

# Financial Information **2021-2022**

# Executive Summary

IESE recorded a complete recovery of its activity in the 2022 fiscal year (FY22), which closed on August 31, 2022. Following three years of pandemic-related impacts, the school increased its program revenues, optimized its cost structure and reaped the benefits of diverse action plans implemented in previous years.

The school's economic model is based on three core pillars: program revenues, endowment income, and contributions from individual and corporate donors that support IESE's mission and belief in humanistic, ethically-grounded leadership.

Program revenues represent roughly 90% of the school's income. In FY22, income from programs' academic fees grew by 35% to €103.7 million, with Executive Education and Custom Programs – the hardest hit by the pandemic – being the primary engines of growth.

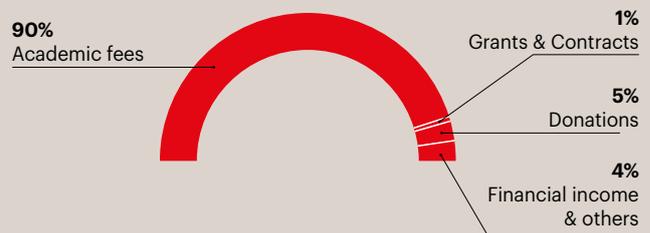
The school reported €3.6 million in operating profit in the 2022 fiscal year: total revenues grew by 26% to €116.2 million, while expenses expanded by 21% to €112.6 million. Following this positive outcome, IESE surpassed its 2019 financial results; the last fiscal year before the pandemic.

## 2021-22 milestones

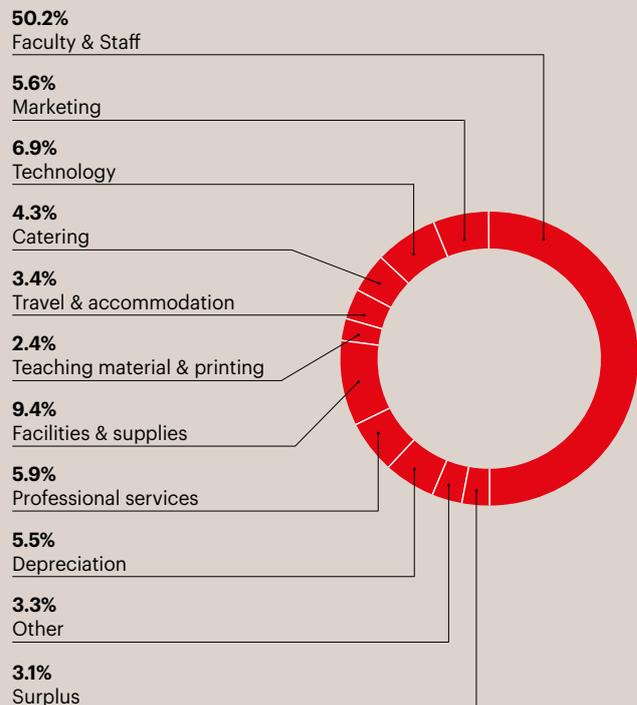
In FY22, IESE made important inroads on several fronts, most notably, the official inauguration of its new Madrid facility. The school also celebrated the launch of new programs, research initiatives, learning innovations and multidisciplinary projects, all aimed at helping global business leaders address their most pressing challenges.

Contributions from alumni, Partner Companies, foundations and donors left the school better equipped to invest in the future through scholarships, new research lines and learning

## FY22 Revenues



## FY22 Cost over total revenue



Publication date: June 2023

## Financial Information

innovations. Following these allocations, the IESE Endowment stood at €47.2 million at the end of FY22, growing by 4% compared to the previous year.

The financial disclosures outlined in this report are based on IESE's accounting records from its diverse programs and its consolidated activities in New York, Munich and Singapore. The school complies with legal requirements and accounting principles to accurately reflect its assets and financial situation.

IESE is the graduate business school of the University of Navarra (UNAV), a non-profit entity. In this regard, its financial accounts are audited in conjunction with the rest of the university system, and are available on the UNAV website at [www.unav.edu](http://www.unav.edu).

IESE's accounts are compiled following the provisions outlined in the Spanish Corporate Law Code and New General Accounting Standards,

whose main administrative framework is that of a non-profit organization. Financial statements also adhere to the standards and procedures of the Spanish Association of Accounting and Business Administration and relevant fiscal regulations.

The financial statements obtained when applying Spanish accounting standards do not substantially differ from those procured when following U.S. Generally Accepted Accounting Principles (US GAAP) or International Financial Reporting Standards (IFRS).

