

## KEY FACTS: 50 FINANCIAL SYSTEM INDICATORS – FUNCAS

Updated: June 30<sup>th</sup>, 2015

### Highlights

Indicator	Last value available	Corresponding to:
Bank lending to other resident sectors (monthly average % var.)	-1.7	April 2015
Other resident sectors' deposits in credit institutions (monthly average % var.)	-0.1	April 2015
Doubtful loans (monthly % var.)	-2.8	April 2015
Recourse to the Eurosystem (Eurozone financial institutions, million euros)	399,967	May 2015
Recourse to the Eurosystem (Spanish financial institutions, million euros)	132,595	May 2015
Recourse to the Eurosystem (Spanish financial institutions million euros)- Main L/T refinancing operations	28,836	May 2015
Operating expenses/gross operating income ratio (%)	47.36	March 2015
Customer deposits/employees ratio (thousand euros)	6,266.54	March 2015
Customer deposits/branches ratio (thousand euros)	40,058.42	March 2015
Branches/institutions ratio	145.89	March 2015

#### A. Money and interest rates

Indicator	Source:	Average 1999-2012	2013	2014	2015 May	2015 June	Definition and calculation
1. Monetary Supply (% chg.)	ECB	5.8	2.3	1.9	2.3	-	M3 aggregate change (non-stationary)
2. Three-month interbank interest rate	Bank of Spain	2.68	0.22	0.21	-0.012	-0.016	Daily data average
3. One-year Euribor interest rate (from 1994)	Bank of Spain	2.95	0.54	0.48	0.16	0.16	End-of-month data
4. Ten-year Treasury bonds interest rate (from 1998)	Bank of Spain	4.6	4.6	2.7	1.78	1.78	Market interest rate (not exclusively between account holders)
5. Corporate bonds average interest rate	Bank of Spain	4.6	3.9	2.3	1.81	2.35	End-of-month straight bonds average interest rate (> 2 years) in the AIAF market

*Comment on "Money and Interest Rates:":* Interbank rates have reached record-low levels. As of June 30<sup>th</sup>, the 3-month Euribor rate fell to -0.016% from -0.012% in May and the 1-year Euribor rate stands at 0.16%. The ECB assures its bond-buying strategy is having the expected results in terms of inflation. As for the Spanish 10-year bond yield, it has remained at 1.78%.

B. Financial markets

Indicator	Source:	Average 1999-2012	2013	2014	2015 April	2015 May	Definition and calculation
6. Outright spot treasury bills transactions trade ratio	Bank of Spain	29.6	82.9	75.6	54.3	56.2	(Traded amount/ outstanding balance) x100 in the market (not exclusively between account holders)
7. Outright spot government bonds transactions trade ratio	Bank of Spain	78.9	61.2	73.2	70.5	63.4	(Traded amount/ outstanding balance) x100 in the market (not exclusively between account holders)
8. Outright forward treasury bills transactions trade ratio	Bank of Spain	0.7	1.8	2.6	0.4	1.0	(Traded amount/ outstanding balance) x100 in the market (not exclusively between account holders)
9. Outright forward government bonds transactions trade ratio	Bank of Spain	4.4	3.2	4.6	4.2	1.9	(Traded amount/ outstanding balance) in the market (not exclusively between account holders)
10. Three-month maturity treasury bills interest rate	Bank of Spain	2.4	0.2	0.1	0.1	0.1	Outright transactions in the market (not exclusively between account holders)
11. Government bonds yield index (Dec1987=100)	Bank of Spain	565.2	846.3	1,037.9	1,081.6	1,037.0	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	0.4	2.3	0.6	-0.4	0.1	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	4.2	6.9	7.0	1.4	-2.9	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	1,026.5	1,012.0	1,042.5	1,153.1	1,093.3 <sup>(a)</sup>	Base 1985=100
15. Ibex-35 (Dec1989=3000)	Bank of Spain and Madrid Stock Exchange	9,864.5	8,715.6	10,528.8	11,385.0	10,769.5 <sup>(a)</sup>	Base dec1989=3000
16. Madrid Stock Exchange PER ratio (share value/ profitability)	Bank of Spain and Madrid Stock Exchange	15.6	33.1	26.1	20.9	19.1 <sup>(a)</sup>	Madrid Stock Exchange Ratio "share value/ capital profitability"

