

Principal monitoring indicators for the Spanish banking system

Table 1
Abridged balance sheet for the banking system. (EUR bn and % var.)

Assets	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate			
									00-'08	latest	y-on-y	
Total lending	2,106	1,951	1,716	1,651	1,603	1,556	1,534	Nov-17	217%	-29.5%	-1.3%	
<i>Public corporations</i>	90	114	87	101	90	88	79	Nov-17	69%	49.7%	-10.9%	
<i>Domestic resident sector</i>	1,783	1,605	1,448	1,380	1,327	1,276	1,259	Nov-17	234%	-32.7%	-1.8%	
<i>Non residents</i>	234	232	180	169	186	191	196	Nov-17	164%	-22.6%	6.5%	
Fixed income securities and equity stakes	656	766	773	754	662	610	602	Nov-17	132%	20.9%	-2.9%	
<i>Fixed income securities</i>	406	509	493	492	415	366	342	Nov-17	135%	5.1%	-9.5%	
<i>Of which: sovereign debt</i>	198	247	264	288	251	225	214	Nov-17	6%	113%	-9.5%	
<i>Equity</i>	251	258	280	262	246	244	259	Nov-17	128%	50.9%	7.6%	
Interbank lending	251	279	211	155	164	163	227	Nov-17	81%	-13.6%	57.0%	
Other assets (net of interbank lending/deposits)	387	426	326	354	331	319	300	Nov-17	230%	4.6%	-11.0%	
Total assets	3,400	3,423	3,026	2,913	2,760	2,647	2,664	Nov-17	184%	-17.4%	0.3%	
Liabilities and Shareholders' Equity												
Customer deposits	1,934	1,725	1,684	1,686	1,637	1,578	1,543	Nov-17	169%	-23.4%	-2.0%	
<i>Public corporations</i>	70	69	63	76	77	54	70	Nov-17	263%	-7.4%	18.9%	
<i>Domestic resident sector</i>	1,373	1,317	1,314	1,289	1,261	1,243	1,192	Nov-17	192%	-16.8%	-3.5%	
<i>Non residents</i>	492	339	306	320	299	281	280	Nov-17	113%	-44.6%	0.2%	
Interbank deposits	373	573	381	312	303	288	321	Nov-17	95%	1.9%	11.4%	
<i>Pro memoria: net interbank position</i>	122	294	171	157	139	125	94	Nov-17	215%	80.8%	-34.6%	
Debt issued	435	394	297	249	225	201	224	Nov-17	625%	-43.2%	13.2%	
Other liabilities	439	535	430	436	368	352	341	Nov-17	253%	6.5%	-7.4%	
Shareholders' equity	220	195	233	230	227	227	235	Nov-17	134%	30.3%	3.4%	
<i>Pro memoria: ECB funding</i>	132	357	207	142	133	140	170	Jan-17	566%	83.3%	17.6%	
Total Liabilities and Shareholders' Equity	3,400	3,423	3,026	2,913	2,760	2,647	2,664	Nov-17	184%	-17.4%	0.3%	

Source: Bank of Spain statistics bulletin

Table 2

Abridged income statement for the banking system. Cumulative annual results (EUR mn and % var.)

