

50 FINANCIAL SYSTEM INDICATORS – FUNCAS

Updated: February 29th, 2012

A. Money and Interest Rates							
INDICATOR	Source:	Average 1995-2008	2009	2010	2011 DECEMBER	2012 JANUARY	DEFINITION AND CALCULATION
1. Monetary Supply (%chg.)	ECB	7.4	-0.2	1.7	1.6	-	M3 aggregate change (non-stationary)
2. Three-month interbank interest rate	Bank of Spain	4.3	1.2	0.9	1.4	1.1 [®]	Daily data average
3. One-year Euribor interest rate (from 1994)	Bank of Spain	3.6	1.6	1.4	2.0	1.7 [®]	End-of-month data
4. Ten-year Treasury bonds interest rate (from 1998)	Bank of Spain	5.4	4.0	4.3	5.5	5.4	Market interest rate (not exclusively between account holders)
5. Corporate bonds average interest rate	Bank of Spain	5.5	3.5	3.7	5.2	-	End-of-month straight bonds average interest rate (> 2 years) in the AIAF market

(a) Last data published: February 2012

Comment on "Money and Interest Rates": During the last four weeks, the 3-month and 1-year Euribor rates fell to 1.1% and 1.7%, respectively, in a context of downward interest rate expectations, given the poor economic growth prospects in Europe. Similarly, there has been a reduction in Spanish bond interest rate spreads in an environment of widespread demand for public debt by financial institutions to tap European Central Bank financing.

B. Financial Markets							
INDICATOR	Source:	Average 1995-2008	2009	2010	2011 NOVEMBER	2011 DECEMBER	DEFINITION AND CALCULATION
6. Outright spot treasury bills transactions trade ratio	Bank of Spain	17.8	22.6	40.5	91.5	69.5	(Traded amount/outstanding balance) x100 in the market (not exclusively between account holders)
7. Outright spot government bonds transactions trade ratio	Bank of Spain	59.4	57.8	88.9	102.0	80.9	(Traded amount/outstanding balance) x100 in the market (not exclusively between account holders)
8. Outright forward treasury bills transactions trade ratio	Bank of Spain	0.3	0.9	1.7	2.6	0.3	(Traded amount/outstanding balance) x100 in the market (not exclusively between account holders)
9. Outright forward government bonds transactions trade ratio	Bank of Spain	4.7	3.6	2.9	3.5	2.1	(Traded amount/outstanding balance) in the market (not exclusively between account holders)
10. Three-month maturity treasury bills interest rate	Bank of Spain	4.0	0.7	0.7	2.8	2.5	Outright transactions in the market (not exclusively between account holders)
11. Government bonds yield index (Dec1987=100)	Bank of Spain	446.3	674.3	647.8	634.9	684.4	Outright transactions in the market (not exclusively between account holders)
12. Madrid Stock Exchange Capitalization (monthly average %chg.)	Bank of Spain and Madrid Stock Exchange	1.1	-12.9	12.1	-5.2	0.9	Change in the total number of resident companies
13. Stock market trading volume. Stock trading volume (monthly average % var.)	Bank of Spain and Madrid Stock Exchange	33.1	15.6	7.8	-12.4	-20.8	Stock market trading volume. Stock trading volume: change in total trading volume
14. Madrid Stock Exchange general index (Dec1985=100)	Bank of Spain and Madrid Stock Exchange	884.5	1,241.7	1,003.7	845.9	885.3 [®]	Base 1985=100
15. Ibex-35 (Dec1989=3000)	Bank of Spain and Madrid Stock Exchange	8,831.2	10,092.7	10,200.7	8,449.5	8,465.9 [®]	Base dec 1989=3000
16. Madrid Stock Exchange PER ratio (share value/profitability)	Bank of Spain and Madrid Stock Exchange	18.1	14.4	9.8	9.7	9.8	Madrid Stock Exchange Ratio "share value/ capital profitability"
17. Long-term bonds. Stock trading volume (%chg.)	Bank of Spain and Madrid Stock Exchange	3.2	-10.2	-29.2	224.0	-64.13	Variation for all stocks
18. Commercial paper. Trading balance (%chg.)	Bank of Spain and AIAF	2.2	-42.4	-43.9	20.8	17.5	AIAF fixed-income market
19. Commercial paper. Three-month interest rate	Bank of Spain and AIAF	4.2	1.0	0.8	2.2	2.7	AIAF fixed-income market
20. IBEX-35 financial futures concluded transactions (%chg.)	Bank of Spain	1.3	-24.36	15.42	3.1	-22.9	IBEX-35 shares concluded transactions
21. IBEX-35 financial options concluded transactions (%chg.)	Bank of Spain	7.2	-47.41	-31.88	53.8	40.0	IBEX-35 shares concluded transactions

