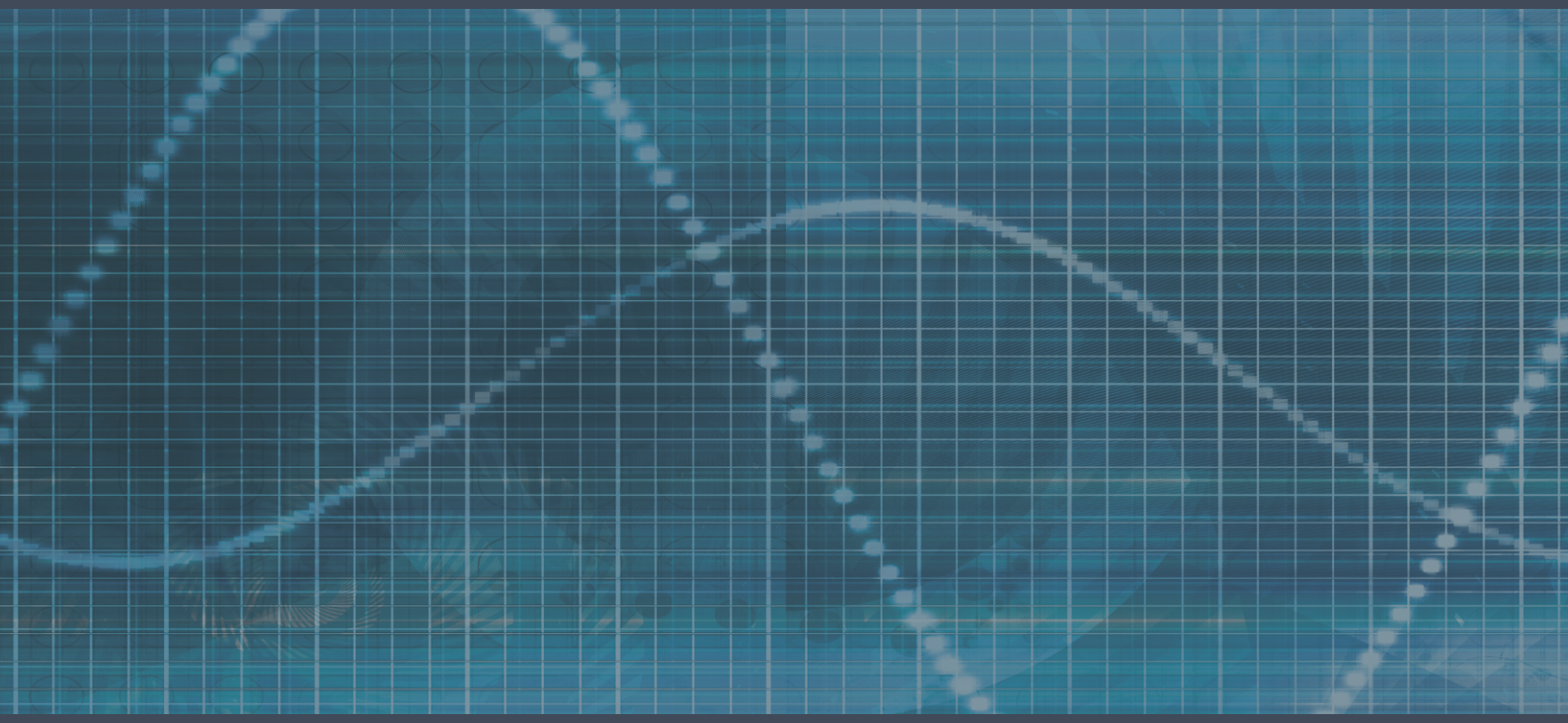
ANNUAL REPORT 2025

AMCESFI | Autoridad Macroprudencial Consejo de Estabilidad Financiera



GOBIERNO DE ESPAÑA
VICEPRESIDENCIA PRIMERA DEL GOBIERNO
MINISTERIO DE ECONOMÍA, COMERCIO Y EMPRESA
BANCO DE ESPAÑA
Eurosistema
CNMV
COMISIÓN NACIONAL DEL MERCADO DE VALORES

