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INTERNATIONAL SAVINGS BANKS

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The Savings Banks Organisation in Spain

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The regional principle was abolished in Spain at the end of the 1980s, after which time cooperation between savings banks was abandoned in favour of growth of the institutions. Since then, the number of savings banks in Spain has fallen sharply. Conversely, the market share of savings banks in the lending business has risen in recent years from around 28% and remained high and stable at around 35%.

A law passed in July 2010 permitted the separation of the public welfare orientation from the banking business. The public welfare activities (in Spain: "obra social") were retained by the sponsoring savings bank, which was run as a foundation under private law. The banking business could be outsourced to a (listed) bank with the aim of raising equity capital on the market. While the sponsoring foundations continued to exist for the most part, the bank holding companies underwent two waves of mergers until 2012, which resulted in a complete reorganisation of the sector until 2014. The financial institutions CaixaBank and Bankia merged in March 2021 to form CaixaBank. The merger is considered one of the largest in Spain.

As a result, only eight savings banks are now left. Two savings banks have retained their original form. The other six are credit institutions derived from savings banks. The balance sheet total of these holdings is approx. EUR 972 billion.

The Spanish banking market

In macroeconomic terms, the banking sector in Spain is of above-average importance compared to other European countries. In 2025, the balance sheet total of all banks was about 2.7 times the country's total economic output. In comparison, the European average was 2.1 times the GDP. The bank branch network in Spain is still well above average, with 2,843 inhabitants per branch. In comparison, the European average is 3,667 inhabitants per branch (see charts 1 and 2).

In 2025, the volume of non-performing loans held by Spanish banks fell to 2.2%, which was slightly above the European average of 1.6%. The cost-income ratio of Spanish banks continued to fall in 2025 and at 42.1% was below the European average. Profitability, measured by return on equity, was 18.5% in 2025, meaning that Spanish banks were once again outperforming their European competitors (see charts 3 and 4).

From the late 1990s, Spain experienced a construction boom fuelled by low interest rates and rising incomes, which was the driving force behind sustained high economic growth. In 2008, the real estate bubble burst. The financial crisis quickly developed into a banking crisis, as a result of which a state bank rescue fund (FROB) was set up in 2009 and the decision was made to restructure and recapitalise the Spanish savings bank sector. In January 2016, the European Commission concluded that the programme to provide financial support to the banks had been successfully completed. The Commission highlighted the success of the measures implemented and the strong commitment shown by the Spanish authorities in their implementation. In the end, only 40 billion euros of the 100 billion euros made available were required.

In October 2025, the Banco de España decided to raise the countercyclical capital buffer (CCyB) for risk exposures in Spain from 0.5% to 1.0%. The higher requirement will take effect on 1 October 2026, and is intended to strengthen the resilience of banks and ensure stable lending during economic downturns. The measure was supported by the European Central Bank and the Spanish macroprudential authority (AMCESFI).

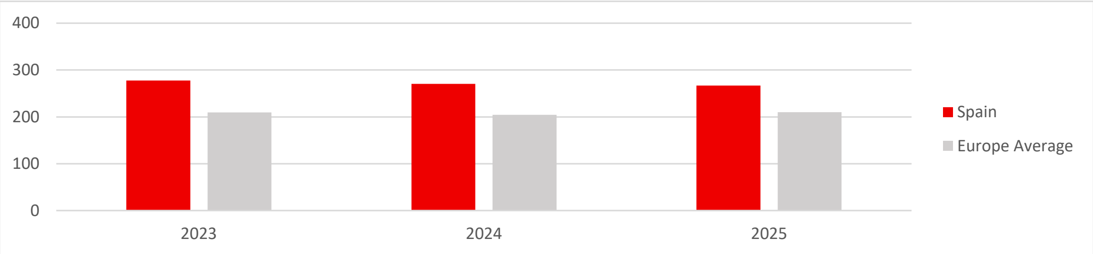
In its May 2026 report, the IMF assesses the Spanish financial system as resilient and the systemic risks as low. At the same time, it recommends close monitoring of risks in the real estate market and, where necessary, the early implementation of macroprudential measures.

Table 1: The largest Spanish banks by balance sheet total

Group	2025	2024	2023	2022	2021
Banco Santander	1,868	1,837	1,797	1,735	1,596
BBVA	860	772	776	713	663
CaixaBank	664	631	607	592	680
Banco de Sabadell	245	240	235	251	252

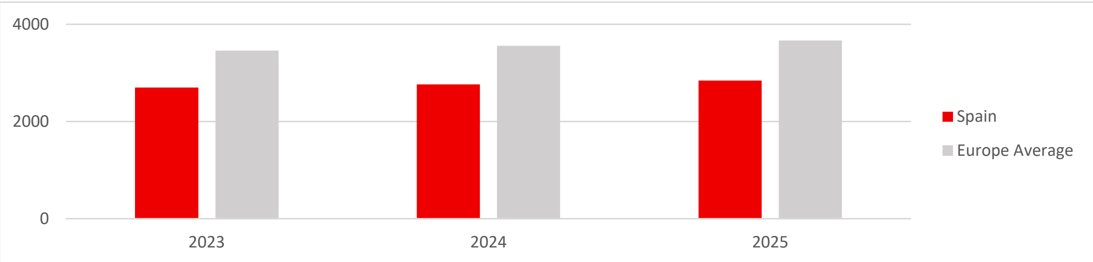
Source: 2025 financial report of the respective group, in EUR billion

