Annex 1 CONSOLIDATED BALANCE SHEET AND INCOME STATEMENT

Table A1.1
Consolidated balance sheet. Deposit institutions (a)

Assets	Jun-25	Change Jun-25/Jun-24	% of total assets Jun-24	% of total assets Jun-25
	€m	%	%	%
Cash and balances at central banks	388,742	1.9	9.1	8.9
Loans and advances to credit institutions	324,897	7.9	7.2	7.5
General government	119,727	7.7	2.7	2.7
Other private sectors	2,405,188	1.4	56.6	55.2
Debt securities	668,260	6.3	15.0	15.3
Other equity instruments	42,924	3.6	1.0	1.0
Investments	19,735	-11.8	0.5	0.5
Derivatives	127,910	0.0	3.1	2.9
Tangible assets	52,920	-6.5	1.4	1.2
Other	210,387	41.2	3.6	4.8
Total assets	**4,360,704**	**4.1**	**100.0**	**100.0**
MEMORANDUM ITEMS				
Financing to private sector	2,476,546	1.6	58.2	56.8
Financing to general government	666,006	6.2	15.0	15.3
Total NPLs	78,255	-5.9	2.0	1.8
Total NPL ratio	2.1	-22 (b)		

Liabilities and equity	Jun-25	Change Jun-25/Jun-24	% of total assets Jun-24	% of total assets Jun-25
	€m	%	%	%
Balances from central banks	51,778	-27.5	1.7	1.2
Deposits from credit institutions	322,328	10.8	6.9	7.4
General government	241,972	25.6	4.6	5.5
Other private sectors	2,557,606	0.8	60.6	58.7
Marketable debt securities and subordinated debt	504,390	0.9	11.9	11.6
Derivatives	108,936	-4.3	2.7	2.5
Provisions (including for pensions)	20,463	-4.0	0.5	0.5
Other	262,670	39.8	4.5	6.0
Total liabilities	**4,070,144**	**3.9**	**93.4**	**93.3**
MEMORANDUM ITEM				
Eurosystem net lending (a)	17	-99.0	0.0	0.0
Own funds	334,618	5.4	7.6	7.7
Minority interests	12,688	8.3	0.3	0.3
Valuation adjustments	-56,746	4.1	-1.3	-1.3
Total equity	**290,560**	**5.8**	**6.6**	**6.7**
Total liabilities and equity	**4,360,704**	**4.1**	**100.0**	**100.0**

SOURCE: Banco de España.

a Difference between funds received in liquidity-providing operations and funds delivered in liquidity-absorbing operations. June 2025 data.
b Difference calculated in basis points.

Table A1.2

Consolidated income statement. Deposit institutions (a)

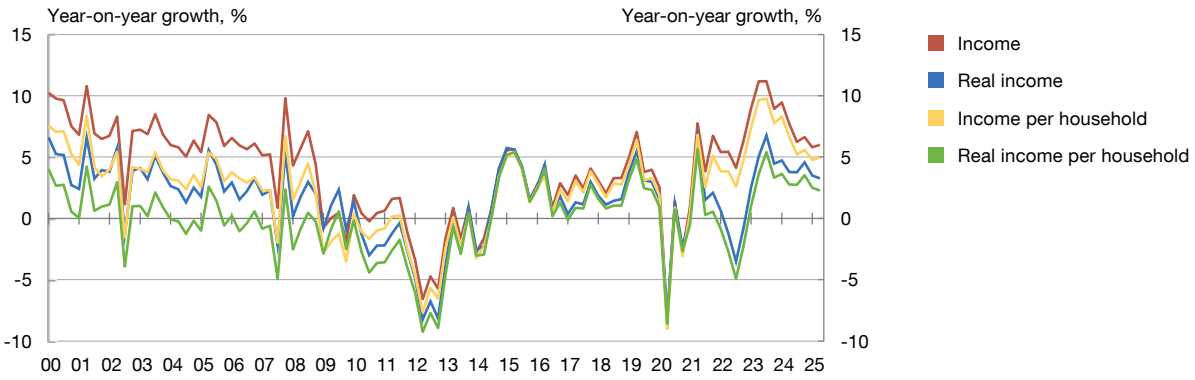
	Jun-25		Jun-24	Jun-25
	€m	% change Jun-25/Jun-24	% ATA	% ATA
Interest income	107,423	-8.8	5.65	4.96
Interest expense	58,122	-10.6	3.12	2.68
Net interest income	49,302	-6.6 (-3.7)	2.53	2.28
Return on equity instruments	944	0.5	0.05	0.04
Net financial income	50,246	-6.4 (-3.6)	2.57	2.32
Net fees and commissions	16,892	2.3 (4.4)	0.79	0.78
Gains and losses on financial assets and liabilities	2,644	-21.6 (-20.5)	0.16	0.12
Other operating income (net)	-576	—	-0.17	-0.03
Gross income	69,206	-1.2 (1.4)	3.36	3.20
Operating expenses	30,682	-0.5 (1.1)	1.48	1.42
Net operating income	38,524	-1.7 (1.7)	1.88	1.78
Impairment losses on financial assets	10,813	-1.4 (-0.3)	0.53	0.50
Other provisioning expense (net)	1,774	-29.8	0.12	0.08
Other gains or losses (net)	3,228	134.6	0.07	0.15
Profit before tax (including discontinued operations)	29,166	7.7	1.30	1.35
Net profit	21,067	10.5	0.91	0.97
MEMORANDUM ITEM				
Profit attributable to the controlling entity	20,069	9.8	0.88	0.93

SOURCE: Banco de España.

a In 2025 H1 a significant institution announced the agreement to sell a subsidiary abroad. Under IFRS 5, the institution classified the business concerned as "non-current assets/liabilities held for sale" and its results were recorded under a single heading in the consolidated income statement ("Profit or loss from discontinued operations (net)"), therefore excluding them from the heading-by-heading breakdown of the continuing operations. For analytical purposes, the year-on-year change was included in brackets in the second column for the main variables for which information is available, after adding the amounts from this subsidiary's activity in 2025 H1 to the amounts for June 2025.

A2.2.1 Households

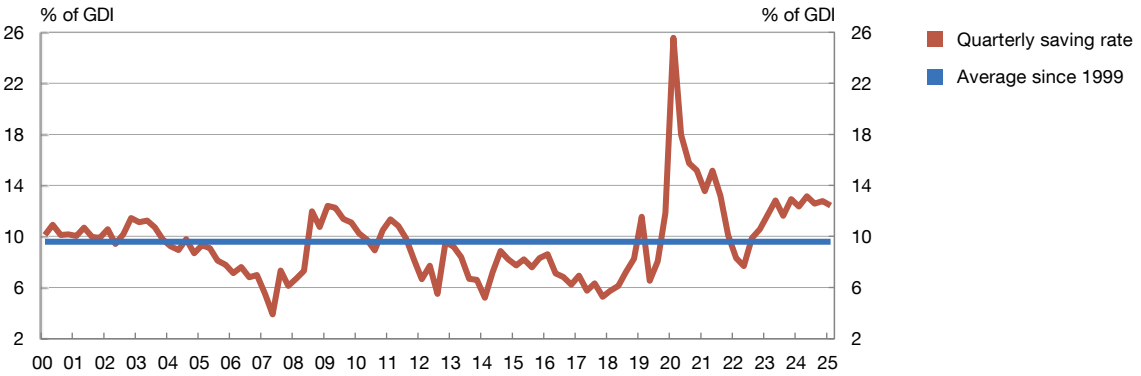
Chart A2.2.1.1
Spanish household income (a)



SOURCES: INE and Banco de España. Latest observation: 2025 Q2.

a Gross disposable income in the National Accounts includes compensation of employees, gross operating surplus, gross mixed income, property income and net taxes paid (which are deducted). Real income is adjusted for inflation using the consumption deflator.

Chart A2.2.1.2
Household saving rate in Spain (a)



SOURCES: Eurostat, INE and Banco de España. Latest observation: 2025 Q2.

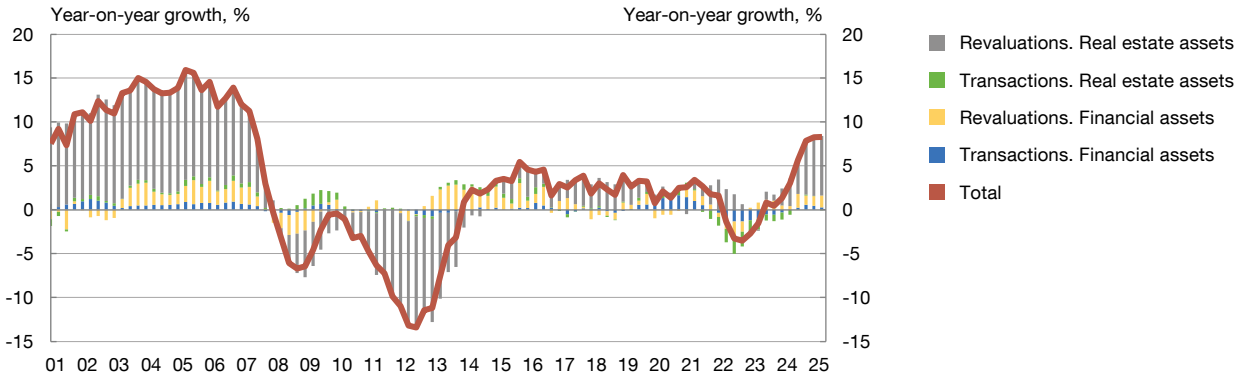
a Quarterly data seasonally adjusted.