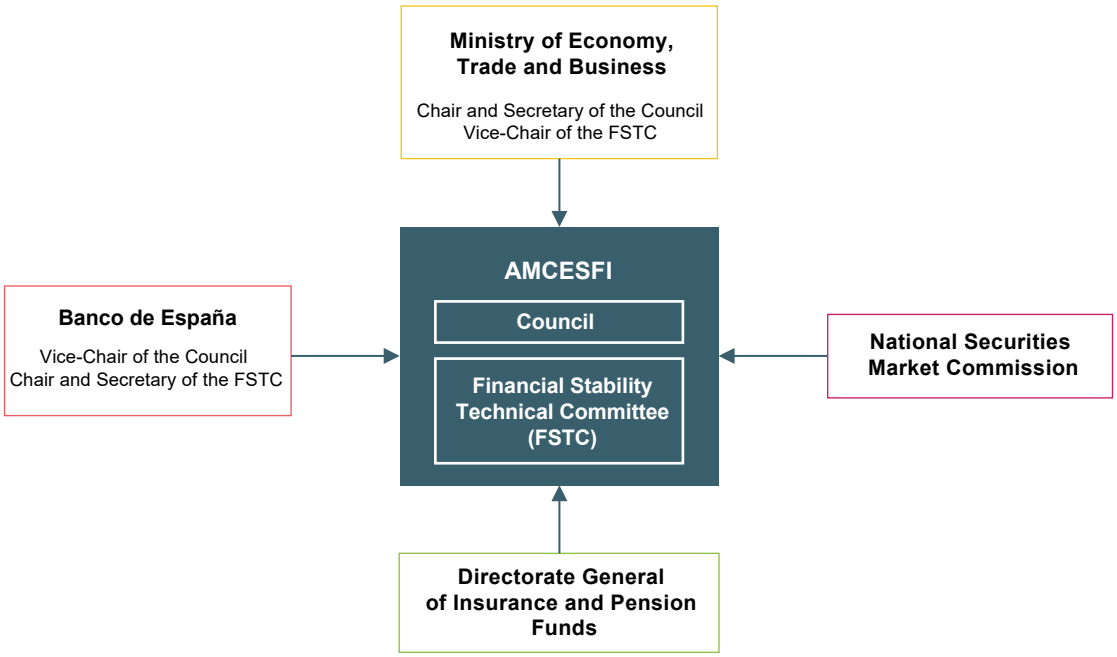
About AMCESFI

AMCESFI (Autoridad Macroprudencial Consejo de Estabilidad Financiera) is the macroprudential authority for the Spanish financial system. Established in 2019, its goal is to contribute to the stability of the financial system as a whole by identifying, preventing and mitigating any circumstances or actions that may give rise to systemic risk. For this purpose, AMCESFI is empowered to issue opinions, warnings and recommendations on matters that could affect financial stability.

AMCESFI is organised as an operationally independent collegiate body attached to the Ministry of Economy, Trade and Business. It also includes representatives of the three Spanish authorities with sectoral responsibilities for the regulation and prudential supervision of the Spanish financial system, namely the Banco de España, the National Securities Market Commission and the Directorate General of Insurance and Pension Funds of the Ministry of Economy, Trade and Business.

AMCESFI comprises two permanent structures: a Council and a Financial Stability Technical Committee (FSTC). By its very nature, it has no human, material or financial resources of its own; its activity is underpinned by the support it receives from its member institutions.

Figure 1 Structure of AMCESFI



SOURCE: AMCESFI.

This *Annual Report* is published in compliance with the accountability obligation envisaged in Article 19 of Royal Decree 102/2019 of 1 March 2019 creating the Spanish macroprudential authority (AMCESFI), establishing its legal regime and implementing certain aspects relating to macroprudential tools.

For more information about AMCESFI, see www.amcesfi.es.

Index

About AMCESFI **2**

Introductory letter from the First Deputy Prime Minister and the Minister for Economy, Trade and Business **5**

1 AMCESFI activities in 2025 **8**

Box 1.A The financial stability implications of artificial intelligence in the Spanish financial system: an initial assessment **12**

2 Macro-financial environment **16**

2.1 Main macro-aggregates **16**
2.2 Money markets and central banks **19**
Box 2.A Rising geopolitical risk **23**

3 Financial system sectoral developments and macroprudential policy **26**

3.1 Banking sector and macroprudential policy **26**
3.2 Securities, commodities and foreign exchange markets **37**
3.3 Non-bank financial intermediation **42**
3.4 Insurance undertakings and pension funds **49**
Box 3.A Banking sector debt issuance in Spain and the euro area: investor composition and funding costs **56**
Box 3.B MiCA, the European crypto-assets regulation, one year on **60**

4 Interconnectedness in the financial system **62**

5 European Systemic Risk Board recommendations and warnings relevant to AMCESFI **68**

Annex 1 Dashboard of risk indicators **73**

Annex 2 European Systemic Risk Board recommendations relevant to AMCESFI member institutions and other authorities in Spain **87**

Annex 3 Key publications by AMCESFI institutions **88**

Glossary **91**

Introductory letter from the First Deputy Prime Minister and the Minister for Economy, Trade and Business

Carlos Cuerpo,
Chair of the AMCESFI Council

Dear reader,

It is an honour to introduce AMCESFI's *Annual Report 2025*, which reviews the institution's main activities over the year and provides in-depth analysis of developments in the Spanish financial system.

2025 was marked by a highly uncertain international environment, in which a number of significant factors with direct implications for both global and domestic financial stability converged. On the trade front, the sweeping tariffs announced by the US Administration on 2 April 2025 represented a significant departure from the multilateral trade framework that had prevailed in recent decades. The tariff escalation generated considerable volatility in international financial markets and heightened the uncertainty surrounding the global growth outlook, against a backdrop in which geoeconomic fragmentation has taken root as a material risk to the financial system.

These effects were compounded in the first months of 2026 by the consequences of the military escalation in the Middle East. The closure of the Strait of Hormuz triggered the largest energy supply shock in decades, resulting in a sharp increase in oil and gas prices – especially oil prices – and reigniting inflationary pressures. Against this background, central banks in the major economies have paused the rate-cutting cycle that began in 2024 and reopened the debate on the possibility of further rate increases. This amounts to an unexpected tightening of financial conditions, adding pressure on households, firms and governments.

