



ANNUAL REPORT 2022

15 years
of working towards
a better society



Social change. We are CaixaBank's social bank: we fund projects that change lives.



Table of Contents

→ *MicroBank in 2022* p.4

Introductory letters p.6

01.

**MicroBank's
commitment**

p.10

02.

**MicroBank's
key strategies**

p.14

03.

**MicroBank's
teamwork with
CaixaBank and its
main stakeholders**

p.18

04.

**Business
model**

p.28

05.

**Impact of our
business**

p.36

06.

**Corporate
governance**

p.56

07.

**Economic-financial
information**

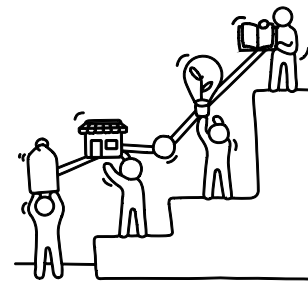
p.64

Annexes ^{1/1}

p.68

MicroBank in 2022

MicroBank
operates in a number
of areas related to
the Sustainable
Development Goals



**Microcredits
and other financing
with social impact**

95,103
microcredits granted

For an amount of:
€808 M

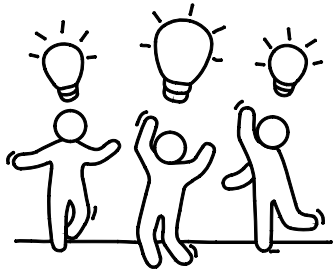
5,220
other loans with a social impact

For an amount of:
€208 M

Total:
100,323

For an amount of:
€1,016 M

Contribution



...to economic growth and job creation

17,455

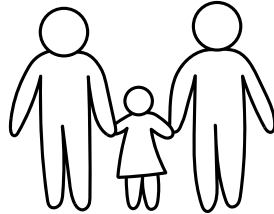
direct jobs created with support for entrepreneurs

5,876

businesses launched with the financial support provided

€4,111M

contributed to the Spanish GDP by companies that received funding



...to financial inclusion

81,985

Family Microcredit recipients

13,118

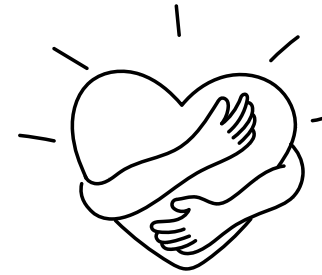
entrepreneurs took out a Business Microcredit

€30M

in microcredits for entrepreneurs supported by social institutions

€0.4M

in microcredits for highly vulnerable people



...to generating a positive social impact

€33M

for social enterprises

€15M

aimed at improving employability through training and education



José Ignacio Goirigolzarri
Chairman of CaixaBank



“Our mission is to continue to support society, families and businesses. This is our contribution to assist and drive the socio-economic transformation of our country. Being close to the people for all that matters.” //

Letter from the Chairman of CaixaBank

2022 has been an extremely important year for the entire team at CaixaBank. We have completed the integration process following the largest merger in our country, we have presented our 2022-2024 Strategic Plan and, in addition, we have launched a new brand statement: “Being close to the people for all that matters”.

This closeness is especially felt in vulnerable groups where we have a greater social impact, because at CaixaBank we are aware that this support is needed now more than ever.

To meet this need, MicroBank, CaixaBank’s social bank, has helped more than one million families and more than 225,000 small businesses in its 15 years of existence.

We are committed to stepping up our efforts to help individuals and groups whose financial needs are not sufficiently met by the traditional financial system, while also promoting entrepreneurial projects, the self-employed, micro-enterprises and social enterprises.

CaixaBank has a unique way of banking that is very inclusive and close to society, to the needs of families and businesses, and MicroBank is an essential part of this. A model in which the “what”, the goals, are very important, but the “how”, the ways of doing things, are absolutely crucial.

Our mission is to continue supporting society, families and businesses, because this is the best contribution we can make at CaixaBank to assist and drive the socio-economic transformation of our country, both in the advance of digitalisation and in the development of a more sustainable, fairer society and environment, with greater opportunities for all. We will do this by being close to society and, of course, hand in hand with MicroBank.



Gonzalo Gortázar Rotaache
CEO of CaixaBank

"We are pleased with the strong^{1/} growth in activity in 2022, which reflects our ability and willingness to support the economy of households and businesses."

A letter from CaixaBank's CEO

Financial year 2022 was particularly successful for the CaixaBank Group. Not only did we complete the integration of Bankia, we also had a very satisfactory year in terms of commercial momentum, credit quality and financial strength. This came in a year marked by the war in Ukraine, an economic slowdown, a pick-up in inflation and the return of positive base interest rates.

The growth in business activity demonstrates our willingness to support the economy, families and businesses. It is also an expression of our ability to offer an inclusive and high-quality financial service to the Group's more than 20 million customers.

MicroBank is a fundamental component of CaixaBank and its commitment to promoting financial inclusion, providing access to credit for the most vulnerable groups and fostering the socio-economic development of our region.

MicroBank is now the European benchmark in financing with social impact. With the ongoing support of CaixaBank, it contributes to the well-being of society as a whole and to the achievement of the United Nations (UN) Sustainable Development Goals (SDGs), which is something of which we are particularly proud. In its 15 years of history MicroBank has granted more than 1,2 million microcredits and has contributed to the protection or creation of about 300,000 jobs.

The CaixaBank Group heads into the 2023 financial year from a strong position that will enable us to continue supporting households and businesses. We do so with a great deal of passion and in the knowledge that our success depends on remaining true to our long-standing values and acting at all times in the service of our customers and society as a whole.



Juan Carlos Gallego
Chairman of MicroBank

A handwritten signature in black ink, appearing to read 'JCG', written over a horizontal line.

“MicroBank has again demonstrated in 2022 that it is able to adapt to changing circumstances, always prioritising support for the most vulnerable groups, and will continue working towards financial inclusion, progress and wellbeing.”

A letter from MicroBank’s Chairman

We look back on 2022, a year that has hit us hard from both a human and economic point of view because of the war in Ukraine. No review of the year can ignore this fact. The tragic loss of life is compounded by the economic consequences of the conflict, which always hit the most vulnerable hardest.

Here, once again, MicroBank has demonstrated in 2022 what had already become evident during the COVID-19 pandemic: that we know how to adapt to changing contexts, always prioritising support for the most vulnerable groups.

It has also been a special year for MicroBank, as we celebrated 15 years of existence. Fifteen years in which we have managed to become the European benchmark in microfinance and finance with social impact. It is only fitting to recognise that this is a collective achievement. MicroBank’s work is based on four pillars: the commitment and unconditional support of CaixaBank, the trust of its customers, the collaboration of an extensive network of social institutions and the contribution of major European institutions dedicated to promoting entrepreneurship. These pillars have made it possible to build and consolidate a business model that offers fruitful and measurable results.

Over these 15 years in business, we have been able to finance more than 1.2 million projects with a social impact worth more than €8 billion which have contributed to the creation of about 300,000 jobs and more than 96,000 new businesses.

We eagerly look forward to 2023, a year in which MicroBank will continue working towards financial inclusion and the progress and wellbeing of the region.



Cristina González

MicroBank General Manager



"At MicroBank we have targeted our efforts towards ensuring that no one is left on the sidelines in this highly complex context. We are committed to further strengthening our social purpose and consolidating our social banking management model." ♡

A letter from MicroBank's General Manager

At MicroBank we have targeted our efforts towards ensuring that no one is left on the sidelines in this highly complex context, both in human and economic terms. 2022 was marked by the consequences of the war in Ukraine, as was the case with the COVID-19 crisis.

In addition, precisely in 2022, the year of our 15th anniversary, MicroBank has reached a new milestone of which we are very proud. MicroBank has provided financing for more than one billion euros to projects with a social impact, a record figure in our history. We are confident that, year by year, we will continue to exceed this figure, as set out in our Strategic Plan, which envisages dedicating three and a half billion euros to social financing between 2022 and 2024, with the aim of reaching more than 400,000 beneficiaries.

Although one billion euros is a figure that speaks for itself, there are more figures that underline the significance of MicroBank's work in 2022, specifically the figures that refer to its impact: more than 17,000 jobs have been created thanks to microcredits and 5,876 new businesses have been launched.

In 2022, we stood by the side of families and vulnerable groups as we granted 81,985 family microcredits for a total of 636 million euros to cover basic needs; of entrepreneurs and microenterprises, with 13,118 microcredits to businesses for a total of 171 million euros; and of other sectors with a social impact, with the implementation of 5,220 projects for a total of about 300,000 million euros in initiatives linked to education, health or innovation.

We are committed to further increasing our impact in 2023 and to forging new alliances to strengthen our social purpose and consolidate MicroBank's social banking management model.



01.

**MICROBANK'S
COMMITMENT**



Presentation and values



MicroBank, the CaixaBank Group's social bank, is a leader in financial inclusion through microcredits. The institution's goals revolve around meeting needs that are not sufficiently covered by the traditional lending system, following the stringent and sustainable standards of a banking institution.

MICROBANK'S ACTIONS ARE GOVERNED BY THE CORPORATE VALUES OF THE CAIXABANK GROUP:

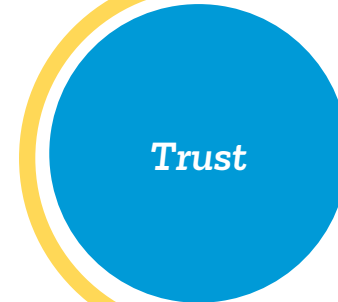
1

A commitment to service and offering outstanding customer care with the appropriate products and services for every customer.



2

The sum of honesty and professionalism.



3

A commitment not only to provide value to customers and employees, but also to contribute to the development of a fairer society with greater equality of opportunity.



MicroBank combines the contribution of social value, by meeting needs that are not sufficiently covered by the traditional credit system, with the provision of the necessary resources so that projects can continue to grow at the pace required by the existing demand, in line with the rigour and sustainability inherent to a bank with the following goals:



Job creation through the launch or expansion of businesses by granting microcredits to entrepreneurs and social enterprises.



Financial inclusion, promoting equal access to credit, in particular for those unable to provide guarantees, along with access to banking services for new customers through CaixaBank's commercial network.



Promoting production activity, granting financial assistance to self-employed persons and microenterprises as a means of boosting the economy.



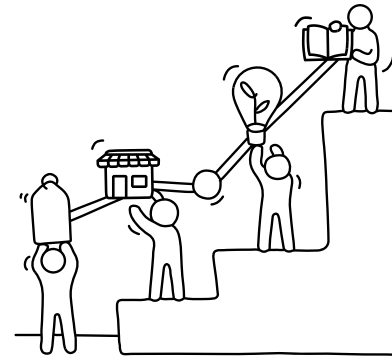
Generation of social and environmental impact, by granting financial support for projects that have a positive and measurable social impact.



Personal and family development by meeting the financial needs of people with moderate income and helping them overcome temporary difficulties through microcredits.



Direct, indirect and induced contribution to the Spanish economy in terms of **GDP impact and job creation.**



MicroBank: 15 years of history




MicroBank celebrated its 15th anniversary in 2022. Since its inception, it has provided more than 8 billion euros in financing for a total of 1,272,365 projects with a social impact in Spain.

7.7 billion of this amount was in the form of microcredits. In doing so, it has contributed to the direct creation of about 300,000 jobs and more than 96,000 new businesses.

Out of the total number of microcredits, 1,023,562 transactions amounting to €5.111 billion were granted to meet the specific needs of families, while 229,003 transactions amounting to €2,602 billion were granted to support entrepreneurs and microenterprises.

The specific facilities for sectors with a social impact, which were created more recently, have helped to make a total of 19,800 projects in the areas of the social economy, education, innovation and health worth €722 million a reality in Spain.



15 years of working towards building a better society	Business Microcredits	Family Microcredits	Other financing with social impact
Transactions	229,003	1,023,562	19,800 social economy, education, innovation and health projects
Total amount	€2,602 M 	€5,111 M 	€722 M 



02.

MICROBANK'S KEY STRATEGIES

The new 2022-2024 Strategic Plan was presented in 2022. The bank's new roadmap has three main pillars: leadership in financing with social impact, having an impact on communities and building partnerships, as well as consolidating the management model and corporate culture. To achieve this, MicroBank plans to increase financing by 34% with respect to the previous Plan, allowing it to reach more families and businesses, and to facilitate access to financing through digital channels.



Strategic pillars

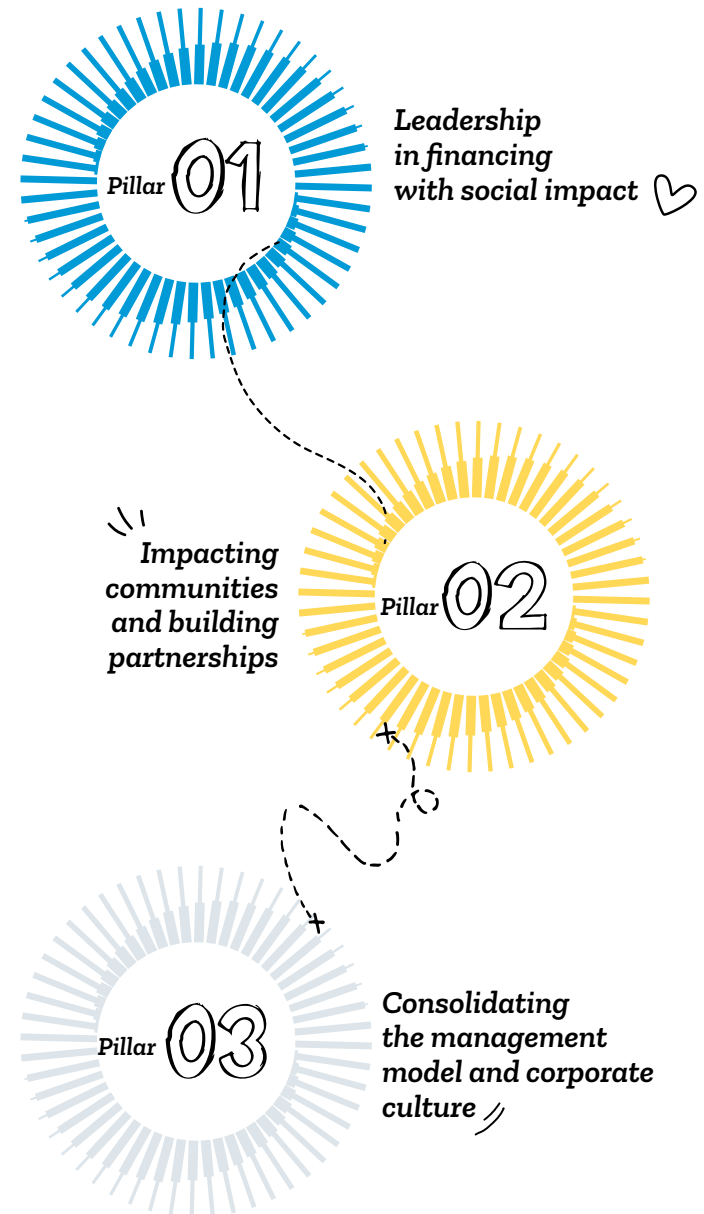


Goals:

- Continuing to be a leader in microfinance
- Strengthening business vision in impact finance/ESG
- Adapting to the transformation of our CaixaBank commercial network

Strategic aspects:

1. Developing and broadening MicroBank's value proposition aimed at fostering a better customer experience
2. Increasing sign-ups through an omni-channel approach to promote access to financing and social impact



Pillar 02
Impacting communities and building partnerships

Goals:

- Raising awareness of the social impact of MicroBank's activity
- Strengthening the contribution to sustainability through social impact
- Consolidating the relationship with stakeholders and building new partnerships

Strategic aspects:

- 3. Positioning Microbank as a benchmark for social impact and sustainability
- 4. Working as a network for the improvement of employability and the productive fabric

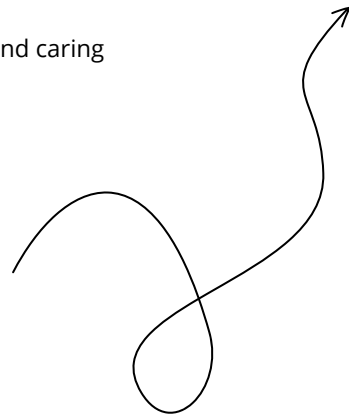
Pillar 03
Consolidating the management model and corporate culture

Goals:

- Ensuring financial sustainability through analysis of the environment, trends and risks
- Strengthening internal cooperation and participation
- Promoting a culture of innovation and cooperation in the institution

Strategic aspects:

- 5. Consolidating the innovating, open and accessible management model
- 6. Fostering the commitment to and caring for people at MicroBank



STRATEGIC KPIS

In these three financial years, production will amount to nearly

€3,500 M

Reaching more than

413,000
beneficiaries

82%
in microcredits



+ 320,000
families



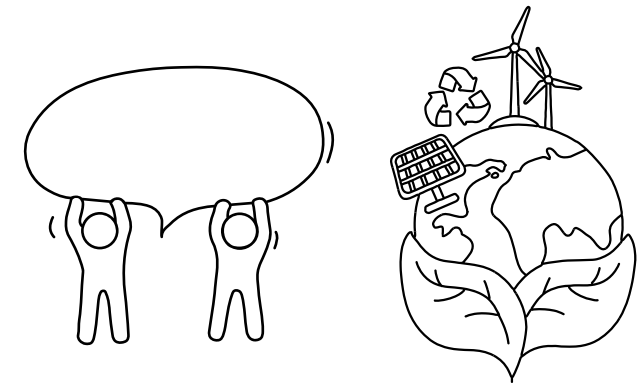
+ 90,000
entrepreneurs



MicroBank's contribution to the 2030 Agenda

In September 2015, the United Nations General Assembly adopted the 2030 Agenda for Sustainable Development, an action plan for people, the planet and prosperity, which also aims to strengthen universal peace and access to justice. The 2030 Agenda for Sustainable Development includes 17 Sustainable Development Goals with 169 targets covering economic, social and environmental aspects.

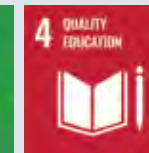
MicroBank is aware that companies play a crucial role in the achievement of these goals; for this reason, through its business model, it contributes directly and indirectly to advancing and promoting these goals. Specifically, three priority SDGs have been identified, which in turn are interrelated with six others, to which MicroBank also contributes in a multidisciplinary way. Section "5. Impact of our business" sets out the specific goals to which MicroBank is contributing and which are also in line with its new strategic objectives.



Priority



Interrelated SDGs



Committed to **society and the planet**

Committed to **people**

A woman with dark hair and glasses is focused on working on a circuit board. She is wearing a plaid shirt. The background is a blurred workshop or lab setting with various electronic components and equipment. The overall tone is professional and technical.

03.

MICROBANK'S TEAMWORK WITH CAIXABANK AND ITS MAIN STAKEHOLDERS

The support of CaixaBank, the involvement of European institutions and the support of local institutions are the essential strengths enabling MicroBank to achieve its goals, which focus on meeting needs that are not sufficiently covered by the traditional lending system.

