

Statistics on non-performing loans Q2 2023

September 2023

After several years of uninterrupted improvement in the credit quality of the portfolios, this second quarter of the year has shown a slowdown in the reduction of doubtful loans, which is more pronounced in some credit segments such as **the loans for home purchase**. This segment has risen from a NPL rate of 2.34% in the first quarter of 2023 to **2.45%** a quarter later. This is a slight deterioration of 11 basis points, but it is still a favourable development compared to the 2.66% observed in the second quarter of 2022.

It is not surprising that the tightening of monetary policy and the consequent rise in interest rates is having a double effect both on the market and on banks' balance sheets. Firstly, from the new lending side, as can be witnessed how the demand is suffering and secondly, regarding NPLs as this puts additional pressure on family budgets in a context of high inflation. The former, together with the increase in early repayments, is adversely affecting the volume of outstanding loans (denominator in the ratio), which fell by 0.7% quarter-on-quarter, with a negative impact on the NPL ratio. For **loans for housing renovation**, the 0.1% decrease in NPLs over the last three months was not offset by the decrease in the outstanding balance (-1.6%), resulting in a slight increase in NPL ratio from 3.69% in Q1 2023 to **3.75%**.

In parallel, both the NPL ratios for the real estate and construction sectors developed somewhat less favourably in the last quarter. In the **real estate sector**, the doubtful loan ratio remained virtually unchanged, rising by only 2 basis points to **3.46%** between March and June 2023, while the **construction sector** saw a deterioration of 14 basis points, reaching **7.92%** (both values are far from the all-time high levels in the series). These negative developments are in turn related to a decrease in the outstanding balances, as both sectors showed positive developments in their NPL exposures on both a quarterly and annual basis.

In general, we could agree that the market is at a turning point due to the restrictive policies that characterise the new cycle. We will have to wait and see how the coming quarters behave to confirm this turnaround. However, even considering that monetary tightening was expected to show its effects at some point, we do not anticipate a scenario with alarming figures. It is possible that towards the end of the year the credit quality of the residential real estate portfolio will suffer to some extent, by another 10 basis points or so, but all within a context where credit entities have reasonably consistent levels of capital and provisions.

1. Percentage of doubtful loans in total lending to the private sector

Period	Total	Deposit-taking lenders	Other credit Institutions	CFEs*
sep-19	5,14%	5,13%	4,67%	5,46%
dic-19	4,79%	4,78%	3,93%	5,13%
mar-20	4,80%	4,76%	3,69%	6,00%
jun-20	4,67%	4,59%	3,21%	6,90%
sep-20	4,58%	4,51%	3,28%	6,60%
dic-20	4,51%	4,44%	3,08%	6,50%
mar-21	4,51%	4,44%	3,08%	6,84%
jun-21	4,40%	4,34%	2,89%	6,51%
sep-21	4,35%	4,29%	2,80%	6,51%
dic-21	4,29%	4,21%	2,96%	6,89%
mar-22	4,24%	4,15%	2,81%	7,08%
jun-22	3,88%	3,80%	2,72%	6,23%
sep-22	3,79%	3,70%	2,59%	6,29%
dic-22	3,54%	3,45%	2,58%	5,93%
mar-23	3,51%	3,40%	2,53%	6,48%
jun-23	3,50%	3,39%	2,43%	6,33%

Chart: Evolution of the percentage of doubtful loans in total lending to the private sector

