
MEMORY on
Corporate and
Social Responsibility
//ABANCA 2019

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Social Responsibility
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ABOUT this memory

102-49

**For the purposes of this memory,
the following names apply:**

» **“ABANCA”** to the company ABANCA Corporación Bancaria, S.A.

» **“ABANCA Group”** to ABANCA Corporación Bancaria, S.A., and the set of companies that make up the ABANCA Corporación Bancaria Group, which may be consulted in the consolidated annual accounts of the Group.

Principles that govern it

This document offers detailed information in response to Law 11/2018, of 28 December, amending the Code of Commerce; the consolidated text of the Corporations Law, as approved by Royal Legislative Decree 1/2010, of 2 July, and Law 22/2015, of 20 July, on Auditing, as regards non-financial information and diversity (hereinafter, Law 11/2018).

In this context, ABANCA includes the Consolidated Non-financial Information Statement in the ABANCA 2019 Corporate and Social Responsibility Memory, as indicated in the table “INDEX OF CONTENTS REQUIRED BY LAW 11/2018” included in this Memory.

The key indicators of non-financial results included in this Consolidated Non-Financial Information Statement have been drafted in accordance with the contents of current mercantile regulations and in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI), the international reporting framework contemplated by the aforementioned Law 11/2018, following the criteria of the GRI standards selected in accordance with that indicated for each matter in the aforementioned table. The information included in the Non-financial Information Statement, which is part of the Consolidated Management Report and which will accompany the Consolidated Annual Accounts corresponding to the 2019 financial year, is verified by KPMG Asesores S.L. as an independent provider of verification services, in accordance with the new wording given by Law 11/2018 to article 49 of the Code of Commerce.

Likewise, the other non-financial information contained in this Corporate and Social Responsibility Memory for the year ended 31 December 2019 has been prepared, in all significant respects, in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in its exhaustive option, as detailed in point 102-54 of the “GRI content index” section of the Memory, and has also been reviewed by KPMG Asesores S.L.

Scope of the information

The financial information included in the Memory comes from the Consolidated Annual Accounts corresponding to the year ended 31 December 2019, together with the Management Report of that year, regarding the ABANCA Group.

The information regarding Human Capital from the year 2019 does not include the personnel of Sogevinus S.G.P.S., S.A.; Espacios Termolúdicos, S.A., and Natur Hotel SPA Allariz, S.A., which make up 4 % of the total workforce.

In the case of the information regarding the environment from the year 2019, the power consumption and emissions are reported corresponding to the offices of ABANCA in Spain and Portugal, and Banco Caixa Geral; therefore, ABANCA’s consumption and emissions are not included in the other countries, from other financial investees and non-financial investees, which represents 7.8 % of the total workforce.

In cases in which the reported information has a different scope than as established, it will be specified in the corresponding section or table with a footnote.

presentation

ABANCA is an entity that dedicates little time to being satisfied with what it has achieved, and a lot of time pursuing new objectives.


ABANCA

102-14

is an entity that dedicates little time to being satisfied with what it has achieved, and a lot of time pursuing new objectives. We are always looking towards the future. And we firmly believe that this future is not something that we can passively wait for. On the contrary, it is something that we can build ourselves with hope, work, and success.

This spirit of proactivity and trust has guided us through a particularly busy year of decisions and events. 2019 will go down in ABANCA's history as a financial year when we carry out multiple actions aimed at outlining the route we will travel on from now on.

Of all these actions, we would like to highlight three large blocks, chosen for how they represent us in terms of business and commitment to our environment.

First of all, in 2019 we incorporated the business coming from the acquisitions of Deutsche Bank PCB Portugal and Banco Caixa Geral, announced in 2018. These two operations have allowed us to strengthen our profile as an Iberian entity and to grow in segments of special interest, such as companies, private and personal banking, investment funds and insurance.

The second block of highlighted actions of the year refers to this last line of business. Banking-insurance activity is, due to its complementarity with the financial business, a fundamental element in our strategy of diversifying the sources of profitability. In 2019, we completed the process of taking control of and reorganising our insurance activity, internalising the management of the life and pension business. To this end, we created the first company in this 100 % Galician branch. On the other hand, we signed a stable alliance agreement with Crédit Agricole Assurances, the first European insurance bank, to operate long term in the general insurance market in Spain and Portugal.

All of these milestones and actions are examples of our identity as a financial institution: specialisation, innovation, internationalisation, customer focus, profitability and selective growth.

But ABANCA is more than that. We are an entity with objectives beyond the management of our business: we want to contribute to the transformation of the production model to make it more sustainable and respectful of the environment and people.

Guided by this belief, in 2019 we became one of 130 banks worldwide that, as founding signatories, adhered to the Principles for Responsible Banking within the framework of the United Nations General Assembly. Furthermore, we are part of the group of 31 entities that signed the Collective Commitment to Climate Action, by which we commit to align our strategy and financial activity to fight against climate change and promote a low-carbon economy.

These initiatives, along with our commitment to the Sustainable Development Goals and our own Code of Ethics and Conduct, constitute the general principles of our Sustainability Policy, which entered into force in 2019 and guides our actions in favour of a necessary balance between economic growth, respect for the environment and social welfare.



**Juan Carlos
Escotet Rodríguez**
President of ABANCA

**Francisco
Botas Ratera**
CEO of ABANCA

ABANCA

responsible

ABANCA's social responsibility is a commitment 365 days per year to encourage comprehensive and sustainable development of society and the planet.



OUR
Contribution
102-7

 **Employees**

5,788	€356.6 M	96.3 %	15.7 years	€1.8 M
employee.	personnel expenses.	indefinite contracts excluding interim.	average seniority in the company.	investment in training.

 **Clients**

2.3 M	42.3 %	> €85 BN
clients.	market quota deposits in Galicia.	Turnover with clients.

 **Business**

10.0 % *	2.8 %	€1,231 M
ROE.	default rate.	on CET1 capital requirements.

 **Society**

€17.53 M	1.3 M
social investment 2019.	beneficiaries.

 **Suppliers**

€215.59 M	1,244	96.1 %
in payment to providers.	approved suppliers.	Spanish suppliers.

ROE ex AT1 and distributed dividends.

The social responsibility strategy that ABANCA has developed since its creation focuses on good governance, equal opportunities, education, culture and the environment. Sustainability is considered a transversal framework for performance, maintaining the transparency and balance of this strategy and alignment with the business.

PERFORMANCE model

ABANCA is committed to aligning its business with the Sustainable Development Goals (SDGs) and the Paris Agreement, and the initiatives designed (such as the Principles for Responsible Banking) that firmly respond to the challenges posed by climate change and society, and thus taking an active role in creating a sustainable economy and leading in new ways of doing finance in the future.

In addition to the code of ethics and conduct, ABANCA's sustainability policy, which entered into force in 2019, aims to guide the entity's actions to contribute to being a high-performance organisation that achieves profitability in a sustained, responsible and innovative way, creating value, and analysing, preventing and mitigating the negative impacts that its decisions and activities have on the environment and society.



CONTRIBUTION
to sustainable
development

FS7, FS8, FS10, FS11

The United Nations Sustainable Development Goals are defined as one of the main tools to guide necessary strategic development in achieving a sustainable society.

The relationship that ABANCA has with each of the 17 SDGs and their goals has been studied, taking into account the entity's strategic plan and the analysis from the perspective of its stakeholders, business, organisation and current regulations.

» The result is a comprehensive strategy of sustainable development, in which an initial prioritisation of a total of **4 + 4 direct action objectives** has been carried out due to its high impact and repercussion, which will affect our activities and projects in the economic, social and environmental sphere.

» As a main premise, we at ABANCA assume that all the SDGs and goals are correlated, thus there will always be an impact and, therefore, a predisposition to act on each of them. Furthermore, the prioritisation and contribution to the objectives will be subject to updating in line with ABANCA's strategy and its corresponding activity.



+ **Priorities**
Direct impact due to the main activity of ABANCA

● Economic contribution ● Social contribution

+ (circle) **Complementary**
There is a degree of influence

+ (square) **Indirect**
ABANCA acts indirectly



SDG 4 : High-quality education

At Obra Social ABANCA, we promote a transformative education model based on innovation, internationalisation and multiculturalism, sustainability and good training practices,

- Instituto de Educación Superior Intercontinental de la Empresa (IESIDE).
- Regulated training.
- Unregulated training.
- Conferences, courses and symposiums.

This is complemented with the following internal initiatives by the company:

- Continuous training plan for directors.
- Regulatory training to employees.
- Internship programme in the company.



SDG 5 : Gender equality

We ensure respect, the well-being of the workforce, their rights and opportunities regardless of gender, sexual orientation, nationality, ethnicity, religion, age or any other personal aspect.

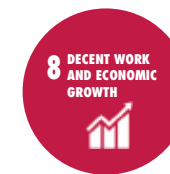
- Equal opportunities plan.
- Composition and selection of the highest body of governance according to the criteria of gender diversity and inclusion.
- Collective agreement of ABANCA Corporación Bancaria, S.A.
- Protocol for cases of discrimination.
- Protocol to prevent gender violence.
- Code of ethics and conduct.



SDG 7 : Affordable energy and without pollutants

We internally promote efficient consumption of energy, and we promote initiatives and actions that pursue that same objective on the part of our clients.

- Participation in projects of the National Integrated Energy and Climate Plan.
- Implementation of an energy management system.
- Energy efficiency and internal environmental plan.
- Photovoltaic energy installation in our data processing centre.
- We provide financing to companies for renewable energy projects or projects to improve energy efficiency.



SDG 8 : Decent work and economic growth

We have a people management model that strives to guarantee well-being and attract, develop and involve the best talent, which allows us to provide the best and most complete service to clients, which is the main axis of ABANCA's activity.

- Variable and flexible remuneration system (REFLEX).
- Pension plans for employees.
- Excellence plan in corporate governance.
- Safety and health committee.
- Development plan for employees.
- Investment in a new model of offices and headquarters.
- Quality policy and service.
- Alpha Responsable and Alpha Future: socially responsible and megatrend investment fund portfolio management services.



SDG 9 : Innovation and infrastructures

We internally promote the value of the initiative and the proposals for improvement, we try to keep up to date with new technologies taking advantage of all its features in order to best carry out our work and efficiently use it. In our institutional role, we promote initiatives that favour social innovation, the revitalisation of productive sectors and R&D&I.

- ABANCA Innova: intrapreneurship, acceleration, development of the Lithium project.
- Boosting of mobile banking and Digital ABANCA: they seek an omnichannel objective so that the client can be the one who chooses where and how to carry out their operations and contracts.
- Investment in sustainable facilities and equipment with new technologies.
- ABANCA Agro and ABANCA Mar: innovative sectoral financial solutions that seek to improve the facilities and infrastructure of its clients.



SDG 10 : Reduction of inequalities

We work with the highest standards of demand regarding respect, which is embodied in financial inclusion, sectoral policies, protection of information and non-discrimination.

- We activate plan: agreement to finance initiatives focused on economic and social development.
- We support Reciprocal Guarantee Associations (RGA) for company financing.
- AENOR Certificate in excellence in service to private banking, businesses, payment methods and electronic banking.
- Financial Education Programme.
- We are the sole patron of Afundación.
- ABANCA has the "Unique housing management" unit, being the only channel for dialogue, negotiation and management between public administrations, citizens' mortgage platforms (CMP) and other associations.



SDG 12 : Responsible production and consumption

We always maintain rationality in the consumption of resources and in the acquisition of products and services that respect the environment, as well as proper waste management. We transmit these principles to our clients, collaborators and suppliers, with whom we have a close and transparent relationship based on the values of reliability, experience, quality certification, connection and degree of concentration.

- Commercial communication policy.
- Investment in companies that produce renewable energy.
- Management of internal waste: Revertia and Arregalia.
- Zero paper programme.
- Promotion of the use of electronic correspondence.
- Creation of indirect employment through the contracting of local suppliers.



SDG 14 : Underwater life

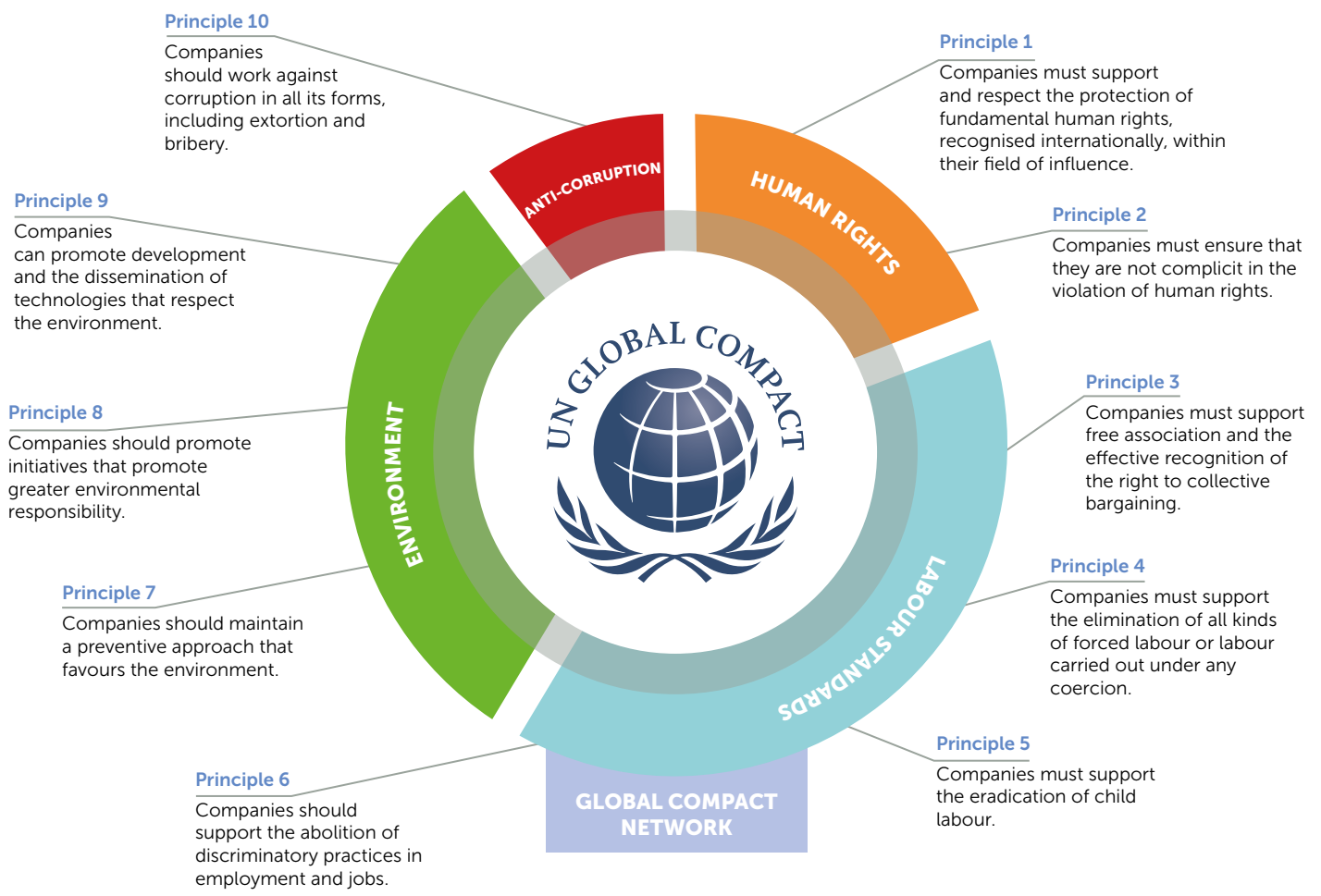
One of the axes of sustainable development is local action, where entities have a greater contribution, without forgetting that the impact of their actions and responsibility are global.

ABANCA has its greatest influence in the Atlantic area, where its DNA is. For this reason, we favour initiatives that promote adequate protection and conservation of the environment, especially the environment around us: the oceans and their underwater life.

- ABANCA Mar: financing lines for companies and their sustainable projects.
- Collaboration Convention with the Spanish Fishing Confederation (CEPESCA).
- Participation, institutional support to the fishing and canning section.
- Corporate volunteering programme: cleaning of coastal areas.

PRINCIPLES of the Global Compact

 **>> The commitment to the Spanish network of the Global Compact** is mainly focused on involving companies and other bodies in sustainable development. ABANCA, as a member, incorporates the ten universal principles of the compact launched in the year 2000 into its activity and value chain.



17 ALLIANCES TO ACHIEVE OBJECTIVES

ALLIANCES to achieve objectives

102-12, 201-2

Our relations with stakeholders are a key element of ABANCA's strategy and corporate culture, which proactively works in the growth and construction of its network of alliances to provide solutions, actions and forums that seek sustainable development and contribute to social and economic progress.

The main initiatives and alliances at the local and international level are:

1

Principles for Responsible Banking (PRB)
ABANCA, in 2019, became one of 130 banks worldwide that, as founding signatories, adhered to the Principles for Responsible Banking within the framework of the United Nations General Assembly.

ABANCA believes that, as expressed in the Principles, only in an inclusive society founded on human dignity, equality and the sustainable use of natural resources can individuals and businesses prosper. For this reason, it will also strengthen its commercial strategy so that it is in line with this commitment and so that its products and services can contribute to supporting and accelerating the fundamental changes in the economy and lifestyle that are necessary to achieve the SDGs and comply with the Paris Agreement.

Principles for Responsible Banking

COMMITMENT	IMPACT	CLIENTS
Align our business strategy with the objectives of society expressed in the SDGs, in the Paris Agreement and other frameworks.	Continuously increase our positive impacts, reducing negative ones.	Work responsibly with our clients to create prosperity shared by both current and future generations.
STAKEHOLDERS	GOVERNANCE AND ESTABLISHMENT OF OBJECTIVES	TRANSPARENCY AND RESPONSIBILITY
Consult, involve and collaborate with relevant stakeholders to achieve the objectives of society.	Implement commitments through effective governance systems and establish objectives for our most important impacts.	Be committed to transparency, taking responsibility for our impacts, positive and negative, and for our contribution to the objectives of society.



2

Commitment to climate action

ABANCA joined the climate agreement of the Spanish banking sector, the main objective of which is to promote a more sustainable and low-emissions economy, presented within the framework of the COP25 Climate Summit.

The agreement is in line with the Collective Commitment to Climate Action promoted by UNEP FI, the financial initiative of the United Nations programme for the environment, and signed by 31 banking entities around the world, including ABANCA. The document establishes specific actions and deadlines that the signatory banks will implement to expand their contribution and bring their activity in line with the objectives of the Paris Agreement on the climate.



3

Spanish Global Compact Network

ABANCA is a member, since its establishment in 2015, of the Spanish Global Compact Network.



4

Associations within our field of activity

ABANCA participates in various sector associations, such as the Spanish Banking Association (AEB), the Spanish Confederation of Savings Banks (CECA), the Entrepreneurs' Circle, the Iberian Cooperation Centre Association and the Spanish Business Association against Fraud, the amount allocated to membership fees being €479,600. (102-13)

Likewise, the bank has appointed representatives in foundations and sector entities that contribute to the development of the agro-livestock and forestry, fishing and industrial sectors, as well as non-profit or institutional entities throughout our scope of action, the amount allocated to membership fees to these being €127,938. (102-13)

At the same time, ABANCA promotes sustainability in the different sectors through the signing of financial agreements with the main representative entities to offer solutions to the main demands of each of the groups.



DIALOGUE
with stakeholders

102-21, 102- 40, 102-42, 103-2, 103-3

Relations with stakeholders are a key element of ABANCA's strategy and corporate culture to contribute to the progress of society.

ABANCA has a wide range of tools for consultation and dialogue with stakeholders.

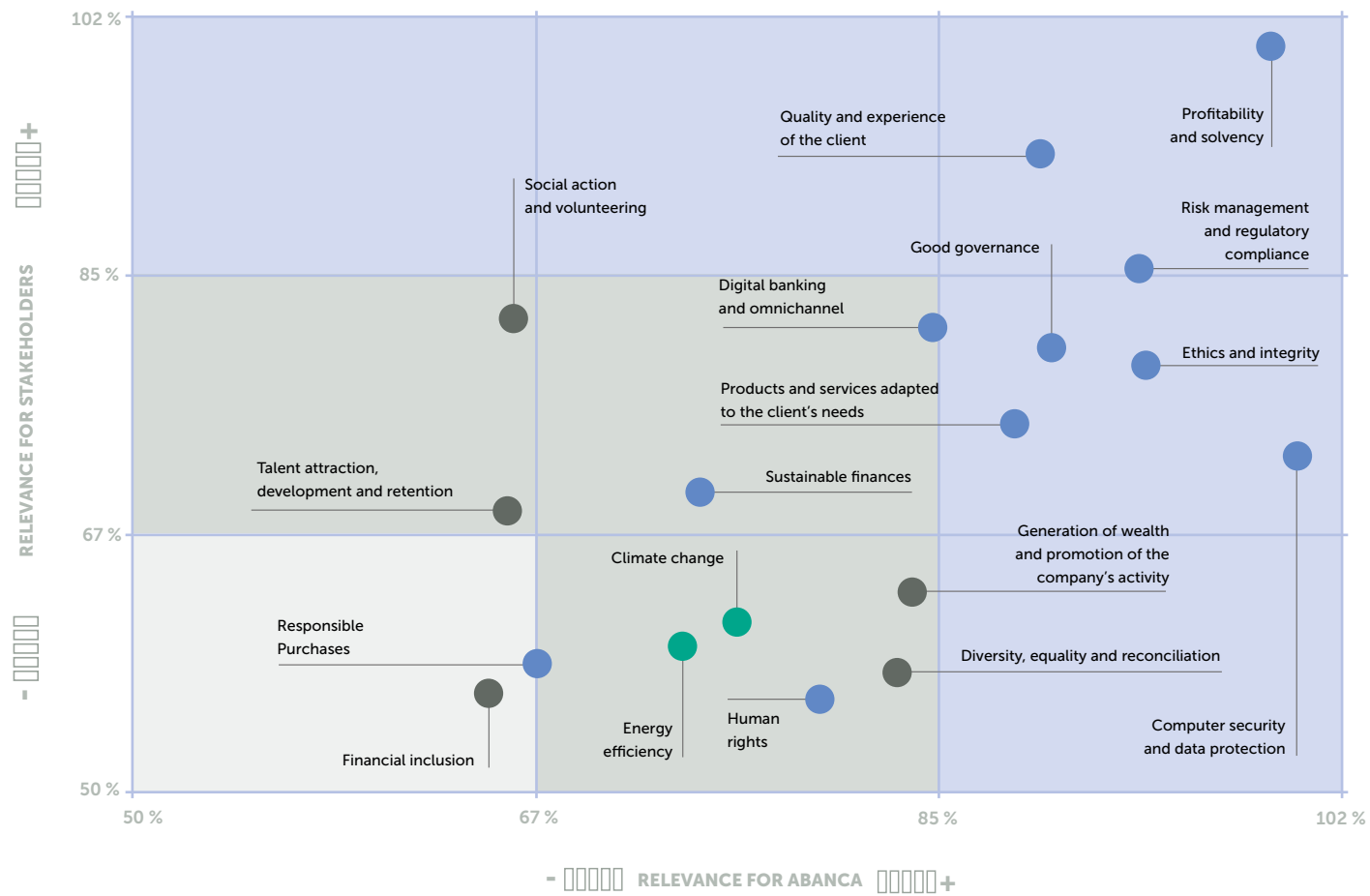
	Constant dialogue	Periodic dialogue
Employees	People managers	Working climate survey
	Intranet	Labour representatives
	Complaints channel	Labour meetings
	Corporate website	Training seminars
Clients		Internal quality metrics
	Sales network	Satisfaction surveys
	Sales website	<i>Focus group</i>
	Customer service	
	Telephone service (902.12.13.14)	
Suppliers	Social networks	
	Purchase table	Periodic meetings
	Specialised managers	Satisfaction surveys
Company	Sales website	
	Sales network	Meetings with social partners
	Sales and corporate website	Communications to supervisors
	CSR inbox	Corporate communications
	Communication Department	
	Social networks	

ANALYSIS on materiality

102-43, 102-44, 103-1, 103-2

ABANCA has updated its materiality study with the aim of identifying the relevant issues for the entity and for its stakeholders and using it to define the content of the Memory.

The methodology used in the study is based on the guidelines of the Global Reporting Initiative (GRI) standards, specifically GRI 101: Foundations, where it is established that the relevant issues are those that “*may be reasonably important because they reveal the economic, environmental and social effects of the organisation, or because they significantly influence the decisions of stakeholders and, therefore, possibly deserve to be included in the memory*”.



- Social matters
- Environmental matters
- Economic matters

- High relevance: matters that must be reported in an exhaustive amount of detail as they are considered to be of very high relevance from external and internal perspectives.
- Medium relevance: matters that ABANCA must report in an average amount of detail as they are considered to be of high relevance from external and internal perspectives.
- Low relevance: matters that ABANCA must report on at least concerning the management approach.

DETERMINATION of contents

103-1, 102-46, 102-47

Once the issues are validated, the material issues identified with the GRI standards and their coverage are linked, in addition to establishing the relationship of each of the material issues with the Sustainable Development Goals (SDGs).

Material issues	GRI Standard	Contents	Coverage				SDG related	Non-financial information law
			Origin Inside	Outside	Implication Direct	Indirect		
1 Profitability and solvency	GRI 103 Management approach 2016 GRI 201 Economic performance 2016	103-1 to 103-3 201-1 to 201-4	•	•	•	•	SDG 8 SDG 13	Management approach Business model
2 Good governance.	GRI 102 General contents 2016 GRI 103 Management approach 2016 GRI 415 Public policy 2016	102-18 to 102-39 103-1 to 103-3 415-1	•		•		SDG 16	Employment Management approach
3 Ethics and integrity	GRI 102 General contents 2016 GRI 103 Management approach 2016 GRI 205 Anti-corruption 2016	102-16, 102-17 103-1 to 103-3 205-1 to 205-3	•	•	•	•	SDG 16	Application of procedures of due diligence Management approach Corruption and bribery
4 Risk management and regulatory compliance	GRI 102 General contents 2016 GRI 103 Management approach 2016 GRI 206 Unfair competition 2016 GRI 307 Environmental compliance 2016 GRI 419 Socioeconomic compliance 2016	102-15, 102-30 103-1 to 103-3 206-1 307-1 419-1	•	•	•	•	SDG 16	Management approach Environmental management Tax information
5 Human rights	GRI 103 Management approach 2016 GRI 406 Non-discrimination 2016 GRI 412 Evaluation of human rights 2016	103-1 to 103-3 406-1 412-1 to 412-3	•	•	•	•	SDG 1-17	Management approach Application of procedures of due diligence Application of procedures of due diligence
6 Sustainable finances.	GRI 102 General contents 2016 GRI 103 Management approach 2016 Sector supplement	102-12 103-1 to 103 FS7, FS8, FS10, FS11	•	•	•	•	SDG 1 SDG 8 SDG 10 SDG 12 SDG 16	Management approach
7 Quality and experience of the client	GRI 102 General contents 2016 GRI 103 Management approach 2016 GRI 416 Health and safety of the clients 2016 GRI 417 Management and labelling 2016	102-43 103-1 to 103 416-1, 416-2 417-1 to 417-3	•	•	•		SDG 1 SDG 8 SDG 10 SDG 12 ODS16	Management approach Consumers

Material issues	GRI Standard	Contents	Coverage				SDG related	Non-financial information law
			Origin Inside	Origin Outside	Implication Direct	Implication Indirect		
8 Products and services adapted to the client's needs	GRI 102 General contents 2016 GRI 103 Management approach 2016	102-2 103-1 to 103	•	•	•		SDG 1 SDG 8 SDG 10 SDG 12 SDG 16	Management approach
	Sector supplement	FS6, FS13, FS14						Consumers
9 Responsible purchases	GRI 102 General contents 2016 GRI 103 Management approach 2016 GRI 204 Acquisition practices 2016 GRI 308 Environmental evaluation of suppliers 2016 GRI 414 Social evaluation of the suppliers 2016	102-9 to 102-10 103-1 to 103-3 204-1 308-1 to 308-2 414-1 to 414-2	•	•	•	•	SDG12	Management approach Subcontracting and suppliers
10 Digital banking and omnichannel	GRI 103 Management approach 2016	103-1 to 103-3	•	•	•		ODS 9	Management approach
11 Computer security and data protection	GRI 103 Management approach 2016 GRI 418 Client's privacy 2016	103-1 to 103-3 418-1	•	•	•		SDG 16	Management approach Consumers
12 Energy efficiency	GRI 103 Management approach 2016 GRI 302 Energy 2016	103-1 to 103-3 302-1 to 302-5	•	•	•	•	SDG 7 SDG 8 SDG 12	Management approach Sustainable use of resources
13 Climate change	GRI 103 Management approach 2016 GRI 305 Emissions 2016	103-1 to 103-3 305-1 to 305-7	•	•	•	•	SDG 13 SDG 14 ODS 15	Management approach Contamination Climate change
14 Talent attraction, development and retention	GRI 102 General contents 2016 GRI 103 Management approach 2016 GRI 202 Presence on the market 2016 GRI 401 Employment 2016 GRI 402 Worker-company relations 2016 GRI 403 Health and safety in the workplace 2016 GRI 404 Training and teaching	102-8 103-1 to 103 202-1 401-1 to 401-3 402-1 403-1 to 403-4 404-1 to 404-3	•		•		SDG 1 SDG 3 SDG 4 SDG 5 SDG 8	Employment Management approach Social relations Health and safety Training
15 Diversity, equality and reconciliation	GRI 103 Management approach 2016 GRI 405 Diversity and equality of opportunities 2016	103-1 to 103-3 405-1 to 405-2	•	•	•	•	SDG 5 SDG 8 SDG 10	Contamination Work organisation Universal accessibility for people with disabilities
16 Generation of wealth and promotion of company's activity	GRI 103 Management approach 2016 GRI 203 Indirect economic impacts 2016	103-1 to 103-3 203-1, 203-2	•	•	•	•	SDG 1/ ODS 2/ ODS 3/ SDG 7/ SDG 8/ SDG 9 SDG 10/ SDG 11/ SDG 17	Management approach
17 Social action and volunteering	GRI 103 Management approach 2016 GRI 203 Indirect economic impacts 2016 GRI 413 Local communities 2016	103-1 to 103-3 203-2 413-1, -2	•	•	•	•	SDG 1 / SDG 2 SDG 3 / SDG 8 SDG 10/ SDG 11/ SDG 17	Management approach Commitments of the company to sustainable development
18 Financial inclusion	GRI 103 Management approach 2016 GRI 203 Indirect economic impacts 2016	103-1 to 103-3 203-1, 203-2	•	•	•	•	SDG 1 SDG 5 SDG 8	Management approach

corporate

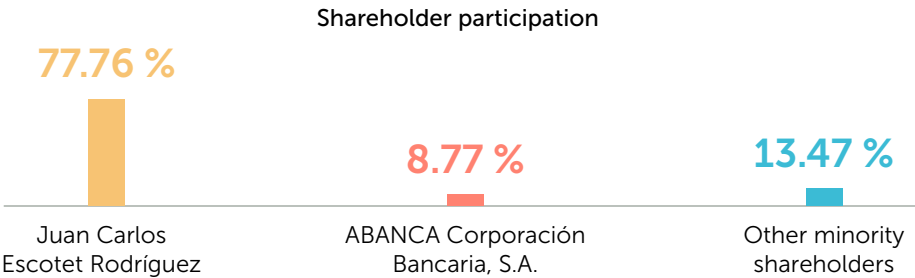
Governance

ABANCA's main objectives are to guarantee transparency, independence and the good governance of the entity.

SHAREHOLDER structure 102-5

ABANCA has a reference shareholder, Juan Carlos Escotet Rodríguez, whose participation is 77.76 % of the share capital as of 31 December 2019.

ABANCA Corporación Bancaria, S.A. maintains as treasury shares 8.77 % of the entity's share capital.

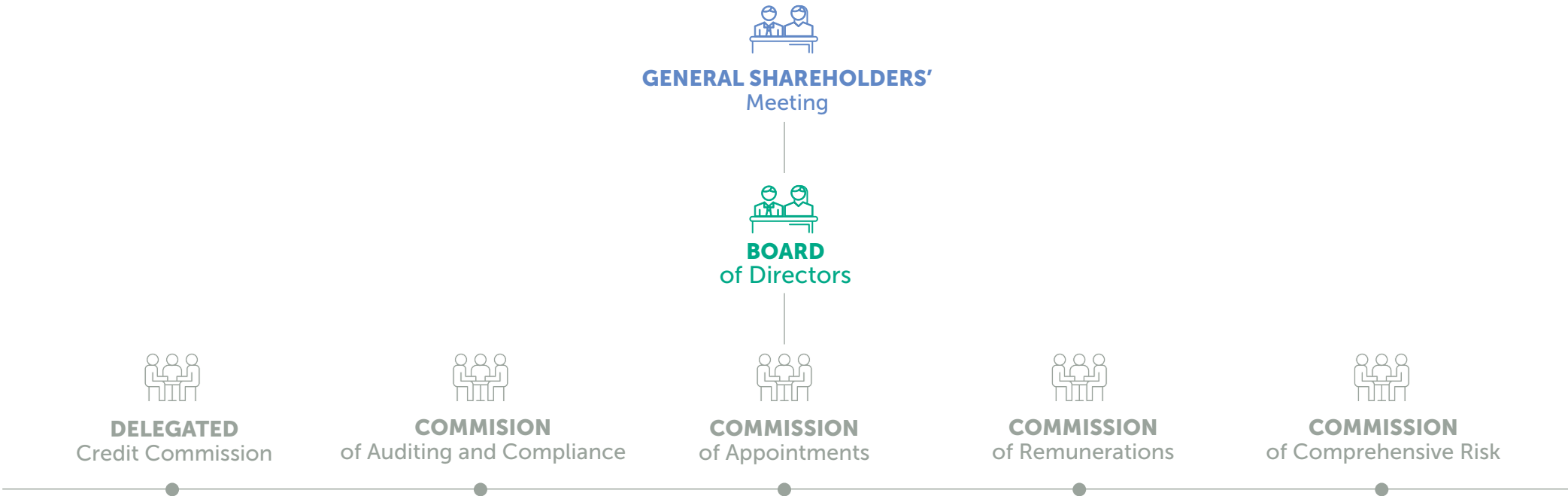


GOVERNANCE model

Abanca's corporate governance model compiles the highest international standards and serves as a baseline for the compliance of its mission which is to be a sustainable, profitable and trustworthy financial entity, along with be focused on its clients' necessities.

General Shareholders' Meeting 102-18

Holders of any number of shares registered in their name in the corresponding accounting register five days prior to the date on which the meeting is to be held and who are up-to-date in the payment of pending disbursements have the right to attend general shareholders' meetings.





Board of Directors

102-22, 102-23, 102-24, 405-1, 102-31

It held a total of 14 meetings in 2019 and includes nine members.



President
Juan Carlos Escotet Rodríguez
 Dominical director
 Appointment: jun. 2017¹

(1) He was vice-president from jun. 2014 to jun. 2017.



CEO
Francisco Botas Ratera
 Executive
 Appointment: jun. 2014
 Other positions: Delegated Credit Commission, Management Committee.



Board Member
Ana da Cunha Barros
 Independent
 Appointment: jul. 2019



Board Member
Eduardo Eraña Guerra
 Independent
 Appointment: oct. 2016
 Other positions: Commission of Appointments.



Board Member
José García Montalvo
 Independent
 Appointment: aug. 2014
 Other positions: Commission on Auditing and Compliance, Comprehensive Risk, Remunerations.



Board Member
Leticia Iglesias Herraiz
 Independent
 Appointment: may. 2018
 Other positions: Commission of Auditing and Compliance, Comprehensive Risk.



Board Member
Pedro Raúl López Jácome
 Other external
 Appointment: jun. 2014
 Other positions: Delegated Commission on Credits, Auditing and Compliance, Appointments, Comprehensive Risk, Remunerations.



Board Member
José Ramón Rodrigo Zarza
 Independent
 Appointment: aug. 2014
 Other positions: Delegated Commission on Credits, Auditing and Compliance, Appointments, Comprehensive Risk.



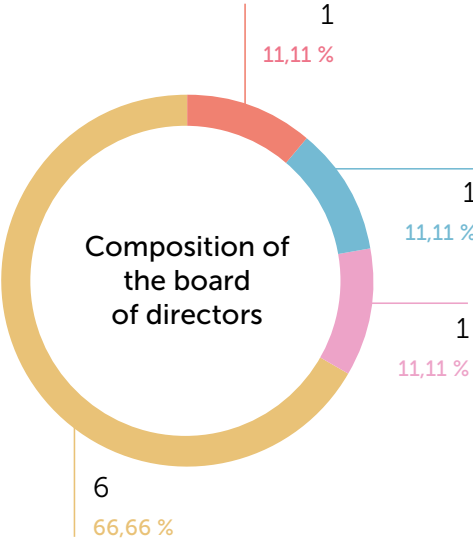
Board Member
Carina Szpilka Lázaro
 Independent
 Appointment: jun. 2014
 Other positions: Commission of Auditing and Compliance, Remunerations.



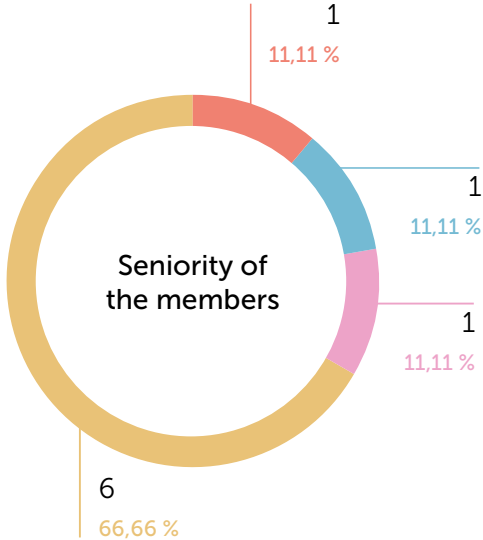
>> In accordance with article 529 twelfth of the Corporations Act, "independent directors shall be considered to be those who, appointed in accordance with their personal and professional standings, can carry out their duties without being conditioned by relationships with the company or its group, its significant shareholders or its managers".



>> Additionally, in section Six (Classes of Directors) of the ABANCA Suitability Policy, it establishes that "... the number of independent directors will represent a majority in the composition of the Board of Directors". Such that in the current composition of the ABANCA Board, 66.66 % of the directors are independent.



- Independent
- Other externals
- Executive
- Dominical



- More than 5 years
- More than 3 years
- More than 1 year
- Less than 1 year

The selection of members of the Board of Directors was carried out following the criteria of professionalism, independence, diversity, personal prestige and experience in the management of financial entities, and is governed by the principles and standards contained in the Selection and Continuous Evaluation Policy on the conditions of Suitability and Qualification of directors of ABANCA Corporación Bancaria, S.A.



Distribution, by sex and age, of the Board of Directors

405-1

	2017					2018					2019				
	Women		Men		% Total	Women		Men		% Total	Women		Men		% Total
	No.	%	No.	%		No.	%	No.	%		No.	%	No.	%	
Under 30 years old	0	0.0 %	0	0.0 %	0 %	0	0.0 %	0	0.0 %	0 %	-	-	-	-	-
Between 30 and 50 years old	1	50.0 %	1	50.0 %	100 %	1	50.0 %	1	50.0 %	100 %	-	-	-	-	-
Over 50 years old	0	0.0 %	6	100.0 %	100 %	1	16.6 %	5	83.3 %	100 %	3	33.3 %	6	66.6 %	100 %
Total	1	12.5 %	6	87.5 %	100 %	2	25.0 %	6	75.0 %	100 %	3	33.3 %	6	66.6 %	100 %

In this sense and regarding powers related to economic, environmental and social issues, the Board of Directors' regulations establish in article 4 the powers that the Board exercises directly, in its general supervisory function, which cannot be delegated, among which the following are highlighted for economic purposes:



1

The approval of the big strategies of the company and the group of which it is the **leading entity**, as well as the monitoring and supervision of its execution, assuming responsibility for the administration and management of the company and the approval and monitoring of the application of its strategic objectives and risk strategy.



2

Ensure the integrity of the accounting and financial information systems, including financial and operational control, as well as compliance with applicable legislation.



3

The approval of investments or operations of all kinds of a strategic nature, unless their approval corresponds to the General Shareholders' Meeting.



4

The drafting of the individual and consolidated annual accounts, the remaining financial information that the company must make public periodically, as well as the proposal for applying the results.



5

Participate actively in the management of all substantial risks contemplated in the solvency regulations, ensure that adequate resources are assigned for risk management and intervene in the appraisal of assets and in the use of external credit ratings and internal models related to these risks.



6

Approve and periodically review the strategies and policies for assuming, managing, supervising and reducing risks to which the company is or may be exposed, including those presented by the macroeconomic situation in which it operates in relation to the phase of the economic cycle.

As stipulated in point 2 of section four (General Requirements) of the Selection and Continuous Evaluation Policy on the Conditions of Suitability and Qualification of Directors of ABANCA ("the Suitability Policy"), "All directors, regardless the origin or reason behind their appointment, have the main purpose of defending the Bank's interest, understood as the achievement of a profitable and sustainable long-term business that promotes continuity and maximises the economic value of the company. In search of the company's

social interest, in addition to respect for laws and regulations and behaviour based on good faith, ethics, and respect for commonly accepted uses and good practices, they will seek to reconcile their own social interest with, as it applies, the legitimate interests of employees, providers, customers, and those of other stakeholders that may be affected, as well as the impact of the Bank's activities on the community as a whole and on the environment. They must carry out their functions efficiently, objectively and independently".



Commissions

102-19, 102-22, 102-33



Delegated CREDIT Commission

The Delegated Credit Commission has the powers that correspond to the Board of Directors in relation to the granting and monitoring of financing operations, whatever their nature, including those related to improvement, recognition, modification, extension, anticipation of maturity, resolution, termination, renewal and, in general, everything that corresponds in relation to the acts, contracts or operations of the business or traffic of the banking entities in their financing operations.

Director	Position	Category	Appointment
Francisco Botas Ratera	President	Executive	aug. 2014
Pedro Raúl López Jácome	Board Member	Other external	aug. 2014
José Ramón Rodrigo Zarza	Board Member	Independent	aug. 2014



Of AUDITING and COMPLIANCE

The CAC informs the Board of Directors, among other things, about the financial information that the company must periodically make public, and the supervision of the internal auditing.



Of APPOINTMENTS

102-24

Without prejudice to any other tasks that may be assigned to it at any time by the Board of Directors, it shall exercise the functions of evaluating the balance of knowledge, capacity, diversity and experience needed on the Board of Directors and shall prepare a description of the functions and skills necessary for a specific appointment.

