



2025

Annual Report



Andorran Banking
Excellence and trust

Andorran Banking

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Trust,
transformation
and commitment
to the country

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Note: The legislation in this publication is updated through 30 April 2026.

Key figures

Sources: Department of Statistics, annual reports of Andorran banking institutions, and compiled by author.

1. Banking sector 2025



3
BANKING
GROUPS



3
COLLECTIVE INVESTMENT
SCHEMES MANAGEMENT
COMPANIES (CIS)



4
INSURANCE
COMPANIES



2,911
EMPLOYEES



ESTABLISHED ON
4 CONTINENTS



THE FINANCIAL SECTOR
13% OF GDP



THE FINANCIAL SECTOR'S
GVA PER PERSON IS
3 TIMES THE GENERAL GVA

IN 2024, THE FINANCIAL ACCOUNT CHANNELLED 107.2% OF THE BALANCE OF PAYMENTS SURPLUS, WHICH IS 15.9% OF GDP

2. Financing the economy; developing businesses and families



€ 22,000
MILLION
TOTAL ASSETS



€ 5,562
MILLION
TOTAL LOANS
IN ANDORRA

THEY REPRESENT
140% OF GDP

INJECTION INTO THE ECONOMY IN 2025



€ 681 MILLION
TO COMPANIES



€ 87 MILLION
TO INDIVIDUALS



€ 832 MILLION
FOR MORTGAGES

WE FINANCE AND STIMULATE THE ECONOMY AND ITS STRATEGIC SECTORS

3. Deposits and diversification of the model



+6%
INCREASE
CUSTOMER DEPOSITS



LOAN TO DEPOSIT:
52% CHARACTERISTIC
OF THE PRIVATE
BANKING MODEL



+21%
INCREASE
IN ASSETS UNDER
MANAGEMENT - AuM

The Andorran banking sector maintained a robust and balanced position in 2025, based on prudent risk management, activity oriented towards the real economy, and a clear international focus.

4. Structural strength



17.16%
CET1 RATIO
SOLVENT



17.87%
SOLVENCY RATIO
TOTAL



257.47%
LIQUIDITY
COVERAGE RATIO
STABILITY



2.09%
NPL RATIO
LOW



78.84%
NPL COVERAGE RATIO
PRUDENCE

ROBUSTNESS AND PRUDENCE ARE THE FOUNDATIONS OF OUR MODEL

5. Profits and responsible management



€ 176
MILLION
PROFITS



9.52%
ROE
PROFITABLE



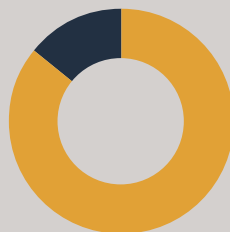
63.17%
EFFICIENCY
RATIO

6. Digital Banking



5,155
POS TERMINALS

- 85,9% PHYSICAL
- 14,1% VIRTUAL



€ 2,000
MILLIONS
IN POS
TRANSACTIONS



13%
OF CARD PAYMENTS
ARE MADE THROUGH XPAY
DIGITAL SYSTEMS

DRIVERS OF DIGITAL
TRANSFORMATION



54,426
BIZUM MOBILE
PAYMENT USERS

Foreword by the Chairman of Andorran Banking

Lluís Alsina



1

In an international environment still plagued by uncertainty, Andorran banking has once again demonstrated its capacity for adaptation and its commitment to the country, its customers and the most demanding standards in the global financial system. 2025 was a year of consolidation and evolution. We continued to advance towards a more robust and diversified model, prepared for the challenges of the future. Therefore, this annual report is a testimony to a sector that is not just holding its ground, but also growing and becoming transformed.

The profits achieved in 2025 confirm the model's robustness. The sector made an aggregate profit of €176 million. This was 1% higher than the previous year, in a context of interest rate normalisation that has tested financial institutions' ability to adapt.

One of the most relevant indicators was growth in assets under management. These reached €113,248 million, 21% higher than in 2024. This increase, together with the rise in deposits (+6%), demonstrates the trust generated by Andorra as a financial centre and its ability to attract capital.

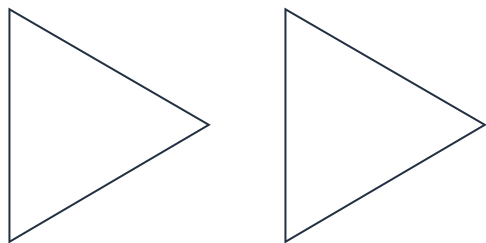
The Andorran banking model is well-established as a profitable model with an ROE of 9.5%. It is also a balanced model, leveraging the complementarity between commercial banking, private banking, corporate business, the fund industry and insurance. This diversification has been key to maintaining profitability in a demanding environment.

At the same time, one distinctive feature of the sector continues to be its structural strength. The CET1 solvency ratio is 17.16%, above the European average, while the liquidity coverage ratio (LCR) is 257%, well above the regulatory standards. The NPL ratio is 2%.

This set of indicators confirms that Andorran banking is a solvent, competitive sector that is ready to face complex environments with safeguards.

The evolution of the banking sector cannot be understood without the country's economic context. In 2025 Andorra maintained moderate but sustained growth. GDP expanded by around 2.5%-3%, driven by robust domestic demand.

The increase in population, now close to 89,000 residents, contributed to the dynamism of consumption and construction, while the service sector continues to account for more than 80% of GDP. Finance, property and professional activities played a prominent role.



The labour market has continued to enjoy full employment, with very low unemployment rates and positive salary growth. At the same time, inflation has moderated to close to 2.7%, fostering a progressive recovery in purchasing power.

Andorra's public finances remain sound with a budget surplus and public debt held down to around 30% of GDP.

In this context, Andorran banking has been an essential driving force behind wealth creation and development. Credit growth within the country was 10% in 2025, reaching €5,562 million.

The value added by the financial sector is approximately three times higher than the average value added in the economy, which underscores its key contribution to the country's development. The banking sector continues to be a cornerstone of Andorra's economic growth through financing, investment and support for business and families.

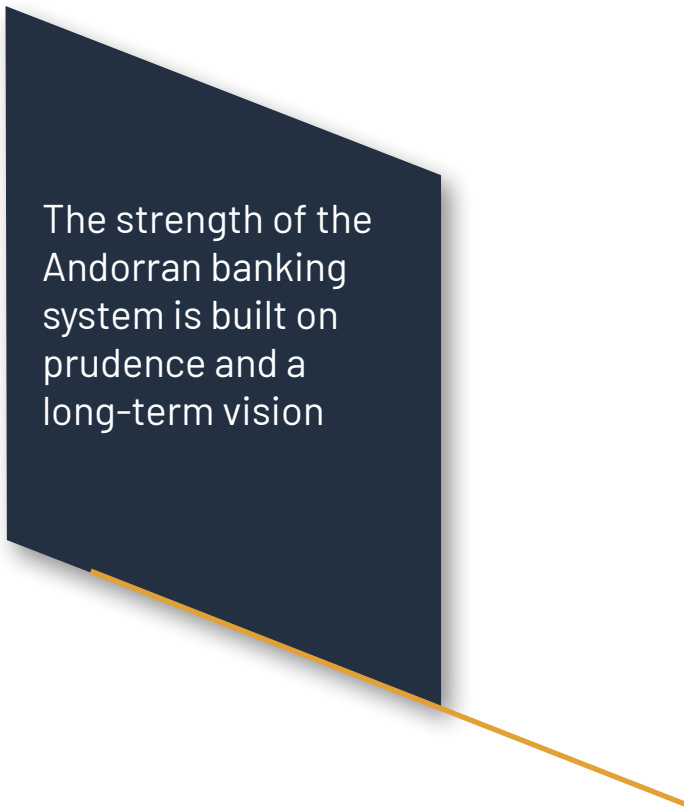
Andorran banking as we see it today is the result of decades of transformation. With a history stretching back more than 90 years, it has evolved into a system fully integrated into international best practices.

Andorran financial institutions now operate in 11 countries on four continents and employ 2,911 professionals. This global structure combines proximity and international capacity.

The sector has made a notable effort in regulatory adaptation and compliance with the most demanding standards, especially in the field of anti-money laundering and terrorist financing. As a result, Andorra is ranked seventh among the countries with the lowest risk of money laundering in the world, according to the Basel AML Index 2025. This recognition is a further boost to the financial centre's international reputation.

The country has also signed 22 double taxation agreements, allowing it to integrate further into the global economy, while strengthening its financial institutions' international operations.

The future of the Andorran banking sector requires further progress with digital transformation, without undermining the values that have historically defined our model. Digitalisation is an opportunity to improve efficiency and the customer experience; but it is also a challenge that requires investment and adaptation. The sector currently allocates more than 5% of its



The strength of the
Andorran banking
system is built on
prudence and a
long-term vision

profits to digital transformation projects. The aim is to build a modern, competitive and innovative banking system.

However, this evolution must not come at the expense of the human side. Andorran banking must continue to stand out for its quality of service, proximity and trust. Digitalisation does not mean replacing, but instead enhancing the talent of professionals, so they can provide greater value to customers.

Striking this balance between technology and personal service is one of the keys to our future. At the same time, it will be necessary to keep strengthening sustainability, transparency and the ability to adapt to a constantly changing regulatory and economic environment. Part of this evolution will be defined by the completion of the negotiation of the Andorra-European Union Association Agreement, a strategic aspect for the entire country. Andorran Banking will continue to support the Government with all of our knowledge and to help in every way we can to close an agreement that creates opportunities in a balanced and realistic manner.

In short, Andorran banking is looking to the future with confidence, solid foundations and the will to continue to be a key player in the country's economic and social development.

April 2026

2

Andorra in a more demanding environment

Adapting to a changing international environment

The Andorran economy operates in a global context marked by greater regulatory complexity, financial volatility and geopolitical uncertainty. In this environment, the banking sector has progressed towards international integration, while maintaining a prudent model that protects the domestic economy and diversifies exposure to external risks through a balanced customer and business base.

2.1

International and European macroeconomic environment

International macroeconomic analysis, the European and regulatory context, and the evolution of financial markets and interest rates

Since 2024 the global economy has evolved into an environment with a progressive slowdown in growth and major differences between regions. Advanced economies have shown greater resilience than was expected, while economic activity in some emerging economies has continued to be conditioned by financial, geopolitical and commercial factors.

Inflation has been gradually falling following the peaks reached in previous years. However, it has remained above central bank targets in some periods. This process has made monetary policy management more predictable, though it is still marked by prudence and dependence on data.

In Europe, economic growth has been restrained and heterogeneous. There has been a gradual recovery in domestic demand and more moderate growth in investment and foreign trade. The European Central Bank's monetary policy has continued to focus on consolidating the disinflation process, contributing to reducing financial volatility and strengthening the credibility of the European monetary framework.

The European regulatory environment has shifted towards a more demanding and structural framework. There is a stronger focus on solvency, liquidity, operational resilience and the management of non-financial risks, including sustainability. This process increases the demands on financial institutions, but also strengthens trust in the financial system and its long-term stability.

Financial markets have evolved with contained volatility, despite occasional adjustments linked to monetary policy expectations, macroeconomic data and geopolitical factors. In this context, prudent risk management and diversification continue to be key aspects, especially for private banking and wealth management.

This macroeconomic and financial scenario configures the framework in which the Andorran banking sector operates. The combination of a demanding environment, a stronger regulatory agenda and more selective financial markets calls for models based on prudence, robust capitalisation and diversification. These aspects define the evolution and current position of the Andorran financial sector, as we will analyse in the following chapter.



More moderate global growth, but without abrupt adjustments.



Falling inflation and prudent monetary policy.



Europe is gradually recovering and has a more demanding regulatory environment.



Contained volatility in the financial markets.



Need for prudence, diversification and a long-term vision.

2.2

About Andorra

Andorra is a European state with more than 700 years of institutional continuity, based on a unique co-principality model.

More than 700 years of history and stability

The *Pariatges d'Andorra*, two joint sovereignty treaties signed in 1278 and 1288 by the Count of Foix and the Bishop of Urgell, are the origin of the current co-principality.



Form of Government

In 1933, Andorra adopted a modern constitution and became a parliamentary co-principality.



7 parishes

Andorra is administratively divided into seven territorial circumscriptions.



468 km²

Andorra's surface area is larger than that of other small European states such as San Marino (61 sq km²), Liechtenstein (157 sq km²) or the Principality of Monaco (1.5 sq km²). Andorra is a mountainous country, with narrow valleys and many rivers.

2 co-princes

Act as joint head of state. The heads of state are the Bishop of Urgell (currently the Right Honourable Sir Josep-Lluís Serrano Pentinat) and the President of the French Republic (currently the Right Honourable Sir Emmanuel Macron).



2011

The signing of the Monetary Agreement with the European Union made the euro the official currency of the Principality of Andorra.



39%

del territori cobert de boscos



1/5

Ratio of active companies/inhabitants (business density).



89,058 inhabitants

The population of Andorra has increased by 24% in 10 years.



55,181 employed people*

The job market has grown by 33% in 10 years.

*Employees + Self-employed workers.



28 councillors

The General Council (Andorran Parliament) is the highest representative body.

12 ministers

The Government holds executive state powers and is made up of the head of Government and the ministers.



Catalan

Catalan is the official language of Andorra, although Spanish, French and English are also commonly used in the commercial and financial spheres.

2.3

Evolution of the Andorran economy in 2025

In 2025 Andorra's economy maintained moderate but sustained growth, with real expansion of around 2.5%-3%, in a context of slower growth compared with the post-pandemic years but with robust domestic demand. The population continued to increase (nearly 89,000 residents, +2% approximately), which boosted consumption and construction. Production is strongly focused on the tertiary sector (>80% of GDP comes from services). Finance, real estate and professional activities are particularly dynamic, while construction continues to contribute to growth and industry accounts for a small proportion of the economy. Inflation moderated to around 2.7%, fostering a degree of recovery in purchasing power in a tight labour market.

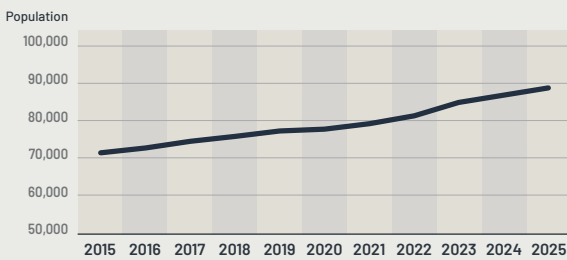
The job market continued to show technical full employment (unemployment of around 1%-2%) with nominal wage growth above 4%-5%. The public finances ended the year in surplus and public debt remains low (~30% of GDP), within the limits of the fiscal rule (ceiling of 40% of GDP and maximum deficit target of 1%). The tax framework (based on moderate direct taxation and IGI indirect tax) remains competitive in the European environment. The fiscal position is sound but there are structural challenges related to housing, the sustainability of the pension system and economic diversification.



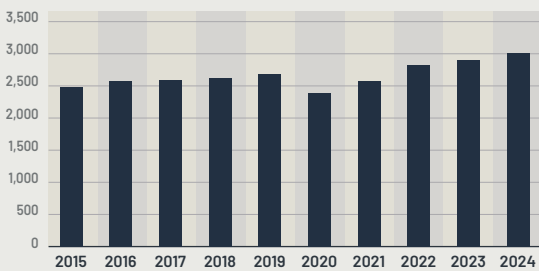
The main economic indicators for the recent evolution of the Andorran economy are shown below to provide an overview of the country's macroeconomic performance:

DEMOGRAPHICS AND ECONOMIC ACTIVITY

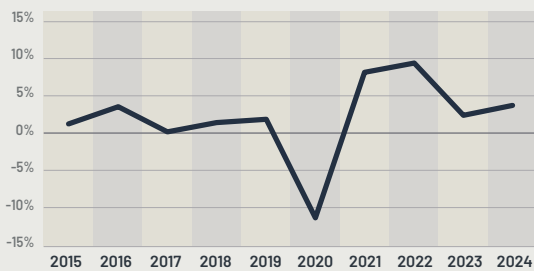
Change in resident population



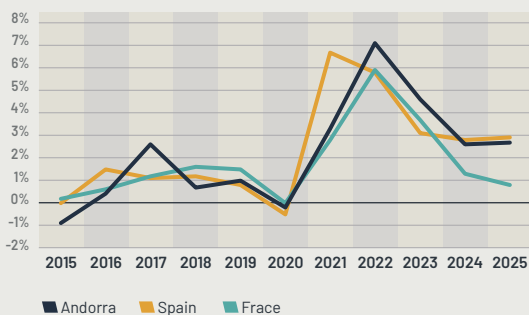
Change in real Gross Domestic Product (Millions of Euros)



Real GDP annual growth rate

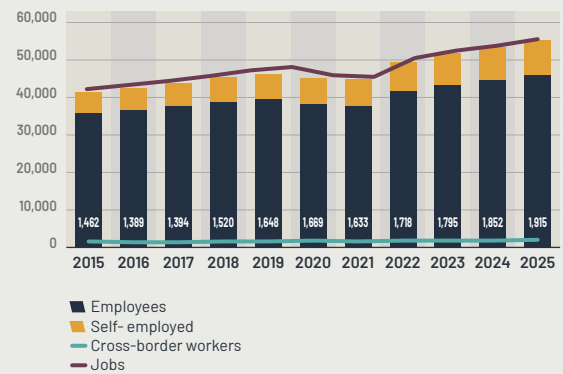


Change in inflation (annual average CPI)



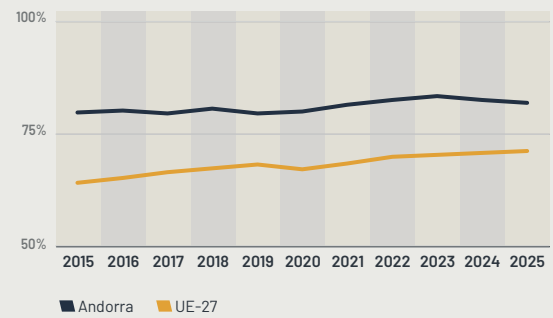
LABOUR MARKET AND INCOMES

Change in the number of employed people*

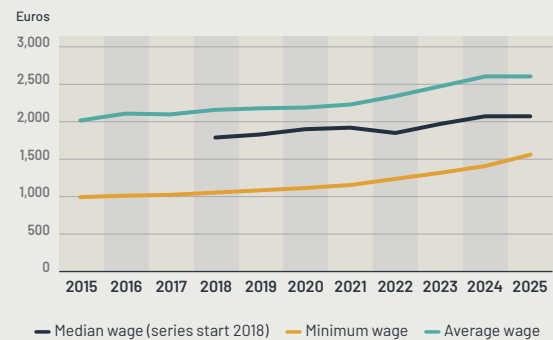


*Employees + Self-employed workers.