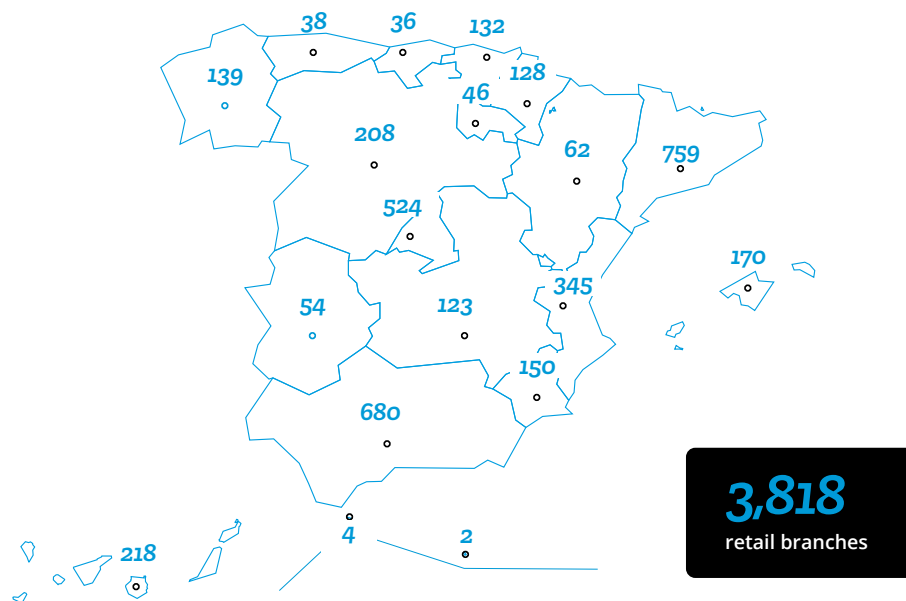


Relationship between CaixaBank and MicroBank

CaixaBank is MicroBank's sole shareholder and has supported it since its creation in 2007, providing it with the necessary financing for the growth of its lending activity and marketing the social bank's products through the more than 3,800 branches in its commercial network. This makes the full range of MicroBank products available to customers with the highest possible quality of service and proximity, which allows us to serve the needs of all segments of the population, including the most vulnerable.

The relationship between CaixaBank and MicroBank is governed by an agency agreement by virtue of which CaixaBank provides MicroBank with comprehensive support and marketing services.

This year the new service models of the **inTouch** and **Imagin** centres, both of which are digital-based, will be added to the retail branches.



inTouch inTouch is a dedicated service for customers who interact with the bank primarily through digital channels. They can rely on the help of an expert advisor to respond to their queries through the communication channel of their choice.

Customers have a dedicated advisor to whom they can direct their queries, with a commitment to respond within 24 hours. In addition to answers to their questions, customers can also receive specialised advice on products and, if they so wish, can also order digitally.

inTouch boasts a team of more than 1,944 advisors, 26 offices in all Spanish Autonomous Communities and 3.4 million customers.



Imagin was launched as the first mobile-only bank in Spain. It is a lifestyle platform powered by CaixaBank that offers digital financial and non-financial services helping its users, mostly young people under the age of 30, in their daily lives and their future endeavours. The platform currently has a community of four million users, which is growing steadily thanks to the wide range of content and services on offer – many of which are free of charge –, the ease of registration and the creation of various levels of loyalty which, unlike traditional banks, do not necessarily involve signing up as a financial customer.



“Through MicroBank, we are able to finance projects that have an impact both on the employment and economic situation of new entrepreneurs and on society as a whole, fostering the creation of jobs and making a positive impact on society. It is a source of pride for us as an institution.”

Mª José Martínez
Advisor at branch 7838, Murcia



Support from European institutions

MicroBank is supported by the major European institutions dedicated to the promotion of entrepreneurship and microfinance. MicroBank acts as an intermediary between institutions and the end client, by channelling funds from the European Commission.

European Investment Fund (EIF)

Since 2008, MicroBank and the EIF have been working closely together to promote funding for launching, consolidating or expanding entrepreneurial or business projects. They first began working together through the Competitiveness and Innovation Framework Programme (CIP).

The following programmes were continued in 2022:



"We are delighted to be working with MicroBank to facilitate access to financing for the self-employed and microenterprises in Spain. Our goal is to help Spanish companies move towards a greener, more digital and inclusive future and, in this sense, our vision fully aligns with that of MicroBank."

Marjut Falkstedt

Chief Executive of the European Investment Fund (EIF)



COSME II Programme

The programme provides MicroBank with guarantees to cover part of the risk it undertakes when granting microcredits. The agreement has enabled microcredits worth a total of €1.2 billion to be granted to entrepreneurs and microenterprises with the aim of promoting entrepreneurship.



EaSI Programme (Employment and Social Innovation) for the funding of social enterprises

As part of the close relationship between MicroBank and the EIF, the two parties signed a new guarantee agreement in July 2018. This agreement has been extremely important for the institution as it has allowed for the launch and consolidation of one of the new lines of business included in the Strategic Plan: the funding of companies and organisations operating in the social economy.

It initially foresaw an amount of €50 million, however, in 2020 the agreement was increased to €130 million, which will allow financial support to social enterprises to continue until 2023.



Skills and Education Programme

In 2021, MicroBank signed an agreement with the EIF to improve access to finance for individuals and organisations wishing to invest in training and education with the aim of improving employability.



InvestEU

In November 2022, a new agreement was signed with the EIF to boost sustainable investment, innovation and job creation in Europe by facilitating access to financing for small and medium-sized enterprises. The agreement will make available up to €800 million through the following programmes:

MICROFINANCE AND SOCIAL ENTREPRENEURSHIP

Under this guarantee, MicroBank will be able to keep offering better access to finance to microenterprises, including the self-employed, and to social enterprises experiencing difficulties in accessing credit. The InvestEU Microfinance and Social Entrepreneurship Guarantee can reach a total of €200 million.

SME COMPETITIVENESS

MicroBank will be able to boost the competitiveness of small businesses by improving their access to finance. The InvestEU SME Competitiveness Guarantee is worth up to €250 million.

SUSTAINABILITY

With this guarantee, MicroBank will be able to continue to support small businesses in the green transition and in other related areas such as the implementation of green, inclusive and environmentally friendly investments. The InvestEU Sustainability Guarantee is worth up to €37.5 million.

European Investment Bank (EIB)

In 2013, MicroBank became the first European bank to receive funding from the EIB for the purpose of granting microcredits. Since then, it has taken out three loans with the EU bank for an amount of €190 million, aiming to promote access to long-term funding and job creation, in particular for young people.

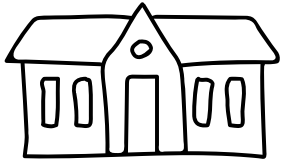
Council of Europe Development Bank (CEB)

The CEB has supported MicroBank's business since its foundation.

The funds received from the CEB have allowed MicroBank to promote financial inclusion by providing access to finance for microenterprises and individuals facing difficult circumstances. This partnership has led to a strengthening of the Spanish business fabric, as well as providing support to the most vulnerable families.

Accumulated figures for 2022

	Amount	Microcredits/Loans	Average amount
Impact of MicroBank's collaboration with the EIF	€2,485 M	185,180	€13,422
Impact of the EIB loan on MicroBank's business	€268 M	23,959	€11,196
Impact of CEB financing on loans	€661 M	69,398	€9,524



Collaborating institutions

Another essential element of MicroBank's strategic goals are the 291 institutions that cooperate actively with the bank in order to promote self-employment by providing access to funding through microcredits, in particular among the groups most at risk of financial exclusion.



"In these more than 10 years of working together, we have managed to provide access to financing for thousands of entrepreneurs, one of the main problems they encounter when starting a business. As a result of this partnership, we have contributed to the creation of more than 3,300 jobs in Andalusia; these figures encourage us to continue working together to move forward."

Rosa Siles
Managing Director of Andalucía Empeñe

TYPES OF INSTITUTIONS THAT COLLABORATE WITH MICROBANK:

101

town/city councils

41

chambers of commerce

100

non-profit organisations

9

universities and business schools

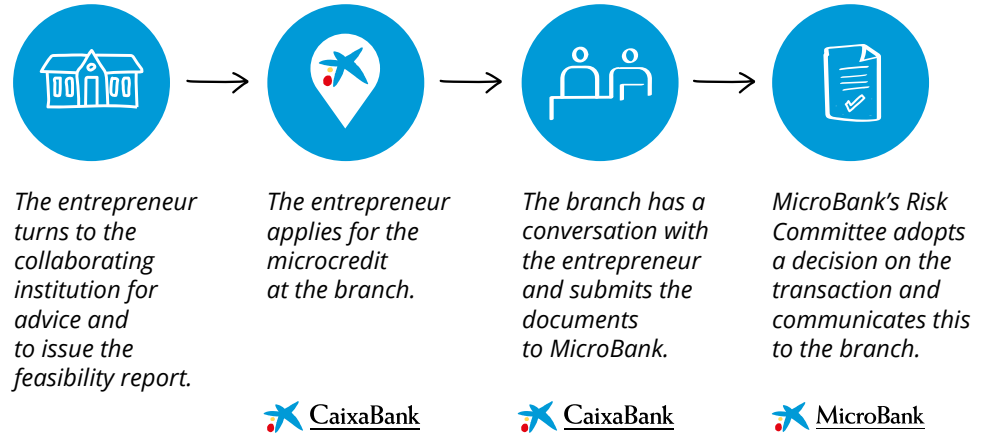
40

other

291

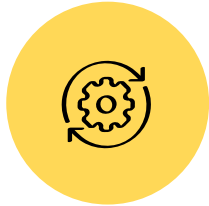
institutions in total

Through this collaborative network, we can reach entrepreneurs who need the advice of an institution to carry out their business project.



These institutions act as a link between potential customers and MicroBank.

Services provided by the collaborating institutions



ADVICE

Advice and technical support for entrepreneurs: MicroBank's collaborating institutions provide support in the project design phase. From drawing up a project and business plan to feasibility and market consistency.



ACCESSIBILITY

Access to MicroBank products and services: they serve as an extension of the distribution network for MicroBank products and services, especially among the groups and people with the greatest difficulties in accessing money.



SOCIAL CONTRIBUTION

Social contribution of entrepreneurship: they integrate the global ESG-based vision into projects, with the aim of contributing to positive social progress.

"Non-financial support is key to boosting business projects."

Throughout 2022, MicroBank provided €30 million in microcredits to support entrepreneurs who needed the advice of collaborating entities in the social area.

Some of the most prominent entities in terms of number and amount of transactions are: Incorpora - "la Caixa" Foundation; Andalucía Emprende; the Women's Institute for Equal Opportunities, the Spanish Red Cross; Spanish Chambers of Commerce, Industry, Services and Navigation, the Fundació Portal-Amalgama 7, the Canary Islands Employment Service and Barcelona Activa.

It is worth noting that, in 2022, MicroBank signed an agreement with the Foundation of Rural Women's Associations (FADEMUR). This partnership involves the provision of a €1 million financing facility to promote self-employment and encourage women's entrepreneurial activity in rural areas.



BUSINESS MICROCREDITS/INSTITUTIONS AGREEMENT

1,600
benefitting
entrepreneurs

€30 M
granted in total

Our employees

As a bank with a social impact, we foster the development of people's potential and talent. We believe in diversity and empowerment and strive to constantly improve our employees' experience.

MicroBank's staff is made up of 53% women and 47% men. The average age is 44 years old. All staff have permanent contracts.

Our employees are key to the achievement of MicroBank's objectives and this is why we want to attract the very best professionals and encourage human development in a great working environment.



Talent development

In 2022, we have implemented new programmes to improve the skills of our staff, who have completed a total of nearly 2,000 hours of training, significantly increasing the training offered and the number of hours per employee compared to previous years.

In terms of professional development, we have continued to work on the Individual Development Plan (IDP) for all our employees and we have held various on-boarding sessions for new recruits.

Diversity and equality

MicroBank has in place a robust framework of effective policies that ensure equality and promote diversity in all aspects. In addition to the Group policies it follows, MicroBank has its own work-life balance protocol, protocol for the prevention, treatment and eradication of sexual and workplace harassment and protocol for unmarried couples.

Throughout 2022, several women from the MicroBank team have taken part in programmes and sessions for female empowerment and mentoring.

Family-responsible company

MicroBank has held the EFR (family-responsible company) certificate awarded by the Másfamilia Foundation since 2018. This certificate recognises good practices at organisations implementing models for reconciling work, personal and family life.

MicroBank has a number of initiatives to promote work-life balance, such as shorter working hours during the summer period and remote working days.



MicroBank customers

Matching financial products to customers' real needs is fundamental to achieving our objectives. CaixaBank's commercial network and the collaborating institutions transmit the customers' perceived needs to MicroBank. The process of launching a new product involves the development of the product by MicroBank's team and the approval by CaixaBank's Product Committee, which analyses its features and associated risks along with its appropriateness for the audience at which it is aimed.

MICROBANK'S CUSTOMERS CAN BE SEGMENTED AS FOLLOWS:

33.5%
entrepreneurs and
microenterprises

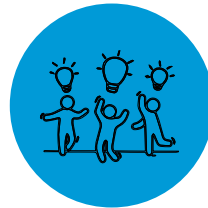
63.2%
families

3.3%
social enterprises

Distribution of customers by production volume.

CUSTOMER PROFILE

Entrepreneur profile



Average applicant age range:
36-49 — years old

Gender:
62% — men

Nationality:
68% — Spanish

Education:
62% — without higher education

Family profile

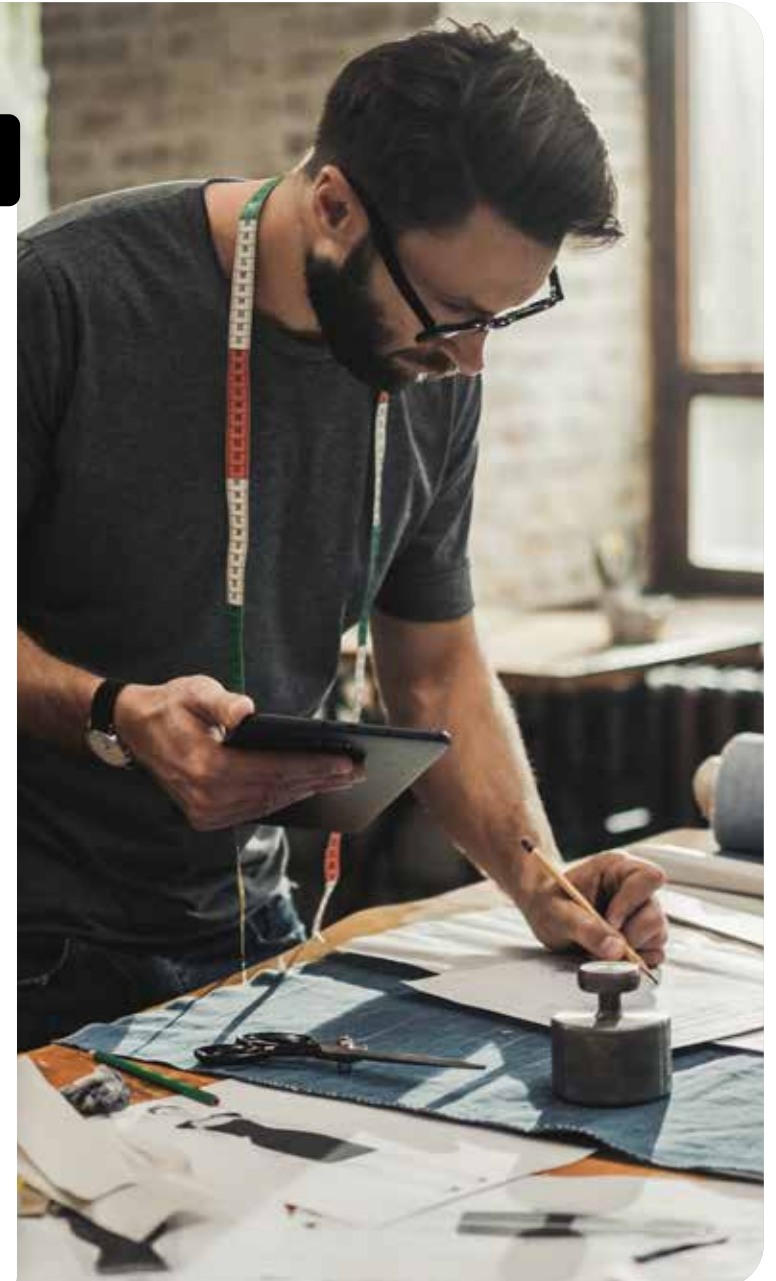


Average applicant age range:
36-49 — years old

Gender:
52% — men

Nationality:
61% — Spanish

Education:
84% — without higher education





Omnichannel approach

One of the lines of action in the Strategic Plan focuses on omni-channel engagement to promote financing and social impact, making it easier for customers to access financing through different channels.

This is why MicroBank’s website was updated in 2022 and evolved into a portal that simplifies signing up and receiving support for customers.

Customer Support Department

MicroBank is committed to providing its customers with precise, accurate and understandable information about transactions, fees and procedures in order to channel complaints and resolve any incidents.

MicroBank has signed up to CaixaBank’s Customer Protection Regulations.

COMPLAINTS RECEIVED THROUGH THE CUSTOMER SUPPORT DEPARTMENT AND THE BANK OF SPAIN IN 2022

84
complaints received

41%
settled in favour of the institution

44%
settled in favour of the customer

15%
not admitted

Customer satisfaction

Excellence is one of MicroBank’s fundamental values and therefore customer satisfaction lies at the heart of our professional activities.

MicroBank conducts half-yearly customer satisfaction surveys with both families and entrepreneurs.

	2022
Businesses	
Customers satisfied or very satisfied with MicroBank’s services	92.50%
Average score	8.79
Highest-rated aspect of the service	Care and service received from staff
Second highest-rated aspect of the service	Simple procedures
Families	
Customers satisfied or very satisfied with MicroBank’s services	93.80%
Average score	8.89
Highest-rated aspect of the service	Care and service received from staff
Second highest-rated aspect of the service	Turnaround times



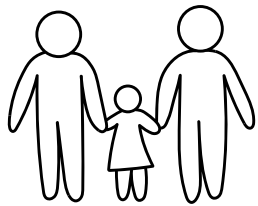
04. BUSINESS MODEL

MicroBank has established a business model based on financing with social impact.

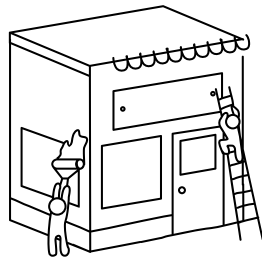
Financing offer



Microcredits

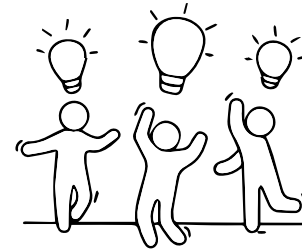


Families

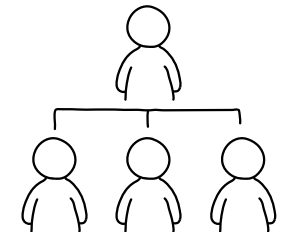


Businesses

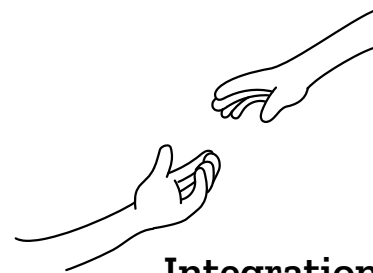
Other financing with social impact



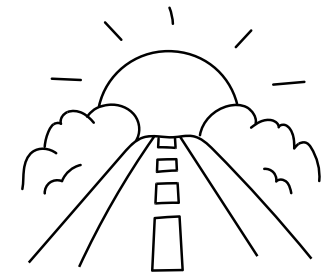
Entrepreneurship and innovation



Social economy



Integration



Education

LOANS WITHOUT IN-REM GUARANTEE

Microcredits

What is a microcredit?

