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RESUMEN

La crisis financiera actual ha golpeado con dureza a las cajas de ahorros españolas. De 45 cajas en 2007, el sector se ha reducido a sólo 13. La gran mayoría de las entidades desaparecidas han sido consolidadas en grupos de mayor tamaño, han sido adquiridas por bancos comerciales o han participado en operaciones de fusión entre las propias cajas de ahorros. El Banco de España y el Fondo para la Reestructuración Ordenada Bancaria (FROB) han rescatado siete entidades o grupo de entidades, y cuatro han sido nacionalizados. Todas las operaciones de salvamento han requerido el empleo de recursos públicos, lo que ha contribuido a incrementar de manera notable el déficit del presupuesto del Estado. El trabajo presenta, en primer lugar, una breve historia de las crisis de las cajas de ahorro y muestra que hasta fechas recientes el sector ha vadeado bien las crisis sufridas por el sistema financiero en su conjunto. Ello se ha debido a las restricciones legales a sus operaciones, el principio de territorialidad y una gestión prudente y conservadora. En segundo lugar el trabajo examina las causas de la crisis actual de las cajas, cual ha sido el procedimiento empleado para su resolución y su coste, que por ahora ha exigido la abultada cifra de 60.000 millones de euros prestado por el European Stability Mechanism.

Palabras clave: cajas de ahorros, crisis bancarias, regulación financiera, España.

ABSTRACT

The present financial crisis has severely hit the Spanish savings banks sector. Of 45 savings banks in 2007 by the end of 2012 the number had dropped to only thirteen. Most of the institutions that have disappeared, have been consolidated into major groups, either by outright purchase by banks or as a result of merging operations among individual savings banks. The Bank of Spain and the Fund for Ordely Restructuring of the Banking Sector (FROB) have bailout seven savings banks or group of savings banks, and four of them have been nationalized. Moreover, nearly all merging operations have required the consumption of public resources, which in turn have increased the already large government budget deficit. First, the paper presents a short history of the savings banks crises, and shows that until very recently the sector has surmounted major crisis affecting the financial system. Their limited scope and scale, the principle of territoriality, and a prudent and conservative management avoided saving banks the financial turbulences suffered by the commercial and investment banks. Second, the paper reviews the causes of the current savings banks crisis and which have been the procedure and the cost of its resolution, which has required the astonishing figure of 60,000 million euros provided by the European Stability Mechanism.

Keywords: savings banks, banking crises, financial regulation, Spain.

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THE SAVINGS BANKS CRISES IN SPAIN: WHEN AND HOW?[•]

The present financial crisis has severely hit the Spanish savings banks sector. Of 45 savings banks in 2007 by the end of 2012 the number had dropped to only thirteen. Most of the institutions that have disappeared, have been consolidated into major groups, either by outright purchase by banks or as a result of merging operations among individual savings banks. The Bank of Spain and the FROB[1] have bailout seven savings banks or group of savings banks, and four of them have been nationalized. Moreover, nearly all merging operations have required the consumption of public resources, which in turn have increased the already large government budget deficit.

As indicated, the resolution of the savings banks crisis has required massive financial support from the Spanish government, which in June 2012 was forced to request external assistance from the European Financial Stability Facility (EFSF). A Memorandum of Understanding (MoU) was signed in July 20 that included a financial aid of 100.000 million (m) euros to cover losses and to capitalize viable banking institutions still in need of completing the restructuring process. By December 2012 the funds channelled to the savings banks sector amounted to the staggering figure of 61,162m euros, or about a 5.8% of GDP. A 36.5% of the funds has come from the FROB, and the rest, a 63.5% from the EFSF. The help received by Spanish savings banks in relative terms (to GDP) is the second largest of the European Union and the United Sates, and only after the assistance received by the Irish financial system (see table 1). Not before the present crisis the Spanish savings banks sector has been subject to such financial turmoil. On the contrary, what 150 years of financial history shows is that up to the XXI century all crises have affected commercial and investment banks, but not savings banks.

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[1] Fondo para la Reestructuración Ordenada Bancaria (Fund for the Orderly Restructuring of the Banking Sector) created in July 2009.

