon formalising financial guarantees and guarantee contracts they are recognised at fair value plus transaction costs, understood as the premium received plus the present value of future cash flows under Loans and receivables - Debt securities with a balancing entry under Financial liabilities measured at amortised cost - Other financial liabilities or under Other liabilities, respectively. Changes to the fair value of the contracts are recognised as finance income in the consolidated income statement.

Financial guarantees and guarantee contracts, regardless of the guarantor, instrumentation or other circumstances, are reviewed periodically so as to determine the credit risk to which they are exposed and, if appropriate, to estimate the provision amount. The credit risk is determined by application of criteria similar to those established for quantifying impairment losses on debt instruments measured at amortised cost.

Provisions created for these contracts are recognised under Provisions - Provisions for contingent exposures and commitments.

Should it be necessary to set up a specific provision for financial guarantee contracts, the corresponding fees and commissions pending accrual are reclassified from Financial liabilities measured at amortised cost - Other financial liabilities to Provisions - Provisions for contingent exposures and commitments.

##### **Financial guarantees received**

The Andbank Group has not received significant guarantees for which it is authorised to sell or pledge, unless non-payment by the holder of the guarantee has arisen, except for those pertaining to the treasury business.

#### •e. Foreign currency and functional currency transactions

The Andbank Group's functional and presentation currency is the Euro. Therefore, all balances and transactions denominated in currencies other than the Euro are deemed to be denominated in foreign currency. Functional currency is understood to be the

currency of the main economic environment in which the Andbank Group operates. Depending on the country, the functional currency could differ from the Euro. The presentation currency is that which the Andbank Group uses to prepare its financial statements.

All foreign currency transactions are recognised on initial recognition applying the spot exchange rate between the functional currency and foreign currency.

At the end of each reporting period foreign currency monetary items are converted into Euros using the average exchange rate of the spot currency market corresponding to each year end.

Forward contracts in foreign currencies, which are not hedges, are valued at the forward currency market exchange rates at reporting date.

The exchange rates used to convert the foreign currency balances to Euros are the market rates at 31 December of each year.

The exchange differences produced when converting the balances in foreign currency to the functional currency of the Andbank Group are generally recognised under Exchange differences (net) in the consolidated income statement.

The assets and liabilities of subsidiaries in currencies other than the Euro have been converted to Euros using the market exchange rate in force at the statement of financial position date, except for non-monetary items valued at historical cost, and the profit/loss for the year of subsidiaries have been converted into Euros using the average exchange rate for the period.

Although differences between domestic and foreign currencies are usually reflected in profit/loss for the year, in certain circumstances they are recognised in the statement of other comprehensive income:

- Financial assets at fair value through other comprehensive income.
- A financial liability designated for hedging investments in a foreign transaction, taking into consideration that this hedging is considered effective.
- Cash flow hedges provided that it is considered as effective hedging.

#### •f. Recognition of income and expenses.

The most significant criteria used by the Andbank Group to recognise its income and expenses are summarised as follows:

##### **Interest income and expenses, dividends and similar items**

Interest income, interest expenses and similar items are recognised on an accrual basis using the effective interest method, independently of when the associated cash or financial flows arise. Interest accrued on receivables classified as doubtful, including those associated with country risk, is credited to income when collected, as an exception to the general rule. Dividends received from other companies are recognised as income when the right to receive them arises, i.e. when the dividend payment is officially declared by the company's governing body.

##### **Fees and commissions**

The recognition of income and expenses for fees and commissions in the consolidated income statement varies according to the nature of such items.

- Financial fees and commissions, such as loan arrangement fees, are a part of the integral return or effective cost of a financial transaction and are recognised under the same headings as the finance income or costs, i.e. Interest income and Interest expenses. These fees and commissions, which are collected in advance, are

recognised in the consolidated income statement over the life of the transaction. For financial instruments measured at fair value through profit or loss the fees and commission are recognised immediately in the income statement.

- Non-financial fees and commissions deriving from the provision of services are recognised under Fee and commission income and Fee and commission expenses over the period in which the service is provided, except for those relating to services provided in a single act, which are accrued when the single act is carried out.

#### **Non-finance income and expense**

These are recognised for accounting purposes on an accrual basis.

#### **Deferred collections and payments.**

These are recognised for accounting purposes at the amount resulting from discounting the expected cash flows at market rates.

#### **•g. Investment funds, pension funds and other managed equity.**

Investment funds and pension funds managed by the consolidated companies are not recognised in the Andbank Group's consolidated statement of financial position because the fund assets are owned by third parties. Fees and commissions accrued during the year for this activity are recognised under Fees and commissions received in the consolidated income statement.

The consolidated statement of financial position does not include other assets managed by the consolidated companies which are owned by third parties and for which a fee is obtained for their management.

#### **•h. Employee benefits.**

Obligations for contributions to defined contribution plans are considered as an expense in the consolidated income statement. Contributions paid in advance are recognised as an asset as it is understood that reimbursement by part of the funds or a reduction in future payments could take place.

This includes all the types of consideration given in exchange for the services rendered by Andbank Group employees or for termination benefits. They can be classified into three categories:

- Short-term employee benefits.
- Post-employment benefits.
- Other long-term employee benefits.

#### **Short-term employee benefits**

These reflect benefits to employees, which differ from termination benefits, which are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related services. They include wages and salaries and social security contributions, paid annual leave and paid sick leave or bonuses and non-monetary benefits for employees.

The cost of services rendered is recognised under Administrative expenses - Staff expenses in the consolidated income statement.

Credit facilities granted to employees under market conditions are considered as non-monetary remuneration and are estimated as the difference between the market conditions and conditions agreed with the employees. This difference is recognised under Administrative expenses - Staff expenses with a balancing entry under Interest and similar income in the consolidated income statement.

#### **Post-employment benefits**

Post-employment benefits are those benefits that the Andbank Group has assumed with its employees and which will be settled at

the end of their employment with the Andbank Group. They include retirement benefits, e.g. pensions and lump sum payments on retirement and other post-employment benefits such as post-employment life insurance and post-employment medical care.

#### **Other long-term employee benefits**

Other long-term employee benefits, such as commitments with early retired personnel (those who have ceased to render services in the Bank but who, without being legally retired, continue with economic rights until being legally retired) and other similar items are recognised, where applicable, with the exception of actuarial gains and losses which are recognised under Provisioning expense in the consolidated income statement.

#### **•i. Income tax**

On 1 December 2011 the General Council of the Principality of Andorra approved Law 17/2011 of 1 December 2011 amending Law 95/2010 of 29 December 2010 on income tax (published in edition 80 of the Official Gazette of the Principality of Andorra (BOPA), dated 28 December 2011). This Law came into force the day after it was published in the BOPA and applies to taxation periods starting after 1 January 2012. The Parent is subject to tax at a rate of 10%.

On 13 June 2012 the Andorran Government approved the Regulation regulating Law 95/2010 of 29 December 2010 on income tax and Law 96/2010 of 29 December 2010 on taxation of economic activities, which sets out the formal obligations of the parties required to pay these taxes as well as the system for managing, settling and monitoring the aforementioned taxes.

Payment on account is calculated by applying 50% to the net tax payable for the prior year.

Taxable income is determined using the direct determination method and is calculated by adjusting the accounting profit, in accordance with the Accounting Plan for the Financial Sector, applying the principles and criteria of classification, valuation and temporary recognition set out in the requirements of the Income tax law, which permit off-balance sheet adjustments. Income tax expense represents the sum of the income tax expense for the year and the effect of the changes in deferred tax assets and liabilities and tax credits.

Both positive and negative off-balance sheet tax adjustments can be permanent or temporary according to whether they are reversed or not in subsequent tax periods. The income tax expense for each year is calculated based on profit before tax, adjusted for permanent differences with fiscal criteria and less any applicable tax credits and deductions. The tax effects of temporary differences, unused credits for tax losses and rights to deductions and credits pending application are included, where applicable, in the corresponding consolidated statement of financial position captions, classified on the basis of the term according to the forecast review or realisation period.

Deferred tax assets and liabilities include temporary differences identified as those amounts which are payable or recoverable for differences between the carrying amounts of assets and liabilities and their tax value, as well as tax loss carryforwards and credits for tax credits not applicable for tax purposes. These amounts are recognised by applying the temporary difference or credit at the tax rates at which they are expected to be recovered or settled.

Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets identified with temporary differences, unused tax losses and unused tax credits are only recognised to the extent that it is considered probable that the Bank has future taxable profit against which they can be utilised.

At each reporting date, recognised deferred tax assets and liabilities are reviewed for the purpose of verifying that they remain effective and the appropriate corrections are made on the basis of the results of the analysis carried out.

This expense is recognised under Expenses or income due to income tax on continuing operations in the income statement, for the amount accrued during the year, and in the statement of financial position under Tax assets for the amount payable and the amount of withholdings and payments on account.

**•j. Indirect tax on goods delivered, services rendered and imports**

In its session held on 21 June 2012 the General Council of the Principality of Andorra approved the Law governing indirect general taxation (IGI) which entered into force on 1 January 2013. This tax is levied on goods delivered, service rendered and imports made by onerous contract in Andorra by business people or professionals usually or occasionally as part of their economic activity, irrespective of the purpose or the results achieved in the economic activity or in each particular transaction, including the condition of importer.

The general tax rate is 4.5%, with a reduced rate of 1% and an increased rate of 9.5%, which is only applied to banking and financial services rendered.

The fifth additional provision to Law 11/2012 governing Indirect General Tax approved by Law 10/2014 of 3 June 2014 amending Law 11/2012, stipulates a special tax regime for the financial sector to which banks and non-banking specialised credit institutions carrying out activities subject to the increased tax rate stipulated in article 60 of the Law must adhere. This special regime entered into force on 1 July 2014. This regime restricts the deduction of input tax to a maximum amount equivalent to 10% of the output tax at a rate of 9.5% for the rendering of bank and financial services.

The settlement period depends on the annual net turnover for all of the activities carried out by the tax payer in the immediately previous year. Payments can be made half-yearly, quarterly or monthly. Tax payers have to determine the tax debt in each settlement period, reducing the general indirect tax payable during the period by the general indirect tax instalments receivable, which are deductible in nature. The entry into force of Law 11/2012 of 21 June 2012 governing Indirect General Tax and subsequent amendments repeals the Law governing indirect taxation on the rendering of banking and financial services of 14 May 2002.

**•k. Non-resident income tax**

In accordance with Law 94/2010 of 29 December 2010 on non-resident income tax (hereinafter Law 94/2010) which taxes the income obtained in Andorra by individuals and entities considered by law as non-resident for tax purposes, the Andbank Group companies resident for tax purposes in Andorra are subject to withholding and has applied withholding of 10% on non-resident suppliers of services since 1 April 2011, the enactment date of this law. On 1 December 2011 the General Council of the Principality of Andorra approved Law 18/2011 of 1 December 2011 amending Law 94/2010 which will be applicable as of 1 January 2012.

The Group recognises transitory balances corresponding to personal income tax collected from non-residents under Other liabilities/Taxes/Tax collection accounts, provided that payment has not been definitively made to the corresponding authority.

**•l. Law 5/2014 of 24 April 2014 on personal income tax**

On 24 April 2014 the General Council of the Principality of Andorra approved Law 5/2014 on personal income tax which entered into force on 1 January 2015. This law constitutes a basic pillar of the Principality of Andorra's economic opening process, to the extent

that it involves the creation of personal income tax which is compatible with that existing in neighbouring countries, the European Union and the OECD.

This tax is levied, inter alia, on the savings of taxpayers and individuals, specifically interest and similar income (returns on investment capital), as well as capital gains or losses at a tax rate of 10%.

The Group recognises transitory balances corresponding to personal income tax collected under Other liabilities/Taxes/Tax collection accounts in the consolidated statement of financial position, provided that payment has not been definitively made to the corresponding authority.

**•m. Tax assets and liabilities**

Deferred tax assets and deferred tax liabilities include temporary differences which are defined as the amounts to be settled or recovered in future periods arising from differences between the carrying amount of an asset or liability and their corresponding tax bases (tax value), as well as unused tax losses and unused tax credits and tax rebates not applied. These amounts are recognised by applying to each temporary difference the tax rate at which they are expected to be recovered or settled.

Tax assets in the consolidated statement of financial position include the amount of all the assets of a tax nature, differentiating between: Current tax assets (amounts recoverable for taxes in the next twelve months) and Deferred tax assets (the amounts of taxes recoverable in future periods, including those deriving from unused tax losses or tax credits). Tax liabilities in the consolidated statement of financial position include the amount of all the liabilities of a tax nature, except for provisions for taxes, differentiating between: Current tax liabilities (amount to be settled in the next twelve months for income tax in respect of the taxable profit for the period and other taxes) and Deferred tax liabilities (which represent income taxes payable in future periods).

Deferred tax liabilities arising from temporary differences associated with investments in subsidiaries, associates or jointly-controlled entities are recognised, except if the Group is able to control the timing of the reversal of the temporary difference and, moreover, it is not probable that the difference will reverse in the future. Deferred tax assets are only recognised provided that it is probable that the consolidated entities will have sufficient taxable income against which they can be utilised and that they do not arise from the initial recognition (in a business combination) of other assets and liabilities in a transaction that affects neither accounting profit nor taxable income.

At each reporting date, the Group reviews recognised deferred tax assets and liabilities for the purpose of verifying that they remain effective and the appropriate adjustments are made on the basis of the findings of the analyses performed. In those circumstances in which it is uncertain how a specific requirement of the tax law applies to a particular transaction or circumstance, and the acceptability of the definitive tax treatment depends on the decisions taken by the relevant taxation authorities in the future, the entity recognises and measures current and deferred tax assets and liabilities, where applicable, considering whether it is probable or not that the taxation authorities will accept a certain uncertain tax treatment, then the valuation of the corresponding tax assets or liabilities reflects the amounts that the entity intends to recover from (pay to) to the taxation authorities.

Income or expenses recognised directly in equity that do not increase or decrease taxable income are accounted for as temporary differences.

**•n. Tangible assets**

Tangible assets include buildings, land, furniture, vehicles, IT

equipment and other installations acquired under ownership or under finance lease. Tangible assets are disclosed in the consolidated statement of financial position as follows: Tangible assets and Investment property.

Tangible assets include those for own use and assets under operating lease. Tangible assets for own use include assets, that the Andbank Group has for present or future administrative uses or for the production or supply of goods, that are expected to be used for more than one financial year.

The second category includes investment property in finished tangible assets or work in progress, for the purpose of obtaining returns, gains or both.

Tangible assets are normally recognised at acquisition cost less accumulated depreciation and any adjustment resulting from a comparison of the net value with the corresponding recoverable amount.

Depreciation is calculated on a straight-line basis on the acquisition cost of the assets less their residual value. As an exception, land is not depreciated because it is estimated that it has an indefinite useful life.

Depreciation of tangible assets is charged to Amortisation and depreciation in the consolidated income statement, and is basically calculated using the following rates based on the estimated useful life of each asset type:

Depreciation of tangible assets	Estimated useful life (years)
Properties	
Own-use buildings	33
Plant and machinery	10
Furniture and fixtures	5 - 8
Electronic equipment	5 - 8
Other	5

At each reporting date, the Andbank Group analyses whether there are indications that the net value of tangible assets exceeds their corresponding recoverable amount, understood as the higher amount between the fair value less costs to sell and value in use.

The Andbank Group's tangible assets for own use mainly comprise those allocated to the Bank Business cash generating unit (CGU). This CGU is tested for impairment to verify that sufficient cash flows are generated to support the value of the assets included therein. If it is determined that it is necessary to recognise an impairment loss, it is recognised under Impairment losses on other assets (net) - Other assets in the consolidated income statement, reducing the carrying amount of the assets to their recoverable amount. After recognition of the impairment loss, future depreciation charges are adjusted in proportion to the adjusted carrying amount and the remaining useful life.

Similarly, when it can be observed that the value of the assets has been recovered, the Andbank Group recognises the reversal of the impairment loss recognised in prior periods and adjusts the future depreciation charges accordingly. Under no circumstances may the reversal of an impairment loss on an asset increase its carrying amount above the carrying amount it would have if no impairment losses had been recognised in previous years.

Once a year, or when circumstances make it advisable, the estimated useful lives of tangible assets are reviewed and any necessary adjustments made to the depreciation to be charged to the consolidated income statement in future financial years.

Upkeep and maintenance expenses are charged to Administrative expenses - Other general administrative expenses in the consolidated income statement. Likewise, operating income on investment property is recognised under Other operating income in the consolidated income statement, whilst associated operating expenses are recognised under Other operating expenses.

After initial recognition of the asset, only those costs incurred which will generate future economic benefits, which can be qualified as probable, and for which the amount of the aforementioned costs can be reliably measured are capitalised. In this regard, costs of day-to-day servicing are recognised in profit or loss as incurred.

Replacements of tangible assets that qualify for capitalisation are recognised as a reduction in the carrying amount of the items replaced. Where the cost of the replaced items has not been depreciated independently and it is not possible to determine the respective carrying amount, the replacement cost is used as indicative of the cost of items at the time of acquisition or construction.

Increases in the carrying amount of each tangible asset item, as a result of the revaluation, are accounted for in other comprehensive income. However, the increase is recognised in profit or loss to the extent that it reverses a revaluation decrease of the same asset. The revaluation decreases of each tangible asset item are recognised in other comprehensive income up to the amount of any revaluation previously recognised for each asset. Any excess is recognised in profit or loss.

Revaluations accounted for in other comprehensive income are transferred to reserves upon sale or disposal of each asset.

#### **Disposals**

The Group recognises the disposal of tangible assets when they are disposed of or when it is expected that no future economic benefits will be received for their use or disposal. The disposal date is the date on which the purchaser acquires control of the assets as indicated in the accounting policy on Revenues from customer contracts. The amount of the consideration for the disposal of tangible assets and the recognition of subsequent changes thereto, is determined by applying the criteria indicated in the accounting policy on Revenues from customer contracts.

The Group recognises the disposal of the real estate investment when it is disposed of or when it is expected that no future economic benefits will be received for its disposal. The disposal date is the date on which the purchaser acquires control of the investment as indicated in the accounting policy on Revenues from customer contracts. The amount of the consideration for the disposal of the real estate investment and the recognition of subsequent changes, is determined by applying the criteria indicated in the accounting policy on Revenues from customer contracts.

#### **•o. Intangible assets**

Intangible assets are identifiable non-monetary assets without physical substance which are acquired from third parties or which are developed internally.

#### **Goodwill**

Goodwill represents a payment made by the acquirer in anticipation of future economic benefits from assets that are not able to be individually identified and separately recognised. Goodwill is only recognised when the business combinations are made onerously.

In business combinations goodwill arises as the positive difference between:

- The consideration given
- plus, where applicable, the fair value of the interest held in the assets and liabilities of the acquiree and the amount of the non-controlling interests.
- The fair value net of identified assets acquired less liabilities assumed.

Goodwill is recognised under Intangible assets - Goodwill and is measured at present value based on the closing exchange rate.

Under no circumstances is goodwill amortised.

At each reporting date or when there are indications of impairment, an estimate is made of whether impairment has arisen which reduces the recoverable amount to under the net cost recognised and, if this is the case, they are written off with a balancing entry under Impairment losses on other assets (net) - Goodwill and other intangible assets on the consolidated income statement. Impairment losses are not subject to subsequent reversal.

#### **Other intangible assets**

This item includes identifiable intangible assets, including intangible assets arising from business combinations, IT software, relationships with customers and agent premiums.

The Group records as Other intangible assets - Other, the estimate of the disbursements that have been made and are scheduled to be made to a certain number of agents which, based on a contractual relationship, provide certain customers to the Group. Estimated scheduled disbursements are recognised as intangible assets as it has been considered probable that future economic rewards will be received from this list of customers. The Group also recognises customer relationships under the same heading, which include intangible assets primarily identified in the process of allocating the price paid for the acquisition of certain retail businesses (see note 14 c). The useful life of these items ranges between 10 and 18 years.

Other intangible assets can be of indefinite useful life when, based on the assessments made of all the relevant factors, it is concluded that there is no foreseeable limit to the period over which it is expected that net cash inflows will be generated for the Andbank Group. In the remaining cases, intangible assets are of finite useful life.

Intangible assets with indefinite useful lives are not amortised. However, at each reporting date or when there are indications of impairment the Andbank Group reviews the remaining useful lives in order to ensure that they are still indefinite or, on the contrary, it proceeds accordingly.

Intangible assets with finite useful lives are amortised on the basis of their useful life, applying criteria similar to those adopted for the depreciation of tangible assets.

Amortisation of intangible assets is recognised with a balancing entry in Amortisation and depreciation on the income statement. The useful life of intangible asset items ranges between five and nineteen years.

The amortisation expense is recognised under Amortisation and depreciation in the consolidated income statement.

Losses arising on the recognised value of these assets, whether of indefinite or finite useful life, are recognised with a balancing entry in Impairment losses on other assets (net) - Goodwill and other intangible assets in the consolidated income statement. The criteria to recognise impairment of these assets and, where applicable, recovery of impairment losses recognised in prior years are similar to those applied for tangible assets.

#### **Disposals**

The Group recognises the disposal of intangible assets when they are disposed of or when it is expected that no future economic benefits will be received for their use or disposal. The disposal date is the date on which the purchaser acquires control of the assets as indicated in the accounting policy. The amount of the consideration for the disposal of intangible assets and the recognition of subsequent changes, is determined by applying the criteria indicated in the accounting policy on Revenues from customer contracts.

#### **•p. Non-current assets held for sale and liabilities associated with non-current assets held for sale**

The assets recognised in this line item of the consolidated statement of financial position include the carrying amount of individual items or those integrated in a disposal group or which form part of a business unit to be disposed of (discontinued operations), with the sale of the assets being highly probable in their present condition within a period of one year from the date of the consolidated statement of financial position. The recovery of the carrying amount of these items shall foreseeably take place through the price obtained on their disposal.

Specifically, real estate assets or other non-current assets received to fully or partially cancel the payment obligations of debtors for loan operations are considered as Non-current assets held for sale, except if it is decided to continue to use these assets.

Symmetrically, Liabilities associated with non-current assets held for sale in the consolidated statement of financial position include balances payable originating from the disposal groups and discontinued operations.

Non-current assets held for sale are generally measured, initially and subsequently, at the lower of their fair value less costs to sell and carrying amount calculated at the date they were assigned to this category.

The carrying amount at the acquisition date of non-current assets held for sale arising from foreclosures or recoveries is their amortised cost, defined as the balance receivable for loans/credits upon cancellation net of estimated impairment which will be at least 5%. The fair value of non-current assets held for sale arising from foreclosures or recoveries corresponds to the market appraisal value of the asset received in its present condition less costs to sell.

Any foreclosed assets which remain in the consolidated statement of financial position for a period of time longer than initially foreseen for their sale, shall be analysed individually to recognise any impairment loss arising subsequent to their acquisition. Impairment testing shall take into consideration, in addition to the reasonable offers received in the period prior to the sale price offered, the difficulties in finding purchasers, as well as, in the case of tangible assets, any physical deterioration which could have impaired their value.

At 31 December 2025 the fair value of these assets has been determined using appraisals.

Available-for-sale non-current assets are not depreciated whilst they remain in these categories.

Impairment losses of an asset or disposal group, due to reductions in their carrying amount to their fair value (less costs to sell) are recognised under Gains or losses on non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations in the consolidated income statement. Gains on a non-current asset held for sale due to subsequent increases in fair value (less costs to sell) increase its carrying amount and are recognised in the same line item of the consolidated income statement up to an amount equal to that of the previously recognised impairment losses.

#### •q. Leases

The single lessee accounting model requires that assets and liabilities for all lease contracts are recognised. The standard presents two exceptions to the recognition of lease assets and liabilities, which can be applied in the case of short-term leases and leases for which the underlying asset is of low value. The lessee must recognise a right-of-use asset which represents its right to use the leased asset that is recognised under Tangible assets - Property, plant and equipment and Tangible assets - Investment property on the statement of financial position (see note 13) and a lease liability that represents its obligation to make lease payments which are recognised under Financial liabilities measured at amortised cost - Other financial liabilities on the statement of financial position (see note 18).

At the lease commencement date the lease liability represents the present value of all the outstanding lease payments. Liabilities recognised in this line item of the statement of financial position are measured, after their initial recognition, at amortised cost, in accordance with the effective interest rate method. The discount rate applied to future payments is 0.76%. Right-of-use assets are initially recognised at cost. The cost of the right-of-use asset comprises the amount of the initial measurement of the lease liability; any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred; and an estimate of costs to be incurred by the lessee such as costs relating to the dismantling and removing of the underlying asset. The assets recognised in this line item of the statement of financial position are measured, after their initial recognition, at cost, less:

- Any accumulated depreciation and any accumulated impairment losses; and
- Any corresponding remeasurement of the lease liability.

Interest expense on the lease liability is recognised in the income statement under Interest expense (see note 24). Variable lease payments not included in the initial measurement of the lease liability are recognised under Administrative expenses - Other administrative expenses (see note 31).

Depreciation is calculated on a straight-line basis on the acquisition cost of the assets over the lease term. Depreciation charges on tangible assets are recognised under Depreciation on the consolidated income statement.

In the event of opting for one of the two exceptions for not recognising the corresponding right-of-use and liability in the statement of financial position, lease payments are recognised in the income statement over the lease term or on a straight-line basis or another basis that best represents the structure of the lease transaction under Other operating expenses.

Income from subleasing and operating leases is recognised in the income statement under Other operating income.

The lessor accounting model requires that, from the commencement date, leases are classified as finance leases when they transfer substantially all the risks and rewards incidental to ownership of the underlying asset. Leases that are not finance leases are considered operating leases.

For finance leases, when the Group acts as the lessor of an asset, the sum of the present values of the amounts receivable by a lessor plus the guaranteed residual value, which normally is equivalent to the price of exercising the purchase option by the lessee at the end of the lease, is recognised as financing to third parties, and included under Financial assets at amortised cost on the statement of financial position.

For operating leases, if the Group acts as the lessor, the cost of acquisition of the leased assets is recognised under Tangible assets - Property, plant and equipment - Leased out under operating lease on the statement of financial position. These assets are depreciated in accordance with the policies adopted for similar tangible assets of own use and income and expense arising from leases are recognised in the income statement on a straight-line basis under Other operating income and Other operating expenses, respectively.

In the event of sale and leaseback transactions at fair value, any gains or losses generated on the sale, for the portion effectively transferred, are recognised in the income statement.

#### •r. Contingent assets

Contingent assets arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits. Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised.

Contingent assets are assessed continuously to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits will arise, the asset and the related income are recognised in the financial statements of the period in which the change occurs. If an inflow of economic benefits has become probable, an entity discloses the contingent asset.

#### •s. Provisions and contingent liabilities

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period, taking into account all risks and uncertainties surrounding the amount to be recognised as a provision and, where the time value of money is material, the financial effect of discounting provided that the expenditure to be made each period can be reliably estimated. The discount rate is a pre-tax rate that reflects the time value of money and the specific risks for which future cash flows associated with the provision have not been adjusted at each reporting date.

The financial effect of provisions is recognised as a finance cost in profit or loss.

The tax effect and gains on the expected disposal of assets are not taken into account in measuring a provision.

Rights to reimbursement from third parties of the expenditure required to settle a provision are recognised as a separate asset provided that it is virtually certain that the reimbursement will be received. Any income deriving from the reimbursement is recognised in profit or loss as a reduction in the provision expense up to the amount of the provision.

If it is not probable that an outflow of resources will be required to settle an obligation, the provision is reversed. The provision is reversed against the income statement caption in which the related expense was recognised, and any surplus is accounted for in other income.

The Andbank Group's consolidated statement of financial position includes all the significant provisions with respect to circumstances in which it is considered that it is more likely than not that the obligation will have to be settled. Provisions are recognised in the

consolidated statement of financial position according to the obligations covered, including provisions for pensions and similar obligations, provisions for taxes and for contingent exposures and commitments.

Provisions, which are quantified based on the best information available regarding the success of their purpose and are re-estimated at each reporting date, are used to cover specific obligations for which they were originally recognised. Provisions are fully or partially reversed when the obligations cease to exist or decrease.

Provisions are recognised as liabilities under Provisions in the consolidated statement of financial position based on the covered obligations. Contingent liabilities are recognised as a memorandum item in the consolidated statement of financial position.

A contingent liability is recognised when a present obligation exists but it is not probable that an outflow of resources embodying economic benefits will exist. Contingent liabilities can perform differently than initially expected and are therefore subject to continuous review for the purpose of determining whether the outflow of resources becomes probable. If it is confirmed that the outflow of resources is more likely than not to occur, the corresponding provision is recognised in the consolidated statement of financial position.

Details of the contingent liabilities identified are as follows:

Lawsuits for minor amounts are underway in Spain, with overall claims amounting to Euros 1.3 million (Euros 1.6 million at 31 December 2024), for which the Group considers it unlikely that an adverse economic scenario will arise.

Other lawsuits are underway in Brazil for claims against the Bank, mostly related to financing agreements, for an overall amount of Euros 9.1 million (Euros 8.7 million at 31 December 2024). The Group considers it unlikely that an adverse economic scenario will arise.

#### •t. Insurance transactions

The Andbank Group applies the requirements set out in IFRS 17 - Insurance contracts to all the assets and liabilities in its consolidated financial statements that derive from insurance contracts, in accordance with the definition established in the standard, which defines insurance contracts as contracts under which one party accepts significant insurance risk from another party by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

IFRS 17 requires a level of aggregation of contracts that the Group identifies in portfolios of insurance contracts subject to similar risks and managed together. In this respect, the Group divides each portfolio into a minimum of three groups:

- i. Contracts that are onerous at initial recognition;
- ii. Contracts that at initial recognition have no significant possibility of becoming onerous subsequently;
- iii. Remaining contracts, if any.

For contracts that are not onerous, a profit margin is recognised in the income statement over the period during which the entity carries out the service. However, if upon initial recognition or rather during the period in which the entity provides the service, the contract is onerous, the entity recognises the loss in the income statement.

The contract boundary defines the coverage period to be until when fulfilment cash flows must be considered to be able to measure an insurance contract.

For insurance and reinsurance contracts under IFRS 17 the Group generally applies the general model (Building Block Approach), with the exception of those which can be measured using the simplified approach (Premium Allocation Approach) or Variable Fee Approach.

The general model measures a group of insurance contracts as the sum of fulfilment cash flows and the contractual service margin. This margin represents the unearned profit that the entity will recognise as it provides services by virtue of the insurance contract.

The Group estimates the discount rate to measure the present value of the future cash flows of a group of insurance contracts considering the time value of money and the financial risks related to those cash flows. For this purpose, the same interest rate is used as that used to estimate the present value of financial assets under insurance contracts.

Likewise, the Andbank Group estimates that the fair value of the surrender options issued in favour of the insurance contract policyholders have a value of nil or, on the contrary, their valuation forms part of the value of liabilities under insurance contracts.

The main components recorded under technical provisions correspond to unearned premiums and unexpired risks, life insurance, life insurance when the risk of the investment is borne by the policyholders, claims and provisions for bonuses and rebates.

Technical provisions for direct insurance and accepted reinsurance are shown as "Liabilities under insurance or reinsurance contracts" in the consolidated statement of financial position.

Technical provisions linked to risks ceded to reinsurance entities are calculated based on the reinsurance contracts underwritten following similar criteria to those established for direct insurance. The amount is shown as Assets under insurance or reinsurance contracts in the consolidated statement of financial position.

Assets under insurance or reinsurance contracts and Liabilities under insurance or reinsurance contracts in the statement of financial position include the amounts mainly associated with unit-linked products.

#### •u. Treasury shares

The value of net equity instruments issued by entities under the power of group entities - basically the Bank's shares and derivatives on shares held by certain consolidated companies which meet the requirements to be recognised as equity instruments are recognised, less consolidated equity, under Capital and reserves - Treasury shares in the consolidated statements of financial position.

These financial assets are recognised at cost of acquisition and profit and loss generated on their disposal is credited or charged, where applicable to Capital and reserves - Retained earnings in the consolidated statement of financial position.

#### •v. Statement of changes in equity

##### Statements of comprehensive income

This statement presents the income and expenses recognised as a result of Group business activity during the year, and a distinction is made between the income and expenses recognised in the consolidated income statement and the other income and expenses recognised directly in consolidated equity.

Accordingly, the statement presents:

- Consolidated profit for the year
- Movement in Accumulated other comprehensive income under consolidated equity that includes:

- The gross amount of recognised income and expenses, distinguishing between income and expenses that can and cannot be reclassified to profit or loss.
- Income tax accrued on recognised income and expenses, except for income and expenses originating in investments in associates or joint ventures accounted for using the equity method, which are presented net.
- Total consolidated recognised income and expenses, calculated as the sum of the two items above, showing separately the amount attributable to the Parent and that corresponding to minority interests (non-controlling interests).

#### Statement of changes in equity

This statement presents all the movements in the Group's equity, including those originating from changes in accounting criteria and correction of errors. The statement shows a reconciliation of the carrying amount at the beginning and end of the year of all the items forming part of consolidated equity, and movements are grouped together, on the basis of their nature, into the following items:

- Adjustments due to changes in accounting criteria and correction of errors: changes in consolidated equity arising as a result of the retrospective restatement of the balances in the financial statements, distinguishing those that originate in changes in accounting policies from those corresponding to the correction of errors.
- Total recognised income and expenses: the aggregate total of the aforementioned items recognised in the statement of recognised income and expense.
- Other changes in consolidated equity: the remaining items recognised in consolidated equity, including increases and decreases in capital, distribution of dividends, transactions involving own equity instruments, own equity-based payments, transfers between equity items and any other increases or decreases in consolidated equity.

#### -w. Statement of cash flows

The indirect method has been used when preparing the consolidated statements of cash flows, so that based on the Group's results, non-monetary transactions are taken into consideration, as well as all kinds of deferred payment and accrual items that have been or will lead to amounts collected and paid; together with income and expenses associated with cash flows from activities classified as investing or financing activities.

The following terms are used in the consolidated statement of cash flows, as defined below:

- Cash flows: Inflows and outflows of cash or cash equivalents, which are short-term, highly liquid investments subject to a low risk of changes in value. For this purpose, in addition to cash in hand, deposits in central banks and demand deposits in credit institutions are also classified as cash or cash equivalents.

- Operating activities: the Group's usual activities and other activities that cannot be classified as investing or financing activities.
- Investing activities: the acquisition, sale or other disposal by other means of non-current assets and other investments not included in cash or cash equivalents in operating activities.
- Financing activities: activities that result in changes in the size and composition of the consolidated equity and liabilities not forming part of operating activities.

No situations have arisen during the year entailing the need to apply significant judgements to classify cash flows.

No significant transactions have been performed that have generated cash flows that have not been reflected in the consolidated statement of cash flows.

## 4. Distribution of Profit

The proposed distribution of the Parent's profit for 2025, that the board of directors will present to the shareholders for their approval, is as follows:

	Thousands of euros	
	31/12/25	31/12/24
Legal reserve	-	-
Voluntary reserves	24,501	15,084
Dividends	24,501	15,083
	<b>49,002</b>	<b>30,167</b>

Distribution of the Parent's profit for the year ended 31 December 2024, approved by the shareholders at their general meeting on 30 April 2025, was Euros 15.084 thousand to voluntary reserves and Euros 15.083 thousand to dividends.

## 5. Cash, cash balances at central banks and other demand deposits

Details of cash, cash balances at central banks and other demand deposits at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	2025	2024
Cash on hand	16,672	15,174
Cash balances at central banks	4,049,619	3,861,716
Other demand deposits	368,363	345,348
	<b>4,434,654</b>	<b>4,222,238</b>

## 6. Financial assets and liabilities held for trading

Details of these line items of the consolidated statement of financial position at 31 December 2025 and 2024 are as follows:

	Thousanda euros	
Financial assets held for trading	31/12/25	31/12/24
Derivatives	136,264	147,068
Equity instruments	86,306	8,754
Debt securities	107,445	150,707
	<b>330,015</b>	<b>306,529</b>

	Thousands of euros	
Financial liabilities held for trading	31/12/25	31/12/24
Derivatives	75,681	93,237
	<b>75,681</b>	<b>93,237</b>

Note 38 (Risk management) includes certain information relating to credit, liquidity and market risks assumed by the Group in relation to the financial assets and financial liabilities included in this category, as well as information on the concentration of risks.

In addition, note 39 (Fair value of financial instruments) includes information in relation to the financial instruments for which their carrying amount coincides with their fair value and provides a description of the valuation techniques and input data used to measure fair value.

### •a. Financial assets held for trading

A breakdown of the balance, by type of instrument and issuer, of this line item of the accompanying consolidated financial statements, is as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Derivatives</b>	<b>136,264</b>	<b>147,068</b>
<b>Equity instruments</b>	<b>86,306</b>	<b>8,754</b>
Of which: at cost	-	-
Of which: credit institutions	-	-
Of which: other financial corporations	82,536	-
Of which: non-financial corporations	3,770	8,754
<b>Debt securities</b>	<b>107,445</b>	<b>150,707</b>
Central banks	-	-
General governments	4,320	13,600
Credit institutions	17,757	51,238
Other financial corporations	28,594	61,675
Non-financial corporations	56,774	24,194
	<b>330,015</b>	<b>306,529</b>

A breakdown of the balance, by financial assets held for trading secured by guarantee, of this line item of the accompanying consolidated annual accounts, is as follows:

	Thousanda euros			
	31/12/2025		31/12/2024	
Financial assets held for trading	Financial assets pledged as collateral for liabilities	Financial assets not pledged as collateral for liabilities	Financial assets pledged as collateral for liabilities	Financial assets not pledged as collateral for liabilities
Derivatives	-	136,264	-	147,068
Equity instruments	-	86,306	-	8,754
Debt securities	-	107,445	10,016	140,691
Loans and advances	-	-	-	-
	-	<b>330,015</b>	<b>10,016</b>	<b>296,513</b>

### •b. Derivatives

The Group's derivative portfolio arises from the need to hedge the risks it incurs during the normal course of business, as well as the commercialisation of products to customers.

