



Spain: Macroeconomic and financial outlook

CaixaBank Research
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Activity

- ▶ **Restrictions have been more targeted and activity proved resilient in the second COVID-19 wave.** GDP grew +0.4% qoq (-9.1% yoy) in Q4 –leaving the annual decline in 2020 as a whole at -11.0%. Private consumption found support on a resilient labor market (the -7.5% drop in 2020 full-time equivalent employment was significantly smaller than that of GDP) while public spending (+4.5% in 2020) cushioned the decline in private and external demand.
- ▶ **High contagion rates at the start of 2021 will continue to dampen activity, but growth is forecasted to pick up substantially thereafter.** GDP could stagnate or decline marginally in Q1 2021, but the recovery should gain strength in coming quarters –supported by the widespread use of rapid tests and the distribution of the vaccine. Economic activity will also be supported by fiscal policy and, in particular, the execution of the European recovery plan (we conservatively estimate it could boost growth by more than 1pp based on an execution rate of c.50% of the government’s plan).
- ▶ **GDP is not expected to reach pre-crisis levels until 2023** –slightly later than the main European partners, given the prominent weight of the tourism sector (which will continue to operate well below potential for some time).

Banking sector

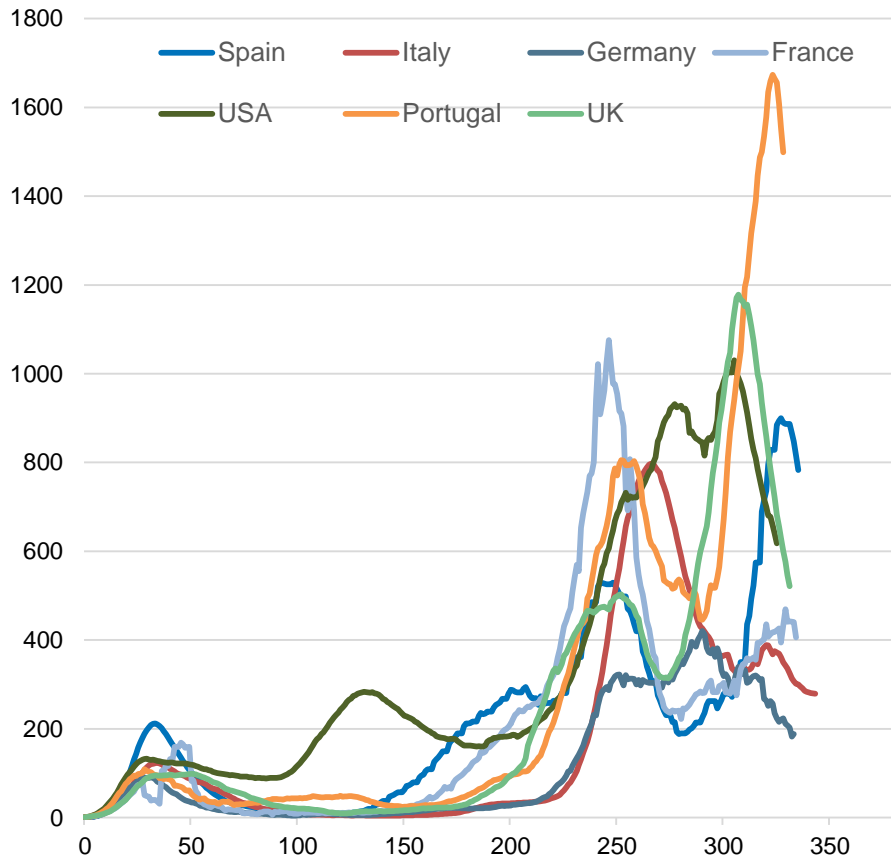
- ▶ **The Spanish banking system has a relatively strong financial position to face the crisis and contribute to the recovery.** Credit quality constitutes a challenge going forward, specially if a strong recovery has not taken hold when debt moratoria expire and guaranteed loans start falling due (the possibility to now extend grace periods and maturities will be helpful). So far NPLs remain quite stable and banks are building reserves to face future losses.

Policy

- ▶ **Spain maintains the state of alarm with a night curfew.** Regional governments are responsible for tightening or easing restrictions. Several tightened them after the holiday period although a few have recently started to revert some restrictions.
- ▶ **The policy response is offering significant support to the economy** with a portfolio of direct measures, tax deferrals and public guarantees. Furlough schemes (which have been extended until the end of May) are proving very effective in cushioning the shock.
- ▶ **The government funding needs are well covered,** helped by ECB purchases, plenty of liquidity available and low interest rates. Public debt is estimated to stand at c.120% of GDP (30pp in the hands of the ECB).
- ▶ **The 2021 government budget envisages a decline in the fiscal deficit from 11.3% in 2020 to 7.7% in 2021** and the execution of NGEU projects for 27bn (c.2.2% of GDP). Revenue estimates, based on real GDP growth of 9.8% next year, appear optimistic. The goal for NGEU spending is very ambitious as well.