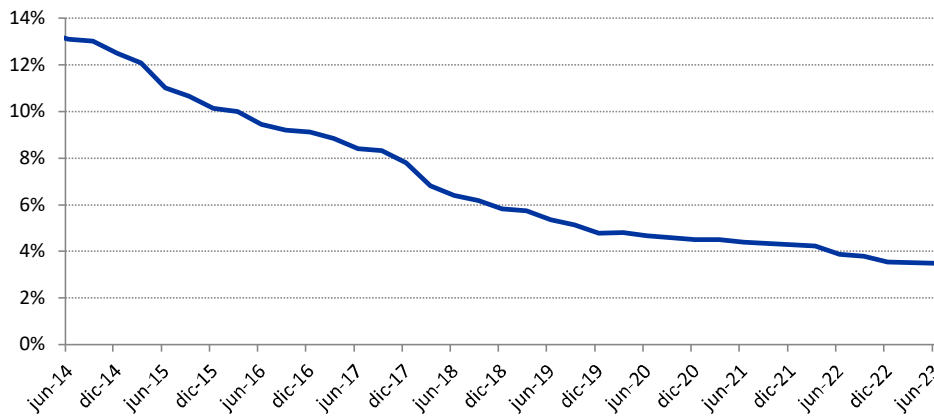
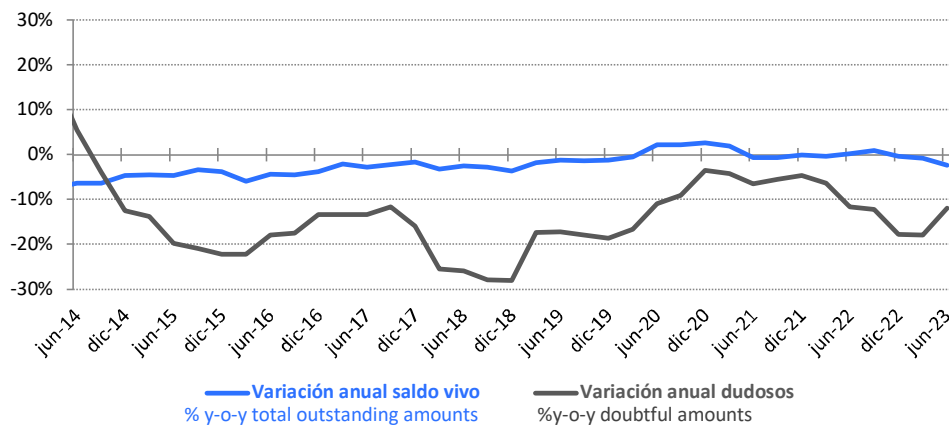


Chart: y-o-y variation rate of outstanding and doubtful amounts of total lending to the private sector



*Credit financial establishments

2. Percentage of doubtful loans in residential lending

Period	Housing purchase	Renovation	Purchase and Renovation
sep-19	3,56%	5,63%	5,63%
dic-19	3,40%	5,48%	5,48%
mar-20	3,43%	5,23%	5,23%
jun-20	3,46%	5,72%	5,72%
sep-20	3,26%	5,69%	5,69%
dic-20	3,13%	5,52%	5,52%
mar-21	3,11%	5,49%	5,49%
jun-21	3,03%	5,38%	5,38%
sep-21	2,96%	5,32%	5,32%
dic-21	3,00%	4,76%	4,76%
mar-22	2,93%	4,85%	4,85%
jun-22	2,66%	4,54%	4,54%
sep-22	2,54%	4,27%	4,27%
dic-22	2,33%	3,75%	3,75%
mar-23	2,34%	3,69%	3,69%
jun-23	2,45%	3,75%	3,75%

