CECA Sector: regulatory and financial outlook

23 March 2021

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Composition of the Ceca Sector

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Credit institutions

- CaixaBank
- Bankia
- Kutxabank
  - cajasur
- ABANCA
- Unicaja Banco
- iberCaja
- Liberbank
- CAIXA Ontinyent
- Colonya Caixa Pollença
- cecabank

Listed companies

Credit institutions data

Branches	Employees	Deposits
10,079	67,961	583,513 Mill. €
44% of SFS	39% of SFS	38% of SFS

Credits	Total Assets	Average entities size
518,585 Mill. €	871,987 Mill. €	103,492 Mill. €
36% of SFS	32% of SFS	

Data as of December 2020

Banking foundations

- Fundación "la Caixa"
- Fundación iberCaja
- kutxa Fundazioa
- bbk
- Fundación Unicaja
- Vital Fundación · Fundazioa
- Fundación Cajastur Liberbank
- Fundación Caja de Extremadura Liberbank
- Fundación Caja Cantabria
- cajacírculo fundación
- CajaCanarias Fundación
- Fundación CajaNavarra
- Fundación Caja Castilla La Mancha
- CajaDeBurgos Fundación

Foundations

- CajaGranada Fundación
- Fundación cajaRioja
- fundación montemadrid
- Fundación La Caja de Canarias
- Fundación Bancaja
- Afundación Obra Social ABANCA
- Fundació pinnae
- fundación Caja Inmaculada
- Caja Mediterráneo Fundación
- Fundación Ávila
- Fundación Cajasol
- Fundación Cajamurcia
- Obra Social SA NOSTRA Caixa de Balears
- fundación caja segovia
- FUNDOS fundación

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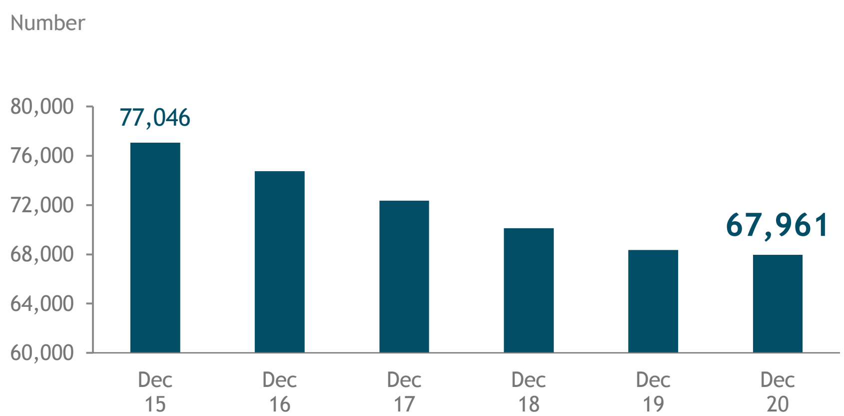
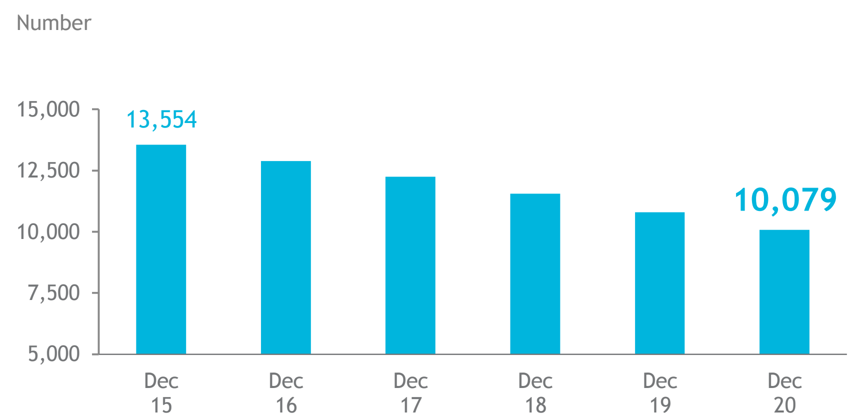
Financial data

