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Executive summary

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The background of the page is a close-up photograph of a wooden floor. The wood has a light brown, natural grain. Overlaid on the wood are several large, bright blue geometric shapes, specifically triangles and squares, arranged in a pattern that suggests a larger design. The lighting is soft, highlighting the texture of the wood and the vibrant color of the blue shapes.

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# Introduction



During 2021, the coronavirus remained one of the greatest problems worldwide, as no country managed to escape the uncertainty, vulnerability and pain it brought. The global crisis triggered by the pandemic in the health, social and economic fields highlighted the scarcity of resources, the poverty found in many social groups and the political tension in different regions and demonstrated the importance of cooperation, dialogue and solidarity.

In addition to this situation, future prospects are conditioned by a series of important traditional structural challenges. It is no coincidence that many of the challenges facing the Spanish economy and society in the coming years predate the outbreak of the pandemic; they are linked not only to economic growth and the jobs market, but also to inequality, an ageing population and climate change. The coronavirus pandemic exacerbated several of these challenges and raised new ones.

In the context of the 2030 Agenda, we know that it is time to work harder than ever to achieve the Sustainable Development Goals (SDGs) as a roadmap and reflection of the international commitment to address the social, economic and environmental challenges of globalisation, putting people, planet, prosperity and peace at the centre.

With a track record of more than 90 years in **banking, committed to progress and to society**, CECA is aware that the SDGs can only be achieved with strong institutions that uphold the above-mentioned principles: cooperation, dialogue and solidarity. In recent years, CECA has established itself as a benchmark organisation that facilitates collaboration between its member entities, provides an effective forum for sharing experiences and seeking solutions and serves as an excellent channel of communication with the authorities and different interest groups. What is more, CECA is in constant pursuit of the well-being of society through our commitment to sustainability and Obra Social.

Champions of cooperation, at CECA, we worked intensively and collectively throughout 2021 at the national level to contribute to the economic recovery and progress, demonstrating once again that the role of banking is essential as a circulatory system of the economy. This is evidenced by the following: lending activity, which is crucial in a country such as Spain where bank loans are the main source of financing for small and medium-sized enterprises, which account for 99% of the productive fabric; our close collaboration with the public sector and economic, monetary and labour authorities, which has enabled us to implement different measures from advance payments from Public Administrations and the aid given to those affected by the volcanic eruption in La Palma, to financing linked to the ICO guarantee programme and credit moratoriums approved at the start of the pandemic; and the role we are called to play in channelling European funds, which produces a multiplier effect that sets in motion transformational investment projects by reaching families, SMEs and the self-employed.

Internationally, CECA has held a prominent position in both the European Savings Bank Group (ESBG) and World Savings and Retail Banking Institute (WSBI), which has given it a crucial role in shaping the international **dialogue**. This has led

once again to the re-election of our Chairperson, Isidro Fainé, as Chairperson of the global body and to maintaining the Vice-presidency of the European group. His new mandate has set forth the priority lines of work: financial inclusion, promotion of sustainable finance, exchange of best practices in the implementation of the new solvency framework and innovation, with an eye to digitalisation as a tool to foster a close relationship with the customer. In short, these are key objectives needed to tackle the transcendental challenges we face at the national and international levels in the coming years: the economic recovery, rising inequality, demographic challenges, climate change and sustainability.

No country and no society can overcome the different challenges on its own. We live in uncertain times in which **solidarity** is not only a moral imperative, but also in the interest of all. For this reason, in line with the firm commitment that has been ongoing for over century, the Obra Social of the member entities was implemented once again in 2021 as the first private social investor in Spain, with an investment of more than 778 million euros, 51,750 activities and more than 25 million beneficiaries.

As we look to the future, we focus on who we are and what our mission is: to offer progress and opportunities. We reaffirm the commitment of CECA member entities to its founding mission: to promote the development and well-being of society through actions that contribute to inclusive and sustainable growth.

At CECA, we believe in people and their capacity to grow and evolve, we believe in sustainability and Obra Social as engines of progress, and we believe in a better future for all. With this in mind, in 2022, we will continue working together in the spirit of solidarity and courage to drive society forward without leaving anyone behind.



# About us

CECA is a banking association committed to representing, defending and promoting 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 aim to offer services that promote financial inclusion and access to credit. This work is undertaken with a sustainable approach, notably featuring Obra Social and financial education.

CECA is an active 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 fully identify.

Isidro Fainé, Chairperson of the Spanish Confederation of Saving Banks (CECA) and of “la Caixa” Banking Foundation, is the Chairperson of the World Savings and Retail Banking Institute (WSBI) and Vice-chairperson of the European Savings and Retail Banking Group (ESBG).



Isidro Fainé is the Chairperson of the WSBI and Vice-chairperson of the ESBG.



WSBI



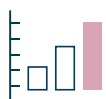
ESBG

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



### **Rooted**

**Rooted in the community.** Bound and committed to the areas where they operate.



### **Retail**

**Retailers.** Focused on financing for families and SMEs.



### **Responsible**

**Responsables.** Identified with Obra Social and sustainability.



## 1.2. Who we represent

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

Data at  
December  
2021

\*Spanish  
Financial  
System (SFS)



**ATMs**  
**19,624**



**41.2%**  
of the SFS\*



**Branches**  
**8,842**



**43%**  
of the SFS\*



**Employees**  
**65,897**



**39%**  
of the SFS\*



**Retail credit**  
**425,506**  
millions of euros



**37%**  
of the SFS\*



**Total assets**  
**905,149**  
millions of euros



**32%**  
of the SFS\*



**Retail deposits**  
**507,333**  
millions of euros



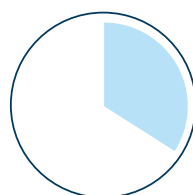
**40%**  
of the SFS\*



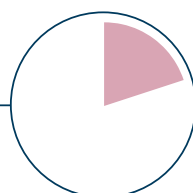


## Branch distribution by size of town/city

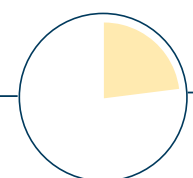
Data at  
December  
2020



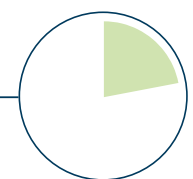
**34%**  
Fewer than 10,000  
inhabitants



**20%**  
From 10,001 to 50,000  
inhabitants



**23%**  
From 50,001 to  
250,000 inhabitants



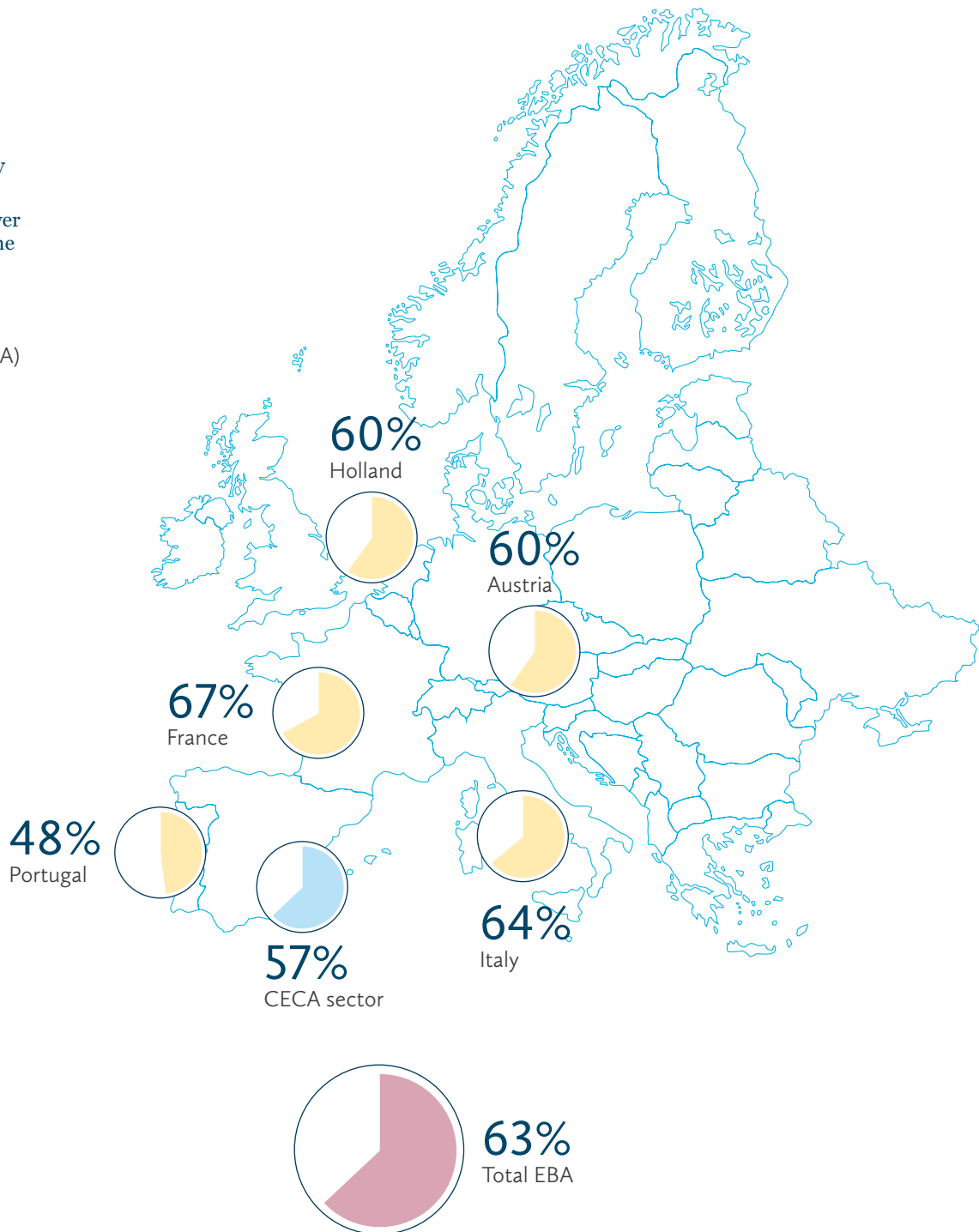
**22%**  
More than 250,000  
inhabitants



## Efficiency

Operating  
expenses over  
gross income

Data at  
September  
2021  
(Source EBA)



\* The extraordinary income and expenses derived from the merger processes are excluded.



CET1

**13.3%**

CECA SECTOR

Data at December 2021  
(Source CECA)





## 1.3. List of member entities

### Credit institutions



CaixaBank, S.A.



Unicaja Banco, S.A.



ABANCA Corporación  
Bancaria, S.A.



Kutxabank, S.A.



Ibercaja Banco, S.A.



Cajasur Banco,  
S.A.U.



Caja de Ahorros y  
Monte de Piedad  
de Ontinyent,  
Caixa Ontinyent



Colonya Caixa  
Pollença



Cecabank, S.A.



## Banking foundations



Bilbao Bizkaia Kutxa  
Fundación Bancaria -  
Bilbao Bizkaia Kutxa  
Banku Fundazioa



Fundación Bancaria  
Canaria Caja General de  
Ahorros de Canarias -  
Fundación Cajacanarias



Fundación Bancaria Caja  
de Ahorros de Santander y  
Cantabria



Fundación Caja de  
Ahorros de Castilla-La  
Mancha



Caja de Burgos,  
Fundación Bancaria



Fundación Bancaria Caja de  
Ahorros y Monte de Piedad  
de Extremadura



Fundación Bancaria  
Caja de Ahorros de  
Asturias



Fundación  
Bancaria Ibercaja



Fundación Bancaria  
Kutxa - Kutxa Banku  
Fundazioa



Fundación Bancaria  
"la Caixa"



Fundación Bancaria  
Unicaja



Fundación Bancaria  
Vital

## Ordinary foundations



Fundación Galicia Obra  
Social Afundación



Fundación Ávila



Fundación Bancaja,  
Fundación de la  
Comunitat Valenciana



Fundación Círculo  
Católico de Burgos



Fundación Caja General  
de Ahorros de Granada  
(Cajagranada Fundación)



Fundación Caja  
de Ahorros de la  
inmaculada de Aragón



Fundación Caja de  
Ahorros de Murcia



Fundación  
Caja Navarra



Fundación  
Caja Rioja



Fundación  
Caja Segovia



Fundación Privada  
Monte de Piedad y Caja  
de Ahorros San Fernando  
de Huelva, Jerez y Sevilla  
(Fundación Cajasol)



Fundación Canaria  
la Caja Insular de  
Ahorros de Canarias



Fundación  
Mediterráneo



Fundación Obra Social y  
Monte de Piedad de Madrid  
(Fundación Montemadrid)



Fundación Especial  
Pinnae



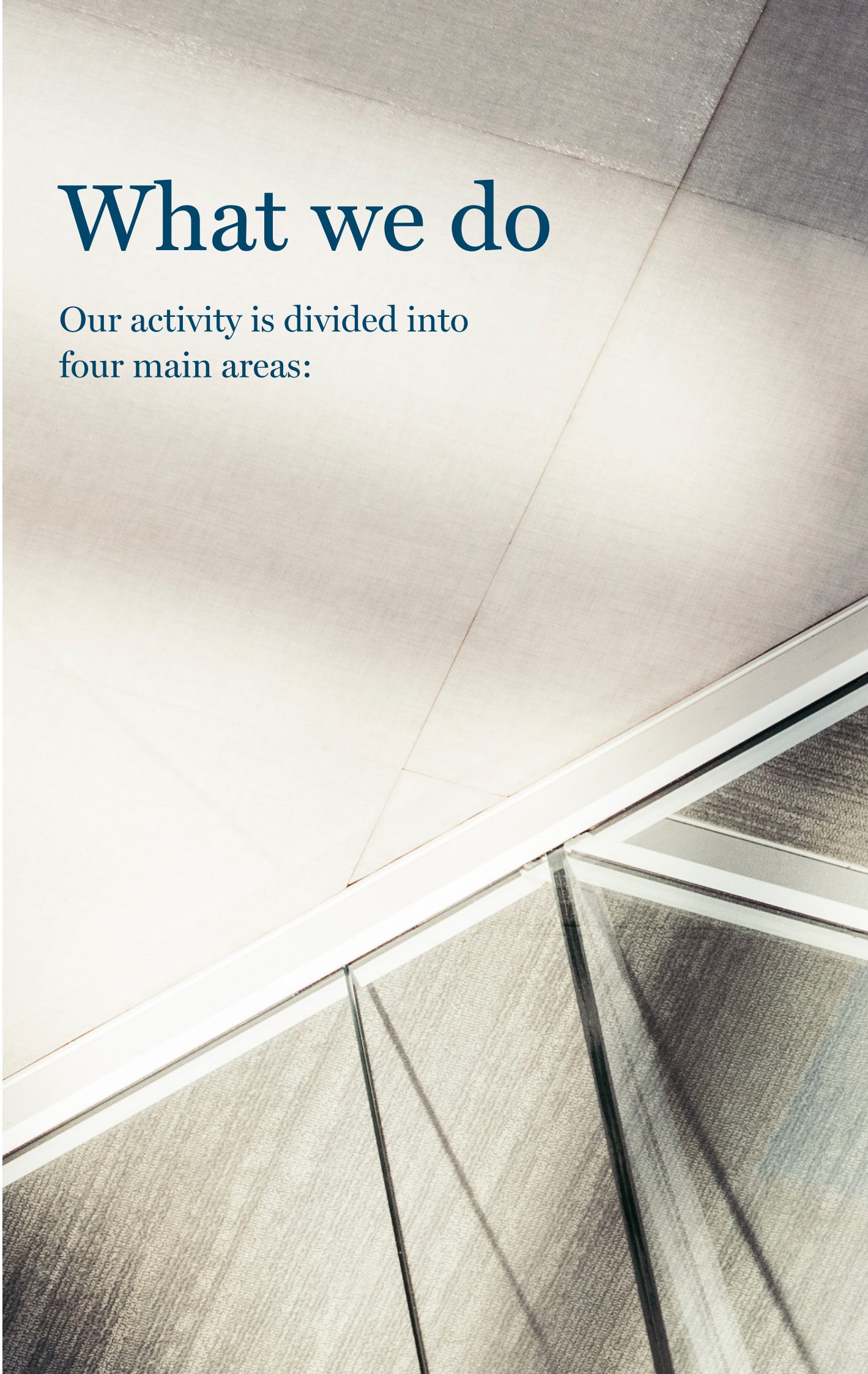
Fundació Sa Nostra  
Caixa de Balears



Fundación Obra Social  
de Castilla y León

# What we do

Our activity is divided into  
four main areas:

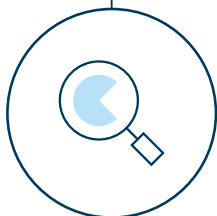






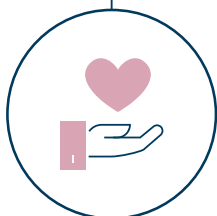
## **Institutional representation**

CECA defends its member entities' interests in national and international forums.



