

## MORTGAGE LOAN STOCK DECEMBER 2024

April 2025

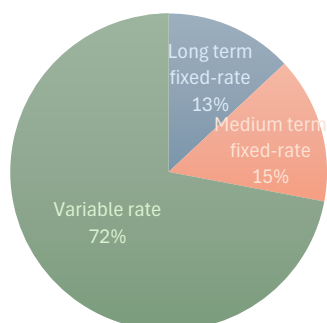
### Overview

Following the downturn observed in 2023, mortgage activity rebounded in 2024, growing by 10% according to Spain's National Statistics Institute (INE). This recovery was driven by strong demand -both domestic and international- fuelled by the ECB's monetary policy easing and positive expectations for residential property prices.

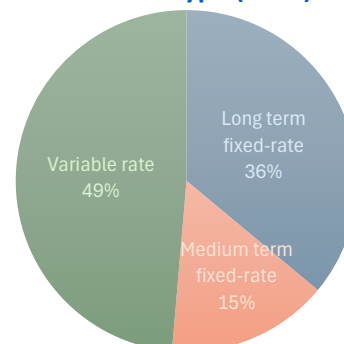
This positive evolution has begun to translate into mortgage lending volumes, with the outstanding portfolio posting a quarterly increase of 0.4% in 2024 for the first time in several years. As a result, the outstanding mortgage stock at the end of 2024 remained broadly in line with 2023 levels, at approximately €600 billion<sup>1</sup>. Nevertheless, the deleveraging process has persisted, with mortgage debt representing 38% of GDP today compared to a ratio of over 50% five years ago. This indicates that financial entities still have room to expand lending to the economy, while the risk of credit defaults remains under control.

In terms of interest rates structure, long-term fixed-rate loans<sup>2</sup> have continued to gain momentum, accounting for 36% of total mortgage exposure by the end of 2024 compared to 32% one year ago and just 13% five years ago. Medium-term fixed-rate loans<sup>3</sup> have also increased their share over the past year, albeit at a slower pace. They have increased from 14% to 15%, which is roughly the same level as in 2019. In contrast, although variable-rate loans still make up the largest proportion of the mortgage stock, representing 49% by the end of 2024, they have been on a steady downward trend since 2015, when they accounted for the vast majority of the stock.

Share of mortgage exposures according to the  
interest rate type (2019)



Share of mortgage exposures according to the  
interest rate type (2024)



<sup>1</sup> This data has been updated following the implementation of Circular 2/2020, dated June 11, which aims to align Circular 4/2017, dated November 27, with changes in the international legal framework on information reporting requirements for credit entities. For more information, please click on this [link](#) to find out more.

<sup>2</sup> The initial fixed-rate term is over 10 years.

<sup>3</sup> The initial fixed-rate term is over 1 year and up to 10 years.

The favourable financial conditions prompted by the ECB in 2016, with an unprecedented decrease in interest rates, shifted consumer preferences towards loans hedged against interest rates variations. Since then, this trend has persisted, although slight variations can be seen between long and medium-term fixed-rate loans. Two years ago, when the ECB tightened its monetary policy by raising interest rates, mixed loans emerged sharply, but with the new monetary environment long-term fixed-rate loans have soared again, accounting for 7 out of 10 of new arrangements. This trend is expected to continue consolidating as borrowing offers adjust to a more accessible monetary policy environment.

Analysis of the mortgage balance by funding source reveals a continued downward trend in both mortgage covered bonds and mortgage securitizations in 2024. Together, these two funding instruments posted a drop of 4.3% over the year, with mortgage-backed securities experiencing a notably sharper decline of 12.3%, compared to a more moderate 0.7% decrease in covered bonds issuances. Overall, the Spanish financial system has solid liquidity levels, reducing its reliance on these funding tools.

Within the mortgage portfolio, the proportion of mortgage exposures eligible to be used as collateral for covered bond issuances -according to the criteria set out in *Royal Decree-law 24/2021*- remains at 65%. This is equivalent to €391 billion. Of this eligible pool, approximately 80% is currently allocated to the issuance of mortgage covered bonds. This instrument, historically a key funding source for financial institutions and offering dual resource to bondholders, had an average ratio of collateralisation of 166%<sup>4</sup> as of December 2024, well above the regulatory minimum of 105%.

