CECA Sector: regulatory and financial outlook

18 March 2025

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Composition of the CECA Sector

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Credit institutions

CaixaBank, Unicaja, ABANCA, Kutxabank, iberCaja, cajasur, Caixa Ontinyent, Colonya Caixa Pollença, cecabank

Listed companies

Credit institutions data

Branches	Employees	Total Assets
7,388	60,110	819,969 Mill. €
42% of SFS	36% of SFS	27% of SFS

Retail credit	Retail deposits
394,405 Mill. €	532,573 Mill. €
35% of SFS	38% of SFS

Data as of December 2024

Banking foundations

bbk, Cajadeburgos Fundación, Fundación Cajastur, Fundación iberCaja, kutxa fundazioa, Fundación "la Caixa", Fundación Unicaja, Vital Fundación Fundazioa

Ordinary foundations

Afundación Obra Social ABANCA, Fundación Ávila, Fundación Bancaja, CajaCanarias Fundación, Fundación Caja Cantabria, Fundación Caja Castilla La Mancha, Fundación Caja Extremadura, fundación Caja Inmaculada, Fundación Cajamurcia, CajaGranada Fundación, Fundación Caja Navarra, Fundación Cajasol, Fundación cajaRioja, pinnae, Fundación La Caja de Canarias, Fundación Círculo Burgos, Fundación Montemadrid, Mediterraneo Fundación, 10 Aniversario Fundos, fundació sa nostra, Fundació Caixa Castelló, fundación CB, Colonya Fundació Guillem Cifre, Fundació – Caixa Ontinyent, Fundación Torreón de Lozoya, fundación cajasur

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Regulation

Regulatory highlights: September 2024 – March 2025

European Regulation

Listing Act package

This package addresses some issues to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises. It consists of the following legislation:

- Regulation (EU) 2024/2809: it amends the Prospectus Regulation, the Market Abuse Regulation (MAR) and MiFIR, highlighting the following: (i) new prospectus obligations and exemptions, (ii) admission to trading on a regulated securities market and (iii) share buy-back programmes.
- Directive 2024/2810/EU: it regulates multiple-vote share structures in companies that seek admission to trading of their shares on a multilateral trading facility.
- Directive 2024/2811/EU: it amends MiFID mainly as regards (i) the third-party research service regime, (ii) the SME growth market and (iii) new supervisory powers.

EMIR 3

The EMIR review package is made up of the following:

- Regulation (EU) 2024/2987: it incorporates new developments on issues related to clearing obligations, intragroup transactions, active account requirements in a CCP, clearing information and margins.
- Directive 2024/2994/EU: it introduces concentration risk arising from exposures towards CCPs as a requirement to be taken into account by investment firms in their internal governance procedures.

Regulation (EU) 2024/3005 (ESG ratings)

It regulates aspects related to (i) the requirements for operating in the EU, (ii) the creation of a register of ESG rating providers, (iii) the principles that will govern the ESG rating activity, (iv) the organisational, governance and transparency requirements for ESG rating providers, (v) the prevention of conflicts of interest, as well as (vi) the supervisory and sanctioning regime. It also establishes a transitional regime for existing ESG rating providers.

Spanish Regulation

New Bank of Spain framework for setting the CCB and establishing a 0.5% rate for the fourth quarter

The new framework incorporates the establishment of a positive CCB level of 1% when cyclical systemic risks are identified as being at a standard level, increasing to higher levels when such risks are at a high level. The 1% level will be reached in two steps of 0.5 percentage points, activated in the fourth quarters of 2024 and 2025 and becoming effective in the fourth quarters of 2025 and 2026, respectively.

Order TDF/149/2025 on smishing and vishing

It establishes measures to combat identity theft scams through fraudulent telephone calls and text messages and to ensure the identification of the numbers used to provide customer service and make unsolicited commercial calls.