Chart: Evolution of residential doubtful loans by credit purpose

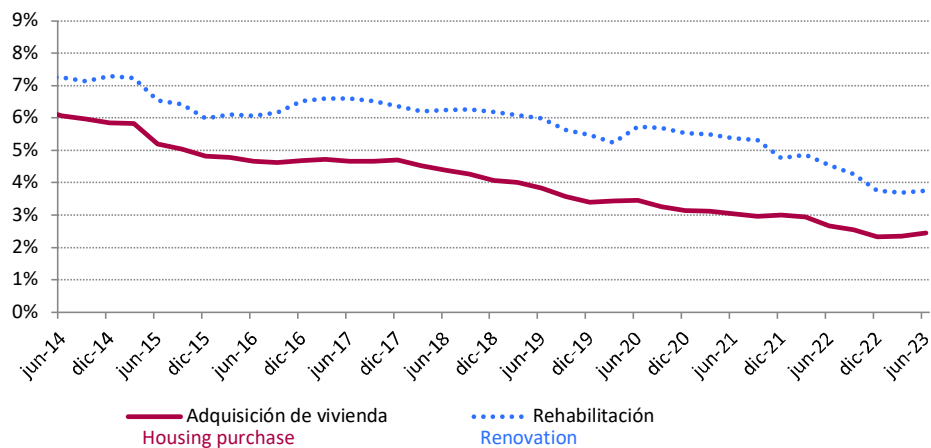
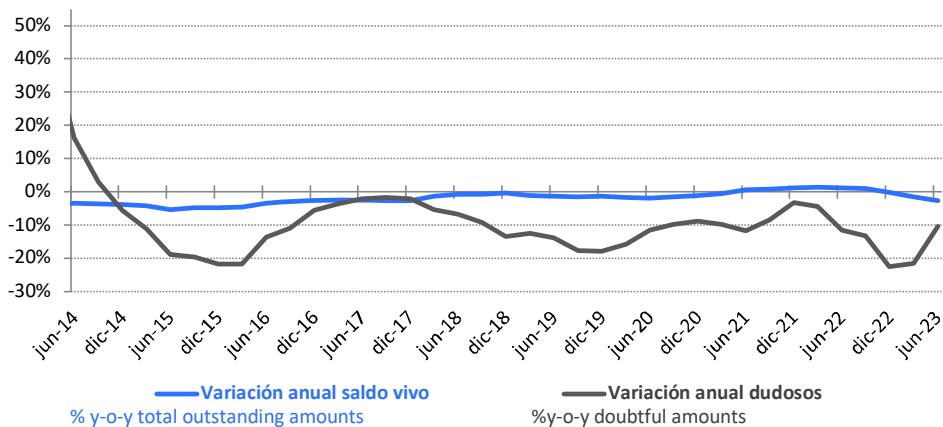


Chart: y-o-y variation rate of outstanding and doubtful amounts of residential loans for housing purchase



3. Percentage of doubtful loans in residential loans for housing purchase

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	3,56%	3,36%	0,00%	13,17%
dic-19	3,40%	3,19%	0,00%	13,16%
mar-20	3,43%	3,21%	0,00%	13,94%
jun-20	3,46%	3,23%	0,00%	14,18%
sep-20	3,26%	3,03%	0,00%	14,22%
dic-20	3,13%	2,91%	0,00%	13,80%
mar-21	3,11%	2,90%	0,00%	13,26%
jun-21	3,03%	2,83%	0,00%	12,88%
sep-21	2,96%	2,76%	0,00%	12,63%
dic-21	3,00%	2,71%	0,00%	16,87%
mar-22	2,93%	2,66%	0,00%	16,76%
jun-22	2,66%	2,40%	0,00%	15,56%
sep-22	2,54%	2,29%	0,00%	15,76%
dic-22	2,33%	2,09%	0,00%	14,64%
mar-23	2,34%	2,10%	0,00%	15,21%
jun-23	2,45%	2,18%	0,00%	16,65%

4. Percentage of doubtful loans in residential loans for housing renovation

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	5,63%	5,69%	0,00%	2,19%
dic-19	5,48%	5,53%	0,00%	2,53%
mar-20	5,23%	5,26%	0,00%	3,54%
jun-20	5,72%	5,75%	0,00%	4,18%
sep-20	5,69%	5,70%	0,00%	4,74%
dic-20	5,52%	5,53%	0,00%	5,30%
mar-21	5,49%	5,48%	0,00%	6,29%
jun-21	5,38%	5,37%	0,00%	5,63%
sep-21	5,32%	5,31%	0,00%	5,63%
dic-21	4,76%	4,74%	0,00%	5,42%
mar-22	4,85%	4,83%	0,00%	5,54%
jun-22	4,54%	4,52%	0,00%	5,28%
sep-22	4,27%	4,27%	0,00%	4,41%
dic-22	3,75%	3,74%	0,00%	3,83%
mar-23	3,69%	3,68%	0,00%	4,27%
jun-23	3,75%	3,74%	0,00%	4,04%