Despite this adverse setting, the Spanish economy continued to show notable strength. In 2025 it once again grew at a faster pace than the euro area average, underpinned by a robust labour market (marking new all-time highs in social security registrations), a strong external sector and investment driven by recovery plan funds. This positive cycle was also reflected in the financial system, with Spanish banks maintaining robust levels of profitability, solvency and asset quality. At the same time, Spain's sovereign risk premium reached its lowest point since 2009 and the three main credit rating agencies upgraded Spain's sovereign credit rating to the A category for the first time in more than a decade. Nevertheless, risks to the outlook remain and will need to be monitored closely.

Artificial intelligence (AI) and cybersecurity are emerging as key areas of focus for financial stability in the coming years. The growing adoption of AI in financial services offers genuine opportunities to improve efficiency and risk management, but also gives rise to new vulnerabilities. Greater digital interconnectedness within the financial system could amplify operational shocks, while concentration among a small number of technology providers creates contagion risks that are difficult to mitigate using traditional supervisory tools. Mindful of these challenges, in 2024 AMCESFI set up an Artificial Intelligence Subcommittee to assess the use of AI in the Spanish financial system, with this work continuing throughout 2025. The findings to date indicate that AI adoption in the sector has been prudent and gradual, focusing mainly on enhancing operational efficiency. However, the Subcommittee has also noted emerging risks related to cybersecurity, model explainability and reliance on third-party providers, which will require ongoing monitoring.

This report also examines the non-bank financial intermediation (NBFI) sector, another source of systemic vulnerability. Its rapid growth in recent years, combined with high levels of leverage and growing interconnectedness with the banking sector, may create contagion channels that are difficult to detect and mitigate using conventional macroprudential tools, which were primarily designed for banks. Within NBFI, private credit warrants particular attention. Private credit has grown rapidly as an alternative to traditional bank lending, but the lack of detailed information on asset valuations and market participants' actual exposures hinders a comprehensive assessment of the associated risks and the channels through which stress could be transmitted to the broader financial system.

In the climate arena, in 2025 AMCESFI published its second *Biennial Report on Climate Change Risks to Spain's Financial System*, in compliance with the mandate laid down in the Climate Change and Energy Transition Law. This second report draws on new data sources, including information on Spanish issuers' alignment with the commitments under the Paris Agreement and credit institutions' Pillar 3 disclosures. It also specifically examines the effects of the deadly floods of October 2024, whose consequences for the insurance sector and for Spain's Insurance Compensation Consortium, which acted as a key safety net, were felt throughout 2025. The floods are a clear illustration of how extreme weather events can generate financial stability risks with both immediate and systemic consequences.

Progress on the regulatory agenda continued in 2025 at both the European and domestic levels. In Europe, the European Commission presented its Savings and Investments Union strategy, aimed at reducing financial fragmentation across Europe and channelling savings towards productive investment. As part of this strategy, the Commission presented its Market Integration and Supervision Package, as well as proposals to reform the securitisation framework, one of the key priorities for both European institutions and Spain. In addition, 2025 was the first year in which the Digital Operational Resilience Act (DORA) was fully applicable, requiring financial institutions to have robust frameworks in place for

managing technology and third-party provider risks. At the domestic level, work is under way on the draft Law on the Digitalisation and Modernisation of the Financial Sector, which adapts Spanish legislation to key regulations such as the Markets in Crypto-Assets (MiCA) Regulation and DORA and modernises the financial sandbox framework. Progress is also being made on a regulatory framework for a Savings and Investment Account to be made available in all Member States, among other initiatives aimed at ensuring that financial stability considerations are embedded across the new regulatory architecture.

AMCESFI will continue to fulfil its role as a key forum for coordination between the Ministry of Economy, Trade and Business, the Banco de España, the National Securities Market Commission and the Directorate General of Insurance and Pension Funds. In today's complex and uncertain international environment, where geopolitical, trade, technological and climate-related risks overlap and reinforce one another, institutional coordination is not merely desirable; it is indispensable. AMCESFI remains committed to serving as an effective instrument for safeguarding the stability of the Spanish financial system and, in doing so, supporting sustainable growth and public well-being.

1 AMCESFI activities in 2025

The Council and the Financial Stability Technical Committee (FSTC) held seven meetings in 2025 to discuss the complex international environment surrounding the Spanish economy and financial system, as well as other matters within their remit. Elevated uncertainty in the global geopolitical and macro-financial setting reflected, in part, the policy stance of the incoming US Administration – particularly with regard to trade – as well as the persistence of destabilising conflicts in Ukraine and the Middle East. In this context, AMCESFI's analysis focused primarily on the following:

(i) the main risks and vulnerabilities in the Spanish financial system;

(ii) developments in the sectors comprising the Spanish financial system;

(iii) AMCESFI's regular publications, such as the *Annual Report* and the *Biennial Report on Climate Change Risks to the Financial System;*

(iv) monitoring the impact of the October 2024 flash floods on Spain's insurance sector, and

(v) the impact of artificial intelligence (AI) on the Spanish financial system.