(a) Last data published: February 2012

Comment on "Financial Markets": During the last month there has been a slight reduction in transactions with outright spot and forward T-bills and government bonds. The stock market experienced a slight improvement and the IBEX-35 reached 8822.8 points, while February closed at 8465.9 points. Also, there was a slight decline in financial IBEX-35 futures transactions, while there was an increase in transactions with IBEX-35 financial options.

C. Financial Savings and Debt

INDICATOR	Source:	Average 2002-2008	2009	2010	2011	2011	DEFINITION AND CALCULATION
					II-Q.	III-Q.	
22. Net Financial Savings/GDP (National Economy)	Bank of Spain	-6.3	-5.1	1.9	-3.5	-3.6	Difference between financial assets and financial liabilities flows over GDP
23. Net Financial Savings/GDP (Households and non-profit institutions)	Bank of Spain	-0.6	5.8	4.5	3.6	3.4	Difference between financial assets and financial liabilities flows over GDP
24. Debt in securities (other than shares) and loans/GDP (National Economy)	Bank of Spain	229.9	284.8	290.3	292.5	290.6	Public debt, non-financial companies debt and households and non-profit institutions debt over GDP
25. Debt in securities (other than shares) and loans/GDP (Households and non-profit institutions)	Bank of Spain	70.3	86.0	84.9	83.4	82.3	Households and non-profit institutions debt over GDP
26. Households and non-profit institutions balance: financial assets (quarterly average %chg.)	Bank of Spain	7.7	3.9	3.1	0.2	-4.2	Total assets percentage change (financial balance)
27. Households and non-profit institutions balance: financial liabilities (quarterly average %chg.)	Bank of Spain	14.4	-1.1	-0.3	-0.3	-1.4	Total liabilities percentage change (financial balance)
Comment on "Financial Savings and Debt": During the third quarter of 2011, there was a marked reduction in financial savings to GDP in the overall economy of 3.6%. On the other hand, there is a slowdown in household sector financial savings, which decreased from 3.6% to 3.4%. Also, there is a further reduction of 4.2% in the stock of financial assets on the households balance sheet, while as for the liabilities, the decrease was of 1.4%. All in all, these trends result in a reduction of households' net financial wealth.							

D. Credit institutions. Business Development

INDICATOR	Source:	Average 1995-2008	2009	2010	2011	2011	DEFINITION AND CALCULATION
					OCTOBER	NOVEMBER	
28. Bank lending to other resident sectors (monthly average % var.)	Bank of Spain	1.2	-0.2	0.1	-0.6	0.2	Lending to the private sector percentage change for the sum of banks, savings banks and credit unions.
29. Other resident sectors' deposits in credit institutions (monthly average % var.)	Bank of Spain	0.9	0.3	0.2	-1.7	-0.6	Deposits percentage change for the sum of banks, savings banks and credit unions.
30. Debt securities (monthly average % var.)	Bank of Spain	0.7	2.1	-0.7	-0.3	-0.1	Asset-side debt securities percentage change for the sum of banks, savings banks and credit unions.
31. Shares and equity (monthly average % var.)	Bank of Spain	1.3	0.6	-0.1	1.2	-1.5	Asset-side equity and shares percentage change for the sum of banks, savings banks and credit unions.
32. Credit institutions. Net position (difference between assets from credit institutions and liabilities with credit institutions) (% of total assets)	Bank of Spain	4.7	1.5	-0.5	-1.4		Difference between the asset-side and liability-side "Credit System" item as a proxy of the net position in the interbank market (month-on-month)
33. Doubtful loans (monthly average % var.)	Bank of Spain	0.8	3.4	1.2	0.7	1.7	Doubtful loans. Percentage change for the sum of banks, savings banks and credit unions.
34. Assets sold under repurchase (monthly average % var.)	Bank of Spain	0.3	-1.2	1.4	3.6	-3.2	Liability-side assets sold under repurchase. Percentage change for the sum of banks, savings banks and credit unions.
35. Equity capital (monthly average % var.)	Bank of Spain	0.9	0.5	-0.6	4.0	1.4	Equity percentage change for the sum of banks, savings banks and credit unions.
Comment on "Credit institutions. Business Development": The latest available data as of November 2011 show a very small growth in bank credit to the private sector (0.2%). There is a further drop in financial institutions deposit-taking (-0.6%). As for doubtful assets, they increased by 1.7%. Finally, it is worth mentioning the 1.4% increase in the Spanish financial institutions equity capital, coinciding with the efforts to raise banks' solvency.							