5. Percentage of doubtful loans in residential loans for consumer goods

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	4,72%	4,94%	0,00%	4,00%
dic-19	4,35%	4,59%	0,00%	3,60%
mar-20	4,97%	5,07%	0,00%	4,64%
jun-20	5,58%	5,58%	0,00%	5,57%
sep-20	5,56%	5,83%	0,00%	4,65%
dic-20	5,14%	5,31%	0,00%	4,34%
mar-21	5,53%	5,62%	0,00%	5,09%
jun-21	5,01%	5,18%	0,00%	4,21%
sep-21	5,14%	5,30%	0,00%	4,41%
dic-21	4,98%	5,32%	0,00%	3,58%
mar-22	4,92%	5,13%	0,00%	4,06%
jun-22	4,59%	4,91%	0,00%	3,34%
sep-22	4,68%	5,00%	0,00%	3,39%
dic-22	4,21%	4,39%	0,00%	3,49%
mar-23	4,36%	4,44%	0,00%	4,05%
jun-23	4,39%	4,64%	0,00%	3,41%

6. Percentage of doubtful loans in productive activity exposures

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	5,93%	6,05%	6,05%	2,21%
dic-19	5,41%	5,53%	5,53%	2,13%
mar-20	5,31%	5,42%	5,42%	2,56%
jun-20	4,93%	4,99%	4,99%	3,32%
sep-20	4,91%	4,97%	4,97%	3,37%
dic-20	4,98%	5,05%	5,05%	3,17%
mar-21	4,97%	5,04%	5,04%	3,33%
jun-21	4,96%	5,02%	5,02%	3,62%
sep-21	4,85%	4,91%	4,91%	3,58%
dic-21	4,76%	4,82%	4,82%	3,39%
mar-22	4,83%	4,89%	4,89%	3,40%
jun-22	4,56%	4,62%	4,62%	3,05%
sep-22	4,43%	4,49%	4,49%	3,15%
dic-22	4,21%	4,26%	4,26%	3,26%
mar-23	4,13%	4,16%	4,16%	3,67%
jun-23	4,09%	3,99%	3,99%	3,79%

7. Percentage of doubtful loans in lending to real estate activities

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	6,38%	6,38%	19,34%	3,88%
dic-19	5,24%	5,23%	19,45%	3,47%
mar-20	5,18%	5,18%	19,35%	3,11%
jun-20	5,09%	5,06%	19,16%	5,74%
sep-20	5,11%	5,08%	19,54%	5,80%
dic-20	4,98%	4,94%	19,74%	6,06%
mar-21	4,83%	4,80%	19,57%	5,89%
jun-21	4,55%	4,52%	21,77%	5,83%
sep-21	4,42%	4,38%	21,76%	6,11%
dic-21	4,13%	4,09%	17,88%	7,12%
mar-22	4,35%	4,32%	17,84%	6,53%
jun-22	4,06%	4,03%	14,27%	5,89%
sep-22	3,91%	3,88%	10,11%	6,09%
dic-22	3,77%	3,74%	9,30%	5,45%
mar-23	3,44%	3,42%	11,46%	4,54%
jun-23	3,46%	3,43%	13,56%	4,24%