A breakdown, by type of risk and type of product or market, of the fair value as well as the related notional values, of financial trading derivatives, recognised in the accompanying statement of financial position, differentiating between contracts in organised and non-organised markets at 31 December 2025 and 2024, is as follows:

Thousands of euros

At 31 December 2025	Financial assets held for trading	Financial liabilities held for trading	Notional amount
<b>Interest rate</b>	<b>74,805</b>	<b>16,894</b>	<b>1,931,725</b>
Of which: economic hedges	74,805	16,894	1,931,725
OTC other	74,805	16,894	1,931,725
<b>Equity risk</b>	<b>18,796</b>	<b>15,062</b>	<b>71,287</b>
Of which: economic hedges	18,796	15,062	71,287
OTC other	18,796	15,062	71,287
<b>Foreign exchange and gold</b>	<b>17,446</b>	<b>14,730</b>	<b>786,472</b>
Of which: economic hedges	17,446	14,730	786,472
OTC other	17,446	14,730	786,472
<b>Credit</b>	<b>24,782</b>	<b>28,898</b>	<b>1,938,969</b>
Of which: economic hedges	24,782	28,898	1,938,969
Of which: Other economic hedges	24,782	28,898	1,938,969
<b>Other</b>	<b>435</b>	<b>97</b>	<b>32,607</b>
Of which: Economic hedges	435	97	32,607
<b>DERIVATIVES</b>	<b>136,264</b>	<b>75,681</b>	<b>4,761,060</b>
Of which: OTC - Credit institutions	55,501	41,826	2,936,564
Of which: OTC - Other financial corporations	66,700	27,953	1,465,447
Of which: OTC - Other	14,063	5,902	359,049
	<b>136,264</b>	<b>75,681</b>	<b>4,761,060</b>

Thousands of euros

At 31 December 2024	Financial assets held for trading	Financial liabilities held for trading	Notional amount
<b>Interest rate</b>	<b>81,734</b>	<b>37,760</b>	<b>2,043,732</b>
Of which: economic hedges	81,734	37,760	2,043,732
OTC other	81,734	37,760	2,043,732
<b>Equity risk</b>	<b>15,408</b>	<b>15,408</b>	<b>62,796</b>
Of which: economic hedges	15,408	15,408	62,796
OTC other	15,408	15,408	62,796
<b>Foreign exchange and gold</b>	<b>19,634</b>	<b>6,094</b>	<b>669,852</b>
Of which: economic hedges	19,634	6,094	669,852
OTC other	19,634	6,094	669,852
<b>Credit</b>	<b>30,174</b>	<b>33,927</b>	<b>1,996,262</b>
Of which: economic hedges	30,174	33,927	1,996,262
Of which: Other economic hedges	30,174	33,927	1,996,262
<b>Other</b>	<b>118</b>	<b>48</b>	<b>9,156</b>
Of which: Economic hedges	118	48	9,156
<b>DERIVATIVES</b>	<b>147,068</b>	<b>93,237</b>	<b>4,781,798</b>
Of which: OTC - Credit institutions	53,840	66,926	3,134,222
Of which: OTC - Other financial corporations	93,228	26,084	1,604,355
Of which: OTC - Other	-	227	43,221
	<b>147,068</b>	<b>93,237</b>	<b>4,781,798</b>

## 7. Non-trading financial assets mandatorily at fair value through profit or loss

Details of these line items of the statement of financial position at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
Equity instruments	11,370	6,461
	<b>11,370</b>	<b>6,461</b>

## 8. Financial assets designated at fair value through profit or loss

Details of these line items of the statement of financial position at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
Equity instruments	-	-
Debt securities	6,410	20,291
Loans and advances	2,794	2,556
	<b>9,204</b>	<b>22,847</b>

## 9. Financial assets designated at fair value through comprehensive income

Details of this line item of the accompanying statements of financial position at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
Equity instruments	32,163	14,287
Debt securities	485,031	303,661
Loans and advances	-	-
	<b>517,194</b>	<b>317,948</b>

Details of valuation adjustments to the financial assets designated at fair value through other comprehensive income portfolio are shown in note 21 (Accumulated other comprehensive income).

Note 38 (Risk management) includes certain information relating to credit, liquidity and market risks assumed by the Group in relation to the financial assets and financial liabilities included in this category, as well as information on the concentration of risks.

In addition, note 39 (Fair value of financial instruments) includes information in relation to the financial instruments for which their carrying amount coincides with their fair value and provides a description of the valuation techniques and input data used to measure fair value.

Details of financial assets designated at fair value through other comprehensive income, by type of issuer, at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Equity instruments</b>		
Credit institutions	-	-
Non-financial corporations	32,163	14,287
Other financial corporations	-	-
	<b>32,163</b>	<b>14,287</b>

<b>Debt securities</b>		
Central banks	-	-
General governments	206,998	118,488
Credit institutions	214,972	139,505
Other financial corporations	32,252	45,667
Non-financial corporations	30,809	1
	<b>485,031</b>	<b>303,661</b>

## 10. Financial assets at amortised cost

Details of this line item of the accompanying statement of financial position, taking into consideration the balancing entry for the financial instrument from which they originate, at 31 December 2025 and 2024 are as follows:

Thousands of euros								
				Gross carrying amount			Accumulated impairment	
	Net carrying amount	Assets without significant increase in credit risk since initial recognition (Stage 1)	Assets with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)		Credit-impaired assets (Stage 3)	Assets without significant increase in credit risk since initial recognition (Stage 1)	Assets with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)	Credit-impaired assets (Stage 3)
<b>31 December 2025</b>								
<b>Debt securities</b>	<b>627,488</b>	<b>627,701</b>	-		-	(213)	-	-
Central banks	-	-	-		-	-	-	-
General governments	256,473	256,519	-		-	(46)	-	-
Credit institutions	171,393	171,463	-		-	(70)	-	-
Other financial corporations	116,568	116,646	-		-	(78)	-	-
Non-financial corporations	83,054	83,073	-		-	(19)	-	-
<b>Deposits in central banks and credit institutions</b>	<b>259,199</b>	<b>259,199</b>	-		-	-	-	-
Central banks	-	-	-		-	-	-	-
Credit institutions	259,199	259,199	-		-	-	-	-
<b>Loans and advances</b>	<b>4,181,826</b>	<b>3,970,293</b>	<b>144,711</b>		<b>84,983</b>	<b>(5,650)</b>	<b>(4,161)</b>	<b>(8,350)</b>
General governments	4,519	4,542	-		-	(23)	-	-
Other financial corporations	187,111	188,216	1		28	(1,106)	-	(28)
Non-financial corporations	2,127,675	1,975,218	85,919		76,358	(3,425)	(2,280)	(4,115)
Households	1,862,521	1,802,317	58,791		8,597	(1,096)	(1,881)	(4,207)
<b>Financial assets at amortised cost</b>	<b>5,068,513</b>	<b>4,857,193</b>	<b>144,711</b>		<b>84,983</b>	<b>(5,863)</b>	<b>(4,161)</b>	<b>(8,350)</b>

31 December 2024	Gross carrying amount						Accumulated impairment	
	Net carrying amount	Assets without significant increase in credit risk since initial recognition (Stage 1)	Assets with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)		Credit-impaired assets (Stage 3)	Assets without significant increase in credit risk since initial recognition (Stage 1)	Assets with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)	Credit-impaired assets (Stage 3)
<b>Debt securities</b>	<b>693,428</b>	<b>693,835</b>	-		-	(407)	-	-
Central banks	-	-	-		-	-	-	-
General governments	238,067	238,150	-		-	(83)	-	-
Credit institutions	255,262	255,378	-		-	(116)	-	-
Other financial corporations	126,295	126,384	-		-	(89)	-	-
Non-financial corporations	73,804	73,923	-		-	(119)	-	-
<b>Deposits in central banks and credit institutions</b>	<b>274,806</b>	<b>274,806</b>	-		-	-	-	-
Central banks	-	-	-		-	-	-	-
Credit institutions	274,806	274,806	-		-	-	-	-
<b>Loans and advances</b>	<b>3,472,600</b>	<b>3,262,008</b>	<b>194,694</b>		<b>32,584</b>	<b>(3,674)</b>	<b>(6,162)</b>	<b>(6,850)</b>
General governments	6,636	6,685	-		-	(49)	-	-
Other financial corporations	-	-	-		-	-	-	-
Non-financial corporations	139,769	140,211	-		25	(451)	-	(16)
Households	1,704,839	1,571,187	118,531		23,136	(2,331)	(3,214)	(2,470)
<b>Financial assets at amortised cost</b>	<b>4,440,834</b>	<b>4,230,649</b>	<b>194,694</b>		<b>32,584</b>	<b>(4,081)</b>	<b>(6,162)</b>	<b>(6,850)</b>

At 31 December 2025 assets classified as non-performing amount to Euros 84.983 thousand with associated collateral amounting to Euros 229.053 thousand. At 31 December 2024 the amount for the same item stands at Euros 32.584 thousand with associated collateral amounting to Euros 152.591 thousand.

Note 38 (Risk management) includes certain information relating to interest rate, liquidity and market risks assumed by the Group in relation to the financial assets and financial liabilities included in this category, as well as information on the concentration of risks and credit quality.

•a. Details of loans and receivables by sector of activity and type of product

Details of the subheadings comprising loans and receivables, by sector of activity and type of product, at 31 December 2025 and 2024 are as follows:

Thousands of euros							
Net carrying amount							
31 December 2025	Totals	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households
<b>On demand and short notice (current account)</b>	<b>7,402</b>	-	-	-	<b>805</b>	<b>1,182</b>	<b>5,415</b>
<b>Credit card debt</b>	<b>10,086</b>	-	<b>1</b>	-	<b>45</b>	<b>1,145</b>	<b>8,895</b>
Trade receivables	3,233	-	-	-	322	2,781	130
Finance leases	-	-	-	-	-	-	-
Reverse repurchase loans	-	-	-	-	-	-	-
Other term loans	4,161,105	-	4,518	-	185,939	2,122,567	1,848,081
Advances that are not loans	-	-	-	-	-	-	-
<b>Loans and advances</b>	<b>4,181,826</b>	-	<b>4,519</b>	-	<b>187,111</b>	<b>2,127,675</b>	<b>1,862,521</b>

Thousands of euros							
Net carrying amount							
31 December 2025	Totals	Central banks	General governments	Credit institutions	Other financial corporations	Non-financial corporations	Households
<b>On demand and short notice (current account)</b>	<b>10,058</b>	-	<b>215</b>	-	<b>394</b>	<b>2,224</b>	<b>7,225</b>
<b>Credit card debt</b>	<b>9,175</b>	-	<b>3</b>	-	<b>46</b>	<b>1,152</b>	<b>7,974</b>
Trade receivables	2,497	-	-	-	310	2,093	94
Finance leases	-	-	-	-	-	-	-
Reverse repurchase loans	-	-	-	-	-	-	-
Other term loans	3,450,870	-	6,418	-	139,019	1,699,370	1,606,063
Advances that are not loans	-	-	-	-	-	-	-
<b>Loans and advances</b>	<b>3,472,600</b>	-	<b>6,636</b>	-	<b>139,769</b>	<b>1,704,839</b>	<b>1,621,356</b>

An essential instrument used for managing credit risk is that of ensuring that financial assets acquired or contracted by the Group include collateral securities and other loan enhancements in addition to the debtor's personal guarantee.

The Group's policies for analysing and selecting risk define, based on the different characteristics of the operations, such as the purpose of risk, counterparty, maturity period, use of own funds etc., the collateral securities or loan enhancements required in addition to the debtor's personal guarantee for such arrangements to be contracted (see note 38(c) Credit risk management).

Collateral securities are measured based on the nature of the collateral received. Generally, collateral securities in the form of real estate are measured at their appraisal value, calculated by independent entities.

With a frequency of at least one year the Bank must verify the existence of indications of significant decreases in its benchmark valuations for operations classified as performing exposure with real estate guarantees. Only in the case that evidence of losses in value of this

collateral exists or in those cases in which impairment in the debtor's solvency arises which could imply that these guarantees could have been used, this valuation is updated based on the same criteria: collateral securities in the form of securities quoted in active markets are measured at quoted value, adjusted by a percentage to cover any possible variations in this market value which could jeopardise the coverage of the risk; guarantees and similar collateral used to cover credit risk are measured, for the purpose of determining the coverage, at nominal amount which is equivalent to the covered risk; guarantees in the form of pledged deposits are measured at the value of these deposits and in the event they are denominated in foreign currency they are converted at the exchange rate at each valuation date.

•b. Details of loans and advances and deposits in credit institutions based on collateral securities and personal securities

Details of loans and advances and deposits in credit institutions based on principal collateral securities and disclosure of the percentage of coverage on the operations, at 31 December 2025 and 2024, are as follows:

Thousands of euros

31 December 2025	Gross carrying amount	% coverage				
		≤ 40% or without guarantee	> 40% and ≤ 60%	> 60% and ≤ 80%	> 80% and ≤ 100%	> 100%
<b>Deposits in central banks and credit institutions</b>	<b>259,199</b>	<b>23,340</b>	-	-	<b>235,859</b>	-
Central banks	-	-	-	-	-	-
Credit institutions	259,199	23,340	-	-	235,859	-
<b>Loans and advances</b>	<b>4,199,987</b>	<b>512,862</b>	<b>29,182</b>	<b>106,772</b>	<b>102,045</b>	<b>3,449,126</b>
Operations collateralised by immovable property	1,640,426	20,357	13,566	8,829	25,572	1,572,102
Operations collateralised by debt securities/instruments	1,986,619	3,071	13,847	97,502	50,431	1,821,768
Operations collateralised by monetary assets	142,842	59,334	1,769	441	26,042	55,256
Operations with no guarantee and/or personal collateral	430,100	430,100	-	-	-	-
<b>Financial assets at amortised cost</b>	<b>4,459,186</b>	<b>536,202</b>	<b>29,182</b>	<b>106,772</b>	<b>337,904</b>	<b>3,449,126</b>

Thousands of euros

31 December 2024	Gross carrying amount	% coverage				
		≤ 40% or without guarantee	> 40% and ≤ 60%	> 60% and ≤ 80%	> 80% and ≤ 100%	> 100%
<b>Deposits in central banks and credit institutions</b>	<b>274,806</b>	<b>3,363</b>	-	-	<b>271,443</b>	-
Central banks	-	-	-	-	-	-
Credit institutions	274,806	3,363	-	-	271,443	-
<b>Loans and advances</b>	<b>3,489,286</b>	<b>344,606</b>	<b>4,679</b>	<b>17,592</b>	<b>47,962</b>	<b>3,074,447</b>
Operations collateralised by immovable property	1,405,880	6,080	1,547	6,043	16,111	1,376,099
Operations collateralised by debt securities/instruments	1,365,215	66	2,069	8,515	3,703	1,350,862
Operations collateralised by monetary assets	393,350	13,619	1,063	3,034	28,148	347,486
Operations with no guarantee and/or personal collateral	324,841	324,841	-	-	-	-
<b>Financial assets at amortised cost</b>	<b>3,764,092</b>	<b>347,969</b>	<b>4,679</b>	<b>17,592</b>	<b>319,405</b>	<b>3,074,447</b>

At 31 December 2025, 85% of loans and advances and deposits in credit institutions have coverage of more than 80%, whilst at 31 December 2024, 90% of loans and advances have coverage of more than 80%.

At 31 December 2025, as part of the plan for aid and measures to mitigate the effects of COVID-19, the Andorran Government guarantees loans for a value of Euros 16.22 million, of which the current risk is Euros 3.01 million.

## 11. Derivatives - Hedge accounting and Fair value changes

The balances of these items of the accompanying consolidated statements of financial position at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
<b>Derivatives - Hedge accounting and changes in fair value</b>	<b>31/12/25</b>	<b>31/12/24</b>
<b>Assets</b>	<b>1,160</b>	<b>3,350</b>
Derivatives - hedge accounting	4,635	7,140
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(3,475)	(3,790)
<b>Liabilities</b>	<b>2,543</b>	<b>7,143</b>
Derivatives - hedge accounting	2,543	7,143
Fair value changes of the hedged items in portfolio hedge of interest rate risk	-	-

At 31 December 2025 the Group's main hedged positions and the derivatives designated to hedge those positions correspond to covered bonds from the financial assets at amortised cost portfolio and customer deposits, both at fixed interest rates, using interest rate derivatives.

Note 38 (Risk management) includes certain information relating to interest rate, liquidity and market risks assumed by the Group in relation to the financial assets and financial liabilities included in this category, as well as information on the concentration of risks.

In addition, note 39 (Fair value of financial instruments) includes information in relation to the financial instruments for which their carrying amount coincides with their fair value and provides a description of the valuation techniques and input data used to measure fair value.

Details of the carrying amount of hedging instruments, as well as the nominal amounts of hedging financial derivatives in the accompanying consolidated statement of financial position at 31 December 2025 and 2024, distinguishing between risk category for each kind of hedge, are as follows:

	Thousands of euros			
<b>31 December 2025</b>	<b>Carrying amount</b>		<b>Notional amount</b>	
	<b>Assets</b>	<b>Liabilities</b>	<b>Total hedges</b>	<b>Of which: sold</b>
<b>Fair value hedges</b>	<b>4,243</b>	<b>541</b>	<b>262,450</b>	<b>-</b>
<b>Interest rate</b>	<b>4,243</b>	<b>541</b>	<b>262,450</b>	<b>-</b>
Otc options	-	-	-	-
Otc other	4,243	541	262,450	-
Organised market options	-	-	-	-
Organised market other	-	-	-	-
<b>Foreign exchange and gold</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Otc options	-	-	-	-
Otc other	-	-	-	-
Organised market options	-	-	-	-
Organised market other	-	-	-	-
<b>Credit</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Credit default swap	-	-	-	-
Credit spread options	-	-	-	-
Total return swaps	-	-	-	-
Other	-	-	-	-
<b>Commodity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash flow hedges</b>	<b>392</b>	<b>2,002</b>	<b>169,048</b>	<b>-</b>
<b>Total derivatives - hedge accounting</b>	<b>4,635</b>	<b>2,543</b>	<b>431,498</b>	<b>-</b>
Of which: otc - credit institutions	4,635	2,543	431,498	-
Of which: otc - other financial corporations	-	-	-	-
Of which: otc - other	-	-	-	-

Thousands of euros

31 December 2024	Carrying amount		Notional amount	
	Assets	Liabilities	Total hedges	Of which: sold
<b>Fair value hedges</b>	<b>7,140</b>	<b>4,341</b>	<b>260,196</b>	-
<b>Interest rate</b>	<b>7,140</b>	<b>4,341</b>	<b>260,196</b>	-
Otc options	-	-	-	-
Otc other	7,140	4,341	260,196	-
Organised market options	-	-	-	-
Organised market other	-	-	-	-
<b>Foreign exchange and gold</b>	-	-	-	-
Otc options	-	-	-	-
Otc other	-	-	-	-
Organised market options	-	-	-	-
Organised market other	-	-	-	-
<b>Credit</b>	-	-	-	-
Credit default swap	-	-	-	-
Credit spread options	-	-	-	-
Total return swaps	-	-	-	-
Other	-	-	-	-
<b>Commodity</b>	-	-	-	-
<b>Other</b>	-	-	-	-
<b>Cash flow hedges</b>	-	<b>2,802</b>	<b>168,755</b>	-
<b>Total derivatives - hedge accounting</b>	<b>7,140</b>	<b>7,143</b>	<b>428,951</b>	-
Of which: otc - credit institutions	7,140	7,143	428,951	-
Of which: otc - other financial corporations	-	-	-	-
Of which: otc - other	-	-	-	-

## 12. Investments in subsidiaries, joint ventures and associates

Details, by company, of Investments in subsidiaries, joint ventures and associates at 31 December 2025 and 2024 in the accompanying consolidated statements of financial position are as follows:

Thousands of euros				
2025				
Company name	Investment	Impairment	Carrying amount	Total
Medipatrimonia Invest, SL	51.00%	-	3,624	3,624
Augusta Real Estate & Asset Management, SL	30.00%	-	372	372
Findango Finance, SL	30.50%	-	5,926	5,926
Other companies	-	-	155	155
			<b>10,077</b>	<b>10,077</b>

Thousands of euros				
2024				
Company name	Investment	Impairment	Carrying amount	Total
Medipatrimonia Invest, SL	51.00%	-	3,553	3,553
Sigma M. Partners, LTD	49.80%	-	944	944
Sigma Clarity	22.34%	-	4,990	4,990
Other companies	-	-	61	61
			<b>9,548</b>	<b>9,548</b>

The Andbank Group fully consolidates investees, with the exception of Medipatrimonia Invest, SL, Augusta Real Estate & Asset Management, SL and Findango Finance, SL, which are consolidated using the direct participation method.

## 13. Tangible assets

A breakdown of items included in Tangible assets during 2025 and 2024 is as follows:

Thousands of euros		
Tangible assets	31/12/25	31/12/24
Property, plant and equipment	98.524	112.352
Property, plant and equipment for own use	19.659	21.503
Rights-of-use	78.865	90.849
Investment property	54.718	54.225
	<b>153.242</b>	<b>166.577</b>

The right-of-use corresponds mainly to the lease of premises where some of the Group companies' offices are located, as well as the Business Centre.

### •a. Movement in tangible assets

A breakdown of tangible assets, based on the nature of the items included therein, at 31 December 2025 and 2024, is as follows:

Thousands of euros

	31/12/24	Additions	Disposals	Transfers to/from non-current assets held for sale	Other transfers	Translation differences and other movements	31/12/25
<b>Cost</b>							
<b>For operating activities</b>							
Land	-	-	-	-	-	-	-
Buildings	7,672	242	(2,495)	-	-	-	5,419
Furniture	9,918	-	-	-	-	-	9,918
Installations	25,770	903	(29)	-	-	(213)	26,431
IT equipment	43,098	1,770	(299)	-	-	-	44,569
Vehicles	1,264	201	(48)	-	-	-	1,417
Under construction	933	65	(44)	-	-	-	954
Rights-of-use	136,551	4,421	(7,154)	-	-	-	133,818
<b>Subtotal</b>	<b>225,206</b>	<b>7,602</b>	<b>(10,069)</b>	<b>-</b>	<b>-</b>	<b>(213)</b>	<b>222,526</b>
<b>For non-operating activities</b>							
Land	-	-	-	-	-	-	-
Buildings	-	-	-	-	-	-	1,485
Installations	-	-	-	-	-	-	886
IT equipment	-	-	-	-	-	-	104
Furniture	-	-	-	-	-	-	36
Vehicles	-	-	-	-	-	-	402
Investment property	-	540	(25)	-	-	-	54,867
<b>Subtotal</b>	<b>57,265</b>	<b>540</b>	<b>(25)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>57,780</b>
<b>Accumulated depreciation</b>							
<b>For operating activities</b>							
Buildings	-	(143)	1,975	-	-	-	(3,955)
Furniture	-	(27)	-	-	-	-	(8,577)
Installations	-	(1,162)	(1)	-	-	-	(20,091)
IT equipment	-	(2,697)	277	-	-	-	(35,621)
Vehicles	-	(131)	45	-	-	-	(1,310)
Rights-of-use	-	(14,419)	5,168	-	-	-	(54,953)
<b>Subtotal</b>	<b>(113,392)</b>	<b>(18,579)</b>	<b>7,464</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(124,507)</b>
<b>For non-operating activities</b>							
Buildings	-	(33)	-	-	-	-	(968)
Installations	-	-	-	-	-	-	(902)
IT equipment	-	-	-	-	-	-	(103)
Furniture	-	-	-	-	-	-	(33)
Operating leases	-	-	-	-	-	-	(402)
Investment property	-	(22)	-	-	-	-	(149)
<b>Subtotal</b>	<b>(2,502)</b>	<b>(55)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,557)</b>
<b>Net balance</b>	<b>166,577</b>	<b>(10,492)</b>	<b>(2,630)</b>	<b>-</b>	<b>-</b>	<b>(213)</b>	<b>153,242</b>

Thousands of euros

	31/12/23	Additions	Disposals	Transfers to/from non-current assets held for sale	Other transfers	Translation differences and other movements	31/12/24
<b>Cost</b>							
<b>For operating activities</b>							
Land	-	-	-	-	-	-	-
Buildings	5,528	575	-	-	1,569	-	7,672
Furniture	9,912	6	-	-	-	-	9,918
Installations	24,802	866	-	-	-	102	25,770
IT equipment	41,707	1,398	(124)	-	-	117	43,098
Vehicles	1,304	53	(93)	-	-	-	1,264
Under construction	892	55	(14)	-	-	-	933
Rights-of-use	122,157	30,246	(15,852)	-	-	-	136,551
<b>Subtotal</b>	<b>206,302</b>	<b>33,199</b>	<b>(16,083)</b>	<b>-</b>	<b>1,569</b>	<b>219</b>	<b>225,206</b>
<b>For non-operating activities</b>							
Land	-	-	-	-	-	-	-
Buildings	1,135	-	-	-	350	-	1,485
Installations	886	-	-	-	-	-	886
IT equipment	104	-	-	-	-	-	104
Furniture	36	-	-	-	-	-	36
Vehicles	402	-	-	-	-	-	402
Investment property	47,410	667	(4,961)	-	11,236*	-	54,352
<b>Subtotal</b>	<b>49,973</b>	<b>667</b>	<b>(4,961)</b>	<b>-</b>	<b>11,586</b>	<b>-</b>	<b>57,265</b>
<b>Accumulated depreciation</b>							
<b>For operating activities</b>							
Buildings	(4,157)	(145)	-	-	(1,485)	-	(5,787)
Furniture	(8,555)	(38)	43	-	-	-	(8,550)
Installations	(18,079)	(1,744)	957	-	-	(62)	(18,928)
IT equipment	(30,394)	(2,819)	124	-	(20)	(92)	(33,201)
Vehicles	(1,145)	(159)	80	-	-	-	(1,224)
Rights-of-use	(47,310)	(13,796)	15,404	-	-	-	(45,702)
<b>Subtotal</b>	<b>(109,640)</b>	<b>(18,701)</b>	<b>16,608</b>	<b>-</b>	<b>(1,505)</b>	<b>(154)</b>	<b>(113,392)</b>
<b>For non-operating activities</b>							
Buildings	(488)	(37)	-	-	(434)	24	(935)
Installations	(901)	(1)	-	-	-	-	(902)
IT equipment	(103)	-	-	-	-	-	(103)
Furniture	(33)	-	-	-	-	-	(33)
Operating leases	(402)	-	-	-	-	-	(402)
Investment property	(105)	(22)	-	-	-	-	(127)
<b>Subtotal</b>	<b>(2,032)</b>	<b>(60)</b>	<b>-</b>	<b>-</b>	<b>(434)</b>	<b>24</b>	<b>(2,502)</b>
<b>Net balance</b>	<b>144,603</b>	<b>15,105</b>	<b>(4,436)</b>	<b>-</b>	<b>11,216</b>	<b>89</b>	<b>166,577</b>

(\*) Dation in payment of real estate development in progress

At 31 December 2025 these include fully depreciated tangible assets amounting to Euros 54.709 thousand.

During 2025 and 2024 no interest or exchange differences corresponding to fixed assets have been capitalised.

At 31 December 2025 all these items remain under ownership of the Bank and are used for its activity.

With express authorisation granted by the AFA on 9 December 2008, the Group revalued the carrying amount of the buildings housing its headquarters and network of branches with effective date 30 November 2008. Every two years, through an appraisal conducted by an independent expert, the aforementioned assets are tested to determine whether their market value is higher than their carrying amount, the appropriate provisions being recognised where this is not the case. At 31 December 2025 it has not been necessary to revalue the carrying amount of buildings used in operations.

#### •b. Investment property

Tangible assets include an amount of Euros 54.718 thousand classified as investment property of the Group, which correspond to buildings under development or lease.

The fair value of the Group's real estate investments amounts to Euros 169.979 thousand.

Investment property is appraised periodically and recognised as the lower of fair value less costs to sell and carrying amount. The main independent sources used for the valuation are Gesvalt, NAUDI, Peritand, AS08 and Tecnitasa.

The appraisal companies chosen to appraise the investment property have been selected based on their benchmark appraisal methodology using the valuation standards set out in Spanish Order ECO/805/2003. The appraisal companies mainly use the comparative valuation method.

In addition, there are no contractual purchase, construction or development obligations on the investment property held at 31 December 2025.

## 14. Intangible assets

#### •a. Goodwill

Details of and movement in this line item of the accompanying consolidated statements of financial position at 31 December 2025 and 2024, broken down by company, are as follows:

	Thousands of euros					
	31/12/24	Additions	Exchange gains/losses	Other adjustments	Transfers to/from non-current assets for sale	31/12/25
Cost	138,743	-	(2,116)	(2,041)	12,010	146,596
Accumulated impairment	(12,657)	-	741	-	-	(11,916)
	<b>126,086</b>	<b>-</b>	<b>(1,375)</b>	<b>(2,041)</b>	<b>12,010</b>	<b>134,680</b>

	Thousands of euros					
	31/12/23	Additions	Exchange gains/losses	Other adjustments	Transfers to/from non-current assets for sale	31/12/24
Cost	132,337	5,419	987	-	-	138,743
Accumulated impairment	(12,657)	-	-	-	-	(12,657)
	<b>119,680</b>	<b>5,419</b>	<b>987</b>	<b>-</b>	<b>-</b>	<b>126,086</b>

Details of goodwill, based on the cash generating unit (hereinafter CGU) to which the goodwill has been allocated, are as follows:

	Thousands of euros	
	31/12/25	31/12/24
Andbank España, SAU	98,090	100,131
Grup Brasil APW	12,944	-
Andbank Monaco S.A.M	11,347	11,347
Quest Capital Advisers Agente de Valores, SA	8,959	10,508
Andbank Wealth Management LLC	1,734	1,963
Andbank Corretora de Seguros de Vida Ltda	-	531
MyInvestor Banco, SA	1,606	1,606
<b>Total Goodwill</b>	<b>134,680</b>	<b>126,086</b>

Movement in goodwill in 2025 is as follows:

On 25 July 2024, the AFA authorised Andbank España Banca Privada to acquire 77.92% of the share capital of Gesconsult, S.A., S.G.I.I.C. and on 21 January 2025 an additional 2.11%. The transaction generated provisional goodwill of Euros 3.813 thousand. Following a review and assignment of the value of the assets this amount decreased by Euros 2.041 thousand in 2025.

As mentioned in note 3v, in November 2025 the investee Banco Andbank (Brasil), S.A. was sold to Creditas Financial Holding. As a result of this transaction and following the corporate restructuring in Brazil (see note 3v) the related goodwill has been transferred from "Non-current assets and disposal groups classified as held for sale".

The Group uses the value of this transaction to measure the recoverable amount of this asset and does not identify any impairment associated therewith.

In 2025 the corporate divestment in the investee Columbus de México, S.A. de CV was formalised and is currently awaiting authorisation by the regulatory authorities. For this reason, the goodwill associated with this company is reclassified to Non-current assets and disposal groups classified as held for sale (see note 17(b)).

The value of the goodwill of Columbus de México, S.A. de CV amounts to Euros 4.313 thousand at 31 December 2025. In view of this transaction, the Group uses the value of this transaction to measure the recoverable amount of this asset and does not identify any impairment associated therewith.

As mentioned in note 3v), on 26 February 2024, the AFA authorised MyInvestor Banco to acquire a 73.47% interest in Hellohipoteca, S.L, which increased during the second half of 2024 through the acquisition of shares from minority shareholders to reach a 99.97% stake. This acquisition generated goodwill of Euros 1.606 thousand.

#### **-b. Impairment testing**

For the purpose of testing goodwill and intangible assets with indefinite useful lives for impairment, Group cash generating units (CGU) have been allocated based on the country of operation.

The Andbank Group has goodwill generated by cash generating units located in countries with currencies other than the Euro (mainly in Brazil, USA and Uruguay) and consequently, exchange differences are generated on conversion to Euros, at the closing exchange rate.

In accordance with IAS 36, the Andbank Group carries out yearly testing of the potential impairment of goodwill with regard to its recoverable amount. This testing requires identifying the cash generating units, which are the Group's smallest groups of identifiable assets that generate cash inflows that are largely independent of those from other assets or groups of assets. The carrying amount of each cash generating unit is determined by taking into consideration the carrying amount of all assets and liabilities, the group of independent legal entities comprising the cash generating unit, together with the corresponding goodwill.

This carrying amount to be recovered from the cash generating unit can be compared with its recoverable amount in order to determine whether it has been impaired. The Group's directors evaluate the existence of any indication that could be considered as evidence of impairment of the cash generating unit, by reviewing information, which includes future dividends distributable in a period of five years, in which:

- The annual growth rate of managed assets is adjusted to the growth observed in each business unit in recent years and to the growth expectations according to the future plans, together with an improvement in market expectations.
- The annual growth rate of the gross margin arises from the average growth of assets under management for the period, as well as their return. The return is adapted to each business unit based on the growth observed in recent years, as well as market expectations, which are more conservative in the Euro zone due to the European monetary framework and the high level of competition in the sector.
- Lastly, the annual growth rate of operating expenses is in line with the growth observed in previous years and the expectations of inflation and growth in business support expenses for each unit.

The Group determines the recoverable amount by calculating the value in use by applying the discount method of distributable dividends. The value of the cash generating units is obtained based on the present value of the dividends that are expected to be generated by this CGU in the future.

This approach analyses the entity from a dynamic standpoint, considering the business as an asset with the capacity to generate future dividends.

On a going concern basis, it is estimated that the income approach is the method that most efficiently includes the result of the valuation of all factors affecting the value of a business.

The main assumptions used to calculate future distributable dividends are:

- i. projected results, based on the financial budgets approved by the Group directors, that cover a period of five years (unless there is justification for a longer time horizon),
- ii. discount rates determined as the cost of capital taking into consideration the risk-free rate plus a risk premium in accordance with the market and business in which they operate. This capital discount rate must take into consideration the time value of money, as well as the market risk and other entity-specific risks, and
- iii. constant growth rates to extrapolate results to perpetuity, that do not exceed the medium-long term growth rate for the market in which the CGU in question operates.

The main assumptions taken into consideration when determining the recoverable amount at 2025 reporting date, of the most significant CGU that have been valued by discounting distributable dividends, are as follows:

2025		
	Ke	G
Andbank España, SAU	10.00%	3.00%
Andbank Monaco S.A.M	10.36%	3.15%
Andbank Wealth Management LLC	11.33%	3.95%
Quest Capital Advisers Agente de Valores, SA	14.41%	6.70%
MyInvestor Banco, SA	10.00%	2.00%

### Sensitivity analysis

The Group has performed a sensitivity analysis, consisting of adjusting the discount rate by +/- 50 basis points and the growth to perpetuity rate by +/- 50 basis points.

The sensitivity analysis concludes that all the scenarios defined therein reflect that the carrying amount of the CGU is lower than the recoverable amount.

### -c. Other intangible assets

A breakdown and movement of items included in Intangible assets during 2025 and 2024 is as follows:

Thousands of euros							
At 31 December 2025	31/12/24	Additions	Disposals	Transfers to/ from non-current assets held for sale	Other transfers	Translation differences and other movements	31/12/25
<b>Cost</b>							
IT software and applications	144,399	10,724	(112)	6,938	288	-	162,237
Multi-owned assets	834	-	-	-	-	-	834
Intangible assets in progress	-	-	-	-	-	-	-
Other	81,427	5,724	-	2,959	1,856	-	91,966
	<b>226,660</b>	<b>16,448</b>	<b>(112)</b>	<b>9,897</b>	<b>2,144</b>	<b>-</b>	<b>255,037</b>
<b>Accumulated amortisation</b>							
IT software and applications	(84,796)	(11,939)	-	(3,037)	-	(383)	(100,155)
Multi-owned assets	(748)	(11)	-	-	-	-	(759)
Intangible assets in progress	-	-	-	-	-	-	-
Other	(37,231)	(5,611)	-	-	-	(410)	(43,252)
	<b>(122,775)</b>	<b>(17,561)</b>	<b>-</b>	<b>(3,037)</b>	<b>-</b>	<b>(793)</b>	<b>(144,166)</b>
<b>Accumulated impairment</b>	<b>(2,199)</b>	<b>(27)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,226)</b>
<b>Net balance</b>	<b>101,686</b>	<b>(1,140)</b>	<b>(112)</b>	<b>6,860</b>	<b>2,144</b>	<b>(793)</b>	<b>108,645</b>

Thousands of euros

At 31 December 2024	31/12/23	Additions	Disposals	Transfers to/ from non-current assets held for sale	Other transfers	Translation differences and other movements	31/12/24
<b>Cost</b>							
IT software and applications	140,299	6,113	(3,068)	-	104	951	144,399
Multi-owned assets	834	-	-	-	-	-	834
Intangible assets in progress	-	-	-	-	-	-	-
Other	77,525	4,088	(82)	-	(104)	-	81,427
	<b>218,658</b>	<b>10,201</b>	<b>(3,150)</b>	<b>-</b>	<b>-</b>	<b>951</b>	<b>226,660</b>
<b>Accumulated amortisation</b>							
IT software and applications	(76,094)	(10,908)	3,023	-	(319)	(498)	(84,796)
Multi-owned assets	(737)	(11)	-	-	-	-	(748)
Intangible assets in progress	-	-	-	-	-	-	-
Other	(33,685)	(3,892)	346	-	-	-	(37,231)
	<b>(110,516)</b>	<b>(14,811)</b>	<b>3,369</b>	<b>-</b>	<b>(319)</b>	<b>(498)</b>	<b>(122,775)</b>
<b>Accumulated impairment</b>	<b>(2,081)</b>	<b>(630)</b>	<b>191</b>	<b>-</b>	<b>321</b>	<b>-</b>	<b>(2,199)</b>
<b>Net balance</b>	<b>106,061</b>	<b>(5,240)</b>	<b>410</b>	<b>-</b>	<b>2</b>	<b>453</b>	<b>101,686</b>

At 31 December 2025 these include fully amortised intangible assets amounting to Euros 58.589 thousand.