A key milestone in 2025 was the publication of AMCESFI's second *Biennial Report on Climate Change Risks to the Spanish Financial System.* Following the first edition published in 2023, AMCESFI conducted a second joint analysis of the physical and transition risks affecting Spain's financial system, drawing on new data sources and recent studies by each of its member authorities. Specifically, for the first time the report analysed data reported by Spanish securities issuers on their alignment with the commitments under the Paris Agreement, as well as the information provided by credit institutions in their Pillar 3 disclosures. The report also examined the 2024 flash floods, whose unprecedented scale and impact posed a significant challenge for the insurance sector and underscored the essential backstop role of the Insurance Compensation Consortium (Consorcio de Compensación de Seguros).

As part of its regular activities, in 2025 AMCESFI also issued three advisory opinions on macroprudential measures proposed by the Banco de España. Pursuant to Article 11 of Royal Decree 102/2019, AMCESFI issued favourable opinions on all of the following measures:

(i) The October 2025 increase in the countercyclical capital buffer (CCyB) rate from 0.5% to 1% of risk-weighted assets (RWAs) located in Spain, with a view to strengthening the banking sector's overall resilience under standard risk conditions (see Section 3.1).

(ii) The identification of other systemically important institutions (O-SIIs) at the domestic level and the setting of their corresponding capital buffer rates for 2026. Notably, BBVA's buffer was reduced from 1% to 0.75%, in accordance with the Banco de España's predefined framework for setting O-SII buffers, reflecting its lower systemic importance relative to the previous year.

(iii) Following a recommendation by the European Systemic Risk Board (ESRB), the reciprocation of a macroprudential measure adopted in Norway, consisting of a 4.5% systemic risk buffer (SyRB) applicable to all exposures located in Norway for one Spanish institution (Santander) with business in that country.

AMCESFI's FSTC was also given prior notice of other quarterly CCyB decisions (holding the buffer rate at 0.5% during the first three quarters of the year). It was also notified of the renewed designation of Banco Santander as a global systemically important institution (G-SII) and of the corresponding capital buffer rate for 2027.

For their part, the National Securities Market Commission (CNMV) and the Directorate General of Insurance and Pension Funds (DGSFP) did not notify AMCESFI of any proposed macroprudential measures in 2025.

AMCESFI continued to serve as a key platform for coordinating inter-institutional matters relating to the ESRB. Since its establishment, AMCESFI's member authorities have built close technical working relationships, facilitating the coordination and preparation of the meetings of the Council, the FSTC and their respective subcommittees. AMCESFI has provided an effective framework for coordination among the Banco de España, the CNMV and the DGSFP within the ESRB context, for instance in relation to requests for information intended to assess compliance with ESRB recommendations addressed to national authorities (see Chapter 5), as well as interactions with other international organisations, such as the International Monetary Fund.

The sharing of research and analysis on financial stability and macroprudential policy is also among the activities most highly valued by AMCESFI's member authorities. The FSTC was regularly informed about the Banco de España's *Financial Stability Report* and *Financial Stability Review,* as well as the CNMV's *Financial Stability Notes,* among other analytical and documentary resources.[1] The Banco de España also made available to AMCESFI's member authorities its annual report on the stress-testing of the Spanish banks under its direct supervision, which was submitted to the Spanish Parliament in December 2025.

1 Annex 3 contains a detailed list of the main publications of AMCESFI's member institutions over the past twelve months.

Table 1.1 Composition of AMCESFI's Council at 31 December 2025

Institution	Position	Name	Position on the Council
Ministry of Economy, Trade and Business	Minister	Carlos Cuerpo Caballero	Chair
Banco de España	Governor	José Luis Escrivá Belmonte	Vice-Chair
National Securities Market Commission	Chair	Carlos San Basilio Pardo	Member
Banco de España	Deputy Governor	Soledad Núñez Ramos	Member
National Securities Market Commission	Vice-Chair	Paloma Marín Bona	Member
Ministry of Economy, Trade and Business	State Secretary for Economic Affairs and Support for Business	Israel Arroyo Martínez	Member
Ministry of Economy, Trade and Business	Director General of Insurance and Pension Funds	José Antonio Fernández de Pinto	Member
Ministry of Economy, Trade and Business	Secretary-General of the Treasury and International Finance	Paula Conthe Calvo	Secretary

SOURCE: AMCESFI.

In 2025 AMCESFI's bodies adopted measures aimed at strengthening the work of its two subcommittees. First, the Interconnections Subcommittee (a standing subcommittee) was renamed the Interconnections and Stress-Testing Subcommittee, with its mandate adjusted accordingly to include the methodological development and conduct of system-wide stress tests, thereby enabling interconnections between sectors to be taken into account. Work in this area is already under way at other European macroprudential authorities, including in France and the United Kingdom.

The mandate of the Artificial Intelligence Subcommittee was also extended by one year until the end of 2026. This extension provides the subcommittee with one more year to assess the financial stability implications of the growing adoption of AI across different segments of financial activity, drawing on ad hoc data collected from a sample of Spanish institutions (see Box 1.A for further details).

