



ANNUAL  
REPORT  
2019

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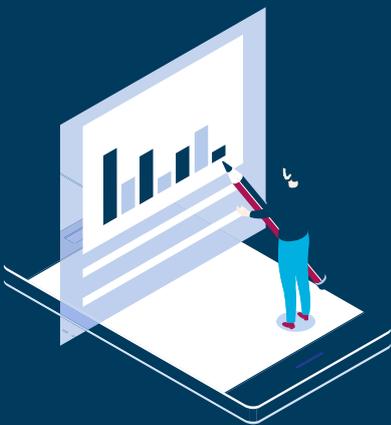


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# 1 ABOUT US

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CECA is a banking association committed to promoting, defending, and representing its member entities' interests.



# 1.1 OUR MISSION

In addition to defending the interests of its member entities, CECA provides them with advice and supports them in their purpose of offering services that promote financial inclusion and access to credit. This work is undertaken with a sustainable approach, notably featuring Obra Social, social work and action, and financial education.

CECA is an active a member of the international associations representing the model of retail banking which gives priority to funding for families and SMEs, a model with which CECA member entities feel fully identified.



**WSBI**

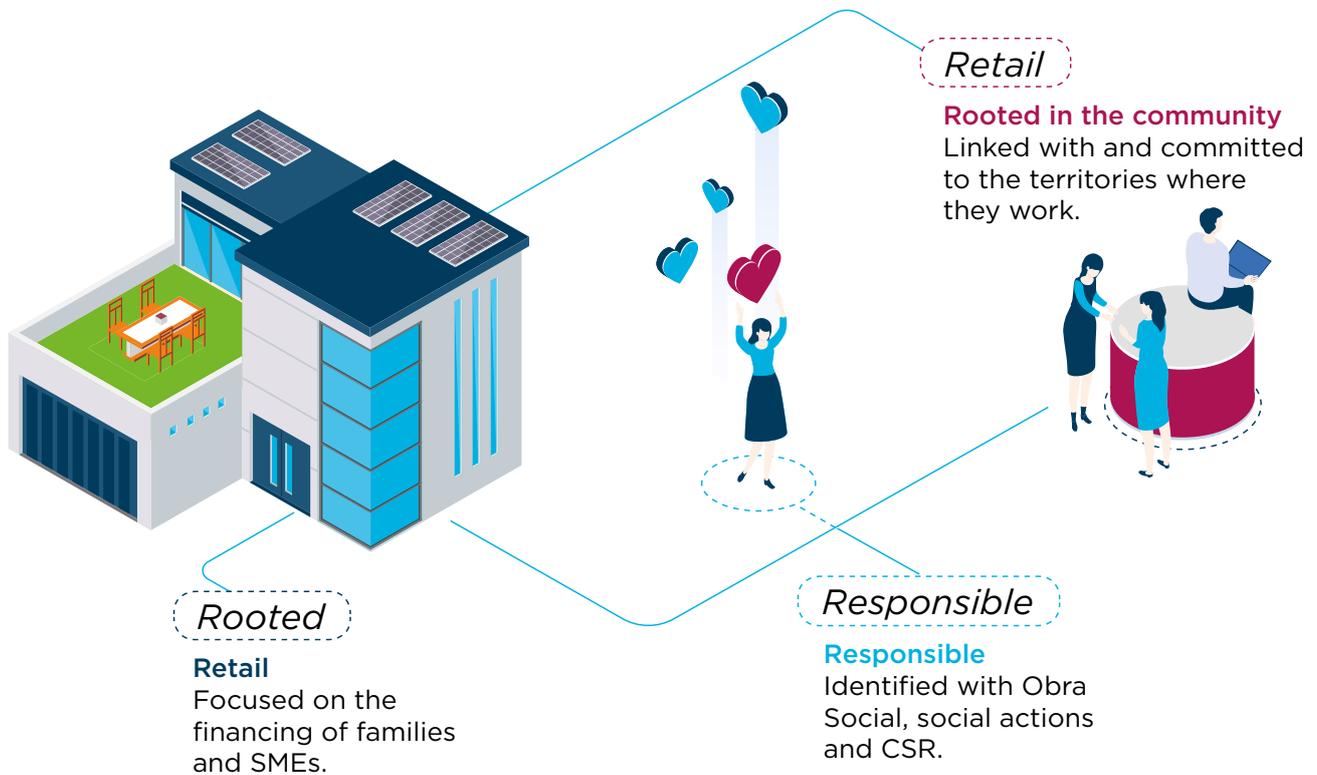
World Savings and Retail Banking Institute



**ESBG**

European Savings and Retail Bank Group

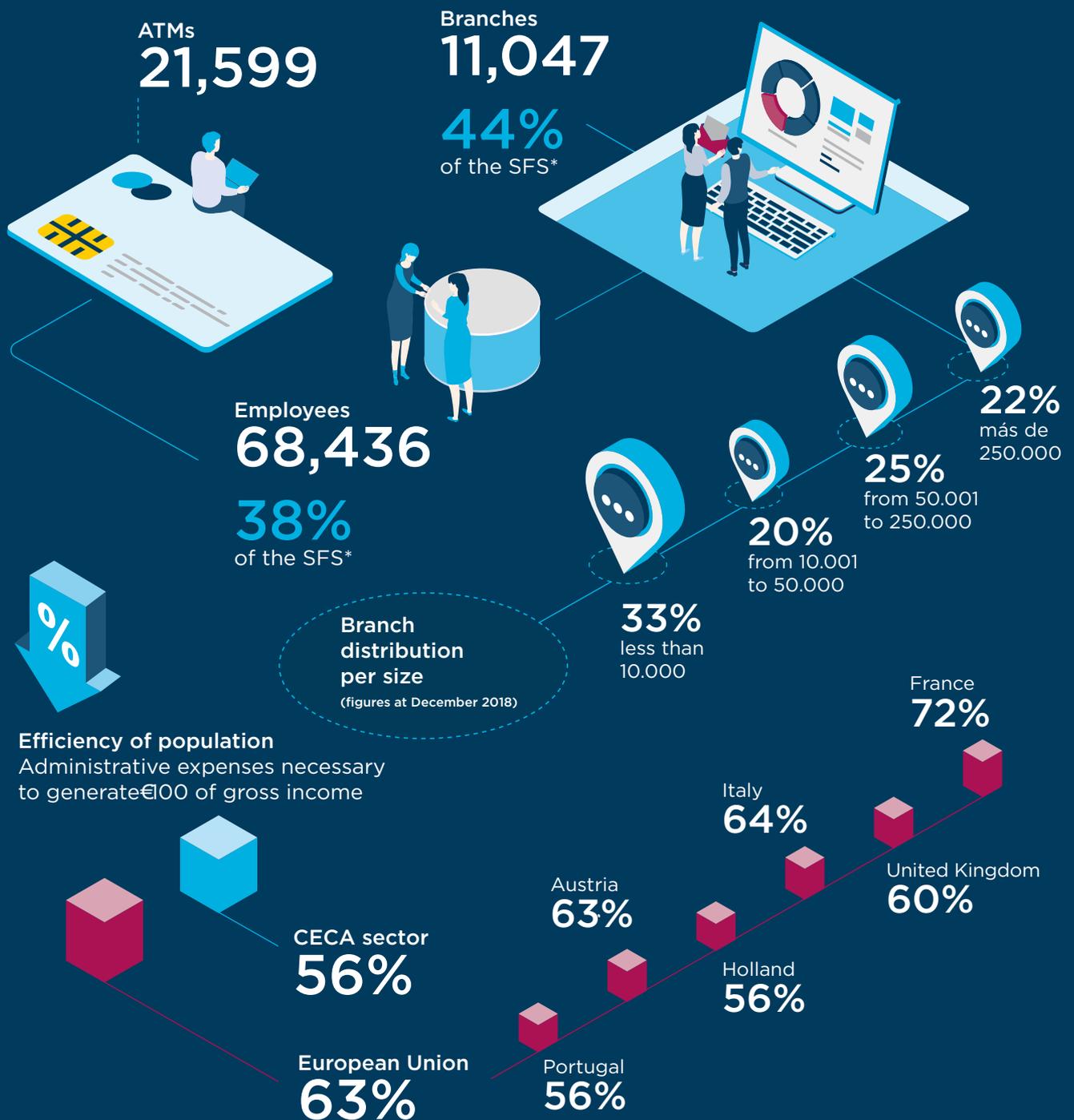
**This model, which identifies all WSBI entities, is characterised by the so-called 3Rs**



# 1.2 WHO WE REPRESENT

CECA's present members include credit institutions and banking foundations and ordinary foundations associated with the savings sector.

Data at Sep-2019



\*\*SFS: Spanish financial system.

Loans  
**495,004**  
million euros

**36%**  
of the SFS\*



Average size  
of the entities  
**97,382**  
million euros



Solvencia.  
CET1  
**13,3%**



Total assets  
**802,938**  
million euros

**32%**  
of the SFS\*



Deposits  
**538,369**  
million euros

**38%**  
of the SFS\*

\*SFS: Spanish financial system.

# 1.3 LIST OF MEMBER ENTITIES

## CREDIT INSTITUTIONS



CAIXABANK  
[www.caixabank.com](http://www.caixabank.com)



BANKIA  
[www.bankia.es](http://www.bankia.es)



IBERCAJA BANCO  
[www.ibercaja.es](http://www.ibercaja.es)



ABANCA CORPORACIÓN  
BANCARIA  
[www.abanca.com](http://www.abanca.com)



KUTXABANK  
[www.kutxabank.es](http://www.kutxabank.es)



UNICAJA BANCO  
[www.unicajabanco.es](http://www.unicajabanco.es)



LIBERBANK  
[www.liberbank.es](http://www.liberbank.es)



CAIXA ONTINYENT  
[www.caixaontinyent.es](http://www.caixaontinyent.es)



CAJASUR BANCO, SAU.  
[www.cajasur.es](http://www.cajasur.es)



CAIXA POLLENÇA  
[www.colonya.es](http://www.colonya.es)



CECABANK  
[www.cecabank.es](http://www.cecabank.es)

## 1.3 LIST OF MEMBER ENTITIES

## BANKING FOUNDATIONS

 <p>FUNDACIÓN BANCARIA LA CAIXA www.fundacionbancarialacaixa.org</p>	 <p>FUNDACIÓN BANCARIA IBERCAJA www.fundacionibercaja.es</p>	 <p>FUNDACIÓN BANCARIA KUTXA www.kutxa.eus</p>	 <p>FUNDACIÓN BANCARIA BILBAO BIZKAIA KUTXA www.bbk.eus</p>
 <p>FUNDACIÓN BANCARIA CAJA DE BURGOS www.cajadeburgos.com</p>	 <p>FUNDACIÓN BANCARIA UNICAJA www.fundacionunicaja.com</p>	 <p>FUNDACIÓN BANCARIA CAJA VITAL KUTXA www.fundacionvital.eus</p>	 <p>FUNDACIÓN BANCARIA CAJASTUR www.fundacioncajastur.es</p>
 <p>FUNDACIÓN BANCARIA CAJA DE EXTREMADURA www.fundacioncajaextremadura.com</p>	 <p>FUNDACIÓN BANCARIA CASYC www.fundacioncajacobabria.es</p>	 <p>FUNDACIÓN BANCARIA CAJACÍRCULO www.fundacioncajacirculo.es</p>	 <p>FUNDACIÓN BANCARIA CAJACANARIAS www.cajacanarias.com</p>
 <p>FUNDACIÓN BANCARIA CCM www.fundacioncajastillalamancha.es</p>	 <p>FUNDACIÓN BANCARIA CAJANAVARRA www.fundacioncajanavarra.es</p>		

## GENERAL FOUNDATIONS

 <p>CAJAGRANADA FUNDACIÓN www.cajagranadafundacion.es</p>	 <p>FUNDACIÓN CAJA RIOJA www.fundacion-cajarioja.es</p>	 <p>FUNDACIÓN MONTEMADRID www.fundacionmontemadrid.es</p>	 <p>FUNDACIÓN CANARIA LA CAJA INSULAR www.lacajadecanarias.es</p>
 <p>FUNDACIÓN CAJAMURCIA www.fundacioncajamurcia.es</p>	 <p>FUNDACIÓN BANCAJA www.fundacionbancaja.es</p>	 <p>AFUNDACIÓN www.afundacion.org</p>	 <p>FUNDACIÓ PINNAE www.pinnae.cat</p>
 <p>FUNDACIÓN CAI www.fundacioncai.es</p>	 <p>FUNDACIÓ CAIXA DE BALEARS www.obrasocialsanostra.com/es</p>	 <p>FUNDACIÓN CAJA MEDITERRÁNEO www.cajamediterraneo.es</p>	 <p>FUNDACIÓN CAJA DE ÁVILA www.fundacioncajadeavila.es</p>
 <p>FUNDACIÓN CAJASOL www.cajasol.com</p>	 <p>FUNDACIÓN CAJA SEGOVIA www.fundacioncajasegovia.es</p>	 <p>FUNDACIÓN OBRA SOCIAL DE CASTILLA Y LEÓN www.fundacionespana-duero.org</p>	

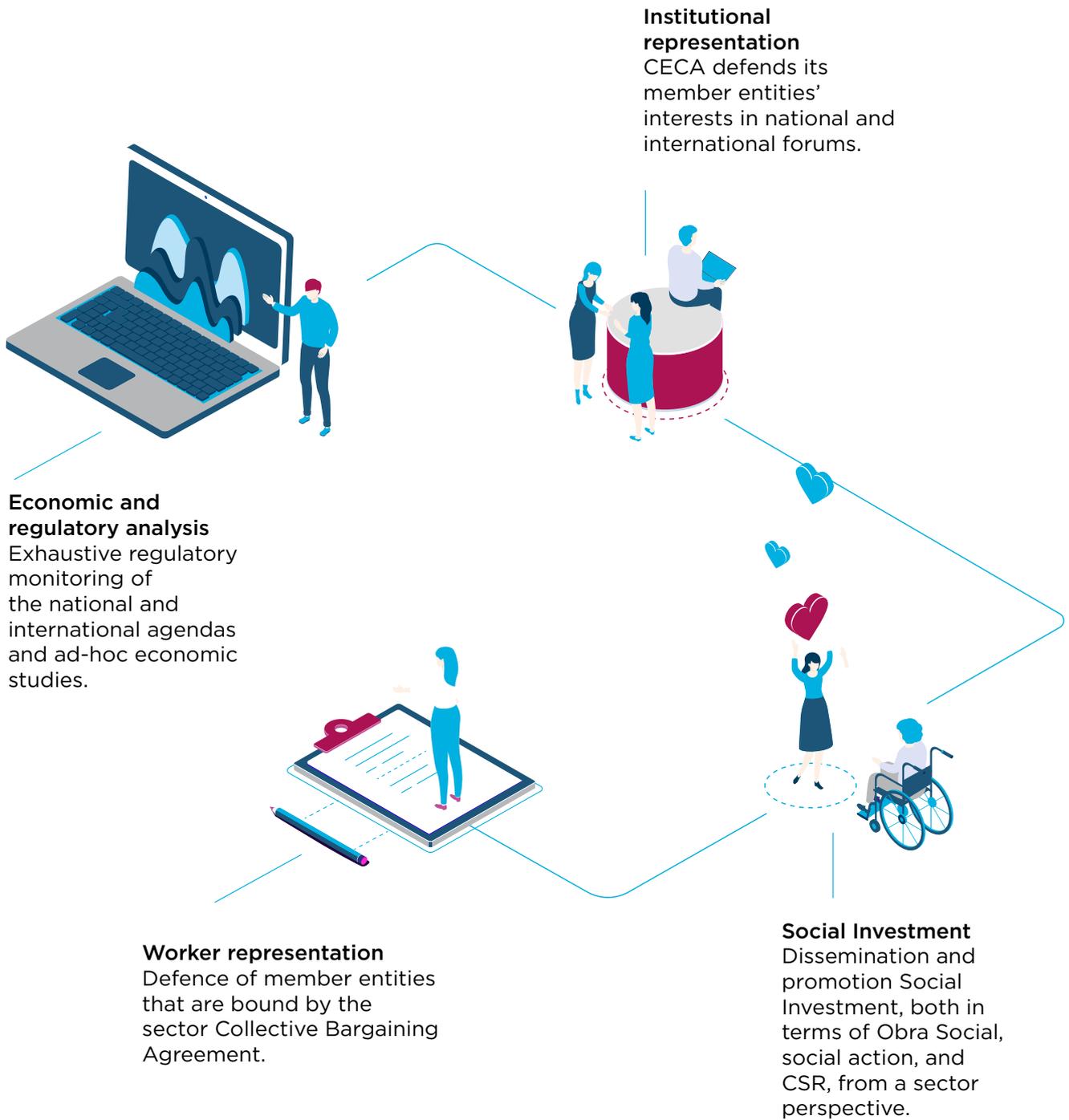
# 2

## WHAT WE DO

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## Our activity is divided into four core areas



# 2.1 OUR ACTIVITY

## 2.1.1 INSTITUTIONAL REPRESENTATION

As set forth in its By-laws, a major part of CECA's activity is focused on representing and defending the interests of its member entities. For this purpose, it is present in many national and international forums.