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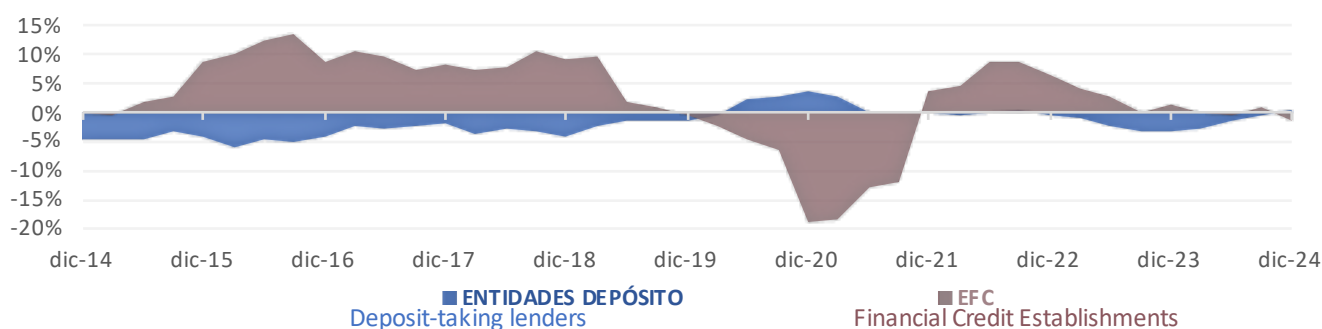
<sup>4</sup> This coefficient is considering only primary assets (mortgage assets). Although primary assets are the main source of the cover pool, the pool may be also include other assets such as liquid or substitution assets, which are not included in this calculation.

## MORTGAGE CREDIT ACTIVITY FOR THE RESIDENT PRIVATE SECTOR

### SPANISH BUSINESS

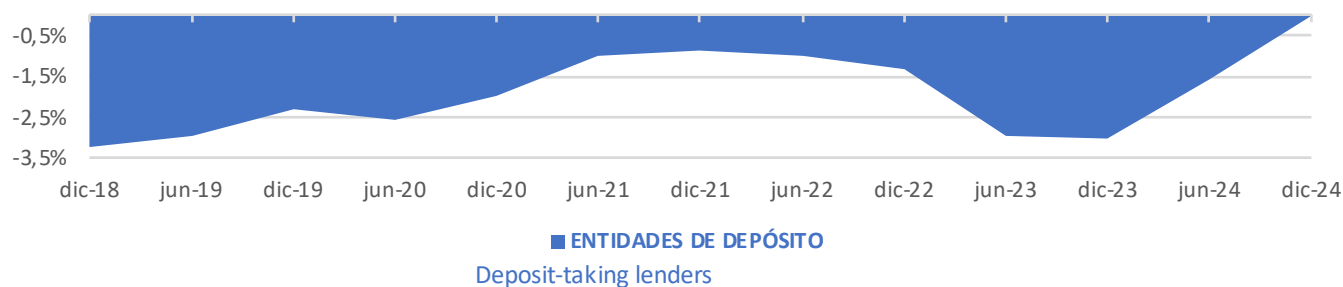
	Outstanding lending <i>Million EUR</i>		Year-on-year change		NPL RATIO	
	dic-23	dic-24	In absolute terms	In relative terms	dic-23	dic-24
<b>CREDIT TO RESIDENT PRIVATE SECTOR (OSR)</b>	1.181.270	1.185.266	3.996	0,3%	3,5%	3,3%
<b>Deposit-taking lenders</b>	1.126.785	1.130.821	4.036	0,4%	3,4%	3,2%
<b>Other credit Institutions</b>	8.515	9.072	557	6,5%	2,2%	2,1%
<b>Financial Credit Establishments</b>	45.970	45.373	-597	-1,3%	6,3%	5,7%

Chart 1: y-o-y change in total outstanding lending (OSR)



	Outstanding lending <i>Million EUR</i>		Year-on-year change		% MORTGAGE CREDIT/ TOTAL CREDIT	% HOUSING LENDING/ MORTGAGE CREDIT
	dic-23	dic-24	In absolute terms	In relative terms	dic-24	dic-24
<b>OUTSTANDING MORTGAGE LENDING</b>						
<b>Deposit-taking lenders</b>	599.485	599.438	-47	0,0%	53,0%	77,9%
Banks and saving banks	537.746	535.964	-1.782	-0,3%	47,4%	-
Credit Cooperatives	61.740	63.474	1.735	2,8%	5,6%	-