As regards AMCESFI's governance, in 2025 there were no changes in the membership of the Council or the FSTC. As stipulated in Royal Decree 102/2019, all members of AMCESFI's bodies are ex officio members by virtue of the position they hold at their respective institutions (Figure 1.1). In 2025 no appointments were made at the Ministry of Economy, Trade and Business, the Banco de España, the CNMV or the DGSFP that had implications for AMCESFI.

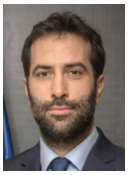
In line with its statutory obligations, during 2025 AMCESFI prepared its *Annual Report* for 2024. The report was published on 17 July 2025 and is available, along with its English translation, on AMCESFI's website (www.amcesfi.es), where previous years' reports can also be found.

Table 1.2 Composition of AMCESFI's FSTC at 31 December 2025

Institution	Position	Name	Position on the Committee
Banco de España	Deputy Governor	Soledad Núñez Ramos	Chair
Ministry of Economy, Trade and Business	Secretary-General of the Treasury and International Finance	Paula Conthe Calvo	Vice-Chair
National Securities Market Commission	Vice-Chair	Paloma Marín Bona	Member
Ministry of Economy, Trade and Business	Director General of the Treasury and Financial Policy	Carla Díaz Álvarez de Toledo	Member
Ministry of Economy, Trade and Business	Director General of Insurance and Pension Funds	José Antonio Fernández de Pinto	Member
Banco de España	Director General Financial Stability,Regulation and Resolution	Daniel Pérez Cid	Member and Secretary
Banco de España	Director General Banking Supervision	Mercedes Olano Librán	Member
National Securities Market Commission	Director General of Strategic Policy and International Affairs	Víctor Rodríguez Quejido	Member
National Securities Market Commission	Director General of Markets	Ángel Benito Benito	Member
National Securities Market Commission	Director General of Institutions	José María Marcos Bermejo	Member

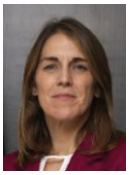
SOURCE: AMCESFI.

Figure 1.1 Composition of AMCESFI's Council at 31 December 2025



Carlos Cuerpo Caballero (Chair)

José Luis Escrivá Belmonte (Vice-Chair)



Paula Conthe Calvo (Secretary)

Carlos San Basilio Pardo (Member)

Soledad Núñez Ramos (Member)

Paloma Marín Bona (Member)

Israel Arroyo Martínez (Member)

José Antonio Fernández de Pinto (Member)

SOURCE: AMCESFI.

Box 1.A The financial stability implications of artificial intelligence in the Spanish financial system: an initial assessment

The growing adoption of artificial intelligence (AI) in the financial system opens up new opportunities, but may also give rise to new risks that need to be identified and monitored. In response, AMCESFI has undertaken an assessment of AI use in Spain through its Artificial Intelligence Subcommittee. While the growing use of AI can help improve efficiency and enhance the provision of financial services, it may also create or amplify risks and vulnerabilities that could have implications for financial stability if not properly managed. Monitoring the use of AI has therefore become a priority for supervisors and regulators. Against this backdrop, in 2025 the Artificial Intelligence Subcommittee focused its work on: (i) compiling information on the adoption and use of AI in the Spanish financial system; (ii) analysing cross-sectoral interdependencies and identifying common risks; and (iii) monitoring the work and discussions on AI in international fora.

To deepen this analysis, the subcommittee sent a voluntary and anonymous survey to a sample of institutions selected to be representative of the Spanish financial system in terms of both asset volume and institution type. The sample included insurance companies, banks, investment firms, credit cooperatives, appraisal companies, collective investment institution management companies, market infrastructure operators and electronic money institutions. The exercise, based on data as at July 2025, is subject to limitations arising from the rapid pace of AI development. Accordingly, the results should be interpreted with caution and the analysis updated on a regular basis. In addition, there is no international consensus on the operational definition of the technology[1] or standardised indicators to measure AI adoption or the related risks, which hinders cross-jurisdiction and sectoral comparability.

Findings of the survey on the use of AI in the Spanish financial system

Institutions have adopted a prudent and gradual approach to AI adoption, focused on identifying opportunities and progressively expanding its use. Priority has been given to internal improvements over disruptive innovation. Going forward, institutions' strategies appear more diverse. A significant share of responding institutions aspire to lead the adoption of AI, while another sizeable group intends to monitor developments and advance

1 For the purposes of this work, a distinction has been made between: (i) narrow AI, which includes more traditional techniques and models with specific applications (e.g. decision trees, random forests and boosting; traditional logistic regression models are not included); and (ii) advanced AI, which encompasses more recent and sophisticated technologies with broader and more versatile capabilities (e.g. neural networks, generative AI and intelligent agents). These categories, which are used in this work exclusively for analytical purposes, are aligned with the definition of an "AI system" proposed by the European Commission. This reference helps to clarify the scope of the technologies considered to constitute AI, distinguishing them from other forms of automation or traditional statistical models. It also contributes to a more consistent interpretation of the results and enhances the coherence and comparability of the analysis, against a background of rapid technological change and the absence of widely accepted operational definitions.