COVID-19 cumulative incidence

Infections per 100k inhabitants accumulated in 14-day



Days since the first case per 100k inhabitants was recorded

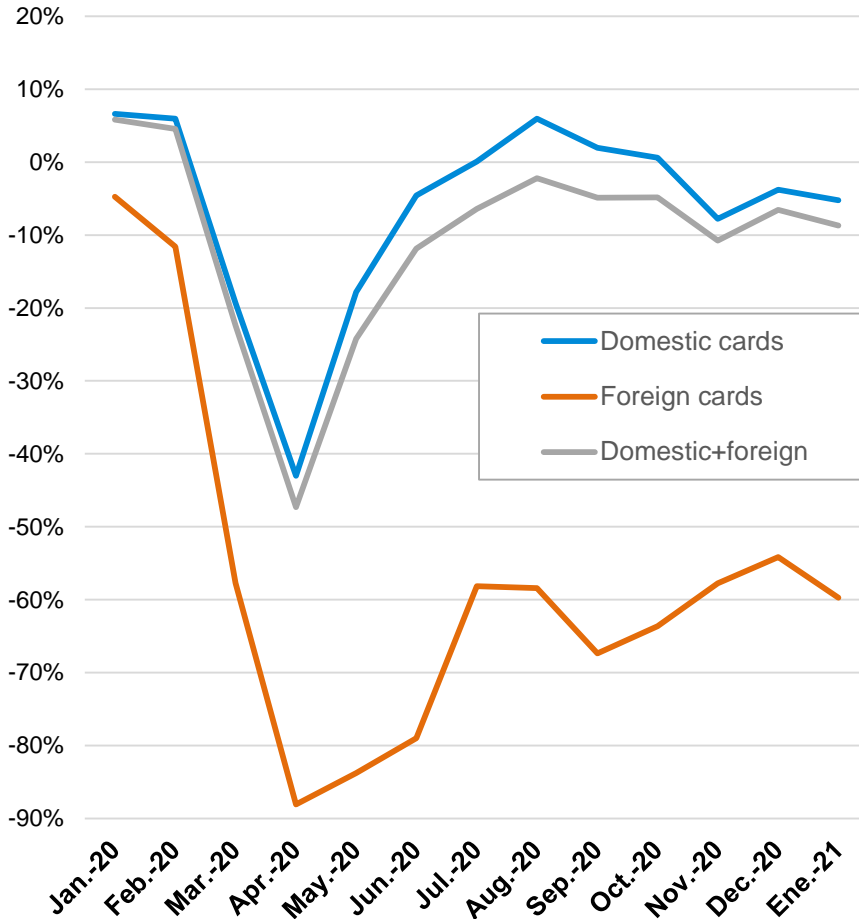
| | 14 days cumulative incidence* | | % positive tests in 7 days | | Hospital occupancy rates (COVID) | | ICU occupancy rates (COVID) | |
|--------------------|-------------------------------|------------|----------------------------|------------|----------------------------------|------------|-----------------------------|------------|
| | 04-feb | 28-ene | 04-feb | 28-ene | 03-feb | 27-ene | 03-feb | 27-ene |
| Andalusia | 889 | 886 | 18% | 20% | 26% | 26% | 36% | 36% |
| Aragon | 677 | 771 | 17% | 20% | 18% | 18% | 37% | 36% |
| Asturias | 652 | 567 | 10% | 10% | 19% | 16% | 35% | 26% |
| Balearic Islands | 464 | 632 | 10% | 11% | 15% | 17% | 47% | 45% |
| Canary Islands | 173 | 186 | 6% | 6% | 6% | 6% | 20% | 16% |
| Cantabria | 360 | 397 | 8% | 9% | 11% | 13% | 25% | 28% |
| Castilla La Mancha | 982 | 1.238 | 23% | 29% | 30% | 34% | 55% | 55% |
| Castilla Leon | 1.178 | 1.414 | 9% | 12% | 30% | 31% | 54% | 49% |
| Catalonia | 477 | 574 | 7% | 8% | 19% | 20% | 50% | 51% |
| C. Valenciana | 1.246 | 1.439 | 26% | 29% | 36% | 42% | 61% | 63% |
| Extremadura | 769 | 1.224 | 11% | 17% | 18% | 23% | 43% | 49% |
| Galicia | 730 | 752 | 8% | 12% | 16% | 16% | 33% | 26% |
| Madrid | 888 | 995 | 15% | 21% | 27% | 28% | 53% | 52% |
| Murcia | 841 | 1.338 | 15% | 18% | 22% | 26% | 36% | 35% |
| Navarre | 478 | 493 | 8% | 9% | 9% | 9% | 23% | 24% |
| Basque Country | 536 | 492 | 9% | 9% | 17% | 15% | 33% | 26% |
| La Rioja | 1.160 | 1.324 | 16% | 16% | 29% | 30% | 74% | 59% |
| Spain | 783 | 890 | 13% | 16% | 23% | 24% | 44% | 43% |

Notes: * COVID-19 infections per 100k inhabitants accumulated in 14 days.

- ▶ **14-day cumulative incidence in Spain moderated to 783 cases per 100k inhabitants** on February 4th, although it still remains well above the extreme-risk threshold of 250 cases per 100k set by the Government. Severe cases spiked during January and pressure on the health system is significant (44% of ICU beds are occupied by COVID-19 patients). Vaccination pace is lower than expected due to production delays, but it should gather pace in the next weeks.
- ▶ **The third wave of restrictions has not implied strict lockdowns.** Under the state of alarm, a night curfew has been imposed and regional governments (CC. AA.) are responsible for additional restrictions –such as on mobility across regions, social gatherings, restaurants and leisure. Teleworking is being encouraged everywhere.

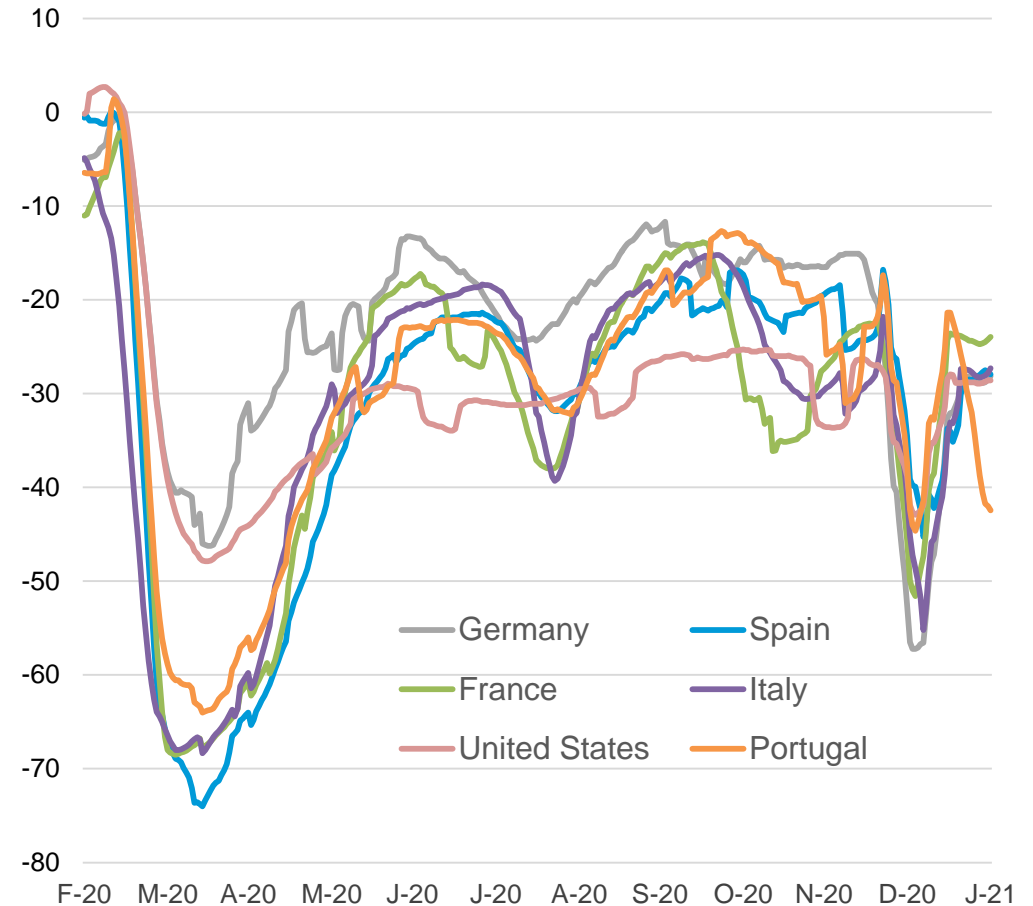
Card activity (point of sale + e-commerce + ATMs)

Year-on-year change (%)