CCP: central counterparty
ESG: environmental, social and governance

CCB: countercyclical capital buffer

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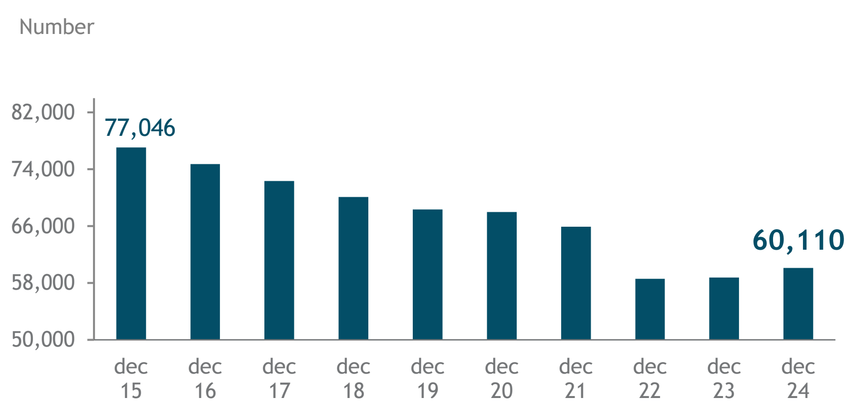
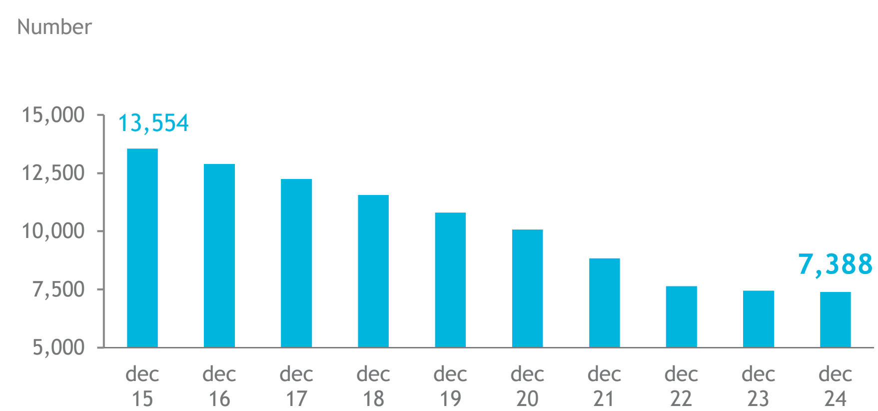
Financial data

Financial data. Employees and branches

Employees



Branches



Annual variation

Employees	+1,353 →	+2.3%
Branches	-62 →	-0.8%

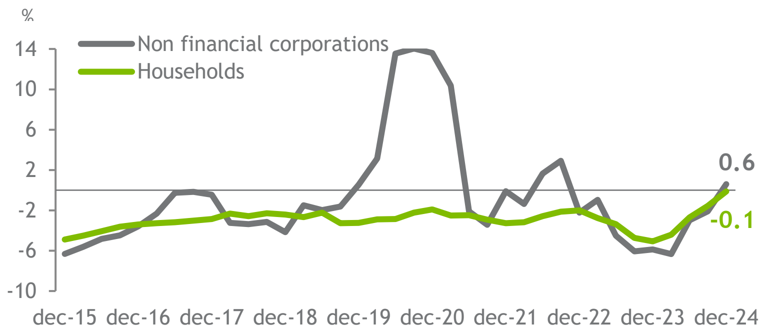
↑ The number of employees increases in Q4 2024, registering a positive year-on-year growth of 2.3% (1,353 employees).

↓ The number of branches continues to decline, although at a slower rate, registering a year-on-year drop of 0.8%.