Box 1.A The financial stability implications of artificial intelligence in the Spanish financial system: an initial assessment (cont'd)

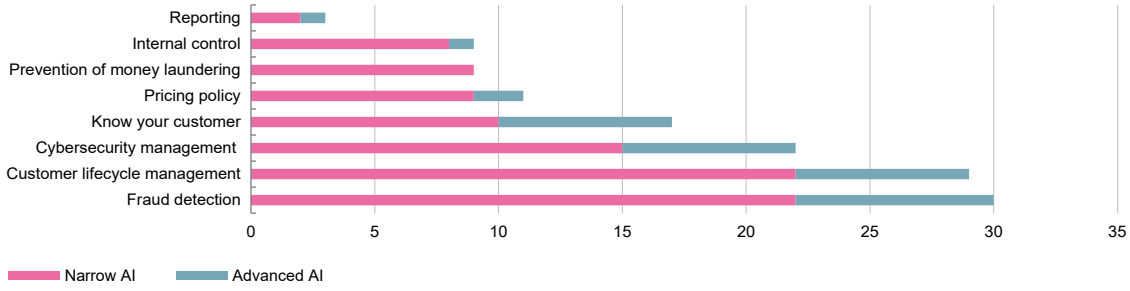
progressively. A minority do not regard AI as a short-term priority, although investment in talent, internal development and external providers is expected to increase even among these institutions. The main perceived benefits include operational efficiency and enhanced customer experience. Institutions are establishing governance and ethical use frameworks for AI, complemented by arrangements for overseeing third-party providers from the AI ecosystem, whose services are widely used. The predominant model is a hybrid approach combining internal and external capabilities.

The survey confirms that narrow AI is used more widely than advanced AI. In both instances, the main use cases identified relate to fraud detection, customer lifecycle management, cybersecurity and, to a lesser extent, pricing (Chart 1.A.1). By sector, AI usage in the insurance industry is concentrated in claims management, sales and distribution, while in financial markets it is primarily used in order optimisation for best execution and investment strategy design. Among credit institutions, the main use case is in credit risk management.

Among the AI-related risks identified in the survey as having the potential to materially impact institutions' business, the most prominent are cybersecurity, data privacy, lack of model explainability, data bias, regulatory uncertainty and shortages of qualified personnel. All institutions reported having mitigation measures in place to manage the identified risks. Third-party concentration and dependency risk, along with geopolitical risk, were generally assessed as having a medium impact. Nevertheless, respondents reported efforts to strengthen their third-party risk management frameworks in line with the EU regulatory framework on digital operational resilience in the financial sector.[2]

Overall, the survey findings point to a cautious strategic approach to AI adoption in the Spanish financial system, with institutions primarily focused on operational efficiency. A

Chart 1.A.1 Distribution of the most common use cases in the financial sector, by type of AI



SOURCE: Survey of the Spanish financial sector conducted by the AMCESFI Artificial Intelligence Subcommittee.

2 Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector (DORA).

Box 1.A The financial stability implications of artificial intelligence in the Spanish financial system: an initial assessment (cont'd)

smaller group of institutions, however, is aiming to lead the adoption of AI within the sector. The surveyed institutions report being aware of the key risks associated with AI and indicate that mitigation controls have been implemented, while ensuring that material decisions remain subject to human oversight. This landscape is likely to evolve rapidly, driven by the pace of AI development and institutions' plans for its further adoption.

Further work on the potential implications for financial stability

In 2026 the subcommittee will continue its assessment of the emerging and growing risks. Some of the preliminary risk factors are set out below.

First, the widespread use of similar datasets and models across a significant part of the financial system could give rise to systemic risks. Algorithmic uniformity could lead to undesirable collective dynamics such as algorithmic herding, where multiple institutions simultaneously adopt similar strategies, thereby eroding the strategic diversity needed for financial stability. Such homogeneity also increases the likelihood of common errors or biases, amplifying contagion mechanisms. In this context, malfunctions in AI models could significantly increase the vulnerability of the financial system, particularly if the behaviour of such models is difficult to predict during periods of stress, which are precisely the most critical from a financial stability perspective. The widespread use of AI systems may further exacerbate these risks by facilitating market manipulation practices, for example through the generation of plausible but false audiovisual content using generative AI.

The growing adoption of AI models also increases vulnerability to cyberattacks and fraud that may compromise the data and models themselves. In addition, several recent studies have warned of the risks that AI models[3] may pose to financial stability, given their potential to incorporate both defensive and offensive cyber capabilities. These tools make it possible to identify and exploit vulnerabilities quickly and easily. Institutions must continue to strengthen their prevention, detection and response capabilities as a priority, while also harnessing the benefits offered by AI.

These risks could be further amplified by the high degree of concentration in the AI ecosystem – particularly in generative and agentic AI – among a very small number of providers. The institutions agree that dependence on and concentration among third-party providers intensify the risks associated with technology service provision by creating new interdependencies and vulnerabilities related to systemic failures. In a similar vein, geopolitical risks associated with AI are becoming increasingly prominent, reflecting heavy reliance on global providers, the location

3 According to these models, instances have been identified where thousands of high and critical-severity vulnerabilities had accumulated, many of which had remained unremediated for extended periods. See Banco de España. (2026). "Box 5.3. Financial stability implications of technological disruption in cyber security". In Banco de España, *Financial Stability Report.* Spring 2026.