Population mobility: workplace visits

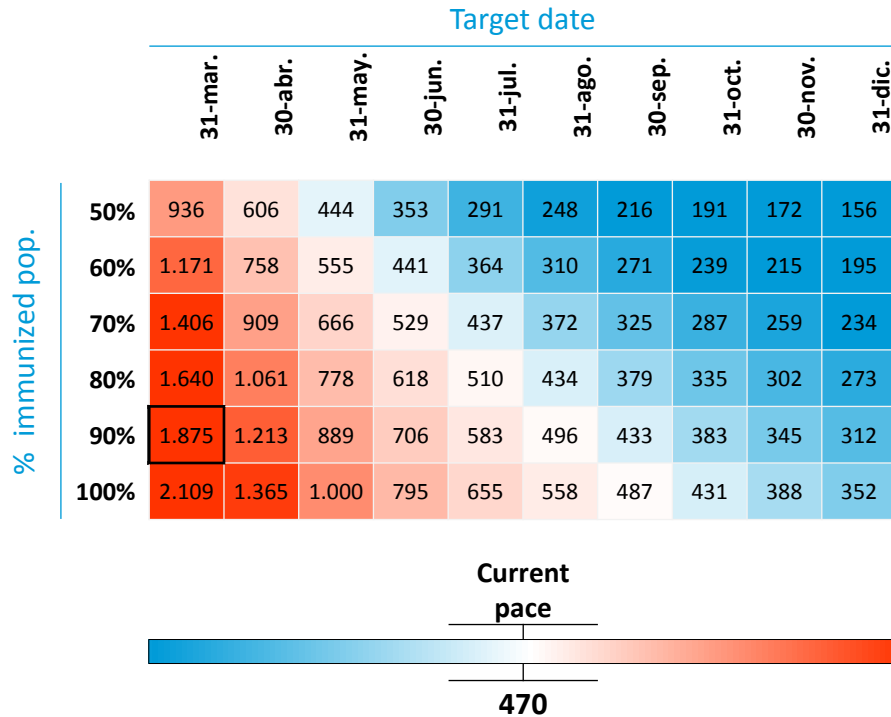
Deviation from base level (%)



- ▶ **The latest wave of coronavirus infections weighs on mobility and activity.** Yet, their decline has been milder (in fact, mobility around workplaces was little affected) and indicators in the labor market and the manufacturing sector remain resilient.
- ▶ **CaixaBank card data show that consumption remained subdued at the start of 2021.** Despite the third wave of infections and the disruptions caused by Storm Filomena, card spending did not worsen significantly with respect to December. E-commerce spending (+6% yoy in January and +20% yoy in December) is cushioning the impact of mobility restrictions on retail consumption. Spending by foreigners remains very weak.

Vaccination pace for pop. > 65 years old

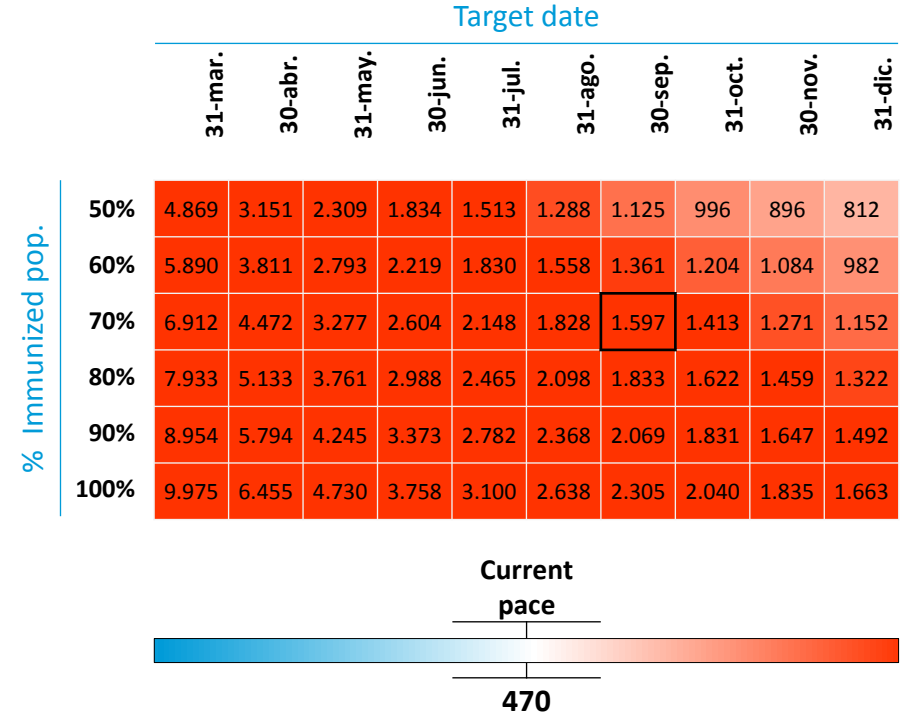
Thousands of weekly doses



Example: Administering 1,875k doses per week (which is below the current equivalent pace in the UK of around ~1.800k), 90% of population > **65 years old** would be immunized by March 31. Current pace in **Spain**: 470k

Vaccination pace for pop. > 15 years old

Thousands of weekly doses



Administering 1,597k doses per week, 70% of population > 15 years old would be immunized by September 30.



Year-on-year change (%)