IESE-USA Inc., IESE Business School GmbH and IESE Southeast Asia Ltd. are responsible for the school's activities in the United States, Germany and Singapore, respectively, and their accounting records comply with their country-specific regulations. IESE, IESE-USA and IESE Business School GmbH have non-profit status based on current legislation.

### Income Statement (in thousand of €)

	FY20	FY21	FY22
<b>Revenue</b>	<b>98,110</b>	<b>92,134</b>	<b>116,094</b>
Academic fees	87,982	81,129	104,638
Grants & contracts	1,559	715	1,164
Donations	5,155	4,656	5,363
Financial income & others	3,414	5,634	4,929
<b>Expenses</b>	<b>100,485</b>	<b>91,753</b>	<b>112,520</b>
Faculty & staff	52,100	47,752	54,391
Collaborators	4,369	2,846	3,920
Marketing	4,584	4,967	6,544
Technology	5,834	7,264	7,954
Catering	4,101	2,761	5,028
Travel & accommodation	4,061	1,325	3,955
Teaching material & printing	2,993	2,513	2,843
Facilities & supplies	8,485	9,377	10,886
Professional services	4,505	3,909	6,817
Depreciation	5,993	5,908	6,347
Other	3,462	3,128	3,835
<b>Surplus</b>	<b>-2,375</b>	<b>381</b>	<b>3,574</b>



Record enrollment in  
IESE's Full-Time MBA

## Programs

Program revenues grew by 35% to €103.7 million. Executive Education offerings, particularly Custom Programs, were the driving force behind this upswing, although degree program revenues also increased.

### Degree programs

IESE offers five degree programs developed for different audiences and learning objectives: the Full-Time, Executive and Global Executive MBAs, the Master in Management and the PhD in Management.

Participation in 2021-22 was similar to previous years, with 1,474 students enrolled in IESE master's programs and 45 in the doctoral program. Program revenues increased by €4 million to €54.1 million, an 8% uptick derived mainly from shifting the EMBA and GEMBA modules originally scheduled for FY21 to FY22.

### Full-Time MBA

Last year, the Full-Time MBA recorded the highest enrollment in its history, with 726 first- and second-year students. Celebrated for its humanistic approach and unique global dimension, the program attracts exceptional students who represent close to 70 nationalities.

In 2022, *Financial Times* ranked IESE's MBA among the world's top 10 and, number three in Europe, and

number one in corporate social responsibility for the third consecutive year.

### Master in Management (MiM)

Initiated in September 2019, the MiM is an 11-month program designed for recent university graduates who aspire to enhance their employability by gaining a stronger grasp of general management. The class of 2022 comprised 77 students from 27 countries.

### Executive MBA (EMBA)

Eighteen months in duration, the Executive MBA maintained similar enrollment levels in 2021-22. Of note was the roll-out of ONE EMBA, aimed at elevating students' international experience and exposure.

### Global Executive MBA (GEMBA)

The Global Executive MBA is an 18-month learning journey designed for professionals with around 15 years of experience and a distinctly international career orientation. Typical GEMBA cohorts include students from around 30 countries, with 80% from outside Spain.

### PhD in Management

In 2021-22, 45 students from 20 countries were enrolled in IESE's PhD program, which is fully funded so participants can concentrate exclusively on their research and academic development. IESE PhD graduates in FY22



received placements from top-tier global institutions, including UCLA, INSEAD and the Frankfurt School.

### MiM & MBA Programs

Academic Year	2020	2021	2022
Total Students	1,464	1,353	1,474

### Executive Education programs

Top-ranked by prestigious media outlets, IESE executive education offerings include general management programs, Focused Programs, Custom Programs, public-sector leadership programs and Industry Meetings. The portfolio is continuously updated to reflect the most relevant trends and currents in global business.

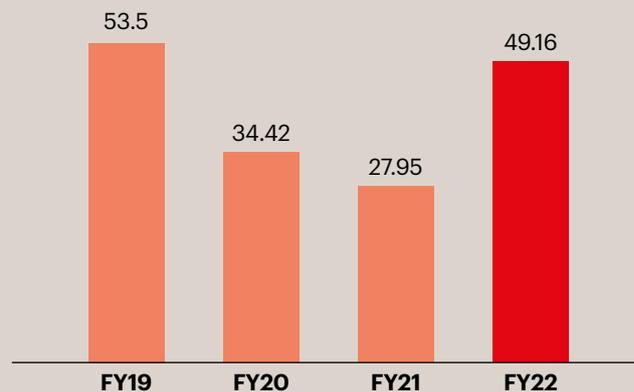
The newly created IESE School of Founders was among the school's achievements in 2021-22. This initiative offers dedicated exec ed programs, knowledge resources and networking opportunities, all aimed at helping the founders of fast-growing small- and mid-sized firms accelerate and consolidate their businesses.

