Spanish Banking System
European Comparison

MMCG
Frankfurt, 21 Nov. 2014

Luis Soutullo
lsoutull@ceca.es
+34 915315454
1. SPANISH BANKING SYSTEM

1.1 Concentration process

Number of individual credit institutions

<table>
<thead>
<tr>
<th>Category</th>
<th>2009</th>
<th>2013</th>
<th>Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banks and Savings banks</td>
<td>351</td>
<td>99</td>
<td>-252</td>
</tr>
<tr>
<td>Credit cooperatives</td>
<td></td>
<td></td>
<td>-16</td>
</tr>
<tr>
<td>Credit financial intermediaries</td>
<td></td>
<td></td>
<td>-21</td>
</tr>
</tbody>
</table>

Average size 37.8 Eur bill.

Number of consolidated groups

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of C.I.</th>
<th>Average size</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>99</td>
<td>57.3</td>
</tr>
<tr>
<td>2013</td>
<td>61</td>
<td></td>
</tr>
</tbody>
</table>

Source: Bank of Spain
1.2 Reduction of Capacity

**Employees**

- **EU 81%**
  - 2008: 278,073
  - 2014 1S: 211,773
  - Reduction: -23.8%

- **EU 19%**
  - 2008: 26,673
  - 2014 1S: 27,073
  - Reduction: 2.3%

**Branches**

- **EU 85%**
  - 2008: 46,164
  - 2014 1S: 32,792
  - Reduction: -29%

- **EU 15%**
  - 2008: 211,773
  - 2014 1S: 278,073
  - Reduction: 26.8%

**Note:** 4.4 employees per branch in branches and 4.7 employees per branch in central services.

Source: Bank of Spain
2. EUROPEAN COMPARATIVE

2.1 Dimension of Financial Sector and weight in the national economies

<table>
<thead>
<tr>
<th>Country</th>
<th>TA Country</th>
<th>TA EU</th>
<th>TA country / TA EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>369,3</td>
<td>182,1</td>
<td>2,0</td>
</tr>
<tr>
<td>Italy</td>
<td>2.631,1</td>
<td>1.560,0</td>
<td>1,7</td>
</tr>
<tr>
<td>Austria</td>
<td>1.089,7</td>
<td>313,1</td>
<td>3,5</td>
</tr>
<tr>
<td>Portugal</td>
<td>461,4</td>
<td>165,7</td>
<td>2,8</td>
</tr>
<tr>
<td>Spain</td>
<td>3.488,2</td>
<td>1.023,0</td>
<td>3,4</td>
</tr>
<tr>
<td>France</td>
<td>6.342,9</td>
<td>2.059,9</td>
<td>3,1</td>
</tr>
<tr>
<td>UK</td>
<td>9.294,1</td>
<td>1.899,1</td>
<td>4,9</td>
</tr>
<tr>
<td>Belgium</td>
<td>960,4</td>
<td>382,7</td>
<td>2,5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.433,3</td>
<td>602,7</td>
<td>4,0</td>
</tr>
<tr>
<td>Sweden</td>
<td>1.664,0</td>
<td>420,8</td>
<td>4,0</td>
</tr>
<tr>
<td>Finland</td>
<td>521,7</td>
<td>193,4</td>
<td>2,7</td>
</tr>
<tr>
<td>Ireland</td>
<td>789,8</td>
<td>164,0</td>
<td>4,8</td>
</tr>
<tr>
<td>Germany</td>
<td>6.735,4</td>
<td>2.737,6</td>
<td>2,5</td>
</tr>
<tr>
<td>Euro Area</td>
<td>26.779,11</td>
<td>9.603</td>
<td>2,8</td>
</tr>
<tr>
<td>EU</td>
<td>39.468,12</td>
<td>13.069</td>
<td>3,0</td>
</tr>
</tbody>
</table>

Source: ECB
2.2 Concentration Indices

Market share of the 5 biggest Institutions

Herfindahl Index

Source: ECB
2.3 Employees and branches ratios

**Number of employees per 10,000 inhabitants**
- EU average = 68.4

**Number of branches per 10,000 inhabitants**
- EU average = 5.0

**Number of employees per branch**
- EU average = 12.5
% Variation in the number of employees and branches (2009 – 2013)

Source: ECB
3. CURRENT FUNDING CONDITIONS

3.1 Better conditions for Treasury Issuance

3.2 Open window for the Capital Markets funding

Source: AFI, Tesoro
3.3 Better Money Market conditions:

Foreign Counterparties coming back

Less ECB total lending to Spain

Central Bank Total Lending - Spain

Source: AFI, Tesoro

Source: Banco d’ Espana
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