According to a recent study since 1800 Spain has suffered eight banking crises, five in the XIX century and the rest between 1900 and 2000[2]. Many of them coincided with parallel international banking crises. In the XIX century the worst happened in 1866 when half of the credit companies and banks born one decade early liquidated. In the XX century the most severe crisis took place in 1977, lasted nearly five years, and again half the existing banks were dissolved or merged with other banks. The overall cost of the rescue operation was in the thereabout of 5% of GDP.

The history of Spanish savings banks do not record any serious crisis since the time the first institution, Caja de Ahorros de Madrid (now integrated in the infamous Bankia group), was established in 1835. From that date onward the number of savings banks increased as new institutions were founded by wealthy local patrons, the church and charitable organizations. By 1900 there were about 55 savings banks scattered throughout the country. In this long half century no major incidence occurred and only ten small savings banks disappeared absorbed by larger institutions within the same territorial area of influence.

Between 1900 and 1935 the savings banks grew to the number of 171, due to new foundations promoted by local public entities, such as municipalities and provincial councils. In this period, also turbulent for commercial and investment banks, there is no record of difficulties for the savings banks sector. In the 1931 crisis four small savings banks suffered liquidity difficulties, although only one of them had to be recued by a joint operation orchestrated by the Confederación Española de Cajas de Ahorros –CECA- (Confederation of Spanish Savings Banks) created in 1926[3], and a group of institutions rooted in the same geographical area. Thereafter, the Instituto de Crédito de las Cajas de Ahorros –ICCA- (Institute of Credit for Savings Banks) born in 1933, did not undertake either any recue operation as “lender of last resort”, precisely the function for which it had been established. Savings banks specialized in mortgage credit and in personal short-term loans of small quantity. They also held Treasury bonds of different maturity in their portfolio, and a limited volume of major company securities listed on the stock exchange. Their holdings of both public and private securities were then quite safe investments. On the other hand, the source of their financial resources consisted

[2] Concha Betrán, Pablo Martín-Aceña y María A. Pons, “Financial Crises in Spain. Lessons from the last 150 years”, *Revista de Historia Económica. Journal of Iberian and Latinamerica Economic History*, 30, 3, 2012, pp. 417-446.

[3] F. Comín, *Historia de la cooperación entre las cajas de ahorros. La Confederación Española de Cajas de Ahorros, 1928-2003*. Madrid, Confederación Española de Cajas de Ahorros.

basically on time deposits and accumulated reserves[4]. They did no depend at all on the domestic or the international capital market to finance their financial operations. They restricted their activities to their own local market and had a good knowledge of their customers (firms and families) to which they lent. Management was usually prudent and conservative, and did not have the pressure of stakeholders demanding high returns for their share. The principle of territoriality was paramount, and hence their operation restricted generally to a single province.

During the long period of the Franco Dictatorship savings banks were subject to strict government control, even more extreme than the surveillance exerted over commercial banks. However, despite all restrictions to their operations, the savings banks sector expanded considerably, not in number (88 in 1975), but in its weight in the national credit market up to a 30 percent. However, they lost the autonomy they had enjoyed since their origin. The Ministry of Labor, first, and the Ministry of Finance after 1957, set the orientation of the savings banks resources towards the economic and industrial priorities of the Dictatorship regime. The institution´ s portfolio was loaded with government bonds and public enterprise securities, and the rest of their investments consisted in long term credit to the building sector at official interest rates. Although the number of savings banks dropped, the reduction was not caused by bankruptcies but due to diverse processes of strategic alliances. The absence of crises during this period was the result of the strict regulations imposed on the financial system. As in the rest of Europe, mergers and acquisitions of banks and savings banks in trouble by sound institutions, with the fiscal support and under the auspices of the supervisory authorities were the alternatives used to avoid chaotic liquidations. The absence of crises was also the result of the savings banks low risk investment profile. Moreover, the CECA promoted a policy of internal cooperation and a self-defence strategy of “internal solidarity”. A so-called competitive collaboration which allowed participants to internalize competencies and also learn from their associates, while cooperation aimed to overcome regulatory and environmental restrictions to market penetration[5]. This implied that when any member of the group was temporarily in trouble, CECA

[4] As elsewhere, savings banks were originally non-profit institutions (charitable institutions, private foundations, and mutual aid funds) without neither capital nor shareholders. Hence, they do not have, strictu sensu, owners and profits must either be invested or used to promote community welfare programs.