Director	Position	Category	Appointment
Leticia Iglesias Herraiz	President	Independent	aug. 2018
José García Montalvo	Board Member	Independent	may. 2018 ⁽¹⁾
Pedro Raúl López Jácome	Board Member	Other external	aug. 2014
José Ramón Rodrigo Zarza	Board Member	Independent	aug. 2014
Carina Szpilka Lázaro	Board Member	Independent	dec. 2014

(1) He was president from aug. 2014 to aug. 2018.

Director	Position	Category	Appointment
Eduardo Eraña Guerra	President	Independent	oct. 2016
Pedro Raúl López Jácome	Board Member	Other external	jun. 2016
José Ramón Rodrigo Zarza	Board Member	Independent	dec. 2014



of COMPREHENSIVE RISK

102-30

It exercises, among other functions, that of advising the Board of Directors on the overall propensity to risk, both current and future, of the company and its strategy in this area, and assists it in monitoring the application of that strategy; ensuring that the pricing policy of the assets and liabilities offered to customers fully takes into account the business model and the risk strategy of the company and determining, together with the Board of Directors, the nature, quantity, format and frequency of information on risks which the Commission and the Board of Directors must receive.



of REMUNERATIONS

Without prejudice to any other duties that may be assigned to it at any time by the Board of Directors, it shall exercise the function of proposing to the Board the directors' remuneration policy (which must be voted on by the General Shareholders' Meeting in accordance with the provisions of the Board of Directors Regulations) and that of the senior executives of the Company, as well as the individual remuneration and other contractual conditions of the executive directors, ensuring their observance.

Director	Position	Category	Appointment
José García Montalvo	President	Independent	sept. 2018 ¹
Leticia Iglesias Herraiz	Board Member	Independent	sept. 2018
Pedro Raúl López Jácome	Board Member	Other external	mar. 2017
José Ramón Rodrigo Zarza	Board Member	Independent	sept. 2018 ²

(1) He was a board member from aug. 2014 to sept. 2018.

(2) He was president from aug. 2014 to sept. 2018.

Director	Position	Category	Appointment
Carina Szpilka Lázaro	President	Independent	jun. 2016
José García Montalvo	Board Member	Independent	aug. 2014
Pedro Raúl López Jácome	Board Member	Other external	jun. 2016 ¹

(1) He was president from aug. 2014 to jun. 2016.

Changes in the Board of Directors in 2019

The Board of Directors, at its meeting held on 29 July 2019, agreed to approve, at the proposal of the Appointments Committee, the appointment by cooptation of Ms Ana da Cunha Barros as independent director of ABANCA Corporación Bancaria, S.A., in such a way that the percentage of women on the Board of Directors reaches the established target of 30 %.

Functioning and matters relevant to the year

102-26, 102-27, 102-29, 102-34, 102-37



1

On 10 June, the Ordinary General Shareholders' Meeting of ABANCA Corporación Bancaria, S.A. was held,

in which the agreements corresponding to each and every one of the items on the order of the day appearing in the summons of the Shareholders' Meeting, the announcement of which, in accordance with the Bylaws, was published on 9 May 2019, on the company's corporate website (www.abanacorporacionbancaria.com). In this regard and as an extraordinary point of the aforementioned Shareholders' Meeting, the agreement adopted in relation to item nine on the order of the day stands out, that is to say, the merger by absorption between ABANCA Holding Financiero, S.A. (absorbed company), and ABANCA Corporación Bancaria, S.A. (absorbing company).



2

In an extraordinary meeting dated 14 October 2019, the Board of Directors, following a favourable proposal from the Commission of Auditing and Compliance, approved the common merger by absorption project of Banco Caixa Geral, S.A., by ABANCA Corporación Bancaria, S.A., all in accordance with the provisions of Law 3/2009, of 3 April, on Structural Modifications.



3

On 26 June 2019, a meeting by the Board of Directors was held in Lisbon, coinciding with the successful culmination of the technological and operational integration of the business of Deutsche Bank PCB Portugal acquired by ABANCA, and as proof of the strategic relevance that Portugal has for the bank.



4

The Board of Directors, in its meeting held on 28 October 2019, agreed to approve, at the proposal of the Appointments Committee, the appointment by cooptation of Mr Manuel López Figueroa as an independent director of ABANCA Corporación Bancaria, S.A. Effective 4 March, the favourable resolution of the European Central Bank (ECB) was received.

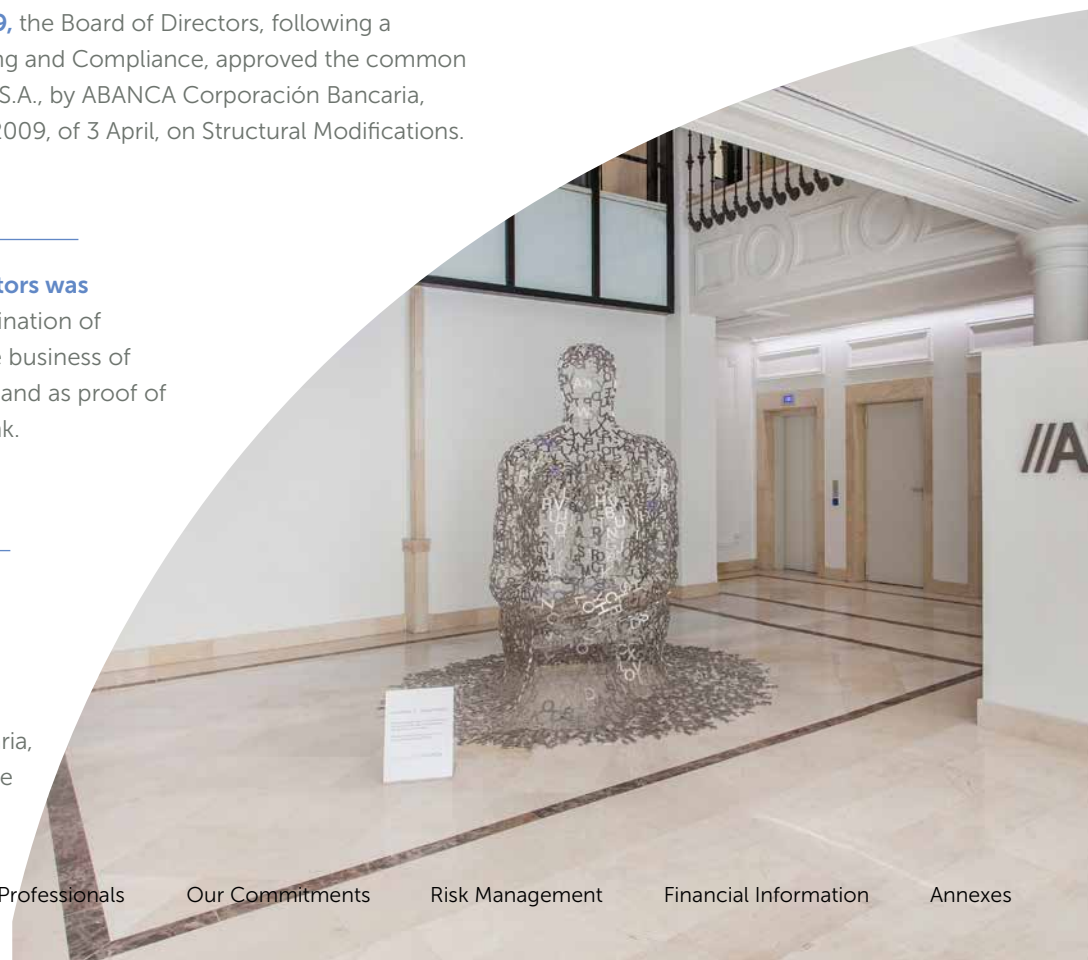
Remuneration

102-35, 102-36, 102-37

The remuneration of the directors is determined in accordance with the remuneration policy of the Board of Directors, updated by the General Shareholders' Meeting of the Bank on 10 June 2019 (attended by 87.33 %). The proposal had 90.87 % of the votes in favour.



Information regarding Corporate Governance and remuneration.



Management Committee

102-20, 202-2



Francisco
Botas Ratera
CEO



José Eduardo
Álvarez-Naveiro Sánchez
Corporate Governance and
Legal Affairs



Luis
Beraza de Diego
Business in Spain



María
Camino Agra
Human Capital



Alfonso
Caruana Cámara
International Business



Alberto
de Francisco Guisasola
Finances



Miguel Ángel
Escotet Álvarez
Corporate Social
Responsibility and Communication



Pablo
Triñanes Lago
Corporate Control
and Risks



José Manuel
Valiño Blanco
IT, Information, Processes
and Operations



Pedro
Veiga Fernández
Strategic Planning
and PMO



Juan Luis
Vargas-Zúñiga Mendoza
Capital Markets, Management
and Institutional Distribution:



José Luis
Vázquez Fernández
Credit

Changes in the Management Committee

In 2019, Pedro Veiga Fernández, as General Director of Strategic Planning and PMO, joined the Management Committee; and Juan María Hernández Andrés, due to death, was deregistered.

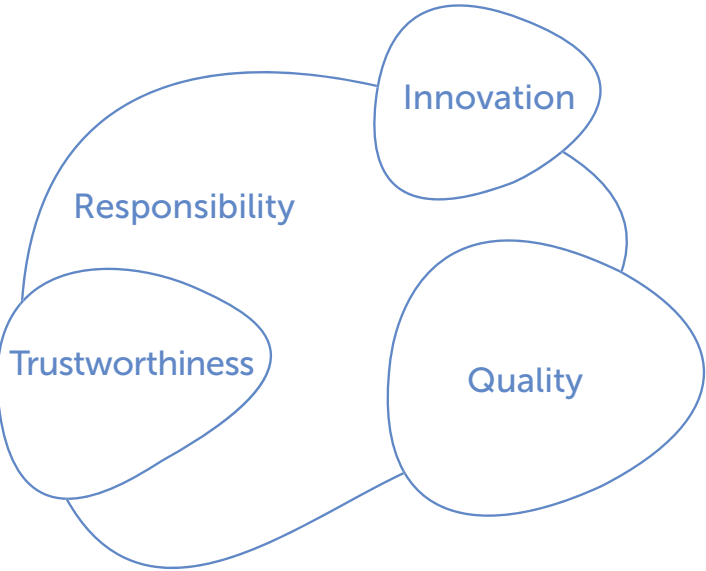
During the 2019 financial year, Julián José Serrapio Vigo, as the general auditor, and Álvaro García Diéguez, as general director of ABANCA Seguros, have continued to be part of the Management Committee. And Jorge Martínez Martínez, executive director of Payment Methods and Consumption, has joined. All of them are invited, with the right to speak but not to vote.



Information regarding the Management Committee.

GOOD
governance
102-28, 103-2, 103-3

The fight against corruption and the encouraging having all ABANCA staff be guided by performance standards and corporate values that reflect our commitment to good governance and ethical behaviour have been priorities for our organisation since the entity was born.



Policies

102-16, 102-25, 103-3, 205-1, 205-2

ABANCA's activity is supported by mandatory policies, rules and procedures that ensure the undertaking of responsible behaviour throughout our sphere of action.

1



Comply with current regulations on the prevention of money laundering at all times and with the recommendations issued by international organisations and national and international authorities.

3



Establish **policies** for acceptance / rejection of clients and procedures calibrated depending on the risk aimed at knowing the client and preventing laundering activities.

2



Implement action rules and suitable control systems to prevent access to the entity by undesirable persons or groups.

4



Ensure that all employees know them.



ABANCA's code of ethics and conduct: is implicitly committed to human rights. Thus, article 88 includes respect for the rights to organisation, association and collective bargaining, as well as individual or collective activities carried out by union sections in accordance with the legally assigned functions. And in article 81, it rejects and penalises any type of discrimination based on gender, race, origin, condition, religion, ideology, politics, marital status or any other circumstance of a personal or social nature.



Sustainability policy: intends to include the entity's strategy and basic principles of action and commitments regarding sustainability, evaluate its strategic impact, and promote and manage initiatives designed to respond to the challenges posed by climate change from an environmental, social and governance viewpoint.



Anti-corruption policy: contains the specific anti-corruption procedures to comply with our obligations and complement current regulations (prevention of money laundering and terrorism financing, anti-fraud regulations, ICR, etc.).



Tax policy: includes the principles that most directly affect tax practice, such as transparency, honesty, responsibility, reliability and quality; all of them aimed at reducing significant tax risks and preventing behaviours likely to cause them.



Quality policy: our commitment to continuous improvement and excellence in process and service management as necessary leverage to offer quality services, promoting the best practices in management systems, knowing the expectations and needs of our internal and external clients, and promoting actions for constant improvement.



» Supplier management

policy: establishes the management framework between ABANCA's group companies and their suppliers, which is derived from the purchasing activity regulated by the Procurement Regulation.

» Energy and environmental policy:

compiles all the necessary elements for the understanding of management based on the fulfilment of the energy and environmental objectives.

» Management policy on conflicts of interest:

serves to develop the Internal Conduct Regulations (ICR) regarding the management of conflicts of interest.

» Product governance policy:

details the principles that support the procedures for the creation/issuance or distribution of new products, ensuring that current legislation is complied with and, in particular, the requirements regarding the governance of products and services.

» Technological risk policy:

establishes and regulates the general provisions and guiding principles of technological risk issues that are applicable to all ABANCA Group companies.

» Business continuity policy:

establishes the basic principles that allow for the implementation, management and maintenance of ABANCA's operating capacity, as well as the services it provides to the entity, when faced with an event that may impact business continuity.

Complaints channel

102-17, 103-2

The complaints channel is the tool available to employees and third parties to disclose, in a confidential, reliable and direct manner, all kinds of professional actions that do not comply with the law or internal regulations.

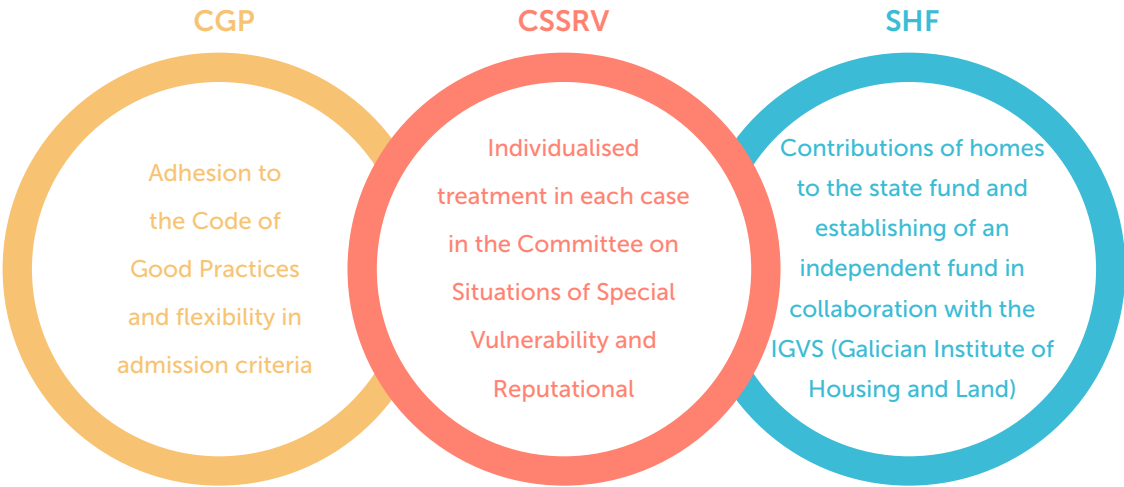
Singular housing management

103-2, 103-3, 203-1, 413-2

ABANCA, since 2016, has had available the unique housing management unit, in which communication is centralised and comprehensive management of all action proposals is guaranteed in response to possible new regulations, or needs, for protection of mortgage debtors, ensuring that situations of special social vulnerability are correctly resolved. All the proposals are derived from peaceful approaches and social rents. No launches are made when the foreclosure process affects the habitual residence of people in situations of special vulnerability.

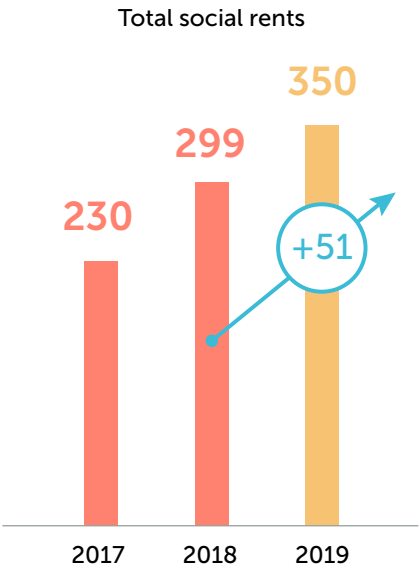
The mortgage debtor protection policy is structured around three main lines of action:

The mortgage debtor protection policy is structured into three axes



CGP, Code of Good Practices.
CSSRV, Committee on Situations of Special and Reputational Vulnerability.
SHF, Social Housing Fund.

Code of Good Practices	2017	2018	2019
Operations requested	233	127	143
Operations requested	88	40	21
Feasible re-structuring	45	18	11
Debt relief	2	1	2
Dation-in-payment	41	21	8
Operations denied	113	55	45
Non-compliance with requirements	113	55	45
Other causes	0	0	0



Economic environment and

strategic plan

**The 2019 financial year was
ABANCA's SECOND in the framework
of its 2018-2020 strategic plan.**

ECONOMIC environment

102-15

The world economy was conditioned in 2019 by a scenario of commercial and geopolitical tensions that led to a general weakening of activity and industrial production in particular. In this framework, it is estimated that the world GDP slowed its growth rate by 2.9 %, seven tenths less than in 2018. The slowdown affected both emerging economies and advanced economies.

In Europe, the Eurozone grew 1.2 % in 2019, compared to 2.5 % the year before. The slowdown extended to the main European countries, although it was reflected more intensely in the economies with the greatest industrial weight and export vocation, such as Germany (grew 0.6 %) and Italy (0.2 %).

The context of global slowdown also affected the Spanish economy, although it continued to show greater dynamism than that of the main advanced economies. Therefore, the GDP of Spain increased 2.0 % in the year, four tenths less than in 2018.

Domestic demand was moderated due to a lower boost in private consumption and investment (with a more pronounced halt on construction), while public consumption accelerated slightly. Foreign demand reverses its role and, in spite of an adverse global scenario, it contributed positively to growth.

The labour market continued to show favourable behaviour, although the rates of job creation were consistently moderated with the slower growth in economic activity. The Active Population Survey data for the fourth quarter in Spain reflect an increase in employment of 2.1 % in year-on-year terms, creating 451.6 thousand jobs (on average) in the year, against 502.9 thousand in 2018. This dynamic allowed us to prolong the reduction in the number of unemployed persons, placing the unemployment rate at 13.8 %, six tenths less than a year earlier.

Meanwhile, Galicia maintained a less intense momentum than that of Spain as a

whole, with a GDP growth of 1.8 % in 2019 (estimated), compared to 2.2 % the previous year. The labour market accompanied the moderation in activity, with an increase in employment of 0.7 % year-on-year and accounting for 17.6 thousand more employees in the year as a whole (24.9 thousand in 2018). The unemployment rate remains below the Spanish average, ending 2019 with an unemployment rate of 11.7 %, compared to 12.0 % at the end of 2018.

Spanish inflation remained at contained levels throughout the year. In December, general inflation stood at 0.8 % year-on-year, while underlying inflation remained two tenths above, at 1.0 % year-on-year.

The main risks to world growth are in the possible escalation of trade or geopolitical tensions that could trigger a sudden imbalance in global financial conditions.

2.9 %

Slowdown in global GDP growth.

2.0 %

Increase of GDP in Spain.

Containment of inflation with a year-on-year rate of

0.8 %

Strategic plan 2018-2020

103-2, 103-3

The 2019 financial year was ABANCA's second in the framework of its 2018-2020 strategic plan, which defined the Bank's vision and its materialisation in the strategic priorities for the three-year period: *"To become a financial and forecasting entity recognised for client experience in fully satisfying their financial and forecasting needs from any channel and from anywhere thanks to a leading Mobile Banking and a fast, simplified and efficient organisation leveraged in digitalisation and an innovative culture. To be a bank with a recurring result that sustainably places its ROE above the cost of capital".*

In order to comply with this objective, three fundamental strategic axes were defined:



1

To transform the organisation, promoting a simpler, more agile and cooperative structure, which allows for an innovative culture to be promoted and the digitalisation process that impacts efficiency levels and the level of customer service to be advanced.



2

Improve client experience, promoting a multi-channel relationship with similar service levels irrespective of the channel used by the customer in its relations with the Entity, with high quality standards allowing to strengthen the offer of value-added products and the engagement levels supported by the competitive advantage represented by the bank's mobile banking business.



3

Increase recurrent return on capital by fostering the insurance business as a first level strategic priority, by paying special attention to consumer finance and payment means after the integration of ABANCA Servicios Financieros (ASF), and by becoming the reference bank for business and SMEs. All the foregoing will be achieved while optimising use of capital and expanding the business to markets more profitable than Spain and maximising problematic risk management.



» The objective established by the strategic plan is to achieve growth above the market in insurance, investment funds, pension plans, financing for SMEs and consumption, which would lead the bank in 2020 to manage a business volume of more than 90,000 million euros, considering purchase operations (Deutsche Bank's Private & Commercial Client ("PCC") Portugal and Banco Caixa Geral, S.A.).

During this second year, the Plan's targets for 2019 have been complied with as foreseen, with the following noteworthy milestones:

- 1 The objectives of the strategic plan are met in 2019 by 99 %, with 101 % in the financial perspective and very close to those established in relation to clients, learning and growth or process improvement.
- 2 Growth with sustained profitability: Net Profit exceeded the target by 34 million. The interest margin met 99 % of the target affected by the impact of the change in the interest rate curve, while commissions and the contribution of the insurance business exceeded the target. The solid base of recurring income, along with the technological effort and cost control carried out, allowed us to improve recurring efficiency, surpassing the target set. As a result of all the foregoing, ROE and ROTE stand well above the target for the year.
- 3 Commercial dynamism with a focus on micro and value-added products: Financing for SMEs and self-employed persons remained a pillar of credit growth, with a gain of 9 basis points in the Spanish market share in this segment. The weight of the formalisations of operations > €1M in 2019 stands at -234 b.p. below the system consolidating the switch to micro. In value-added products, the Group increase its market share in investment funds (+8 b.p.), pension plans (+2 b.p.) and life savings insurance (+7 b.p.).
- 4 Risk quality: the NPL ratio is reduced to 2.79 %, surpassing the plan's target, below the average for the Spanish sector and with a coverage of non-performing assets (NPL and foreclosed) that is the highest in the sector.
- 5 Solvency and liquidity: ABANCA closed 2019 with a CET1 ratio in line with the 13 % benchmark defined in the 2018-2020 strategic plan. The financing structure is clearly based on retail deposits.

MAIN guidelines 2019

102-10



1

Consolidation of the Iberian dimension

Integration of Deutsche Bank PCB Portugal.

ABANCA has made a significant jump in business volume and implantation in the Portuguese market after the integration of Deutsche Bank PCB Portugal in June.

After the integration, ABANCA ranked 10th in the Portuguese market for both client funds and credit, as well as being the top entity in Advisory Banking.

Purchase of Banco Caixa Geral.

ABANCA and Caixa Geral de Depósito closed the purchase and sale process of Banco Caixa Geral, S.A., with the signing of the procurement contract.

With this operation, ABANCA increased its commercial network with 110 offices distributed throughout Spanish territory, with a particular presence in the provinces closest to the border with Portugal.



2

The merger by absorption of ABANCA Holding Financiero

ABANCA's General Shareholders' Meeting, on 10 June, at its ordinary annual meeting, approved the draft of the merger by absorption of ABANCA Holding Financiero, the majority shareholder of the financial entity.

This merger allowed ABANCA to strengthen even further their broad capitalisation. Furthermore, the merger simplified the corporate and governance structure, resulting in improved efficiency.



Purchase of Banco Caixa Geral.



Alliance in insurance.



3

Push towards insurance business

ABANCA and Crédit Agricole Assurances, in July, presented the agreement that has united them for the next 30 years to operate in the general insurance market in Spain and Portugal. The first European insurance bank and ABANCA created a 50 % joint venture that will offer the market innovative products supported by technological solutions and accompanied by a differential client experience.



Full text of the Commitment.



ABANCA President Video



4

Sustainable ABANCA

Signing founders of the Principles for Responsible Banking.

ABANCA is one of the founding signatories to the Principles for Responsible Banking, the financial initiative by the United Nations Environment programme (UNEP FI). The entity thus joins a coalition of 130 banks around the world and is committed to aligning its business with the Sustainable Development Goals (SDGs) and the Paris Agreement on climate change.

Commitment to the climate.

ABANCA joined the Collective Commitment to Climate Action signed in New York, by 31 banks around the world that take the tangible first step in the commitment to align their businesses with international climate objectives. The document establishes specific actions and deadlines that the signatory banks will implement to expand their contribution and bring their activity in line with the objectives of the Paris Agreement on the climate.

ACTIVITIES and outlook for 2020

103-2

Economic projections for 2020 point to a rebound in global economic activity, fuelled by a recovery in trade and industry. Specifically, the world GDP could rise by 3.3 % in the year, four tenths more than in 2019, according to the forecasts of the International Monetary Fund. Emerging economies will likely register as a whole a 4.4 % annual growth rate, whereas expectations for developed economies point to a 1.6 % average GDP growth.

The Spanish economy will extend its current expansionary cycle in 2020 and will continue to grow above the large European countries, although at a slower rate (around 1.7 %). Growth will remain intensive in job creation, leading to a further reduction of the unemployment rate. As for Galicia, it will extend its drive into 2020 growing at a rate in line with the figures for the whole of Spain.



» This framework reasserts the **suitability** of the properties guiding ABANCA's activity and which have been included in the strategic plan of 2018-2020.

Business

model

ABANCA ended 2019 positioned as one of the ten most relevant financial institutions in the Spanish financial system by volume of assets.



102-2 ABANCA ended 2019 positioned as one of the ten most relevant financial institutions in the Spanish financial system by volume of assets and international presence (82 points of sale abroad distributed throughout 10 countries).

ABANCA develops a business model clearly focused on retail banking, with special attention to the financing and provision of financial services to companies (mainly SMEs and the self-employed) and families/individuals, as well as the coverage of social security services (insurance, plans pensions, risk coverage, etc.). In this model, the client is set up as the priority attention centre of the entire organisation, which focuses on comprehensive coverage of its financial needs through simple and high-quality products and services, adapted to their specific needs and fulfilling the values of the organisation (responsibility, reliability, quality and innovation).

ABANCA is committed to a customer relationship model based on the omnichannel, which allows them to interact through the different distribution channels available. Through a multi-channel distribution platform, the client decides how and when to carry out their financial operations, maintaining the traditional office as a personalised service centre and main relationship channel, complemented by the support of alternative channels (online banking, mobile banking, payment methods, ATMs, etc.).

One of the pillars on which ABANCA's business model rests is that of keeping a large part of the financial services businesses it provides (insurance, cards, funds, plans, payment management, real estate servicing, etc.), with the aim of retaining the value of these businesses within the entity and guaranteeing high levels of client experience through control of the value chain. This strategy also aims to be a source of diversification and recurring income generation, as well as a potential lever for capital generation.

It is worth noting the relevance of technology within the entity's business model. At ABANCA there is a strong commitment to this factor as a way to improve efficiency, customer satisfaction and adequate competition in an increasingly digital environment, being one of the entity's strategic lines. The bank has focused on the development of digital channels with 50 % of its customers connected to digital channels, which account for 20 % of the formalisation of credit to individuals, leveraged in mobile banking placed among the best valued on the market. This commitment to digital channels, along with the operational migration policy, has allowed 55 % of operations to be derived from outside of the office, while allowing multichannel and uninterrupted operations (24x7) for its more than two million clients.

MAIN business lines and products

102-2, 103-2, 103-3, FS6, FS13

ABANCA prepares its accounting information by business lines in accordance with the provisions of IFRS 8. The business lines on which the information is presented are as follows:

This constitutes the main axis of the entity's activity and is aimed at all types of retail clients (individuals, companies and public administrations) who are offered a wide range of financial and para-financial products.

Retail banking

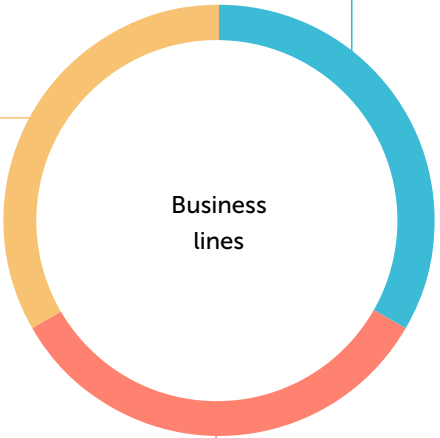
1

2 Wholesale banking

Market activity (treasury, issues, fixed income portfolio, etc.) and management of the variable income portfolio in which the Company has not very significant holdings.

3 Non-financial subsidiaries

Portfolio of non-financial companies created with the vocation of supporting the productive framework and the Company's activities.



1. Retail banking

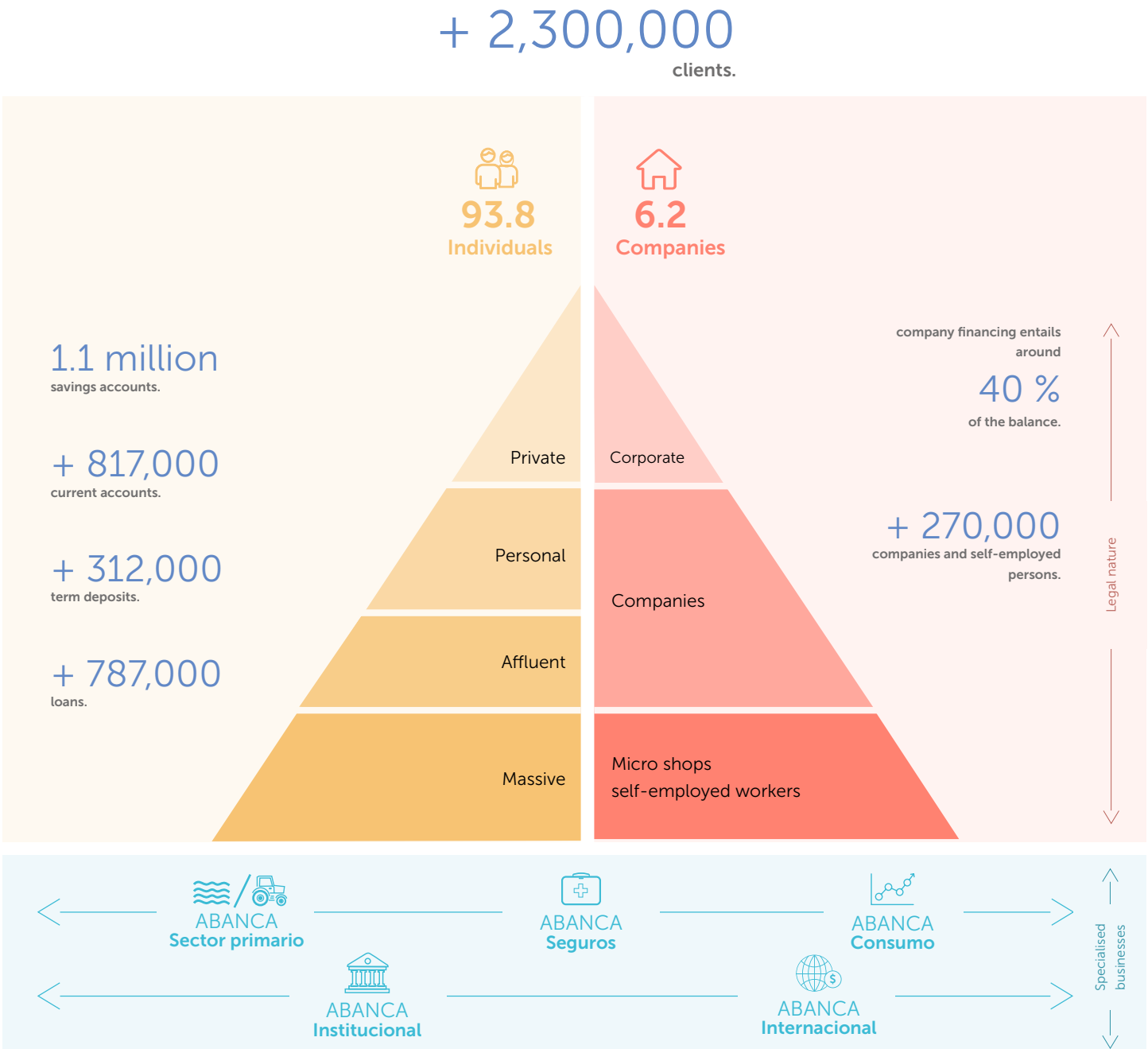
ABANCA focuses its activity on traditional, prudent, close and customer service retail banking, placing individuals, SMEs and self-employed persons as the groups that make up the fundamental pillar on which the rest of the specialised value propositions are based.

The sales strategy of ABANCA is based on:

- a segmentation according to type of client, in order to offer different products and services adapted to their needs, at all times obeying a differential attention model and value proposal. These products and services are offered in a multi-channel environment, expanding the possibilities of interrelation between client and entity.

As shown in the following graph, segmentation is divided into two dimensions, according to the legal nature of the clients or according to the specialisation of their businesses, interconnected so that the service is as personalised and professionalised as possible.

- b The second dimension identifies certain clients based on other differentiation criteria. In this way, specific areas (Specialised Businesses) are created to provide services to specific groups:





ABANCA primary sector

203-2, FS7, FS8

ABANCA Mar and ABANCA Agro are examples of specialisation in caring for individuals, companies, cooperatives and other agents in the primary sector, covering the entire value chain of the agro-livestock, wine, fisheries and aquaculture sectors.

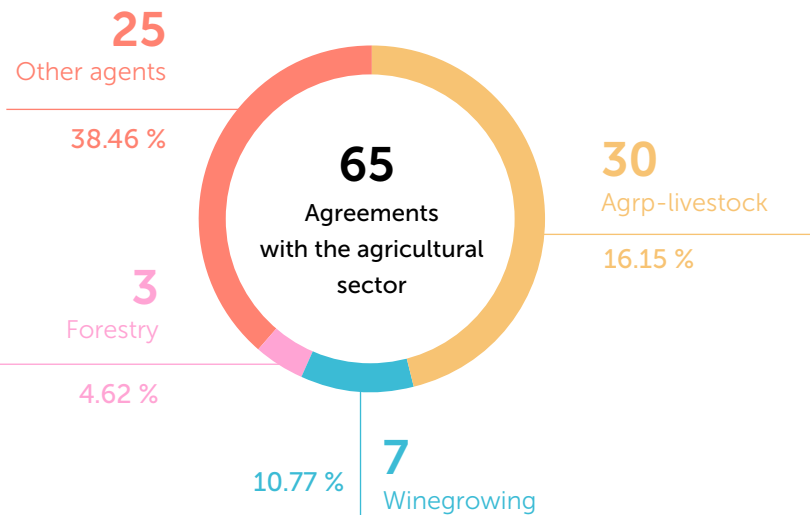
Direct debits of CAP:

Galicia Leaders, quota of

48.19 %

In León, quota of

15.26 %



ABANCA Agro renders services to the agro-livestock, wine and forestry sectors, encompassing the entire value chain, with a special focus on producers, suppliers and the processing industry through our network of offices with a wide presence in rural areas.

The product catalogue contributes to the entity's commitment to sustainability with the signing of 65 agreements with the main stakeholders in the sector, as well as with the main Reciprocal Guarantee Associations (RGA) in order to stimulate and offer solutions to the main demands of the associates of the sector.

Active participation in the events of the sector:

- ABANCA Green Week of Galicia.
- ABANCA CIMAG-GANDAGRO.
- SALAMAQ 2019.
- Machinery fair Valencia de Don Juan.
- Machinery fair Muimenta (MOEXMU).
- Semana Gandeira de Mazaricos.
- Agroexpo (Don Benito-Badajoz).
- Fruit Attraction.
- Expobiomasa Valladolid.

ABANCA Mar, department specialised in the maritime and fishing sector, provides service to these sectors through a proximity network made up of 112* offices with significant business in the sea sector throughout Spanish territory.

Active participation in the events of the sector:

- Conxemar.
- IX Worldwide Tuna Conference.
- Vigo Seafest.
- I Congress by fishing producer organisations.
- I Ibero-American Fishing Forum.
- VI International Fishing Seminars on Great Migrants.
- XV Festa do Peixe Espada.
- EXPOMAR 2019.
- FENACAM 2019.
- Congress of FREMSS.

Collaboration agreement with **86** agents of the sector in Galicia.



ABANCA Seguros: The development of this business line is of key importance as a generator of recurring results for the Company, while allowing for the diversification of sources of income.

ABANCA Seguros carries out its insurance business through a structure that has three lines of action:

- 1 “ABANCA Vida” to develop a wide range of life products (risk and savings).
- 2 General insurance, in which the joint venture with Crédit Agricole is expected to offer a broad and innovative product offering.
- 3 Brokerage to satisfy the needs of customers who demand more personalised products due to their specific characteristics (complexity of risks, volume of coverage, etc.).

This efficient structure was created after a relaunch process that redefined the organisational structure of ABANCA's insurance and pension plans business, supported by a series of purchases and mergers that have allowed ABANCA to regain 100 % control over the value chain of its insurance business.

This new business model is backed by a team of sales managers located in ABANCA branches specialised in each insurance business area.



+ 19 %
company insurance premiums.

+ 17 %
death insurance premiums.

+ 36 %
health insurance premiums.

+ 53 %
protected payment insurance premiums.

+ 15 %
clients with more than five policies at a flat rate.

+ 18.7 %
new production general insurances.



ABANCA Consumo. ABANCA Servicios Financieros provides financing solutions to the consumer sector, demanded both by end consumers (postponement of purchases, point-of-sale financing, etc.) and by businesses.

This business unit provides a specific structure in consumer credit, focused on points of sale, prescribers (dealers, retailers, etc.) and pre-authorised loans to clients (cards/loans). ABANCA Servicios Financieros has a team of managers who stimulate activity with businesses/dealers, in addition to supporting the network of offices. This is complemented by a call centre service for telephone sales and support to client businesses.

In the year 2019, it is worth highlighting the launch of ABANCA Card, a card that rewards the loyalty of our customers, allowing them to access offers and promotions directly. Developed by Mastercard, it is a free service that can be used as a credit card, although it is activated by default as a financing tool, and has no associated fees.



Institutional ABANCA. The public sector also has a specialised area in ABANCA, where a qualified and experienced team offers all kinds of solutions for the financial needs of organisations, public companies, associations, foundations, etc. Organised in a territorial network to offer close and individualised advice, the Institutional Banking coordinators personally manage a wide portfolio of institutional clients throughout Spain. Loans, credit policies, lines of guarantees, factoring and confirming are the main solutions that every day support the activity of institutional clients.

Through this area, ABANCA also collaborates with collection agencies with the aim of improving the efficiency of the processes for collecting fees, public prices and other income. In this sense, it collaborates in the development of innovative solutions for the collection of receipts, as is the case of the mobile application for the collection of local taxes.

Institutional clients at ABANCA also enjoy specialised treatment when it comes to managing grants for their projects. On a yearly basis, this area coordinates more than a hundred collaboration agreements with municipalities, autonomous communities, associations, foundations, etc., to develop initiatives that promote the social, economic and cultural development of their environment.

+ 350
collaboration
agreements.

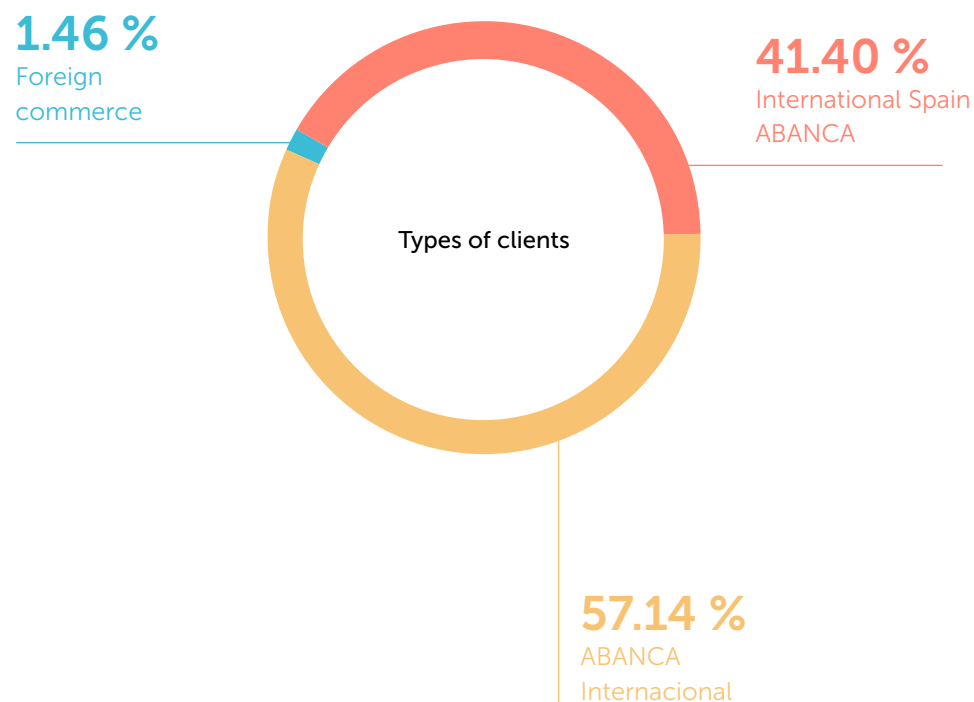




ABANCA Internacional: develops the complementary international presence strategy in geographical areas that maintain links with ABANCA's "natural" regions.