Financial data. Employees and branches

Employees



Branches



Annual variation

Employees	-725	→	-0.6%
Branches	-388	→	-6.7%

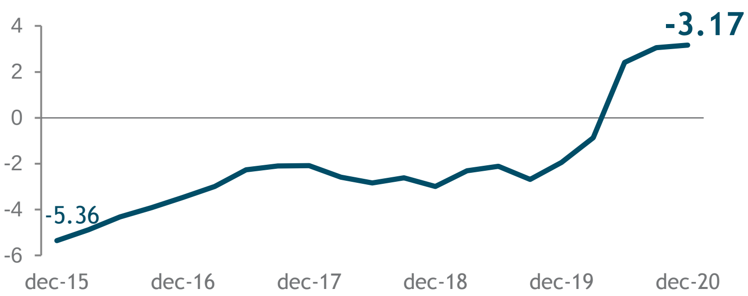
The reduction in the number of employees continues in 4Q 2020, registering a year-on-year drop of 0.6% (725 employees).

Similarly, the number of branches decreases, registering in this case a more intense year-on-year drop of 6.7%.

Financial data. Business activity

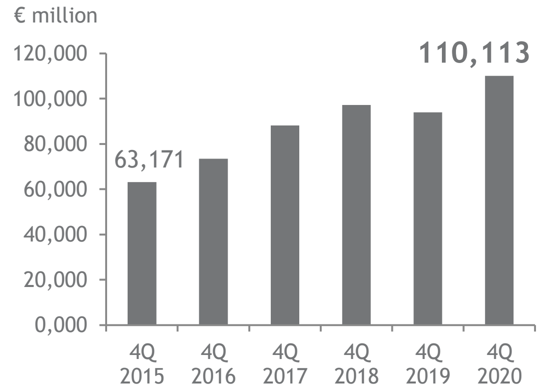
Credit to non financial corporations and households