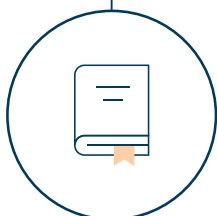
## **Economic and regulatory analysis**

Exhaustive regulatory monitoring of the national and international agendas and ad-hoc economic studies.



## **Sustainability and Obra Social**

Dissemination and promotion of Obra Social, financial education and sustainability.



## **Worker representation**

Defence of member entities that are bound by the sector's Collective Bargaining Agreement.

## 2.1. Our activity



### 2.1.1. Institutional representation

Representing and defending the interests of its member entities is one of the pillars of CECA's activity, and to this end, it is **present in many forums** in Spain and around the world.

To exercise this function, CECA pursues **dialogue** with national and international public administrations, parliamentary groups, trade union organisations, other business and social organisations and the media. Over the past year, we have continued to work together with the Administration in **providing liquidity and financing to the private sector** by maintaining measures such as **SEPE advances** (for persons under the temporary workforce reduction scheme) and financing linked to the **ICO guarantee programme**. These come in addition to the credit moratoriums approved at the start of the pandemic.

Particularly significant for the recovery phase was the implementation of the **Code of Best Practices (CBP) linked to the COVID-19 debt restructuring programme** approved in May 2021. All CECA member entities have signed on to this code, which alleviates the financial burden on companies affected by the pandemic by extending maturities and grace periods.

The code was subsequently modified at the end of 2021 to raise the eligibility thresholds for public aid, extend the maturity dates and include the people **affected by the volcanic eruptions in La Palma**, a highly necessary measure in support of the island's population during those difficult times.



CECA has focused much of its efforts during 2021 on contributing to the **economic recovery**, which, to a large extent, depends on the proper management of the risks related to the pandemic, the effectiveness of economic policy measures and the adoption of reforms. In this regard, correct implementation of the **Next Generation** EU programme is particularly relevant for the immediate and medium-term future of our economy. The Spanish Government and the European Committee signed an operational contract at the end of 2021, which will disburse 69,500 million euros in direct transfers, agreed by the Executive and Brussels within the **Spanish Recovery and Resilience Plan**.

These funds will be distributed until 2026, and together with the loans made available, they total 140,000 million euros.

Just as banking has played a key role in the curbing the effects of the pandemic, it is also called to play an essential role in **efficiently channelling European funds to the real economy**.

CECA has been in contact with **national authorities and stakeholders** to follow up on all governmental measures put in place to address the COVID-19 crisis and to fulfil the milestones of the Plan España Puede [Spain Can plan], seeking points of support and collaboration from the sector.

Thus, over the past year, the bases for public-private collaboration have been laid in:



The **digital environment**, with the Digital Kit project, which seeks to contribute to the digitisation of companies, especially SMEs and self-employed workers.



**Housing rehabilitation**, where we are working in coordination with the Ministry of Transport, Mobility and Urban Agenda to set the framework for collaboration.

To reinforce their support for society and channel it through specific measures, the banking associations AEB and CECA signed a document in which they undertook to promote a set of principles among their members as set out in the **Strategic Protocol to Strengthen the Social and Sustainable Commitment of the Banking Sector**, after duly informing the General Secretariat of the Treasury of its content and implementation. This document includes measures to promote staff training, outplacement and efficient allocation of work, retaining former professionals

who have retired, financial and digital literacy, financial inclusion, sustainability, digitisation and remuneration.

One of the most significant measures is the creation of an Observatory for Financial Inclusion, which draws up and updates the map for access to financial services in rural Spain. In the future, mechanisms can be agreed jointly between the sector and Public Administrations to expand access to the basic financial services on behalf of the population.

## International activity: WSBI and ESBG

CECA's participation in ESBG and WSBI, which represent the interests of 6,760 companies worldwide, has proved crucial for managing the international agenda for another year.

In 2021, the Chairperson of CECA and the "la Caixa" Banking Foundation, Isidro Fainé, renewed his three-year term as Chairperson of the WSBI during the General Assembly held in Paris.



The **priority lines of work** include: financial inclusion, promoting sustainable finance (given that WSBI member entities are characterised by their social commitment to the communities in which they operate), the exchange of best practices in the implementation of the new solvency framework (end of Basel III) and innovation, looking to digitalisation as a tool to improve customer proximity.

The **Committee of Chairpersons and the Board of Directors of ESBG and WSBI** have worked hard this year to help to mitigate the effects of the pandemic. Honouring its commitment to people, communities and SMEs, the parties involved have focused on the following initiatives:

**Increase in dialogue with international organisations:** in response to the crisis caused by the pandemic, the WSBI has focused on promoting economic, fiscal and social measures vis-à-vis regulators, aimed at establishing a flexible framework that enables a successful recovery from the crisis.

**Fostering collaboration between members:** the World Savings and Retail Banking Institute is made up of four regional groups (Europe, Asia-Pacific, Africa and North America/Latin America/Caribbean). In the context of the coronavirus crisis, they have increased the exchange of best practices to address the financial needs of all types of groups, institutions, large companies, SMEs and families.

ESBG, together with other European associations and with the support of its members, including CECA, has called on **EU institutions and authorities** to introduce measures to harness the power of banks and savings banks to support the real economy during the COVID-19 crisis.

Several **meetings have been held with experts and authorities** on current issues affecting the retail banking sector, such as the European Payments Initiative (EPI), digital currencies from central banks and the implementation of Basel III, among others.

WSBI and CaixaBank, with the collaboration of CECA, organised the 2021 **WSBI Innovation Forum** under the title “Horizon of Banking (R)evolution,” with the aim of exchanging knowledge on the latest trends in the banking industry. Industry leaders and representatives from WSBI-ESBG members and other institutions from Europe, Asia, Africa and America met in Barcelona. Among the most prominent speakers was Carme Artigas, Spanish Secretary of State for Digitalisation and Artificial Intelligence.



CECA is on all **ESBG working groups and committees** that work in all the sector’s areas of activity, and it has also played an active role in preparing joint positions related to the current political and regulatory situation. Within these groups, CECA holds the chairmanship of the **Prudential and Supervision Committee**.

CECA’s chairmanship of the **ESBG/WSBI Coordination Committee** was also renewed.

As in previous years, **Cecabank’s representative office in Frankfurt** has facilitated CECA’s institutional representation work with regulators and supervisors.



Of the main events held during 2021, the 4<sup>th</sup> Banking Supervision Forum, organised by the ECB, and the 2<sup>nd</sup> Conference on Banking Resolution, jointly organised by the Single Resolution Board (SRB) and the European Banking Institute (EBI), are of particular note.

CECA has also maintained its presence at the Annual Bank Resolution Conference and the Banking Industry Dialogue Day, both organised by the SRB. As in 2020, all events have been held online.



WSBI



Represents  
**6,760**

Savings banks and retail  
banks



Over  
**80**

Countries

## 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 and its contribution to society, all in line with health guidelines and held **in virtual and hybrid format** according to needs.

It maintains close collaboration with sector associations in order to work together on joint projects. After the presentation of the Plan España Puede [Spain Can Plan] by the Government of Spain, **AEB and CECA** have decided once again to join forces by appointing prestigious Spanish diplomat **Carlos Bastarache as external adviser for European affairs** and promoting the collaboration within the banking sector in this key initiative for the modernisation of the Spanish productive fabric.

An event was held in July which brought together more than 120 people both in-person and virtually with the aim of analysing the role of the banking sector in the España Puede Plan and in the current international context, with the contribution of Carlos Bastarache's vision.

As part of the roll-out of the Spanish Recovery, Transformation and Resilience Plan, CECA and **COFIDES** held an event in October to present the Fund for the Recapitalisation of Companies Affected by COVID-19 (FONREC - Fondo de Recapitalización de Empresas Afectadas por la COVID-19) to members of the sector. This came on the back of the meetings that the fund manager has been holding with key players in the national economic fabric to disseminate information on this solvency fund.



In line with CECA's commitment to sustainability, on 3 November, and coinciding with the day dedicated specifically to finances at **COP26**, a session was held by the British Embassy and by the **Centre for Sustainable and Responsible Finance in Spain (Finresp - Centro de Finanzas Responsables y Sostenibles de España)**.

During the event, representatives of the main Spanish financial agents (credit institutions, insurance companies and investment funds), the United Nations Environment Programme Finance Initiative (UNEP FI) and the Financial Centres for Sustainability (FC4S) network discussed the challenges of COP26 and the essential contribution of the financial sector to the transition to a greener economy.



CECA has supported events held by the **Model of Economic Institution (MEI)**, a non-profit association formed by university students, whose aim is to disseminate knowledge on the economy and international financial institutions among the university community.

To carry out its mission, a simulation of global economic and financial institutions, such as the World Bank and the OECD, was held last November. The opening ceremony and MEI Forum sessions were held at CECA's headquarters.

As regards sectoral collaboration, CECA joined forces once again with AEB, UNACC and ASNEF in June to hold the **4<sup>th</sup> Sector Seminar on the Prevention of Money Laundering and Financing of Terrorism**, this time online, which included experts from the authorities (SEPBLAC and the Treasury) to explain the main developments and challenges for the sector in this field.

CECA fosters interaction and exchange of experiences among its members through **conventions, such as the Legal Advisors Convention**, which held its 81<sup>st</sup> edition online in November 2021. In this annual convention, which is organised by the Legal Committee, numerous presentations on legal affairs were held for the banking and financial sector.

## Sectoral reputation and communication plan

CECA has continued its work to **improve the reputation of the banking sector**. One of this year's priorities has been the dissemination of sectoral initiatives to contribute to the economic recovery process, which must be addressed as a result of the health crisis caused by COVID-19, and the essential role of banking as a circulatory system for the economy through credit activity to support the productive fabric;

the collaboration of banks and the public sector; and the channelling of European funds to implement investment projects that transform Spain's productive fabric.

Among the different dissemination measures coordinated by the entities' heads of communication, the following are noteworthy: the emphasis on customer service, the drive to digitalise our economy, the ecological transition, investment in cybersecurity, CECA's Obra Social (Spain's largest private social investor) and financial education for vulnerable groups.

Another important milestone in the CECA sector's communication and reputation plan in 2021 was the **launch of its new corporate website** (<https://www.ceca.es>) with the aim of strengthening its positioning and giving greater visibility to the work carried out by its member entities. This redesign offers users a newly informed perspective on the sector, better structure for their activity and a clearer presentation of their services, commitments and actions.





## Internal representation forums

The Coordination Committee is the catalyst and driving force behind the collaborative activity of CECA's member entities. Through it, they can channel and promote their common interests and joint projects.

This forum serves as an observatory to deepen the strategic vision anticipated in regulatory

analyses and in the new requirements put forward by regulators and supervisors.

The Technology Committee and the Payments and Regulatory Projects Committees answer to this body. Ten networks specialised in several areas of banking activity depend hierarchically on these committees.

We wish to highlight the following blocks of activities:

**Monitoring implementation of the regulations.** The analysis of the impact of the regulatory agenda has resulted in six projects, including the adaptation to DORA (Digital Operational Resilience Act) and digital finance, the regulatory observatory on sustainability and the identification of liquidity needs within the framework of the resolution regulations.

With regard to the sustainability reporting requirements, two initiatives have been launched: one for obtaining energy efficiency certificates for the real estate portfolio; and the other to comply with the ECB's *Green Stress Test* with respect to the information on CO<sub>2</sub> emissions from the main counterparties of the 23 CNAE codes (National Classification of Economic Activities). A 4-digit code that identifies a specific economic activity for the company).

Furthermore, in view of the next MiFID II review (Markets in Financial Instruments Directive II), the Group has participated in a joint study with the other associations representing the Spanish, French and Italian markets to analyse the distribution models found in these countries (incentive scheme or commission-based model), as well as those in other countries in our environment, such as the United Kingdom and the Netherlands (explicit payment scheme or Fee-Based model) and the consequences of the prohibition of the incentive scheme. These include the deprivation of financial advice services to numerous retail investors (as the incentive-based distribution model allows access to these services to all retail investors regardless of their level of wealth), the impossibility of accessing the full range of value-added services that institutions offer their customers in the distribution of financial products, and the negative impact on the placement and underwriting of issues.

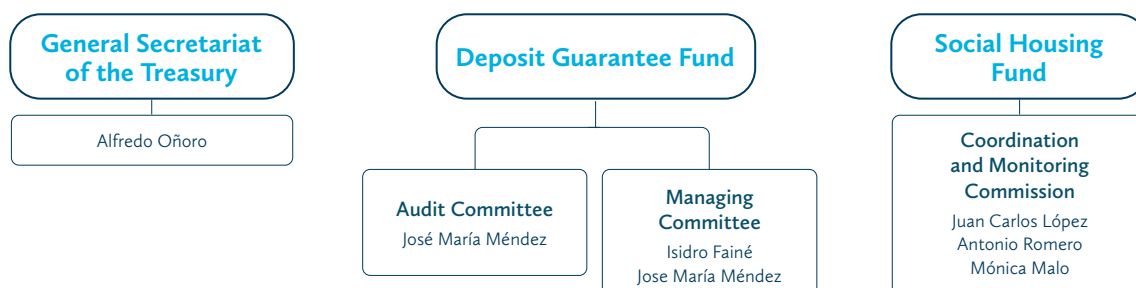
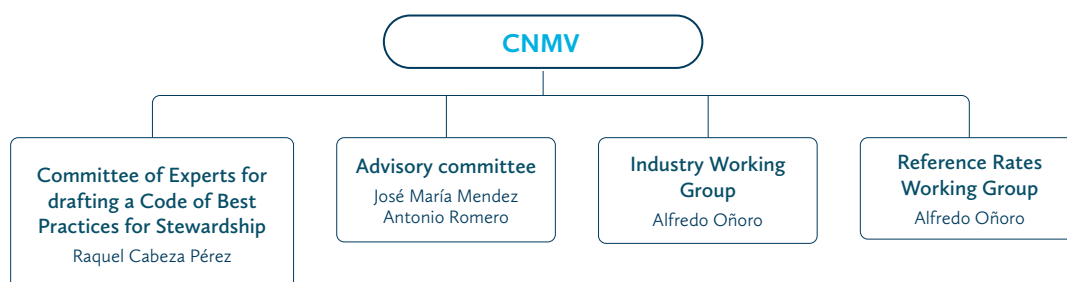
**Management of working groups for cooperative projects:** coordination of working groups for the implementation of the ICO Code of Best Practices in Financing stands out; the digital euro; and the monitoring of the TARGET platform consolidation project, in line with the milestones set by the Eurosystem.

Work continues with the Public Administrations on developing the **collaboration agreements** which produce more than 80 operational circulars to update current services, promoting projects that foster the development of telematic channels to facilitate collection processes and communication with the entities. A highlight this year was the joint implementation with the **Spanish Tax Agency** of an online procedure for generating an NRC (reference number) for tax payment purposes. Meanwhile, two initiatives have been worked on with the **TGSS** (General Treasury of the Social Security): the introduction of the electronic signature certificate for the telematic payment protocol and a new protocol for bank account variations.

It is also worth highlighting the update of the source of income verification service signed between the banking associations and the TGSS, in which the validity of the interested party's consent is extended from April 2021, admitting electronic signature procedures and adapting the legal requirements in terms of data protection and the prevention of money laundering and the financing of terrorism.