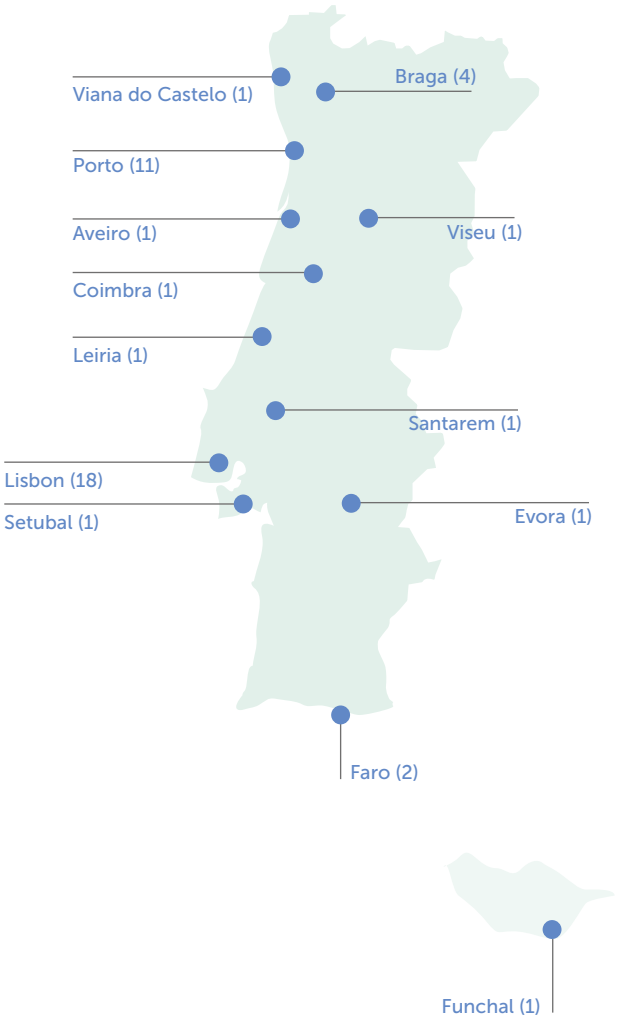
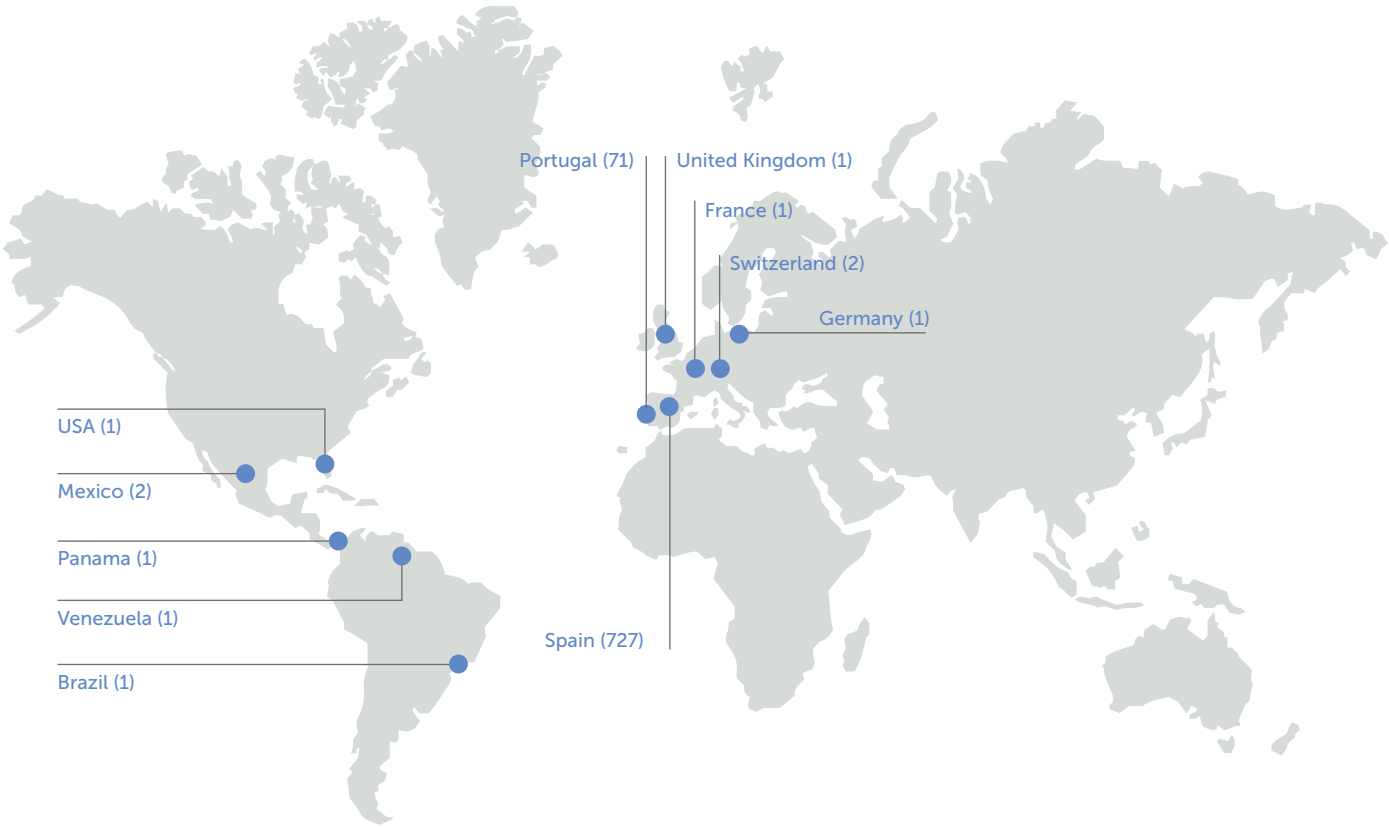
Types of clients

- 1 International Spain ABANCA: provides services to clients with residence in other countries who wish to maintain banking relationships with an entity located in Spain.
- 2 ABANCA Internacional: serves clients who have residence in other countries but who wish to have banking relationships with a bank located in their country of residence.
- 3 Foreign commerce clients: segment made up of companies with economic interests and residence in Spain. The activity of these clients requires specific financial advice, products and services, which is why they are attended by managers specialised in foreign commerce and the Back Office Comex department.



102-4, 102-6. ABANCA is present in 11 countries that are the leading economies in Europe and America. In 2019, its international presence was bolstered with the purchase of the retail business of Deutsche Bank in Portugal, an economic space of natural expansion for ABANCA due to the high amount of commercial exchanges with Spain in general and with Galicia in particular.

During the year 2019, many events have taken place that have become benchmark appointments among our international clients when they visit Spain, highlighting: "Meeting with non-residents in Tenerife", "Meeting with Galician entrepreneurs in the world", "ABANCA International Pilgrimage", "Meeting with Venezuelan clients in A Graña", "Meeting with Asociación de Inmobiliarias de Canarias (ACEGI)", "Networking seminar in Rio de Janeiro".



ABANCA Portugal.

2. Wholesale banking

Notwithstanding the fact that ABANCA finances its retail credit activity (with client deposits, with a LTD ratio (credit/deposits) of 96.3 % as of 31 December 2019), the wholesale banking unit complements the activity of the Company and constitutes a complementary source of income for the income statement.

One of the main functions of the area is the investment of the excess liquidity generated by commercial activity. Likewise, it manages the treasury and liability positions in the capital market to implement the transformation of balance sheet deadlines and exposure to interest rate risk. In addition, wholesale banking provides supports to the areas of the sales network that perform discretionary portfolio management, disseminates knowledge to ABANCA managers/clients about the most standardised investment portfolios, and monitors investment funds/pension plans designed by ABANCA. Likewise, it collaborates in the distribution of treasury products to the sales network (retail, companies, corporate, Comex and institutional) and coordinates the currency and derivatives tables, with the aim of offering the best prices on these products to the internal client (balance/trading) and external client. On the other hand, it deals with the management of the investment portfolio in listed and unlisted companies, which includes unrepresentative participations with the aim of generating profitability for the Company via dividends or capital gains and maximising efficiency and solvency, minimising outputs and maximising inputs of resources.



3. Non-financial subsidiaries

This includes the portfolio of non-financial companies with the vocation of supporting the local productive framework and the Company's activities.

In the financial year of 2019, the rotation policy of the Group's investee portfolio was continued, divesting from projects in which the objectives established at the time of participation were met, as well as making new investments in those projects. These are included within the strategy of strengthening certain areas of the

bank, such as investments in start-ups linked to financial services.

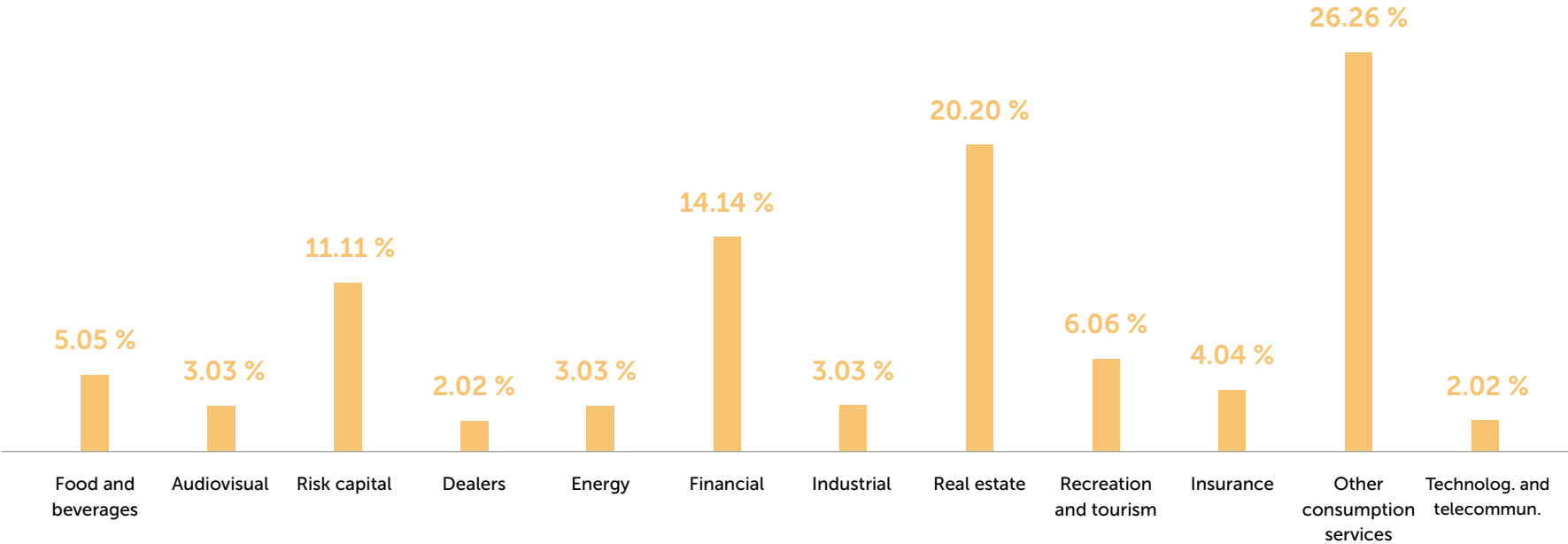
On the other hand, the ISO 9001 and ISO 14001 certifications have been successfully renewed in the companies ABANCA Gestión Operativa and Espacios Termolúdicos.

Likewise, steps are being taken to launch a new investment banking service for the Group, aimed at advising and brokering M&A operations for clients and non-clients of the bank.

Lastly, analyses are being carried out to implement an exhaustive internal compliance programme in the companies ABANCA Gestión Operativa and Sogevinus, similar to the one implemented the previous year in Espacios Termolúdicos.

As of 31 December 2019, the ABANCA Group maintained a portfolio of consolidated investee companies present in various sectors.

Percentage distribution of investees according to activity sector in 2019



SUSTAINABLE
finances

103-2, 103-3, FS7,
FS8, FS10, FS11

At ABANCA, we support sustainable growth by financing renewable energy projects, supporting responsible investment and promoting innovation and the development of new technologies.

Within its support to the local productive framework, ABANCA has capital participation of 20 % in four wind farms of the Norvento group.

Financing of sustainable projects

We support the development of renewable energy, the most efficient use of energy and help our clients in the transition towards a low CO₂ emissions economy.

At the same time, it has contributed to the financing of renewable energy production infrastructures in the amount of €517 million.

Financing with interaction on environmental issues (millions of €)

Activity sector	National	International	Total
Wind	144	20	164
Solar	240	12	252
Mini-hydro plant	92	0	92
Biomass	9	0	9
Total			517

We also participated, in 2019, in syndicated loans with Environmental, Social and Government (ESG) criteria, signing operations worth USD 40 million.

ABANCA, within its active role in creating a sustainable economy, has marketed multiple financing products with the direct purpose of sustainability in the field of:



1

The Home

- Through loans to individuals for home renovations to improve energy efficiency, the use of renewable energy or improvements in sustainability. It is a line within the financial offer of the Activamos Plan (collaboration agreement between ABANCA and the four Galician councils, the main objective of which is to contribute to promoting the social and economic development of the community).
- Through homeowners' associations, with financing intended to maintain or improve the security of the building, its accessibility, the installation or modernisation of the lifts, the implantation of installations for energy saving and thermal insulation, as well as improving habitability, sanitation and tightness of community facilities.



2

Mobility

Financing the acquisition of efficient vehicles: hybrid, electric, etc. (within Plan Activamos).



3

The Fishing Sector

Through financing investment projects of the European Maritime and Fisheries Fund (EMFF), which subsidises, among others, investments that contribute to saving energy or reducing the impact on the environment, including waste processing. And also grant advances for sustainable investments in the fishing field.



4

The Agricultural Sector

Through financing for improvement in energy efficiency, substitution of conventional energy for biomass and other alternative energies, improvement in waste treatment, reduction of CO₂ emissions or energy-efficient vehicles, all in the scope of agricultural activity.

Socially responsible investment

ABANCA's commitment to socially responsible investment (SRI) presents several lines of action:



1

Investment

The process of analysis and investment of our SRI products combines financial criteria with criteria (ESG) when selecting the assets in which it invests.

ABANCA currently manages the "Alpha Responsible" investment fund, the essence of which lies in the fact that the client's portfolio is exclusively made up of a selection of investment funds, from the best international managers, which meet criteria of environmental sustainability, social commitment and ethics in governance (ESG). With its launch in April 2019, we respond to the increasing attention paid to these issues by society as a whole, and therefore also by our clients.



2

Investment with social impact

ABANCA collaborates with a significant number of entities, associations and institutions to support different initiatives with social impact.



I Sustainable finances seminar.

Dissemination on matters of sustainability

We collaborate and participate in the creation of initiatives that help boost sustainability, such as:



1

I Sustainable finances seminar

Held in A Coruña on 21 October 2019 and with the participation of Margarita Delgado, deputy governor of the Bank of Spain, and Ana Martínez, vice-president of the CNMV (Spanish Securities and Exchange Commission).



2

Seminar "Towards a Sustainable Society"

Francisco Botas, CEO, took part in the seminar "Towards a Sustainable Society", an event that brought together renowned experts in economics and development in Madrid to reflect on the transformation of the current socio-economic model towards a more sustainable paradigm.

Analysis of environmental and social risks

ABANCA adhered to the Principles for Responsible Banking, as well as the Commitment to Climate Action, two UNEP FI initiatives that have as a joint objective, by all the participating entities, the development of scenarios, models and metrics in order to evaluate and report on scenarios of the opportunities and risks related to climate change.

ESG aspects are key in risk analysis processes and decision-making in ABANCA's ordinary activity. In this sense, we are working on incorporating the conclusions of the work carried out by UNEP FI since 2017 into our Risk Management area, and which has been reflected in two guides, the first focused on the risk of transition (*Extending our Horizons: Accessing credit risk and opportunity in a changing climate*) and the second aimed at evaluating the risks and opportunities that emerge from physical risk (*Navigating a New Climate*).

Likewise, ABANCA is working on the implementation of processes for the identification, analysis and evaluation of these types of risks. And in the development of a Sustainability Framework and Sector Policies that include the criteria for the analysis of

the environmental and social risk of the activities of our clients. Especially to accompany, in a more adequate and orderly manner, those who operate in sectors considered "sensitive" in the transition process.

No direct environmental risks related to ABANCA's activity have been detected, therefore no specific provisions associated with said risks have been established.

ABANCA
Digital
103-2, 103-3,
FS13, FS14

ABANCA Digital aims to provide customers with an innovative service, an optimal omnichannel experience with agile processes and high levels of quality and with the possibility of contracting products and services without having to go to the office.

Growth of ABANCA Digital in 2019

29.02 %
in the number of operations.

22.18 %
in the weight of the transactions.

Contracts

45.6 %
digital contracts
(2017-19).

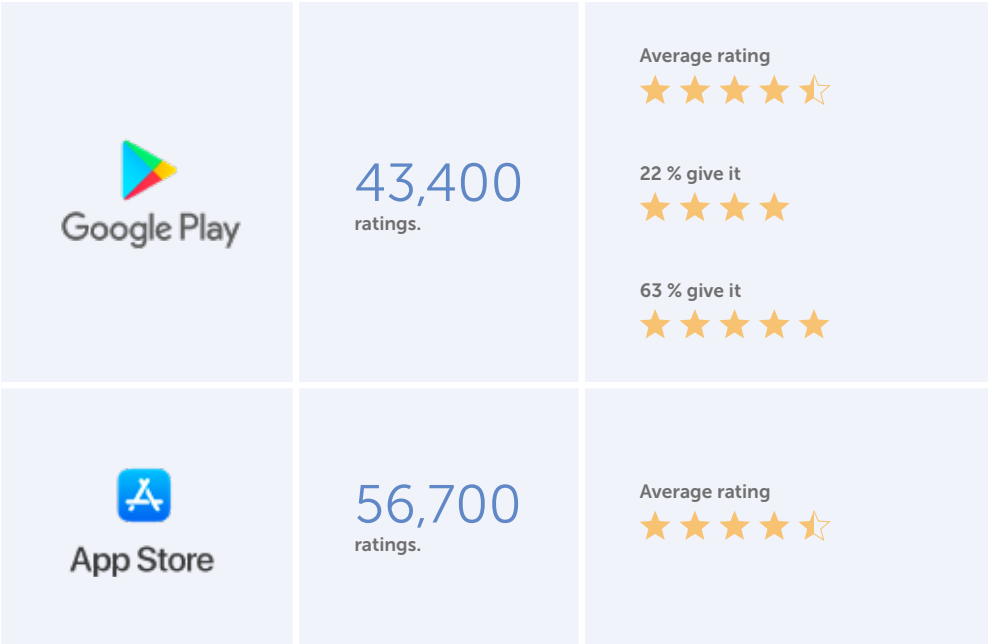
TOP 3*
of banks with the best digital
experience.

Mobile Banking

ABANCA's mobile banking application, developed entirely in Galicia and free, is among the highest rated by users of financial institution apps, according to the impartial opinion of thousands of clients who have downloaded the app and have left their rating in the official app stores of Android and IOS terminals.

+ 43 %
increase in clients connected
to mobile banking
(2017-19).

x 2
duplicated interactions with
clients in mobile banking
(2017-19).

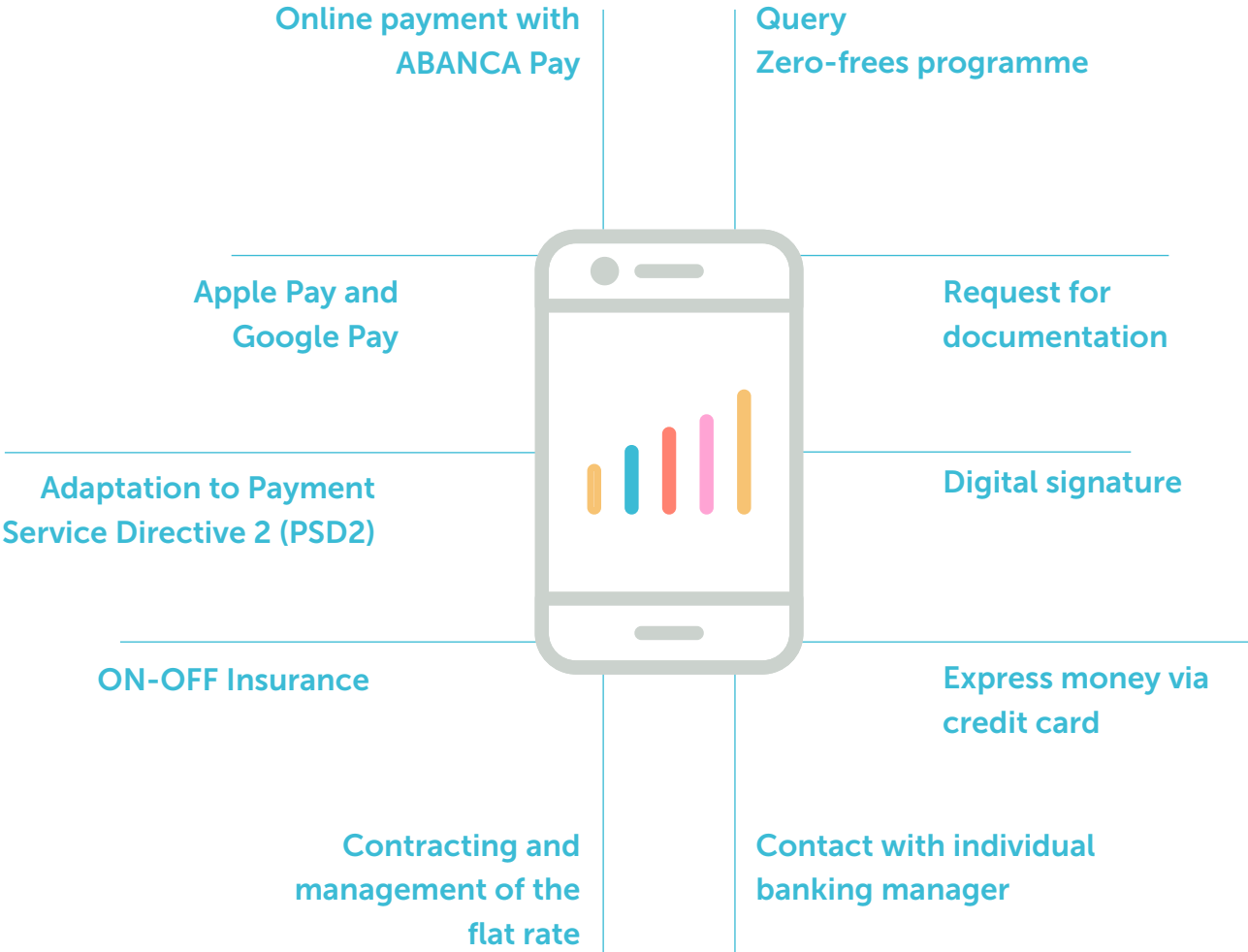


/ In the ranking of traditional banks, according to an independent study by D-Rating, a firm specialised in analysing digital solutions.*

The main new developments that have been made available to users of the ABANCA App in 2019 include:

Electronic banking

In line with our corporate values and more specifically with quality, ABANCA has had quality management system certification since 1996 due to its electronic banking service for individuals, electronic banking for companies and mobile banking for individuals in accordance with the requirements established by the UNE-EN ISO 9001: 2015 standard. This certification, renewed year after year through a demanding external audit process carried out by AENOR as a certifying, accredited and independent entity, is tangible evidence of our capacity for continuous improvement and also our permanent commitment to provide products and services with high quality standards that seek to satisfy the needs of our internal and external clients.



RESPONSIBLE business

417-1

ABANCA focuses its activity on traditional, prudent, close and customer service banking, placing individuals, SMEs and self-employed persons as the groups that make up the fundamental pillar, offering them products and services that are simple, transparent and suited to their needs.

ABANCA has a commercial communication policy that includes all the recommendations that the Bank of Spain has communicated to financial institutions. Its purpose is to establish general principles to guide the preparation of commercial communications, as well as to collect the criteria and procedures that must be followed to ensure that ABANCA complies with the regulations applicable to its advertising activity and detect possible breaches of the same.

ABANCA is adhered to AUTOCONTROL (Association for the Self-regulation of Commercial Communication), a non-profit association established in 1995 and the objective of which is to contribute to making advertising a useful instrument in the economic process, ensuring respect for advertising ethics and the rights of consumers, excluding the defence of private interests.

According to a certification issued on 27 January 2020, AUTOCONTROL states

that ABANCA maintained its status as an associate during the year 2019, complying with the ethical codes in all its advertising communications. (103-2).

Quality

103-2, 103-3, 416-1

Quality is one of the corporate values on which the entity's future progress is based. At ABANCA, quality is a shared responsibility that is supported by three basic pillars:



1

Encourage the use of quality management systems.



2

Excellence in management and orientation towards results.



3

Know the needs of our clients and **improve** their satisfaction.

» ABANCA has:

- a **quality policy**, where our commitment to continuous improvement and the promotion of best practices in management systems is shown:
- a commitment to **excellence in service**.

Certifications and seals of quality

In 2019, ABANCA continued its commitment to the certification of quality management systems in order to allow us to order our commercial, management and client experience processes and serving as leverage to aim for excellence in the service provided.



The AENOR certificate in "**Excellence in Business Banking Service**", in force as of March 2018, shows our effort in the continuous improvement of our processes and services to be able to offer the best experience to our clients.



Our **commercial systematics** has become one of the first entities with a certificate from AENOR Conform in Excellence in Individual Banking Services, in force as of December 2016.



Two of the most strategic services of the bank:

- payment methods (financial cards).
- electronic banking for individuals, companies and individual mobile banking.

Since 1996, they have had certification on their quality management system in accordance with the requirements of the UNE-EN ISO 9001: 2015 standard.



In December 2014, we became the first Spanish and European entity to certify through the UNE 93200: 2008 the quality of a product (**24-hour loan**) through a service letter, recognition of the excellence of the concession process of personal loans, based on transparency towards our clients, making public our degree of compliance with quantifiable, simple and unequivocal quality commitments.



Quality.



Only two financial institutions in the world, and only ABANCA in Europe, have the highest quality rating in technology, **CMMI level 5**, which stands for Capacity Maturity Model Integration.

Service letters

Service letters are strategic quality tools with which to communicate to our customers both the services provided and the commitments assumed in said provision:

They act as a fundamental support on the constant improvement of the entity.

- 1 They facilitate relations with our clients through a close, simple and transparent language.
- 2 They help us to define service standards and to set ambitious service quality objectives with a great impact on the client.

In addition to the letters "24-hour loan services" and "ABANCA mortgage services", the "6-day plan" was added in 2019, a multi-financing service aimed at our clients in the business segment and which was born incorporating a letter of services with the following commitments:



Improve our response times in financing operations, in a maximum of 6 working days.



Notify the progress of the operation during important times.



That when we do not comply, we respond as a result, compensating our clients.



Internal quality metrics

Measuring internal satisfaction in the execution of internal services and processes helps us to align the interests of all participants in its different phases. To that end, ABANCA uses two indexes:

SQI (ICS)

Service Quality Index

The **Service Quality Index** is created using the evaluations obtained in five dimensions, evaluating the operation of the support processes, the speed of response, the absence of errors, the tools or security, among other things.

CES

Client Effort Index

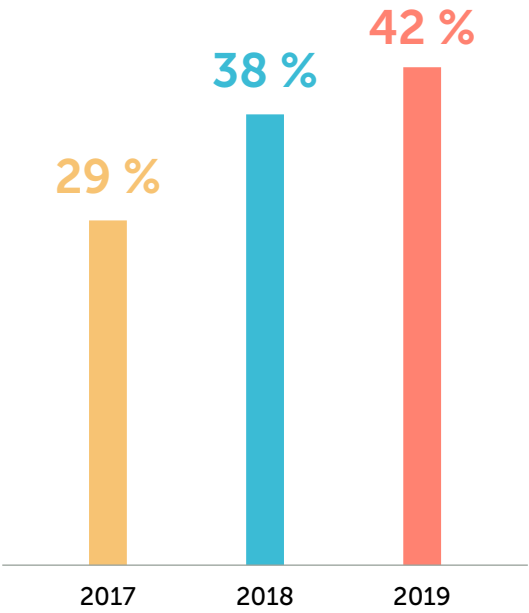
The **Client Effort Index** (CES) evaluates the perception of the effort required to obtain a service or solve a problem, becoming a "barometer" that measures from the internal client's perception to the simplification of processes, the adoption of new technologies and tools, or greater autonomy to make decisions.

50
services evaluated in 2019.

Average of
700
monthly surveys.

About
5,000
participating employees.

Internal services that achieve excellence in the ICS index



Client experience

102-43, 104-44, 103-2, 103-3, 416-1

Our organisation is completely customer oriented; therefore, throughout 2019, we asked more than 100,000 clients, through surveys, how they felt when contracting our products and services, what their experience was, and if they are satisfied with the use of the products and services they hired.

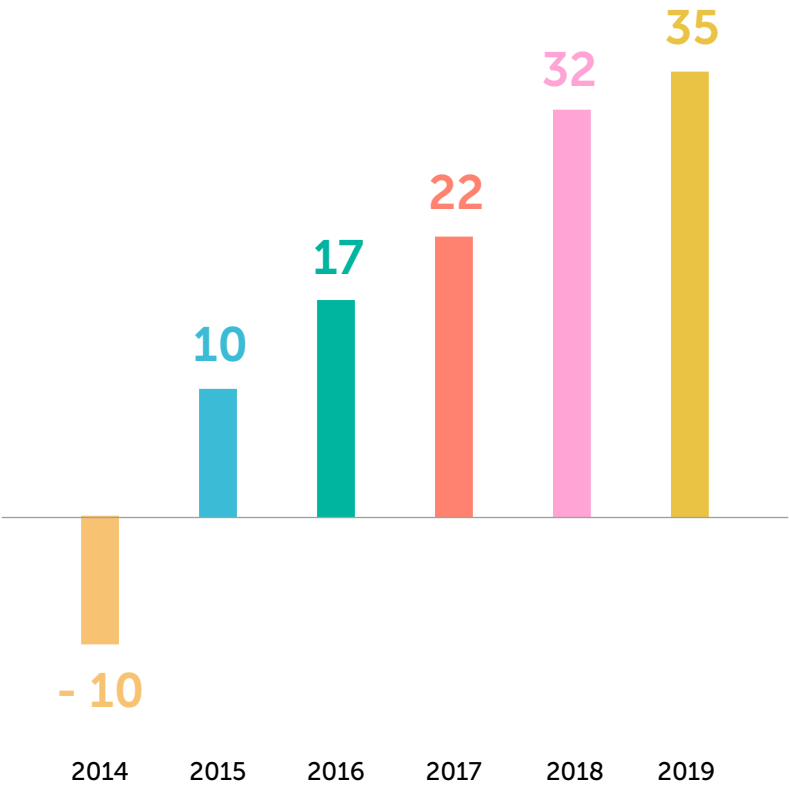
52 % of clients surveyed are ABANCA fans, with a net prescription rate of 35 points, three points higher than the previous year.

At ABANCA, we are convinced that only by listening to the client can we get to know them better and adapt more to their needs and expectations. To achieve this, we have ABANCA Escucha, our fast, reliable and real-time client experience tool.

Dialogue with our clients is constant and that is why in 2019 we launched an innovative project, Client Community, with the aim of including the opinion of the client from the beginning regarding any development of product, service and/or experience.

+ 100,000
clients have shared their
experience with us.

Evolution of the net prescription index (NPI)



Management of claims

102-44, 103-2, 103-3, 416-1

ABANCA's claims management policy is defined as an anticipatory model based on lines of defence, single registration and decentralised management.



LINES of defence

1

As a result of a claim, Customer Service (CS):

- **Supervises and assesses** the actions of the commercial and operational areas in client relations.
- **Analyses** claims continuously and the underlying causes.
- **Transfers** the results of the analysis to the board of directors.



SINGLE registration

2

On **all** claims.
On the **underlying** causes.

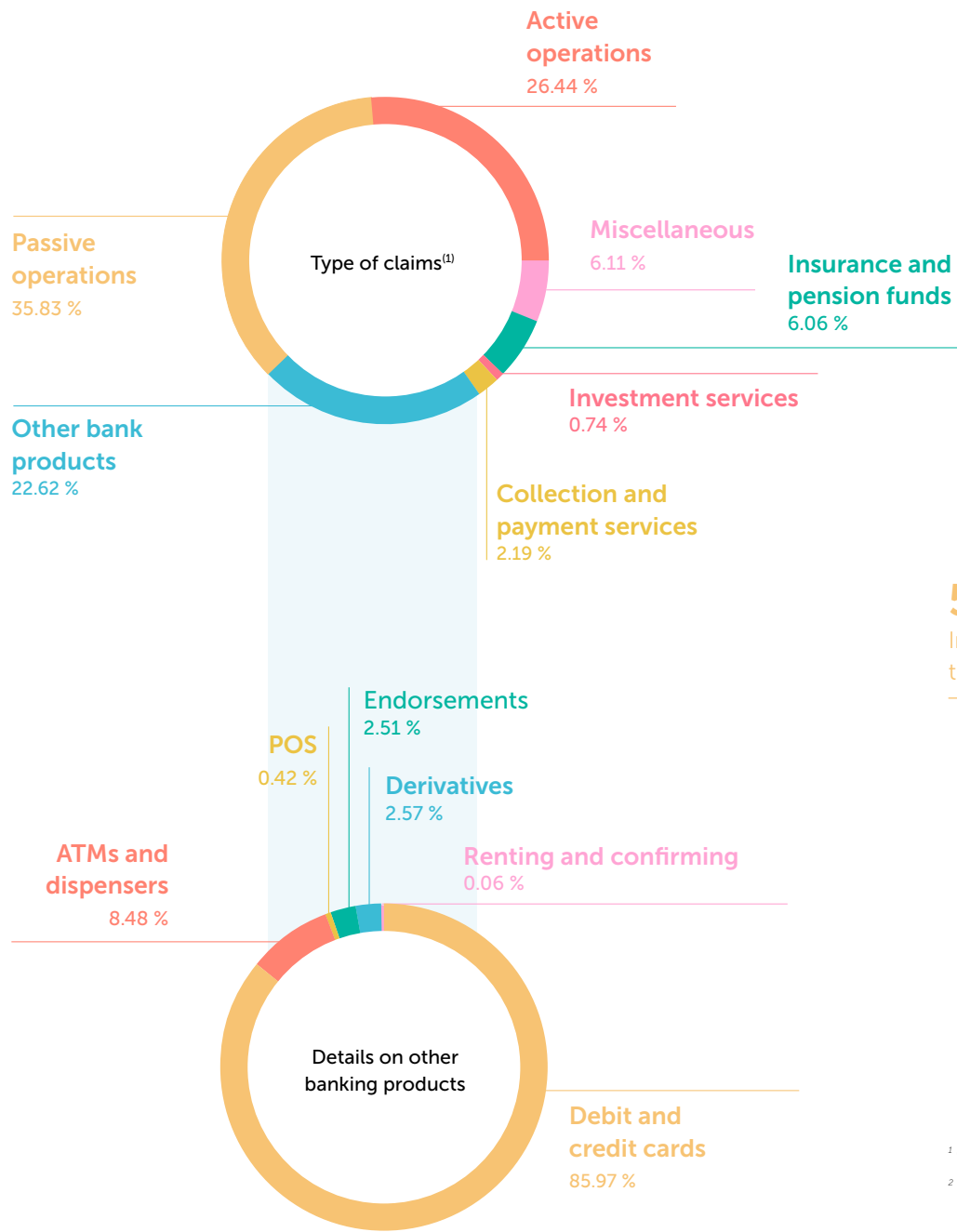


DECENTRALISED Management

3

Through the office based on knowledge of the client.
From CS on those that could not be sufficiently resolved in the scope of the office.

As of 31 December 2019,
94.6 %
of claims received
were resolved.



¹ Claims at first instance and admitted for processing.
² Resolution of claims excluding those of Banco Caixa Geral.

RESPONSIBLE purchases

102-9, 204-1, 412-1,
103-2, 103-1

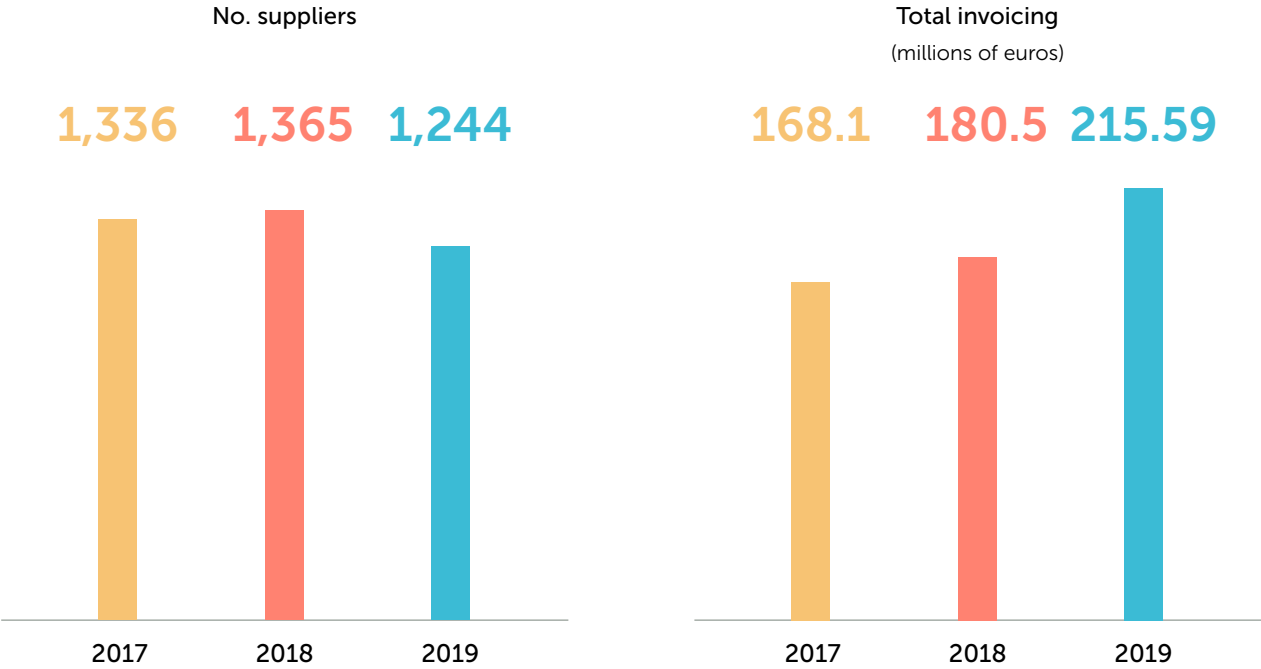
The Procurement function, integrated into the General Finance Directorate through the Efficiency and Procurement Directorate, is mainly governed by the procurement standard and the supplier policy.


» **Procurement Standard:** It details the supply procedures that involve payments to suppliers and is mandatory for the entire organisation. Certain noteworthy aspects of the standard are:

- Centralisation of functions in a single specialised area.
- Relationship with the supplier based on criteria of continuity and reciprocal interest.
- Supplier information, approval and evaluation that are kept up-to-date and with full traceability guaranteed by the centralisation of the process and the use of the integral IPRO tool.
- Purchase teams specialised according to service categories.
- Firm commitment to transparency and efficiency as the bases for the purchasing processes.

» **Supplier Policy** establishes the management framework between the companies of the ABANCA group and their suppliers, governed by the principles of ethics, transparency and regulatory compliance, which in 2019 was reinforced by the Supplier Approval Procedure (incorporated in the ABANCA process map).

€215.59 M
in total invoicing.



 **>> During 2019, the procedures for evaluating risk criteria in the contracting processes** in relation to the risks of technological security, data confidentiality and business continuity have been improved. Likewise, the outsourcing policy has been adapted to the guide EBA/GL/2019/02, which establishes the operating rules applicable to the outsourcing of activities and cloud services.

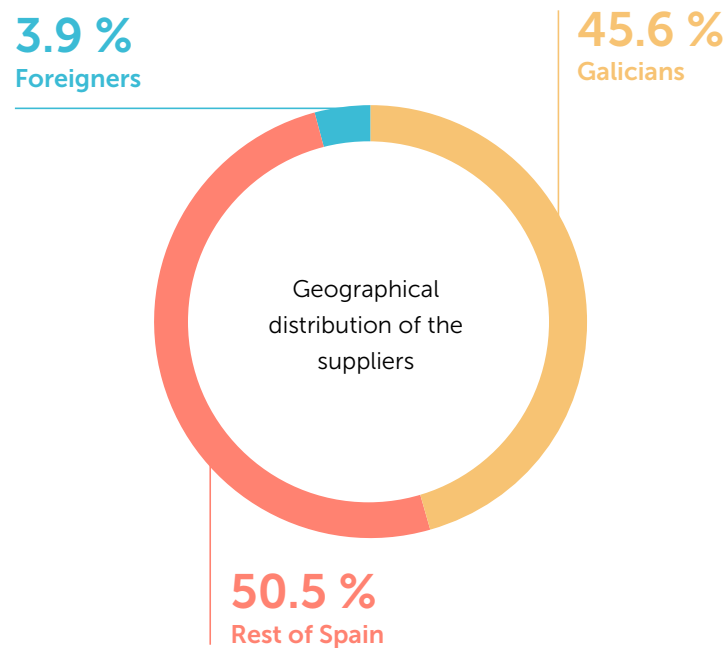
1,244¹
suppliers

(1) The supplier data correspond to legal entities hired by the Procurement area for ABANCA and its financial investees. Supplies are not included. In the case of Banco Caixa Geral, the Procurement area is working on its integration.






Approval and responsible behaviour by suppliers:

203-2, 308-1, 308-2

ABANCA, through the Procurement area, maintains an updated register of suppliers on the purchasing platform. Through the approval process, the suitability of the supplier to provide services or supply goods to the ABANCA group is comprehensively evaluated. This approval is reviewed periodically.



In their registration, suppliers must provide the necessary documentation to evaluate the different aspects considered in the approval, including:

-  Solvency and financial reliability
-  Incidents and previous experience as a supplier of ABANCA.
-  Existence of certifications.
-  Connection as a client.
-  Qualitative aspects, including concentration, reputational, environmental, ethical and behaviour-related risks.

The invoicing of foreign suppliers is

3.94 %

Diversification of providers

71.22 %

with invoicing < €50,000.

Suppliers are required to make commitments and exhibit behaviour in line with those of ABANCA, with practices that are also based on ethics and transparency; compliance with legislation and the declaration of its commitment to adhere to the good practices and principles established by ABANCA in its Anti-Corruption Policy and in its Code of Ethics and Conduct of suppliers that guarantees compliance with the Principles of the Global Compact. These include:



ABANCA requires its suppliers to state their compliance with the social rights established in internationally recognised labour provisions, which:

- 1 Prohibit forced labour and the mistreatment of employees.
- 2 Guarantee the absence of child labour.
- 3 Prohibit all behaviours of assault or abuse.
- 4 Prohibit any type of discrimination in the scope of labour.
- 5 Respect freedom of association and the right to collective bargaining.
- 6 Guarantee a decent salary according to established conventions.
- 7 Provide employees a safe and healthy working environment.



ABANCA requests that its suppliers show a clear commitment to complying with environmental policies.



All ABANCA suppliers must be committed to acting transparently and honourably in all relations with ABANCA and other clients, avoiding any practice which may be considered corrupt or constitute bribery.

100 %
new providers evaluated
according to environmental and
social criteria.



» ABANCA has a complaints channel through which ABANCA group providers can report any breach of the Code of Ethics and Conduct, as well as any alleged criminal act or fraudulent or irregular act that they notice within the ABANCA Group.