Microcredits are loans of up to €25,000, without in rem guarantee, aimed at people who, due to their economic and social circumstances, may have difficulty in accessing funding from traditional banks. Their purpose is to promote production activity, job creation and personal and family microcredits.

Business Microcredits

AIMED AT:

Entrepreneurs and microenterprises with fewer than 10 employees and annual turnover of no more than €2,000,000 that need funding to launch, consolidate or expand their business or meet working capital needs.

This financing is made possible thanks to a guarantee under the European Investment Fund's COSME programme.

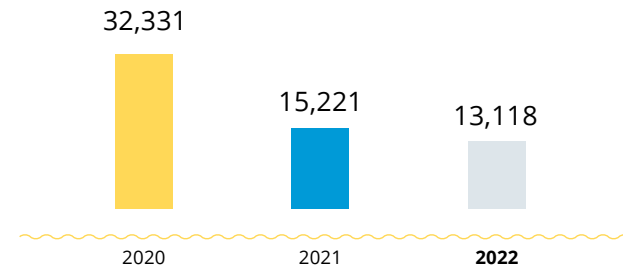


MAIN FEATURES:

- Fixed-rate loan with personal guarantee.
- Business Microcredits are granted based on trust in the applicant and their business plan, without any in rem guarantee.
- The maximum repayment term is 6 years, with an optional grace period of 6 months.

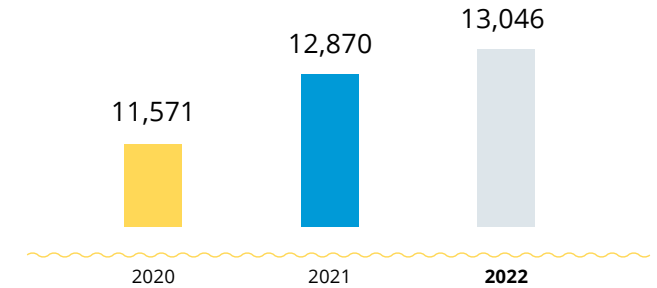
Total Business Microcredits

No. of transactions



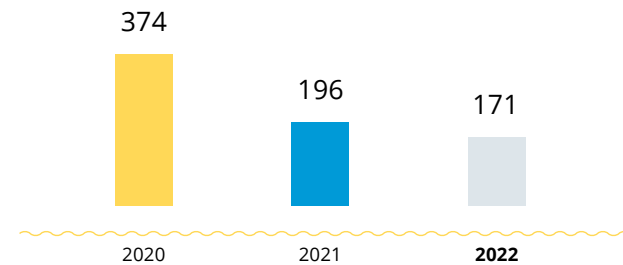
Average amount

Euros



Total amount

Million euros



FINANCIAL YEAR 2022:

13,118
transactions

€171 M

64%

for entrepreneurs
and 36% for microenterprises

Family Microcredit

AIMED AT:

People with limited income of up to €19,300 per year¹ for the purpose of funding personal and family development projects along with needs arising due to unforeseen circumstances.

The income criterion is reviewed on a regular basis in order to always maintain the focus on the groups that continue to face the greatest difficulty in accessing credit, many times assuming the impact that decisions of this type can have on growth, the risk profile of the portfolio and the generation of profits.

MAIN FEATURES:

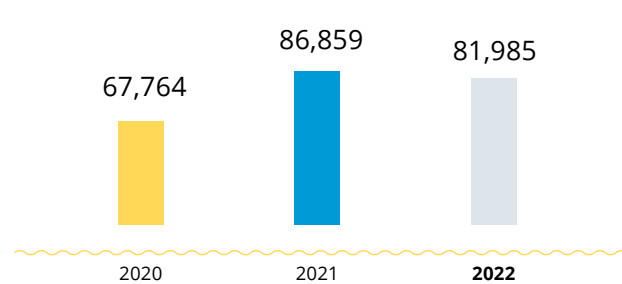
- Fixed-rate personal loan.
- Family Microcredits are granted without an in rem guarantee.
- The maximum repayment term is 6 years, with a grace period of up to 12 months.

FINANCIAL YEAR 2022:

81,985 transactions **€636 M**

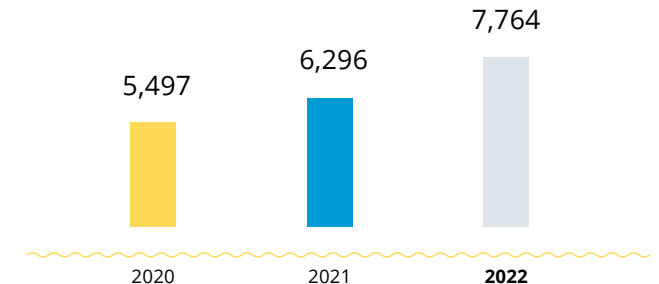
Total Family Microcredits

No. of transactions



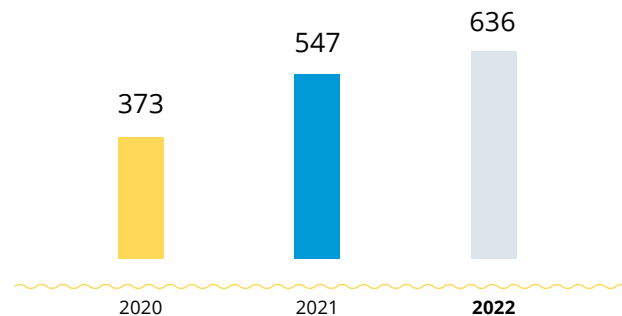
Average amount

Euros



Total amount

Million euros



Confianza Project

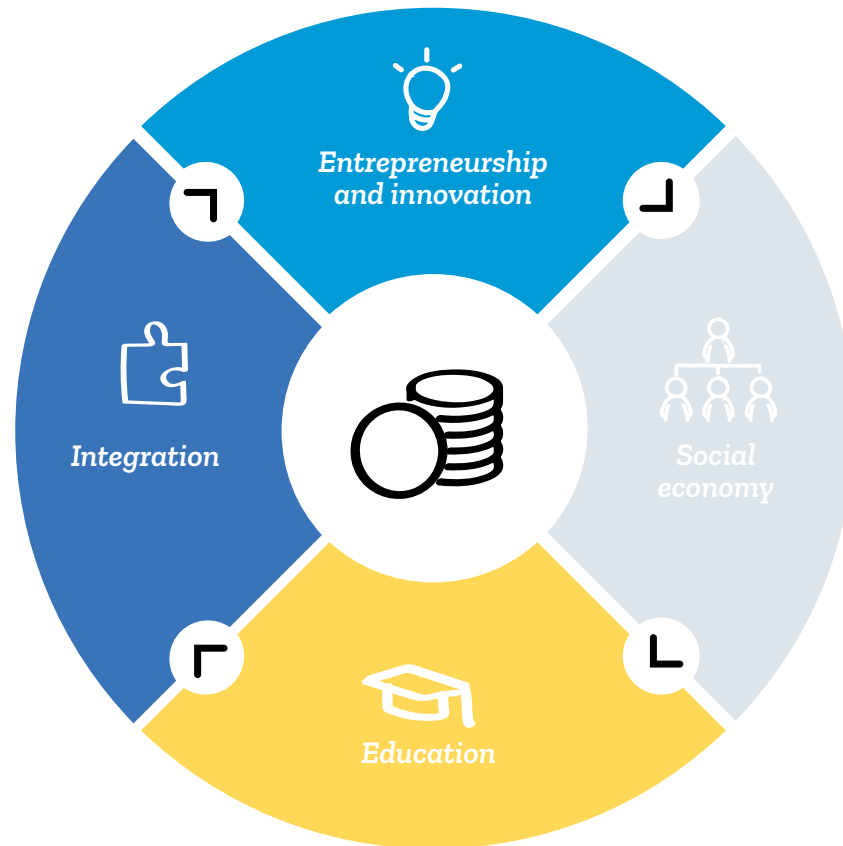
In 2016, MicroBank signed a collaboration agreement with the Asociación Proyecto Confianza in order to make a contribution to the social and financial inclusion of extremely vulnerable people.

In the financial year 2022, 136 loans for an amount of €383,000 were granted to extremely vulnerable people who had previously received support through group dynamics aimed at improving the self-esteem and dignity of the members.

1. In order to determine income levels, we have taken into account the Public Multi-Purpose Income Indicator (IPREM).

Other financing with social impact

Loans aimed at projects that generate a positive and measurable social impact on society. The purpose is to make a contribution to maximising social impact in these sectors.



Entrepreneurship and innovation

BUSINESS LOAN

AIMED AT:

Entrepreneurs and microenterprises

MAIN FEATURES:

Amount: up to €50,000.

Purpose: Financing the start-up, expansion or consolidation of a business.

Term: maximum repayment term of six years (optional six-month grace period).

INNOVATION LOAN

AIMED AT:

Entrepreneurs and microenterprises that have been in business for a maximum of three years.

MAIN FEATURES:

Amount: up to €50,000.

Purpose: launching or expanding innovating business projects.

Term: maximum repayment term is seven years with a grace period of 24 months.

The applicant must submit a business plan along with a feasibility report issued and signed by a collaborating institution.



FINANCIAL YEAR 2022:

4,164
transactions

€159 M

Social economy

EASISOCIAL ENTERPRISE LOAN

AIMED AT:

Social institutions and enterprises striving to have a positive and measurable social impact.

MAIN FEATURES:

Amount: up to €500,000.

Purpose: funding of investments in social enterprises. Social enterprises are defined as enterprises that aim to solve a social, economic or environmental problem through their business model or company purpose. They may be working in occupational inclusion, or in other areas such as the promotion of personal autonomy and care for the disabled and dependent persons, the fight against poverty and social exclusion, interculturality, social cohesion and social action projects.

Term: up to 10 years (with an optional capital grace period of up to 12 months).

Integration

HEALTHCARE LOAN

AIMED AT:

Financing medical treatment and temporary assistance for people suffering from a mental health condition (eating or behavioural disorders, etc.), with a view to contributing to the improvement of their quality of life and personal independence.

MAIN FEATURES:

Amount: up to €25,000.

Purpose: treatment costs for the aforementioned people.

Term: up to six years.

Education

SKILLS AND EDUCATION LOAN – STUDIES

AIMED AT:

People interested in financing their education or skills in order to improve their employability.

MAIN FEATURES:

Amount: up to €30,000.

Purpose: to cover tuition fees and related living expenses.

Term: up to 10.5 years (possibility of a grace period of 54 months, including up to 12 months after completion of studies).

MicroBank's first end-to-end digital loan **launched in April 2022** with Imagin.

SKILLS AND EDUCATION LOAN FOR EDUCATION COMPANIES

AIMED AT:

Organisations providing education, training, skills development and related services. Applicable to any legal form falling under CNAE 85 and the organisation must have a maximum of 499 employees and/or a turnover of up to €50 M.

MAIN FEATURES:

Amount: up to €500,000 per transaction and €2 M per customer.

Purpose: financing both assets and intangibles and working capital.

Term: up to 10 years (possibility of a six-month grace period).

FINANCIAL YEAR 2022:

238
transactions

€**33 M**

FINANCIAL YEAR 2022:

45
transactions

€**0.9 M**

FINANCIAL YEAR 2022:

682 transactions
55% of transactions managed through digital channels

€**4 M**

FINANCIAL YEAR 2022:

80
transactions

€**11 M**

Other products: accounts, funds, Monte de Piedad

In addition to microcredits and loans, MicroBank offers a range of products tailored to the needs of our customers.



MicroBank's Basic Payment account

As part of its commitment to financial inclusion, MicroBank provides its customers with the Basic Payment Account.

It is aimed at people with income below the interprofessional minimum wage. This account is fee free and offers a range of basic services free of charge.

Investment products

MicroBank is committed to socially and ecologically responsible investments and therefore promotes the marketing of two socially responsible investment funds through CaixaBank: MicroBank Fondo Ético, FI and MicroBank SI Impacto RV, FI.

MICROBANK ETHICAL FUND €144 M VOLUME

MicroBank's Ethical Fund is a mixed ethical and charitable fund combining the search for profitability with criteria associated with social responsibility. It is characterised by the fact that it combines traditional financial investment criteria with socially responsible criteria.

In addition, the fund includes a charitable component with MicroBank's Ethical Fund giving 25% of the management fee to non-profit organisations, while the "la Caixa" Banking Foundation contributes an equivalent amount to an international cooperation project.

MICROBANK SI IMPACTO RV, FI €80 M VOLUME

MicroBank SI Impacto Renta Variable, FI is an international variable income fund that invests in companies whose activities are aimed at solving the main social and environmental problems identified in the United Nations' SDGs.

The new investment policy takes a more sustainable investment approach, generating an environmental and/or social impact without sacrificing financial profitability.



Monte de Piedad

MicroBank manages Monte de Piedad at the request of CaixaBank in order to increase the impact of its business and boost the quality of service offered to customers.

CaixaBank's Monte de Piedad is a traditional financing instrument and is one of the oldest still in operation in Spain, its main activity being the granting of loans on jewellery for private use.

To obtain a loan, customers must visit one of the Monte de Piedad branches where the jewellery is instantly appraised and the maximum loan amount is calculated and paid out instantly.

The jewellery can be redeemed at any time or upon maturity (one year) after the loan has been repaid. If at any point the customer cannot afford the repayment, they have the option of requesting successive renewals on an annual basis.

In 2022, nearly 98% of pawned objects were recovered or the loan was renewed, which shows a high level of collaboration and support for society.

If a pawned object is not redeemed or the loan renewed, it is put up for auction after the customer has been notified. It should be pointed out that Monte de Piedad's auction business is a non-profit activity. The surplus from the auction is paid back to the customer after the loan has been paid off.

Starting in 2018, the range of services has been expanded through a value proposition offering three new services in the four Monte de Piedad branches:

- **Safekeeping of jewellery**, aimed at anyone wishing to store their jewellery with the guarantee of maximum security.
- **Jewellery appraisals**, for customers interested in knowing the market value, helping in situations such as inheritance distribution or inclusion in insurance policies.
- **Sale of jewellery** at our auctions for all customers who, with the utmost transparency and professionalism, want to monetise the financial value of a piece of jewellery instead of keeping it.



C/ Rivadeneyra, 6. 08002
Barcelona

C/ de la Virgen de los Peligros, 3. 28013
Madrid

C/ Arroyo, 49. 41003
Sevilla

C/ José Hernández Alfonso, 30. 38003
Santa Cruz de Tenerife



A TOTAL OF 12 ONLINE AUCTIONS WERE HELD IN 2022

10,317
loans granted

€1,212
average amount

35,618
loans in force

1,648
new customers



05.

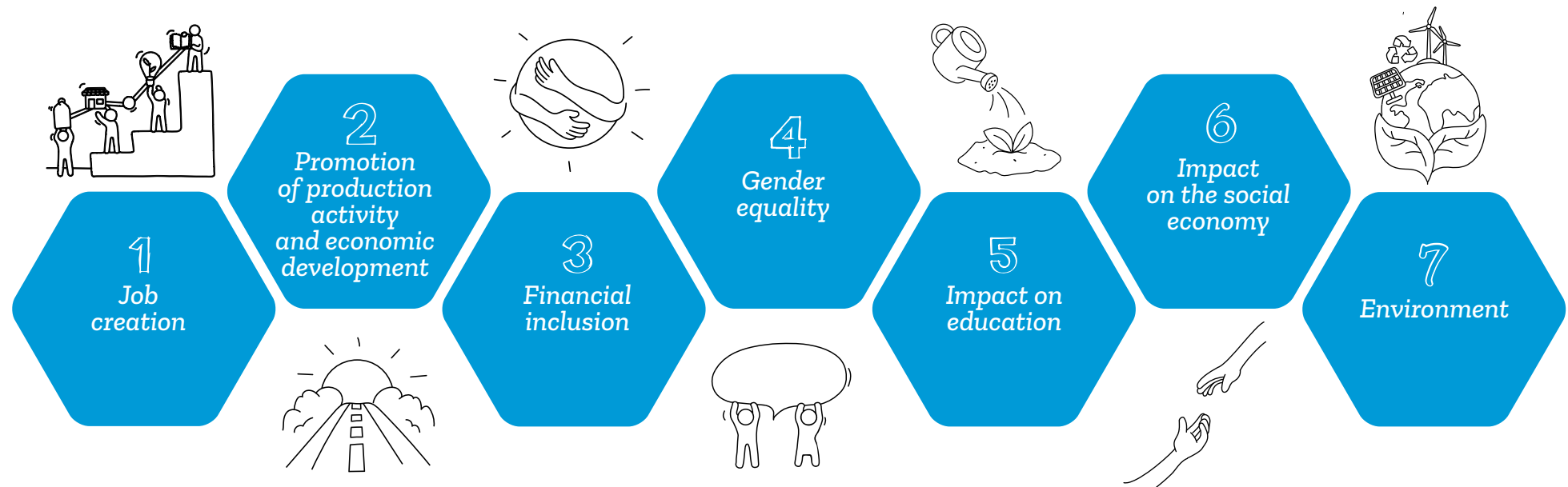
IMPACT OF OUR BUSINESS

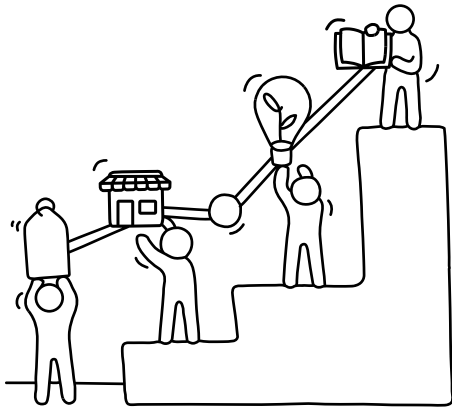
MicroBank's activity has a direct impact on job creation. The main contribution to the job market is through self-employment, by supporting entrepreneurs and microenterprises.

Measuring and managing social impact is one of MicroBank's key strategic focuses. This is why a study on the impact of microcredits granted by MicroBank was carried out by the firm KPMG Asesores and Stone Soup Consulting to analyse the impact of the financing granted by the institution.

A specific analysis was conducted of the impact of microcredits and loans granted to entrepreneurs, microcredits to families and loans aimed at the social economy, in different areas linked to the Sustainable Development Goals (SDGs) of the United Nations (UN).

In this chapter we present the most relevant areas of impact:





1. Job creation

MicroBank's activity has a direct impact on job creation. The main contribution to the job market is through self-employment, by supporting entrepreneurs and microenterprises. However, in addition to self-employment, 32% of the businesses in the survey have created new jobs since the loan was granted.

In 2022, self-employed persons and micro-enterprises that received support from MicroBank created an average of 1.01 jobs directly, which is equivalent to a total of 17,455 jobs.