Box 1.A The financial stability implications of artificial intelligence in the Spanish financial system: an initial assessment (cont'd)

of data outside the EU and the risk of international regulatory restrictions.

The expansion of AI also raises concerns regarding its environmental footprint, the rationality of valuations in the sector and its long-term implications for employment and the economy. The substantial electricity and water consumption needed to operate and cool data centres poses significant sustainability challenges. Another area of concern is the risk of overvaluation in the AI sector and the growing leverage of large technology firms. Lastly, over the longer term, the expansion of AI could lead to profound changes in the labour market and the structure of the economy, the effects of which are difficult to predict but could be significant from a financial stability perspective.

The Artificial Intelligence Subcommittee concludes that, at the present juncture, no material implications for financial stability have been identified in connection with the reported use of AI in the Spanish financial sector, although the risks and vulnerabilities are becoming more pronounced. Current AI use cases are primarily focused on improving internal efficiency, with no significant direct effects for financial stability. At the same time, applications involving advanced AI technologies are being developed or explored across all sectors. Accordingly, plans to implement AI in the financial sector, together with the rapid evolution of AI models, for instance in cybersecurity, suggest that **these impacts could intensify quickly.** This underscores the importance of continuing to monitor the implications of AI adoption for financial stability. These findings are consistent with those reported in international publications.[4]

4 See, in particular, Financial Stability Board. (2025). "Monitoring Adoption of Artificial Intelligence and Related Vulnerabilities in the Financial Sector".

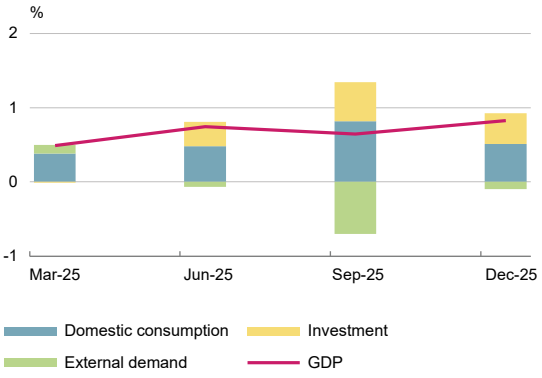
2 Macro-financial environment

2.1 Main macro-aggregates

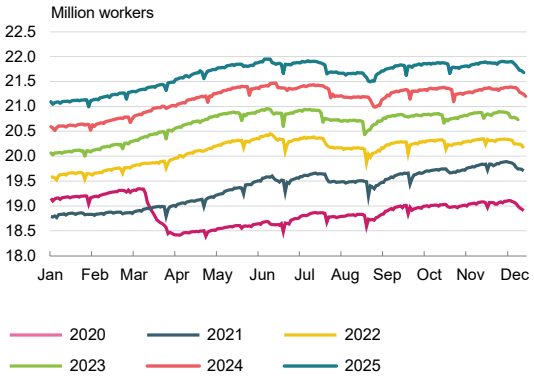
The Spanish economy continued to grow in 2025, with GDP rising by 2.8%. This is its fifth consecutive year of growth and once again it outperformed the main euro area economies. In 2025 growth was driven by domestic demand, which contributed 3.6 percentage points (pp), 0.3 pp more than in 2024, with consumption and investment in construction and capital goods standing out. External demand, meanwhile, made a negative contribution (-0.7 pp), compared with the slightly positive contribution in the previous year. As in 2024, growth was again underpinned by a strong labour market, with notable job creation.