Financial data. Business activity

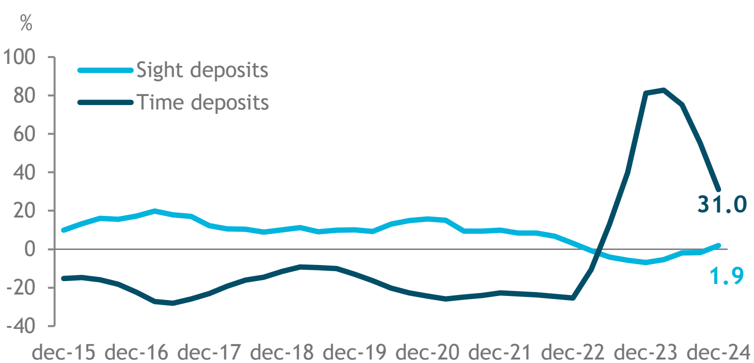
Credit to non financial corporations and households

Annual variation



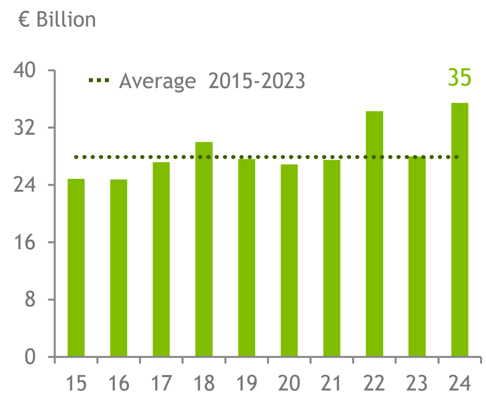
Deposits from non financial corporations and households

Annual variation

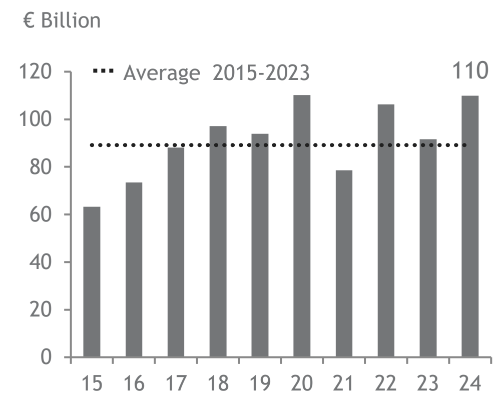


New credits

Households



Non financial corporations



Accumulated volumes from January to December

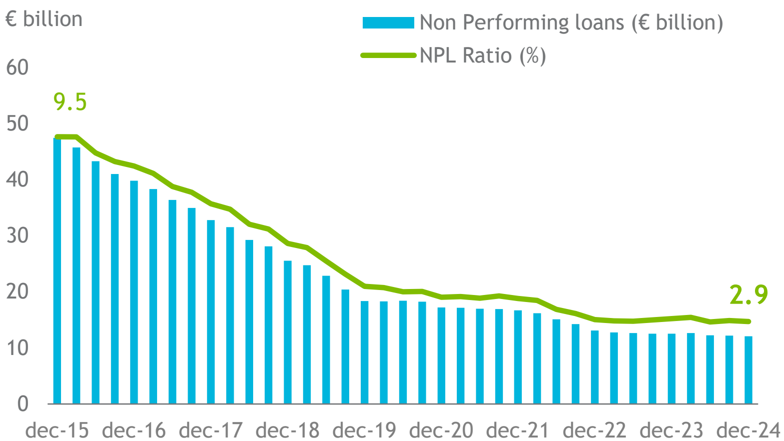
During 2024, the credit to the private sector moderated its rate of decline. At the end of the year, it registered a positive rate in non financial corporations (0.6%) and -0.1% in households.

New financing to both households and financial corporation increased in the accumulated year 2024 compared to previous years, reaching a volume of €35 billion in households and €110 billion in companies.

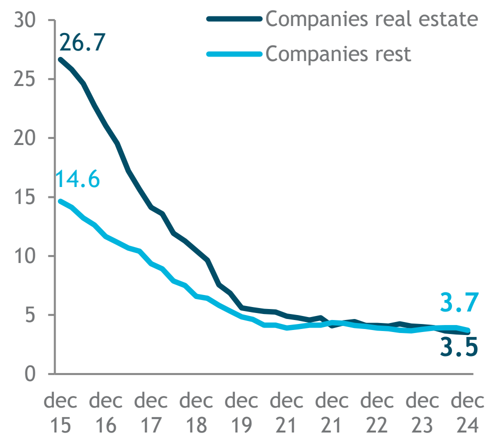
Business and household deposits increased by 5% year-on-year in December 2024, as a result of a slowdown in time deposits (31%), compared to an increase in sight deposits (1.9%).