Chart 2: Amount (million €) and y-o-y variation of outstanding mortgage stock



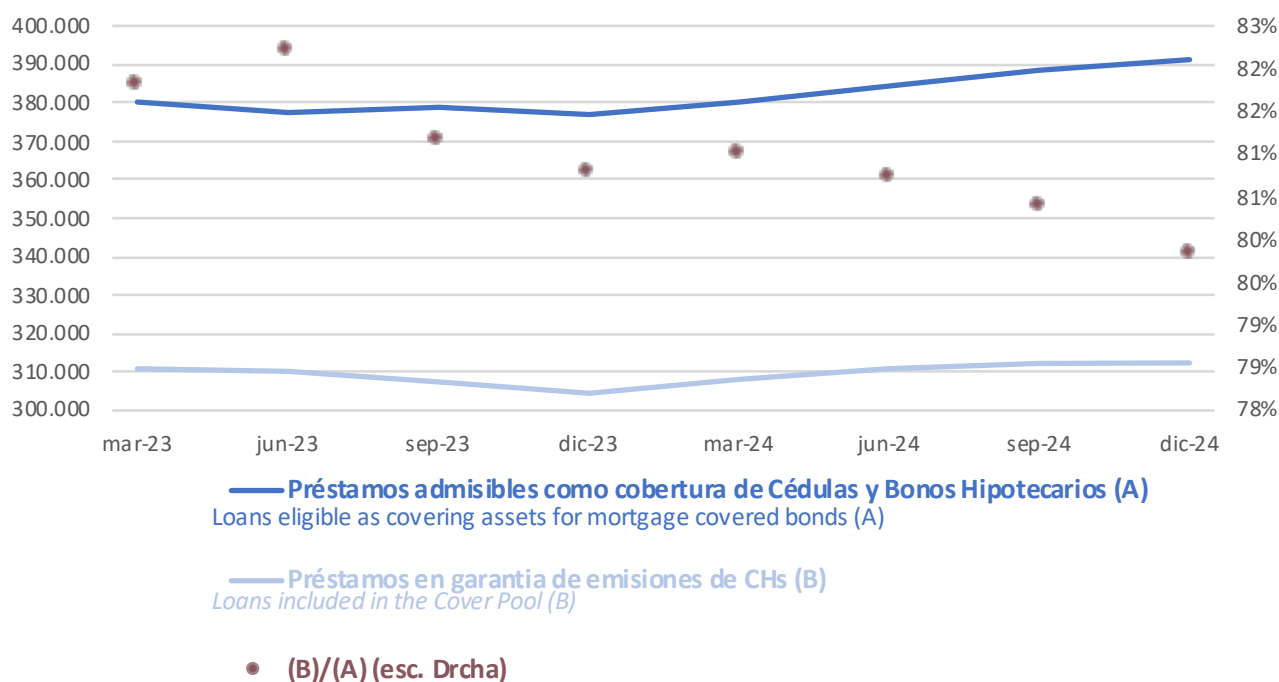
## MORTGAGE CREDIT ACTIVITY FOR THE RESIDENT PRIVATE SECTOR

### SPANISH BUSINESS

	Outstanding lending Million EUR		y-o-y change		ELIGIBLE ASSETS / OUTSTANDING MORTGAGE CREDIT	
ELIGIBLE ASSETS UNDER RDL 24/2021	dic-23	dic-24	In absolute terms	In relative terms	dic-23	dic-24
<b>Credit Institutions</b>	<b>376.939</b>	<b>391.219</b>	<b>14.280</b>	<b>3,8%</b>	<b>62,9%</b>	<b>65,3%</b>
Banks and Saving Banks	357.977	366.398	8.421	2,4%	66,6%	68,4%
Credit Cooperatives	18.962	24.820	5.859	30,9%	30,7%	39,1%

	Outstanding lending Million EUR		y-o-y change		% COLLATERAL / OUTSTANDING MORTGAGE CREDIT	% COLLATERAL / ELIGIBLE ASSETS
LOANS AS COLLATERAL FOR THE ISSUANCE OF MORTGAGE COVERED BONDS (CBS)	dic-23	dic-24	In absolute terms	In relative terms	dic-24	dic-24
<b>Credit Institutions</b>	<b>304.474</b>	<b>312.363</b>	<b>7.889</b>	<b>2,6%</b>	<b>52,1%</b>	<b>79,8%</b>
Banks and Saving Banks	290.406	298.567	8.161	2,8%	55,7%	81,5%
Credit Cooperatives	14.069	13.797	-272	-1,9%	21,7%	55,6%