At 31 December 2025 customer relationships and agent premiums classified as Other under intangible assets amount to Euros 24.447 thousand.

At 31 December 2025 all these items remain under ownership of the Bank and are used for its activity.

## 15. Tax assets and liabilities

Details of tax assets and liabilities at 31 December 2025 and 31 December 2024 are as follows:

	31/12/25	31/12/24
<b>Tax assets</b>		
Current tax assets	1,716	4,496
Deferred tax assets	20,149	19,770
	<b>21,865</b>	<b>24,266</b>
<b>Tax liabilities</b>		
Current tax liabilities	11,944	14,826
Deferred tax liabilities	5,790	6,423
	<b>17,734</b>	<b>21,249</b>

## 16. Other assets and liabilities

A breakdown of the asset and liability items of the consolidated statement of financial position at 31 December 2025 and 31 December 2024 is as follows:

Thousands of euros			Thousands of euros		
Other assets	31/12/25	31/12/24	Other liabilities	31/12/25	31/12/24
<b>Inventories</b>	<b>14</b>	<b>14</b>	<b>Other liabilities</b>	<b>132,049</b>	<b>105,505</b>
<b>Other assets</b>	<b>141,818</b>	<b>119,204</b>	Accrued expenses and deferred income	20,345	14,685
Prepayments and accrued income	78,590	61,893	Operations in progress	18,261	17,424
Operations in progress	11,870	7,054	Other items	93,443	73,396
Other items	51,358	50,257		<b>132,049</b>	<b>105,505</b>
	<b>141,832</b>	<b>119,218</b>			

## 17. Non-current assets and liabilities and disposal groups classified as held for sale

Details of non-current assets and disposal groups classified as held for sale at 31 December 2025 and 31 December 2024 are as follows:

Thousands of euros		
	31/12/25	31/12/24
Foreclosed assets	3,053	2,942
Other non-current assets held for sale	12,018	458,735
	<b>15,071</b>	<b>461,677</b>

Thousands of euros		
	31/12/25	31/12/24
Foreclosed liabilities	-	-
Other non-current liabilities held for sale	2,312	385,664
	<b>2,312</b>	<b>385,664</b>

### •a. Foreclosed assets

A breakdown and movement during 2025 and 2024 of this item in the accompanying statements of financial position are as follows:

Thousands of euros						
	31/12/24	Additions	Disposals	Transfers to investment property	Other	31/12/25
<b>Cost</b>						
<b>Property, plant and equipment</b>	-	-	-	-	-	-
From foreclosures	8,178	271	(80)	-	-	8,369
Other	-	-	-	-	-	-
	8,178	271	(80)	-	-	8,369
<b>Impairment losses</b>						
<b>Property, plant and equipment</b>	-	-	-	-	-	-
From foreclosures	(6,697)	(121)	41	-	-	(6,777)
Other	1,461	-	-	-	-	1,461
	(5,236)	(121)	41	-	-	(5,316)
<b>Net balance</b>	<b>2,942</b>	<b>150</b>	<b>(39)</b>	<b>-</b>	<b>-</b>	<b>3,053</b>

Thousands of euros

	31/12/23	Additions	Disposals	Transfers to investment property	Other	31/12/24
<b>Cost</b>						
<b>Property, plant and equipment</b>	-	-	-	-	-	-
From foreclosures	7,671	520	(13)	-	-	8,178
Other	-	-	-	-	-	-
	7,671	520	(13)	-	-	8,178
<b>Impairment losses</b>						
<b>Property, plant and equipment</b>	-	-	-	-	-	-
From foreclosures	(6,588)	(122)	13	-	-	(6,697)
Other	1,563	(102)	-	-	-	1,461
	(5,025)	(224)	13	-	-	(5,236)
<b>Net balance</b>	<b>2,646</b>	<b>296</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,942</b>

Transfers to investment property reflect a change in the purpose of the assets, which are destined for property development or the obtaining of returns and gains.

The fair value of non-current assets and disposal groups classified as held for sale is as follows:

	31/12/25	31/12/24
Land	9,250	8,489
Premises	1,154	1,069
Car parks	422	461
Storage rooms	24	41
Housing	684	285
	<b>11,534</b>	<b>10,345</b>

The fair value of real estate assets classified as non-current assets held for sale are classified as Level 2 based on the fair value hierarchy. Foreclosed assets are appraised periodically and are recognised as the lower of fair value less costs to sell and carrying amount. From the analyses carried out it can be concluded that the market values of the assets do not significantly differ from their carrying amounts. The main independent sources used to value buildings and land are Intervalor, AS08 and T.A.I.

The appraisal companies chosen to appraise the foreclosed assets have been selected based on their benchmark appraisal methodology using the valuation standards set out in Spanish Order ECO/805/2003. The appraisal companies mainly use the comparative valuation method.

The Group has an active policy of disposing of all non-current assets and disposal groups which have been classified as held for sale, with the appraisals obtained being higher than their carrying amounts.

## Foreclosures and recoveries

A classification by category and by average permanence in the portfolio of non-current assets and disposal groups classified as held for sale is as follows:

	Thousands of euros	
	31/12/25	31/12/24
Up to 12 months	149	-
From 1 to 2 years	407	407
From 2 to 5 years	158	158
More than 5 years	2,339	2,377
	<b>3,053</b>	<b>2,942</b>

Details, by type of asset, of the profit and loss recognised in 2025 and 2024 due to the sale of non-current assets and disposal groups which have been classified as held for sale are as follows:

	Thousands of euros			
	2025		2024	
	Profits	Losses	Profits	Losses
Apartments	-	-	-	-
Car parks	-	-	-	-
Premises	-	-	-	-
Land	67	-	67	-
Adjustments due to depreciation	-	-	-	-
	<b>67</b>	<b>-</b>	<b>67</b>	<b>-</b>

At 31 December 2025 and 2024 the Group has no liabilities associated with non-current assets and disposal groups which have been classified as held for sale.

### -b. Other non-current assets held for sale

Other non-current assets held for sale and Other non-current liabilities held for sale for 2025 correspond to the transactions described in note 3 a).

As mentioned in note 3 a) v) part of Andbank Brasil's business has been sold. This investee was classified under this sub-heading at 31 December 2024. Therefore, at 31 December 2025 there is no amount recognised for this company under "Other non-current assets for sale" or "Other non-current assets held for sale". The sale of the investee Columbus de México, S.A. De CV (affiliate of the Zumzeiga Group) was formalised and is pending authorisation (note 3 a) v)).

The asset and liability balances for the companies for sale have been reclassified to Non-current assets and disposal groups classified as held for sale - Other non-current assets held for sale and Liabilities included in disposal groups classified as held for sale - Other non-current liabilities held for sale in the consolidated statement of financial position at 31 December 2025.

Details of the consolidated assets and liabilities of Columbus de México, S.A. at 31 December 2025 are as follows:

Thousands of euros	
ASSETS	31/12/25
<b>Cash, cash balances at central banks and other demand deposits</b>	<b>2,404</b>
Cash balances at central banks	1
Other demand deposits	2,403
<b>Financial assets at fair value through other comprehensive income</b>	<b>-</b>
Equity instruments	-
Debt securities	-
<b>Financial assets at amortised cost</b>	<b>-</b>
Debt securities	-
Loans and advances	-
<b>Tangible assets</b>	<b>715</b>
Property, plant and equipment	715
<b>Intangible assets</b>	<b>4,367</b>
Goodwill <sup>(a)</sup>	4,313
Other intangible assets	54
<b>Tax assets</b>	<b>-</b>
Current tax assets	-
Deferred tax assets	-
<b>Other assets</b>	<b>4,532</b>
<b>TOTAL ASSETS</b>	<b>12,018</b>

(a) See note 14 a)

Thousands of euros	
LIABILITIES	31/12/25
<b>Financial liabilities at amortised cost</b>	<b>-</b>
Deposits	-
Tax liabilities	334
Current tax liabilities	334
<b>Other liabilities</b>	<b>1,978</b>
<b>TOTAL LIABILITIES</b>	<b>2,312</b>

Other non-current assets held for sale and Other non-current liabilities held for sale associated with Banco Andbank (Brasil), S.A., up to the date of sale and Columbus de México, S.A. de CV are recognised under Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations (note 35) on the consolidated income statements.

## 18. Financial liabilities measured at amortised cost

Details of this line item of the statement of financial position at 31 December 2025 and 31 December 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Deposits</b>	9,625,003	8,665,232
Central banks	52,747	40,112
Credit institutions	415,592	440,762
Customers and public entities	9,156,664	8,184,358
<b>Debt securities issued</b>	165,262	184,775
<b>Other financial liabilities</b>	101,006	116,059
	<b>9,891,271</b>	<b>8,966,066</b>

Note 38 (Risk management) includes certain information relating to interest rate, liquidity and market risks assumed by the Group in relation to the financial assets and financial liabilities included in this category, as well as information on the concentration of risks.

Financial liabilities comprising the financial liabilities measured at amortised cost portfolio are initially recognised at fair value and measured at amortised cost, using the effective interest rate method.

### •a. Deposits

A breakdown of the balance of this line item in the accompanying consolidated statement of financial position, by type of financial instrument, at 31 December 2025 and 31 December 2024, is as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Central banks</b>	<b>52,747</b>	<b>40,112</b>
Current accounts/overnight deposits	14,326	8,734
Deposits with agreed maturity	38,421	31,378
Deposits redeemable at notice	-	-
Repurchase agreements	-	-
<b>General governments</b>	<b>86,079</b>	<b>34,870</b>
Current accounts/overnight deposits	62,343	20,641
Deposits with agreed maturity	23,736	14,229
Deposits redeemable at notice	-	-
Repurchase agreements	-	-
<b>Credit institutions</b>	<b>415,592</b>	<b>440,762</b>
Current accounts/overnight deposits	51,068	33,128
Deposits with agreed maturity	29,811	12,209
Deposits redeemable at notice	-	-
Repurchase agreements	334,713	395,425
<b>Other creditors</b>	<b>9,070,585</b>	<b>8,149,488</b>
Current accounts/overnight deposits	5,490,959	4,461,552
Deposits with agreed maturity	3,579,626	3,687,936
Deposits redeemable at notice	-	-
Repurchase agreements	-	-
	<b>9,625,003</b>	<b>8,665,232</b>

### •b. Debt securities

#### **i) Debt securities issued by Andorra Capital Agrícola Reig, BV and AB Financials Products, DAC.**

The balance of this line item also includes the issue of securities by Andorra Capital Agrícola Reig, B.V. and AB Financial Products, D.A.C., which are shown by maturity dates at 31 December 2025 and 31 December 2024:

Thousands of euros

31 December 2025	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	No maturity	Total
Debt securities issued in 2017	-	-	-	-	39,082	-	39,082
Debt securities issued in 2022	-	-	500	7,853	-	-	8,353
Debt securities issued in 2023	-	-	17,934	3,439	784	-	22,157
Debt securities issued in 2024	-	-	320	6,450	-	-	6,770
Debt securities issued in 2025	-	10,000	15,000	16,900	47,000	-	88,900
	-	<b>10,000</b>	<b>33,754</b>	<b>34,642</b>	<b>86,866</b>	-	<b>165,262</b>

Thousands of euros

31 December 2024	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	More than 5 years	No maturity	Total
Debt securities issued in 2016	-	-	-	-	25,000	-	25,000
Debt securities issued in 2017	-	-	-	-	39,082	-	39,082
Debt securities issued in 2022	3,442	3,318	1,920	10,783	-	-	19,463
Debt securities issued in 2023	5,050	8,686	21,004	26,713	887	-	62,340
Debt securities issued in 2024	-	4,360	16,641	14,889	3,000	-	38,890
	<b>8,492</b>	<b>16,364</b>	<b>39,565</b>	<b>52,385</b>	<b>67,969</b>	-	<b>184,775</b>

### c. Other financial liabilities

A breakdown of this liability line item of financial liabilities at amortised cost on the consolidated statement of financial position at 31 December 2025 and 31 December 2024 is as follows:

Thousands of euros

	31/12/25	31/12/24
Lease liabilities	85,448	98,203
Bonds payable	6,271	9,389
Guarantees received	60	41
Clearing houses	8,036	4,790
Other items	1,191	3,636
	<b>101,006</b>	<b>116,059</b>

Details of maturity dates of lease liabilities maturing after 31 December 2025 and 2024 are as follows:

31/12/25	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Maturities of lease liabilities	10,827	25,846	15,135	33,640	85,448

31/12/24	Less than 1 year	1 to 3 years	3 to 5 years	More than 5 years	Total
Maturities of lease liabilities	10,520	19,919	27,679	40,085	98,203

## 19. Provisions

A breakdown of this line item of the statement of financial position at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	31/12/25	31/12/24
Pensions and other benefit obligations and other long-term employee benefits	3,294	3,464
Other long-term employee benefits	-	-
Pending legal issues and tax litigation	563	274
Commitments and guarantees given	439	371
Other provisions	16,070	17,982
	<b>20,366</b>	<b>22,091</b>

Movement by type of provision during 2025 and 2024 was as follows:

	Thousands of euros				
	Pensions and other benefit obligations and other long-term employee benefits	Pending legal issues and tax litigation	Commitments and guarantees given	Other provisions	Total
<b>Balance at 1 January 2025</b>	<b>3,464</b>	<b>274</b>	<b>371</b>	<b>17,982</b>	<b>22,091</b>
Net provisions					
Amounts used	-	316	68	10,401	10,785
Other movements	(380)	(27)	-	(12,313)	(12,720)
<b>Balance at 31 December 2025</b>	<b>3,294</b>	<b>563</b>	<b>439</b>	<b>16,070</b>	<b>20,366</b>

	Thousands of euros				
	Pensions and other benefit obligations and other long-term employee benefits	Pending legal issues and tax litigation	Commitments and guarantees given	Other provisions	Total
<b>Balance at 1 January 2024</b>	<b>3,851</b>	<b>341</b>	<b>419</b>	<b>13,404</b>	<b>18,015</b>
Net provisions	-	-	(48)	7,303	7,255
Amounts used	(782)	(67)	-	(4,996)	(5,845)
Other movements	395	-	-	2,271	2,666
<b>Balance at 31 December 2024</b>	<b>3,464</b>	<b>274</b>	<b>371</b>	<b>17,982</b>	<b>22,091</b>

**•a. Pensions and other defined post-employment benefit obligations and Other long-term employee benefits**

The Bank has recognised different obligations in relation to personnel: retired employees, early retirees, and funds for other obligations with current Bank employees.

Employees from what was previously called Banc Agricol i Comercial d'Andorra, S.A., who retired before 22 December 1995 have a defined benefit retirement pension plan created in 1989. Employees who joined the Andbank Group after 1 May 1995, except for certain groups belonging to a defined contribution scheme, do not belong to the retirement pension plan.

Under the agreements signed by retired personnel, the Bank has to make supplementary remuneration payments. The actuarial variables and other assumptions used in the valuation at 31 December 2025 for retired personnel are as follows:

	<b>Retirees</b>
Mortality tables	PER2020
Nominal discount rate	3.44%
Nominal rate of salary growth	-
Annual rate of pension growth	-
Retirement age	-

The possible changes arising in the actuarial variables would not have a significant effect on these annual accounts.

Payments made to retirees and early-retirees (in accordance with Law 17/2008 and related regulations) during 2025 and 2024 have been recognised against the provision fund.

The other obligations fund, which is for current employees, is secured by deposits transferred to the interbank market.

Current personnel adhering to the plan for other obligations can, upon request, transfer their funds to investment schemes managed by the Group off the balance sheet. At 31 December 2025 balances managed off the balance sheet amounted to Euros 169 thousand (Euros 148 thousand at 31 December 2024), whilst internal funds recognised under Provisions amount to Euros 2.375 thousand at 31 December 2025 (Euros 2.597 thousand at 31 December 2024).

**•b. Other provisions**

Other provisions include potential adverse scenario events when closing corporation transactions underway and other provisions not included under the aforementioned line items. The Bank's directors do not expect that the resolution of these events could significantly affect the financial statements.

## 20. Capital and reserves

Details of movement in the Group's capital and reserves in 2025 and 2024 is shown in the statement of changes in equity.

**•a. Capital**

At 31 December 2025 the Bank's share capital comprises 1.858.323 shares (1.855.037 class A shares and 3.286 class B shares) at Euros 44.56 par value each, fully subscribed and paid up and represented by book entries.

All of the Bank's shares have the same voting and economic rights and there are no different voting rights for any of the shareholders. There are no shares that are representative of capital. Shares are not listed on organised markets.

**•b. Share premium, retained earnings, revaluation reserves and other reserves**

Details of these line items of the statement of financial position at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Share premium</b>	<b>103,842</b>	<b>103,842</b>
<b>Retained earnings</b>	<b>479,096</b>	<b>466,465</b>
Legal reserve	16,688	16,688
Guarantee reserves	27,026	27,026
Voluntary reserves	434,842	422,211
Own share reserves	540	540
	<b>582,938</b>	<b>570,307</b>

**• Share premium**

At 31 December 2025 and 31 December 2024 the balance of this line item of the statement of financial position amounted to Euros 103.842 thousand.

**• Legal reserve**

In accordance with Andorran mercantile law, banks must allocate 10% of the year's profit to the legal reserve until it reaches 20% of the share capital. At 31 December 2025 this reserve is fully appropriated.

**• Guarantee reserves**

This item includes the deposit guarantee reserves and other operating obligations which have to be deposited with the AFA by entities belonging to the financial system.

In compliance with Law 20/2018 of 13 September 2018 regulating Andorran deposit guarantees and the Andorran system for guaranteeing investments, at 31 December 2025 and 2024 Guarantee reserves totalled Euros 27.026 thousand.

**• Voluntary reserves**

Voluntary reserves include an amount of Euros 138.993 thousand for differences on first-time consolidation that are restricted.

**• Consolidation reserves**

At 31 December 2025 and 2024 consolidation reserves correspond to the following companies:

	Thousands of euros	
	31/12/25	31/12/24
Andorra Gestió Agrícol Reig, SAU	2,000	2,000
Andorra Assegurances Agrícol Reig, SAU	463	466
Zumzeiga, BV Group	(99)	(1,269)
And Private Wealth S.A Suïssa	(34)	3
Andbank Luxembourg Group	2,869	4,336
Andbank España Banca Privada Group	97,425	89,147
MyInvestor Banco Group	(5,830)	(3,937)
Quest Wealth Advisers, Inc (Panama)	1,154	1,117
APW Brasil Group (APW Consultores Financeiros Ltda) <sup>(a)</sup>	11,056	(754)
Andbank Monaco, SAM	12,881	9,446
Andbank (Brasil) SA Group <sup>(a)</sup>	-	(9,089)
Sigma-Clarity Ltd Group	-	976
Andbank Corretora de Seguros de Vida Ltda Group <sup>(a)</sup>	-	8,118
Other companies	836	780
Parent reserves and consolidation adjustments	35,692	24,442
	<b>158,413</b>	<b>125,782</b>

(a) The Brazil companies have undergone a corporate restructuring, as described in note 3

Movement in consolidation reserves in 2025 and 2024 is as follows:

Thousands of euros	
<b>Consolidation reserves</b>	
<b>Balance at 31 December 2023</b>	<b>113,598</b>
Distribution of 2023 profit to reserves	25,149
Other consolidation adjustments	(12,965)
<b>Balance at 31 December 2024</b>	<b>125,782</b>
Distribution of 2024 profit to reserves	15,084
Other consolidation adjustments	17,547
<b>Balance at 31 December 2025</b>	<b>158,413</b>

#### • Other reserves

The reserves included under Other in Other reserves mainly comprise the adjustments for the first-time adoption of IFRS, as well as those adjustments made during 2018 due to the first-time adoption of IFRS 9.

#### • Equity instruments issued other than capital

At 31 December 2025 and 2024 equity instruments issued other than capital reflect perpetual contingent subordinated obligations issued on 24 December 2014 for an amount of Euros 35.000 thousand.

The prevailing amount issued at 31 December 2025 is Euros 33.950 thousand.

At its meeting held on 26 November 2014 the Bank's board of directors agreed to request authorisation to issue bonds amounting to Euros 35.000 thousand. On 29 December 2014 the AFA granted authorisation to issue perpetual contingent subordinated bonds of Euros 35.000 thousand. These bonds are considered as equity for Andbank's capital adequacy purposes, upon confirmation of registration with the AFA.

Taking as a benchmark the requirements set out in EU legislation and, more specifically, Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (CRR) these bond issues can be computed as additional Tier 1 capital instruments in accordance with the aforementioned regulatory framework.

During the first few months of 2015, this product was issued and commercialised, with the whole amount of the issue being subscribed. The annual interest rate of this issue is 6.702% at 31 December 2025.

#### • MyInvestor, SA equity instruments issued other than capital

As described in note 3.a) v), MyInvestor Banco, SA carried out various tranches of issuance of non-convertible, non-exchangeable, non-cumulative, and perpetual preference shares during 2024 and 2025.

Taking as a benchmark the requirements set out in EU legislation and, more specifically, Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (CRD IV) and Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (CRR) these bond issues can be computed as additional Tier 1 capital instruments in accordance with the aforementioned regulatory framework.

The preference stakes have no voting rights and cannot be accumulated. They have been fully subscribed and are redeemable upon discretion of the issuer, in accordance with the terms and conditions of each issue.

Preference stakes are subordinated payment bonds and for credit seniority purposes are placed behind common creditors and any other subordinated credit which by law and/or due to its terms and conditions, to the extent permitted by Spanish law, is ranked higher than preference stakes. Interest on the preference stakes is dependent on whether sufficient distributable profits are obtained and on the limits imposed by legislation on own funds, and they do not have any voting rights.

At 31 December 2025 from the different issue tranches of these preference stakes all the issues have been subscribed for a maximum nominal amount of Euros 90.000 thousand, Euros 48.200 thousand of which have been acquired by investors outside the Group.

Details of profits/losses contributed by each of the companies comprising the Group during 2025 and 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Andorra Banc Agrícola Reig, SA</b>	<b>49,002</b>	<b>30,167</b>
<b>Fully consolidated companies:</b>	<b>1,629</b>	<b>15,851</b>
Andorra Gestió Agrícola Reig, SAU, SGOIC	3,464	4,394
Zumzeiga B.V. Group	1,457	1,350
Columbus de México, SA, CV	396	69
Quest Capital Advisers	1,008	888
Andbank Wealth Management LLC Group	338	227
Consolidation adjustments Zumzeiga Group	(285)	166
And Private Wealth, SA	(350)	(1,188)
Andbank Luxembourg Group	7,030	6,452
Andbank (Luxembourg) SA	6,364	6,577
Andbank Asset Management Luxembourg, SA	2,657	2,025
Consolidation adjustments Andbank Lux Group	(1,991)	(2,150)
Andbank España Banca Privada Group	22,428	19,202
Andbank España Banca Privada, SAU	9,030	15,644
Andbank Wealth Management,SGIIC, SAU	11,641	8,081
Medipatrimonia Invest, SL	1,958	1,098
APC Servicios Administrativos, SLU	77	64
Wealth Asesoramiento y Consultoria, SLU	39	35
Gesconsult, SA, SGIIC	386	(376)
Andbank Corporate Finance, SAU	(58)	269
Merchbanc, EGFP, SAU	415	395
Merchbanc, Internacional SARL	215	129
Augusta Ream SL	269	-
Other consolidation adjustments	(1,544)	(6,137)
MyInvestor Group	3,147	6,522
MyInvestor Banco, SA	1,476	6,765
Hellohipoteca, SL	825	(1,012)
Findango Finance, S.L	1,434	-
Other consolidation adjustments	(588)	769
Quest Wealth Advisers, Inc (Panama)	320	58
APW Brasil Group	(164)	489
APW Consultores Financeiros Ltda	(103)	285
Andbank Corretora de Seguros de Vida Ltda	(129)	204
Andbank Gestao de Patrimonio Financeiro, Ltda	117	-
Andbank Wealth Participações Ltda	(199)	-
Other consolidation adjustments	150	-
Andbank Monaco, SAM	2,803	3,369
Andorra Assegurances Agrícola Reig, SA	828	385
Andbank Holding, SL Group	50	-
Others consolidation adjustments	(39,384)	(25,182)
	<b>50,631</b>	<b>46,018</b>

## 21. Accumulated other comprehensive income - Equity

Details of accumulated other comprehensive income during 2025 and 2024 by type of instrument are as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Items that will not be reclassified to profit or loss</b>	<b>163</b>	<b>(78)</b>
Tangible assets	-	-
Intangible assets	-	-
Actuarial gains or losses on defined benefit pension plans	-	-
Non-current assets and disposal groups classified as held for sale	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income	163	(78)
Hedge ineffectiveness of fair value hedges for equity instruments measured at fair value through other comprehensive income	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income (hedged item)	-	-
Fair value changes of equity instruments measured at fair value through other comprehensive income (hedging instrument)	-	-
Fair value changes of financial liabilities at fair value through profit or loss attributable to changes in their credit risk	-	-
<b>Items that may be reclassified to profit or loss</b>	<b>(21,132)</b>	<b>(39,352)</b>
Hedge of net investments in foreign operations (effective portion)	(12,199)	-
Foreign currency translation	(5,117)	(34,250)
Hedging derivatives Cash flow hedges (effective portion)	(353)	56
Fair value changes of debt instruments measured at fair value through other comprehensive income	(3,463)	(5,158)
Hedging instruments (not designated elements)	-	-
Non-current assets and disposal groups classified as held for sale	-	-
Share of other recognised income and expense of investments in subsidiaries, joint ventures and associates	-	-
	<b>(20,969)</b>	<b>(39,430)</b>
Income tax relating to items that will not be reclassified to profit or loss	(16)	8
Income tax relating to items that may be reclassified to profit or loss	2,113	3,935
	<b>(18,872)</b>	<b>(35,487)</b>

The statement of recognised income and expenses for 2025 and 2024, which forms an integral part of the statement of consolidated changes in equity, shows the movements in this line item of the consolidated statement of financial position during these years.

The changes in recognised income and expenses recognised under Equity as accumulated other comprehensive income are due to the gains on the valuation of treasury shares classified under Changes to fair value of debt instruments measured at fair value through other comprehensive income, Hedging instruments. Cash flow hedges and Currency conversion.

## 22. Off-balance sheet exposures

### •a. Loan commitments, financial guarantees and other commitments given and received

A breakdown of the balance of these amounts at 31 December 2025 and 31 December 2024 is as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Loan commitments given</b>	<b>1,389,692</b>	<b>986,168</b>
<b>Of which: Non-performing:</b>	<b>464</b>	<b>255</b>
Central banks	-	-
General governments	22,586	23,914
Credit institutions	-	-
Other financial corporations	21,100	20,415
Non-financial corporations	1,012,645	683,947
Households	333,361	257,892
<b>Financial guarantees given</b>	<b>79,439</b>	<b>92,913</b>
<b>Of which: Non-performing:</b>	<b>-</b>	<b>-</b>
Central banks	-	-
General governments	3	7
Credit institutions	-	-
Other financial corporations	306	337
Non-financial corporations	72,621	85,839
Households	6,509	6,730
<b>Other commitments given</b>	<b>52,146</b>	<b>28,789</b>
<b>Of which: Non-performing:</b>	<b>-</b>	<b>-</b>
Central banks	-	-
General governments	-	-
Credit institutions	-	-
Other financial corporations	2,572	2,573
Non-financial corporations	28,305	9,345
Households	21,269	16,871

	Thousands of euros	
	31/12/25	31/12/24
	Maximum amount of guarantee	Maximum amount of guarantee
<b>Financial guarantees received</b>		
Central banks	-	-
General governments	4,951	7,097
Credit institutions	929	31,329
Financial corporations	62,947	3,351
Other non-financial corporations	208,285	298,741
Households	5,846	322,318
	<b>282,958</b>	<b>662,836</b>

## 23. Third party transactions

A breakdown of the most significant accounts included in this line item at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	31/12/25	31/12/24
Shares and other variable-income securities	7,976,477	5,871,358
Bonds and other fixed-income securities	4,346,571	4,119,006
Units in investment funds not managed by the Group	22,914,357	16,509,280
Units in investment funds managed by the Group	378,520	26,510
Other	760,322	3,824
	<b>36,376,247</b>	<b>26,529,978</b>

Details of assets managed for third parties on or off the balance sheet, whether held in custody or not by the Group at 31 December 2025 and 2024 are as follows:

	31/12/2025			31/12/2024		
	Held in custody / deposited by the Bank	Held in custody / deposited by third parties	Total	Held in custody / deposited by the Bank	Held in custody / deposited by third parties	Total
Collective investment undertakings	377,061	3,530,004	3,907,065	217,312	2,546,066	2,763,378
Individual customer portfolio managed discretionally	3,863,742	4,063,124	7,926,866	2,946,233	3,112,738	6,058,971
Other individual customers	39,952,070	4,439,999	44,392,069	31,243,091	3,645,447	34,888,538
Customers advised	-	1,042,127	1,042,127	-	1,042,677	1,042,677
	<b>44,192,873</b>	<b>13,075,254</b>	<b>57,268,127</b>	<b>34,406,636</b>	<b>10,346,928</b>	<b>44,753,564</b>

## 24. Interest income and expenses

### a. Interest income

This comprises interest accrued during the year for financial assets for which the implicit or explicit return is obtained by applying the effective interest method, regardless of whether it is measured at fair value, as well as modifications of income as a result of hedging.

Details of interest income recognised in the consolidated income statement at 31 December 2025 and 31 December 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
Financial assets held for trading	4,626	4,583
Of which: Trading derivatives	-	-
Non-trading financial assets mandatorily at fair value through profit or loss	124	-
Financial assets designated at fair value through profit or loss	549	712
Financial assets at fair value through other comprehensive income	9,016	11,215
Financial assets at amortised cost	253,304	285,521
Of which: Debt securities	15,839	13,556
Of which: Loans and advances	237,465	271,965
Derivatives - Hedge accounting, interest rate risk	-	-
Other assets	28	40
	<b>267,647</b>	<b>302,071</b>

### b. Interest expenses

This comprises interest accrued during the year for financial liabilities with implicit or explicit returns, including that from remuneration in kind, which is obtained by applying the effective interest method, regardless of whether it is measured at fair value, as well as modifications of cost as a result of hedging.

Details of interest expenses recognised in the consolidated income statement at 31 December 2025 and 31 December 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
Financial liabilities held for trading	-	-
Of which: Trading derivatives	-	-
Financial liabilities designated at fair value through profit or loss	-	-
Financial liabilities at amortised cost	151,062	185,826
Of which: deposits	144,772	174,258
Of which: Debt securities issued	6,290	11,568
Of which: other financial liabilities	-	-
Of which: interest expense on other assets	-	-
Other liabilities	1,342	1,304
Interest expense on assets	-	-
Derivatives - hedge accounting, interest rate risk	207	119
Micro-hedges	-	-
Portfolio hedging	-	-
	<b>152,611</b>	<b>187,249</b>

## 25. Dividend income

This comprises dividends and remuneration from equity instruments corresponding to profits generated by subsidiaries:

	Thousands of euros	
	31/12/25	31/12/24
<b>Dividend income</b>		
Non-trading financial assets mandatorily at fair value through profit or loss	340	15
Financial assets at fair value through other comprehensive income	159	113
	<b>499</b>	<b>128</b>

## 26. Fee and commission income

This includes the amount of fees and commissions accrued during the year, except those which form an integral part of the effective interest rate of financial instruments.

A breakdown of the balance of this line item of the consolidated income statement at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Fee and commission income</b>		
Fees and commission on services	8,534	6,297
Income from services	13,006	17,932
Fees and commission on giros	1,638	1,579
Fees and commission on safe deposit rental	108	118
Fees and commission on credit cards	4,357	3,355
Fees and commission on account maintenance	4,411	4,462
Other	2,492	8,418
Surety bonds	965	2,573
Fees and commission on transferable securities	238,868	199,668
Stock exchange transactions on behalf of customers	74,644	65,239
Securities depository management	26,370	23,408
Financial transactions	137,854	111,021
	<b>261,373</b>	<b>226,470</b>

## 27. Fee and commission expenses

These include the amount of all fees and commissions paid or payable and accrued during the year, except those which form an integral part of the effective interest rate of financial instruments.

A breakdown of the balance of this line item of the consolidated income statement at 31 December 2025 and 2024 is as follows:

	Thousands of euros	
<b>Fee and commission expenses</b>	<b>31/12/25</b>	<b>31/12/24</b>
Securities deposits	1,293	959
Fees and commission on credit cards	2,463	1,789
Swift expenses	345	330
Representation expenses	90,929	79,749
Other	26,678	13,185
	<b>121,708</b>	<b>96,012</b>

## 28. Gains or losses on financial assets and liabilities

This note includes Gains or losses derecognised in financial assets and liabilities not measured at fair value through profit or loss, net; Gains or losses on financial assets and liabilities held for trading, net; Gains or losses on non-trading financial assets mandatorily through profit or loss, net; Gains or losses on financial assets designated at fair value through profit or loss, net; and Gains or losses from hedge accounting, net.

Details of the balances of this line item of the accompanying consolidated income statement at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
<b>Gains or losses on financial assets and liabilities</b>	<b>31/12/25</b>	<b>31/12/24</b>
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	2,721	241
Financial assets at fair value through other comprehensive income	2,452	(282)
Financial assets at amortised cost	276	523
Other	(7)	-
Gains or losses on financial assets and liabilities held for trading, net	31,764	29,280
Gains or losses on non-trading financial assets mandatorily at fair value through profit or loss, net	303	(8)
Gains or losses on financial assets designated at fair value through profit or loss, net	(10)	288
Gains or losses from hedge accounting, net	276	343
	<b>35,054</b>	<b>30,144</b>

Details of Gains or losses on financial assets and financial liabilities held for trading, net at 31 December 2025 and 31 December 2024, are as follows:

	Thousands of euros	
<b>Gains or losses on financial assets and liabilities held for trading, net</b>	<b>31/12/25</b>	<b>31/12/24</b>
Derivatives	11,497	(2,603)
Equity instruments	(4,265)	591
Debt securities	24,532	31,292
	<b>31,764</b>	<b>29,280</b>

## 29. Exchange differences, net

This line item of the consolidated income statement basically includes the gains and losses obtained on the purchase and sale of currencies and the differences arising when converting monetary items in foreign currency in the consolidated statement of financial position to Euros.

These net exchange differences recognised in the consolidated income statement at 31 December 2025, excluding those corresponding to the portfolio of financial assets and financial liabilities at fair value through profit or loss, amount to Euros 4.165 thousand (Euros 13.191 thousand at 31 December 2024).