Also launched was the Leadership Coaching Program, accredited by the European Mentoring and Coaching Council. The program benefits diverse professional

profiles, including human resources specialists, established professional coaches and executives who aspire to serve as coaches either within or outside their organizations.

IESE Executive Education programs generated €49.16 million in revenues in 2021-22, representing an exceptional 76.5% growth. Following a strong recovery and increased demand, Custom Programs served as the driving force behind this upswing.

### Executive Education Programs Revenue (in million of €)





5,000+ IESE graduates and guests took part in IESE's 2021 Global Alumni Reunion

## Faculty and Staff

IESE professors and staff are another reflection of its international dimension. In 2021-22, the faculty team comprised 116 professors from 22 countries, including three new full-time professors.

Meanwhile, the pool of non-teaching staff grew by 10% in 2021-22 to 520 employees, dispersed across 11 global locations. IESE employees reflect 46 nationalities and 74% are women. Among executive-level employees, 25% hold MBA degrees from IESE and 59% have completed an IESE Executive Education program.

In FY22, faculty and staff expenditures amounted to €54.3 million, denoting half of the school's total expenses.

### Faculty

	FY20	FY21	FY22
Full-Time Professors	113	118	116
Part-Time Professors	68	70	63

## Research

IESE is globally acclaimed for its high-impact, interdisciplinary research, aimed at elevating the theory and practice of management. The school's research ecosystem includes 12 centers, 26 chairs and 10 initiatives. Research is financed via endowments, corporate donations, sponsorships and, in some instances, European funds.

In FY22, IESE academics collectively published 81 articles in refereed journals, 14 books and 99 case studies. Half of the school's refereed-journal articles were published in A+ (33%) and A (17%) journals, which is evidence of the premier quality of its research output.

Also noteworthy was the recovery in research grants, which totaled €4.5 million for 14 new competitive projects. In 2021-22, the school had roughly 80 active projects underway, of which 21 pertained to the EIT-Health Initiative.

The school marked other important mileposts in FY22, including the creation of three new endeavors to bolster its research impact. These included the Juan Antonio Pérez López Chair held by Prof. John Almandoz, the Sustainable Development Initiative led by Prof. Fabrizio Ferraro, and the Behavior Lab, under the leadership of Prof. Sebastien Brion.

The school hosted several headline research events in the 2021-22 academic year, starting with the 49th edition of the European Finance Association Annual Meeting in late August on the Barcelona campus. The Public-Private Sector Research Center, led by Prof. Xavier Vives, hosted this members-only event, which convenes leaders from select universities, financial institutions and business schools every year at a distinct European venue.

### Research

	FY20	FY21	FY22
Research Grants (€ in thousands)	4,482	3,394	4,453
Articles in refereed journals	59	70	81
Cases	84	86	99

In early October, the IESE Center for Corporate Governance and the European Corporate Governance Center convened global thought leaders to explore the role of boards of directors and corporate strategy in disruptive times. Guest speakers included well-known scholars from IESE, Oxford, MIT, LBS and UC-Irvine, as well as industry leaders from IKEA, Inditex, Nokia and Schneider Electric.

The promotion of sustainable infrastructure was the focus of a three-day conference in May, organized by the Specialist Center for Public-Private Partnerships in Smart and Sustainable Cities (PPP for Cities). Held in collaboration with the UN Economic Commission for Europe (UNECE) and with the support of the Barcelona City Council, the event brought together representatives from the public and private spheres to discuss strategies to promote the UN's 2030 Agenda.



The school recorded a notable uptick in technology expenditures

## Engagement & Advancement

IESE covers expenses through academic fees but requires outside contributions in order to elevate its impact. To this end, the contributions of alumni, Partner Companies, foundations and donors are critical, enabling the school to widen its global footprint, invest in leading-edge research and pedagogic innovations, and attract exceptional students and faculty from around the world.

The IESE alumni community encompasses more than 55,000 graduates from 153 countries. Created in 1961, the Alumni Association aspires to cultivate lifelong ties with former students and participants through an array of learning, career development and networking opportunities.

The Association's flagship event – the Global Alumni Reunion – takes place every year on one of IESE's campuses. In November 2021, the three-day event was held at the newly unveiled Madrid facility, drawing a record-high 5,000 registrants to examine the role of global business in promoting global sustainability.