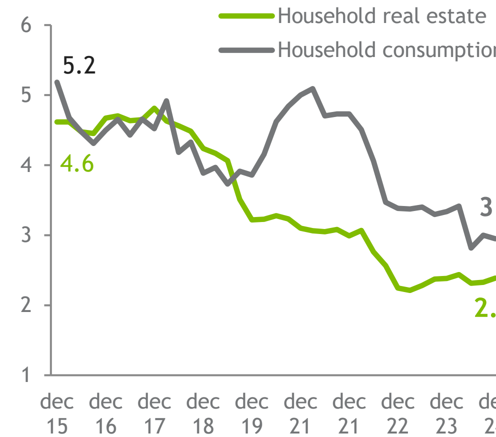
Financial data. Credit risk

NPL ratio (%)

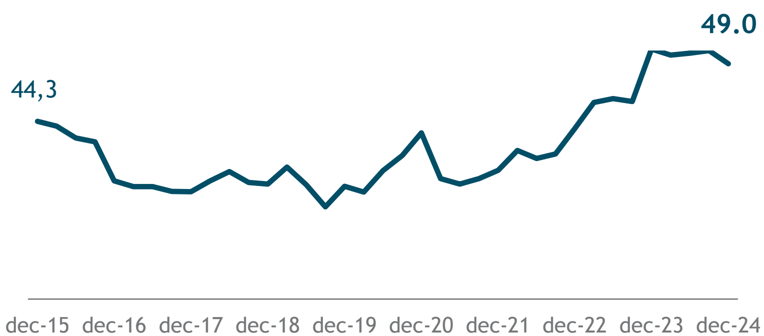


NPL ratio by sector (%)





NPL coverage ratio (%)



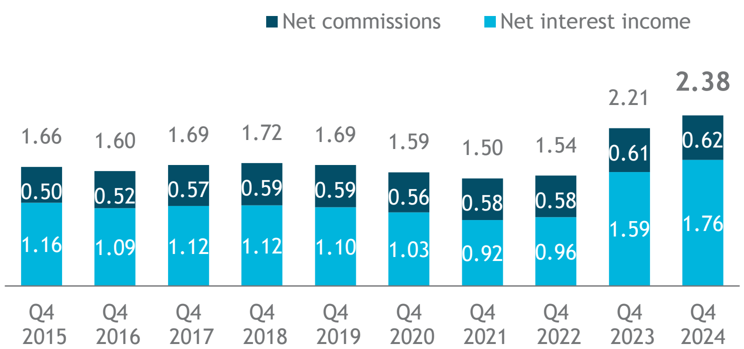
The NPL ratio stabilizes around 3% in December 2024. The rate decreases by 80 b.p. compared to December 2021 (3.85%).

In December 2024, the NPL ratio decreases in consumption, while it remains stable in companies and increases slightly in household for house purchasing compared to December 2022.

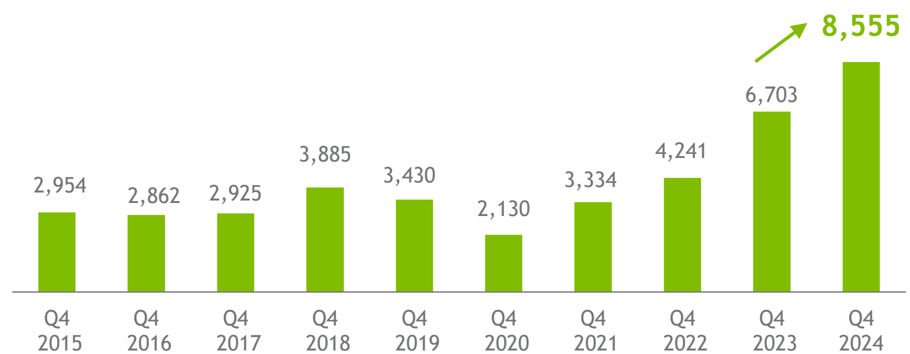
The coverage ratio increases by 5 p.p. compared to December 2022, standing at nearly 50% in December 2024.