Isidro Fainé chaired the International Conference organised by the WSBI in Tokyo

### EUROPEAN UNION AND ESBG

Contact with financial authorities at European level constitute a core axis of representation; for this reason, the **Cecabank Representation Office in Frankfurt** has continued to support the activities that CECA carries out within its activity of Institutional Representation with regulators and supervisors, taking part in 2019 in the Forum on Banking Supervision held by the European Central Bank and in the Round Table of Executives held by the Single Supervisory Mechanism, among others.



WSBI represents  
**6,700**  
savings banks  
and retail banks



Clients  
**1,300**  
million



Over  
**80**  
countries

CECA also has a **Cecabank Representation Office in Paris**, where the European Banking Authority (EBA) transferred its headquarters in June 2019. In 2019, it represented CECA continuously during the dialogue sessions with industry held in Brussels by the Single Resolution Board (SRB). Through this international network, it has developed the lobbying and networking activities, putting them at the disposal of all its members.

One of the pillars of CECA's activity is monitoring the political, economic and financial environment, both nationally and internationally. In this regard, CECA undertakes institutional representation actions through various forums, placing a special emphasis on the **European Savings and Retail Banking Group (ESBG)**, through which much of the dialogue with European authorities takes place. These contacts are chiefly executed through the **ESBG President's Committee and Board of Directors**, where the Vice-Presidency is held by Isidro Fainé.

**European institutional renewal**, particularly as regards the Parliament and the Commission, was one of the core milestones in 2019. In October, CECA took part in a working lunch at the European Parliament headquarters in Brussels, which was hosted through ESBG, for all the members of the European Parliament's Committee on Economic and Monetary Affairs, and which also featured the participation of the European Commission (DG FISMA).

Furthermore, with the strategic objective of presenting ESBG to the new MEPs and EU authorities, and positioning ESBG as the European benchmark of saving and banking for all European institutions, the **Retail Banking Conference** was held once again in Brussels, with the participation of CECA, which collaborated in analysing the future of the European Union's supervisory architecture.

CECA has also taken part in international events held by ESBG, such as the **WSBI-ESBG Financial Education Conference**, assessing the need for and challenges of financial education in the digital age. It showcased its experience in this area, as this matter is one of the core pillars of awareness-raising both of CECA and of the ESBG.

Also in this area, CECA collaborated in the **International Conference on Financial History**. The seminar, held in Vienna on the occasion of the 200th anniversary of the Austrian savings banks, focused on the presentation of various international studies on Financial Education, wherein CECA set forth the activities carried out in this field.

CECA welcomed the **ESBG High-Level Group on Digitisation and Innovation** at its headquarters in May. This is a forum comprising experts from member entities, with a vision of the market's key trends and technology, in which recent experiences are shared and strategic guidance is provided in order to streamline the responses of the savings and retail banking community to digitisation and transformation.

CECA is on all of the **ESBG's Committees and Working Groups** that work in all the sector's areas of activity (holding the chair of the *Prudential and Supervision Committee*), and it has also played an active role in preparing joint positions relating to the current political and regulatory situation.



**UFA 2020 GOALS**

Open **400** million new accounts

Financial access to **1,700** million customers

**INTERNATIONAL AND WSBI**

Internationally, CECA carries out a major part of its institutional activity through the **World Savings and Retail Banking Institute (WSBI)**, which represents 6,700 savings banks and retail banks in over 80 countries.

The **Committee of President’s Committee and Board of Directors** of this association, headed by its President, Isidro Fainé, have worked hard to increase the visibility of WSBI entities globally and strengthen their position on regulatory matters vis-à-vis international authorities and organisations. In this context, several high-level strategic meetings have been held.

For yet another year, CECA has taken part in the **annual meetings of the IMF and the World Bank**, which were held in Washington in October, where other bilateral meetings with international authorities have also been held, such as the BIS (Bank for International Settlements). Along these lines, CECA collaborates every year by sponsoring the reception held each year by ESBG/WSBI for the purposes of the IMF and World Bank events. Authorities and institutions from around the world are invited to this event, which is a meeting point for the retail banking sector.

WSBI is noteworthy for its support for commitment to universal financial access, and, in this vein, in 2015 it aligned with the **UFA Goals (Universal Financial Access) set out by the World Bank**. Specifically, WSBI members committed to opening 400 million new transaction accounts and giving financial access to a total of 1.7 billion customers by 2020. In 2019, one year before the deadline, this goal has been achieved. To celebrate this milestone, WSBI, together with its members, including CECA, held an event in Washington at the World Bank headquarters in October.

Meeting of the High-Level Group



## 2.1 OUR ACTIVITY



World Savings and  
Retail Banking Institute



European Savings  
and Retail Bank Group

In 2019, during **Japan's presidency of the G20**, CECA participated in the WSBI conference held in Tokyo, together with the Asian Development Bank Institute (ADBI), which is a major forum to debate on the international regulatory frameworks and the challenges of digitalisation. The aim was also to boost initiatives that create more sustainable finances in order to transfer these proposals to the G20 Presidency. The G20 comprises the 19 main advanced and emerging economies, and the European Union. This year, through this event and other meetings held, we fostered greater visibility of our sector vis-à-vis this institution.

The **ESBG/WSBI Coordination Committee** met several times during 2019, with the permanent presence of CECA, which holds the vice-presidency of this group. This committee is a joint ESBG and WSBI governing body and is responsible for reviewing the actions and positions of the European and global group, in order to coordinate the ongoing exchange of information on key matters relevant to its members. The Committee is made up of directors of member entities, from both ESBG and WSBI, and their representatives are responsible for the international or strategic activity carried out in their respective institutions.

## CORPORATE EVENTS

CECA has organised various corporate events with the aim of creating forums for debate and spaces for reflection and dissemination for the improvement of the banking sector. In this regard, it maintains close collaboration with the sector associations, such as AEB (the Spanish Banking Association), working on joint projects. Last May they organised the **Seminar on Principles of Responsible Banking**, addressing the crucial role of the financial sector in transforming the economy towards more sustainable parameters, and towards low-carbon economies to conform to the EU 2050 Strategy.

Furthermore, five associations from the Financial Sector (AEB, CECA, UNACC, INVERCO and UNESPA), together with the Spanish Fintech Association (AEFI), joined forces in February to hold the event **"Sandbox: utility and reality for the Spanish market"**. This meeting's purpose was to provide an open forum on the present and future of the Spanish sandbox, where the financial industry, authorities and other Spanish stakeholders groups actively take part in the debate on this matter that affects us all.

In March, CECA again joined forces with AEB and UNACC to hold the annual **Sector Seminar on the Prevention of Money Laundering and Financing of Terrorism**, which included experts from the authorities (SEPBLAC and the Treasury) to explain the main developments and challenges for the sector in this field.

Together with KPMG, CECA organised the **Conference on the New Property Credit Act** in May. In light of the major relevance of this Act, CECA contributed to raising awareness on this regulatory milestone by holding a series of conferences that addressed the new regulatory framework from three complementary viewpoints: strategic, legal and operational.

José María  
Méndez at the  
event  
on Responsible  
Banking Principles



2.1 OUR ACTIVITY



Fernando Conlledo Lantero, CECA General Secretary; Francisco Javier Orduña, Judge of the Civil Division of the Spanish Supreme Court, and Sebastián Sastre, former Judge of the Civil Division of the Spanish Supreme Court

CECA also fosters the interaction and exchange of experiences among its members through conventions, such as the **79th Convention of Legal Advisers**, held in May. This annual convention, organised by the Legal Committee, analysed the current situation of litigation in the banking and financial field, the new real estate credit sector regulation and the most prominent judicial doctrine relating to the financial sector.

CECA also works on projects to promote its members' activities. To do so, it publishes the **Ahorro** magazine, which includes reports on banking and financial news as well as new developments from members.

## INTERNAL FORUMS

CECA member entities have the backing of the Coordination Committee as a catalyst for actions aimed at defending common interests and promoting cooperative projects to gain efficiency in their implementation.

These actions are channelled through the Technology Committee and the Regulatory Projects and Payments Committee, which are responsible for ten networks that promote this collaborative activity, and also provide leverage to coordinate sector positioning, both nationally and across Europe.

They can be grouped into three blocks:



### REGULATORY MONITORING

The regulatory agenda is focused on BIS IV, resolution, sustainable finance, MiFID, prevention of money laundering and PSD2. The analysis of its impact on regulations has been concretised into seven projects backed by referential market consultants (most notable are the projects on Reference Rate Reform, Sustainable Finance, Property Credit Act, Bail-in Operation, Separability in Resolution, and Incident Response).



### COOPERATION

Work has been undertaken on optimising and making efficient the relationship between member entities and Public Administrations, promoting the development of telematic channels (developing a new communication service with the Spanish General Council of the Judiciary (GCJ) for the disclosure of customer data), and standardising collections processes (promoting mobile payment with new methods).



### OBSERVATORY

It is a communication channel to exchange experiences, with presentations by experts and companies involved in strategic challenges and market trends, such as those carried out on process transformation through AI (Artificial Intelligence), money from a programmable legal course, cloud outsourcing, the multifaceted threat of fraud and cyber-games.

In the field of disruptive technologies, the work carried out within the **Niuron** consortium stands out. This initiative explores the application of blockchain in banking practices, and is made up of 8 CECA-member entities. Throughout 2019, work has been undertaken on diagnosing the “business case” of the blockchain platform and sharing information on legal entities.



FINANCIAL BLOCKCHAIN CONSORTIUM

# REPRESENTATION FORUMS

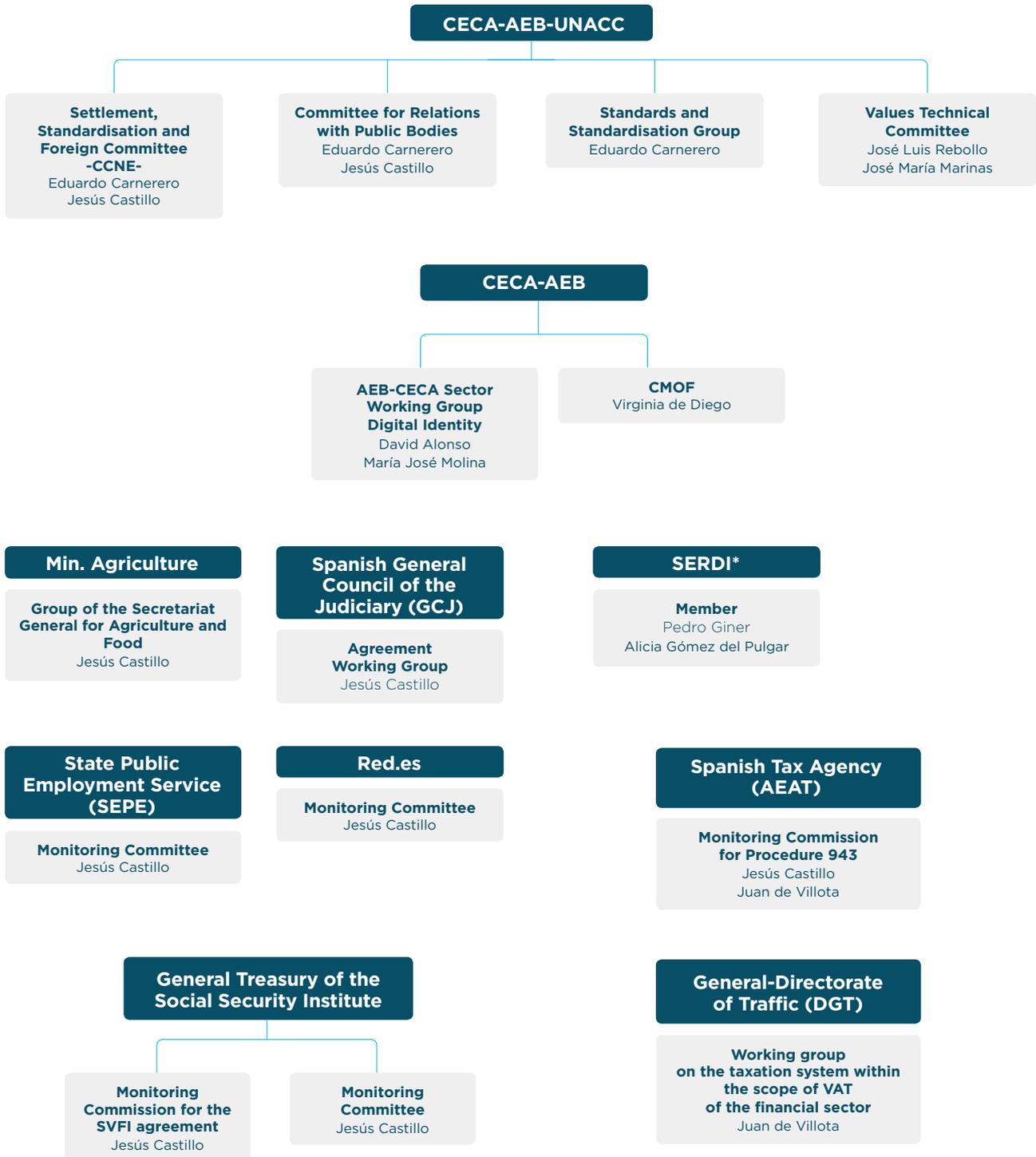
National, internal and international representative activity in 2019:

## REPRESENTATION FORUMS: NATIONAL

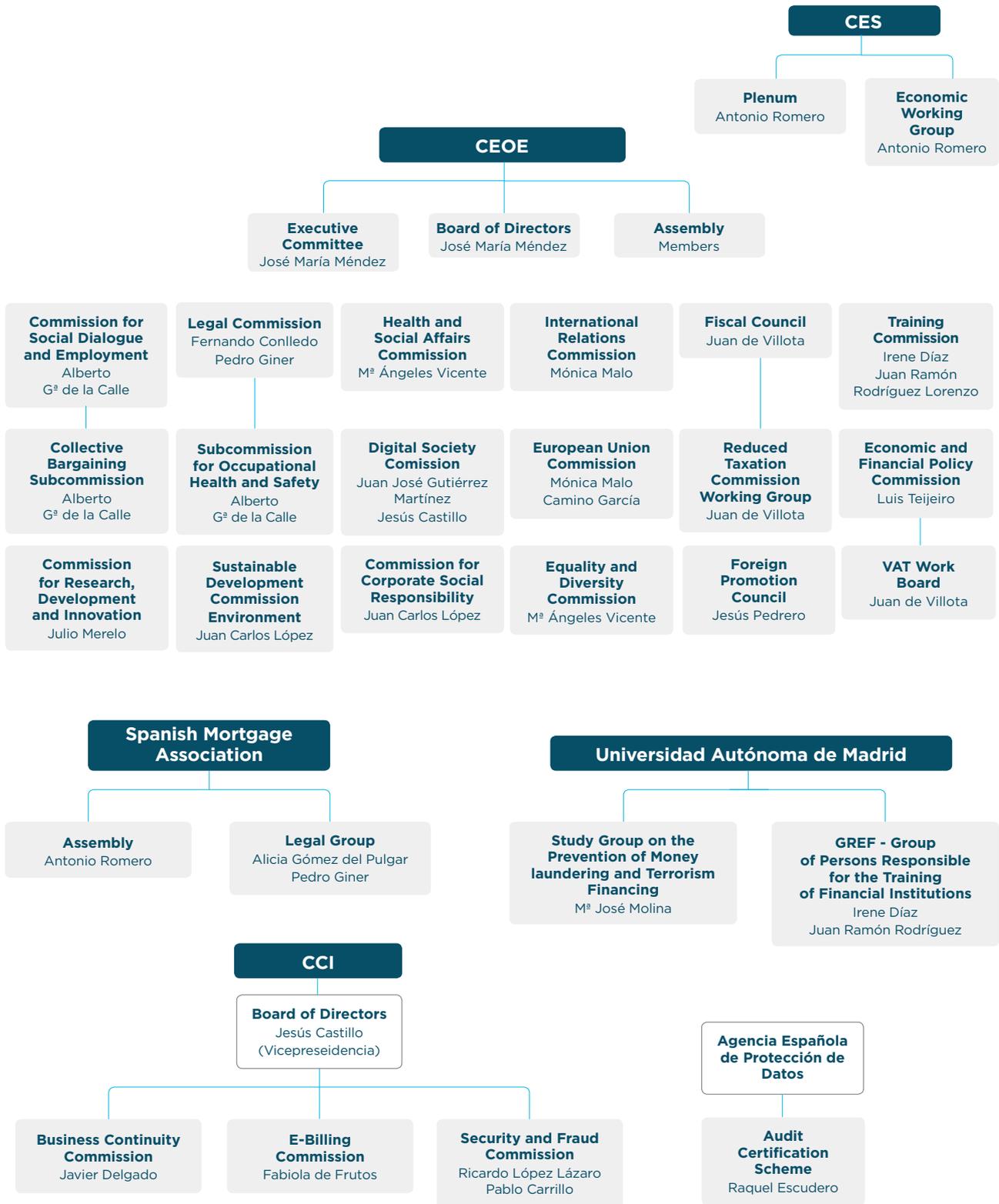
### OFFICIAL BODIES:



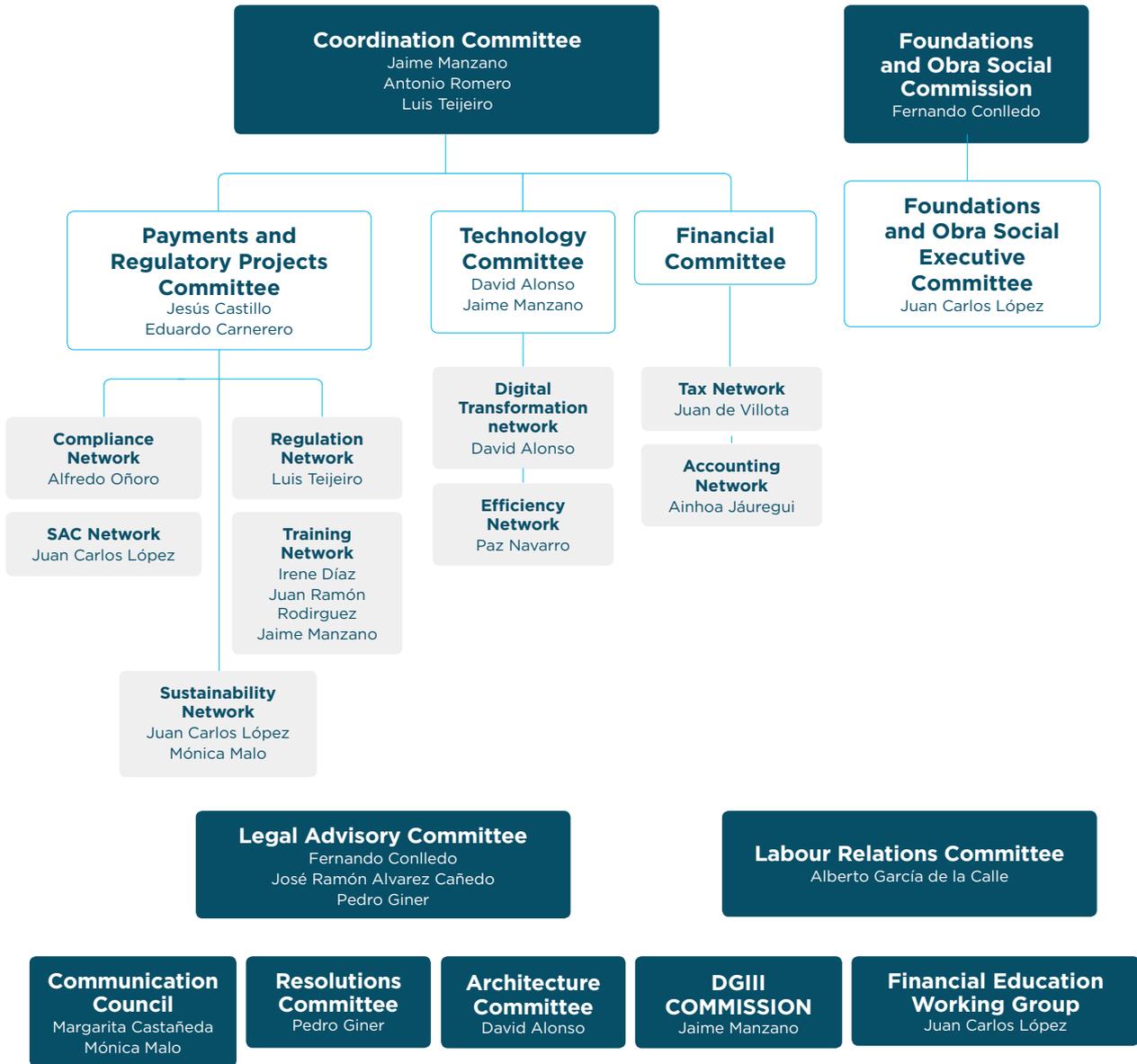
**ADMINISTRATION**



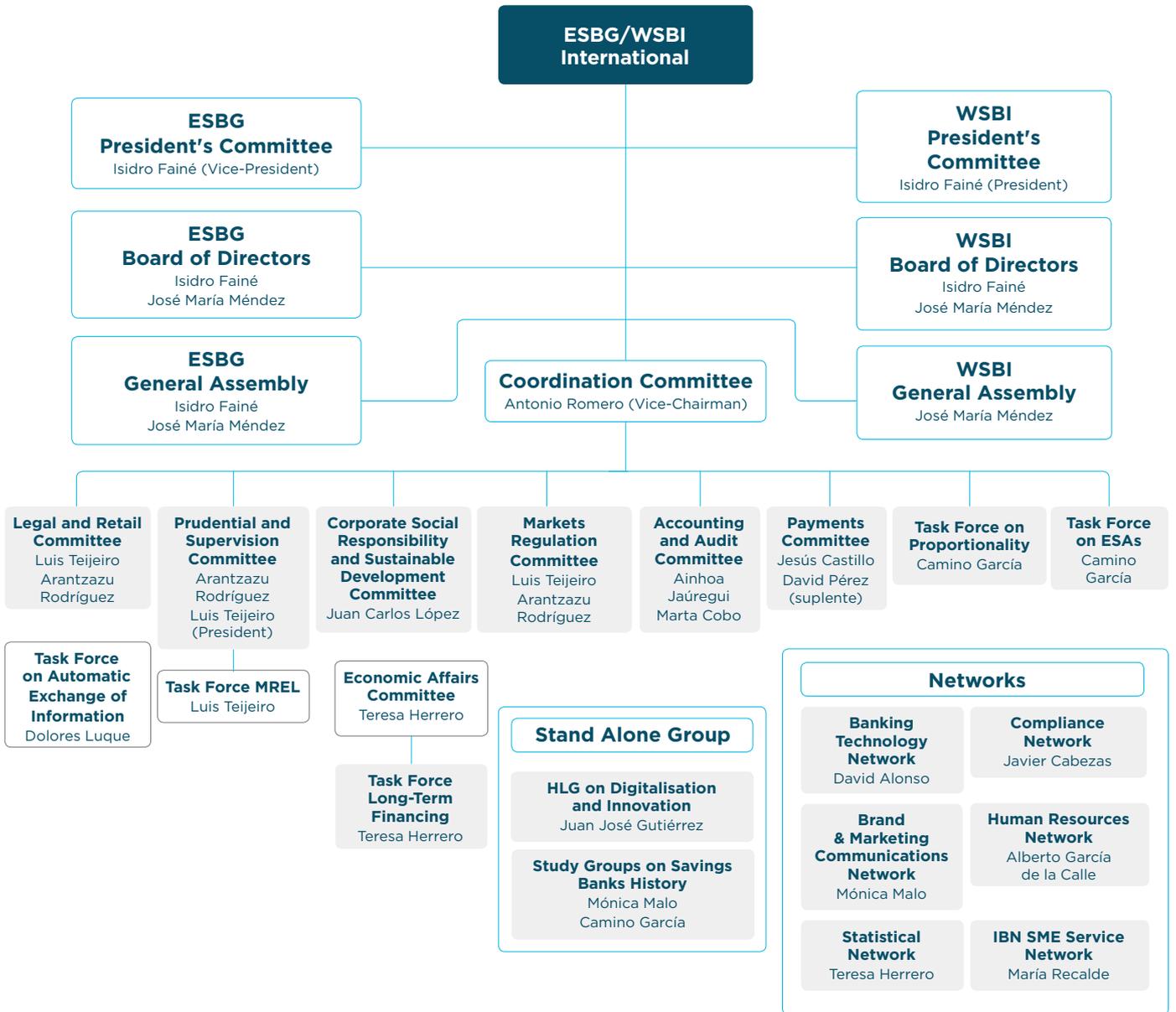
OTHER BODIES

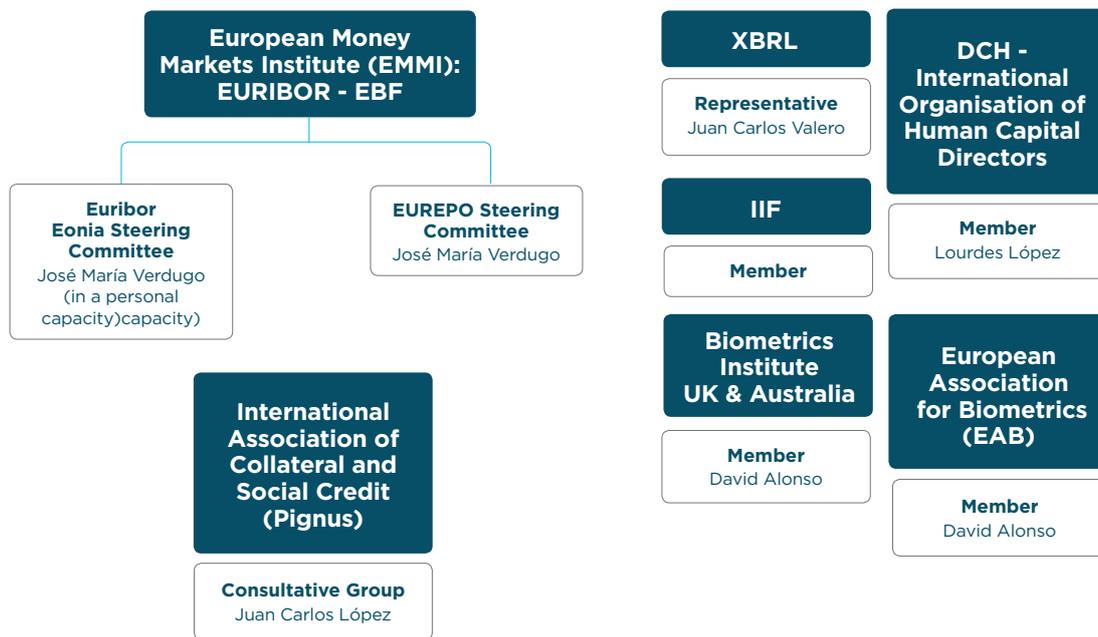


## REPRESENTATION FORUMS: INTERNAL



## REPRESENTATION FORUMS: INTERNATIONAL

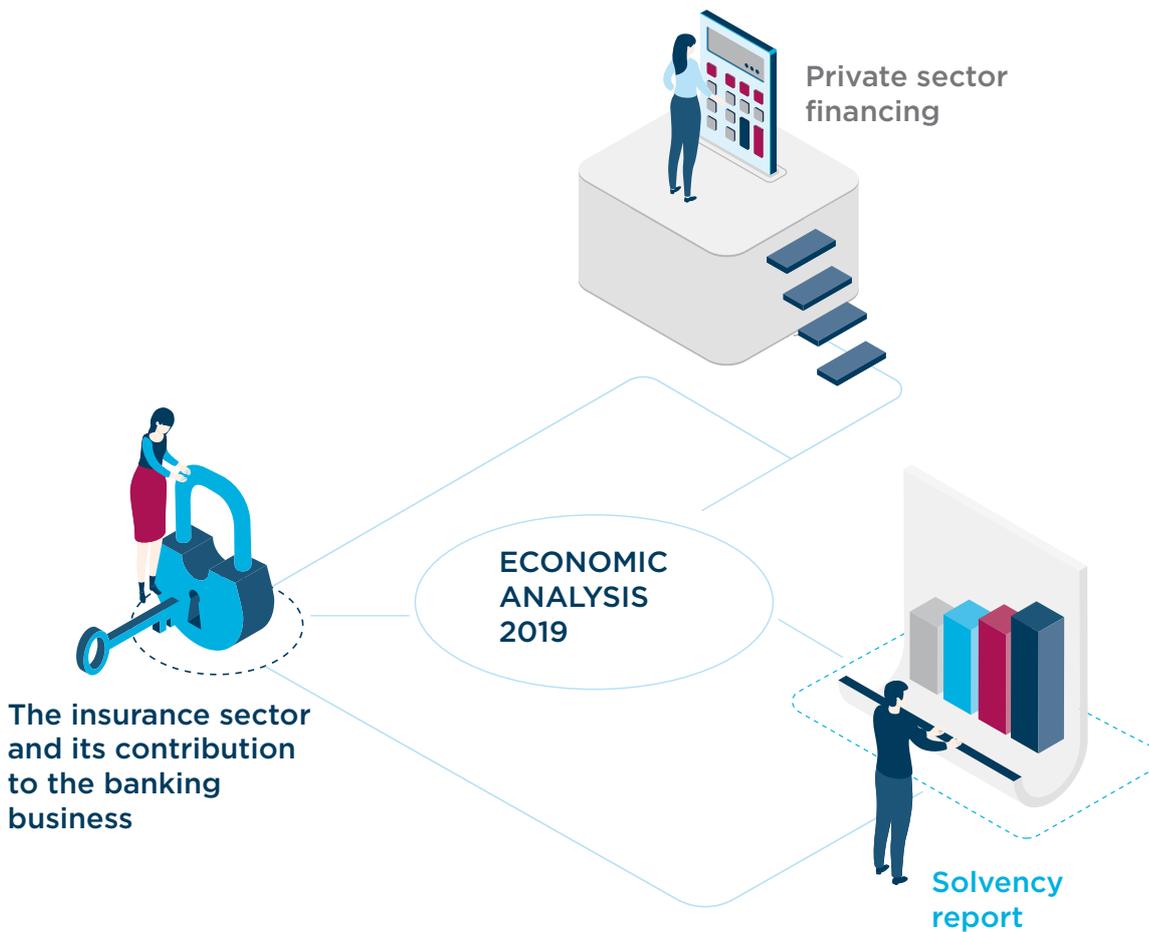




## 2.1.2 ECONOMIC AND REGULATORY ANALYSIS

CECA continuously monitors the national and international economic and financial framework, placing special emphasis on the banking sphere.

The analysis carried out on the following themes is particularly noteworthy in 2019:



## ECONOMIC ANALYSIS

From the Department of Studies a continuous and detailed monitoring of the financial and economic framework is performed both nationally and internationally, especially focusing on banking with the aim of offering member entities a global and up-to-date view of the environment in which they operate. To this end, an Economic and Financial Report is prepared on a monthly basis that, in addition to a detailed analysis of the domestic and international economic situation and the evolution of the financial markets, includes the progress of the retail business in Spanish and sector depository institutions, which consists of the aggregate figures of CECA member entities.

This report is supplemented quarterly by the CECA sector Results Report, which sets forth the performance of the items that comprise the aggregate results of member entities. The report for December 2019 included a detailed analysis of the evolution of operating expenses in the financial system and in the CECA sector during the past decade.

Furthermore, subject studies are prepared on a regular basis on highly-relevant matters for the member entities, which, in 2019, notably feature: Analysis of credit to the private sector, Solvency Report and a detailed analysis of Brexit and its consequences for the European and Spanish economy.

Furthermore, within the framework of European banking supervision and the interest towards a further integration of banks at a Community level, special attention is paid to comparatively examining the most relevant characteristics of the main European banking systems and the institutions comprising them by preparing specific reports: Transparency exercise by the European Banking Authority (EBA) and Analysis of the Profitability of EU credit institutions.

In addition to the preparation of reports and presentations, CECA is entrusted with the publication of the public financial statements for every one of its member entities, both for individual companies and consolidated groups. It performs this task through its corporate webpage.

In addition, every year CECA drafts the Abstract of Statistics, which compiles information about the governing bodies and basic financial details of all member entities.

Another service provided to member entities is the collection of accounting information at an individual level to proceed with its addition and subsequent delivery as aggregate financial statements or with a more management-specific format, such as Financial Information Flashes.

The Department of Studies also distributes to member entities aggregate statistical information related to the balance sheets, income statements and branches, which it regularly receives from the Bank of Spain. Furthermore, this department carries out the relevant and ongoing work of communicating and representing the interests of our member entities before the Bank of Spain, in terms of adapting

**The Economic and Financial Report is drawn up monthly, and complemented quarterly with the CECA sector Results Report**



**CECA is tasked with publishing all its member entities' public financial statements**



the statistical information they distribute and which has been used as the basis to analyse the financial sector, both at an individual and consolidated level.