17,455

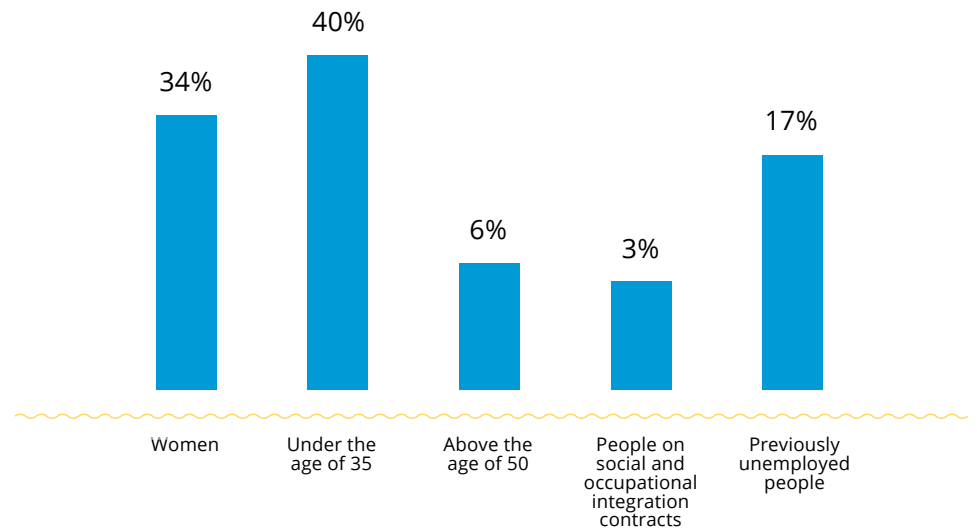
jobs created thanks to the support given to entrepreneurs

78%

feel more able to achieve personal and professional goals



Profile of most vulnerable new employees



32% of entrepreneurs were able to hire more workers. Among the jobs generated in relation to the most vulnerable profiles, young people under 35 years of age and women stand out.

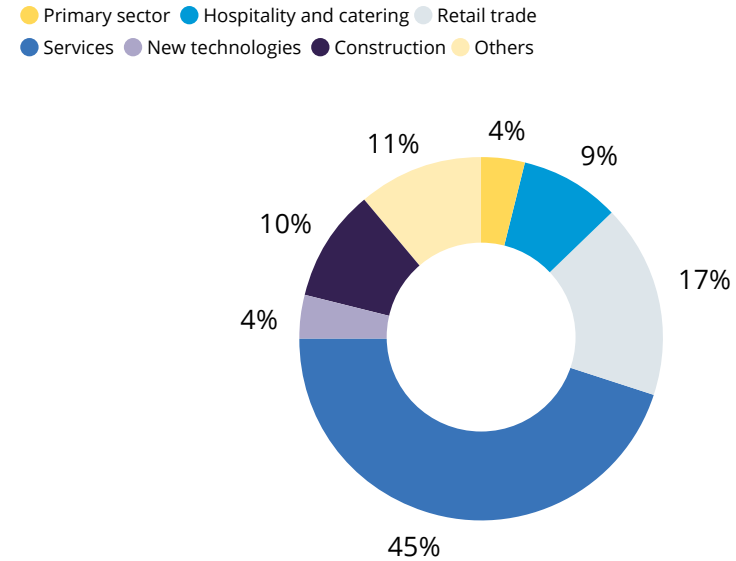
In terms of the **quality of the jobs created**, 61% are full-time contracts and 84% of contracts signed are permanent.

73% of businesses have managed to keep the same number of employees as a year ago, and some have even increased this number (20%). Net employment growth was 6%, and 46% of entrepreneurs plan to hire more employees in the coming year.

In addition to the direct creation of jobs, through ancillary activities they need in order to run (mainly purchases from suppliers and payment of taxes), the businesses supported by MicroBank's microcredits generate cash flows with a **multiplier effect** on the economy, which leads to economic effects on many other sectors and the resulting creation of jobs.

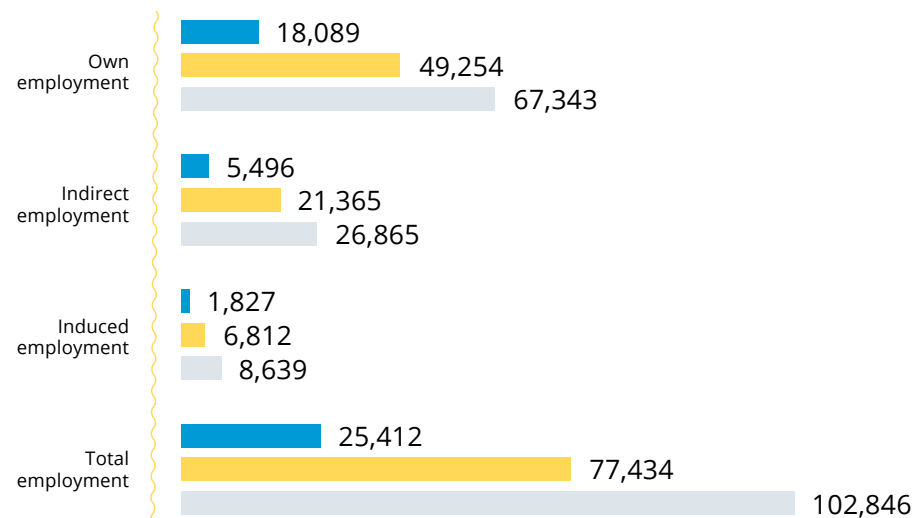
The job creation results by business sector show that the majority of jobs linked to the activity of the financed businesses are in the services sector, followed by retail trade and construction, which is slightly higher in percentage terms than hotels and restaurants.

Jobs linked to the businesses supported by MicroBank by sector



Jobs linked to the businesses supported by MicroBank

● Entrepreneurs ● Microenterprises ● Total



Contribution to SDGs



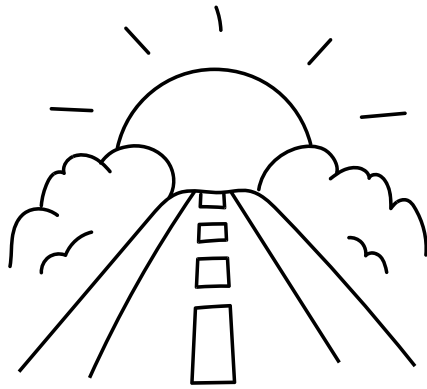
SDG 8
Decent work and economic growth

Target 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and **encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.**

Target 8.5

Achieve **full and productive employment and decent work** for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.



2. Promotion of production activity and economic growth

Microenterprises and entrepreneurs are the backbone of the Spanish production fabric and a key driving force for the economy. According to data from PIMEC, SMEs represent 99.8% of the business fabric, accounting for more than 60%¹ of private employment generated by the Spanish economy.

The findings of the study show that microcredits are a key instrument for the creation or expansion of these businesses.

5,876

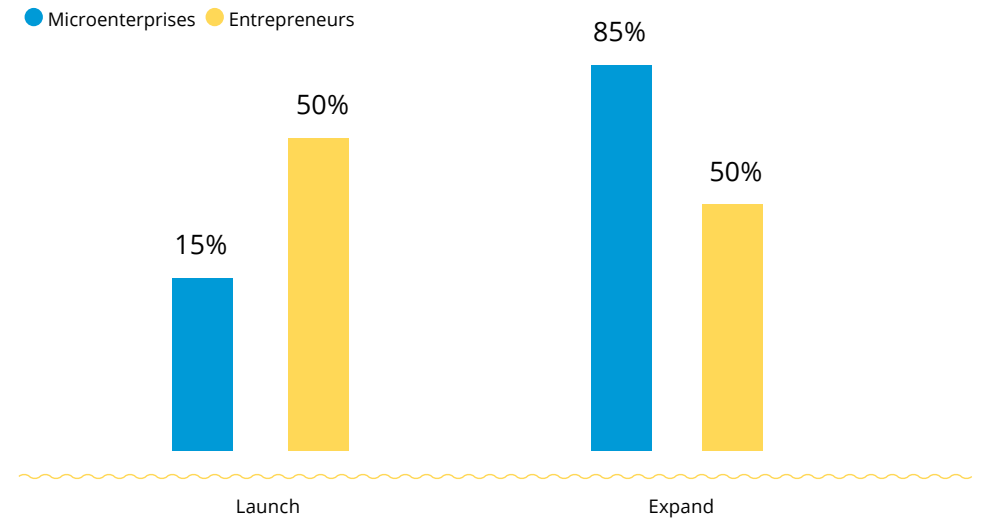
new businesses created thanks to the support given to entrepreneurs

69%

of respondents state that they could not have launched/expanded their business or would have had great difficulty in doing so without the help of the loan

1. SME figures December 2022 (ipyme.org).

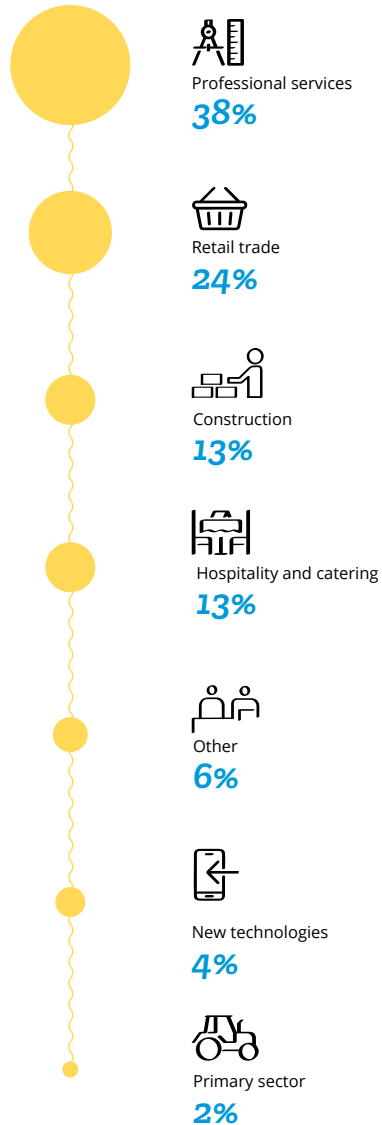
The 34% of beneficiaries who received support from MicroBank used it to start up a new business, while 66% used it to expand an existing business. However, there are significant differences between microenterprises and self-employed entrepreneurs, since in the latter case the percentage of microcredits intended for the creation of a new business is 50%. This is why microcredits are so important for this segment, where the lack of guarantees is often a problem in accessing finance.



The majority of respondents (69%) believe that they could not have started their business or could have done so only with great difficulty without the loan, which shows how important MicroBank's support is.

In terms of business sector, 38% of the businesses created using microcredits are dedicated to the provision of professional services (such as hairdressing and beauty salons, renovations, transport, etc.); this percentage is lower than in previous years compared to other sectors that have increased their share, such as retail trade, which represents 24%; or construction-related businesses, whose percentage has grown significantly this year to 13%, equalling that of businesses linked to the hospitality and catering industry.

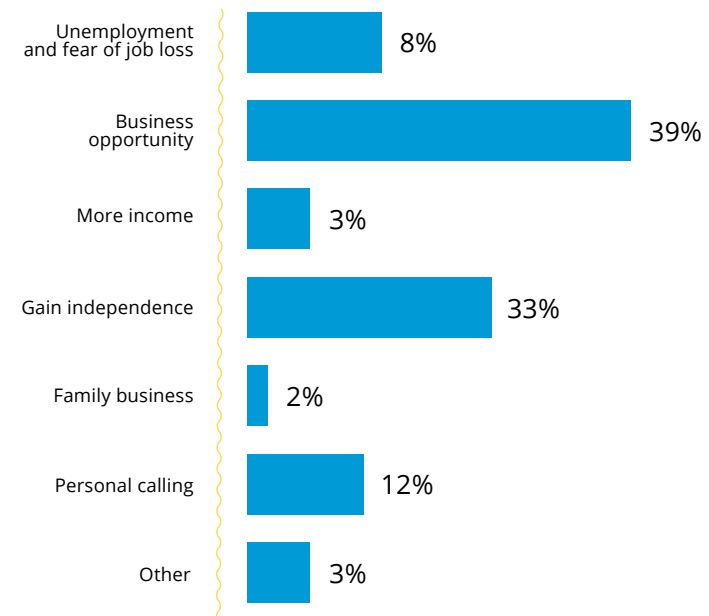
Sector to which the entrepreneurs' businesses belong



Another important aspect of the study is the data on the main reason why entrepreneurs start up their businesses. While an entrepreneur by necessity is one who is engaged in entrepreneurship because he/she has no better option in the job market; an entrepreneur by opportunity is one who chooses to start a business based on the perception that there is an untapped business opportunity, or one that is not fully utilised by existing businesses.

For most entrepreneurs, the main reason for starting a business was a business opportunity (39%) or wanting to gain independence (33%), followed by entrepreneurs who do it due to a personal calling (accounting for 10% of the total).

Reasons for starting up a business



Microcredits have also played a significant role in the consolidation or continuation of businesses. Approximately 78% of businesses are making a profit.

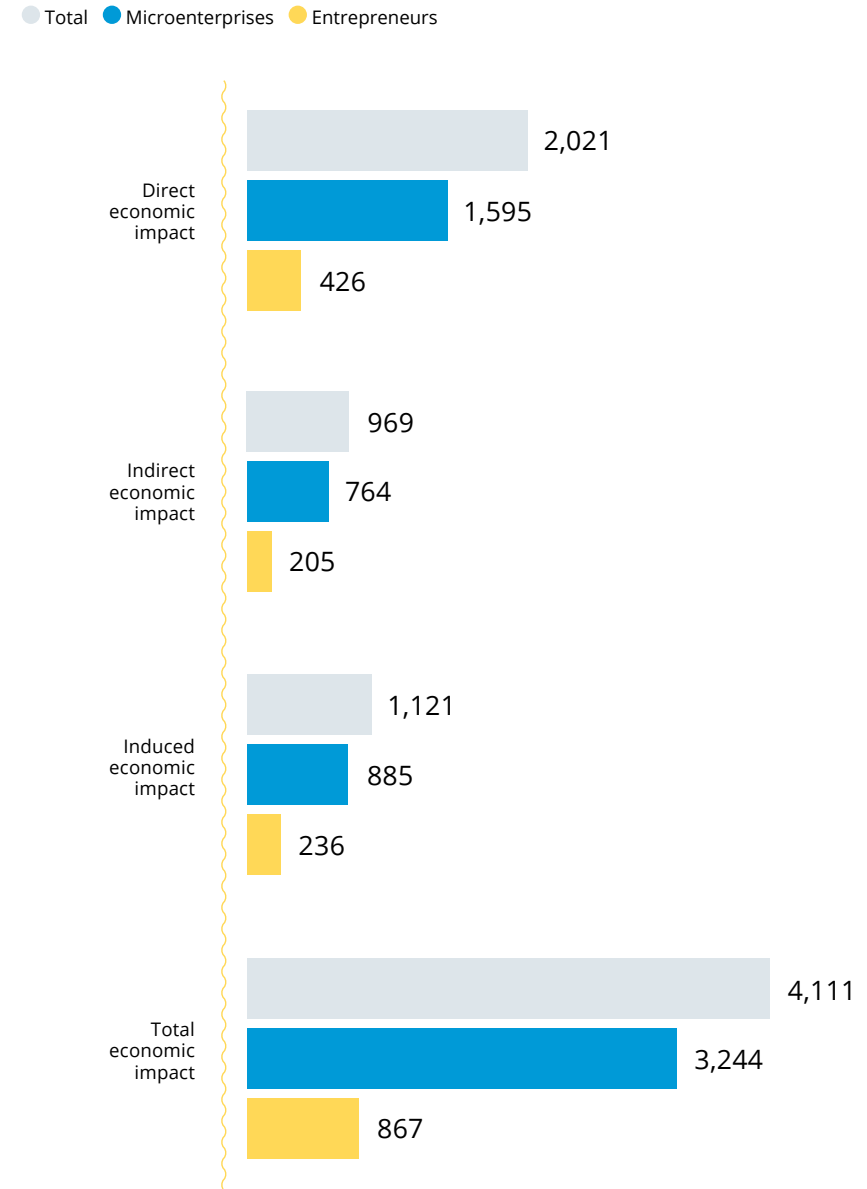
Similarly to the creation of employment, the knock-on effect of the activity of the businesses supported by MicroBank has an indirect and induced impact on the Spanish economy and therefore promotes **economic development in the region**. In 2022, the businesses supported by MicroBank contributed €4.111 billion to the Spanish economy, which is equivalent to 0.3% of the GDP or 54% of the amount budgeted for the promotion of employment in the General State Budget for 2022.²

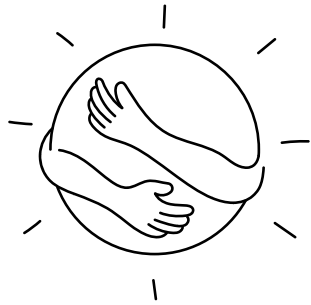
Contribution to SDGs

 <p>SDG 8 Decent work and economic growth</p>	<p>Target 8.3 Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.</p>
 <p>SDG 9 Industry, innovation and infrastructure</p>	<p>Target 9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.</p>

2. Provision 21653 of Spanish Official State Gazette no. 312 of 2021.

GDP impact of the businesses supported by MicroBank (€M)





3. Financial inclusion

MicroBank plays a pivotal role in CaixaBank’s Sustainable Banking Plan, which entrusts it with the task of promoting financial inclusion, providing the most vulnerable groups with access to credit and strengthening its commitment to the socio-economic development of the region.

For people and businesses, financial inclusion means having access to useful and affordable financial products that meet their needs – transactions, payments, savings, credit and insurance – delivered in a responsible and sustainable way.

The Family Microcredit plays a significant role in equal opportunities and financial inclusion, as it is aimed at people with limited income (up to €19,300 per year) and who need to finance projects related to personal and family development, as well as needs arising due to unforeseen circumstances.

81,985

beneficiaries

97%

say that they have met the needs for which they requested the microcredit

81%

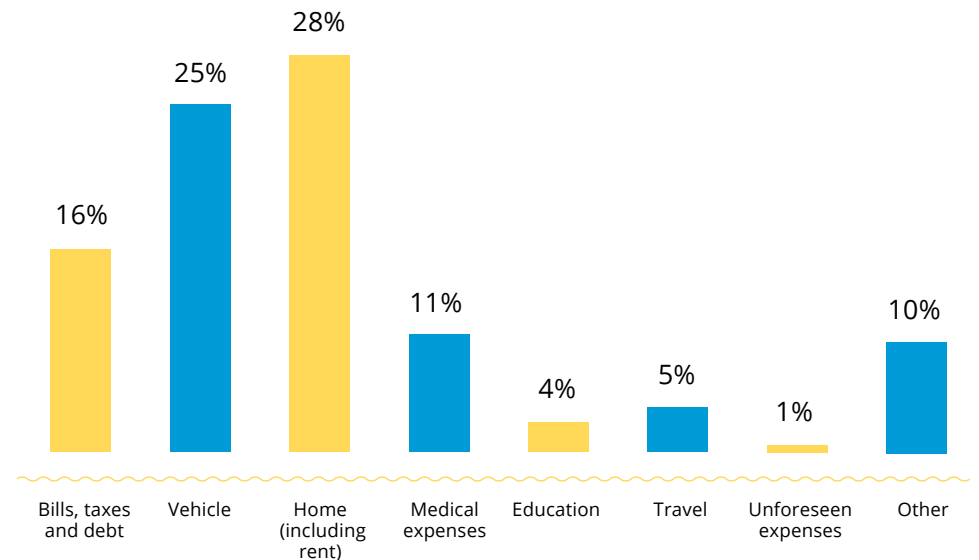
say that microcredit has had a positive impact on their well-being and that of their family

³. National average data are for financial year 2021.
Source: Materially deprived people by type of household INE.

Families that have received a microcredit have lower levels of material well-being than the national average. The ability of respondents to own a car is 45% compared to 95% of the national average; respondents who can maintain an adequate temperature at home account for 63% and the national average is 86%; just over half of the households surveyed (53%) have a personal computer (national average: 94%).³

More than half of the beneficiaries (54%) find it very or somewhat difficult to make ends meet. Although the socio-economic crisis has had a negative effect on Spaniards’ ability to save, the percentage of respondents who cannot afford an unforeseen expense of €750 remains stable compared to the previous year, at 56%. To cover this expense, they would mainly seek help from friends and family (33%), 17% would turn to the bank and 14% would use a credit card. The percentage of respondents who would have to resort to a short-term loan has increased from 2% to 6% compared to the previous year, but the percentage who would resort to their own savings has decreased significantly from 31% in 2021 to 7% in 2022.