Domestic cards activity

Foreign cards activity

Goods exports

Cement

New registrations of passenger cars

Electricity consumption

Industrial production

Retail sales

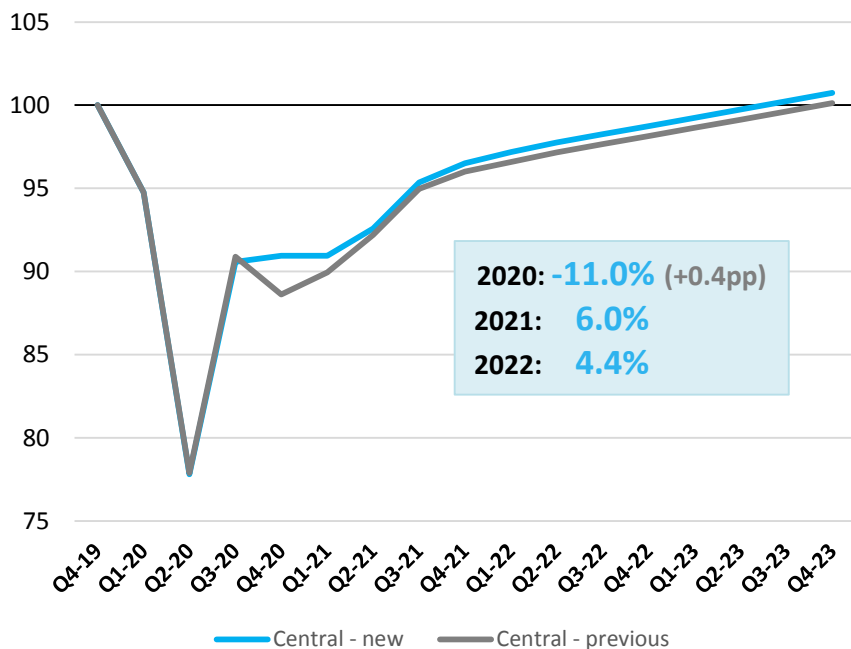
Registered employment*

| | Domestic cards activity | Foreign cards activity | Goods exports | Cement | New registrations of passenger cars | Electricity consumption | Industrial production | Retail sales | Registered employment* |
|----------|-------------------------|------------------------|---------------|--------|-------------------------------------|-------------------------|-----------------------|--------------|------------------------|
| Q1 2020 | -2.5 | -26.3 | -3.0 | -13.4 | -31.0 | -2.6 | -6.5 | -3.9 | -1.4 |
| Q2 2020 | -22.9 | -83.8 | -27.7 | -23.2 | -67.7 | -12.8 | -24.2 | -18.3 | -19.0 |
| Q3 2020 | 2.3 | -60.6 | -5.7 | -2.1 | -6.3 | -4.0 | -5.2 | -3.4 | -7.2 |
| Q4 2020 | -3.5 | -59.2 | | -0.6 | -12.7 | -1.1 | | -2.7 | -5.9 |
| October | 0.6 | -63.6 | -5.9 | -9.2 | -21.0 | -0.7 | -1.2 | -2.8 | -5.7 |
| November | -7.8 | -57.8 | -1.3 | 3.9 | -18.7 | -2.9 | -3.6 | -3.9 | -6.3 |
| December | -3.8 | -54.2 | | 4.4 | 0.0 | 0.1 | | -1.5 | -5.7 |
| January | -5.2 | -59.7 | | | -51.5 | 1.2 | | | -5.5 |

Note: (*) End-of-month figures. It does not include workers affected by a furlough scheme.

GDP projections

Index (Q4 2019 = 100)



Analysts' forecasts

| GDP (Δ %) | 2020 | 2021 | Cum. 20-21 |
|--|-------|------|------------|
| Government (October 6) – incl. NGEU | -11.2 | 9.8 | -2.5 |
| Santander (October 12) | -10.0 | 7.9 | -2.9 |
| Government (October 6) – excl. NGEU | -11.2 | 7.2 | -4.8 |
| Bank of Spain (December 11) – Central | -11.1 | 6.8 | -5.1 |
| CaixaBank Research (January 29) | -11.0 | 6.0 | -5.6 |
| Panel de Funcas (January 20) | -11.2 | 6.3 | -5.6 |
| IMF (January 20) | -11.1 | 5.9 | -5.9 |
| AFI (November 9) | -11.7 | 6.4 | -6.0 |
| BBVA (January 14) | -11.0 | 5.5 | -6.1 |
| Consensus Bloomberg (November 9) | -11.7 | 5.9 | -6.5 |
| OECD (December 1) | -11.6 | 5.0 | -7.2 |
| Morgan Stanley (November 9) | -12.1 | 4.9 | -7.8 |
| Bank of Spain (December 11) – Risk | -11.6 | 4.2 | -7.9 |

Central Scenario - Update

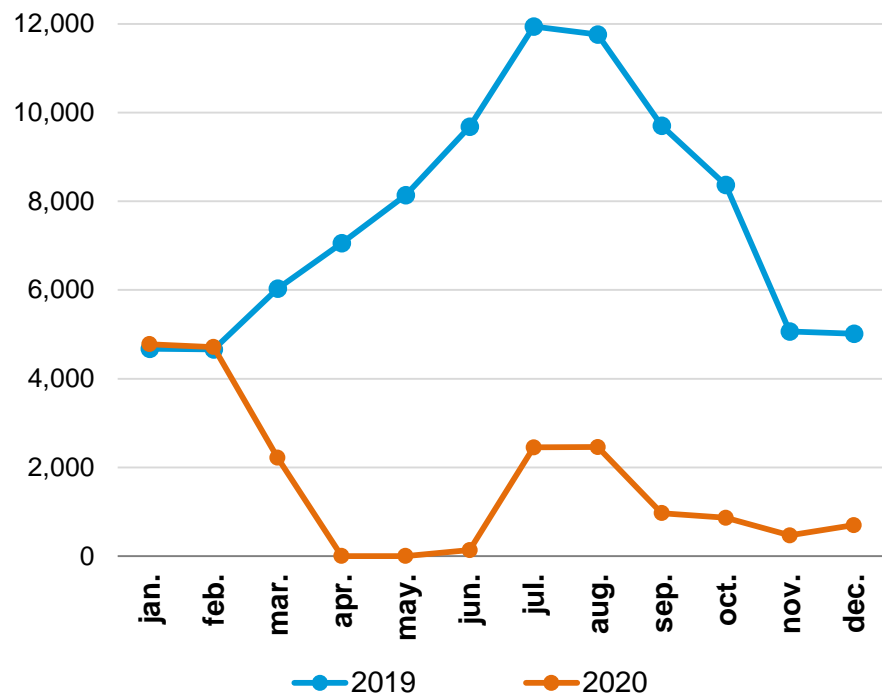
- ▶ Our forecasts assume that **new bouts of contagion continue to take place before a treatment/vaccine is widely distributed**. The severity of the new bout of contagion (partly due to the new strain of the virus) and the slow progress regarding the vaccination of high risk groups suggest that restrictions to curb mobility are likely to remain in place throughout most of Q1 (likely to be similar to those witnessed in Q4 2020). However, **generalized lockdowns are expected to be avoided and the measures considered will not be as disruptive to economic activity** as the ones implemented during Q2 2020.
- ▶ Starting in spring 2021, supported by the widespread use of rapid tests and the distribution of the vaccine, we expect growth to pick up. In addition to medical advances, economic activity will also be supported by fiscal policy and, in particular, the execution of the European recovery plan (which we conservatively estimate could boost growth next year by more than 1pp based on an execution rate of c.50% of the government's plan).
- ▶ **GDP is not expected to reach pre-crisis levels until 2023** –slightly later than the main European partners, given the prominent weight of the tourism sector (which will continue to operate well below potential throughout the coming year).

Latest data developments

- ▶ **GDP held up better than expected in Q4 2020** (+0.4% qoq, -9.1% yoy), **but indicators point to flat growth in Q1 2021**. Going forward, CaixaBank's consumer card expenditure data and mobility indicators suggest activity is hovering at around the same levels of those of the previous quarter.