## 30. Other operating income/expenses

A breakdown of the balance of this line item of the consolidated income statement at 31 December 2025 and 2024 is as follows:

Other operating income and other operating expenses	Thousands of euros			
	31/12/25		31/12/24	
	Income	Expenses	Income	Expenses
Changes in fair value of tangible assets measured using the fair value model	-	-	-	-
Investment property	15	-	14	-
Operating leases other than investment property	944	-	790	-
Other	8,271	(8,616)	9,996	(6,978)
	<b>9,230</b>	<b>(8,616)</b>	<b>10,800</b>	<b>(6,978)</b>

## 31. Administrative expenses

### •a. Staff expenses

A breakdown of the amounts included under this line item in the consolidated income statement for 2025 and 2024 is as follows:

Staff expenses	Thousands of euros	
	31/12/25	31/12/24
Salaries and bonuses to current employees	105,053	95,611
Social Security contributions	18,073	17,910
Other salary commitments	4,262	381
Severance payments	437	940
Training expenses	360	-
Other staff expenses	5,118	7,225
	<b>133,303</b>	<b>122,067</b>

### •b. Other administrative expenses

A breakdown of this line item of the consolidated income statement at 31 December 2025 and 2024 is as follows:

Other administrative expenses	Thousands of euros	
	31/12/25	31/12/24
Furniture, fittings and materials	322	2,095
Leases	2,097	-
Utilities	849	848
IT and communications	29,710	27,589
Publicity and advertising	8,761	8,128
Security and fund courier services	332	338
Insurance and self-insurance premiums	765	848
Independent professional services	13,774	16,070
Repairs and maintenance	1,564	1,475
Administration	11,375	5,589
Other	3,305	2,803
	<b>72,854</b>	<b>65,783</b>

## 32. Provisions or reversals of provisions

At 31 December 2025 and 31 December 2024 net charges to this line item of the consolidated income statement are as follows:

	Thousands of euros	
	31/12/25	31/12/24
<b>Provisions or reversals of provisions</b>		
Pensions and other post employment defined benefit obligations and other long-term employee benefits	-	-
Pending legal issues and tax litigation	(316)	-
Commitments and guarantees given	(68)	48
Other provisions	(10,401)	(7,303)
	<b>(10,785)</b>	<b>(7,255)</b>

## 33. Impairment or reversal of impairment of financial assets not measured at fair value through profit or loss

Impairment losses on financial assets, disclosed by nature of these assets, recognised in the consolidated income statement at 31 December 2025 and 31 December 2024 are as follows:

	Thousands of euros		
31 December 2025	Gains	(Losses)	Total net of gains and losses
Financial assets carried at cost	-	-	-
Financial assets at fair value through other comprehensive income	22	-	22
Financial assets at amortised cost	9,984	(11,824)	(1,840)
	<b>10,006</b>	<b>(11,824)</b>	<b>(1,818)</b>

	Thousands of euros		
31 December 2024	Gains	(Losses)	Total net of gains and losses
Financial assets carried at cost	-	-	-
Financial assets at fair value through other comprehensive income	109	-	109
Financial assets at amortised cost	8,688	(8,080)	608
	<b>8,797</b>	<b>(8,080)</b>	<b>717</b>

## 34. Impairment or reversal of impairment on non-financial assets

At 31 December 2025 and 2024 the Group presents the following balance classified as impairment or reversal of impairment on non-financial assets:

	Thousands of euros	
	31/12/25	31/12/24
<b>Impairment or reversal of impairment on non-financial assets</b>		
Property, plant and equipment	(3)	-
Goodwill	-	-
Intangible assets	(27)	(630)
Other assets	25	-
	<b>(5)</b>	<b>(630)</b>

## 35. Profit or loss from non-current assets and disposal groups classified as held for sale not qualifying as discontinued operations

Details of the balance of this line item of the consolidated income statements at 31 December 2025 and 31 December 2024 are as follows:

	Thousands of euros	
	31/12/25	31/12/24
Net gains on sale of buildings	67	67
Gains (losses) on non-current assets held for sale	3,418	(5,468)
Gains (losses) on sale of investments classified as non-current assets held for sale	-	-
Gains on sale of other equity instruments classified as non-current assets held for sale	-	-
	<b>3,485</b>	<b>(5,401)</b>

## 36. Balances and transactions with related parties

Andorra Banc Agrícol Reig, SA and other Group companies carry out transactions with their related parties within the normal course of business. All these transactions are carried out in normal market conditions. Other related parties include shareholders with significant influence over the Bank. A breakdown of transactions with related parties identified in 2025 and 2024 is as follows:

### -a. Transactions with related entities and individuals

The balances of the accompanying consolidated statements of financial position and income statements originating due to transactions carried out by the Group with related parties at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	Outstanding balances	
	Key management personnel of the Bank or its Parent	Other related parties
<b>2025</b>		
<b>Selection of financial assets</b>	<b>5,536</b>	<b>76,540</b>
Equity instruments	-	-
Debt securities	-	-
Loans and advances	5,536	76,540
Of which: financial assets subject to impairment	-	13,806
<b>Selection of financial liabilities</b>	<b>5,951</b>	<b>17,231</b>
Deposits	5,951	17,231
Debt securities issued	-	-
<b>Nominal amount of loan, financial guarantee and other commitments given</b>	<b>4</b>	<b>4,892</b>
<b>Notional amount of derivatives</b>	<b>-</b>	<b>-</b>
<b>Income statement</b>	<b>21</b>	<b>261</b>
Finance income	29	1,150
Finance costs	(23)	(20)
Fee and commission income	17	166
Fee and commission expenses	-	(1)
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	(2)	(1,034)
<b>Memorandum items</b>	<b>12,683</b>	<b>378,558</b>
Security deposits and other securities held in custody	12,683	378,558

2024	Thousands of euros	
	Outstanding balances	
	Key management personnel of the Bank or its Parent	Other related parties
<b>Selection of financial assets</b>	<b>4,146</b>	<b>52,731</b>
Equity instruments	-	-
Debt securities	-	-
Loans and advances	4,146	52,731
Of which: financial assets subject to impairment	-	9,888
<b>Selection of financial liabilities</b>	<b>3,994</b>	<b>16,840</b>
Deposits	3,994	16,840
Debt securities issued	-	-
<b>Nominal amount of loan, financial guarantee and other commitments given</b>	<b>10</b>	<b>7,355</b>
<b>Notional amount of derivatives</b>	<b>-</b>	<b>-</b>
<b>Income statement</b>	<b>(13)</b>	<b>1,585</b>
Finance income	15	1,654
Finance costs	(40)	(88)
Fee and commission income	12	166
Fee and commission expenses	-	-
Gains or losses on derecognition of financial assets and liabilities not measured at fair value through profit or loss, net	-	(147)
<b>Memorandum items</b>	<b>9,327</b>	<b>369,647</b>
Security deposits and other securities held in custody	9,327	369,647

#### •b. Remuneration of key management personnel of the Bank

The Group considers key management personnel to be the Bank's board of directors, as well as the members of the Bank's senior management.

Details of remuneration accrued in 2025 and 2024 by key management personnel are as follows:

	Thousands of euros	
	2025	2024
<b>Remuneration</b>		
Fixed remuneration	4,259	4,215
Variable and deferred remuneration	1,491	1,352
<b>Other staff expenses</b>	<b>218</b>	<b>248</b>
<b>Total</b>	<b>5,968</b>	<b>5,815</b>

## 37. Taxation

The Group's Andorran companies file corporate income tax returns in accordance with the revised Law 95/2010 of 29 September 2010 on corporate income tax. In accordance with prevailing legislation, these companies' profits are taxed at a rate of 10%. Tax payable is eligible for certain deductions in accordance with legislation prevailing at any given time. Foreign subsidiaries are taxed in accordance with the legislation of each country.

In the opinion of the Bank's directors and its tax advisors, there are no significant tax contingencies which could give rise to possible different interpretations of prevailing tax legislation in the event of an inspection. Details of this line item of the consolidated income statement are as follows:

	Thousands of euros	
	31/12/25	31/12/24
Tax for the year	(2,436)	(2,158)
Income tax adjustments	318	(705)
Local income tax	(2,118)	(2,863)
Foreign income tax	(9,676)	(12,016)
<b>Total</b>	<b>(11,794)</b>	<b>(14,879)</b>

Due to the difference in the treatment of certain operations stipulated by tax legislation, the accounting income differs from the taxable income. A reconciliation between accounting profit for the year and the basis used to calculate the income tax expense of the Group's Andorran companies is shown below. Movement in prepaid and deferred taxes recognised during the year is presented hereinbelow:

	Thousands of euros	
	31/12/25	31/12/24
<b>Accounting profit before tax</b>	<b>55,395</b>	<b>37,572</b>
<b>Permanent differences</b>	<b>(29,487)</b>	<b>(12,598)</b>
originating in the year	(29,432)	(12,530)
originating in prior years	(55)	(68)
Accounting income	25,908	24,974
Tax rate of 10%	2,591	2,497
Tax payable	2,591	2,497
Deductions and credits	(155)	(339)
<b>Income tax expense for the year</b>	<b>2,436</b>	<b>2,158</b>

A reconciliation between accounting profit before tax and the aggregate income tax expense of the Group's Andorran companies for 2025 and 2024 is as follows:

	Thousands of euros	
	31/12/25	31/12/24
Income and expenses for the year	55,395	37,572
10% of the income and expenses balance for the year	5,540	3,757
Tax effect of permanent differences	(2,949)	(1,260)
Deductions and credits for the current year	(155)	(339)
Income tax expense	2,436	2,158

As a result of prevailing legislation, certain temporary differences have arisen which have been recognised in the consolidated statement of financial position at 31 December 2025 and 2024. Movement in the different deferred tax assets and liabilities of the Group's Andorran companies during 2025 and 2024 has been as follows (in thousands of Euros):

	Thousands of euros			
	Deferred tax assets		Deferred tax liabilities	
	2025	2024	2025	2024
Opening balance	7,511	8,855	652	707
Increases	904	1,206	140	-
Decreases	(2,123)	(2,550)	(72)	(55)
<b>Closing balance</b>	<b>6,292</b>	<b>7,511</b>	<b>720</b>	<b>652</b>

Details, by type, of the origin of deferred tax assets and liabilities of the Group's Andorran companies at 31 December 2025 and 2024 are as follows:

	Thousands of euros	
	2025	2024
<b>Deferred tax assets</b>		
<b>Differences due to temporary charging of income and expenses</b>		
Provisions and other impairment	1,816	1,708
Other	1,626	1,574
Other assets	2,850	4,229
	<b>6,292</b>	<b>7,511</b>
<b>Deferred tax liabilities</b>		
Other	720	652
	<b>720</b>	<b>652</b>

Taxes include the amounts recorded by the Group's Andorran companies for tax losses (Euros 1.739 thousand).

## 38. Risk management

### •a. General model for risk management and control

One of the Group's key issues and priority objectives has always been to achieve a robust and efficient risk control and management model. 2025 has been a year of continuity with regard to developing and strengthening the integral risk management model, which covers all risks to which the Andbank Group is exposed and enables optimum management of capital.

In order to ensure a shift towards advanced risk management, during 2016 the Group implemented a Corporate Risks Plan, setting out the bases for developing an integral management model in line with the recommendations of the regulators and best market practices. In 2017 the main areas of action as part of this programme were implemented and the Bank's integral risk management model became a reality, and was consolidated in 2018.

The model for managing and controlling risks is based on establishing the metrics and limits of the risk appetite framework, such as the quantity and type of risks which are considered reasonable to assume as part of the business strategy. Additionally, there is a Recovery Plan with different alert thresholds aimed at providing a rapid response to a balance sheet deterioration scenario and improving business management and control tools.

At least once a year the metrics and limits of the risk appetite framework and of the recovery plan have been reviewed for the purpose of adapting them to the Group's business strategy and its attainment of objectives.

The established control environment enables the risk profile to be kept within the risk appetite level and to adapt to a growing and increasingly strict regulatory environment.

The main items ensuring effective control are:

- A robust risk governance structure led by the Risks Committee, which acts as an advisor to the board of directors with regard to risk exposure. This Committee has three specialised advisors in charge of guaranteeing compliance with regulations and conformity with the best international standards with regard to risk control and management.
- The corporate risk and capital policy framework sets out the basic principles for the management of all risks to which the Bank is exposed. This framework enables a homogeneous risk control and

management model to be set up in all of the Group's subsidiaries, in line with its global strategy.

- Independence of the risk function guaranteeing the separation between the risk generating units and those responsible for controlling these risks.
- Aggregated supervision and consolidation of all the risks.
- A risk culture integrated throughout the organisation, comprising a series of attitudes, values, skills and measures in view of all risks.

#### •b. Capital management

As part of the process of officially validating the legislative framework in line with European legislation and in particular, with regard to prudential legislation, the General Council of the Principality of Andorra approved Law 35/2018 on solvency, liquidity and prudential supervision of banking entities and investment firms at its session held on 20 December 2018. The aim of this Law, in conjunction with the related regulation, is to encompass the EU CRD CRR legislation enforced by Regulation EU no. 575/2013 and Directive 2013/36/EU and its subsequent amendments.

This Law entered into force on 24 January 2019 and repeals the Law regulating the capital adequacy and liquidity criteria of financial institutions of 29 February 1996.

The new Law obliges banking entities to maintain a minimum CET1 of 4.5%, minimum TIER1 capital of 6% and a total capital ratio of 8%. In addition to the aforementioned requirements, on 31 December 2025 the entities are under the obligation to hold a capital buffer of 2.5%, as well as a capital buffer of 1.00% for systemically important institutions, both of which have to be met with ordinary TIER1 capital. At 31 December 2025 the Andbank Group's capital is significantly above these minimum ratios. In this regulatory environment, the Andbank Group's capital ratios at 31 December 2025 are:

	Llei 35/2018
CET1 ratio	16.41%
TIER1 ratio	16.67%
Total capital ratio	16.67%

#### •c. Credit risk

Credit risk refers to the potential loss deriving from fully or partially failing to discharge a contractual obligation of a customer or counterparty with the Group.

The Andbank Group's main business strategy is focused on private banking activities, with not only a very broad customer base but also a high diversification and low concentration of customer funds. In addition, the Bank primarily carries out retail banking activities for the Andorran and Spanish markets, by giving loans to individuals and small and medium-sized companies in Andorra and Spain.

For the purpose of ensuring optimum credit risk management integrated into the global risk management structure, thus enabling a return to be obtained in accordance with the assumed risk level, the Group has defined certain shared basic principles to guarantee adherence with the Bank's business plan, the risk appetite defined and compliance with regulatory guidelines.

Credit risk management is based on a solid organisational and governance model participated in by the board of directors and different risk committees, which define the risk policies and procedures, the limits and delegation of powers and approve and supervise the framework of implementation of the credit risk function.

Within the exclusive credit risk scenario, the credits committee is the decision-making body responsible for supervising and controlling the Group's credit risk. The aim of this committee is to be an instrument for

the effective control of credit risk, advising the Executive Committee, in order to ensure that the credit risk is managed in line with the approved risk appetite level.

#### (i) Credit risk cycle

The full credit risk management cycle encompasses the entire life of the transaction, from the analysis of feasibility and the admission of the risk according to the established criteria, follow up of outstanding transactions and ending with the recovery of the impaired assets.

#### • Analysis and admission of transactions:

A feature of the process of analysing and admitting loan and credit transactions is the strict analysis of the customer's ability to repay the debt, as well as the nature, liquidity and quality of the guarantees provided.

This process must take into consideration the criteria for approving transactions defined in the credit risk policy, as well as the delegation rules based on the allocation of powers to the different governing bodies according to the type of product, amount and maturity date.

In addition, for the purpose of mitigating the risk exposure, the Group has defined a model setting out the limits and authorised limits with each counterparty. This model is approved by the board of directors and is reviewed on a yearly basis. Any new transaction is subject to compliance with these limits, which is monitored continuously.

This analysis and admission process comprises three phases:

- Proposal: the manager presents the transaction with an analysis of the customer's credit quality, its positions, solvency and yield based on the assumed risk.
- Analysis of transaction: the credit risk department analyses the details of the proposal, validating that the information relating to the transactions exists in documentary form, as well as the quality and accessibility of the information required for subsequent approval.
- Approval of the transaction: once the transaction has been analysed, the credit risk department approves it taking into account not only the granting policies defined but also the risk appetite limits, whilst striving to keep a balance between risk and yield.
- Communication: the admission process concludes with the issue and signing of a document and its subsequent reporting to the involved parties so that it can be correctly registered in the systems.

#### • Monitoring:

Monitoring of customers and transactions comprises an analysis of all the items which could have an effect on their credit quality, to detect in advance any incidents which could arise so that actions can be taken to mitigate or resolve them.

As a result of this monitoring, those customers or transactions are identified which require a more thorough review and a more exhaustive follow up, either because their credit quality is impaired or because their nature and/or amount so require.

In addition, daily monitoring and control is performed on compliance of limits and lines of risk approved. At market close, all the exposures are recalculated in accordance with the inflows and outflows of transactions, market variations and risk mitigation mechanisms established. In this way, exposures are subject to daily monitoring and a control of the approved limits.

#### • Recoveries:

Recovery is a relevant function within the credit risk environment. This process defines the strategies and measures required to ensure the correct regularisation and recovery of credits in an irregular situation, in the shortest timeframe and at the lowest cost possible. This function is carried out by the collection and recovery department. This department is an area of direct customer management and its added value is based on

the efficient and effective management of collections, either by regularisation of balances payable or full recovery.

The recovery management model requires the adequate coordination of different departments (sales, risks and legal advisory) and is subject to permanent review and ongoing improvement in management processes and methodologies, adapting them based on the prevailing legislation and best practices in the sector.

## (ii) Credit risk impairment

A financial asset or credit risk are considered impaired if there is objective evidence of impairment as a result of one or more events which give rise to a negative impact on the estimated future cash flows when the transaction is formalised, due to the materialisation of a credit risk. Impairment losses on debt instruments and other off-balance sheet loan exposures are recognised as an expense in the consolidated income statement for the year in which this impairment is estimated. The recovery of previously recognised losses, where applicable, is also recognised in the consolidated income statement for the year in which the impairment disappears or is reduced.

Impairment of financial assets is calculated based on the type of instrument after taking into consideration the effective guarantees received. For debt instruments measured at amortised cost, the Group recognises both valuation allowances when loan loss allowances and provisions are made for impairment losses, and direct write offs against assets, when it considers that recovery is remote.

## Accounting classification based on credit risk due to insolvency

The Group has established criteria to enable it to identify borrowers with significantly increased risk or weaknesses or objective evidence of impairment and classify them based on their credit risk.

Credit exposure, as well as off-balance sheet exposures, are classified based on the credit risk, in the following stages:

- Performing or Stage 1: transactions that do not meet the requirements for classification in other categories.
- Performing exposure with significant increase in risk or Stage 2: this category comprises all transactions which, without qualifying individually for classification as Stage 3 or write-off, have shown significant increases in credit risk since initial recognition. This category includes transactions for which there are amounts more than 30 days past due. Refinanced and restructured transactions, classified in this category, are transferred to a lower risk category when they meet the requirements established for this reclassification. Transactions classified as performing under special monitoring (Stage 2), due to significant increases in risk or as a result of amounts more than 30 days past due, are reclassified in the performing exposure category (Stage 1) once the six-month trial period has elapsed, based on the probability of entering the performing exposure under special monitoring category. Based on subjectively criteria, pursuant to the Bank's Global Risk Policy guidelines, all transactions linked to real estate developments with an outstanding risk exceeding Euros 2.500.000 will be classified in this stage.
- Non-performing or Stage 3: comprises debt instruments, either past due or not, for which without meeting the circumstances to be classified under write-off show reasonable doubts about their full repayment (principal and interest) by the borrower, as well as off-balance sheet exposures, payment of which by the Group is probable and their recovery doubtful.
  - For reasons other than customer arrears, unless after an individual analysis of the situation there are no reasonable doubts regarding full reimbursement: transactions with an amount (principal, interest or contractually agreed expenses), generally more than 90 days past due (although the particular nature of the purchased or originated credit-

impaired transactions are taken into consideration), unless they should be classified as write-off. This category also includes the collateral given when the borrower defaults on the secured transaction. Likewise, amounts of all transactions of a borrower are included when transactions with amounts generally past due, as indicated above, by more than 90 days exceed 20% of the amounts receivable.

- For reasons other than customer arrears: transactions which, without meeting the conditions for being classified as write-off or stage 3 due to customer arrears, show reasonable doubts about the obtaining of estimated cash flows, as well as off-balance sheet exposures not classified in Stage 3 due to customer arrears, payment of which by the Group is probable and their recovery doubtful.

The accounting definition of Stage 3 is in line with that used by the Group to manage credit risk. Likewise, it is in line with the definition of regulating default, with the exception that in regulating terms default is considered to be all transactions of a borrower in a business segment when there are amounts past due by more than 90 days, whilst the accounting definition specifies that all borrowers' transactions are Stage 3 when amounts past due by more than 90 days exceed 20% of the amounts receivable.

- Total write-off: The Group derecognises from the statements of financial position transactions the recovery of which, after an individual analysis, is considered fully or partially remote. This category includes risks of customers under insolvency, with request for liquidation, as well as transactions classified as Stage 3 due to customer arrears past due by more than four years, or less when the amount not hedged with effective guarantees has been held with a credit risk hedge of 100% over a period of more than two years, except for balances with sufficient effective guarantees. It also includes transactions which, without any of the aforementioned circumstances, show a significant and irrecoverable impairment in solvency.

## (iii) Estimated hedging of credit risk losses

Debt instruments not included in financial assets held for trading, as well as off-balance sheet exposures are classified based on the insolvency credit risk, in the categories included in the sections below.

Hedging transactions classified as performing exposure are associated with a group of transactions with similar credit risk characteristics (homogeneous risk group) and therefore, they can be estimated collectively, taking into consideration the credit losses on transactions with similar risk characteristics.

Hedging of transactions classified as performing exposure with significant increase in risk can be associated with a homogeneous risk group or with a transaction. When they are associated with a homogeneous risk group they are estimated collectively; when they are associated with specific transactions they can either be estimated individually based on credit losses, or collectively.

Finally, hedging of transactions classified as non-performing exposures are associated with specific transactions and can be estimated either individually or collectively.

## (iv) Credit risk mitigation

Exposure to credit risk is strictly managed and monitored based on an analysis of borrowers' insolvency and their ability to meet payment of their obligations with the Group, and exposure limits established for each counterparty are brought into line with a level considered to be acceptable. It is also usual practice to modulate the level of exposure by the borrower setting up collateral and guarantees in favour of the Group.

Normally, these relate to collateral securities, mainly monetary collateral, securities or mortgages on buildings destined for housing (finished or under construction). The Group also accepts, albeit to a lesser extent, other types of collateral such as mortgages on retail premises, industrial

bays, etc., as well as financial assets. Another credit risk mitigation technique often used by the Bank is the acceptance of guarantees, in this case conditioned by the guarantor showing proven solvency.

All these risk mitigation techniques are subject to legal assurance, i.e. by contracts binding all of the parties and enabling their legal enforcement in all pertinent jurisdictions in order to ensure, at all times, the possibility of liquidating the collateral.

#### Maximum exposure to credit risk

In accordance with IFRS 7 Financial instruments: Disclosures, details are provided below, by line item of the consolidated statement of financial position, of the distribution of the Group's maximum exposure to credit risk at 31 December 2025 and 2024, without deducting the collateral security or the credit enhancements obtained to ensure compliance with payment obligations, disclosed by nature of the financial instruments.

Maximum exposure to credit risk	31/12/25	31/12/24
<b>Financial assets held for trading</b>	<b>330,015</b>	<b>306,529</b>
Derivatives	136,264	147,068
Equity instruments	86,306	8,754
Debt securities	107,445	150,707
Loans and advances	-	-
<b>Non-trading financial assets mandatorily at fair value through profit or loss</b>	<b>11,370</b>	<b>6,461</b>
Equity instruments	11,370	6,461
Debt securities	-	-
Loans and advances	-	-
<b>Financial assets designated at fair value through profit or loss</b>	<b>9,204</b>	<b>22,847</b>
Equity instruments	-	-
Debt securities	6,410	20,291
Loans and advances	2,794	2,556
<b>Financial assets at fair value through other comprehensive income</b>	<b>517,194</b>	<b>317,948</b>
Equity instruments	32,163	14,287
Debt securities	485,031	303,661
Loans and advances	-	-
<b>Financial assets at amortised cost</b>	<b>5,068,513</b>	<b>4,440,834</b>
Debt securities	627,488	693,428
Loans and advances	4,441,025	3,747,406
<b>Derivatives - Hedge accounting</b>	<b>4,635</b>	<b>7,140</b>
<b>Total exposure for financial assets</b>	<b>5,940,931</b>	<b>5,101,759</b>
Loan commitments given	1,389,692	986,168
Financial guarantees given	79,439	92,913
Other commitments and other guarantees given	52,146	28,789
<b>Total commitments and guarantees given</b>	<b>1,521,277</b>	<b>1,107,870</b>
<b>Total maximum exposure to credit risk</b>	<b>7,462,208</b>	<b>6,209,629</b>

The maximum exposure to credit risk is determined based on financial assets, as explained below:

- In the case of the financial assets recognised in the consolidated statements of financial position, it is considered that exposure to credit risk is equal to its carrying amount.
- It is considered that the maximum exposure to credit risk for financial guarantees given is the highest amount that the Group would have to pay if the guarantee were executed, which corresponds to its carrying amount.

The maximum exposure to credit risk for derivatives is based on their market value and their potential risk. Market value reflects the difference between the original commitments and the mark-to-market value at the date of the financial statements. As indicated in note 3, in accordance with IFRS 9, derivatives are recognised at each reporting date at their fair value. On the other hand, the potential risk is an estimate of the maximum expected rise of the exposure to risk through a derivative marked to market, with a statistical confidence level, as a result of future changes in the valuation prices in the residual term until the maturity of the transaction.

#### Credit quality of financial assets

As indicated in the accounting policy, the Bank has different methods to determine expected loan losses. The net value of debt securities by category and their credit rating, as indicated in the accounting policies at 31 December 2025 and 31 December 2024, is as follows:

Rating	31/12/25	31/12/24
AAA	192,964	50,153
AA+ to AA-	158,118	251,148
A+ to A-	528,588	503,999
BBB+	227,880	143,515
BBB or lower	118,824	219,272
	<b>1,226,374</b>	<b>1,168,087</b>

**Non-past-due risks, past-due but not impaired risks and doubtful or impaired risks**

The following tables provide details, by counterparty and by product, of gross loans and advances at 31 December 2025 and 2024 classified based on the ageing of the first unpaid maturity, differentiating between performing and non-performing, together with value adjustments:

Thousands of euros											
	Gross carrying amount / Nominal amount										
		Non-doubtful					Doubtful				
		TOTAL Non-doubtful + TOTAL Doubtful	Total	Not past due or past due <= 30 days	Past due >30 days <= 90 days	Total	Payment improbable not past due or past due <= 90 days	Past due >90 days <= 180 days	Past due > 180 days <= 1 year	Past due >1 year <=5 years	Past due > 5 years
<b>31 December 2025</b>											
<b>Loans and advances</b>	<b>4,199,987</b>	<b>4,115,004</b>	<b>4,092,366</b>		<b>22,638</b>	<b>84,983</b>	<b>15,012</b>	<b>49,590</b>	<b>1,303</b>	<b>8,832</b>	<b>10,246</b>
Central banks	-	-	-		-	-	-	-	-	-	-
General governments	4,542	4,542	4,542		-	-	-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-	-	-
Other financial corporations	188,245	188,217	188,216		1	28	-	-	-	28	-
Other non-financial corporations	2,137,495	2,061,137	2,043,879		17,258	76,358	14,083	48,923	403	6,085	6,864
Of which: small and medium-sized enterprises	574,809	547,093	546,773		320	27,716	14,066	298	403	6,085	6,864
Of which: secured by commercial real estate	101,830	86,182	86,182		-	15,648	13,997	-	-	-	1,651
Households	1,869,705	1,861,108	1,855,729		5,379	8,597	929	667	900	2,719	3,382
Of which: secured by residential real estate	224,183	221,267	221,059		208	2,917	718	582	119	702	796
Of which: credit for consumption	-	-	-		-	-	-	-	-	-	-

Thousands of euros											
	Gross carrying amount / Nominal amount										
		Non-doubtful					Doubtful				
		TOTAL Non-doubtful + TOTAL Doubtful	Total	Not past due or past due <= 30 days	Past due >30 days <= 90 days	Total	Payment improbable not past due or past due <= 90 days	Past due >90 days <= 180 days	Past due > 180 days <= 1 year	Past due >1 year <=5 years	Past due > 5 years
<b>31 December 2024</b>											
<b>Loans and advances</b>	<b>1,054,164</b>	<b>1,028,841</b>	<b>1,026,129</b>		<b>2,712</b>	<b>25,323</b>	<b>10,459</b>	<b>983</b>	<b>955</b>	<b>4,008</b>	<b>8,918</b>
Central banks	-	-	-		-	-	-	-	-	-	-
General governments	6,685	6,685	6,685		-	-	-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-	-	-
Other financial corporations	45,471	45,447	45,447		-	24	-	24	-	-	-
Other non-financial corporations	522,692	504,738	503,452		1,286	17,954	10,229	26	154	2,219	5,326
Of which: small and medium-sized enterprises	1,702,212	1,689,270	1,684,611		4,659	12,942	132	42	5,202	2,235	5,331
Of which: secured by commercial real estate	134,649	133,164	133,164		-	1,485	-	-	-	1,378	107
Households	479,316	471,971	470,545		1,426	7,345	230	933	801	1,789	3,592
Of which: secured by residential real estate	870,439	866,008	864,131		1,877	4,431	632	843	750	929	1,277
Of which: credit for consumption	110,108	109,866	109,863		3	242	115	-	5	122	-

## Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions

## Doubtful exposure - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions

31 December 2025	Total	Non-doubtful exposure - Accumulated impairment and provisions	Doubtful exposure - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			Total	Payment improbable not past due or past due <= 90 days	Past due > 90 days <=180 days	Past due >180 days <=1 year	Past due > 1 year <= 5 years	Past due >5 years
<b>Loans and advances</b>	<b>(18,161)</b>	<b>(9,811)</b>	<b>(8,350)</b>	<b>(1,036)</b>	<b>(353)</b>	<b>(688)</b>	<b>(2,637)</b>	<b>(3,636)</b>
Central banks	-	-	-	-	-	-	-	-
General governments	(23)	(23)	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	(1,134)	(1,106)	(28)	-	-	-	(28)	-
Other non-financial corporations	(9,820)	(5,705)	(4,115)	(992)	(235)	(412)	(696)	(1,780)
Of which: small and medium-sized enterprises	(6,697)	(2,600)	(4,097)	(988)	(235)	(410)	(684)	(1,780)
Of which: secured by commercial real estate	(1,365)	(30)	(1,335)	(918)	-	-	-	(417)
Households	(7,184)	(2,977)	(4,207)	(44)	(118)	(276)	(1,913)	(1,856)
Of which: secured by residential real estate	(1,998)	(297)	(1,701)	(44)	-	(54)	(1,444)	(159)
Of which: credit for consumption	-	-	-	-	-	-	-	-

## Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions

## Doubtful exposure - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions

31 December 2024	Total	Non-doubtful exposure - Accumulated impairment and provisions	Doubtful exposure - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			Total	Payment improbable not past due or past due <= 90 days	Past due > 90 days <=180 days	Past due >180 days <=1 year	Past due > 1 year <= 5 years	Past due >5 years
<b>Loans and advances</b>	<b>(14,146)</b>	<b>(8,500)</b>	<b>(5,646)</b>	<b>(353)</b>	<b>(244)</b>	<b>(315)</b>	<b>(1,554)</b>	<b>(3,180)</b>
Central banks	-	-	-	-	-	-	-	-
General governments	(33)	(33)	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	(85)	(69)	(16)	-	(16)	-	-	-
Other non-financial corporations	(7,605)	(5,235)	(2,370)	(146)	(4)	(154)	(756)	(1,310)
Of which: small and medium-sized enterprises	(7,883)	(5,545)	(2,338)	(94)	(14)	(154)	(760)	(1,316)
Of which: secured by commercial real estate	(2,562)	(2,292)	(270)	-	-	-	(209)	(61)
Households	(6,423)	(3,163)	(3,260)	(207)	(224)	(161)	(798)	(1,870)
Of which: secured by residential real estate	(1,383)	(422)	(961)	(2)	(161)	(116)	(283)	(399)
Of which: credit for consumption	(384)	(267)	(117)	(31)	-	(4)	(82)	-

## Impairment losses

Movements during 2025 and 2024 in the provisions recognised in the accompanying consolidated statements of financial position to cover the impairment or reversal of the impairment of the estimated value of loans and advances and debt securities are as follows:

	Thousands of euros								
31 December 2025	Opening balance	Increases due to origin and acquisition	Decrease due to disposals		Changes due to modification in credit risk (net)	"Changes due to modifications without derecognition (net)	Decreases due to adjustments to the value of derecognised write-offs	Other adjustments	Closing balance
<b>Provisions for financial assets without increase in credit risk since initial recognition (Stage 1)</b>	<b>(4,081)</b>	<b>(2,364)</b>	<b>443</b>		<b>139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,863)</b>
Debt securities	(407)	-	36		158	-	-	-	(213)
Central banks	-	-	-		-	-	-	-	-
General governments	(83)	-	-		37	-	-	-	(46)
Credit institutions	(116)	-	-		46	-	-	-	(70)
Other financial corporations	(89)	-	31		(20)	-	-	-	(78)
Non-financial corporations	(119)	-	5		95	-	-	-	(19)
Loans and advances	(3,674)	(2,364)	407		(19)	-	-	-	(5,650)
Central banks	-	-	-		-	-	-	-	-
General governments	(49)	-	23		3	-	-	-	(23)
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	(451)	(567)	384		(12)	-	-	(460)	(1,106)
Non-financial corporations	(2,331)	(1,456)	-		(98)	-	-	460	(3,425)
Households	(843)	(341)	-		88	-	-	-	(1,096)
<b>Provisions for debt instruments with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)</b>	<b>(6,162)</b>	<b>(271)</b>	<b>4,443</b>		<b>(2,171)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,161)</b>
Debt securities	-	-	-		-	-	-	-	-
Central banks	-	-	-		-	-	-	-	-
General governments	-	-	-		-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	-	-	-		-	-	-	-	-
Non-financial corporations	-	-	-		-	-	-	-	-
Loans and advances	(6,162)	(271)	4,443		(2,171)	-	-	-	(4,161)
Central banks	-	-	-		-	-	-	-	-
General governments	-	-	-		-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	-	-	-		-	-	-	-	-
Non-financial corporations	(3,214)	(64)	2,152		(1,154)	-	-	-	(2,280)
Households	(2,948)	(207)	2,291		(1,017)	-	-	-	(1,881)
<b>Provisions for credit-impaired debt instruments (Stage 3)</b>	<b>(6,850)</b>	<b>(206)</b>	<b>464</b>		<b>(2,068)</b>	<b>-</b>	<b>310</b>	<b>-</b>	<b>(8,350)</b>
Debt securities	-	-	-		-	-	-	-	-
Central banks	-	-	-		-	-	-	-	-
General governments	-	-	-		-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	-	-	-		-	-	-	-	-
Non-financial corporations	-	-	-		-	-	-	-	-
Loans and advances	(6,850)	(206)	464		(2,068)	-	310	-	(8,350)
Central banks	-	-	-		-	-	-	-	-
General governments	-	-	-		-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	(16)	-	-		(12)	-	-	-	(28)
Non-financial corporations	(2,470)	(20)	-		(1,631)	-	6	-	(4,115)
Households	(4,364)	(186)	464		(425)	-	304	-	(4,207)
<b>Total</b>	<b>(17,093)</b>	<b>(2,841)</b>	<b>5,350</b>		<b>(4,100)</b>	<b>-</b>	<b>310</b>	<b>-</b>	<b>(18,374)</b>

31 December 2024	Opening balance	Increases due to origin and acquisition	Decrease due to disposals		Changes due to modification in credit risk (net)	"Changes due to modifications without derecognition (net)	Decreases due to adjustments to the value of derecognised write-offs	Other adjustments	Closing balance
<b>Provisions for financial assets without increase in credit risk since initial recognition (Stage 1)</b>	<b>(3,782)</b>	<b>(1,929)</b>	<b>829</b>		<b>885</b>	<b>-</b>	<b>-</b>	<b>(84)</b>	<b>(4,081)</b>
Debt securities	(447)	-	-		124	-	-	(84)	(407)
Central banks	-	-	-		-	-	-	-	-
General governments	(77)	-	-		56	-	-	(62)	(83)
Credit institutions	(116)	-	-		13	-	-	(13)	(116)
Other financial corporations	(96)	-	-		12	-	-	(5)	(89)
Non-financial corporations	(158)	-	-		43	-	-	(4)	(119)
Loans and advances	(3,335)	(1,929)	829		761	-	-	-	(3,674)
Central banks	-	-	-		-	-	-	-	-
General governments	(59)	(1)	22		(11)	-	-	-	(49)
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	(302)	(47)	89		(191)	-	-	-	(451)
Non-financial corporations	(1,418)	(1,647)	361		373	-	-	-	(2,331)
Households	(1,556)	(234)	357		590	-	-	-	(843)
<b>Provisions for debt instruments with a significant increase in credit risk since initial recognition, but not credit-impaired (Stage 2)</b>	<b>(5,801)</b>	<b>(76)</b>	<b>43</b>		<b>(328)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,162)</b>
Debt securities	-	-	-		-	-	-	-	-
Central banks	-	-	-		-	-	-	-	-
General governments	-	-	-		-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	-	-	-		-	-	-	-	-
Non-financial corporations	-	-	-		-	-	-	-	-
Loans and advances	(5,801)	(76)	43		(328)	-	-	-	(6,162)
Central banks	-	-	-		-	-	-	-	-
General governments	-	-	-		-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	(2)	-	-		2	-	-	-	-
Non-financial corporations	(3,026)	(74)	-		(114)	-	-	-	(3,214)
Households	(2,773)	(2)	43		(216)	-	-	-	(2,948)
<b>Provisions for credit-impaired debt instruments (Stage 3)</b>	<b>(14,037)</b>	<b>(317)</b>	<b>3,332</b>		<b>(583)</b>	<b>-</b>	<b>4,755</b>	<b>-</b>	<b>(6,850)</b>
Debt securities	-	-	-		-	-	-	-	-
Central banks	-	-	-		-	-	-	-	-
General governments	-	-	-		-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	-	-	-		-	-	-	-	-
Non-financial corporations	-	-	-		-	-	-	-	-
Loans and advances	(14,037)	(317)	3,332		(583)	-	4,755	-	(6,850)
Central banks	-	-	-		-	-	-	-	-
General governments	-	-	-		-	-	-	-	-
Credit institutions	-	-	-		-	-	-	-	-
Other financial corporations	(2)	(16)	2		-	-	-	-	(16)
Non-financial corporations	(9,549)	(152)	2,517		300	-	4,414	-	(2,470)
Households	(4,486)	(149)	813		(883)	-	341	-	(4,364)
<b>Total</b>	<b>(23,620)</b>	<b>(2,322)</b>	<b>4,204</b>		<b>(26)</b>	<b>-</b>	<b>4,755</b>	<b>(84)</b>	<b>(17,093)</b>

## Risk concentration

Details of the risk concentrations of the different financial instruments, by product and geographical area, at 31 December 2025 and 31 December 2024, are as follows:

Thousands of euros												
2025	Financial assets held for trading			Financial assets designated at fair value through profit or loss		Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost			
	Concentration by country	Debt securities	Equity instruments	Derivatives	Debt securities		Loans and advances	Equity instruments	Debt securities	Equity instruments	Debt securities	Interbank
Spain	82,904	3,716	25,176	-	2,794	1,193	77,297	28,116	90,966	160,195	4,108,096	2,748,203
France	1,260	-	11,764	6,410	-	-	61,179	-	73,717	12,044	163,051	255,151
Italy	208	-	1,303	-	-	-	86,518	-	145,638	-	15	8,178
Germany	118	-	13,020	-	-	-	20,397	-	63,624	25,005	246	2,753
Holland	113	-	876	-	-	-	-	-	20,096	-	-	567
Belgium	-	-	28	-	-	-	131,637	-	-	-	-	2,395
Andorra	381	14	5,090	-	-	4,764	6,372	951	40,829	-	17,127	799,685
Rest of Europe	18,001	3	44,552	-	-	-	20,120	2,365	36,771	59,493	129,132	248,211
USA	208	3	2,258	-	-	333	77,385	664	134,009	142	14,976	15,713
Latin America	50	82,540	395	-	-	-	-	-	-	971	1,517	24,287
Other	4,202	30	31,802	-	-	5,080	4,126	67	21,838	1,349	494	94,844
<b>Total</b>	<b>107,445</b>	<b>86,306</b>	<b>136,264</b>	<b>6,410</b>	<b>2,794</b>	<b>11,370</b>	<b>485,031</b>	<b>32,163</b>	<b>627,488</b>	<b>259,199</b>	<b>4,434,654</b>	<b>4,199,987</b>

Thousands of euros												
2024	Financial assets held for trading			Financial assets designated at fair value through profit or loss		Non-trading financial assets mandatorily at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost			
	Concentration by country	Debt securities	Equity instruments	Derivatives	Debt securities		Loans and advances	Equity instruments	Debt securities	Equity instruments	Debt securities	Interbank
Spain	62,471	8,580	29,998	-	2,556	1,087	50,866	2,636	161,536	106,351	3,688,232	2,106,186
France	17,206	-	3,342	12,257	-	-	92,091	-	37,762	13,321	270,639	225,389
Italy	10,290	-	-	-	-	-	20,709	-	141,917	-	21	10,817
Germany	202	-	-	-	-	-	1,024	-	44,661	1	689	2,989
Holland	25,335	-	17,120	-	-	-	-	-	20,273	-	-	562
Belgium	4,976	-	-	-	-	-	24,880	-	-	-	-	3,311
Andorra	-	13	16,645	-	-	4,855	6,292	1,387	38,034	3	1,298	691,965
Rest of Europe	3,404	4	14,437	-	-	-	-	2	53,540	153,154	237,005	286,089
USA	789	4	20,403	-	-	519	88,574	10,178	172,412	169	6,362	17,466
Latin America	923	37	-	8,034	-	-	-	-	-	484	1,417	26,932
Other	25,111	116	45,123	-	-	-	19,225	84	23,293	1,323	1,401	117,580
<b>Total</b>	<b>150,707</b>	<b>8,754</b>	<b>147,068</b>	<b>20,291</b>	<b>2,556</b>	<b>6,461</b>	<b>303,661</b>	<b>14,287</b>	<b>693,428</b>	<b>274,806</b>	<b>4,207,064</b>	<b>3,489,286</b>

### Netting of assets and liabilities

The Group presents on the consolidated statements of financial position the fair value of asset and liability derivatives at gross amount and has not carried out any netting. However, most of the financial derivatives contracted, as well as repurchase agreements, are subject to settlement agreements such as ISDA master agreements or similar agreements. These agreements permit the settlement of contracts deriving from the netting in the event of the counterparty's default, but not in the course of ordinary business, and the Group does not have the intention to settle these contracts at net amount. The table below shows the value of assets and liabilities recognised on the statement of financial position subject to the agreements described at 31 December 2025 and 31 December 2024, as well as the balances of collateral and other offsetting agreements:

Thousands of euros			
31 December 2025	Carrying amount	Clearing agreements and collateral	Net exposure
<b>Financial assets</b>			
Derivatives	140,898	(23,828)	117,071
Loans and advances	259,356	(247,998)	11,357
<b>Financial liabilities</b>			
Derivatives	78,224	(28,365)	49,859
Deposits	372,813	(10)	372,803

Thousands of euros			
31 December 2024	Carrying amount	Clearing agreements and collateral	Net exposure
<b>Financial assets</b>			
Derivatives	154,208	(31,569)	122,639
Loans and advances	273,843	(246,758)	27,085
<b>Financial liabilities</b>			
Derivatives	100,380	(7,992)	92,388
Deposits	426,425	(2,507)	423,918

#### d. Market risk

##### Sensitivity analysis

Market risk is understood as the potential loss to which the trading portfolio is exposed due to changes in market conditions, such as asset prices, interest rates, volatility and market liquidity. The measure the Group uses to manage market risk in its investment portfolio is value at risk (VaR), as a general market standard, together with stress testing of the held-to-maturity portfolio.