→ The **main reasons** for applying for microcredit are related to basic needs such as housing or the repair of a vehicle and the payment of debts, bills and taxes.



- An important aspect of inclusion is that products should be affordable. This is why we calculate an indicator related to the **risk of over-indebtedness**. 96% of respondents feel that they are able to cope with repayments, which shows that the instalments are in line with the customers' ability to repay.
- In short, the study data show that the microcredit has had a **positive impact** on families, mainly on their wellbeing. 68% state that credit from MicroBank is vitally important, and 81% agree that the financial support received has had a positive impact on their own personal wellbeing and/or that of a family member.

Contribution to SDGs



SDG 1
No poverty

Target 1.4

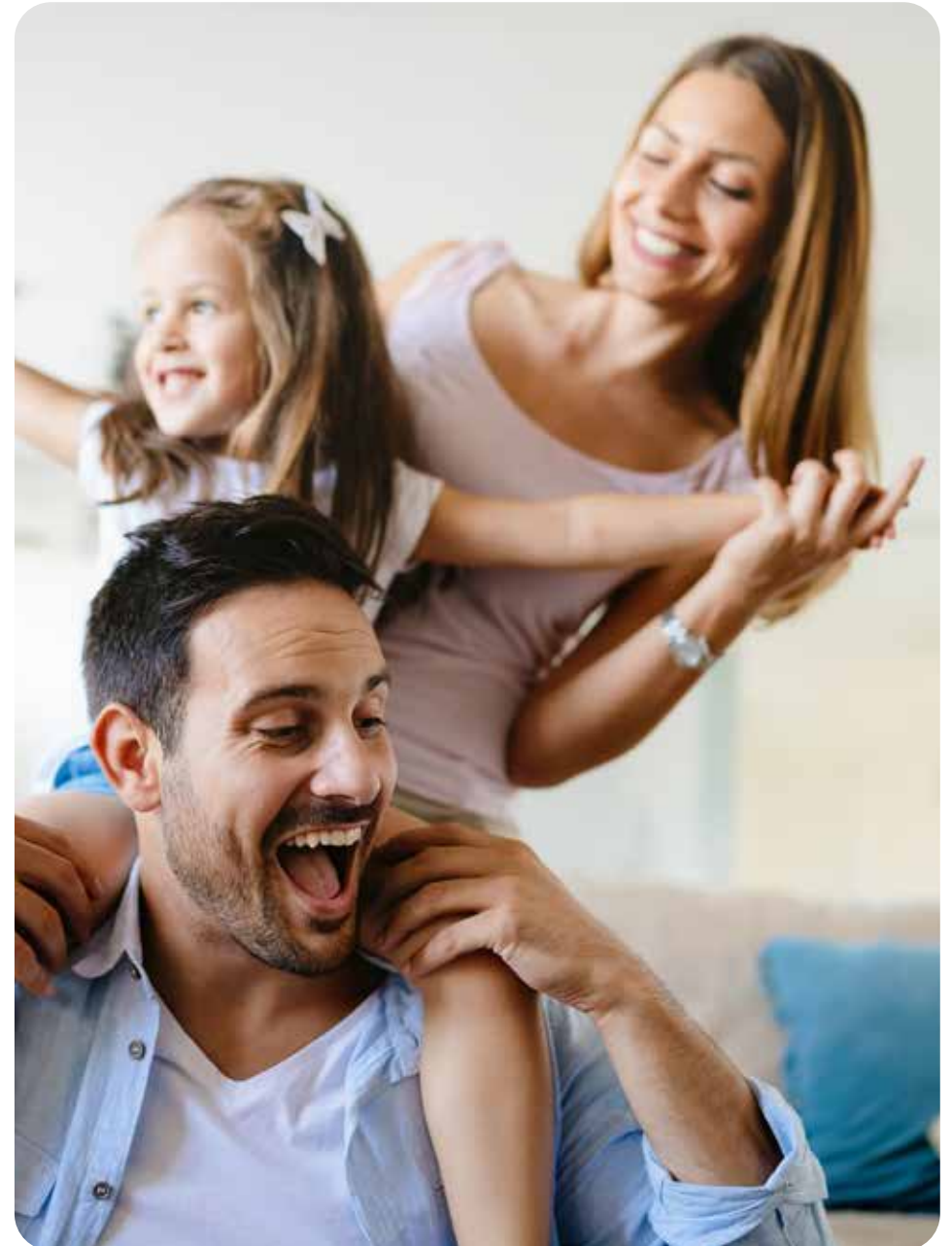
Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, **including microfinance**.

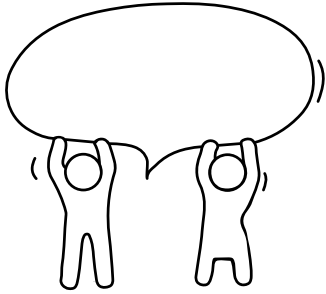


SDG 10
Reduced inequalities

Target 10.2

Empower and promote **the social, economic** and political **inclusion** of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.





4. Gender equality

Although all entrepreneurs, irrespective of gender, should have equal access to resources and support, it has been observed that fewer women decide to start their own business and ultimately do so. They also face more problems in getting them up and running. It is also true that the latest GEM Spain report shows that the gender gap in the entrepreneurial process is narrowing.⁴

At MicroBank we work to ensure that lack of financing is not an obstacle for any woman to start up or consolidate her business. The share of loans granted to women exceeds the average entrepreneurship rate (20%⁵) and, in particular, 38% of loans granted to entrepreneurs were given to women.

3,592

loans granted to women
for an amount of €49 M

Average amount:

€13,728



→ MicroBank helps more women to become entrepreneurs: close to half of the beneficiaries who used the microcredit to start up new businesses were women (46%).

→ Looking at the profile of women entrepreneurs who have applied for support from MicroBank, 43% of the women who have received a microcredit from the bank in 2022 are between 36 and 49 years old and 34% are between 26 and 35 years old. In terms of level of education, only 24% of women who took part in the study had a university education.

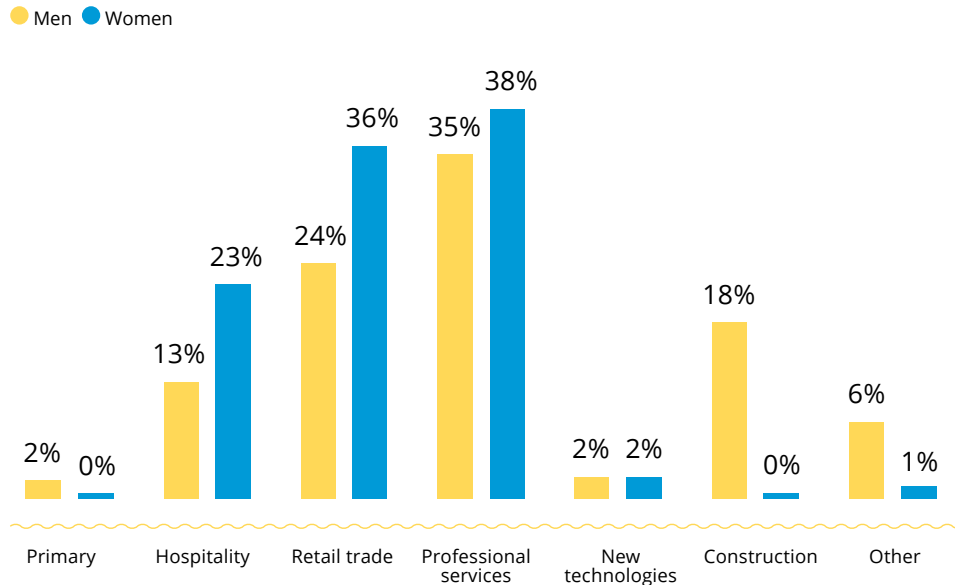
The desire to gain economic independence is the main factor driving women into entrepreneurship. 38% of the women who applied for financing from MicroBank in 2022 cite this as their primary motivation when it comes to promoting their own business idea. Two years ago, only 25% of respondents mentioned the desire to gain independence as the main driver for entrepreneurship. Currently, this motivation is followed by having identified a clear business opportunity (34%) and, much further behind, a personal calling (10%), unemployment (9%), job insecurity (2%) or the need to obtain a higher income (5%).

4. Entrepreneurship from a gender perspective. 2021 – Observatorio de Igualdad y Empleo (observatorioigualdadyempleo.es).

5. Entrepreneurship Map developed by South Summit and IE University.

→ When discussing female entrepreneurship, people often point to the differences in the type of enterprises that women set up compared to men. One of the most significant is in the business sector. The majority of women have set up or expanded a business related to professional services (38%), followed by the commerce sector (36%) and the hospitality and catering sector (23%); in all three sectors the percentage of men is higher. In contrast, there is also a notable low percentage of women in other sectors, such as the primary sector, construction and new technologies.

Sector to which the businesses belong by gender



→ In terms of job creation, it was found that women are more likely to hire women than men (86% vs. 49%), so that companies managed by women have a knock-on effect on the employability of this group. However, the data show that, there are also differences between men and women in relation to contract types. For women entrepreneurs, part-time contracts are in the majority compared to men (65% compared to 49%). As regards contract terms, there are also differences between genders, as women use temporary contracts more than men do (30% compared to 16%).

Support for female entrepreneurship

In order to be able to keep moving forward and support women, MicroBank has specific collaboration agreements to support female entrepreneurship. This includes, for example, the agreement with the Spanish Women’s Institute through its Women’s Entrepreneurial Support Programme (PAEM), which is implemented through the chambers of commerce.

The programme aims to provide information, advice and business support to women to promote self-employment and entrepreneurship.

78

women received support in 2022

Amount granted since the agreement came into force:

€22.5 M

€1.5 M

total amount of loans granted in 2022

Close to

1,300

women have received support since the agreement came into force

Contribution to SDGs



SDG 5
Gender equality

Target 5.a

Undertake reforms to give **women equal rights to economic resources**, as well as access to ownership and control over land and other forms of property, financial services, inheritance, and natural resources in accordance with national laws.

5. Impact on education

Skills and Education loans are a new European Union initiative aimed at stimulating investment in education, training and skills as part of a solution to get more people into jobs and to better respond to the changing needs of the European economy. The focus on skills development to improve employability differentiates these loans from other traditional student loans.

MicroBank believes that access to education and training can be part of the solution to getting more people into work.

In this chapter we provide a brief overview of the beneficiaries of this loan in 2022; however, its impact may not be felt for some time after the individual has been able to improve his or her skills or training.

672

loans granted

€4.3 M

total amount

€6,408

average value

Profile of beneficiaries (students) at MicroBank under the Skills and Education Programme

Average loan value

€6,932

Average number of months of study

14.5

months

28

years old

Share of e-learning studies

80%

42%

men

8%

self-employed




58%

women

5%

self-employed

28

years old

Share of e-learning studies

79%

Average loan value

€6,032

Average number of months of study

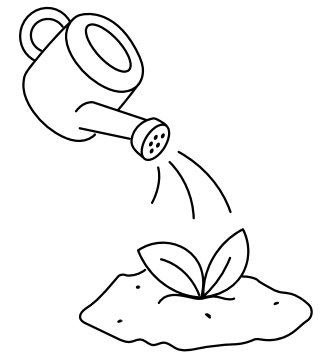
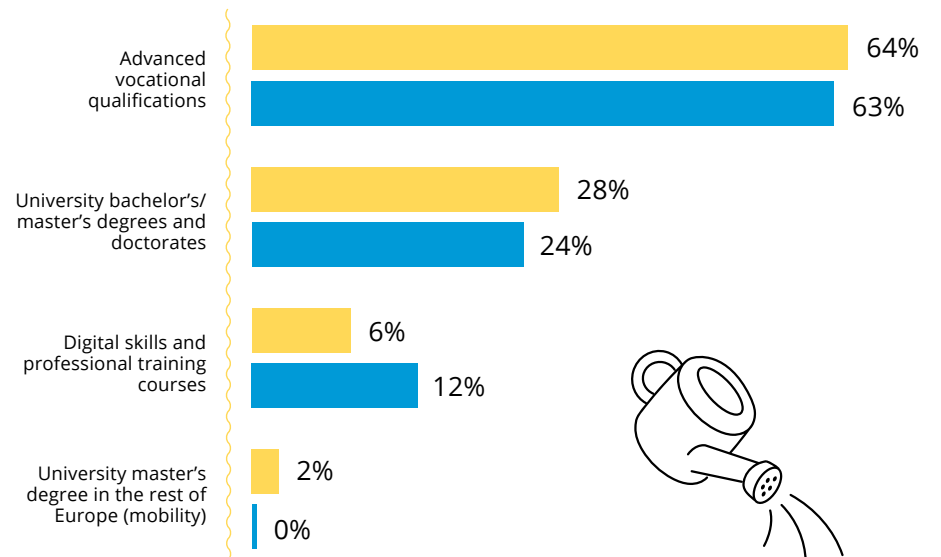
15.1

months

As regards the type of studies, the largest percentage went to advanced vocational qualifications, followed by university bachelor's/master's degrees and doctorates.

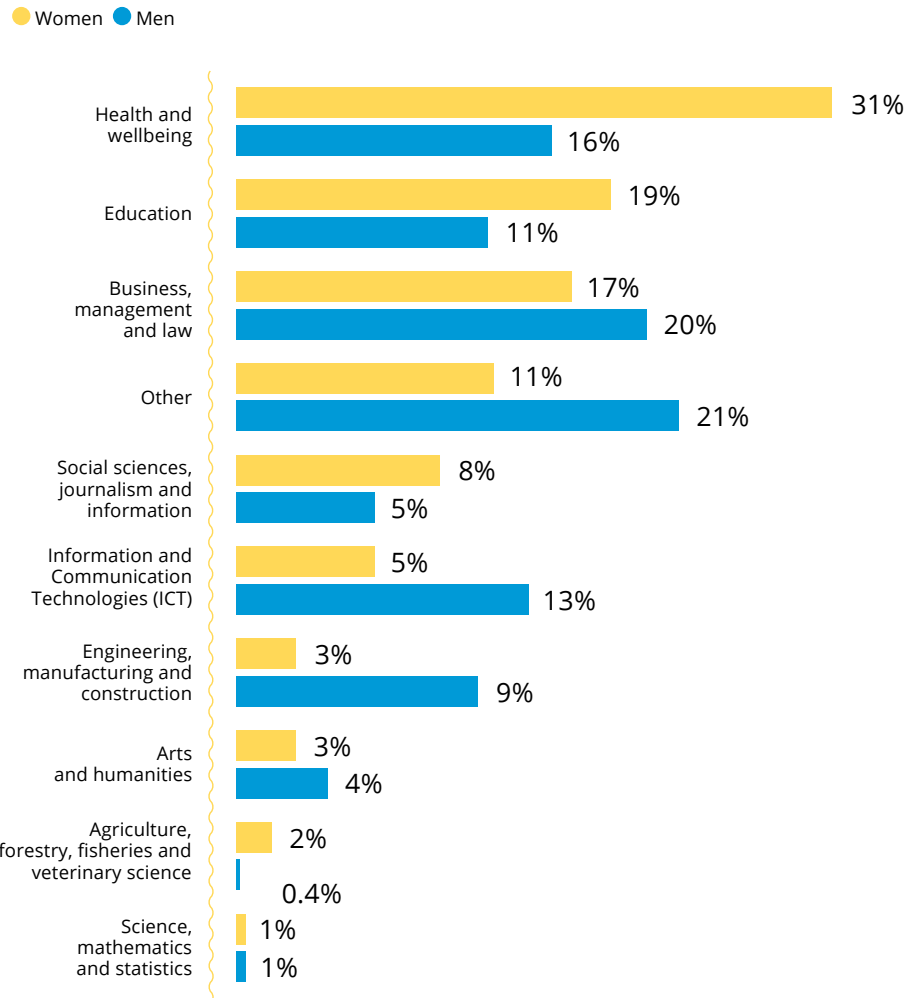
Types of study

● Women ● Men



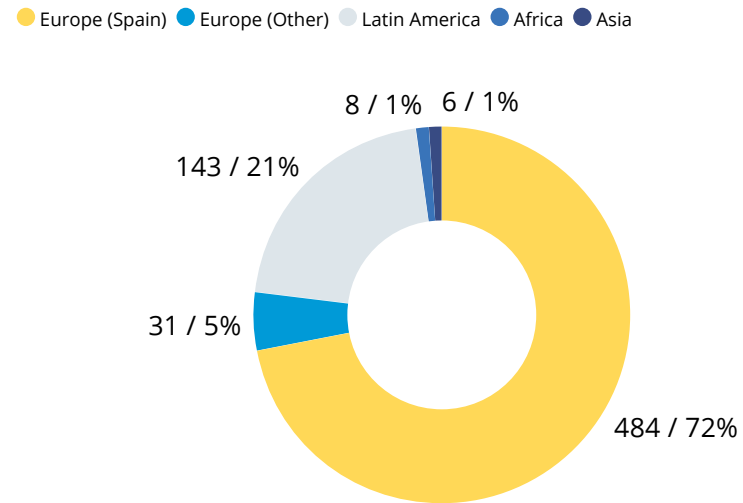
In terms of field of study, there is a wide variety of subjects, although health and wellness along with business, management and law appear in the top 3 for both men and women. Women have focused on studies related to health and wellbeing (31%), education (19%), or business, management and law (17%), while men have opted for other studies not included in the list (21%), followed by business, management and law (20%) and health and wellbeing (16%).

Field of study



Most beneficiaries are of European origin (75%), with the majority being of Spanish origin (95% of beneficiaries of European origin), followed by Latin Americans (23%). While loans were granted to people of 25 different nationalities in Europe, America, Africa and Asia, Venezuelan was the most frequent (5%) after Spanish.

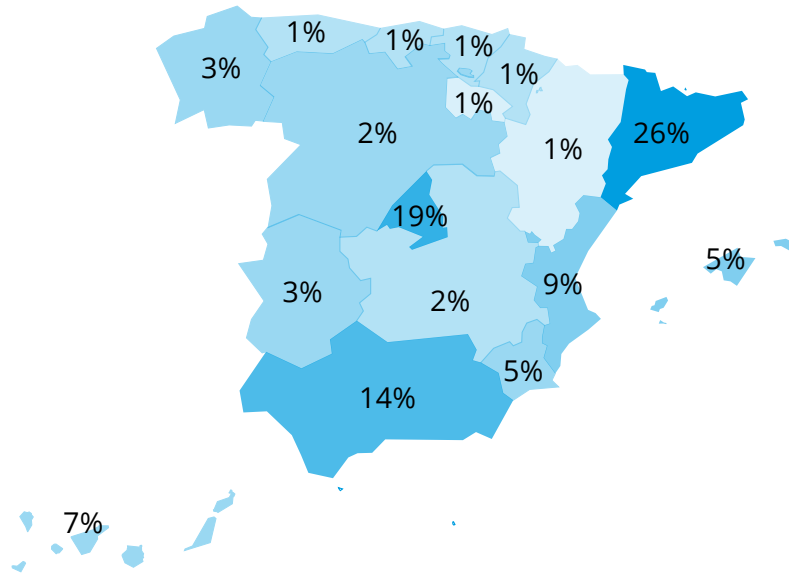
Number of loans granted by beneficiary's country of origin (loans / % loans)



By region of residence, the largest number of loans was granted to residents of Catalonia (26%), followed by Madrid (19%) and Andalusia (14%).