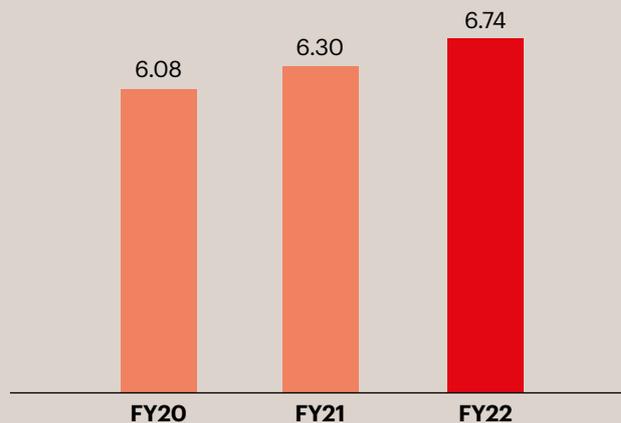
IESE also strengthened its alumni lifelong learning and career development services in FY22, including a new online platform designed to encourage networking and communication among graduates and the wider IESE community.

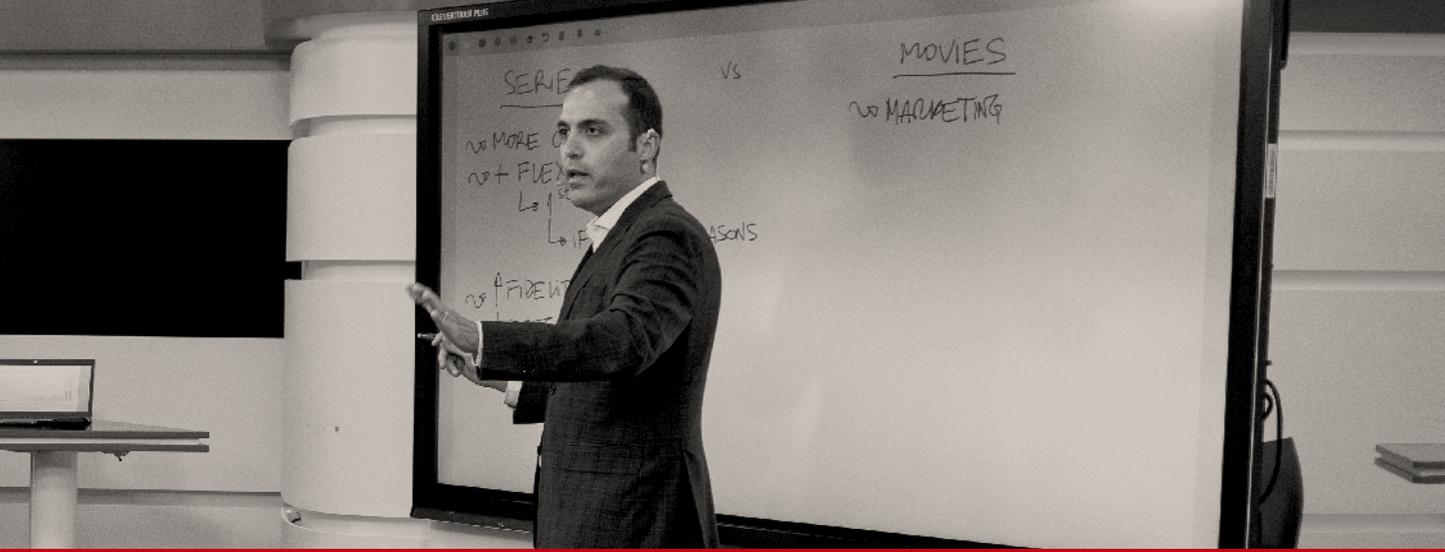
Contributions from alumni have remained stable in the last few years despite the uncertain economic context; a testament to the school's effective

community-building efforts. Exceeding expectations, FY22 levels led to a total of €4.3 million and €1.2 million surplus. Excess funds were allocated to MBA and MiM scholarships (64%), and research projects and awards (36%), as defined by the IESE Alumni Association Executive Committee.

IESE's fundraising activity also expanded both in terms of new commitments and fulfillment within stipulated timeframes. Centered around four key pillars – People, Ideas, Innovation and Global Understanding – IESE fundraising recorded €6.74 million in donations in 2021-22, the vast majority of which derived from new pledges.

### Evolution of Gifts (in million of €)





IESE's scholarship funds fall in the "People" realm. In FY22, IESE distributed €5.4 million in financial aid among roughly 500 MiM, MBA and PhD students, including €924,200 in scholarship donations. Of note was the establishment of two new funds: the Amtmann Family Endowed Scholarship Fund and another fund sponsored by an anonymous donor.

The "Ideas" realm pertains to the school's cutting-edge research and insights. In 2021-22, €2.36 million was invested in IESE research initiatives, including the establishment of School of Founders to support scale-up entrepreneurs and their teams.

With regard to "Global Understanding," €3.16 million was allocated in FY22 to bolster IESE's global footprint. These funds helped the school broaden its geographic presence and enhance its state-of-the-art campuses in Barcelona, Madrid, Munich and New York.