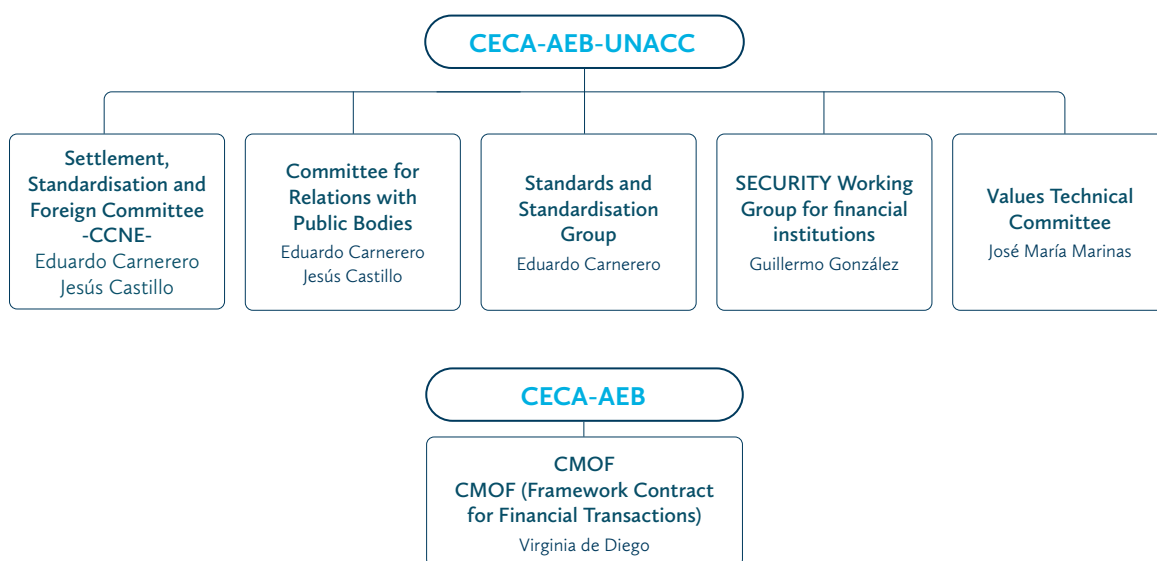
## Representation forums: National

### Official bodies

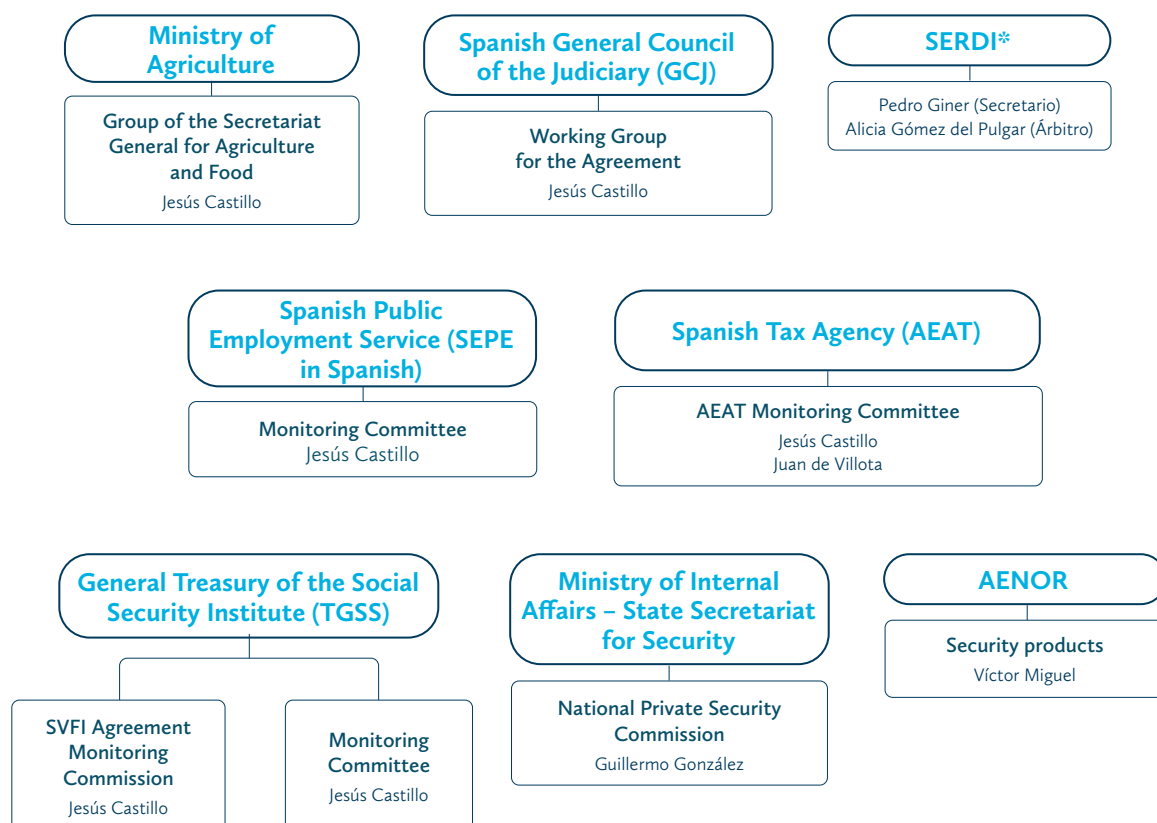




## Sectoral

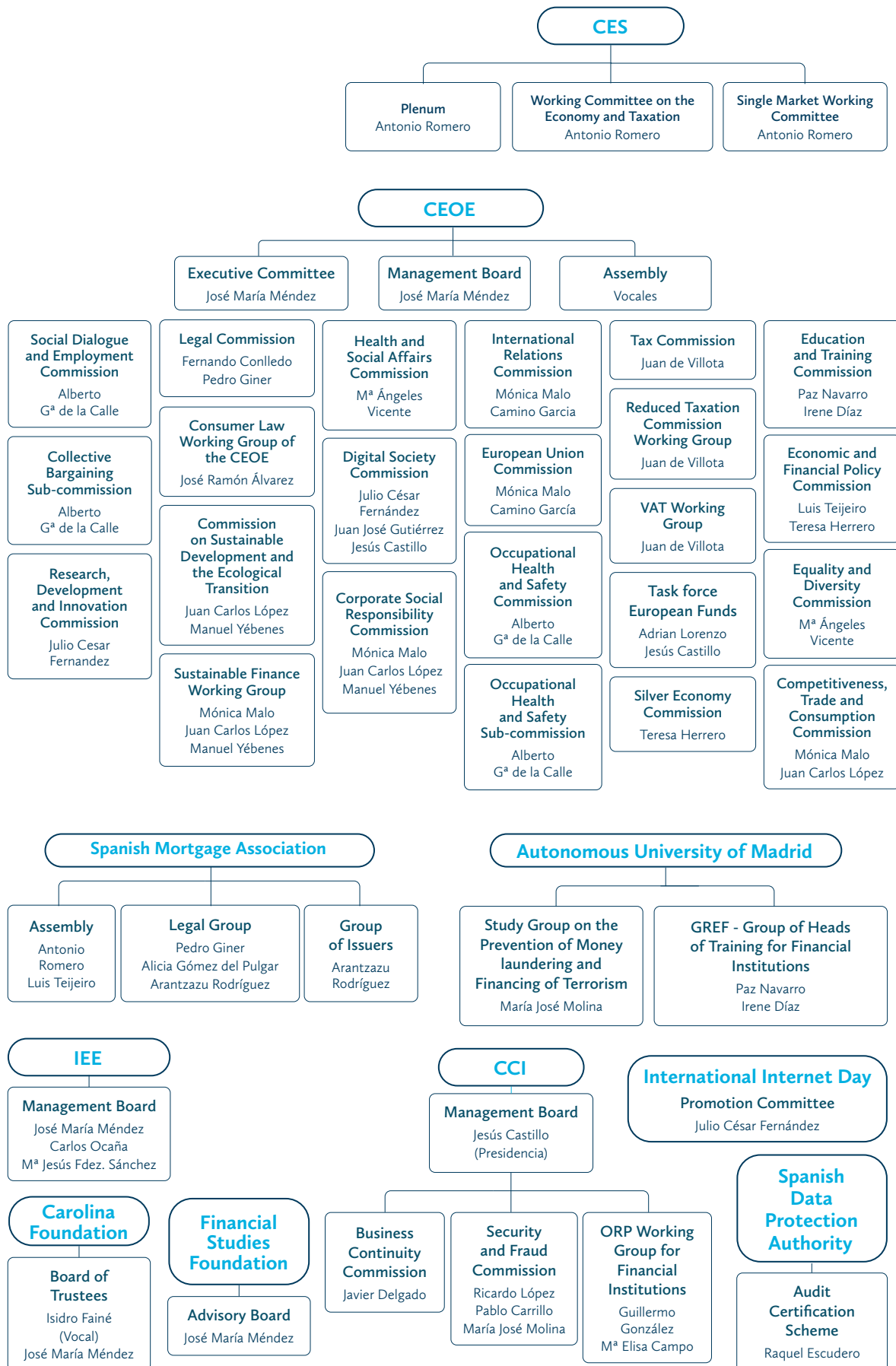


## Administration

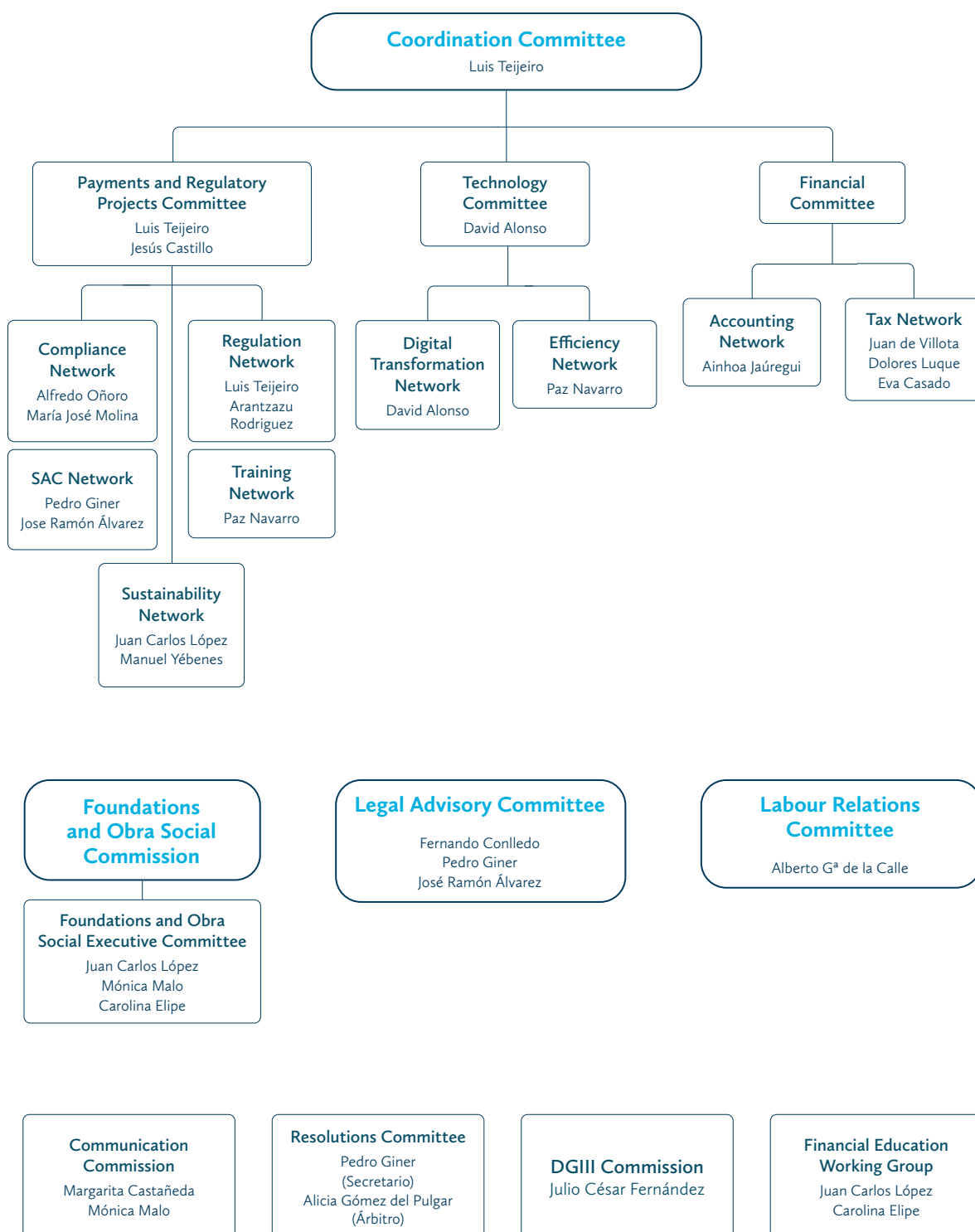


\*Services to settle issues between and banks and savings banks.