ABANCA Innova

Innovation is essential in an exponential world, and at ABANCA, innovation is born out of our corporate values.

ABANCA Innova was born in 2017 with the aim of launching a stable, sustainable and collaborative project that promotes emerging technologies applicable to the provision of financial services in Galicia, and is structured around three axes:



TECHNOLOGICAL observatory

1

- **Partnerships** with other companies to find new start-ups and technologies around the world.
- **Constant research** by our team concerning new trends, important news and disruptive technologies.
- **Development of PoCs** with new technologies coordinating teams.



INTRAPRENEURSHIP programme

2

With the methodology of **Adobe Kickbox** two calls have been developed for the programme to which employees have submitted 400 ideas; there have been 50 participants and a total of 4 ideas are in the execution phase.



PROGRAMME for start-ups (Open innovation)

3

Aimed at **fintech, insurtech, regtech and cybersecurity start-ups**. In September, the 3rd edition was launched in which we offer training and mentoring, proof of concept and other benefits, such as presence in the media, Amazon web services, co-working, etc.

Responsible

professionals

Responsibility of one of the main pillars of management at ABANCA. A bank of people for people, where the responsibility, talent, professionalism and high level of commitment of all the people who work at the bank are the foundation and guarantee of a successful project.

At ABANCA, we strive every day to be a high performance organisation. An entity that manages to be profitable in a sustained manner over time, relying on the daily actions of the team of professionals who are part of the ABANCA Group.

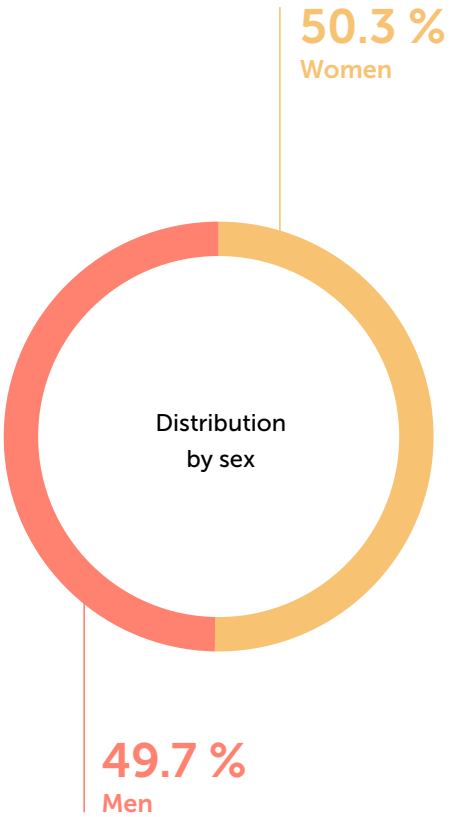
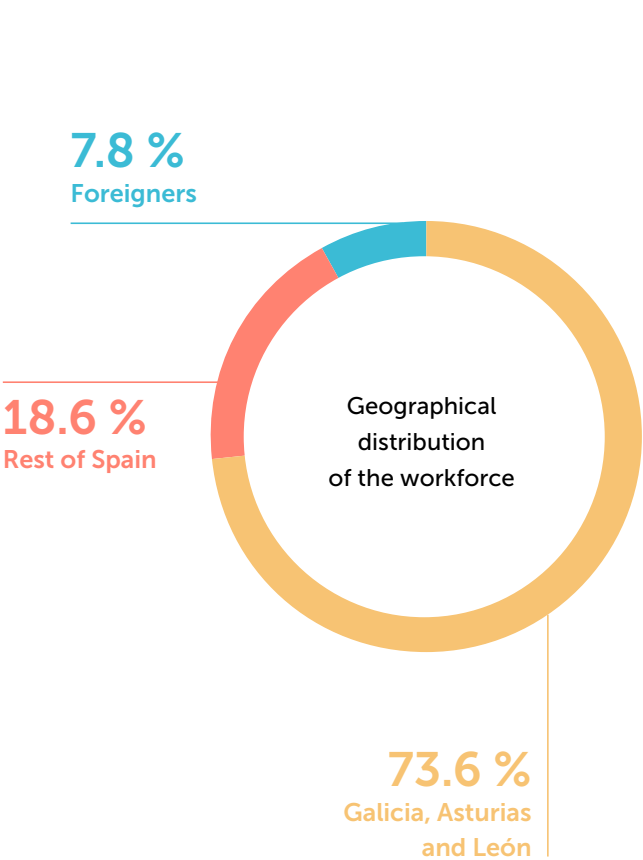
5,788
professionals.

96.3 %
indefinite contracts
excluding interim.

99.6 %
with collective agreement.

Average age
43.7 years

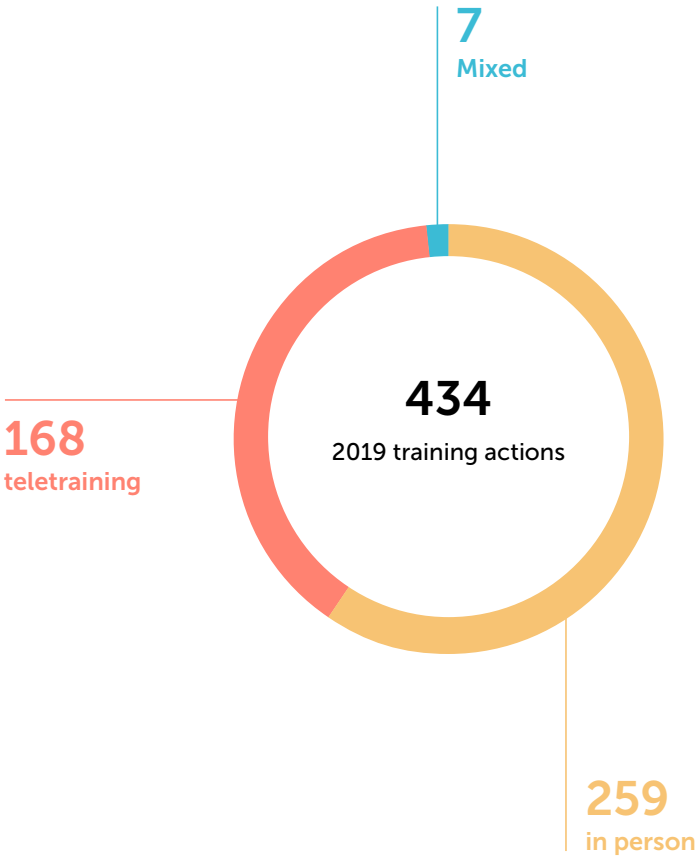
Average seniority
15.7 years



TRAINING

103-2, 103-3, 404-2

In 2019, ABANCA has a ratio of 50 hours of training per employee and, with an investment of 1.8 million euros, a ratio of €303.42 per trained employee.



2019 Professionals trained

5,683 professionals.

91.2 % of the workforce.

+ 45 % training actions with respect to 2018.

Satisfaction average



The obligation to certify knowledge and skills introduced by the **MIFIDII regulations** in 2018 for the provision of investment services was added in 2019 to accredit the capabilities of professionals who design, market or sanction **Residential Real Estate Credit (LCI) operations**; it is an obligation introduced by Law 5/2019 of 15 March. To respond to this requirement in June 2019, at ABANCA we launched a training plan that must lead us to having all of them duly certified before 16 June 2020.

Another important challenge is to train ABANCA staff to face risks related to technological security, in order to guarantee the protection of our clients' data. Training plan:

- training pills,
- awareness-raising seminars,
- training courses,
- and response tests against the most typical attacks.

On the other hand, we have carried out two training sessions for the bank's system administrators, aimed at incorporating the best practices in protection against attacks and effective incident management, through which 64 specialists from our Technology and Security areas have attended. The entire senior management of the entity has received training in the matter to promote proper governance.

Finally, we understand that this area of cybersecurity goes beyond the professional sphere and enters fully into the family sphere of employees, due to which, in the course of the plan, we have carried out 4 family seminars, in which in a playful and practical environment, mothers and fathers along with their children learned how to protect themselves from the most frequent risks in the use of their devices, social networks, etc.

The training service has had to significantly increase its capacity to meet the needs of the integrations of the Deutsche Bank subsidiary in Portugal, that of Banco Caixa Geral and the internalisation of the life insurance company.

By content, attention to the growing training requirements imposed by the different regulations governing our activity has meant the greatest dedication to training, with 55 % of the shares in training actions. In addition to this notable requirement, the service has been able to meet the demands for improving the technical capabilities of the workforce (27 % of the shares), and supporting the training required by the entity's strategic and transformational projects (18 % of shares).



LCI Training

1,463

certified professionals.

Certified
43.05 %
of professionals of the
mandatory scope.



MIFID II Training

2,707

certified professionals.

Certified
94.43 %
of professionals of the
mandatory scope.

CULTURE
and
management
of change

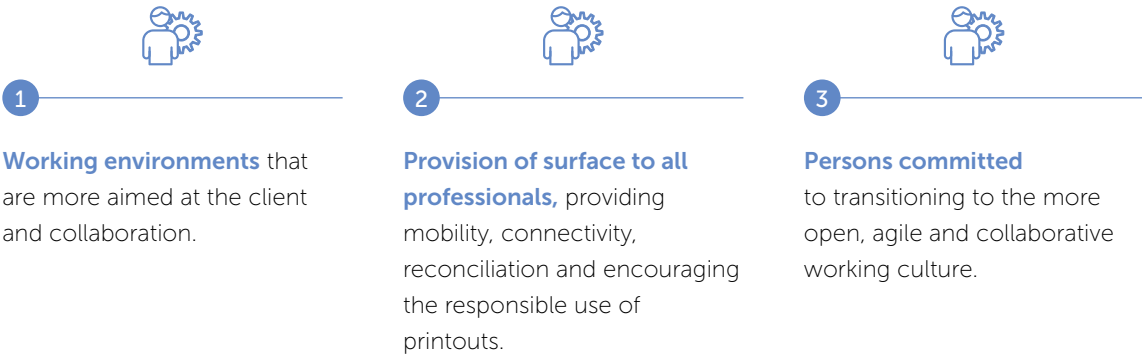
103-2, 103-3

In recent years, we have left our mark, we have specialised, we have been trained and we have strengthened ourselves. Now it's time to get moving, transform ourselves. #ABANCAsemueve is a set of initiatives that are being launched to change the way we work and the way in which we relate to the client and each other with a very clear objective: to be quicker, simpler and more cooperative.

ABIERTO Project

In 2019, we completed the ABIERTO project for our headquarters in A Coruña (Rúa Nueva and Riego de Agua). This project in central services accompanies the implementation of the new sales office model, transforming our workspaces to foster a more open and close relationship with the client in our offices, and more collaborative and agile in the corporate headquarters.

The project is centred around three axes:



The result of the ABIERTO project is a 121 % improvement in the perception of satisfaction with the company by professionals who work in these spaces.

To promote change management, we work with formal leaders in the areas and also with people who acted as influencers to be agents of change in their areas of influence. This group of 77 people was dubbed PIONER@S. To promote the participation of people impacted by the project, a specific internal portal was created for the project and training was gamified for the acquisition of new skills.

The ABIERTO project, in our central services, and the new office model, in the branch network, allows us a better client experience, as well as agile and personalised attention thanks to their more functional and comfortable design; at the same time that the architectural barriers have been removed in all the refurbished centres where it has been possible to do so.



ABIERTO Project.

85 %
index of engagement
of the bank.

Think tanks and intrapreneurship programmes

The significant effort made in previous years has resulted in many improvements in our processes and at least 6 new innovation projects under execution. In the new call for the intrapreneurship programme, 143 proposals have been received, of which 22 have been selected. The people selected have been given a grant to develop their idea in the bank. The programme began in November with initial training for participants in innovation and entrepreneurship methodologies and will run until June 2020, in which participants who present the best projects will have the opportunity to prototype them with financial support and organisation by the entity. The result of all this activity carried out in recent years has placed our indicator of innovation culture at 83 %, 3 points above what we had in 2017.

83 %

our innovation culture indicator.

Project-based work

A final pillar to enhance the entity's transformation process to focus it more on the external client and make it more efficient and agile is the expansion of project-based work, in multidisciplinary and autonomous teams and in the application of agile methodologies. In addition to the training that has been given on these methodologies, the main source of learning from them is generated with their actual implementation in the different projects in which they are applied.

COMPENSATION and development

201-3, 401-2

Variable remuneration and flexible remuneration

Throughout 2019, ABANCA has gone more in depth into the objectives established in the remuneration policy approved by the entity's Board of Directors, to provide ABANCA's staff with a competitive and comprehensive remuneration package, which ensures the attraction of new talents, the motivation and retention of staff, internal equity, external competitiveness and meritocracy, while ensuring the maintenance of a solid capital base, including the capital conservation measures required of the entity.

Likewise, the entity continues to promote its flexible remuneration plan for all employees, which includes both health, family and training benefits.

The positive evolution of ABANCA's results implied a 5.4 % increase in the number of people eligible for the variable remuneration system.

Social welfare agreement

On 4 December 2019, it signed a collective agreement with 100 % of the bank's Legal Representation of Employees (applicable to ABANCA Corporación Bancaria, S.A., which represents 87.44 % of the Group's workforce) regarding supplementary social welfare. With this agreement, the previous defined benefit system has been replaced, both for savings or retirement and for risk contingencies (death and disability), with another with defined contribution for savings or retirement which balances all the groups of the bank adhered to the pension plan and unifies risk benefits for all groups, determining capital linked to the real salary of each person, also setting minimum and maximum limits for contingencies covered by the plan.

Likewise, the insured capital for each contingency of the collective life insurance policy (voluntary) of the personnel subject to the bank's collective agreement has been updated, and the possibility of increasing capital in a complementary policy has been implemented.

Future challenges for the area include efforts needing to be made to enable the voluntary contributions of the bank's staff to the employment pension plan, thus encouraging the culture of savings and social welfare for retirement. The viability

of dividing up the current pension fund attached to the employment pension plan into two funds, depending on the life cycle of the participants in the plan, will also be studied, which will also allow us to obtain an improvement in the profitability of the fund throughout the active life of the workforce, adjust the risk profile of the investments to the age of each participant and promote the knowledge of the most advanced investment strategies that the bank offers throughout the entire workforce. Lastly, the Banco Caixa Geral pension system will be integrated into that of ABANCA Corporación Bancaria.

Average amount of payment
of SRV

7.6 %

higher than the previous year.

Flexible remuneration

Benefits
77 %
of the workforce.

It means
€390
of average savings
per employee.

SAFETY and health

403-3

With regard to Occupational Risk Prevention, the following aspects should be highlighted:



» Health surveillance

At the beginning of the year, the Prevention Service launched an awareness campaign for the staff on the importance of performing a medical examination. This medical examination includes a study of the health of the person in a broad and sufficient way, since, in addition to the occupational risks to which the personnel may be exposed, other aspects of health are considered which are affected by work activity. In the ABANCA Group, due to the type of work carried out, no occupational illnesses are listed.



» The Occupational Risk Prevention service

has drafted Communication plan in order to raise awareness on the use of new information and communication technologies (ICT). This initiative includes a series of informational pills on different aspects related to computer fatigue, as well as recommendations to disconnect.



» Prevention plan

During 2019, the prevention plan was updated to adapt it to the new needs of the organisation. The aforementioned plan is the basis of the prevention management system and the tool through which the entity's preventive activity is integrated and its occupational risk prevention policy is established.



» Pregnancy, recent birth and breastfeeding protocol

In 2019, the protocol for pregnancy, recent delivery and breastfeeding became part of the procedures that make up the prevention plan, which is approved with the aim of providing the entity with a fast, effective and efficient intervention process for communication on the part of a worker of her new situation to protect motherhood against the risks derived from work.



» Courses on road safety in circuits

Derived from the implementation of the mobility plan in the entity, quarterly courses on safe driving in circuits have been carried out, prioritising in the call the group of people who must perform a greater number of kilometres during their workday.



» Measurements of radon gas

It should be noted that the European directive that requires the measurement of radon gas has not yet been transposed into the Spanish legal system; However, ABANCA is one of the few entities that have anticipated the coming into force of said regulations, taking measurements in 2019 in nine offices of the sales network and in the Rúa Nueva building, with the results obtained being satisfactory.



» Implementation of physical activities

In 2019, a pilot is launched in the central headquarters of Vigo and A Coruña with a programme of physical activities such as yoga, pilates and TRX, the result being very satisfactory. This initiative is prior to the launch of the health and wellness platform for all ABANCA staff.

In order to guarantee the safety and health of the entire workforce, the ABANCA prevention service, in addition to complying with all the ordinary obligations established by the occupational risk prevention law, will launch extraordinary preventive actions in 2020:

- Re-evaluation of psychosocial risks.
- ABANCA health and wellness platform, which will work on physical activity, nutrition and emotional wellness content.

EQUALITY and reconciliation policy

103-2, 103-3, 412-2

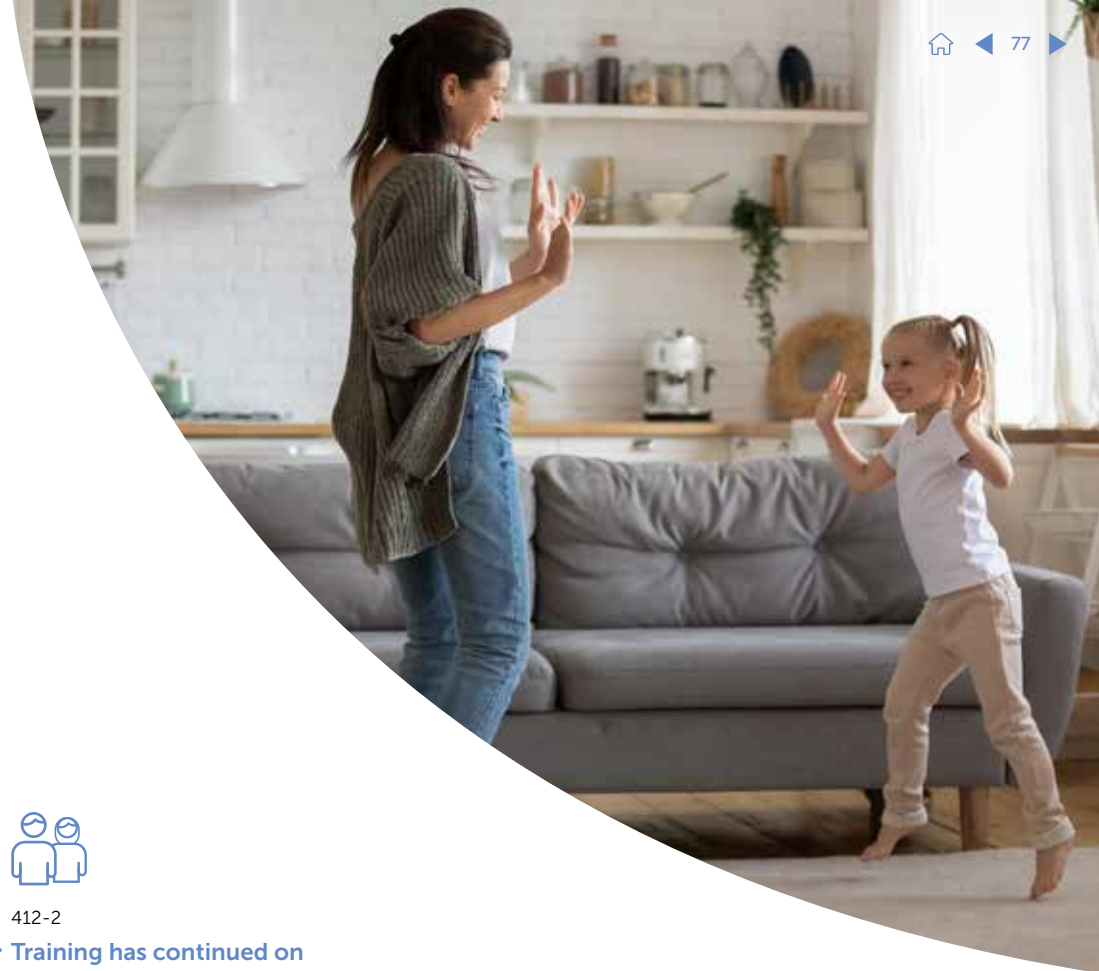
ABANCA Corporación Bancaria, S.A. has created a working environment where all people, our human capital, regardless of their gender or gender identity, ethnicity, race, sexual orientation, age, disability, etc., have the same opportunities. To that end, it signed an ambitious equal opportunities plan, approved already in early 2016 and in force until 31 December 2020, with 93.37 % of union representation and which includes the entity's commitment and its most senior leadership in equality and applying to all people who are part of this diverse and multidisciplinary team.

This commitment to equality and diversity has been reflected in actions and measures in different areas, such as selection and hiring, professional training, professional promotion, remuneration and reconciliation of personal, family and work life, which guarantee a principle of non-discrimination and an environment in which people can access, develop and contribute to the entity's objectives.



412-2

» **Training has continued on issues of equality** with special focus placed on team managers (Management). Periodically a plan monitoring commission analyses the objectives established, proposing new measures and analysing the development of those already agreed upon.



TALENT attraction and development

103-2, 103-3

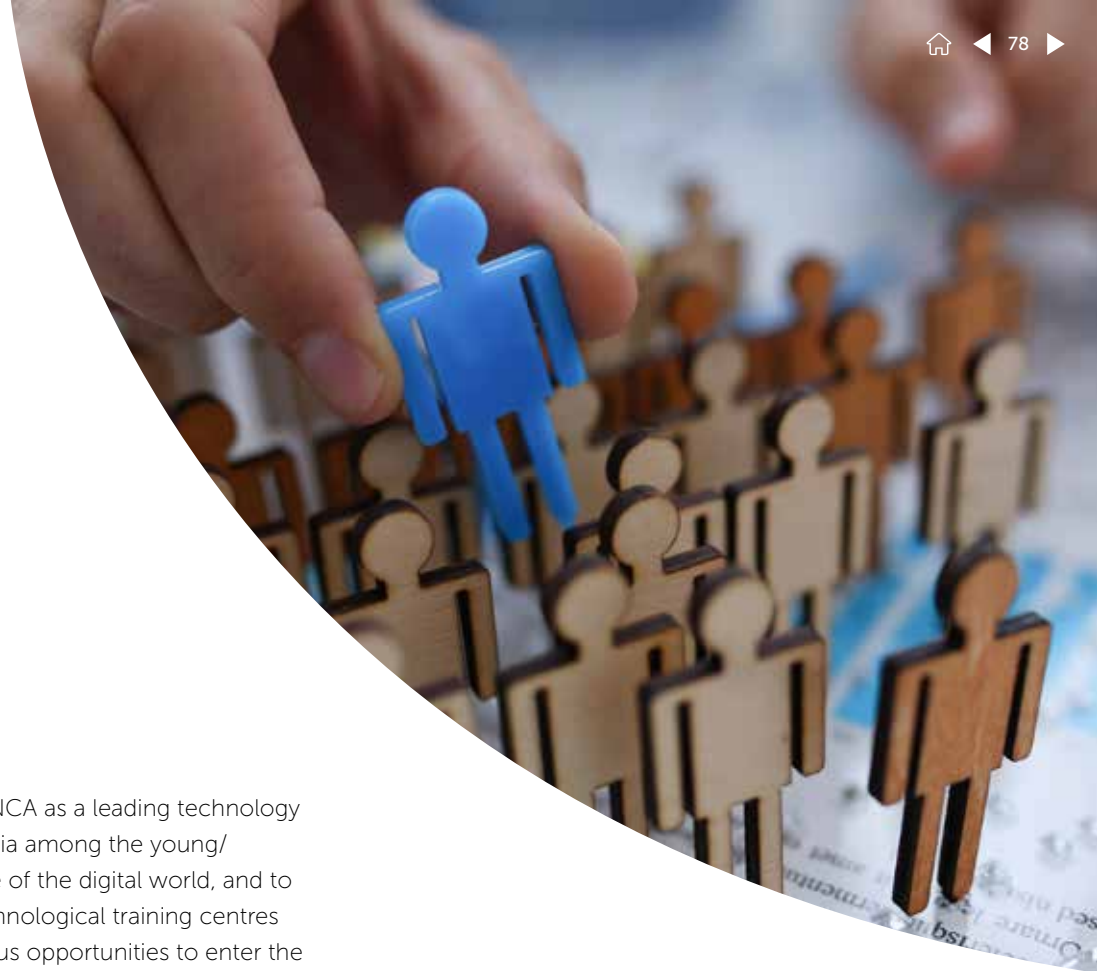
During 2019, we have continued the programmes for attracting and developing young talent with "Get moving" sessions for the incorporation of recent graduates. These seminars, which combine different activities and selection tests with a direct experience of the ABANCA ways of doing things in one of our corporate headquarters, allow a significant number of graduates (32 candidates in each day) to learn about the bank's activity and the people who make it up, while allowing the human capital team to observe how the candidates operate in the workplace, so that the selection process is enriched for both parties.

As a new development in 2019, and reflecting the criticality of talent in the technological areas for ABANCA, we have launched an innovative training programme specialised in programming that combines a month of training in Angular, as a leading environment for the development of agile and scalable professional web applications, with the possibility of signing an internship employment contract after training. This module, the 16 spaces of which were fully covered within a few days of its launch on social networks, has been the first phase of a more ambitious program, which we call "IT Force", aimed at ensuring and strengthening ABANCA's technological competitiveness in the Galician technological ecosystem. In the medium term, and with new modules geared towards different development environments and languages, "IT Force" will allow us to

consolidate ABANCA as a leading technology company in Galicia among the young/ student collective of the digital world, and to be present in technological training centres to offer continuous opportunities to enter the labour market.

IT Force

allows us to consolidate ABANCA as a benchmark technological company in Galicia.



2019 Promotion

409

professionals have promoted positions with greater responsibility.

90 %

of vacancies covered by internal candidates.

INTEGRATIONS and expansion

Integration Deutsche Bank in Portugal

Throughout 2019, the culture and training plan in Portugal was undertaken with all employees of that country, both those who were already part of ABANCA Portugal and those who joined Deutsche Bank, as a new technological platform was implemented.

In January, training planning and the selection of all the trainers and ambassadors of the sales network and central services that would collaborate in the project began. Likewise, the training needs and the people who would be part of the project were identified with the different areas, and the preparation of operating manuals began, involving thirty areas.

The plan consisted in five phases:



1

Sentir ABANCA: seeks to guarantee an emotional connection with the brand through a plan based on the personal guidance and values of the managers, taking into account the needs detected in the previous roadshow.



2

Operational training in offices which already belonged to ABANCA Portugal, used to detect possible rectifiable incidents in the technological integration of Deutsche Bank.



3

In-person operational training with reinforcement of online pills to all the staff belonging to Deutsche Bank, in order to guarantee business continuity. At the same time, people from central services stay in homogeneous areas of the ABANCA Spain structure.



4

The week prior to integration, the **80 ambassadors of the Spanish network** with ample experience and knowledge in office operations went to Portugal and distributed themselves to cover all offices in Portugal, remaining there for three weeks.



5

The continuous training plan in post-integration placing emphasis on insurance, companies and any other demand made by the management and business team of ABANCA Portugal. Throughout the year, work has been done to comply with all the regulatory training, validating current training and incorporating needed training.

Integration of Banco Caixa Geral in Spain

In October 2019, after months of work, ABANCA completed the acquisition of Banco Caixa Geral, the Spanish subsidiary of the Portuguese Caixa Geral de Depósito.

As a consequence of the merger, ABANCA will increase its scale through the generation of synergies and will undertake a process of integration of the workforce with significant efforts towards training.

Since the announcement of the award, teams from both entities have already worked in a coordinated manner to successfully complete the merger, the cultural and computer integration and the rebranding of the Banco Caixa Geral network that will take place in March 2020, under the fundamental premise of identifying excellence and having the resulting bank incorporate the best processes, practices and products from each entity, working from the outset with a single strategy that benefits the clients of both entities.



Our commitments

The mission of ABANCA's Social Responsibility is to integrate into the entity's management the necessary management elements to implement a responsible business model that contributes to sustainable development and meets the expectations of its stakeholders.

OUR
commitments

At ABANCA, we commit ourselves every day to achieving a more caring society, with greater equal opportunities and especially being sensitive to the most disadvantaged people. And to make it a reality, we strive to carry out our business in a responsible way and we dedicate an important part of our profit to initiatives in the educational, cultural, social and environmental fields.

These initiatives are carried out through programmes promoted both by the bank itself and by Afundación Obra Social ABANCA. Thanks to the efforts of our professionals, clients and collaborators, the activities carried out by our social action have reached a total of 1.3 million people in 2019.

1.3
million beneficiaries.

€10.1 M
contribution to Afundación.

» Our commitment is a constantly evolving project open to all of society.



1

Education: we plan, undertake and advance in a project with a future because we believe in the progress of society through education.



2

Society: placing value in the vital and professional experience of the elderly as well as promoting volunteering are priority projects within our social action.



3

Culture: we are committed to culture as a source of knowledge for the development of people.



4

Environment: the protection of the environment and the efficient management of natural resources is articulated through the sustainability programme.

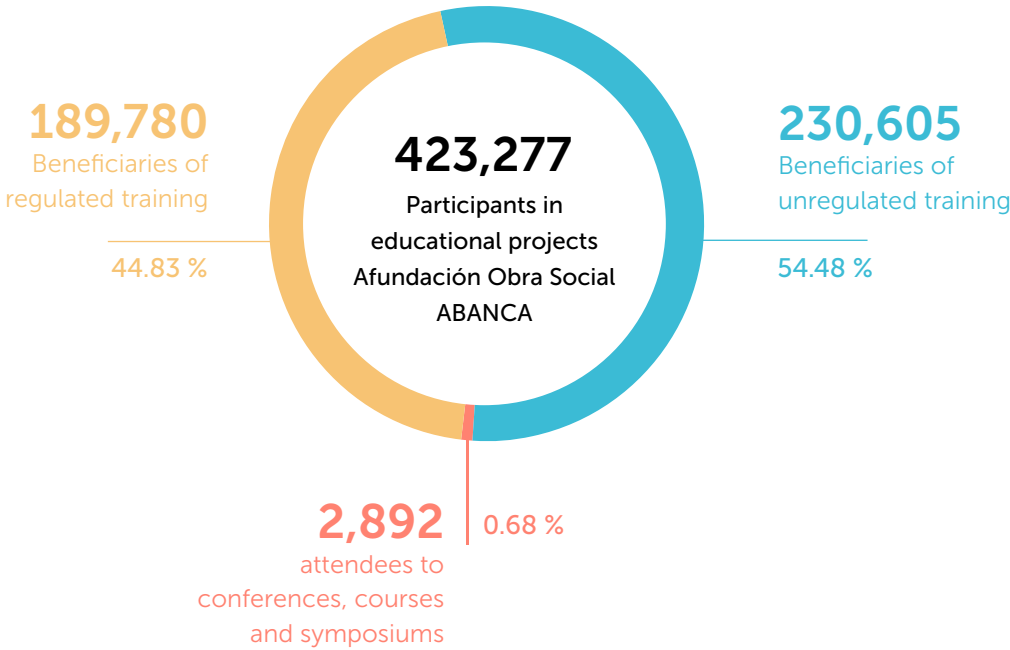


COMMITMENT to education

103-2, 103-3, 203-1, 413-1, 203-2

From Afundación, Obra Social de ABANCA, it is taken as a given that the real challenge of education is to respond to a changing environment. This challenge is faced in higher education institutions (IESIDE and the two vocational training centres) through a transformative model based on innovation, internationalisation and multiculturalism, sustainability and good training practices, among which volunteering is essential.

» **Afundación** also carries out a comprehensive training programme taught both at its early childhood school and its network of libraries, its interactive centre for environmental education Naturnova or at its headquarters and centres, through courses, workshops and conferences that invite people to reflect and learn.



REGULATED TRAINING

- **IESIDE**
3,989 students
- **Professional training**
751 students
 - Colegio Hogar Afundación
 - Colegio de FP Afundación
- **Libraries**
184,809 users
- **Escuela Infantil Afundación Zalaeta**
92 enrolled
- **Residencia Afundación Pontevedra**
139 users



UNREGULATED TRAINING

- **Financial education**
22,461 beneficiaries
- **Education in values**
208,144 beneficiaries
 - Visual arts
33,556 students
 - ABANCA ReSuenas
293 students
 - Performing arts
83,799 students
 - Literary arts
1,491 students
 - Naturnova, environmental education
8,005 students
 - Online projects
81,000 students



CONFERENCES, COURSES AND SYMPOSIUMS

60,000
graduates.

96 %
employability rate.

74,100 m²
The institute has three
campuses, a residence of
students and a network of
satellite units and additional
infrastructure.

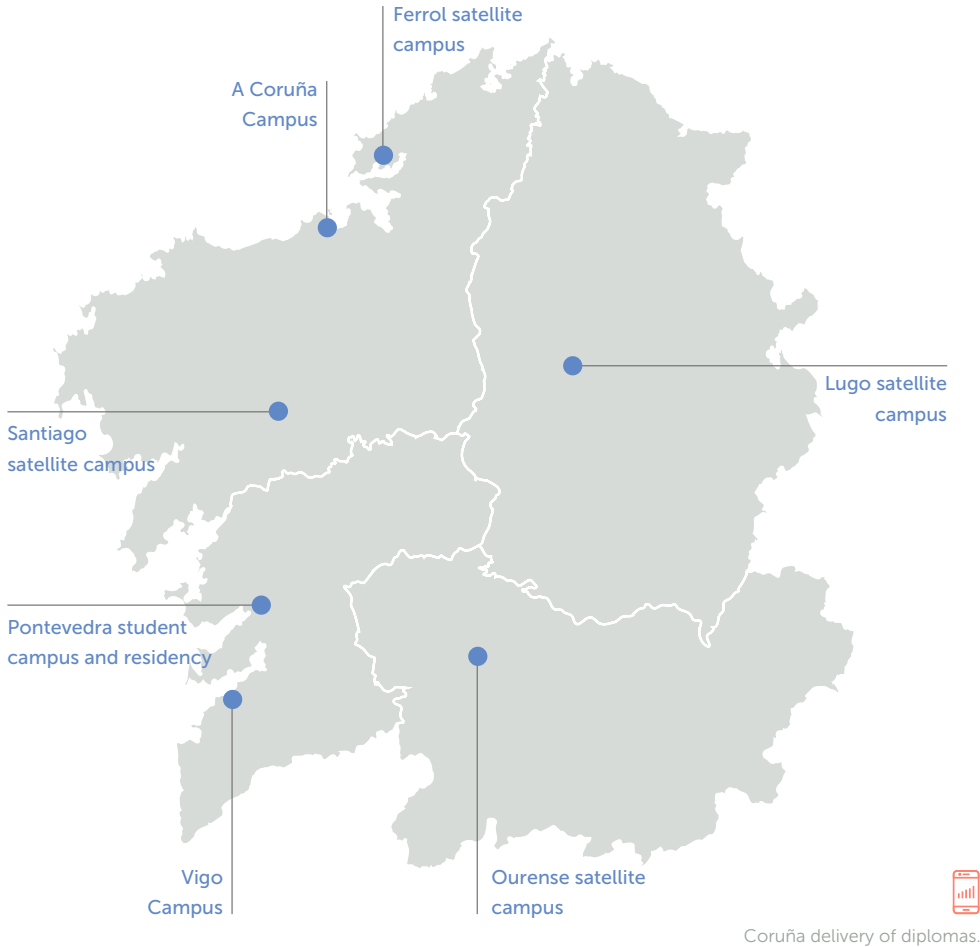
Regulated training

IESIDE

With more than 60,000 graduates, IESIDE has been a benchmark higher education institution in Galicia since 1987, with an employability rate of 96 %. It develops an academic offer with official and professional degrees that cover a wide range, from economics and finance, business management, marketing, leadership or communication to digital economics or the new approach systems of technological, information and *big data*. To this end, the institute has three campuses, a student residence and a network of satellite units and additional infrastructures that total more than 74,100 m² and that favour the capillarity of IESIDE in the Galician territory, a reason that has prompted the promotion of the creation of Universidad Intercontinental de la Empresa (UIE).

Sustainability is one of the strategic axes of Afundación and its sole patron, ABANCA. The actions carried out by Instituto de Educación Superior Intercontinental de la Empresa are aimed at consolidating it as a sustainable entity. In 2018, the Instituto de Educación Superior joined two global initiatives promoted by the UN to promote sustainable development and social responsibility in the business sphere: Principles for Responsible Management Education and the Sustainable Development Solutions Network. In 2019, IESIDE was the first university-level institution in Europe integrated

into UNEP FI (United Nations Environment Programme Finance Initiative), as a support institution, to stimulate sustainability in all contexts related to finance and the market in which IESIDE's actions may have an impact: training, research and monitoring of current financial markets, so as to ensure sustainable finances.



» Instituto de Educación Superior Intercontinental de la Empresa in 2019 became one of the four state-level entities designated to reinforce the commitment to the Principles for Responsible Banking (PRB), which, among other institutions, was signed by ABANCA in December.

Internationalisation at IESIDE is another main line of work. In this way, the institute has collaboration agreements signed with 19 prestigious higher education centres in Europe, America and Asia, which allow the double international degree, for example, to be offered to students of the degree in BAM – BBA. To these institutions, four more are added, linked to the field of teaching and research, which act as channelers of IESIDE's training offering abroad. In 2019, three new collaborations were added with reference centres in China and the United States: California at Riverside University (U SA), Tianjin Foreign Studies University (China) and Singularity University in Silicon Valley (U SA). As a result, there are already two Chinese universities with links to IESIDE, since the agreement with the University of International Business and Economics (UIBE) of Beijing has been in force since 2016, with which the DARI programme is carried out every year, focused on the field of international relations, and which in 2019 had 25 students.

Collaboration with Singularity University drives the creation in Galicia of the SingularityU Galicia Chapter to align with the founding goals of Singularity University in Silicon Valley: train, inspire and empower people to use exponential technologies in order to address the great challenges of humanity. In the case of SingularityU Galicia Chapter, these goals are complemented, in addition, with the commitment to help



improve the community both inside and outside Galicia and achieve real impact and change in the territory in which it is circumscribed.

Since August 2019, IESIDE has been affiliated with the Hispanic Association of Colleges and Universities (HACU). With headquarters in San Antonio (Texas), it has more than 450 important universities in the United States and Puerto Rico as affiliated institutions, as well as approximately 35 in Latin America and Spain, which establish cooperation links between



Organisations in which IESIDE is a member

PRME Principles for Responsible Management Education (United Nations).

EFMD European Foundation for Management Development.

SDSN Sustainable Development Solutions Network (United Nations).

CLADEA Latin American Council of Business Administration Schools.

Fundación Carolina.

AASBI Asian Association of International Business Schools.

HACU Hispanic Association of Colleges and Universities.

student and teacher exchanges, as well as academic collaboration.

In December, a collaboration agreement was signed with the Galician Business Association in Uruguay, which reinforces the presence of IESIDE in Latin America as one of the leading Spanish higher education institutes.

In addition, the IESIDE faculty is a reflection of the commitment to internationalisation, with 28.8 % of teachers with an international profile. This trend is also reflected among the students, who in 2019 had 166 enrolled from other countries.

Global recognition of IESIDE is based, among other differentials, on a model of renewal of education in which **innovation through digital transformation** takes on a primary role. From the centre, the constant process of updating the digital ecosystem is promoted, which places IESIDE at the forefront of the implementation of *blended* teaching models, in which the benefits of classroom attendance are combined with those of computer resources, which allow for interactive intercampus videoconferences through classrooms equipped with robotic cameras with *autotracking*, facial recognition technology and state-of-the-art room microphones. IESIDE classrooms are also equipped with a recording system, thus reaching the Advanced Type 2 IT level established by the Conference of Rectors of Spanish Universities (CRUE Universidades Españolas).

The academic and in-company training programmes carried out at IESIDE are based on an agile methodology, based on skills and structured in modules, which allow for flexible and adequate dedication to the time available in each case, distinguished by excellence, quality and a *mentoring* process focused on carrying out personalised work with each student to enhance their skills.



»» **The BAM degree** is the only official international double degree given by a private higher education institution in Galicia. To qualify, students take four courses at IESIDE and a fifth at Dublin Business School, Ireland's largest private university. The Master in Business Administration (MBA), in *full-time* and *part-time mode*, is the only official private master's degree given in Galicia and it has one of the greatest satisfaction ratings for students and teaching staff for all those offered by the University of Vigo.



»» **Professional masters and specialised programmes**, for their part, are at the forefront of the needs of the business sector, offering specialised training given by teachers with work experience in their respective subjects that guarantee the permanent updating of the content addressed in the classroom.

28 %

of the professors with an international profile.

166

enrolled students coming from non-EU countries.

Professional training

The main activities carried out in the two Afundación vocational training centres, **Colegio Hogar Afundación de Vigo** and **Centro de Formación Profesional Afundación de A Coruña**, seek to contribute to their mission and reason for being: to train competent students, committed to their environment and flexible to adapt to changes in the labour market. And, all this, paying close attention to innovation, internationalisation and sustainability through transformative education.

» **Both centres promote professional training** as an educational option with high potential for society, since, after more than seventy years of experience in the preparation of middle managers at Colegio Hogar de Vigo and more than fifty years in the centre of A Coruña, Afundación is recognised as a benchmark institution in this area.

This distinction takes shape both in an increase in the number of enrolments from year to year in both centres and in the greater and better

connection with the business environment that is streamlined from the two centres and which results in an increase in the percentage of employability of the students. In fact, in 2019 it was placed at 60 % once the FCT (workplace training) was finished. To this, we must add that a total of 148 companies requested training agreements with the Afundación vocational training centres last year. The sum of all these factors means that students and companies come into contact from very early stages of the training period, which favours the knowledge of mutual needs and facilitates the establishment of fluid and direct communication channels.

Events such as the VI Seminars of "The Graphic Kitchen", the National Fair "CPRINT", the First Occupational Risk Prevention Week and all the scheduled visits to companies or meetings in the classrooms allow the training and working environment to come together.

The educational model implemented in the two centres is characterised by promoting comprehensive training based on technical knowledge and personal growth in values, for which participation in volunteer programmes in many different social spheres is encouraged. They are also encouraged to enhance their entrepreneurial spirit by organising competitions and awards that recognise their ingenuity and creativity. In addition, Afundación considers mobility, internationalisation and language learning as essential assets for a global and interconnected world like ours. The Erasmus+ programmes and Fundación Galicia-Europa Scholarships are two of the most relevant initiatives to boost student mobility. On its part, the A Coruña Vocational Training Centre implemented a bilingual section with English as a second language in 2019.

148

companies that requested training agreements.