Annual variation

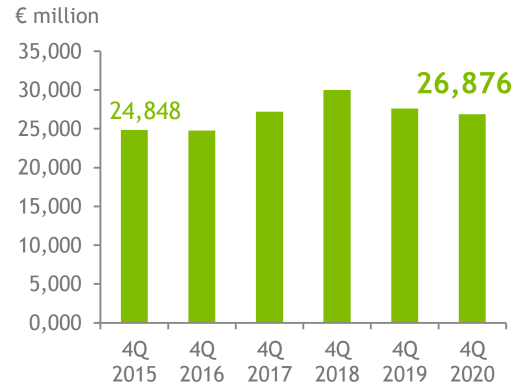


New credits

Non financial corporations

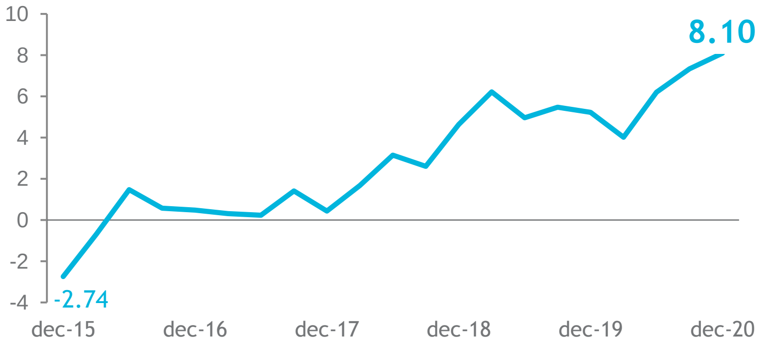


Households



Deposits from non financial corporations and households

Annual variation



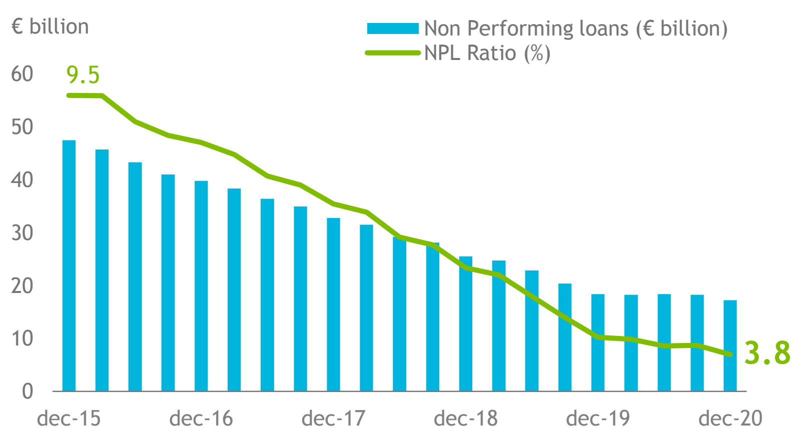
Credit to private sector accelerated its year-on-year growth rate in December to **3.17%**. The advance is mainly due to the increase in new loans to companies backed by the ICO to mitigate the costs of the pandemic.

Thus, there is a significant rebound in new financing for companies in December, while new loans to households decrease compared to the same quarter of 2019.

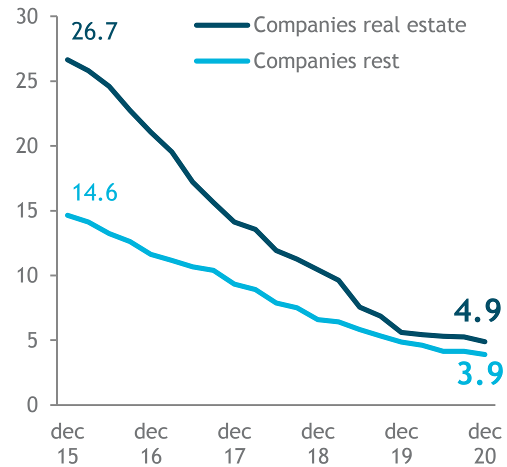
Business and household deposits continue to grow at a solid pace, around **8.10%** year-on-year.

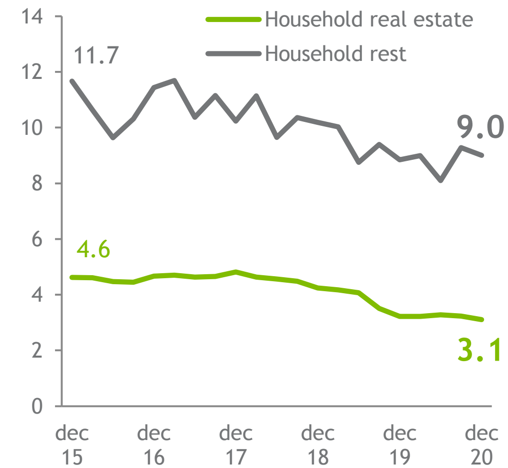
Financial data. Credit risk

NPL ratio (%)

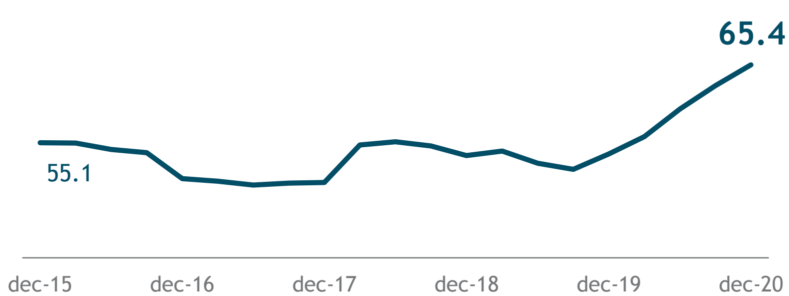


NPL ratio by sector (%)





NPL coverage ratio (%)