## Other organisations

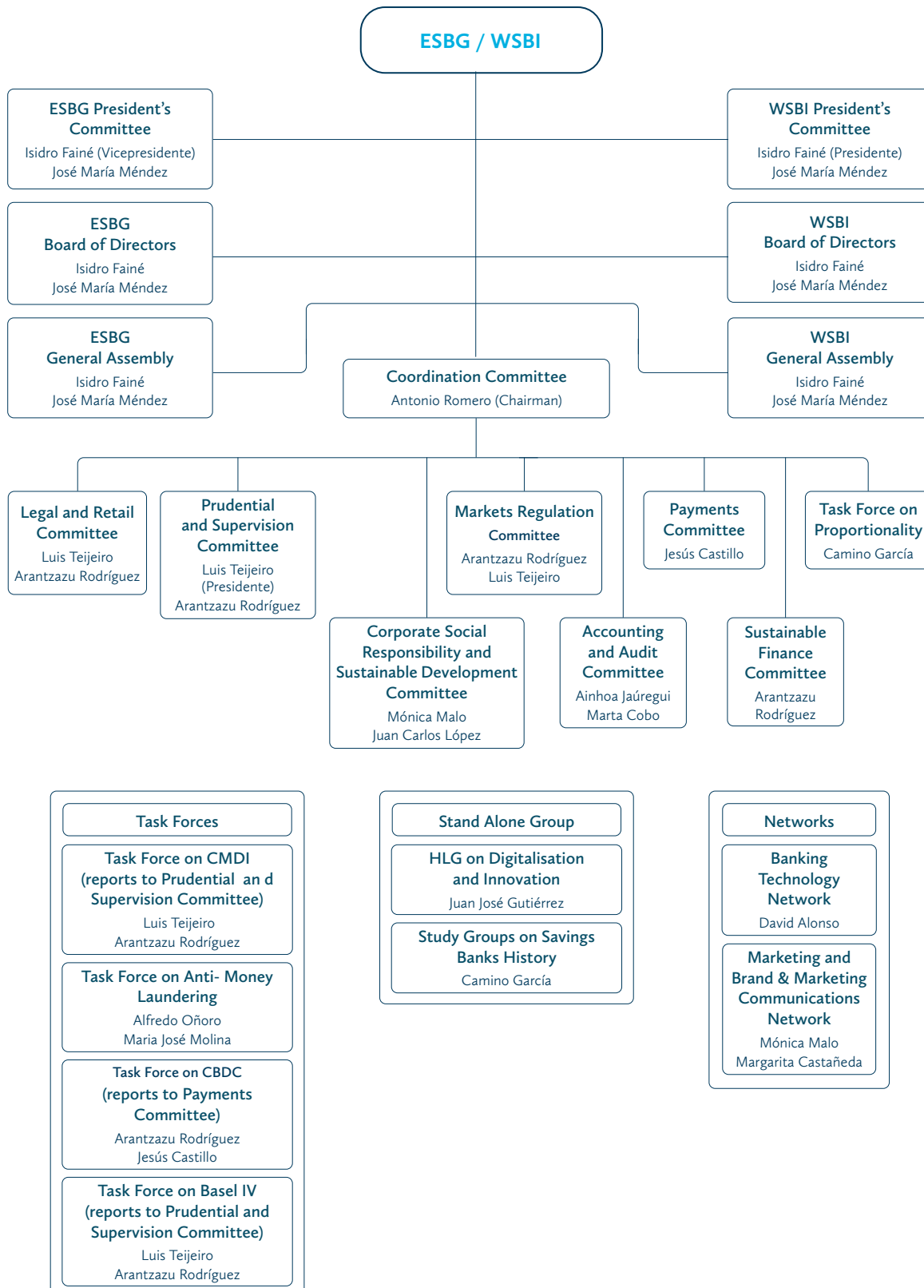


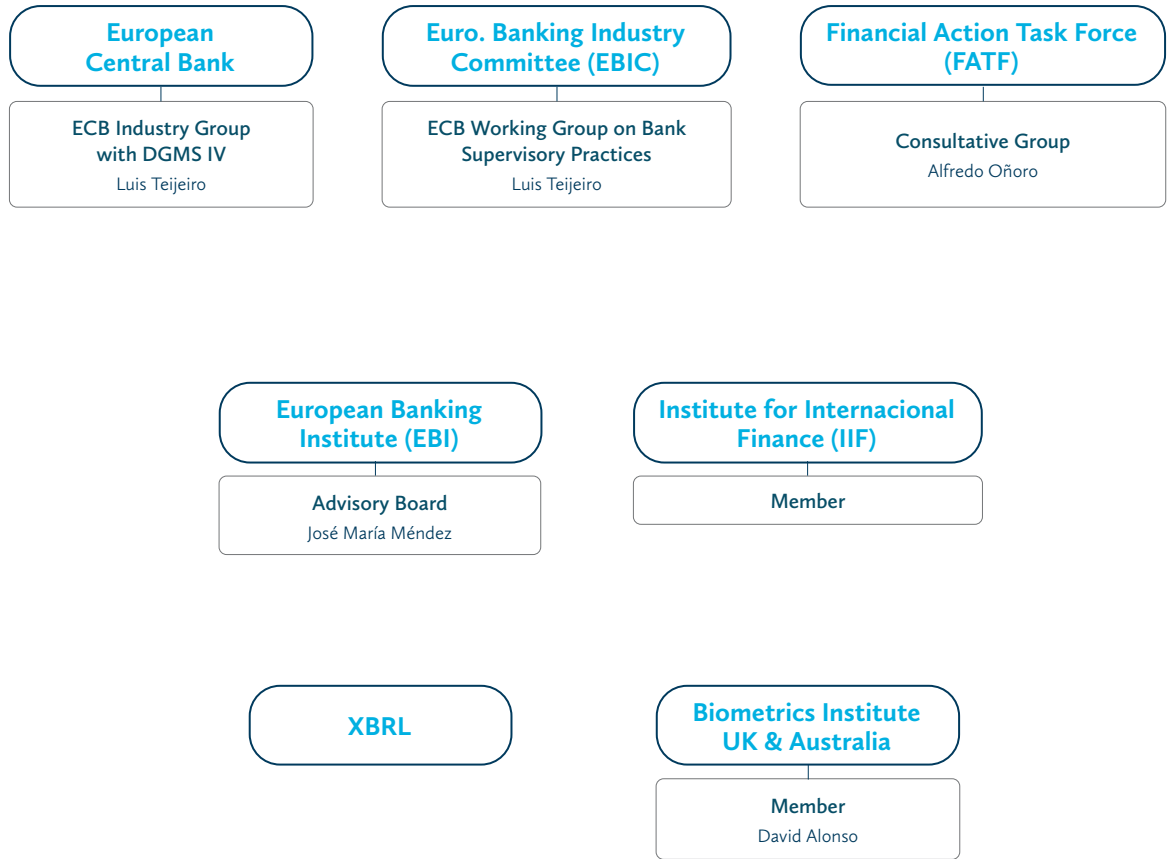
## Representation forums: Internal





## Representation forums: International







## 2.1.2. Economic and regulatory analysis

### a. Economic and financial analysis



CECA performs a continuous and detailed monitoring of the financial and economic framework both nationally and internationally, placing special emphasis 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, monitors the main business variables of Spanish deposit institutions. On the macroeconomic front, the focus in 2021 has been on the impact of supply-side distortions and inflationary pressures on the recovery of the global economy and on the changing monetary policy stance of the major central banks. From the point of view of the banking business, special monitoring of the quality of the assets has been carried out on the sectors most affected by COVID-19.

Likewise, in the light of the exceptional situation and the financial measures adopted to mitigate the effects of the health crisis, since the beginning of the pandemic and until the implementation of these measures, CECA has drawn up a monthly report compiling sectoral data on moratoriums, ICO guarantees and advances on benefits and unemployment benefits submitted by the entities.

The financial information is supplemented quarterly by the *CECA Sector Results Report*, which details the evolution of the aggregate results of the member entities. Of note this year was the improvement in the sector's profitability in a context of lower provisioning needs following the exceptional effort made in 2020.

Elsewhere, **topic-specific reports** are prepared on a regular basis on highly relevant matters for the member entities, which, in 2021, notably feature: analysis of credit to the private sector, solvency report and report on consolidation and access to financial services.



In particular, the latter analyses the impact of the processes of rationalisation of the production structure being undertaken by European banks (consolidation, reduction of branches and employees, etc.) together with the growing offer of digital services and their effect on accessibility to financial services.

In the framework of **European banking supervision**, a comparative analysis of the main European banking systems, and of the institutions that comprise them, is regularly carried out through the preparation of specific studies such as the report on the European Banking Authority's (EBA) transparency exercise. The 2021 report analyses the impact of COVID-19 and the support measures implemented to mitigate the effects of the crisis on the profitability, asset quality and solvency of European banking.

In addition to the preparation of reports and presentations, CECA publishes quarterly **public financial statements** on its corporate website for every one of its member entities, both for individual companies and consolidated groups.

CECA drafts a *Statistical Yearbook* which compiles information about the governing bodies and basic financial details of all member entities.

As another service provided to member entities, CECA collects accounting information at an individual level to aggregate it and subsequently deliver it as aggregate financial statements or with a more management-specific format, such as *Financial Information Flashes*.

CECA distributes **statistical information** to member entities related to the balance sheets,



income statements and branches, which it regularly receives from the Bank of Spain. Accordingly, CECA represents the interests of our member entities by maintaining relevant and ongoing dialogue with the Bank of Spain, in terms of adapting the statistical information that the body distributes and which has been used as the basis to analyse the financial sector, both at an individual and consolidated level.

In 2021, preparation began on the digital benchmarking of the CECA sector, in which most of the member entities participate, in order to offer a half-yearly diagnosis and monitoring of the penetration of digital banking (customers, digital channels, means of payment and sales) in the sector.

## Developments in retail banking

The gradual recovery of economic activity, together with the support measures, has helped mitigate the impact of the health crisis on the banking sector. This can be seen in the substantial improvement in the profitability of banking, which is returning to pre-crisis levels.

Lending activity receded in 2021 compared with the increase seen at the start of the pandemic, reflecting reduced demand for credit in the face of lower liquidity needs in the corporate sector. Retail credit in December saw a year-on-year increase of 0.3% as a result of lower growth in

credit to companies (0.2%) and a slight increase in credit to households (0.4%).

New lending contracted in 2021 (12.3% year-on-year in December), bringing the volume of new lending at the end of the year to levels below those seen before the pandemic. This was largely due to the reduction in the weight of new guaranteed loans, which accounted for barely 5% of the total in December, and to the increase in fundraising through debt issues in the case of large companies.



On the other hand, new lending for housing is rising (19% year-on-year in December) against the backdrop of greater dynamism in the real estate market.

Unlike in past cyclical phases, the combined effect of the temporary workforce reduction scheme, moratoriums and the guarantee programme have managed to contain non-performing asset rates during the pandemic, which sit below pre-crisis levels at the end of 2021 (4.2% in December 2021 compared to 4.4% in December 2020).

On the one hand, legal and sectoral credit moratoriums (launched at the initiative of CECA and AEB) have been a key tool to mitigate the effects of the pandemic. With data up to 30 April 2021 (date of the end of the moratoriums), 1,476,000 moratoriums have been granted for an amount of 60,471 million euros, which represents around 5.1% of lending to the private sector.

The ICO guarantee programme has also provided fundamental support to alleviate the liquidity tensions of the business sector. With closing data as at 31 December, just over 1.1 million operations have been guaranteed, involving around 135,000 million euros of financing to guarantee liquidity and cover companies' working capital needs.

Retail customer funds recorded a notable increase in 2021, although the growth of deposits slowed down (5.6% year-on-year in April) and the growth of off-balance sheet funds accelerated. Investment fund assets grew by 15% year-on-year in December 2021 compared to the same month of the previous year, driven by market revaluation and the increased attractiveness of these products against falling interest rates. In the case of pension funds, the excellent returns offered by these plans enabled them to close the year with an 8% growth in assets, reaching a new all-time high of 128,000 million euros. However, the reduction in the maximum contribution limit to individual plans that came into force in January 2021 has led to a 41% reduction in the volume of gross annual contributions to these plans compared to the previous year.



#### Loan moratoriums

**1,476,000**

granted

**60,471**

millions of euros

## Aggregate results of CECA member entities

Against a backdrop of increased economic activity post-COVID-19, the CECA sector's profit up to December 2021, excluding the impact of extraordinary income and expenses due to mergers (CaixaBank-Bankia and Unicaja-Liberbank), amounted to 3,336 million euros, compared with 2,129 million euros the previous year. This increase is mainly due to lower impairment losses compared to the previous year, when significant efforts were made to address the increased credit risk associated with the impact of the pandemic.

On the revenue side, net interest income, ROE and net operating income continued to decline, partially offset by an increase in revenue from fees and in results from investees and dividends, leading to a decline in the gross margin compared to the same period of 2020 (-34%).

The drop in net interest income intensified compared to June and declined 5.3% because of lower financial revenues (-7.2%), again conditioned by the fall in the Euribor, lower one-off revenues in one entity and a lower contribution from the fixed-income portfolio. The fall in interest income is partly offset by a larger decline in financial costs (-13.5), helped by ECB financing.

Net income from fees rose 10.5% thanks to the boost in commercial activity, which was negatively affected by the confinement measures last year, as well as the good performance of assets in investment and pension funds.

In the context of recovering business results, income from investees (17.2%) and income from dividends (19.8%) increased, although ROE (-51.7%) and net operating income, which in the first quarter of last year included an entity's extraordinary income from the sale of its depositary business, continue to fall.

Of note on the expenses side was the decline in impairment losses on financial assets, which were 2,557 million lower than in the previous year, while operating expenses, excluding the effect of the extraordinary adjustments from the merger, declined slightly in the sector as a whole (-1.9%).

As a result of the sharp drop in write-offs, the return on equity (ROE) is up 5.7% (without extraordinary expenses), compared to 3.5% in the previous year. On the other hand, the efficiency ratio (without extraordinary expenses) remains more or less stable at 58.5%.



### Consolidated results of the CECA sector



### Return on equity (ROE)







## Consolidation and access to financial services in Spain and the European Union

The current financial environment marked by low interest rates, higher capital requirements and new competitors (Fintech and Bigtech), has led European financial entities to undertake processes to rationalise their productive structure and speed up their digital transformation, increasing their investments in technology and offering online services and channels.

The consolidation process over the last decade has been particularly intense in Spain, where the number of credit institutions has been reduced by 46% and concentration, measured by the share of the five largest entities (CR5), has increased by

more than 20 pp compared to 6.2 pp in Europe, where very fragmented markets still persist, such as in Germany or Austria. Despite the increase in consolidation, the analyses performed at the regional and provincial levels continue to show moderate levels of concentration in Spain, which are further mitigated by increased competition from online channels.

As a result of mergers, the number of employees and offices in Spain in June 2021 has been cut to 64% and 49%, respectively, compared to 2009 levels, well above the adjustment made in the LIE (82% and 64%, respectively). This has allowed productivity to improve beyond the European average, in terms of employees and branches, although this improvement has not been reflected in the gross margin. On the other hand, the reduction in expenses was accompanied by a decrease in staff costs and an increase in general expenses, driven by technology and subcontracted services and reflecting the transformation of the business model.



Despite the intense capacity adjustment, Spanish banking maintains a high level of access to financial services, where the number of branches in 2020 was 4.7 per 10 inhabitants compared to an average of 2.6 in the European Union.

Parallel to the closure of branches, the number of ATMs in Spain has been reduced to 10.5 per 10,000 inhabitants, significantly above the European average (7 ATMs per 10,000 inhabitants).

Thus, the financial exclusion rate has hardly deteriorated in the last decade. In 2020, the percentage of the Spanish population covered by a bank branch is 97%, only 1 pp less than 2008.

What is more, CECA sector entities are well represented in small municipalities (less than 5,000 inhabitants) with 3,446 open branches (35% of the total). Services have been reinforced in recent years thanks to alternative channels, such as mobile branches ("ofibuses") and financial agents, especially in rural areas.

Finally, the digitalisation process plays a key role in access to financial services. The closure of branches has been accompanied by a growing use of online banking, which accelerated in 2020 to over 60% in Spain and is approaching the European average (70%).

## CECA sector



High presence in small municipalities (less than 5,000 inhabitants)

**3,446**

branches open



Services strengthened in rural areas:

- Mobile offices ("ofibuses")
- Financial agents
- Agreements with Correos (Spanish Postal Service)
- Cash back

## b. Regulatory analysis

In 2021, regulatory activity in the financial sector maintained the intensity of recent years and continued to be impacted by the response of regulators and supervisors to mitigate the impacts of COVID-19. In order to monitor it, CECA prepares:

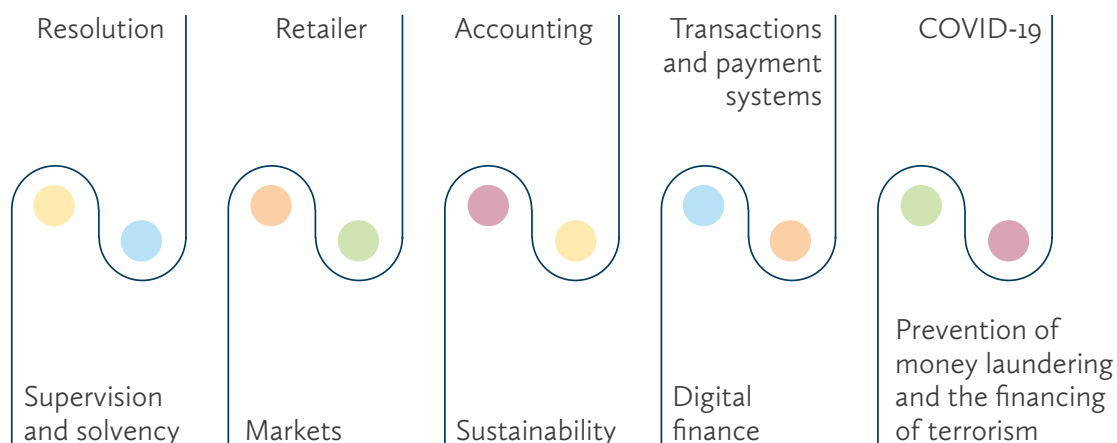
**Regulatory outlook**, which provides a summary of notable points on both the domestic and international agenda. It is prepared monthly and

has special editions for any relevant topics that may arise.

**Financial Regulations Database**, which gathers financial directives and regulatory provisions.

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

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 European Commission's work on the implementation of Basel III in the EU, which led to the publication of legislative proposals to amend the CRR and CRD. Specifically, it involves reviewing the framework of operating and credit risks, incorporating floor capitals into the internal models based on standard methods (output floor) and a leverage ratio for entities with a worldwide systematic relevance. In addition to the implementation of the Basel agreements, the so-called "banking package" proposes modifications related to the ESG risks (environmental, social and governance) and supervision.
- Monitoring of the technical standards for developing CRR/CRD, entrusted to the European Banking Authority.
- Monitoring the ECB's supervisory priorities.
- The completion of the transposition of CRD V into our legal system, which addresses issues related to (i) corporate governance and remuneration, (ii) capital buffers and (iii) prudential supervision measures, among others.