Note A2.2.1.3 (relates to Chart 2.2 in Section 2.1)

c Estimated drawing on the 2022 EFF, under the assumption that the change in the 1-year EURIBOR (average for the year) between 2022 and 2025 (114 bp) is passed through in full to the cost of variable rate debt and that the level of debt remains constant and equal to the 2022 level. The impact of inflation is added, updating the various expenditure components with the HICP. Inflation between 2022 and 2025 relating to food, utilities and rental of main residence is 18.4%, -4.5% and 6.4%, respectively. It is assumed that each household's income increases in line with changes in the National Accounts and is distributed across income quintiles as shown in the results of the Household Budget Survey.

Chart A2.2.1.4

Real gross household wealth in Spain (a)

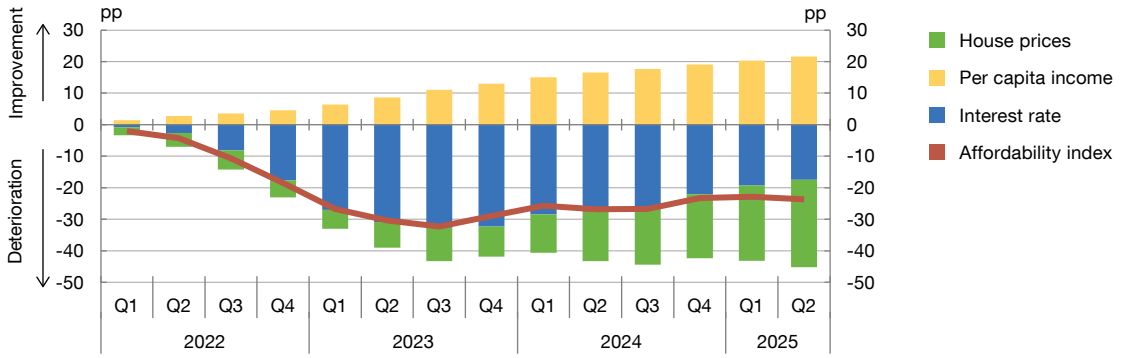


SOURCES: INE and Banco de España. Latest observation: 2025 Q2.

a The wealth metric used is gross (value of all assets without deducting liabilities) and the data are deflated with a consumption deflator. The transaction series reflect changes in household wealth due to these transactions (for example, purchases and sales of assets), while the revaluation series reflect changes in the value of households' asset holdings.

Chart A2.2.1.5

Home ownership affordability. Cumulative change since end-2021. Spain (a) (b)



SOURCES: Eurostat, ECB and Banco de España. Latest observation: 2025 Q2.

a Affordability index calculated following the methodology used in the Atlanta Fed's HOAM Index. The change in the index and its components is expressed in percentage points of the change in their respective logarithms. 2021 Q4 = 100.
b House prices are measured with the House Price Index, per capita income is the average per capita GDI in the last four quarters and the interest rate is the cost of new loans to households for house purchase.

A2.2.2 Non-financial corporations

Chart A2.2.2.1
Gross operating profit of non-financial corporations in Spain (a)

SOURCES: AEAT and Banco de España. Latest observation: 2025 H1.

a GOP is calculated as turnover - purchases - wages. Adjusted for calendar effect.
b Excluding education, health, general government, recreation activities, financial and insurance institutions, and other services. The data source is the AEAT, except for electricity, gas, steam and air conditioning supply, manufacture of coke and refined petroleum products and wholesale of solid, liquid and gaseous fuels and related products for which the data source is the CBQ.
c Includes transportation and storage; information and communication; professional, scientific and technical activities; and administrative and support service activities.
d Includes mining and quarrying, and electricity, gas and water.

Note A2.2.2.2 (relates to Chart 2.5 in Section 2.2)

c Estimated data. Aggregate financial costs by sector (at NACE Rev. 2 division level) are approximated under the assumption that the 118.3 bp decline in the 3-month EURIBOR (average for the year) between 2023 and 2025 is passed through in full to the average cost of debt and that interest-bearing debt variations mirror bank credit changes in each sector according to the CCR. It is assumed that changes in the GOS are the same those observed by sector in the AEAT data (or CBQ data for sectors not available in the AEAT). Further, holding companies, head offices, sectors not dealt with by the AEAT and dormant firms are excluded, as are firms with misreported data concerning financial costs or interest-bearing debt.e.

A2.2.3 General government in Spain

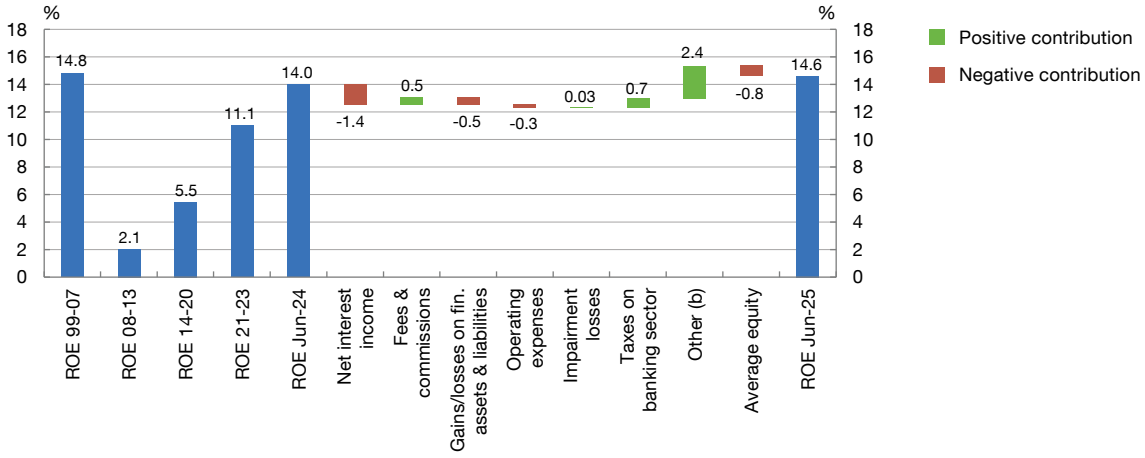
All relevant charts pertaining to this section are included in Section 2.3 of the FSR.

A2.3.1 Banking sector

A2.3.1.1 Profitability

Chart A2.3.1.1.1

Breakdown of change in return on equity (ROE). Consolidated data (a)

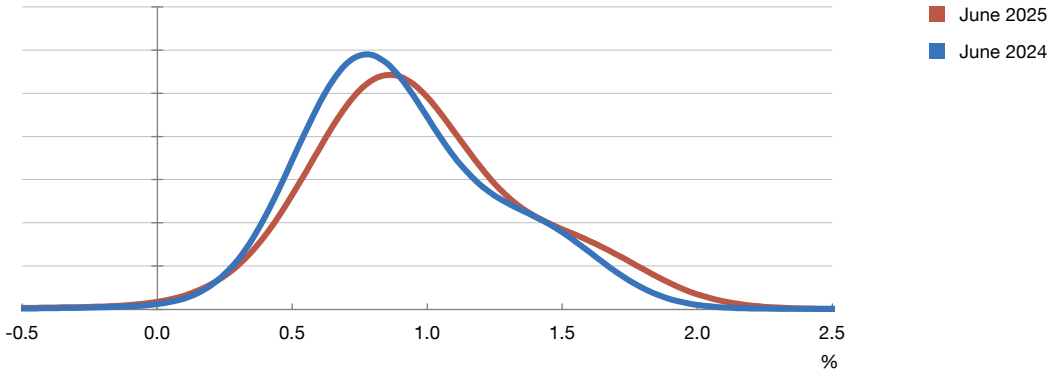


SOURCES: Banco de España and public financial reports. Latest observation: June 2025.

a The green (red) colour of the bars denotes a positive (negative) contribution of the corresponding item to the change in ROE at June 2025 compared with June 2024. The averages of the previous periods (1999 to 2023) are calculated as the average annual ROE of each period. The data in each of the different income items include in June 2025 the amounts of the business affected by the sale of a significant institution's subsidiary abroad (they are not grouped together under a single heading of profit or loss from discontinued operations). Consequently, the comparison of ROE components between the two periods is not distorted.
b It includes, among other items, dividend income, share of profit or loss of institutions accounted for using the equity method, other operating income, provisioning expense (other than for impairment losses), corporate income tax and other income.

Chart A2.3.1.1.2

Distribution of return on assets by bank. Consolidated data (a)



SOURCES: Banco de España and public financial reports. Latest observation: June 2025.

a The chart shows ROA density for Spanish banks (weighted by consolidated average total assets). The density function is estimated using a kernel estimator, which provides a non-parametric estimate, yielding a continuous, smoothed graphical representation of the function.