Financial data. Results

Net interest income and commissions
% of ATAs

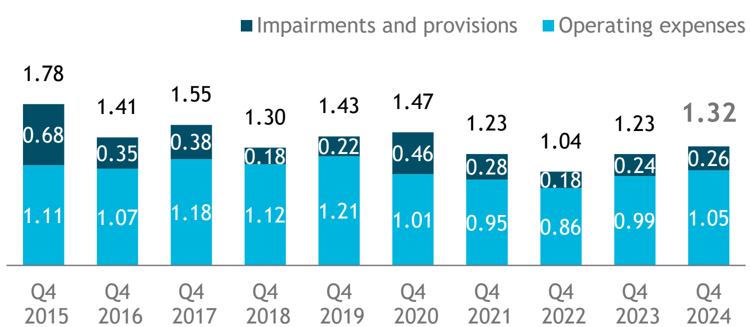


Net profit
€ million



Note: Net profit Q4 2021 exclude the extraordinary costs and income due to merger processes.

Operating costs and impairments
% of ATAs



Note: Operating expenses in Q4 2021 excludes extraordinary costs due to merger processes.

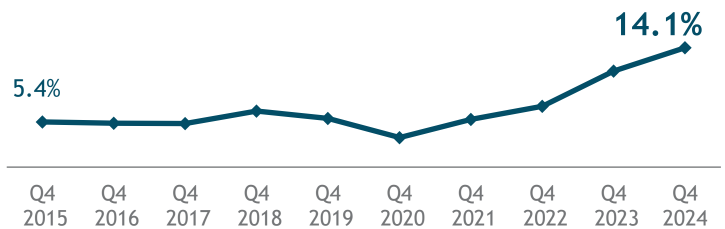
Recurring revenues increase in Q4 2024 compared to Q4 2023, driven by interest income. **2.38%**

On the expenses side, inflationary pressure and transformation projects lead to an increase in operating expenses, while impairments and provisions rise moderately. **1.32%**

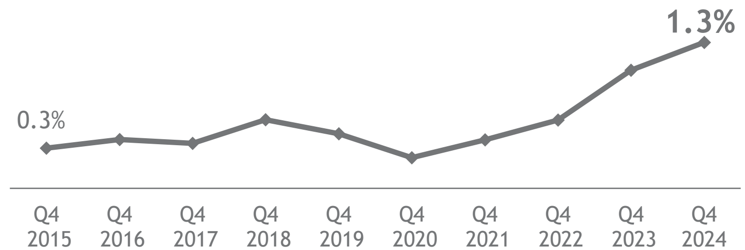
The improvement in the net interest margin contributed to an increase of the consolidated result, to 8,555 million €.

Financial data. Financial ratios

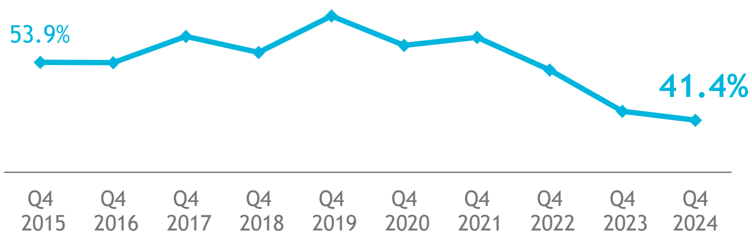
ROE



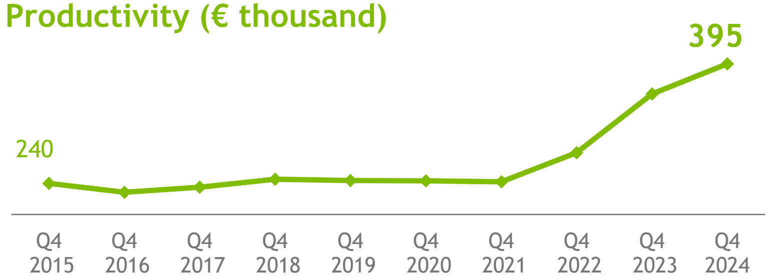
ROA



Cost to income ratio



Productivity (€ thousand)