Below is a summary of the most relevant subjects within the scope of analysis in 2019.

### DEVELOPMENTS IN RETAIL BANKING

In a context of a slowdown in the Spanish economy and a prolonged extremely low level of interest rates, credit institutions have recorded a decrease in the pace of retail activity.

The balance of loans to the private sector continued to drop in 2019, reaching -1.2% year-on-year in December in the entire system. New loans granted have fallen by 0.6% over the year as a whole, mainly due to the drop in loans to companies.

The volume of non-performing assets continued to contract in 2019, allowing the NPL ratio to drop below 5% at the end of the year, approaching the levels reached in 2009 and moving away from the high recorded at the start of 2014 (13.7%). In spite of this, the rate of decline has slowed down, and there has been a rebound in non-performing consumer credit, with the rate rising from 5.1% to 5.6% in September 2019.

Retail deposits have grown at a pace of 5.2% in December, driven by demand deposits, although hindered by term deposits due to the environment of low interest rates, the latter representing approximately 15% of the total.

Some of the uncertainty that has shaken the financial markets in 2019 has dissipated at the end of the year, enabling the stock markets to recover and positive performance of investment and pension funds. Thus, investment funds registered a year-on-year positive annual growth rate of 7.4% in December, as so did pension funds, at 8.8%.

According to INVERCO data, investment funds rose by 19 billion euros in 2019, as opposed to the accumulated fall in the same period of 2018, as a result of the revaluations of portfolios recorded thus far this year. Thus, investment funds close the year with the best annual accumulated return on record, at 7.2%.

### AGGREGATED RESULTS OF CECA MEMBER ENTITIES

The result attributed to the CECA sector in the first nine months of 2019 was 18% down on the same period last year, at 2,897 million. This year-on-year reduction is mainly due increased extraordinary operating expenses, as a result of labour restructuring adjustments in some companies and, to a lesser extent, of the recording of lower profits of companies through investments and gains on financial operations.

On the income side, there is an improvement in net interest income, which has grown 0.5% year-on-year, as well as other net operating income, compared to the stability of income from fees and commissions. However, this does not compensate for the fall in other financial results and profit from investees, resulting in an impaired gross margin (-4.8%).



Reduction of the NPL ratio below **5%**



Growth of retail deposits **5.2%**



Increased assets of funds **19,000** million



Net interest income

**0.5%**

year-on-year

The lower gross margin, but above all the extraordinary increase in operating expenses (+14%), have impaired the September 2019 efficiency ratio compared to last year's figure, reaching 63.9%. However, this ratio drops to 56.4% when excluding the calculation of extraordinary expenses.

Write-downs increased slightly compared to the previous year, due to higher prudential provisions, higher restructuring expenditure and lower recording of recovery of provisions in 2019 compared to the previous year.

Lastly, the sector's return on equity (ROE) dropped by 1.7 percentage points down to 6.5% in September, as a consequence of a reduced attributed result and the strengthened year-on-year average equity of 3%.

### **PROFITABILITY OF CREDIT INSTITUTIONS IN THE EU.**

In November 2019, a new report on "The profitability of credit institutions in the EU" was drawn up, addressing the situation and evolution of profitability in the main EU banking systems from 2014 to 2018. In addition to the comparative analysis of ROE and its components by country, the report analyses how they are addressing the challenge of improving profitability through three levers: reducing their stock of non-performing assets, improving efficiency and diversifying income.





**The main lever behind improved profitability across the EU has been the reduction of write-downs**

Virtually all countries - except for the case of Germany - have increased profitability in the period observed, coinciding with the improved economic cycle since the crisis. This has enabled some convergence in ROE levels in the last year, although notable differences by country still remain:

- The Nordic countries (Sweden, Finland and Denmark) followed closely by Belgium and Holland, are at the forefront in terms of ROE.
- The countries of southern Europe (Greece, Portugal and Italy) record an average ROE below average throughout the period analysed, with rates that remain negative in 2018 in the case of Greece.
- Germany ranks among the countries with the lowest returns in the 2014-2018 period, with a ratio that remains stagnant at 2.5%.
- Spain is at a mid level, with an average ratio of around 7%, slightly above the average of the EMU. However, it is worth noting that the analysis is carried out on a consolidated basis, thus, it not only includes the domestic business but also the activity of Spanish banks in other countries.



**For most European banking systems, net interest income is the main source of income**

The main lever behind improved profitability across the EU in 2014-2018 has been the reduction of write-downs. On the contrary, a slightly negative impact is noted arising from increased personnel and general expenses. This may be due, on the one hand, to the expenses arising from compensation that has accompanied the workforce adjustment processes and, on the other, to the greater investment in digitalisation undertaken by many companies.

The analysis shows a high correlation between profitability and efficiency. In particular, one of the reasons that could explain the best performance in terms of profitability in the Nordic countries is efficiency gains arising from the intense digitalisation process undertaken in recent years. The latter are clearly at the forefront of digitalisation, with online banking penetration standing at 89% in 2018.

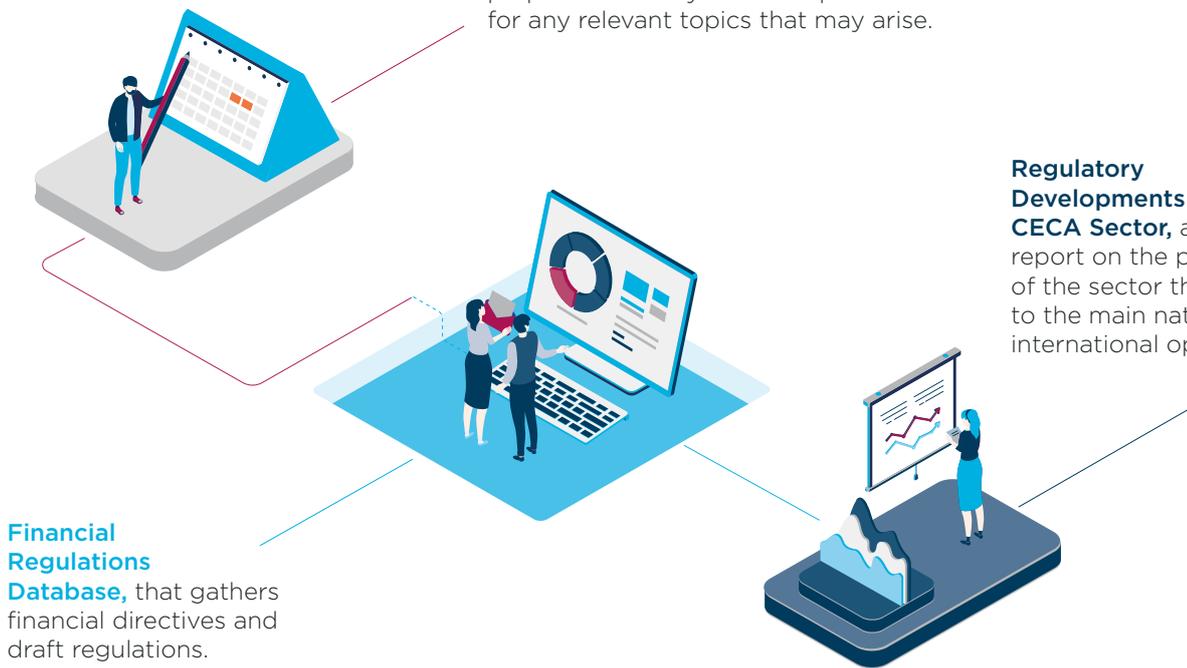
Lastly, and although there are major differences in the degree of income diversification in the European comparison, for a large number of European banking systems net interest income continues to be the main source of income generation, meaning they are especially dependent on the traditional banking brokerage business and more vulnerable to the prolonged scenario of low interest rates. In this sense, greater diversification of income is key to sustaining profitability levels in the current scenario of narrowing net interest income.

# REGULATORY ANALYSIS

Regulatory activity in the financial sector continued to grow in 2019. In order to monitor it, CECA prepares:

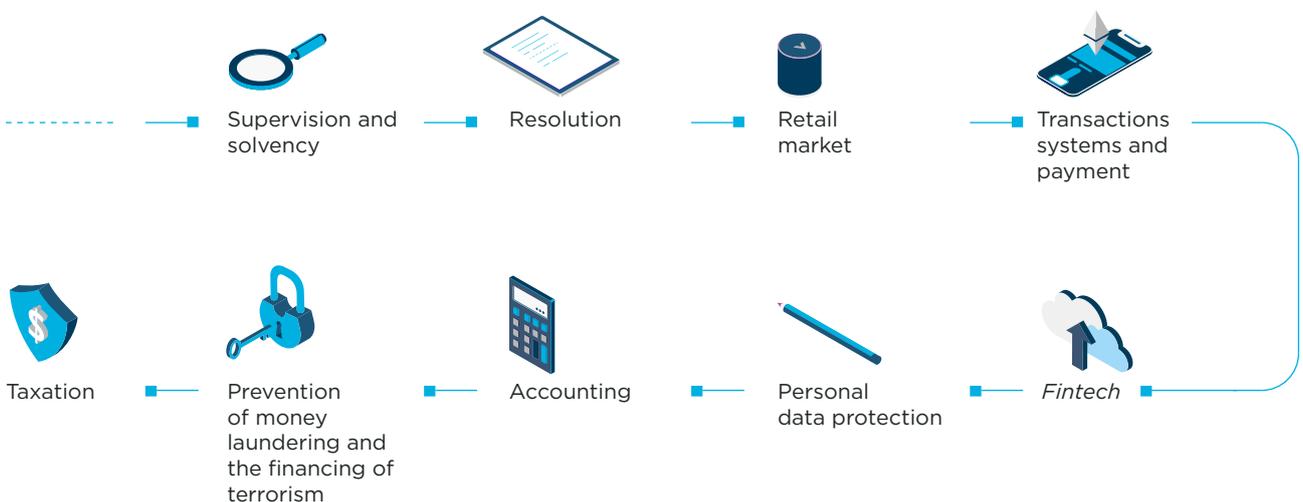
**Regulatory Outlook**, which provides a summary of notable points on both the national and international agenda. It is prepared monthly and has special editions for any relevant topics that may arise.

**Regulatory Developments of the CECA Sector**, a monthly report on the progress of the sector that is sent to the main national and international operators.



**Financial Regulations Database**, that gathers financial directives and draft regulations.

This year's priorities have focused on the following matters:



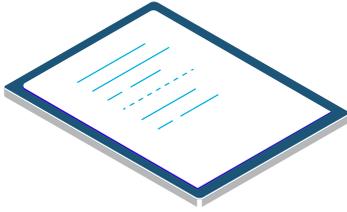


## SUPERVISION AND SOLVENCY

The main issues which guided the association's activity in the sphere of supervision and solvency were:

- The amendments to the Regulation and Directive on capital requirements (CRR/CRD IV) to include:
  - Minimum loss coverage for non-performing exposures (Regulation (EU) 2019/630 of the European Parliament and of the Council, of 17 April 2019).
  - The part of the package of measures to reduce risk corresponding to the TLAC's implementation and certain regulations from the EU's Basel Committee on Banking Supervision, as well as amend the leverage ratio, regulatory reporting, and reporting requirements, remuneration and capital conservation measures, among others (Regulation (EU) 2019/876 of the European Parliament and of the Council, of 20 May 2019, and Directive (EU) 2019/878, of the European Parliament and of the Council, of 20 May 2019).
  - The amendments arising from Regulation (EU) 2019/2033 of the European Parliament and of the Council, of 27 November 2019, on prudential requirements of investment firms.
  - A new treatment of exposures in the form of guaranteed bonds (Regulation (EU) 2019/2160 of the European Parliament and the Council, of 27 November 2019).
- Monitoring of the technical standards for the development of CRR-CRD IV, entrusted to the European Banking Authority.
- Monitoring of the works of the European Commission to implement the completion of Basel III in the EU. It will involve reviewing the framework of operating and credit risks, incorporating the floor capitals into the internal models based on standard methods and a leverage ratio for entities with a worldwide systematic relevance.
- Monitoring the ECB's supervisory priorities. These include measures related to the reduction of and hedging for non-performing loans (NPL).
- Draft European Commission Regulation for the establishment of a European deposit guarantee fund (EDIS). The object of this is to reinforce the banking union, depositors' protection and financial stability.
- Monitoring the design of a framework relating to macroprudential tools (Royal Decree-Law 22/2018, of 14 December, establishing macroprudential tools, Royal Decree 102/2019, of 1 March, creating the Financial Stability Board Macroprudential Authority, establishing its legal regime and developing certain aspects relating to macroprudential tools, and public consultation prior to the preparation of the Bank of Spain Circular on macroprudential tools).
- Establishing a threshold of significance for expired credit obligations through Bank of Spain Circular 3/2019 intended for the least significant entities.

## 2.1 OUR ACTIVITY

**RESOLUTION**

The following are the most important issues in the sphere of resolution on credit institutions that were analysed and monitored:

- The amendments to the Bank Recovery and Resolution Directive (BRRD) to include part of the package of measures to reduce risk corresponding to as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms (Directive (EU) 2019/879, of the European Parliament and of the Council, of 20 May 2019).
- Monitoring of the BRRD technical development standards, entrusted to the European Banking Authority.
- Public consultation of the Single Resolution Board (SRB) on its expectations for banks

**MARKETS**

CECA follows closely, among other things, the following actions and regulations related to the financial instruments and securities market legislation:

- Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision.
- Public consultation of the European Commission relating to the review of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds, and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) no. 596/2014.
- Monitoring of the work carried out by the European Commission relating to the unification of the capital markets.
- Monitoring of the MiFID II/MiFIR technical development standards, entrusted to the European Securities and Markets Authority.
- Monitoring of the work carried out by the ECB working group on risk-free rates.
- CNMV Technical Guide 1/2019, of 20 February 2019, on
  - appointments and remuneration committees.
- Draft Act to transpose Directive 2017/828 of the European Parliament and Council, of 17 May 2017, amending Directive 2007/36/EC as regards the encouragement of long-term shareholder engagement.
- Proposal for a CNMV Technical Guide on the procedures for selecting intermediaries for collective investment institution (SGIIC) management firms.



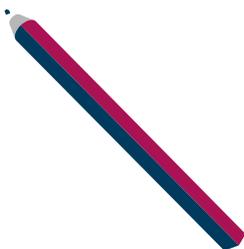
## RETAIL

The most important issues in the retail sphere were analysed and monitored:

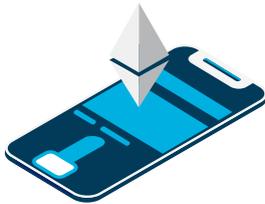
- Act 5/2019, of 15 March, regulating real estate credit contracts, partially transposing Directive 2014/17/EU of the European Parliament and of the Council of 4 February 2014 on credit agreements for consumers relating to residential immovable property, focusing on transparency standards and the legal regime of credit intermediaries, their representatives and real estate creditors.
- Regulatory developments on the bill regulating property loan contracts: Royal Decree 309/2019, of 26 April, and Order ECE/482/2019, of 26 April.
- Regulatory developments of certain aspects of Royal Decree-Law 19/2017, of 24 November, on basic payment accounts, transfer of payment accounts and comparability of fees, which was partially incorporated into our legal system of Directive 2014/92/EU (PAD). Specifically, Royal Decree 164/2019, of 22 March, establishing a free regime of basic payment accounts for the benefit of people in a situation of vulnerability or at risk of financial exclusion, and Circular 2/2019, of 29 March, of the Bank of Spain, as regard comparability of fees.
- Draft Order amending Order ECE/2899/2011, of 28 October, on transparency and protection for customers of banking services, for the establishment of credit reporting obligations of an indefinite duration associated with payment instruments.
- Draft Bank of Spain Circular on banking products and services advertising. Its purpose is to regulate the principles and criteria to which the advertising activity of credit institutions on banking products and services must conform.
- Monitoring of the initiatives related to the European Commission's action plan for retail financial services. Its purpose is to eliminate the obstacles which prevent consumers and companies from making full use of the single market and explain how they can be overcome.
- New agreement for consumers of the European Commission, specifically the Directive proposal on representative actions to protect the interests of consumers, repealing Directive 2009/22/EC.

## SUSTAINABILITY

- With regard to sustainability, the development of the measures of the European Commission's Action Plan on sustainable finance has been closely monitored, particularly as regards the following:
- The proposal for a Regulation on the establishment of a framework to facilitate sustainable investments (taxonomy),
- Regulation (EU) 2019/2088 of the Parliament and of the Council, of 27 November 2019, on sustainability related disclosures in the financial services sector.