E. Credit institutions. Market Structure and Eurosystem Refinancing

INDICATOR	Source:	Average 1995-2008	2009	2010	2011	2011	DEFINITION AND CALCULATION
					JUNE	SEPTEMBER	
36. Number of Spanish credit institutions	Bank of Spain	207	192	188	188	192	Total number of banks, savings banks and credit unions operating in Spanish territory
37. Number of foreign credit institutions operating in Spain	Bank of Spain	59	88	88	88	88	Total number of foreign credit institutions operating in Spanish territory
38. Number of employees	Bank of Spain	243,228	263,093	257,578	-	-	Total number of employees in the banking sector
39. Number of branches	Bank of Spain	43,329	44,085	42,894	41,126	40,39	Total number of branches in the banking sector
40. Recourse to the Eurosystem (total Eurozone financial institutions) (Euro millions)	Bank of Spain	358,753	575,4	473,173	431,647	356,284*	Open market operations and ECB standing facilities. Eurozone total
41. Recourse to the Eurosystem (total Spanish financial institutions) (Euro millions)	Bank of Spain	45,126	76,104	66,986	52,053	133,177*	Open market operations and ECB standing facilities. Spain total
42. Recourse to the Eurosystem (total Spanish financial institutions): main long term refinancing operations (Euro millions)	Bank of Spain	20,385	2,8	22,196	11,505	6,445*	Open market operations: main long term refinancing operations. Spain total

(a) Last data published: January 2012

Comment on "Credit institutions. Market Structure and Eurosystem Refinancing": Spanish credit institutions keep on increasing their recourse to Eurosystem funding, which accounted for about 40% of total funds borrowed from the ECB.

F. Credit institutions. Efficiency and Productivity, Risk and Profitability

INDICATOR	Source:	Average 1995-2008	2008	2009	2010	2011	DEFINITION AND CALCULATION
					DECEMBER	SEPTEMBER	
43. "Operating expenses/gross operating income" ratio	Bank of Spain	57.27	44.45	43.52	46.53	51.52	Operational efficiency indicator. Numerator and denominator are obtained directly from credit institutions' P&L accounts
44. "Customer deposits/employees" ratio (Euro thousands)	Bank of Spain	2229.88	4249.86	4514.61	4605.69	4321.82	Productivity indicator (business by employee)
45. "Customer deposits/branches" ratio (Euro thousands)		9390.89	15171.70	16398.79	16554.20	17.025.61	Productivity indicator (business by branch)
46. "Branches/institutions" ratio		180.80	230.62	229.61	155.41	144.25	Network expansion indicator
48. Equity capital (monthly average % var.)	Bank of Spain	0.11	0.09	0.04	0.86	0.89	Credit institutions equity capital variation indicator
49. ROA		0.85	0.66	0.46	0.31	0.13	Profitability indicator, defined as the "pre-tax profit/average total assets"
50. ROE		14.17	11.78	7.94	5.73	4.48	Profitability indicator, defined as the "pre-tax profit/equity capital"

Comment on "Credit institutions. Efficiency and Productivity, Risk and Profitability": The Spanish banking sector is still facing a challenging business environment, in line with other European banking sectors. The restructuring process is driven by a transition in which productivity indicators will improve due to reductions in the number of branches and employees. At the same time, regulatory pressures and efforts to improve solvency levels can be also observed.