[5] B. Bátiz-Lazo, “Strategic Alliances and Competitive Edge: Insights from Spanish and UK Banking Histories”, *Business History*, 46, 1, 2004, pp. 23-56; F. Comín, “Spanish saving banks and the competitive cooperation model, 1928-2002”, *Revista de Historia Económica. Journal of Iberian and Latinamerica Economic History*, XXV, 2, 2007, pp. 199-230; and J.C. Maixé-Altés, "Competition and Choice: banks and saving banks in Spain", *Journal of Management History*, 16, 1, pp. 29-43

discretely mobilized the sector to avoid a possible failure. On the other hand, the ICCA was the institution that provided the resources, if necessary[6].

The late 1970s and early 1980s saw the largest failures of the Spanish financial system since the crash of 1866. Twenty-four institutions were rescued, four were liquidated, four merged, and twenty small and medium-sized banks were nationalized. These 52 banks out of 110 represented a 20% of the deposits of the entire banking system.

The crisis also affected a number of savings banks. The impact was les severe and more gradual and this, together with the solidarity of these institutions, meant that the problems were born and resolved discretely. There were no threats of collapse, but by 1986 the Savings Banks Deposit Guarantee Fund (FGDCA – Spanish acronym) had granted large volume of resources to sustain four institutions in difficulties. Throughout the rest of the decade, some continued to record difficulties, and even to need further assistance. In many instances insolvent small and medium-size savings banks were absorbed by larger and better managed institutions. In other cases, merging was the procedure used to solve the problems. All in all, between 1977 and 1986 more than a dozen savings banks closed. Thereafter in 1991 and 1992 came a wave of savings banks mergers with support from the FGDCA, which reduced their number to 51, although no their market credit share. By 2007, before the present crisis they accounted for about one half of the Spanish financial system[7].

The severity of this first XXI century crisis in the savings banks sector is therefore a new phenomenon, with no historical antecedent. As we have seen, savings banks weathered better than the banking system most of the crisis episodes since 1850. Not anymore. Large and medium size institutions have been rescued with taxpayer (Spanish and European) money, and many small size institutions had been merged with others or absorbed by the few financially solid savings banks which have surmounted the convulsions with their own means.

Why the Spanish savings banks sector has collapsed? Why some many long-standing institutions have gone bankrupt? Which are the causes of the present and still unfinished savings banks crisis?

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[6] F. Comín, "The Saving Banks, 1900-1975" in J.L. Malo de Molina and P. Martín-Aceña (eds), *The Spanish Financial System. Growth and Development since 1900*. Palgrave-Macmillan, 2012, pp. 145-181.
[7] R. Poveda, "Banking Supervision an Regulation over the Past 40 Years", in J.L. Malo de Molina and P. Martín-Aceña (eds), *The Spanish Financial System. Growth and Development since 1900*. Palgrave-Macmillan, 2012, pp. 219-271.

The first explanation has to be found in some of the unexpected consequences of the sector's reforms undertaken in 1977 and thereafter. In 1977, when the banking sector crisis began to unfold, the savings bank went through a period of notable institutional changes. The functioning of the old and traditional savings banks was made comparable to that of the commercial banks. Its financial activities were liberalized, and the range of their operations enlarged. Later in 1988 they were also allowed to open branches all over the country, which put an end to the territoriality principle. Also in 1988 a new financial instrument was created, the so-called "cuotas participativas" (non-voting shares), specific titles issued by the savings banks to increase their resources. With "cuotas participativas", holders of the titles could participate in the benefit obtained by the institutions but they had no voting rights. The reform of 1977 modified as well the government structure of the savings banks, until then formed, according to their particular statutes, by a small number of individuals and composed almost exclusively by the original members of the founding institutions and corporations. The reform intended to democratize the composition of the boards of directors by including members representing the interest of various stake holders groups: founding entities, depositors, employees, trade unions, and public authorities. It also aimed to professionalize the governance of the institutions by reinforcing the role of the general managers in charge of the day-to-day operations and of the financial strategy. But in 1985 a new act altered the composition of the governing bodies by increasing the presence of the public authorities. The boards of directors fell into the hands of the local and regional (Autonomous Communities) corporations controlled by the political parties and the trade unions (also connected to the political parties). Moreover, the powers of the general managers were curtailed and some of their functions assumed by the president of the Board of Directors, usually a person appointed by the local or regional governments. For a time (during the economic expansion of the late 1990s and early 2000s), this peculiar arrangements plus free competition (after the removal of the financial differences with the banks) served well the desires and goals of both the savings banks´ managers and their "political supporters". For a decade the savings banks were very successful in capturing the excess resources of small and medium size investors, and in lending to also small and medium size firms. They multiplied their presence by opening branches all over the country (from 9,386 in 1979 to 24,202 in 2009), as well as by expanding beyond their traditional business products to reach new customers.