## Expenses

Expenses grew by 21% in line with an upturn in activity, which subsequently led to new hires to reinforce the school's sales and program support teams. The school recorded a notable uptick in technology expenditures as a result of strategic investments and increased demand for online and blended programs.

The global energy crisis caused a notable increase in IESE's utility expenses in FY22, with gas and electricity expenditures growing by 60% in FY22 compared

to the previous year. The school made progress in its efforts to reduce its energy consumption and environmental impact in line with its 2021-2035 Environmental Sustainability Strategic Plan and 2021-2025 Road Map. In 2021-22, these included quantifiable targets to cut carbon emissions, maximize energy efficiency, increase the use of renewable energy sources, decrease waste and reduce water consumption.

The school works to protect the planet from its global campuses. In this respect, the new Madrid installations were designed with energy-efficient systems, generating enough renewable energy to cover the electricity needs of the entire campus. Conversely, the Barcelona campus installed a new photovoltaic plant and CO<sub>2</sub>-based air renewal management system, while making progress on its LED-lighting project.

## Investments

IESE's investments in tangible and intangible fixed assets stood at €5.6 million in FY22, similar to the previous year and less than depreciation levels. Technology accounted for €2.8 million of the school's investments, particularly hardware solutions and their associated security and infrastructure features.

The other chief investment was execution of the programmed infrastructure renovations on the Barcelona and Madrid campuses, which amounted to €2.7 million.

# Independent Auditor's Report



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31008 Pamplona

## Informe del Auditor Independiente de acuerdo con Normas Internacionales de Auditoría sobre estados financieros combinados de propósito especial

Al Consejo de Dirección del IESE Business School de Universidad de Navarra

### Opinión

Hemos auditado los estados financieros combinados de propósito especial de IESE Business School (la Entidad) y otras entidades vinculadas (en adelante, el "Grupo Combinado" tal y como se define en la nota 1), que comprenden el balance combinado a 31 de agosto de 2022 y la cuenta de resultados combinada correspondiente al ejercicio terminado en dicha fecha, así como las notas explicativas de los estados financieros combinados de propósito especial que incluyen un resumen de las políticas contables significativas (en adelante "estados financieros combinados"). Los estados financieros combinados han sido preparados por el Administrador General de la Entidad sobre la base de los criterios y principios contables descritos en la nota 2, al ser éstos los que la entidad ha considerado que permiten alcanzar más adecuadamente el propósito por el que han sido elaborados.

En nuestra opinión, los estados financieros combinados adjuntos del Grupo Combinado para el ejercicio terminado el 31 de agosto de 2022, han sido preparados, en todos los aspectos materiales, de conformidad con los criterios de elaboración de la información financiera que se describen en la nota 2.

### Fundamento de la opinión

Hemos llevado a cabo nuestra auditoría de conformidad con las Normas Internacionales de Auditoría (NIA). Nuestras responsabilidades de acuerdo con dichas normas se describen más adelante en la sección *Responsabilidades del auditor en relación con la auditoría de los estados financieros combinados* de nuestro informe.

Somos independientes de las entidades que componen el grupo combinado de conformidad con el Código Internacional de Ética para Profesionales de la Contabilidad (incluyendo las normas internacionales de independencia) del International Ethics Standards Board for Accountants (Código IESBA), y hemos cumplido las demás responsabilidades de ética de conformidad con el Código IESBA.

Consideramos que la evidencia de auditoría que hemos obtenido proporciona una base suficiente y adecuada para nuestra opinión.

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Inscrita en el Registro Oficial de Auditores de Cuentas con el nº 50762, y en el Registro de Sociedades del Instituto de Censores Jurados de Cuentas con el nº 10. Reg. Mer. Madrid T 11 901. F 90. Sec. 8. H.M. 188 007, Inscrito 9. 24.11.2018/0103



**Párrafo de énfasis. Base contable y restricción a la distribución y a la utilización**

Llamamos la atención sobre las notas 2 y 4 de los estados financieros combinados que describen la base de los principios y criterios contables utilizados. Tal como se indica en la nota 2, estos estados financieros combinados no se han preparado en virtud de requerimientos legales, han sido preparados para facilitar información de la situación financiera y los resultados del Grupo Combinado al Consejo de Dirección de la Entidad. En consecuencia, los estados financieros combinados pueden no ser apropiados para otra finalidad. Nuestro informe se dirige únicamente al Consejo de Dirección de IESE Business School en este contexto, y no debe ser distribuido ni utilizado por otras partes distintas de dichos destinatarios. Esta cuestión no modifica nuestra opinión.