## B. Financial markets (continued)

Indicator	Source:	Average 1999-2012	2013	2014	2015 April	2015 May	Definition and calculation
17. Long-term bonds. Stock trading volume (% chg.)	Bank of Spain and Madrid Stock Exchange	3.7	10.6	7.4	-26.4	-15.5	Variation for all stocks
18. Commercial paper. Trading balance (% chg.)	Bank of Spain and AIAF	2.3	10.9	-1.3	0.6	1.2	AIAF fixed-income market
19. Commercial paper. Three-month interest rate	Bank of Spain and AIAF	2.8	2.4	0.6	0.1	0.1	AIAF fixed-income market
20. IBEX-35 financial futures concluded transactions (% chg.)	Bank of Spain	0.7	6.4	4.3	4.5	-8.7	IBEX-35 shares concluded transactions
21. IBEX-35 financial options concluded transactions (% chg.)	Bank of Spain	9.0	6.7	6.4	-54.2	15.2	IBEX-35 shares concluded transactions

(a) Last data published: June 30<sup>th</sup>, 2015.

*Comment on "Financial Markets:" During the last month, there has been an increase in transactions with outright spot T-bills, and a decrease of spot government bonds transactions, which stood at 56.2% and 63.4%, respectively. The stock market has lost about 6% in June, with the IBEX-35 down to 10,769 points, and the General Index of the Madrid Stock Exchange to 1,093. Additionally, there was a decrease of 8.7% in financial IBEX-35 futures transactions and an increase of 15.2% in transactions with IBEX-35 financial options.*

## C. Financial Savings and Debt

Indicator	Source:	Average 2005-2011	2012	2013	2014 Q III	2014 Q IV	Definition and calculation
22. Net Financial Savings/GDP (National Economy)	Bank of Spain	-6.4	-0.2	-1.4	1.1	1.0	Difference between financial assets and financial liabilities flows over GDP
23. Net Financial Savings/GDP (Households and non-profit institutions)	Bank of Spain	1.1	1.3	3.7	3.2	3.1	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	267.4	305.7	307.1	320.4	317.4	Public debt, non-financial companies debt and households and non-profit institutions debt over GDP

C. Financial Savings and Debt (continued)

Indicator	Source:	Average 2005-2011	2012	2013	2014 Q III	2014 Q IV	Definition and calculation
25. Debt in securities (other than shares) and loans/GDP (Households and non-profit institutions)	Bank of Spain	81.8	79.4	75.2	72.3	71.3	Households and non-profit institutions debt over GDP
26. Households and non-profit institutions balance: financial assets (quarterly average % chg.)	Bank of Spain	3.7	-0.6	7.8	-0.5	-0.5	Total assets percentage change (financial balance)
27. Households and non-profit institutions balance: financial liabilities (quarterly average % chg.)	Bank of Spain	7.0	-4.3	-5.6	-1.4	-0.4	Total liabilities percentage change (financial balance)

*Comment on "Financial Savings and Debt:" During 2014Q4, there was an increase in financial savings to GDP in the overall economy of 1%. There was a slight fall in the financial saving rate of the households from 3.2% in 2014Q3 to 3.1% in 2014Q4. The debt to GDP ratio fell to 71.3% from 72.3% in the same period. Finally, the stock of financial assets on households' balance sheets registered a fall of 0.5%, while there was a 0.4% drop in the stock of financial liabilities.*

D. Credit institutions. Business Development

Indicator	Source:	Average 1999-2012	2013	2014	2015 March	2015 April	Definition and calculation
28. Bank lending to other resident sectors (monthly average % var.)	Bank of Spain	10.8	-9.5	-4.6	0.8	-1.7	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	9.9	1.3	-1.5	-0.8	-0.1	Deposits percentage change for the sum of banks, savings banks and credit unions
30. Debt securities (monthly average % var.)	Bank of Spain	11.3	-5.1	1.2	0.5	-3.2	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	15.5	8.9	-6.8	0.5	1.4	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	-1.3	-5.9	-5.9	-6.2	-6.0	Difference between the asset-side and liability-side "Credit System" item as a proxy of the net position in the interbank market (month-end)