8. Percentage of doubtful loans in lending to construction sector

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	12,56%	12,95%	12,52%	3,27%
dic-19	11,71%	11,99%	18,33%	3,02%
mar-20	11,45%	11,58%	19,16%	5,11%
jun-20	9,83%	9,82%	14,92%	6,76%
sep-20	9,49%	9,46%	15,34%	6,61%
dic-20	9,15%	9,17%	15,40%	5,46%
mar-21	9,10%	9,08%	14,83%	6,23%
jun-21	9,12%	8,98%	14,96%	9,14%
sep-21	8,68%	8,57%	14,86%	7,99%
dic-21	8,46%	8,37%	15,96%	7,37%
mar-22	8,40%	8,27%	16,21%	8,10%
jun-22	8,39%	8,35%	16,32%	5,89%
sep-22	8,04%	8,02%	15,09%	5,65%
dic-22	8,07%	8,13%	15,42%	3,96%
mar-23	7,78%	7,83%	15,52%	3,97%
jun-23	7,92%	7,97%	16,25%	4,16%

9. Outstanding amounts of total lending to the private sector
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	1.195.701	1.139.328	7.457	48.917
dic-19	1.193.527	1.135.590	6.979	50.958
mar-20	1.195.487	1.138.885	7.321	49.280
jun-20	1.241.445	1.187.023	8.036	46.386
sep-20	1.221.810	1.167.999	8.025	45.786
dic-20	1.224.458	1.174.945	8.191	41.323
mar-21	1.218.084	1.169.638	8.211	40.234
jun-21	1.232.484	1.184.136	7.901	40.447
sep-21	1.213.528	1.165.368	7.868	40.291
dic-21	1.223.700	1.173.435	7.482	42.783
mar-22	1.214.017	1.164.183	7.739	42.096
jun-22	1.234.514	1.182.955	7.633	43.926
sep-22	1.223.502	1.172.369	7.438	43.695
dic-22	1.219.477	1.166.763	7.286	45.429
mar-23	1.203.338	1.152.312	7.198	43.828
jun-23	1.205.595	1.152.994	7.420	45.181

10. Doubtful amounts of total lending to the private sector
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	61.505	58.487	348	2.670
dic-19	57.192	54.301	274	2.616
mar-20	57.382	54.155	270	2.957
jun-20	57.965	54.509	258	3.199
sep-20	55.933	52.650	263	3.020
dic-20	55.164	52.224	252	2.687
mar-21	54.980	51.975	253	2.752
jun-21	54.218	51.357	229	2.632
sep-21	52.826	49.982	220	2.623
dic-21	52.548	49.378	222	2.948
mar-22	51.485	48.286	217	2.982
jun-22	47.916	44.973	208	2.736
sep-22	46.325	43.386	193	2.747
dic-22	43.159	40.276	188	2.695
mar-23	42.215	39.193	182	2.840
jun-23	42.174	39.134	180	2.859

11. Outstanding amounts of lending to households for housing purchase
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit Institutions	CFEs
sep-19	495.311	485.148	14	10.149
dic-19	493.568	483.473	14	10.081
mar-20	491.160	481.134	14	10.012
jun-20	488.615	478.617	14	9.984
sep-20	487.772	477.778	13	9.981
dic-20	487.855	477.877	13	9.965
mar-21	488.594	478.570	12	10.011
jun-21	491.343	481.368	12	9.963
sep-21	491.814	481.917	12	9.885
dic-21	493.146	483.323	12	9.812
mar-22	494.854	485.133	11	9.710
jun-22	496.515	486.890	11	9.614
sep-22	496.187	486.674	11	9.502
dic-22	492.425	483.252	12	9.160
mar-23	486.762	477.783	13	8.966
jun-23	483.224	474.416	13	8.795

12. Doubtful amounts of lending to households for housing purchase
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	17.650	16.313	0	1.337
dic-19	16.760	15.434	0	1.326
mar-20	16.841	15.445	0	1.396
jun-20	16.897	15.481	0	1.416
sep-20	15.899	14.480	0	1.419
dic-20	15.276	13.900	0	1.375
mar-21	15.192	13.864	0	1.328
jun-21	14.900	13.617	0	1.283
sep-21	14.563	13.314	0	1.249
dic-21	14.777	13.122	0	1.655
mar-22	14.522	12.895	0	1.628
jun-22	13.188	11.692	0	1.496
sep-22	12.623	11.125	0	1.498
dic-22	11.459	10.118	0	1.341
mar-23	11.380	10.016	0	1.364
jun-23	11.823	10.359	0	1.464