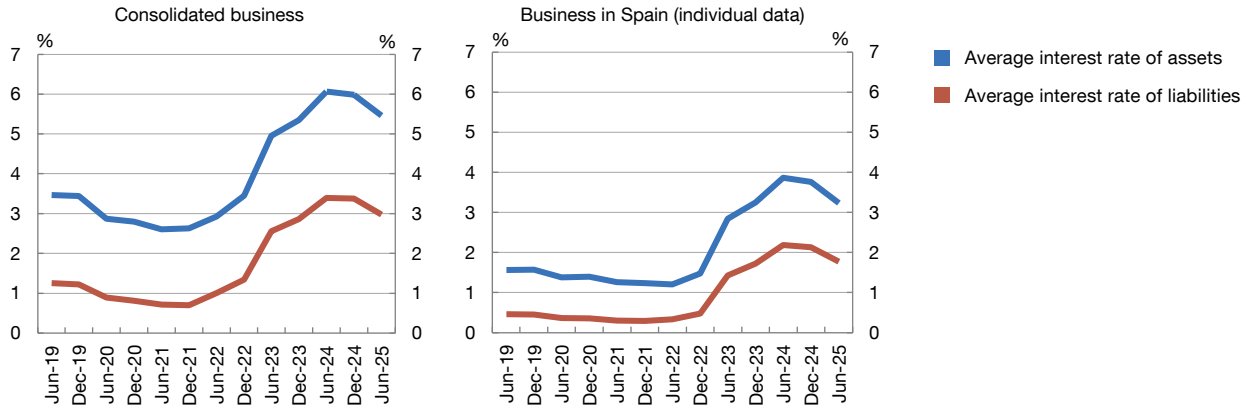
Note A2.3.1.1.3 (relates to Chart 3.1 in Section 3.1.1)

a The green (red) colour of the bars denotes a positive (negative) contribution of the corresponding item to the change in annualised ROA at June 2025 compared with June 2024. The averages of the previous periods (1999 to 2023) are calculated as the average annual ROA of each period. In June 2025 the data in each of the different income items include the amounts of the business affected by the sale of a significant institution's subsidiary abroad (they are not grouped together under a single heading of profit or loss from discontinued operations). Consequently, the comparison of ROA components between the two periods is not distorted.

b It includes, among other items, dividend income, share of profit or loss of institutions accounted for using the equity method, other operating income, provisioning expenses (other than for impairment losses), corporate income tax and other income.

Chart A2.3.1.1.4

Average interest rates of financial assets and liabilities (a)



SOURCES: Banco de España, Capital IQ and public financial reports. Latest observation: June 2025.

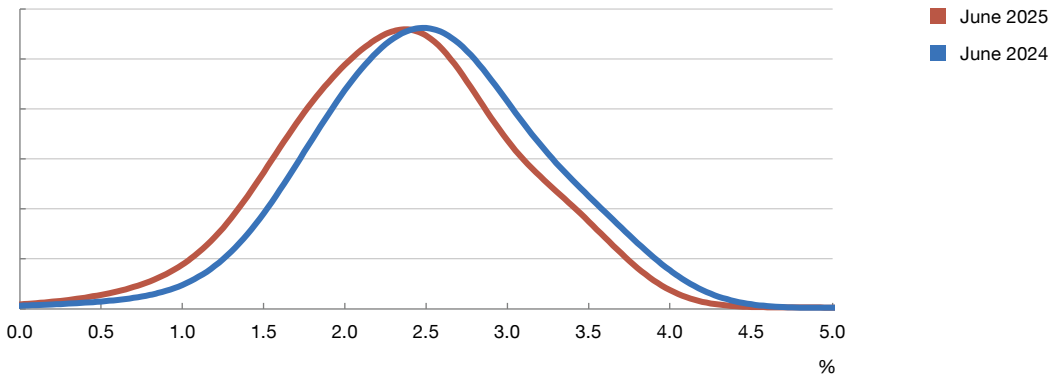
a The average interest rate of financial assets is calculated as the ratio of interest income to earning financial assets, whereas the average interest rate of financial liabilities is calculated as the ratio of interest expenses to interest-bearing financial liabilities. Note that the denominator of the average interet rate of liabilities in this chart is interest-bearing financial liabilities (unlike Chart 3.10 where the denominator is total assets).

Note A2.3.1.1.5 (relates to Chart 3.2 in Section 3.1.1)

a The quantity effect is calculated as the product of the change in investments (in the case of income) or funding (in the case of expenses) and the return (income) or cost (expenses) held constant at the values of the initial period. The price effect is calculated as the product of the change in return (income) or cost (expenses) and the investments (income) or funding (expenses) held constant at values of the initial period. The mixed effect is a residual calculated as the difference between the total change and the sum of the price and quantity effects. The effects on net interest income are calculated as the difference between the effects on interest income and interest expense. The figures include the amounts of the business affected by the sale of a significant institution's subsidiary abroad. The comparison of the change in net interest income between the two periods is therefore performed using consistent concepts.

Chart A2.3.1.1.6

Distribution by bank of net interest income as a percentage of average total assets (ATA). Consolidated data (a)

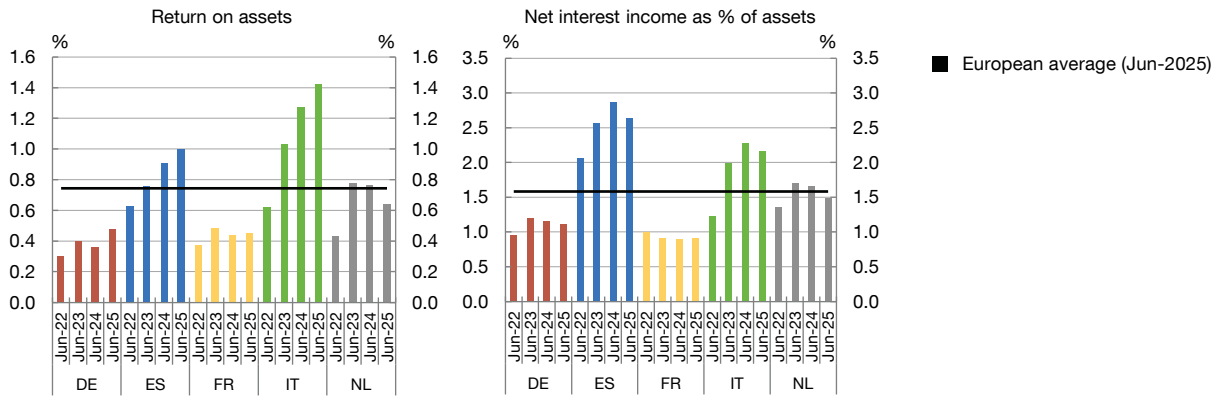


SOURCES: Banco de España, Capital IQ and public financial reports. Latest observation: June 2025.

a The chart shows the density of net interest income as a percentage of average total assets for Spanish banks (weighted by consolidated average total assets). The density function is estimated using a kernel estimator, which provides a non-parametric estimate, yielding a continuous, smoothed graphical representation of the function.

Chart A2.3.1.1.7

European comparison of return on assets and net interest income as a percentage of assets. Consolidated data



SOURCE: EBA. Latest observation: June 2025.

A2.3.1.2 Solvency

Note A2.3.1.2.1 (relates to Chart 3.4 in Section 3.1.2)

a The CET1 ratio is calculated as the ratio of CET1 to RWAs. RWAs can be calculated as total assets x density, where density is calculated as the ratio of RWAs to total assets. Therefore, in the chart, the change in the CET1 ratio is broken down into the change in CET1, in total assets and in density. There is a residual mixed effect stemming from the breakdown that is allocated proportionately to the absolute value of the changes in the factors depicted. The green (red) bars denote positive (negative) contributions from components. In Spain, the Basel III capital requirements were introduced in 2014 and the information about the CET1 ratio became available for the first time that year.

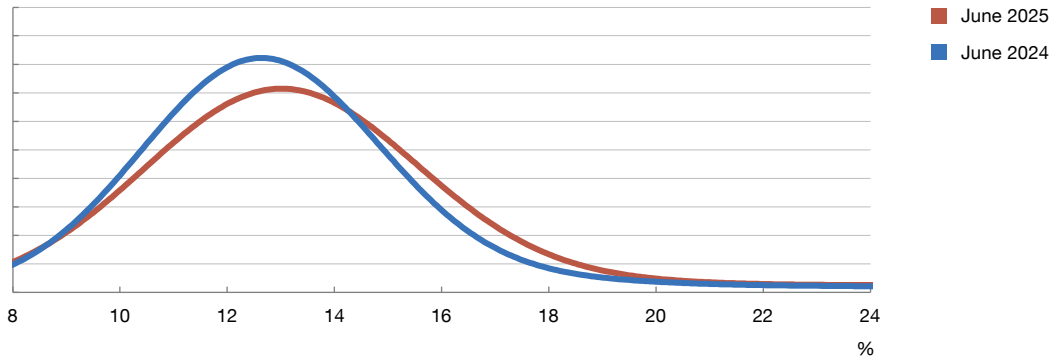
b The leverage ratio is calculated as the ratio of Tier 1 capital (T1) to total exposure. In the chart, the change in the leverage ratio is broken down into the change in T1 and total exposure. There is a residual mixed effect stemming from the breakdown that is allocated proportionately to the absolute value of the changes in the factors depicted. The green (red) bars denote positive (negative) contributions from components. Reporting of the leverage ratio began in September 2016.

c In Spain, the Basel III capital requirements were introduced in 2014 and the information about the CET1 ratio became available for the first time that year.

d In 2014 and 2015 the Tier 1 and CET1 ratios coincide because of the effect of applying the phase-in rules in force in those years to the balance sheet and capital position of Spanish banks. Both ratios are presented "phased-in". In other words, they are calculated at each date by applying the corresponding phase-in rules from the post-crisis capital requirements reforms, and not by applying the fully loaded approach at each date.

