

## THE WALL STREET JOURNAL.

Pietro Lombardi ▼

English Edition ▼ | Print Edition | Video | Podcasts | Latest Headlines

Home World U.S. Politics Economy Business Tech **Markets** Opinion Life & Arts Real Estate WSJ Magazine

SHARE



MARKETS | FINANCE

## Spanish Banks CaixaBank, Bankia Agree to Merge

Deal will create Spain's largest domestic bank and suggests consolidation in European banking could gather steam



PHOTO: SERGIO PEREZ/REUTERS

By *Pietro Lombardi*

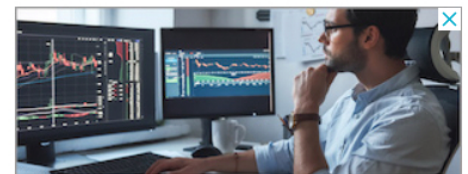
Updated Sept. 18, 2020 10:32 am ET | WSJ Pro

SAVE PRINT TEXT

The boards of [CaixaBank SA](#) [CAIXY 3.92% ▲](#) and [Bankia SA](#) [BKIA +2.74% ▲](#) have approved a merger that will create the largest Spanish domestic bank and suggests that a long-expected consolidation in the European banking sector could be gathering steam.

The deal will see CaixaBank taking over its smaller rival Bankia. The target's shareholders will get 0.68 shares in Caixa for each Bankia share they own, for an overall value of 4.3 billion euros, equivalent to \$5.1 billion, the lenders said Friday. This represents a premium of 20% based on the share price on Sept. 3.

The deal comes as Spanish banks, like their peers in the region, [face the impact of the coronavirus pandemic](#), which has obliged lenders to set aside billions of dollars ahead of an expected wave of loan losses.



### The Power of Data-Driven Insights

Machine learning helps meet customer needs in financial services.

[Learn More](#)

aws | WSJ CUSTOM CONTENT

This has compounded the effects of years of low interest rates eating away at core profit margins.

The tie-up could be a sign that consolidation is kicking off in the overcrowded banking landscape. In July, Italian bank [Intesa Sanpaolo](#) ISNPY 1.22% ▲ SpA secured investor support to take over [Unione di Banche Italiane](#) SpA. The merger will create Italy's largest bank by assets and the eurozone's second-biggest by market capitalization.

The merger between CaixaBank and Bankia creates Spain's top domestic bank, with assets of more than €660 billion and market value of almost €16.8 billion, based on Thursday's share prices.

The combined entity, which will keep the CaixaBank brand, will be the country's third-largest bank by assets, behind [Banco Santander](#) SA — one of the largest banks in the eurozone—and [Banco Bilbao Vizcaya Argentaria](#) SA. Both these banks have large international operations. In the Spanish market, the new entity will be the top bank by loans, assets and deposits.

Bankia chairman Jose Ignacio Goirigolzarri will be the executive chairman of the new entity, while Caixa Chief Executive Gonzalo Gortazar will keep his position. The 15-member board will have a third of directors coming from Bankia, with the remaining coming from the acquirer.

The banks target cost synergies of roughly €770 million a year, while also expecting to generate new annual revenue of €290 million, with market expectations for 2022.

La Caixa Foundation will remain the key shareholder of the bank, with roughly 30% of the combined entity. The Spanish state's stake in the new entity will be around 16%.






The deal is expected to close in the first quarter of next year, and shareholders of both banks will probably vote on the agreement in November.

“The merger will allow us to face the challenges of the next 10 years with greater scale, financial strength and profitability,” Mr. Gortazar said.

Write to Pietro Lombardi at [pietro.lombardi@dowjones.com](mailto:pietro.lombardi@dowjones.com)

Write to Pietro Lombardi at [Pietro.Lombardi@dowjones.com](mailto:Pietro.Lombardi@dowjones.com)

## RECOMMENDED VIDEOS

1. Mixed Signals on Trump's Health as White House Covid Cases Grow 
2. The Future of Your Office Is in a VR Headset 
3. Trump Leaves Quarantine for 'Surprise Visit' Outside Hospital 
4. Biden Urges Mask Use Following Trump's Covid-19 Test Result 
5. Justice Ginsburg's Death Sparks Supreme Court Vacancy Debate 

### WSJ MEMBER MESSAGE

## Track Key Election Moments

Easily add the WSJ Election Calendar tool to your personal calendar so you never miss key moments leading up to Election Day.

**ADD ON**

PRO CYBER NEWS

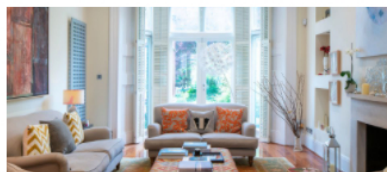
**EU Seeks Authority to Cut Off Banks' Tech Suppliers if Found Wanting on Cybersecurity**

PRO BANKRUPTCY BANKRUPTCY

**Bankrupt Fracker Sable Permian to Sell to Bank Lenders**

HEARD ON THE STREET

**Banks Can Only Tighten Their Belts So Much**



**JOIN THE CONVERSATION**

WSJ News Exclusive | Wall Street's Most Exclusive Club Is Getting Smaller. The Perks Are Getting Better.



The Debate Between Mike Pence and Kamala Harris: What Time to Watch and Key Issues



U.S. Stocks Open Little Changed Ahead of Powell Comments



Eight Tricks for Making Remote School Easier



Can School be 'Antiracist'? A New Superintendent in Evanston, Ill., Has a Plan



Enjoy Your Meal—Quickly. Restaurants Introduce Time Limits.



The Covid Economy Carves Deep Divide Between Haves and Have-Nots



CDC Acknowledges Covid-19 Can Spread Via Tiny Air Particles



U.S. Boosts Crude Sales to China, Forcing Saudis to Find Other Markets



Court Fight Over Census Tied to Plan for Excluding Illegal Immigrants





*Independent of The Wall Street Journal newsroom*

MARKETWATCH

## UBI Banca shares to be delisted on Oct. 5

**Market**Watch

---



*Independent of The Wall Street Journal newsroom*

MANSION GLOBAL

## London Home Where Bank of England Governor Mark Carney Lived Asks £5.5 Million

MANSION GLOBAL

---

[BACK TO TOP ↗](#)