VaR is calculated using the historical method. The calculation obtained corresponds to the maximum expected loss over a given time horizon and with a given confidence level. The Bank calculates VaR for a time horizon of one day and with a confidence level of 99%, and the historical period used for the calculation is one year. During 2025 the average VaR calculated for the trading portfolio was Euros 297 thousand, with a maximum of Euros 602 thousand and a minimum of Euros 130 thousand. The average position of the trading portfolio was Euros 283 million. The trading portfolio mostly comprises bonds with good credit ratings and of a very short duration, which determines a very reduced VaR.

The Group stress tests its investment portfolio to assess the expected loss in extreme situations involving increases in the yield curve or widening of credit spreads. These tests use simulations to predict how the market value of the portfolio assets is likely to change in different scenarios. Four scenarios have been analysed, three of which are historical (the Greek crisis of 2010, the terrorist attacks on the Twin Towers in 2001 and the COVID-19 health crisis in 2020) and one of which is hypothetical (a rise in interest rate curves and an overall increase in credit spreads of 200bp).

The table below shows a summary of the VaR positions from the Group's trading activity at 31 December 2025 and 2024, as well as during the period (based on a confidence level of 99% and a historical period of one year considered for the calculation):

Thousands of euros				
A 31 de dezembro de 2025	VaR at 31/12/2024	Average VaR for the period	Maximum VaR for the period (*)	Minimum VaR for the period (*)
Interest rate risk	156	256	452	127
Spread risk	11	35	26	48
Variable income risk	24	39	151	-
Diversification effect	(7)	(33)	(27)	(45)
<b>Total</b>	<b>184</b>	<b>297</b>	<b>602</b>	<b>130</b>

(\*) The Maximum and Minimum VaR observations for risk components correspond to those observed with the Total VaR

Thousands of euros				
At 31 December 2024	VaR at 31/12/2024	Average VaR for the period	Maximum VaR for the period (*)	Minimum VaR for the period (*)
Interest rate risk	227	337	873	117
Spread risk	72	64	53	63
Variable income risk	-	-	-	-
Diversification effect	(63)	(59)	(66)	(51)
<b>Total</b>	<b>236</b>	<b>342</b>	<b>860</b>	<b>129</b>

(\*) The Maximum and Minimum VaR observations for risk components correspond to those observed with the Total VaR

#### **Exposure to interest rate risk - Non-trading activity**

Interest rate risk is defined as the impact on the market value of the Andbank Group's assets and liabilities resulting from movements in interest rates. The measures the Group uses to assess this impact are the sensitivity of the net interest margin over one year period to 25 basis point parallel shifts in the yield curve for the main statement of financial position currencies and the sensitivity of the market value of own funds to 100 basis point parallel shifts in the yield curve.

Based on interest rates of the past year, the Group maintains a positive exposure to shifts in the interest rate curve; i.e. the Group's financial margin would increase if the interest rate were to rise and decrease if the interest rate were to fall. The repricing gap of the Group's interest-rate-sensitive assets and liabilities is positive, i.e., overall, the repricing of assets precedes in time the repricing of liabilities. This position is reflected in the transfer of interbank deposits to very short terms in an investment portfolio of mainly floating rates plus a spread and in the holding of a fixed income investment portfolio primarily invested in bonds with short and medium-term maturity, although part of the portfolio comprises long-term fixed-interest bonds which enable an additional margin to be generated and increase the duration of the asset on the consolidated statement of financial position. A portion of these bonds is covered by interest rate derivatives which enable the duration risk to be hedged.

The limit on the sensitivity of equity to a 100 basis point parallel shift in the yield curve has been set by the board of directors at 5%. During 2025 the sensitivity of own funds has remained under this limit.

A table showing the position of the Group's interest rate gap is as follows:

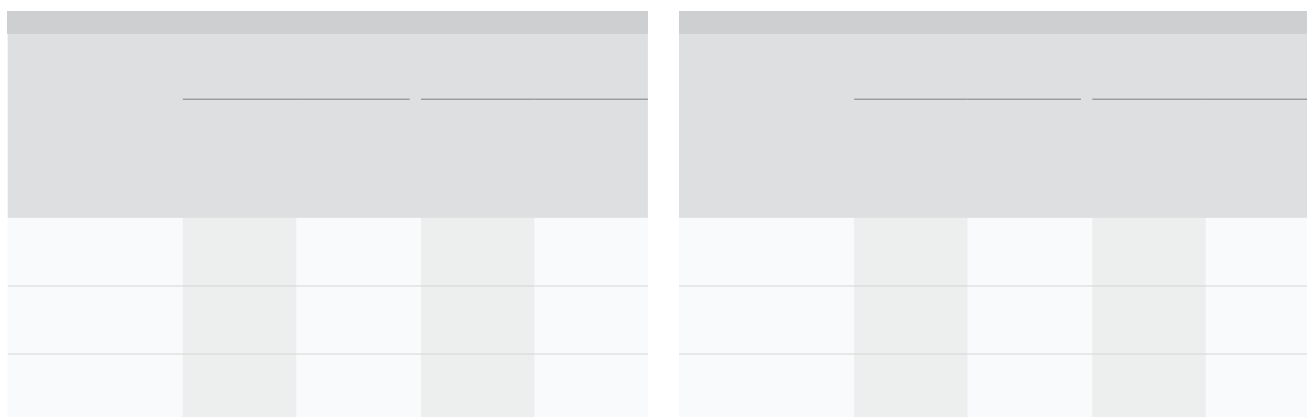
Thousands of euros							
31 December 2025	Up to one month	From one month to three months	From three months to one year	From one to five years	More than five years	Not sensitive	Total balance
Cash, balances with other central banks and other demand deposits	4,434,654	-	-	-	-	-	4,434,654
Financial assets	120,215	59,347	365,255	358,932	305,811	149,882	1,359,443
Loans and receivables	989,493	677,238	1,700,151	679,678	402,560	(8,095)	4,441,026
Loans and credits to entities	171,110	61,914	25,380	-	-	795	259,199
Credits to customers	818,383	615,324	1,674,771	679,678	402,560	(8,891)	4,181,827
Derivatives	(0)	-	-	-	-	135,829	135,829
Hedging derivatives	-	-	-	-	-	4,635	4,635
Investments in subsidiaries, joint ventures and associates	-	-	-	-	-	10,077	10,077
Other assets	-	-	-	-	-	606,342	606,342
<b>Total assets</b>	<b>5,544,362</b>	<b>736,585</b>	<b>2,065,407</b>	<b>1,038,611</b>	<b>708,371</b>	<b>898,670</b>	<b>10,992,005</b>
Financial liabilities held for trading	-	-	-	-	-	75,681	75,681
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial liabilities at amortised cost	3,718,087	1,122,891	1,064,034	2,747,244	9,355	1,229,660	9,891,271
Deposits in central banks	14,326	15,500	22,600	-	-	320	52,747
Deposits in banks	109,931	219,968	20,985	63,694	-	1,015	415,592
Customer deposits	3,554,747	877,423	974,481	2,636,123	(13,429)	1,127,319	9,156,664
Demand	1,732,086	74,580	118,173	2,510,261	7,542	1,110,660	5,553,302
Term	1,822,661	802,843	856,308	125,862	(20,971)	-	3,586,703
Unpaid interest incurred	-	-	-	-	-	16,658	16,658
Other financial liabilities	-	-	-	-	-	-	-
Debt securities	39,083	10,000	45,968	47,428	22,784	-	165,262
Other financial liabilities	-	-	-	-	-	101,006	101,006
Hedging derivatives	-	-	-	-	-	2,543	2,543
Liabilities under insurance contracts	-	-	-	-	-	39,923	39,923
Other liabilities	-	-	-	-	-	172,461	172,461
<b>Total liabilities</b>	<b>3,718,087</b>	<b>1,122,891</b>	<b>1,064,034</b>	<b>2,747,244</b>	<b>9,355</b>	<b>1,520,269</b>	<b>10,181,879</b>
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,914</b>	<b>776,212</b>	<b>810,126</b>
<b>Total Liabilities + Equity</b>	<b>3,718,087</b>	<b>1,122,891</b>	<b>1,064,034</b>	<b>2,747,244</b>	<b>43,269</b>	<b>2,296,480</b>	<b>10,992,005</b>
Assets	5,544,362	736,585	2,065,407	1,038,611	708,371	898,235	10,991,570
Liabilities	3,718,087	1,122,891	1,064,034	2,747,244	43,269	2,296,480	10,992,005
<b>IRS - Derivatives</b>	<b>15,000</b>	<b>(846)</b>	<b>(172,550)</b>	<b>200,000</b>	<b>(42,450)</b>	<b>-</b>	<b>(846)</b>
<b>SIMPLE GAP</b>	<b>1,841,275</b>	<b>(387,152)</b>	<b>828,823</b>	<b>(1,508,634)</b>	<b>622,652</b>	<b>(1,398,245)</b>	<b>(1,281)</b>
<b>ACCUMULATED GAP</b>	<b>1,841,275</b>	<b>1,454,123</b>	<b>2,282,946</b>	<b>774,312</b>	<b>1,396,964</b>	<b>(1,281)</b>	<b>-</b>

Thousands of euros

31 December 2024	Up to one month	From one month to three months	From three months to one year	From one to five years	More than five years	Not sensitive	Total balance
Cash, balances with other central banks and other demand deposits	4,222,238	-	-	-	-	-	4,222,238
Financial assets	93,092	160,997	182,915	369,419	351,399	42,323	1,200,145
Loans and receivables	1,036,206	459,153	1,407,167	483,266	363,380	(1,766)	3,747,406
Loans and credits to entities	135,284	56,385	14,645	67,251	-	1,241	274,806
Credits to customers	900,922	402,768	1,392,522	416,015	363,380	(3,007)	3,472,600
Derivatives	-	-	-	-	-	147,068	147,068
Hedging derivatives	-	-	-	-	-	7,140	7,140
Investments in subsidiaries, joint ventures and associates	-	-	-	-	-	9,548	9,548
Other assets	-	-	-	-	-	1,023,574	1,023,574
<b>Total assets</b>	<b>5,351,536</b>	<b>620,150</b>	<b>1,590,082</b>	<b>852,685</b>	<b>714,779</b>	<b>1,227,887</b>	<b>10,357,119</b>
Financial liabilities held for trading	-	-	-	-	-	93,237	93,237
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial liabilities at amortised cost	2,869,090	1,261,003	1,512,044	2,198,836	79,952	1,045,141	8,966,066
Deposits in central banks	8,734	10,000	21,000	-	-	378	40,112
Deposits in banks	169,978	230,365	36,206	-	-	4,213	440,762
Customer deposits	2,642,716	1,004,274	1,386,672	2,172,140	54,065	924,491	8,184,358
Demand	1,397,776	60,152	95,344	2,026,398	6,083	896,440	4,482,193
Term	1,244,940	944,122	1,291,328	145,742	47,982	-	3,674,114
Unpaid interest incurred	-	-	-	-	-	28,051	28,051
Other financial liabilities	-	-	-	-	-	-	-
Debt securities	47,662	16,364	68,166	26,696	25,887	-	184,775
Other financial liabilities	-	-	-	-	-	116,059	116,059
Hedging derivatives	-	-	-	-	-	7,143	7,143
Liabilities under insurance contracts	-	-	-	-	-	27,843	27,843
Other liabilities	-	-	-	-	-	534,509	534,509
<b>Total liabilities</b>	<b>2,869,090</b>	<b>1,261,003</b>	<b>1,512,044</b>	<b>2,198,836</b>	<b>79,952</b>	<b>1,707,873</b>	<b>9,628,798</b>
<b>Equity</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,880</b>	<b>694,441</b>	<b>728,321</b>
<b>Total Liabilities + Equity</b>	<b>2,869,090</b>	<b>1,261,003</b>	<b>1,512,044</b>	<b>2,198,836</b>	<b>113,832</b>	<b>2,402,314</b>	<b>10,357,119</b>
Assets	5,351,536	620,150	1,590,082	852,685	714,779	1,227,887	10,357,119
Liabilities	2,869,090	1,261,003	1,512,044	2,198,836	113,832	2,402,314	10,357,119
<b>IRS - Derivatives</b>	<b>-</b>	<b>44,193</b>	<b>56,839</b>	<b>(24,728)</b>	<b>(85,585)</b>	<b>-</b>	<b>(9,281)</b>
<b>SIMPLE GAP</b>	<b>2,482,446</b>	<b>(596,542)</b>	<b>134,759</b>	<b>(1,370,880)</b>	<b>515,363</b>	<b>(1,174,426)</b>	<b>(9,281)</b>
<b>ACCUMULATED GAP</b>	<b>2,482,446</b>	<b>1,885,903</b>	<b>2,020,662</b>	<b>649,783</b>	<b>1,165,145</b>	<b>(9,281)</b>	<b>-</b>

## Sensitivity analysis

An analysis of the Group's sensitivity to fluctuations in the market interest rate in a time horizon of one year is as follows:



## Exposure to currency risk

Currency risk is defined as the risk that movements in exchange rates will have an impact on the market value of the Group's assets and liabilities denominated in currencies other than the Euro, with the positive positions being long positions and the negative positions being short positions. Spot and forward currency transactions are monitored on a daily basis to ensure that the open position in foreign currency is kept within the authorised limits. The main net positions for currencies with countervalues against the Euro, at 31 December 2025 and 31 December 2024, are as follows:

	Thousands of euros	
Foreign currency exposure	2025	2024
USD	5,329	(1,808)
GBP	604	(563)
CHF	(1,397)	56
JPY	428	440

## e. Liquidity risk

Liquidity risk is defined as the risk that the Group is unable to meet its payment obligations in the short term, whether arising from, among others, the maturing of deposits, the drawdown of committed credit facilities or guarantees on collateralised transactions.

The Asset and Liability Committee manages liquidity risk ensuring at all times that there is sufficient liquidity to meet liability settlements, whilst keeping a liquidity retainer to be able to take advantage of asset investment opportunities.

In order to correctly manage liquidity the consolidated statements of financial position are analysed for contractual maturities. The Bank has IT tools to correctly distribute maturities of asset and liability items over time, in such a way that future collection and payment flows can be analysed and possible gaps assessed.

Most of the funds come from customer deposits, although the interbank market is also a relevant source of funding, mainly through repo transactions.

On a daily basis the Middle Office department controls the liquidity available at different terms, verifying that they remain above the minimum liquidity level established. In 2025 this minimum level stands at Euros 300 million for the two-day to three-month maturity bucket, and Euros 500 million for maturities of up to one year comprising cash and highly liquid positions. This control includes daily monitoring of positions to be financed through repo and of the liquid portfolio. The Group has complied with these limits throughout the whole year.

In order to comply with international standards, the Andbank Group calculates and monitors the liquidity coverage ratio (LCR). This ratio is defined by the Basel Banking Supervision Committee and links highly liquid and available assets with net cash inflows less outflows in the following 30 days. The Andbank Group has a LCR of 335% at 2025 reporting date, fully complying with the limit imposed by legislation (100%).

The Andbank Group calculates the long-term LCR based on the short-term LCR. This ratio is also described by the Basel Banking Supervision Committee which defines it as the amount of available stable funding for the Bank relative to the amount of required stable funding with a time horizon of one year. The level of this ratio at the 2025 reporting date is 204%, fully complying with the limit imposed by legislation (100%).

Every six months the Group prepares and presents to the Risks Committee a liquidity contingency plan, which is updated monthly. This plan includes an assessment of contingent liquidity, assuming different levels of conversion of liquid assets into cash and available funding sources, taking the cost at which the liquidity could be generated into account. The assets that can be converted into cash and the manageable sources of liquidity are ranked, so as to give priority to the use of liquidity sources that have a low impact on the income statement, while postponing the use of liquidity sources that have a high negative impact on the income statement. In addition, potential outflows of liquidity, whether resulting from customer activity or activity in the financial markets, are identified and classified as either probable or improbable, based on likelihood of occurrence. Finally, the liquidity that could be generated is compared with the potential outflows to check that the surplus is above the approved minimum level of liquidity.

### Analysis of maturity dates for financial assets and financial liabilities

The following tables shows the classification of the Group's main asset and liability accounts at 31 December 2025 and 2024 by contractual maturity or, where applicable by expected realisation or settlement terms:

Thousands of euros							
31 December 2025	Up to one month	From one month to three months	From three months to one year	From one to five years	More than five years	Not sensitive	Total balance
Cash, balances with other central banks and other demand deposits	4,232,999	792	(3,054)	(14,655)	218,572	-	4,434,654
Financial assets	120,121	20,355	311,542	399,781	357,761	149,447	1,359,007
Loans and receivables	411,163	232,431	1,222,199	1,606,654	976,673	(8,095)	4,441,025
Loans and credits to entities	21,668	12,539	380	109,398	114,419	795	259,199
Credits to customers	389,495	219,892	1,221,819	1,497,256	862,254	(8,890)	4,181,826
Derivatives	-	-	-	-	-	136,264	136,264
Hedging derivatives	-	-	-	-	-	4,635	4,635
Investments in subsidiaries, joint ventures and associates	-	-	-	-	-	10,077	10,077
Other assets	-	-	-	-	-	606,343	606,343
<b>Total assets</b>	<b>4,764,283</b>	<b>253,578</b>	<b>1,530,687</b>	<b>1,991,780</b>	<b>1,553,006</b>	<b>898,671</b>	<b>10,992,005</b>
Financial liabilities held for trading	-	-	-	-	-	75,681	75,681
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial liabilities at amortised cost	3,679,004	902,923	1,043,049	785,446	2,251,189	1,229,660	9,891,271
Deposits in central banks	14,326	15,500	22,600	-	-	321	52,747
Deposits in banks	109,931	-	-	161,729	142,917	1,015	415,592
Customer deposits	3,554,747	877,423	974,481	576,290	2,046,405	1,127,318	9,156,664
Demand	1,732,086	74,580	118,173	450,428	2,067,376	1,110,660	5,553,303
Term	1,822,661	802,843	856,308	125,862	(20,971)	-	3,586,703
Unpaid interest incurred	-	-	-	-	-	16,658	16,658
Other financial liabilities	-	-	-	-	-	-	-
Debt securities	-	10,000	45,968	47,427	61,867	-	165,262
Other financial liabilities	-	-	-	-	-	101,006	101,006
Hedging derivatives	-	-	-	-	-	2,543	2,543
Liabilities under insurance contracts	-	-	-	-	-	39,923	39,923
Other liabilities	-	-	-	-	-	172,461	172,461
<b>Total liabilities</b>	<b>3,679,004</b>	<b>902,923</b>	<b>1,043,049</b>	<b>785,446</b>	<b>2,251,189</b>	<b>1,520,268</b>	<b>10,181,879</b>
Equity	-	-	-	-	33,914	776,212	810,126
<b>Total Liabilities + Equity</b>	<b>3,679,004</b>	<b>902,923</b>	<b>1,043,049</b>	<b>785,446</b>	<b>2,285,103</b>	<b>2,296,480</b>	<b>10,992,005</b>
<b>SIMPLE GAP</b>	<b>1,085,279</b>	<b>(649,345)</b>	<b>487,638</b>	<b>1,206,333</b>	<b>(732,095)</b>	<b>(1,397,810)</b>	<b>-</b>
<b>ACCUMULATED GAP</b>	<b>1,085,279</b>	<b>435,934</b>	<b>923,572</b>	<b>2,129,906</b>	<b>1,397,810</b>	<b>-</b>	<b>-</b>

Thousands of euros

31 December 2024	Up to one month	From one month to three months	From three months to one year	From one to five years	More than five years	Not sensitive	Total balance
Cash, balances with other central banks and other demand deposits	3,954,203	(785)	29,922	(7,768)	246,666	-	4,222,238
Financial assets	93,092	113,608	177,550	369,852	403,720	42,323	1,200,145
Loans and receivables	752,476	56,358	697,226	1,376,188	866,924	(1,766)	3,747,406
Loans and credits to entities	85,675	482	14,645	67,251	105,512	1,241	274,806
Credits to customers	666,801	55,876	682,581	1,308,937	761,412	(3,007)	3,472,600
Derivatives	-	-	-	-	-	147,068	147,068
Hedging derivatives	-	-	-	-	-	7,140	7,140
Investments in subsidiaries, joint ventures and associates	-	-	-	-	-	9,548	9,548
Other assets	-	-	-	-	-	1,023,574	1,023,574
<b>Total assets</b>	<b>4,799,771</b>	<b>169,181</b>	<b>904,698</b>	<b>1,738,272</b>	<b>1,517,310</b>	<b>1,227,887</b>	<b>10,357,119</b>
Financial liabilities held for trading	-	-	-	-	-	93,237	93,237
Financial liabilities designated at fair value through profit or loss	-	-	-	-	-	-	-
Financial liabilities at amortised cost	2,701,154	1,030,638	1,547,797	663,983	1,977,353	1,045,141	8,966,066
Deposits in central banks	8,734	10,000	21,000	-	-	378	40,112
Deposits in banks	41,124	-	71,960	128,071	195,394	4,213	440,762
Customer deposits	2,642,717	1,004,274	1,386,671	509,216	1,716,989	924,491	8,184,358
Demand	1,397,777	60,152	95,343	363,474	1,669,007	896,440	4,482,193
Term	1,244,940	944,122	1,291,328	145,742	47,982	-	3,674,114
Unpaid interest incurred	-	-	-	-	-	28,051	28,051
Other financial liabilities	-	-	-	-	-	-	-
Debt securities	8,579	16,364	68,166	26,696	64,970	-	184,775
Other financial liabilities	-	-	-	-	-	116,059	116,059
Hedging derivatives	-	-	-	-	-	7,143	7,143
Liabilities under insurance contracts	-	-	-	-	-	27,843	27,843
Other liabilities	-	-	-	-	-	534,509	534,509
<b>Total liabilities</b>	<b>2,701,154</b>	<b>1,030,638</b>	<b>1,547,797</b>	<b>663,983</b>	<b>1,977,353</b>	<b>1,707,873</b>	<b>9,628,798</b>
Equity	-	-	-	-	33,880	694,441	728,321
<b>Total Liabilities + Equity</b>	<b>2,701,154</b>	<b>1,030,638</b>	<b>1,547,797</b>	<b>663,983</b>	<b>2,011,233</b>	<b>2,402,314</b>	<b>10,357,119</b>
<b>SIMPLE GAP</b>	<b>2,098,618</b>	<b>(861,457)</b>	<b>(642,982)</b>	<b>1,074,288</b>	<b>(493,923)</b>	<b>(1,174,544)</b>	<b>-</b>
<b>ACCUMULATED GAP</b>	<b>2,098,618</b>	<b>1,237,161</b>	<b>594,179</b>	<b>1,668,467</b>	<b>1,174,544</b>	<b>-</b>	<b>-</b>

Those assets which at 31 December 2025 and 2024 are committed (provided as collateral or guarantee with regard to certain liabilities) and those which are free of charges, are shown as follows:

Thousands of euros				
At 31 December 2025	Carrying amount of committed assets	Market value of committed assets	Carrying amount of non-committed assets	Market value of non-committed assets
Equity instruments	-	-	129,839	129,839
Debt securities	406,345	385,273	820,030	790,944

Thousands of euros				
At 31 December 2024	Carrying amount of committed assets	Market value of committed assets	Carrying amount of non-committed assets	Market value of non-committed assets
Equity instruments	-	-	29,502	29,502
Debt securities	514,255	480,017	653,832	619,597

At 31 December 2025 and 2024 collateral received mainly for the temporary acquisition of assets or securities loaned, the majority of which could be committed, for the purpose of obtaining financing, are shown as follows:

Thousands of euros				
At 31 December 2025	Fair value of committed guarantees received or own shares issued	Fair value of guarantees received or own shares issued available for commitment	Fair value of guarantees received or own shares issued not available for commitment	
<b>Guarantees received</b>				
Equity instruments	-	-	-	-
Debt securities	432,325	190,290	242,035	

Thousands of euros				
At 31 December 2024	Fair value of committed guarantees received or own shares issued	Fair value of guarantees received or own shares issued available for commitment	Fair value of guarantees received or own shares issued not available for commitment	
<b>Guarantees received</b>				
Equity instruments	-	-	-	-
Debt securities	396,184	139,666	256,518	

Guarantees received in the form of the temporary acquisition of assets or securities loaned are committed through their use in transactions for the assignment of assets under repurchase agreements, in the same way as for debt securities.

#### •f. Operational risk

##### (i) Risk definition and management

In accordance with Law 35/2018 on solvency, liquidity and prudential supervision of banking entities and investment firms, the Bank defines operational risk as “the risk of profit or loss resulting from inadequate or failed internal processes, people and systems or from external events”; a concept that aligns with the guidelines of the Basel Committee with regard to operational risk.

The operational risk is inherent to all the activities, products, systems and processes and its origins are diverse (processes, internal and external fraud, technology, human resources, commercial practices, disasters, providers). Consequently the Bank considers it important to ensure that operational risk management is integrated into the Bank’s global risk management structure and that the risk is managed actively.

The Bank’s main objective in relation to operational risk is to identify, evaluate, control and monitor all the events which imply a risk focus, with or without economic loss, for the purpose of adopting the best measures for its mitigation.

The main aim of the Operational Risk Department is to develop an advanced framework to manage operational risk, thus contributing to reducing the level of future exposure and the losses affecting the income statement. Its main responsibilities are:

- To promote and develop an operational risk culture throughout the Bank, involving all business functions in management and control of operational risk.
- To design and implement a framework to manage and control operational risk, guaranteeing that all events subject to generating operational risk are identified and duly managed.
- To oversee the correct design, maintenance and implementation of legislation regarding operational risk.
- To monitor the operational risk limits set, ensuring that the risk profile remains within the Bank’s risk appetite level.
- To supervise the management and control of operational risk in the different business and support areas.
- To ensure that senior management and the board of directors receive a global overview of all the relevant risks, ensuring that the operational risk profile is reported.

## (ii) Structure and organisation

The areas and departments are responsible for the day-to-day management of operational risk in their respective fields. This entails identifying, assessing, managing and controlling operational risks from their activity, and informing, in collaboration with the Operational Risk department, on the implementation of the management model.

The Operational Risk department forms part of the Risks department, dependant on General management. Operational risk is globally monitored and supervised by maintaining the independence required by the Basel Banking Supervision Committee, the responsibilities of which include the control and supervision of operational risk.

The Operational Risk department is responsible not only for defining, standardising and implementing the management model but also measuring and controlling operational risk. It also provides support to areas and departments and compiles information on operational risks from the whole area to report to senior management and the risk management committees/commissions involved.

The Bank's operational risk management framework is based on an independent model of three lines of defence, in which the areas and departments are responsible for the first line of control, the Operating Risk department is the second line and Internal Audit acts as an independent third line of defence.

## (iii) Management levers

The methodology implemented via Operational Risk management levers and the tools and procedures for measuring, monitoring and mitigation form part of the key management levers for identifying, measuring and assessing operational risk.

The tools for identifying and measuring operational risks provide an overview of the losses materialising and enable a self-assessment to be made of risks and controls which will serve to focus on proactive management and mitigation of operational risks. All of the processes involving self-assessment of risks, enriching of the database of losses, managing KRI, establishing weaknesses and action plans, etc. are carried out using workflows that are managed and controlled by the Operational Risk department, in conjunction with those individuals from other departments responsible for monitoring tasks.

The main tools used to manage operational risk within the Group are:

- An annual Risk & Control Self-Assessment including a risks map, which consists of assessing the activities in order to identify those processes and/or tasks which could generate a risk within the Bank's day-to-day operations, as well as the individuals responsible and controls. The objective is to define mitigation measures and action plans to reduce risk exposure.
- A database of events, enabling all events with operational risk within all of the Group's subsidiaries to be captured and registered. The most relevant events of each subsidiary and of the Group are specifically reviewed and documented.
- Key risk indicators (KRIs) enable proactive management of the risk, evaluating the level of operational control through analysis and monitoring of its performance.
- Action plans that are defined to mitigate the risks of those events with high and/or critical residual risk.

## (iv) Calculation of eligible equity requirements.

In order to calculate the eligible equity requirements for operational risk the Bank uses the basic indicator method. In accordance with

this method the eligible equity requirements are determined based on 15% of the average of the relevant indicator from the last three years, following the indications of article 202 of the Regulation enacting Law 35/2018. At 31 December 2025 the operational risk equity requirements, calculated using the basic indicator method, amounts to Euros 46.256 thousand with an exposure to operational risk of Euros 578.195 thousand (APRs).

## •g. Legislative compliance risk

Compliance with prevailing legislation regulating the banking activity and the rendering of financial services is an essential objective for Andbank. The Bank has adopted a series of measures to manage legislative compliance and reputational risks. Legislative compliance risk is understood to be the possibility of material or reputational sanctions or financial losses as a result of non-compliance with prevailing legislation and/or the Group's own internal procedures. Therefore, the legislative compliance risk is closely linked to reputational risk, which implies that the Andbank Group is negatively perceived by public opinion or interest groups (customers, counterparties, employees, regulators) due to failures by the Bank during the course of its activity.

The Andbank Group considers that its public image is its best asset when retaining the trust of customers, regulators, shareholders and investors.

The Andbank Group has a legislative compliance function in line with its strategic objectives, which carries out its activities separately from the business areas and is formed of dedicated professionals specialised in each jurisdiction in which the Group operates. The Bank dedicates a significant amount of resources to continuously improve its human capital and the available technical resources, which enable the development of a permanently-updated risk control and management model compliant with legislation.

Taking into consideration the aforementioned objectives, a series of global policies have been designed, approved by the board of directors. These policies are reviewed on an annual basis to bring them into line with the Andbank Group's activity. The global policies, which encompass money laundering prevention, legislative compliance, anti-corruption and the code of conduct, are applicable for the whole Group, as are a series of procedures, tools and internal controls for managing legislative non-compliance and reputational risk.

Likewise, the Bank has a Legislative Compliance and Ethics Committee, the main aim of which is to oversee and supervise the adequacy and sufficiency of the legislative compliance model for the whole of the Andbank Group. It should be mentioned that the model includes a criminal risk prevention programme.

The main pillars on which the Andbank Group has instrumented the management of legislative non-compliance risk and reputational risk are as follows:

## **Ethical and conduct rules**

The Andbank Group adopts measures to promote ethical conduct by all of the Group's employees. For this purpose, Andbank understands that the customer is its key element and that no business can be admitted if it generates reputational risk.

The Group has an Ethical Code stipulating the strict standards of conduct with which all employees, directors and administrators must comply and binding them to a responsible conduct when carrying out their duties. Employees avail of a secure channel to resolve any queries or report activities which could breach the Bank's standards of conduct.

### **Anti-money laundering and combating terrorism financing**

Within the framework of Law 14/2017 on prevention and combat against the laundering of money or securities and the financing of terrorism and subsequent amendments, the Andbank Group undertakes to actively combat money laundering and the financing of terrorism and other financial crimes. The effective implementation of procedures and rules based on the "Know your customer" (KYC) rules are fundamental for the Group.

KYC implies the entity having in-depth knowledge of both the individuals and entities with which it operates (whether it be a simple transaction or a long-standing commercial relationship) or to which it offers services, as well as knowing who are the final beneficiaries and related parties. KYC is an ongoing process which starts with acceptance of the customer and lasts during the whole business relationship. Likewise, a similar procedure, called KYE (Know Your Employee), is applied when hiring new employees.

In the framework of private banking the Group has a global money laundering model based on EU directives. This model includes necessary adaptations to the particularities of the business of each subsidiary and to local legislation and is constantly being changed to bring it into line with legislative amendments.

For this purpose, Andbank applies a series of due diligence measures when carrying out and monitoring customer transactions. On the basis of information provided by customers and the information obtained by the Bank, all customers are classified in view of their potential risk in accordance with international standards in this area (such as country of origin, residence, operations or professional activity, etc.).

The Andbank Group supports new technologies and has cutting-edge technical resources to detect suspicious models of behaviour and operations related to money laundering or the financing of terrorism.

The legislative compliance function is focused on carrying out an independent review to provide sufficient guarantees when contracting new customers. This process is not just limited to accepting customers, it is also vital to perform ongoing monitoring to guarantee adequate knowledge of our customers at all times and therefore be able to detect transactions which could breach prevailing legislation.