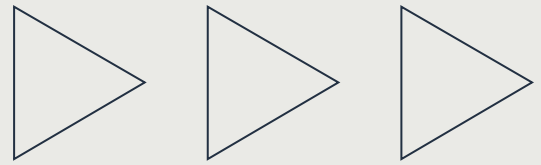
Employment rate



Change in salaries

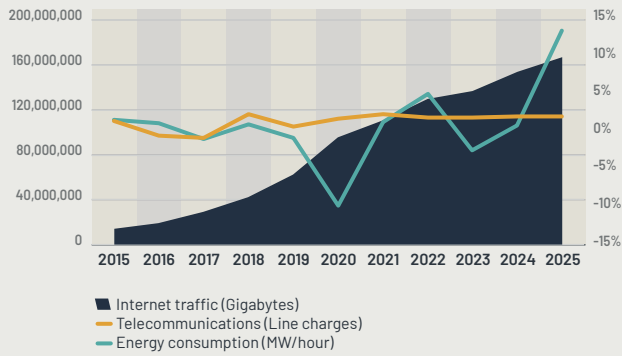


Source: Department of Statistics, CASS and Eurostat.

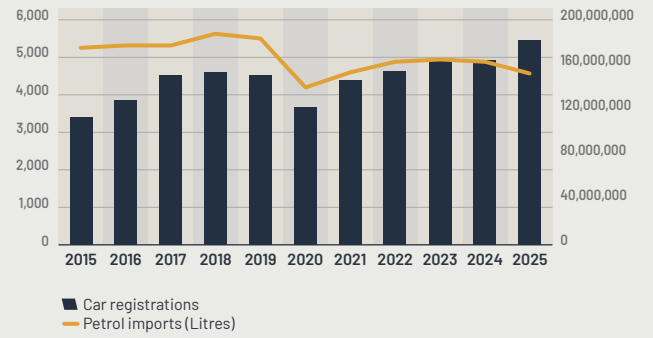


SECTORS OF ACTIVITY

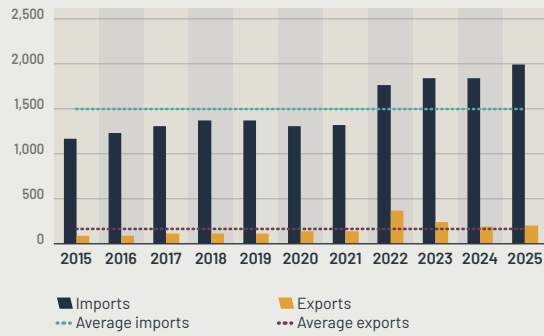
Change in activity in energy and telecommunications



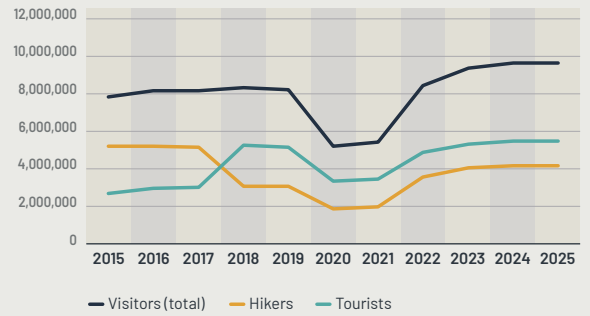
Change in activity in the transport sector



Change in commercial activity (Millions of Euros)



Change in tourism activity

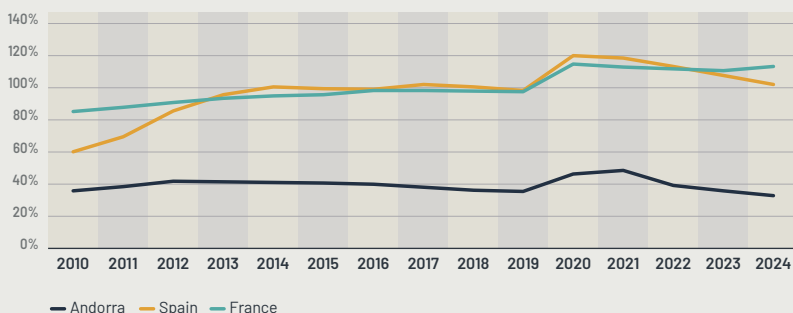


Source: Department of Statistics.



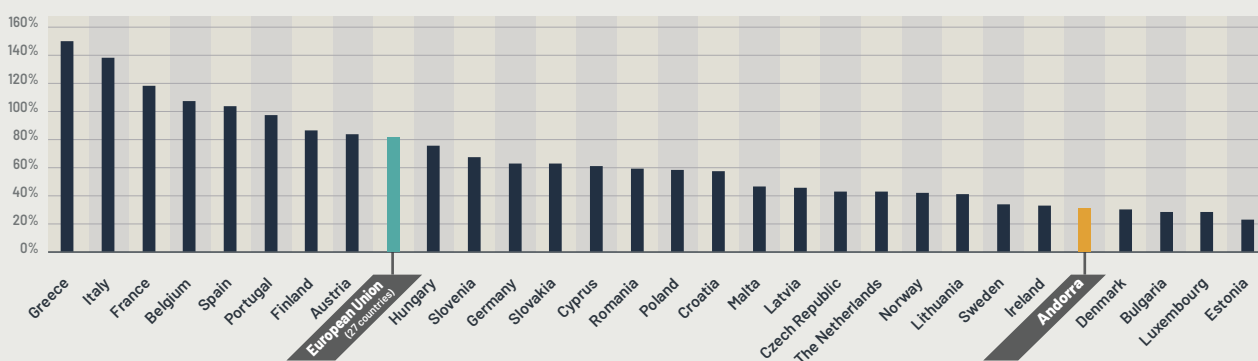
PUBLIC FINANCES AND INSTITUTIONAL FRAMEWORK

Evolution of Andorra's public debt



Andorra has outstanding macroeconomic strength with public debt of 30.9% of GDP, one of the lowest in Europe.

Public debt to GDP ratio / Evolution of Andorra's public debt vs. other Eurozone countries (% of GDP) 2025-03



Sources: Department of Statistics and Eurostat.

Balance of payments

The balance of payments is a statistical tool that systematically records all the economic transactions that take place over a given period of time between a country and the rest of the world. The first time it was published in Andorra was in 2021.

By analysing in detail the data provided by the various sources of information, including the country's financial

institutions, registration offices or government agencies, it is possible to observe characteristics and to assess the state of the Andorran economy, such as the fact that the country is an exporter of services, an importer of goods and that it currently attracts foreign investment.

| (Million euros) | 2024 |
|---|---------------|
| Current account balance | 595.63 |
| 1. Trade balance | -1,568.86 |
| 2. Services balance | 2,160.91 |
| 3. Income balance | 57.41 |
| 4. Transfers balance | -53.84 |
| Capital account balance | -2.78 |
| Capacity (+) / financing needs (-) | 592.85 |
| % financing capacity BP / GDP | 15.9% |

Source: Department of Statistics.

In 2024 Andorra recorded an international financing capacity of €592.85 million, which is 15.9% of the country's GDP.

Sovereign rating of the Principality of Andorra

MOODY'S

as of 27/01/2026

| | |
|-----------|-----------------|
| Long-term | Baa1 |
| Outlook | Positive |

FitchRatings

as of 20/03/2026

| | |
|------------|---------------|
| Long-term | A- |
| Short-term | F2 |
| Outlook | Stable |

STANDARD & POOR'S

as of 07/11/2025

| | |
|------------|---------------|
| Long-term | A- |
| Short-term | A - 2 |
| Outlook | Stable |

Tax framework: main indicators

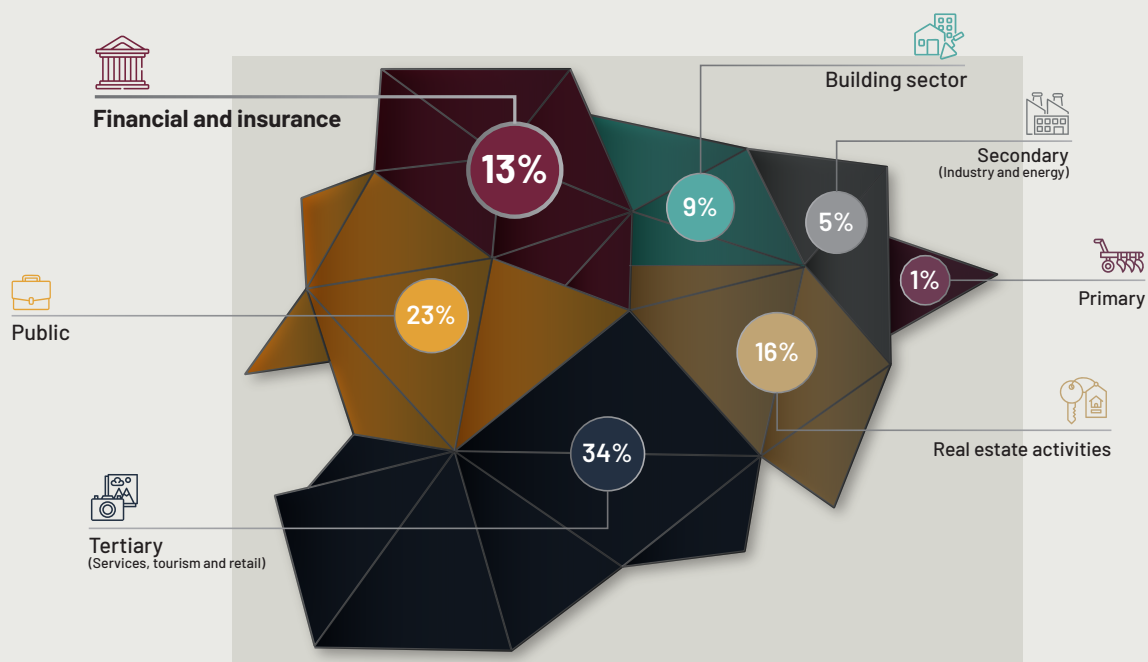
| | General rate |
|--------------------------------|--------------|
| Corporate Tax (IS) | 10% |
| Personal Income Tax (IRPF) | 10% |
| Non-resident Income Tax (IRNR) | 10% |
| General Indirect Tax (IGI) | 4.5% |

ECONOMIC STRUCTURE

Diversification of the business fabric

Estimated GDP- Weighting of the GVA by business sector

Semi-definitive data 2024



Source: Department of Statistics.

2.4

Transformation and alignment with international standards

Over the last few years, the Principality of Andorra has carried out a throughgoing transformation of its institutional, financial and regulatory framework. This was largely driven by the signing of the Monetary Agreement with the European Union and the process of alignment with international standards. This process has led to the progressive adoption of banking and financial regulations comparable to those in the European environment, as well as implementing tax transparency and information exchange agreements with the OECD and the European Union.

In parallel, the framework for anti-money laundering and terrorist financing, periodically assessed by Moneyval, has helped to consolidate a more transparent, robust financial system aligned with international best practices. As part of this process of meeting requirements and international supervision, Andorra is now in the stage of preparing the sixth evaluation round (2026–2027). This will examine the overall operation of the system based on the current regulations and the results actually achieved at the time of the on-site visit. The International Financial Action Task Force (FATF) methodology, updated in August 2024, will be used to conduct this evaluation. It is thus an important moment for the principality’s institutional consolidation and international reach.

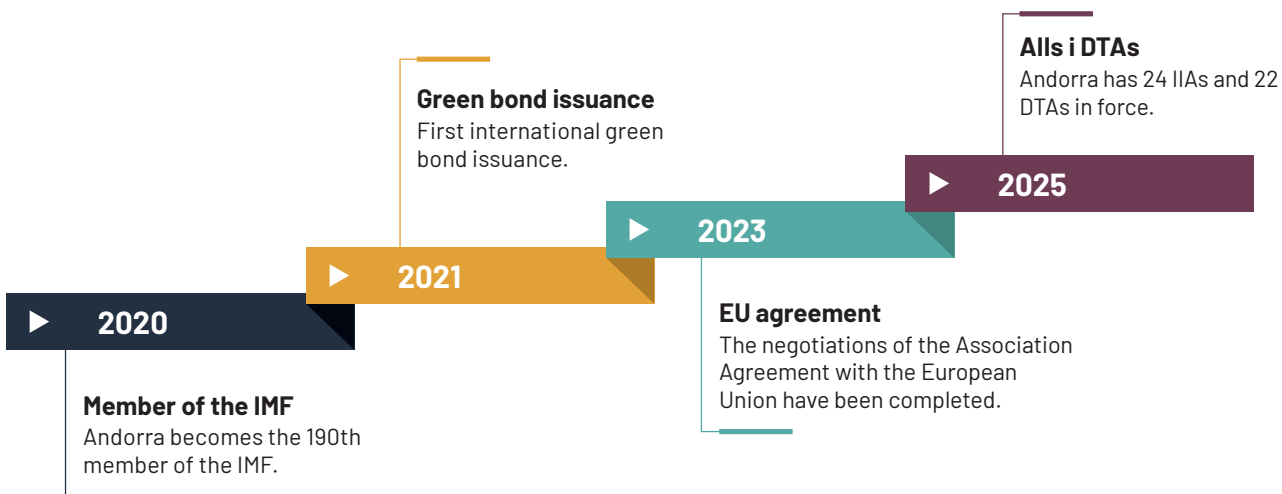
In this context of progressive convergence with Europe, Andorra has completed negotiations on the Association Agreement with the European

Commission. This establishes a new framework for relations with the European Union. The European Council’s decision on the legal nature of the agreement is currently being awaited.

This process of economic opening and regulatory standardisation has also resulted in double taxation agreements (DTAs) being signed to strengthen legal certainty and promote international economic relations. Andorra currently has twenty-two DTAs in force.

As a further step in this international alignment, the Application of International Sanctions Law 5/2022 of 3 March and Decree 268/2025 of 30 July 2025 establish the legal framework for implementing the sanctions arising from the conflict between Ukraine and Russia, pursuant to United Nations resolutions and European Union regulations. These measures allow the freezing of assets, restriction of financial transactions and limitation of certain economic activities, boosting the security and integrity of the Andorran financial system.

Taken together, all of these regulatory, fiscal and institutional reforms have contributed to redefining Andorra’s position in the international economic and financial arena. They are an important aspect of the context in which the banking sector currently operates with growing demand for transparency, cooperation and alignment with global standards.



Andorra is ranked 7th among the countries with the lowest risk of money laundering in the world, according to the Basel AML Index 2025.



22 DTAs in force

France, Spain, Luxembourg, Liechtenstein, Portugal, the United Arab Emirates, Malta, Cyprus, San Marino, Hungary, Croatia, Monaco, the Czech Republic, Iceland, the Netherlands, Lithuania, the Republic of Korea, Montenegro, Latvia, Romania, the United Kingdom of Great Britain and Northern Ireland, and Estonia.