**Otras cuestiones**

Los estados financieros combinados adjuntos han sido auditados aplicando las Normas Internacionales de Auditoría, el presente informe en ningún caso puede entenderse como un informe de auditoría en los términos previstos en la normativa reguladora de la actividad de auditoría de cuentas vigente en España.

**Responsabilidades del Administrador General en relación con los estados financieros combinados**

El Administrador General es responsable de la preparación de los estados financieros combinados adjuntos de conformidad con los criterios de elaboración de la información financiera, y del control interno que considere necesario para permitir la preparación de estados financieros combinados libres de incorrección material, debida a fraude o error.

En la preparación de los estados financieros combinados, el Administrador General es responsable de la valoración de la capacidad del Grupo Combinado de continuar como empresa en funcionamiento, revelando, según corresponda, las cuestiones relacionadas con la Empresa en funcionamiento y utilizando el principio contable de empresa en funcionamiento excepto si la dirección tiene intención de liquidar la entidad o de cesar sus operaciones, o bien no exista otra alternativa realista.

**Responsabilidades del auditor en relación con la auditoría de los estados financieros combinados**

Nuestros objetivos son obtener una seguridad razonable de que los estados financieros combinados en su conjunto están libres de incorrección material, debida a fraude o error, y emitir un informe de auditoría que contiene nuestra opinión.

Seguridad razonable es un alto grado de seguridad, pero no garantiza que una auditoría realizada de conformidad con las NIA siempre detecte una incorrección material cuando existe. Las incorrecciones pueden deberse a fraude o error y se consideran materiales si, individualmente o de forma agregada, puede preverse razonablemente que influyen en las decisiones económicas que los usuarios toman basándose en los estados financieros combinados.



Como parte de una auditoría de conformidad con las NIA, aplicamos nuestro juicio profesional y mantenemos una actitud de escepticismo profesional durante toda la auditoría. También:

- Identificamos y valoramos los riesgos de incorrección material en los estados financieros combinados, debida a fraude o error, diseñamos y aplicamos procedimientos de auditoría para responder a dichos riesgos y obtenemos evidencia de auditoría suficiente y adecuada para proporcionar una base para nuestra opinión. El riesgo de no detectar una incorrección material debida a fraude es más elevado que en el caso de una incorrección material debida a error, ya que el fraude puede implicar colusión, falsificación, omisiones deliberadas, manifestaciones intencionadamente erróneas, o la elusión del control interno.
- Obtenemos conocimiento del control interno relevante para la auditoría con el fin de diseñar procedimientos de auditoría que sean adecuados en función de las circunstancias, y no con la finalidad de expresar una opinión sobre la eficacia del control interno de la entidad.
- Evaluamos si las políticas contables aplicadas son adecuadas y la razonabilidad de las estimaciones contables y la correspondiente información revelada por el Administrador General.
- Concluimos sobre si es adecuada la utilización, por el Administrador General, del principio contable de empresa en funcionamiento y, basándonos en la evidencia de auditoría obtenida, concluimos sobre si existe o no una incertidumbre material relacionada con hechos o con condiciones que pueden generar dudas significativas sobre la capacidad del Grupo Combinado para continuar como empresa en funcionamiento. Si concluimos que existe una incertidumbre material, se requiere que llamemos la atención en nuestro informe de auditoría sobre la correspondiente información revelada en los estados financieros combinados o, si dichas revelaciones no son adecuadas, que expresemos una opinión modificada. Nuestras conclusiones se basan en la evidencia de auditoría obtenida hasta la fecha de nuestro informe de auditoría. Sin embargo, los hechos o condiciones futuros pueden ser causa de que el Grupo Combinado deje de ser una empresa en funcionamiento.
- Obtenemos evidencia suficiente y adecuada en relación con la información financiera de las entidades o actividades empresariales dentro del grupo combinado para expresar una opinión sobre los estados financieros combinados de propósito especial. Somos responsables de la dirección, supervisión y realización de la auditoría del Grupo Combinado. Somos los únicos responsables de nuestra opinión de auditoría.

Nos comunicamos con los responsables del gobierno de IESE Business School, IESE USA Inc., IESE gGmbH e IESE Southeast Asia Limited en relación con, entre otras cuestiones, el alcance y el momento de realización de la auditoría planificados y los hallazgos significativos de la auditoría, así como cualquier deficiencia significativa del control interno que identificamos en el transcurso de la auditoría.

KPMG Auditores, S.L.

Jorge García Costas

23 de diciembre de 2022



KPMG AUDITORES, S.L.