For the purpose of standardisation and increasing efficiency with regard to the control over potential compliance-related risks, procedures have been prepared containing the activities through which risks are managed. These procedures are updated in accordance with local regulations and international standards.

In order to reinforce good governance in this field, critical for any financial institution, the Andbank Group has set up various committees in which senior management participates and in which the contracting of especially relevant customers is reviewed. A follow up is also carried out of the measures taken by the legislative compliance function, making as many decisions as considered necessary for the aforementioned purposes.

In accordance with prevailing legislation, Andbank is subject to yearly independent supervision of the aforementioned processes.

### **Investor protection**

The Group's commitment to its customers has two fundamental dimensions: the creation of long-term value and maximum information transparency. For this purpose, in order to guarantee that requirements stipulated by different legislations are met, the Group has global policies and procedures in place which are in line with each jurisdiction in which it operates.

The model established by the Andbank Group to mitigate legislative compliance risk and reputational risk takes into consideration the following:

- An organisational structure focused on risk management.
- Allocation of functions and responsibilities within the organisation.
- Transparent policies and procedures available to customers.
- Reinforcement of rules of conduct to increase investor protection.
- A procedure of distributing financial products based on classification of services, type of customer and products offered.
- Ongoing review of the control model to bring it into line with changes originating from new regulations.

In this regard, the Group oversees that the following is achieved:

- Financial services in line with customer requirements.
- A transparent bilateral relationship with rights and obligations for both parties.
- Fair resolution of customer complaints.

Law 7/2024 of 27 May 2024 on the organisation and functioning of operational entities of the financial system, market abuse and financial collateral arrangements, together with its subsequent amendments and implementing regulation, completes the transposition of the MiFID regulatory framework to Andorran legislation.

### **CRS (Common Reporting Standard)**

CRS is a system for the automatic exchange of information in tax matters between countries, which enables taxation authorities of the adhered countries to obtain, on an annual basis, tax information relating to investments or positions of its tax residents in financial institutions located abroad (outside the country where they are resident for tax purposes).

The Principality of Andorra approved Law 19/2016 of 30 November 2016 on the automatic exchange of information in tax matters, which sets out the principles established by the OECD for Common Reporting Standards (CRS), included in the Convention on Mutual Administrative Assistance (CMAA) in Tax Matters, in relation to the automatic exchange between competent authorities in member countries.

This legislation sets out a legal obligation for financial institutions to communicate certain personal and tax-related information regarding customer accounts to their respective competent authorities.

In this context, by means of Law 26/2025 of 11 December 2025, amending Law 19/2016 of 30 November 2016 on the automatic exchange of tax information, published in the Official Gazette of the Principality of Andorra No. 2 of 14 January 2026, the Principality of Andorra has incorporated into its domestic legal framework the updates to the OECD Common Reporting Standard (CRS 2).

This new standard, applicable as from 1 January 2026, broadens the scope of the automatic exchange of tax information to include, inter alia, certain electronic money products and central bank digital currencies, and strengthens due diligence, account holder identification and data quality requirements, with the aim of enhancing the usefulness of the information for taxation authorities and ensuring alignment with the European and international framework on tax transparency.

Furthermore, and in accordance with the prevailing legislation, the Andbank Group is also subject to an annual independent supervisory process in relation to compliance with the obligations arising from the automatic exchange of tax information.

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### **FATCA (Foreign Account Tax Compliance Act)**

The Foreign Account Tax Compliance Act (FATCA) is a U.S. law that requires all financial institutions outside the United States to perform due diligence on their accounts and provide financial information about U.S. citizens and entities with foreign accounts to the U.S. Internal Revenue Service (IRS).

In 2010, the United States enacted the Foreign Account Tax Compliance Act (FATCA) with the aim of establishing a global reporting regime for foreign financial institutions and obtaining economic data on accounts owned by Americans.

Similarly, the Andbank Group is subject to independent supervision of the procedures carried out by the Bank.

### **Knowledge management and training**

One of the Group's priorities in this area is the implementation of training, to ensure that all employees are aware of the requirements arising from applicable laws and regulations and of the procedures implemented.

Every year the Group defines the necessary training plans on the aforementioned topics. These training sessions are given by the Group or external providers either in situ or online with the aim of transmitting a culture of compliance to the whole of the organisation which is essential for the adequate management of legislative compliance risk.

As part of these annual programmes courses are given on taxation, anti-money laundering and anti-terrorism financing and investor protection. The subject matter and complexity of these courses are adapted to the activities carried out by course recipients.

Andbank also encourages its team to obtain recognised professional certification, as well as to carry out ongoing training in anti-money laundering and anti-terrorism financing.

### **Data protection**

The Andbank Group is committed to protecting privacy, in accordance with Law 29/2021 of 28 October 2021 on personal data protection (Llei 29/2021, del 28 d'octubre, qualificada de protecció de dades personals). Andbank's legislative compliance programme implements a raft of procedures, the aim of which is to ensure that customer data is processed in a licit, legal and transparent manner, for legitimate purposes and only for the time required for the purposes of processing the data and guaranteeing security.

### **Incidents and complaints**

The Andbank Group gives priority at all times to its customers and therefore, it never fails to consider or deal with their opinions or possible complaints. The Quality Department channels all complaints that customers submit to the Group through the various communication channels available. This department's aim is to quickly resolve any incidents and push forward any necessary changes in policies and procedures to mitigate the risk of these incidents happening again.

## **39. Fair value of financial instruments**

### **a. Measurement models and framework**

Financial instruments, the carrying amount of which coincides with their fair value, have been measured in accordance with one of the following methodologies:

- Level 1: the fair value has been determined taking quoted prices in active markets, without making any adjustment to these prices.
- Level 2: the fair value has been estimated based on quoted prices in active markets for similar instruments or by using valuation techniques in which all significant inputs are based on directly or indirectly observable market data.
- Level 3: the fair value has been estimated using valuation techniques in which a certain significant input is not based on observable market data. An input is considered significant when it is important in determining the fair value as a whole.

### **b. Recognised assets and liabilities measured at fair value (fair value hierarchy)**

A classification of assets and liabilities measured at fair value in the accompanying consolidated statements of financial position, broken down based on the valuation method used to estimate their fair value at 31 December 2025 and 31 December 2024, is as follows:

			Thousands of euros
31 December 2025	Level 1	Level 2	Level 3
<b>Financial assets held for trading</b>	<b>33,559</b>	<b>213,920</b>	<b>82,536</b>
Derivatives	-	136,264	-
Equity instruments	3,161	609	82,536
Debt securities	30,398	77,047	-
<b>Non-trading financial assets mandatorily at fair value through profit or loss</b>	<b>1,166</b>	<b>10,204</b>	-
Equity instruments	1,166	10,204	-
Debt securities	-	-	-
<b>Financial assets designated at fair value through profit or loss</b>	-	<b>9,204</b>	-
Debt securities	-	6,410	-
Loans and advances	-	2,794	-
<b>Financial assets at fair value through other comprehensive income</b>	<b>442,575</b>	<b>74,619</b>	-
Equity instruments	14,771	17,392	-
Debt securities	427,804	57,227	-
<b>Derivatives - Hedge accounting</b>	-	<b>4,635</b>	-
<b>Financial assets not measured at fair value</b>	<b>533,777</b>	<b>93,711</b>	-
Equity instruments	-	-	-
Debt securities	533,777	93,711	-
<b>Financial liabilities held for trading</b>	-	<b>75,681</b>	-
Derivatives	-	75,681	-
<b>Derivatives - Hedge accounting</b>	-	<b>2,543</b>	-

			Thousands of euros
31 December 2024	Level 1	Level 2	Level 3
<b>Financial assets held for trading</b>	<b>64,570</b>	<b>241,959</b>	-
Derivatives	-	147,068	-
Equity instruments	8,147	607	-
Debt securities	56,423	94,284	-
<b>Non-trading financial assets mandatorily at fair value through profit or loss</b>	<b>1,061</b>	<b>5,400</b>	-
Equity instruments	1,061	5,400	-
Debt securities	-	-	-
<b>Financial assets designated at fair value through profit or loss</b>	<b>8,034</b>	<b>14,813</b>	-
Debt securities	8,034	12,257	-
Loans and advances	-	2,556	-
<b>Financial assets at fair value through other comprehensive income</b>	<b>221,452</b>	<b>96,496</b>	-
Equity instruments	1,727	12,560	-
Debt securities	219,725	83,936	-
<b>Derivatives - Hedge accounting</b>	-	<b>7,140</b>	-
<b>Financial liabilities held for trading</b>	-	<b>93,237</b>	-
Derivatives	-	93,237	-
<b>Derivatives - Hedge accounting</b>	-	<b>7,143</b>	-

During 2025 and 2024 no significant movements have arisen between the fair value hierarchy levels.

**-c. Valuation techniques**

For the recurrent and non-recurrent fair value measurements classified in Level 2 and Level 3 of the fair value hierarchy, a description, by type of instrument, of the valuation technique/s and inputs used to measure fair value at 31 December 2025 and 2024 is provided below:

31 December 2025	Fair value	Valuation techniques	Significant non-observable input	Range of estimates (weighted average) for non-observable input
<b>Level 2 financial instruments</b>				
Derivatives <sup>(a)</sup>	219,123	Discount Model, Credit Default Model Black-Scholes Futures	Not applicable	-
Equity instruments	28,205	Deal Value	Not applicable	-
Debt securities	234,395	Credit Risky Models, Discount Model	Not applicable	-

(a) They include asset and liability derivatives as a whole

31 December 2024	Fair value	Valuation techniques	Significant non-observable input	Range of estimates (weighted average) for non-observable input
<b>Level 2 financial instruments</b>				
Derivatives <sup>(a)</sup>	254,588	Discount Model, Credit Default Model Black-Scholes Futures	Not applicable	-
Equity instruments	18,568	Deal Value	Not applicable	-
Debt securities	259,698	Credit Risky Models, Discount Model	Not applicable	-

(a) They include asset and liability derivatives as a whole

**-d. Financial instruments not measured at fair value**

The table below shows the fair value of financial instruments which are not measured at fair value in the statements of financial position and are measured by fair value hierarchy level for 2025 and 2024:

Financial assets at amortised cost	Level 1	Level 2	Level 3	Total fair value	Total carrying amount
31/12/25	501,352	87,289	-	588,641	627,488
31/12/24	582,646	59,039	-	641,685	693,428

9.53% of the notional amount of these financial instruments is hedged at interest rate level (see note 11).

During 2025 no sales have been made in the amortised cost portfolio.

## 40. Events after the reporting period

Events occurring after the reporting date between 1 January 2026 and 31 March 2026 that are relevant to a proper understanding of the Group's financial position are described below. These events do not entail any adjustments to the amounts recognised at 31 December 2025. However, they do require appropriate disclosure in accordance with the applicable Andorran accounting regulatory framework.

### a. Middle East conflict

The Middle East conflict that started in February 2026 is causing uncertainty with regard to the economy and financial markets. The ongoing decisions to apply sanctions and counter-sanctions are contributing to increasing this uncertainty.

Geopolitical and economic risks currently exist which have become more evident due to the conflict, including the rise in volatility of financial markets, the increase in inflation (mainly hikes in energy and oil prices, as well as other commodities) and disruptions to the supply chain, which could trigger the deglobalisation of the worldwide economy, compounded by global trade protectionism and therefore a reduced integration of financial markets.

In this regard, the Andbank Group continues monitoring the effects deriving from the conflict, including the possible direct and indirect impact on the fair value of assets, liabilities and off-balance sheet exposures. It is also collaborating with supervisors, authorities and regulators with obligations as financial institutions, from all the jurisdictions where it operates. At the date these annual accounts were authorised for issue, there have been no material adverse impacts, nor is it considered that this situation could materially and adversely affect the Andbank Group's business or financial position.

### b. Issuances of subordinated debt instruments and additional Tier 1 Capital (T2 and AT1) during the first quarter of 2026

Subsequent to the 2025 close, Andbank has carried out the following issuances of instruments eligible as own funds, in line with the capital planning submitted to the AFA.

#### b.1. Tier 2 subordinated debt issuances (T2)

- 2026 T2 MARF issuance: On 27 February 2026, Andbank formalised a Tier 2 subordinated debt issuance amounting to Euros 30 million, intended for listing on the MARF and targeted at qualified investors in Spain.
- T2 Andorra issuance 2026: At the end of March 2026, Andbank will formalise a second Tier 2 subordinated debt issuance amounting to Euros 20 million, targeted at the Andorran market.

Both issuances qualify as Tier 2 (T2) capital for regulatory purposes and bolster the Group's solvency ratios.

#### b.2. Additional Tier 1 capital instrument issuances (AT1)

- 2026 AT1 MARF issuance: At the end of March 2026, Andbank will formalise an issuance of AT1 instruments amounting to Euros 30 million, intended for listing on the MARF and targeted at qualified customers in Spain.
- 2026 AT1 Andorra issuance: On the same date, Andbank will formalise a second AT1 issuance amounting to Euros 20 million, targeted at the Andorran market.

The AT1 issuances partially replace the series issued by the Bank in 2015, as mentioned in section 3. Redemption of the 2015 AT1 issuance.

#### c. Redemption of the 2015 AT1 issuance

At the end of March 2026, coinciding with the issuance date of the new 2026 AT1 instruments, Andbank will formalise the redemption (early repayment) of the first series of Euros 35 million of Tier 1 capital instruments issued by Andbank in 2015.

Annex 1- Andbank Group companies						2025					
Company	Registered offices	Activity	% Direct ownership	% Indirect ownership	Audited company	Interim dividend	Equity	Capital	Reserves	Unused prior years' profit (losses)	Profit/ (loss)
Caronte 2002, SLU (a)	Andorra	Services	100%	-	No	-	137	32	6	102	(3)
Món Immobiliari, SLU	Andorra	Services	100%	-	No	-	87	30	95	(24)	(14)
Andorra Gestió Agrícol Reig, SAU,SGOIC	Andorra	Fund manager	100%	-	Yes	-	5,704	1,000	1,240	-	3,464
AND Private Wealth, S.A.	Switzerland	Auxiliary services	100%	-	Yes	-	2,399	3,710	2	(1,466)	(350)
Zumzeiga, BV	Holland	Instrumental company	100%	-	Yes	-	31,818	27,383	-	3,991	463
Andorra Assegurances Agrícol Reig, SAU	Andorra	Insurance	100%	-	Yes	-	3,734	2,404	502	-	828
Columbus de México, SA de CV Asesor en Inversiones Independiente (b)	Mexico	Asset management	-	50%	Yes	-	5,724	1,415	240	3,929	396
Quest Capital Advisers Agente de Valores, SA	Uruguay	Securities broker	-	100%	Yes	-	3,199	12	1	2,218	1,008
Andbank Asset Management Luxembourg, S.A.	Luxembourg	Fund manager	-	100%	Yes	-	5,932	3,000	275	-	2,657
Andbank Luxembourg S.A.	Luxembourg	Bank	100%	-	Yes	-	52,579	44,893	519	943	6,364
MyInvestor Banco, SA	Spain	Bank	52%	0.88%	Yes	-	183,848	39,068	(31,569)	-	1,476
Andbank Wealth Management, SGIIIC, SAU	Spain	Fund manager	-	100%	Yes	-	45,074	1,004	32,430	-	11,641
Medipatrimonia Invest, SL	Spain	Investment services	-	51%	Yes	1,383	3,837	54	2,952	-	1,958
Merchbanc, E.G.F.P. S.A.	Spain	Investment fund manager	-	100%	Yes	-	3,193	601	2,063	-	415
Merchbanc, International, S.A.R.L	Luxembourg	Instrumental company. Share holding	-	100%	Yes	-	2,340	25	1,974	126	215
Wealth Asesoramiento y Consultoría, S.L.U.	Spain	Insurance intermediation	-	100%	Yes	-	363	3	321	-	39
Andbank Monaco S.A.M.	Monaco	Bank	95%	-	Yes	-	46,529	26,880	3,558	13,289	2,803
Andbank Corretora de Seguros de Vida, Ltda	Brazil	Insurance intermediation	-	75%	Yes	-	70	1	-	186	(129)
Andbank Gestao de Patrimonio Financeiro, Ltda	Brazil	Asset management	-	75%	Yes	-	657	300	-	243	117
Andbank Distribuidora de títulos e Valores Mobiliários, Ltda	Brazil	Intermediation of securities and discretionary portfolio management	-	100%	Yes	-	303	278	14	(36)	49
APW Uruguay SA	Uruguay	Services	100%	-	Yes	-	1,112	370	9	867	42
APC Servicios Administrativos SLU	Spain	Services	-	100%	Yes	-	3,812	2,069	1,666	-	77
Andbanc Wealth Management LLC	USA	Holding	-	100%	Yes	-	6,765	18,752	795	(12,312)	(490)
Andbanc Advisory LLC	USA	Advisory services	-	100%	Yes	-	1,522	1,663	-	318	(478)
Andbanc Brokerage LLC	USA	Financial services	-	100%	Yes	-	3,831	2,391	-	186	1,306
APW Consultores Financeiros, Ltda	Brazil	Financial services	75%	-	Yes	-	13,869	14,058	-	(87)	(103)
AND PB Financial Services, SA	Uruguay	Representation office	100%	-	Yes	-	519	355	11	311	103
Quest Wealth Advisers, Inc (Panama)	Panama	Investment security company	100%	-	Yes	-	1,822	951	-	1,154	320
AB Financial Products, D.A.C.	Ireland	Instrumental company	100%	-	Yes	-	(46)	1	-	(60)	14
Actyus Private Equity SGIIIC, SAU	Spain	Fund manager	100%	-	Yes	-	769	300	-	(25)	194
Andbank España Banca Privada, SAU	Spain	Bank	100%	-	Yes	-	145,923	63,949	9,587	-	9,030
WealthPrivate Corporate Finance, S.A.U.	Spain	Financial services	-	100%	Yes	-	1,591	1,316	334	-	(58)
Inversiones Gambito, SA	Spain	Holding	95.40%	-	No	-	757	816	-	(19)	(2)
Augusta Ream, S.L.	Spain	Financial services	-	30%	Yes	-	662	4	89	1	269
Gesconsult, S.A., SGIIIC	Spain	Fund manager	-	80%	Yes	-	1,227	474	650	(378)	386
Hellohipoteca, S.L.	Spain	Financial services	-	52%	Yes	-	1,686	753	-	(2,042)	825
Lender Digital Finance, S.L.U	Spain	Mortgage broker	-	52%	Yes	-	(133)	3	-	(140)	4
Seveis i Mitjans de Pagament XXI, S.A.	Andorra	Services	33%	-	Yes	-	316	60	65	-	191
Findango Finance, S.L.	Spain	Services	-	16%	Yes	-	13,508	3,234	1,477	942	1,434
Andbank Holding, Ltda	Brazil	Holding	100%	-	Yes	-	303	255	-	47	1
Andbank Wealth Participações Ltda	Brazil	Business management consultancy	-	75%	Yes	-	13,032	16,640	(2)	(3,412)	(199)
ANDBANK RE GENERAL PARTNER, SARL	Luxembourg	Fund manager	-	100%	Yes	-	31	12	-	(64)	83

(a) Under liquidation

(b) At 31 December 2025 the assets and liabilities of this company are classified as "Other non-current assets held for sale" under assets and as "Other non-current liabilities held for sale" under liabilities, respectively.

Annex 1- Andbank Group companies						2024					
Company	Registered offices	Activity	% Direct ownership	% Indirect ownership	Audited company	Interim dividend	Equity	Capital	Reserves	Unused prior years' profit (losses)	Profit/(loss)
Caronte 2002, SLU (a)	Andorra	Services	100%	-	No	-	102	32	6	70	(6)
Món Immobiliari, SLU	Andorra	Services	100%	-	No	-	100	30	95	(43)	19
Andorra Gestió Agrícola Reig, SAU,SGOIC	Andorra	Fund manager	100%	-	Yes	2,500	4,135	1,000	1,240	-	4,394
AND Private Wealth, S.A.	Switzerland	Auxiliary services	100%	-	Yes	-	3,087	3,710	2	98	(1,161)
Zumzeiga, BV	Holland	Special purpose vehicle	100%	-	Yes	-	32,568	31,004	32	753	779
Andorra Assegurances Agrícola Reig, SAU	Andorra	Insurance	100%	-	Yes	-	3,293	2,404	504	-	385
Columbus de México, SA de CV Asesor en Inversiones Independiente (b)	Mexico	Asset management	-	50%	Yes	-	5,244	1,602	3	4,626	69
Quest Capital Advisers Agente de Valores, SA	Uruguay	Securities broker	-	100%	Yes	-	3,152	14	37	2,214	888
Andbank Asset Management Luxembourg, S.A.	Luxembourg	Fund manager	-	100%	Yes	-	5,295	3,000	270	-	2,025
Andbank Luxembourg S.A.	Luxembourg	Bank	100%	-	Yes	-	52,178	44,893	230	930	6,577
MyInvestor Banco, SA	Spain	Bank	52%	1%	Yes	-	130,937	35,026	(30,258)	-	6,765
Andbank Wealth Management, SGIIC, SAU	Spain	Fund manager	-	100%	Yes	-	33,495	1,004	24,410	-	8,081
Medipatrimonia Invest, SL	Spain	Investment services	-	51%	Yes	1,470	3,167	54	2,171	-	2,157
Merchbanc, E.G.F.P. S.A.	Spain	Investment fund manager	-	100%	Yes	-	2,716	601	1,668	-	395
Merchbanc, International, S.A.R.L	Luxembourg	Instrumental company Share holding	-	100%	Yes	-	2,128	25	1,977	(3)	129
Wealth Asesoramiento y Consultoría, S.L.U.	Spain	Insurance intermediation	-	100%	Yes	-	325	3	309	(22)	35
Andbank Mónaco S.A.M.	Monaco	Bank	95%	-	Yes	-	43,721	26,880	3,558	9,915	3,369
Andbank Corretora de Seguros de Vida, Ltda	Brazil	Insurance intermediation	100%	-	Yes	-	195	1	-	(18)	204
Andbank Gestao de Patrimonio Financeiro, Ltda	Brazil	Wealth management	-	100%	Yes	-	576	299	(71)	366	(8)
Banco Andbank (Brasil), S.A (b)	Brazil	Bank	100%	-	Yes	-	62,381	114,489	6,998	(22,772)	(5,624)
Andbank Distribuidora de títulos e Valores Mobiliários, Ltda	Brazil	Intermediation of securities and discretionary portfolio management	-	100%	Yes	-	490	277	(33)	(75)	321
APW Uruguay SA	Uruguay	Services	100%	-	Yes	-	1,213	370	8	853	15
APC Servicios Administrativos SLU	Spain	Services	-	100%	Yes	-	3,735	2,069	1,601	-	64
Andbanc Wealth Management LLC	USA	Holding	-	100%	Yes	-	7,400	21,231	8	(14,066)	227
Andbanc Advisory LLC	USA	Advisory services	-	100%	Yes	-	2,243	490	1,631	-	123
Andbanc Brokerage LLC	USA	Financial services	-	100%	Yes	-	3,111	179	2,341	-	590
APW Consultores Financeiros, Ltda	Brazil	Financial services	100%	-	Yes	-	654	1,306	360	(1,554)	42
AND PB Financial Services, S.A	Uruguay	Representation office	100%	-	Yes	-	476	355	6	218	97
Andorra Capital Agrícola Reig BV	Holland	Instrumental company	100%	-	Yes	-	1,047	18	-	987	42
Quest Wealth Advisers, Inc (Panama)	Panama	Investment security company	100%	-	Yes	-	1,737	951	-	1,117	58
AB Financial Products, D.A.C.	Ireland	Instrumental company	100%	-	Yes	-	(59)	1	-	(149)	89
Sigma M. Partners, LTD	Israel	Advisory services	50%	-	Yes	-	1,128	528	-	(556)	225
Actyus Private Equity SGIIC, SAU	Spain	Fund manager	100%	-	Yes	-	644	300	-	(172)	215
Andbank España Banca Privada, SAU	Spain	Bank	100%	-	Yes	-	242,127	63,949	99,216	-	15,644
WealthPrivate Corporate Finance, S.A.U.	Spain	Financial services	-	100%	Yes	-	1,650	1,316	266	(201)	269
Sigma-Clarity Ltd.	Israel	Share holding	22%	-	Yes	-	12	-	-	-	12
Inversiones Gambito, S.A	Spain	Holding	95%	-	No	-	760	816	-	(15)	(3)
Augusta Ream, S.L.	Spain	Financial services	-	30%	Yes	-	(13)	-	-	-	(13)
Gesconsult, S.A., SGIIC	Spain	Fund manager	-	78%	Yes	-	789	474	650	-	(376)
Hellohipoteca, S.L.	Spain	Financial services	-	52%	Yes	-	60	753	-	(931)	(1,012)
Lendger Digital Finance, S.L.U	Spain	Mortgage broker	-	52%	Yes	-	24	3	-	-	(10)

(a) Under liquidation

(b) At 31 December 2024 the assets and liabilities of these companies are classified as "Other non-current assets held for sale" under assets and as "Other non-current liabilities held for sale" under liabilities, respectively.

# Appendix 2

## ANNUAL REPORT 2025

Law 35/2018 of 23 January 2019 on solvency, liquidity and prudential supervision of banking entities and investment firms (Llei 35/2018, del 20 de desembre, de solvència, liquiditat i supervisió prudencial d'entitats bancàries i empreses d'inversió) was published in the Official Gazette of the Principality of Andorra on 23 January 2019.

In compliance with article 90, entities must publish an annual report attached to the audited financial statements, specifying, for every country in which they operate, the following information on a consolidated basis for each year:

- a) Name, nature of activities and geographical location;
- b) Turnover;
- c) Number of employees on a full-time equivalent basis;
- d) Gross profit/loss before tax;
- e) Taxes on profit/loss;
- f) Public grants received.

The aforementioned information required is as follows:

### Name, nature of activities and geographical location

Andorra Banc Agrícola Reig, S.A. (hereinafter "Andbank" or "the Bank") is a limited liability company incorporated in 1930, protected by the law of Andorra, with registered offices in Escaldes-Engordany (Principality of Andorra). The Bank's statutory activity is to carry out banking activities, as defined by the regulations of the Andorran financial system. In addition, it can undertake any activity related to or which complements its statutory activity.

The Bank's registered offices are at Carrer Manuel Cerqueda i Escaler, number 4-6, Escaldes - Engordany, Principality of Andorra.

In addition to the transactions carried out directly, Andbank is the Parent of the Andorra Banc Agrícola Reig Group (hereinafter the Andbank Group), which comprises various companies that operate in each jurisdiction, performing banking and financial services and with special emphasis on private banking services. The Andbank Group mainly carries out its activity in the jurisdictions of Andorra, Spain, Luxembourg, Switzerland, Monaco, Brazil, USA, Panama, Mexico and Uruguay.

### Other information on consolidated basis

This item shows the information on a consolidated basis corresponding to the turnover, number of employees on a full-time equivalent basis, gross profit/loss before tax, taxes on profit/loss, in accordance with points b) to e) of article 90 of Law 35/2018 of 20 December 2018 on solvency, liquidity and prudential supervision of banking entities and investment firms (Llei 35/2018, del 20 de desembre, de solvència, liquiditat i supervisió prudencial d'entitats bancàries i empreses d'inversió).

	Thousands of euros			
	Turnover <sup>(a)</sup>	Number of employees on a full-time equivalent basis	Gross profit/loss before tax	Taxes on profit/loss
Andorra	149,492	362	55,409	(2,115)
Spain	156,601	707	32,549	(6,704)
Luxembourg	24,110	70	8,627	(1,598)
Monaco	25,554	55	3,737	(934)
Brazil	2,418	165	195	(306)
Israel	-	-	-	-
USA	7,647	20	428	(90)
Mexico	-	70	338	-
Uruguay	6,425	38	1,153	-
Switzerland	792	3	(333)	(17)
Panama	4,278	23	388	(67)
Others and adjustments	(63,029)	-	(38,157)	37
<b>TOTAL</b>	<b>314,288</b>	<b>1,513</b>	<b>64,334</b>	<b>(11,794)</b>

(a) net results from operating activities have been considered as turnover, as stated in the income statements.

## Public grants received

The amount of public grants received is not significant.

## Other information

At 31 December 2025 the return on the consolidated Group's assets, calculated by dividing the consolidated profit for the year by total assets, stands at 0.46%.

## Consolidated directors' report for the year ended 31 December 2025

### Business performance and the Group's financial and equity situation

During the year ended 31 December 2025, the Andorra Banc Agrícola Reig, SA Group and its subsidiaries carried out their core activities in the areas of banking and financial services against a backdrop characterised by a gradual normalisation of financial conditions, a still-restrictive monetary policy in the main markets and strict regulatory requirements. In this context, the Group maintained a strategy focused on prudence, capital preservation and the consolidation of its business model, based on private banking, wealth management and specialised financial services.

According to the consolidated financial statements, the Group's total assets at 31 December 2025 amount to Euros 10.992.005 thousand, up 6.13% on 2024. This growth is mainly driven by the rise in financial assets at amortised cost to Euros 5.068.513 thousand (Euros 4.440.834 thousand at 31 December 2024), reflecting a year-on-year increase of approximately 14.1%. This performance primarily reflects higher volumes of loans and advances, as well as the Group's active and prudent management of its loan portfolio.

At the same time, total liabilities amount to Euros 10.181.879 thousand, with year-on-year growth of 5.74%. This increase is closely linked to the performance of financial liabilities at amortised cost, which amount to Euros 9.891.271 thousand (Euros 8.966.066 thousand at 31 December 2024), rising by approximately 10.3%. This performance is mainly driven by the rise in customer deposits, which continue to be the Group's main source of funding and underscore the stability of its funding model aligned with the nature of its banking activity.

Consolidated equity amounts to Euros 810.126 thousand, up 11.23% on the previous year. This growth reflects both the recurrence of profits and to a capitalisation policy aimed at strengthening own funds and retaining a solid equity base.

Profit attributable to the Group amounted to Euros 50.631 thousand, representing an increase of 10.03% compared to 2024. This performance reflects growth in ordinary income, appropriate cost containment, and the positive impact of certain corporate transactions. In terms of solvency, the Group presents a solid capital position, with a CET1 ratio of 16.41% and a total capital ratio of 16.67%. These levels are comfortably above the minimum regulatory requirements under the prevailing regulations and are aligned with European banking sector standards, demonstrating a high loss-absorption capacity, a balanced capital structure and prudent, forward-looking capital management.

### Main risks and uncertainties

The Group's activities are exposed to the risks inherent to the financial sector, notably credit risk, market risk, liquidity risk, operational risk and regulatory risk. The integrated management of these risks is a cornerstone of the Group's strategy and is based on prudent internal policies, a robust governance structure and continuous control and monitoring mechanisms.

Credit risk mainly arises from lending activities and investments in financial instruments. The Group applies rigorous criteria for analysing, granting and monitoring risk, with particular emphasis on credit quality, portfolio diversification and the existence of adequate collateral.

Market risk stems from fluctuations in interest rates, exchange rates and in the prices of financial assets. This risk is managed by applying internal limits, the selective use of hedging instruments and ongoing supervision of exposed positions, with the aim of minimising the volatility of earnings.

Liquidity risk is managed by ensuring an adequate level of liquid assets and a balanced funding structure, primarily based on stable customer deposits. The Group conducts regular adverse scenario analyses and stress tests in order to anticipate potential liquidity pressures.

It is also exposed to operational, technological and regulatory compliance risks arising from its international activities and ongoing changes to the regulatory framework. These risks are subject to continuous monitoring by the Group, which pays particular attention to cybersecurity, data protection, business continuity and compliance with legal and regulatory obligations.

### Significant events that may affect the next year close

The conflict that began in the Middle East in the first quarter of 2026 has escalated geopolitical and economic uncertainty at a global level. This situation may lead to increased volatility in financial markets, inflationary pressures, particularly on the price of energy and other commodities, and disruptions to supply chains, with a potential impact on global economic growth.

As regards the banking sector, these developments may affect the valuation of financial assets, funding costs and the behaviour of credit risk. Throughout 2026 the Group will continue to actively monitor the potential direct and indirect impacts arising from this conflict.

During the first quarter of 2026, the Group carried out several significant transactions aimed at boosting its solvency and supporting growth in the coming years. These transactions include the issuance of Tier 2 subordinated debt (T2) for an amount of Euros 50 million, as well as Additional Tier 1 capital instruments (AT1), also for Euros 50 million.

Tier 2 subordinated debt consists of funding instruments which are subordinated to ordinary creditors for credit-ranking purposes and qualify as Tier 2 own funds. These instruments enhance the Group's solvency and improve its loss-absorption capacity without causing shareholder dilution.

AT1 instruments are Additional Tier 1 capital instruments, which are subordinated in nature and include specific loss-absorption mechanisms, designed to reinforce the Group's capital base under stress scenarios. Together with the early redemption of an AT1 issuance arranged in 2015 in the amount of Euros 35 million, these issuances form part of the Group's strategic capital planning and contribute to maintaining solid and stable solvency ratios aligned with banking sector best practices.

### Outlook

Looking ahead, the Group expects to continue carrying out its activities under principles of financial prudence and sustainable growth, strengthening its core business lines and further diversifying its sources of income.

The Group's outlook focuses on consolidating its competitive position in the markets in which it operates, continuously improving operational efficiency and adapting to an increasingly evolving regulatory and technological environment.

The Group's key priorities continue to be the preservation of a robust capital and liquidity position, strict compliance with regulatory requirements and the creation of long-term value for its stakeholders, while maintaining a high capacity for adapting to potential changes in the economic, financial, and geopolitical landscape.



04

ECONOMIC DEVELOPMENTS  
AND MARKET TRENDS

# Economic developments and market trends in 2025

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The year 2025 was marked by strong performance in the financial markets and by a macroeconomic environment that, despite bouts of volatility linked both to geopolitical tensions and to the rollout of the new US administration's economic agenda, ultimately settled on a more balanced footing than in the immediately preceding years. The bull market in risk assets that began in October 2022 remained intact, sustained by less restrictive financial conditions, resilient global activity and the absence of persistent disruptive shocks.

Despite the high level of geopolitical noise — conflicts in the Middle East, tensions in the Asia-Pacific region, political instability in France and episodes of institutional confrontation in the United States — the markets have shown a remarkable capacity to absorb these events without any deterioration in global risk appetite. The second half of the year was especially favourable, allowing 2025 to close with positive returns across most asset classes.

## **United States: resilient growth despite political uncertainty**

The US economy posted a year of moderate, somewhat uneven growth. After a contractionary first quarter (-0.2% quarter-on-quarter), activity rebounded strongly in the second and third quarters (+0.9% and +1.1%, respectively), while the close of the year, affected by episodes of government shutdown, produced a final quarterly growth rate of +0.4%. In year-on-year terms, GDP grew by +2.2%, slightly below the +2.8% recorded the previous year but maintaining a solid tone.

The main driver of activity was investment associated with developments in artificial intelligence, automation and productivity improvements, which offset the weaker performance of consumption. Monthly job creation came in at around 15,000 a month, while wages continued to rise at +3.7%, in a context of consumer confidence close to recent lows. In this environment, households continued to draw on savings to support spending, taking the savings rate down to 3.6%, a level below that of the pre-pandemic period and one that adds a degree of fragility to the outlook for consumption.

On the price front, inflation continued to slow, although it remained above the Federal Reserve's 2% target: headline CPI closed at 2.7% and core CPI at 2.6%. The impact of the new tariffs proved far more limited than initially estimated, allowing the Federal Reserve to execute three 25 basis point cuts from September onwards, bringing the target range to 3.75%–3.50%. These moves, described by the market as "insurance cuts", responded to the incipient deterioration in the labour market and to the need to maintain financial conditions consistent with cyclical stability.

US economic policy was marked by the intensification of the tariff agenda — with an effective tariff rate of around 15% during the fourth quarter — the consolidation of tax cuts and the implementation of more restrictive immigration measures. Tariff policy generated additional fiscal revenue of over USD 250 billion, only partially mitigating the impact of the fiscal consolidation still pending. Even so, structural imbalances persist: the public deficit closed the year at -5.4% of GDP and debt exceeded 114%, with

expectations of further increases over the medium term. Against this backdrop, it was unsurprising that the dollar depreciated by 9.4% against the main currencies, reflecting a relative deterioration in external fundamentals.

### **Euro area: consolidating growth and progressing towards monetary normalisation**

The euro area consolidated a significant change in trend in 2025, supported by improving consumption, the normalisation of energy costs and a somewhat more stable political environment following the formation of a new government in Germany with an agenda marked by a notable fiscal stimulus. GDP for the area grew by +1.3%, comfortably exceeding the +0.9% recorded the previous year.

The German recovery was particularly noteworthy, with GDP moving from -0.4% to +0.6%, driven by more dynamic consumption (+1.8%) and by an improvement in the business climate. High savings rates — around 15% — continue to provide a substantial buffer for future consumption, particularly if confidence among economic agents continues to improve.

Inflation continued to ease: CPI fell to 2.2%, allowing the European Central Bank to make four rate cuts and bringing the MRO–deposit facility corridor to 2.15%–2.00%. The ECB has signalled that it regards the easing cycle as complete, taking the view that inflation is under control and that financial conditions are no longer restrictive.

Political risks — particularly in France — persist, but the market has internalised them as contained and manageable provided that aggregate fiscal discipline (a deficit of 3% of GDP) is maintained.

### **China: weaker growth and persistent structural risks**

China again posted slower growth than in previous years, with GDP up 4.5%, compared with 5.0% in 2024. The economy retained its dual character: a highly dynamic technology sector set against the real estate and financial sectors, still weighed down by the after-effects of the bursting of the property bubble.