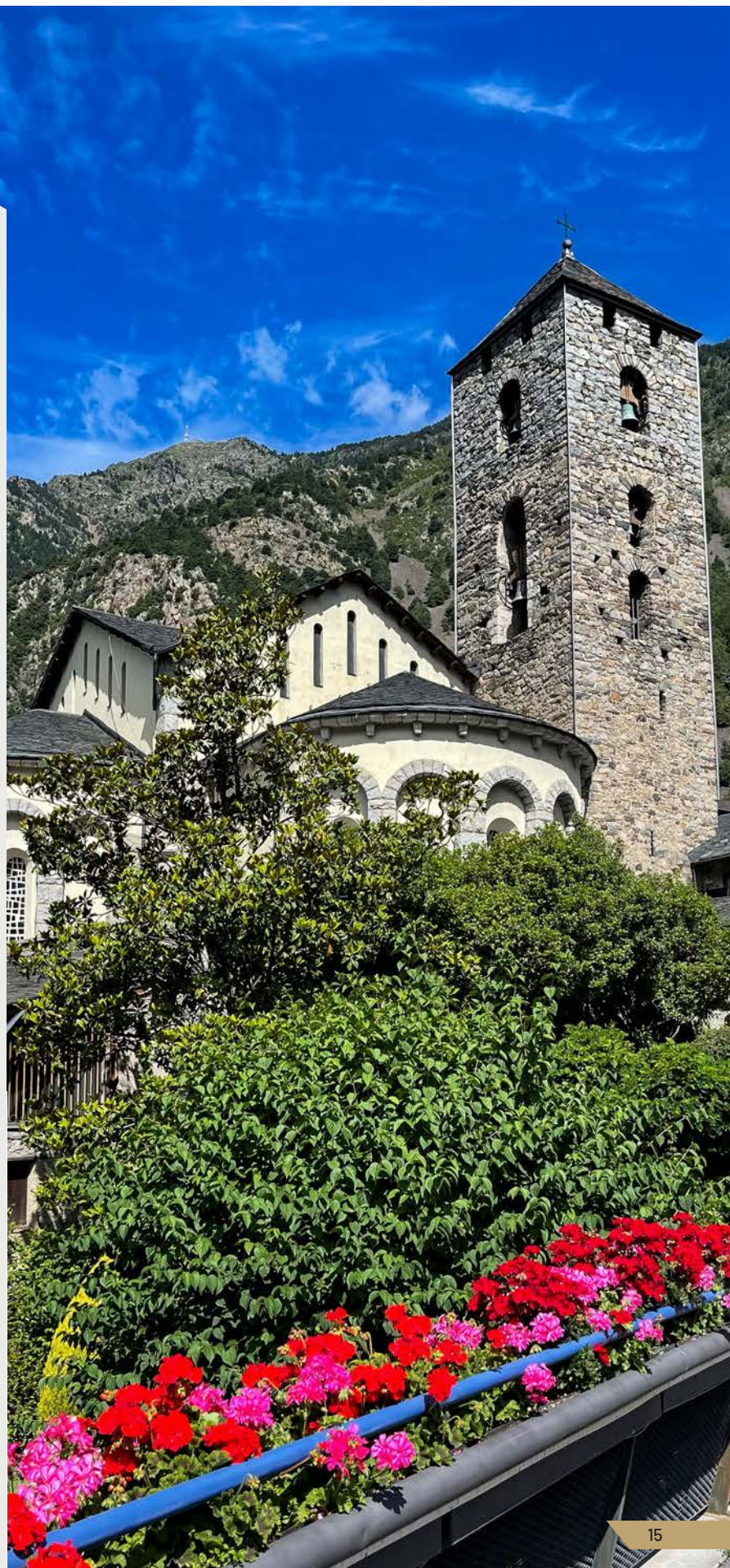
DTA pending ratification

Belgium.



DTA being negotiated

Austria.



3

The Andorran financial sector today

Robustness and prudence are the foundations of the model

The Andorran banking system has robust levels of capitalisation and liquidity, supported by conservative risk management. Commercial banking contributes to internal stability through responsible financing, while private banking provides geographic and revenue source diversification, which strengthens the sector's overall resilience.

3.1

Structure of the financial system and business model

The Andorran financial system has a diversified and complementary model, based on the coexistence of commercial banking oriented towards the domestic market and private banking with an international focus. This structure enables us to meet the needs of the country's real economy, while offering specialised services to international customers, mainly in the field of wealth management.

The financial institutions in the system operate under a regulatory framework aligned with international standards. They are subject to demanding requirements

in terms of solvency, liquidity, corporate governance and risk management. The business model is based on prudent management, a long-term relationship with customers, and a range of financial services adapted to different risk profiles.

The combination of local proximity, specialisation and international expansion contributes to the system's resilience, reducing overconcentration and reinforcing the stability of the sector as a whole.

Andorran financial sector

INSTITUTIONS

3

Banking institutions

ANDBANK / MORABANC / Creand®

BANKING GROUPS

21

Non-banking financial institutions

MISCELLANEOUS FINANCIAL SERVICES

23

Insurance Companies

PROTECTION AND PENSIONS

4

Veedores digitales*

SUPERVISION



AFA Autoritat Financera Andorrana



UIFAND UNITAT D'INTEL·LIGÈNCIA FINANCERA D'ANDORRA



* AREB AGÈNCIA ESTATAL DE RESOLUCIÓ D'ENTITATS BANCÀRIES

Andorran Banking
Associació de Bancs Andorrans

REPRESENTS THE 3 BANKING GROUPS

ADEFI ASSOCIACIÓ D'ENTITATS FINANCERES D'INVERSIÓ

REPRESENTS NON-BANK FINANCIAL INSTITUTIONS

ARADA
Asseguradors i Reasseguradors Associats d'Andorra

REPRESENTS NON-BANK INSURERS AND ASSOCIATED REINSURERS

REPRESENTATION

*In accordance with Decree 478/2022, of 23-11-2022, approving the regulations implementing the requirements to act as a *veedor digital*, the obligations of a *veedor digital* and the disciplinary and sanctioning regime, a *veedor digital* is an individual or legal entity who, in accordance with Law 24/2022, of 30 June, on the digital representation of assets through the use of cryptography and distributed ledger and blockchain technology, is entrusted with the function of ensuring administrative liaison with the Andorran Financial Authority in applications for approval of activities relating to the digital representation of assets, whether through the procedure for obtaining a licence to start up an activity or through the regularisation of the activity.

Sources: AFA and compiled by author.

Banking groups – Business model



4. DEPOSIT AND CUSTODY SERVICES



- Institutional clients
- Securities custody
- Depository services for investment institutions
- Asset liquidation and administration

ROLE
Security and protection of assets

5. MANAGEMENT COMPANIES AND COLLECTIVE INVESTMENT UNDERTAKINGS



- Individual and institutional clients
- Management of collective investment undertakings
- Investment vehicles
- Regulatory compliance and reporting

ROLE
Channelling savings into investment

6. INSURANCE



- Individuals, companies and institutions
- Life and non-life insurance
- Property and personal cover
- Insurable risk management

ROLE
Protection and risk coverage

7. PAYMENT INSTITUTIONS



- Individuals, shops and companies
- Payment services
- Transfers and collections
- Digital payment solutions

ROLE
Efficiency and digitalisation of flows

INVESTMENT, PROTECTION AND COMPLEMENTARY SERVICES

International presence of the Andorran banking sector



The total AuM by Andorran banks is € 113 billion, € 27 billions of which are managed in Andorra



- | | | | |
|---|---|--|---|
|  Andorra |  United States |  Mexico |  Switzerland |
|  Brazil |  Israel |  Monaco |  Uruguay |
|  Spain |  Luxembourg |  Panama | |

Sources: Annual reports of Andorran banking institutions and compiled by author.

3.2

Aggregate growth of the sector Main indicators

During the period analysed, the Andorran financial sector achieved growth consistent with the macroeconomic and financial environment, in a context marked by the progressive normalisation of monetary conditions and an environment of economic dynamism in the country.

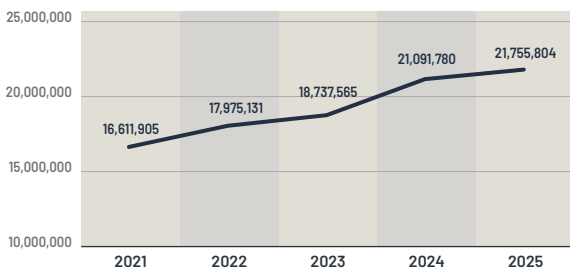
At the aggregate level, the main indicators reveal:

- robust growth in balance sheet volumes,
- reinvigoration of the loan business,
- stable deposit base and expansion of assets under management,

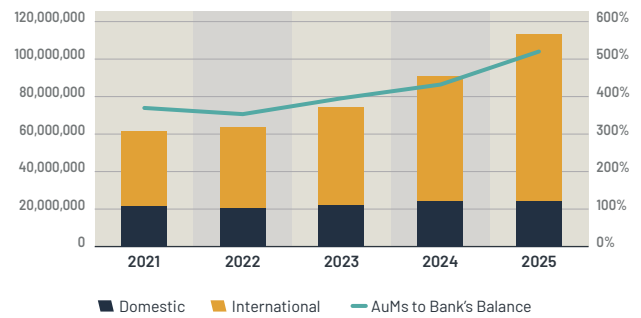
- and levels of capitalisation and liquidity clearly above regulatory standards.

Prudent risk management has continued to be a core part of the business model, with strict criteria for granting loans, high coverage with security interests, and sustained improvement in asset quality. Overall, this growth has strengthened the sector in an environment of greater regulatory requirements, technological transformation and increasingly selective financial markets.

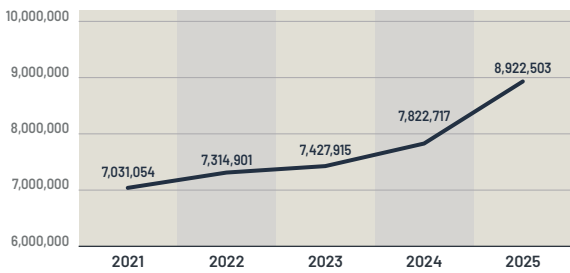
Total assets (Thousand euros)



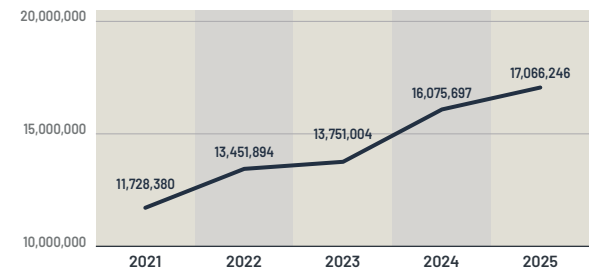
Assets under management (Thousand euros)



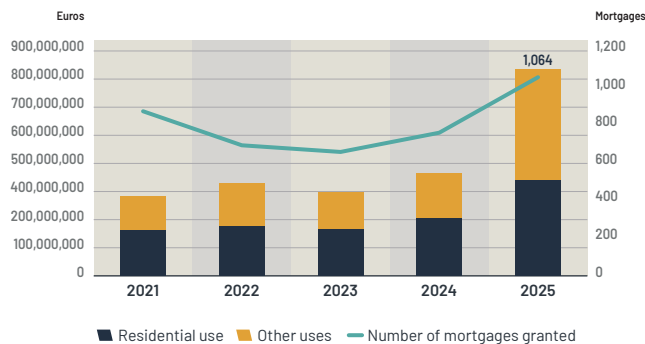
Gross credit investment (Thousand euros)



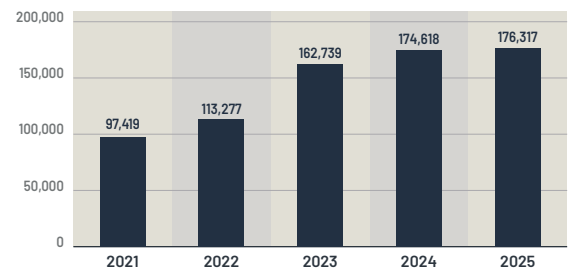
Customer deposits (Thousand euros)



Mortgages / Amount granted by purpose



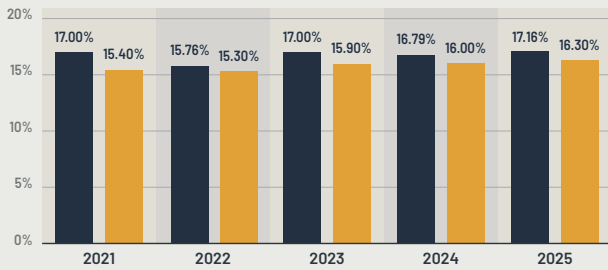
Results (Thousand euros)



■ Andorran banks ■ EU banks

SOLVENCY

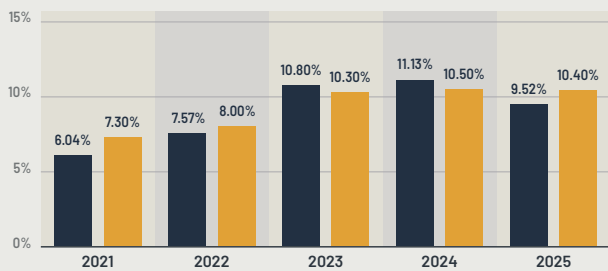
CET1 Solvency ratio (Regulatory)



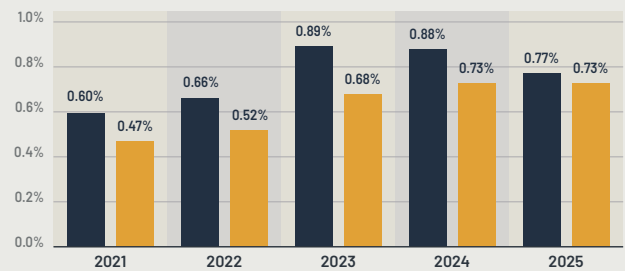
Conservative management is one of the main characteristics of the Andorran banking sector, which is reflected in high solvency and liquidity levels.

PROFIT

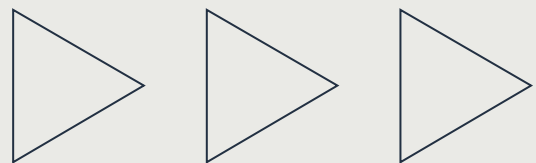
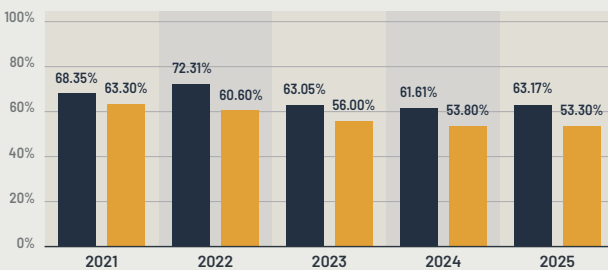
ROE (Return on equity)



ROA (Return on assets)



Efficiency ratio Cost to income ratio

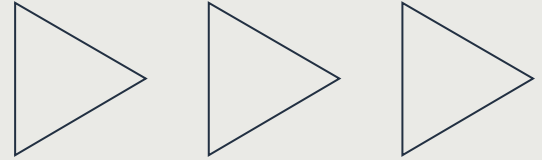
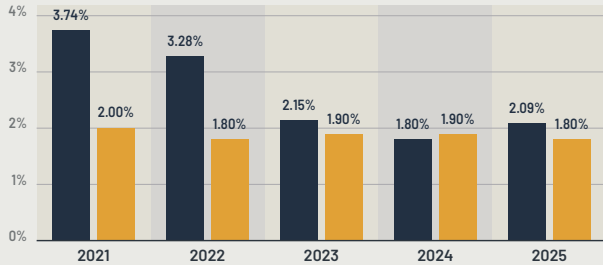


Source: EBA and compiled by author.

■ Andorran banks ■ EU banks

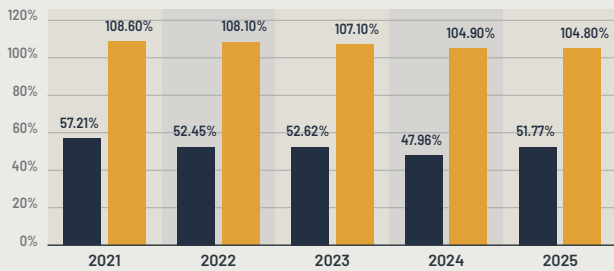
CREDIT RISK AND ASSET QUALITY

NPL ratio

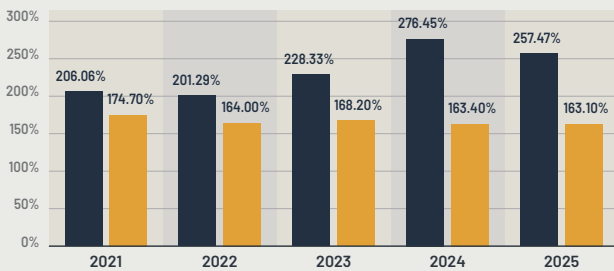


FINANCING AND LIQUIDITY

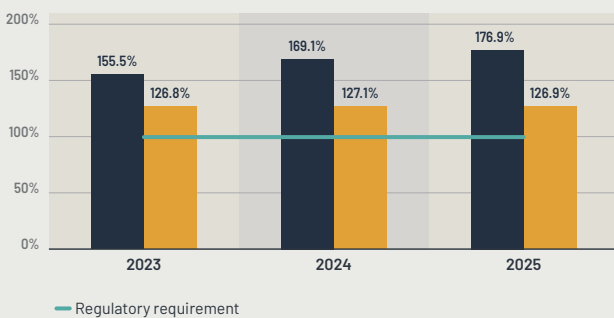
Loan-to-deposit ratio



Liquidity ratio (Liquidity Coverage Ratio)



Net stable funding ratio (NSFR)

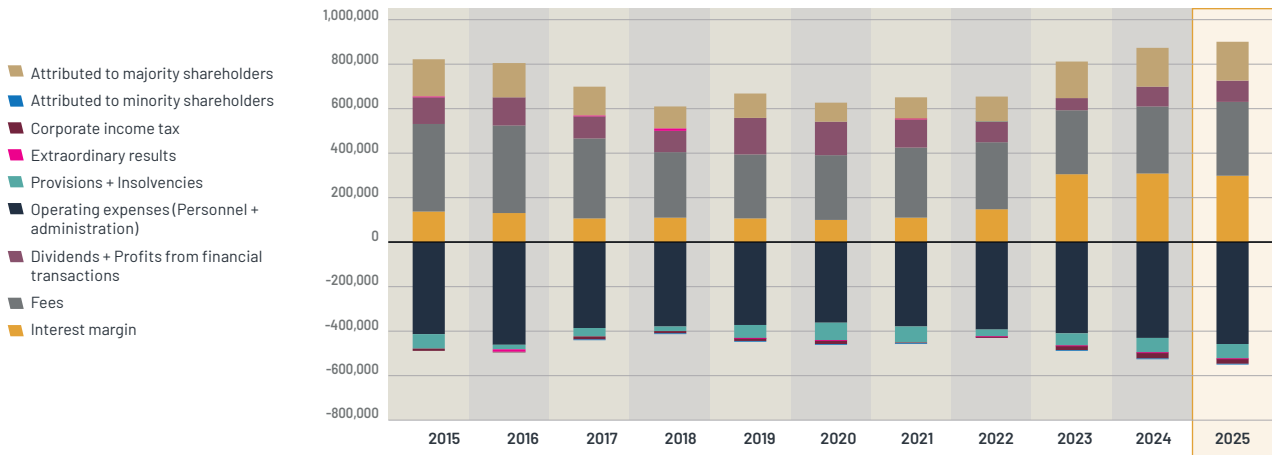


Andorran banks also have a lower degree of leverage compared with the average for European banks. This makes them better able to respond to crisis situations or sudden changes in the market environment. The degree of leverage is measured as the total ratio of outstanding loans to total deposits, which is around 50%, compared with the ratio for European banks, which is over 100%.