- Regulation (EU) 2019/2089 of the European Parliament and of the Council of 27 November 2019, amending Regulation (EU) 2016/1011 as regards EU Climate Transition Benchmarks, EU Paris-aligned Benchmarks and sustainability-related disclosures for benchmarks.
- Proposals amending the modification of the MiFID II Delegated Regulations and the Directive on the distribution of insurance relating to the inclusion of the environmental, social and governance considerations in advising clients.



### TRANSACTIONS AND PAYMENT SYSTEMS

The main issues guiding the association's activity in relation to transactions and payment systems have been:

- Order ECE/1263/2019, of 26 December, on transparency in the conditions and information requirements applicable to payment services, amending Order ECO/734/2004, of 11 March, on the Customer Service departments and services and the consumer ombudsman of financial institutions, and Order EHA/2899/2011, of 28 October, on transparency and protection for customers of banking services. Its purpose is to develop certain aspects of Royal Decree-Law 19/2018, of 23 November, on payment services and other urgent measures in financial matters, which partially transposed Directive (EU) 2015/2366 on payment services in the internal market (PSD2).
- Monitoring of the PSD2 technical development standards, entrusted to the European Banking Authority.



### PREVENTION OF MONEY LAUNDERING AND THE FINANCING OF TERRORISM

The following are the most important matters in the sphere of prevention of money laundering and the financing of terrorism that were analysed and monitored:

- Commission Delegated Regulation (EU) 2019/758 of 31 January 2019 supplementing Directive (EU) 2015/849 of the European Parliament and of the Council with regard to regulatory technical standards for the minimum action and the type of additional measures credit and financial institutions must take to mitigate money laundering and terrorist financing risk in certain third countries
- Directive (EU) 2019/1153 of the European Parliament and of the Council of 20 June 2019 laying down rules facilitating the use of financial and other information for the prevention, detection, investigation or prosecution of certain criminal offences, and repealing Council Decision 2000/642/JHA.
- Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on the fight against fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA.



## ACCOUNTING

Within the scope of the credit institutions' accounting, the main matter that guided the association's activity has been:

- Bank of Spain Circular 4/2019, of 26 November, on **financial credit establishments**, on public and confidential financial reporting and financial statement formats. It constitutes the accounting regime of financial credit institutions and determines the documents that they must publish.
- Bank of Spain **Circular 4/2017**, of 27 November, on public and confidential financial reporting and financial statement formats. It adapts the Accounting Circular (4/2017) to the amendments that are to be made to the financial reporting requirements for supervisory purposes (Implementing Regulation (EU) 680/2014 and ECB Regulation (EU) 2015/534).



## FINTECH

- Monitoring of the European Commission's Action Plan in matters of financial technology (Fintech).
- Public enquiry prior to the modification of Act 10/2010, of 28 April, on the prevention of money laundering and the financing of terrorism to adapt it to the contents of Directive 2018/843 (Directive V). On 12 November, the General Secretariat of the Treasury and Financial Policy initiated the process of the public consultation prior to the amendment of Act 10/2010, with the aim of adapting it to Directive V. **Spain must adapt its legal framework** according to the schedule set by the Directive; the deadline for the transposition is 10 January 2020.

2.1 OUR ACTIVITY

Event on  
Sandbox



## 2.1.3 SOCIAL INVESTMENT



From left to right  
Ángel Martínez-  
Aldama, chairman  
of INVERCO, Manuel  
Ruiz Escudero,  
chairman of UNACC,  
José María Méndez  
Álvarez-Cedrón,  
CEO of CECA, Pilar  
González de Frutos,  
Chair of UNESPA  
and José María  
Roldán Alegre,  
chairman of AEB

## SUSTAINABILITY

Sector activity fundamentally revolved around the work of the sector network of CSR and Sustainability. The Committee acts as a forum to come up with ideas and proposals around the key themes on the national and international sustainability agenda. Three meetings were held this year (in January, May and October) with the participation of practically all the companies in the sector.

In this area, 2019 was notable for both domestic and worldwide matters.

In matters of a social aspect, it is worth noting the Principles of Responsible Banking, an initiative in the financial field of the United Nations Environment Programme (UNEP FI). CECA joined these principles in January 2019, after approval by the Board.

## 2.1 OUR ACTIVITY

Another important milestone was the creation this year of FINRESP, the Centre for Responsible and Sustainable Finance, by Spain's five financial associations (AEB, CECA, INVERCO, UNACC, UNESPA). FINRESP joined the UN Network of Financial Centres for Sustainability (FC4S) in July 2019.

It is worth highlighting the attendance at the United Nations Climate Change Conference (COP25) held in Madrid, and the great success of all CECA member entities signing the Spanish Banks Collective Commitment to Climate Action.

Among the main domestic matters addressed in 2019, the second launch of the Project of the Social Impact of the CECA Sector is most noteworthy. The purpose of this report is to assess and analyse the impacts generated by entities belonging to CECA from three different perspectives: economy, tax and society.

As regards the Social Housing Fund, in December 2019 it was decided by the Ministry of Economy, the Bank of Spain and the other financial institutions and associations to renew the validity of the agreement for yet another year.

CECA representation  
at COP25



## OBRA Y ACCIÓN SOCIAL (SOCIAL WORK AND ACTION)

The Spanish economy has been able to uphold the performance of previous years, which has been a source of stability for Obra y Acción Social to continue growing and promoting aid for welfare and social progress.

In 2019, Obra y Acción Social was, for yet another year, the main private social agent in Spain dedicated to social, cultural and economic development, contributing over 845 million euros.

The Foundations and Savings Banks involved in Obra y Acción Social have continued to increase the funds obtained from their own activities. This demonstrates the improvement in efficiency, stemming from the professionalisation of structures and the diversification of the sources of income undertaken in the strategic plans.

Once again, the institutions involved in Obra y Acción Social have been leaders in private social investment in Spain, and they have maintained their commitment in benefit of a more balanced and fairer society.

### Foundations and Obra Social Executive Committee

The Foundations and Obra Social Executive Committee has acted as an instrument of dialogue between foundations and entities that carry out Obra Social



### Dissemination of Obra y Acción Social

The Obra Social Report 2018 was presented in 2019. Also CECA organised the Financial Education and Obra Social awards.



### Working groups

Working groups have been established, addressing matters relating to: taxation, regulation and exchange of experiences with foundations that do not belong to the financial sector or the Third Sector.

Investment in Obra y Acción Social

**+845**

million euros

**4%**

annual increase

Activities

**+125,000**

**4%**

annual increase

Beneficiaries

**+35**

millones de personas

**1.5%**

annual increase



Eighth  
Foundations  
and Obra Social  
Commission

## FOUNDATIONS AND OBRA SOCIAL EXECUTIVE COMMITTEE

During 2019, CECA has acted as an instrument for dialogue and exchange of experiences between the foundations and companies that carry out Obra y Acción Social, through its Foundations and Obra Social Executive Committee, with the aim of finding joint solutions to future challenges and a greater awareness about the sector. Specifically, the following areas have been worked on within the Committee:

- **Foundations Forum:** Foundations Forum has boosted innovation in Obra y Acción Social by analysing topics such as the use of blockchain to discover the traceability of donations and their destination; the social bond system and payment for success of social projects within philanthropy; new aspects of digitalisation and the use of new technologies, among others.

These sessions also featured the relationship of the Obra y Acción Social activity with other current international issues such as Financial Education, Sustainability and Climate Change, which are closely related to Agenda 2030 and Sustainable Development Goals, with the aim of establishing future partnerships and alliances with public or private players and, thus, generate new opportunities for the activity of Obra y Acción Social to continue contributing to well-being and the inclusion of vulnerable groups.

- **Exchanging experiences:** in the form of working groups, this Committee has addressed matters related to taxation, regulation and the exchange of experiences with foundations, both within and outside the sector, which are noteworthy due to their innovation and contribution to the economic development of the territory.

In addition to obtaining new routes of income, its purpose is to continue promoting this work, encouraging greater awareness of other sectors related to Obra y Acción Social, with the aim of encouraging collaboration and contributing to the efficiency and identification of new social needs.

Moreover, in collaboration with Funcas, the first steps have been taken to create the future Social Observatory, a means of raising awareness around social publications and studies. An example of this work was the presentation to the Committee of the study “Social Panorama, 29: Social inclusion of vulnerable populations: minimum income and social services”, which was welcomed with great interest among the companies.

Finally, another highlight of 2019 was the preparation of a report on the activity of Obra Social over the last five years, entitled: “5-year report on Obra Social in Spain” and which has demonstrated the great social work carried out in the sector.

### 5-YEAR REPORT ON OBRA SOCIAL IN SPAIN

According to this report, in the last five years alone, CECA companies have allocated 3,776 million euros to promoting activities with a social outreach, which have benefited 167 million people.

In this period, 2,185 million euros, almost 58% of the investment in Obra y Acción Social, was allocated to activities focused on children and young people, people at risk of social exclusion, people over 65 years of age and people with special needs. In total, more than 93 million people in these groups have benefited from the activities championed by Obra y Acción Social.

On the other hand, the assistance programmes for groups at risk of social exclusion, healthcare, volunteering and those intended to improve the integration of certain groups into society reach a total investment of 1,760 million euros. These activities account for almost 47% of the investment of companies, followed by those allocated to Culture and Heritage (19%), Education and Research (15.6%), Local Development and Job Creation (9.5%), Environment (5.7%), and Sports and Leisure (3.3%).



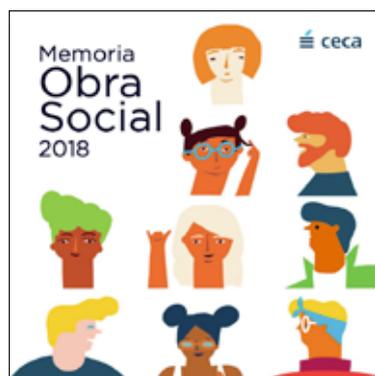
Obra y Acción Social (social work and action)

**1,760**  
million euros

Over **93**  
million people have benefited from activities championed by Obra y Acción Social



## 2.1 OUR ACTIVITY



## OBRA SOCIAL REPORT, PROMOTIONAL VIDEO, AND PUBLICATIONS IN THE MEDIA

The Foundations and Obra Social Executive Committee have boosted the communication of sector activity, with the aim of highlighting and raising greater awareness around the ongoing effort invested by the Foundations and Savings Banks in society.

This is evidenced through the publication in the first quarter of 2019 of the “Obra Social Report 2018,” which was accompanied by a promotional video.

Furthermore, efforts have been made by CECA to encourage further communication related the activity of Obra y Acción Social by means of publications in different local and national media.

In 2019, the Sustainable Development Goals were included in the aforementioned Obra Social Report, with the aim of highlighting that its activity is in line with the most current needs, such as Agenda 2030 (Sustainable Development Goals) and the society of the future.

According to data from the 2018 Report, the activity of Obra y Acción Social contributes to achieving the 17 Sustainable Development Goals, chiefly the SDG-1, SDG-3, SDG-4, SDG-8, SDG-9, SDG-10 and SDG-11, while encouraging their dissemination and promotion, providing capillarity, generating networks and alliances and sharing experiences in this field.

Figures at December 2018 relating to CECA’s Obra y Acción Social activity are as follows:

\*Thousands of euros

	<b>Expenditure (€ thousand)</b>	<b>Activities</b>	<b>Beneficiaries</b>
Social actions	353,092	21,146	10,796,644
Education and research	179,840	20,400	4,837,391
Culture and Heritage	170,893	20,742	15,677,863
Local development and job creation	67,837	19,515	1,218,625
Sport and leisure	21,067	19,561	1,470,842
Environment	20,660	19,483	1,331,719
<b>TOTAL</b>	<b>813,388</b>	<b>120,847</b>	<b>35,333,085</b>

## COLLABORATION WITH FUNCAS

In 2019, Funcas was involved in the coordination of the Funcas Program to Stimulate Financial Education (Funcas Educa) and in executing the First Financial Education Report (Activity Report 2018), which was presented together with the Microsite Funcas Educa, during the Foundations and Obra Social Commission. This meeting confirmed the need to transmit financial education, since it contributes to generating equal opportunities and prevents social exclusion.

As an active member of this Foundations and Obra Social Executive Committee, CECA contributes with its experience and support to the different projects debated in said meetings.

## REPRESENTATIONAL ROLE

CECA continues to participate in different forums, such as those relating to the fiscal scope, with the aim of working towards achieving an improved legal framework for foundations and communicating the new developments that affect entities that perform Obra y Acción Social.





From left to right:  
Alejandro Tiana,  
State Secretary  
for Education and  
Professional Training,  
Pablo Hernández  
de Cos, Governor of  
the Bank of Spain,  
Carlos Ocaña, CEO  
of Funcas, José  
María Méndez, CEO  
of CECA, Nadia  
Calviño, Minister  
of Economy and  
Enterprise, Ana  
María Martínez-Pina,  
Vice-Chair of  
the CNMV and  
Faustino Blanco,  
General Secretary  
for Health and  
Consumer Affairs

## FINANCIAL EDUCATION NETWORK

CECA and its member entities believe that improved financial education is an essential pillar and a decisive factor for stability and economic and financial development of families. Therefore, CECA develops programmes that promote the improvement of financial education across society.

Proof of this is the award “Lifetime achievement in finance for all in the development of the Financial Education Plan” awarded by the Bank of Spain and CNMV, received in October 2019 jointly by CECA and Funcas, in recognition of their activity and commitment in disseminating financial education imparted by the sector.

Also of note is the publication of the first sector financial education report (Report on Financial Education Activities 2018) in March, according to which CECA member entities invested more than four million euros in financial education programmes, which were distributed across 2,643 activities, reaching more than 9.5 million people.

Another milestone reached in 2019 was the renewal of the Funcas Stimulating Financial Education Programme, with a provision of 3.45 million euros, 14.9% up on last year.



[www.rededucacionfinanciera.es](http://www.rededucacionfinanciera.es)

Lastly, the year closed with CECA joining the OECD International Network on Financial Education (OECD/INFE), comprising representatives from upwards of 126 economies, including all members of the G20 and major international organisations.

### SPANISH FINANCIAL EDUCATION NETWORK

The Financial Education Network was established in 2009, a space where financial education professionals can exchange their knowledge and experiences. This website is updated every day and hosts information on courses, seminars, conferences, and teaching materials and resources for this subject. It also has links to agents who are active in the domestic and international arenas.

### FINANCIAL EDUCATION WORKING GROUP

CECA's Financial Education Working Group shares improvement proposals and initiatives with the aim of reaching all segments of the population with projects and initiatives that promote and implement new strategies that are useful to the progress and development of society.



### FUNCAS STIMULATING FINANCIAL EDUCATION PROGRAMME

In 2019, the Funcas Stimulating Financial Education Programme was renewed. This programme was launched in 2018 by CECA and Funcas with a provision of three million euros, and due to the success achieved, this time around will feature an allocation of 3.45 million euros, 14.9% up on last year.

By means of this programme, CECA and Funcas strengthen their commitment towards financial education, which in recent years has become a basic need.

This programme contributes to funding financial education activities developed by CECA member entities, with the aim of improving the level and quality of financial education by consolidating existing projects, and promoting new ones. In order to raise awareness around this activity, CECA and Funcas draft a sectoral report on financial education, published through a specific microsite, which is hosted on Funcas' website [www.funcas.es](http://www.funcas.es) and on the website [www.rededucacionfinanciera.es](http://www.rededucacionfinanciera.es).

### INTERNATIONAL SCOPE: CONFERENCES, WORLD SAVINGS DAY, AND GLOBAL MONEY WEEK

CECA has fostered financial education in international institutions of which it is a member, particularly in the European Savings and Retail Banking Group (ESBG) and the World Savings and Retail Banking Institute (WSBI).

Of particular note is CECA's collaboration in the aforementioned events, such as the European Financial Education Conference: Evolution, Revolution – Financial Education in the digital age”, in which international sector representatives have addressed the transformation taking place in the industry of financial services. This comes in addition

## 2.1 OUR ACTIVITY



Virtual exhibition.  
“Learn to save:  
teaching how to  
save, a source  
of financial  
education”

to participation in the ESG Financial History Workshop “Savings Banks Spreading Financial Knowledge”, where a presentation was given to European partners on the virtual exhibition entitled: “Learn to save: teaching how to save, a source of financial education”.

No less important is CECA's participation in events such as: Global Money Week, where countries in each continent raise awareness on the importance of education on financial inclusion for children and young people, and on World Savings Day, which is held every 31 October.