Knowledge

The headquarters and centres of Afundación host during the year receive a wide and extensive range of proposals of activities the essential purpose of which is to offer spaces to stimulate knowledge. Support for education, through nursery school and the library network, and extracurricular training activities, through courses, workshops and conferences, seeks to promote in this area as well the consolidation of the education model that characterises Obra Social ABANCA. To this end, in all these lines of action, aspects related to sustainability, volunteering, culture and intergenerational meetings take precedence.

Support to education

Foundation is a entity committed to transformative education with a comprehensive approach. In terms of knowledge, this commitment takes shape through the Escuela Infantil Afundación Zalaeta school and its four libraries, located in Santiago de Compostela and Vigo.

The children's school is a benchmark centre of education in values for girls and boys ages 0 to 3 years in the city of A Coruña, a centre where every year the 92 places offered are occupied. In the school, the schoolchildren develop their first years of learning in an environment

of respect for the environment, in which activities are promoted based on sustainability, the conservation of nature and their interaction with it. They also promote volunteer actions and knowledge of traditions that allow them, from very early on, to appreciate the value of a committed society and participate in it for cultural preservation. The library network, meanwhile, welcomed more than 184,000 users at its facilities in As Travesas, O Calvario and Teatro Afundación (all three in Vigo) and the Afundación Santiago de Compostela Library is the oldest in Spain specialised in children's and youth literature.



» In 2019, more than 17,300 book loans were processed.





- » All activities are structured in four large blocks, depending on the ages of the recipients: over 55 years old, boys and girls from 6 to 11 years old, schoolchildren from 12 to 17 years old and adults between 18 and 55 years old.

936

financial
education activities.



Unregulated education

In this section, the proposals for training activities are developed around training in financial, environmental, artistic and creative subjects. In addition, as a complement to all this dynamic learning programming in workshops and courses, a complete offer of conferences, courses and workshops is developed. In 2019, and in response to concerns raised by social media environments, cybersecurity workshops for youth and families were launched for the first time.

Financial education

ABANCA's Financial Education programme promoted through Afundación, Obra Social ABANCA, has the fundamental objective of bringing all citizens together, regardless of their age range, knowledge, skills, behaviours, values and aptitudes, facilitating access to training in the most important financial concepts, and allowing people to move towards more responsible behaviour in the face of the challenges that will be found throughout their lives.

Financial education activities programme in 2019

ABANCA, in the last financial year, organised 936 financial education activities that reached 103,461 people through digital channels and face-to-face activities throughout the territory.

The bank reinforced the programming and activities aimed at those over 55 years of age, to respond to one of the needs detected in the study it carried out with the aim of getting to know this group in depth and which it presented coinciding with the International Day of Seniors and Financial Education Day, in which more than 1,900 seniors participated.

The block of activities aimed at those over 55 years of age, such as the workshop "Manage your accounts with ABANCA mobile" or "Make your life easier with ABANCA ATMs", made up only part of the financial education programme developed by the bank in collaboration with Afundación throughout the last year.

Ideas for children were upheld such as the Financial Grand Prix and the *Troya* theatre performance, which 11,401 schoolchildren from A Coruña, Santiago, Pontevedra, Vigo, Viveiro, Lugo, Logroño, Lalín, Ferrol, Ourense, León and Avilés enjoyed and which addressed the risks in the network and cybersecurity for young people.

81,000

students participated in the Segura-mente ABANCA and ABANCA Young Business Talents programmes.

Young secondary and baccalaureate students are the recipients of the other two major innovations of the programme in digital version this year, Segura-mente ABANCA and ABANCA Young Business Talents, two projects launched thanks to the agreement signed by the bank with Fundación de las Cajas de Ahorros (FUNCAS). The first aims to raise awareness in schoolchildren about the importance of preventing risks and how insurance can help us face life's unforeseen events. The second seeks to bring business management closer to young pre-university students through a simulator that allows participants to live the experience of managing a company. In both programmes, more than 81,000 schoolchildren and more than 700 schools from all over Spain participated.

The offer for this group is complemented by two workshops in the form of a conference: "Prepared to take the plunge, financial needs throughout life" and "Your finances, your future", taught by IESIDE and by retired ABANCA volunteers attended by 1,946 students.

For the latter age group, from 18 to 55 years old, another one of the new developments of this new edition of the programme stands out, the financial health "Improve your well-being" workshops, aimed at professional groups or those who may be especially vulnerable, such as what was given to the group of women workers in the fishing sector, where more than 60 members of Anmupesca (National Association of Women in Fishing) participated.

Likewise, for this group, conferences are held to update knowledge on payment methods for teachers and vocational training students.



» In addition to its own initiatives, as is customary in recent years, ABANCA maintains collaboration with programmes developed in this area by the AEB and FUNCAS sector organisations.



Segura-mente ABANCA A Guarda.



Segura-mente ABANCA Santiago.



Young Business Talents.

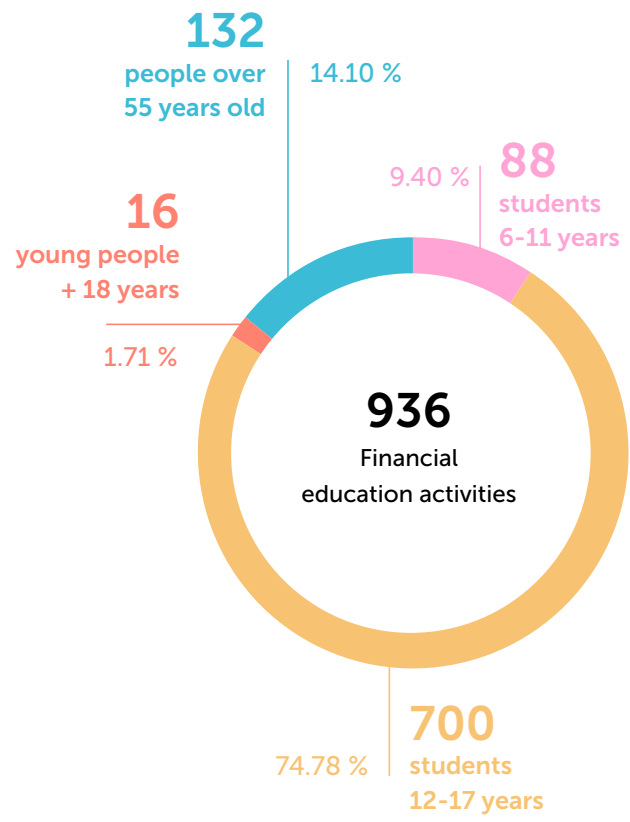
Online actions

ABANCA has also launched the bank's blog in Cuenta Claras, the second edition of the financial competition "La Galaxia Financiera". This year they have participated in this initiative, which aims to publicise the blog's glossary of financial terms and test their followers' knowledge in the field of finance, about 800 people.

800

participants in the second edition of the financial skills contest "La galaxia financiera".





 **STUDENTS 6-11 YEARS**

- **60 Activities** Gran Prix Financiero
- **28 theatre** shows from *Troya*

 **STUDENTS 12-17 YEARS**

- **252 Activities** “Segura-mente ABANCA” programme
- **384 Activities** “Young Business Talents” programme
- **14 Sessions** of the programme with the AEB
- **50 Conferences** “Prepared to take the plunge” and “Your finances, your future”

 **YOUNG PEOPLE +18 YEARS**

- **16 Workshops** on payment methods

 **PEOPLE OVER 55 YEARS OLD**

- **99 Workshops** “Manage your accounts with ABANCA móvil”
- **11 Workshops** on financial culture
- **11 Workshops** on the stock exchange
- **11 Workshops** on digitalisation “Make your life easier with ABANCA ATMs”

235,000

participants in educational activities.

Education in values

For Afundación, culture is, in addition to a production of aesthetic expression, a mechanism for learning and personal and social growth. For this reason, all exhibition projects are reinforced with a complete didactic programme the transversal axes of which are based on values in education and digital learning. In 2019, more than 235,000 people of all ages participated in the educational activities carried out on the occasion of the Afundación exhibitions throughout Galicia, both in the network of the institution's own centres and in spaces where plastic proposals were collected framed in the "Corrente cultural" project.

Musical training is another one of the pillars of this section. The **ABANCA ReSuenas** programme and, since 2018, the Mini ReSuenas orchestra, made up of young girls and boys, addresses the vision that Obra Social ABANCA has of music as a tool to stimulate learning. In the specific case of classical music, the taste for and knowledge of classical music, its composers and genres are reinforced. This initiative, in addition, helps to promote values among the participants such as effort, dedication, striving for excellence and respect for teamwork.

The dissemination of classical music among young people is also present in the programme "**Quedamos no palco, quedamos coa clásica**". Obra Social ABANCA makes free tickets available to secondary education centres for its students to attend the recitals offered at Teatro Afundación Vigo, with the aim of influencing

the value of classical music as an instrument of cultural and social development.

The scenic proposals for schoolchildren count as a common denominator, showing a noteworthy transmission of fundamental values for children and young audiences. To this, we must add multilingual programming in which the benefits of language knowledge and intercultural communication channels are enhanced. In 2019, more than 83,000 boys and girls attended the artistic performances that Afundación organised.



» **Naturnova**, the Interactive Environmental Education Centre of Afundación, has throughout the years carried out multiple activities in which sustainability, one of the main guiding principles of Afundación, is a fundamental topic. In its facilities, visitors, 8,005 in 2019, become familiar with the different ecosystems of the Earth and thus can better collaborate in taking care of it.

83,000

children attended artistic performances organised by Afundación.

8,005

visitors in the Interactive Environmental Education Centre of Afundación, Naturnova.



Conferences, courses and symposiums



» » **“21st century education”** is Afundación’s benchmark cycle of conferences. In 2019, it had relevant speakers in the fields of psychology, performance arts, education and law, such as Álex Rovira, Irene Villa, Marcelo Castelo, Laura Sarasola, José Antonio Vázquez Tain, María Jesús Álava Reyes, César Bona or Xurxo Ruíz, the latter two in meetings organised in Asturias and Castile and León. With this same informative purpose, the meeting “Education today” was organised in the ABANCA Auditorium in Santiago de Compostela, with the participation of Víctor Arufe, Teresa Domínguez, Suso de Toro and Teresa Viejo.



» » In November 2019, for the first time, at the IESIDE Campus in A Coruña, **cybersecurity workshops** were scheduled for primary school students in level 5 and 6, secondary school and baccalaureate students, and for families, in order to address the risks of overexposure on the Internet and social media.



» » Afundación, in its **culinary art and oenology courses**, increases knowledge and the correct handling of primary and seasonal products. The culinary seminars are aimed at adults, children and young people alike (the Minichefs and Pequechefs programmes), and intergenerational workshops are also held. They promote healthy habits and food sustainability that have an impact on better well-being.



» » **Training for adults in music and art** is carried out through two specific programmes at the headquarters in Vigo and Ourense which are carried out throughout the year in single-subject sessions.



21st century education.



COMMITMENT to society

103-2, 103-3, 413-1

At ABANCA, we carry out our social action in accordance with corporate values that are based on ethics and transparency: reliability, innovation, quality and responsibility.

Our high commitment to society and intense collaboration with numerous social initiatives make us an entity that develops a model of care for its environment that very few social programmes manage to achieve.

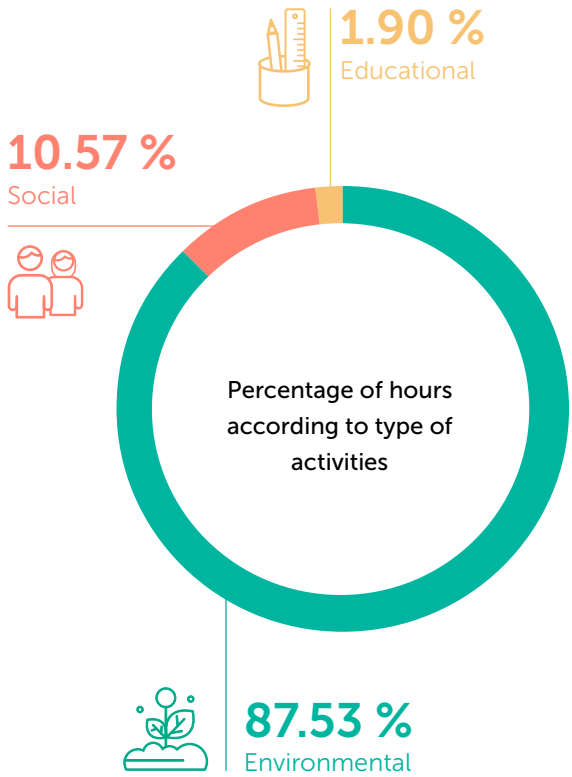
Corporate volunteering

(203-2)

At Afundación Obra Social ABANCA, we have a volunteer program made up of professionals from the entity, who are active or retired, as well as family, friends and clients, whose activities, whether continuous throughout the year or occasionally, have the objective of promoting and spreading essential values in a society: solidarity, cooperation, respect, teamwork or commitment.

We understand volunteering to be a way of expressing and channelling awareness on the environment in an altruistic and supportive way, providing selfless support to various social and environmental causes, as well as local communities in which we carry out our activity.

Throughout the year 2019, our volunteers have dedicated their time to promoting good environmental practices, financial education and support for social initiatives.



ABANCA and Afundación volunteering programme.



#SomosVoluntariado



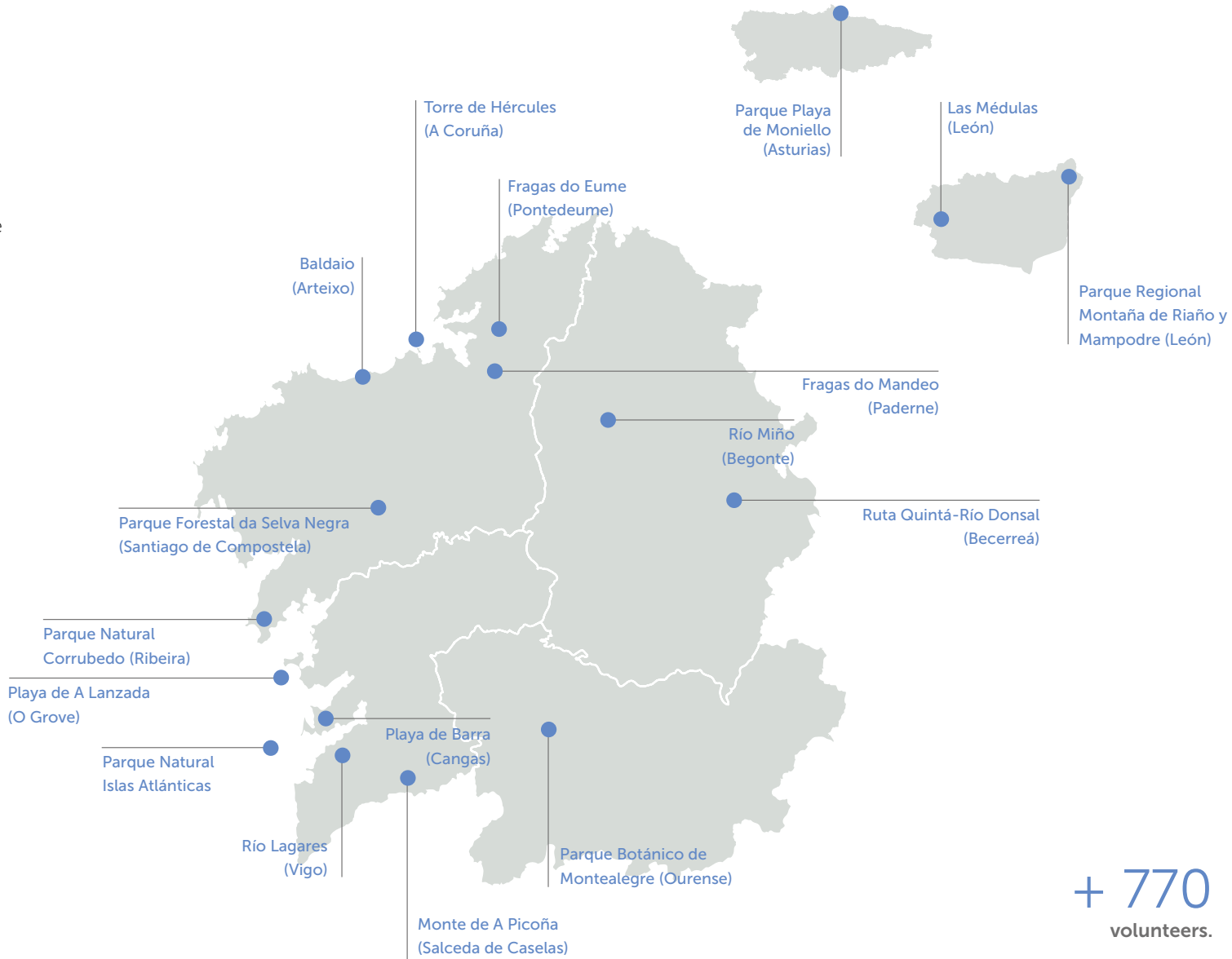
Homage to the volunteers.

Environmental

The reforestation of the Galician mountains, as well as the eradication of invasive species or the cleaning of forests and beaches, have occupied a large part of the nearly 4,800 hours that the more than 770 volunteers have dedicated.



» For one year more, volunteers had the technical advice of the members of **Grupo Naturalista Hábitat**, who determined the ideal species for each terrain according to their characteristics and explained to the participants the process in which each specimen should be planted, showed the species that had to be eradicated and gave the necessary instructions to carry out a correct cleaning of the areas where they worked.



+ 770
volunteers.

4,800 h
dedicated.

Educational

In the educational field, our volunteers have dedicated more than 90 hours to training in basic financial skills, aiming their activities at secondary and vocational students, as well as the elderly. Planning, responsible consumption, different means of payment or notions of financial culture were the main themes of the workshops that were given throughout the year in educational and senior centres.

Social

Social volunteering focused on activities that are becoming common within the programme. Thus, on the occasion of the Solidarity Day for Companies, volunteers from the A Coruña, Vigo and Madrid areas had the opportunity to dedicate a morning to the most disadvantaged people.

+ than 90 h
dedicated to training in basic
financial skills.

The Intercentros Festival, which brings together thousands of young people for music, dance and values, was the setting of a large food bank for charities in the city of A Coruña.

For the sixth consecutive year, the “Hope grows when shared” campaign managed to collect more than 4,900 toys that were donated to social entities in Galicia, Asturias and León, thanks to the collaboration of the volunteers who assisted the collection facilities.

On 29 November 2019, ABANCA and Afundación paid tribute to all the people who throughout the year participated in the volunteer programmes designed by both entities with a shared event held at the ABANCA Auditorium in Santiago de Compostela. In addition to recognising the invaluable boost to this type of social participation by the workers of the two institutions, the role of the Espazos +60 volunteers in the success of the actions stood out in a very special way. Actions which, in this area, amounted to more than 32,348 hours dedicated to boys, girls, young and old, with social, cultural and intergenerational actions, which in 2019 reached almost 12,168 people.



Volunteer event.

32,348 h
of volunteering by members of
the Espazos +60.



VI ABANCA Responsible Forum

The sixth edition of the ABANCA Responsible Forum had as its central axis the "Socially Responsible Digital Transformation"; the symposium brought together more than 60 companies that shared experiences and learned about success stories of other organisations that have managed to tackle digital transformation in a socially responsible way.

In the course of the forum, the experience of three organisations of various sizes linked to Galicia was presented: Teimas Desenvolvimento, a technology company that develops and markets *software* and *hardware* solutions for the recovery and recycling sector; TokApp, an organisation that offers messaging and payment applications with more than 500,000 users, and ABANCA Innova, ABANCA's commitment to promoting innovative initiatives in the technological field from Galicia.

The conference programme also included two brief presentations, one by Fundación Seres, a private entity that aims to promote companies to help create value and become key agents to solve social problems, and another by Mobile Week Coruña, an event promoted by Mobile World Capital Barcelona that made Galicia the epicentre of the technological debate, with more than a hundred free activities in which more than 2,000 people participated.

There was also space to learn about other projects, such as the new application to control catch quotas by Asociación de Armadores de Cerco de Galicia (Acerga); the Neta V3A project, with which Gradiant seeks to create a 100 % Galician assistance robot; the Quiero un abuelo platform, which connects older people with families with children, or the home automation project promoted by the Lugo Red Cross to improve home assistance for people living alone.

After the presentations, a group dynamic was developed in which the attendees worked on the keys to building a responsible and sustainable digital era and the challenges and opportunities that digital transformation provides.



» The conclusions of the seminar

included ethics and values as key to achieving a responsible digital era.



» Among the main challenges faced by digital transformation,

attendees indicated security, privacy and not missing out on the human factor. People should always be the focus and from there we must build a responsible digital society.



» They also pointed out the

opportunity that companies have to be leaders of change in ethical and responsible digital transformation.

#ForoABANCAresponsable

ABANCA

NCA Innova

VI ABANCA Responsible Forum.

Support in sports

All initiatives promoted by the bank in this area aim to disseminate the values intrinsic to playing sports throughout society, such as perseverance, fair play, commitment, equality, teamwork, the desire to excel and companionship.

Aventúrate


Aventúrate is a new initiative of the ABANCA Deporte Base Programme that was launched in February 2015 and which in the last four years has established itself as a benchmark in Galicia.

ABANCA decided to give a new boost to the programme to support Galician sport with the launch of the “Aventúrate” cycle of activities, in which, throughout 2019, elite Galician athletes such as Iván Raña, the sailor Sofía Toro or the tennis player Martín de la Puente participated.

The objective of “Aventúrate” is to promote meetings between athletes, the general public and young athletes, so that through the experience and knowledge acquired throughout their careers they can teach and train people of all ages through values intrinsic to playing sports and show young people that it is possible to have a successful sports career from Galicia.


The programme includes three types of activities depending on the public to whom they are addressed:

1




Open conferences.

2



Meetings with boys and girls in Galician youth academies.

3



And a trip to an international competition where one of the collaborating athletes participates.

One of the most relevant actions within the framework of ABANCA Deporte Base is collaboration with Fundación Deporte Galego. Thanks to this agreement, more than 18,857 athletes from 33 sport categories are supported annually, the objective of the programme being to contribute to improving the health of the entire population through the playing of sports.



AVENTÚRATE with Iván Raña.



AVENTÚRATE with Sofía Toro.



AVENTÚRATE with Martín de la Puente.



Support to the III edition of FID León

Obra Social ABANCA and Asociación Golden Dreams Team have renewed their commitment to the organisation of the International Sports Forum in León, an event that held its third edition in September, which has already become a consolidated event on the national sports agenda after the success of 2017 and 2018.

The III FID Obra Social ABANCA was held in September at the Ciudad de León Auditorium; more than 1,500 people attended along with top-level athletes, such as synchronised swimmer Gemma Mengual, pilot Laia Sanz and footballer Roberto Carlos. The high jump athlete Ruth Beitia also participated, adding fifteen medals in major championships, including an Olympic gold and bronze.

As usual, the forum developed an extensive programme of parallel activities that aim to promote the playing of sports and physical activity among citizens, as well as facilitate the meeting between participating athletes and their followers. In this regard, the activity organised by ABANCA in the plaza of the León cathedral with the Brazilian soccer players stands out, which brought together more than 2,500 people.

Active aging

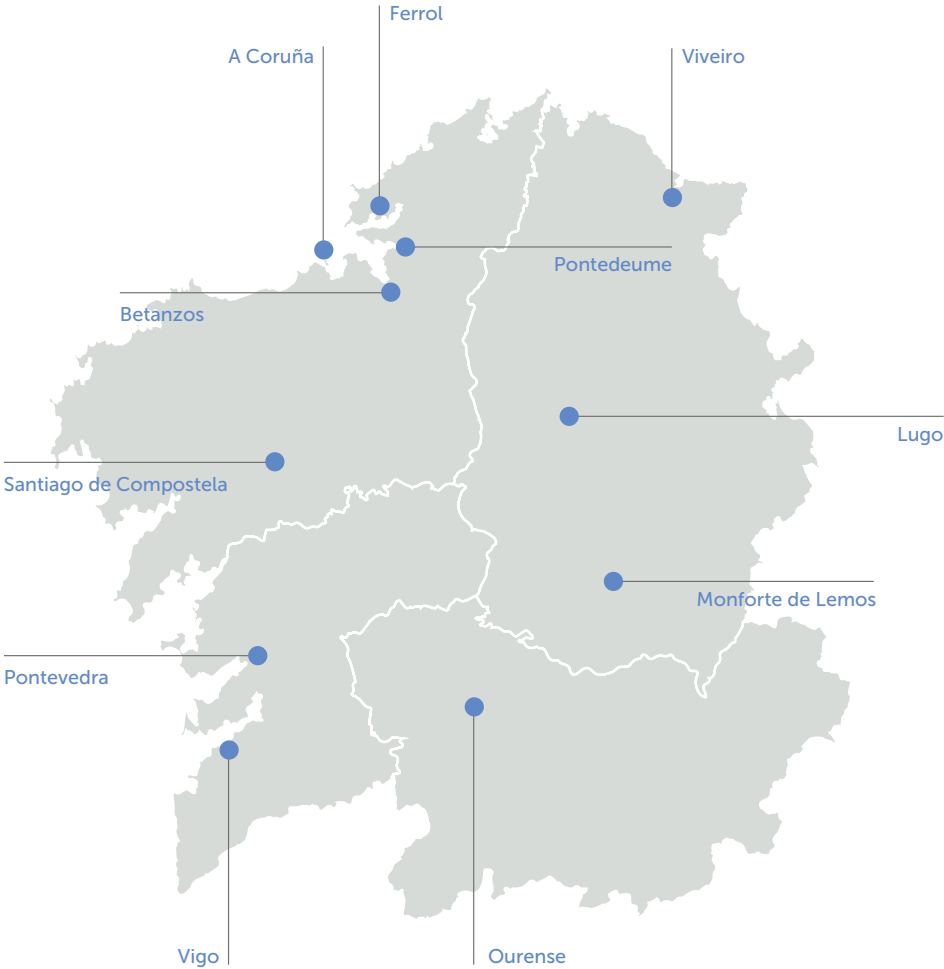
Afundación's commitment to personal and social growth is reflected in the programming designed in its Active Aging Area, by promoting the participation of the +60 group in actions that reach broad sectors of the community through volunteer projects of an intergenerational nature and in education proposals for adults.

» Using a programming strategy focused on research and training, the value of the experience, the activities in Espazo +60 and social image, **in the year 2019, 28,601 people participated in the more that 1,600 programmed activities.**

Activities programme in all Espazos +60.

14,000
members that Espazos +60
bring together.

Espazos +60



Research and training

Getting the right proposals according to the needs and demands of society requires that Afundación dedicate a considerable amount of effort to the study of all those aspects that may affect an improvement in its programmed offering. To that end, collaborations have been established with first-rate research centres in the field of active aging that have allowed us to better understand the interests and needs of adults. The emotions programme, which is the result of months of study by the Matia Gerontological Institute and developed at the request of Obra Social ABANCA, focuses on highlighting the importance of identifying emotions.

This study started at the beginning of 2018 and at the end of that year, the data analysis could be carried out to establish the main lines of the pilot programme, which was launched between April and June 2019 and was called "Knowing one's emotions".

"Knowing one's emotions"

After this research, Afundación and the Matia Gerontological Institute launched in 2019 the "Knowing one's emotions" programme for members of Espazos +60. Workshops were held between February and October in the centres of Pontedeume, Pontevedra and Vigo.

The emotional plane, although within our focus for years, is still far from being addressed and understood by a good part of the population. We have learned to check over the body and its biological functioning in a patterned way, to adopt healthy lifestyles taking care of our food or doing physical exercise. However, knowledge of the mind and emotions has not been internalised in the same way.

The "Knowing one's emotions" programme is aimed at helping participants to know, understand and work on strategies to manage their emotions in a functional way, that is to say, in a way that favours the achievement of personal goals and improves their level of well-being, learning from reflection, surprise and play.



» The pilot programme, lasting eight sessions, was focused on **reflecting on what an emotion really is** and how it manifests, how one reacts to different situations and how they are regulated or adjusted, working on their normalised and integrated expression.



The value of experience

Voluntary and intergenerational activities support the proposals that Afundación implements in this strategic area. Making the talents and knowledge of older people available to younger people so that they can learn from the experience of previous generations is the common thread of programmes as relevant as “Fálame da emigración” and “Falamos da escola”. Both projects promote a participatory learning framework that is in line with the transformative education model promoted by Afundación. Volunteer activities, meanwhile, place value on all that older people can contribute to society, both in educational programmes and in environmental or social sustainability programmes.

In the year 2019, 571 secondary students and 57 volunteers from Espazos +60 Afundación participated in the first edition of the “Falamos da escola” programme. Structured into intergenerational meetings, it promotes the exchange of experiences between those who were schooled between the decades of the forties and seventies of the last century and those who are now in school. After an initial meeting for historical contextualisation, in the second we proceed to debate the ideas that one generation and another have about this evolution. The conclusions allow us, in each case, to provide new arguments to enrich the debate around an education with a transformative vocation.

“Falame da emigración” is, for its part, Afundación’s most veteran intergenerational programme. In its fourth edition, it brought together 81 older volunteers and 743 students from 15 secondary schools to research and learn about emigration, a phenomenon that has caused Galicia, since the 19th century, to have more than a third of its population in the diaspora. The experiences of those who had to leave, those who had to stay while their family left or the new reality in which Galicia is also a place for immigrants are some of the issues addressed in these meetings which are highly valued by all the participants and by the educational centres that host them.

Afundación’s intergenerational volunteer projects are focused on contributing to the dialogue of Espazos +60 members with young people, participating in reading clubs in secondary schools. The cultural and educational volunteering initiatives, for their part, encourage the sharing of one’s own knowledge with other older people as a trainer or guide through historical routes, participating in performances through our artistic storytelling, theatre, puppet or musical groups to the benefit of different groups. Since its formation, the Senior Theatre Group of Afundación is one of the most outstanding examples of the activity of the Espazos +60 volunteers in cultural volunteering. Since October 2019, and within the framework of the “Corrente cultural” programme developed by Afundación, ABANCA and the various municipal corporations, the venues of a large

number of Galician towns has hosted the performance of *Os vellos namorados*, the stage proposal of this group.

Environmental volunteering is designed for all those with interest and knowledge in tree planting. Social volunteering, on the other hand, takes place in charity workshops of Afundación in which handicraft products are made for sale in the charity markets, and the proceeds from ABANCA Welfare Projects go to NGOs involved in social action.

81

**older volunteers and
743 students met in the
fourth edition of “Fálame
da emigración”.**



Projected associated with
“The Value of Experience”.



Falamos da escola.



Fálame da emigración.



365 days in Espazos +60

Espazos +60 de Afundación are benchmarks in the revitalisation of an ample training offer for adults throughout the year. Using the fundamental principles of sustainability, transformative education and personal growth, innovation and volunteering which permeate all its areas, the activities designed in the field of active ageing address aspects such as personal well-being, cognitive training, digital culture and active recreation.

To carry out these proposals, also promoting an intergenerational approach in the initiatives, the facilities of the different Espazos +60 have been gradually adapting to this principle of social coexistence. In 2019, the Espazo +60 Afundación Lugo was remodelled to adapt it to the guiding principles of the Active Aging area, as happened in previous years with the buildings of Vigo and Ferrol. With this new approach, innovation, the promotion of digital culture, transformative training and sustainability become the focus of the activities carried out in the centre.

In the section on active recreational activities, the travel offers that Afundación designs every year stand out. With national and international destinations, it is one of the proposals most appreciated by users. In the year 2019, trips were scheduled to Jaén and Almería, Cantabria and the spa of Augas Santas, a cruise through the Netherlands, Athens and Greek islands, as well as Moscow and Saint Petersburg, to which 566 people signed up.

The synergies of ABANCA and Afundación for the development of training programmes, especially in digital finance culture, led the financial institution to develop and present on 5 November

2019 the programme called "Live life". This is a complete package of products and services, both financial and non-financial, and is designed with the advice and participation of Afundación, to offer a global solution to the demands and needs of the elderly, which is playing a leading role in a great social change and redefining this stage of life.

Social image

The revitalisation of proposals of an intergenerational nature, using the experience of the elderly as an asset in training programmes and personal growth, and a society removed from age-based prejudice, converge in this line of Afundación.



"Live life" Programme.

In the framework of the longevity revolution, the pilot experience of its new programme was developed throughout 2019. "Lived histories". This is a project carried out in partnership with Envita that consists of looking over the lives of the elderly as a tool for personal development and as a starting point to think about the present and what one truly wants for the future. The objective is to generate social change through technology, facilitating the collection of life stories in the first person. In this way, value is placed in the experience lived in a unique book, which not only helps us to transcend the legacy of each person, but connects people through their stories and creates a necessary reflection on what new chapters we want to add from now on.



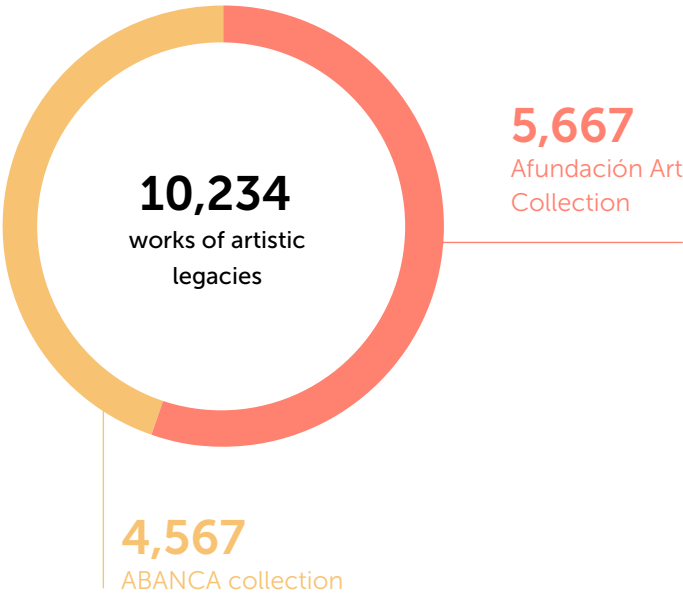


COMMITMENT to culture

103-2, 103-3, 203-1, 413-1

Culture is for ABANCA a transforming medium that enables personal development through experimentation and knowledge. The various programmes that are implemented through Afundación in the fields of visual arts, performing arts, music and audiovisuals, as well as publications, awards and competitions, seek to promote this growth.

» With a total of **531 cultural activities and more than 323,436 people participating in them**, Afundación, Obra Social ABANCA is a benchmark private non-profit organisation in this field.



Two unique artistic legacies

 **ABANCA ART COLLECTION**

- **Art collection**
1,350 works
- **Book collection**
3,217 registries
- 69** Incunables
- 11** Facsimiles
- 530** Economic works or other disciplines
- 257** Autographs
- 2,350** Historic works from the 16th and 20th centuries

 **Afundación ART COLLECTION**

- **5,667** works



» Also part of the ABANCA legacy is a **book collection made up of 3,217 registries**, with a wide variety of topics in a humanistic interpretation of culture. This book collection has in and of itself a special value as a cultural legacy for future generations.

ABANCA Collection

The ABANCA Art Collection is made up of a group of nearly 1,350 works, including sculpture, photography, painting, engraving and installations. This is the result of a commitment to the preservation and dissemination of Galician culture, originally conceived as an art collection to find the main stages of Galician art represented, beginning with its origins in artists such as Jenaro Pérez Villaamil or Alfredo Souto. Thus, we can document the revival of Galician art by artists such as Luis Seoane, Isaac Díaz Pardo or Carlos Maside, the opening to international trends thanks to Urbano Lugrís, Maruja Mallo or Laxeiro, and the path to current art with works by artists such as Menchu Lamas, Antonio Murado, Leopoldo Nóvoa or Jorge Barbi. From these beginnings, the ABANCA Art Collection has been growing and expanding its borders towards national and international art, with a careful selection of works, highlighting the representation of the main historical avant-gardes through some of its great creators such as Salvador Dalí, Pablo Picasso, Wassily Kandinsky, Chagall, Joan Miró, Chillida or Fernand Léger.

This unique journey that the ABANCA Art Collection makes through the history of contemporary art makes it one of the most relevant in Spain, and of course in all of Galicia.

Afundación Art Collection

Consisting of 5,667 works, the Afundación Art Collection is one of the most complete in the community, whose collection, in addition to including significant Spanish pieces in general, covers the essential stages of Galician art in particular since the 19th century. Its importance earned it the declaration of Asset of Cultural Interest by the Regional Council of Galicia in 2015, thus ratifying a project started more than five decades ago.

The Afundación Art Collection was born with the desire to support and disseminate the work of Galician artists inside and outside the borders of our community, with the clear intention of contributing to increasing the small number of art collections existing in Galicia and with the purpose of promoting creativity and the development of the Galician gallery market. Another basic premise of this collection is its museum-based purpose, that is to say, it is designed to be displayed and, therefore, intended for public enjoyment.



Virtual tour of the main works of the ABANCA Collection.



Virtual tours of works of the Afundación Collection.

Cultural activities

CULTURAL ACTIVITIES
323,436 attendees

- Visual arts
141,240 attendees
- Performing arts
142,298 attendees
- Theatre and music
130,851 attendees
- Visual arts
11,447 attendees

Publications, awards and contests

- More cultures "Corrente cultural"
38,640 attendees
- Culture of diversity
1,258 attendees

Visual arts

Visual arts are one of the lines of work with the greatest impact and visibility. Afundación's proposal in this area focuses on the organisation of multidisciplinary exhibition projects that respond to different objectives:

- The programming of exhibitions
in which pieces of the ABANCA Art Collection and those of the Afundación Art Collection play the leading roles.
- Put on display in Galicia
well-known proposals in the international circuit.
- Promotion of art created in Galicia.
In addition, Obra Social ABANCA encourages the dissemination of Galician culture by collaborating as a borrower of artwork with exhibitions organised in other territories.



The most recent exhibition proposal around the Afundación Art Collection is an example of this transformative vision of the artistic experience. "Con D de arte. Unha ollada infantil á Colección de Arte Afundación máis contemporánea" is an exhibition conceived organically for children, to that end being adapted from the selection of the artwork to the assembly in the showroom. After a careful selection of some of the most representative pieces from the most important Galician art collection, it was exhibited at Café Moderno Afundación in Pontevedra.

The Culture Area's commitment to creativity and experimentation as drivers of knowledge implies a permanent updating in the initiatives developed by the Galician entity. In this way, science has played the leading role in 2019 in a large amount of its projects, from the exhibition "Papiromates", in which mathematics and origami were the basis for the creation of artistic pieces, to "Our Planet", a worldwide first of an exhibition project that, based on the eponymous series produced by the audiovisual platform Netflix, reflects the consequences of human intervention on the environment, as well as the urgency of facing and halting the effects of climate change.

The Afundación A Coruña Headquarters, the space in which both exhibitions were presented throughout this year, in 2019 was a benchmark of culture as a channel for scientific dissemination, thus consolidating Afundación's calling to have its spaces be benchmarks for its citizens. To this end, a new exhibition

project concept was implemented in 2018 that transgressed the traditional vision of the exhibitions and was perfected in 2019 with, among other events, the opening in the ABANCA Social Centre of Santiago de Compostela of "Sound commitment. Music in the ABANCA and Afundación art collections". On the occasion of "Our Planet" at the Afundación A Coruña headquarters, the entire Netflix documentary was screened in several sessions; intergenerational cooking courses were designed for families inspired by food sustainability; plays were planned for all audiences focused on respect for the environment; and the inaugural conference of the well-known farmer, disseminator and environmental specialist Joaquín Araújo was organised.

"Our planet" is also conceived as a reflection in the cultural sphere of Afundación's commitment to the diffusion of innovative technologies applied to the most diverse areas. In the course of the exhibition, one could find elements of virtual reality and other technological devices which reinforced the essential message of turning sustainability into a way of life; a message in which, in Afundación, emphasis is made through the activities carried out in Naturnova, the only environmental education centre in Galicia.

In the framework of visual arts, and along the lines of Afundación to spread the creativity of Galician artists, the exhibition "Yo, Abelenda" was organised, a tribute to the multi-faceted figure of Alfonso Abelenda. Designed in its



Visitas virtuales a todas las exposiciones.

preliminary stages with the collaboration of the artist himself, this exhibition became the posthumous tribute of Obra Social ABANCA to one of the most fundamental creators of contemporary Galician art. It had more than one hundred works and a project design framed in the new line of exhibitions of Afundación.

Performing, musical and audiovisual arts

The spaces that Afundación has throughout the Galician territory host the various proposals that, in the area of stage, musical and audiovisual programming, Obra Social ABANCA presents. Using the identification of culture with personal and collective growth as a starting point, both from a functionalist and formalist perspective, the approach of the Galician entity is characterised by offering in its headquarters and centres a remarkable range of activities that reinforce its role as the main private cultural stakeholder of Galicia.

On an annual basis, Teatro Afundación Vigo and the Afundación Pontevedra Headquarters open their doors to the Season of Theatre Passes. Companies with a solid state prestige, such as Teatro Clásico, Chévere or Centro Dramático Nacional, present their most recent creations in both cities, with leading figures of the stage. With this, Obra Social ABANCA contributes to the continued consolidation of Galicia as one of the baseline destinations for stage tours of Spanish companies. At the same time, the initiatives of Centro Dramático Galego, the fundamental body for the development of theatre in Galicia, present their proposals throughout the year in Afundación's cultural spaces.



» In the field of the musical arts, Obra Social ABANCA has its Season of Classical Passes, which places Vigo as one of the reference points in the international tours of soloists, directors, singers and groups of the highest tier. From operas or ballets to classical music recitals, the Afundación Vigo Theatre in 2019 hosted notable events such as those starring pianist and conductor Dima Slobodeniouk, conductor Eun Sun Kim, conductor Baldur Brönnimann, violinist Ellinor D'Melon, the St. Petersburg Chamber Orchestra, the Royal Galicia Philharmonic, the Galician Symphony Orchestra or the Vox Stellae Ensemble.

As an entity with a clear social calling, Afundación has support programmes, with considerable discounts to certain groups with few economic resources, so that all citizens may have the greatest possible access to culture.