Number of loans granted by Autonomous Community of residence

Number of S&E loans granted



Contribution to SDGs

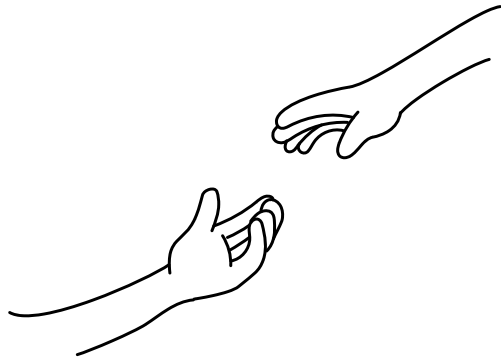


SDG 4
Quality
education

Target 4.4

By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship.





6. Impact on the social economy

One of the main objectives of MicroBank is to generate social impact by supporting projects designed for this purpose. A prime example of this is the EaSI Social Enterprise loan, which is targeted at institutions and companies whose main purpose is to generate a positive and measurable impact on society and/or the environment.

Supporting organisations in the social economy is important: according to CEPES (the Spanish Social Economy Business Confederation), 6 out of every 100 Spanish companies operate in the social economy and directly or indirectly generate 12% of the country's jobs. They play an essential role in the social and economic cohesion of the country.

Through this financing facility, MicroBank aims to help strengthen the financial strength of organisations so that, depending on their situation, they can consolidate and thereby maintain, diversify or increase their social impact.

€33 M
granted to social enterprises

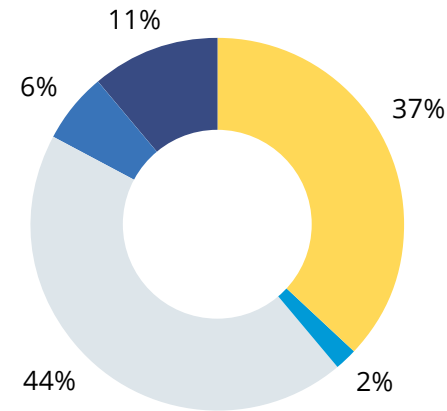
238
loans for social enterprises

Features of the recipient social enterprises

In terms of type, of the more than 190 social enterprises that have received EaSI loans, 44% are foundations, followed by associations, which account for 37%.

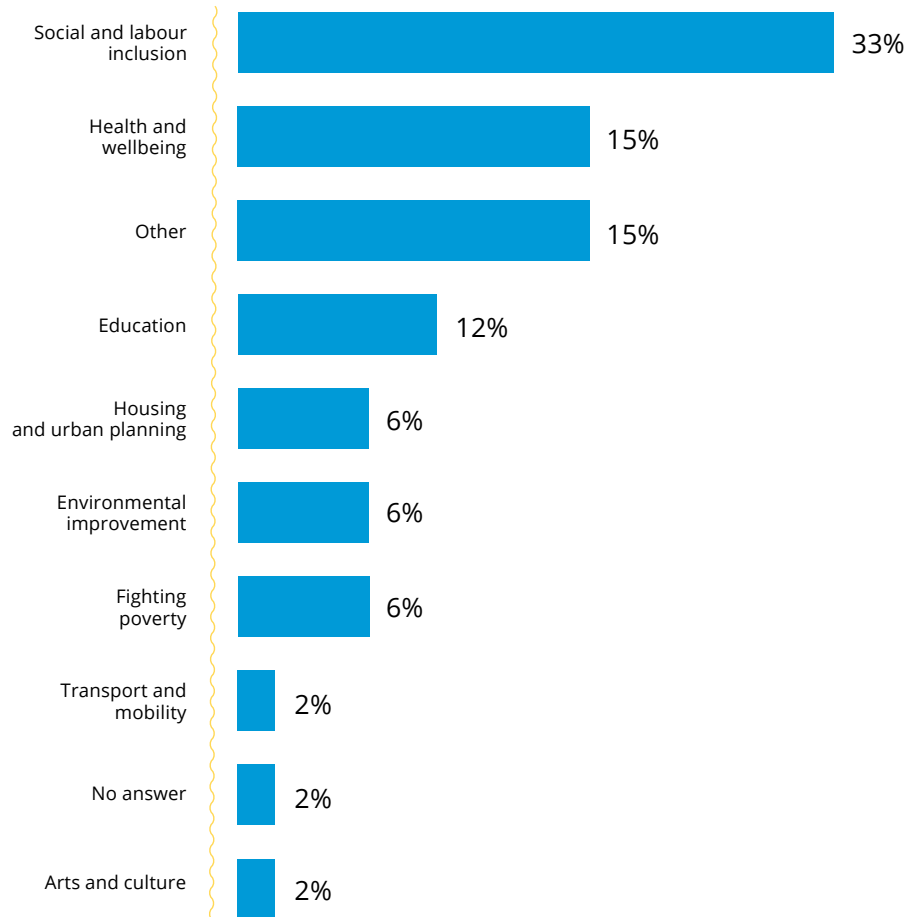
Organisation types

● Association ● Cooperative ● Foundation ● Other ● Joint-Stock/Limited Company



In terms of areas of action, 33% of organisations work in the area of social and employment inclusion, followed by health and wellbeing (15%) and education (12%).

Area of action affected by the loan



Almost all organisations report that their work contributes to one or more of the UN Sustainable Development Goals, in particular reducing inequality (SDG 10), health, wellbeing (SDG 3) and education (SDG 4).

Improving financial sustainability and access to new sources of finance

- The EaSI Social Enterprise loan indirectly affects the impact of the organisations through a knock-on effect: the loan is expected to enhance the management of the organisation, bringing more financial strength and improved or increased organisational capacity, thus helping it to fulfil its social mission and grow the ecosystem of the social and solidarity economy in Spain.
- Sixty-two percent of institutions reported that their financial sustainability is currently very good or good, compared to only 41% who assessed their financial sustainability as good or very good just prior to receiving the loan. This view of the loan's contribution to the organisation's financial sustainability is further underlined by the fact that 77% of the organisations have been able to secure sufficient funds to implement this year's Business Plan.
- The loan from MicroBank has also contributed to greater trust in the organisations, and 30% of them have been able to access new sources of income or have improved the conditions of existing sources of income thanks to the trust generated by being recipients of the MicroBank loan. The new sources of income they were able to access are mainly public funds.
- In the medium term, based on tracking how lending has benefited a group of organisations since they received the loan in 2020, the importance of lending remains very high. More than 90% of these organisations stated that MicroBank's lending has been and/or continues to be a major factor in their current organisational development.



Improving social projects and increasing social impact

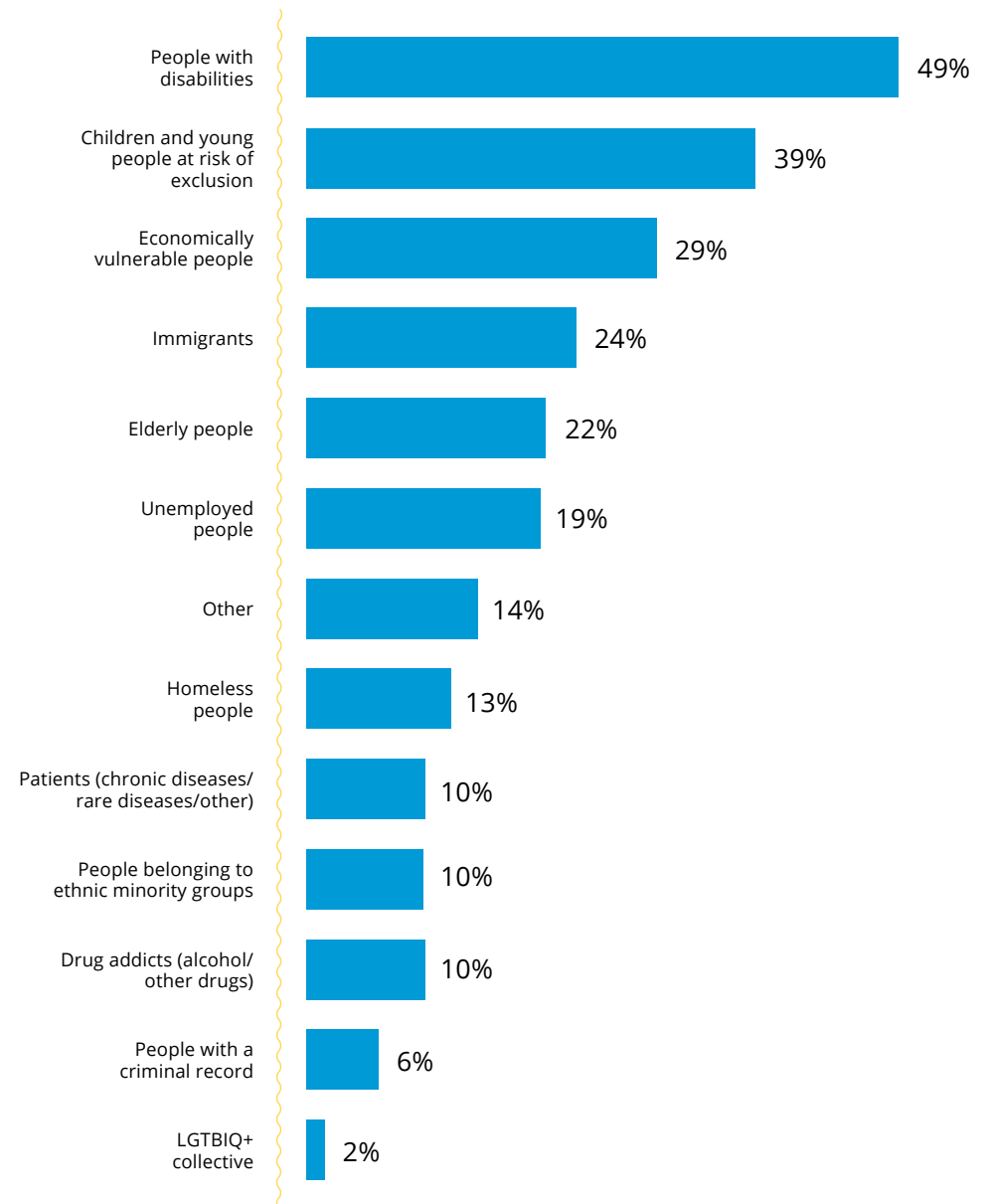
The loans offer financial support enabling organisations to improve their financial sustainability and management capacity so that they in turn can increase the impact they generate. The evidence suggests that this objective is being met. 54% of organisations have increased the number of beneficiaries since receiving the loan in 2022, indicating that, on average, around 41% of the beneficiaries supported in 2022 are thanks to MicroBank's EASI loans.

The types of beneficiaries are very varied, although the most frequently mentioned profiles are people with some kind of disability (49%), children, adolescents and young people at risk of exclusion (39%), economically vulnerable people (29%) and immigrants (24%).

86% of organisations have reported that they have achieved or plan to achieve their impact targets associated with the loan



Recipient types assisted



Strengthening the social and solidarity economy: job creation

MicroBank's EaSI loan has contributed to the creation of jobs by providing financial stability that enables the hiring of staff regardless of the timing of subsidies or grants. Jobs were also created through new projects developed thanks to funding or through the promotion of existing projects.

→ In addition to their social objective of supporting employment, the organisations receiving an EaSI loan are themselves an important source of recruitment and job creation. 30% of organisations said that MicroBank's loan has enabled them to create new jobs. Of the total number of jobs created, 15% are social inclusion jobs and 12% are protected jobs.

Contribution to SDGs



SDG 8
Decent work and economic growth

Target 8.5

Achieve **full and productive employment and decent work** for all women and men, **including for young people and persons with disabilities**, and equal pay for work of equal value.

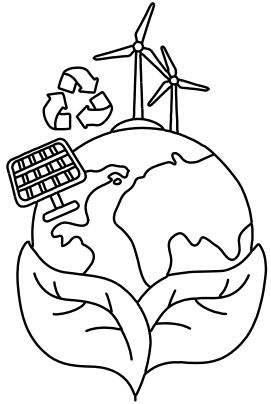


SDG 10
Reduced inequalities

Target 10.2

By 2030, empower and promote the social, economic and political inclusion of all irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.





7. Environment

MicroBank is committed to protecting the environment, observing the laws in this respect and adopting procedures to reduce the environmental impact of its activities. MicroBank also follows the environmental objectives and strategies set out in CaixaBank's 2022-2024 Strategic Plan.

Management of the Environmental Management Plan was assigned to the Corporate Development Department in 2022, enabling progress to be made in terms of governance in the organisation's Environmental Management.

This commitment to the environment is reflected in the signing of the Climate Change Statement, in addition to other corporate responsibility policies, such as the Code of Ethics and Business Principles, and CaixaBank's Corporate Social Responsibility Policy.

As part of the CaixaBank Group, MicroBank has followed the guidelines set out in the Group's Environmental Management Plan, the aim of which is to reduce the direct operational impact of its activity. MicroBank will soon set out its specific objectives, which will allow performance and success in achieving them to be measured.

Sustainable use of resources

The key impacts generated by MicroBank's activity are centred on the consumption of raw materials, electricity consumption and associated emissions. With a view to strengthening its commitment to protecting the environment, MicroBank monitors key environmental indicators such as paper consumption, waste generated and electricity consumption on an annual basis.

Paper

We have implemented a number of initiatives that have led to a reduction in paper consumption in recent years, such as the digitalisation of a large part of our processes, which has led to significant savings in the use of paper and a subsequent reduction in storage space. It should also be noted that from mid-2022 all paper used is 100% recycled.

Energy

For some years now, office upkeep has been governed by energy efficiency principles, with the aim of achieving a reduction in energy consumption.

Various initiatives have been undertaken in recent years to reduce consumption, such as the replacement of air-conditioning units and lighting fixtures with LED lights. The main new development in 2022 is that 100% of energy purchased comes from renewable sources.



153 kg
paper consumption



88.531 MWh
power consumption

100%
certified renewable energy



Over the coming years, as part of CaixaBank's 2022-2024 Environmental Management Plan and in order to boost energy efficiency, studies and/or audits will be carried out to properly manage energy savings and implement various efficiency measures.

Carbon footprint

CaixaBank's Climate Change Statement, which MicroBank has signed, is evidence of the Group's environmental and climate commitment. Among the lines of action is the minimisation and offsetting of the operational carbon footprint.

In the case of MicroBank, electricity consumption is the main source of emissions and, given that this year 100% of consumption came from certified renewable sources, emissions are zero.

Circular economy

One of the lines of action of CaixaBank's 2022-2024 Environmental Management Plan is its commitment to the circular economy. Throughout 2022, MicroBank took part in various initiatives aimed at reducing waste.

Reutilízame ("Reuse me"). Reutilízame is a programme by the "la Caixa" Foundation aimed at giving a second life to furniture and electronic equipment that is replaced in offices and branches. The beneficiaries of this action are social organisations that have requested or need the material.

In December 2022, following refurbishment work on the 9th floor, various items of furniture and computer equipment were donated to a number of associations and NGOs.



Eco-bottles. One of the most important circular economy initiatives is the reduction of plastic waste. Over the course of 2022, MicroBank has provided all its staff with reusable bottles, which can be refilled at the various drinking fountains available in the offices and branches. As a result, it has been possible to remove the plastic cups from the water machines.

Digitalisation. MicroBank is carrying out a number of digitalisation projects aimed at reducing paper consumption. This includes the creation of a sharepoint and Office 365 focused on managing meetings of the governing bodies.

Waste management. MicroBank manages the collection of paper, cardboard, batteries, toner and other waste from printers through FEMAREC. FEMAREC is a social cooperative working to promote occupational and cultural inclusion of groups at risk of exclusion.

Sustainable Mobility Plan

An important aspect of reducing our scope 3 CO₂ emissions is to reduce the mobility of our employees. A number of measures to reduce the need for travel have been put in place as part of the Environmental Management Plan.

MicroBank has introduced six days of remote working per month for all employees.

Moreover, discussions have been held during 2022 with the company responsible for installing car, scooter and bicycle chargers in office car parks in order to promote this type of mobility.

The Sustainable Mobility Plan is expected to be further developed in 2023.

Procurement with an environmental perspective

MicroBank's procurement is governed by CaixaBank's Procurement Principles and the Procurement Standard.

The Procurement Standard sets out the criteria to be applied in the selection and negotiation processes with suppliers.

The following values are included in the Procurement Principles:

- 1. Efficiency:** optimising procurement impacts by focusing on quality, service, costs, security of supply, sustainability and innovation.
- 2. Sustainability:** raising awareness of ethical, social and environmental factors within CaixaBank's network of suppliers and partners, and promoting the engagement of suppliers that apply best practices in ethical, social and environmental matters, as well as good corporate governance.
- 3. Integrity and transparency:** ensuring equal opportunities by applying objective, transparent, impartial and non-discriminatory selection criteria. Demonstrating an absolute rejection of any form of direct or indirect corruption.
- 4. Compliance:** formally establishing the procurement conditions by means of a contract that seeks a fair balance between the rights of CaixaBank and the supplier in order to ensure that both parties comply with them in due time and manner.
- 5. Proximity and monitoring:** implementing mechanisms for ongoing supplier performance evaluation and fostering dialogue through an institutional communication channel.



06. CORPORATE GOVERNANCE

Robust corporate governance enables companies to maintain an efficient and methodical decision-making process, which gives clarity in the assignment of responsibilities, thereby avoiding possible conflicts of interest, ensuring efficient risk management and internal control, and promoting transparency.

MicroBank's **Board of Directors** is the bank's most senior body for representation, management and administration pursuant to the instructions issued by its sole shareholder, CaixaBank. The Board approves the bank's strategic plan, which is submitted for the consideration of the shareholder, and conducts in-depth monitoring of its business, controlling developments in terms of equity, finances, profit and the risks inherent to its operations.

For MicroBank, good governance and transparency are essential to protecting the interests and earning the trust of all stakeholders.

The governance structure includes a balanced Board of Directors consisting of five independent and four proprietary directors, of whom one third are foreign nationals. MicroBank has two specialised Committees, the Audit and Risk Committee and the Appointment, Remuneration and Social Impact Committee, which report to the Board of Directors.

MicroBank's Board of Directors and its Committees hold extensive authority, the only limits being those of the duties assigned to them by law or the institution's articles of association.

Board of Directors

Chairman



Juan Carlos Gallego González
Proprietary
28/06/2018¹

Directors



Raphaël Alomar
Independent
09/11/2011²



Ana Rocío Sáenz de Miera Cárdenas
Independent
28/06/2018



Christian Eugène de Noose
Independent
19/04/2012³



Joaquín Vilar Barrabeig
Proprietary
21/02/2019



Richard Fowler Pelly
Independent
30/03/2015⁴



Alberto López Martínez
Proprietary
27/03/2019



Carles Alfred Gasòliba Böhm
Independent
30/03/2015⁴



Ana Díez Fontana
Proprietary
11/02/2020

Secretary



Montserrat Pérez Simeón
21/06/2018

1. Juan Carlos Gallego was appointed Chairman of the Board of Directors effective as of 19/09/2019.
2. Appointment renewed on 18/01/2018.
3. Appointment renewed on 05/04/2018.
4. Appointment renewed on 18/02/2021.
NB: All directors were appointed following a favourable report or, where appropriate, at the proposal of the Appointment, Remuneration and Social Impact Committee.