### NATIONAL SCOPE: FINANCIAL EDUCATION DAY

CECA plays a coordinating role with its member entities in line with the Financial Education Plan, in order to optimise funds and foster collaboration and capillarity throughout the country to propagate financial education.

Since the first edition of Financial Education Day, CECA has carried out work championing and propagating this event, coordinating the activities carried out throughout the country with its member entities.

In the latest edition, CECA has contributed to raising awareness around financial education by taking part – together with Funcas – in the Capital Radio Intereconomía programme presented by Susana Criado, during Financial Education Day.

Equally important is the yearly CECA Financial Education Conference, the purpose of which is to bring together the most important personalities in this area.



## MONTES DE PIEDAD

CECA has always supported the Montes de Piedad, as they are entities that have a similar origin as Savings Banks; in addition, they continue promoting *Obra y Acción Social* thanks to the contributions made to the foundations they depend upon.

CECA worked and collaborated closely with the Montes de Piedad in establishing a National Association of Montes de Piedad that includes the common bids portal.

Thus, on 18 July 2018, at the meeting held by the Network of Montes de Piedad at CECA's headquarters, the By-laws of the Spanish Association of Montes de Piedad (PRESEA) were approved and its Articles of Association were signed. From that moment on, CECA has been an honorary member of this association.

## CUSTOMER SERVICES

The Customer Care Committee (CCC) is still an excellent professional forum which studies customers' needs and suggestions, proposing within its organisations the improvements and solutions required for said purposes.

This Committee has very regular meetings with the Bank of Spain's Claims and Market Conduct Department, and with its equivalents at the Spanish National Securities Commission (CNMV) and the Directorate-General for Insurance and Pension Funds.

The involvement of the CCCs in order to improve the service offered to clients is also reflected in its participation in financial education matters, adding value in these initiatives thanks to its knowledge about the customers' needs.

In addition, it provides information on new regulatory aspects and news of interest for the members of CCCs and on the forums which it attends, related to associations of consumers and financial users. An example of this is the monitoring of and participation in the Bank of Spain's Draft Circular regulating the advertising of banking products and services and repealing Circular 6/2010 of 28 September.

One of the key issues on the CCC's agenda is related to Act 5/2019, of 15 March, regulating Real Estate Credit Contracts (LCCI). Actions in this area including meetings debating how it can affect the CCC, and attending the Real Estate Credit Law conference held at CECA on 14 May.

Decree 472/2019, of 28 May, regulating the consumer claim and complaint forms in Andalusia and their administrative processing, has featured pooled actions for all branches to which the regulations apply to be able to adapt to the new needs when they come into force.

Similarly, monitoring was conducted on Order ECE/1263/2019, of 26 December, on transparency in the conditions and information requirements applicable to payment services, amending Order ECO/734/2004, of 11 March and Order EHA/2899/2011, of 28 October.

## 2.1 OUR ACTIVITY

The transposition of directives, such as the Payments Service (SPD2) Directive, which finally resulted in Royal Decree-Law 19/2018, of 23 November, on payment services and other urgent measures in financial matters, have been subject to analyses at this debate forum.

Monitoring has also been conducted on Act 7/2017, of 2 November, incorporating into the Spanish legal system Directive 2013/11/EU of the European Parliament and the Council, of 21 May 2013, on the alternative dispute resolution for consumer disputes, the first additional provision of which affects the financial field and is pending implementation.

This working group also oversees new regulations and jurisprudence, paying special attention to the Court of Justice of the European Union (CJEU).

Digital transformation and how it should foster consumer protection is one of the concerns of the CCC.



## LABOUR RELATIONS

During 2019, the number of CECA member entities that are bound by the sector's Collective Bargaining Agreement has not changed, and is as follows:



CAIXABANK  
www.caixabank.com



BANKIA  
www.bankia.es



IBERCAJA BANCO  
www.ibercaja.es



ABANCA CORPORACIÓN  
BANCARIA  
www.abanca.com



UNICAJA BANCO  
www.unicajabanco.es



LIBERBANK  
www.liberbank.es



CAIXA ONTINYENT  
www.caixaontinyent.es



CAIXA POLLENÇA  
www.colonya.es



CAJASUR BANCO, SAU  
www.cajasur.es



CECABANK  
www.cecabank.es



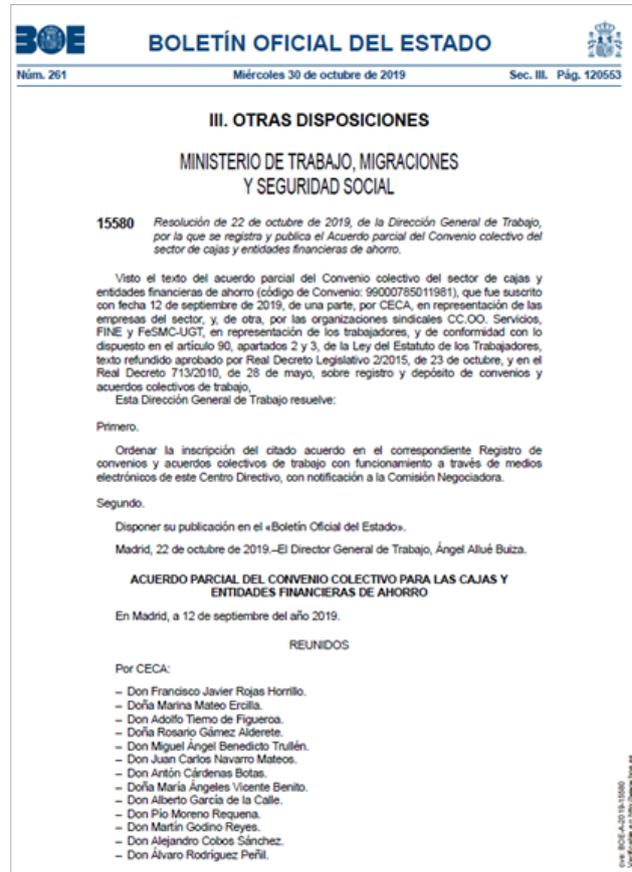
### I. NEGOTIATING COMMITTEE FOR THE COLLECTIVE BARGAINING AGREEMENT

The Collective Bargaining Agreement Negotiating Committee was constituted at the beginning of 2019. This Committee did not present its activity until March 2019, when the labour representation was definitively set after the electoral processes that ended in February 2019.

Following the publication of Royal Decree-Law 8/2019, of 12 March, the committee agreed to open, first of all, an ad-hoc negotiation on the registration of working hours in the sector as part of the Collective Bargaining Agreement.

After five months of negotiations, on 12 September 2019, CECA and the majority of the labour representation reached an agreement on this matter, which would ultimately be published in the Official State Gazette on 30 October 2019, after passing the appropriate legality control by the Directorate-General of Labour.

Publicación en el BOE del acuerdo parcial del Convenio Colectivo de Cajas de Ahorro y Entidades Financieras de Ahorro



After signing the agreement on the registration of working hours, both CECA and the various trade union organisations have continued to hold negotiations for the signing of a sector agreement.

The negotiating activity, which initially has a time horizon of up to 30 June 2020, has resumed in January 2020.

## II. ADMINISTRATION OF THE COLLECTIVE BARGAINING AGREEMENT

Most noteworthy within the recurring activities assigned to CECA as an employers' organisation, is its coordination of the Joint Committee of the Collective Bargaining Agreement.

The following powers are assigned to this Committee:

- Interpreting, ensuring the compliance and applying the present Bargaining Agreement.
- Where applicable, carrying out the functions of awareness and resolution of discrepancies after the completion of the consultation period related to the substantial modification of working conditions or the non-application of the wage scheme.
- In the event of a collective dispute in relation to the interpretation or application of the Collective Bargaining Agreement, intervening before formally approaching the conflict by employing non-judiciary procedures for solving conflicts or by presenting it to the competent judicial body.





Since the Collective Bargaining Agreement Negotiating Committee was constituted this year, no interpretative matter has been raised with the Committee regarding the Collective Bargaining Agreement that is in an ultra-active situation.

### III. TRADE UNION ELECTIONS HELD IN 2019

The electoral processes were held during January and February at the entities Ibercaja Banco and Unicaja Banco, which took place outside the general electoral calendar that closed in November 2018.

The undertaking of these electoral processes meant that the union representation in the sector was fully defined with a view to the constitution of the Collective Bargaining Agreement Negotiating Committee.

The outcome of the sector's entire electoral process has resulted in worker representation that is similar to the previous one, and which is broken down as follows:

#### Results of company committees and staff representatives

Trade union	No. of representatives	% of the total
CCOO	707	33.3%
FINE	510	24.0%
UGT	398	18.7%
SIB	11	0.5%
FEC	11	0.5%
CGT	22	1.0%
CIC	256	12.1%
LAB-ELA	2	0.1%
CIG	12	0.6%
ACCAM	85	4.0%
ACB	7	0.3%
SESFI	19	0.9%
UOB	16	0.8%
APECASYC	3	0.1%
ACI	30	1.4%
CSIF	34	1.6%

Pursuant to this labour representation, the Agreement Negotiating Committee began its activity in March 2019, with the following composition:

#### Representation at the agreement negotiating table

Trade union	Representation	% representation at table
CCOO	33.3%	37.5%
FINE	24.0%	27.1%
UGT	18.7%	21.1%
CIC	12.1%	13.6%
LAB-ELA	0.1%	0.1%
CIG	0.6%	0.6%
	100.0%	100.0%



#### IV. LABOUR RELATIONS COMMITTEE

During 2019, the Labour Relations Committee met once, analysing and presenting the strategic lines that should be set by the Collective Bargaining Agreement negotiation. This information was subsequently raised to the CECA Board of Directors.

This meeting included, in turn, a change in the chairmanship of the Committee, thus, Juan Chozas Pedrero was replaced by David López Puig.

## 2.2 OBRA SOCIAL: FUNCAS

Funcas is a non-profit institution forming part of CECA's Obra Social (social work). Its activity is chiefly directed towards promoting, debating, and raising awareness surrounding research on economic and social matters, through publications, documentaries, and other audiovisual means; and holding and participating in public events such as conferences and seminars.



Articles  
**252**



External  
collaborators  
**271**

During 2019, Funcas published 252 articles written by 271 different authors. Furthermore, within the programme of research undertaken by Funcas, in 2019, **fifteen** pieces of research on economic, financial and social matters were concluded, and these served to nourish the contents of the different publication Funcas issues. Another nineteen pieces of research are being prepared.

In order to carry out this intense research programme, Funcas is supported by external researchers, and activities performed by Funcas' different departments.

Thus, the Funcas Economy and Statistics Directorate produces quarterly national and regional forecasts for the Spanish economy, publishes a bimonthly predictions panel of forecasts for the Spanish economy, and keeps a database available to the public with economic indicators for the Spanish economy. The activities carried out in this Directorate include meetings held with members of international institutions. It also coordinates the Funcas Europe programme, the most important activities of which are outlined below.

The Financial Studies Directorate monitors the current situation of the financial system through regular collaborations in Funcas' various magazines and the publication on its website of the series "50 Indicators of the Financial System". This Directorate also addresses the activities related to the Financial Digitisation Observatory (ODF), which are set out below.

The Tax Studies Directorate, by drafting reports, develops and strengthens the theoretical and applied study of tax matters and their impact on economic reality.

The Public Economy and Welfare Directorate is responsible for analysing the work of the public sector in market economies, placing particular emphasis on series of actions comprising the social welfare system, by preparing articles and monographic issues on the subject.

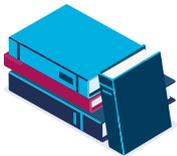
The activities of the Strategy and Industrial Economy Directorate are reflected in a series of research items on markets, regulation and competition. This Directorate also edits Funcas' blog, which is described below.

The goals of the Economics and Health Policies Directorate are to raise awareness on the content and results obtained from the research into Social Sciences applied to health and healthcare, and the debate on matters in these areas relevant to the future of the Spanish National Health System, chiefly by holding various conferences.

The Social Studies Directorate is responsible for editing the Focus on Spanish Society and the magazine Panorama Social, in which Spanish and foreign social scientists collaborate to critically clarify and assess issues relevant to social organisation and the well-being of society.

To promote the propagation of the main results of its research, Funcas publishes the following journals: *Papeles de Economía Española*, *Cuadernos de Información Económica*, Spanish International Economic & Financial Outlook, *Panorama Social*, *Papeles de Energía*, Focus on Spanish Society, Funcas Intelligence, and Global Financial Insights (both with limited issue); the Work Documents series, as well as the *Libros*, *Estudios de la Fundación*, *Tesis* and Funcas Economic and Social Studies collections.

This brings the number of public events which Funcas organised or participated in 2019 to seventy. Furthermore, it has attended more than twenty working meetings with representatives of national and international economic bodies.



## PRESENTATIONS

### “Economic forecasts for Spain 2019-2021”.

17 January, Madrid, Funcas.

### Issue 28 of the Panorama Social magazine “The ageing of population, family and quality of life in old age”.

28 January, Madrid, Funcas.

### Book on “The governance of globalisation”. On the 70th anniversary of the GATT”.

18 February, Madrid, Funcas.

### Issue 158 of the magazine Papeles de Economía Española titled “The foreign sector in recovery”.

27 February, Zaragoza, Ibercaja headquarters.

### Book “Beyond Business”. Opinions and visions of entrepreneurs on the economy, society and politics. 13 March.

14 November, Madrid, Funcas. Madrid, CEOE headquarters

### Issue 159 of the magazine Papeles de Economía Española titled “Sport and Economy”.

29 May Seville, headquarters of the Cajasol Foundation.

### “Barometer of Energy Transition” (Economics for Energy).

12 June, Madrid, Funcas.

### “Economic forecasts for Spain 2019-2021”.

9 October, Madrid, Funcas.

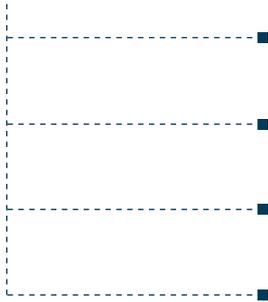
### Issue 92 of the Foundation’s Studies collection “Economic crisis and income inequality in Spain. Distributional effects of public policies”.

25 October, Madrid, Funcas.

### Results of the “Funcas Millennials Survey”.

28 October, Madrid, Funcas.

2.2 OBRA SOCIAL: FUNCAS



■ **Book “8th edition of the Spanish Financial System Guide”.**  
6 November, Madrid, headquarters of Afi.

■ **Book “Mergers and acquisitions in the oil and gas sector”.**  
15 November, Madrid, Club Español de la Energía.

■ **Report on “Banking in light of big tech”.**  
28 November, Madrid, KPMG Office.

■ **Issue 160 of the magazine Papeles de Economía Española on “Medication, technological innovation and economy.”**  
2 December. Madrid, Ministry of Industry, Trade and Tourism



■ **ROUND-TABLE DISCUSSION**

■ **“The future of industry and industrial policy”.**  
27 November, Madrid, Funcas

■ **SEMINARS**

■ **“Internal Carbon Pricing: Global Outlook and Applications”.**  
26 February, Madrid, Funcas.

■ **Healthcare Economics and Policies “From research to action”. The value and cost of family care for dependent persons.**  
24 April, Madrid, Funcas.

■ **“Update and Perspectives of Climate and Energy Policies in China”.**  
13 May. Madrid, Funcas.

■ **Healthcare Economics and Policies “From research to action”. Economics and control of smoking in Spain.**  
5 June, Madrid, Funcas.

■ **Healthcare Economics and Policies “From research to action”. Effectiveness and efficiency of health education.**  
2 December. Madrid, Funcas.



■ **COURSES**

■ **“The Spanish economy in the new context of international trade”.**  
24-28 of June, Santander, UIMP.

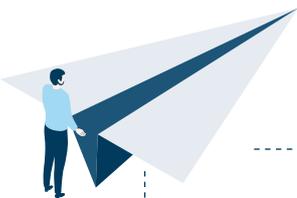
■ **WORKSHOP**

■ **“30 years of Cointegration and its future with Big Data”.**  
11 February, Madrid, Funcas.

■ **“Developments in Energy Economics”.**  
25 February, Madrid, Funcas.

■ **“Economics of Taxation & Social Expenditure”.**  
4-5 June. Barcelona, Faculty of Business and Economic Sciences, (University of Barcelona)

■ **“17th workshop on quantitative finance and banking”.**  
8-10 July, Madrid, Funcas.