2022 Núm. 16220/1262  
 Sello Obligatorio: 96,00 EUR  
 Informe de auditoría de cuentas sujeto  
 a la normativa de auditoría de cuentas  
 española o internacional

# Balance Sheet

In €

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Combined Financial Statement\*

	<b>08.31.21</b>	<b>08.31.22</b>
Intangible assets	4,290,240	4,093,489
Property, plant and equipment	24,383,301	25,920,280
Non-current investment	14,376,717	8,705,075
<b>Total non-current assets</b>	<b>43,050,258</b>	<b>38,718,884</b>
Trade and other receivables	11,711,843	14,567,767
Current investments	139,971	142,675
Prepayments for current assets	980,958	759,378
Cash and cash equivalents	25,549,498	27,929,277
<b>Total current assets</b>	<b>38,382,271</b>	<b>43,399,097</b>
<b>TOTAL ASSETS</b>	<b>81,432,529</b>	<b>82,117,941</b>
Funds and reserves	20,986,744	19,682,746
Valuation adjustments	1,320,655	584,162
Grants, donations and bequests	2,347,636	1,377,546
<b>Total net assets</b>	<b>24,655,035</b>	<b>21,644,454</b>
Non-current provisions	3,313,927	3,567,513
Non-current payables	6,035,814	3,584,338
Non-current accruals	1,148,567	1,330,105
<b>Total non-current liabilities</b>	<b>10,498,308</b>	<b>8,481,956</b>
Current payables	4,373,300	2,776,283
Trade and other payables	14,171,693	18,396,127
Current accruals	26,657,245	30,445,380
<b>Total current liabilities</b>	<b>46,279,186</b>	<b>51,991,531</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>81,432,529</b>	<b>82,117,941</b>

# Income Statement

In €

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Combined Financial Statement\*

<b>Continuing Operations</b>	<b>2020-2021</b>	<b>2021-2022</b>
<b>Income on the entity's own activity</b>	<b>87,134,303</b>	<b>110,117,001</b>
Services rendered	85,447,365	108,953,162
Grants, donations and bequests recognized in surplus for the year	1,686,938	1,163,839
<b>Other operating income</b>	<b>2,627,075</b>	<b>3,059,492</b>
Non-trading and other operating income	2,627,075	3,059,492
<b>Personnel expenses</b>	<b>(47,666,910)</b>	<b>(54,390,590)</b>
Salaries and wages	(39,314,231)	(44,325,155)
Employee benefits expenses	(8,352,679)	(10,065,435)
<b>Other operating expenses</b>	<b>(37,639,542)</b>	<b>(50,556,398)</b>
External services	(37,174,281)	(49,757,021)
Losses, impairment and changes in trade provisions	(465,261)	(799,377)
<b>Amortization and depreciation</b>	<b>(6,698,504)</b>	<b>(7,407,493)</b>
<b>Grants, donations and bequests taken to surplus for the year</b>	<b>973,872</b>	<b>1,048,147</b>
<b>Provision surpluses</b>	<b>313,773</b>	<b>35,900</b>
<b>Other income / (expenses)</b>	<b>5,540</b>	<b>325,678</b>
<b>RESULTS FROM OPERATING ACTIVITIES</b>	<b>(950,393)</b>	<b>2,231,737</b>
<b>Finance income</b>	<b>318,927</b>	<b>447,603</b>
Marketable securities and other financial instruments	318,927	447,603
<b>Finance costs</b>	<b>(64,439)</b>	<b>(26,702)</b>
Other	(64,439)	(26,702)
<b>Exchange gains/(losses)</b>	<b>(4,272)</b>	<b>(138,317)</b>
<b>Impairment and gains on disposal of financial instruments</b>	<b>1,081,246</b>	<b>1,060,103</b>
Gains on disposal and other	1,081,246	1,060,103
<b>NET FINANCE INCOME</b>	<b>1,331,462</b>	<b>1,342,687</b>
<b>Surplus before tax</b>	<b>381,069</b>	<b>3,574,424</b>
<b>SURPLUS/(DEFICIT) FROM CONTINUING OPERATIONS AND COMBINED SURPLUS/(DEFICIT) FOR THE YEAR</b>	<b>381,069</b>	<b>3,574,424</b>
<b>Income and expense recognized directly in net assets</b>		
Available-for-sale financial assets	2,958,843	323,610
Grants, donations and bequests received	714,591	1,110,483
<b>Change in net assets to income and expense recognized directly in net assets</b>	<b>3,673,434</b>	<b>1,434,093</b>
<b>Reclassifications to combined surplus/deficit for the year</b>	<b>(1,081,246)</b>	<b>(1,060,103)</b>
Grants, donations and bequest received	(1,688,463)	(2,158,631)
Translation difference	6,913	78,057
<b>Change in net assets due to reclassifications to surplus/deficit for the year</b>	<b>(2,762,796)</b>	<b>(3,140,677)</b>
<b>Changes in net assets due to income and expense recognized directly in combined net assets</b>	<b>910,638</b>	<b>(1,706,584)</b>
<b>TOTAL COMBINED SURPLUS/(DEFICIT), CHANGE IN COMBINED NET ASSETS FOR THE YEAR</b>	<b>1,291,707</b>	<b>1,867,841</b>

