

KEY FACTS: 50 FINANCIAL SYSTEM INDICATORS – FUNCAS

Updated: June 30th, 2017

Highlights

| Indicator | Last value available | Corresponding to: |
|--|----------------------|-------------------|
| Bank lending to other resident sectors (monthly average % var.) | 0.6 | March 2017 |
| Other resident sectors' deposits in credit institutions (monthly average % var.) | 0.5 | March 2017 |
| Doubtful loans (monthly % var.) | -2.6 | March 2017 |
| Recourse to the Eurosystem (Eurozone financial institutions, million euros) | 767,304 | May 2017 |
| Recourse to the Eurosystem (Spanish financial institutions, million euros) | 172,977 | May 2017 |
| Recourse to the Eurosystem (Spanish financial institutions million euros)- Main L/T refinancing operations | 101 | May 2017 |
| Operating expenses/gross operating income ratio (%) | 54.18 | December 2016 |
| Customer deposits/employees ratio (thousand euros) | 5,600.48 | December 2016 |
| Customer deposits/branches ratio (thousand euros) | 39,457.04 | December 2016 |
| Branches/institutions ratio | 139.84 | December 2016 |

A. Money and interest rates

| Indicator | Source: | Average 2001-2014 | 2015 | 2016 | 2017 May | 2017 June | Definition and calculation |
|--|---------------|-------------------|------|-------|----------|-----------|--|
| 1. Monetary Supply (% chg.) | ECB | 5.4 | 4.7 | 5.0 | - | - | M3 aggregate change (non-stationary) |
| 2. Three-month interbank interest rate | Bank of Spain | 2.19 | -0.1 | -0.26 | -0.329 | -0.331 | Daily data average |
| 3. One-year Euribor interest rate (from 1994) | Bank of Spain | 2.5 | 0.2 | -0.03 | -0.13 | -0.16 | End-of-month data |
| 4. Ten-year Treasury bonds interest rate (from 1998) | Bank of Spain | 4.4 | 1.7 | 1.4 | 1.5 | 1.5 | Market interest rate (not exclusively between account holders) |
| 5. Corporate bonds average interest rate | Bank of Spain | 4.3 | 2.1 | 2.3 | - | - | End-of-month straight bonds average interest rate (> 2 years) in the AIAF market |

Comment on "Money and Interest Rates": The 3-month interbank rate decreased to -0.331% in June from -0.329% in May and the 1-year Euribor decreased to -0.16% (from -0.13% in May). The ECB has reiterated the continuation of the liquidity program. As for the Spanish 10-year bond yield, it has remained at 1.5%, the closing rate of June.

B. Financial markets

| Indicator | Source: | Average 2001-2014 | 2015 | 2016 | 2017 April | 2017 May | Definition and calculation |
|--|---|----------------------|----------|---------|---------------|-------------------------|---|
| 6. Outright spot treasury bills transactions trade ratio | Bank of Spain | 39.0 | 75.5 | 102.6 | 84.21 | 95.00 | (Traded amount/ outstanding balance) x100 in the market (not exclusively between account holders) |
| 7. Outright spot government bonds transactions trade ratio | Bank of Spain | 78.4 | 65.3 | 55.1 | 43.83 | 56.15 | (Traded amount/ outstanding balance) x100 in the market (not exclusively between account holders) |
| 8. Outright forward treasury bills transactions trade ratio | Bank of Spain | 1.1 | 1.3 | 0.4 | 0.57 | 1.98 | (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 | 3.4 | 1.9 | 2.22 | 2.15 | (Traded amount/ outstanding balance) in the market (not exclusively between account holders) |
| 10. Three-month maturity treasury bills interest rate | Bank of Spain | 2.0 | 0.0 | 0.0 | 0.05 | 0.08 | Outright transactions in the market (not exclusively between account holders) |
| 11. Government bonds yield index (Dec1987=100) | Bank of Spain | 642.9 | 1,058.2 | 1,104.9 | 1,077.95 | 1,100.58 | 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 | 0.3 | 0.5 | 0.2 | 4.2 | 1.9 | 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 | 4.1 | -0.2 | 0.7 | 19.8 | -11.1 | 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 | 1,038.3 | 965.1 | 943.6 | 1,078.2 | 1,057.2 ^(a) | Base 1985=100 |
| 15. Ibex-35 (Dec1989=3000) | Bank of Spain and Madrid Stock Exchange | 9,750.4 | 10,647.2 | 8,790.9 | 10,715.8 | 10,444.5 ^(a) | Base dec1989=3000 |
| 16. Madrid Stock Exchange PER ratio (share value/profitability) | Bank of Spain and Madrid Stock Exchange | 16.7 | 15.4 | 23.6 | 23.2 | 16.5 ^(a) | Madrid Stock Exchange Ratio "share value/ capital profitability" |