13. Outstanding amounts of lending to households for housing renovation
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	17.873	17.575	0	298
dic-19	17.301	17.000	0	300
mar-20	17.068	16.752	0	316
jun-20	16.851	16.548	0	303
sep-20	16.610	16.314	0	296
dic-20	16.360	16.074	0	286
mar-21	16.117	15.834	0	283
jun-21	15.955	15.660	0	295
sep-21	15.897	15.599	0	298
dic-21	17.030	16.722	0	307
mar-22	16.687	16.360	0	327
jun-22	16.707	16.365	0	342
sep-22	16.606	16.258	0	348
dic-22	16.512	16.165	0	347
mar-23	16.275	15.922	0	353
jun-23	16.008	15.640	0	368

14. Doubtful amounts of lending to households for housing renovation
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	1.007	1.001	0	7
dic-19	948	940	0	8
mar-20	893	882	0	11
jun-20	963	951	0	13
sep-20	945	931	0	14
dic-20	904	888	0	15
mar-21	886	868	0	18
jun-21	858	841	0	17
sep-21	845	828	0	17
dic-21	810	793	0	17
mar-22	809	791	0	18
jun-22	758	740	0	18
sep-22	709	694	0	15
dic-22	618	605	0	13
mar-23	601	586	0	15
jun-23	600	585	0	15

15. Outstanding amounts of lending to households for consumer goods
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	91.209	69.169	1	22.039
dic-19	94.279	71.128	1	23.151
mar-20	93.394	71.170	1	22.223
jun-20	91.769	71.070	1	20.699
sep-20	90.761	70.077	1	20.684
dic-20	91.796	75.546	1	16.250
mar-21	89.925	74.407	1	15.517
jun-21	93.008	76.625	1	16.383
sep-21	91.572	75.177	1	16.395
dic-21	93.370	75.251	1	18.118
mar-22	90.008	72.535	1	17.473
jun-22	91.406	73.215	1	18.190
sep-22	92.889	74.524	1	18.364
dic-22	94.393	75.112	1	19.280
mar-23	93.244	74.358	1	18.886
jun-23	94.580	74.948	1	19.631

16. Doubtful amounts of lending to households for consumer goods
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	4.302	3.420	0	883
dic-19	4.097	3.263	0	833
mar-20	4.641	3.610	0	1.031
jun-20	5.118	3.964	0	1.153
sep-20	5.048	4.086	0	962
dic-20	4.718	4.013	0	705
mar-21	4.972	4.182	0	790
jun-21	4.659	3.970	0	689
sep-21	4.703	3.981	0	723
dic-21	4.654	4.007	0	648
mar-22	4.427	3.718	0	709
jun-22	4.200	3.592	0	607
sep-22	4.351	3.729	0	622
dic-22	3.973	3.300	0	673
mar-23	4.062	3.298	0	764
jun-23	4.148	3.478	0	670

17. Outstanding amounts of lending to finance productive activities
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	536.750	514.796	7.409	14.544
dic-19	534.773	512.107	6.927	15.738
mar-20	539.777	517.312	7.270	15.196
jun-20	584.061	562.679	7.984	13.398
sep-20	573.624	552.796	7.982	12.846
dic-20	575.162	554.073	8.165	12.925
mar-21	569.827	548.877	8.186	12.764
jun-21	572.050	551.664	7.878	12.508
sep-21	563.085	542.915	7.845	12.325
dic-21	571.098	550.342	7.459	13.297
mar-22	561.373	540.403	7.716	13.254
jun-22	568.507	546.513	7.611	14.383
sep-22	567.081	545.726	7.416	13.939
dic-22	564.626	542.154	7.263	15.210
mar-23	554.747	533.430	7.174	14.142
jun-23	547.436	525.147	7.395	14.894