Chart A2.3.1.2.2

Distribution by bank of the CET1 ratio. Consolidated data (a)

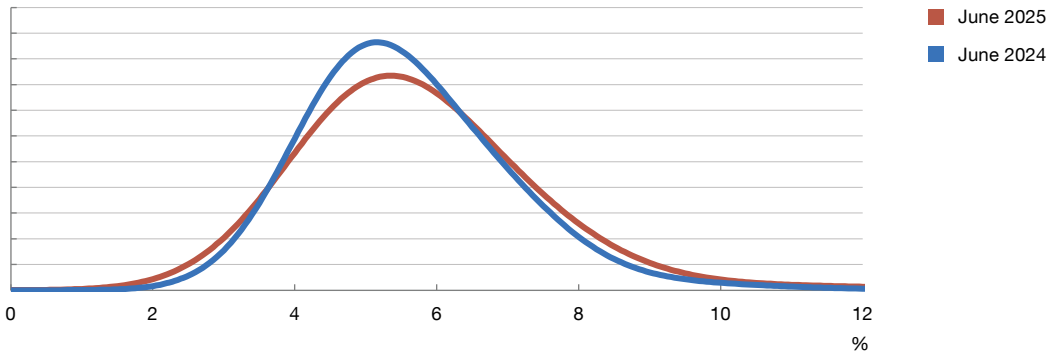


SOURCE: Banco de España. Latest observation: June 2025.

a The chart shows CET1 ratio density for Spanish banks (weighted by consolidated total assets). The density function is estimated using a kernel estimator, which provides a non-parametric estimate, yielding a continuous, smoothed graphical representation of the function.

Chart A2.3.1.2.3

Distribution by bank of the leverage ratio. Consolidated data (a)

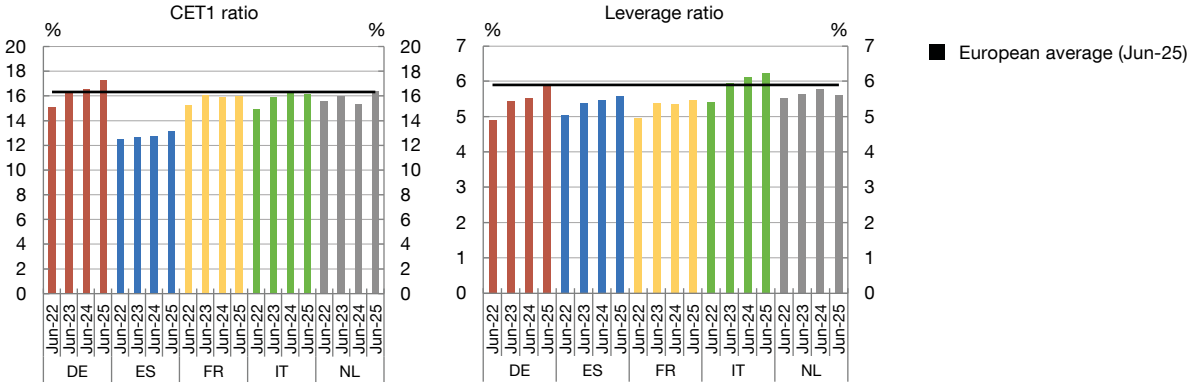


SOURCE: Banco de España. Latest observation: June 2025.

a The chart shows the leverage ratio density for Spanish banks (weighted by consolidated total assets). The density function is estimated using a kernel estimator, which provides a non-parametric estimate, yielding a continuous, smoothed graphical representation of the function.

Chart A2.3.1.2.4

European comparison of the CET1 and leverage ratios. Consolidated data

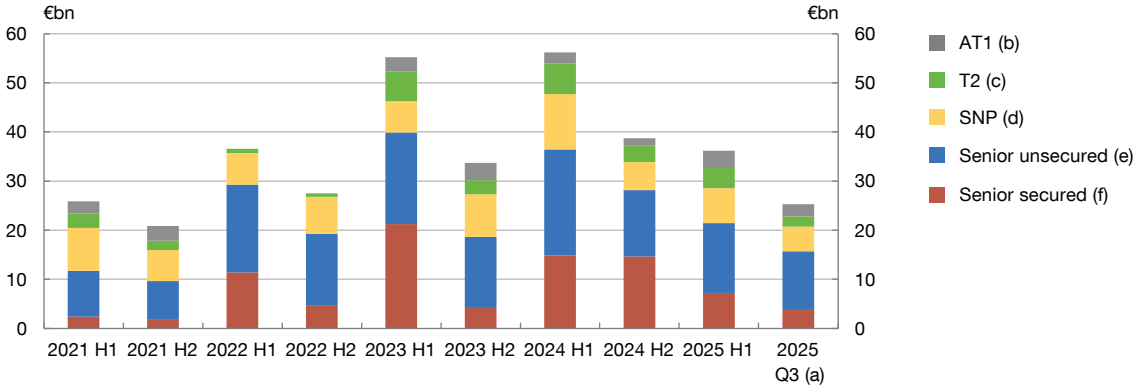


SOURCE: EBA. Latest observation: June 2025.

A2.3.1.3 Consolidated balance sheet

Chart A2.3.1.3.1

Half-yearly primary market issuance volume



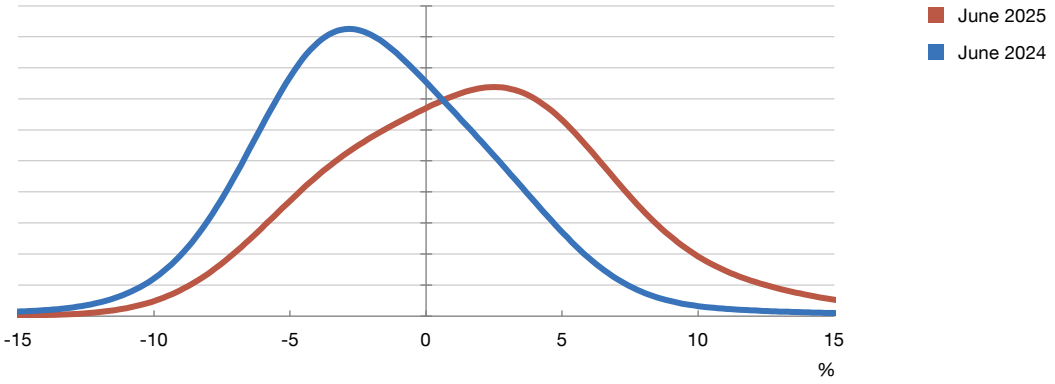
SOURCES: CSDB and LSEG Workspace. Latest observation: 30 September 2025.

a The latest period of data (2025 Q3) includes only issuances in 2025 Q3.
b Instruments eligible as Additional Tier 1 capital (AT1) are contingent convertible bonds (CoCos), which can be converted into shares and have the characteristics of both debt and equity. They are perpetual, with the issuer entitled to cancel interest payments at its discretion and redeem the bond after five years. They may be used to recapitalise the bank, for example if its capital falls below a certain level.
c Subordinated debt instruments eligible as Tier 2 capital are less risky for investors and differ from AT1 instruments in that they have a maturity date (which must be longer than five years) and the issuer is obliged to pay the stipulated interest. These instruments also have loss-absorption capacity in the event of insolvency.
d Senior non-preferred debt is a class of debt whose holders would incur losses in the event of the bank's resolution, ranking below traditional senior debt holders in priority.
e Senior unsecured debt is not backed by any specific asset, but its senior status grants it highest priority among unsecured issuances for repayment in case of issuer bankruptcy.
f Senior secured debt (including *cédulas hipotecarias,* a type of covered bond) comes with additional collateral, typically a pool of mortgage loans (as in the case of *cédulas hipotecarias),* providing the holder with dual recourse: a claim on the issuing bank itself and a priority claim against the cover pool.

A2.3.1.4 Credit

Chart A2.3.1.4.1

Distribution by bank of the year-on-year rate of change in loans to households, firms and the self-employed resident in Spain. Business in Spain. Individual data (a) (b)



SOURCE: Banco de España. Latest observation: June 2025.