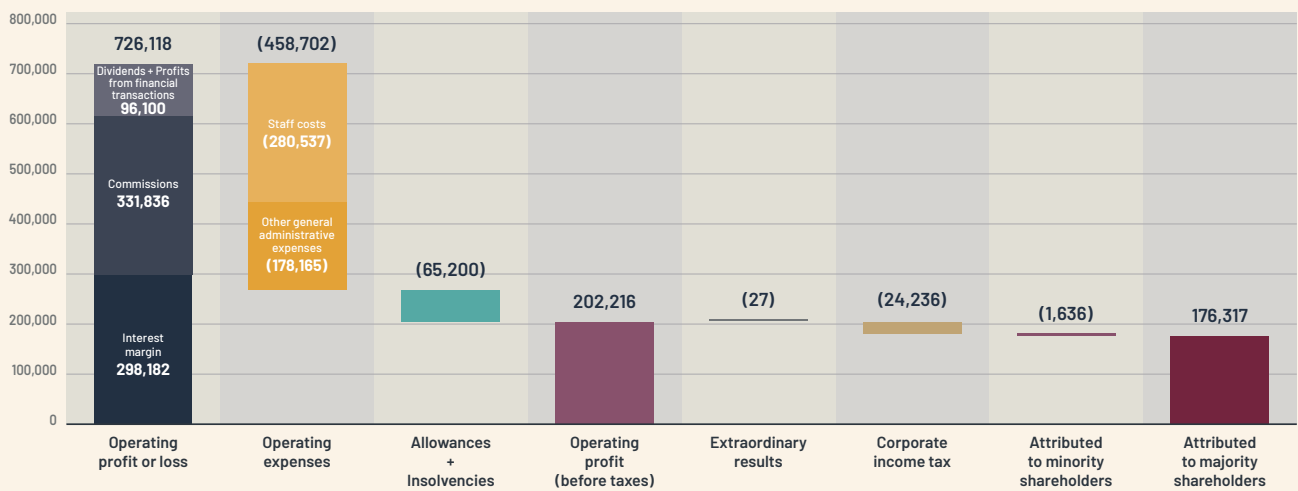
Source: EBA and compiled by author.

Contribution to economic progress

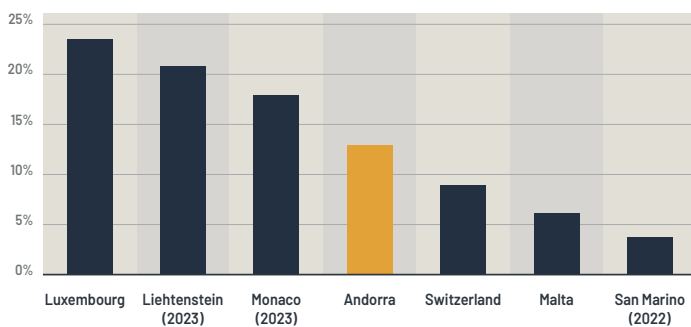
Evolution of the income statement composition (Thousands of euros)



Source of profits 2025 (Thousands of euros)



Weighting of the Andorran financial sector's GVA vs. other financial centres 2025



Sources: Eurostat, Department of Statistics and compiled by author.

Banking contributes to economic development on three levels: by the financing of the real economy, by creating skilled jobs and through the taxation of the sector.

3.3

Annual Report

In this section we present an aggregate analysis of the Andorran banking sector's financial statements for the financial year 2025. The aim is to provide an overview of the change in profits, equity situation and capacity to generate resources of the sector as a whole.

The analysis of the aggregate income statement reflects the impact of the interest rate environment, change in recurring income and the performance of operating expenses. The sector's profitability has been conditioned both by market factors and the continuous effort on regulatory and operational adaptation.

The aggregate balance sheet shows a structure consistent with a model based on prudence. There is a balanced breakdown of assets and liabilities and capitalisation levels that allow possible adverse scenarios to be weathered.

The aggregate financial information presented in this section provides an objective basis for understanding the changes in the sector during the year, while recognising differences in performance between financial institutions.



CONSOLIDATED BALANCE SHEETS OF ANDORRAN BANKS

(Thousand euros)

| Assets | 2025 | % s/ Total | 2024 | % s/ Total | Var. (%) 25-24 |
|--|-------------------|-------------------|-------------------|-------------------|-----------------------|
| Cash, cash balances at central banks and other demand deposits | 5,153,156 | 23.69% | 4,926,646 | 23.36% | 4.60% |
| Financial assets held for trading | 446,915 | 2.05% | 441,221 | 2.09% | 1.29% |
| Financial assets not held for trading that must be valued at fair value with changes in income | 418,168 | 1.92% | 405,842 | 1.92% | 3.04% |
| Financial assets at fair value with changes in the income statement | 282,869 | 1.30% | 292,752 | 1.39% | (3.38%) |
| Financial assets at fair value with changes in the other comprehensive income | 828,538 | 3.81% | 769,239 | 3.65% | 7.71% |
| Financial assets at amortised cost | 13,178,831 | 60.58% | 12,393,834 | 58.76% | 6.33% |
| Derivatives - Hedge accounting | 13,421 | 0.06% | 18,990 | 0.09% | (29.33%) |
| Changes in the fair value of hedging elements of a portfolio with interest risk hedging | (2,956) | (0.01%) | (1,813) | (0.01%) | 63.04% |
| Investments in jointly-controlled businesses and associates | 103,014 | 0.47% | 100,928 | 0.48% | 2.07% |
| Assets covered under insurance and reinsurance contracts | 56,570 | 0.26% | 52,402 | 0.25% | 7.96% |
| Tangible assets | 458,211 | 2.11% | 471,404 | 2.24% | (2.80%) |
| Intangible assets | 437,010 | 2.01% | 411,148 | 1.95% | 6.29% |
| Tax assets | 47,618 | 0.22% | 48,985 | 0.23% | (2.79%) |
| Other assets | 234,747 | 1.08% | 203,220 | 0.96% | 15.51% |
| Disposable non-current assets held for sale | 99,692 | 0.46% | 556,982 | 2.64% | (82.10%) |
| TOTAL ASSETS | 21,755,804 | 100.00% | 21,091,780 | 100.00% | 3.15% |
| Liabilities | 2025 | % s/ Total | 2024 | % s/ Total | Var. (%) 25-24 |
| Financial liabilities held for trading | 123,131 | 0.57% | 165,399 | 0.78% | (25.56%) |
| Financial liabilities at fair value with changes in the income statement | 273,211 | 1.26% | 336,160 | 1.59% | (18.73%) |
| Financial liabilities at amortised cost | 18,422,616 | 84.68% | 17,461,851 | 82.79% | 5.50% |
| Derivatives - Hedge accounting | 3,798 | 0.02% | 8,792 | 0.04% | (56.80%) |
| Changes in the fair value of hedging elements of a portfolio with interest risk hedging | 7,550 | 0.03% | 11,087 | 0.05% | (31.90%) |
| Liabilities covered under insurance and reinsurance contracts | 575,364 | 2.64% | 569,150 | 2.70% | 1.09% |
| Provisions | 57,864 | 0.27% | 62,626 | 0.30% | (7.60%) |
| Tax liabilities | 43,438 | 0.20% | 43,814 | 0.21% | (0.86%) |
| Other liabilities | 278,391 | 1.28% | 232,271 | 1.10% | 19.86% |
| Liabilities in groups of disposable items held for sale | 2,312 | 0.01% | 385,664 | 1.83% | (99.40%) |
| TOTAL LIABILITIES | 19,787,675 | 90.95% | 19,276,814 | 91.39% | 2.65% |
| Net equity | 2025 | % s/ Total | 2024 | % s/ Total | Var. (%) 25-24 |
| Capital | 189,491 | 0.87% | 189,931 | 0.90% | (0.23%) |
| Issue premium | 122,304 | 0.56% | 122,304 | 0.58% | - |
| Issued equity instruments other than capital | 82,150 | 0.38% | 65,050 | 0.31% | 26.29% |
| Other cumulative results | (24,692) | (0.11%) | (52,385) | (0.25%) | (52.86%) |
| Accumulated profits | 872,076 | 4.01% | 832,445 | 3.95% | 4.76% |
| Revaluation reserves | - | - | - | - | - |
| Other reserves | 491,686 | 2.26% | 437,653 | 2.07% | 12.35% |
| Own shares (-) | (540) | - | (540) | - | - |
| Result attributed to majority shareholder | 176,317 | 0.81% | 174,618 | 0.83% | 0.97% |
| Interim dividend (-) | - | - | - | - | - |
| Shareholders' equity | 1,908,792 | 8.77% | 1,769,076 | 8.39% | 7.90% |
| Minority interests | 59,337 | 0.27% | 45,890 | 0.22% | 29.30% |
| TOTAL NET EQUITY | 1,968,129 | 9.05% | 1,814,966 | 8.61% | 8.44% |
| TOTAL LIABILITIES AND NET EQUITY | 21,755,804 | 100.00% | 21,091,780 | 100.00% | 3.15% |

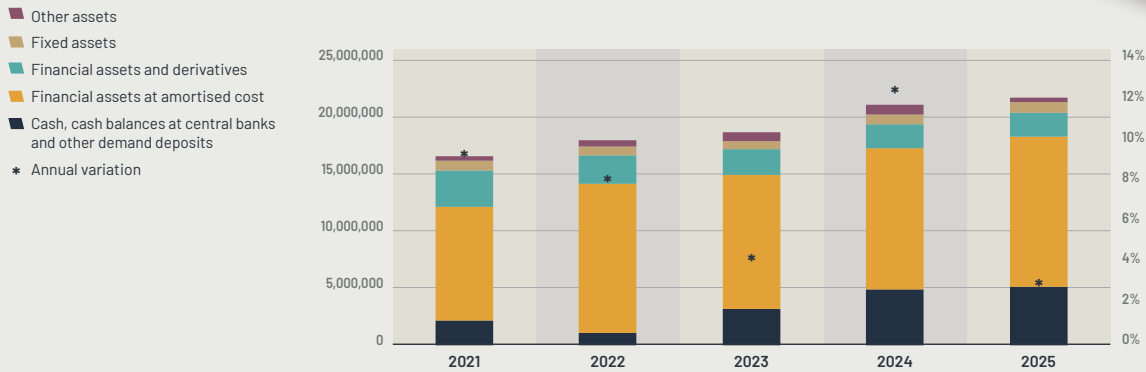
The figures for 2024 are given for comparative purposes only.

Aggregate assets

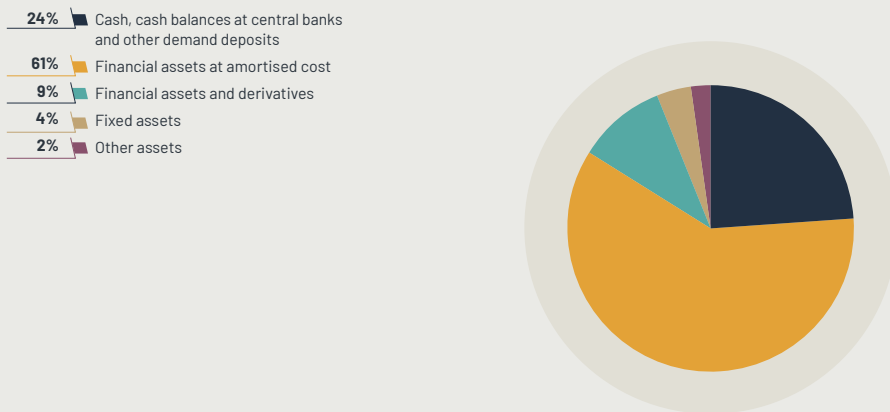
The aggregate assets of Andorran banks are mainly financial assets at amortised cost, which account for 61% of the total and include credit investment, among others. Secondly, the cash, balances at central banks and other demand deposits heading accounts for 24% of assets and includes cash, balances at OECD central banks, the AFA and other financial intermediaries. Finally, financial assets at fair value with changes in the other comprehensive income account for 4% of the total.

The structure of the consolidated balance sheets of Andorran banks reflects the type of business they engage in, i.e. mainly private banking and asset management. Commercial banking is mainly developed in Andorra and gross credit investment accounts for approximately 41% of total assets.

Evolution of aggregate assets 2021-2025 (Thousand euros)



Composition of aggregate assets 2025



Aggregate liabilities

The composition of Andorran banks' aggregate liabilities is characterised by the significant weight of "Client deposits", which accounted for 78% of aggregate liabilities as at 31 December 2025. The total volume of deposits is €17,066 million, an increase of 6% over the previous year. This is classified under the heading of financial liabilities at amortised cost.

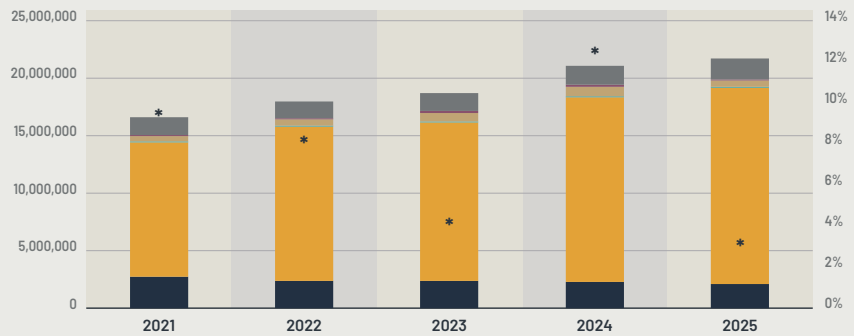
Shareholders' equity accounts for 9% of aggregate liabilities, while profits for the financial year represent 0.9%.

The evolution of client deposits has been marked by changes in interest rates and, consequently, by developments in international capital markets, as well as by the expansion policy pursued by credit institutions.



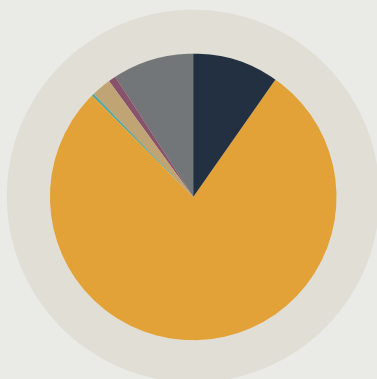
Evolution of aggregate liabilities 2021-2025 (Thousand euros)

- Shareholders' equity
- Results
- Other liabilities
- Provisions
- Customer deposits
- Financial liabilities
- * Annual variation

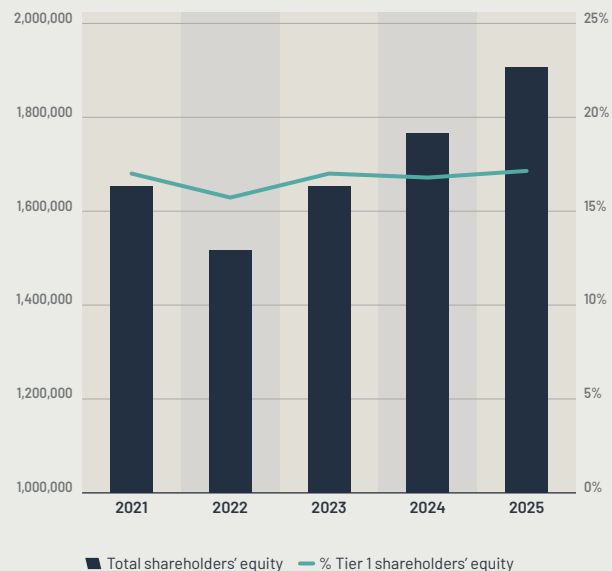


Composition of aggregate liabilities 2025

- 10% ■ Financial liabilities
- 78% ■ Customer deposits
- 0.3% ■ Provisions
- 2% ■ Other liabilities
- 1% ■ Results
- 9% ■ Shareholders' equity



Evolution of Tier1 shareholders' equity and total shareholders' equity 2021-2025 (Thousand euros)



Gross credit investment

Growth in gross credit investment was affected by the economic cycle with a normalisation of interest rates, as well as a policy of prudent lending by financial institutions in recent years.