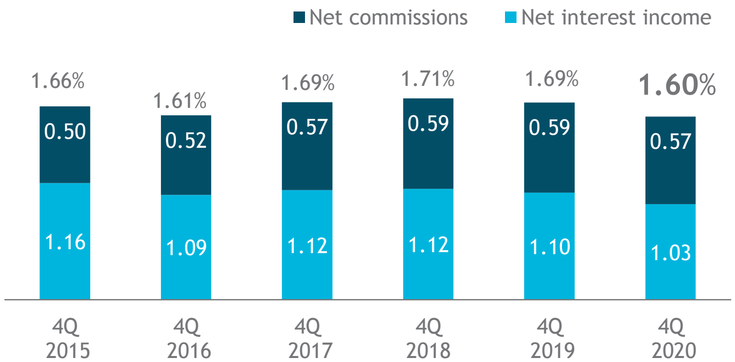
In December, there was a drop in the doubtful rate to 3.8%, associated with a decrease in doubtful assets, as credit fall slightly.

By sectors, the decline in the NPL ratio in companies continues, while it remains stable in the household real estate sector and decreases in the rest of households.

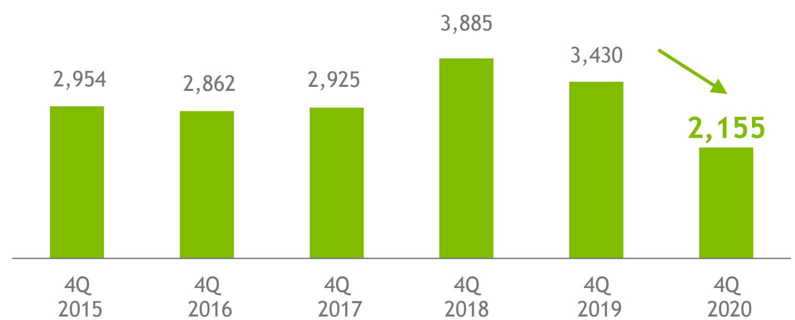
The coverage ratio increases significantly in December, to **65.4%.**

Financial data. Results

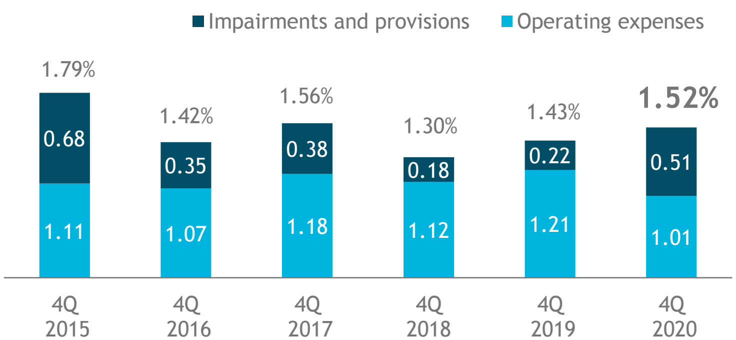
Net interest income and commissions
% of ATAs



Net profit
€ million



Operating costs and impairments
% of ATAs



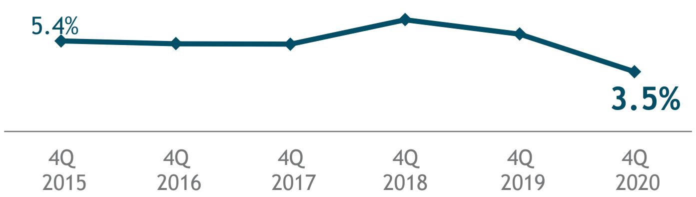
Recurring revenues decrease in 4Q due to the drop in the interest margin and commissions. **1.60%**

While the ratio of impairments increases due to the extraordinary provisions made to cover the impact of the Covid-19. **0.51%**

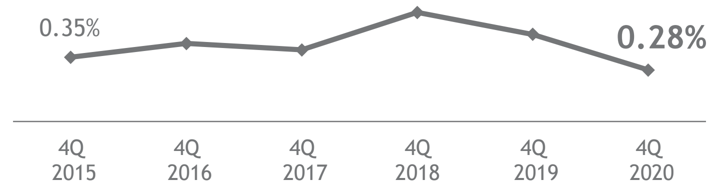
As a result, the consolidated profit decreases by 37%, reaching **€2,155 millions** in 4Q 2020.