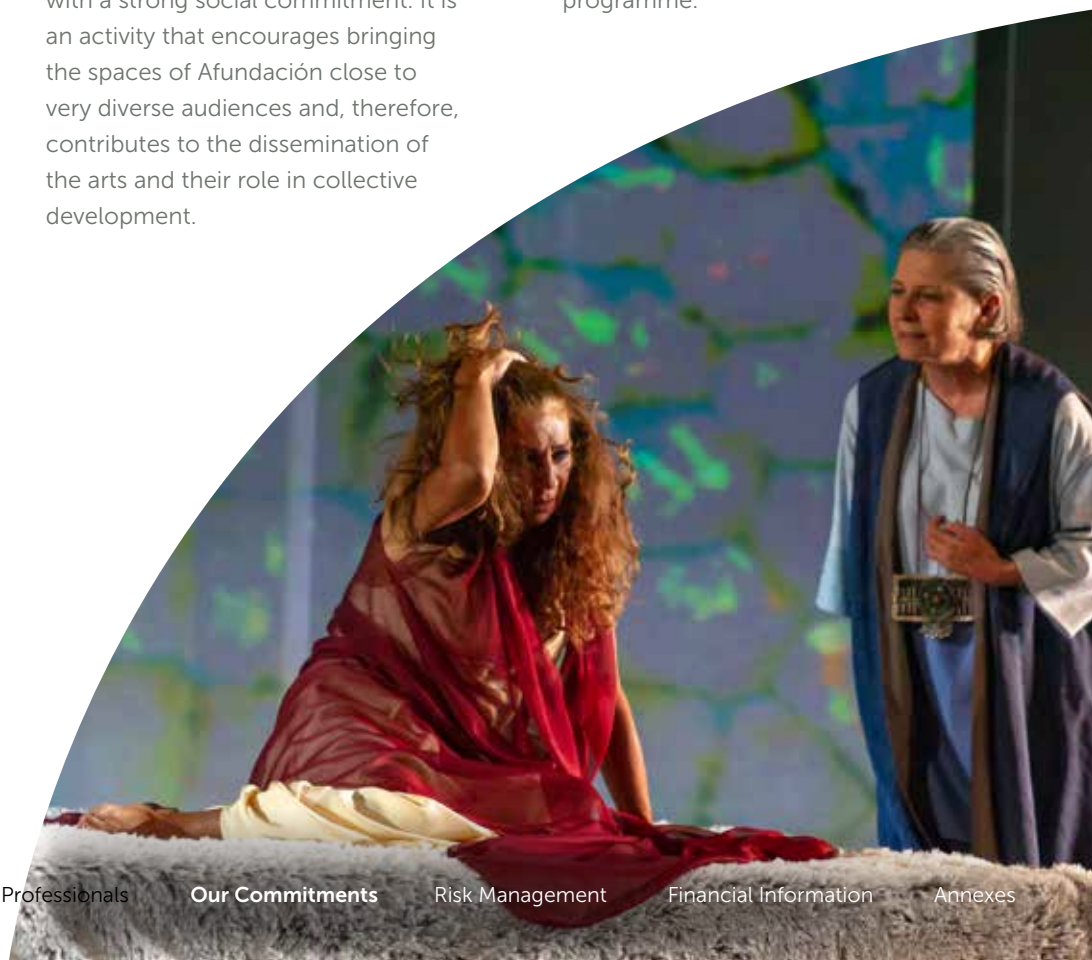


Concert by María do Ceo. Sound commitment.



» In the audiovisual field, Afundación plans cinema cycles based on festivities or events related to their lines of promoting values. In 2019, screenings were organised on the occasion of the celebration of International Women's Day, the Lyrical Season of A Coruña or the exhibition project "Sound commitment", for example. Specific proposals were also designed for children and others including titles with a strong social commitment. It is an activity that encourages bringing the spaces of Afundación close to very diverse audiences and, therefore, contributes to the dissemination of the arts and their role in collective development.

In 2019, a new musical proposal called "Jazz seat" was started at the Afundación A Coruña Headquarters, with which it seeks to offer a greater variety of musical styles and revitalise the Afundación space as a reference point for all kinds of audiences. Figures such as the quartet of María Toro, Chicuelo and Mezquida, Carmona, Colina and Serrano and Jeff Ballard Trío starred in the concerts framed under this programme.



Publications, awards and contests

The active participation of society in culture and the empowerment of literary creativity in various genres are other points in which the activity of Afundación has an impact. In this regard, the entity announces a series of awards in areas such as poetry creation in the Galician language (Afundación Poetry Award) or literary or opinion journalism in Spanish and Galician (Afundación Julio Camba Journalism Award and the Afundación Francisco Fernández del Riego Journalism Award, respectively). These are contests of well-known prestige which in the case of the Afundación Poetry Award this year identified Miguel Sande for his work *Os filósofos xa non brindan con cicuta*. The Afundación Francisco Fernández del Riego Journalism Award recognised Inma López Silva for her article "Terra rota", while the commemoration act of this event took place at Círculo de Bellas Artes in Madrid and there it was announced that Cristina Sánchez-Andrade won the award for her article "In the hands of God".

In collaboration with ABANCA and the Rosalía de Castro Institute in Santiago de Compostela, the San Clemente Rosalía ABANCA Awards are presented every year, the jury of which includes students from national and international secondary schools, which identify the best novels published in Galician, Spanish and foreign languages. Marcos Calveiro for his piece *O xardineiro dos ingleses*, Pedro Mairal for *La uruguaya* and Han Kang for *La vegetariana* were the winners.

A mobile application specialised in Galician music, GMusic, by Germán Cacheda de Paz and Xavier Facal, and a new and innovative electric guitar design by Martín Gómez Domínguez were the projects awarded at the 7th edition of the Emprande Gaiás-Sixto Seco Awards. With this event, the Galician Regional Council, in collaboration with Afundación, seeks to support Galician entrepreneurs who are taking their first steps. Every awarded project receives a cash award and the possibility of joining the co-working office of Centro de Emprendemento Creativo de la Ciudad de la Cultura for a year.

The publications, on their part, are the channel through which Afundación provides a set of studies and research to society, mainly linked to the economy, visual arts and literary contests. In 2019, a compilation work was published with all the articles distinguished by the Afundación Julio Camba Journalism Award throughout its history.



Julio Camba Award.

More cultures

In the context of the Culture Area, Afundación carries out a series of multidisciplinary projects in which both the transforming cultural calling of the entity and its reinforcement of cultural capillarity and empowerment of volunteers are present.

In "Corrente cultural", for example, the role of Afundación is consolidated as the main private cultural agent of Galicia beyond its headquarters in the seven Galician cities, by promoting cultural activities throughout the Galician territory. Based on collaboration

agreements with ABANCA, the first financial institution in Galicia and sole patron of Afundación, and the different Galician municipalities, exhibitions or stage proposals are projected in the corresponding local facilities, complemented, in most cases, by parallel teaching activities. Exhibitions such as "Unha mirada de antano. Photographs by Ruth Matilda Anderson in Galicia", "Auga, o sangue da terra" or "Nós tamén fomos emigrantes" can be visited in 2019 in towns such as Tomiño, Redondela, Carballo, Betanzos, Becerreá, Silleda, Pontedeume, Burela, A Guarda, Allariz, Verín, Ridabeo, A Fonsagrada or Viveiro.



» Also framed within "Corrente cultural" are organised stage activities articulated by volunteer partners participating in the Senior Theatre Group of Afundación's Espazos +60 The stages of different Galician towns will host the piece *Os vellos namorados*, a version of a classic written by Castelao.



"Corrente Cultural".



» With the intent to favour accessibility, integration and respect, "Culturas para a diversidade" is erected as Abanca's multi-disciplinary programme in favour of baseline inclusion. Theatre, music or exhibition activities carried out by people with diverse abilities demonstrate the many possibilities of the arts to transform society and promote inclusive values, while allowing the protagonists of these activities to express their creativity, transmit their experience and broaden our collective vision.



COMMITMENT to the environment

ABANCA has taken a further step in its involvement in facing the climate emergency: from joining various international collective commitments, through the creation of a portfolio management service focused on sustainability and support for renewable energy projects, to the calculation of carbon footprints or the reduction of energy consumption, a fundamental part of the energy and environmental efficiency strategy.

Commitment to Climate Action

102-11, 201-2

ABANCA has made clear its commitment to the environment and the Sustainable Development Goals, being one of the 130 signatory banks of the Principles for Responsible Banking, on 22 September in New York, and one of the 31 banks worldwide that have signed the Collective Commitment to Climate Action, on 23 September, both promoted by UNEP FI, the financial initiative of the United Nations programme for the environment, and the Climate Agreement reached by the main financial entities of Spain at COP25 summit in Madrid.

Adhering to these commitments implies ABANCA's participation in the corresponding working groups, which aim to project and implement a series of measures, which they will take while in permanent dialogue with their clients, to promote change towards technologies, business models and societies that are low in carbon and climate resilient.

The signatory entities have undertaken to measure the carbon footprint present in their balance sheets in an approved manner, in order to be able to face current environmental challenges and transform their credit portfolios in that sense.

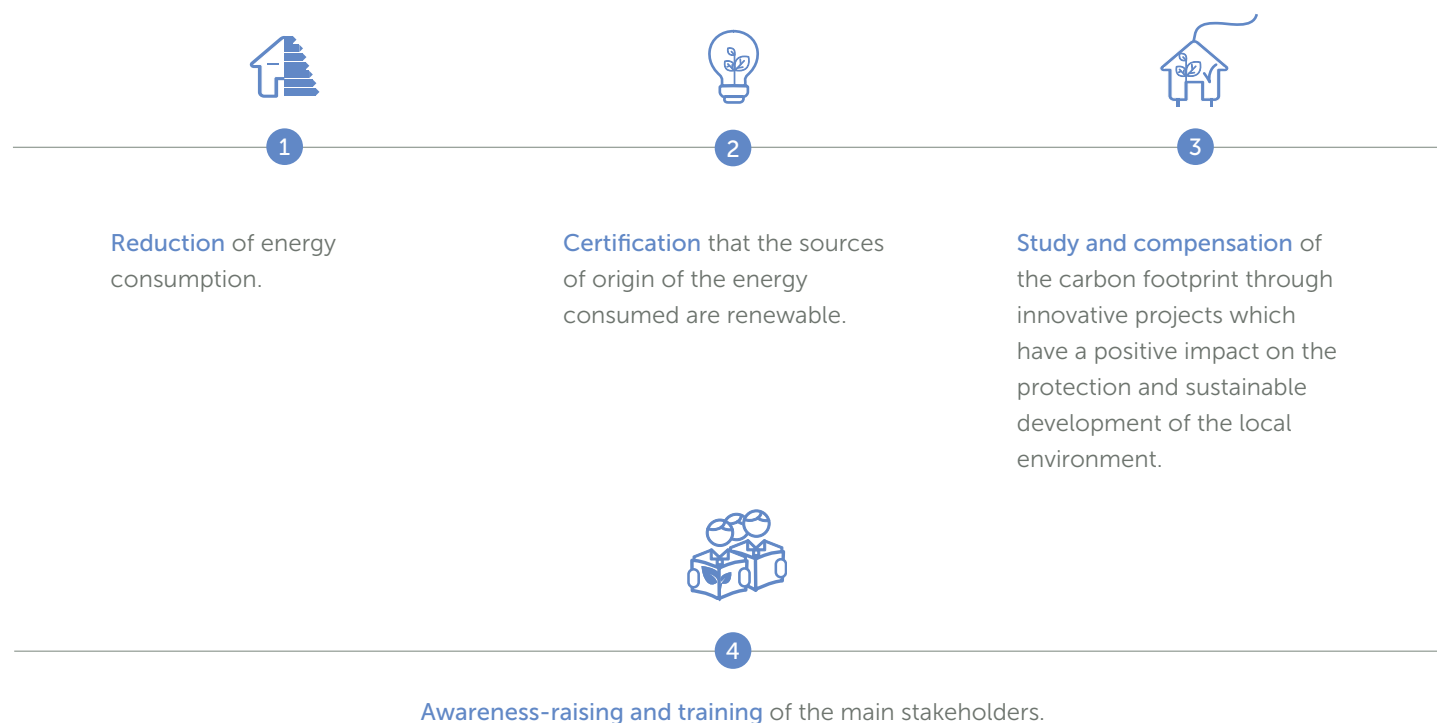
Global Plan on Energy Efficiency

103-2, 103-3

In line with the energy and environmental policy and the sustainability policy, approved in 2018 and 2019 respectively, ABANCA has set new guidelines for action in the coming years in its global energy efficiency plan, to be implemented in 2020.

The main strategic lines in energy matters are:

A point to highlight in the plan is the energy management system, which is considered a fundamental element of energy efficiency, on which the entire control and management of energy consumed in the organisation will revolve. The objective is for there to be an energy savings plan, derived from a study or diagnosis, and also to guarantee continuous improvement.



2019 Environmental Footprint

103-2, 103-3. 302-1, 302-4, 305-1, 305-2, 305-3

ABANCA is an entity committed to the environment and, therefore, measures, manages and implements measures to reduce its own environmental footprint.

ABANCA has for the first time calculated its carbon footprint with a specially designed tool, following the emission factors established by national and international standards. Based on the calculation resulting from the 2019 financial year, a main reduction target for 2020 of 50 % has been established for scope 2, since this is where the entity has the highest level of emissions.

» ABANCA has a photovoltaic plant which produces a total of 420.3 Gj.

38,670 m³
Water consumption in 2019.

341.8 t
Paper consumption (-22 % s/2018).

95,840.79 Gj
Energy consumption (Includes electricity and heating fuel).

15,748.69 t CO₂eq
Total emissions.

Scope 1¹ » 1,849.39 t CO₂eq
Direct emissions.

Scope 2² » 10,464.39 t CO₂eq
Indirect electricity emissions.

Scope 3³ » 3,434.91 t CO₂eq
Indirect emissions from travel by employees.

(1) Direct emissions from the consumption of refrigerant gases and fuel. In the case of Banco Caixa Geral, only consumptions from the date of acquisition are taken into account (September 2019).

(2) In the case of Banco Caixa Geral, only consumptions from the date of acquisition are taken into account (September 2019).

(3) Emissions associated with the displacement of employees, losses in the transmission and distribution of electricity and the extraction, production and transportation of consumed fuels are being considered. In the case of data corresponding to the travel by employees in Portugal (the consumption of fuels derived from travel by taxi, train and own cars of the employees), they are only taken into account as of March.

Management of electronic waste

Improper treatment of electronic waste poses serious health problems, because it contains dangerous components that pollute the air, water and soil. Furthermore, treatment processes without adequate means and facilities or qualified personnel pose an additional threat to people and the planet.

Year after year, we are moving towards a circular economy model as a new economic paradigm and alternative to the current production and consumption model. The objective sought after is for electronic devices to have a second life, thus by refurbishing them, we can reduce the notable environmental impact that this type of waste generates. Preparation for reuse is carried out by the company Revertia.

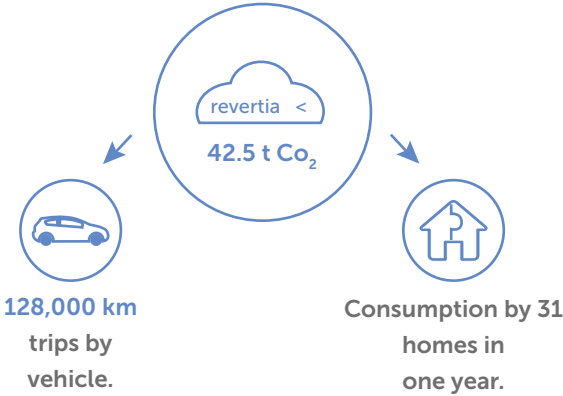
Of all the waste managed, 30 % of desktop computers and LCD screens could be reused. Material that cannot be reused is sent to recycling plants for proper management. Reused equipment served to make five donations that entailed the delivery of 74 complete pieces of equipment.

Within this reuse process, a life cycle analysis (hereinafter, LCA) is carried out. The LCA is a tool used to evaluate the environmental burdens associated with a product taking into account its full cycle. It identifies, quantifies and characterises the different potential environmental impacts associated with each of the stages of a product's life cycle.

The calculation method used in previous financial years has been updated, incorporating new categories, for waste such as laptops, tablets and smartphones. The Energylab technology centre, under the University of Vigo, was the entity that carried out this review, which follows the framework of the ISO 14040: 2006 standard for life cycle analysis studies.

The reuse rates achieved have saved 42.5 tonnes of CO₂ that would have otherwise been released into the atmosphere.

+ 157,000 kg
of managed electronic waste.



The emissions of the average passenger vehicle (internal combustion) in Europe for different technologies are taken into account: EURO 3, 4 and 5. In addition, a focus from the cradle to grave or well to wheels is followed, that is to say, it includes the production of the fuel up to its emissions after being consumed in the vehicle.

Global management

of risk

**Quality in risk
management constitutes
a priority axis of action
for the ABANCA Group.**

103-2 Quality in risk management constitutes a priority axis of action for the ABANCA Group. The Group's risks policies are directed at maintaining a medium-low profile for all risks, with its risk management model constituting a key element in achieving its strategic objectives.

The Group's risk control and management organizational model follows the guidelines of the Basel Committee on Banking Supervision (BCBS), establishing comprehensive risk management that encompasses the entire organisation and which is defined in three differentiated lines of defence:



1

First line of defence: management and control functions performed by the Group units, understood as the business units and the credit unit. This line includes the primary controls of the activity.



2

Second line of defence: control functions carried out in accordance with comprehensive risk management, through the General Directorate for Corporate Control and Risks and the General Directorate for Corporate Governance and Legal Affairs, in the areas that are within its authority. It establishes regulations and monitors compliance with the first line of defence.



3

Third line of defence: supervision duties carried out from internal auditing.



With this model, the Group seeks to guide the entity towards the best banking practices, promoting the risk culture throughout the organisation, carrying out comprehensive risk management (credit, market, liquidity, interest, operational, security and continuity, etc.), which guarantees the solvency and resilience of the entity according to the risk profile defined by the governing bodies.

To ensure proper control of credit risk, within the General Directorate of Corporate Control and Risks, is the comprehensive risk management area which is responsible for defining risk management policies and procedures on the basis of the target risk profile. It also constantly reviews the policies to bring them into line with legislation and the bank's strategy.

Likewise, within this general directorate is the unit of internal validation and control of risk data, the function of which is framed in guaranteeing the quality of the different measurements and risk assessments along with the establishment of measures to guarantee the quality of the risk information.

In addition, the implementation of the optimisation of the profitability/risk ratio is continued through Risk Adjusted Return On Capital (RAROC) methodologies, with the entity having a reinforced control framework (on solvency) which avoids incurring risks not aligned with the Group's risk profile, applying

the methodology of disaggregated scorecards and the identification of strengths.

Thus, the Group has implemented comprehensive risk management in which the definition and control of risk appetite is one of the key elements, this being absolutely necessary to guarantee compliance with the desired risk profile and in line and consistent with the annually approved budget, in the medium-term strategic plan, as well as in day-to-day risk management.

The Group defines risk appetite as the amount and type of risks that are considered reasonable to assume in the execution of the business strategy, in such a way that it can keep up its ordinary activity when faced with the occurrence of unexpected events. To this end, serious scenarios are considered which could have a negative impact on its capital, liquidity and/or profitability levels.

The entity actively manages the entirety of the risk lifespan, from pre-analysis to analysis/ granting, monitoring, and the extinction of the risk. The main risks are not only analysed at the time of their origin or when irregular situations arise in the ordinary recovery process, but rather they are carried out continuously.

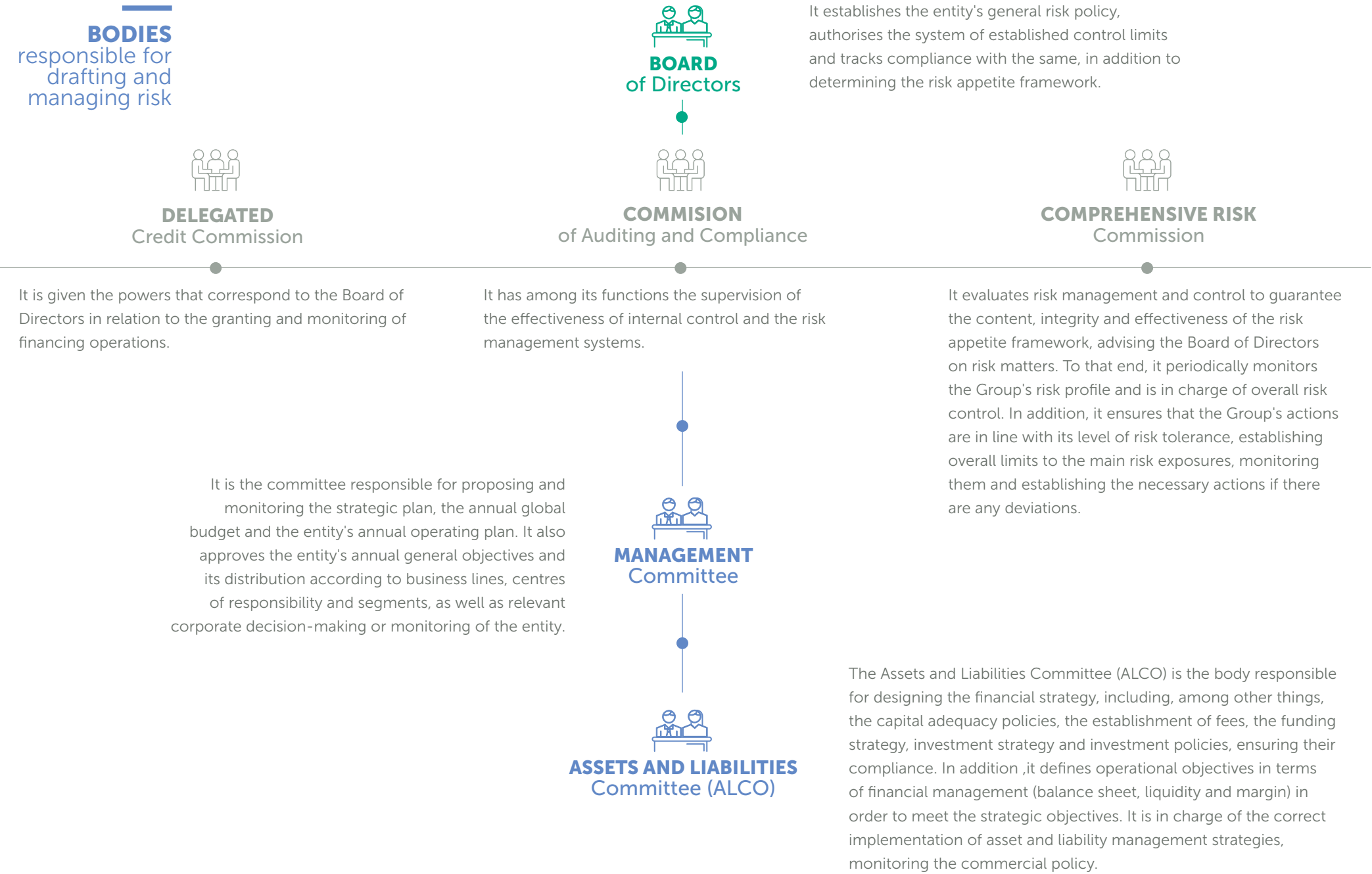
Credit risk management is also supported by credit management tools, such as scoring models (individuals, freelancers and micro-SMEs), rating systems (exposures with

medium and large-sized companies) and pre-classifications (large clients).

The exposure information and aggregation systems available to the bank allow for exposures to be monitored, verifying systematic compliance with the approved limits, as well as the adoption, if necessary, of the appropriate corrective measures. Periodically, monitoring is carried out on the status of the bank's main portfolios, which is regularly presented to the Board of Directors.



» **The bank has a risk limit system** which is updated with a minimum annual frequency and covers credit risk, as well as the different market risk exposures, both in trading and liquidity and structural, over which exhaustive control is carried out that is elevated to the highest bodies of governance in the bank.



LEVEL of tolerance to risk

102-15

As a fundamental element of risk management, the bank has defined a risk appetite framework (RAF), through which the group's governing bodies explicitly define the desired and maximum levels of risk (appetite and tolerance) that they are willing to assume, depending on the entity's strategic plan.

This exercise was carried out both at the overall risk level and for each of the relevant risks to which the Group is exposed due to the undertaking of its activity. The most senior representatives of the entity and its governing bodies are involved in creating the bank's RAF. The comprehensive risk management unit, operating within the General Directorate of Corporate Control and Risks, is responsible for defining and proposing the RAF for approval by the governing bodies of the bank based on the strategies defined by the latter. Once the RAF has been defined, this unit prepares monitoring and control reports with the frequency required by the governing bodies.

Specifically, the document is approved at the level of the Board of Directors, with the prior approval of the Comprehensive Risk Committee. Additionally, the members of the Management Committee have a very active participation in the conceptualisation and establishment of the appetite based on the strategic planning defined for the bank.



» The appetite and tolerance are defined through the selection of the set of both qualitative and quantitative indicators, after calibrating the desired levels (appetite) and maximum (tolerance).



In the definition of the RAF, all the relevant risks to which the Group is exposed in the undertaking of its activity, as well as in the achievement of its business objectives, have been considered. To that end, the criteria established in the RAF will be taken into account at all times within the normal circuits of analysis and approval of operations. Specifically, the main risks of the activity to be monitored are:



Solvency risk. This is the probability of incurring losses due to non-compliance with the solvency ratios and which may put the entity's future viability at risk. 103-3



Business risk (profitability). Risk that the entity may incur losses due to adverse business decisions or non-fulfilment in implementation of the business's strategy.



Credit risk. This is defined as the likelihood that the entity will incur losses due to non-compliance with obligations by a counter party.



Interest rate risk. This is the possibility that variations in interest rates may adversely affect the value of a financial instrument, a portfolio or the Group as a whole.



Market risk. This is the risk of incurring losses, and therefore the risk of negative impact on the Group's results and capital, due to maintaining open positions in the financial markets, as a consequence of an adverse movement in the financial variables (risk factors) that determine the market or realisable value of those positions.



Operational risk. This is the risk of loss resulting either from deficiencies or failures of internal processes, human resources or systems, or from external circumstances, including legal risk. Operational risk also includes reputational risk, this being understood as that which is linked to the perception had of the Group by the different stakeholders with which it relates, whether internal or external.



Liquidity risk. This is the ability of an entity to finance its own growth and to meet its payment obligations upon maturity, without incurring unacceptable losses.

To assess each of these types of risks, ABANCA uses defined regulatory or internal methodologies based on the guidelines and recommendations established by the regulator, as well as best market practices. These risks are monitored on a monthly basis, following the defined methodology and ensuring that they are within the established risk profile.

ABANCA's global risk framework includes the framework of policies, rules and procedures aimed at risk control and monitoring. Different controls are established in them aimed at mitigating risks, and obtaining the level of risks desired by the entity.

In this line, the entity is following a dynamic model in terms of control mechanisms, reviewing itself at least annually, and seeking continuous improvement of the different processes and procedures established.

Lastly, it should be noted that ABANCA has a highly diversified portfolio of assets, with no concentration levels being detected in the sectors/clients that could be affected by the risk of climate change. Due to this, it is considered that climate risk currently has no impact on the business model or on the entity's strategic plan.



Financial

information

ABANCA closed the financial year of 2019 with a net profit of 405.0 million euros, 6.7 % more than in 2018. With a profitability of 10.0 %, we are among the most profitable banks in the Spanish financial system.



PROFITABILITY

€405.0 M

net profit.

10.0 %

ROE.

- The entity maintains its robust levels of profitability (ROE 10.0 %).
- Positive variation of the result +6.7 year-on-year.
- Recurring income continues to improve (+5.8 % basic margin) and remains a pillar of profitability.

RISK
QUALITY

2.8 %

default rate.

-5.6 %

doubtful balances.

58.8 %

coverage of
non-performing assets.

- The default rate is below 3 % (2.8 %) thanks to the decrease in doubtful balances.
- Non-performing asset coverage rate of 58.8 %, among the highest in the sector.

SOLVENCY
AND LIQUIDITY

15.8 %

total capital.

€1.267 Bn

on CET1
capital requirements.

96.3 %

LTD.

- Capital levels far exceed the regulatory requirements.
- Healthy financing structure based on the clients' deposits.

COMMERCIAL
DYNAMISM

> €85 Bn

turnover with clients.

€2.2 Bn

formalised credit with SMEs and
self-employed persons in the year.

- The entity raises its turnover above 85 billion.
- Formalisations of business with SMEs and self-employed persons maintain a good evolution, with 6.6 % more than in 2018.
- The formalisation of general insurance grew by 18.7 % supported by the marketing of innovative products and client experience.
- Success in the integration of DB Portugal and BCG both from a technological and business viewpoint.

KEYS

103-2, 103-3

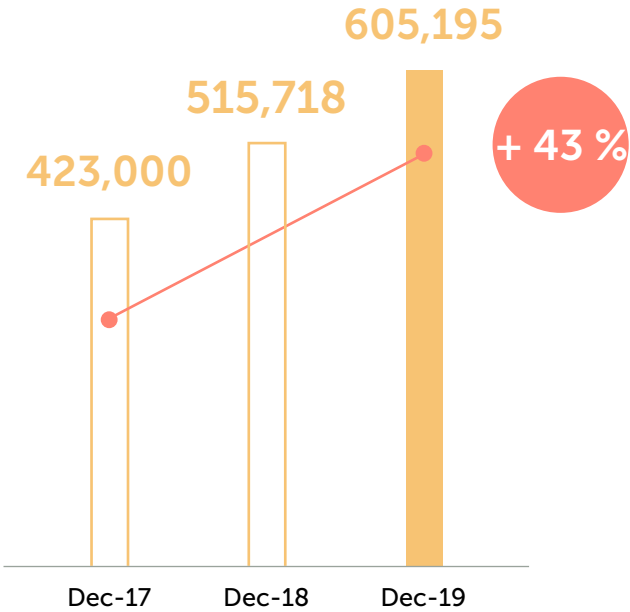
Growth of digital channels within a mixed model that prioritises the relationship with the client

During 2019, digital channels experienced a breakthrough both in terms of transactions and business generation. ABANCA ranks in the top 3 of banks with the best digital experience according to the latest study by the independent firm D-Rating.

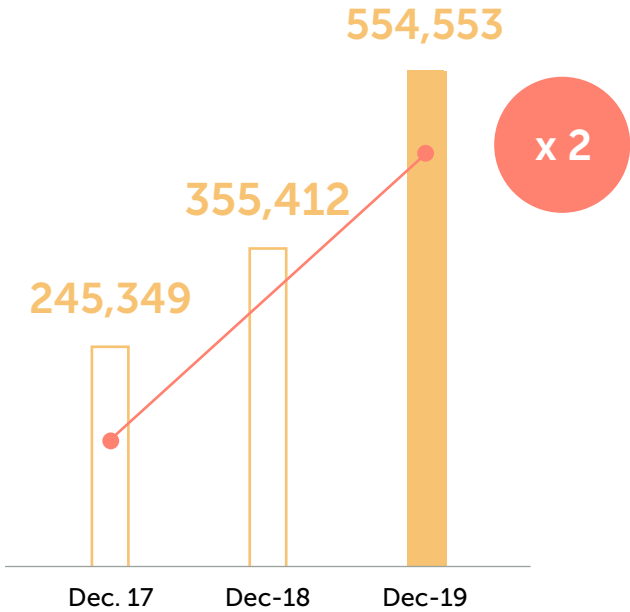
45.6 %
digital contracts
(2017-19).

TOP 3*
of banks with the best digital
experience.

Evolution of clients
connected to mobile banking
(units-month data)



Interactions with clients in
mobile banking
(thousands)



* In the ranking of traditional banks, according to an independent study by D-Rating, a firm specialised in analysing digital solutions.

Promoting the insurance business as a source of income and profitability

With the aim of promoting the development of its insurance business, ABANCA carried out two large operations that led to the redefinition of its model for the upcoming years. On the one hand, it addressed the internalisation of its life and pension business, which came to be managed entirely within the group. On the other hand, it signed a long-term alliance agreement with the first European insurance bank, Crédit Agricole Assurances, to operate in the general insurance segment in Spain and Portugal.



1

New company LIFE AND PENSIONS

- Greater **personalisation** of products.
- Greater **efficiency in management**.
- Best **client experience**.
- Best **sales support**.



2

Agreement GENERAL INSURANCES

- **Leading** insurance bank in Europe.
- **Joint-venture** 50 %-50 %.
- **Long term** and stability.
- **Creation** of exclusive and innovative products.
- Scope **Spain and Portugal**.



3

Launch of innovative products

- **ON-OFF Insurance**. Payment for direct use and control by the client.
- **Dependency insurance**. Social awareness to personal situations.

Successful integrations that have created value

The integration of Deutsche Bank PCB Portugal and Banco Caixa Geral have been successful and have generated value without affecting ABANCA's current business.



1

- Creation of **mixed teams** with members from **both entities**.
- Screen-to-screen **approvals**.
- **Solid governance** of the project.



2

- **Continuity of operations** without impacting customer service.



3

- **Implementation** of corporate culture in the integrated teams.
- **Application of the ABANCA brand** in all media and formats.

ABANCA PORTUGAL

+ 20 %

result obtained vs. Expected business plan.

+ 13.9 %

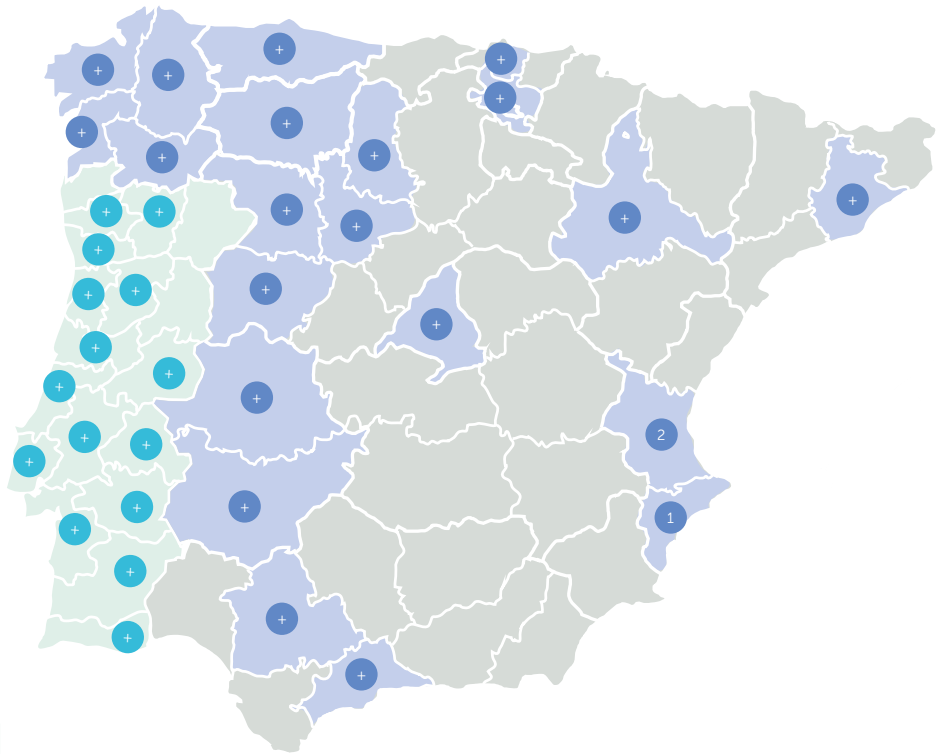
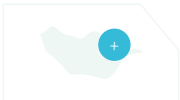
Collection of client resources during 2019.

+ 6.4 %

loans for ordinary business activity.

+ 15.6 %

increase of investment funds in 2019.



BANCO CAIXA GERAL

101 %

degree of compliance with objectives established for the 4th quarter.

x 3

volume of formalisations of mortgages in the 4th quarter (vs. 4th quarter 2018).

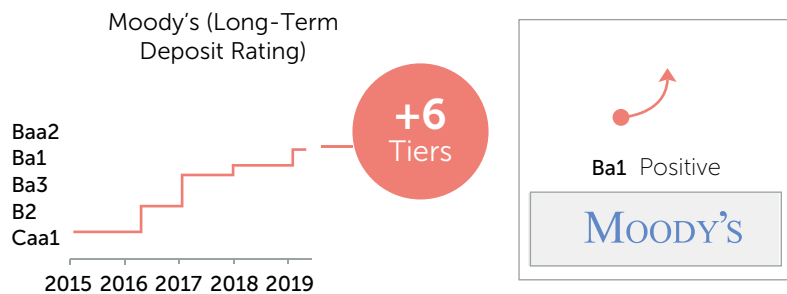
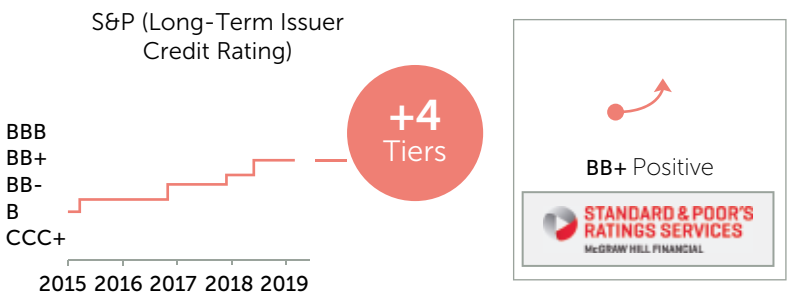
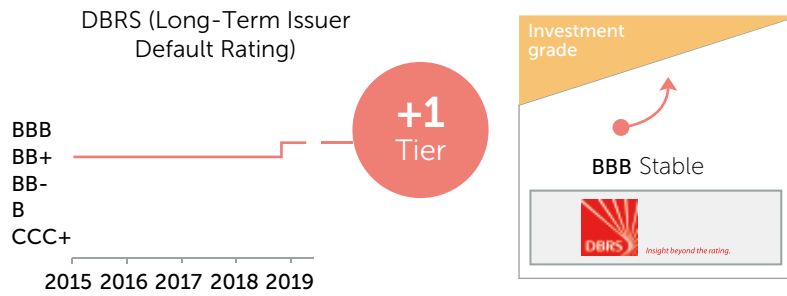
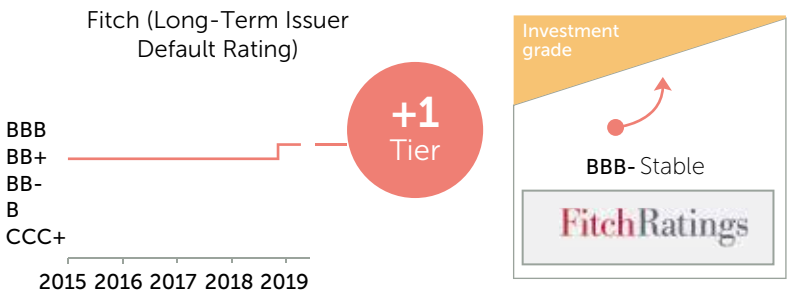
€180 M

formalisations of loans to SMEs in the 4th quarter.

+ 7.1 %

increase of investment funds in the 4th quarter.

Sole Spanish entity with improvements in ratings for two consecutive years



Top Spanish bank by growth in brand value in 2019

ABANCA has become the Spanish bank with the highest growth in brand value in 2019, as revealed in a report prepared by the specialised consulting firm Brand Finance. According to the "Brand Finance Banking 500" study, ABANCA climbed 79 places in the 2019 ranking and has become the only financial institution in Spain that has improved its position compared to the previous year.

As this independent report reflects, ABANCA has increased the value of its brand by 55 %, against a general worsening trend within the Spanish financial system. This notable improvement in brand strength makes the bank the thirteenth fastest growing entity in the world, according to this analysis.

Results of the brand value analysis in 2019



RESULTS

102-7, 103-3

ABANCA closed the financial year of 2019 with a net profit of 405.0 million euros, 6.7 % more than in 2018. The result implies a profitability of 10.0 %, which keeps the entity among the most profitable banks in the Spanish financial system.

(millions)	2019	Var. 2019/2018
INTEREST MARGIN	574.6	2.4 %
Income by services	205.5	16.6 %
BASIC MARGIN	780.1	5.8 %
Dividends and results by method of part.	11.8	-45.7 %
Results of financial operations (net)	122.1	-57.7 %
Other (net)	-3.2	-
GROSS MARGIN	910.8	-14.6 %
Operating expenses	670.1	-0.0 %
Provisions and impairments	92.9	144.3 %
Ordinary impairments credit investment	88.0	14.4 %
Other profits/losses	282.4	754.4 %
BAI	430.2	9.9 %
Taxes	25.2	111.9 %
NET PROFIT	405.0	6.7 %

The **basic margin** grows by **5.8 %**, product of good evolution of the business with clients.

The **gross margin evolves positively (+ 3.1 %)** once excluding the impact of Itinere in 2018.

The **contribution of the basic margin**, discounting operating expenses **improves by €42.9 M.**

ROE: 10.0 %

Profitability based on recurring income

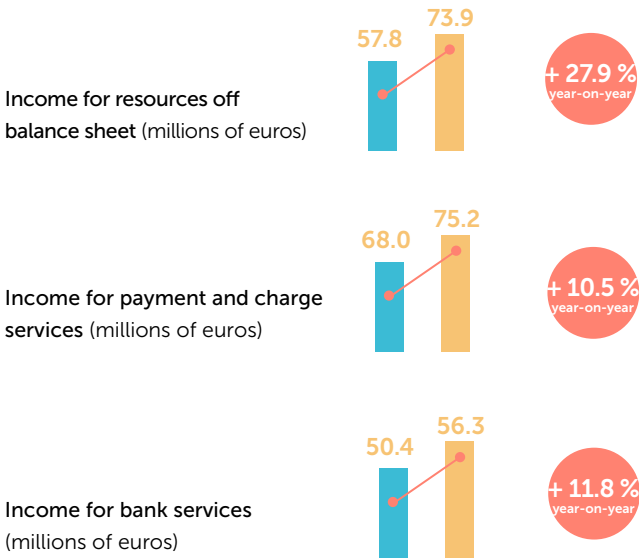
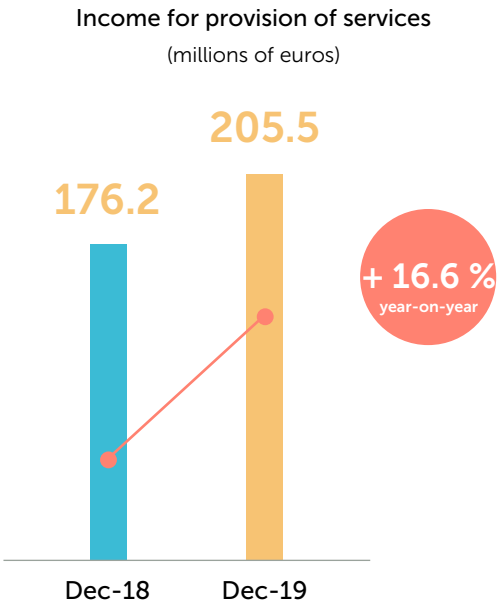
The result registered by ABANCA in 2019 reflects the good evolution of its business with clients. The interest margin increased by 2.4 % thanks precisely to this retail activity. The sales margin grew steadily due to the dynamism of the business and good price management.