	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate		
									00-'08	08-latest	y-on-y
Net interest revenue	29,565	32,739	26,816	27,118	26,410	24,296	17,660	Sep-17	92%	-33.0%	-2.9%
Net fees and commissions	11,750	11,275	10,931	11,257	11,237	11,059	8,868	Sep-17	79%	-9.2%	8.1%
Trading gains and other revenue	15,811	15,493	17,797	17,043	13,885	13,085	7,983	Sep-17	276%	-41.5%	-22.2%
Total revenue	57,126	59,507	55,544	55,418	51,532	48,440	34,511	Sep-17	118%	-30.7%	-5.8%
Operating expenses	-28,464	-26,951	-26,798	-26,116	-26,261	-26,388	-19,902	Sep-17	54%	-10.1%	1.2%
Personnel expenses	-16,889	-15,587	-15,108	-14,329	-14,182	-13,943	-10,224	Sep-17	54%	-23.8%	-2.0%
Other operating expenses	-11,574	-11,364	-11,690	-11,787	-12,079	-12,445	-9,677	Sep-17	54%	11.2%	4.7%
Pre-provision profit	28,662	32,556	28,746	29,302	25,271	22,052	14,609	Sep-17	226%	-47.2%	-14.0%
Loan-loss provisions	-22,668	-82,547	-21,800	-14,500	-10,699	-8,342	-7,459	Sep-17	620%	-34.8%	41.8%
Other income, net	-23,430	-37,142	-2,789	-1,739	-3,819	-6,993	-10,285	Sep-17	-299%	1005.5%	304.0%
Profit before taxes	-17,436	-87,133	4,156	13,063	10,753	6,717	-3,134	Sep-17	108%	-120.5%	-134.2%
Net attributable income	-14,717	-73,706	8,790	11,343	9,312	6,078	-4,970	Sep-17	122%	-136.0%	-160.0%

Source: Bank of Spain statistics bulletin

Table 3

Relative size, staff and installed capacity in the banking system (% , number and % var.)

	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate		
									00-'08	08-latest	y-on-y
Lending to the private sector / GDP	166%	152%	139%	133%	123%	114%	109%	Nov-17	94%	-34.7%	-10.9%
Private sector deposits / GDP	128%	125%	126%	124%	117%	111%	104%	Nov-17	69%	-19.3%	-12.5%
Number of employees	248,093	236,504	217,878	208,291	202,954	194,283	n.a.	Dec-16	14%	-30.2%	-4.3%
Number of branches	40,202	38,237	33,786	32,073	31,155	28,959	27,882	Sep-17	17%	-39.6%	-5.9%

Source: Bank of Spain statistics bulletin

Table 4

Breakdown of ORS loans, NPLs and NPL ratio by portfolio. (EUR bn, % and % var.)

Lending volume	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate		
									00-'08	08 - latest	y-on-y
Loans to households	793	756	715	690	663	652	647	Sep-17	236%	-21.1%	-1.3%
Of w hich:											
Housing loans	627	605	581	558	531	517	507	Sep-17	270%	-19.1%	-2.7%
Other loans to households	167	151	134	132	132	136	139	Sep-17	159%	-27.7%	4.1%
Lending to corporates and SMEs	971	830	719	674	644	605	588	Sep-17	237%	-42.2%	-2.8%
Of w hich:											
Lending to real estate	397	300	237	200	179	161	148	Sep-17	517%	-68.6%	-10.1%
Other lending to corporates and SMEs	574	530	482	474	465	444	440	Sep-17	142%	-19.6%	0.0%
Total lending to domestic private sector *	1,783	1,605	1,448	1,380	1,327	1,276	1,259	Nov-17	234%	-32.7%	-1.8%
Non-performing loans											
Loans to households	28.7	37.0	49.4	46.8	37.0	35.7	35.5	Sep-17	1062%	46.0%	2.4%
Of w hich:											
Housing loans	18.2	24.0	34.6	32.6	25.5	24.1	23.6	Sep-17	1878%	59.3%	-1.7%
Other loans to households	10.5	13.0	14.8	14.1	11.4	11.6	11.9	Sep-17	607%	25.2%	11.5%
Lending to corporates and SMEs	109.9	128.4	146.1	124.6	94.2	79.2	65.5	Sep-17	818%	75.6%	-19.9%
Of w hich:											
Lending to real estate	81.9	84.8	87.8	70.7	50.4	42.4	31.3	Sep-17	2790%	16.3%	-28.2%
Other lending to corporates and SMEs	28.0	43.6	58.2	53.9	43.7	36.8	34.2	Sep-17	232%	228.7%	-10.4%
Total lending to domestic private sector *	139.8	167.5	197.2	172.6	134.3	116.3	101.7	Nov-17	808%	61.2%	-13.9%
NPL ratio											
Loans to households	3.6%	4.9%	6.9%	6.8%	5.6%	5.5%	5.5%	Sep-17	246%	85.0%	3.7%
Of w hich:											
Housing loans	2.9%	4.0%	6.0%	5.9%	4.8%	4.7%	4.7%	Sep-17	434%	96.8%	1.0%
Other loans to households	6.3%	8.6%	11.1%	10.7%	8.7%	8.5%	8.5%	Sep-17	173%	73.2%	7.1%
Lending to corporates and SMEs	11.3%	15.5%	20.3%	18.5%	14.6%	13.1%	11.1%	Sep-17	173%	204.0%	-17.6%
Of w hich:											
Lending to real estate	20.6%	28.2%	37.1%	35.3%	28.2%	26.4%	21.2%	Sep-17	369%	270.0%	-20.1%
Other lending to corporates and SMEs	4.9%	8.2%	12.1%	11.4%	9.4%	8.3%	7.8%	Sep-17	37%	308.8%	-10.4%
Total lending to domestic private sector *	7.8%	10.4%	13.6%	12.5%	10.1%	9.1%	8.1%	Nov-17	172%	139.5%	-12.3%