Audit and Risk Committee

Among other duties, the **Audit and Risk Committee** reports on the outcome of the audit, oversees the process of drawing up and submitting financial statements, and makes recommendations or proposals to the Board in this regard.

It also supervises the efficacy of the risk management systems and advises the Board of Directors of the overall susceptibility to the institution's risk and its strategy within this scope.

Chairman

Raphaël Alomar
Independent
31/03/2016¹

Members

Carles Alfred Gasòliba Böhm
Independent
31/03/2016²

Richard Fowler Pelly
Independent
31/03/2016³

Joaquín Vilar Barrabeig
Proprietary
27/03/2019

Secretary (non-member)

Montserrat Pérez Simeón
21/06/2018

1. Appointed as Chairman with effect from 25/03/2022. Re-elected as member on 19/12/2019 and previously re-elected with effect from 18/01/2018.
2. Re-elected on 17/12/2020 with effect from 18/02/2021 and previously re-elected on 26/03/2020 and 16/03/2018.
3. Re-elected as member on 17/12/2020 with effect from 18/02/2021 and previously re-elected on 26/03/2020 and 16/03/2018.

Appointment, Remuneration and Social Impact Committee

The **Appointment, Remuneration and Social Impact Committee** is tasked with assessing the skills of Board members; proposing new members; reviewing the balance of knowledge, skills and diversity on the Board; dealing with the remuneration policy and addressing all issues related to the institution's social impact and corporate social responsibility.

Chairman

Carles Alfred Gasòliba Böhm
Independent
01/07/2017¹

Members

Christian Eugène de Noose
Independent
31/03/2016²

Richard Fowler Pelly
Independent
15/12/2017³

Ana Rocío Sáenz de Miera Cárdenas
Independent
25/03/2021

Secretary (non-member)

Montserrat Pérez Simeón
21/06/2018

1. Re-elected as member and Chairman on 17/12/2020 with effect from 18/02/2021 and previously re-elected as member and Chairman on 19/12/2019. Appointed as Chairman of the Committee on 21/06/2018.
2. Re-elected on 26/03/2020 and previously re-elected with effect from 5/04/2018.
3. Re-elected on 17/12/2020 with effect from 18/02/2021 and previously re-elected on 19/12/2019.

Management Committee

The **Management Committee** aims to achieve the targets set by the Board of Directors in order to ensure that MicroBank is sustainable in the long term. The duties of the Management Committee include high-level decision-making for the implementation of the strategic lines set by the Board. The principles of conduct and the policies and protocols that develop them, in relation to all types of issues with a social impact, including economic and/or environmental ones.

Two new departments, Corporate Development and Human Resources, were created in 2022, bringing the total number of departments to nine, four of which are headed by women, as is the General Management.



General Manager

Cristina González Viu

Area Managers

Roberto Cabello Durán

Human Resources

Fermí Capel Moreno

Business

Mercedes Fargas Roviralta

Corporate Development

David Ferrer Rodero

Risk

Susana Fons Lete

Media

Francesc Xavier Gómez Naches

Control

Esther Magallón Manos

Risk Underwriting

Maria Elena Martín

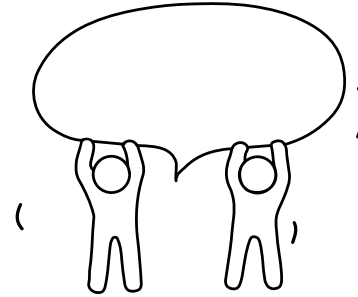
Communication and Social Impact

Hugo Martínez Pérez

Finance

Responsible and ethical conduct

At MicroBank, all employees, executives and directors must perform their duties in accordance with the Code of Ethics and Principles of Conduct adopted by the company.



United Nations' Global Compact

MicroBank is a member of the UN's Global Compact. The Global Compact is an international initiative aiming to achieve a voluntary commitment to social responsibility by institutions through the implementation of 10 basic principles based on human, labour and environmental rights and the fight against corruption.

The institution includes a mandatory clause for its suppliers, whereby they state they know and observe the 10 principles of the United Nations' Global Compact.



CODE OF ETHICS AND PRINCIPLES OF CONDUCT



MicroBank's Code of Ethics and Principles of Conduct sets out the values, principles and rules that must be observed both in the institution's internal professional relations and in external relations with customers, shareholders, suppliers and the community at large, in all areas where MicroBank is active.



They outline the ethical values and principles that govern the actions of all employees, executives and members of the management body.



These principles of conduct are as follows: compliance with the law and rules, respect, integrity, transparency, excellence, professionalism, confidentiality and social responsibility.



The Code also specifies the commercial policy, which revolves around funding projects aimed at boosting production activity and job creation along with projects aimed at fostering personal and family development and promoting financial inclusion.

Fighting corruption

As a signatory of the United Nations' Global Compact, MicroBank is committed to observing the 10 principles set out therein, one of which is to work against all forms of corruption, including extortion and bribery (principle number 10).

In this regard, MicroBank adhered to the General Principles of the Corporate Anti-Corruption Policy approved by CaixaBank's Board of Directors in May 2021.

Corporate Sustainability and Social Responsibility Policy

The purpose of CaixaBank's corporate policy on Sustainability and Corporate Social Responsibility, which is applicable to MicroBank, is to promote responsible and sustainable business practices that benefit the reputation of the institution and therefore benefit society, in particular in social and environmental matters. MicroBank has also implemented the CaixaBank Group's Corporate Environmental Management Policy.

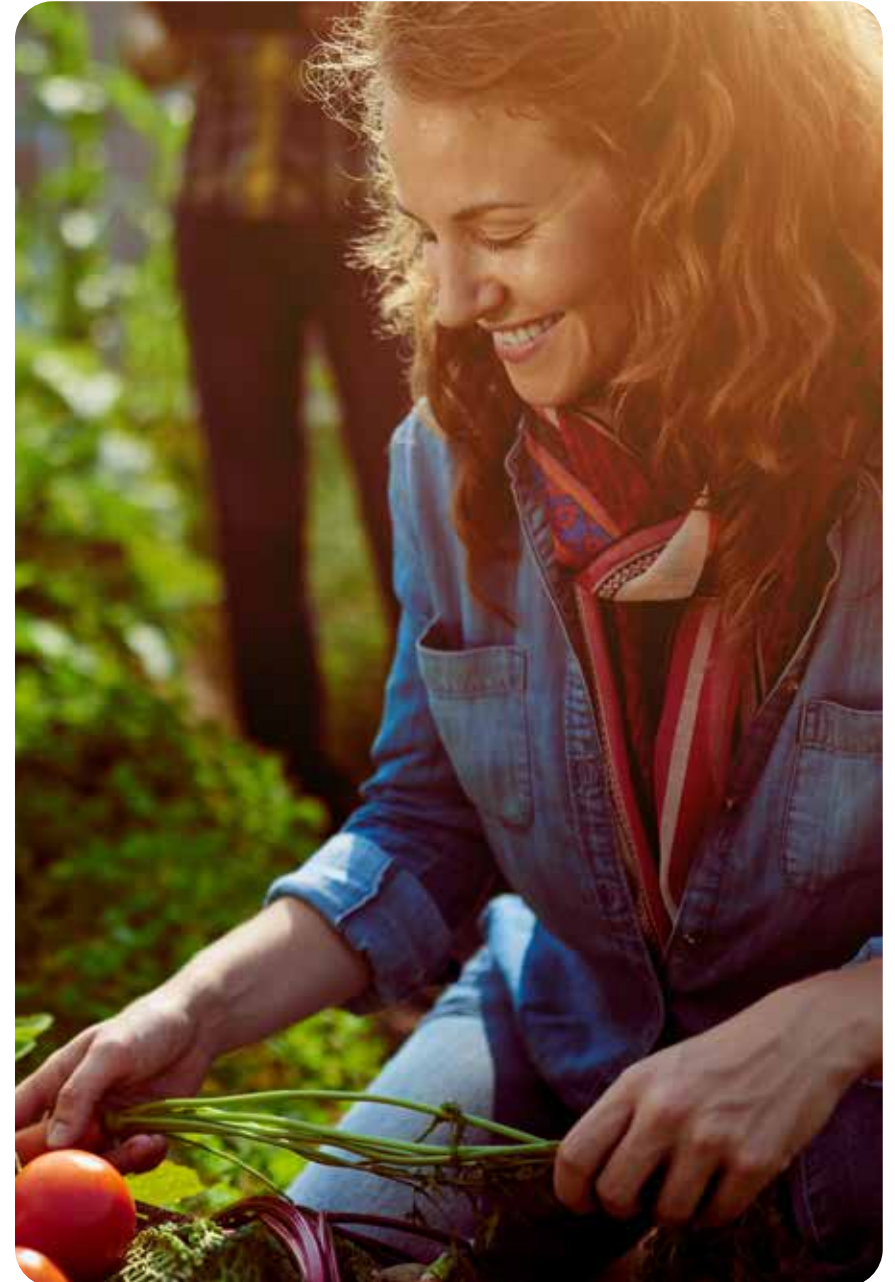
Among other issues, this policy takes into account the United Nations Environment Programme Finance Initiative Principles (UNEP FI) as an international benchmark standard, the Equator Principles, CaixaBank's Climate Change Statement for the protection of the environment and the requirements of the CNMV's Code of Good Governance. In addition,

in June 2022, the members of the Board of Directors received training on the CaixaBank Group's Sustainability Master Plan.

Respect for Human Rights

MicroBank has also signed up to CaixaBank's Corporate Human Rights Policy, which commits the institution to respecting the recognised human rights of its stakeholders, be they customers, suppliers, employees, executives or others, and to requiring compliance by any third party with whom it maintains a business relationship.

In particular, it includes a commitment to upholding the human rights enshrined in the Charter of Fundamental Rights of the European Union, the Principles of the United Nations' Global Compact and the UNEP FI Principles, along with the Group's Supplier Code of Conduct.



Corporate policies on compliance

Moreover, over the course of 2022, the institution has signed up to the updated and revised Corporate Compliance Policies approved by CaixaBank, including the Corporate Anti-Money Laundering and Terrorist Financing Policy; the Anti-Corruption Policy and its General Principles; the Corporate Internal Governance Policy; the General Principles of the CaixaBank Group's Corporate Policy on Conflicts of Interest, as well as its Policy and Protocol; and the Corporate Privacy and Data Protection Policy.

Oversight of the Group's compliance with the aforementioned policies is carried out by CaixaBank's Regulatory Compliance area. At MicroBank, the Control Area checks the control procedures in place and coordinates MicroBank's application of the Crime Prevention Model put in place by the CaixaBank Group. We also provide regular and mandatory training for all staff in relation to the Code of Ethics and the other applicable policies on Compliance.

The bank also develops other initiatives to strengthen its model of action and transparency in management, such as the following:



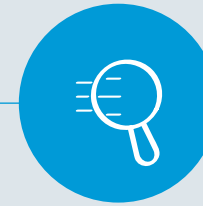
→ There is a confidential internal Query and Complaints Channel and a Conflict of Interest Channel to promote compliance with internal policies and regulations. In December 2022, MicroBank staff were trained in the management of this type of conflict.



→ In addition, MicroBank has made available to its employees a channel for the internal reporting of suspicious transactions with signs of Money Laundering and/or Terrorist Financing, accessible via the intranet.



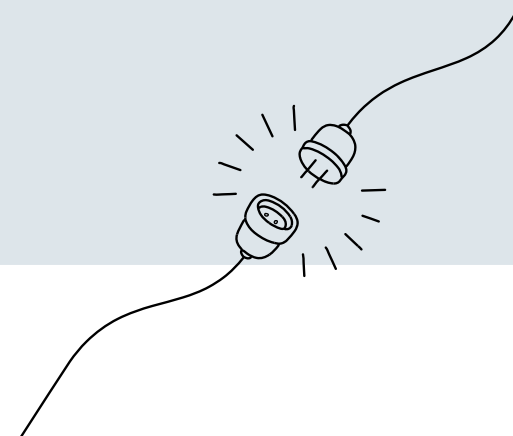
→ Customers and other stakeholders have the usual customer service channels for inquiries and complaints available to them.



→ MicroBank is a voluntary member of Autocontrol, the Association for Commercial Self-Regulation, which promotes good practices in advertising.



→ In June 2021, MicroBank also implemented the Code of Good Practices issued by the Spanish Official Credit Institute.




Risk Management

Proper risk management is essential for the business of any credit institution and, in particular, for institutions such as MicroBank, which operate mainly in the retail segment and view the trust of their customers and shareholders as a fundamental value.

In accordance with the standards and best practices issued by the Basel Committee on Banking Supervision, MicroBank's risk management policy is based on a set of calculation tools and techniques for the purpose of measuring, monitoring and managing risk.

The main risks arising from the bank's own activities are categorised as follows:

	Risks related to business model
	- Liquidity risk
	Risks related to financial activity
	- Credit risk
	- Interest rate structure risk
	Risks related to business continuity
	- Operational risk

Pursuant to the CaixaBank Group's guidelines, MicroBank has an internal control model structured around three lines of defence. This is why the institution has a risk management function, a regulatory compliance function and an internal audit function.

Moreover, it has a Risk Management Area and a Control Area, which respectively act as points of contact for CaixaBank's Risk and Regulatory Compliance departments.

In particular, MicroBank's Risk Management Area conducts an in-depth control of both quality in transaction admission and the development of the risk quality of microcredits granted along with the subsequent level of non-performance. In doing so, MicroBank's Management is provided with a comprehensive overview of each customer's situation along with aggregate information at the production line and management unit level.

In addition, the Control Area handles coordination between MicroBank and its agent CaixaBank in all initiatives related to regulatory aspects with an impact on the institution. MicroBank grants 100% of its microcredits on the basis of the personal guarantee provided by the applicants, without requesting or accepting any kind of in rem guarantee. Since the institution deals with customers with little or no credit history, the traditional risk analysis tools must be supplemented with other types of techniques enabling it to conduct an in-depth analysis of the feasibility of each proposed project.

This approach allows MicroBank to achieve its company purpose of promoting credit inclusion.

Management ratio figures

	2022	2021	2020
NPL ratio	4.69%	4.66%	3.75%
Accumulated write-off % vs. granted and due capital	6.18%	6.07%	6.04%
Impaired asset coverage	110.65%	117.85%	166.99%



07.

**ECONOMIC-FINANCIAL
INFORMATION**



A sustainable social bank

MicroBank ended the year 2022 with consolidated growth

The year was closed with an active portfolio balance of €2,289 million, 10% more than in 2021. The segment experiencing the greatest growth in 2022 was support for low-income families. Specifically, MicroBank granted 82,723 microcredits to this group to cover specific needs during this period, for a total of €642 million, representing an increase of 17% compared to 2021. In terms of business financing, mainly microcredits for the self-employed and microenterprises, 2022 saw a total of 17,600 transactions, for close to €374 million, a slightly lower figure (-7%) than in 2021, although this year has been marked by the complicated macroeconomic situation and the rise in interest rates in the last half of the year.

MicroBank closed out the year with own funds of €402 million, of which 90 million were capital and 287 million reserves, with a net profit of €25 million. This amount of own funds accounted for 18% of total assets and is significantly higher than the regulatory capital amount estimated pursuant to the advanced approaches for calculating the required own funds (for credit, operational and other risks), estimated at €117 million in December 2022.

At year-end, MicroBank's impaired assets were at €107 million, which translates into an NPL ratio of 4.69%. The write-off ratio (the percentage of debt transferred to write-

off risks out of the accumulated amount of credit already matured or repaid since the commencement of business) reached 6.19% before applying the EIF's coverage and 4.78% after applying the amounts recovered through the guarantees arranged with this body in the different agreements. These figures show the current portfolio's risk quality remains within parameters we deem adequate.

The net amount of insolvency costs recorded in 2022 was €47 million (€55 million for insolvency costs minus €8 million income from the agreements with the EIF, allocated in the year). The provision for loan losses amounted to €119 million. This overall provision volume results in an impaired asset coverage ratio of 111%.

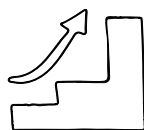
This volume of own funds, the availability of a marketing network with more than 3,800 branches, the important organisational support from the Group and the ongoing availability of funding are some of the most important advantages provided by our sole shareholder, CaixaBank.

Profit after tax

€25 M

Active portfolio balance

€2,289 M



Family loans:

Transactions:

256,393

€1,244 M



Business loans:

Transactions:

71,039

€587 M



Other financing with social impact:

Transactions:

16,989

€458 M



Financial data

	2022	2021	2020
Balance statement*			
Total assets	2,211,551	2,000,251	1,768,880
Customer loans	2,288,961	2,074,762	1,832,296
Resources from customers	57,737	50,224	48,396
Resources from credit institutions	1,711,914	1,520,291	1,321,281
Capital and reserves	402,392	388,238	353,503
Profit and loss account*			
Interest margin	112,451	113,459	116,170
Gross margin	119,635	119,438	120,862
Recurrent administrative overheads and amortisation	-37,056	-36,343	-37,588
Allocation to provisions and impairment losses and asset write-offs	-46,768	-31,046	-75,526
Profit (loss) before tax	35,812	51,950	7,748
Net profit or loss in the financial year	25,061	36,357	5,405

*In thousands of euros.



	2022	2021	2020
Resources			
MicroBank staff	38	27	30
Total number of CaixaBank Group employees	44,625	49,762	35,434
CaixaBank's retail branches	3,818	4,615	3,571
Management ratios			
Profitability ROE	6.36%	9.97%	1.54%
Profitability ROA	1.17%	1.94%	0.33%
Bis Ratio (Core Tier I)	18.36%	19.62%	20.32%

*In thousands of euros.

	Number	Active balance*
Loan portfolio		
Family Microcredit	256,393	1,244,454
Business Microcredits	71,039	586,536
Other loans with impact	16,989	457,969
Total MicroBank	344,421	2,288,959
Liability contracts		
MicroBank current account	3,516	23,013
MicroBank savings book	10,740	34,724
Total MicroBank	14,256	57,737

*In thousands of euros.



ANNEXES



Annex I: Methodological breakdown for calculating social impact

MicroBank analyses the impact of its activity on a recurring basis in order to understand the effects of its loans on the recipients and their businesses. This is why a study on the impact of the loans granted by MicroBank was carried out by the firms KPMG Asesores and Stone Soup Consulting:

Impact on entrepreneurs and families

The impact data in this report is based on an ex-post analysis conducted through telephone surveys of entrepreneurs, microenterprises and families.

For businesses, the survey was carried out on a random sample of 600 entrepreneurs/microenterprises, with information collected on the recipient's profile, the features of the business, the socio-economic impact and the main cash outflows of the business (expenditure on salaries, taxes and suppliers). These figures were used in input-output calculations to determine the total impact on Spanish society of the businesses that have received a loan in terms of economic contribution and job creation. For the impact analysis in the case of entrepreneurs receiving a Business Microcredit, a total of 600 valid interviews were carried out from a universe of 17,282 people. The sample taken is statistically representative with a confidence level of 95% and a margin of error of 3.94 points. The sample is broken down into microenterprises, which represent 46% of the sample, and entrepreneurs, which represent the remaining 54%.

A further 600 surveys of Family Microcredit recipients were also conducted to collect information on the recipient's profile, socio-economic impact and financial habits. In this case, a total of 600 valid surveys were carried out, for a total population of 81,985 recipients. This means that the sample of recipients is representative with a confidence level of 95% and a margin of error of 3.99 points.