Inflation remained very subdued (CPI of 0.8%), in an environment bordering on deflation. Fiscal measures proved insufficient, and the country's high level of overall indebtedness remains a source of concern for the medium-term sustainability of its economic model.

### **Japan: a new political impetus in a more dynamic macroeconomic environment**

Japan reached a turning point with Prime Minister Sanae Takaichi taking office, on an agenda — described by many as a “second Abenomics” — that combines fiscal expansion, a commitment to defence and technology and a markedly reformist outlook. The business sector improved significantly and the yield curve normalised, against a backdrop of moderate inflation. High public debt, at over 200% of GDP, contrasts with a solid current account surplus of 4.8%.

### **Financial markets: positive returns across the board**

The year closed with positive returns in most asset classes, with notable regional differences.

#### **Fixed income**

- Euro Aggregate index: +1.25%
- Pan-European High Yield index: +4.86%
- US Aggregate index: +7.30% (neutralised for the European investor by the appreciation of the euro)

Duration once again weighed on the ultra-long end of the European curve, while credit spreads stood close to record lows, reflecting the strength of the corporate cycle.

#### **Equities**

- S&P 500: +16.39%, driven by companies linked to AI (+24.9% in the Magnificent Seven)
- Nasdaq 100: +20.17%
- EuroStoxx 50: +18.34%
- IBEX 35: +49.3%, favoured by its banking bias and its lower exposure to the sectors most affected by the tariff war

US technology stocks and European banks led the gains, while luxury goods, automobiles and part of the consumer sector were weaker performers.

#### **Commodities**

- Gold: +64.6% in US dollars, reaching all-time highs
- Brent: -15.7%, closing at around USD 65 per barrel after a year of high volatility
- European natural gas: -43%, continuing its normalisation path

#### **Outlook for 2026**

Until hostilities broke out in the Persian Gulf between Israel, the United States and Iran, 2026 was shaping up as a moderately benign macroeconomic environment. However, the geopolitical events of the first quarter — including territorial disputes, court rulings on tariffs and, above all, the escalation in the Middle East — have triggered bouts of volatility and a regime shift in the markets.

In the developed economies, the risk of stagflation has risen appreciably, particularly in Europe, Japan and South-East Asia, where persistently high energy prices threaten to produce second-round effects and weaken aggregate demand. The duration and intensity of the conflict, and its impact on the main macroeconomic variables, will be decisive in shaping how markets perform in 2026.





05 / RISK  
MANAGEMENT

# Risk management

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Building and maintaining a robust and efficient risk control and management framework has always been one of the Andbank Group's key priorities. The main risks to which the Group is exposed in the course of its activities are:

- Interest rate risk
- Exchange rate risk
- Market risk
- Credit risk
- Liquidity risk
- Operational risk
- Reputational risk
- Capital management

Overall responsibility for ongoing risk monitoring and control is assigned to the Chief Risk Officer (CRO), who oversees the following departments: Credit Risk, which manages and monitors credit risk with customers; Financial Risk Control, which supervises interest rate risk, exchange rate risk, market risk, counterparty risk, country risk and liquidity risk; Subsidiaries Control, which oversees the activities of the international subsidiaries to ensure that they operate within the relevant regulatory framework and that supervisory requirements in each jurisdiction are met; Operational Risk, which supervises the Bank's operational risks; and Capital Management. As risk management is an enterprise-wide function,

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the heads of risk control in each Group entity also report functionally to the Chief Risk Officer, who oversees their work and ensures that consistent control standards are applied across the Group, over and above local requirements.

The Internal Audit Department acts as a third line of defence, tasked with identifying instances of non-compliance or unauthorised risk-taking and proposing corrective measures where the various permanent-control functions have failed to detect and report them.

To drive progress towards advanced risk management, in 2016 the Group carried out its Corporate Risk Plan and laid the foundations for a comprehensive risk management model in line with regulators' recommendations and market best practice. In the years that followed, the programme's main courses of action were put into effect and integrated risk management became a reality across the Andbank Group.

The risk management and control model is founded on the metrics and limits set in the risk appetite framework, which define the amount and types of risk the Group considers it reasonable to take on in pursuing its business strategy. The Group also has a Recovery Plan setting out a range of alert thresholds, so as to enable a rapid response to any deterioration in the balance sheet and to strengthen the tools for managing and controlling the business.

The metrics and limits of the risk appetite framework and the Recovery Plan are reviewed at least once a year so that they remain aligned with the Bank's business strategy and the achievement of its objectives.

The control environment in place ensures that the risk profile is kept at the level set in the risk appetite, and allows the Bank to adapt to a growing and increasingly demanding regulatory environment.

The main elements ensuring effective control are:

- A robust risk governance structure led by the Risk Committee, which advises the Board of Directors on all matters concerning risk. This committee has two specialised directors, whose task is to ensure regulatory compliance and alignment with the best international standards for risk management and control.
- The corporate risk and capital policy framework, which sets out the basic principles for the management of all the risks to which the Bank is exposed. This framework ensures that all the Group's subsidiaries have a risk control and risk management model that is consistent and aligned with the Group's overall strategy.
- Independence of the risk function, ensuring proper separation between the risk-generating units (first line of defence) and the units responsible for risk control (second line of defence).
- Oversight and consolidation of all risks at an aggregate level.
- A risk culture that is thoroughly embedded in the organisation, comprising a set of attitudes, values, skills and norms of conduct with respect to all types of risk.

The risk limits are reviewed periodically to adapt them to the current economic and market situation, They are also submitted at least once a year to the Board of Directors for approval.

Country risk limits are assigned partly on the basis of relatively static factors such as membership of international bodies (EU, OECD) and credit ratings, and partly on the basis of dynamic factors (market variables) such as credit default swap (CDS) spreads, In assigning risk limits to financial institutions, factors such as rating grades and Tier 1 capital are taken into account, together with market indicators, specifically credit default swap spreads, This methodology makes it possible to maintain stable risk exposures to countries and counterparties of good credit quality and to rapidly readjust exposures to those countries and counterparties whose credit quality deteriorates.

Country risk limits are assigned partly on the basis of relatively static factors — such as membership of international bodies (EU, OECD) and credit ratings — and partly on the basis of dynamic factors, namely market variables such as credit default swap (CDS) spreads, Risk limits for financial institutions are assigned in the same way: partly on the basis of static factors such as rating grades and Tier 1 capital, and partly on the basis of dynamic factors, again CDS spreads, This methodology makes it possible to keep exposures stable for countries and counterparties of good credit quality, and to readjust them quickly where credit quality deteriorates.

The Asset and Liability Committee (ALCO), as the body responsible for managing interest rate, exchange rate, country, counterparty, liquidity and market risk meets at regular intervals, It is also responsible for balance sheet management and capital management, The ALCO delegates supervision of these risks to the Financial Risk Control Department.

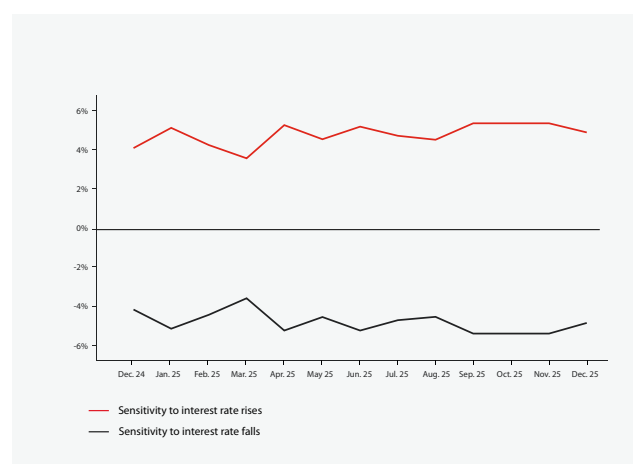
## Interest rate risk

Interest rate risk is defined as the impact on the market value of the Group's assets and liabilities resulting from movements in interest rates, The measures the Group uses to assess that impact are the sensitivity of net interest income to 25 basis point parallel shifts in the yield curve over a one-year horizon for the main balance sheet currencies, and the sensitivity of the market value of equity to 100 basis point parallel shifts in the yield curve.

Based on the interest rate environment of the past year, the Group maintains a positive exposure to shifts in the interest rate curve; i.e, the Group's financial margin would increase if interest rates were to rise and, conversely, would decrease if rates were to fall, The repricing gap of interest-rate-sensitive assets and liabilities on the statements of financial position is also positive; that is, overall, the repricing of assets precedes the repricing of liabilities, This positioning is reflected in the transfer of deposits on the interbank market at very short maturities, in a loan portfolio consisting mainly of floating-rate exposures plus a spread, and in the holding of a fixed income investment portfolio primarily invested in bonds with short and medium-term maturity, although part of the portfolio comprises long-term fixed-rate bonds which enable an additional margin to be generated and increase the duration of the

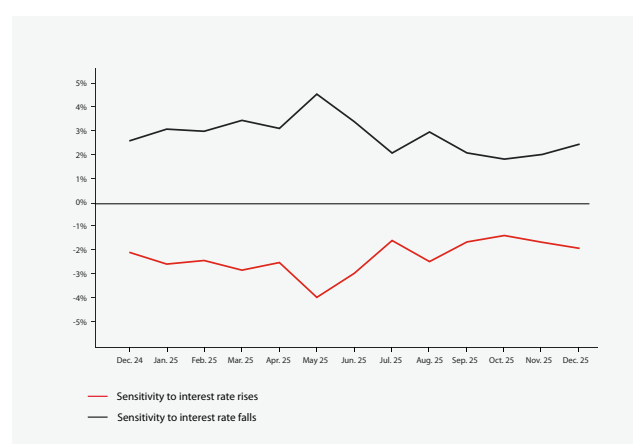
asset on the consolidated statement of financial position, A portion of these bonds is hedged with interest rate derivatives, which mitigates duration risk.

### Sensitivity of the financial margin to one year



The Board of Directors approved a limit of 5% for the sensitivity of own funds to a 100 basis point parallel shift in the yield curve, Throughout 2025, as a result of the interest rate strategy adopted and the balance sheet positioning, the interest rate sensitivity of the Group's own funds fluctuated between positive and negative territory but remained below that limit at all times.

### Sensitivity of own resources



## Exchange rate risk

The Group defines exchange rate risk as the impact of exchange rate movements on the market value of the Group's assets and liabilities denominated in currencies other than the euro, Spot and forward foreign exchange transactions are monitored daily to ensure that open positions are kept within authorised limits.

The main net positions in foreign currencies, stated in euros, are as follows:

Thousands of euros		
Foreign currency exposure	2025	2024
USD	5,329	(1,808)
GBP	604	(563)
CHF	(1,397)	56
JPY	428	440

## Market risk

Market risk is understood as the potential loss to which the trading portfolio is exposed due to changes in market conditions, such as asset prices, interest rates, credit curves, volatility and market

liquidity. The measure the Group uses to manage the market risk of the trading portfolio is Value at Risk (VaR), the market standard, as well as stress testing for the Hold to collect (HTC), Hold to collect and sell (HTC&S) and trading portfolios.

VaR is calculated using the historical method. The result of the VaR calculation is the maximum loss expected over a specified investment horizon with a given confidence level. The Group calculates VaR for a time horizon of one day and with a confidence level of 99%, and the historical period used for the calculation is one year. During 2025 the average VaR calculated for the trading portfolio was EUR 297 thousand, with a maximum of EUR 602 thousand and a minimum of EUR 130 thousand, while the average position of the trading portfolio was EUR 283 million. The trading portfolio consists mainly of bonds with good credit ratings and very short durations, which keeps VaR very low.

Thousands of euros				
At 31 December 2025	VaR at 31/12/2025	Average VaR for the period	Maximum VaR for the period (*)	Minimum VaR for the period (*)
Interest rate risk	156	256	453	126
Spread risk	11	35	26	48
Equity risk	24	39	151	-
Diversification effect	(7)	(33)	(27)	(45)
<b>Total</b>	<b>184</b>	<b>297</b>	<b>602</b>	<b>130</b>

\* The Maximum and Minimum VaR observations for each risk component are those observed for Total VaR.

The Group stress-tests its investment portfolio to assess the loss in value the portfolio would incur in extreme situations involving an upward shift in the yield curve or a widening of credit spreads.

These tests use simulations to estimate how the market value of the portfolio's assets would change under different scenarios.

Four scenarios are analysed: three historical — the 2010 Greek crisis, the 2001 attacks on the Twin Towers and the 2020 COVID-19 crisis — and one hypothetical, namely a 200 basis point parallel steepening of the yield curve and widening of credit spreads.

Month	HTC&S + HTC				TRADING			
	Greek debt crisis	Covid-19	Twin Towers	Yield & spreads +200bp	Greek debt crisis	Covid-19	Twin Towers	Yield & spreads +200bp
January	-2.07%	-2.32%	-5.15%	-17.20%	1.13%	0.78%	0.70%	-0.53%
February	-2.21%	-2.44%	-5.39%	-17.94%	1.30%	0.89%	0.75%	-0.43%
March	-1.93%	-2.20%	-5.38%	-18.95%	1.03%	0.84%	0.52%	0.41%
April	-1.76%	-2.20%	-5.33%	-18.72%	-0.10%	-0.89%	-0.34%	-2.12%
May	-1.52%	-1.79%	-4.50%	-16.02%	0.14%	-0.21%	-0.15%	-0.46%
June	-1.69%	-1.91%	-4.69%	-16.51%	0.05%	-0.35%	-0.19%	-0.77%
July	-1.59%	-1.81%	-4.48%	-15.88%	0.12%	-0.36%	-0.15%	-1.01%
August	-1.59%	-1.81%	-4.44%	-15.67%	0.28%	-0.24%	0.01%	-1.24%
September	-1.42%	-1.56%	-3.81%	-13.34%	0.26%	-0.13%	0.01%	-0.80%
October	-1.69%	-1.86%	-4.43%	-15.37%	0.38%	-0.30%	0.09%	-1.81%
November	-1.61%	-1.73%	-4.14%	-14.38%	0.05%	-0.11%	-0.12%	-0.10%
December	-1.13%	-1.48%	-3.82%	-13.93%	0.35%	-0.27%	0.09%	-1.60%

## Credit risk

Credit risk is the potential loss arising from a counterparty's failure to meet its obligations to the Group. The Group's credit risk exposure includes:

- The risk of default arising from ordinary treasury operations, which basically include interbank lending, securities lending and borrowing, repo transactions and transactions with OTC derivatives;
- The risk of default of the issuers of the bonds in the proprietary portfolio;
- The risk of default on loans.

In assigning limits the Group follows a prudent policy and authorises exposure only to countries with a high credit rating and, within such countries, only to financial institutions with moderate credit risk. The risk limits are approved by the Board of Directors at least once a year.

The limits are stricter for uncollateralised exposures. In such cases, the counterparty must have high credit ratings assigned by the main agencies (Moody's, Fitch and S&P) and must be considered a moderate credit risk, relatively speaking, as reflected in the market price of its five-year CDS compared to an index. The Group monitors this market variable so that it can quickly incorporate any changes in the counterparty's credit quality into its model.

In a number of types of transactions (mainly transactions in OTC derivatives, repo transactions, and securities lending and borrowing) the Group takes collateral to reduce its risk exposure. Exposures to counterparties with whom an ISDA Master Agreement has been entered into are netted. Andbank has entered into ISDA, CSA and GMRA agreements with various counterparties, so as to diversify the available counterparties for derivative transactions, while at the same time limiting its exposure to counterparty risk. At the same time, collateral is managed very actively: the exposures subject to these agreements are monitored daily, and counterparties are called for additional collateral whenever there is exposure that needs to be covered.

During 2025, the Group's fixed-income portfolio was directed at high quality assets, with 37,34% of the portfolio invested in sovereign, public sector or government agency securities. As regards concentration by country, the portfolio is diversified mainly across issuers in Spain, Italy, the United States, France, Andorra, Luxembourg, Germany, the United Kingdom and the Netherlands, which account for 82% of the total.

The fixed-income portfolio therefore consists of issues in which the Group is directly exposed to issuer or guarantor risk, the great majority of which are investment-grade, together with bonds held to hedge customers' structured deposits — assets the Group keeps on its balance sheet but whose risk it has transferred to those customers. A breakdown of the fixed-income portfolio by issuer credit rating is given below (in thousands of euros):

Rating	Thousands of euros	
	31/12/2025	31/12/2024
AAA	192,964	50,153
AA+ to AA-	158,118	251,148
A+ to A-	528,588	504,000
BBB+	227,880	143,516
BB+ to BB-	118,825	219,272
<b>Total</b>	<b>1,226,375</b>	<b>1,168,089</b>

As regards credit risk exposure in transactions with customers, the Group has gross loans and receivables totalling EUR 4,197 million, mainly in credit facilities and loans, a large proportion of which are secured with a pledge of collateral (EUR 2,183 million) or by mortgage (EUR 1,466 million).

The main tools of credit risk management are the credit approval policies and authorities, the monitoring of exposure levels, and regular committee oversight (Irregular Risk Committee and Executive Committee). Credit risk concentrations are reviewed at least weekly and monitored so that they remain within the parameters defined by the market supervisor, while also establishing maximum borrowing levels for certain groups. Responsibility for customer credit risk management and control lies with the Credit Risk Department.

Default levels are also simultaneously controlled at the product level so that lending and authorisation policies can be adapted as required. Lending decisions are transaction-specific. Ongoing risk is monitored by analysing qualitative and quantitative variables based on the supervisor's requirements. The Group's non-performing loans ratio is 2,05%, below the average for the financial institutions of neighbouring countries.

The Andbank Group's core business strategy is focused on private banking, with a very broad customer base, a high degree of diversification and a low concentration of customer funds. The Company also conducts retail banking business, mainly in the Andorran market, lending to individuals and to small and medium-sized enterprises in Andorra.

To ensure that credit risk is managed to the highest standard, as an integral part of the overall risk management structure, and that returns are commensurate with the level of risk assumed, the Group has established a set of common core principles. These ensure alignment with the Bank's business plan and risk appetite, and compliance with regulatory guidelines.

Credit risk management is based on a sound organisational and governance model, in which the Board of Directors and the various risk committees each play a role, setting risk policies and procedures, limits and delegated powers and approving and supervising the activities of the credit risk function.

The Loans Committee is the body responsible for the supervision and control of the Group's credit risk. Its purpose is to effectively control credit risk and advise the Executive Committee, so as to ensure that credit risk is managed in accordance with approved risk appetite levels.

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## Credit risk cycle

The full risk management cycle covers the entire life of each transaction, from the initial feasibility study through credit approval in accordance with established criteria to monitoring of outstanding loans and, where applicable, recovery of impaired assets.

- Transaction analysis and approval

The process of analysing and approving loan and credit transactions involves a rigorous study of the customer's ability to pay and the nature, liquidity and quality of the security provided.

This process must take into account the approval criteria set out in the credit risk policy and the rules for the delegation of authority based on the powers assigned to the different governing bodies, depending on product type, amount and maturity.

To mitigate its risk exposure, the Group has also established a model setting the authorised limits and credit lines for each counterparty. This model is approved by the Board of Directors and reviewed annually. All new transactions must comply with these limits, and limit usage is monitored at all times.

This analysis and approval process comprises the following stages:

- Proposal: the manager submits the credit proposal with an analysis of the customer's credit quality, positions, creditworthiness and profitability based on the risk assumed.
- Analysis: the Credit Risk Department analyses the details of the proposal and validates that the information relating to the transactions exists in documentary form, as well as the quality and accessibility of the information required for subsequent approval.
- Approval of the transaction: once the transaction has been analysed, the Credit Risk Department approves it on the basis of the established granting policies and the risk appetite limits, with the aim of balancing risk and return.
- Notification: the approval process concludes with the issue and signing of a credit document and its subsequent reporting to the relevant functions, so that it can be properly recorded in the systems.

- Monitoring

Customers and transactions are monitored, analysing all factors that could affect their credit quality to allow early detection of potential incidents, so that measures can be taken to mitigate or resolve them.

This monitoring identifies customers or transactions that require a more in-depth review and closer monitoring, either because their credit quality has deteriorated or because the nature or amount of their debt so requires.

In addition, compliance with approved limits and credit facilities is monitored and controlled on a daily basis. At market close, all exposures are recalculated based on credit inflows and outflows, market movements and the established risk mitigation mechanisms. Exposures are thus subject to daily monitoring and control in relation to the approved limits.

- Recoveries

Credit recovery is an important credit risk management function. It comprises the strategies and actions required to ensure that non-performing loans are brought current or recovered in the shortest time and at the least possible cost. This function is performed by the Collections and Recoveries Department. This department works directly with customers and adds value through the efficient

and effective management of collections, whether through the regularisation of outstanding balances or through full recovery.

The recovery management model requires effective coordination between departments (Sales, Risks and Legal) and is subject to ongoing review and continuous improvement of management processes and methodologies, in order to adapt them to the prevailing regulatory environment and industry best practice.

## Credit impairment

A financial asset or credit exposure is considered impaired when there is objective evidence of impairment as a result of one or more events which give rise to a negative impact on the future cash flows estimated when the transaction was formalised, due to the materialisation of a credit risk. Impairment losses on debt instruments and other off-balance sheet credit exposures are recognised as an expense in the consolidated income statement for the year in which the impairment is estimated, and the recovery of previously recognised losses, where applicable, is likewise recognised in the consolidated income statement for the year in which the impairment disappears or is reduced.

Impairment of financial assets is calculated based on the type of instrument, after taking into consideration the effective guarantees received. For debt instruments measured at amortised cost, the Group recognises both valuation allowances, when loan loss allowances are made to cover impairment losses, and direct write-offs against assets, when recovery is considered remote.

### Accounting classification according to credit risk

The Group has established criteria for identifying borrowers that show significant increases in risk, weaknesses or objective evidence of impairment, and for classifying them according to their credit risk.

Credit exposures, as well as off-balance sheet exposures, are classified based on credit risk in the following stages:

- Performing or Stage 1: transactions that do not meet the requirements for classification in other categories.
- Performing exposure with significant increase in risk or Stage 2: this category comprises all transactions which, without qualifying individually for classification as Stage 3 or write-off, have shown significant increases in credit risk since initial recognition. This category includes transactions for which there are amounts more than 30 days past due, refinanced and restructured transactions, classified in this category, are transferred to a lower risk category when they meet the requirements established for this reclassification. Transactions classified as performing under special monitoring (Stage 2), due to significant increases in risk or as a result of amounts more than 30 days past due, must be reclassified in the performing exposure category (Stage 1) once a six-month trial period has elapsed, based on the probability of entering the performing exposure under special monitoring category. Based on subjective criteria, pursuant to the Bank's Global Risk Policy guidelines, all transactions linked to real estate developments with an outstanding risk exceeding EUR 2,5 million will be classified in this stage.
- Non-performing or Stage 3: comprises debt instruments, whether past due or not, which, without meeting the circumstances to be classified as write-off, show reasonable doubts as to their full repayment (principal and interest) by the borrower, as well as off-balance sheet exposures payment of which by the Group is probable and recovery of which is doubtful.
  - Due to customer arrears: transactions with any amount of principal, contractually agreed interest or expenses past due, in aggregate, by more than 90 days (although the specific

characteristics of transactions originated or purchased credit-impaired are taken into account), unless they should be classified as write-off. This category also includes guarantees given when the guaranteed party has defaulted on the guaranteed transaction. Likewise, this category includes the total amounts of all of a borrower's transactions where the transactions with amounts past due, in aggregate, by more than 90 days — as indicated above — exceed 20% of the amounts receivable.

- For reasons other than customer arrears: transactions which, without meeting the conditions for being classified as write-off or as Stage 3 due to arrears, show reasonable doubts as to the obtaining of the estimated cash flows from the transaction, as well as off-balance sheet exposures not classified as Stage 3 due to arrears, payment of which by the Group is probable and recovery of which is doubtful.

The accounting definition of Stage 3 is in line with that used by the Group to manage credit risk. It also coincides with the regulatory definition of default, except that for regulatory purposes all transactions of an obligor in a business segment are considered to be in default when the obligor has amounts more than 90 days past due, whereas for accounting purposes all transactions of an obligor are classified in Stage 3 only when the amounts more than 90 days past due are equal to more than 20% of the total amount outstanding.

- Write-off: after conducting a case-by-case analysis, the Group derecognises any transactions whose recovery is considered wholly or partially remote. This category includes exposures to customers in insolvency proceedings where liquidation has been requested, together with transactions classified as Stage 3 on grounds of arrears that are more than four years old — or less than four years old, where the amount not covered by effective collateral has carried a 100% credit risk allowance for more than two years — except for balances backed by sufficient effective collateral. It also includes transactions which, while not in any of the situations above, show a marked and unrecoverable deterioration in the borrower's solvency.

#### Estimation of credit risk loss allowances

Debt instruments not included in the trading portfolio, together with off-balance-sheet exposures, are classified — according to the credit risk arising from insolvency — into one of the categories set out in the following sections.

The allowances for transactions classified as performing are associated with a group of transactions sharing similar credit risk characteristics (a "homogeneous risk group") and can therefore be estimated collectively, taking into account the credit losses on transactions with similar risk characteristics.

The allowances for transactions classified as performing with a significant increase in risk may be associated either with a homogeneous risk group or with an individual transaction. Where they are associated with a homogeneous group, they must be estimated collectively; where they are associated with specific transactions, they may be estimated either individually, on the basis of the credit losses on the transaction, or collectively.

Lastly, the allowances for transactions classified as non-performing are associated with specific transactions and may be estimated either individually or collectively.

#### Credit risk mitigation

Exposure to credit risk is strictly managed and monitored based on an analysis of borrowers' solvency and their ability to meet payment

of their obligations to the Group, and the exposure limits established for each counterparty are adjusted to the level considered to be acceptable. It is also usual practice to modulate the level of exposure by the borrower setting up collateral and guarantees in favour of the Bank.

Normally, the guarantees consist of collateral, mostly cash, securities or residential property (finished or under construction). To a lesser extent, the Group also accepts other types of collateral, such as mortgages on retail premises and industrial buildings, as well as financial assets. Another credit risk mitigation technique used by the entity is the acceptance of surety bonds, conditional upon the surety's having proven solvency.

All these risk mitigation techniques are subject to legal certainty, i.e. by contracts binding on all the parties and enabling their legal enforcement in all the relevant jurisdictions, so as to ensure at all times the possibility of liquidating the collateral.

#### Maximum credit risk exposure

In accordance with IFRS 7 *Financial instruments: Disclosures*, details are provided below, by line item of the consolidated statement of financial position, of the distribution of the Group's maximum exposure to credit risk at 31 December 2025 and 2024, without deducting the collateral security or the credit enhancements obtained to ensure compliance with payment obligations, disclosed by nature of the financial instruments.

<b>Maximum exposure to credit risk</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
<b>Financial assets held for trading</b>	<b>330,015</b>	<b>306,529</b>
Derivatives	136,264	147,068
Equity instruments	86,306	8,754
Debt securities	107,446	150,707
Loans and advances	-	-
<b>Non-trading financial assets mandatorily held at fair value through profit or loss</b>	<b>11,370</b>	<b>6,461</b>
Equity instruments	11,370	6,461
Debt securities	-	-
<b>Financial assets designated at fair value through profit or loss</b>	<b>9,205</b>	<b>22,847</b>
Equity instruments	-	-
Debt securities	6,410	20,291
Loans and advances	2,794	2,556
<b>Financial assets at fair value through profit or loss</b>	<b>517,194</b>	<b>317,950</b>
Equity instruments	32,163	14,287
Debt securities	485,031	303,663
<b>Loans and advances</b>	<b>5,068,513</b>	<b>4,440,834</b>
Financial assets at amortised cost	627,488	693,428
Debt securities	4,441,026	3,747,406
<b>Loans and advances</b>	<b>4,635</b>	<b>7,140</b>
<b>Total risks relating to financial assets</b>	<b>5,940,932</b>	<b>5,101,760</b>
<b>Loan commitments given</b>	<b>1,389,692</b>	<b>986,168</b>
<b>Financial guarantees given</b>	<b>79,439</b>	<b>92,913</b>
<b>Other commitments and other guarantees given</b>	<b>52,146</b>	<b>28,789</b>
<b>Total commitments and guarantees given</b>	<b>1,521,277</b>	<b>1,107,870</b>
<b>Total maximum exposure to credit risk</b>	<b>7,462,208</b>	<b>6,209,630</b>

## Liquidity risk

Liquidity risk is the risk that, at any given time, the Group will be unable to meet its payment obligations arising from the maturity of deposits, drawdown of committed credit facilities or margin calls in collateralised transactions, among others.

The ALCO manages liquidity risk so as to ensure that sufficient liquidity is available at all times to settle liabilities, while at the same time retaining sufficient liquidity to exploit any investment opportunities that may arise on the assets side.

Liquidity is appropriately managed by analysing the contractual maturities of the balance sheet, The Bank has IT tools to correctly distribute the maturities of its assets and liabilities over time, so as to be able to analyse future cash flows from receipts and payments and thus anticipate possible gaps.

Most of the funding comes from customer deposits, although the interbank market is also an important source of funding, mainly through repo transactions.

The following table shows the assets and liabilities classified by maturity, A portion of certain items, such as current accounts, is considered to have no contractual maturity, Based on historical experience and the items' stability in the balance sheet, the remainder is distributed under the different maturity headings based on an external study.

Thousands of euros

31 December 2025	Up to one month	One to three months	Three months to one year	One year to five years	More than five years	No specific maturity	Total balance
<b>Cash, balances with other central banks and other demand deposits</b>	<b>4,434,654</b>	-	-	-	-	-	<b>4,434,654</b>
<b>Financial assets</b>	<b>120,215</b>	<b>59,347</b>	<b>365,255</b>	<b>358,932</b>	<b>305,811</b>	<b>149,882</b>	<b>1,359,443</b>
<b>Loans and receivables</b>	<b>989,493</b>	<b>677,238</b>	<b>1,700,151</b>	<b>679,678</b>	<b>402,560</b>	<b>(8,095)</b>	<b>4,441,026</b>
Loans and credits to entities	171,110	61,914	25,380	-	-	795	259,199
Credits to customers	818,383	615,324	1,674,771	679,678	402,560	(8,891)	4,181,827
<b>Derivatives</b>	<b>(0)</b>	<b>135,829</b>	-	-	-	-	<b>135,829</b>
<b>Hedging derivatives</b>	-	-	-	-	-	<b>4,635</b>	<b>4,635</b>
<b>Investments in subsidiaries, joint ventures and associates</b>	-	-	-	-	-	<b>10,077</b>	<b>10,077</b>
<b>Other assets</b>	-	-	-	-	-	<b>606,342</b>	<b>606,342</b>
<b>Total assets</b>	<b>5,544,362</b>	<b>736,585</b>	<b>2,065,407</b>	<b>1,038,611</b>	<b>708,371</b>	<b>898,670</b>	<b>10,992,005</b>
<b>Financial liabilities held for trading</b>	-	-	-	-	-	<b>75,681</b>	<b>75,681</b>
<b>Financial liabilities designated at fair value through profit or loss</b>	-	-	-	-	-	-	-
<b>Financial liabilities at amortised cost</b>	<b>3,718,087</b>	<b>1,122,891</b>	<b>1,064,034</b>	<b>2,747,244</b>	<b>9,355</b>	<b>1,229,660</b>	<b>9,891,271</b>
Deposits in central banks	14,326	15,500	22,600	-	-	320	52,747
Deposits in banks	109,931	219,968	20,985	63,694	1,015	415,592	440,762
Customer deposits	3,554,747	877,423	974,481	2,636,123	(13,429)	1,127,319	9,156,664
Demand	1,732,086	74,580	118,173	2,510,261	7,542	1,110,660	5,553,302
Term	1,822,661	802,843	856,308	125,862	(20,971)	-	3,586,703
Unpaid interest incurred	-	-	16,658	16,658	-	28,051	28,051
Other financial liabilities	-	-	-	-	-	-	-
Debt securities	39,083	10,000	45,968	47,428	22,784	-	165,262
Other financial liabilities	-	-	-	-	-	101,006	101,006
<b>Hedging derivatives</b>	-	-	-	-	-	<b>2,543</b>	<b>2,543</b>
<b>Liabilities under insurance contracts</b>	-	-	-	-	-	<b>39,923</b>	<b>39,923</b>
<b>Other liabilities</b>	-	-	-	-	-	<b>172,461</b>	<b>172,461</b>
<b>Total liabilities</b>	<b>3,718,087</b>	<b>1,122,891</b>	<b>1,064,034</b>	<b>2,747,244</b>	<b>9,355</b>	<b>1,520,269</b>	<b>10,181,879</b>
<b>Equity</b>	-	-	-	-	<b>33,914</b>	<b>776,212</b>	<b>810,126</b>
<b>Total Liabilities + Equity</b>	<b>3,718,087</b>	<b>1,122,891</b>	<b>1,064,034</b>	<b>2,747,244</b>	<b>43,269</b>	<b>2,296,480</b>	<b>10,992,005</b>
<b>Assets</b>	<b>5,544,362</b>	<b>736,585</b>	<b>2,065,407</b>	<b>1,038,611</b>	<b>708,371</b>	<b>898,235</b>	<b>10,991,570</b>
<b>Liabilities</b>	<b>3,718,087</b>	<b>1,122,891</b>	<b>1,064,034</b>	<b>2,747,244</b>	<b>43,269</b>	<b>2,296,480</b>	<b>10,992,005</b>
<b>IRS - Derivatives</b>	<b>15,000</b>	<b>(846)</b>	<b>(172,550)</b>	<b>200,000</b>	<b>(42,450)</b>	-	<b>(846)</b>
<b>SIMPLE GAP</b>	<b>1,841,275</b>	<b>(387,152)</b>	<b>828,823</b>	<b>(1,508,634)</b>	<b>622,652</b>	<b>(1,398,245)</b>	<b>(1,281)</b>
<b>ACCUMULATED GAP</b>	<b>1,841,275</b>	<b>1,454,12</b>	<b>2,282,946</b>	<b>774,312</b>	<b>1,396,964</b>	<b>(1,281)</b>	-

On a daily basis, the Middle Office Department monitors the liquidity available at different maturities, ensuring that liquidity remains above the established minimum. During 2025, the minimum stood at EUR 300 million from 48 hours to 3 months, and EUR 500 million in cash and highly liquid positions up to one year. This monitoring includes daily tracking of the positions that can be financed through repos, and of the portfolio of liquid assets. The Bank remained within these limits throughout the year.

To comply with international standards, the Andbank Group calculates and monitors the liquidity coverage ratio (LCR). The LCR is defined by the Basel Committee on Banking Supervision and compares the amount of available highly-liquid assets with net cash inflows (outflows) over the next 30 days. The Andbank Group's LCR at the end of 2025 was 335%, well above the regulatory minimum (100%).

Apart from the short-term liquidity coverage ratio, the Andbank Group also calculates the net stable funding ratio (NSFR) on a consolidated basis and at quarterly intervals from March. This ratio is defined by the Basel Committee on Banking Supervision as the ratio of the amount of stable funding available to an institution to the amount of funding required over a one-year horizon. At year-end 2025 the Group's NSFR is 204%, above the regulatory minimum (100%).

Additionally, at regular intervals the Group prepares a liquidity contingency plan, in which it assesses contingent liquidity based on different levels of use of its liquid assets and the available funding sources, taking into account the cost at which the liquidity could be generated. Convertible assets and the available sources of liquidity are then ranked, prioritising those liquidity sources that would have a low impact on the income statement and relegating those that would have a high negative impact. Potential scenarios of liquidity outflows are also identified, whether they are the result of customer activities or events in the financial markets, and classified under two headings according to their degree of probability (probable and improbable). Finally, the liquidity that could be generated is compared with potential outflows, checking that the surplus exceeds the approved minimum liquidity level.

## Operational risk

Following the Basel Committee guidelines, the Bank defines operational risk as the risk of losses or gains arising from inadequate or failed internal processes, people and systems or from external events.

Operational risk is inherent in all activities, products, systems and processes and may come from various sources (processes, internal or external fraud, technology, human resources, business practices, disasters, suppliers). The Group therefore considers it important that operational risk management is integrated into the Bank's overall risk management organisation and that it is managed actively.

The Bank's main objective in relation to operational risk is to identify, assess, control and monitor all events that represent a potential risk, with or without economic loss, so as to take appropriate steps to mitigate the risk.

The main task of the Operational Risk Department is to develop an advanced operational risk management framework, so as to reduce future exposure and the losses that affect the income statement. Its main responsibilities are to:

- Promote the development of an operational risk culture throughout the Group, involving all business functions in operational risk management and control.
- Design and implement an operational risk management and control framework to ensure that all events liable to generate operational risk are properly identified and managed.
- Oversee the correct design, maintenance and implementation of operational risk standards.
- Monitor operational risk limits, ensuring that the risk profile stays within the levels specified in the Bank's risk appetite.
- Supervise operational risk management and control in the different business and support areas.
- Ensure that Senior Management and the Board of Directors receive a holistic view of all relevant risks so that the operational risk profile is properly communicated.

The areas and departments are responsible for day-to-day management of operational risk in their respective fields. This involves identifying, assessing, managing and controlling the operational risks related to their activities, reporting on them and

working with the Operational Risk Department to implement the management model.

The Operational Risk Department is responsible for defining, standardising and implementing the operational risk management, measurement and control model. It also provides support to the areas and departments and consolidates operational risk data for the entire scope of consolidation so that it can be reported to Senior Management and the risk management committees/commissions involved.