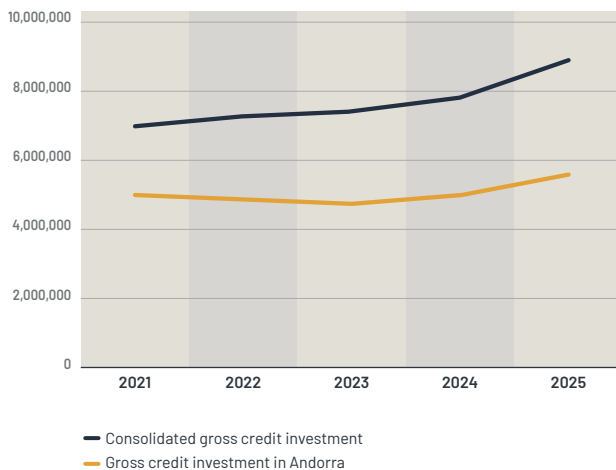
At 31 December 2025, aggregate gross credit investment was €8,922.5 million, an increase of 14% over the previous year. This growth is explained by the increase in Lombard credits linked to private banking clients, in line with the growth in assets under management and wealth management business.

Credit investment in Andorra

Total credit investment in the country reached €5.562 billion in 2025, 10% up on the previous year. This volume of financing is high in relation to the size of the Andorran economy and reflects the importance of credit in financing economic activity and the banking sector's central role in financial intermediation.

In this context, the sector has channelled new financing worth €1.599 billion, equivalent to nearly 40% of GDP. 1,064 new mortgages were issued (+38%) amounting to €832 million and €768 million was granted in loans to companies and individuals (+20%). This dynamism is partly explained by the progressive stabilisation of financial conditions and strong activity in the property and business sectors.

Evolution of credit investment and consolidated 2021-2025 in Andorra (Thousand euros)



Following a few years in which demand for credit investment achieved more moderate growth, largely due to deleveraging by Andorran businesses, more professional management of companies (with greater use of equity to finance new projects) and changes in the European Central Bank's interest rates, the financial year 2025 saw a more dynamic recovery in demand for financing, especially for mortgages, property and businesses.

Loans to companies and individuals grew by 50% in 2025, in line with the recovery in demand for credit and reinvigorated economic activity. At the same time, household mortgage lending doubled, driven both by the increase in the number of transactions (+38%) and the rise in the average value of mortgages (+25%).

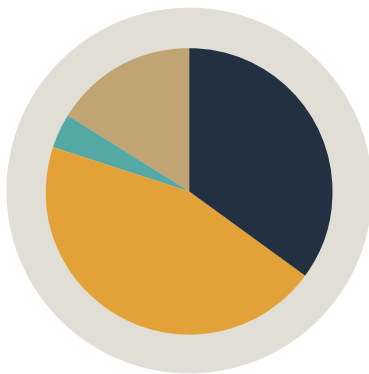
This growth is consistent with the good performance of the property market, in which the banking sector continues to play a central role, as it finances roughly 50% of property transactions carried out in the country.

Risk exposure is managed and monitored continuously with regular analyses of borrowers' solvency and ability to meet their payment obligations. This monitoring allows exposure limits to be adjusted for each counterparty and risk mitigation to be enhanced with collateral and guarantees.

As far as loan portfolio coverage is concerned, 83% of credit investment is granted with security interests. 45% of these are mortgages, 35% securities guarantees and 4% are monetary guarantees, a robust coverage structure consistent with the sector's risk profile.

Credit investment guarantees 2025

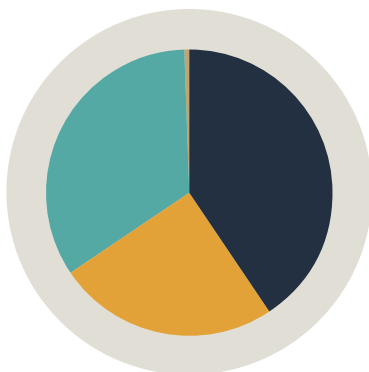
- 35% Securities guarantee
- 45% Mortgage guarantee
- 4% Monetary guarantee
- 16% Without security interests (personal and others)



The breakdown of the loan portfolio has a very similar structure to recent years, which reflects the stability of the sector's business model and risk profile. The portfolio is divided between companies (41%), individuals (25%), private banking clients with securities guarantees (33.5%) and public authorities (0.5%).

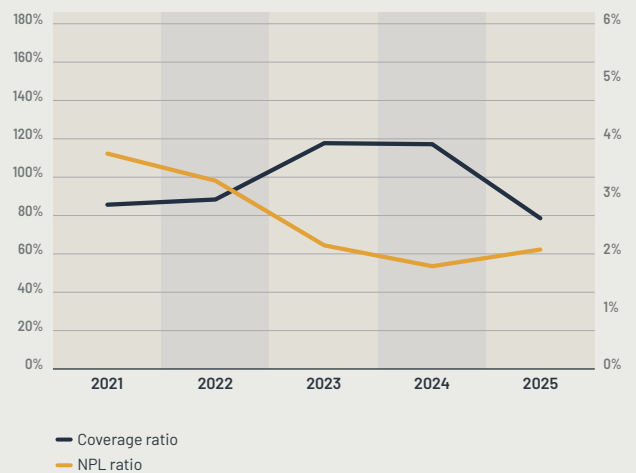
Aggregate gross credit investment Consolidated bank 2025

- 41% Businesses
- 25% Individuals
- 33.5% Lombard credits
- 0.5% Public Administration



Regarding credit quality, exposures are classified by risk level in the different IFRS 9 stages. At 31 December 2025, 92.4% were in Stage 1, meaning they are transactions that have not registered significant increases in credit risk. 5.4% were in Stage 2 while 2.09% were in Stage 3, meaning exposures with reasonable doubts about their repayment.

Evolution of the NPL ratio and the coverage ratio 2021-2025

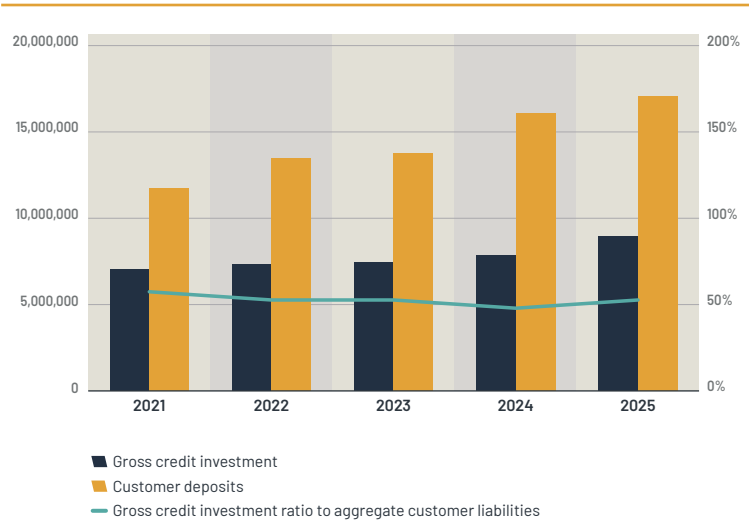


NPL ratio stands at 2.09% and the coverage ratio of non-performing loans is 80%.

The aggregate loan-to-deposit ratio remains at around 50%, a characteristic feature of the sector's business model and the significant weighting of private banking.

This level is clearly below the average for European banks (104.8%), which is practically double the Andorran ratio. This is an indicator of Andorran banking system's robust liquidity position, low level of functional leverage of the balance sheet, and resilience.

Evolution of the gross credit investment ratio to aggregate customer liabilities 2021-2025
(Thousand euros)



Overall, the evolution of credit investment in 2025 reflects a reinvigoration of financing, in both the consolidated and domestic areas, with a notable boost in the mortgage, business and private banking segments. This evolution has taken place while maintaining prudent loan granting criteria, high coverage with security interests and particularly robust credit quality indicators, with the NPL ratio at historic lows.

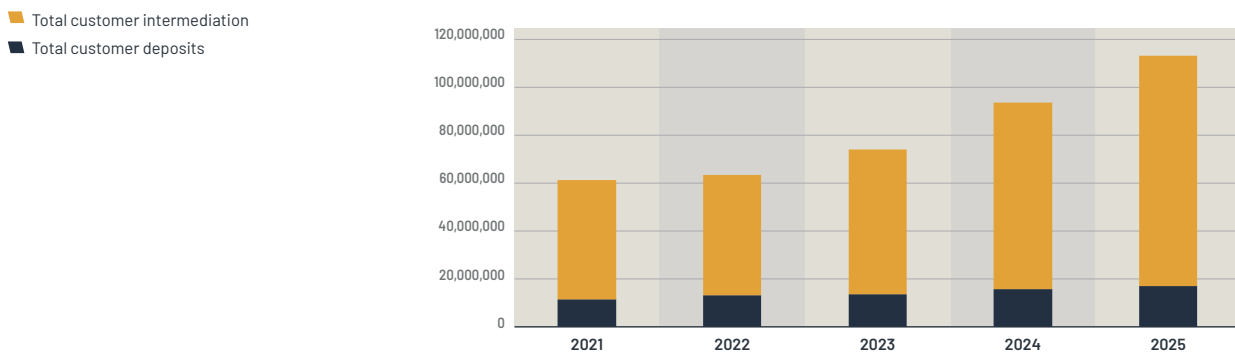
Assets under management

Beyond domestic commercial activity, the business model followed by Andorran banks is characterised by a significant weighting of private banking and wealth management.

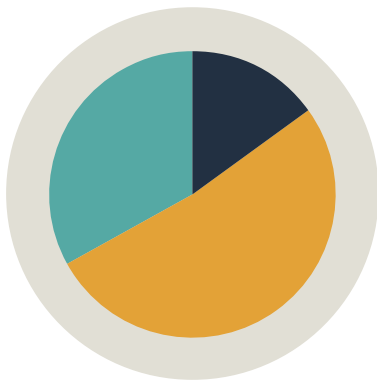
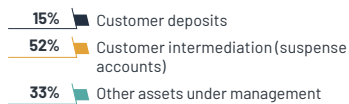
In this context, the total assets under management are made up of on-balance sheet customer deposits, 15% of the total, and off-balance sheet assets (both custody and non-custody), the remaining 85%.

At 31 December 2025, total resources under management reached €113,248 million, 21% up on 2024. Customer deposits were €17,066 million, 6% higher than the previous year, while off-balance sheet assets grew by 24%. This reflects the sustained dynamism of the private banking business and the sector’s growth trend.

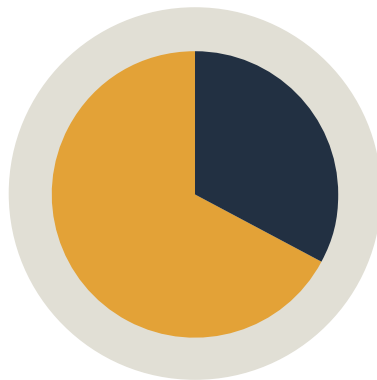
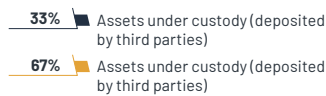
Evolution of aggregate assets under management 2021-2025 (Thousand euros)



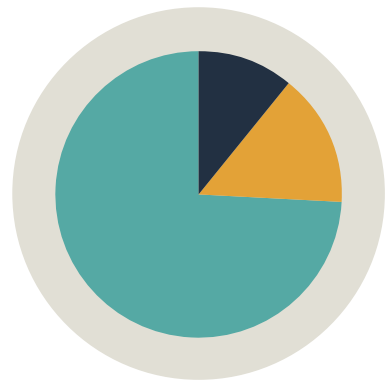
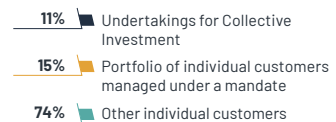
On- and off-balance-sheet assets under management 2025



Assets under management deposited by the institution or by third parties 2025



Assets under management by customer type 2025



CONSOLIDATED AGGREGATE PROFIT AND LOSS ACCOUNTS OF ANDORRAN BANKS

(Thousand euros)

| | 2025 | 2024 | Var. (%) 25-24 |
|---|----------------|----------------|-----------------|
| Interest income | 523,174 | 614,677 | (14.89%) |
| Interest expenses | (226,197) | (306,840) | (26.28%) |
| Dividend income | 1,205 | 954 | 26.31% |
| Interest margin | 298,182 | 308,791 | (3.44%) |
| Commissions earned | 527,537 | 451,596 | 16.82% |
| Commissions paid | (195,701) | (150,370) | 30.15% |
| Base margin | 630,018 | 610,017 | 3.28% |
| Gains or losses when writing off financial assets and liabilities not valued at fair value with changes in income (net) | 2,614 | 327 | 699.39% |
| Results of enterprises carried using the equity method | 547 | 279 | 96.06% |
| Results from financial transactions | 91,614 | 73,643 | 24.40% |
| Results on assets and liabilities covered under insurance and reinsurance contracts | - | - | - |
| Other operating income | 22,320 | 20,521 | 8.77% |
| Other operating expenses | (10,083) | (8,359) | 20.62% |
| Other income and expenses from assets and liabilities used for insurance or reinsurance contracts | (10,912) | 4,139 | (363.64%) |
| Operating profit or loss (net) | 726,118 | 700,567 | 3.65% |
| Administrative expenses | (458,702) | (431,596) | 6.28% |
| Staff costs | (280,537) | (251,426) | 11.58% |
| Other general administrative expenses | (178,165) | (180,170) | (1.11%) |
| Amortisation | (68,103) | (62,418) | 9.11% |
| Provisions funded (net) | (14,292) | (17,643) | (18.99%) |
| Net impairment of financial assets not recognised at fair value with changes in profit and loss | 7,731 | 17,787 | (56.54%) |
| Net impairment of investments in jointly-controlled companies or associates | - | (43) | - |
| Net impairment of non-financial assets | (35) | (815) | (95.71%) |
| Negative goodwill recognised in income | - | - | - |
| Participation in gains or losses from investments in subsidiaries, joint ventures and associates | 3,467 | 4,233 | (18.10%) |
| Gains or losses from non-current assets and disposal groups classified as held for sale not admissible as discontinued operations | 6,032 | (6,087) | (199.10%) |
| Profit before tax | 202,216 | 203,985 | (0.87%) |
| Corporation tax | (24,236) | (26,003) | (6.80%) |
| Results for the year from continuing operations | 177,980 | 177,982 | - |
| Results from discontinued operations (net) | (27) | (29) | (6.90%) |
| Profit/(loss) for the year | 177,953 | 177,953 | - |
| Attributed to majority shareholders | 176,317 | 174,618 | 0.97% |
| Attributed to minority shareholders | 1,636 | 3,335 | (50.94%) |

* The figures for 2024 are given for comparative purposes only.



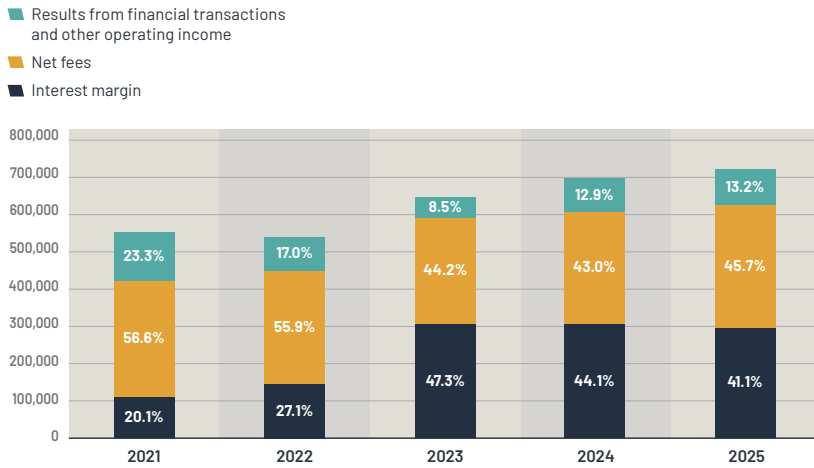
Andorran banks made aggregate profits of €176 million in 2025, 1% higher than the previous year, in an environment in which interest rates returned to normal levels. These profits underscore the robust capacity of the business model to adapt to new market conditions and changing customer needs.

The return on equity (ROE) was 9.52%, a sign of the resilience and sustainability of the banks' business model in an environment of financial normalisation.

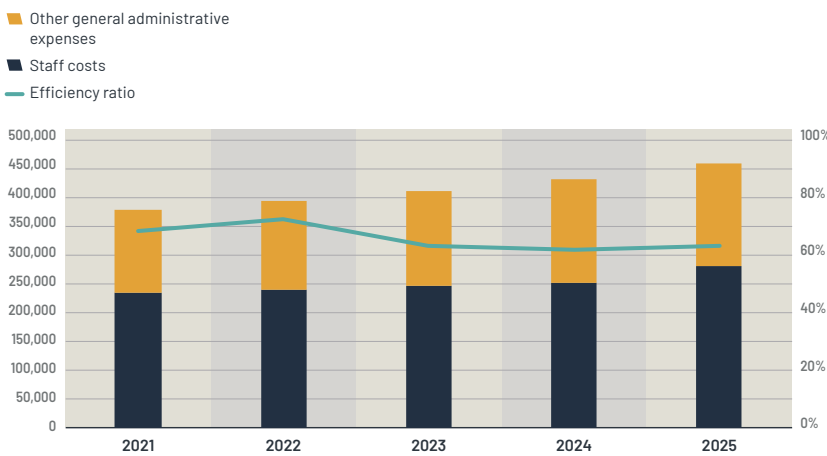
The Andorran banking sector ended the year with a net operating profit of €726.1 million, 4% higher than the previous year. In a context of de-escalating interest rates, the interest margin fell by 3.4%, while net fees boosted the base margin, which grew by 3.2%, thanks to the good performance of private banking and wealth management. Returns from financial transactions and other operating income also made a significant contribution to profit growth.