Impact on the social economy

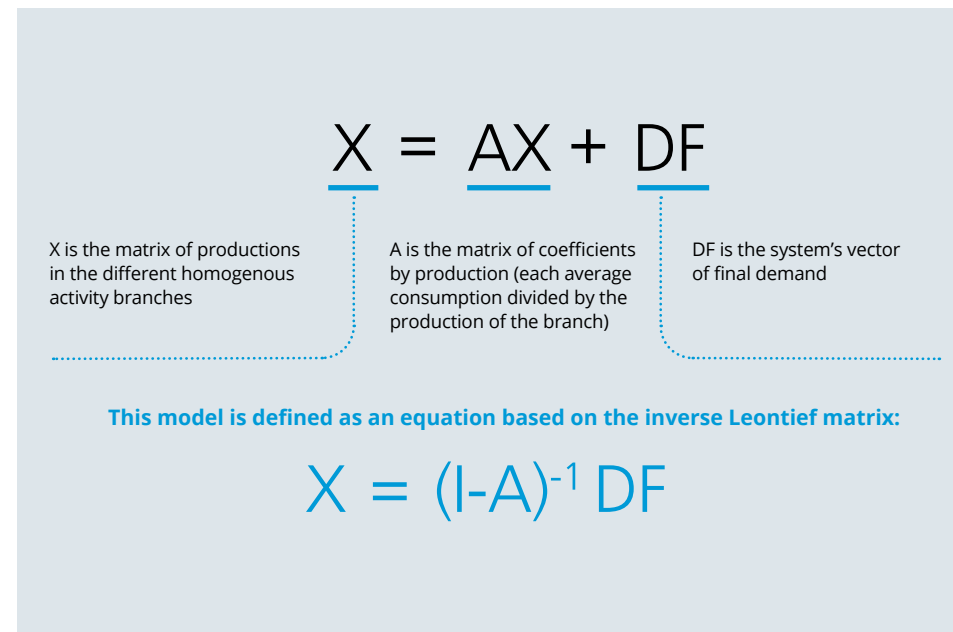
In addition, due to the strategic importance of EaSI loans for MicroBank, a specific analysis of the impact of this product has been carried out, with the methodology used being presented below.

A total of 93 interviews were conducted with social enterprises that applied for the loan throughout 2022. Regarding the universe of organisations that benefited from EaSI in 2022, this is a statistically relevant sample with a margin of error of 6.98 at a confidence level of 95%. As the universe is small, the sampling fraction has to be taken into account, and in this case we have obtained a response from 53% of the beneficiary social enterprises in 2022.

Based on the potential impacts identified in a theory of change workshop, large areas of impact were developed, with which certain indicators were associated. The short, medium and long term impacts of these activities, which can be broken down into direct impacts on the organisations (more financial strength, better or greater organisational capacity) and impacts related to the number and diversity of the recipients assisted and their impact on society through job creation and the contribution made to the sustainable development goals.

Input-Output analysis methodology

The Input-Output framework is a statistical accounting tool used to show all production and distribution operations taking place in an economy in a certain period of time. It enables the flows of the different intersectoral transactions to be observed in a given economy for a reference year. The purpose of the Input-Output framework is to provide a systematic and in-depth description of the economy, its components and its relationships with other economies. Using the framework, an economy can be analysed as a whole but also in detail. The constructed model on which this tool is based, and which is standardised in general methodology in the closed Leontief system, is defined as this basic equation in matrix form:



Using this model, we can observe a series of effects on the production of the system linked to the final, external, demand thereof. These effects are broken down into direct or initial, indirect, induced and total effects, with the latter being the sum of all the aforementioned effects. The inverse Leontief matrix shows the effect of the successive rounds of economic transactions taking place in the different sectors when demand is increased in one or several of them. Using the tools developed, and based on the features of the model, we can establish a series of predictions and proportionalities allowing us to assess the sectorial impacts or effects of the businesses to which MicroBank has granted a loan on the Spanish economy as a whole. These effects can be divided into the following:

- **Direct effect**, which refers to purchases made from direct suppliers and the jobs directly created by the businesses to which a loan was granted, along with the economic aspects related to their business activity.
- **Indirect effect**, which is the drag along effect exercised on the second line of suppliers by boosting their spending on intermediary products in other sectors and contributing to their job creation.
- **Induced effect**, which refers to the effect on other sectors which, following the increased demand, increase their orders from their respective suppliers.

APPLICATION OF THE METHOD TO THE CASE BEING STUDIED

In order to calculate the direct, indirect and reduced impact of the activities performed by the businesses to which MicroBank has granted a loan (hereinafter referred to as "businesses") on the Spanish economy, we have used the Input-Output framework matrices drawn up by the Spanish National Statistics Institute (INE). These tables are public and drawn up based on the methodology set out by the European Commission.

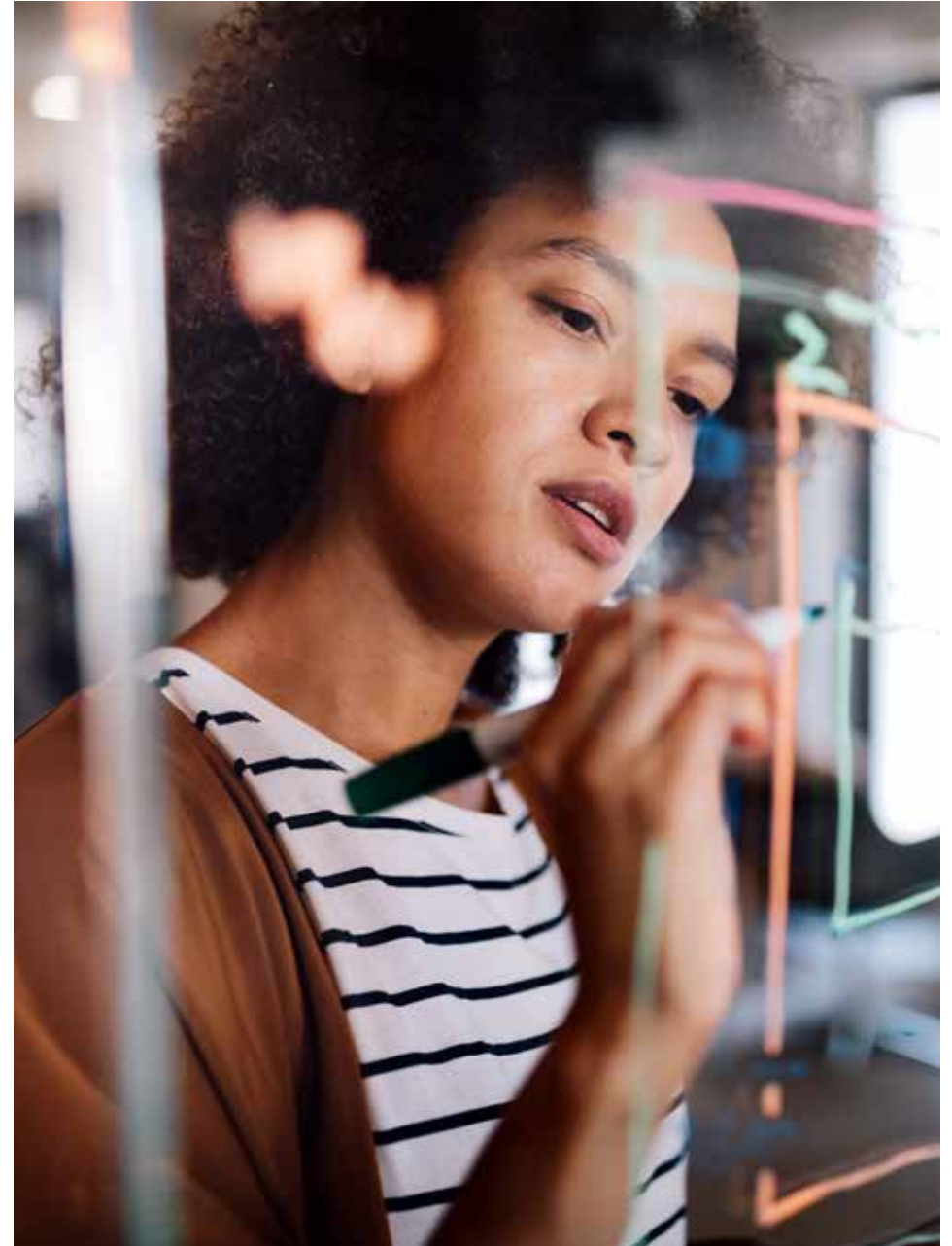
The table used for the calculations made in this work was the symmetric domestic production at basic prices table, since the aim of the calculations is to find the direct impact of the businesses' activity on the Spanish economy. This table sets out the intersectoral relationships taking place in an economy for a reference year. The sectors included in this table roughly correspond to the sectors designated by the National Classification of Economic Activities (CNAE). The table also provides information on production in each of these sectors.

We have also obtained data on employment by sector from the INE. Using this data, we have calculated the number of jobs generated by each of the sectors of the communities being studied. With these sector, production and employment data we can establish proportionality rules to find out the direct, indirect and induced employment generated depending on a given production.

The Input-Output methodology also allows us to find out the contribution made by the businesses to the Spanish economy in terms of GDP. The inputs used were supplier expenses, tax expenses and salary expenses. The former two figures were obtained from surveys in which we enquired about annual supplier and tax spending. In the case of salaries, we have worked with conservative data and used the interprofessional minimum wage.

Using the interviews, we can calculate the inputs by company sector. In the case of supplier expenses, after we have obtained the total expenses by sector, we have used the information from the Input-Output tables to estimate the distribution thereof over the different sectors in the symmetric table and by applying the methods explained above, we were able to calculate the direct, indirect and induced effects. The tax expenses were directly allocated to the Public Authority sector.

Payment of salaries generates direct employment but also generates indirect and induced employment due to the money spent by the people who receive a salary. In order to calculate this spending and find out in which sectors it occurs, we have used data from the Family Budget Survey 2022 conducted by the Spanish National Statistics Institute (INE), whose analyses show the typical spending structure of a Spanish consumer. Deducting savings, distributing this spending among the different sectors in the symmetric table of domestic production at basic prices and proceeding similarly as with the supplier expenses, we can calculate the indirect and induced impact in terms of the impact on the GDP and employment. This analysis has been conducted for the fifth consecutive year. Last year, the scope was broadened to include the impact of the total business loans granted by the institution, both microcredits and loans. The same approach was followed this year, making the figures for 2021 and 2022 comparable.



Annex II: GRI content index

Declaration of use

MicroBank has presented the information cited in this GRI content index for the period from 1 January 2022 to 31 January 2022 using the GRI Standards as a reference.

GRI 1 used GRI 1: Foundation 2021

GRI 1: Foundation 2021

GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
GRI 101: Foundation 2016				
GRI 2: General Disclosures 2021				
Organisational profile				
	2-1	Organisation details	NUEVO MicroBank, S.A.U. Registered office: Aduana, 18. 28013 - Madrid, Spain 3. MicroBank's teamwork with CaixaBank and its main stakeholders	
	2-2	Entities covered by sustainability reporting	NUEVO MicroBank, S.A.U.	
GRI 2: General Disclosures 2021	2-3	Reporting period, frequency and contact	Yearly More information can be obtained through the usual customer service channels available on the corporate website	
	2-4	Restatement of information	Information from previous years has not been restated	
	2-5	External assurance	The information was not verified by an independent third party	
Activities and workers				
	2-6	Activities, value chain and other business relationships	3. MicroBank's teamwork with CaixaBank and its main stakeholders 4. Business model	

GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG	
GRI 2: General Disclosures 2021	2-7	Staff	3. MicroBank's teamwork with CaixaBank and its main stakeholders	6	8
	Governance				
	2-9	Governance structure and composition	7. Corporate governance		
	Strategy, policies and practices				
	2-22	Statement on sustainable development strategy	2. MicroBank's key strategies		
	2-23	Commitments and policies	7. Corporate governance		
	Stakeholder engagement				
	2-29	Approach to stakeholder engagement	Annex III: Materiality and dialogue with stakeholder groups		
	2-30	Collective bargaining agreements	MicroBank's employees are covered by the collective bargaining agreement applicable to them	3	8
	Material topics				
GRI 3: Material topics 2021	3-1	Process of determining material topics	Annex III: Materiality and dialogue with stakeholder groups		
	3-2	List of material topics	Annex III: Materiality and dialogue with stakeholder groups		
Good Governance			1, 2	16	
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 7. Corporate governance		
Business ethics			1, 2, 10	16	
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 7. Corporate governance		

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Section or direct response</i>	<i>Principles of the Global Compact</i>	<i>SDG</i>
Data protection and cybersecurity			9	
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 7. Corporate governance	
GRI 418: Customer privacy 2016	418-1	Substantiated complaints regarding breaches of customer privacy and loss of customer data	7. Corporate governance	
Digitalisation			9	
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 2. MicroBank's key strategies 4. Business model 6. Environment	
Social and economic inclusion			1, 2	1, 3, 4, 10, 12
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 5. Impact of our business	
GRI 413: Local communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	5. Impact of our business	
Contribution to economic development				8, 9
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 5. Impact of our business	
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	5. Impact of our business	
	203-2	Significant indirect economic impacts	5. Impact of our business	

GRI Standard	Disclosure	Section or direct response	Principles of the Global Compact	SDG
Job creation			6	5, 8, 9
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 5. Impact of our business	
Innovative products and services				9
Management of material topics	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 4. Business model	
Climate Change			7, 8	12, 13
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 6. Environment	
Products with impact			1, 2, 6, 8, 9	4, 10, 12
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 4. Business model 5. Impact of our business	
Customer satisfaction			1	12
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups	
Talent management			1, 2, 3, 4, 5, 6	3, 5, 8
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 3. MicroBank's teamwork with CaixaBank and its main stakeholders	
GRI 405: Diversity and equal opportunities 2016	405-1	Diversity of governing bodies and employees	3. MicroBank's teamwork with CaixaBank and its main stakeholders 6. Corporate governance	

<i>GRI Standard</i>	<i>Disclosure</i>	<i>Section or direct response</i>	<i>Principles of the Global Compact</i>	<i>SDG</i>
Equality			1, 2, 6	5, 10
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 5. Impact of our business	
Stakeholder relations				17
GRI 3: Material topics 2021	3-3	Management of material topics	Annex III: Materiality and dialogue with stakeholder groups 3. MicroBank's teamwork with CaixaBank and its main stakeholders	

Annex III: Materiality and dialogue with stakeholder groups

MicroBank is firmly convinced that one of the greatest values it can contribute to its stakeholder groups is to gain their trust and provide them with the information they wish to obtain. To do so, it establishes channels allowing for simple communication while understanding the needs and expectations of the stakeholder groups.

MicroBank has a range of processes for dialogue with its stakeholder groups at its disposal, along with processes for analysing its environment which, through indirect sources, enable it to identify the important issues for both its direct stakeholder groups and the sector in general terms.

Stakeholder groups





	Available channels
CaixaBank	<ul style="list-style-type: none"> • Regular meetings • Email
Customers	<ul style="list-style-type: none"> • Web • Email • CaixaBank Branches • Annual Report • Enquiries
European institutions	<ul style="list-style-type: none"> • Regular meetings • Email
Collaborating institutions	<ul style="list-style-type: none"> • Web • Regular meetings • Email
Staff	<ul style="list-style-type: none"> • Intranet • Email • Channel for queries
Society	<ul style="list-style-type: none"> • Web • Annual Report







In 2022, the materiality analysis performed in 2021 was reviewed in order to confirm that the aspects identified are still relevant and should therefore be included in the report. These aspects include both those that reflect MicroBank’s significant economic, environmental and social impact and those that have a material influence on the analyses and decisions of the stakeholder groups.








While an in-depth analysis was not carried out, as this will be done in the next financial year, the main impacts linked to each of the aspects have been analysed in line with the requirements of the new GRI 3.

The list of material issues initially identified is as follows:

Material issues

	Topics included	Impact	SDG	Principles of the Global Compact
1. Good Governance	Transparent and responsible management.	Enhancing the reputation and trust in MicroBank, generating a more attractive, responsible and transparent image.		1, 2
	Regulatory Compliance.			
	Good practices in corporate governance.			
2. Business ethics	Code of ethics and principles of conduct.	Strengthening the establishment of trust-based relationships between the organisation and its stakeholders.		1, 2, 10
	Measures for preventing corruption, bribery and fraud.			
	Commitment to international practices and standards (Global Compact, Responsible Banking Principles, etc.).			
	Transparent reporting on contribution to priority SDGs based on KPIs to track social and environmental strategy performance.			
	Ensuring an efficient and confidential complaints mechanism.			
Responsible marketing.				
3. Data protection and cybersecurity	Preventing and managing cybersecurity risks, ensuring the protection of systems and the organisation.	Avoiding negative impact if there is a breach, both in terms of reputation and penalties.		—
	Ensuring the privacy of information and data protection by putting in place robust protection mechanisms.			
4. Digitalisation	Promoting technology for the development of new products and services.	Developing more efficient processes and improving the quality of the relationship with customers and key stakeholders.		—
	Development of new communication channels arising from new digital environments.			

	Topics included	Impact	SDG	Principles of the Global Compact
5. Social and economic inclusion	Financial inclusion: promoting access to high-quality financial products and services provided in a responsible and sustainable manner.	Improving people's quality of life and resilience to adverse situations (e.g. economic crises).		1, 2
	Supporting people at risk of exclusion so that they have access to basic necessities: health, education, employment, etc.			
	Supporting people to alleviate the effects of extraordinary events: pandemics, natural disasters, etc.			
	Ancillary financial service for the most disadvantaged or deprived private households: Monte de Piedad.			
6. Contribution to economic development	Impact on socio-economic development in the region.	Increasing entrepreneurship and business creation.		—
	Launch and growth of microenterprises.			
7. Job creation	Creation of quality jobs.	Increasing employability.		6
	Promoting entrepreneurship.			
8. Innovative products and services	Access to new market niches.	Developing new products and services to meet the needs of new customers.		—
	Response to new competitors/financing models (e.g. crowdfunding, fintech).			
9. Climate Change	Measuring the carbon footprint of the business microcredit portfolio.	Promoting the decarbonisation of the business sector.		7, 8
	Credit portfolio decarbonisation strategy.			
10. Products with impact	Development of specific products and services designed to mitigate or adapt to the impacts of climate change.	Expanding the range of products and services on offer and reaching a wider audience.		1, 2, 6, 8, 9
	Development of products to address the specific needs of women, young people, older people, migrants and other disadvantaged groups.			
	Impact measurement and management.			

	Topics included	Impact	SDG	Principles of the Global Compact
11. Customer satisfaction	Facilitating and simplifying customer relations in the digital space and driving improvements in the customer experience in the online environment.	Improved customer experience.		1
	Measuring and managing customer satisfaction.			
	Maintaining and promoting transparency of products and services (clear language).			
12. Talent management	Talent management and personal development.	Attracting the best talent and fostering human development in a good working environment.	  	1, 2, 3, 4, 5, 6
	Promoting diversity, equality and work-life balance in the workplace.			
	Ensuring working environments that promote the health and wellbeing of workers and partners.			
13. Equality	Promoting equality through products and services.	Promoting a more equal society, with equal access to resources.	 	1, 2, 6
14. Stakeholder relations	Cooperation with customers, partners, European institutions and relevant stakeholders to raise awareness of ESG (environmental, social and governance) issues.	Increasing MicroBank's transparency and stakeholder confidence.		—
	External and internal communication strategy.	Consolidating the relationship with stakeholders and building new partnerships.		



Access the on-line version at
https://www.microbank.com/deployedfiles/mbk/Estaticos/PDF/informes-anuales/en/Informe_MicroBank_2022_ENG.pdf

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