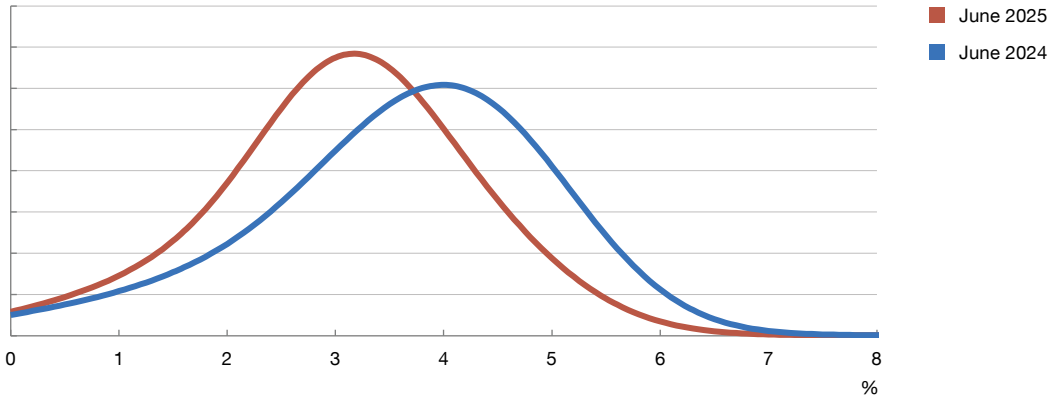
a Lending by deposit institutions' branches in Spain.
b The chart shows the density function for the year-on-year rate of change in Spanish deposit institutions' loans to households, firms and the self-employed, weighted by total assets. The density function is estimated using a kernel estimator, which provides a non-parametric estimate, yielding a continuous, smoothed graphical representation of the function.

Note A2.3.1.4.2 (relates to Chart 3.7 in Section 3.1.4)

a The firms and self-employed categories denote the institutional sectors of NFCs and sole proprietors, respectively.
b The momentum indicator shows the annualised quarter-on-quarter rate of change in the three-month moving average of the seasonally adjusted credit stock.
c Includes lending to the resident private sectors in Spanish and euro area banks' domestic business.

Chart A2.3.1.4.3

Distribution by bank of the NPL ratio for households, firms and the self-employed resident in Spain. Business in Spain. Individual data (a) (b)



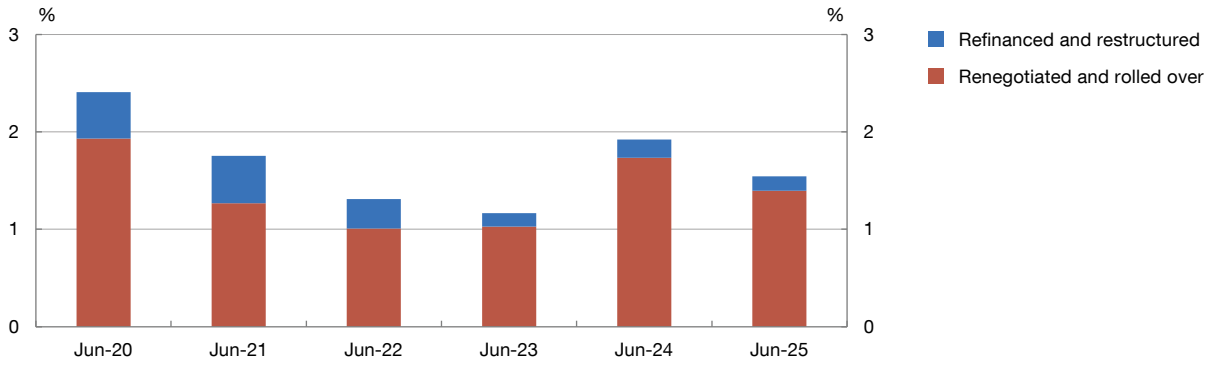
SOURCE: Banco de España. Latest observation: June 2025.

a Lending by deposit institutions' branches in Spain.
b The chart shows the density function of the NPL ratio for Spanish deposit institutions, weighted by total assets. The density function is estimated using a kernel estimator, which provides a non-parametric estimate, yielding a continuous, smoothed graphical representation of the function.

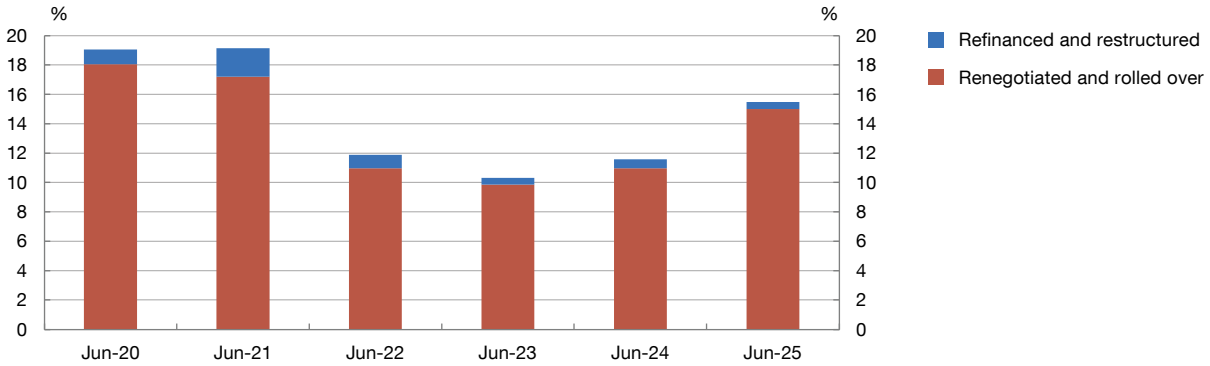
Chart A2.3.1.4.4

Cumulative 12-month flows of refinancing, restructuring, renegotiations and roll-overs

A2.3.1.4.4.a Cumulative 12-month flow of refinancing, restructuring, renegotiations and roll-overs (a). Households. Business in Spain. ID



A2.3.1.4.4.b Cumulative 12-month flow of refinancing, restructuring, renegotiations and roll-overs (a). NFCs and sole proprietors. Business in Spain. ID

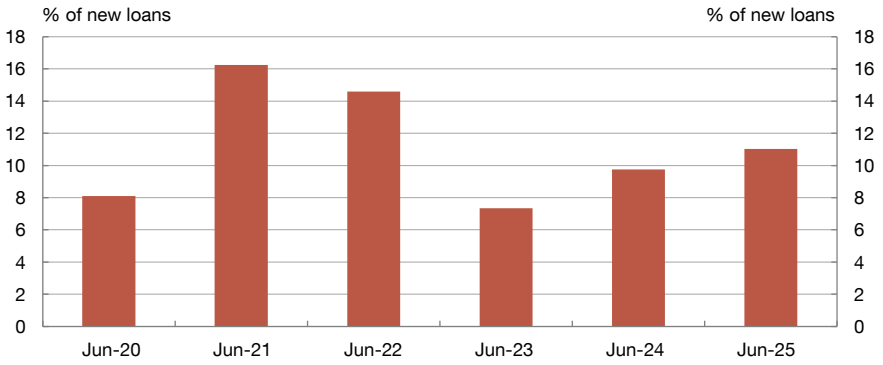


SOURCE: Banco de España. Latest observation: June 2025.

a The cumulative 12-month flow is calculated as the sum of the monthly flows from July to June as a percentage of the portfolio in June of the previous year.

Chart A2.3.1.4.5

New securitisations backed by loans originated in Spain as a percentage of new lending in Spain (a)



SOURCE: Banco de España. Latest observation: June 2025.

a The sample used to construct this chart includes those institutions which originated at least one securitisation transaction backed by loans arranged in Spain in the period July 2019-June 2025. The bar relating to June in year t is constructed by using information from the period between July of year t-1 and June of year t. The analysis is based on consolidated data at bank group level. The bars are calculated by dividing the amount of the new securitisations originated by the amount of new lending to households and firms.

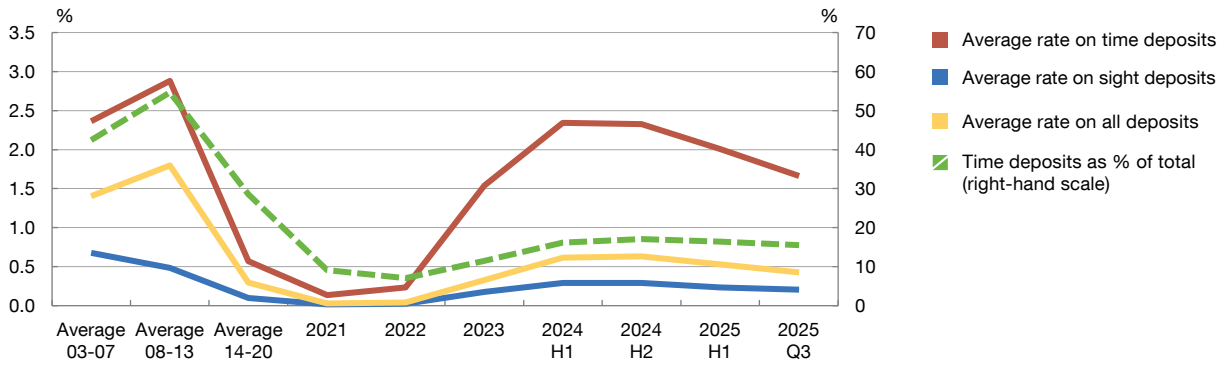
Note A2.3.1.4.6 (relates to Chart 3.9 in Section 3.1.4)

a The sample used to construct this chart comprises banks whose outstanding origination or investment amounts are positive in at least one month of the period June 2020-June 2025. The analysis is based on consolidated data at bank group level. The "Origination - Synthetic" ("Origination - Traditional") bar is calculated as the ratio of the aggregated outstanding amount of synthetic (traditional) securitisation originations to total consolidated assets. The "Investment" bar (depicted on a negative scale, as this decreases the net outsourcing of credit risk via securitisations) is constructed analogously, but using the aggregate outstanding amount of securitisation investments in the numerator.