(*) Total ORS loans include household loans, total loans for productive activities, non-profit agencies serving households (ISFLSH in Spanish) and unclassified lending. Since January 2014 this has included loans to Financial Credit Institutions.
 Source: Bank of Spain statistics bulletin

Table 5

Breakdown of new lending volume. Annual cumulative amount (EUR bn and % var.)

Lending volume	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate		
									03-'08	08-'16	y-on-y
Loans to households	74.3	63.3	51.2	60.5	75.7	80.6	87.6	Dec-17	0.7%	-56.7%	8.7%
Of which:											
Housing loans	37.5	32.3	21.9	26.8	35.7	37.5	38.9	Dec-17	-15.6%	-56.9%	3.6%
Other loans to households	36.8	31.0	29.4	33.7	40.0	43.1	48.8	Dec-17	21.3%	-56.4%	13.2%
Lending to corporates and SMEs	527.5	484.8	392.6	357.2	392.6	323.6	339.0	Dec-17	29.2%	-65.2%	4.8%
Of which:											
Less than €250,000	136.4	114.4	106.1	112.3	128.7	133.6	143.4	Dec-17	n.d.	-18.7%	7.3%
Between €250,000 and €1million)	37.7	31.6	28.3	34.0	36.8	36.3	40.6	Dec-17	n.d.	-21.0%	11.7%
Corporates (loans > €1mill.)	353.4	338.9	258.2	210.3	227.2	152.6	155.1	Dec-17	43.5%	-66.4%	1.6%
Total new lending flows	601.8	548.1	443.9	417.7	468.3	404.1	426.6	Dec-17	23%	-58.0%	5.6%

Source: Bank of Spain statistics bulletin

Table 6

Breakdown of resident deposits (EUR bn and % var.)

	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate		
									00-'08	08 - latest	y-on-y
Sight deposits	482	475	500	563	650	754	838	Nov-17	90%	90.2%	13.9%
Term deposits	706	693	677	597	509	404	292	Nov-17	272%	-60.7%	-29.9%
Total retail deposits	1,188	1,168	1,177	1,160	1,159	1,157	1,130	Nov-17	163%	-4.5%	-1.9%
Other deposits											
Repurchase agreements	60	60	64	60	42	32	29	Nov-17	-23%	-66.4%	-6.9%
Funds from financial asset transfers	54	43	37	32	25	23	21	Nov-17	14%	-76.6%	-7.7%
Hybrid financial liabilities	27	20	16	22	17	14	10	Nov-17	33%	-62.8%	-30.4%
Subordinated deposits	44	26	20	16	18	16	2	Nov-17	n.m.	-95.3%	-86.1%
<i>Pro-memoria: Deposits in foreign currency</i>	28	30	30	27	29	28	19	Nov-17	739%	-49.2%	-33.7%
Total deposits of domestic resident sector	1,373	1,317	1,314	1,289	1,261	1,243	1,192	Nov-17	159%	-16.8%	-3.5%

(*) Total ORS deposits does not match up with the data in Table 1 because the latter includes Asset transfer liabilities, Subordinated deposits, Repos and Hybrid instruments. Since April 2017 Bank of Spain includes redeemable at notice deposits into Sight deposits.