B. Financial markets (continued)

| Indicator | Source: | Average 2001-2014 | 2015 | 2016 | 2017 April | 2017 May | Definition and calculation |
|---|---|----------------------|------|------|---------------|-------------|---------------------------------------|
| 17. Long-term bonds. Stock trading volume (% chg.) | Bank of Spain and Madrid Stock Exchange | 4.9 | 21.3 | 55.9 | - | - | Variation for all stocks |
| 18. Commercial paper. Trading balance (% chg.) | Bank of Spain and AIAF | 1.9 | -0.2 | 0.1 | -0.3 | -1.7 | AIAF fixed-income market |
| 19. Commercial paper. Three-month interest rate | Bank of Spain and AIAF | 2.5 | 0.1 | 0.0 | 0.00 | 0.34 | AIAF fixed-income market |
| 20. IBEX-35 financial futures concluded transactions (% chg.) | Bank of Spain | 1.6 | 1.3 | -0.4 | -6.6 | -3.5 | IBEX-35 shares concluded transactions |
| 21. IBEX-35 financial options concluded transactions (% chg.) | Bank of Spain | 8.9 | 17.7 | 5.8 | 4.5 | 26.1 | IBEX-35 shares concluded transactions |

(a) Last data published: June 15th, 2017.

Comment on "Financial Markets": During May, there was an increase in transactions with outright spot T-bills to 95% and also an increase of spot government bonds transactions, which stood at 56.15%. The stock market has registered a decrease in June, with the IBEX-35 down to 10,445 points, and the General Index of the Madrid Stock Exchange to 1,057. Additionally, there was a fall of 3.5% in financial IBEX-35 futures transactions and an increase of 26.1% in transactions with IBEX-35 financial options.

C. Financial Savings and Debt

| Indicator | Source: | Average 2008-2013 | 2014 | 2015 | 2016 Q 3 | 2016 Q 4 | Definition and calculation |
|---|---------------|----------------------|-------|-------|-------------|-------------|--|
| 22. Net Financial Savings/GDP (National Economy) | Bank of Spain | -2.8 | 1.6 | 2.2 | 2.2 | 2.1 | Difference between financial assets and financial liabilities flows over GDP |
| 23. Net Financial Savings/GDP (Households and non-profit institutions) | Bank of Spain | 2.5 | 3.4 | 3.6 | 3.1 | 2.6 | 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 | 288.1 | 320.0 | 302.3 | 302.8 | 296.8 | Public debt, non-financial companies debt and households and non-profit institutions debt over GDP |

C. Financial Savings and Debt (continued)

| Indicator | Source: | Average 2008-2013 | 2014 | 2015 | 2016 Q 3 | 2016 Q 4 | Definition and calculation |
|--|---------------|----------------------|------|------|-------------|-------------|---|
| 25. Debt in securities (other than shares) and loans/GDP (Households and non-profit institutions) | Bank of Spain | 81.4 | 72.4 | 67.5 | 65.2 | 64.4 | Households and non-profit institutions debt over GDP |
| 26. Households and non-profit institutions balance: financial assets (quarterly average % chg.) | Bank of Spain | 0.6 | 2.1 | 1.7 | 1.1 | 1.4 | Total assets percentage change (financial balance) |
| 27. Households and non-profit institutions balance: financial liabilities (quarterly average % chg.) | Bank of Spain | -1.8 | -4.0 | -2.9 | -1.6 | -0.3 | Total liabilities percentage change (financial balance) |

Comment on "Financial Savings and Debt": During 2016Q4, there was a fall in financial savings to GDP in the overall economy that reached 2.1% of GDP. There was also a decrease in the financial savings rate of households from 3.1% in 2016Q3 to 2.6% in 2016Q4. The debt to GDP ratio fell to 64.4%. Finally, the stock of financial assets on households' balance sheets registered an increase of 1.4%, and there was a 0.3% fall in the stock of financial liabilities.