The measures taken by supervisors in response to the COVID-19 crisis in terms of restriction of dividend distributions, moratoriums on payments, debt classification, as well as other supervisory relief measures implemented by EBA, ESMA, ECB, CNMV and the Bank of Spain.

The development of a framework of **macroprudential tools** available to the Bank of Spain to address potential vulnerabilities in the financial system (Bank of Spain Circular 5/2021 of 22 December).

## Resolution

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

The European Commission's preparatory work for the **revision of the crisis management and deposit insurance framework**, as well as the regulatory developments of the Bank Recovery and Resolution Directive (BRRD).

Monitoring of the **BRRD technical development standards**, entrusted to the European Banking Authority.

The modifications to the **MREL policy** made by the Single Resolution Board (SRB), as well as developments related to the **Expectations for Banks** (EfB).

The completion of the transposition of **BRRD II** into Spanish law, which addresses, among other issues, those related to (i) the updating of resolution plans, (ii) restrictions on distributions, (iii) obstacles to resolvability, (iv) liabilities excluded from internal recapitalisation, (v) criteria for setting the MREL and, (vi) marketing preferred shares, convertible debt instruments eligible as own funds and MREL-eligible liabilities to retail customers.

## Markets

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

**The modification of MiFID II** (quick fix) to contribute to the recovery of the **COVID-19** crisis, through Directive (EU) 2021/338 of the European Parliament and of the Council of 16 February 2021.

The European Commission's legislative proposals for the designation of the **statutory substitute rates** for **CHF LIBOR** and **Eonia** in accordance with the powers granted by the Benchmarks Regulation (BMR), as well as the work of the ECB's Working Group on Risk-Free Rates.

The European Commission's consultation on the EU's **retail investor** strategy.

The European Commission's package to **promote Europe's capital markets**, which contains the following legislative proposals: Regulation and Directive for the creation of a European Single Enquiry Point (ESAP), revision of the European Long-Term Investment Funds (ELTIF), Alternative Investment Fund Managers Directive (AIFMD) and MiFIR.

Monitoring of the **MiFID II/MiFIR** technical development standards, entrusted to the European Securities and Markets Authority.

- Processing of the **Preliminary Draft Law on the Securities Market** and Investment Services and the draft Royal Decrees implementing it.
- The transposition of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issuance and public supervision of **covered bonds** and Directive (EU) 2019/1160 amending Directives 2009/65/EC (UCITS) and 2011/61/EU (AIFMD) on the **cross-border distribution of collective investment undertakings**.
- The completion of the processing of the Draft Law for the transposition of Directive (EU) 2017/828 amending Directive 2007/36/EC on the **promotion of long-term shareholder engagements** (Law 5/2021 of 12 April).

## Retailer

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

- The legislative proposal for the revision of the **Consumer Credit** Directive (CCD).
- The start of work prior to the revisions of the **Distance Marketing** Directive on financial services intended for consumers and the **Mortgage Loan** Directive.
- The start of the transposition of Directive (EU) 2020/1828 of the European Parliament and of the Council of 25 November 2020 on representative actions for the protection of the **collective interests of consumers**.
- With regard to customer service, of note are the Draft Law regulating customer care services for consumers and users acting in their capacity as customers and the Bank of Spain's Supervisory Guide.
- The transposition of Directive (EU) 2019/2161 on improving the application and modernisation of the Union's **consumer protection** standards.

## Sustainability

With regard to **sustainability**, we have closely monitored the progress of the measures found in the European Commission's Sustainable Finance **Action Plan** and in the **renewed** European Commission's Sustainable Finance Strategy, in particular the following:

- Developments in Regulation (EU) 2020/852 (taxonomy regulations) with regard to the establishment of **technical selection criteria** to determine when an economic activity contributes substantially to the mitigation of climate change or adaptation to it, and to determine whether this economic activity does not cause any significant harm to any of the other environmental objectives.
- The amendment of MiFID II, AIFMD, UCITS and IDD to incorporate sustainability factors, risks and preferences.
- The work of the Sustainable Finance Platform related to the design of a **social taxonomy** and the **extension of the taxonomy linked to environmental objectives**.

The results of the ECB's climate stress test of the economy and the preparatory work for the ECB's climate risk stress test of European banks in 2022.

The **supervisory expectations** of both the ECB and the Bank of Spain with regard to environmental and climate-related risks.

The publication of **Law 7/2021, of 20 May, on climate change and energy transition**, introducing reporting obligations on the part of the financial sector, and its regulatory developments.

## Accounting

In the field of credit institution accounting, we have been closely monitoring the following Bank of Spain Circulars:

**Bank of Spain Circular 2/2021**, of January 28, amending Bank of Spain Circular 8/2015, of 18 December, to the institutions and branches assigned to the Deposit Guarantee Fund for Credit Institutions, on information to determine the calculation base of the contributions to the Deposit Guarantee Fund for Credit Institutions.

**Bank of Spain Circular 4/2021**, of 25 November, to credit institutions and other supervised institutions, on model confidential statements on market conduct, transparency, customer protection and recording complaints.

**Bank of Spain Circular 6/2021**, of 22 December, amending Circular 4/2017, of 27 November, to credit institutions on public and confidential financial reporting standards and model financial statements; and Circular 4/2019, of 26 November, to financial credit institutions on public and confidential financial reporting standards and model financial statements.

## Digital finance

We have monitored the following matters in the field of digital finance:

The European Commission's package on digital finance, which includes legislative proposals related to regulating **crypto-asset markets** (MiCA), **digital operational resilience** (DORA) and a pilot scheme for market infrastructures based on *Distributed Ledger Technology* (DLT).

The ECB's work to introduce a **digital euro**.

## Transactions and payment systems

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

The publication of **Regulation (EU) 2021/1230** of the European Parliament and of the Council on cross-border payments in the Union (codified version), which replaced the Regulations<sup>1</sup> subject to the codification exercise and which were repealed upon its entry into force (19/08/2021).



- Within the framework of **PSD2**, the EBA has published its new **final guidelines on reporting serious incidents**, following the revision process of the current Guidelines in place since January 2018. The revised guidelines will be applied from 1 January 2022.
- The EBA has also launched the **process of modifying the regulatory technical standards (RTS) on strong customer authentication (CSC) and common and secure communication and (CSC)** in relation to the 90-day exemption for access to accounts. The EBA aims to address the incidents identified in the implementation of the exemption by some of the Account Servicing Payment Service Providers (ASPSPs) in EU Member States that have experienced a negative impact on the services offered in PSD2 matters.
- Lastly, in Spain, we should highlight the **draft circular on standards for sending payment statistics to the Bank of Spain** included in Regulation (EU) 1409/2013 on payment statistics, as amended by Regulation (EU) 2020/2011, and in accordance Royal Decree-Law 19/2018, on payment services and other urgent financial measures. The draft circular is intended to replace Circular 2/2015 with a new, fully adapted regulation that will also include the form and frequency with which payment service providers must provide the Bank of Spain with statistical data on fraud related to different means of payment referred to in Royal Decree-Law 19/2018. The revised guidelines will be applied starting on 1 January 2022.

## COVID-19

As a consequence of the COVID-19 pandemic, the following regulations have been followed up with urgent measures to mitigate the effects of COVID-19:

- Royal Decree-Law 1/2021**, of 19 January, on the protection of consumers and users in situations of social and economic vulnerability.
- Royal Decree-Law 5/2021**, of 12 March, on extraordinary measures to support business solvency in response to the COVID-19 pandemic.
- Law 2/2021**, of 29 March, on urgent prevention, containment and coordination measures to deal with the health crisis caused by COVID-19.
- Royal Decree-Law 6/2021**, of 20 April, adopting supplementary measures to support businesses and the self-employed people affected by the COVID-19 pandemic.
- Royal Decree-Law 21/2021**, of 26 October, extending social protection measures to address situations of social and economic vulnerability.
- Royal Decree-Law 27/2021**, of 23 November, extending certain economic measures to support the recovery.

1. Regulation (EC) no. 924/2009. on cross-border payments; Regulation (EU) no. 260/2012. establishing technical and business requirements for credit transfers and direct debits in euro; and Regulation (EU) 2019/518 amending Regulation (EC) no. 924/2009 on certain charges levied for cross-border payments within the Union and currency conversion charges.



## Prevention of money laundering and the financing of terrorism

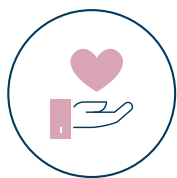
The following are the most important matters in the sphere of prevention of money laundering and the financing of terrorism that were analysed and monitored:

**Royal Decree-Law 7/2021, of 27 April, transposing EU directives.** It transposes into Spanish law Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018, amending Directive (EU) 2015/849 and Directives 2009/138/EC and 2013/36/EU.

**EBA Guidelines on money laundering and terrorist financing risk factors.** As a result of the modifications introduced by Directive (EU) 2018/843 (fifth PMLFT Directive) and the appearance of new risks, the EBA has proceeded to update certain aspects of the guidelines.

**Draft order on the reporting of movements of payment methods within the scope of the PMLFT.** It brings the Spanish regulatory framework in line with the provisions of Regulation (EU) 2018/1672 on controls on cash entering and leaving the Union, and implements the legal amendments on the matter introduced in Law 10/2010 on PMLFT by Royal Decree-Law 7/2021.

**New European regulatory package on the prevention of money laundering and financing of terrorism.** On 20 July, the European Parliament and the Council published three proposals for Regulations and two proposals for Directives, which form part of a package of European measures put in place to prevent money laundering and financing of terrorism (PMLFT) of the EU. The European Commission subsequently began the consultation periods corresponding to each proposal included in the package. This is a further step in the European regulatory strategy on the matter, and it aims to avoid regulatory arbitrage by bringing together the main PMLFT obligations in a single European Regulation and to further advance the risk-based approach, which will allow subject entities to focus more on the main risks associated with their specific activities.



### 2.1.3. Sustainability and Obra Social



## Obra Social

The Obra Social of CECA entities (the Obra Social of CECA is Funcas) has demonstrated its essential role as a backbone of society by helping to mitigate the economic and social impact of the pandemic.

Once again, the Obra Social of CECA member entities leads private social investment in Spain and is one of the main ways to contribute to the development and equal opportunities of the most vulnerable groups at a time when society needs it most.

The impact of the Obra Social of CECA member entities in 2021 was:



Investment  
in Obra Social  
**+778**  
millions of euros



Activities  
**51,750**



Beneficiaries  
**+25**  
million people

## Report on Obra Social

In 2021, we prepared the Obra Social Report corresponding to data from 2020, a year that will be remembered for the pandemic and for being one of the most difficult in recent memory. Nevertheless, it will also be remembered for the unparalleled solidarity shown throughout our entire society. Once again, the Obra Social understood how to come to the aid of those in need.



CECA entities invested 772 million euros in Obra Social in 2020 according to data from the 2020 Report on Obra Social and Acción Social, published in 2021. This endowment has enabled the implementation of 49,000 activities, which have benefited more than 24 million people in a year dominated by COVID-19. Taking into account the particularities of 2020, the increase in investment in Obra Social from 2014 to 2020 was 8.75%. This gradual growth has been possible thanks to the efforts of foundations and savings banks that have managed to adapt their programmes and resources to needs both current and from the onset of the pandemic.

During the 2020 financial year, the area that received the highest percentage of investment was Acción Social, with 42.36 percent, equivalent to 327 million euros earmarked for programmes such as food banks, soup kitchens and welfare support programmes for groups at risk of exclusion and the elderly.

Second place in terms of investment was the Education and Research area, which, with a budget of 209 million euros, has developed more than 350 research projects focused on COVID-19 and reached more than 8.7 million beneficiaries. The CECA sector also invested more than 74 million euros in Local Development and Job Creation programmes in 2020 to tackle the health crisis with measures to provide liquidity and financing to the productive and business sector, demonstrating the capillarity of the entities in their areas of activity.

In this crisis scenario, Obra Social programmes focused their efforts on the most disadvantaged groups, benefiting more than 7.3 million children and young people, 2,460,000 people at risk of social exclusion and more than one million people over 65, while 49 million euros were invested in people with special needs.

The Obra Social continues to work on developing and implementing the **2030 Agenda** and the **Sustainable Development Goals (SDGs)** and contributes mainly to the dissemination and promotion of these goals<sup>1</sup>.



1. ODS-1 End Poverty, SDG-2 Zero Hunger, SDG-3 Health and Well-being, SDG-4 Quality Education, SDG-5 Gender Equality, SDG-6 Clean Water and Sanitation, SDG-7 Affordable and Clean Energy, SDG-8 Decent Work and Economic Growth, SDG-9 Industry, Innovation and Infrastructure, SDG-10 Reduced Inequalities, SDG-11 Sustainable Cities and Communities, SDG-12 Responsible Consumption and Production, SDG-13 Climate Action, SDG-14 Life Below Water, SDG-15 Life on Land, SDG-16 Peace, Justice and Strong Institutions and SDG-17 Partnerships for Goals.



## 2021, the year of the start of the recovery



2021 was the year of the start of the economic recovery. Thanks to high vaccination levels, many countries were able to return to some sense of normality until the appearance of the new “omicron” variant brought uncertainty at the close of 2021. Throughout the year, the entities involved in Obra Social have assessed the “new reality” in order to establish new lines of work or restructure existing ones, with the aim of finding joint solutions to the current needs made apparent by the economic and health crisis that began in 2020.

This was demonstrated at the meeting of the **Foundations and Obra Social Commission**, which was held in March 2021, and in the regular meetings of the **Foundations and Obra Social Executive Committee**. The main lines of work were presented at these meetings, as was the role of foundations in economic and social recovery. In this sense, Obra Social management entities have stressed the importance of partnerships as a key element for the development of their future activities, in addition to the exchange of experiences and the exploration of new revenue streams. Another key area concerns the dissemination of activities, including: **communication actions** (supported by the **Ambassador for Obra Social and Financial Education**, Ona Carbonell), publications (annual

report and video), and the **CECA Obra Social and Financial Education Awards**, which recognise the entities’ work and have a significant media impact. The **CECA Obra Social and Financial Education Awards 2019-2020** were held in June 2021, where the ambassador for Obra Social and Financial Education, Olympian Ona Carbonell, presented the awards. These awards have been held annually since 2013 and aim to recognise the efforts and commitment of organisations that participate in Obra Social through their projects for the well-being of society and the most vulnerable.

Close to seventy initiatives were presented in total, of which twenty received an award. These included first and second place in each subcategory and two Special Jury Awards. In the Obra Social area, the categories were: Social Action, Culture and Heritage, Education and Research, Local Development and Job Creation, Environment, and Sport and Leisure. A Special Jury Award was also given to the Obra Social’s trajectory, which was chosen by the jury members from Funcas, Fundación Lealtad and El Confidencial.

Special mention was given to the publication of the *Study on the Economic, Tax and Social Impact of the CECA Sector*.



According to this report, the total impact of CECA's member entities on the economy in 2020 was **233,905 million euros, 32% more than the previous year**, equivalent to 19% of Spain's GDP, as a result of their corporate activity and the dynamisation afforded to it through financing.

This report, prepared by CECA in collaboration with KPMG as an external expert, aims to evaluate and analyse the impacts generated by CECA's member entities.



### Foundations and Obra Social Commission

Delegated body of the CECA Board of Directors. In recent years, it has established itself as a centre for exchanging experiences, cooperation and studying all issues related to the Obra Social implemented by the entities belonging to the CECA sector.



### Foundations and Obra Social Executive Committee

Instrument of dialogue between foundations and entities that participate in Obra Social. The meetings dealt with topics such as: the role of foundations in the economic recovery or the exchange of experiences with foundations outside the financial sector.

## Financial education



CECA entities oversee **programmes that work to improve financial literacy among the whole of society** in line with its commitment to improving financial education, a key pillar for the economic and financial stability and development of families.

Throughout the year, CECA member entities have continued adapting and strengthening the financial education programmes to meet today's new needs, delving further into digitalisation and facilitating access for the most vulnerable groups.

In collaboration with their foundations, CECA's member entities allocated over 4.2 million euros to activities to promote and improve financial education in 2021. Of the total investment, 3.025 million euros came from the Funcas Educa Programme, promoted by CECA and Funcas for the third consecutive year.