ROE, ROA and Cost to income ratio exclude the extraordinary income and costs due to a merger processes in Q2 2021.

Productivity = gross income by employee

Return on equity (ROE) increases in Q4 2024, to 14%, due to the rebound in consolidated profit.

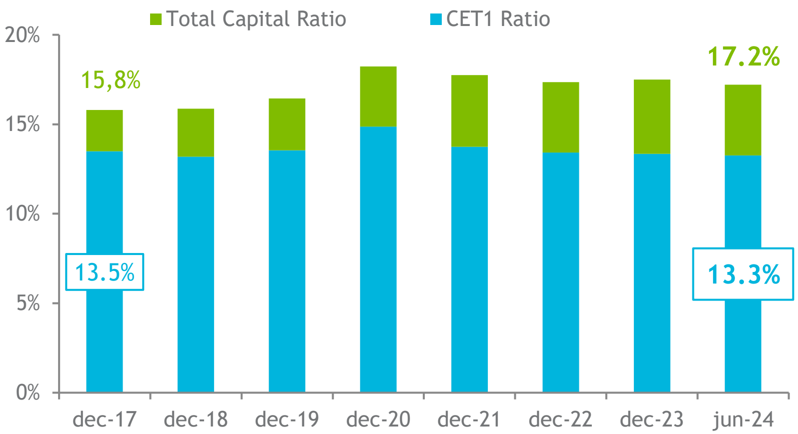
The efficiency ratio improves to 41.4%, due to the increase in operating margin despite the increase in operating expenses.

Return on asset increases to 1.3%, 1 p.p. above the rate registered in the same period of 2020.

Productivity per employee increases compared to December 2023, to € 395 thousand due to the increase in gross income.

Financial data. Solvency and Liquidity

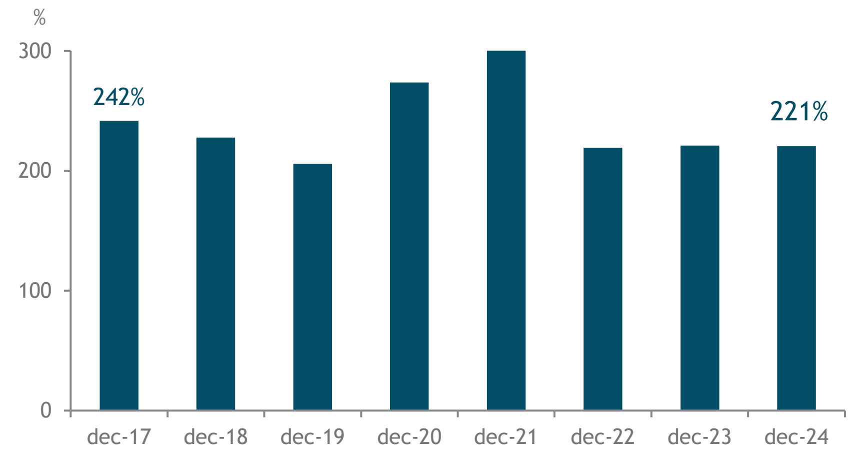
Solvency ratios as % of RWA



The total capital ratio stood at 17.2% in December 2024, decreasing by 30 b.p. compared to the same period in 2023.

CET1 ratio remaines unchanged in the last year, standing at 13.3%.

Liquidity coverage ratio (LCR)



The liquidity ratio, that increased strongly during the pandemic years, due to exceptional measures taken by ECB, has normalised since 2023, accounting for 221% in December 2024.