Source: Bank of Spain statistics bulletin

Table 7

Interest rates on loans (rates in % and variation in bps)

	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate (bps)			
									03-'08	08 - latest	y-on-y	
Loans. Stock (NDER)												
Loans to households												
Housing loans	3.12	2.61	2.11	1.89	1.53	1.30	1.21	Dec-17	178	-444	-9	
Other loans to households	5.73	5.78	5.80	6.10	5.98	6.17	6.17	Dec-17	113	-90	0	
Loans to corporates and SMEs	3.90	3.47	3.44	2.84	2.38	2.04	1.89	Dec-17	204	-366	-15	
Loans. New lending transactions (APRC)												
Loans to households												
Housing loans	3.66	2.93	3.16	2.64	2.31	2.19	2.05	Dec-17	238	-378	-13	
Consumer loans	9.11	8.32	9.52	8.98	8.43	8.14	8.30	Dec-17	237	-270	16	
Other	6.29	6.23	5.92	4.91	4.28	4.26	4.02	Dec-17	224	-301	-24	
Loans to corporates and SMEs (synthetic average)	4.03	3.66	3.57	2.73	2.58	2.30	2.12	Dec-17	112	-276	-19	
Less than €250,000	5.57	5.67	5.54	4.56	3.61	3.29	2.93	Dec-17	n.a.	-162	-36	
Between €250,000 and €1million)	4.79	4.27	4.03	2.91	2.20	1.91	1.79	Dec-17	n.a.	-210	-12	
Corporates (loans > €1mill.)	3.53	3.00	2.83	2.10	2.07	1.63	1.55	Dec-17	n.a.	-116	-8	

APRC: Annual Percentage Rate; NDER: Narrowly-Defined Effective Rate (APR excluding commissions)
 Source: Bank of Spain statistics bulletin and economic indicators

Table 8

Interest rates on deposits (rates in % and variation in bps)

	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate (bps)			
									03-'08	08 - latest	y-on-y	
Deposits. Stock (NDER)												
Households deposits												
Sight deposits	0.28	0.21	0.22	0.17	0.12	0.06	0.04	Dec-17	6.5	-65	-2	
Term deposits	2.76	2.72	2.08	1.39	0.75	0.30	0.16	Dec-17	232	-424	-14	
Corporates and SMEs deposits												
Sight deposits	0.61	0.37	0.35	0.31	0.24	0.15	0.10	Dec-17	111	-168	-5	
Term deposits	2.68	2.64	1.93	1.40	0.91	0.65	0.76	Dec-17	223	-362	11	
Deposits. New transactions (NDER)												
Households deposits												
Sight deposits	0.28	0.21	0.22	0.17	0.12	0.06	0.04	Dec-17	30	-65	-2	
Term deposits	2.79	2.83	1.50	0.66	0.39	0.11	0.08	Dec-17	225	-410	-2	
Corporates and SMEs deposits												
Sight deposits	0.61	0.37	0.35	0.31	0.24	0.15	0.10	Dec-17	111	-168	-5	
Term deposits	2.13	2.08	1.31	0.51	0.31	0.13	0.16	Dec-17	146	-331	4	

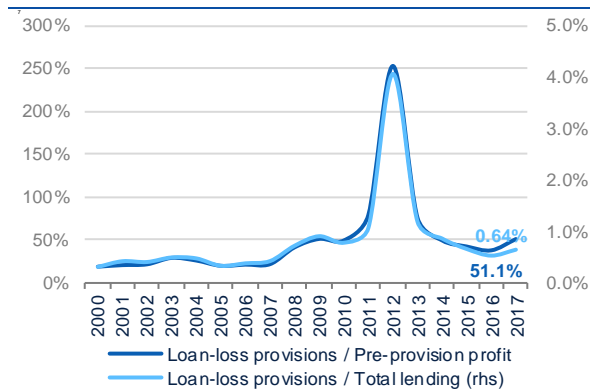
Source: Bank of Spain statistics bulletin and economic indicators