A2.3.1.5 Financing conditions and liquidity

Chart A2.3.1.5.1

Average rates for household and NFC deposits. Business in Spain. Individual data (a) (b)

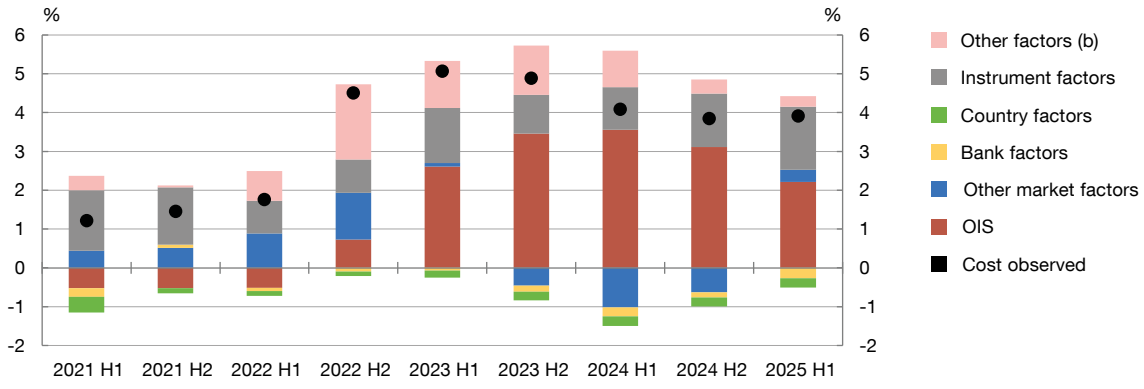


SOURCE: Banco de España. Latest observation: September 2025.

a Transactions carried out by deposit institutions' branches in Spain are considered.
b The interest rate in each period is the average monthly interest rate. Monthly interest rates, in turn, are calculated as the average of the sight and time deposit rates weighted by the respective deposit volumes.

Chart A2.3.1.5.2

Breakdown of the cost of debt issued by Spanish banks (a)

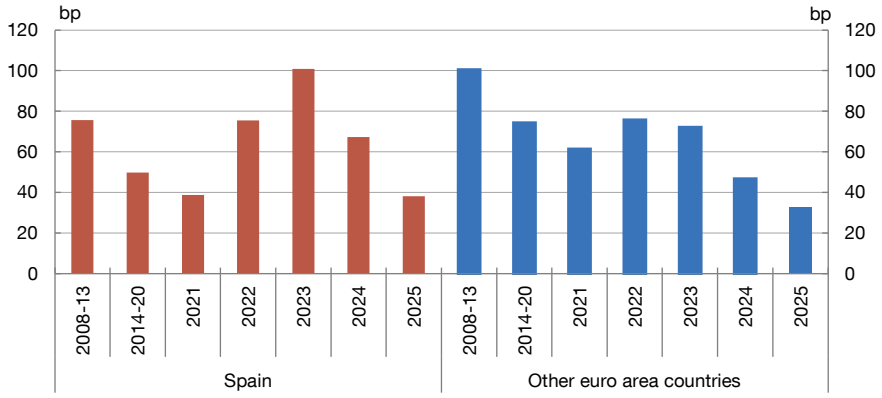


SOURCES: CSDB, Eikon Refinitiv and S&P Capital IQ. Latest observation: 30 June 2025.

a An econometric model is used which estimates the cost of the issuance of MREL-eligible instruments for a sample of European banks based on: (i) the bank's characteristics - size (G-SIB, O-SII, Pillar 1 or less than €100 bn), rating, CET1, ROA and efficiency ratio; (ii) country factors - GDP and financial market development level; (iii) instrument characteristics - level of subordination (AT1, Tier 2, SNP and senior) and bond maturity; iv) the risk-free interest rate using the three-month overnight index swap (OIS); and v) other market factors - sovereign spread (the country's ten-year sovereign yield spread less the ten-year OIS) and the slope of the curve (spread between seven-year and three-month OIS).
b This refers to statistical adjustments such as the constant of the model, the residual and selection adjustment. The selection bias adjustment varies for each bank and over time and is calculated as the inverse Mills ratio using the Heckman model (1979).

Chart A2.3.1.5.3

Comparison of the spread between sovereign bonds and senior unsecured debt instruments issued by major Spanish and other European banks (a)

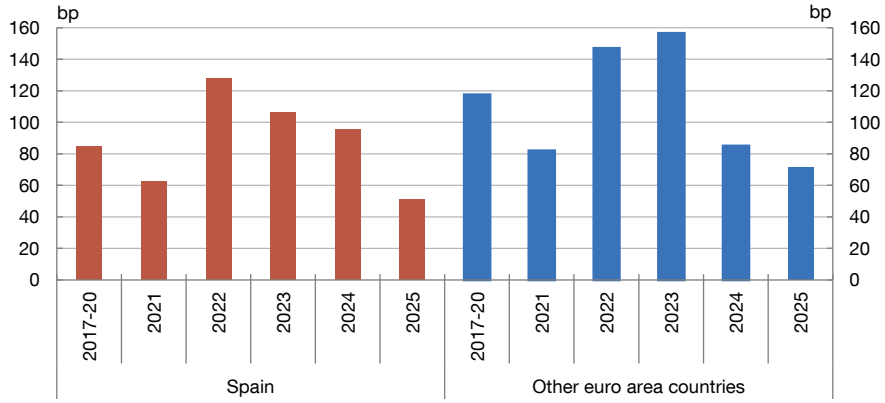


SOURCES: CSDB, Dealogic and Eikon Refinitiv. Latest observation: September 2025.

a The spread between the cost of euro-denominated fixed rate issues and the yield on sovereign bonds at the same term is shown, weighted by the volume of bonds issued by banks at different terms. Euro-denominated fixed rate issues by major credit institutions listed in Spain and Germany, France, Italy and the Netherlands (other euro area countries) are considered.

Chart A2.3.1.5.4

Comparison of the spread between sovereign bonds and senior non-preferred instruments issued by major Spanish and other European banks (a)



SOURCES: CSDB, Dealogic and Eikon Refinitiv. Latest observation: September 2025.

a The spread between the cost of euro-denominated fixed rate issues and the yield on sovereign bonds at the same term is shown, weighted by the volume of bonds issued by banks at different terms. Euro-denominated fixed rate issues by major credit institutions listed in Spain, Germany, France, Italy and the Netherlands ("Other euro area countries") are considered.

A2.3.2 Non-bank financial sector

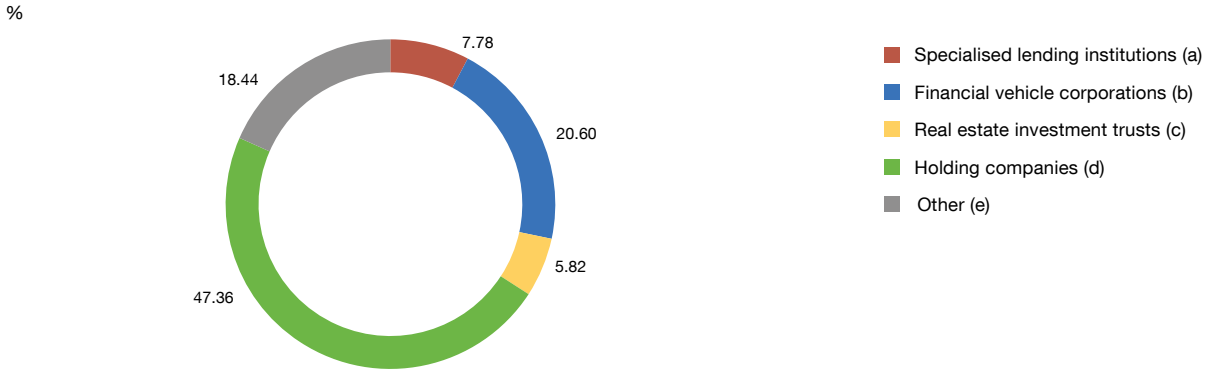
Note A2.3.2.1 (relates to Chart 3.13 in Section 3.2)

a In 2025 Q2 total non-consolidated assets of banks, investment funds, insurance companies, pension funds and other non-bank financial intermediaries in Spain amounted to €3,181 billion, €490 billion, €328 billion, €173 billion and €653 billion, respectively. The corresponding values for the euro area amounted to €39,376 billion, €20,929 billion, €8,843 billion, €3,354 billion and €25,227 billion, respectively.

b The NBFI sector includes money market funds, non-monetary investment funds, insurance companies, pension funds and other non-bank financial intermediaries. In turn, the latter subcategory includes specialised lending institutions, venture capital firms, securities dealers, financial vehicle corporations, central counterparty clearing houses, real estate investment trusts, securities agencies, collective investment institution management companies, mutual guarantee societies, financial group head offices, appraisal companies, payment institutions, holding companies, special-purpose entities that issue securities and other specialised financial institutions.