The role of the **"Funcas Financial Education Stimulus Programme"** has been key to helping during the most critical moments brought on by the pandemic. This innovative programme has contributed to funding financial education activities implemented by CECA member entities, either directly or through their foundations, promoting existing projects or new ones that meet the new pertinent needs.

In the last **four years**, CECA member entities have invested **more than 13 million euros** in financial education, thanks in part to the promotion of the **Funcas Financial Education Stimulus Programme (Funcas Educa)** which, with a budget of **9.47 million euros**, has become the largest investment in financial education in Spain.

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







Total investment to promote and improve financial education

**+ 4.2**

millions of euros

With the motto “*Your finances, also sustainable*”, CECA has published five videos in 2021 with Familia Ortiz characters on the following topics: digital tools, sustainable finance, entrepreneurship and cybersecurity, with the aim of conveying the importance of sustainability and digitalisation in personal finance. In addition to the above, the various initiatives carried out by member entities on the occasion of this day have been published both on the **Spanish Financial Education Network** and on social networks.

Internationally, during 2021, CECA has promoted financial education in the international institutions of which it is a member, namely **ESBG** and **WSBI**. It participated in the celebration of **World Savings Day** and **Global Money Week** and attended “**ESBG Financial education event: Financial knowledge as a tool for resilience**” organised by ESBG in February.



Funcas Educa Programme (2020-2021)  
(CECA and Funcas Programme)

**3.025**

millions of euros

Another notable event in 2021 was the presentation of the **CECA Awards for Obra Social and Financial Education 2019-2020**, where the best financial education projects were awarded in the following categories: Children and Young People; Adults; +65; Entrepreneurs, as well as a Special Jury Award for the best project in promoting financial education.

Lastly, CECA has contributed to the dissemination of financial education through its activity on social networks and the publication of topical press releases, reports and articles, and it supports the various initiatives of the **OCDE's International Network on Financial Education (OCDE/INFE)**, of which it is a member, and the promoters of the **Financial Education Plan** (Bank of Spain and CNMV) and their brand **Finanzas para Todos [Finance for All]**.





## Sustainability



The need to involve the financial sector in the fight against climate change is a reality that nobody questions, and it is the financial industry itself that is taking a step forward in its collaborative work to support new production models by channelling aid and promoting public-private collaboration.

The Action Plan for financing sustainable development published by the European Commission in March 2018 was a turning point. Over the years, it has been accompanied by a regulation that is still very active and affects not only the sustainability departments of the entities, but also their entire organisational structure, which is marked by the need to incorporate Environmental, Social and Governance (ESG) criteria in its sustainability policies.

As an example, the entities are working on Delegated Regulation (EU) 2021/2139, supplementing Regulation (EU) 2020/852 and establishing the technical selection criteria for determining the conditions under which an economic activity is deemed to contribute substantially to climate change mitigation or adaptation, and for determining whether said economic activity does not cause significant harm to any of the other environmental objectives. It will take effect in January 2022.

Another example is Delegated Regulation (EU) 2021/2178, supplementing Regulation

(EU) 2020/852 by specifying the content and presentation of information to be disclosed by companies subject to Articles 19a or 29a of Directive 2013/34/EU, regarding environmentally sustainable economic activities and specifying the methodology for complying with the obligation of disclosure. This Regulation conditions how key performance indicators are calculated before their incorporation into the non-financial information statement.

Under this scenario, the **CECA sustainability network**, made up of the Sustainability Directors of the member entities and which holds several meetings during the year, is able to take a coordinated approach to tackling the main national and international issues on their agendas. Given the immense cross-cutting nature of sustainability in organisations, this year the directors of different areas, such as Regulation or Risks, have been particularly involved in the Network's meetings, as well as in conferences and seminars.

Of note was the publication on 23 June of the *Assessment of Spanish banking sector's commitment to climate action*, which includes several of the impact measurement methodologies discussed in the six sectoral sessions held in the previous months to comply with the commitment made at the United Nations Climate Change Conference (COP25) held in Madrid in December 2019, **Spanish Banks Collective Commitment to Climate Action**.

## Assessment of the Spanish banking sector's commitment to climate action



As we said, public-private collaboration must be one of the main areas of action to underpin sustainable finance. A collaboration agreement has been signed with the management of the **Institute for Energy Diversification and Saving (IDAE - Instituto para la Diversificación y el Ahorro de la Energía)**, part of the Ministry for Ecological Transition and the Demographic Challenge, so that organisations can channel subsidies from the **Building Energy Rehabilitation Programme (PREE - Programa de Rehabilitación Energética de Edificios)**, also offering financing with products adapted to this initiative. The aim is to boost the energy efficiency of buildings by improving their thermal enclosure, using renewable energies and promoting energy-efficient lighting. This programme has a budget of 300 million euros.

As regards relations with Public Administrations, several meetings have been held with the **Energy Efficiency Working Group**, which is led by the Sub-directorate General for Energy Efficiency of the Directorate General for Energy Policy and Mines of the Ministry for Ecological Transition and the Demographic Challenge. In the second half of the year, the Ministry of Transport, Mobility and Urban Agenda has joined this group, due to its competences in building refurbishment, as has the Mortgage Association.

Work is being done to devise measures and best practices to find mechanisms or actions that can

activate the demand for improving the energy efficiency of buildings.

CECA and its member entities have participated in the **3rd Bank of Spain Conference on Sustainable Finance**, where the Deputy Governor explained the fundamental role that the financial sector must play and highlighted the creation of the **Centre for Responsible and Sustainable Finance (Finresp - Centro de Finanzas Responsables y Sostenibles)**, as well as the commitment taken on under the Spanish Banking Sector's Commitment to Climate Action. At this meeting, the supervisory expectations of the Bank of Spain and European Central Bank were set forth.

In 2021, the actions by **Finresp** and the **International Network of Financial Centres for Sustainability (FC4S)**, promoted by the **United Nations Environment Programme**, have been put on display. The sector has collaborated in compiling the annual survey carried out among the different countries that comprise the FC4S centres.

Finresp has worked on a catalogue of tools and methodologies to support the incorporation of sustainability factors into financial activity. These have been made available to companies and disseminated during several webinars throughout 2021.



CECA has participated at several meetings on behalf of the sector, such as the 15th National Environmental Congress (CONAMA - Congreso Nacional de Medio Ambiente), during the session held on 2 June at the round table on “The financial sector and sustainability”.

The Observatory for Inclusive Growth is an accelerator of innovative solutions for the social problems of our time, based on research and collaboration and committed to inclusive growth. On 14 July, CECA was invited to one of the Observatory’s annual workshops where conclusions are drawn for the Observatory’s fifth publication under the title *Creating value for stakeholders. Towards a fair and inclusive recovery*.

With regard to participation in other international initiatives, in addition to continuing to adhere to the International Principles of Responsible Banking, a financial initiative under the auspices of the United Nations Environment Programme (UNEP EI), we are part of the **Global Compact** and contribute to the realisation of the 17 Sustainable Development Goals.

CECA works closely with the WSBI-ESBG and attends sustainability meetings, such as the 45th CSR-SD Committee Meeting held on 17 May 2021.

As part of its social work and in support of the most vulnerable, CECA, together with its member entities, has renewed the Social Housing Fund Agreement with the Ministry of Economic Affairs and Digital Transformation for a further year, until 17 January 2023, where it provides 7,839 homes, or 73% of the Fund’s total.

### In 2021, the following are noteworthy:



Publication of the *Assessment of the Spanish banking sector's commitment to climate action*.



Meetings of the Energy Efficiency Working Group, led by the Sub-Directorate General for Energy Efficiency of the Ministry for the Ecological Transition and the Demographic Challenge.



Participation in the 3rd Bank of Spain Conference on Sustainable Finance.



Promoting the actions of the Centre for Sustainable and Responsible Finance in Spain (Finresp) and the International Network of Financial Centres for Sustainability (FC4S), promoted by the United Nations Environment Programme (UNEP FI).



Renewal of the Social Housing Fund Agreement with the Ministry of Economic Affairs and Digital Transformation.





## 2.1.4. Worker representation

### Labour relations

The objective of CECA, as the **employers' association of savings banks and institutions**, is to defend the member entities that are bound by the Savings Banks and Financial Institutions Collective Agreement.



CaixaBank, S.A.



Unicaja Banco, S.A.



ABANCA Corporación  
Bancaria, S.A.



Ibercaja Banco, S.A.



Cajasur Banco, S.A.U.



Caja de Ahorros y Monte de  
Piedad de Ontinyent, Caixa  
Ontinyent



Colonya Caixa Pollença



Cecabank, S.A.

On 3 December 2020, the Resolution of the Directorate General of Labour, of 23 November, was published in the Official State Gazette, recording and publishing **the collective bargaining agreement for savings banks and financial institutions**.

Said collective bargaining agreement was reached on 30 September 2020 between CECA,

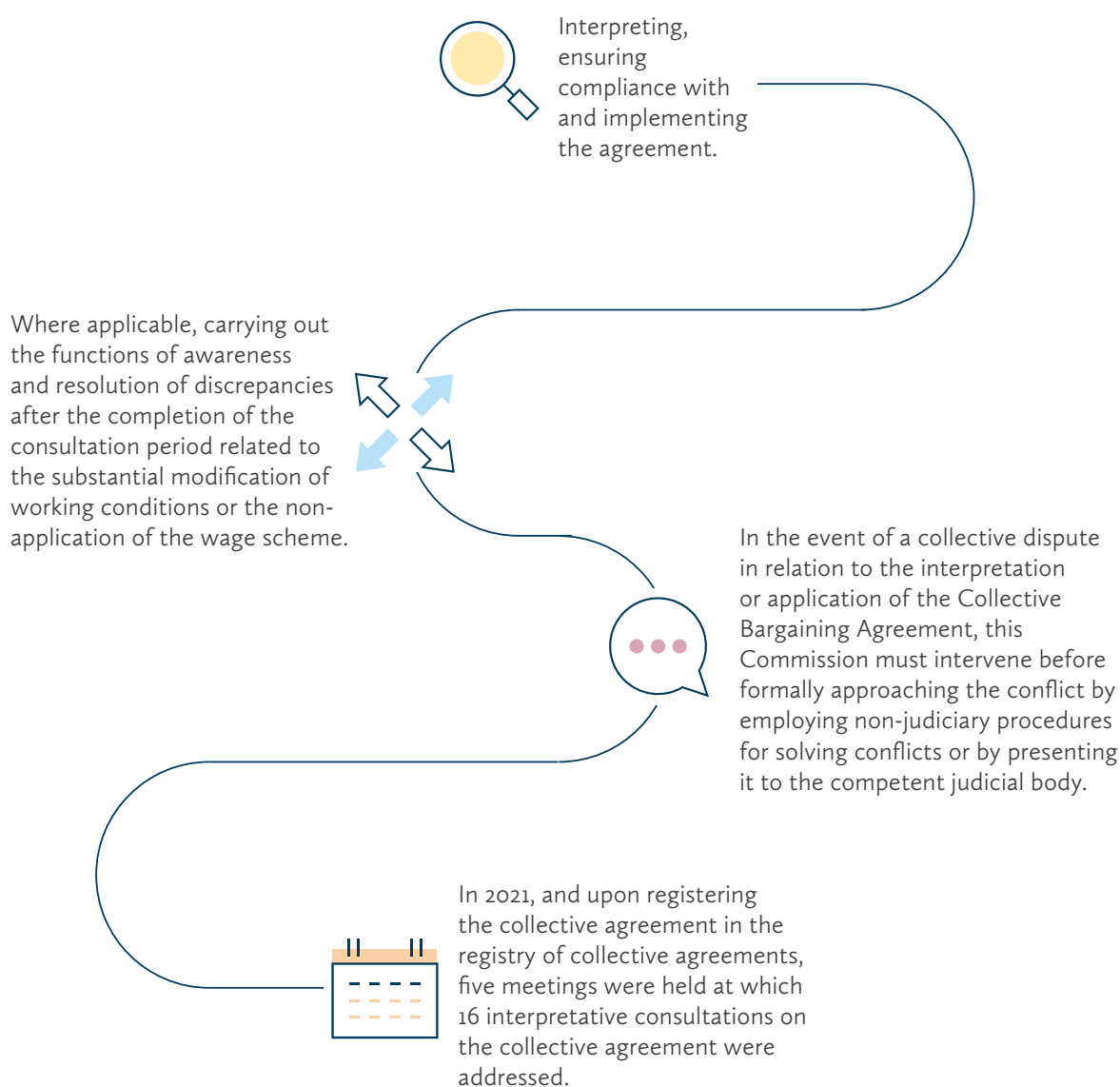
its member entities bound by the collective agreement and the trade unions CCOO, FINE and UGT, which represent 85.31% of the employees at the bargaining table.

This collective bargaining agreement was entered into the collective bargaining agreements register by means of a resolution of the Directorate General of Labour on 28 April 2021.

## 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 Commission of the Collective Bargaining Agreement**.

The following powers are assigned to this commission:



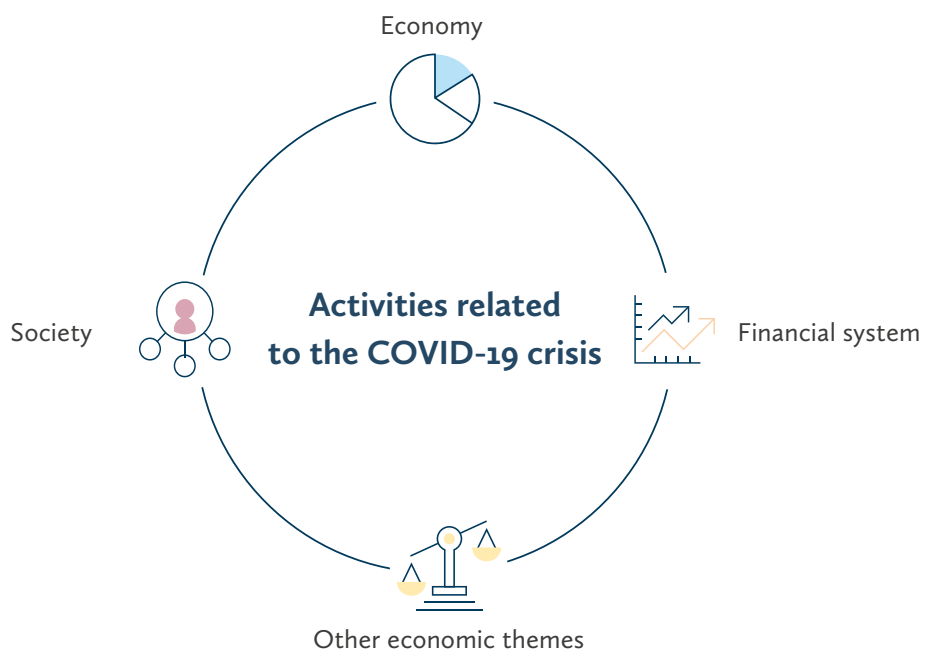
## 2.2. Obra Social: Funcas



Funcas is a non-profit institution forming part of CECA's Obra Social. Its activity is mostly directed towards promoting, debating and circulating research on economic and social matters,

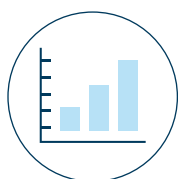
through publications, documentaries and other audio/visual means, as well as holding and participating in public events such as conferences and seminars.

During 2021, the following activities have been carried out in relation to the COVID-19 crisis from an economic, financial and social perspective:

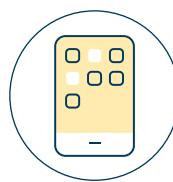


In 2021, the Foundation published 298 articles by 462 different authors. Eleven research activities have been completed on economic, financial and social subjects, which added to the content of the different publications published by Funcas; a further six research projects are in the preparation phase.