Table 9
Key ratios

	2011	2012	2013	2014	2015	2016	2017	Date	Growth rate		
									00-'08	08-latest	y-on-y
Productivity											
Business volume* per branch (€'000)	78,494	76,409	81,761	83,229	83,085	86,975	84,655	Nov-17	168.2%	18.3%	-0.3%
Profit before tax per branch (€'000)	-433.7	-2,279	123.0	407.3	345.2	231.9	-149.9	Sep-17	77.5%	-133.9%	-136.3%
Efficiency											
Cost-to-Income ratio (Oper. expenses / Total revenue)	49.8%	45.3%	48.2%	47.1%	51.0%	54.5%	57.7%	Sep-17	-29.3%	29.7%	7.5%
Operating expenses / ATA	0.86%	0.79%	0.83%	0.88%	0.93%	0.98%	1.00%	Sep-17	-43.4%	4.5%	8.3%
Profitability											
RoE	-7.4%	-35.5%	4.1%	4.9%	4.1%	2.7%	-2.9%	Sep-17	-3.4%	-127.6%	-159.5%
RoA	-0.52%	-2.55%	0.13%	0.44%	0.38%	0.25%	-0.16%	Sep-17	-23.6%	-123.8%	-135.1%
NIM (Net interest rev. / ATA)	0.89%	0.96%	0.83%	0.91%	0.93%	0.90%	0.89%	Sep-17	-29.6%	-22.2%	-0.2%
Liquidity											
Loans-to-Deposits (resident sector)	150%	137%	123%	119%	115%	110%	111%	Nov-17	14.8%	-29.5%	0.2%
Funding gap (Loans - Deposits, EUR bn)	594.4	436.8	270.9	220.1	168.3	118.9	129.0	Nov-17	349%	-81.2%	-0.2%
Funding gap / Total assets	17.5%	12.8%	9.0%	7.6%	6.1%	4.5%	4.8%	Nov-17	57.7%	-77.3%	-0.4%
Solvency and Asset Quality											
Leverage (Shareholders' equity / Total assets)	6.5%	5.7%	7.7%	7.9%	8.2%	8.6%	8.8%	Nov-17	-17.8%	57.7%	3.1%
Shareholders' equity / NPLs	158%	117%	118%	133%	169%	196%	231%	Nov-17	-74.3%	-19.2%	20.0%
Provisioning effort (Loan-loss prov. / Pre-provision profit)	79.1%	253.6%	75.8%	49.5%	42.3%	37.8%	51.1%	Sep-17	121%	23.5%	64.8%
Cost of Risk (Loan-loss provisions / total lending)	1.06%	4.07%	1.19%	0.86%	0.66%	0.53%	0.64%	Sep-17	134%	-26.7%	19.0%
NPL ratio (resident sector)	7.8%	10.4%	13.6%	12.5%	10.1%	9.1%	8.1%	Nov-17	172%	139%	-12.3%
NPL coverage ratio (total)	59.6%	73.8%	58.0%	58.1%	58.9%	58.9%	60.2%	Nov-17	-58.2%	-15.0%	0.5%
NPL coverage ratio (specific provisions)	37.1%	44.7%	46.9%	46.7%	47.0%	46.2%	44.7%	Sep-17	-39.0%	49.6%	0.5%