Chart A2.3.2.2

Weight of various types of entities included in "Other NBFIs". Non-consolidated asset data



SOURCE: Banco de España. Latest observation: December 2023.

a Specialised lending institutions are those that specialise in offering loans within specific areas, such as consumer lending, mortgages, credit cards, guarantees, etc.
b Financial vehicle corporations are firms whose main activities are: i) conducting securitisation operations with a structure designed to isolate the firm's payment obligations from those of the originator or the insurer or reinsurer, and ii) issuing debt securities, other debt instruments, shares or units in financial vehicle corporations and/or financial derivatives. These funds may also have, or potentially have, underlying assets that legally or economically back the issuance of financing instruments offered for public sale or sold on the basis of private investments.
c Real estate investment trusts are public limited companies that trade on regulated or alternative markets. Their main corporate purpose is the direct or indirect holding of real estate assets for rental purposes.
d Holding companies are financial firms whose main corporate purpose is the holding and management of controlling interests in other firms, whether subsidiaries or affiliates.
e "Other" includes venture capital firms, securities dealers, central counterparty clearing houses, securities agencies, collective investment institution management companies, mutual guarantee societies, financial group head offices, appraisal companies, payment institutions and special-purpose entities that issue securities.

Note A2.3.2.3 (relates to Chart 3.14 in Section 3.2)

a Leverage is calculated as the ratio of total assets to shares/units issued for each fund type and geographical area.
b "Other" is a residual category encompassing all funds not classified as equity, fixed-income, mixed or hedge funds. This category also includes real estate funds, since in Spain such funds' balance sheets have been reported under this category since 2025 Q1 to ensure statistical confidentiality.

Note A2.3.2.4 (relates to Chart 3.15 in Section 3.2)

a The liquidity ratio is calculated as cash to total assets for each fund type and geographical area.
b For Spain, CNMV data for the universe of funds domiciled in Spain are used. Lipper Refinitiv provides adequate coverage of liquidity information for funds domiciled in the euro area (77% of funds).

Note A2.3.2.5 (relates to Chart 3.16 in Section 3.2)

a The variable "Assets potentially affected by large-scale redemptions" is defined as the percentage of assets of funds affected by high investor redemptions. A fund is in this situation when the ratio of net capital flows to total assets is below the 10th percentile of the historical distribution (2013 Q4 - 2025 Q2) for the same fund type. Among these funds, the assets affected by high redemptions are those equivalent to the proportion of negative net flows exceeding the historical 10th percentile. For instance, if a fund has net flows equivalent to -10% of its total assets and the historical 10th percentile is -5%, then an estimated 5% of its assets are potentially affected by high redemptions.

b The percentages and the median have been calculated based on the historical series of the variable "Assets potentially affected by large-scale redemptions" for each fund type and geographical area.

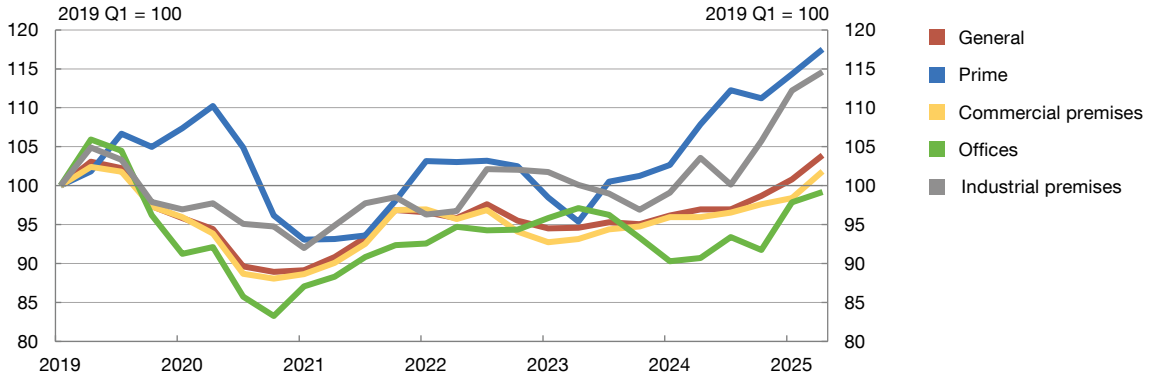
A2.3.3 Systemic interconnections

All relevant charts pertaining to this section are included in Section 3.3 of the FSR.

A2.4.1 The Spanish real estate market

Chart A2.4.1.1

Commercial real estate sector price indices (a)



SOURCES: Colegio de Registradores and Banco de España. Latest observation: June 2025.

a Based on estimates using a hedonic regression model for each stratum. The aggregate index is the average weighted by the relative share of transactions made in each segment (4% for offices, 78% for commercial premises and 18% for industrial premises). In 2025 properties in prime locations, i.e. those located in central areas of the main large cities (Barcelona, Bilbao, Madrid, Málaga, Palma and Valencia), represented 4% of transactions conducted in the commercial real estate segment as a whole in the first two quarters of 2025.

Note A2.4.1.2 (relates to Chart 4.4 in Section 4.1)

b Drawing on four indicators of house price imbalances: (i) the house price gap; (ii) the house price-to-household disposable income ratio gap; (iii) the ordinary least squares (OLS) model that estimates house prices based on long-term trends in household disposable income and mortgage rates; and (iv) the error correction model that estimates house prices based on household disposable income, mortgage rates and fiscal effects. All variables expressed in real terms relative to the GDP and consumption deflators. The long-term trends for indicators (i) to (iii) are calculated using a statistical one-sided Hodrick-Prescott filter with a smoothing parameter equal to 400,000. All four indicators have an equilibrium value of zero.

c The synthetic indicator for the real estate market is constructed drawing on 20 individual warning indicators classified into four categories: (1) households' financial position (debt, total financial burden, interest burden, gross saving rate, saving rate not earmarked for debt service); (2) credit conditions (loans for real estate activities relative to GDP, loans for construction relative to GDP, new housing loans relative to GDP, probability of default based on LTV ratio); (3) valuation (annual change in real house

prices, indicators of imbalances and affordability indicators (mortgage payments relative to gross disposable income and house price relative to gross disposable income)); and (4) real activity (housing approvals, house purchases and mortgages relative to number of households, construction workers registered with social security as a share of total registered, difference between housing starts and change in households). For more details, see Pana Alves, Carmen Broto, María Gil and Matías Lamas. (2023). "Risk and vulnerability indicators for the Spanish housing market", Documentos Ocasionales, 2314, Banco de España. The synthetic index ranges from 0 to 1. Higher (lower) values indicate the presence of higher (lower) imbalances.

Note A2.4.1.3 (relates to Chart 4.6 in Section 4.1)

a The LTI ratio is estimated for each mortgage as the ratio of the initial mortgage principal to the household's net annual income. The LSTI ratio for each mortgage is estimated as the ratio of the total annual cost of servicing the mortgage loan (including principal and interest payments), calculated according to the terms of the loan agreement (time remaining to maturity, outstanding principal, interest rate type and interest rate spread), to the household's net annual income.

b The average LTI and LSTI ratios are calculated as the averages of those ratios in each mortgage weighted by their relative share (in terms of the principal) in the total flow of new mortgage loans for which the information needed to calculate the ratio is available.

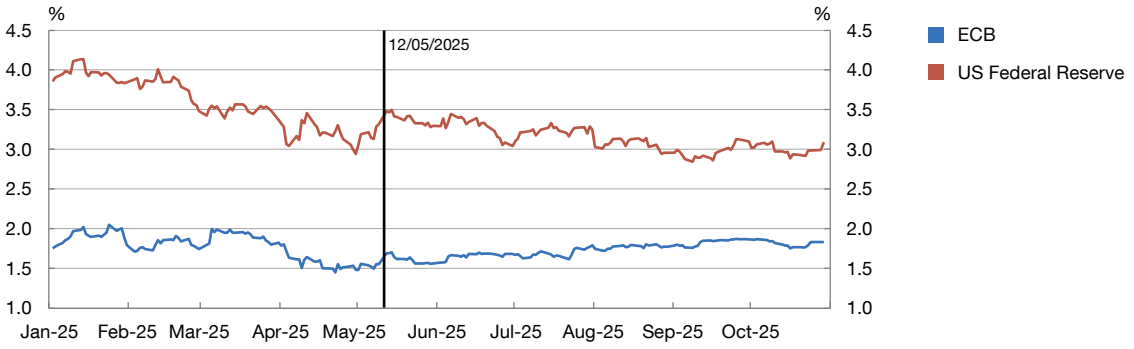
c Each series captures the values of each ratio based on the information available in the corresponding source: European Datawarehouse, Association of Registrars (Colegio de Registradores), Central Credit Register or Central Credit Register + postcode information from INE, in cases where it is necessary to impute income by postcode or extrapolate the value drawing on aggregate INE information.

d The LTV ratio is the amount of the mortgage principal relative to the appraisal value of the property at the time of purchase, while the LTP ratio considers the purchase price of the property, based on Association of Registrars information. The average values of both ratios are weighted by the principal of each mortgage.