## EVENTS

### “Entrepreneurship in Spain: myths and realities”.

23 January, Madrid, Funcas.

### “Indicators and public policies”.

5 April, Madrid, Funcas.

### “Big Data in Finance”.

9 April, Madrid, Funcas.

### “Internationalisation of Spanish companies: myths and realities”.

18 June, Madrid, Funcas.

### “Reality of Borderline Personality Disorder: care and new lines of research”.

20 June, Madrid, Funcas.

### “Implementing the Global Compact for Migration: an opportunity for legal and secure mobility”.

22 October, Madrid, Funcas.

### “Challenges and opportunities for Spanish financial cooperation”.

6 November, Madrid, Funcas.

### “Economic opportunities and climate emergency”.

26 November, Madrid, Funcas.



## CONFERENCES

### “Challenges for the European economy”.

23 May. Madrid, Spanish office of the European Commission.

### “Regulatory challenges and for the defence of competition in public procurement”.

19 November, Madrid, Funcas.

### “The trilemma of Common Ownership”.

11 December. Madrid, Funcas



## MEETINGS

### “GACE (Economic Overview Analysis Group) Meeting”.

24 April, Madrid, Funcas.



## DIALOGUES

### Health and good governance policies. “Strategic options for the National Health System”.

6 February, Madrid.

### Health and good governance policies. “The price of new cancer treatments and the sustainability of the National Health System”.

6 March, Madrid.



Funcasblog

In this section of public events, it is also worth mentioning the “Funcas Awards 2019/2020 for the best business incubators and accelerators. Ranking 2019/2020”, held on 21 March 2019, and the “Enrique Fuentes Quintana Awards for Doctoral Theses” ceremony for the academic year 2017-2018, which was held on 19 December. Both events were held at the Foundation’s head office.

From January to December 2019, the Funcasblog (which is Funcas’ blog on economy, finance and society), included around 150 new posts on themes related to the national and international economic situation, financial and monetary economics, regulations, competition, the property market, and social research, among others. The number of visits to the blog is approaching 40,000, around 70% of which corresponds to users from Spain, while the remaining 30% come from different countries, including the USA, Mexico, France and the United Kingdom (<http://blog.funcas.es/>).

Regarding Funcas’ videoblog, twenty-four videos were posted on economic and social themes throughout 2019, which are available on Funcas’ website <http://www.funcas.es/videoblog/>.

Activities conducted at the Observatory of Financial Digitisation (ODF) have remained ongoing, the aim of which is to generate, accumulate and disclose information about the progress of digital transformation in the Spanish financial system. In this programme, it is worth highlighting the presentations of the reports on “Cryptomarkets and blockchain Q42018”, “Regulatory sandboxes in the financial sector” and “Banking in the face of big tech companies”, as well as the “Financial Innovation Barometers” corresponding to the two semesters of 2019. The content of this portal can be viewed from the website [http://www.funcas.es/\\_obsdigi/](http://www.funcas.es/_obsdigi/).



## 2.2 OBRA SOCIAL: FUNCAS



The Ofei (Funcas Observatory for Companies and the Industry) – created for the purpose of analysing in a multidisciplinary and applied manner the innovation, productivity and competitiveness of Spanish companies – covers all the projects conducted in this programme: studies, debates and reports on strategic, technological and organisational aspects of a wide range of Spanish companies and industries. In addition, in 2019, the Ofei held a conference on “Entrepreneurship in Spain: myths and realities”, “Internationalisation of Spanish companies: myths and realities”, and the round table discussion “The future of industry and industrial policy”. All this information is available at <http://www.funcas.es/ofei>.

Within this period, Funcas has launched a big data Area in Finance to raise awareness throughout Spanish society on the importance and scope of new opportunities that appear through the use of big data in the financial sector through publications and conferences.

From Funcas Europe, the platform created by Funcas to disseminate its work on the European economy, the following is provided: i) information about current trends ii) regular updates of growth projections in the eurozone (also published in economic forums and meetings), and iii) analyses on key social and economic matters. In addition, this programme is noteworthy for organising a conference on “Challenges for the European economy”, that was attended by Mario Centeno, president of the Eurogroup and Nadia Calviño, the Spanish Minister of Economy and Enterprise. You can view this information from Funcas’ website <http://www.funcas.es/funcaseurope/>.

The Funcas Financial Education Stimulus Programme aims to raise awareness and interest in finance among citizens. Nine financial institutions (Abanca, Bankia, CaixaBank, Caixa Ontinyent, Caixa Pollença, Ibercaja Banco, Kutxabank, Liberbank and Unicaja) have joined the Funcas Educa Programme with more than thirty projects and nearly 2,000 activities that have reached more than 8.5 million people.

During this period, CECA and Funcas have published the first Financial Education Activity Report 2018. Its content is available on Funcas’ website: <http://www.rededucacionfinanciera.es/funcaseduca/>.

In this regard, it should be noted that in 2019, CECA, Funcas and their member entities received the “Finances for All” award for the development of the Financial Education Plan granted by the Bank of Spain and the Spanish National Securities Market Commission (CNMV), for their Financial Education projects.

With regard to the impact in the media of the various activities carried out at Funcas, between January and December 2019, nearly 6,000 informative impacts were recorded, 60% of which were in online media, radio and TV and the remaining 40% in print media. The equivalent advertising value of these impacts has exceeded 13,000,000 euros. Furthermore, more than 200 interviews have been provided as well as around 50 press releases.



## 2.3 HIGHLIGHTS OF 2019

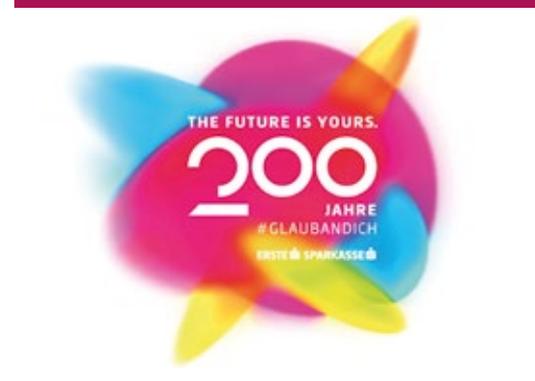
- JANUARY** The year began with the association confirming its support for the Responsible Banking Principles, committing to helping promote the adoption of the Principles among its members and networks.
- FEBRUARY** CECA, together with AEB, INVERCO, UNACC and UNESPA created Finresp (the Spanish Centre for Responsible and Sustainable Finance).
- MARCH** The first Financial Education Report was presented at the end of the first quarter of 2019.
- APRIL** The sector results were published in 2018, stating that CECA member entities increased their results by almost 30%.
- MAY** CECA, together with KPMG, organised the event on the new Real Estate Credit Act, stating which the effects it would have on the sector.
- JUNE** More than twenty representatives of Spanish banking foundations met to address philanthropy and social innovation.
- JULY** Isidro Fainé, Chairman of CECA, chaired the International Conference held by the World Savings and Retail Banking Institute (WSBI) in Tokyo.
- AUGUST** We published issue 498 of CECA's Ahorro magazine, focused on sustainable finance and the new way of banking.
- SEPTEMBER** The entity took part in the World Savings and Retail Banking Institute's Financial History Workshop, with the lecture "The Spanish experience on financial education."
- OCTOBER** The Bank of Spain and the Spanish National Securities Market Commission (CNMV) recognised CECA and Funcas with the "Finances for All" award for their Financial Education projects.
- NOVEMBER** CECA and its member entities also took part in the support of Spanish SMEs together with the European Savings and Retail Banking Group.
- DECEMBER** The year ended with Ona Carbonell being elected ambassador of CECA's Obra y Acción Social (social work and action) to highlight the work that its companies carry out on this matter.



**JANUARY**  
Responsible Banking Principles



**MAY**  
Real Estate Credit Act



**SEPTEMBER**  
Financial History Workshop

2.3 HIGHLIGHTS OF 2019



**FEBRUARY**  
Finresp



**MARCH**  
1st Financial Education Report



**APRIL**  
Sector Results



**JUNE**  
Obra Social Burgos



**JULY**  
WSBI General Assembly



**AUGUST**  
Ahorro Magazine



**OCTOBER**  
Financial Education Award



**NOVEMBER**  
ESBG support for Spanish SMEs



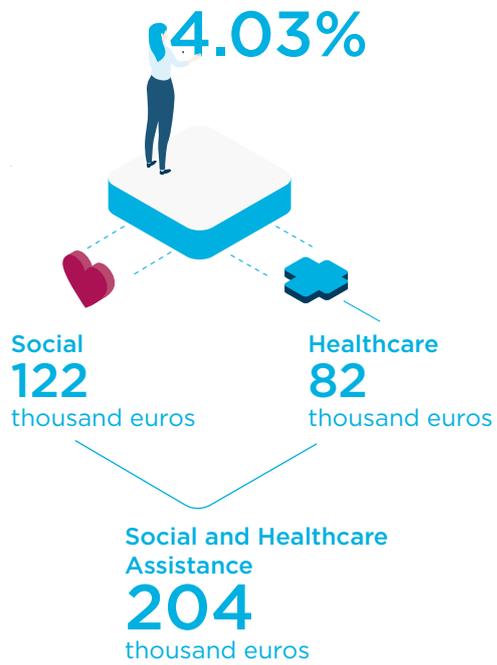
**DECEMBER**  
Ona Carbonell, ambassador of CECA's Obra y Acción Social (Social Projects)

# 2.4 PUBLICATIONS

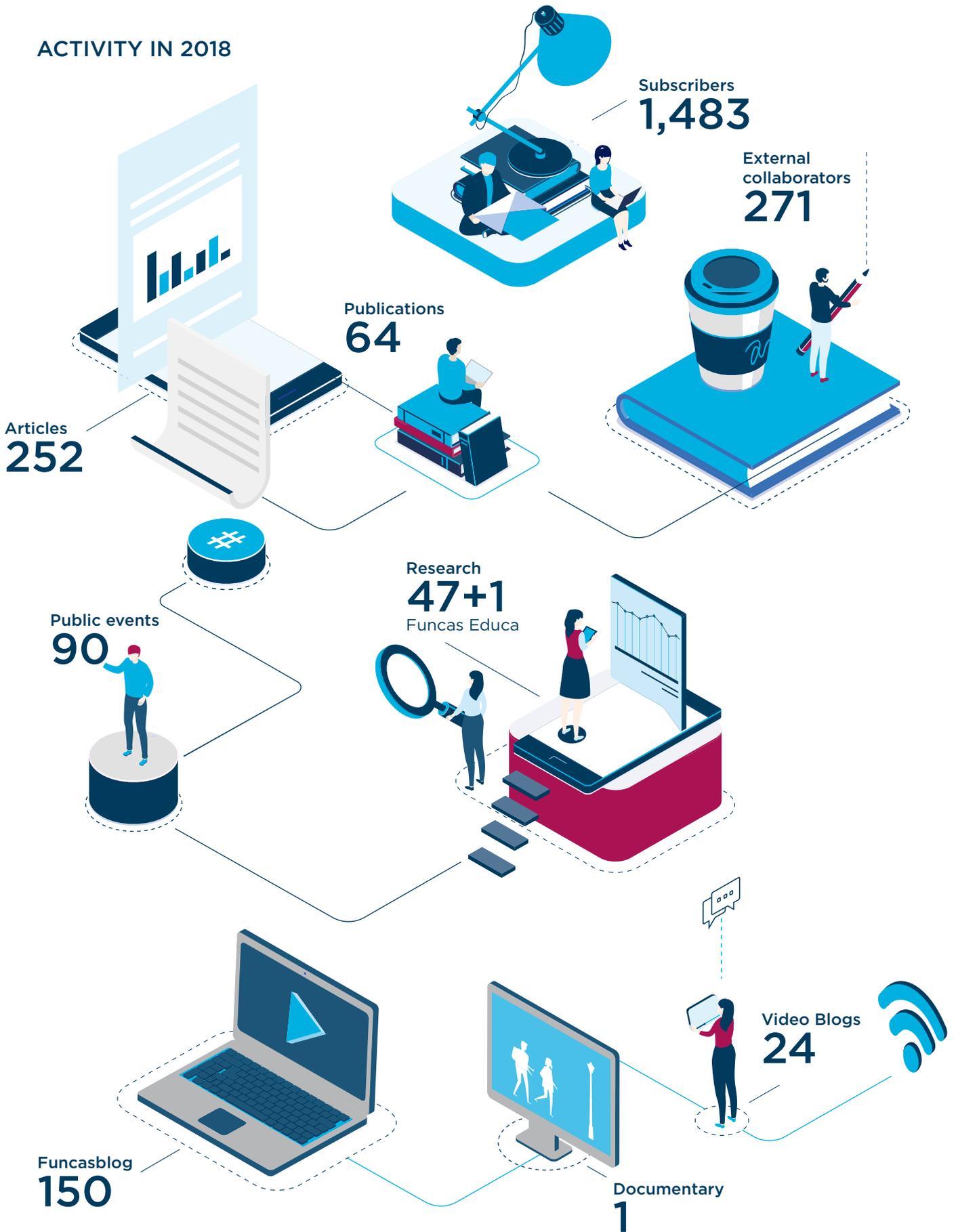
## 2.4.1 FUNCAS

BUDGET 2019

95.72%



## ACTIVITY IN 2018



**FUNCAS PUBLICATIONS**

Funcas has prepared the following publication in 2018:

**Papeles de Economía Española**

April 2019	Sport and Economy; (2019), No 159.
June 2019	Medicine, technological innovation and economy; (2019), No 160.
January 2020	Present and future of Social Security; (2019), No 161.
February 2020	Banking information management: from behaviour finance to artificial intelligence; (2019), No 162

**Cuadernos de Información Económica**

January 2019	The economy is slowing down; (2019), No 268.
March 2019	Rent, inequality, external shocks; (2019), No 269.
May 2019	Banking, monetary policy and public debt; (2019), No 270.
July 2019	Growth limitations in the eurozone; (2019), No 271
September 2019	Monetary policy and financial activity; (2019), No 272.
November 2019	Economic slowdown and housing market (2019), No. 273.

**Spanish and International Economic & Financial Outlook**

February 2019	<i>Spain's near and medium-term economic outlook: Progress and challenges;</i> (2019), Vol. 8, No 1.
March 2019	<i>Spain's financial sector: Challenges and risks;</i> (2019), Vol. 8, No 2.
May 2019	<i>Spain's economic prospects under the new administration;</i> (2019), Vol. 8, No 3.
July 2019	<i>The role of Spain's financial sector: Taking stock of key metrics;</i> (2019), Vol. 8, No 4.
October 2019	<i>The ECB's shift back towards QE: Impact on the banking sector;</i> (2019), Vol. 8, No 5.
November 2019	<i>Spain: assessing real estate and credit markets ahead of an anticipated slowdown;</i> (2019), Vol. 8. No 6.

**Panorama Social**

January 2019	The ageing of population, family and quality of life in old age; (2018), No 28.
September 2019	Poverty and universal income; (2019), No 29.
January 2020	Public opinion in Spain: keys and recent developments; (2019), No 30.

**Papeles de Energía**

January 2019	No. 6.
June 2019	No. 7.
October 2019	Extraordinary issue.

**Funcas Intelligence**

February 2019	No. 1.
April 2019	No. 2.
June 2019	No. 3.
July 2019	No. 4.
October 2019	No. 5.
December 2019	No. 6.

## 2.4 PUBLICATIONS

**Global Financial Insights**

January 2019	No. 2.
March 2019	No. 3.
May 2019	No. 4.
September 2019	No. 5.
November 2019	No. 6.

**Focus on Spanish Society**

March 2019	No. 1.
June 2019	No. 2.
September 2019	No. 3.
December 2019	No. 4.

**What and how we think? Public opinion comments**

February 2019	The Spanish and taxes; (2019), No 5.
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**Studies from the Foundation**

February 2019	The integration of immigrants in Europe and Spain: Models and indicators for public policies, Cayetano Fernández, Alfonso Corral, Antonio Prieto, María Luisa Sierra and Enrique Uldemolins; (2019), No 90.
June 2019	Loneliness, disability and the labour market, Miguel Ángel Malo and Ricardo Pagán; (2019), No 91.
October 2019	Economic crisis and income inequality in Spain: Distributional effects of public policies, Samuel Calonge and Antonio Manresa; (2019), No 92.

**Funcas Social and Economic Studies**

April 2019	<i>Sports (and) Economics</i> , Jaume García (editor); (2019), No 7.
July 2019	<i>Law and economics. A productive relationship</i> , Juan José Ganuza and Fernando Gómez Pomar (editors); (2019), No 8.

**Subject studies**

March 2019	Beyond businesses, opinions and visions of entrepreneurs on the economy, society and politics, Elisa Chuliá, María Miyar, Jacobo Muñoz Comet, Anne-Marie Reynaers and Pierre Perard.
March 2019	Services provided by incubators and accelerators in Spain. Ranking 2019/2020, Francisco José Blanco Jiménez, Celia Polo García-Ochoa, María Teresa Fernández Fernández, Boris Ackerman Vaisman and Juan Luis Santos Bartolomé.
May 2019	The Spanish public sector: pending reforms, Alain Cuenca and Santiago Lago Peñas (co-directors).