## D. Credit institutions. Business Development (continued)

Indicator	Source:	Average 1999-2012	2013	2014	2015 March	2015 April	Definition and calculation
33. Doubtful loans (monthly average % var.)	Bank of Spain	37.9	17.8	-12.7	-2.5	-2.8	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	-2.1	6.5	-6.1	20.5	-22.3	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	10.1	19.6	-1.1	-0.2	0.4	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 April 2015 show a fall in bank credit to the private sector and in financial institutions deposit-taking from the previous month of 1.7% and 0.1%, respectively. Holdings of debt securities fell by 3.2%, while shares and equity grew by 1.4%. Also, doubtful loans decreased 2.8% compared to the previous month.*

## E. Credit institutions. Market Structure and Eurosystem Refinancing

Indicator	Source:	Average 1999-2011	2012	2013	2014 December	2015 March	Definition and calculation
36. Number of Spanish credit institutions	Bank of Spain	210	173	155	138	133	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	68	85	86	86	85	Total number of foreign credit institutions operating in Spanish territory
38. Number of employees	Bank of Spain	249,054	231,389	212,998	203,305	-	Total number of employees in the banking sector
39. Number of branches	Bank of Spain	41,145	37,903	33,527	31,999	31,804	Total number of branches in the banking sector
40. Recourse to the Eurosystem (total Eurozone financial institutions) (Euro millions)	Bank of Spain	376,291	884,094	665,849	506,285	399,967 <sup>(a)</sup>	Open market operations and ECB standing facilities. Eurozone total
41. Recourse to the Eurosystem (total Spanish financial institutions) (Euro millions)	Bank of Spain	40,487	337,206	201,865	141,338	132,595 <sup>(a)</sup>	Open market operations and ECB standing facilities. Spain total

E. Credit institutions. Market Structure and Eurosystem Refinancing (continued)

Indicator	Source:	Average 1999-2011	2012	2013	2014 December	2015 March	Definition and calculation
42. Recourse to the Eurosystem (total Spanish financial institutions): main long term refinancing operations (Euro millions)	Bank of Spain	20,985	44.961	19,833	21,115	28,836 <sup>(a)</sup>	Open market operations: main long term refinancing operations. Spain total

(a) Last data published: May 2015.

Comment on "Credit institutions. Market Structure and Eurosystem Refinancing:" In May 2015, recourse to Eurosystem funding by Spanish credit institutions accounted for 33.15% of net total funds borrowed from the ECB by the Eurozone. This means a 3.16 billion euro decrease in the recourse to the Eurosystem by Spanish banks from April.

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

Indicator	Source:	Average 1999-2011	2012	2013	2014 December	2015 March	Definition and calculation
43. "Operating expenses/gross operating income" ratio	Bank of Spain	53.50	47.18	48.25	47.27	47.36	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	2,978.26	4,701.87	5,426,09	5,892.09	6,266.54	Productivity indicator (business by employee)
45. "Customer deposits/branches" ratio (Euro thousands)	Bank of Spain	17,955.99	30,110.18	34,472,09	40,119.97	40,058.42	Productivity indicator (business by branch)
46. "Branches/institutions" ratio	Bank of Spain	197.62	219.09	216.30	142.85	145.89	Network expansion indicator
47. "Employees/branches" ratio	Bank of Spain	6.06	6.10	6.35	6.8	6.4	Branch size indicator
48. Equity capital (monthly average % var.)	Bank of Spain	0.11	-0.12	0.16	0.07	0.02	Credit institutions equity capital variation indicator
49. ROA	Bank of Spain	0.77	-1.93	0.13	0.49	0.50	Profitability indicator, defined as the "pre-tax profit/average total assets"
50. ROE	Bank of Spain	11.61	-18.74	1.88	6.46	6.92	Profitability indicator, defined as the "pre-tax profit/equity capital"

Comment on "Credit institutions. Efficiency and Productivity, Risk and Profitability:" In March 2015, most of the profitability and efficiency indicators improved for Spanish banks. Productivity indicators have also improved since the restructuring process of the Spanish banking sector was implemented.