A2.4.2 Financial markets

Chart A2.4.2.1

Policy rate expectations in the euro area and the United States: terminal rate (a)

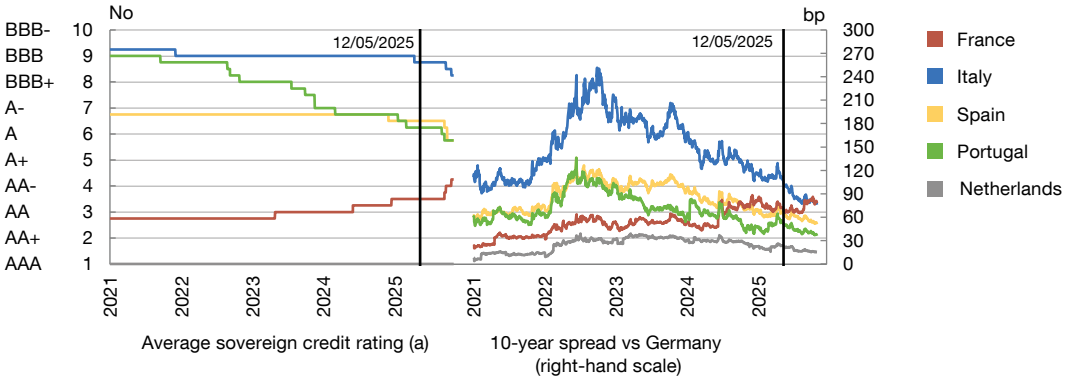


SOURCES: Banco de España and Bloomberg Data License. Latest observation: 29 October 2025. 12/5/2025 is the cut-off date for the latest FSR.

a The terminal rate is the policy rate level expected to be reached after a monetary policy easing or tightening cycle has been completed.

Chart A2.4.2.2

Sovereign debt: credit rating and spread vs German Bund



SOURCES: Banco de España and LSEG Datastream. Latest observation: 29/10/2025. 12/05/2025 is the cut-off date for the latest FSR.

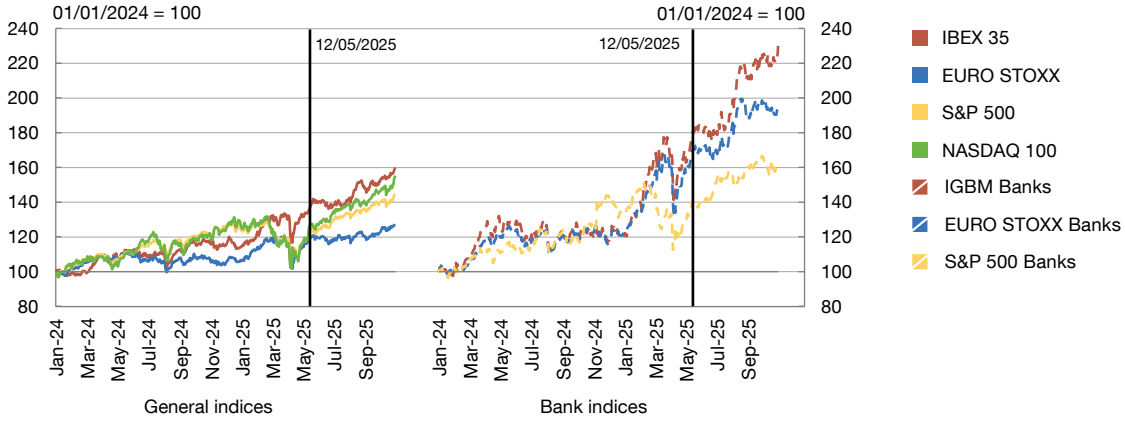
a Average S&P, Moody's, Fitch and DBRS credit ratings. The numerical scale has the following equivalencies: 1 corresponds to AAA/Aaa, 2-4 ranges from AA+/Aa1/AAH to AA-/Aa3/AA, 5-7 from A+/A1/AH to A-/A3/AL and 8-10 from BBB+/Baa1/BBBH to BBB-/Baa3/BBBL.

Note A2.4.2.3 (relates to Chart 4.9.b in Section 4.2)

e The equity risk premium is calculated drawing on a two-stage dividend discount model (Russell J. Fuller and Chi-Cheng Hsia. (1984). "A Simplified Common Stock Valuation Model". Financial Analysts Journal, 40(5), pp. 49-56).

Chart A2.4.2.4

Stock market indices: general and banks

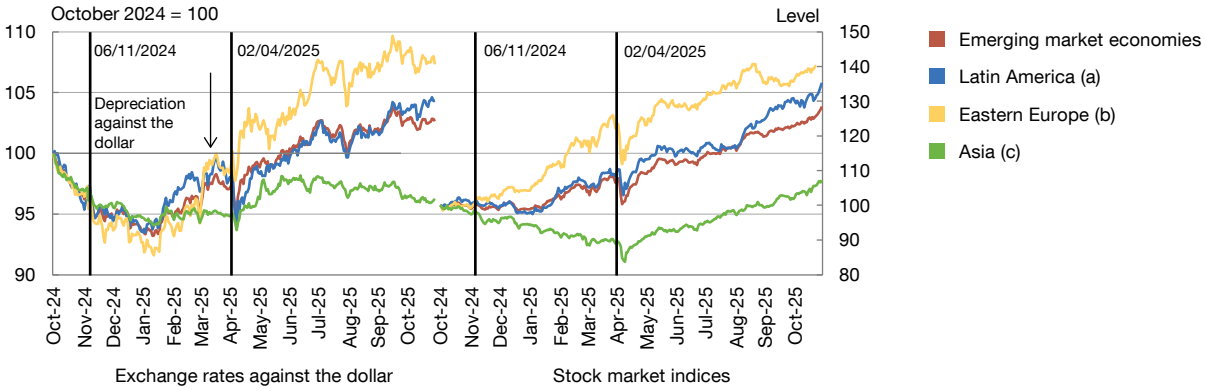


SOURCE: LSEG Datastream. Latest observation: 29/10/2025. 12/05/2025 is the cut-off date for the latest FSR.

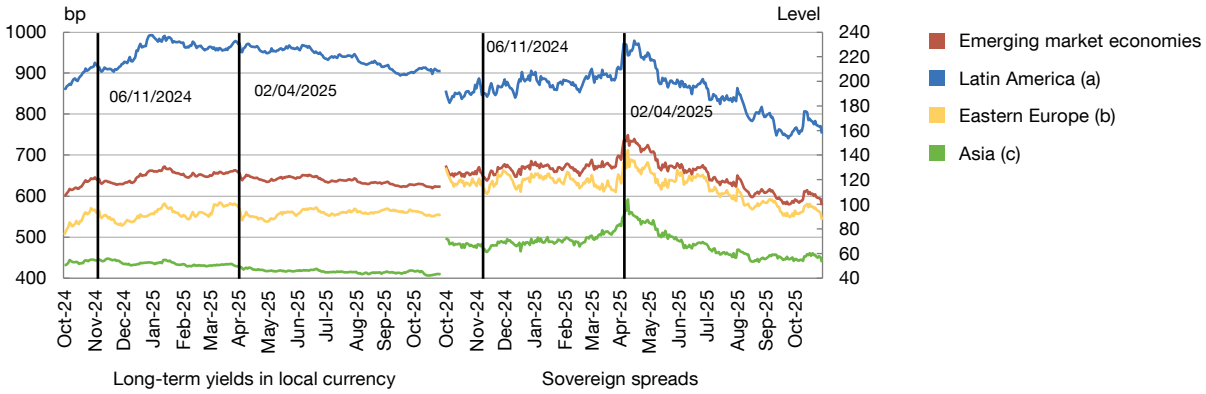
Chart A2.4.2.5

Exchange rates, stock market indices and cost of public debt in emerging market economies

A2.4.2.5.a Exchange rates and stock market indices



A2.4.2.5.b Cost of public debt



SOURCES: Banco de España and LSEG Datastream. The US presidential elections were held on 06/11/2024. The tariff war escalated on 02/04/2025. Latest observation: 29 October 2025.

a Average for Brazil, Chile, Colombia, Mexico and Peru.
b Average for Czech Republic, Poland and Hungary.
c Average for China, South Korea, the Philippines, India, Indonesia, Malaysia and Thailand.

A2.5 Risks

All relevant charts pertaining to this section are included in Section 5 of the FSR.

A2.6 Macroprudential policy

Note A2.6.1.1 (relates to Chart 6.1 in Section 6.1)

b The output gap represents the percentage difference between observed GDP and its quarterly potential level. Values calculated at constant 2010 prices. See Pilar Cuadrado and Enrique Moral-Benito. (2016). "Potential growth of the Spanish economy". Documentos Ocasionales, 1603, Banco de España. The credit-to-GDP gap is calculated as the difference, in percentage points, between the observed ratio and the long-term trend calculated using a statistical one-sided Hodrick-Prescott filter with a smoothing parameter equal to 25,000. This parameter is calibrated to the financial cycles historically observed in Spain.