Chart 1: Banks' balance sheet total to GDP in %



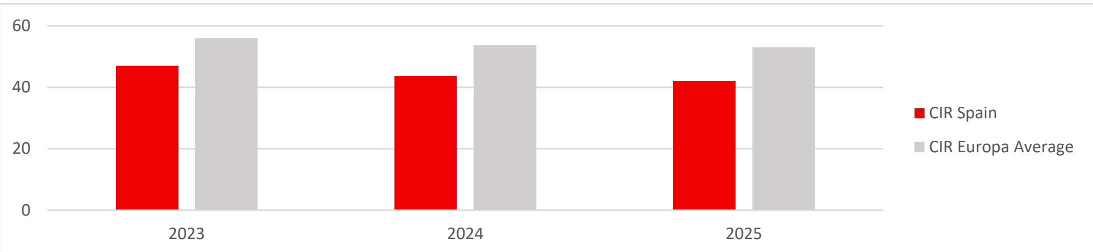
Source: European Central Bank 2025, own calculations

Chart 2: Population per branch



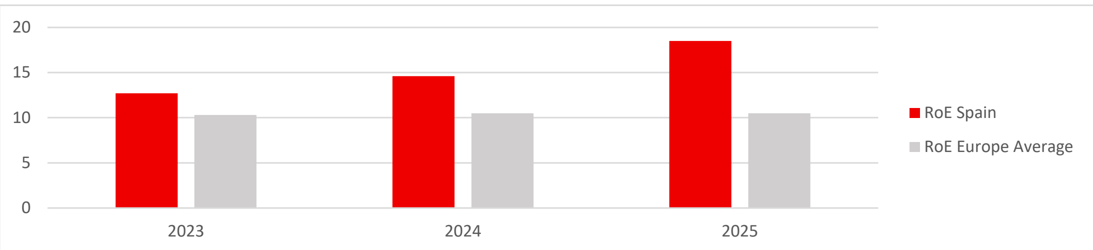
Source: European Central Bank, Eurostat 2025, own calculations

Chart 3: Cost-income ratio (CIR) in %



Source: EBA Dashboard, 2026

Chart 4: Return on equity (RoE) in %



Source: EBA Dashboard, 2026

The Spanish savings banks

The first Spanish savings bank (Caja de Ahorros) was founded in 1838 by private initiators. As in other countries, the primary aim was to promote savings as a means of improving living standards among the population.

The savings banks, which were organised as non-profit entities, were declared charitable institutions and their management was transferred to a body with members appointed by the state. Their sphere of activity was limited to the respective home region (regional principle). Even at the beginning of the reform of the Spanish savings bank system in 1977, when savings banks were placed on an equal footing with private banks in terms of the transactions they were permitted to carry out, the state still exerted massive influence over the activities of the savings banks, among other things by stipulating the use of profits and deposits. Business with companies was prohibited .

Since 2010, it has been possible for the savings banks to outsource their banking business to a public limited company. This was done by the vast majority of cajas. In a second step, the banking operations of several institutions were then consolidated (either as a merger or as an Institutional Protection Scheme - IPS). The original cajas remained in the background as sponsoring foundations. However, there are banks operating in the market that are still referred to as "savings banks" due to their historical origins. The Savings Banks Act of December 2013 imposed a growth cap on the "cajas". If their total assets exceed EUR 10 billion or their market share of deposits in their regional home market exceeds 35%, their banking operations must be outsourced to a separate credit institution.

However, this regulation essentially only reflects the reality that already exists today. Of the former 45 Spanish cajas, 43 institutions have consolidated into 5 large savings banks through mergers or incorporation into an IPS. Since 2015, the number of branches has decreased by 49% and the number of employees by 25%. Nevertheless, around every second bank branch in Spain is still that of a savings bank. Only two cajas, Caixa Ontinyent and Colonya Caixa Polença, still retain control of their operational banking business (for more details see table 2).

In September 2020, the supervisory boards of Caixabank and Bankia approved the merger of the two institutions, one of the largest mergers in the country. This was legally completed at the end of March 2021. To this day, the merger ranks among the most significant consolidation measures in the Spanish savings bank sector.