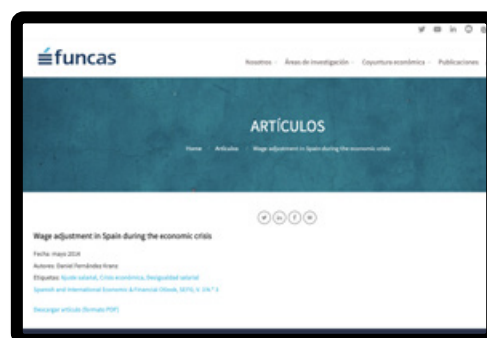
Funcas develops this research programme through collaborations with external researchers and activities carried out by its different areas and observatories.



The **Economic Situation Area** monitors the Spanish economy at the national and regional levels. This includes producing reports and articles on recent economic developments and short-term forecasts of macroeconomic aggregates and leading indicators. A highlight in 2021 was the publication and presentation of economic forecasts for 2021 and 2022. The Funcas Europe platform also monitors the European economy, whose results and the most significant analyses are published in the weekly online newsletter prepared in collaboration with Agenda Pública, bringing the number of registered people to 7,000. In addition, in 2021, to support the dissemination of the work performed on this platform, a collaboration was launched with the Harvard Kennedy School of Government's Student Association in Spain. Information available at: [https:// www.funcas.es/coyuntura-economica/](https://www.funcas.es/coyuntura-economica/)

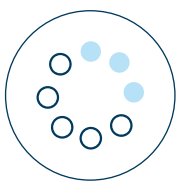


The **Financial and Digitalisation Area** monitors the situation of the financial system and its digital transformation through regular contributions to the numerous Funcas magazines and the publication of the «50 Financial System Indicators» on its website. The activities carried out during 2021 include the organisation of virtual conferences on «Inflation, debt and financial business: Paradigm shift?», and «Financial situation of companies after COVID-19», where the aim was to identify the financial situation of Spanish companies and their foreseeable evolution. Also noteworthy was the preparation and presentation of the «Report on the Spanish banking sector in an environment of productivity change», with the participation of the Deputy Governor of the Bank of Spain, Ms Margarita Delgado, and with speakers from the supervisory, industry and research field. The Observatory for Financial Digitalisation (ODF - Observatorio de la Digitalización Financiera) analyses the digital transformation of the Spanish financial system. Its most relevant activities in 2021 include the publication and presentation of the report «Evolution of financial services in response to the pandemic and the new reality», where the Chairperson of the European Banking Authority, José Manuel Campa, took part. Information available at: [https:// www.funcas.es/areas-de-investigacion/area-financiera-y-digitalización/](https://www.funcas.es/areas-de-investigacion/area-financiera-y-digitalización/)



The conference «The future of the European financial system and the banking union: Tribute to Vicente Salas» was also held in 2021, with the participation of the Governor of the Bank of Spain, Pablo Hernández de Cos, the CEO of CECA, José María Méndez, and representatives of other institutions.



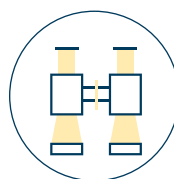


The **Big Data Area in Finance** at Funcas aims to inform Spanish society on the importance and scope of the new opportunities offered by big data techniques in the financial sector through publications and conferences. In 2021, we wish to draw attention to the virtual seminar on «Digital marketing and big data». Information available at: <https://www.funcas.es/area-de-investigacion/area-financiera-y-digitalizacion/big-data/>.



The **Public Economy and Taxation Area** takes into account two lines of research: taxation; and public economy and well-being.

Taxation studies focus on the analysis of tax policy and its impact on the economic reality. The studies relating to public spending and well-being cover public sector intervention in market economies, with special attention to the set of actions that make up the social welfare system. Among the most relevant activities carried out in 2021 were virtual conferences dedicated to the presentations of Papeles de Economía Española no. 166 «Capital humano en la economía digital» [Human capital in the digital economy] and the book *Innovación, crecimiento y competitividad: el papel de la política tecnológica en España* [Innovation, growth and competitiveness: the role of technology policy in Spain]. Information available at: <https://www.funcas.es/areas-de-investigacion/area-de-economia/economia-publica/>.



The **Markets, Regulation and Competition Area** spearheads and develops quality applied research on the operation of regulated markets and the different industrial sectors by preparing articles and case numbers on the matter. In 2021, the organisation, together with the National Commission on Markets and Competition, held two seminars within the framework of the Competition Policy series dedicated to «The possible unintended effects of public aid: the case of air transport subsidies for residents of non-mainland territories», and the seminar held on the occasion of the presentation of the book *The Profit Paradox: How Thriving Firms Threaten the Future of Work*, by author Jan Eechout. Of note was the conference on the occasion of the presentation of the book *Economía y cultura. Una mirada hacia el futuro* [Economy and culture. A look to the future] which was inaugurated by the Minister of Culture and Sport, Mr Miquel Octavi Iceta. Information available at: <https://www.funcas.es/areas-de-investigacion/area-de-economia/mercados-regulacion-y-competencia/>.

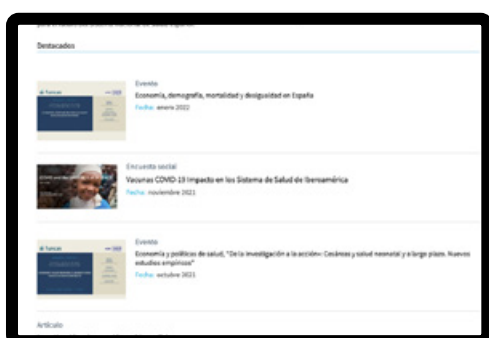


The *Funcas Observatory for Business and Industry* (OFEI - Observatorio Funcas de la Empresa y la Industria) is a space for debate and analysis

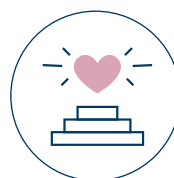
of applied research dedicated to the study of Spanish companies and industry. In 2021, we wish to highlight the virtual conference: «Investment in intangible assets: clave para la competitividad de la economía y las empresas» [Investment in intangible assets: key to the competitiveness of the economy and companies], the presentation of issue 167 of the magazine *Papeles de Economía Española* entitled «La empresa española entre la eficiencia y la desigualdad: organización, estrategias y mercados» [Spanish companies between efficiency and inequality: organisation, strategies and markets], as well as participation in the *3rd Meeting of the Network of Internationalisation Researchers with the Bank of Spain and the KIIS Workshop* (Knowledge, innovation and Internationalizations Strategies). Information available at: <https://www.funcas.es/areas-de-investigacion/area-de-economia/ofei/>



The objective of the **Health Economics and Policies Area** is to contribute to the analysis and debate on health policy, mainly through seminars. Throughout 2021, this area was responsible for coordinating a series of conferences on «International cooperation and the redistribution of anti-COVID-19 vaccines. The position of Spain and Europe», and «Years of life lost due to COVID-19».

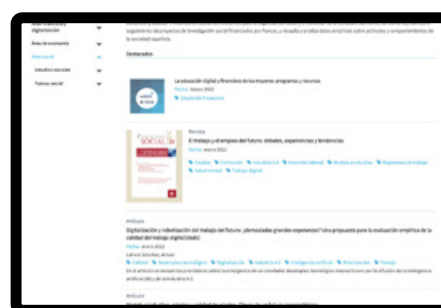


Difficulties in estimating and comparing mortality", as well as the online publication and presentation of the book *Evaluación de resultados en salud: valor y sostenibilidad para el Sistema Nacional de Salud* [Evaluation of health outcomes: value and sustainability for the National Health System]. Information available at: <https://www.funcas.es/areas-de-investigacion/area-de-economia/economia-v-politicas-de-la-salud/>



Funcas' **Social Area** is organised into two lines of action: social research (Social Studies) and social contribution (Funcas Social).

The Social Studies unit is responsible for publishing Focus on *Spanish Society* and the journal *Panorama Social*, in which social scientists from both Spain and abroad address social issues from different analytical perspectives. It also coordinates and monitors the social research projects financed by Funcas and collects and analyses empirical data on attitudes and behaviours of Spanish society. Its most relevant activities in 2021 were: the survey *El arranque de 2021: third wave, vaccinations and turmoil* [The start of 2021: third wave, vaccinations and turmoil] which raises issues related to the economic situation of households, contact with family members, assessment of healthcare and vaccine management by the European Union; The publication of issue 33 of the magazine *Panorama Social* entitled "Los estragos sociales de la pandemia ante el horizonte post-COVID" [The social ravages of the pandemic and the post-COVID horizon], analysing the consequences of the pandemic and how it is affecting society as a whole; and the discussion entitled "Las pensiones de hoy y mañana: lo cierto, lo probable y lo deseable" [Pensions today and tomorrow: what is reality, what is likely and what is desirable]. At this streamed event, Eduardo Bandrés and Elisa Chuliá answered questions from Víctor Lafuente (University of Gothenburg). Information available at: <https://www.funcas.es/areas-de-investigacion/area-social/>

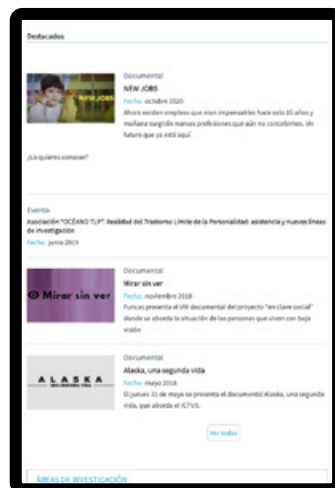


Funcas Social is responsible for activities aimed at promoting financial education through the Funcas Educa Programme; drawing attention to current social problems through En Clave Social and rewarding economic and social research through the *Enrique Fuentes Quintana Awards for Doctoral Theses*.

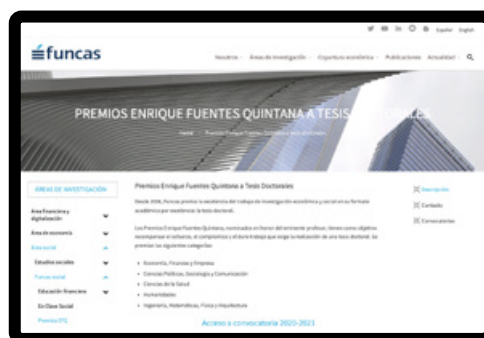
The *Funcas Educa Programme*, whose purpose is to increase the interest and financial knowledge of citizens, organised a variety of activities in 2021, including a campaign entitled “Cybersecurity in your finances” with the aim of disseminating a series of recommendations to ensure that virtual financial transactions are carried out securely. Likewise, it published the measures being taken by financial institutions in this area. With regard to the “3rd Call for Grants for Research in Financial Education by Funcas”, the following projects have been selected: 1) “Inclusión de la sostenibilidad en la educación financiera. Efectos sobre las decisiones de inversión [Inclusion of sustainability in financial education. Effects on investment decisions] with lead researcher, Antonio Terceño Gómez (Rovira i Virgili University); 2) “Educación financiera en la educación secundaria obligatoria: impacto de la normativa, los programas de educación financiera y desigualdades territoriales” [Financial education in compulsory secondary education: impact of regulations, financial education programmes and territorial inequalities], with lead researcher Silvia Gómez Ansón (University of Oviedo), and 3) “Programas de educación financiera para emprendedores: evaluación de resultados y potencial de mejora” [Financial education programmes for entrepreneurs: evaluation of results and potential for improvement] with lead researcher Ernesto López-Valeiras Sampedro (University of Vigo). Information available at: <https://www.funcas.es/funcase-duca/>



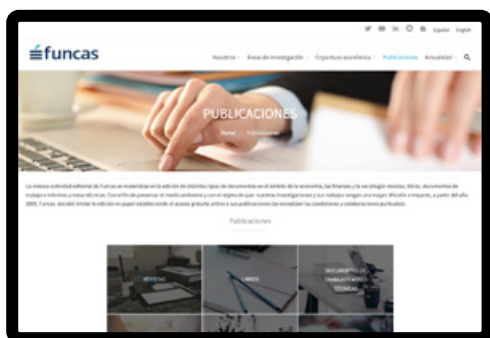
Among the activities carried out by *En Clave Social*, it is worth highlighting the preparation of the documentary *LIKE/DISLIKE*, focused on analysing the impact of social networks on society and their advantages and benefits, as well as the potential risks to health, privacy and disinformation (fake news). Information available at: <https://www.funcas.es/areas-de-investigacion/area-social/funcas-social/en-clave-social/>



Last 17 December, Funcas held the *Enrique Fuentes Quintana Awards* for the best doctoral theses of the 2019/2020 academic year in the areas of Social Sciences, Health Sciences, Engineering, Mathematics, Architecture and Physics and Humanities. A total of 543 doctoral theses were received for this edition. In addition, for the 2020/2021 call, a new category has been added to the awards in the area of Political Science, Sociology and Communication. Information available at: <https://www.funcas.es/premios-enrique-fuentes-quintana-a-tesis-docto-rales/>



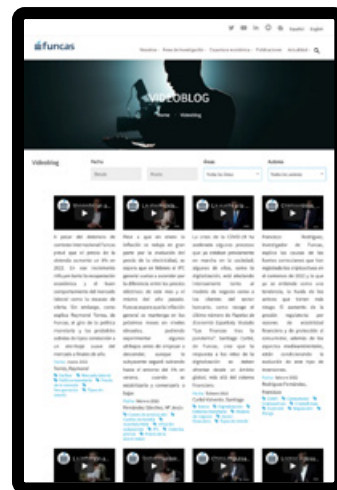
In order to promote the dissemination of its research, Funcas publishes various types of documents in the fields of economics, finance and sociology: books, working papers and reports, technical notes and various journals, such as *Papeles de Economía Española*, *Cuadernos de Información Económica*, *Spanish International Economic & Financial Outlook*, *Panorama Social*, *Papeles de Energía*, *Focus on Spanish Society*, *Funcas Intelligence* and *Global Financial Insights* (both with limited reach). Information available at: <https://www.funcas.es/publicaciones/>



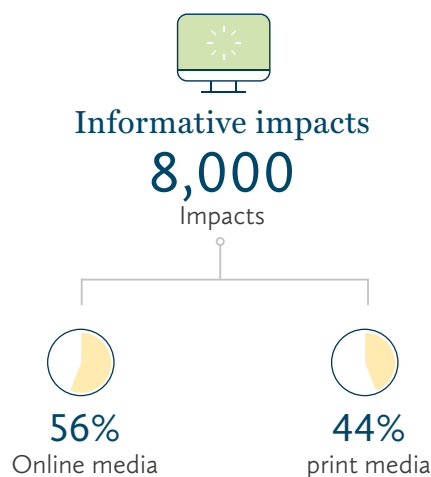
In 2021, *Funcasblog* (Funcas' blog on the economy, finance and society) included more than 100 new notes on topics largely dedicated to analysing the economic and social impact caused by COVID-19. The number of visits to the blog has exceeded 100,000, of which approximately 50% are users from Spain, and the other 50% come from different countries, including Mexico, Peru, Colombia and the USA. Information available at: <https://blog.funcas.es/>



During 2021, twenty-five videos on economic and social issues were published in Funcas' *Videoblog*. Information available at: <https://www.funcas.es/video-blog/>



With regard to the impact in the media of the various activities carried out at Funcas, between January and December 2021, over 8,000 informative impacts were recorded, 56% of which were in online media, radio and TV, and the remaining 44% in print media. The equivalent advertising value of these impacts has exceeded 20,000,000 euros. Furthermore, more than 360 interviews have been provided as well as around 55 press releases.