Chart 3: Recent evolution of the mortgage stock



## DETAIL OF FUNDING MECHANISMS

### SPANISH BUSINESS

	Outstanding lending Million EUR		y-o-y change		MARKET SHARE OVER TOTAL ISSUANCE	MORTGAGE SECURITIES/ OUTSTANDING MORTGAGE LENDING
	dic-23	dic-24	In absolute terms	In relative terms	dic-24	dic-24
<b>OUTSTANDING MORTGAGE SECURITIES</b>						
<b>Credit Institutions</b>	<b>274.071</b>	<b>262.375</b>	<b>-11.696</b>	<b>-4,3%</b>	<b>100,0%</b>	<b>43,8%</b>
Banks and Saving Banks	259.021	248.581	-10.440	-4,0%	94,7%	46,4%
Credit Cooperatives	15.050	13.794	-1.256	-8,3%	5,3%	21,7%

### BREAKDOWN BY FUNDING INSTRUMENT - OUTSTANDING LOANS

	Outstanding lending Million EUR		y-o-y change		WEIGHT MORTGAGE SECURITIES	WEIGHT MORTGAGE SECURITIES OVER MORTGAGE CREDIT
	dic-23	dic-24	In absolute terms	In relative terms	CBs/MORTGAGE SECURITIES	CBs/OUTSTANDING MORTGAGE LENDING
<b>Spanish Covered Bonds (CBs)</b>						
<b>Credit Institutions</b>	<b>189.979</b>	<b>188.603</b>	<b>-1.376</b>	<b>-0,7%</b>	<b>71,9%</b>	<b>31,5%</b>
Banks and Saving Banks	178.957	177.853	-1.104	-0,6%	71,5%	33,2%
Credit Cooperatives	11.022	10.749	-273	-2,5%	77,9%	16,9%
<b>Mortgage Participations (known in Spain as Participaciones Hipotecarias (PH)) *</b>	<b>dic-23</b>	<b>dic-24</b>	<b>In absolute terms</b>	<b>In relative terms</b>	<b>PHs/MORTGAGE SECURITIES</b>	<b>PHs/OUTSTANDING MORTGAGE LENDING</b>
<b>Credit Institutions</b>	<b>15.618</b>	<b>12.099</b>	<b>-3.518</b>	<b>-22,5%</b>	<b>4,6%</b>	<b>2,0%</b>
Banks and Saving Banks	14.102	10.750	-3.352	-23,8%	4,3%	2,0%
Credit Cooperatives	1.516	1.349	-166	-11,0%	9,8%	2,1%
<b>Mortgage Certifications (known in Spain as Certificados de Transmisión Hipotecaria (CTH)) **</b>	<b>dic-23</b>	<b>dic-24</b>	<b>In absolute terms</b>	<b>In relative terms</b>	<b>CTHs/MORTGAGE SECURITIES</b>	<b>CTHs/OUTSTANDING MORTGAGE LENDING</b>
<b>Credit Institutions</b>	<b>68.474</b>	<b>61.673</b>	<b>-6.801</b>	<b>-9,9%</b>	<b>23,5%</b>	<b>10,3%</b>
Banks and Saving Banks	65.962	59.978	-5.984	-9,1%	24,1%	11,2%
Credit Cooperatives	2.512	1.695	-817	-32,5%	12,3%	2,7%

\* It refers to those Mortgage Backed Securities that meet the requirements set out in Section II Law 2/1981, on the balance sheets of credit institutions.

\*\* It refers to those Mortgage Backed Securities that do not meet the requirements set out in Section II Law 2/1981, on the balance sheets of credit institutions.

	Outstanding lending Million EUR		y-o-y change		LTD OSR CREDIT	LTD MORTGAGE CREDIT
	dic-23	dic-24	In absolute terms	In relative terms	dic-24	dic-24
<b>SAVING DEPOSITS RESIDENT PRIVATE SECTOR (OSR)</b>						
<b>Credit Institutions</b>	<b>1.413.514</b>	<b>1.488.666</b>	<b>75.152</b>	<b>5,3%</b>	<b>76,0%</b>	<b>40,3%</b>
Banks and Saving Banks	-	-	-	-	-	-
Credit Cooperatives	-	-	-	-	-	-