Table 2: Consolidation in the Spanish savings bank sector

2009: 45 savings banks	since 2026: 7 savings banks
La Caixa, Caixa Girona, Cajasol, Caja de Guadalajara, Caja Navarra, Caja de Burgos, Caja Canarias	Caixabank (after merger with Bankia)
Caja Madrid, Banaja, La Caja de Canarias, Caixa Laietana, Caja de Ávila, Caja Segovia, Caja Roja, Caja Murcia, Caixa Penedès, Caja Granada, Sa Nostra	
BBK, Kutxa, Vital Kutxa, Cajasur Banco	Kutxabank
Unicaja, Caja Jaén, Caja España, Caja Duero	Unicaja Banco
Caixa Galicia, Caixanova	Abanca
Caja Immaculada de Aragón, Caja Circulo de Burgos, Caja de Badajoz, Ibercaja	Ibercaja Banco
Caixa Ontinyent	Caixa Ontinyent
Colonya Caixa Pollença	Colonya Caixa Polença

Source: CECA, 2026

The lending business continued to perform well in 2025. The outstanding loan volume in the CECA sector rose by around 5.0% year-on-year to 525.3 billion euros. Customer deposits also performed well in 2025, rising by 4.9% year-over-year to 657.7 billion euros.

The profitability of the CECA sector remained at a high level in 2025 as well. Return on equity (ROE) stood at 14.1%, the common equity Tier 1 (CET1) ratio at 13.3%, while the cost-to-income ratio was 41.4% and the NPL ratio was 2.9%.

In Spain, "Obra Social" refers to social work or social commitment carried out by banks or other financial institutions. "Obra Social" includes charitable activities and programmes aimed at the welfare of society. This may include, for example, support for educational projects, cultural events, social programmes, environmental protection measures or measures to promote health and well-being. The aim of "Obra Social" is to make a positive contribution to the community and to promote social responsibility.

In 2025, the Spanish savings bank foundations provided a total of approximately one billion euros for charitable purposes. With around 92,858 initiatives, they reached almost 35.9 million people, thereby making a significant contribution to social engagement in the country.

Table 3: Structural characteristics of the Spanish savings banks

Legal form (of the Cajas or bank foundations)	Universal banks with a legal form similar to a foundation without shareholders and operating on a non-profit basis. Since July 2010, it has been possible to transfer the banking business to a public limited company. If the shareholding falls below a minimum of 10%, the savings bank must be converted into a foundation without banking operations. The same applies if central functions are transferred to an IPS.
Public support and oversignt	According to the law, a maximum of 25% of the members of the general assembly may be appointed by the public administration. Elected politicians may not hold office in the bodies of the savings banks.
Business activity	In 1977, the savings banks were put on an equal footing with private banks with regard to permissible transactions.
Regional principle	The regional principle was completely abolished in 1988. The establishment of branches is also permitted abroad, as is the acquisition of stakes in institutions abroad. The new Savings Banks Act of 2013 stipulates that savings banks may only operate in their own and neighbouring provinces, with a maximum of 10 provinces.
Public welfare orientation	The savings banks allocate at least 50% of their after-tax profits to reserves. The surplus is used for charitable purposes (Obra Social).

The umbrella organisation: CECA (Confederación Española de Cajas de Ahorros)

The Spanish Savings Banks Association CECA was founded in 1928 and represents the interests of its member institutions. Its main areas of activity are institutional representation, analysis of regulatory developments, sustainability and social commitment ('Obra Social'). CECA is also a member of the European Savings Banks and Retail Banking Group (ESBG) and the World Savings and Retail Banking Institute (WSBI)[1].

Table 4: Structural characteristics of the Spanish Savings Banks Association

Members	All Spanish savings banks, SIPs derived from savings banks, savings bank foundations and credit institutions operating according to the guidelines of the savings bank system. Membership is voluntary and permanent, each savings bank has the right to withdraw.
Purpose	• Representing members at national and international level. Specifically at international level, representing the Savings Banks in the World Savings and Retail Banking Institute and European Savings and Retail Banking Group. • Compiling statistical analyses and providing administrative services for the members, as well as advisory support in the fields of tax, regulatory, economic, marketing and promotional issues. • Study and training centre for all areas relating to the financial markets

Table 5: Key figures of the CECA member institutions

	2025	2024
Cost-income ratio	42.2%	41.1%
Market share of Ceca Institute for loans	35%	35%
Market share of Ceca Institute for deposits	38%	38%
Total assets (in EUR billions)	991	820
Offices	7,257	7,388

Source: CECA, 2025

[1] Additionally, CaixaBank is a direct member of ESBG and WSBI

Cecabank

In 2012, the management of CECA decided to outsource the financial operations of the association to a bank which was to be specifically created for this purpose. On 12 November 2012, Cecabank was founded, to which all the Association's receivables and liabilities were transferred. Since this transfer, the Association has been responsible for representing interests and facilitating communication between the savings banks, while Cecabank works as a financial service provider for the savings banks (e.g. in the securities business).

Table 6: Structural features of Cecabank

Legal form	Public limited company
Shareholder	CECA: 89%; savings banks and their successor institutions: 11%
Purpose	• Financial service providers for the savings banks (international business, securities and issuing business, central clearing house) • Consulting, technical and administrative services for public and private corporations

Table 7: Key figures of Cecabank

	2025	2024
Total assets	17,088	14,624
Equity	15,580	13,250
Net profit	98	87
T1 capital ratio	52.6%	42.8%

Source: Cecabank Financial Report, 2025, in EUR million

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