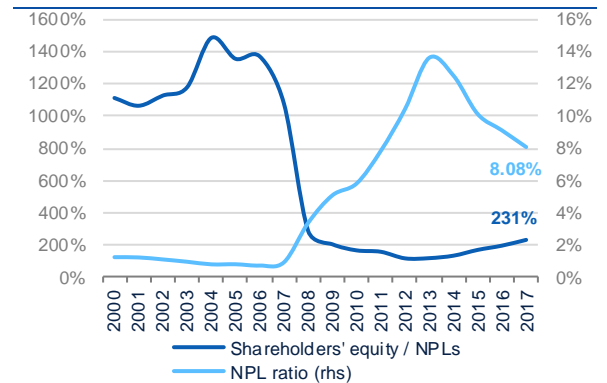
 (*) ORS loans plus ORS deposits
 Source: BBVA Research

Figure 1
Provisions



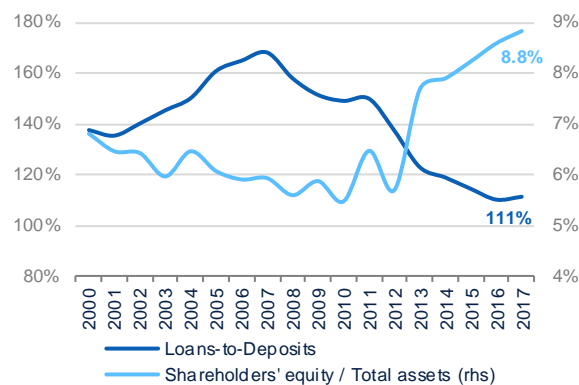
Source: BBVA Research

Figure 2
NPLs and Capital to NPLs



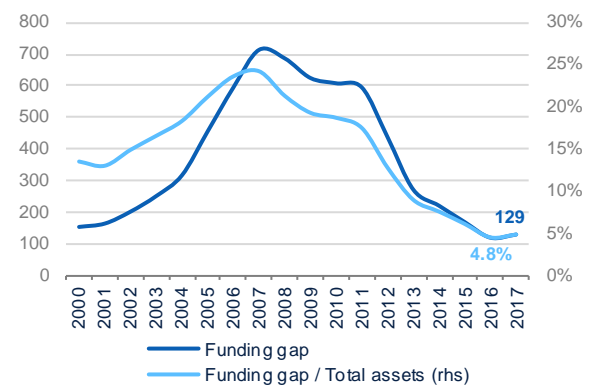
Source: BBVA Research

Figure 3
Liquidity and leverage



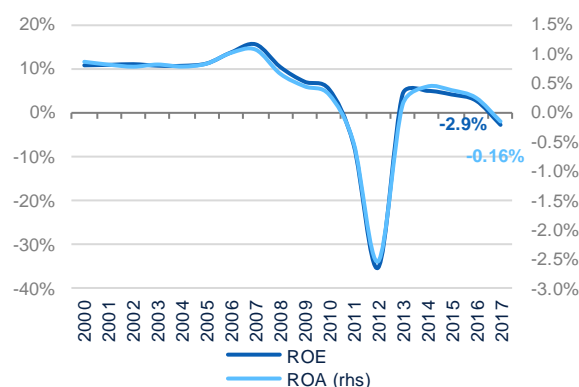
Source: BBVA Research

Figure 4
Funding gap (ORS loans – ORS deposits, EUR bn)



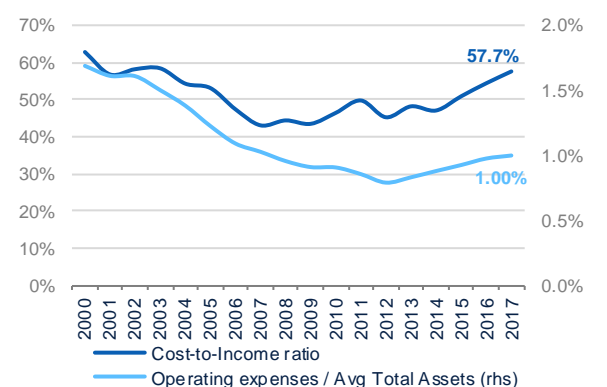
Source: BBVA Research

Figure 5
Profitability



Source: BBVA Research

Figure 6
Efficiency



Source: BBVA Research

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