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The IESE Endowment was established in 2011

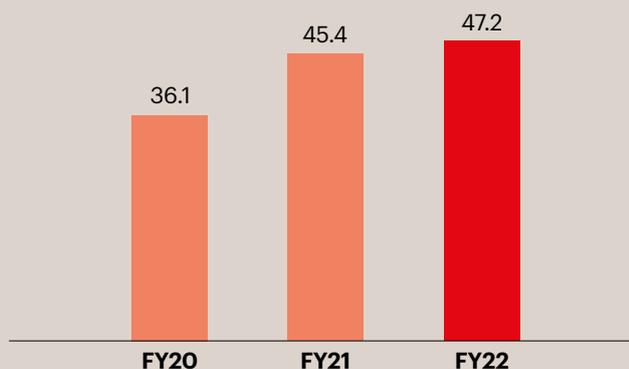
## Endowment

The IESE Endowment was established in 2011 to help drive our institutional development, research initiatives and scholarship programs.

On August 31, 2022, the Endowment's market value stood at €47.2 million, representing a 4% year-on-year upturn. The fund has averaged 7% growth per annum over the last decade thanks to IESE's solid financial performance and donor contributions, which in 2021-22 included €3.2 million in new gifts.

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### Evolution of the Endowment (in million of €)

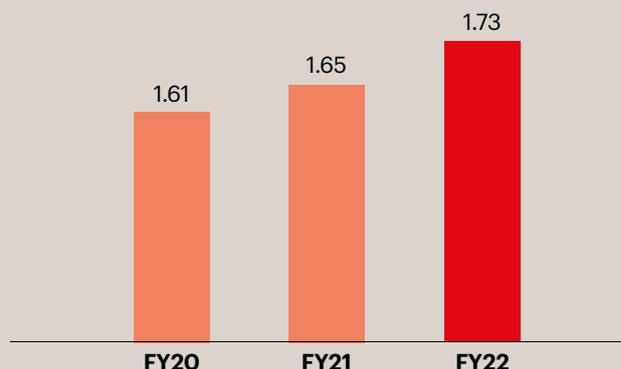


The Endowment allots 4.4% of the fund's value every year based on a three-year rolling average. These allocations totaled €1.73 million in FY22, representing an approximate 5% year-on-year upswing. The

Endowment has distributed €14 million for research projects and scholarships programs since its creation.

### Distribution of the Endowment

(in millions of €)



In 2021-22, the IESE Endowment recorded a positive net return of 0.7% versus the 2.9% decline in the portfolio benchmark, comprised by references for distinct asset classes and specific weights based on its strategic asset allocation. The fund's average annual return for the last three years stands at 6.5% compared to the benchmark's 4.8%.

Investment decisions are made in alignment with IESE's mission and core values within the framework of our Responsible Investment Policy.



## Supporting Organizations

Several non-profit organizations support the school's activity. These include independently governed foundations, whose contributions are detailed in their annual reports, as well as the following IESE entities.

### IESE International Foundation

This foundation aspires to promote excellence in teaching, research and innovation from a humanistic standpoint. Its scope of action includes support for research chairs, fundraising campaigns for scholarships for international MBA and PhD students, and cooperation projects with IESE's partner schools in Africa.

### Fundación IESE

The Fundación IESE promotes and develops comprehensive academic, cultural and professional education grounded in humanistic values. Its activities include funding for the construction of IESE facilities, and tuition and grants for students and researchers.

### The U.S. IESE Foundation

This U.S. 501[c]3 non-profit organization promotes management-related research and education programs in non-profit organizations in the United States and other countries. In addition to providing support

for Alumni Learning Program sessions, it was also instrumental in enabling IESE to establish a research center on its New York campus.

### IESE Foundation UK

This British charity (registered number 11287347) promotes research and educational projects in universities and business schools, and provides scholarships and bursaries for IESE MBA students from the Commonwealth and other countries.

### International Foundation for Educational Development

This entity provides funds for university scholarships, cultural and educational centers, scientific research and university initiatives, as well as spearheading social and economic development and volunteer work. It offers funds for IESE facilities as part of its ongoing support, including the 2007 expansion of the Barcelona campus.

### IESE Stiftung Deutschland

Registered in Bavaria and based in Madrid, this German foundation promotes research, grants scholarships for executive education and offers continuous development opportunities both directly and in collaboration with other institutions.



A Way to **Learn**. A Mark to **Make**. A World to **Change**.