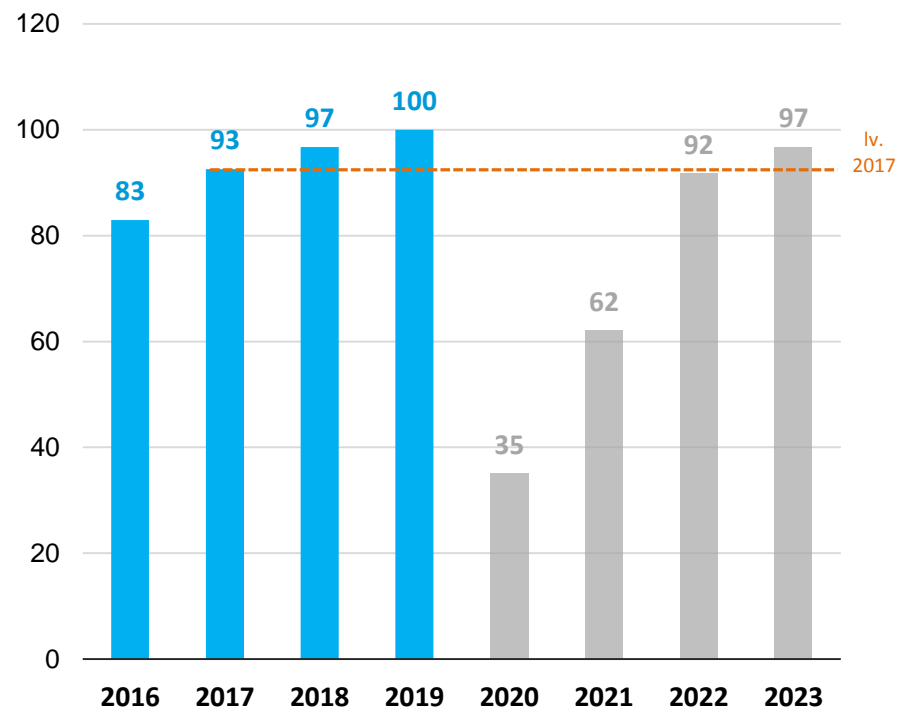
Expenditure of international tourists

€ million



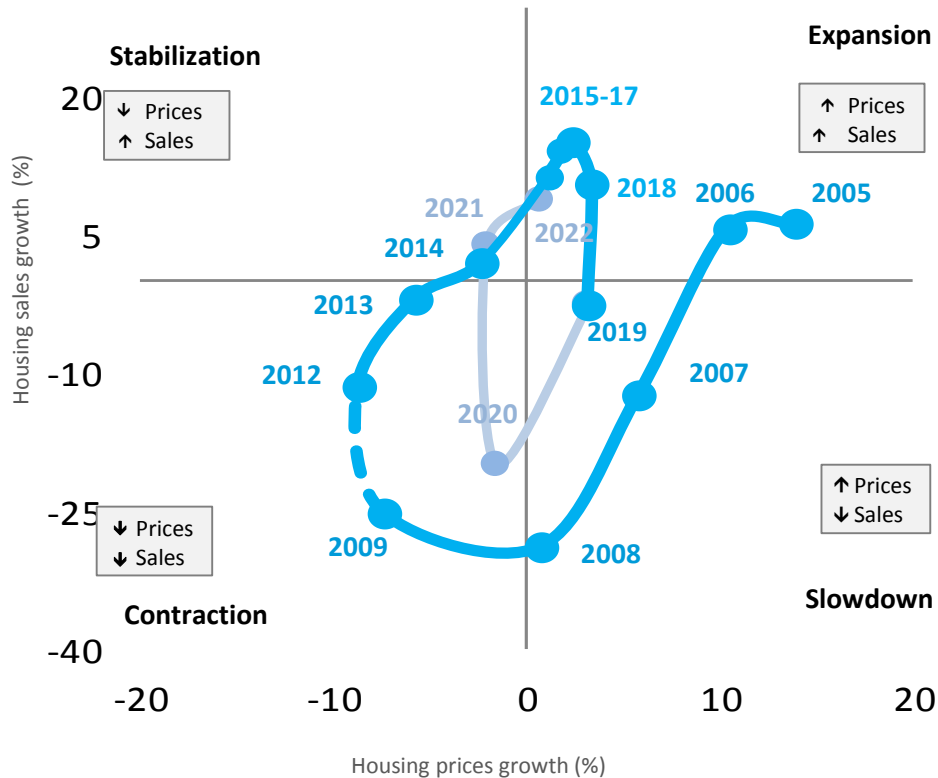
Tourism GDP forecasts

Index (2019 = 100)



- ▶ **Tourism has been the hardest hit sector by the pandemic:** In December, only 650k international tourists came to Spain (-85% with respect to Dec-19). Domestic tourism (30% of total tourism demand) was more resilient during 2020. In the coming months it will also remain subdued as a result of the measures taken to fight the latest wave of contagions, although tourism activity should start to improve in Q2 2021 as the vaccination campaign advances.
- ▶ **Tourism GDP is estimated to have declined by around 65% in 2020.** Around 60% of the decline in total GDP will be explained by the collapse of tourism.
- ▶ **Fundamentals remain strong in spite of the current shock.** The Spanish tourism industry is one of the most competitive worldwide and its recovery may be swift once vaccines are distributed and quick tests widespread –although it will take time to return to pre-pandemic levels.

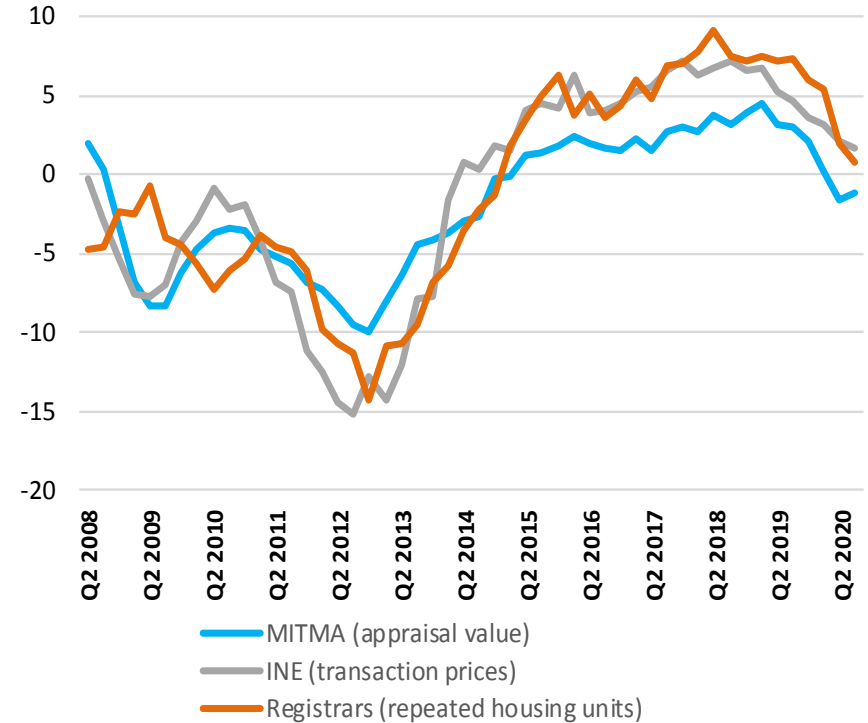
Real estate clock



Source: Fomento, INE and CaixaBank Research forecasts.