Evolution of the andorran banking sector's income statement

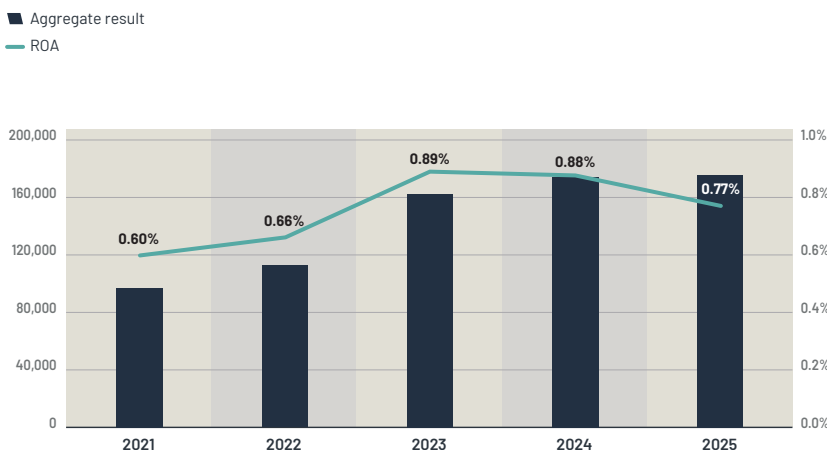
Evolution of net aggregate operating results and composition 2021-2025 (Thousand euros)



Evolution of composition of transformation costs and efficiency ratio 2021-2025 (Thousand euros)

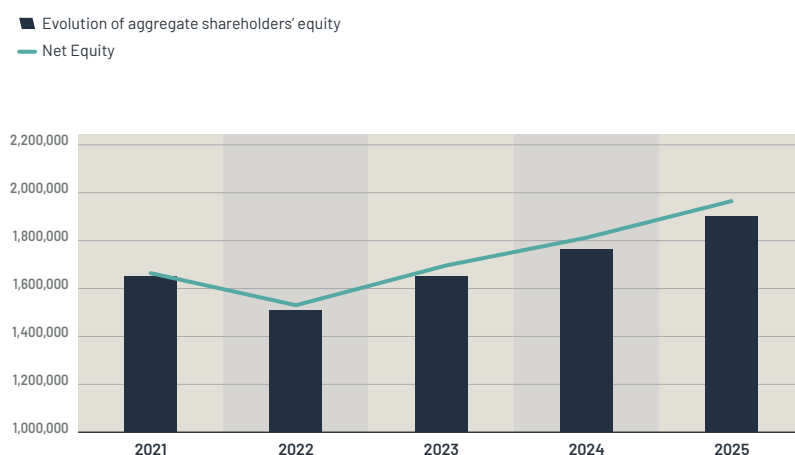


Evolution of aggregate result and ROA 2021-2025 (Thousand euros)



The diversification of financial institutions' sources of income based on the complementarity between the interest margin and fees, preserves the stability of the Andorran banking system in the face of cyclical changes in interest rates.

Evolution of equity and aggregate shareholders' equity 2021-2025 (Thousand euros)



Solvency and liquidity

The robust profits earned during the year contributed to strengthening the internal capacity to generate capital and puts the sector's financial position on a sound footing. This evolution, combined with prudent risk management and high structural liquidity, is reflected in solvency and liquidity indicators that remain at levels clearly above the regulatory minimums and the European average.

At 31 December 2025, the regulatory CET1 ratio was 17.16% with a stable evolution, slightly higher than the previous year (16.79%). This was above the average for European banks (16.30%), according to EBA data.

Regarding liquidity, the LCR ratio reached 257.47%, far above the regulatory minimum of 100%. It was also higher than the average for European banks (160%), which highlights the strength of the Andorran banking system's liquidity position.

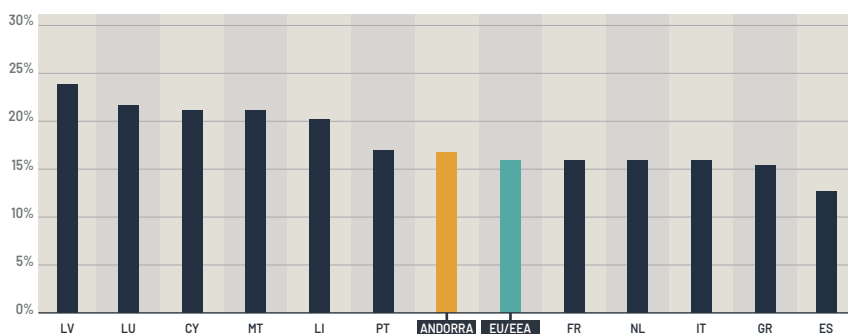


Law 17/2024 amending Law 35/2018 on the solvency, liquidity and prudential supervision of banking institutions and investment firms, which transposes Directive (EU) 2019/878 (CRD V) and Regulation (EU) 2019/876 (CRR II). This act provides Andorra with a robust supervisory system aligned with European and international standards, ensuring that banks and investment companies have the necessary capital and controls, strengthening depositor protection and international confidence in the financial system.

Solvency - Liquidity according to Basel III

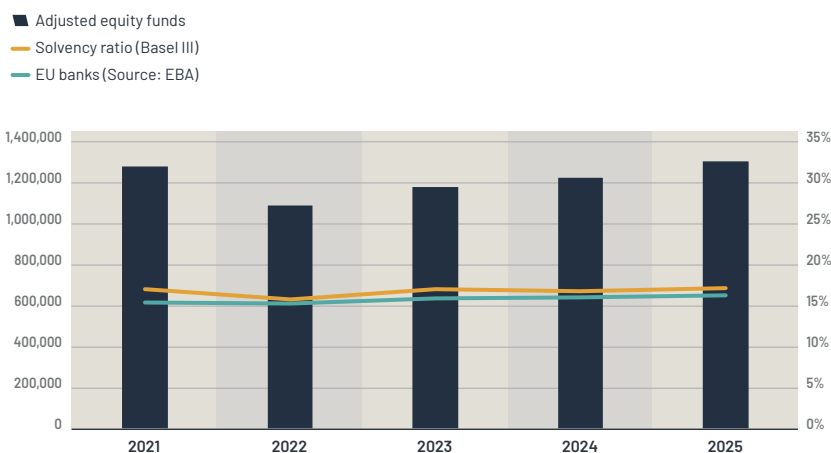
| | CET1 solvency Regulatory | | Liquidity (Liquidity Coverage Ratio) | |
|------------------------|-----------------------------|---------------|---|----------------|
| | 2024 | 2025 | 2024 | 2025 |
| ANDBANK GROUP | 15.23% | 15.41% | 386.60% | 334.52% |
| MORABANC GROUP | 19.53% | 20.55% | 301.23% | 298.76% |
| CREAND GROUP | 16.66% | 16.84% | 168.49% | 161.11% |
| AGGREGATE RATIO | 16.79% | 17.16% | 276.45% | 257.47% |

CET1 ratio Andorra vs. EU 2025



Sources: EBA and compiled by author.

Evolution of solvency ratio and adjusted equity 2021-2025 (Thousand euros)



Both the Andorran Deposit Guarantee Fund (Fagadi) and the Andorran Investment Guarantee System (SAGI), regulated by Law 20/2018 transposing European directives 2014/49/EU and 97/9/EC, provide alignment with the European Union as regards the protection of holders of deposits with credit institutions and investments at credit institutions and investment firms in the Principality of Andorra, with a deposit guarantee limit of €100,000.



Law 20/2018 regulating the Andorran Deposit Guarantee Fund and the Andorran Investment Guarantee System, which transposes Directive (EU) 2014/49 on deposit guarantee schemes and Directive 97/9/EC on investor-compensation schemes.

Return on average equity (ROE) and return on average assets (ROA)

| | ROE | | ROA | |
|------------------------|---------------|--------------|--------------|--------------|
| | 2024 | 2025 | 2024 | 2025 |
| ANDBANK GROUP | 7.56% | 6.58% | 0.48% | 0.49% |
| MORABANC GROUP | 15.04% | 14.86% | 1.39% | 1.05% |
| CREAND GROUP | 12.32% | 9.54% | 1.14% | 0.96% |
| AGGREGATE RATIO | 11.13% | 9.52% | 0.88% | 0.77% |



Law 7/2021 on the recovery and resolution of banking institutions and investment companies, which transposes Directive 2014/59/EU (known as BRRD) establishing a framework for the recovery and resolution of credit institutions and investment firms. **It created the Andorran Fund for the Resolution of Banking Institutions (FAREB).**



Law 36/2022 on the creation of international reserves and access by the financial system to assistance in the form of urgent provision of liquidity, which develops an instrument to provide the principality with greater resilience in the event of a liquidity shock in the financial sector. The law structures a lender of last resort mechanism based on international reserves that replicates the emergency liquidity assistance model of the European Central Bank, meaning that it meets international standards.

Ratings

Another indicator of banks' solvency are the ratings published by specialist agencies such as Fitch Ratings, Standard & Poor's and Moody's.

| | Rating | | Agency |
|----------------|-------------|------------|---------------|
| | Long-term | Short-term | |
| ANDBANK GROUP | BBB | F3 | Fitch Ratings |
| MORABANC GROUP | BBB- | F3 | Fitch Ratings |
| CREAND GROUP | BBB- | F3 | Fitch Ratings |

Ratings as at June 2025.

4

Customers and the real economy

Local proximity and global customer service

Commercial banking plays a key role in supporting households, SMEs and entrepreneurs, contributing to the country's economic development. In parallel, private banking offers wealth management solutions adapted to domestic and international clients, with a long-term vision that prioritises capital preservation and risk diversification in complex environments.

4.1

Household financing

The Andorran banking sector maintains a relevant role in household financing, facilitating access to financial services adapted to the needs of the resident population. Lending in this area is mainly financing for housing, consumption and other personal needs with prudent criteria and appropriate risk assessment.

Household credit is developing in line with the evolution of the labour market, disposable income and the macroeconomic environment. It contributes to financial stability and support for the country's domestic economy.

4.2

Lending to SMEs and companies

Financing for SMEs and companies is a core part of the banking sector's support for Andorra's economic activity. Financial institutions offer solutions adapted to the different stages of the business cycle, including financing for working capital, investment and growth projects.

This activity is carried out through a close relationship with the business community. Special attention is paid to the viability of projects, sectoral diversification and risk management, which contributes to the consolidation and development of the productive economy.

4.3

First-time buyer guarantee scheme

The banking sector participates in the first-time buyer guarantee scheme as an instrument to support public policies aimed at facilitating access to housing. This programme allows mortgage financing to be supplemented through guarantee mechanisms, in collaboration with the relevant authorities.

The implementation of the programme is carried out under criteria of financial prudence and credit responsibility, ensuring the sustainability of the system and the appropriate protection of both the beneficiary families and the participating entities.



Decree 381/2025 approving the first-time buyer scheme for habitual and permanent homes.

Sources: Department of Statistics and compiled by author.



€ 87 million to individuals

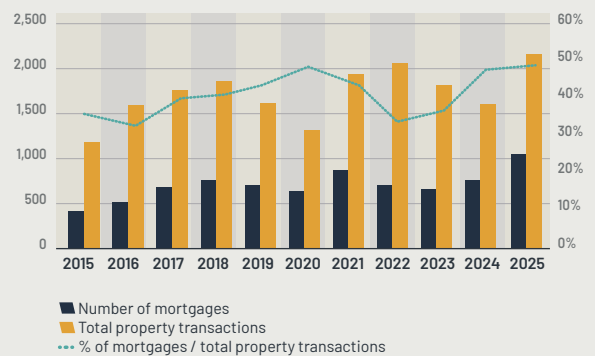


€ 681 million to companies



€ 832 million for mortgages

Property transactions / Number of mortgages



50% of property transactions involve bank financing.

4.4

Wealth management and international private banking

Private banking business – quality service, proximity, experience

Wealth management and international private banking are one of the cornerstones of the Andorran banking sector's business model. It is aimed at providing specialised services to international clients. The focus is on wealth management and advice within a regulatory framework aligned with international standards.

The private banking business is based on long-term relationships with customers, prudent risk management and a range of services adapted to different wealth profiles, which helps to diversify the country's financial activity.



Law 7/2024 on the organisation and operation of financial system operating institutions and market abuse, which transposes Directive 2014/65/EU (MiFID II), implements the regulations for the provision of investment and ancillary services in the Principality of Andorra, and establishes requirements for organisation, transparency, investor protection, governance, internal control and prevention of market abuse.

4.5

Insurance sector

The insurance sector is the third cornerstone of the Andorran banking sector's business model. It makes an essential contribution to protecting households and companies in the country, as well as preserving stability in the face of unpredictable risks. Over the last year, this sector has undergone a significant regulatory transformation. Transparency, legal certainty and supervision have been strengthened in the sector to build customer trust.



Law 28/2025 to enforce the right to be forgotten in healthcare establishes the provisions to make the right to be forgotten in health effective, ensuring that people who have suffered from cancer or hepatitis C, as well as people with HIV, are not discriminated against when seeking to take out life insurance linked to credit transactions or in adoption processes.



Law 29/2025 on insurance and reinsurance contracts of the Principality of Andorra, which implements the regulatory framework for insurance and reinsurance contracts, as well as the pre-contractual information that must be provided to policyholders before they sign an insurance or reinsurance contract. The aim is to ensure transparency and establish the rights and obligations of insurers, policyholders, insured persons and beneficiaries.

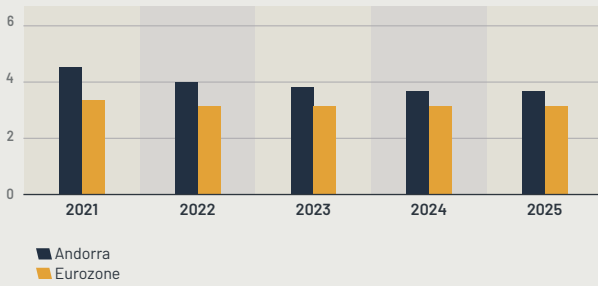
As a whole, these activities reflect the role of the Andorran banking sector in supporting the country's economy and in providing specialised financial services in an international environment.

4.6

Bank branches and territorial coverage

The Andorran banking system has a network of **34 bank branches** spread around the country. They serve a resident population of approximately 89,000 people. This structure means that the ratio of branches per inhabitant is high compared with the European average.

Branches per 10,000 inhabitants

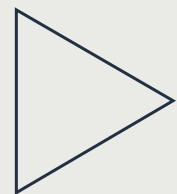
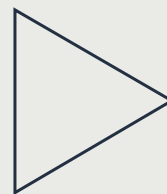
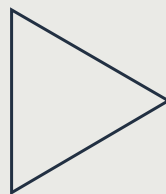


Sources: EBF and own calculations.

This territorial coverage is supplemented by a network of **61 operational ATMs**, which contribute to guaranteeing access to basic cash services. They also bring the banking system closer to people in all parishes in the principality, alongside the development of digital channels.



61 ATMs



5

Transformation of the sector

Evolving to protect and create value

Digital transformation, strengthening cybersecurity and evolving operating models are essential levers to ensure business continuity. Both commercial and private banking have adapted their processes to improve efficiency, lower operational risks and maintain a personal and secure service, both nationally and internationally.

5.1

Digitalisation and innovation

Digitalisation has become one of the main drivers of transformation in the Andorran banking sector. This process has brought about improvements in operational efficiency, strengthened cybersecurity and adapted the service offering to new customer habits. The user experience is increasingly personalised. As part of this process, financial institutions are progressively incorporating advanced technologies, such as artificial intelligence and data analysis. These contribute to optimising processes and improving risk management.

At the country level, this evolution is part of the government strategy of digital transformation, aligned with the objectives of economic and social growth. In this context, the banking sector is also contributing to the digitalisation of businesses by financing projects linked to innovation and new digital sectors.

Payment services and digital infrastructure: the case of Sermipa

Serveis i Mitjans de Pagament XXI, SA (Sermipa) provides services for the use of cards and other means of payment in the Principality of Andorra.



Sermipa offers businesses in the principality a multi-institution POS solution, so they can accept payments in a centralised manner through a single device. This helps simplify collection management, improves businesses' operational efficiency and strengthens the interoperability of the payment system in the country.

The main figures concerning the use of means of payment reflect changing consumer habits, the progressive digitalisation of businesses and the increasing adoption of digital channels by users.

The sector dedicates more than 5% of its profits to driving digital transformation.

During 2024–2025, digital users grew by 5%, while mobile app users increased by 15%.