## 2.3. Publications

### 2.3.1. Funcas



Articles  
**298**



Authors  
**462**



Interviews  
**360**



Press releases  
**55**



Theses  
**543**



Funcasblog  
**100**



Blog views  
**100,000**



Video blogs  
**25**

## 2.3.2. Circulars

These are the circulars that CECA has distributed to its members in 2021:

January	Motion of the Bank of Spain regarding the adoption of certain guidelines published by the European Banking Authority as specific guidelines
January	Mortgage market reference rates
January	Statement by CNMV on the draft accounting circular for ESIs (investment services companies), SGIICs (management companies for collective investment institutions) and SGEICs (management companies for close-end collective investment institutions) repealing circular 7/2008
January	Statement by CNMV on recommendations regarding the likely disappearance of the Libor index at the end of 2021
January	Statement by the Bank of Spain on the adaptation of institutions' websites to CBE 4/2020
January	Motion of the Bank of Spain on the publication of the technical specifications of the internal advertising register provided for in circular 4/2020
February	Statement by the CNMV on the forthcoming implementation of regulation 2019/2088 on sustainability disclosures in the financial sector
February	Mortgage market reference rates
February	2020 Annual Abstract of Statistics for CECA's member credit institutions
February	Statement by the Bank of Spain on clarifications to the concerns raised by less significant institutions regarding paragraph 17a of the EBA 2020/15 guidelines on moratoriums
February	Motion of the Bank of Spain regarding the adoption of certain guidelines published by the European Banking Authority as specific guidelines
February	Motion of the Bank of Spain on the public enquiry prior to the circular to financial credit institutions on liquidity, prudential rules and disclosure requirements
February	Motion of the Bank of Spain on the draft circular amending circular 2/2016 to credit institutions on supervision and solvency to establish a new regulation of the countercyclical capital buffer
February	Loan and deposit data of residents in Spain
March	Loan and deposit data of residents in Spain
March	Motion of the Bank of Spain on the draft circular on model confidential statements on market conduct, transparency, customer protection and recording complaints
March	Distribution of confederation membership fees 2021
March	Mortgage market reference rates
March	Motion of the Bank of Spain on the publication of the public enquiry prior to the new circular updating the accounting circulars
March	Loan and deposit data of residents in Spain
April	Loan and deposit data of residents in Spain
April	Mortgage market reference rates
April	Motion of the Bank of Spain on considerations related to the forthcoming demise of the LIBOR benchmark and its possible impact on institutions

May	Motion of the Ministry of Economic Affairs and Digital Transformation on the publication of a questionnaire on the functioning of basic payment accounts
May	Motion of the Bank of Spain on the adoption of certain guidelines published by the European Banking Authority as specific guidelines
May	Mortgage market reference rates
June	Loan and deposit data of residents in Spain
June	Motion of the Bank of Spain regarding the public consultation on the draft circular amending circulars 4/2017 and 4/2019
June	Mortgage market reference rates
June	Statement by the Bank of Spain on the virtual meeting on sustainable finance
June	Statement by the CNMV on criteria for the application of the new European environmental, social and governance regulations (ESG) in financial services
June	Statement by the CNMV on the 3rd Conference on the Status of the Benchmark Interest Rate Reform
June	Loan and deposit data of residents in Spain
July	Motion of the CNMV regarding the public consultation on the draft technical guide for the suitability assessment
July	Loan and deposit data of residents in Spain
July	Motion of the Bank of Spain regarding the European Central Bank's recommendation on the distribution of dividends and variable remuneration and their extension to less significant entities
July	Mortgage market reference rates
July	Motion of the Ministry of Economic Affairs and Digital Transformation regarding the request for comments on the draft order regulating the types of bank accounts of the General Administration of the State, autonomous bodies and other public sector entities
July	Motion of the Bank of Spain on the draft circular on liquidity, prudential rules and reporting obligations of financial credit institutions
July	Statement by the Bank of Spain on a survey to improve its website
July	Motion of the CNMV on the marketing of financial instruments that are liabilities susceptible to internal recapitalisation
August	Loan and deposit data of residents in Spain
September	Loan and deposit data of residents in Spain
September	WSBI Innovation Forum
October	Loan and deposit data of residents in Spain
October	Motion of the Bank of Spain on the adoption of certain guidelines published by the European Banking Authority as specific guidelines
October	Motion the Director General of the Spanish Social Security Institute on a new bank account exchange service for the payment of social security benefits
October	Motion of the Managing Director of the Spanish Social Security Institute (INSS - Instituto Nacional de la Seguridad Social) about a new FIER service for downloading and consulting the information from the INS Empresas file (FIE)

October	Motion of the Director General of the Spanish Social Security Institute on a new service so that companies can request the employee's maternity/paternity benefit
November	Loan and deposit data of residents in Spain
November	2/2016 and 2/2014, on supervision and solvency and the exercise of regulatory options, and Circular 5/2012, on transparency and responsibility in the granting of loans
November	Motion of the Bank of Spain regarding the adoption of certain guidelines published by the European Banking Authority as specific guidelines
December	Motion of the Bank of Spain regarding the adoption of certain guidelines published by the European Banking Authority as specific guidelines
December	Motion of the Bank of Spain on the draft circular on the rules for sending payment statistics
December	Motion of the Chairperson 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 regarding the information to be sent to the Risk Information Centre (CIR - Central de Información de Riesgos) by institutions adhering to the code of best practices in the framework of renegotiation for customers with guaranteed financing
December	Motion of the Managing Director of the Spanish National Security Institute (INSS - Instituto Nacional de la Seguridad Social) on the availability of a new subsidy inbox intended for resolving discrepancies
December	Motion of the Bank of Spain regarding the adoption of certain guidelines
December	Publication of the agreement of the Council of Ministers which adapts the conditions, extends the terms of application for the guarantees and modifies the code of best practices



### 2.3.3. Historical Archive

CECA's Historical Archive works is to preserve the **historical memory** of CECA and make it available to economists, historians and researchers, to whom it provides guidance on searching for and locating documents and on the documentary and bibliographic collections in its custody.

The Archive comprises a valuable and extensive collection of documents that are grouped in two large sub-collections: one belonging to the savings sector, which begins in 1838, and one corresponding to CECA, whose documentation has been active since 1928, the year it was founded. Furthermore, the archive has a photographic

and audio-visual background with an in icon.

There is also an important collection of savings books, piggy banks, trophies and prizes, building plans and sheet music, among others.

The CECA Historical Archives collaborate with several institutions, including the Ministry of Culture through the Census-Guide of Archives on Spain and Ibero-America, with the ESBG's Study Group on Savings Banks History and with the Bank of Spain, resulting in the *Guide to Historical Archives of Banking in Spain*.

### 2.3.4. CECA publications

CECA compiles the most relevant information in the sector and stresses the aggregate impact. In 2021, the following publications were released:

#### Obra Social Report

The *Obra Social Report for 2020* shows that a total of 772 million euros were allocated to Obra Social and that 49,000 activities were executed to reach more than 24 million beneficiaries.



#### Financial Education Report

The 2020 *Financial Education Report* is aimed at all segments of the population to learn about the actions carried out and helps to explain why these initiatives are necessary for a more robust financial culture. In 2020, CECA and its member entities made a total investment of 3.57 million euros in financial education programmes, 3.025 million of which was contributed by the Funcas Educa programme. A total of 4,145 activities were carried out and served upwards of 25 million beneficiaries.

#### CECA sector

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

#### Statistical Yearbook

The *Statistical Yearbook* includes the most relevant and detailed statistical information on the sector, CECA member entities and their evolution over the years.

## Ahorro Magazine

During 2021, issue number 499 of the magazine Ahorro was published under the title “Comprometidos con el futuro” [Committed to the Future] with all current news on the CECA sector and its Obra Social.

## Economic, Fiscal and Social Impact Study of the CECA sector

This report compiles extensive information from member entities to obtain the tax, economic and social impact that sector entities have each year. In 2021, the study was carried out with the help of the consultant KPMG, who provided the methodology, using data from 2020.



### 2.3.5. Our presence on social media

CECA maintains active communities on **social media** networks with up-to-date information about CECA and its members. These communities focus on disseminating the activities of its members and promoting the missions they undertake in their financial activity and their Obra Social.

The entity is active on Twitter through the CECA corporate profile (@sectorceca), with more than 2,566 followers, and also on LinkedIn under “CECA. Asociación bancaria”, gaining institutional presence on this relevant social network with more than 2,674 followers.

CECA has an official information channel on YouTube. The association is also on Twitter under the profile “Red Española de Educación Financiera” (@redufinanciera) with more than 2,443 followers, focused on the exchange of knowledge and experiences in financial culture.

Furthermore, CECA’s digital project “Nuestros Datos Seguros” [Our Secure Data], a web portal for learning about data use, privacy and security online, has a presence on Twitter (@Datoseguros), with 1,346 followers, and on LinkedIn and Facebook.



Twitter @sectorceca  
**2,566**  
followers

LinkedIn  
“CECA Asociación bancaria”  
**2,674**  
followers

Twitter @redufinanciera  
**2,443**  
followers

Twitter @Datoseguros  
**1,346**  
followers



# Governing Bodies

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. Operations of the governing bodies during the state of alarm

Despite the fact that the circumstances experienced during the COVID-19 pandemic in 2020 have carried over into 2021, **CECA's governing bodies followed their corporate agendas as normal** and held their meetings online and in person, when the evolution of the pandemic allowed it.

This was possible under the extraordinary regulations approved by the Government to address the consequences of COVID-19 and, in particular, Act 2/2021, of 29 March, on urgent measures for prevention, containment and coordination to address the health crisis caused by COVID-19, which was in force throughout 2021.

## 3.2. General Assembly



The General Assembly is **CECA's most important governing and decision-making body** and is made up of representatives appointed by the Savings Banks and other member credit institutions.

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

### Functions

Amongst other functions established in the By-laws, the General Assembly is tasked with the following:

Defining the broad lines of the action plan on an annual basis

Appointing members of the Board of Directors

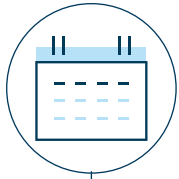
Confirming the appointment of the CEO as proposed by the Board of Directors

Approving the annual accounts and the distribution of profit

Creating and dissolving charitable and social works

Approving their budgets and the management thereof





## Meetings

- 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.
- The **CECA Ordinary General Meeting** met on 23 March 2021, exclusively online, that is, without the physical presence of representatives from Savings Banks and other credit institutions associated with CECA. However, representatives were able to exercise fully all their rights of attendance and participation at the Meeting in real time.
- The **CECA Ordinary General Meeting** on 23 March 2021 adopted the following resolutions:
- 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, as well as the management of the Board of Directors, all corresponding to financial year 2020.
- The **approval of the Consolidated Non-Financial Information Statement** corresponding to financial year 2020.
- The **re-election of Mr Gregorio Villalabeitia Galarraga** as a member of the Board of Directors.
- **Settlement of the budget for Obra Benéfico-Social corresponding to financial year 2020 and the OBS (Funcas) budget for 2021.**

Prior to the Ordinary General Assembly, the individual and consolidated annual accounts, the management report, the non-financial information statement and the auditors' reports,

all corresponding to financial year 2020, among others, were made available to Ordinary General Meeting.

## 3.3. Board of Directors

The Board of Directors is tasked with **administering, managing and representing CECA**.

The **composition of the Board of Directors** at 31 December 2021 is:

### Chairperson

Isidro Fainé Casas

### Members

José Pla Barber

Juan Carlos Escotet Rodríguez

José Luis Aguirre Loaso

Manuel Azuaga Moreno

### Member Secretary

Josep A. Cifre Rodríguez

### Vice-chairpersons

José Ignacio Goirigolzarri Tellaeché

Braulio Medel Cámara

Gregorio Villalabeitia Galarraga

### Non-member Vice-secretary

Fernando Conlledo Lantero

## Functions

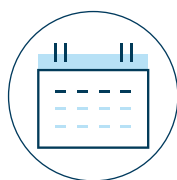
The Board of Directors is the body responsible for, among other things, the institution's governance and administration and for representing it in all matters related to its trade and to lawsuits, with the powers expressly conferred upon it by the By-laws.

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 by the Board of Directors**.

## Directors

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 credit institutions. However, member entities will be able to promote Chairpersons of CECA member entities as Members of the Board of Directors.



## Meetings

- According to the By-laws, the Board must hold at least six meetings a year, called by the Chairman.
- In 2021, 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.

## 3.4. 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 Meeting and the powers specially delegated to the Board, unless it is expressly authorized to do so.

CECA's Executive Committee comprises the Chairperson, the Deputy Chairperson 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.

## 3.5. Foundations and Obra Social Commission

It is the **main forum for exchanging experiences, cooperation and research in relation to Obra y Acción Social.**

This body is advisory by nature and is linked to CECA's own Obra y Acción Social, Funcas.

The functions of the Foundations and Obra Social Commission are:

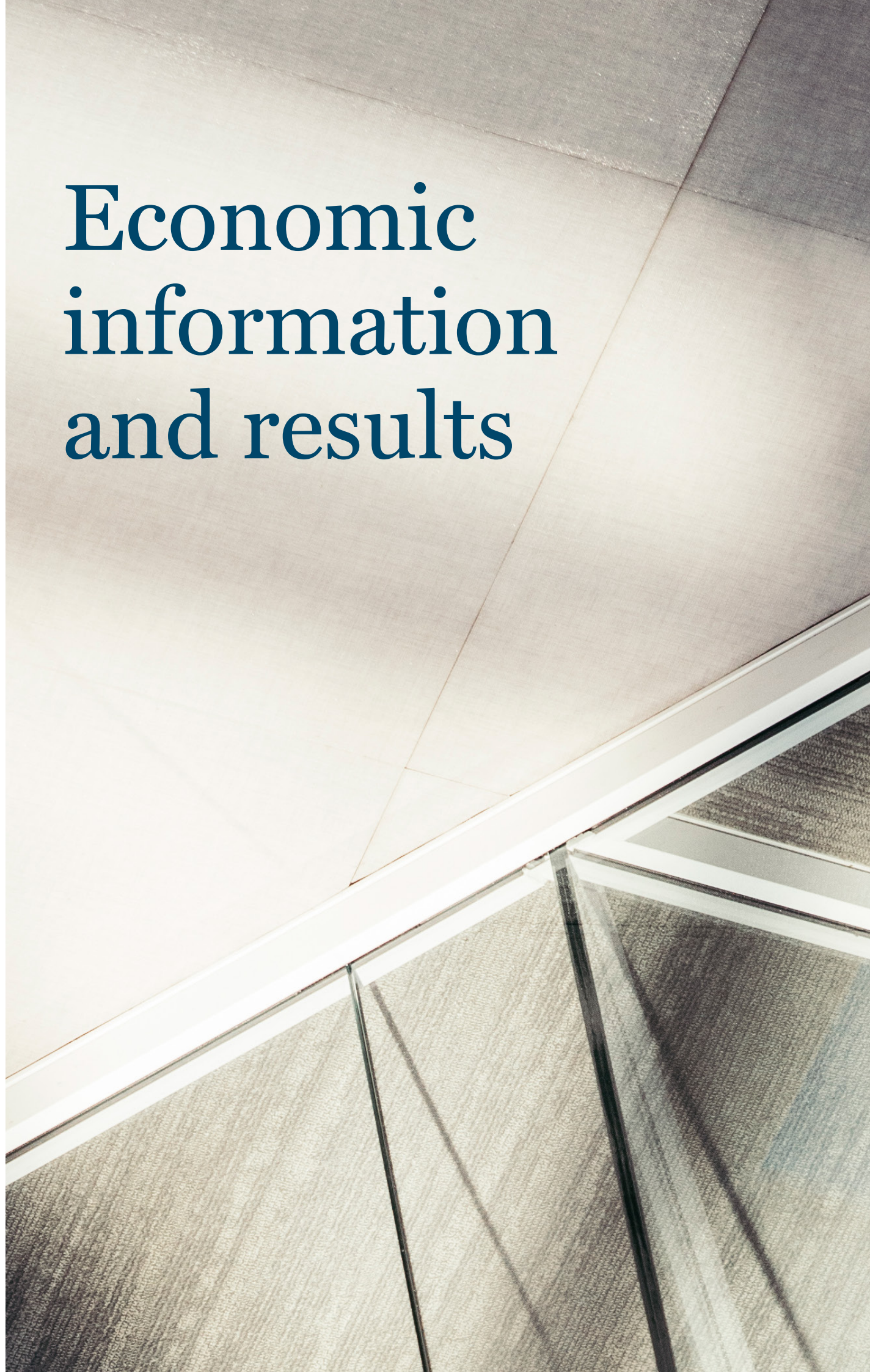
**To advise the Board of Directors** on the questions it poses in relation to the social projects of savings banks, banking foundations and ordinary foundations related to members.

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.





# Economic information and results



## 4.1. CECA Annual Accounts

## 4.2. Annual Accounts of CECA and subsidiaries in the CECA Group



Executive  
Summary 2021



Video 2021