While the economic cycle lasted the savings bank sector showed its better face and all entities, whether big or small, seemed to have a bright future. During the so-called Great Moderation and thanks to the early integration into the Eurogroup, the Spanish economy enjoyed a decade of steady growth. Fuelled by low interest rates and a constant flow of external capital, the financial sector expanded and a huge amount of resources were channelled to building development and construction. The boom in the building sector was comparable to the contemporary boom in the UK and the USA. With easy access to the international financial market the savings banks participated in the building boom of the 2000s, either by financing new developments or granting mortgage credit. Total credit to the private sector in 2007 was four times larger than in 2001, and the share of loans to building and development companies in their books at the onset of the crisis ranged from just over 10% to almost 50%. To finance the expansion of their balance sheets, instead of reinforcing his own resources or increasing the volume of deposits they resorted to the wholesale international financial market, primarily based on the emission of mortgage bonds, endorsed by his portfolio of mortgages, and also based on the issue of an array of new instruments.

Before long, an important segment of the sector accumulated imbalances of various kinds whose magnitude was evident when the economic environment changed. The most serious problems were its high exposure to the real estate development and construction, its dependence on wholesale external financial markets, an excess capacity relative to the real sector´ s demand, and the fragmentation of the industry composed by a large number of small entities. And although Spain banking institutions spared the worst excesses of the originate to distribute model, the truth is that savings banks had made a widespread use of securitization and covered bonds to refinance mortgage portfolios. When the real state boom collapsed, it left in its wake a huge of unsold housing and unfinished development and a mountain of unrecovered loans.

A second explanation to understand the crisis of the savings banks has to do with their peculiar nature. Savings banks are (or rather were) not banks. Their mission, the outcome of a historical evolution from institutions, was focused on providing financial services to avoid financial exclusion, conducting community welfare activities, and pursuing the economic development of the region in which they operate. Their internal organization is complex and rigid and far from the international practices of corporate governance. With the impetus of their founding fathers long gone, the process of appointments of senior executives degenerated into a corruption prone to nepotism and inefficiency. Although attempts were made to remedy the situation with well-meaning formulas, the fact was that representatives of regional and local governments gained a significant presence in their governing bodies, a situation which apart from creating occasional tensions when it came the renewing of these appointments, affected the investment policies.

On the other hand, legal restrictions to obtain core capital except through retaining profits posed a serious obstacle to their urgent need of capitalization in order to rise their solvency ratios. As the crisis deepened, their profit margins declined and so their accumulated reserves, the most important source of core capital, since savings banks, which are basically foundations, can not issue shares. While the savings banks maintained a business model based on the geographical proximity to their customer, marketing of non-complex financial products among its customers, and following moderate growth strategies, it was sufficient to obtain equity by capitalizing self-generated profits. But when they deviated from this model, traditional funding sources were insufficient.

The difficulties began in March 2009 when the Bank of Spain rescued the first savings banks (Caja de Castilla-La Mancha). To avoid a catastrophic liquidation the FGDCA bought non-performing assets for 593m euros. Later the sale of the Caja required an additional aid of 2,474m euros. It was then when the financial authorities realized that this case was not an isolated event. It was assumed that they might have to face problems in some other institutions with deteriorated balance sheets and low capital to assets ratios. They also took notice that the savings banks structure was oversized after a decade of uncontrolled expansion. According to various consulting firms the excess capacity required the closing of 10,000 branches, and to cut about 35,000 jobs. A list was made with undercapitalized institutions (low solvency ratios). The list included four giants such as Bancaja, Catalunya, Caja del Mediterráneo and Caixa Galicia, which a year later were bailout by the FROB.

The constitution of the FROB in July 2009 put into motion a consolidation process which required, as indicated, a significant volume of public funds. In 2010 there were four big merging operations and three outrights purchases of small entities by larger and financially sound entities. In several cases, the merger did not follow the classic formula, but instead used an Institutional Protection Schemes (IPS), an atypical EU banking regulation unknown to date in Spain. Savings banks that joined a IPS maintained their legal personality, their community welfare projects and their retail business, but they had to sign a long-term agreement, meaning the creation of a central unit and strong mutual solvency guarantees between the member institutions. All in all 22 savings banks were involved in the formation of five new IPS.