Housing prices

Year on year (%)

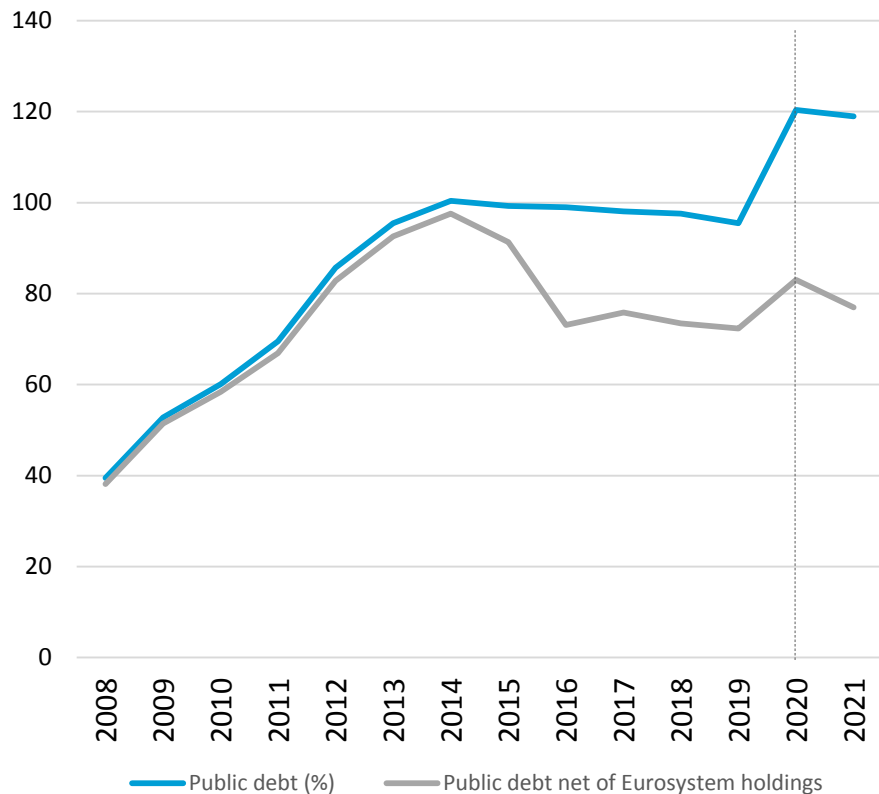


Source: INE, Ministry of Public Works, Association of Registrars.

- ▶ **The housing sector will experience a temporary contraction in 2020/21**, but the fundamentals remain solid: no excess indebtedness of families and real estate companies, and no excess capacity on the supply side.
- ▶ **Housing sales are recovering quite swiftly after their significant drop in Q2 (-43%)**: the cumulative drop from January to November is -19.3% yoy. New housing sales are recovering faster (-13.0% yoy cum. Jan-Nov) than sales of second-hand housing (-20.8% yoy cum. Jan-Nov).
- ▶ Building permits declined sharply in Q2 (-37.2%). Despite their gradual recovery, in November they remained down by -20.1% yoy on a ytd-basis.
- ▶ **Housing prices significantly decelerated in Q3 but their decline is limited so far** (-1.1% yoy appraisal value, +1.7% yoy transaction prices, +0.8% registrars' index based on transactions on the same housing units). We expect housing prices to decrease by about 4% in 2020-2021 (cumulative).

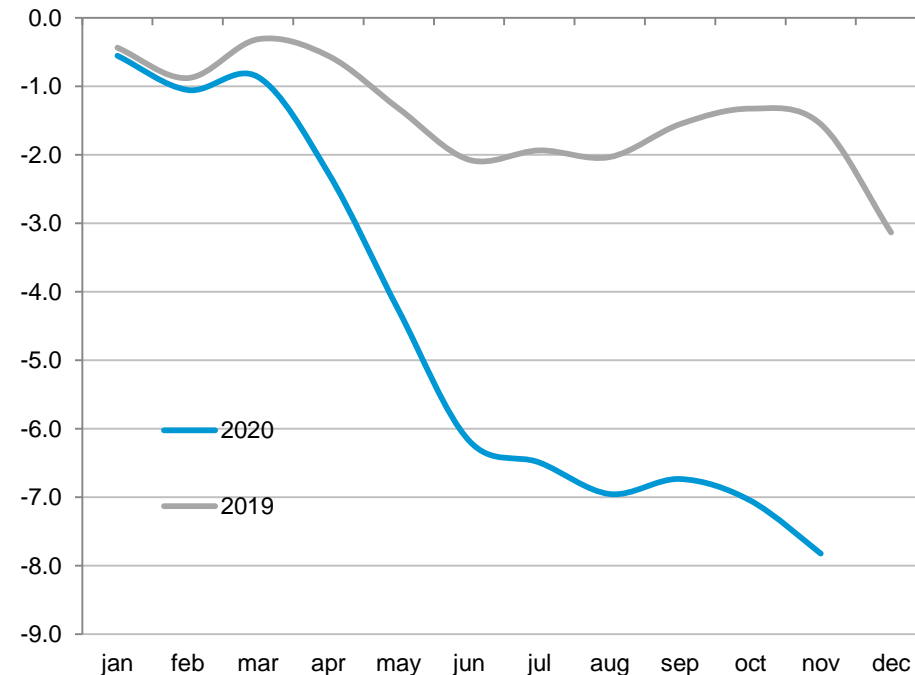
Public debt

(% GDP)



Public net lending needs (-) or capacity (+)

(% GDP)



Note: Excl. local authorities balance and financial assistance.

- ▶ **The 2021 government budget envisages a decline in the fiscal deficit from 11.3% in 2020 to 7.7% in 2021** and the execution of NGEU projects for 26.6bn (c.2.2% of GDP). For 2020, the government's deficit forecast (11.3%) looks plausible after a worsening of public accounts in H2 softer than expected. The government's 2021 revenue estimates, based on real GDP growth of 9.8%, appear optimistic and the goal for NGEU spending is very ambitious.
- ▶ **The European Commission gave the go-ahead to the 2021 budget.** Overall, the EC welcomed measures to support economic activity, but it also underscored the need to preserve fiscal sustainability over the medium term (given high debt levels).
- ▶ **The government funding needs for 2021 are well covered**, helped by ECB purchases, plenty of liquidity available and low interest rates.

Government's budgetary plan 2021

| Key elements | % GDP 2019 | % GDP 2020 | % GDP 2021 | 2019-2021 change (EUR millions) | 2019-2021 growth rate (%) |
|--|---------------|---------------|---------------|--|---------------------------------|
| Total revenue | 39.2 | 41.7 | 40.3 | 5,592 | 1.1 |
| Indirect taxes (VAT,...) | 11.5 | 11.5 | 12.0 | 3,812 | 2.7 |
| Taxes on income and wealth | 10.4 | 11.3 | 11.2 | 7,707 | 6.0 |
| Social contributions | 12.9 | 14.2 | 13.0 | -1,368 | -0.9 |
| Total spending | 42.1 | 53.0 | 48.0 | 63,795 | 12.2 |
| Worker salaries | 10.8 | 12.9 | 12.0 | 12,526 | 9.3 |
| Social transfers (excl. unemployment) | 16.9 | 20.5 | 19.6 | 29,670 | 14.1 |
| Unemployment schemes | 1.5 | 3.7 | 1.8 | 3,373 | 18.1 |
| Interest payments | 2.3 | 2.3 | 2.2 | -1,687 | -5.9 |
| Balance | -2.8 | -11.3 | -7.7 | -58,203 | ... |

Note: Projections incorporating the macroeconomic impact of the NGEU plan.

Revenue

- ▶ Likely overestimation due to high GDP growth forecast in 2021 and not too realistic impact of new tax measures (digital and financial transaction taxes, increase in income and corporate taxes...) on revenues.

Spending (excl. NGEU)

- ▶ Strong increase in structural spending.
- ▶ Stability in interest payments (thanks to the reduction of interest rates).