/Data from 1018 uniform with 2019 taking into account the absorption of the holding. Effective date of reverse merger: 01-January // Impact of integrations: DB PCB starting 09-June and BCG starting 01-September // ROE ex AT1 and distributed dividends.

Income for provision of services increased by 16.6 %

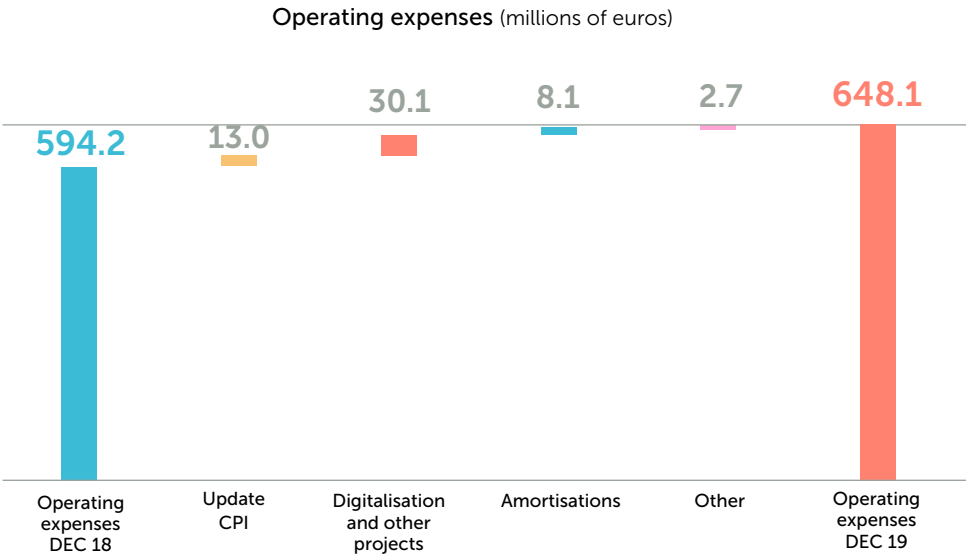
The good performance of the income for provision of services stands out, which increased by 16.6 % thanks to the promotion of those products offering greater value to the client. Income from off-balance sheet resources increased by 27.9 %, income from collections and payments by 10.5 % and income from banking services by 11.8 %.

As a result of this good performance, ABANCA managed to improve its basic margin by 5.8 %, the main line in obtaining recurring income for the income statement.



The cost base remains stable

The cost base remained stable, despite recent integrations and the strong investment in technology, estimated at 91.5 million euros, made by the bank to improve its technological and business capabilities.

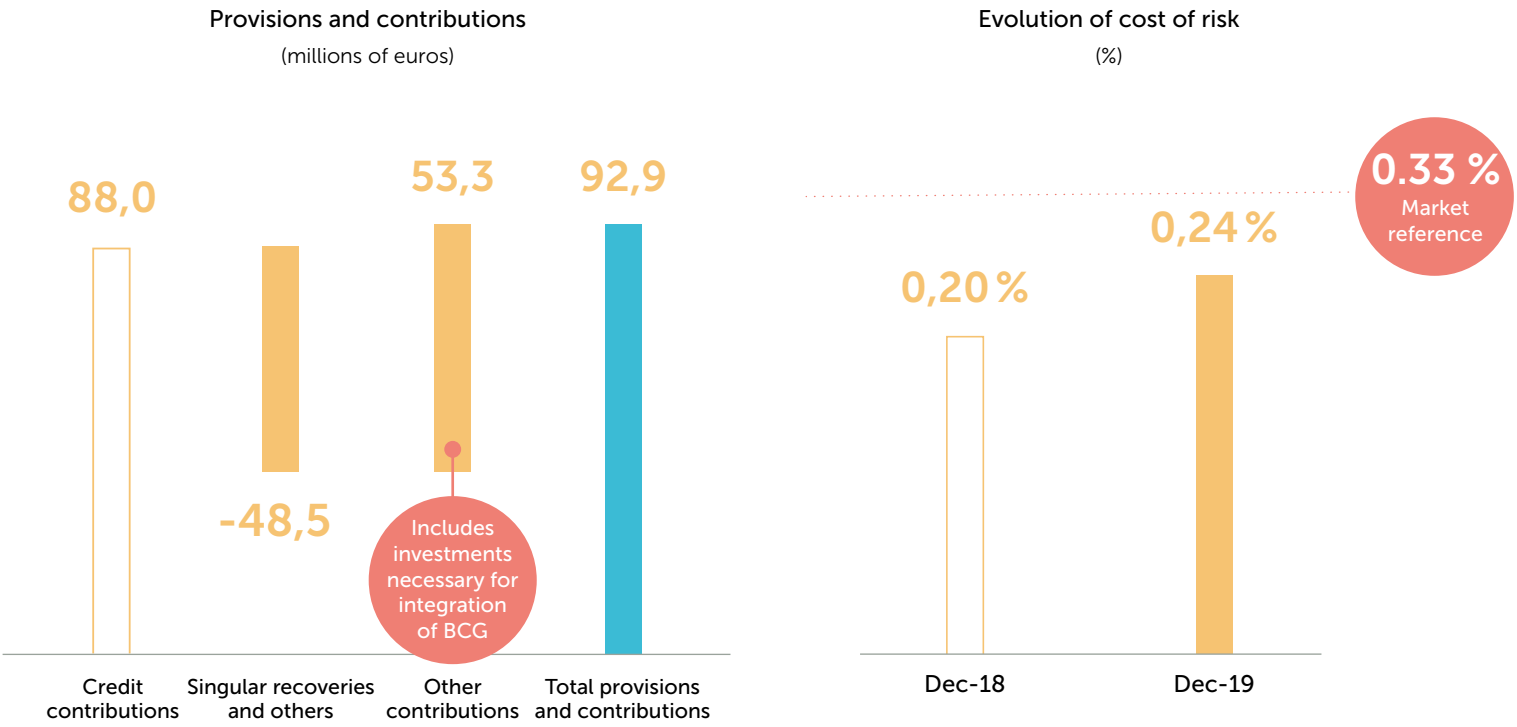


€91.5 M
total technological investment allocated to projects in 2019.

Operating expenses 2018 and 2019 eliminating impacts of amortisations of intangibles by ABANCA Holding Financiero.

The cost of risk remains at reduced levels

The cost of risk was placed at 0.24 %, below the market average thanks to the prudence applied in granting financing.



EVOLUTION
of the business

102-7

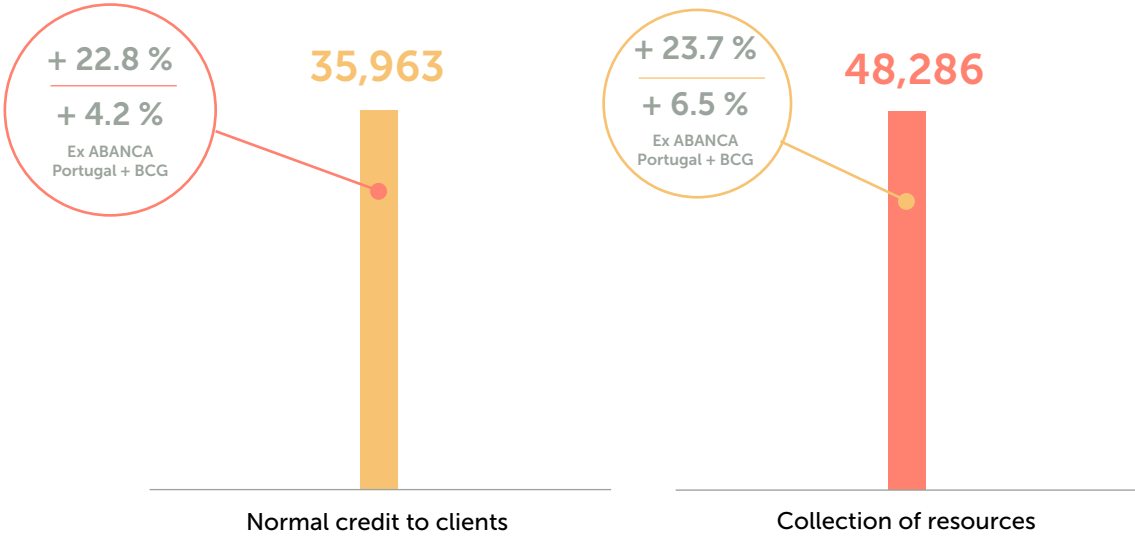
The turnover surpasses €85 Bn

2019 was characterized by a significant increase in turnover with an increase of 22.9 %, exceeding 85 billion euros. This milestone was reached thanks to the combination of the organic growth generated by commercial dynamism, especially in the segment of financing for SMEs and self-employed persons, and the business contribution of the acquisitions of Deutsche Bank PCB Portugal and Banco Caixa Geral.

This turnover was possible thanks to a balanced behaviour of loans to clients, which increased 22.8 % to 35,963,000,000, and fundraising, which it did by 23.7 % to 48,286,000,000 euros. Removing the effect of the latest corporate operations, the entity also maintains its dynamism, registering growths of 4.2 % in normal client loans and 6.5 % in fundraising.



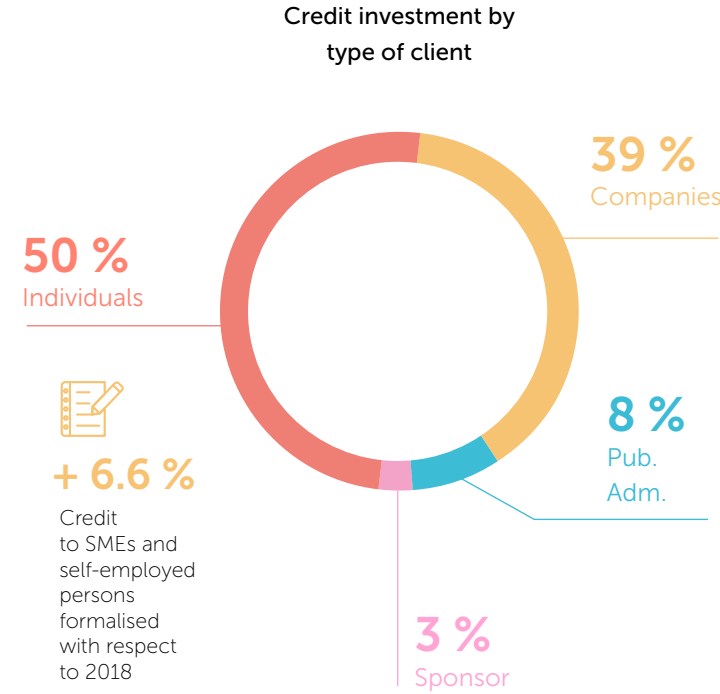
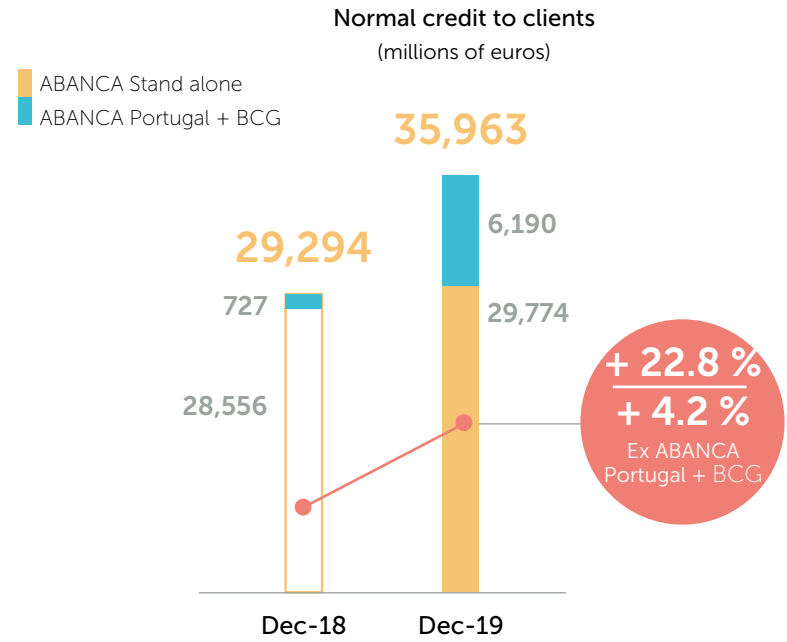
Main magnitudes
(millions of euros)



Data from 2018 uniform with 2019 taking into account the absorption of the holding.

The normal credit portfolio increases 22.8 %

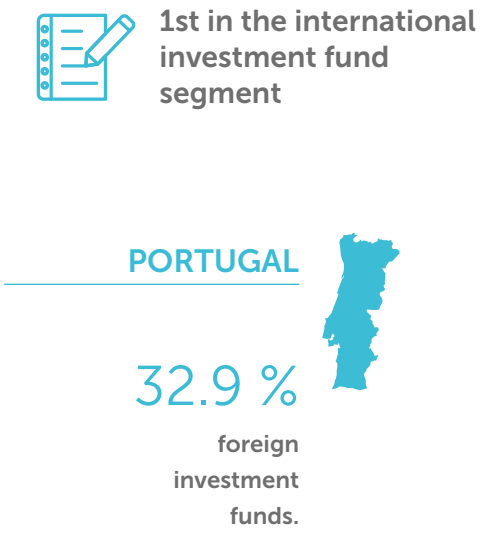
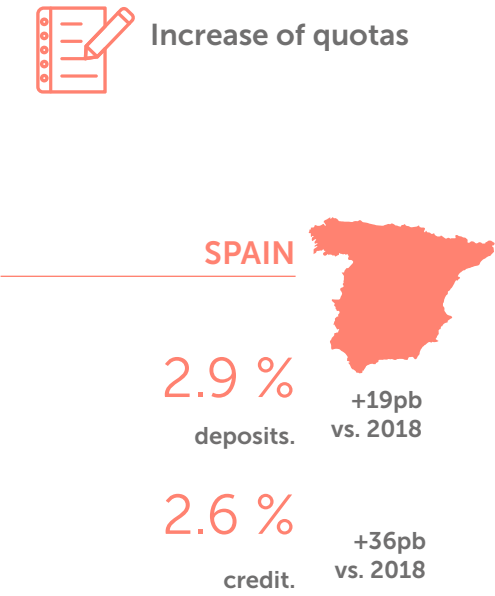
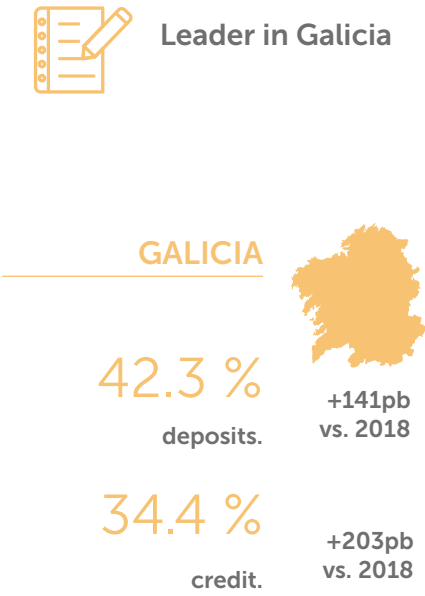
Financing to the productive fabric continued to appear as one of the bank's top priorities. The loan to SMEs and self-employed persons formalised in 2019, estimated at 2.2 billion euros, grew by 6.6 % compared to the previous year.



/Sources new formalisations Statement 1-2 dec-19 for new production of ABANCA stand alone credit.

Increase of market quotas

This dynamism has allowed ABANCA to increase its market shares in both Spain and Portugal, reinforcing ABANCA's profile as an Iberian bank.



/Source: Statement FI 132.E and Bank of Spain. Data on September 3019. Includes Banco Caixa Geral.

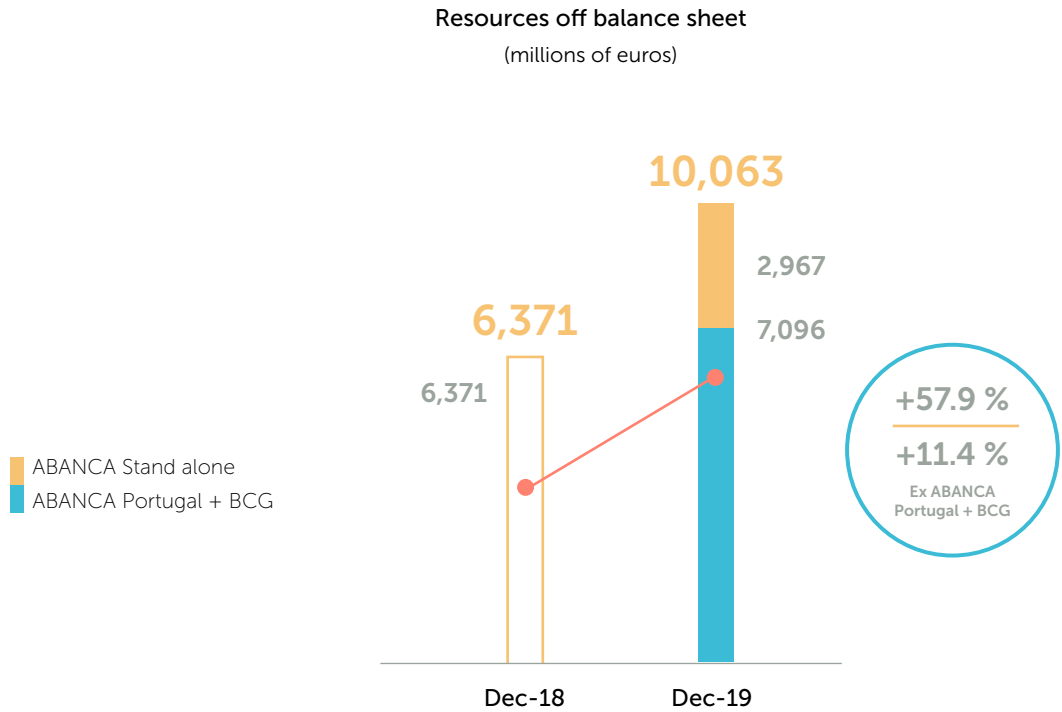
Increases 57.9 % the resources off balance sheet

The structure of client resources, meanwhile, shows an increasing weight off balance sheet, which increased by 57.9 %, 11.4 % when eliminating the effect of Portugal and Banco Caixa Geral. In terms of profitability for the client, it should be noted that 9 out of 10 funds marketed by ABANCA remained above the level of its competitors.

€227 M
net
subscriptions of
investment funds.

9/10
investment funds
present profitability
above that of their
competitors.

+ 6 pb
equity managed.

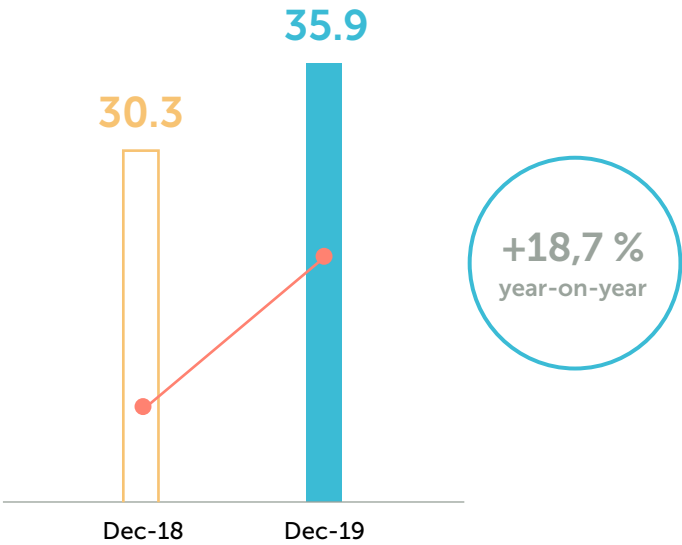


/ Source investment funds: last available information: INVERCO (nov. 2019) of ABANCA stand alone.

Increases 18.7 % in new production of general insurance

The new production of general insurance increases 18.7 %. By branches, protected payment insurance premiums increased by 53 %, health insurance premiums by 36 %, business insurance premiums by 19 % and death insurance premiums by 17 %. The Flat Insurance Rate, the bank's leading product in the insurance market, registered a growth of 15 % in the number of clients with more than 5 contracted policies.

New production general insurances (millions of euros)



+ 19 %
company insurance premiums.

+ 36 %
health insurance premiums.

+ 17 %
death insurance premiums.

+ 53 %
protected payment insurance premiums.

+ 15 %
clients with more than 5 policies at a flat rate.

More than 425,000 new clients join ABANCA in 2019

More than 425,000 new clients joined ABANCA in 2019, half of which did so through the integrations of Deutsche Bank PCB Portugal and Banco Caixa Geral España. Other activity indicators that also grew significantly are the number of debit and credit cards (+19.3 %) and point of sale terminals (+20.5 %).

225,351

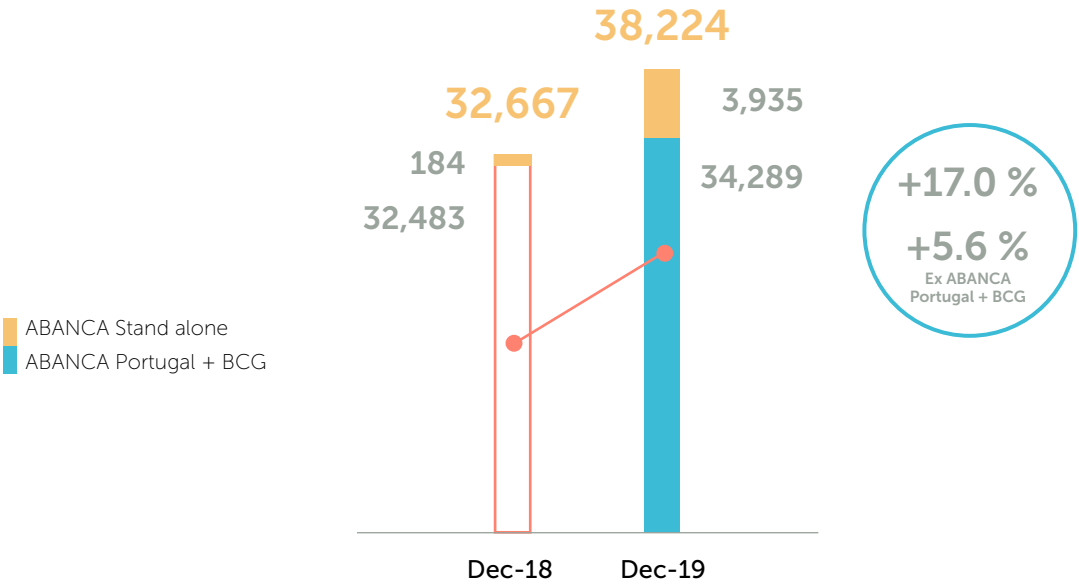
New clients during 2019.



200,000

new clients coming from the incorporations of DB Portugal and Banco Caixa Geral.

Client deposits (millions of euros)



+ 19.3 %
Issuance of debit/ credit cards.

+ 20.5 %
Issuance of POS.

QUALITY
of risk,
solvency and
liquidity

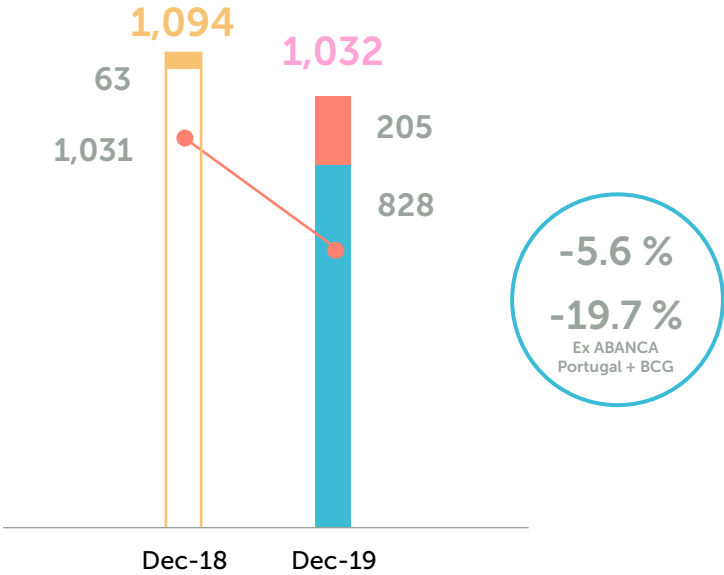
103-3

ABANCA places its default ratio
at 2.8 %, 33 % below the sector
average

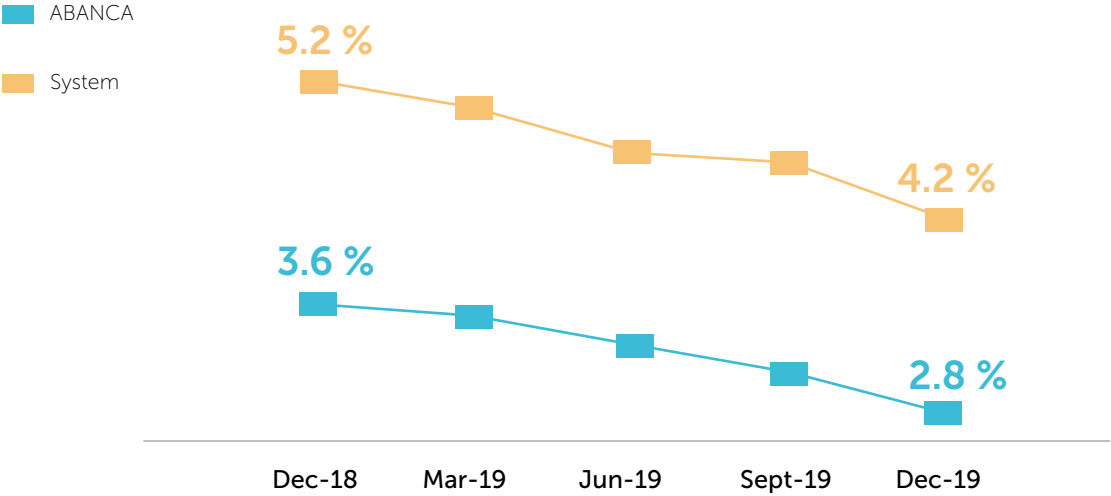
The entity registered a new decrease in its level of doubtful balances in 2019, amounted to 5.6 % in the entity as a whole, thus placing the default rate at 2.8 %, 33 % below the Spanish average.

- ABANCA Stand alone
- ABANCA Portugal + BCG

Evolution of doubtful balances
(millions of euros)



Evolution of default rate (%)



Data from 2018 uniform with 2019 taking into account the absorption of the holding/System: Estimate based on last available date according to Bank of Spain data: nov 19.

Top entity in coverage of non-performing assets

ABANCA is the leading entity for coverage of non-performing assets, with a total coverage rate of 58.8 %. The default coverage rate is 57.5 %, while the foreclosure coverage rate is 60.4 %.



COVERAGE
DEFAULT

57.5 %



TOTAL
COVERAGE

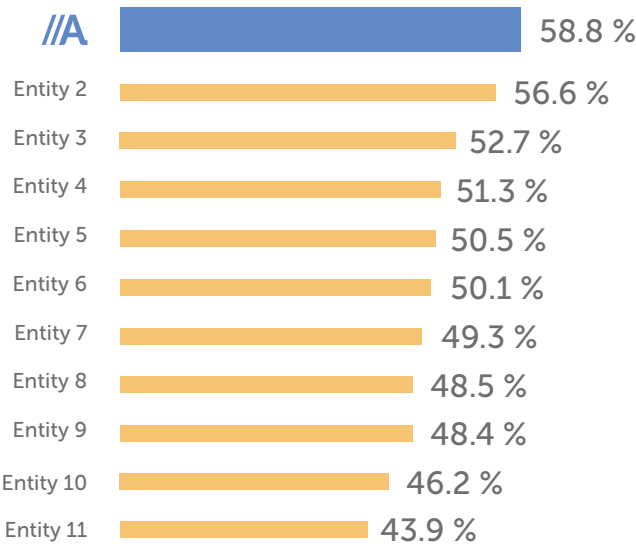
58.8 %



COVERAGE
FORECLOSURES

60.4 %

Coverage of non-performing assets

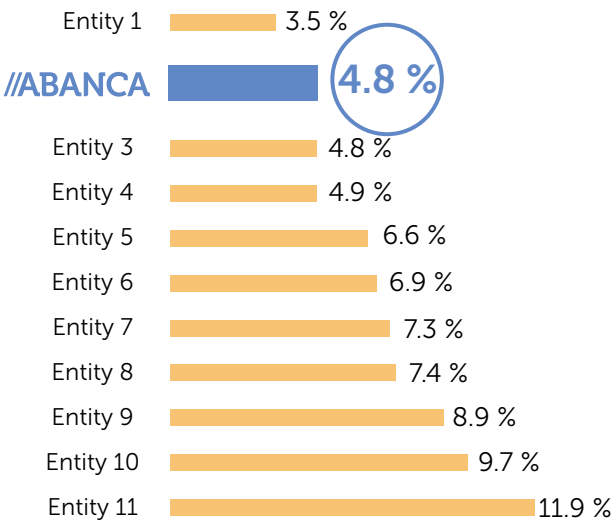


/Comparison source: Information reported by entities in September 2019.

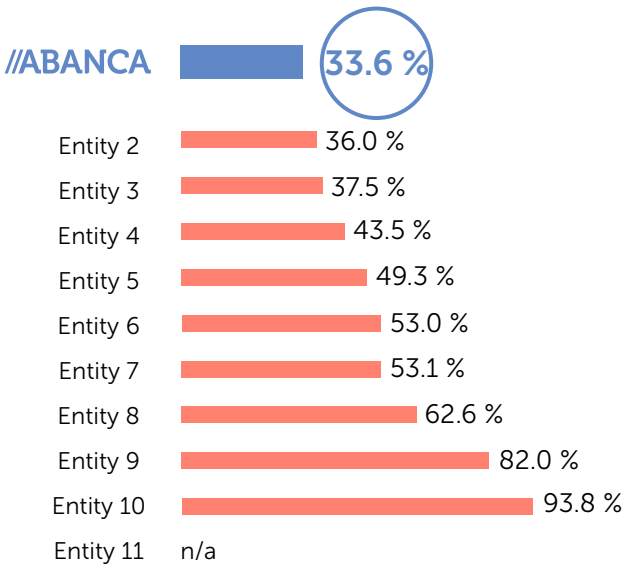
ABANCA is among the most healthy entities in the Spanish system

The combined action of both factors, the reduction of non-performing assets, on the one hand, along with the high levels of coverage and capital, on the other hand, place ABANCA as the entity with the best Texas ratio in the system (33.6 %). ABANCA is one of the healthiest entities in the Spanish financial sector.

NPA ratio
Non-performing assets /
(Gross credit +
Foreclosures)



Texas Ratio
Non-performing assets /
Coverage + Capital)



System: Information reported by entities in September 2019.

Comfortable liquidity position based on retail deposits

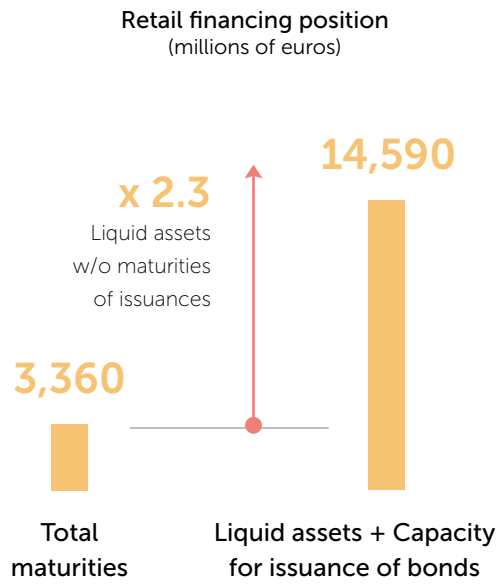
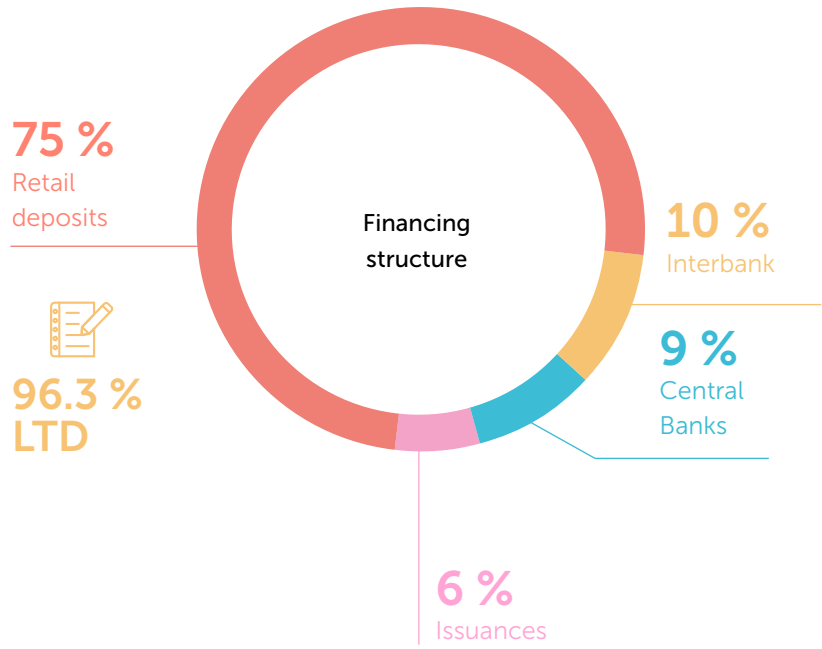
The entity maintains a financing structure based on retail deposits, with a ratio of loans to deposits (LTD) of 96.3 %. The entity has a liquidity of 14,590 million euros between issuance capacity of bonds and liquid assets, which allows it to cover more than double the expected issuance maturities. On the other hand, the NSFR stable net financing ratios and LCR liquidity coverage were placed, respectively, at 127 % and 217 %, thus complying with the Basel III regulatory requirements.

127 % NSFR
NET STABLE
FUNDING RATIO

217 % LCR
LIQUIDITY COVERAGE
RATIO



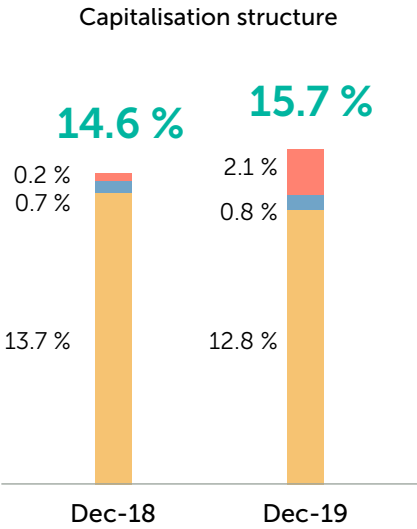
COMPLYING WITH
BASEL III



Strong capital position with more than €1 Bn surplus over regulatory minimums

ABANCA has a high level of capitalisation, with a 1.231 billion surplus over the requirements in terms of CET1. The total capital ratio stood at 15.7 % at the end of 2019, with a surplus of 344 p.b. over the requirements. The highest quality capital ratio, CET1, stood at 12.8 %, with a surplus of 401 p.b. over the requirements. Following the recent October 2019 issuance, ABANCA has already covered the subordinated debt buffer Tier 2 (2 % w/o RWA) required.

CET1
AT1
TIER2
Total capital



401 p.b.
ON CET1 CAPITAL REQUIREMENTS

344 p.b.
ON TOTAL CAPITAL REQUIREMENTS

€1,231 Bn
ON CET1 CAPITAL REQUIREMENTS

€1,057 Bn
ON TOTAL CAPITAL REQUIREMENTS



MREL
REQUIREMENTS



Following the recent October 2019 issuance , ABANCA has already covered the subordinated debt buffer Tier 2 (2 % w/o APR) required.

ECONOMIC value generated and distributed

ABANCA's objective of contributing to the development of its environment is translated into a commitment that is acquired from its dual financial and social aspects. The Economic Value Generated by ABANCA in 2019 amounted to 1,057.3 million euros, +14.1 % higher than the amount in 2018. For its part, the Distributed Economic Value was placed at 736.4 million euros, with an annual increase of 83.8 million euros (+12.8 %). Including the amount channelled through the Foundation, the Total Distributed Economic Value was placed at 746.5 million euros, with an annual increase of +13.5 %.

The larger generation of Economic Value has allowed us to allocate a higher distributed cost to the company, as well as generate a higher Retained Economic Value (310.8 million euros, +15.5 % more than in 2018), which has been used to capitalise the entity.

Generated, distributed and retained economic value (201-1)

(thousands of euros)	Dec. 2017	Dec. 2018	Dec. 2019
Gross Margin	811,150	1,050,554	910,836
Profits from the retirement of assets not classified as non-current for sale	24,752	9,579	43,492
Goodwill ⁽²⁾	0	0	231,679
Provision to allowances	52,724	-38,912	-35,384
Profits of non-current assets for sale	38,128	36,103	-50,309
Generated Economic Value	926,754	1,057,324	1,100,314
Suppliers - General administrative costs (except taxes)	177,738	196,954	195,635
Employees - Personnel expenses	314,996	319,450	356,564
Pub. Adm. - Profit taxes + taxes in Gen. admin. costs ⁽¹⁾	11,009	43,162	35,692
Shareholders - Dividends	146,830	172,166	350,752
Community (without Foundation)	2,052	4,694	7,453
Distributed Economic Value	652,625	736,426	946,096
Foundation	5,080	10,100	10,100
Total Distributed Economic Value	657,705	746,526	956,196
Retained Economic Value	269,049	310,798	144,118

¹ Includes the amount of profit taxes without considering activation of DTAs. Does not include indirect taxes (VAT, PTT/Stamp Duty) or Social Security contributions, included in the General Administration and Personnel Expenses headings.

²In 2019, Goodwill derived from the acquisition of Deutsche Bank PCB Portugal and Banco Caixa Geral, S.A. is included. for calculating the generated economic value.

TAX commitment

103-2, 103-3

ABANCA's tax strategy is aligned with the values that make up the entity's corporate culture and the low tax risk profile which has traditionally characterised the Group in managing compliance with its tax obligations, all in accordance with the strategic principles on ABANCA's tax policy is developed, the main characteristics of which are established below.

- » **ABANCA and their group** believe that the payment of taxes, in accordance with applicable regulations, is an especially relevant part of their contribution to the economies of countries and jurisdictions where they carry out their activity. Therefore, it undertakes to responsibly pay taxes in the different jurisdictions in which it operates.
- » **ABANCA carries out its economic activities** in compliance with applicable regulations and conventions to avoid double taxation according to reasonably interpreted criteria, taking into account the spirit and purpose of current legislation and the true economic essence of the facts, acts or business carried out.
- » **Generally, ABANCA** avoids operating in tax jurisdictions that do not comply with the transparency standards required by the OECD and other international organisations. In the exceptional case of ABANCA's performance of operations in territories classified as tax havens, they will respond to the effective performance of economic activity and value generation, without wishing to transfer results to these jurisdictions to obtain a reduction in the tax burden or to undermine transparency.
- » **The Board of Directors** will be appropriately informed of the tax policies applied by the company, at least on an annual basis. However, in the case of operations or matters that must be submitted for approval by the Board of Directors or an equivalent body, the tax consequences will be reported when they constitute a relevant factor that may have a significant fiscal impact.
- » **ABANCA has the objectives** of having its relations with the Tax Administration be constructive, loyal and based on professionalism, collaboration, good faith and mutual trust, so as to reduce conflicts arising from the interpretation of the applicable regulations through a reciprocal cooperative relationship.
- » **To ensure the effective development** and application of the principles that make up the strategy and fiscal policy of ABANCA and their Group, control mechanisms are established to ensure compliance with current tax regulations and the aforementioned principles. Said work includes all the areas and businesses of the different geographical areas and jurisdictions in which the entity operates, which allows it to achieve integrated management of its tax positions in a coherent way and in concert with the rest of ABANCA's risks.