**Co-editions**

November 2019	Mergers and acquisitions in the oil and gas sector, Fernando Maravall, Pablo Maravall and Miguel Peleteiro.
November 2019	8th edition of the Spanish Financial System Guide, Afi.

**Thesis**

December 2019	<i>Essays in Competition and Entry Regulations</i> , Valeria Bernardo. Social Science Series; (2019), No 9
December 2019	<i>Multi-Scale Dynamics of Mixed Sand and Gravel Deltic Coasts</i> , Rafael Jesús Bergillos Meca. Engineering, Maths, Architecture and Physics Series; (2019), No 10.
December 2019	<i>Study on the involvement of antigen cross-presentation in the antitumor activity of immunostimulatory monoclonal antibodies</i> , Alfonso Rodríguez Sánchez-Paulete. Health Science Series; (2019), No 11.
December 2019	The time of unrest. A critique of pathologies in globalised "techno-capitalism", Borja García Ferrer. Humanities Series; (2019), No 12.

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**Working documents**

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June 2019	<i>Equilibrium Forward Premium and Optimal Hedging in Electricity Markets With Green and Brown Producers</i> , Shanshan Yuana and Juan Ignacio Peña;(2019), No 800.
July 2019	<i>Europe as Icarus or as Daedalus, with wax wings. Beyond polarisation and times of learning</i> , Víctor Pérez-Díaz; (2019), No 801.
July 2019	<i>The health sector in the economies of the European Union: a vision from the input-output framework</i> , Pedro Gutiérrez Hernández and Ignacio Abásolo Alessón;(2019), No 802.

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**Other documents**

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February 2019	Cryptomarkets and Blockchain Q4 2018
March 2019	Demographic ageing and old age in Spain, Julio Pérez Díaz and Antonio Abellán.
May 2019	Regulatory sandboxes in the financial sector.
June 2019	1st Barometer of Financial Innovation 2019.
September 2019	Banking results in a new monetary environment, Santiago Carbó, Pedro Cuadros and Francisco Rodríguez.
October 2019	The housing market: short-term situation and outlook, Carlos Ocaña P. de Tudela and Raymond Torres.
November 2019	Banking in light of big tech. 12.
November 2019	<i>Intermediation below zero: The effects of negative interest rates on banks' performance and lending</i> , Santiago Carbó Valverde, Pedro Cuadros Solas and Francisco Rodríguez Fernández
November 2019	Funcas Millennials Survey.
December 2019	2nd Barometer of Financial Innovation 2019.

## 2.4 PUBLICATIONS

## 2.4.2 CIRCULARS

The following circulars were sent to the various CECA member entities in 2019:

January	Figures for residents' loans and deposits in Spain.
January	Mortgage market reference rates.
January	Figures for residents' loans and deposits in Spain.
January	Motion of the Bank of Spain on a prior public consultation regarding a draft circular of the Bank of Spain on the definition of the materiality threshold of defaulting credit obligations.
February	2018 Annual Abstract of Statistics for CECA's member entities.
February	Figures for residents' loans and deposits in Spain.
February	Mortgage market reference rates.
February	Motion of the Bank of Spain regarding recommendation for the policy of distribution of profit and variable remuneration.
February	Statement from the General Secretariat of the Treasury and International Financing regarding the prior public consultation on the draft royal decree implementing the regulatory bill for real estate credit contracts.
February	Statement from the General Secretariat of the Treasury and International Financing regarding the prior public consultation on the draft regulatory order of the rules of transparency and conduct governing real estate credit contracts.
February	CNMV statement on the reliability of the information obtained from customers to assess the suitability of their investors.
February	Motion of the Bank of Spain regarding the implementation of Royal Decree-Law 19/2018 and delegated regulations (EU) 2018/389.
March	Motion of the Bank of Spain on the prior public consultation relating to the new accounting circular on financial credit establishments.
March	Figures for residents' loans and deposits in Spain.
March	Distribution of confederation membership fees.
March	Mortgage market reference rates.
March	Statement from the General Secretariat of the Treasury and International Financing regarding the draft royal decree establishing a free regime of basic payment accounts for the benefit of the group in a situation of vulnerability or at risk of social exclusion.
April	Figures for residents' loans and deposits in Spain.
April	Mortgage market reference rates.
April	Motion of the Bank of Spain on the draft circular on defining the materiality threshold of defaulting credit obligations.
April	Motion of the Bank of Spain regarding the adoption of certain guidelines published by the European Banking Authority as specific guidelines.
May	Figures for residents' loans and deposits in Spain.
May	Mortgage market reference rates.
June	Motion of the Bank of Spain on the draft circular amending Circular 1/2013, of 24 May, on the Central Risk Information Database.
June	Mortgage market reference rates.
June	Motion of the Bank of Spain on the draft circular for financial credit establishments, on rules governing public and confidential financial reporting, and financial statement formats.
June	Motion of the Deputy Governor of the Bank of Spain: call for a meeting on sustainable finance.
July	Figures for residents' loans and deposits in Spain.
July	Motion of the Bank of Spain on a draft circular of the Bank of Spain, amending Circular 4/2017, of 27 November, on rules governing public and confidential financial reporting, and financial statement formats.

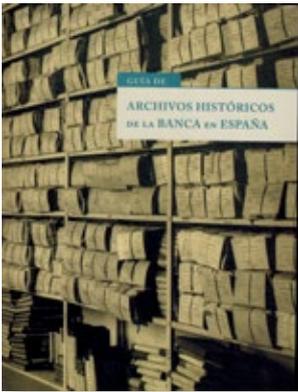
## 2.4 PUBLICATIONS

July	Motion of the Bank of Spain on the prior public enquiry relating to the circular on macro-prudential tools.
July	Motion of the Bank of Spain regarding the stress test on the Deposit Guarantee Fund (DGF) for Credit Institutions.
July	Mortgage market reference rates.
July	Motion of the Bank of Spain on bill refund fees.
July	Financial Transaction Framework Agreement (CMOF in Spanish): new Appendix V and legal opinion to the 2013 version and Appendices III and V to the agreement.
July	Motion of the Bank of Spain regarding the adoption of certain guidelines published by the European Banking Authority as specific guidelines.
July	Figures for residents' loans and deposits in Spain.
August	Figures for residents' loans and deposits in Spain.
August	Mortgage market reference rates.
August	Motion of the CNMV on the process of adapting interest rate indices to the new European regulations on reference rates.
August	CNMV statement regarding the request for ESMA tests on the impact of the information requirements on incentives, costs and fees in accordance with MiFID II.
September	Motion of the Bank of Spain regarding the APR calculation in real estate loan operations.
September	Figures for residents' loans and deposits in Spain.
September	CNMV statement regarding the conference on adapting interest rate indices to the new European regulations on reference rates.
September	Mortgage market reference rates.
September	Motion of the Bank of Spain regarding the adoption of certain guidelines published by the European Banking Authority as specific guidelines.
October	Decisions by the Financial Action Task Force (FATF) and the European Union on risk jurisdictions on prevention of money laundering and the financing of terrorism.
October	Figures for residents' loans and deposits in Spain.
October	Mortgage market reference rates.
October	Motion of the Bank of Spain on the standardised form for reporting unauthorised payment transactions due to suspicion of fraud by the payer.
October	Motion of the Bank of Spain regarding the draft circular amending circular 8/2015 on information on determining the basis of calculation of contributions to credit institutions' Deposit Guarantee Fund.
November	Mortgage market reference rates.
November	Statement of the Bank of Spain on the publishing of the list of most representative services associated with a payment account.
December	Mortgage market reference rates.
December	Motion of the Bank of Spain on considering the risks of money laundering and the financing of terrorism.
December	Statement from the Secretariat of Capital Inspection, Control and Movements regarding the Evaluation Report of Spain conducted FATF.
December	Statement of the Secretariat of the Commission for the Prevention of Money Laundering and Monetary Offences relating to the prior public consultation on the guidelines for registering corporate service providers.
December	Motion of the Chairman of the Coordination and Monitoring Commission of the Social Housing Fund proposing the extension of the agreement for a year.
December	Motion of the Bank of Spain on the prior public enquiry relating to the circular for payment services providers on managing operating and security risks related to payment services, reporting serious operating and security incidents, and reporting details on fraud.
December	Figures for residents' loans and deposits in Spain.

## 2.4.3 HISTORICAL ARCHIVE

The CECA Historical Archive is an essential source of information for economic and social research.

At present, the CECA Historical Archive collaborates with several institutions, including the Ministry of Culture through the Census-Guide of Archives on Spain and Ibero-America, with the ESGB's Study Group on Savings Banks History, and with the Bank of Spain, with this collaboration resulting in the recent *Guide to Historical Archives of Banking in Spain*.



### HIGHLIGHTS OF THE HISTORICAL ARCHIVE IN 2019

In 2019, the “Guide to Historical Archives of Banking in Spain” was presented, which fosters the recovery of Spanish banking files and offers its readers a “map of retail banks and savings banks”.

The Bank of Spain published this work, coordinated by the Archives and Documentary Management Division, through which ten banks and banking foundations present their historical files, together holding 180 files on entities. The work included archives of the Bank of Spain, Banco de Santander, BBVA, Banco de Sabadell, CECA, the “la Caixa” Banking Foundation, the Bancaja Foundation, the Caja Inmaculada Foundation (CAI), and the Pinnae Special Foundation (Caixa Penedés).

The publication holds great importance since it gathers the guides of the main Spanish banking files into one piece, which facilitates the search for information and drives research in economic and banking history.



## 2.4.4 AHORRO MAGAZINE AND REPORT

### AHORRO MAGAZINE

In 2019 CECA published issue 498 of the Ahorro magazine entitled “Sustainable finance”. This issue covered topics such as the Sustainable Development Goals, the Principles for Responsible Banking, the creation of Finresp and the activities of the various foundations comprising CECA, among other subjects.

CECA's Ahorro magazine is available both in digital format and on paper. It provides content on savings, financial education and the activities all the that CECA member entities carry out.

### OBRA SOCIAL REPORT

The 2018 Obra Social Report presents a year in which more than 800 million euros was allocated to improve the welfare of society.

Over 120,000 activities were carried out during the year, reaching over 35 million beneficiaries.

### CECA SECTOR

This publication informs every month on the sector’s regulatory and financial evolution, as well as news in both areas.

### ANNUAL ABSTRACT OF STATISTICS

The Annual Abstract of Statistics includes the most relevant and detailed statistical information of 2018 related to the sector, member entities and its evolution throughout the years.

## 2.4.5 OUR PRESENCE IN SOCIAL MEDIA



CECA maintains different communities in social networks with up-to-date information on CECA and its member entities, focused on the nature of a bank association, raising awareness on the activity of its members, and fostering a new model of banking activity based on sustainability and social work and action.

The entity is also on Twitter through the corporate profile “CECA” (@sectorceca) with more than 1,350 followers and the profile “Red Española de Educación Financiera” (@redufinanciera) with more than 2,150 followers, focused on exchanging knowledge and experiences on financial culture. CECA also has an official information channel on YouTube.

It is worth noting that, in 2019 ,CECA created its profile on LinkedIn “CECA. Banking association” gaining institutional presence in this relevant social network.



Twitter  
@sectorceca  
**1,350**  
followers

Twitter  
@redufinanciera  
**2,150**  
followers



# 3

## GOVERNING BODIES

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CECA's governance, administration, management and control correspond to the General Assembly and the Board of Directors, in accordance with the competences provided in each case by the By-laws.



## 3.1 GENERAL ASSEMBLY

The General Assembly is CECA's highest governing and decision-making body and is made up of representatives appointed by the savings banks and other member entities.

The members of CECA's General Assembly represent the general interests of savings and savers.



### DUTIES

Amongst other functions established in the By-laws, the General Assembly defines the outlines of the entity's action plan every year, appoints the members of the Board of Directors, confirms the appointment of the Chief Executive Officer, at the proposal of the Board of Directors, and approves the annual accounts and the distribution of profit, as well as the creation and dissolution of social and charity projects, budget approval and the management thereof.



### SESSIONS

The General Assembly is **held in one ordinary session every year** within the legal period.

It also has extraordinary meetings whenever called by the Board of Directors, or with the agreement of representatives designated by savings banks and CECA member entities, representing at least one tenth of the votes attributable to total member entities.

In 2019 the General Assembly met **at an ordinary session on 26 March**. Prior to the Ordinary General Assembly, representatives of the entities were provided with, among other things, the consolidated and individual annual accounts, the management report, and the statement of non-financial information for the financial year 2018, the budget settlement for 2018 and budget for 2019's Obra Benéfico-Social (FUNCAS), CECA's budget and strategic objectives for 2019, membership fees for 2019, and the proposed re-appointment of a Director.



### AGREEMENTS

Key agreements introduced by the General Assembly in 2019 were as follows:

1. The **approval of CECA's consolidated and individual annual accounts** (balance sheet, income statement, statement of changes in equity, cash flow statement and the notes to the financial statements), the management report and the distribution of profits, and the management of the Board of Directors, all corresponding to financial year 2018.
2. **The approval of the Consolidated Non-Financial Statement of Information** corresponding to the 2018 financial year.
3. **The re-election of Antonio Carbonell Tatay** as a member of the Board of Directors.

4. **Settlement of the budget for Obra Benéfico-Social** for financial year 2018 and the OBS budget for 2019.
5. The representatives designated by savings banks and other CECA member entities, representing at least one tenth of the votes attributable to total member entities.

Composition of the Board of Directors as of 31 December 2019:

**CHAIRMAN**

**Isidro Fainé Casas**

**VICE-CHAIRS**

**José Ignacio Goirigolzarri  
Tellaeché**

**Braulio Medel Cámara**

**Gregorio Villalabeitia Galarraga**

**MEMBERS**

**Manuel Menéndez Menéndez**

**Antonio Carbonell Tatay**

**Juan Carlos Escotet Rodríguez**

**José Luis Aguirre Loaso**

**Manuel Azuaga Moreno**

**Secretario consejero**

**Josep A. Cifre Rodríguez**

**NON-MEMBER VICE  
SECRETARY**

**Fernando Conlledo Lantero**

## 3.2 BOARD OF DIRECTORS

The Board of Directors administers, manages and represents CECA.



### DUTIES

The Board of Directors is the body responsible for, among other things, the institution's governance and administration function and for representing it in all matters related to its trade and to lawsuits, with the powers expressly conferred upon it by the By-laws.

This Board of Directors comprises the number of members designated by the General Assembly, which may be no less than five and no more than fifteen. In addition, **all the Savings Banks and Savings Bank Groups are represented** on the Board of Directors.



### PROPOSALS

The proposals of Board members **will be presented by the Savings Banks and the Savings Bank Groups.**

The appointments will only go to people who represent the Savings Banks and other member entities. However, member entities will be able to promote Chairmen of CECA member entities as Members of the Board of Directors.

## 3.1 GENERAL ASSEMBLY



### SESSIONS

According to the By-laws, the Board must hold at least six meetings a year, called by the Chairman.

Throughout 2019, the Board of Directors met on eleven occasions, at the Chairman's initiative. The Chief Executive Officer and the entity's Secretary General, who acted as the non-director vice secretary, attended the Board meetings.

## 3.3 EXECUTIVE COMMITTEE

CECA's Board of Directors may delegate their powers to the Executive Committee, with the exception of the powers related to submitting proposals to the General Assembly and the powers specially delegated to the Board, unless it is expressly authorized to do so.

CECA's Executive Committee comprises the Chairman, the Vice-chairmen and the Secretary to the Board of Directors.

CECA's CEO attends the meetings held by the Executive Committee, with a right to speak but not to vote.

## 3.4 FOUNDATIONS AND OBRA SOCIAL COMMISSION

It is the **main forum for exchanging experiences, cooperation and research in relation to Obra y Acción Social (social work and action)**. This body is advisory by nature and is linked to CECA's own Obra y Acción Social, Funcas.

In 2019 the Foundations and Obra Social Commission **met on one occasion on 26 March**.



### DUTIES

Son funciones de la Comisión de Fundaciones y Obra Social:

1. **To advise the Board of Directors** on the questions it poses in relation to the social projects of savings banks, banking foundations and ordinary foundations related to members.
2. To serve as a **nucleus for the exchange of experiences, cooperation and research** related to all the issues associated with social projects or which affect them. This committee also has an executive body, the Foundations and Obra Social Executive Committee, which develops and implements the decisions taken.

# 4

# ECONOMIC INFORMATION AND RESULTS

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4.1  
CECA  
CONSOLIDATED  
ANNUAL  
ACCOUNTS



# 4.2 CECA INDIVIDUAL ANNUAL ACCOUNTS