Financial data. Financial ratios

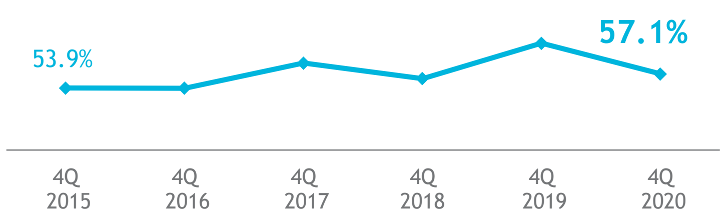
ROE



ROA



Cost to income ratio



Productivity (€ thousand)

Productivity = gross income by employee

Return on equity (ROE) decreases in 4Q 2020, to **3.5%**, due to the impact of higher impairments and provisions.

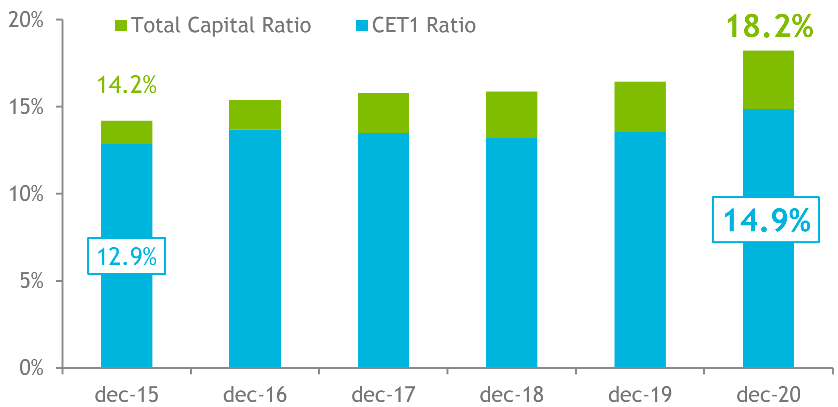
The efficiency ratio improves by 6.9 p.p. up to **57.1%** due to the containment of operating expenses.

Return on asset stands at **0.28%** in 4Q 2020, 19 b.p. lower than the same period of 2019.

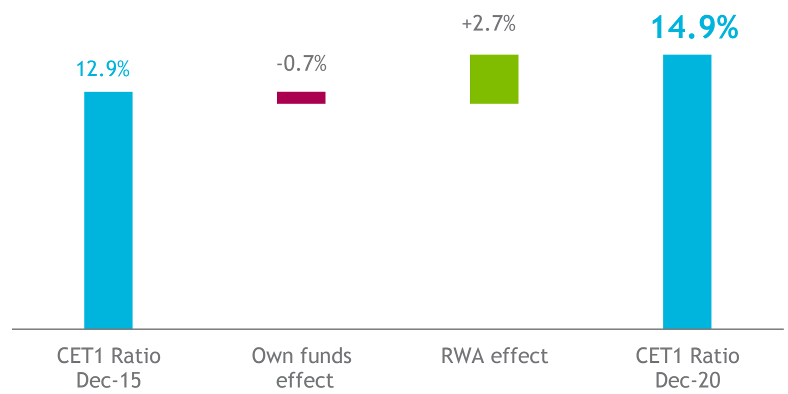
Productivity per employee increases slightly compared to December 2019, standing at **€ 246.5 thousand.**

Financial data. Solvency

Solvency ratios as % of RWA



Breakdown of CET1 ratio as % of RWA



In the 4Q of 2020, CECA entities continue to strengthen their solvency ratios.

Total capital ratio increases by 1.8 p.p. compared to the same period of 2019 and reaches **18.2%** in December 2020, as well as the CET1 ratio, which increases 1.3 p.p., to **14.9%.**

The causal analysis reflects that the raise of the CET1 ratio since December 2015 comes from a decrease in RWAs, in a context of strong deleveraging of banking activity (+2.7 p.p.), which has offset a slight decrease in own funds (-0.7 p.p.).

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