(Thousands of euros)

Country	Expense for corporate tax	Profit before tax	Gross margin	No. employees (*)	Activity	Main company
Spain	25,098	387,612	847,004	5,458	Financial	ABANCA Corporación Bancaria, S.A.
Portugal	-455	64,734	56,482	570	Financial	ABANCA Corporación Bancaria, S.A.
Switzerland	532	2,304	4,819	9	Financial	ABANCA Corporación Bancaria, S.A.
USA	0	-3,043	1,168	15	Financial	ABANCA Corporación Bancaria, S.A.
Other	0	-21,406	1,363	6	Financial	S. Común México, S.A., de CV SOFOM ENR

* Includes representative offices and employees of Sogevinus S.G.P.S., S.A., Espacios Termolúdico, S.A., and Natur Hotel SPA Allariz, S.A.



annexes

MAIN metrics

Employees

Total number and distribution by gender (405-1)

	2017	2018	2019
No. of employees	4,352	4,903	5,788
Distribution by gender (%) (405-1)			
- Women	50.5 %	51.2 %	50.3 %
- Men	49.5 %	48.8 %	49.7 %

Geographic distribution abroad (405-1)

	2018	2019
Portugal	59	396
Germany	1	1
Brazil	4	4
France	2	2
England	3	3
Mexico	12	14
Panama	2	2
United States	10	13
Switzerland	13	12
Venezuela	1	2
Total	107	449

Breakdown of staff by location and gender (405-1)

	2017 Total	2018 Total	2019			
			Women	Men	Total	%
Galicia, Asturias and León	3,666	4,075	2,252	2,010	4,262	73.6 %
Rest of Spain	614	721	442	635	1,077	18.6 %
Abroad	72	107	216	233	449	7.8 %
Total	4,352	4,903	2,910	2,878	5,788	100 %

Breakdown of staff by category and gender (405-1)

	2017 Distrib.	2018 Distrib.	2019			
			Women	Men	Total	Distrib.
Senior management	0.3 %	0.3 %	1	12	13	0.2 %
Management	1.5 %	1.4 %	14	70	84	1.5 %
Middle management	23.2 %	21.7 %	450	971	1,421	24.6 %
Experts	75.0 %	76.6 %	2,445	1,825	4,270	73.8 %

Breakdown of staff by location and age (405-1)

	2017			2018			2019		
	< 30	30-50	> 50	< 30	30-50	> 50	< 30	30-50	> 50
Galicia, Asturias and León	2.3 %	78.2 %	19.5 %	8.8 %	71.0 %	20.2 %	8.6 %	68.3 %	23.1 %
Rest of Spain	0.8 %	85.7 %	13.5 %	4.6 %	78.6 %	16.8 %	5.0 %	71.9 %	23.1 %
Abroad	6.9 %	84.7 %	8.3 %	10.3 %	79.4 %	10.3 %	4.2 %	78.6 %	17.1 %
Total	2.2 %	79.3 %	18.5 %	8.2 %	72.3 %	19.5 %	7.6 %	69.8 %	22.6 %

Distribution of new additions by age and location (401-1)

	2019		
	< 30	30-50	> 50
Galicia, Asturias and León	76 %	24 %	0 %
Rest of Spain	55 %	40 %	6 %
Abroad	13 %	79 %	8 %
Total	67 %	31 %	2 %

Distribution of new additions by location and gender (401-1)

	2019	
	Women	Men
Galicia, Asturias and León	56 %	44 %
Rest of Spain	42 %	58 %
Abroad	29 %	71 %
Total	51 %	49 %

Average turnover by location and gender (401-1)

	2017 Total	2018 Total	2019		
			Women	Men	Total
Galicia, Asturias and León	2.7 %	4.6 %	4.9 %	4.8 %	4.8 %
Rest of Spain	6.4 %	5.9 %	5.2 %	7.9 %	6.8 %
Abroad	4.2 %	5.6 %	0.9 %	6.4 %	3.8 %
Total	3.2 %	4.8 %	4.6 %	5.6 %	5.1 %

Average turnover by age and gender (401-1)

	2017 Total	2018 Total	2019		
			Women	Men	Total
Under 30 years old	6.4 %	26.4 %	29.6 %	32.7 %	31.0 %
Between 30 and 50 years old	2.0 %	2.7 %	2.4 %	3.4 %	2.9 %
Over 50 years old	8.0 %	3.6 %	2.3 %	4.1 %	3.4 %
Total	3.2 %	4.8 %	4.6 %	5.6 %	5.1 %

Table 2.1.2 (102-8)

			2017			2018			2019		
			W	M	Total	W	M	Total	W	M	Total
SENIOR MANAGEMENT	Total	< 30 years old	0	0	0	0	0	0	0	0	0
		Between 30-50 years old	1	4	5	1	5	6	1	4	5
		> 50 years old	0	8	8	0	7	7	0	8	8
	Indefinite contract	< 30 years old	0	0	0	0	0	0	0	0	0
		Between 30-50 years old	1	4	5	1	5	6	1	4	5
		> 50 years old	0	8	8	0	7	7	0	8	8
	Temporary contract	< 30 years old	0	0	0	0	0	0	0	0	0
		Between 30-50 years old	0	0	0	0	0	0	0	0	0
		> 50 years old	0	0	0	0	0	0	0	0	0
MANAGEMENT	Total	< 30 years old	0	0	0	0	0	0	0	0	0
		Between 30-50 years old	10	34	44	10	29	39	11	41	52
		> 50 years old	2	22	22	3	28	31	3	29	32
	Indefinite contract	< 30 years old	0	0	0	0	0	0	0	0	0
		Between 30-50 years old	10	34	44	10	29	39	11	41	52
		> 50 years old	2	22	24	3	28	31	3	29	32
	Temporary contract	< 30 years old	0	0	0	0	0	0	0	0	0
		Between 30-50 years old	0	0	0	0	0	0	0	0	0
		> 50 years old	0	0	0	0	0	0	0	0	0

Note: All the contracts are full time.

Table 2.1.2 (102-8)

			2017			2018			2019		
			W	M	Total	W	M	Total	W	M	Total
MIDDLE MANAGEMENT	Total	< 30 years old	0	0	0	1	1	2	2	3	5
		Between 30-50 years old	244	591	835	270	589	859	387	692	1079
		> 50 years old	29	156	185	37	168	205	61	276	337
	Indefinite contract	< 30 years old	0	0	0	1	1	2	2	3	5
		Between 30-50 years old	244	591	835	270	589	859	387	692	1,079
		> 50 years old	29	156	185	37	168	205	61	276	337
	Temporary contract	< 30 years old	0	0	0	0	0	0	0	0	0
		Between 30-50 years old	0	0	0	0	0	0	0	0	0
		> 50 years old	0	0	0	0	0	0	0	0	0
EXPERTS	Total	< 30 years old	172	139	311	222	177	399	238	196	434
		Between 30-50 years old	1,659	1,035	2,694	1,628	1,014	2,642	1,794	1,110	2,904
		> 50 years old	292	325	617	337	376	713	413	519	932
	Indefinite contract	< 30 years old	49	45	94	79	62	141	89	77	166
		Between 30-50 years old	1,617	1,010	2,627	1,587	991	2,578	1,750	1,084	2,834
		> 50 years old	292	325	617	337	376	713	412	517	929
	Temporary contract	< 30 years old	123	94	217	143	115	258	149	119	268
		Between 30-50 years old	42	25	67	41	23	64	44	26	70
		> 50 years old	0	0	0	0	0	0	1	2	3

Note: All the contracts are full time.

Table 2.1.3 - Number of dismissals by gender, age and professional classification

		2017			2018			2019		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Senior Management	Under 30 years old	0	0	0	0	0	0	0	0	0
	Between 30 and 50 years old	0	0	0	0	0	0	0	0	0
	Over 50 years old	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0
Management	Under 30 years old	0	0	0	0	0	0	0	0	0
	Between 30 and 50 years old	0	0	0	1	0	1	0	0	0
	Over 50 years old	0	0	0	0	1	1	0	6	6
	Total	0	0	0	1	1	2	0	6	6
Middle management	Under 30 years old	0	0	0	0	0	0	0	0	0
	Between 30 and 50 years old	2	1	3	0	1	1	1	9	10
	Over 50 years old	0	1	1	1	3	4	3	13	16
	Total	2	2	4	1	4	5	4	22	26
Experts	Under 30 years old	1	0	1	0	2	2	1	0	1
	Between 30 and 50 years old	5	8	13	9	11	20	6	15	21
	Over 50 years old	1	1	2	4	16	20	5	7	12
	Total	7	9	16	13	29	42	12	22	34

Table 2.1.7 - Employees with disabilities (405-1)

		2017			2018			2019		
		Women	Men	Total	Women	Men	Total	Women	Men	Total
Employees with disabilities		24	27	51	30	36	66	39	37	76

Table 2.1.4 - Average remuneration by category

	2017	2018	2019		
	Total	Total	Women	Men	Total
Management	107,832	112,382	99,177	119,899	116,613
Middle management	55,378	55,645	48,302	56,888	54,165
Experts	55,378	38,160	36,058	40,484	37,946

Only takes into account the fixed salary.

Table 2.1.4 - Average remuneration by gender and age

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Under 30 years old	18,506	19,510	18,946	19,406	19,911	19,627	20,237	21,212	20,677
Between 30 and 50 years old	38,648	48,098	43,037	38,846	48,154	43,138	38,485	46,890	42,318
Over 50 years old	45,676	60,334	54,613	46,454	61,018	55,223	46,063	56,784	52,839

Only takes into account the fixed salary.

Table 2.1.5 – Wage Gap (405-2)

The wage gap is -4.76 % calculated as the difference of the wage medians (fixed and variable remuneration) between women and men, expressed as a percentage of the wage median for men based on a multiple linear regression model that at identical characteristics differentiates salary solely on the basis of gender. The multiple linear regression model explains salary as fixed and variable remuneration, based on the gender variable and other relevant factors: age, seniority, contract, level of responsibility, company, location and area. Homogeneous groups of less than 30 people have been excluded because there is not enough of a sample to infer statistically strong conclusions. Due to updating the calculation criteria, the 2019 data is not directly comparable with that reported in 2018.

Table 2.1.6 - Average remuneration of managers

	2017			2018			2019		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Remuneration of senior management (*)			354,000			386,000			375,285
Remuneration of directors	232,000	252,887	249,867	190,500	276,000	258,000	237,846	278,800	266,419

* For data protection purposes, due to having only one woman in top management, this information is not broken down by gender. For the calculation of the amount in the year 2019, the fixed, variable and in-kind remuneration of the 14 people considered senior management personnel has been taken into account.

(401-3)	2017	2018	2019		
	Total	Total	Women	Men	Total
Right to maternity/paternity leave	238	192	107	83	190
Right exercised	97.5 %	95.8 %	100.0 %	100.0 %	100.0 %
Reinstatements	97.8 %	100.0 %	100.0 %	100.0 %	100.0 %
Leaves from the previous year which remain in the company 12 months later	98.7 %	100.0 %	98.0 %	97.6 %	97.8 %

Average hours of annual training (404-1)

	2017	2018	2019		
	Total	Total	Women	Men	Total
Senior management and management	32	39	29	23	24
Middle management	59	54	46	49	48
Experts	46	57	55	46	51
Total	50	56	54	46	50

Total hours of annual training

	2017	2018	2019
	Total	Total	Total
Senior management and management	2,567	3,366	2,572
Middle management	62,698	57,938	70,493
Experts	152,182	224,982	232,578
Total	217,446	286,286	305,643

Employees that have received training on money laundering prevention (205-2)

	2017				2018				2019			
	Galicia, Asturias and León	Spain	Abroad	Total	Galicia, Asturias and León	Spain	Abroad	Total	Galicia, Asturias and León	Spain	Abroad	Total
Senior management	11	2	0	100.0 %	11	2	0	100.0 %	12	1	0	100.0 %
Management	56	5	1	93.0 %	58	6	2	94.3 %	62	5	2	82.0 %
Middle management	843	119	20	98.0 %	853	130	20	94.1 %	861	138	29	72.0 %
Experts	2,685	457	44	98.0 %	2,636	444	41	83.1 %	2,825	472	56	79.0 %
Total	3,595	853	65	97.0 %	3,558	582	63	85.7 %	3,760	616	87	77.0 %

Employees who have received a performance evaluation (%) (404-3)

	2017	2018	2019		
	Total	Total	Women	Men	Total
Senior management	100 %	100 %	100 %	100 %	100 %
Management	100 %	97 %	93 %	96 %	95 %
Middle management	100 %	99 %	98 %	98 %	98 %
Experts	97 %	95 %	92 %	91 %	92 %
Total	98 %	96 %	93 %	94 %	93 %

Safety and health (403-2)

	2017	2018	2019		
	Total	Total	Women	Men	Total
Absenteeism due to accidents					
Days of absenteeism	1,173	853	1,874	333	2,207
No. accidents	46	58	52	18	70
with leave from work	22	24	31	11	42
<i>in itinere</i>	18	17	20	7	27
without leave from work	24	34	21	7	28
<i>in itinere</i>	8	10	10	1	11
Absenteeism due to common illness					
Days of absenteeism	38,015	32,170	29,507	16,765	46,272
No. accidents	1,135	1,292	910	455	1,365
Casualties in connection with work					
No. victims	0	0	0	0	0

Rates of frequency and severity

	2018		2019	
	Women	Men	Women	Men
Rate of frequency of accidents (1)	0.2	1.4	2.3	0.9
Rate of severity (2)	0.0	0.0	0.1	0.1

(1) Rate of frequency = Number of accidents with leave * 10⁶ / (Estimated hours worked in period Selected * Worker average).

(2) Rate of severity = Days off * 1000 / (Estimated hours worked in period selected * Worker average).

Employees covered by collective agreement by country (%) (102-41)

	2017	2018	2019
Spain	100 %	100 %	100 %
Portugal	100 %	100 %	100 %
Germany	0 %	0 %	0 %
Brazil	100 %	100 %	100 %
France	100 %	100 %	100 %
England	0 %	0 %	0 %
Mexico	0 %	0 %	0 %
Panama	0 %	0 %	0 %
United States	--	100 %	100 %
Switzerland	100 %	100 %	100 %
Venezuela	0 %	0 %	0 %
Total	99.8 %	99.6 %	99.6 %

Responsible purchases

Invoicing of foreign suppliers (€)

	2017		2018		2019	
	Invoicing	%	Invoicing	%	Invoicing	%
United States	€1,608,163.00	1.0 %	€2,269,549.69	1.3 %	€1,620,864.20	0.7 %
Ireland	€1,415,208.00	0.8 %	€2,238,174.50	1.2 %	€105,235.16	0.1 %
United Kingdom	€923,353.00	0.6 %	€860,995.98	0.5 %	€2,010,677.26	0.9 %
Belgium	€337,150.00	0.2 %	€418,768.72	0.2 %	€566,847.66	0.3 %
Portugal	€33,337.00	0.0 %	€114,742.21	0.1 %	€451,135.83	0.2 %
Germany	€32,000.00	0.0 %	€1,390,377.34	0.8 %	€24,281.98	0.0 %
Italy	€20,973.00	0.0 %	€3,647.00	0.0 %	€398.00	0.0 %
Sweden	€18,150.00	0.0 %	€24,200.00	0.0 %	€18,150.00	0.0 %
Argentina	€8,067.00	0.0 %	€11,923.16	0.0 %	€8,754.23	0.0 %
Netherlands	€6,474.00	0.0 %	€1,185.80	0.0 %	€2,117.50	0.0 %
Luxembourg	€6,189.00	0.0 %	€6,614.18	0.0 %	€7,269.43	0.0 %
France			€3,710,165.38	2.1 %	€3,369,183.25	1.6 %
Mexico	€654.00	0.0 %	€24,335.88	0.0 %	€299,998.80	0.1 %
Total	€4,409,718.00	2.6 %	€11,074,679.84	6.1 %	€8,484,913.30	3.9 %

GRI CONTENT INDEX

102-55

GRI STANDARD		DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
GRI 101: Foundation 2016							
General Disclosures							
Profile of the organisation							
GRI 102: General Disclosures 2016	102-1	Name of the organization	ABANCA Corporación Bancaria, S.A.		Yes. Pg. 172		
	102-2	Activities, brands, products, and services	40, 42 The corporate object of ABANCA Corporación Bancaria, S.A. include: a) the undertaking of all kinds of activities, operations and services typical of the banking business and in general or related directly or indirectly with the same and which are permitted by current legislation, including the rendering of investment services and auxiliary services and the undertaking of insurance brokerage activities; and b) the acquisition, possession, enjoyment and disposal of all kinds of transferable securities.		Yes. Pg. 172		
	102-3	Location of headquarters	Cantón Claudino Pita, 2 Betanzos (A Coruña).		Yes. Pg. 172		
	102-4	Location of operations	41, 48		Yes. Pg. 172		
	102-5	Ownership and legal form	20		Yes. Pg. 172		
	102-6	Markets served	ABANCA carries out its activity according to the standards and regulations of Spain; practically all its income and expenses are generated in this market.		Yes. Pg. 172		
	102-7	Scale of the organization	7, 131, 134		Yes. Pg. 172		
	102-8	Information on employees and other workers	152, 153		Yes. Pg. 172	6	8
	102-9	Supply chain	64		Yes. Pg. 172		
	102-10	Significant changes to the organization and its supply chain	37		Yes. Pg. 172		
	102-11	Precautionary Principle or approach	114		Yes. Pg. 172		
	102-12	External initiatives	13, 14		Yes. Pg. 172		
	102-13	Membership of associations	14		Yes. Pg. 172		
Strategy							
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	5		Yes. Pg. 172		
	102-15	Key impacts, risks, and opportunities	34, 121		Yes. Pg. 172		
Ethics and integrity							
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behavior	30		Yes. Pg. 172	10	16
	102-17	Mechanisms for advice and concerns about ethics	32		Yes. Pg. 172	10	16

GRI STANDARD	DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
General Disclosures						
Governance						
GRI 102: General Disclosures 2016	102-18	Governance structure	20	Yes. Pg. 172		
	102-19	Delegating authority	25, 27	Yes. Pg. 172		
	102-20	Executive-level responsibility for economic, environmental, and social topics	29	Yes. Pg. 172		
	102-21	Consulting stakeholders on economic, environmental, and social topics	15	Yes. Pg. 172		16
	102-22	Composition of the highest governance body and its committees	21, 25	Yes. Pg. 172		5, 16
	102-23	Chair of the highest governance body	21	Yes. Pg. 172		16
	102-24	Nominating and selecting the highest governance body	21, 26	Yes. Pg. 172		5, 16
	102-25	Conflicts of interest	30 ABANCA has a Code of Ethics and Conduct in force that requires professionals of the organisation to declare the existence or lack of existence of conflicts of interest with respect to the code of ethics. There are three declarations: lack of conflict, participation in companies or activities outside of ABANCA and possible conflict to state situations other than participation in companies or activities that could entail a conflict. All employees have the duty to keep their information up to date on possible conflicts of interest, issuing the corresponding declaration through ABANCA's ethical channel. The internal regulations on conduct impose obligations on declaring conflicts to certain professionals of the organisation to control the possible use of insider information in financial markets.	Yes. Pg. 172		16
	102-26	Role of highest governance body in setting purpose, values, and strategy	28	Yes. Pg. 172		
	102-27	Collective knowledge of highest governance body	28	Yes. Pg. 172		4
	102-28	Evaluating the highest governance body's performance	30	Yes. Pg. 172		
	102-29	Identifying and managing economic, environmental, and social impacts	28	Yes. Pg. 172		16
	102-30	Effectiveness of risk management processes	27	Yes. Pg. 172		
	102-31	Review of economic, environmental, and social topics	21	Yes. Pg. 172		
	102-32	Highest governance body's role in sustainability reporting	The Board of Directors, the highest decision-making body of the Company, save for matters reserved to the authority of the General Shareholders' Meeting, approves, being indelegable, the big lines of the policies and strategies of the Company. The Board of Directors is also in charge of approving the sustainability memory.	Yes. Pg. 172		
	102-33	Communicating critical concerns	25	Yes. Pg. 172		
	102-34	Nature and total number of critical concerns	28	Yes. Pg. 172		
	102-35	Remuneration policies	28	Yes. Pg. 172		
	102-36	Process for determining remuneration	28	Yes. Pg. 172		
	102-37	Stakeholders' involvement in remuneration	28	Yes. Pg. 172		16

GRI STANDARD	DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
General Disclosures						
GRI 102: General Disclosures 2016	102-38	Annual total compensation ratio	The ratio is 11.86 for ABANCA España. The data was calculated using the effective remuneration received in 2019.	Yes. Pg. 172		
	102-39	Percentage increase in annual total compensation ratio	8.24 %	Yes. Pg. 172		
Stakeholder engagement						
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	15	Yes. Pg. 172		
	102-41	Collective bargaining agreements	158 99.6 % of ABANCA employees and investees, which make up its financial scope, are covered by a collective agreement applicable depending on the activity sector to which they belong and which regulates their working schedule. In all countries with a significant presence, there is an applicable collective agreement (Spain, Portugal, Switzerland, USA, France and Brazil), there being no application of an agreement but yes state laws (similar to the workers' statute of Spain) in countries such as Panama, Great Britain, Germany, Mexico and Venezuela.	Yes. Pg. 172	3	8
	102-42	Identifying and selecting stakeholders	15	Yes. Pg. 172		
	102-43	Approach to stakeholder engagement	16, 61	Yes. Pg. 172		
	102-44	Key topics and concerns raised	16, 62	Yes. Pg. 172		
Reporting practice						
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statements	More information in annex I of the Consolidated Annual Accounts.	Yes. Pg. 172		
	102-46	Defining report content and topic Boundaries	17	Yes. Pg. 172		
	102-47	List of material topics	17	Yes. Pg. 172		
	102-48	Restatements of information	There has been no reformulation of the information with respect to the 2019 Memory.	Yes. Pg. 172		
	102-49	Changes in reporting	3	Yes. Pg. 172		
	102-50	Reporting period	The 2019 calendar year.	Yes. Pg. 172		
	102-51	Date of most recent report	2018.	Yes. Pg. 172		
	102-52	Reporting cycle	Annual.	Yes. Pg. 172		
	102-53	Contact point for questions regarding the report	ABANCA Corporación Bancaria, S.A. Cantón Claudino Pita, 2 Betanzos 981 187 000 www.abanca.com	Yes. Pg. 172		
	102-54	Claims of reporting in accordance with the GRI Standards	This report was created according to the exhaustive option of the GRI standards.	Yes. Pg. 172		
	102-55	GRI content index	160	Yes. Pg. 172		
	102-56	External assurance	14	Yes. Pg. 172		
Material topics						
Profitability and solvency						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17	Yes. Pg. 172		
	103-2	The management approach and its components	35, 38, 126	Yes. Pg. 172		
	103-3	Evaluation of the management approach	35, 122, 126	Yes. Pg. 172		

GRI STANDARD		DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
Material topics							
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	145		Yes. Pg. 172		8
	201-2	Financial implications and other risks and opportunities due to climate change	13, 114		Yes. Pg. 172	7	13
	201-3	Defined benefit plan obligations and other retirement plans	75		Yes. Pg. 172		
	201-4	Financial assistance received from government	During 2019, the ABANCA Group has credited €330,599.61 of our investment in training through FUNDAE.		Yes. Pg. 172		
Good governance							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	30		Yes. Pg. 172		
	103-3	Evaluation of the management approach	30		Yes. Pg. 172		
GRI 415: Public Policy 2016	415-1	Political contributions	As stated in the Code of Ethics and Conduct, ABANCA will guide its activity with public representatives under the principle of political neutrality, and will avoid being used as an active or passive instrument for the violation of current legislation or for the achievement of illegitimate or inappropriate purposes.		Yes. Pg. 172	10	16
Ethics and integrity							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	30		Yes. Pg. 172	10	16
	103-3	Evaluation of the management approach	32		Yes. Pg. 172		
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	30		Yes. Pg. 172	10	16
	205-2	Communication and training about anti-corruption policies and procedures	30, 157		Yes. Pg. 172	10	16
	205-3	Confirmed incidents of corruption and actions taken	It is certified that in the year 2019, three cases of undue appropriation were detected in ABANCA and one of use of confidential information for the personal benefit of an employee of Banco Caixa Geral. All of them ended with the imposition of a sanction of disciplinary dismissal.		Yes. Pg. 172	10	16
Risk management and regulatory compliance							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	118, 146	According to their Code of Ethics, ABANCA undertakes to compete honestly and faithfully in the markets. Furthermore, it undertakes to carry out the contracting of suppliers in a framework of free competition and beyond any connection or interference outside of the interests of ABANCA.	Yes. Pg. 172		
	103-3	Evaluation of the management approach	118, 146		Yes. Pg. 172		
GRI 206: Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and and monopoly practices	Through the channels available to that effect, there is no record of having been summonsed in relation to legal proceedings for reasons related to monopolistic practices and practices against free competition. Likewise, having checked the computer archives of the bank, none of the legal processes lodged against ABANCA have this procedural purpose.		Yes. Pg. 172		16
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	Through the channels available to that effect, there is no record of having received any notification on the imposition of significant fines or sanctions related to compliance with environmental regulations.		Yes. Pg. 172	8	16

GRI STANDARD		DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
Material topics							
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Through the channels available to that effect, ABANCA has not received any sanctions from the Bank of Spain on matters of transparency regulations with consumers.		Yes. Pg. 172		16
Human rights							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components			Yes. Pg. 172	1	1-17
	103-3	Evaluation of the management approach			Yes. Pg. 172		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	170 During 2019, no case of discrimination has been registered through the channels available.		Yes. Pg. 172		5, 6, 16
GRI 412 Human Rights Assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	64		Yes. Pg. 172	1	
	412-2	Employee training on human rights policies or procedures	77		Yes. Pg. 172	1	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	No significant investment contracts and agreements which include clauses on Human Rights in 2019 due to believing that there are no risks that make it necessary.		Yes. Pg. 172	2	
Sustainable finances							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	51		Yes. Pg. 172		1, 8, 10, 12, 16
	103-3	Evaluation of the management approach	51		Yes. Pg. 172		
"OTHER INDICATORS: Portfolio"	FS7	Monetary value of products and services designed to offer a specific social benefit for every line of business broken down by objectives	9-10, 44, 51		Yes. Pg. 172		1, 8, 9, 10
	FS8	Monetary value of products and services designed to offer a specific environmental benefit for every line of business broken down by objectives	9-10, 44, 51		Yes. Pg. 172		
"OTHER INDICATORS: Ownership of assets"	FS10	Percentage and number of companies in the portfolio interacted with on social and environmental matters	9-10, 51		Yes. Pg. 172		10
	FS11	Percentage of assets subject to positive or negative social or environmental analysis	9-10, 51		Yes. Pg. 172		10
Quality and client experience							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17, 61, 62		Yes. Pg. 172		
	103-2	The management approach and its components	57, 61, 62		Yes. Pg. 172		1, 8, 10, 12, 16
	103-3	Evaluation of the management approach	57, 61, 62		Yes. Pg. 172		
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	57, 61, 62		Yes. Pg. 172		
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	ABANCA has no knowledge of having committed any breach of the regulation and voluntary codes regarding the impacts of the products and services on health and safety during their life cycle.		Yes. Pg. 172		16
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	57		Yes. Pg. 172		12, 16

GRI STANDARD		DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
Material topics							
GRI 417: Marketing and Labeling 2016	417-2	Incidents of non-compliance concerning product and service information and labeling	During 2019, no sanction has been received on matters of regulations and transparency with consumers.		Yes. Pg. 172		16
	417-3	Incidents of non-compliance concerning marketing communications	During 2019, no breach has occurred giving rise to significant sanctions for this reason.		Yes. Pg. 172		
Products and services adapted to the client's needs							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	42		Yes. Pg. 172		1, 8, 10, 12, 16
	103-3	Evaluation of the management approach	42		Yes. Pg. 172		
"OTHER INDICATORS: Product portfolio"	FS6	"Breakdown of the portfolio for every line of business, by specific region, size (microcompany, SME, large) and sectors"	42		Yes. Pg. 172		1, 8, 9
OTHER INDICATORS: Local communities	FS13	Accessibility in areas with low population density or disadvantaged places	42, 55		Yes. Pg. 172		1, 8, 10
	FS14	Initiatives to improve access of disadvantaged groups to financial services	55		Yes. Pg. 172		1, 8, 10
Responsible purchases							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	64		Yes. Pg. 172		12
	103-3	Evaluation on the management approach	64		Yes. Pg. 172		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers			Yes. Pg. 172		
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	66-67		Yes. Pg. 172		
	308-2	Negative environmental impacts in the supply chain and actions taken	66-67		Yes. Pg. 172		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	66-67		Yes. Pg. 172		
	414-2	Negative social impacts in the supply chain and actions taken	66-67		Yes. Pg. 172		
Digital banking and omnichannel							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	55-56, 126		Yes. Pg. 172		9
	103-3	Evaluation of the management approach	55-56, 126		Yes. Pg. 172		
Computer security and data protection							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		

GRI STANDARD	DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
Material topics						
GRI 418: Customer Privacy 2016	103-2	The management approach and its components	ABANCA has the obligation of protecting personal and private information of its clients and employees as much as possible, as indicated in their Code of Ethics and in current legislation on matters of intimacy, data protection and bank secrecy. Data protection and the right to intimacy are considered in all areas of management at the entity, which has strict internal regulations and carries out specific training courses for its workforce. Likewise, ABANCA enters into the General Data Protection Registry all files under their responsibility with personal data, and all employees have access to a security document which establishes the measures necessary to ensure the security of the files with personal data and the processing centres, etc. Furthermore, it does not allow access to checking clients' data which is not strictly necessary for the job. If possible and carried out, it would be subject to sanction, even if it has no external significance.	Yes. Pg. 172		
	103-3	Evaluation of the management approach	30			
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Through the channels available to the effect, ABANCA has not received sanctions by the Spanish Data Protection Agency (AEPD).	Yes. Pg. 172		16
Energy efficiency						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17	Yes. Pg. 172		
GRI 302: Energy 2016	103-2	The management approach and its components	114	Yes. Pg. 172	8	
	103-3	Evaluation of the management approach	114	Yes. Pg. 172		
	302-1	Energy consumption within the organization	115	Yes. Pg. 172	7, 8	7, 8, 12
	302-2	Energy consumption outside of the organization	One of the most relevant energy consumptions outside of the organisation are consumptions associated with employee transport. The data on CO ₂ emissions caused by these activities are reflected in the indicator.	Yes. Pg. 172	8	7, 8, 12
	302-3	Energy intensity	115	Yes. Pg. 172	8	7, 8, 12
	302-4	Reduction of energy consumption	115	Yes. Pg. 172	8, 9	7, 8, 12
	302-5	Reductions in energy requirements of products and services	Not applicable. Due to the characteristics of the sector of ABANCA's activity, in which financial products and services are therefore offered without energy requirements. associated with their production.	Yes. Pg. 172	8, 9	7, 8, 12
Climate change						
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17	Yes. Pg. 172		
GRI 305: Emissions 2016	103-2	The management approach and its components	115	Yes. Pg. 172	8	
	103-3	Evaluation of the management approach	115	Yes. Pg. 172		
	305-1	Direct (Scope 1) GHG emissions	115	Yes. Pg. 172	7, 8	13, 14, 15
	305-2	Energy indirect (Scope 2) GHG emissions	115	Yes. Pg. 172	7, 8	13, 14, 15
	305-3	Other indirect (Scope 3) GHG emissions	115	Yes. Pg. 172	7, 8	13, 14, 15
	305-4	GHG emissions intensity	115	Yes. Pg. 172	8	13, 14, 15
	305-5	Reduction of GHG emissions		Yes. Pg. 172	8, 9	13, 14, 15
	305-6	Emissions of ozone-depleting substances (ODS)	Not applicable. Due to the characteristics of the sector of ABANCA's activity, in which financial products and services are offered, which are not associated with the use or production of ozone depleting substances.	Yes. Pg. 172	7, 8	13

GRI STANDARD		DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
Material topics							
GRI 305: Emissions 2016	305-7	Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions		Not applicable. Due to the characteristics of the sector of ABANCA's activity, in which financial products and services are offered, therefore without significant atmospheric emissions associated with their production.	Yes. Pg. 172	7, 8	12, 13, 14, 15
Talent attraction and retention							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	71, 73, 78		Yes. Pg. 172		
	103-3	Evaluation of the management approach	71, 73, 78		Yes. Pg. 172		
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	1,3 As established in the Collective Agreement of ABANCA Corporación Bancaria, S.A., the initial base salary for any worker on the workforce, Regardless of their gender, is 1.3 times that of the Minimum Interprofessional Salary, applying the increases established in the agreement itself.		Yes. Pg. 172	6	1, 5, 8
	202-2	Proportion of senior management hired from the local community	29		Yes. Pg. 172	6	8
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	150-151		Yes. Pg. 172	6	5, 8
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	75		Yes. Pg. 172		8
	401-3	Parental leave	156		Yes. Pg. 172	6	5, 8
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	The minimum deadline is that established by the law of each country.		Yes. Pg. 172	3	8
GRI 403: Occupational Health and Safety 2016	403-1	Occupational health and safety management system	99.6 % of the workers have legal workers' representation in matters of safety and health.		Yes. Pg. 172		8
	403-2	Hazard identification, risk assessment, and incident investigation	158		Yes. Pg. 172		3, 8
	403-3	Occupational health services	76		Yes. Pg. 172		3, 8
	403-4	Worker participation, consultation, and communication on occupational health and safety	All the topics related to the Safety and Health of workers of ABANCA Corporación Bancaria are addressed within the Safety and Health Committee which holds their meetings every three months. In addition, work tables may be established to address more specific topics or projects, such as the Protocol on pregnancy, recent birth or breastfeeding which was presented and approved by the Safety Committee in 2019. The company has prevention officers that act as workers' representatives with specific functions in matters of risk prevention in the workplace.		Yes. Pg. 172		8
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	156		Yes. Pg. 172	6	4, 5, 8
	404-2	Programs for upgrading employee skills and transition assistance programs	71-72		Yes. Pg. 172		8
	404-3	Percentage of employees receiving regular performance and career development reviews	157		Yes. Pg. 172	6	5, 8

GRI STANDARD		DISCLOSURE	PAGE NUMBERS OR URL	OMISSIONS	EXT. VERIF.	PRINCIPLE OF THE GLOBAL COMPACT	SDG
Material topics							
Diversity, equality and reconciliation							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	77		Yes. Pg. 172		
	103-3	Evaluation of the management approach	77		Yes. Pg. 172		
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	21, 23, 149, 150, 154		Yes. Pg. 172	6	5, 8
	405-2	Ratio of basic salary and remuneration of women to men	155		Yes. Pg. 172	6	5, 8, 10
Generation of wealth and promotion of the company's activity							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	42, 83		Yes. Pg. 172		
	103-3	Evaluation of the management approach	42, 83		Yes. Pg. 172		
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	32, 83, 105		Yes. Pg. 172		2, 5, 7, 9, 11
	203-2	Significant indirect economic impacts	44, 66, 83, 96		Yes. Pg. 172		1, 2, 3, 8, 10, 17
Social action and volunteering							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	83, 95, 105		Yes. Pg. 172		1, 2, 3, 8, 10, 17
	103-3	Evaluation of the management approach	83, 95, 105		Yes. Pg. 172		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	83, 95, 105		Yes. Pg. 172	1	
	413-2	Operations with significant actual and potential negative impacts on local communities	32		Yes. Pg. 172	1	1, 2
Financial inclusion							
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	16-17		Yes. Pg. 172		
	103-2	The management approach and its components	83		Yes. Pg. 172		1, 5, 8
	103-3	Evaluation of the management approach	83		Yes. Pg. 172		

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Contents of Law 11/18	Materiality	Location in this report	Contents GRI
General information			
Description of the business model	Material	40-42	GRI 102-2 GRI 102-7
Markets where it operates	Material	41-50	GRI 102-3 GRI 102-4 GRI 102-6
Objectives and strategies of the organisation	Material	35	GRI 102-14
Main factors and trends which may affect its future evolution	Material	34-35, 38	GRI 102-14
Risk management	Material	118-123	GRI 102-15
Reporting framework used	Material		GRI 102-54
Materiality analysis	Material	16	GRI 102-46 GRI 102-47
Environmental matters			
Management approach		113 -116	GRI 102-15 GRI 103-2
Detailed general information	Material	n.a.	n.a.
Current and foreseeable effects of the company's activity on the environment and, where applicable, health and safety	Material	54	GRI 102-15
Procedures of environmental evaluation or certification	Material	50	GRI 103-2
Resources dedicated to the prevention of environmental risks	Material	51	GRI 103-2
Application of the precautionary principle	Material	114	GRI 102-11
Amount of provisions and guarantees for environmental risks	Material	54	GRI 103-2
Contamination	Non-material	n.a.	n.a.
Circular economy and waste prevention and management	Non-material	n.a.	n.a.
Sustainable use of resources			
Water consumption and water supply according to local limitations	Non-material	n.a.	n.a.
Consumption of raw materials and measures adapted to improve the efficiency of their use	Non-material	n.a.	n.a.
Direct and indirect consumption of energy	Material	115	GRI 302-1 GRI 302-2
Measures taken to improve energy efficiency	Material	113-116	GRI 302-4 GRI 103-2
Use of renewable energies	Material	113-116	GRI 302-1
Climate change			
Greenhouse gas emissions	Material	115	GRI 305-1 GRI 305-2 GRI 305-3
Measures to adapt to climate change	Material	113-116	GRI 103-2 GRI 201-2
Reduction goals to reduce greenhouse gas emissions	Material	118-123	GRI 305-5
Protection of biodiversity	Non-material	n.a.	

Contents of Law 11/18	Materiality	Location in this report	Contents GRI
Social and personnel issues			
Management approach		77	GRI 102-15 GRI 103-2
Employment			
Total number and distribution of employees by country, sex, age and professional classification	Material	111, 112, 131	GRI 102-8 GRI 405-1
Distribution of working contract modalities and annual average by sex, age and professional classification	Material	131	GRI 102-8
Number of dismissals by sex, age and professional classification	Material	154	GRI 103-2
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Wage gap	Material	155	GRI 103-3 GRI 405-2
Average remuneration of board members and directors broken down by sex	Material	155	GRI 103-2 GRI 405-2
Implementation of work disconnection policies	Material	75	GRI 103
Employees with disability	Material	154	GRI 405-1
Organisation of work			
Organisation of working time	Material	153	GRI 103-2
Number of absenteeism hours	Material	158	GRI 403-2
Measures to facilitate reconciliation	Material	77	GRI 401-3
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Balance sheet of collective agreements	Material	167	GRI 403-4
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Policies implemented in the training field	Material	71, 72	GRI 103-2 GRI 404-2
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Equality			
Measures adopted to promote equal treatment and opportunities among women and men	Material	77	GRI 103-2
Equality plans	Material	77	GRI 103-2
Policy against all kinds of discrimination	Material	77	GRI 103-2
Respect for human rights			
Management approach			GRI 102-15 GRI 103-2
Application of procedures of due diligence	Material	30 -32	GRI 412-2 GRI 412-3
Measures for preventing and managing possible abuses committed	Material	30-32	GRI 102-16 GRI 102-17 GRI 412-1 GRI 412-2

Contents of Law 11/18	Materiality	Location in this report	Contents GRI
Complaints due to cases of violation of human rights	Material	In 2019, no complaint has been received for the violation of human rights related to respect for freedom of association and the right to collective bargaining; the elimination of discrimination in employment and jobs; the elimination of forced or obligatory labour; the effective abolition of child labour.	GRI 103-2 GRI 406-1
Promotion of and compliance with the provisions of the fundamental conventions of the ILO	Material	31	GRI 103-2
Fight against corruption and bribery			
Management approach			GRI 102-15 GRI 103-2
Measures taken to prevent corruption and bribery	Material	30, 31	GRI 103-2 GRI 102-16 GRI 102-17 GRI 205-2 GRI 405-3
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Information about the company			
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Commitments of the company to the environment			
Impact of the company's activity in employment and local development	Material	83, 95, 105	GRI 103-2 GRI 203-2 GRI 204-1
Impact of the company's activity on the local populations and in the territory	Material	83, 95, 105	GRI 103-2 GRI 413-1 GRI 413-2
Relations with the stakeholders of local communities	Material	15	GRI 102-43 GRI 413-1
Actions of association or sponsorship	Material	145	GRI 103-2 GRI 201-1
Subcontracting and suppliers			
Inclusion in the purchase policy of social, gender equality and environmental matters	Material	64-65	GRI 103-2
Consideration in relations with suppliers and subcontractors of social and environmental responsibility	Material	64-65	GRI 102-9 GRI 308-1 GRI 414-1
Supervision systems	Material	66-67	GRI 102-9 GRI 308-1 GRI 414-1
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Measures for the health and safety of consumers	Material	57, 61, 62	GRI 103-2 GRI 416-1
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Profits obtained country by country	Material	147	GRI 201-1
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Public grants received (country by country)	Material	163	GRI 201-4



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Independent Assurance Report on Memory on Corporate and Social Responsibility of Abanca Corporación Bancaria, S.A. and subsidiaries for the year 2019

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To the shareholders of Abanca Corporación Bancaria, S.A.:

We have been engaged by Abanca Corporación Bancaria, S.A. management to perform a limited assurance review of the accompanying Memory on Corporate and Social Responsibility for the year ended 31 December 2019 of Abanca Corporación Bancaria, S.A (hereinafter, the Parent Company) and subsidiaries (hereinafter, the Group), prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in its comprehensive option and with the Sector Supplement "Financial Services" (hereinafter, the Report).

In addition, pursuant to article 49 of the Spanish Code of Commerce, we have performed a limited assurance review to verify that the Consolidated Non-Financial Information Statement (hereinafter NFIS) for the year ended 31 December 2019, of the Group, included in the Report which forms part of the Group's 2019 consolidated Directors' Report, has been prepared in accordance with the contents required by prevailing mercantile legislation.

The Report includes additional information to that required by GRI standards in its comprehensive option and prevailing mercantile legislation governing non-financial information that has not been the subject of our assurance engagement. In this regard, our work was limited only to providing assurance on the information contained in the "GRI Content Index" and the "Table of contents required by Law 11/2018" of the accompanying Report.

Director's responsibilities

Management of the Parent Company is responsible for the preparation and presentation of the Report in accordance with the GRI Standards in its comprehensive option, in accordance with each subject area in the "GRI Content Index" of the aforementioned Report.

The Board of Directors of the Parent Company is responsible for the contents and the authorization for issue of the NFIS which has been prepared in accordance with the contents required by prevailing mercantile legislation and selected GRI Standards, in accordance with each subject area in the "Table of contents required by Law 11/2018" of the aforementioned Report.

This responsibility also encompasses the design, implementation and maintenance of internal control deemed necessary to ensure that the Report is free from material misstatement, whether due to fraud or error.

The directors of the Parent Company are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for preparing the Report was obtained.

Our Independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team was comprised of professionals specialised in reviews of non-financial information and, specifically, in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review engagement in accordance with International Standard on Assurance Engagements, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" (ISAE 3000 (Revised), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the Performance Guide on assurance engagements on the Non-Financial Information Statement issued by the Spanish Institute of Registered Auditors (ICJCE).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement, and consequently, the level of assurance provided is also lower.

Our work consisted of making inquiries of management, as well as of the different units of the Parent Company that participated in the preparation of the Report, in the review of the processes for compiling and validating the information presented in the Report and in the application of certain analytical procedures and sample review testing described below:

- Meetings with the Parent Company personnel to gain an understanding of the business model, policies and management approaches applied, the principal risks related to these questions and to obtain the information necessary for the external review.
- Analysis of the scope, relevance and completeness of the content of the Report based on the materiality analysis performed by the Parent Company and described in the section "ANALYSIS on materiality" considering the content required by prevailing mercantile legislation.
- Analysis of the processes for compiling and validating the data presented in the Report for 2019.
- Review of the information relating to the risks, policies and management approaches applied in relation to the material aspects presented in the Report for 2019.



- Corroboration, through sample testing, of the information relative to the content of the Report for 2019 and whether it has been adequately compiled based on data provided by information sources.
- Procurement of a representation letter from the Directors and management.

Conclusion

Based on the assurance procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that:

- a.) The Memory on Corporate and Social Responsibility of Abanca Corporación Bancaria, S.A. and subsidiaries for the year ended 31 December 2019 has not been prepared, in all material respects, in accordance with the GRI Standards, in its comprehensive option, and the Sectorial Supplement "Financial Services", as described in point 102-54 of the GRI content index.
- b.) The NFIS of Abanca Corporación Bancaria, S.A. and subsidiaries for the year ended 31 December 2019 has not been prepared, in all material respects, in accordance with the contents included in prevailing mercantile legislation and with the GRI Standards selected, in accordance with each subject area in the "Table of contents required by Law 11/2018" of the Report.

Use and distribution

In accordance with the terms of our engagement, this Independent Assurance Report has been prepared for Abanca Corporación Bancaria, S.A. in relation to its Memory on Corporate and Social Responsibility and for no other purpose or in any other context.

In relation to the Consolidated NFIS, this report has been prepared in response to the requirement established in prevailing mercantile legislation in Spain, and thus may not be suitable for other purposes and jurisdictions.

KPMG Asesores, S.L.

(Signed on original in Spanish)

Patricia Reverter Guillot

16 de marzo de 2020

An edition by ABANCA

Miguel Ángel Escotet Álvarez

President of Afundación and General Director of CSR and Communication.

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Verification

KPMG Asesores.

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EDITION

2020

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