Notwithstanding these operations, the general macroeconomic evolution of the country, with negative rates of growth and increasing unemployment, worsened the financial position of the majority of the savings banks, no matter their size. The proportion of non-performing assets and loans defaults in their balance sheets rose. In May 2010 the Bank of Spain intervened again to rescue a second institution (Cajasur). At the same time the European Supervisory Authority undertook the first of a series of "stress test" to examine the financial strength of the Spanish banking system. Almost all entities (banks and savings banks) were under the close scrutiny of the Committee of European Banking Supervisors. The results of the "stress tests" revealed that banks were in a solid financial situation to absorb potential losses in an adverse macroeconomic scenario. However, the results also revealed that five big savings banks were in a very fragile position, with very low solvency ratios and in urgent need of capitalization.

The year 2011 was frantic. The FROB had to engage in four macro-recue operations with an astonishing consumption of public resources. The nationalization of institutions and the array of measures implemented by the Bank of Spain, raising capital ratios and the provisions for potential defaults in order to strengthen banks´ balance sheets, did not serve to dispel the mistrust in the Spanish financial system. The lack of confidence in Spain's economy and in Spain's banks closed the international market for new issues, increased the risk premium and generated serious liquidity problems. All Spanish financial institutions came under suspicion.

The year 2012 was even more complicated than the precedent. The pressure exerted on savings banks by the Bank of Spain and the European Supervisory Authority intensified. Provisions to cover the credit granted to construction and property development firms were increased and the capital-to-asset ratio was elevated once again. A new "stress test" was conducted in order to determine the financial needs of the entire financial sector, with the result showed in table 2. Eventually in the month of July a so-called "Memorandum of Understanding" was signed between the EFSF and the government of Spain by which the latter was to receive 100.000m euros in financial aid to capitalize institutions in need of core resources and to wrap up the restructuring process of the savings banks sector. It was also agreed to establish a special institutions (an Assets Management Company, with private and public capital) that would receive foreclosed real state assets of the financial entities subject to the process of capitalization and restructuring.

The web sites of the Bank of Spain and the CECA offer detailed and up-to-date information of the restructuring process and of the aid channelled to the financial sector as a whole, and to each of the institutions that have required funds. The financial aid has sprung from three sources: FGD, FROB and ESM (European Stability Mechanism -the successor of he EFSF). All in all the Spanish financial system by the end of 2012 had received 61,162m euros, of which a 63.5% came from the ESM. The holding Bankia-BFA (which includes the old Caja de Madrid) alone has taken the astronomical figure of 22,424m euros. The rescue of Catalunya Caixa has required so far public support for about 12,052m euros. And the third major bailout, that of Caja del Mediterráneo, has consumed 5,249m euros of European and Spanish taxpayer money.

Spain has not been the sole country to use public financial resources to rescue its financial system from collapsing, as table 1 show. In absolute terms, banks in the USA and the UK have needed more money to survive. German and French entities have been bailout as well with an enormous cost to taxpayers. Nevertheless, relative to each nation´ s GDP, after Ireland, with an astonishing 13.3%, Spain, with a 5.8%, stands in second place.

The impact of the economic and financial crisis on the savings banks sector has been devastating, if measure by the number of entities that have been intervened and rescued by the government. Measure too by the drastic reduction in the number of units, the impact of the crisis has been dramatic. From 45 independent savings banks of different size in 2010, the sector now only counts with thirteen institutions (eleven groups and two small savings banks). The consolidation process has implied as well a substantial increase in the average size of the remaining entities: from 29,440m euros in 2009 to 89,506m euros. The number of branches has decreased to 18,409 (December 2012), which has meant a reduction of a 20.5%. Employment has been cut by a 20%, and the number of jobs lost is 24,313 (December 2012).

The nature of the savings banks has been radically altered. A main reform took place in November 2010 introducing new organizational models and affecting the governance of the institutions. With the new corporate formulas saving banks may choose to exercise their financial activity directly, indirectly through a bank, or become a foundation and transfer their financial business to a bank. The reform also changed the composition of the board of directors, reducing the weight of public authorities, weather national, autonomous or municipal, and the presence of representative of political parties and trade unions.