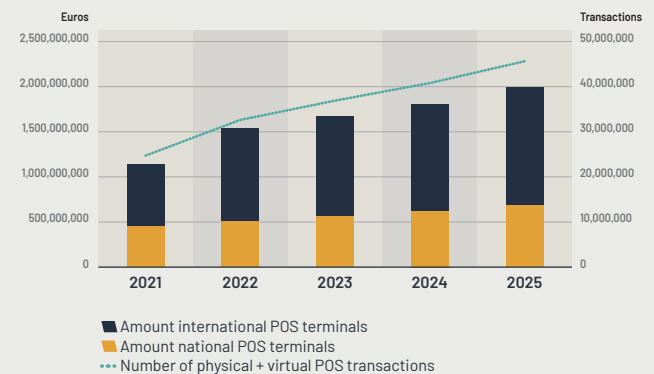


5,155 POS

85.9%
physical POS

14.1%
virtual POS

Number and amount of transactions with national and international cards (acquirer) with physical and virtual POS terminals



Nearly **€ 2,000 million** in POS transactions



In 2025 the value of the average ticket was: **€ 40** for physical POS terminals **€ 109** for virtual POS terminals



104,905 cards issued



54,426 users More than 1,200,000 transactions

Sources: Andorran banking institutions and compiled by author.

Banks offer various digital payment services, including Bizum, Apple Pay and Google Pay. These services allow users to make payments quickly and securely through their mobile devices, making transactions with businesses and between individuals easier.

As a whole, these indicators highlight the role of payment services as a key lever in the digital transformation of the financial sector and Andorran businesses.



Law 8/2018 and the Payment Services and Electronic Money Law 27/2018, which transpose Directive 2007/64/EC (PSD1), subsequently repealed by Directive (EU) 2015/2366 (PSD2). This law regulates the provision of payment services and the issuance of electronic money in the Principality of Andorra. It establishes the rights and obligations of providers and users, as well as the transparency conditions and information requirements necessary to guarantee a secure and reliable payment system.

SEPA

Andorra's credit institutions are part of the SEPA area.

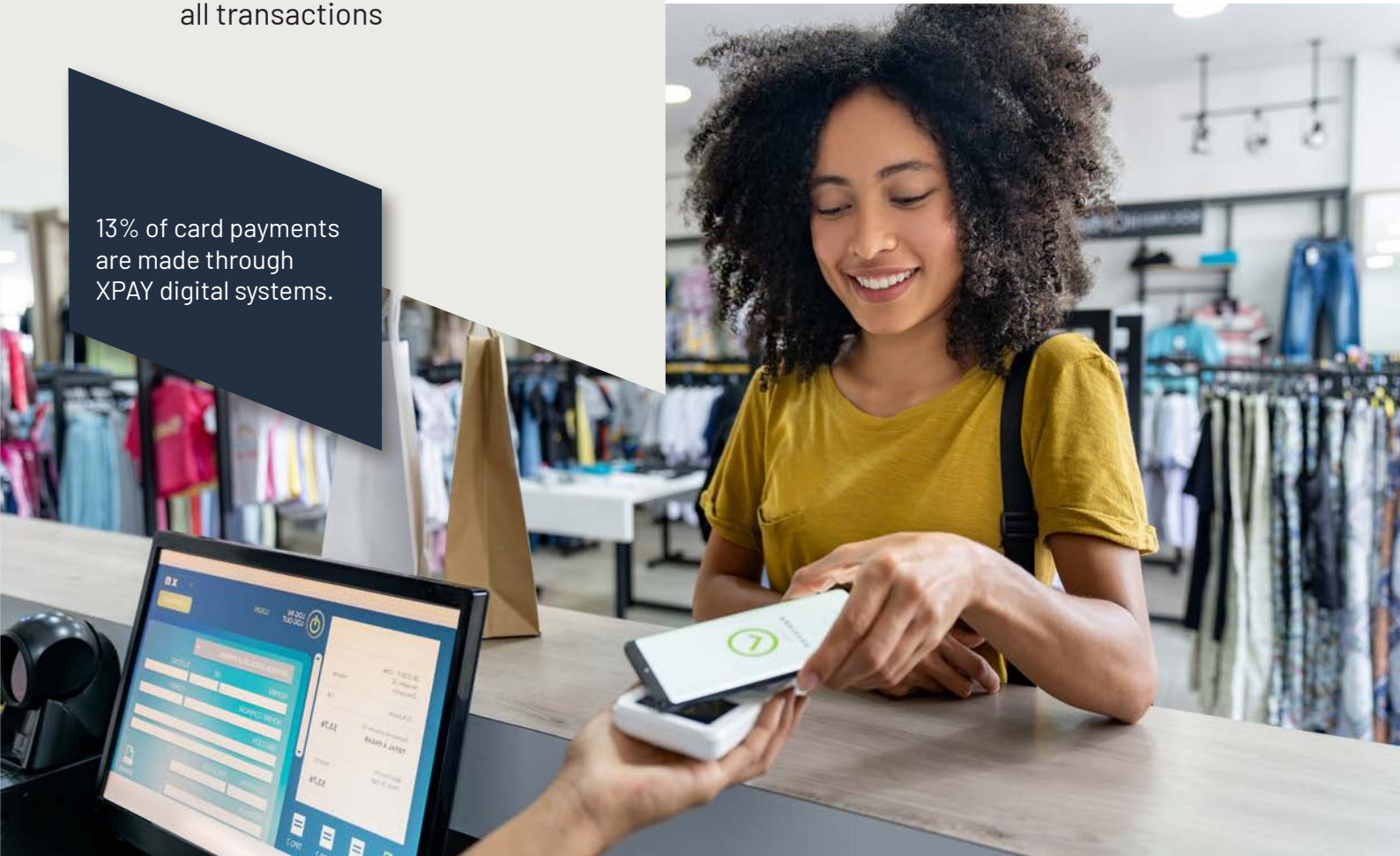


Cash use has fallen to 10% of all transactions

13% of card payments are made through XPAY digital systems.

Digital assets and blockchain technology

Andorra has put a specific legal framework in place for the digital representation of assets through distributed ledger and blockchain technologies. The aim is to foster innovation within a secure legal environment. This framework seeks a balance between technological development and the protection of the fundamental principles of the financial system, such as investor protection, legal certainty and anti-money laundering and terrorist financing.



In this area, UIFAND, as the competent authority, began a comprehensive analysis of the virtual asset ecosystem in the principality in January 2024. The aim was to identify and measure the potential risks of new financial technologies in terms of money laundering and terrorist financing. The study applied the methodology developed by the World Bank and followed the standards established by the Financial Action Task Force (FATF).


 **Law 24/2022 on the digital representation of assets through the use of cryptography and distributed ledger and blockchain technology.**

5.2

Cybersecurity and operational resilience

The increase in digitalisation has increased the importance of cybersecurity and operational resilience as key aspects of the financial system. The current regulatory framework stipulates specific requirements to guarantee a high level of security for networks and information systems, especially for institutions that provide essential services.

This framework enables improved prevention, detection and response to cyber incidents and also strengthens the capacity for operational continuity. In this context, the banking sector has progressively integrated these requirements into its risk management and governance models. It is also bringing in advanced data analysis tools and artificial intelligence to enhance monitoring and threat-detection systems.

 **Law 22/2022 on security measures for networks and information systems.** Based on Directive 2016/1148 concerning measures for a high common level of security of network and information systems across the Union.

5.3

Evolution of operating models

The transformation of the financial sector has also resulted in an evolution of institutions' operating models. Process automation, digitalisation of services and rationalisation of structures have increased efficiency and operational flexibility.

This process has gradually developed, implementing technological modernisation while maintaining models that remain close to customers. The internal organisation is being adapted to an environment that



Andorran banks offer buying and selling of crypto-assets, custody and management services.

is more dynamic and demanding in regulatory and operational terms.

5.4

Talent, training and professionalisation

The financial sector can only be transformed with highly-qualified human capital. Accordingly, institutions have strengthened the ongoing training of their professionals, especially in areas such as risk management, regulatory compliance, digitalisation and cybersecurity.

Recruitment and development of talent, alongside increasing the professionalism of teams, is a key part of ensuring the business model is sustainable and that the sector can adapt to new technological and regulatory challenges.



On 26 and 27 February, Andorran Banking took part in the new "Connecta" Careers Guidance Fair. This is an initiative aimed at young people in the principality to make them aware of the different educational and professional options and help them map out their future in education and employment.

The banking sector generates a large number of permanent qualified jobs.



4% of total people employed + 7.8% indirect



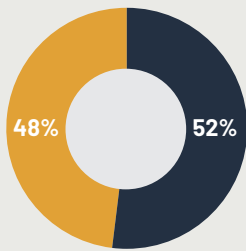
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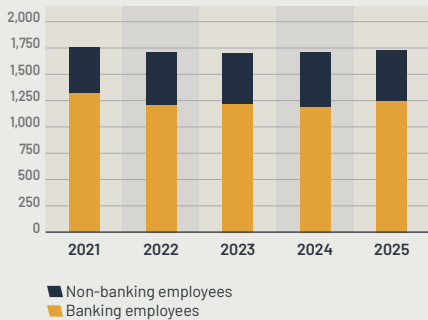
642

1,243 people worked in the banking sector in Andorra in 2025

Parity in Andorra's banking sector



Total percentage of banking sector employees compared to the financial sector



Sources: Department of Statistics and compiled by author.

5.5

Contribution of the financial sector to the economy



An enabling sector.



A job-creating sector.



Driving digital transformation in the country.



Contribution to the State's finances. The financial sector's GVA per person is **three times** the general GVA.



Impact of the sector on the creation of wealth.

The sector is being transformed in response to the need to anticipate risks, improve efficiency and ensure service continuity in an increasingly complex environment.

6

Sustainability, ethics and impact

Long-term sustainability

The Andorran financial sector integrates sustainability, governance and responsible conduct criteria into its activity. Commercial banking contributes to social cohesion and local development. Private banking incorporates ESG criteria into investment management, improves management of non-financial risks and aligns with the expectations of regulators and international clients.

6.1

Governance, values and commitment of the banking sector

Andorran banks carry out their business based on robust governance principles and shared values that guide decision-making, client relations and commitment to the country's economy. These values reflect the sector's evolution towards a modern model, approved by and aligned with international standards.



6.2

Sustainability and ESG criteria

Through its strategic role in the economy, the banking sector actively contributes to the transition towards a more sustainable growth model. Environmental, social and good governance (ESG) criteria are integrated into decisions on investment, financing and advice.

In this context, banks promote initiatives to help companies and the public with the energy transition and channel capital into projects aligned with international climate commitments. This work is part of the objectives set in the National Energy and Climate Change Strategy. This aims to reduce emissions in the medium term and achieve climate neutrality in the long term.

Banking as a link to sustainable growth



6.3

Conduct, ethics and regulatory compliance

Code of Ethics

The Andorran banking sector has an updated Code of Ethics, voluntarily adopted by all member institutions, which establishes the principles of honesty, integrity, professionalism and confidentiality that they must follow in their activity. This code supplements the regulatory framework and reflects the sector's alignment with international standards of conduct and transparency.



In 2022, the General Assembly of the Andorran Banks' Association approved an update to its Code of Ethics.

Tax transparency and BEPS

Andorra actively takes part in the OECD's international tax transparency initiatives, including the BEPS project and country-by-country mechanisms for the exchange of information. Applying these standards strengthens the financial system and its international recognition.



Law 26/2025 amending Law 19/2016 on the automatic exchange of information in tax matters, which adapts Andorran legislation to international standards in the field of tax transparency and the fight against fraud. It aligns Andorra with its commitments under international agreements on the exchange of tax information, such as the AEOI (Automatic Exchange of Information), and OECD and European Union regulations.

Filing of financial and similar accounts

The Register of Financial and Similar Accounts is an additional tool for transparency and supervision. It enables the authorities to access relevant information for anti-money laundering and terrorist financing, in accordance with the regulations in force. Banks, payment institutions and electronic money institutions that operate in the Principality of Andorra must declare the identification data of the holders or beneficial owners of payment accounts, bank accounts identified with an IBAN number, and safe deposit box rental contracts to this register.



Law 37/2021 of 16 December, amending Law 14/2017 of 22 June on the prevention and fight against money or securities laundering and terrorist financing. This is part of the process of adapting Andorran legislation to the international standards established by the FATF, Moneyval, and the commitments arising from the Monetary Agreement between Andorra and the European Union. The purpose of this amendment is to transpose the guidelines of the Fifth European Directive on anti-money laundering and terrorist financing into the Andorran legal system.

Personal data protection

The protection of personal data is fundamental in the banking sector, as it ensures the confidentiality of customer information and prevents improper use of their personal and financial data. A robust security system not only builds customer trust in financial institutions, but also helps prevent fraud and abuse in the processing of personal data.



Qualified Law 12/2024, amending Qualified Law 29/2021 on the protection of personal data. Its purpose is to adapt and improve Law 29/2021 to ensure that the data protection system in Andorra complies with the requirements of Regulation (EU) 2016/679 (GDPR) and Directive (EU) 2016/680. This amendment makes improvements to the protection and transparency mechanisms for the processing of personal data, and increases the independence of the Andorran Data Protection Agency.

6.4

Social impact and commitment to the country

The banking sector is actively committed to the social and economic development of the principality, partnering with institutions, businesses and social organisations. This involvement comes in the form participating in associations, cooperation initiatives and working groups to address shared challenges.

As a whole, the governance, values and social commitment of the Andorran banking sector are a cornerstone of its credibility, stability and contribution to the country's sustainable development.



Collaboration agreements with Unicef, Cáritas Andorrana and Fundació Privada Tutelar.



Membership:



Working groups



Corporate Social Responsibility



A total of **4%** of profits goes to CSR through grants, and contributions to not-for-profit, cultural and sports organisations.



116 students on internships in 2025.



37,101 kg of paper recycled in 2025.

Sources: Andorran banking institutions and compiled by author.

7

Institutional and regulatory relationship

Institutional dialogue and alignment with international standards

Cooperation with national authorities and adaptation to international regulatory frameworks are core parts of the Andorran model. This alignment allows regulatory and reputational risks to be reduced, while boosting the sector's role as a reliable partner both domestically and on the international financial stage.

7.1

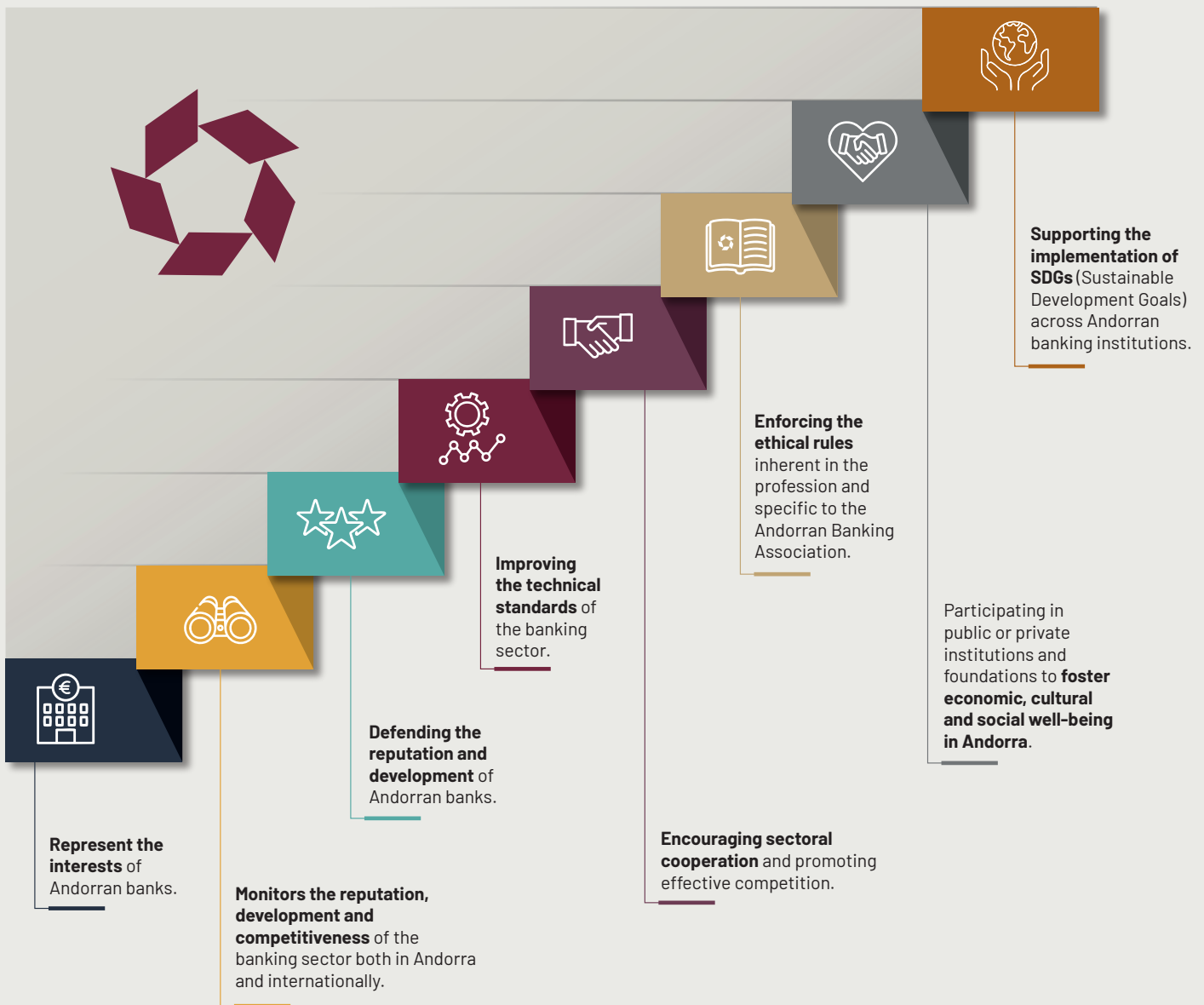
About Andorran Banking

Who we are

Andorran Banking is the organisation that represents the entire banking sector of the Principality of Andorra before national and international institutions. Its mission is to act as a platform for dialogue, coordination and representation of the sector, promoting robust, responsible development aligned with international standards.