Highlighted measures

- ▶ New digital, financial and green taxes (0.15% of GDP), higher tax rates on top incomes (0.01% of GDP), caps on corporate tax exemptions (0.04%), and a sugar tax.
- ▶ Higher spending on pensions (+3%).

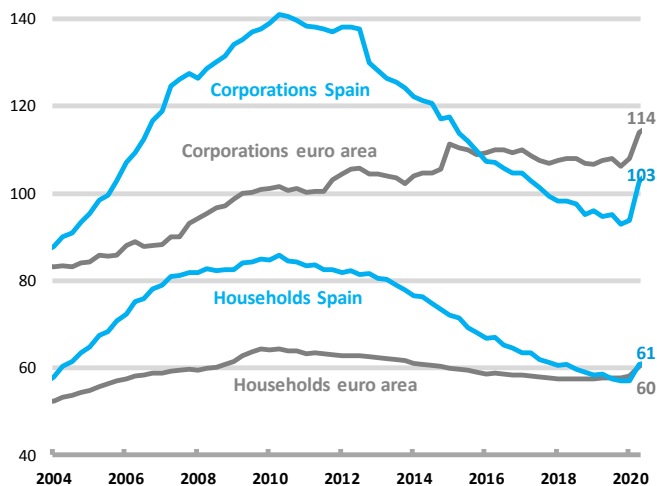
Assessment

- ▶ **The Government public deficit target of 7.7% in 2021 is reasonable but may be difficult to attain with the measures in the current budgetary plan and in light of the optimistic macro scenario for 2021.**

| | Amount (% GDP) | Main measures |
|---|--|--|
| Direct fiscal measures | 4.5% | <ul style="list-style-type: none"> • Benefits for workers affected by temporary lay-offs (ERTEs) and for the self-employed affected by the hiatus in activity (now: ≈740k in ERTES; Spring: 3.4million). Good measure to alleviate pressure on the labour market. Extended until May 2021. • COVID-19 Fund for regional government (will help finance mostly health and education). • Lacking: more direct support measures to SMEs and most hit sectors. |
| Deferrals and moratoria | Deferrals: 1.1% Moratoria: 5.1% | <ul style="list-style-type: none"> • Legislative moratoria on mortgages and consumer loans complemented by sectoral moratoria for households (the outstanding balance of loan payments suspended amounted to €54bn). • Legislative moratoria on loan repayments for tourism and transport sector (€3bn). • Deferral of tax payments for six months (from March to October) in 2021 for SMEs and self-employed (estimated amount:€2.6bn). • Utility bills moratorium and eviction ban for vulnerable families until May 9. |
| Credit guarantees and capital injections | 10.1% (considering the level of use of the guarantees in 2020) | <ul style="list-style-type: none"> • €100bn on credit guarantees for companies and self-employed to guarantee liquidity with State guarantees between 70 and 80%. Level of use: €87bn of guarantees (end of 2020) • €40bn on credit guarantees for companies and self-employed to boost investment activity (but also guarantee liquidity). • The concession of these guarantees has been extended until June 2021, grace periods may be extended 12 more months and the repayment period may be extended 3 years (up to a maximum of 8 years). |

Gross private debt

% of GDP, non consolidated debt.



Source: ECB, Eurostat.

Private domestic credit

Year on year (%)

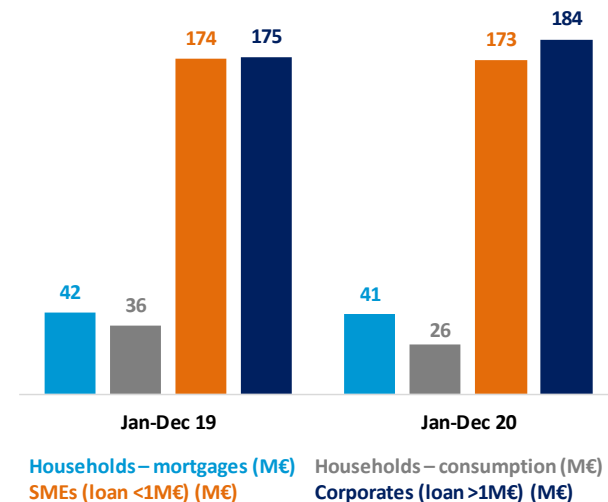
| | Dec-19 | Dec-20 (latest) | 2021 (forecast) |
|---|--------|-----------------|-----------------|
| | % yoy | % yoy | % yoy |
| Total credit | -1.2% | 2.4% | -1.9% |
| Households | -0.5% | -1.2% | -1.8% |
| Housing mortgages | -1.5% | -1.3% | -1.6% |
| Other purposes | 2.6% | -0.8% | -2.5% |
| Of which consumption | 8.8% | -2.7% | -2.5% |
| Businesses | -2.3% | 8.1% | -1.9% |
| Non-real estate developers ¹ | -1.4% | 11.7% | - |
| Real estate developers ¹ | -5.4% | -5.8% | - |

Note: (1) latest available data Sep-20

Source: Bank of Spain.

New lending activity by sector

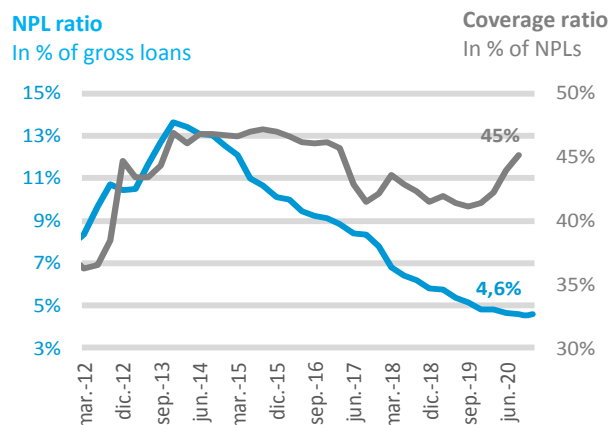
Bn euros



Source: Bank of Spain.

- ▶ **Corporate debt levels** remain below euro area averages despite the recent strong pick-up in credit. **Household debt** has also increased as a percent of GDP but because of denominator effects (debt moratoria and higher debt for the self-employed have not offset headwinds from lower demand for consumption loans and continued deleveraging of housing credit). We expect a process of gradual deleveraging after the covid crisis.
- ▶ **New mortgage production** suffered a sharp contraction during the lockdowns of March-May but has rebounded helped by pent-up demand.
- ▶ **New lending for consumption** remains well below pre-covid levels and is expected to show a more subdued recovery.
- ▶ **New lending to corporates spiked in March-June** (about 55% of it with government guarantees) but demand has now declined. After the decree law on the extension of ICO loans, we expect that there will be a high demand to extend grace periods and maturities.

NPLs and coverage ratios



| | |
|--|--|
| Moratoria² 12% of loans to households 5% of loans to NFC | Cost of risk¹ 0.3% in 2019 0.8% in 3Q 2020 |
|--|--|

Note: (1) Spanish business. Accumulated 12 months based on the average of the 5 largest institutions. (2) Based on EBA data as of Jun20. Source: Bank of Spain and Bank's financial statements.