Although these changes have yet to prove its potential virtues, it is apparent that the crisis has in fact dismantled the old savings banks system. Its present structure does hardly resemble the structure in place before the crisis. The main features of what five years ago defined a "savings bank" are no longer there. It is true that both the surviving savings banks and those that have been consolidated into a major group retain their old and traditional denomination as "cajas de ahorros", but they are in fact “bancos”. As a matter of fact, the difference between banks and savings banks has been blurred. The crisis has meant the liquidation (by transformation) of a financial sector with more than 150 years of existence.

What lessons can be learned from the crisis? Are there any teachings that should be taken into consideration in order to prevent a repetition of what has happened? What the experience of these last five years has taught.

The crisis has demonstrated once again the relevance of the financial system in a modern economy. When it breaks down, the economic system collapses. When the credit stops flowing, the economic body is paralysed. A solid economy requires an efficient and profitable banking sector. And a well functioning banking sector requires good and expert managers, and well informed public supervisors to detect any wrongdoings in the administration of financial resources. Banks are not like any other private companies. The crisis has taught that the banking system needs to be regulated and needs to be closely supervised. Another lesson is that the management of the savings banks should not be in the hands of the political class and neither in the hands of parvenus and adventuresome entrepreneurs. The crisis has highlighted the need to strengthen the governance of the savings banks, by reinforcing internal and external control mechanisms and shielding them for political interference. It has also put forward the need to equip them with mechanisms with which to increase their capital.

The restructuring process of the Spanish savings banks sector has been complex, time delayed and costly. At the dawn of the crisis in 2007 the Spanish authorities did not recognize the magnitude of the international events, its potential contagion effects, and believed that the country´ s banking system was solid and well prepared to avoid the banking failures that were taking place in the USA and Europe. It was thought that the building boom will peter out slowly and gently, and the Spanish supervisor delayed the recognition of deterioration taking place in the savings banks´ books as the recession deepened. Instead of anticipating the obvious solvency problems of many entities, highly indebted in the wholesale external market and with a large volume of credit committed in the construction sector, they considered that the difficulties of the savings banks were because of liquidity and restricted to a few institutions. That was a plain wrong forecast. The problems were general and because of solvency. Due to the delay in admitting the poor financial position of the savings banks, the cost of the rescue operations has been staggering. The lesson to be learned is that the sooner the illness is admitted, the better for the patient. An earlier and quicker intervention in the first phases of the crisis, such as it took place in the USA and other European countries would have been less costly.

The supervision has proven to be inadequate. There are therefore lessons from crisis for regulators. First, that the excess reliance on wholesale funding is dangerous. A second lesson is the need to pay attention to a concentration of risk in a single sector (in this case the real-state sector), and the importance to act quickly and effectively as soon as the institutions face solvency problems. Once the crisis has erupted regulators must be particularly vigilant to ensure that banks recognize their losses and that balance sheet reorganization is not postponed. The latter has been a recurrent problem in financial crises, and it makes them to last longer and raise their cost. Finally, regulators must recognize the need to promote transparency, raise capital requirements and impose credible and safe liquidity ratios.

Table 1. Public aids to the banking systems

Countries	**Aid** (millions euros)	**Percentage of GDP** (%)
Germany	46.490	1,8
Belgium	12.200	3,2
Spain	61.162	5,8
USA	327.560	3,0
France	15.700	0,8
The Neerdelands	16.080	2,6
Ireland	21.160	13,3
UK	72.900	4,2

Sources: International Monetary Fund.

Table 2. Stress Test. Capital needs

Institutions	Baseline scenario	Adverse scenario
Santander	19,181	25,297
BBVA	10,945	11,183
Caixabanc	9,423	5,720
Kutxabank	3,132	2,188
Banco Sabadell	3,321	915
Bankinter	393,0	399
Unicaja	1,300	128
Ibercaja	389	-226
Caja3	-188	-779
Liberbank	103	-1,198
BMN	368	-2,208
Banco Popular	677	-3,223
Banco de Valencia	-1,846	-3,462
Novagalicia Banco	-3,966	-7,176
Catalunya Banc	-6,488	-10,825
Bankia-BFA	-13,230	-24,743
Total system´ s needs	-25,718	-53,840

Source: CECA, *Restructuring Process. Spanish SavingsBanks. Progress Report* (19th, April, 2013)