The Bank's operational risk management framework is based on the independent three lines of defence model, with the areas and departments responsible for the first line of control, the Operational Risk Department for the second and Internal Audit acting as the third independent line of defence.

Operational risk is identified, measured and assessed using operational risk management levers together with measurement, monitoring and mitigation tools and procedures.

The tools for identifying and measuring operational risk provide a picture of any losses arising and enable the self-assessment of risks and controls, putting the focus on the proactive management and mitigation of operational risks. All the processes of risk self-assessment, loss database enrichment, KRI management, identifying weaknesses, developing action plans, etc., are carried out using workflows that are managed and supervised by the Operational Risk Department, together with the persons responsible for monitoring tasks in each department.

The main tools used by the Group to manage operational risk are:

- The annual Operational Risk Self-Assessment exercise, with its risk map, which comprises an assessment of the Bank's activities to identify any processes or tasks that could generate operational risk in the Bank's day-to-day operations, as well as the persons responsible and the controls in place. The aim is to define mitigating measures and action plans to reduce exposure to risk.
- An events database, which makes it possible to capture and record all events linked to operational risk occurring in any of the Group's subsidiaries. The most significant events in each subsidiary and in the Group as a whole are reviewed and documented in detail.
- Key risk indicators (KRIs), which enable proactive risk management by assessing the degree of operational control through the analysis and monitoring of their evolution.
- The action plans defined to mitigate the risk of any high or critical residual risk events.

The Bank calculates the capital requirements for operational risk using the basic indicator method, in which the capital requirements are determined as 15% of the average of the relevant indicator for the last three financial years, in accordance with article 202 of the Regulation implementing Law 35/2018. At 31 December 2025, the capital requirement for operational risk, calculated using the basic indicator method, amounts to EUR 46,256 thousand, with an operational risk exposure of EUR 578,195 thousand (RWA).

## Reputational risk

Andbank's commitment to complying with the laws and regulations on banking and financial services is non-negotiable. The Group has therefore adopted a series of measures to manage its compliance and reputational risk. Regulatory compliance risk is the risk of incurring financial, material or reputational penalties or losses as a result of non-compliance with applicable laws and regulations or the Group's own internal procedures. Compliance risk is therefore closely associated with reputational risk, which involves a negative perception of the Andbank Group by the public or its stakeholders

(customers, counterparties, employees and regulators) due to improper actions by the Bank in carrying out its activities.

The Andbank Group sees its public image as its greatest asset in maintaining the trust of customers, regulators, shareholders and investors.

The Andbank Group has a regulatory compliance function aligned with the institution's strategic objectives. This function operates independently of the business areas and is made up of specialists in each jurisdiction where the Group is present. The Bank devotes substantial resources to the continuous improvement of its people and of the technical resources available, so that its regulatory compliance risk control and management system is permanently up-to-date.

In light of these objectives, a number of enterprise-wide policies have been designed and approved by the Board of Directors, and are reviewed annually to adapt them to changes in the Andbank Group's activities. These enterprise-wide policies, which include anti-money laundering, regulatory compliance, anti-corruption and the code of conduct, apply to the entire Group, as does a set of internal procedures, tools and controls for managing regulatory compliance and reputational risk.

The Bank also has a Board-level Ethics and Regulatory Compliance Committee, whose main purpose is to monitor and supervise the appropriateness and adequacy of the regulatory compliance model for the entire Andbank Group. The model includes a criminal risk prevention programme.

The main pillars supporting Andbank's management of regulatory compliance risk and reputational risk are described below.

#### Rules of ethics and conduct

The Group takes steps to promote ethical conduct by all Group employees. In this respect, Andbank understands that the customer is the Bank's priority and that any business is unacceptable if it can create reputational risk.

The Group has an ethics code, which sets strict standards of conduct that all employees, managers and directors must meet and places them under an obligation to act responsibly in the performance of their duties. Employees have a secure channel through which to raise questions and report any activities that may breach the Bank's standards of conduct.

#### Prevention of money laundering and the financing of terrorism

Andbank undertakes to actively combat money laundering, the financing of terrorism and other financial crimes, within the framework of Law 14/2017 on the prevention and fight against money or securities laundering and the financing of terrorism and amendments thereto. Effective implementation of procedures and rules based on the "Know Your Customer" (KYC) principle is fundamental to the Group.

KYC means having full details of the people and entities with which the Group does business (be it a single transaction or a long-term business relationship) or to which it provides services, as well as knowing who the final beneficiaries and related parties are. KYC is an ongoing process that starts with customer acceptance and continues throughout the business relationship. A similar process, "Know Your Employee" (KYE), is used in the recruitment of new staff.

In its private banking business, the Bank has an enterprise-wide anti-money laundering model based on European Union directives, which incorporates the adaptations needed for the particular characteristics of each subsidiary's business and its local regulations, and which is constantly evolving to keep pace with regulatory changes.

To this end, the Andbank Group applies a series of due diligence measures when accepting and monitoring customer transactions. Based on the information provided by customers and the information obtained by the Bank itself, all customers are classified according to their potential risk, in accordance with the relevant international standards (including country of origin, country of residence and professional activity, among others).

The Andbank Group invests in new technologies and uses latest generation techniques to detect suspicious behaviour patterns and transactions that may be linked to money laundering or the financing of terrorism.

The Regulatory Compliance function carries out an independent review to provide sufficient guarantees when accepting new customers. This process is not confined to customer acceptance; ongoing monitoring is essential to ensure proper knowledge of customers at all times and thus to be able to detect transactions that may be contrary to the provisions of current legislation.

To standardise and improve the effectiveness of control over potential compliance-related risks, procedures have been developed that set out the activities through which these risks are managed, updated in line with local regulations and international standards.

To strengthen good governance in this area, which is so critical for any financial institution, the Andbank Group has set up various committees, in which Senior Management takes part, which review decisions to accept particularly sensitive customers and monitor the steps taken by Regulatory Compliance in this regard, in addition to taking any other decisions required to achieve the objectives set out above.

Under current regulations, the Andbank Group is also subject to an annual independent review of the aforementioned processes.

#### Investor protection

The Bank's commitment to its customers has two main dimensions: long-term value creation and maximum information transparency. To this end, the Group has enterprise-wide policies and procedures, tailored to the particularities of each jurisdiction in which it operates, to ensure compliance with the requirements established in the various regulations.

The model established by Andbank to mitigate regulatory compliance and reputational risk takes the following into consideration:

- A risk management-oriented organisational structure.
- Assignment of roles and responsibilities within the organisation.
- Transparent policies and procedures, available to customers.
- Reinforced rules of conduct for enhanced investor protection.
- A procedure for the sale of financial products based on the categorisation of services, customer types and products offered.
- Continuous review of the control model to adapt to changes arising from new regulations.

In this regard, the Group works to ensure:

- Financial services that match customers' needs.
- A transparent, two-way relationship, with rights and obligations on both sides.
- Fair resolution of customer complaints.

Law 7/2024, of 27 May, on the organisation and functioning of the operating entities of the financial system, market abuse and financial collateral agreements, subsequent amendments thereto

and the implementing Regulation, culminate the transposition of the MiFID regulatory framework into Andorran law.

### CRS (Common Reporting Standard)

The CRS is a standard for the automatic exchange of financial information between jurisdictions that allows the tax authorities of participating countries to obtain, on an annual basis, information on tax residents' investments and accounts held in financial institutions abroad (i.e., in countries in which they are not resident for tax purposes).

The Principality of Andorra passed Law 19/2016, of 30 November, on the automatic exchange of information in tax matters, which sets out the principles established by the OECD under the Common Reporting Standard (CRS), as provided for in the Convention on Mutual Administrative Assistance in Tax Matters (CMAA), in relation to the automatic exchange of tax information between the competent authorities of the participating territories,

This legislation establishes a legal obligation for financial institutions to report certain personal and tax information relating to customer accounts to their respective competent authorities.

In this context, by means of Law 26/2025, of 11 December, amending Law 19/2016, of 30 November, on the automatic exchange of information in tax matters, published in the Official Gazette of the Principality of Andorra no. 2 of 14 January 2026, the Principality of Andorra has incorporated into its domestic legislation the updates to the OECD's Common Reporting Standard (CRS 2).

This new standard, applicable from 1 January 2026, broadens the scope of the automatic exchange of tax information, including, among other things, certain electronic money products and central bank digital currencies, and strengthens the requirements for due diligence, the identification of account holders and the quality of the information reported, with the aim of improving the usefulness of the data for tax authorities and ensuring alignment with the European and international tax transparency framework,

However, and in accordance with current regulations, the Andbank Group is additionally subject to an annual independent review with regard to compliance with the obligations arising from the automatic exchange of tax information.

### Knowledge management and training

One of the Group's priorities is training, to ensure that all employees are aware of the requirements arising from current laws and regulations and from the policies and procedures the Bank has adopted.

Each year, the Group draws up the necessary training plans on the matters referred to above. These sessions are delivered by the Group itself or by external providers, either in the classroom or online, with the aim of conveying a compliance culture throughout the organisation, which is necessary for the proper management of regulatory compliance risk,

These annual programmes include courses on tax legislation, the prevention of money laundering and the financing of terrorism, and investor protection, tailored in subject matter and depth to the activities carried out by the course participants.

Andbank also encourages its professional team to obtain recognised professional qualifications and to undertake ongoing training on the prevention of money laundering and the financing of terrorism.

### Data protection

The Andbank Group is committed to protecting privacy, in accordance with the provisions of Law 29/2021 of 28 October on personal data protection, Andbank's regulatory compliance programme implements a set of procedures aimed at ensuring that customer information is treated lawfully, fairly and transparently, for legitimate purposes and only for as long as necessary for the purposes of the processing, while ensuring data security.

### Incidents and complaints

The Andbank Group puts its customers' interests first at all times, so their opinions and any complaints are always listened to and considered. The Quality Department channels all expressions of dissatisfaction submitted by customers to the Bank through the various communication channels available. The department's aim is to achieve the swift resolution of incidents and to drive the changes in policies and procedures needed to mitigate the risk of such incidents recurring.

## Capital management

In its session of 20 December 2018, as part of the process of bringing the Andorran legal framework into line with the European Union *acquis communautaire*, particularly as regards prudential legislation, the General Council of the Principality of Andorra passed Law 35/2018 on the solvency, liquidity and prudential supervision of banks. This law, together with its implementing regulation, is intended to give coverage to the European CRD IV regulatory package, comprising Regulation (EU) No 575/2013 and Directive 2013/36/EU.

This law, which came into force on 24 January 2019, repeals the Law regulating the solvency and liquidity criteria of financial institutions, of 29 February 1996.

The new law requires banks to maintain a minimum Common Equity Tier 1 (CET1) ratio of 4,5%, a minimum Tier 1 capital ratio of 6% and a total capital ratio of 8%. In addition to the above requirements, at 31 December 2025 entities are required to maintain a capital conservation buffer of 2,50%, as well as a capital buffer for systemically important institutions of 1,00%, both of which must be met with Common Equity Tier 1 capital. At 31 December 2025, Andbank's ratios were well above these minimum levels. In this regulatory environment, Andbank's capital ratios at 31 December 2025 are as follows:

	Fully phased-in	Transitional
CET1 ratio	16,29%	16,42%
TIER1 ratio	16,56%	16,68%
Total capital ratio	16,56%	16,68%

## Leverage ratio

In this regulatory framework, the Andbank Group is in a strong position, with a transitional leverage ratio of 4,00% at the close of 2025.

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CORPORATE SOCIAL  
RESPONSIBILITY REPORT 2025

# Corporate Social Responsibility Report 2025

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## 1. Introduction

Corporate social responsibility forms part of Andbank's business model and expresses the Bank's determination to act responsibly, ethically and sustainably, generating long-term value for customers, employees, society and the environment.

The Group's approach to social responsibility is built on the integration of environmental, social and governance factors into its decision-making and on the responsible management of the risks and opportunities that banking activity entails.

This approach runs right across the organisation, drawing in the Group's various teams and areas, and takes concrete form in internal policies, procedures and codes of conduct that ensure the Group acts in a manner consistent with its corporate values.

Andbank sees sustainability as key to securing sound, responsible growth for the Group, to contributing positively to the economic and social development of the territories where it operates, and to protecting the environment.

## 2. The Andbank Group

### International accolades

Fitch Ratings confirmed Andbank's long-term BBB credit rating, making Andbank once again the highest-rated bank in Andorra.

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The agency stated that the key drivers behind this rating were Andbank's moderate risk profile, its conservatively managed liquidity, the quality of its assets, its international scale, its focus on private banking, and adequate capitalisation and profitability.

Fitch also noted that Andbank is the largest financial group in Andorra by assets under management, highlighting its international presence — most notably in Spain — which helps boost the Bank's profits.

### Our values

Our values are part of our identity; they are our compass for daily life and the way we work and are what makes Andbank special.

Through corporate social responsibility, service excellence, our vision as a family business, innovation, our international footprint and our specialisation in wealth management, we forge the corporate culture at the core of Andbank and define our commitment both to our customers and to our people — those to whom we provide the best advice and service.

This culture also ensures that the Andbank team have opportunities for personal and professional growth and development. It is a culture that encourages and recognises continuous improvement and allows us to prosper and succeed in our strategy.

## 3. Andbank and its customers

At Andbank we offer a wide range of products and services, designed by the Bank's managers and specialists, who are constantly looking for the right options to deliver the best solutions for each individual and each situation.

We have several customer service channels, both in-person and online, and we are committed to technological innovation as a way to improve the customer relationship and to respond to customers' needs more swiftly, anywhere, at any time.

Our aim is to combine traditional channels with more innovative ones, striking a balance between technology and closeness so as to sustain the ongoing relationship that personalised service makes possible. New content and technological innovation make banking easier to access from modern devices, such as smartphones and tablets.

### Good governance, ethics and compliance

The Group promotes a culture of regulatory compliance and prudent risk management, including the prevention of money laundering and the financing of terrorism, data protection and information confidentiality, as well as internal control mechanisms and consultation and complaint channels for customers and stakeholders.

Andbank has a governance and compliance framework that ensures it acts with integrity and responsibility. The framework comprises the code of conduct and a range of internal policies setting out the Bank's operating principles, measures to prevent conflicts of interest and the ethical standards required across the organisation.



The Group fosters a culture of regulatory compliance and prudent risk management, including the prevention of money laundering and terrorist financing, data protection and the confidentiality of information, as well as internal control mechanisms and channels through which customers and stakeholders can raise queries and complaints.

**Improvements to protect our customers**

**Investor protection**

The bank’s commitment to its customers operates along two basic dimensions: long-term value creation and maximum information transparency. The Bank therefore has procedures in place to ensure compliance with the requirements set out in the various regulations of the jurisdictions in which it operates. It also has global policies, which are adapted to the individual characteristics of each jurisdiction.

**Incidents and claims**

The Customer Service Department handles enquiries, complaints and claims from the Quality Department.

Unresolved problems and unsympathetic treatment are the main reasons why banks lose customers. Andbank therefore encourages its customers to report their concerns, complaints and claims and considers it essential that they reach the right person or department and are acted upon.

Andbank’s top priority is to satisfy its customers. The second is to encourage them to voice their concerns, so any errors can be corrected and we can continue to improve.

All customers receive a response, and every incident is handled appropriately, according to the business or sector concerned and how easy or difficult the matter is to resolve.

The following channels and resources are available for customers to submit enquiries and complaints:

1. In-person;
2. Customer service hotline (+376) 873 333 and (+376) 873 308
3. Ad hoc complaint forms available in all branches
4. Via the corporate website
5. By letter or email

**STATISTICS**





**Sustainable products**

To embed the Group’s corporate social responsibility in its products and services, a number of such products have been developed:

**Smart Horizon**

Smart Horizon is an Andbank global multi-asset fund with active management aimed at combining income generation with long-term capital appreciation. The fund invests, directly or indirectly, in a diversified portfolio of assets — equities, fixed income, convertible bonds, currencies and money-market instruments — and integrates environmental, social and governance (ESG) criteria into the investment process. In parallel, it maintains a structural commitment to social investment, allocating part of its fees to cancer research projects.

**Sigma Balanced Fund**

Sigma Balanced is a mixed direct investment fund that invests mainly in bonds and shares while applying ESG management criteria. The companies selected for this fund have sound fundamentals, strong growth prospects and a favourable position in their markets.

**AndVida and AndSalut**

Andbank Seguros offers its new life and health insurance products, with increased cover to meet current health care needs. The life and health insurance products offer our customers optimal solutions, as well as completely flexible benefits tailored to their needs, giving them access to the most advanced, highest quality medical care for enhanced well-being.

**Digital innovation**

How banks engage with their customers around the world has changed since the COVID-19 crisis. The digitalisation of financial services and the ability to maintain a fluid and secure online relationship have become key elements of the banking experience, both for everyday operations and for wealth management.

Against this background, Andbank has for years been firmly committed to digital transformation, embedding technology as a lever to deliver more value to customers. This shift has not only been aimed at optimising internal channels and increasing the level of automation in managers’ day-to-day work, but also at listening actively to customers in order to adapt and improve the tools and services provided.

Two of the main digital solutions are online banking and the mobile app, both of which have been steadily enhanced through version updates and the addition of new functionalities. These tools enable more agile account management, better investment monitoring and a more flexible relationship with the Bank.

The sustained growth in the number of users of these digital channels reflects greater confidence in the new technologies and reinforces Andbank’s commitment to ongoing innovation, investment in new formats and the development of features that respond to customers’ changing expectations.

	2025	2024	2023
Digital users	45,855	41,060	29,636
App users	30,151	23,489	15,109

Myandbank, Andbank’s 100% digital channel, was launched in response to evolving user habits and the growing demand for simple and accessible digital banking solutions. Since it was launched, Myandbank has established itself as a leading option in Andorra, meeting the needs of customers who value convenience, autonomy and transparency in managing their finances.

Over the years, Myandbank has steadily broadened its range of products and services, giving users a fully digital account that can be operated from a phone and opened entirely online. The account has a clear structure and none of the usual charges, with cards, transfers and payment services built in, as well as a competitive return on the balance.

In investment, Myandbank provides access to a wide range of solutions — deposits, managed portfolios with different risk profiles and an extensive selection of investment funds from leading international managers — with the aim of bringing the best financial products within reach of a wider public.

This development forms part of Andbank’s strategy of simplifying customers’ relationship with the Bank, offering a complete, secure

and continuously evolving digital experience without giving up the values of closeness and trust that define the Group.

#### 4. Corporate social responsibility strategy

Corporate social responsibility is a key aspect of the Andbank Group's culture. Accordingly, the CSR strategy is based on the Group's principles and values, which define Andbank as a customer-oriented institution that is committed to the societies where it operates.

One of the lines of action and main projects of the Group's corporate social responsibility centres on the fight against cancer and oncological research. Andbank therefore collaborates actively with a number of organisations that share those objectives. In the field of research, these are the Vall d'Hebron Institute of Oncology (VHIO), the Fero Foundation and the 12 de Octubre Hospital (through the CRIS Cancer Foundation). It is also a founding donor to the SJD Pediatric Cancer Center in Barcelona, a project for the benefit of children with cancer that is setting new standards at the European level, promoted by Sant Joan de Déu Hospital. Andbank was also the driving force behind Andorra's first wig bank for cancer sufferers.

##### Andbank's commitment to cancer treatment and research

The Bank collaborates with the VHIO (Vall d'Hebron Institute of Oncology) and the Fero Foundation. The institute is headed by Dr Josep Taberero, who is Director of the VHIO and head of the Medical Oncology Department at Vall d'Hebron University Hospital. It also continues to support the Pediatric Cancer Center at Hospital Sant Joan de Déu in Barcelona.

Once again, the Bank took part in the award of the 22nd Fero – Andbank Scholarship at the traditional gala held in Barcelona.

Andbank has also continued to support the wig bank for cancer sufferers. The wig bank, hosted by Nelly Garcia's hairdressing salon, lends wigs free of charge to people who have lost, or are expecting to lose, their hair as a result of chemotherapy. The bank now holds 30 wigs.

##### Andbank and society

The Andbank Group's commitment to society goes beyond its financial contribution: it is driven by a deep awareness of the Group's social responsibility and supports organisations and projects that work with the people of Andorra to enhance their social well-being, some of them focused on health, inclusion and care for vulnerable groups.

In 2025, Andbank supported a range of social, cultural and sporting initiatives with the aim of expanding and maximising the positive impact for society.

##### Social

- Nostra Senyora de Meritxell private foundation. For more than a decade, Andbank has been a committed partner of this foundation, which provides care to people with disabilities to improve their quality of life.
- Andorran Family Business. Each year, Andbank supports the Andorran Family Business (EFA) Forum and lecture series.
- Through the Andbank Employee Solidarity Association (ASCA), complementing the charitable efforts of Andbank itself, projects have been supported both at home and abroad.
- Associació de Ramaders. This project promotes high-quality Andorran meat across the country's schools.

##### Culture

- Collaboration with the Literary Evening organised by the Cercle de les Arts i les Lletres, presenting the Manuel Cerqueda Escaler short novel award to the winning work.
- Support for the Castell de Peralada Festival, continuing through both the Easter and summer seasons.
- Candle Night, organised by the Ordino municipal authority. Andbank supported the events that light up the streets and gardens of Ordino.
- Support for economic and financial outreach events such as Momentum Financial.
- Through Myandbank, sponsorship of the Jambo cultural music event — a festival of free, friendly concerts open to all audiences.
- Andorra Taste. The world's largest high-mountain gastronomy forum, attended by chefs from a range of countries, with Ferran Adrià featuring prominently in this year's event.



Andorra Taste

##### Andbank and sport

Andbank supports sport, at both grassroots and elite level, as a vehicle for values such as effort, perseverance and teamwork — values with which the Bank fully identifies.

- Andorran Olympic Committee (COA). Andbank has sponsored the COA's activities for more than a decade. 2025 saw the staging of the Andorra 2025 Games of the Small States of Europe, in which Andorran athletes secured 38 medals.



Games of the Small States of Europe



La Purito

- Andorran Swimming Federation (FAN). Andbank continues to support the swimming federation.
- Andorran Motorcycling Federation. Andbank supports a number of events, such as the Trial Summer Camp, the 'Trial de las Naciones' team and Andorra's first female trial team.
- Andorran Gymnastics Federation. Andbank has begun a new partnership with the federation, supporting the good work it does.
- La Purito. The cycling tour promoted by Joaquim Purito Rodríguez reached over 2,100 participants in its 9th edition. This year's tour paid tribute to Alejandro Valverde.
- Andona. The Bank supports this Andorran cycling, social and sports club, set up to encourage women to participate in the world of cycling. The club has taken part in a number of races, achieving strong results with a very new team.
- Andbank also supports sporting events such as the Ruta 3 Naciones cycling race, the Nordic Festival featuring the Marxa Andorra Fons, the Manuel Cerqueda Memorial Race, which celebrated its 35th edition, the Olympus Race, and the Sports Night, the annual awards event for the country's athletes.
- In addition to its partnerships with teams and federations, Andbank sponsors a number of sportspeople and racing drivers, including Irineu Esteve, Frank Porté, Nahuel Carabaña, Sito Español and Marc Font.



GSeries

- Andbank GSeries. The big winter event in Andorra is the Andbank GSeries, a spectacular ice racing competition held at the Circuit Andorra, in Pas de la Casa.

#### Andbank around the world

The Bank's commitment extends beyond Andorra's borders, as it strives to build close ties with society in every jurisdiction in which it operates, applying the same CSR philosophy in each country.

Corporate social responsibility is also at the heart of Andbank Spain's culture. Andbank Wealth Management (AWM) is the second asset manager in the Spanish market to sign up to the Principles for Responsible Investment and is driving impact investing through the SIH Smart Horizon fund.

The main initiatives supported in 2025 were aimed at oncological research, support for charitable foundations and educational projects:

#### A. Research for the cure of cancer

- CRIS Cancer Foundation. A foundation focused on advanced therapies. Andbank is supporting the construction of a special childhood cancer unit at the Hospital de la Paz and the computational chemistry and AI project led by Dr Alberto Ocaña for the discovery of new drugs.
- Fero Foundation. A leading institution in oncological research. Andbank participates each year as main sponsor of the Scholarship Awards Gala for young scientists.
- Contigo Foundation against Women's Cancer. Led by Dr Javier Cortés, the foundation supports projects to combat cancer in women. Andbank sponsored its annual gala in Madrid.
- Sant Joan de Déu Hospital (Giroinfant Gala). For social projects for children at SJD Hospital, the Somriu association and the Fundació Girona Est.
- El Sueño de Vicky Foundation. Sponsorship of the "Brilla por ellos" race in Toledo to fund childhood cancer research.
- Asociación Contra el Cáncer in Girona (Costa Brava Gala).
- Centro de Estudios Biosanitarios. A training centre that has designed the Master's in Molecular Oncology (MOM). Each year, Andbank funds a scholarship for one student.

#### B. Support for charitable foundations

- Casaverde Foundation. Dedicated to research into neurological rehabilitation and to the care of people in situations of dependence.

- Aladina Foundation. Participation in the 1st Charity Golf Tournament to raise funds entirely for its Physical Exercise Programme for children with cancer.

#### C. Support for education and other groups

- IQS Foundation. Scholarship for the Master's in Wealth Management, fostering knowledge and entrepreneurship.
- Fundació Catalana de Pneumologia (FUCAP). Support for the 2025 scholarship round for short stays at leading foreign medical centres of excellence.
- Fundación Paulino Torras Raval Solidario. Collaboration through its charity golf tournament for social action and financial assistance in the Raval neighbourhood.

#### Additional commitment: Smart Horizon fund

- These initiatives are complemented by the contribution of the Andbank Smart Horizon fund, which maintains a structural commitment to donate 9% of its management fee and 10% of the positive return above the established high-water mark (performance fee) to oncological research.

Andbank Brazil, for its part, has channelled its efforts into a number of community initiatives, including:

- FIN4SHE. One of the leading events showcasing the presence and prominence of women in Brazil's financial market. 20 Andbank employees took part, reinforcing the Bank's commitment to the development and recognition of female talent at all levels.
- Brazilian Red Cross. Internal collection of materials for donation to a range of causes.
- Getsêmani Foundation. An initiative of the IT department to sell obsolete IT equipment. The proceeds were donated in full to the Getsêmani Foundation, a non-profit institution providing support in the school setting through educational reinforcement, meals, cultural and sporting activities and other services, alongside medical, dental and psychological care.
- Instituto Meandres (ÍMPAR). Together with the institute, an event was held for children from state schools in the Ibiúna region, with the aim of providing environmental education in an accessible, practical way. As part of the experience, the children also took part in a hands-on planting activity, learning about the seedling cultivation process with the support of the institute's team.
- "Por mí" Project — Malu Borges and Bia Ben. Sponsorship of an initiative led by a leading Brazilian influencer in the Rocinha favela in Rio de Janeiro, aimed at children and families in situations of social vulnerability.



"Por mí" Project

## Andbank and the environment

Andbank maintains a firm commitment to protecting the environment and managing natural resources responsibly. This commitment is reflected in the integration of environmental criteria into its day-to-day activities and in the implementation of good practices to minimise the Group's environmental impact.

The Bank promotes initiatives aimed at energy efficiency, reducing paper consumption, encouraging digital channels and managing waste responsibly. Environmental indicators are monitored regularly to assess the effectiveness of these measures and identify areas for improvement.

To reduce impact and meet savings targets, various initiatives have been launched, with steps to monitor implementation and measure performance:

- Reducing and saving on electricity and diesel oil
- Reducing paper use and promoting digital formats (correspondence with customers, advertising, etc.)
- Waste separation (batteries, glass, plastic and cardboard)
- Reducing the amount of printing and printing double-sided and in black and white (printers have been replaced)
- Promoting the use of digital channels and new technologies

### Materials

The main materials consumed in the bank are paper and toner. Paper correspondence was eliminated in 2023 and the current lower-consumption printers continue to reduce toner usage. The campaign to use lower-grammage paper is also continuing.

Materials consumption	2024	2025
Total consumption A4	9,800kg	11,00kg
Total consumption A3	302 kg	350 kg
Total consumption envelopes	330 kg	100 kg

The figures for waste generated, recycled and donated are as follows:

Waste generated	2024	2025
Recyclable materials separated (t/kg)	300 kg	250 kg
Waste taken to landfill (kg)	630 kg	500 kg

Waste recycled	2024	2025
Paper	26,000 kg	24,000 kg
Batteries	38 kg	40 kg
Plastic caps	70 kg	150 kg

The energy sources Andbank uses are diesel oil and electricity, which are used both in the corporate headquarters and in the branches in Andorra.

The common areas of the corporate headquarters building, such as the car park and staircases, are equipped with motion sensors, which ensure that lights are turned off when nobody is there, saving electricity.

ENERGY	2024	2025
Total electricity consumed	2,368,814 kWh	2,485,684 kWh
Total diesel oil consumed	91,239 m <sup>3</sup>	80,814 m <sup>3</sup>
Water	2024	2025
Total water consumed	3,650 m <sup>3</sup>	5,077 m <sup>3</sup>



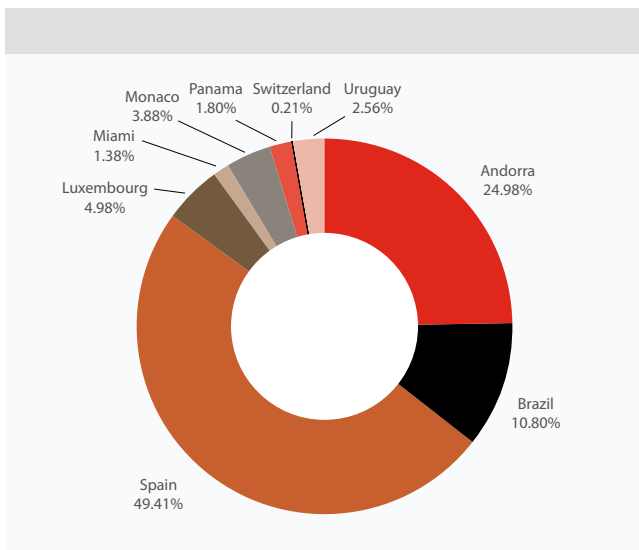
07

HUMAN TEAM  
STRUCTURE

# Human team structure

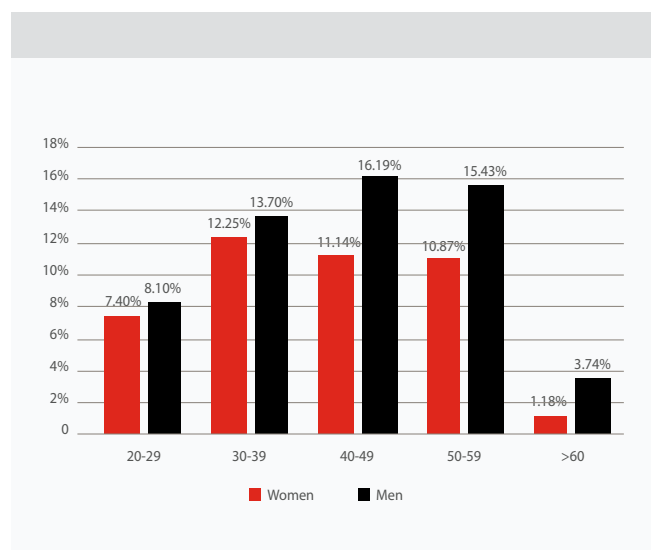
The Andbank Group ended 2025 with a total workforce of 1,445 employees, of whom 361 work in Andorra and the remaining 1,084 in the various subsidiaries (see chart). Since 2023, the Group's workforce has grown by 11.70%.

Staff numbers continue to increase and in 2025 are up 8.03% on 2024 and 11.70% on 2023. The subsidiary with the highest rate of growth was Spain (27.6%), followed by Brazil (8.3%).



## Gender, age and length of service

Of the total workforce, 42.84% are women and 57.16% are men. The average length of service is approximately 6.05 years.



	2025	2024	2023
People	1,445	1,328	1,248
Average age	42	43	43
Average length of service	6.05	6.05	6.05

The Andorra subsidiary has the longest average length of service (more than 13 years).

The average age, which has fallen slightly since 2024, is approximately 42, with the 40-49 age range accounting for the largest proportion of the Group's staff (27.34%).

### Characteristics of the ANDBANK team

The Group's workforce currently includes 37 nationalities, so once again we can conclude that diversity is a key feature of the Andbank Group.

Our ongoing policy is to hire highly qualified staff, and 79.79% of current employees have higher education.

### Commitment to equality and non-discrimination

The Andbank Group maintains a firm commitment to equal opportunities and non-discrimination, fostering a respectful and

inclusive working environment across all its subsidiaries. This commitment is implemented through the use of objective criteria in recruitment, promotion and remuneration processes, as well as measures to raise awareness and prevent inappropriate conduct.

## Developing internal talent

### Andbank Campus

Andbank has its own training platform, through which it delivers a range of activities, depending on needs and regulations in each country.

- In Andorra, a total of 18 training programmes were carried out: 10 were part of the mandatory training for new hires; 4 were for the entire workforce (3 regulatory and 1 supplementary); 2 were for a group of employees in the business area; and 2 for a group in the IT area.

- In Luxembourg, 2 training programmes were carried out: 1 regulatory programme for all staff and 1 internal programme for new recruits.
- In Spain, 9 regulatory and 2 supplementary training programmes were carried out. A further 6 courses on financial products and 3 ongoing courses for MiFID II re-certification were offered.

### Ongoing training

Ongoing training is recommended for many posts or departments, and in some cases it is mandatory under current financial legislation.

This type of training has a direct impact in two key areas: Business and Regulatory Compliance.

Business area employees receive training towards European Investment Practitioner (EIP) certification, which is vital for providing a good service. They can also continue to grow by obtaining the European Financial Advisor (EFA) Level 2 certificate.

Of the two candidates who sat the examination, one passed the certification. One employee enrolled for Level 2 and obtained that level.

In the Regulatory Compliance area, training is provided through the Association of Certified Financial Crime Specialists (FIBA), which offers a solid foundation of knowledge on the prevention of money laundering and financing of terrorism across all sectors. Five new Andbank Group employees took the Anti-Money Laundering Certified Associate (AMLCA) course and eight employees in Andorra, Spain and Luxembourg requalified.

### Digital training (Microsoft 365)

In 2025, training in Microsoft 365 collaboration tools (Outlook, Teams, OneDrive and SharePoint) was stepped up in order to strengthen collaboration, document management and productivity. This initiative was also aimed at narrowing the generational and gender gap, ensuring that all groups have the resources and support they need for a consistent use of the new technologies.

The training was delivered through a set of five courses, each of which included 3-5 minute video clips presenting practical tips and specific information on the various tools, thereby facilitating gradual learning tailored to each participant's needs.

## Commitment to young talent

### Andbank Trainee Programme

This established and highly successful internship programme has operated since 2015, providing work experience to young people of many nationalities and to the children of employees.

The Andbank Trainee Programme offers opportunities for summer internships to help young people learn and gain work experience.

The paid internships can be done in any department of the bank, and the selected candidates are assigned specialised mentors in each area.

During the summer of 2025, a total of 35 young students joined the programme, of whom 19 did internships in bank branches around Andorra and the remaining 16 in different departments in the Andorra Business Centre.

This programme is also growing in importance each year in Spain; in 2025 it took on 29 young people, who did university internships of 3, 6 or 12 months or attended the Summer Trainee Programme (2 months).

### ICEX VIVES

The second edition of the ICEX VIVES programme was launched in Spain in late 2025. The aim of this innovative training programme developed by the Spanish Government is to foster the internationalisation of young talent in companies' foreign subsidiaries.

In this edition, five young people joined Andbank in Luxembourg, where they formed part of the Private Desk, operations, legal, accounting and internal audit teams.

### Vocational and school placements

In 2025, Andbank continued to strengthen its commitment to developing young talent by hosting students from various educational establishments. Specifically, it took on a Data Science student from Universidad Carlomagno and a student on the vocational training course in Management and Administration at La Salle La Seu. In addition, four pupils from Agora International School joined various areas of the institution (Accounting, Operations, Legal Advisory and the Fiter i Rossell office), along with a student from the Lycée Comte de Foix, who joined the Operations department.

These collaborations have given students their first professional experience in a real working environment, helping them to apply academic knowledge in practice and assisting with their career guidance and entry into employment. They also help strengthen ties between academia and the business world, promoting the recruitment of future talent.



08

GOVERNANCE  
STRUCTURE



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## Chairmanship

**Manel Cerqueda Donadeu**

Chairman

**Sergi Pallerola Gene**

Deputy

## Board of Directors

**Carmen Aquerreta Ferraz**

Director

**Manel Cerqueda Díez**

Director

**Maria Creus Ribas**

Director

**Javier Gómez-Acebo Saenz de Heredia**

Director

**Alfonso Nebot Armisen**

Director

**Jorge Maortua Ruiz-López**

Director

**Albert Rosés Noguera**

Director

**Jaume Serra Serra**

Director

**Pablo García Montañés**

Secretary (no Director)

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CEO

**Marta Bravo Pellisé**

Deputy Chief Executive Officer

Estrategy &amp; Business Area

**Josep Xavier Casanovas Arasa**

Deputy Chief Executive Officer

Finance Area

**Pablo García Montañés**

Deputy Chief Executive Officer

General Secretary

**Javier Planelles Cantarero**

Deputy Chief Executive Officer

Technology Area



09

ANDBANK  
IN THE WORLD

# Andbank in the world



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