Banks' profitability

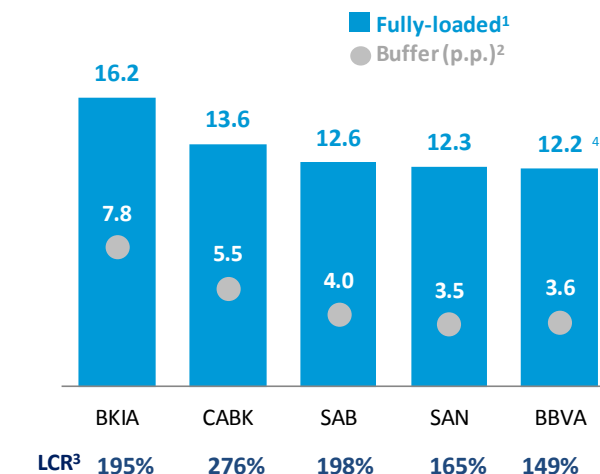
In % of average total assets (Q4 20; trailing 12M)

| | CABK | BBVA | SAN | BKIA | SAB |
|--|-------------|-------------|--------------|-------------|-------------|
| Net interest income | 1.1% | 0.9% | 1.1% | 0.9% | 1.3% |
| Net fees | 0.6% | 0.4% | 0.7% | 0.6% | 0.7% |
| Gains on financial assets/liab. and Other operating income | 0.1% | 0.0% | 0.2% | 0.1% | 0.4% |
| Gross income | 1.9% | 1.4% | 2.0% | 1.4% | 2.3% |
| Operating expenses | -1.0% | -0.7% | -1.1% | -0.8% | -1.1% |
| Impairment losses, tax and others | -0.6% | -0.4% | -1.6% | -0.5% | -0.9% |
| Profit | 0.3% | 0.2% | -0.8% | 0.1% | 0.1% |
| ROTE (%)¹ | 6.1 | 2.4 | n.d. | 1.4 | n.d. |

Note: Domestic businesses. ROTE based on internal calculations. (1) Group ROTEs for CABK, BBVA include Corporate Centre (only proportion applicable to business in Spain). SAN not available because DTAs impairment generates significant losses. Source: Bank's financial statements.

Banks' solvency and liquidity position

In % (Q4 20)



Note: (1) CET1 FL transitional IFRS9. (2) Difference between CET1 ratio fully-loaded and SREP requirement 2019. (3) LCR = liquidity coverage ratio. (4) 14,6% including BBVA USA sale.

- ▶ After declining below 5%, NPL ratios have roughly stabilized. The stock of NPLs has only increased marginally thus far helped by debt moratoria and loan guarantees. However, **NPLs will inevitably increase** as debt moratoria expire and companies start facing repayments of guaranteed loans.
- ▶ **Covid adds even more pressure to banking profitability and the need for further consolidation:**
 - Interest rates are now expected to remain lower for longer.
 - After a temporary pick-up in loan demand, businesses and households are expected to focus on balance sheet repair.
 - The cost of risk has risen. Banks already booked a significant amount of provisions in the first half of 2020.
- ▶ **The capital position of Spanish banks provides buffers to weather the COVID-19 shock.** A Bank of Spain top-down analysis estimates a CET1 erosion of 1.6 percentage points in aggregate (to 10.8%) under the central scenario and a decline of 3.9 p.p. in an adverse scenario (to 8.5%).

| % YoY, unless otherwise specified | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | Forecast | | |
|--|-------|------|-------|------|------|------|------|------|----------|-------|-------|
| | | | | | | | | | 2020 | 2021 | 2022 |
| GDP | -3.0 | -1.4 | 1.4 | 3.8 | 3.0 | 3.0 | 2.4 | 2.0 | -11.0 | 6.0 | 4.4 |
| Private Consumption | -3.4 | -3.0 | 1.7 | 2.9 | 2.6 | 3.0 | 1.8 | 0.9 | -12.6 | 7.9 | 3.5 |
| Public Consumption | -4.2 | -2.1 | -0.7 | 2.0 | 1.0 | 1.0 | 2.6 | 2.3 | 4.5 | 6.3 | 2.4 |
| Gross Fixed Capital Formation (GFCF) | -7.4 | -3.8 | 4.1 | 4.9 | 2.4 | 6.8 | 6.1 | 2.7 | -12.4 | 5.6 | 7.5 |
| GFCF - equipment | -7.1 | 2.4 | 5.6 | 9.1 | 1.8 | 9.2 | 5.4 | 4.4 | -13.4 | 12.7 | 8.0 |
| GFCF - construction | -10.4 | -8.2 | 3.0 | 1.5 | 1.6 | 6.7 | 9.3 | 1.6 | -15.8 | 0.8 | 7.1 |
| Exports | 0.9 | 4.4 | 4.5 | 4.3 | 5.4 | 5.5 | 2.3 | 2.3 | -20.9 | 6.6 | 7.6 |
| Imports | -5.8 | -0.2 | 6.8 | 5.1 | 2.6 | 6.8 | 4.2 | 0.7 | -16.8 | 7.8 | 6.6 |
| Unemployment rate | 24.8 | 26.1 | 24.4 | 22.1 | 19.6 | 17.2 | 15.3 | 14.1 | 15.5 | 17.9 | 16.5 |
| CPI (average) | 2.4 | 1.4 | -0.2 | -0.5 | -0.2 | 2.0 | 1.7 | 0.7 | -0.3 | 1.1 | 1.5 |
| External current account balance (% GDP) | 0.1 | 2.0 | 1.7 | 2.0 | 3.2 | 2.7 | 1.9 | 2.0 | 1.1 | 1.6 | 2.1 |
| General Government Balance (% GDP) ¹ | -7.0 | -6.7 | -5.8 | -5.1 | -4.1 | -3.0 | -2.5 | -2.8 | -12.4 | -9.2 | -6.6 |
| General government debt (% GDP) ² | 85.7 | 95.5 | 100.4 | 99.3 | 99.0 | 98.1 | 97.6 | 95.5 | 120.4 | 119.3 | 118.6 |
| Housing prices | -8.7 | -5.8 | -2.4 | 1.1 | 1.9 | 2.4 | 3.4 | 3.2 | -1.5 | -2.0 | 0.8 |
| Risk premium (vs. 10Y Bund, bps, Dec.) | 429 | 295 | 149 | 120 | 124 | 120 | 97 | 88 | 86.3 | 55.5 | 50.0 |
| Bank credit (to the private domestic sector) | -9.9 | -9.4 | -7.1 | -4.3 | -2.9 | -1.9 | -2.6 | -1.2 | 2.4 | -1.9 | -0.9 |

Notes: All GDP figures are based on ESA-2010 methodology.

1/ The general government deficit excludes one-off bank restructuring costs of 3.7% of GDP in 2012, 0.3% of GDP in 2013, 0.1% in 2014, 0.05% in 2015, 0.2% in 2016, 0.04% in 2017 and 0.01% in 2018.

2/ General government debt includes ESM/FROB related borrowings equivalent to 3.9% of GDP in 2012.

Source: CaixaBank Research.