D. Credit institutions. Business Development

| Indicator | Source: | Average 2001-2014 | 2015 | 2016 | 2017 February | 2017 March | Definition and calculation |
|---|---------------|----------------------|-------|-------|------------------|---------------|--|
| 28. Bank lending to other resident sectors (monthly average % var.) | Bank of Spain | 7.5 | -4.0 | -4.1 | -0.3 | 0.6 | 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 | 8.0 | -0.1 | -0.1 | -0.5 | 0.5 | Deposits percentage change for the sum of banks, savings banks and credit unions |
| 30. Debt securities (monthly average % var.) | Bank of Spain | 10.0 | -15.2 | -11.6 | 0.6 | -0.8 | 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 | 10.0 | -5.9 | -1.0 | 0.5 | 0.7 | 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 | -2.1 | -5.2 | -4.5 | -5.4 | -5.9 | 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 2001-2014 | 2015 | 2016 | 2017 February | 2017 March | Definition and calculation |
|---|---------------|----------------------|-------|-------|------------------|---------------|---|
| 33. Doubtful loans (monthly average % var.) | Bank of Spain | 39.8 | -22.4 | -13.6 | -0.6 | -2.6 | 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 | -30.8 | -22.2 | -0.4 | 13.1 | 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 | 8.8 | -1.8 | -0.3 | 0.4 | 0.1 | 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 March 2017 show an increase in bank credit to the private sector of 0.6%. Data also show a growth in financial institutions' deposit-taking of 0.5%. Holdings of debt securities fell by 0.8%. Doubtful loans decreased 2.6% compared to the previous month.

E. Credit institutions. Market Structure and Eurosystem Refinancing

| Indicator | Source: | Average 2000-2013 | 2014 | 2015 | 2016 September | 2016 December | Definition and calculation |
|--|---------------|----------------------|---------|---------|-------------------|------------------------|---|
| 36. Number of Spanish credit institutions | Bank of Spain | 199 | 138 | 135 | 129 | 124 | 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 | 73 | 86 | 82 | 81 | 82 | Total number of foreign credit institutions operating in Spanish territory |
| 38. Number of employees | Bank of Spain | 246,418 | 203,305 | 203,305 | 202,954 | 202,954 | Total number of employees in the banking sector |
| 39. Number of branches | Bank of Spain | 40,703 | 31,817 | 30,921 | 29,492 | 28,807 | Total number of branches in the banking sector |
| 40. Recourse to the Eurosystem (total Eurozone financial institutions) (Euro millions) | Bank of Spain | - | 406,285 | 460,858 | 527,317 | 767,304 ^(a) | Open market operations and ECB standing facilities. Eurozone total |
| 41. Recourse to the Eurosystem (total Spanish financial institutions) (Euro millions) | Bank of Spain | - | 111,338 | 122,706 | 138,455 | 172,977 ^(a) | Open market operations and ECB standing facilities. Spain total |

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

| Indicator | Source: | Average 2000-2013 | 2014 | 2015 | 2016 September | 2016 December | Definition and calculation |
|--|---------------|----------------------|--------|--------|-------------------|--------------------|--|
| 42. Recourse to the Eurosystem (total Spanish financial institutions): main long term refinancing operations (Euro millions) | Bank of Spain | 22,794 | 21,115 | 10,515 | 1,408 | 101 ^(a) | Open market operations: main long term refinancing operations. Spain total |

(a) Last data published: May 2017.

Comment on "Credit institutions. Market Structure and Eurosystem Refinancing": In May 2017, recourse to Eurosystem funding by Spanish credit institutions reached 172.98 billion euro.

MEMO ITEM: From January 2015, the ECB also offers information on the asset purchase programs. The amount borrowed by Spanish banks in these programs reached 257.6 billion euro in March and 1.98 trillion euro for the entire Eurozone banking system.

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

| Indicator | Source: | Average 2000-2013 | 2014 | 2015 | 2016 September | 2016 December | Definition and calculation |
|--|---------------|----------------------|-----------|-----------|-------------------|------------------|--|
| 43. "Operating expenses/gross operating income" of Spain ratio | Bank of Spain | 50.89 | 47.27 | 50.98 | 54.25 | 54.18 | 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 | 3,519.51 | 5,892.09 | 5,595.62 | 5,731.21 | 5,600.48 | Productivity indicator (business by employee) |
| 45. "Customer deposits/branches" ratio (Euro thousands) | Bank of Spain | 21,338.27 | 40,119.97 | 36,791.09 | 38,662.48 | 39,457.04 | Productivity indicator (business by branch) |
| 46. "Branches/institutions" ratio | Bank of Spain | 205.80 | 142.85 | 229.04 | 227.33 | 139.84 | Network expansion indicator |
| 47. "Employees/branches" ratio | Bank of Spain | 6.1 | 6.8 | 6.57 | 6.75 | 7.05 | Branch size indicator |
| 48. Equity capital (monthly average % var.) | Bank of Spain | 0.11 | 0.07 | 0.01 | -0.01 | -0.62 | Credit institutions equity capital variation indicator |
| 49. ROA | Bank of Spain | 0.45 | 0.49 | 0.39 | 0.41 | 0.26 | Profitability indicator, defined as the "pre-tax profit/average total assets" |
| 50. ROE | Bank of Spain | 6.27 | 6.46 | 5.04 | 4.91 | 3.12 | Profitability indicator, defined as the "pre-tax profit/equity capital" |

Comment on "Credit institutions. Efficiency and Productivity, Risk and Profitability": In December 2016, 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.