Andorran Banking operates through a governance structure that guarantees the participation of its members, transparent decision-making and the proper functioning of sectoral working groups.

Our mission



General Assembly



Chairman

Lluís Alsina / MoraBanc



Vice-Chairman

Xavier Cornella / Creand



Member

Carlos Aso / Andbank



Secretary and General Manager

Esther Puigcercós

Organisation:

Working commissions

- Insurance
- Cybersecurity
- Compliance
- Communication
- Credits
- Finance
- Tax
- IT
- Innovation
- Legal
- Payment services
- Operations
- Human Resources
- Regulatory
- Sustainability



Number of meetings

96

Andorran Banking is working to strengthen the sector's competitiveness, promote innovation and contribute to the country's economic and social progress.



Number of website visits

In 2025, there were nearly **30,000 views** of the Andorran Banking website.

7.2

Relationship with the Andorran authorities

The Andorran banking sector maintains a smooth and structured relationship with the principality's authorities, based on ongoing dialogue, institutional cooperation and respect for the powers of each body. This relationship helps to ensure there is a stable and predictable regulatory environment suited to the characteristics of the Andorran financial system.

Through the various institutional channels, the sector takes part in consultation, analysis and regulatory monitoring processes. The aim is to promote proportional, effective regulation aligned with international best practices, while preserving financial stability and user protection.



46 meetings held with Government and banking supervisory bodies.



71 meetings of the governing bodies of the Andorran Business Confederation, the Chamber of Commerce, Industry and Services of the Fundació Privada Tutelar.

As a whole, the Andorran banking sector's institutional relationships and regulatory alignment are a key aspect to guarantee its stability, competitiveness and integration into the international financial environment.

7.3

Alignment with international standards

Alignment with international standards is a core part of the development of the Andorran banking sector. Over the last few years, the principality's regulatory and supervisory framework has progressively adapted to the main international bodies' recommendations. This has strengthened the transparency, robustness and recognition of the financial system.

This regulatory evolution covers areas such as prudential regulation, anti-money laundering and terrorist financing, tax transparency, investor protection and governance. It contributes to building the trust of markets, investors and international institutions.

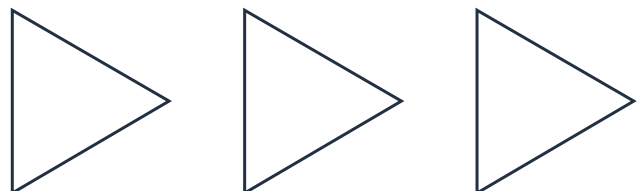
7.4

Positioning of the sector

Regulatory alignment as a factor of competitiveness

The Andorran banking sector views regulatory alignment not only as a regulatory requirement, but as a key factor in competitiveness and international positioning. A stable, clear and recognised regulatory framework enables institutions to carry out their business in an environment of trust, promoting innovation, quality of service and international reach.

In this context, the sector actively takes part in the regulatory and institutional debate. It contributes to the evolution of the regulatory framework in a constructive and responsible manner and takes a long-term view focused on the country's economic and social progress.



8

Looking to the future

Prepared for a diversified and resilient future

The coming years will be marked by significant regulatory, technological and geopolitical changes. Faced with this scenario, the Andorran banking sector is committed to diversifying business, markets and customer profiles to maintain the system's stability and keep creating value for the country and its international clients.



8.1

Key challenges for the sector

In the coming years, the Andorran banking sector will face significant structural changes in the economic, regulatory, technological and social spheres. The changing international macroeconomic context, ongoing adaptation to regulatory standards and acceleration of digital transformation (driven by emerging technologies such as artificial intelligence and advanced data analysis) create a demanding and dynamic scenario.

The main challenges include prudent risk management in an uncertain environment, adapting to new customer habits and expectations, the impact of digitalisation on business models and growing demand for sustainability, transparency and governance. Added to these factors is the need to keep strengthening the trust and reputation of the financial system in an increasingly interconnected international environment.

8.2

Strategic priorities

In response to this scenario, the Andorran banking sector will base its action on a set of shared priorities. Its aim is to guarantee the robustness of the system, its capacity to adapt, and its contribution to the country's economic and social development.

Within this framework, we will continue to focus on strengthening solvency and operational resilience, while progressively integrating technological and digital innovation, aligning with sustainability criteria, and the constantly improving service quality. We will also maintain our commitment to stable, internationally-recognised regulation, and continue to develop talent and make our teams more professional.

The completion of the negotiations for the Andorra-European Union Association Agreement is a strategic aspect both for the financial system and for the country's future development. The agreement is an opportunity to strengthen the principality's economic



With a future-oriented vision, the Andorran banking sector will continue to work with responsibility, transparency and commitment to strengthen the confidence, competitiveness and sustainability of the principality's financial system.

and regulatory integration, consolidate international recognition, and promote diversification by attracting new financial business and increasing the productivity of the Andorran economy.

Andorran Banking has made the sector's technical know-how available to the Government to contribute to balanced and realistic market access conditions that ensure the financial system is diversified, solvent and competitive, maintaining institutions' stability and capacity for innovation.

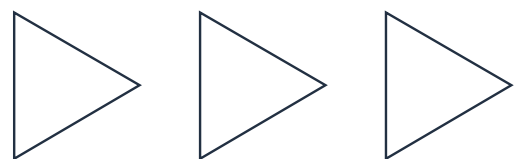
contribute to the country's financial stability and progress.

In this context, Andorran Banking reaffirms its role as a key player in the economy. We want to support households, companies and institutions in the processes of transformation and adaptation to new challenges, while preserving the values that have historically characterised the sector.

8.3

Message of trust and responsibility

The Andorran banking sector is looking to the future with a long-term vision, based on responsibility, prudence and commitment to the public interest. Its actions are based on the trust of the public, markets and institutions, and on our desire to continue to



Regulatory map

The current Andorran regulations and amendments to them can be viewed in the Official Gazette of the Principality of Andorra (BOPA).



| Regulatory framework | EU Legislation (Directives / Regulations) | Andorran regulations (transposition) |
|----------------------|--|---|
|----------------------|--|---|

| | | |
|-------------|--|--|
| Supervision | <p><i>Law 35/2010 on the authorisation regime for the creation of new institutions operating in the Andorran financial system.</i></p> <p><i>Law 7/2013 on the legal regime of entities operating in the Andorran financial sector and other provisions regulating the pursuit of financial activities in Andorra.</i></p> <p><i>Law 10/2013 on the Andorran National Finance Institute.</i></p> <p><i>Law 17/2013 on the introduction of the euro in the framework of the Monetary Agreement signed between the Principality of Andorra and the European Union.</i></p> <p><i>Decree of 12 December 2018 approving a new accounting framework based on IFRS (EU).</i></p> <p><i>Law 36/2022 on the creation of international reserves and access by the financial system to emergency liquidity assistance.</i></p> | |
|-------------|--|--|

| | | | |
|---------|--|--|--|
| AML/CFT | <p>4th Directive Directive 2015/849</p> | <p><i>Law 14/2017 on the prevention and combating of money laundering and the financing of terrorism.</i></p> | <p><i>Decree 46/2025 – Regulation implementing Law 14/2017 on the prevention and combating of money laundering and the financing of terrorism.</i></p> <p><i>Decree 214/2022 – Regulation governing the registration and access to information on beneficial owners in legal entities registers.</i></p> |
| | <p>5th Directive Directive 2018/843</p> | <p><i>Law 37/2021 amending Law 14/2017 on the prevention and combating of money laundering and the financing of terrorism.</i></p> | <p><i>Decree 215/2022 – Regulation governing the Register of Service Providers to Trusts and Similar Legal Instruments.</i></p> <p><i>Decree 64/2024 – Regulation on the Register of Financial and Similar Accounts, under the Ministry responsible for Finance.</i></p> |
| | <p>Regulation (EU) 2018/1672</p> | <p>-</p> | <p><i>Decree 377/2022 – Regulation on the declaration of cross-border cash transport.</i></p> |



| Regulatory framework | EU Legislation (Directives / Regulations) | Andorran regulations (transposition) | |
|--|--|---|--|
| IOSCO | Directive 2002/47/EC | <i>Signing of the Protocol of Multilateral Understanding of the International Organisation of Securities Commissions (IOSCO).</i> | |
| MiFID II | Directive 2014/65/EU | <i>Law 7/2024 on the organisation and functioning of operative entities of the financial system and market abuse.</i> | <i>Decree 419/2024 - Regulation of Law 7/2024 on the organisation and functioning of operative entities of the financial system and market abuse.</i> |
| Solvency | CRD V Directive 2019/878/EU CRR II Regulation (EU) 2019/876 | <i>Law 17/2024 amending Law 35/2018, of 20 December, on the solvency, liquidity and prudential supervision of banking institutions and investment firms</i> | <i>Decree 90/2025 - Regulation of Law 35/2018 on the solvency, liquidity and prudential supervision of banking institutions and investment firms.</i> |
| | | - | <i>Decree 352/2025 - Regulation on the adoption of European Union technical standards applicable to the solvency, liquidation and prudential supervision of credit institutions and investment firms.</i> |
| | | - | <i>Decree 352/2021 - Regulation on the adoption of complementary EU technical standards applicable to the solvency, liquidity and prudential supervision of banking institutions and investment firms.</i> |
| Resolution | Directive 2014/59/EU | <i>Law 7/2021 on the recovery and resolution of banking institutions and investment firms</i> | <i>Decree 349/2023 - Law 7/2021 on the recovery and resolution of banking institutions and investment firms</i> |
| | | - | <i>Decree 24/2024 - Regulation on the adoption of EU technical standards applicable to the recovery and resolution of banking institutions and investment firms</i> |
| Deposit and investment guarantee schemes | Directive 2014/49/EU | <i>Law 20/2018 regulating the Andorran Deposit Guarantee Fund and the Andorran Investment Guarantee System.</i> | <i>Decree 248/2022 - Regulation on the organisation and functioning of the Management Committee of the Andorran Investment Guarantee System.</i> |
| | Directive 97/9/EC | | <i>Decree 249/2022 - Regulation on the organisation and functioning of the Management Committee of the Andorran Deposit Guarantee Fund.</i> |
| Financial conglomerates | Directive 2002/87/EU | <i>Law 36/2018 on financial conglomerates.</i> | <i>Decree of 6 March 2019 - Regulation of Law 36/2018 on financial conglomerates.</i> |



| Regulatory framework | EU Legislation (Directives / Regulations) | Andorran regulations (transposition) | |
|-------------------------|--|--|--|
| PSD2 | Directive 2007/64/EC | Law 27/2018 amending Law 8/2018, of 17 May, on payment services and electronic money. | Decree of 28 November 2018 - Regulation on to the legal regime of payment services and electronic money and of payment institutions and electronic money institutions. |
| | Regulation (EU) 2021/1230 | - | Decree 415/2025 - amending the Regulation on rules applicable to payment service providers (SEPA). |
| Insurance | Directive 2009/138/EC | Law 12/2017, of 22 June, on the operation and supervision of insurance and reinsurance activities of the Principality of Andorra. | Decree 172/2025 - amending the Regulations for the application of Law 12/2017 on the operation and supervision of insurance and reinsurance activities of the Principality of Andorra. |
| | | Law 29/2025 on the insurance and reinsurance contract of the Principality of Andorra. | - |
| | - | Law 28/2025 to enforce the right to be forgotten in healthcare. | - |
| CIU | Directive 2009/65/EC | Law 10/2008 on the regulation of collective investment undertakings under Andorran law. | - |
| EMIR | Delegated Regulation no. 1002/2013 | Law 35/2022 that amended Law 8/2013, of 9 May, on organisational and operational requirements for institutions operating in the financial sector, investor protection, market abuse and financial collateral agreements. | - |
| SFTR | Regulation (EU) 2019/834 | | - |
| BMR | Regulation (EU) 2021/168 | | - |
| MiCA | - | Law 24/2022 on the digital representation of assets through the use of cryptography and distributed ledger and blockchain technology. | - |
| International sanctions | Decision 2014/512/CFSP and Regulation 833/2014 | Law 5/2022 on the application of international sanctions. | Decree 268/2025 on restrictive measures in relation to the conflict between Ukraine and the Russian Federation. |
| Cybersecurity | Directive (EU) 2016/1148 | Law 22/2022 on measures for the security of networks and information systems. | - |
| AEOI | Update on the OECD framework (CRS and CARF) | Law 26/2025 amending Law 19/2016 on the automatic exchange of information in tax matters. | Decree of 3 October 2018 amending Regulation of Law 19/2016 on the automatic exchange of information in tax matters. |
| GDPR | Regulation (EU) 2016/679; Directive (EU) 2016/680" | Qualified Law 12/2024 amending Qualified Law 29/2021 on the protection of personal data. | Decree 45/2023 amending the Regulation of Law 29/2021 on the protection of personal data. |

Glossary of abbreviations

| | |
|---------------|---|
| ADEFI | Andorran Association of Investment Financial Institutions |
| AEOI | Automatic Exchange of Information |
| AFA | Andorran Financial Authority |
| TIEA | Tax Information Exchange Agreement |
| ANC-AD | National Cybersecurity Agency of Andorra |
| ARADA | Association of Associated Insurers and Reinsurers of Andorra |
| AREB | State Agency for the Resolution of Banking Institutions |
| AuM | Assets Under Management |
| ECB | European Central Bank |
| BEPS | Base Erosion and Profit Shifting |
| BMR | Benchmark Regulation. Regulation (EU) 2021/168 that amended Regulation (EU) 2016/1011 on the exemption of certain third-country spot foreign exchange benchmarks and the designation of replacements for certain benchmarks in cessation. |
| BOPA | Official Gazette of the Principality of Andorra |
| BRRD | Bank Recovery and Resolution Directive 2014/59/EU on bank recovery and resolution |
| CASS | Andorran Social Security Fund |
| CCIS | Andorran Chamber of Commerce, Industry and Services |
| DTA | Double Taxation Agreement |
| EC | European Community |
| CEA | Andorran Business Confederation |
| CET1 | Common Equity Tier 1 |
| CRD V | Capital Requirements Directive 2019/878/EU on capital requirements |
| CRR II | Capital Requirements Regulation (EU) 2019/876 amending certain aspects of the CRR |
| EBA | European Banking Authority |
| EBF | European Banking Federation |
| ESG | Environmental, Social, and Governance |
| EMIR | European Market Infrastructure Regulation Delegated Regulation (EU) No. 1002/2013, which modifies and specifies certain aspects of Regulation (EU) no. 648/2012 on over-the-counter derivatives, central counterparties and trade repositories, with regard to the list of exempted entities. |
| Fagadi | Andorran Deposit Guarantee Fund |
| FAREB | Andorran Fund for the Resolution of Banking Institutions |

| | |
|-----------------|---|
| IMF | International Monetary Fund |
| FATF | Financial Action Task Force |
| GDPR | General Data Protection Regulation (EU) 2016/679 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and which is supplemented by Directive (EU) 2016/680. |
| IBAN | International Bank Account Number |
| IGI | General Indirect Tax |
| IOSCO | International Organisation of Securities Commissions |
| CPI | Consumer Price Index |
| IRNR | Non-Resident Income Tax |
| IRPF | Personal Income Tax |
| IS | Corporate Income TAX |
| LCR | Liquidity Coverage Ratio |
| MiCA | Markets in Crypto-Assets |
| MiFID II | Markets in Financial Instruments Directive 2014/65/EU on markets in financial instruments |
| IFRS-EU | International Financial Reporting Standards adopted in the European Union |
| NPL | Non-Performing Loans |
| NSFR | Net Stable Funding Ratio |
| OECD | Organisation for Economic Co-operation and Development |
| SDG | Sustainable Development Goals |
| CIU | Collective Investment Undertakings |
| AML/CFT | Prevention and fight against money laundering and the financing of terrorism |
| GDP | Gross Domestic Product |
| PSD1 | Payment Services Directive 2007/64/EC on payment services in the internal market, which was repealed by PSD2 |
| PSD2 | Payment Services Directive (EU) 2015/2366 on payment services in the internal market |
| ROA | Return on Assets |
| ROE | Return on equity |
| CSR | Corporate Social Responsibility |
| SAGI | Andorran Investment Compensation Scheme |
| SEPA | Single Euro Payments Area |
| SFTR | Securities Financing Transactions Regulation (EU) 2019/834 amending Regulation (EU) 648/2012 on the regulation of securities financing transactions |
| POS | Point of Sale Terminal |
| EU | European Union |
| UIFAND | Andorran Financial Intelligence Unit |
| UNICEF | United Nations International Children's Emergency Fund |
| GVA | Gross Value Added |





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