18. Doubtful amounts of lending to finance productive activities
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	31.831	31.163	347	321
dic-19	28.911	28.302	274	335
mar-20	28.672	28.014	270	389
jun-20	28.808	28.104	258	445
sep-20	28.178	27.482	263	434
dic-20	28.648	27.986	252	410
mar-21	28.334	27.656	253	425
jun-21	28.365	27.683	229	453
sep-21	27.321	26.660	220	441
dic-21	27.180	26.508	221	451
mar-22	27.101	26.433	217	451
jun-22	25.900	25.253	208	439
sep-22	25.135	24.503	193	439
dic-22	23.759	23.075	188	496
mar-23	22.913	22.212	182	519
jun-23	22.391	20.972	855	564

19. Outstanding amounts of lending to real estate activities
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	90.357	89.422	162	773
dic-19	88.149	87.211	159	779
mar-20	87.853	86.848	158	848
jun-20	85.542	84.894	157	490
sep-20	83.829	83.206	155	468
dic-20	81.943	81.359	152	433
mar-21	81.529	80.957	150	422
jun-21	81.700	81.157	131	412
sep-21	80.498	79.974	129	395
dic-21	82.101	81.586	123	392
mar-22	76.707	76.194	120	393
jun-22	75.409	74.822	149	437
sep-22	76.357	75.731	205	422
dic-22	74.607	73.946	244	417
mar-23	73.598	73.020	160	418
jun-23	72.007	71.442	162	402

20. Doubtful amounts of lending to real estate activities
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	5.768	5.706	31	30
dic-19	4.616	4.559	31	27
mar-20	4.554	4.497	31	26
jun-20	4.358	4.300	30	28
sep-20	4.282	4.224	30	27
dic-20	4.079	4.023	30	26
mar-21	3.940	3.886	29	25
jun-21	3.718	3.665	28	24
sep-21	3.555	3.503	28	24
dic-21	3.390	3.340	22	28
mar-22	3.335	3.288	21	26
jun-22	3.064	3.017	21	26
sep-22	2.987	2.940	21	26
dic-22	2.814	2.768	23	23
mar-23	2.532	2.495	18	19
jun-23	2.491	2.452	22	17

21. Outstanding amounts of lending to the construction sector
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	27.205	25.409	710	1.086
dic-19	26.013	24.304	537	1.172
mar-20	26.926	25.253	519	1.154
jun-20	28.703	27.164	602	936
sep-20	28.362	26.876	580	905
dic-20	27.895	26.275	570	1.050
mar-21	27.668	26.086	591	991
jun-21	27.577	25.937	586	1.054
sep-21	27.420	25.777	587	1.056
dic-21	27.235	25.603	487	1.145
mar-22	27.177	25.645	462	1.070
jun-22	26.678	25.092	458	1.127
sep-22	27.237	25.579	454	1.204
dic-22	26.542	24.945	432	1.165
mar-23	26.703	25.124	427	1.152
jun-23	26.158	24.563	408	1.187

22. Doubtful amounts of lending to the construction sector
(million EUR)

Period	Total	Deposit-taking Institutions	Other credit institutions	CFEs
sep-19	3.416	3.291	89	36
dic-19	3.047	2.914	98	35
mar-20	3.083	2.924	99	59
jun-20	2.821	2.668	90	63
sep-20	2.690	2.541	89	60
dic-20	2.553	2.408	88	57
mar-21	2.517	2.368	88	62
jun-21	2.514	2.330	88	96
sep-21	2.381	2.209	87	84
dic-21	2.305	2.143	78	84
mar-22	2.282	2.121	75	87
jun-22	2.238	2.096	75	66
sep-22	2.189	2.052	69	68
dic-22	2.142	2.029	67	46
mar-23	2.079	1.967	66	46
jun-23	2.073	1.957	66	49