Chart 2.1 Main macro-aggregates

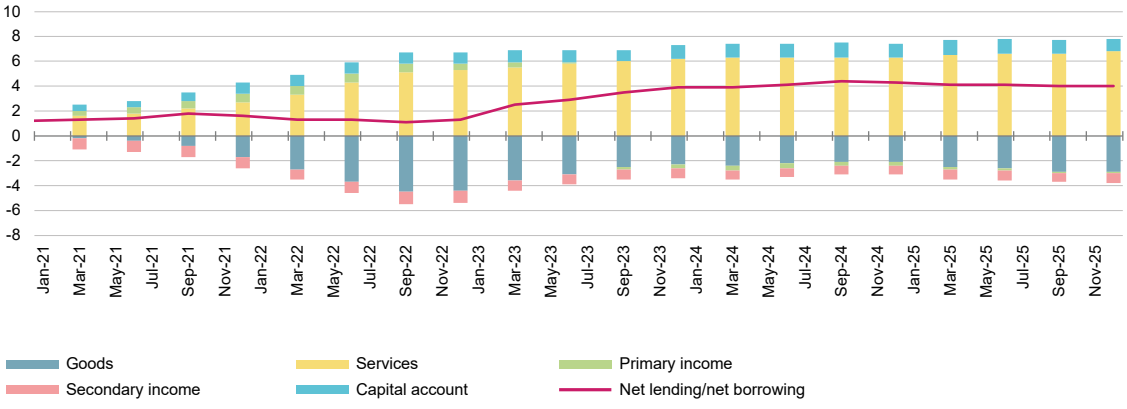
1 Quarterly GDP, by component



2 Social security registrations

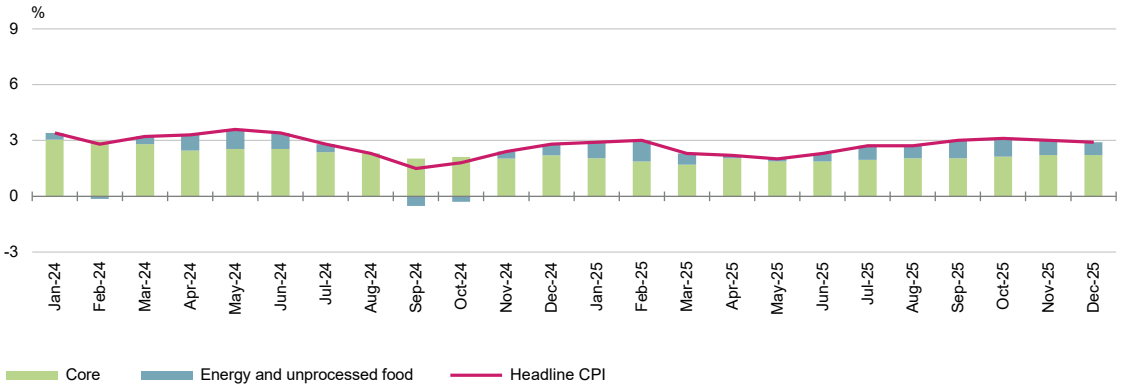


3 Balance of payments



SOURCES: INE, Ministerio de Inclusión, Seguridad Social y Migraciones and Ministerio de Asuntos Económicos y Transformación Digital.

Chart 2.2 Breakdown of the inflation rate (year-on-year rate of change)



SOURCE: INE.

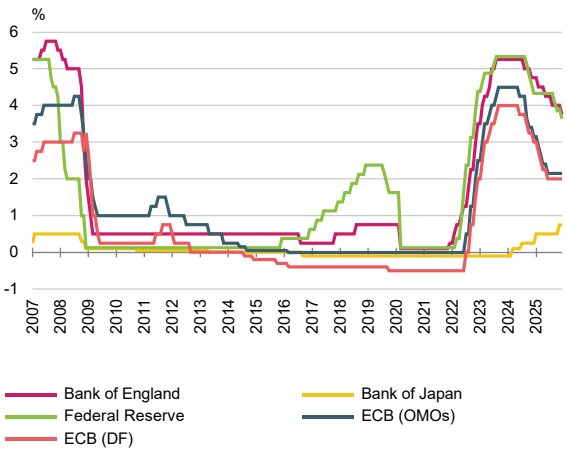
Employment once again stood at all-time highs, outpacing the previous year's figures. 2025 ended with 21.84 million social security registrations (21.87 million in seasonally adjusted terms in December). Employment rose by 506,451. As a result, by end-2025 the unemployment rate had fallen to 9.9% (Chart A1.1 of Annex 1), the lowest figure since 2008.

In Europe, the euro area economy continued to improve moderately and the shift towards a looser monetary policy stance took hold. In 2025 euro area GDP grew by 1.5%, compared with 0.9% in 2024. This confirms a gradual recovery, but is still insufficient to be considered fully robust growth. Growth was driven mainly by stronger domestic demand, especially private consumption, and the sound performance of services, while the external sector made a more subdued contribution. In Spain, lower policy rates drove down the cost of borrowing for households and firms in 2025, as it did in 2024, which explains the increase in new lending in both segments and the steady recovery in the stock of outstanding loans to households. The non-performing loan ratio remained at low levels and ended the year on a downward trend, to stand at 2.8% of all lending to households, firms and the self-employed (see Section 3.1 for more details).

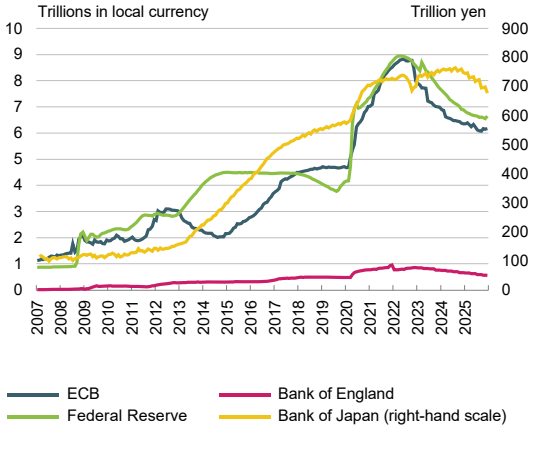
The Spanish economy's core internal and external metrics performed well in 2025. While the Spanish economy's net lending declined 0.3 pp in 2025 (from 4.3% in 2024 to 4.0%), it remained close to levels not seen since the 1960s. The current account balance amounted to 2.9% of GDP (down from 3.2% in 2024). This was underpinned by the services surplus (with the non-travel services surplus improving from 2% to 2.6%, while the travel services surplus remained at very high levels, 4.2%, compared with 4.3% in 2024). The capital account balance amounted to 1% of GDP. In 2025 Q4 Spain's negative net international investment position stood at -44.8% of GDP, in line with its recent levels (-44.2% of GDP on average from 2024 Q1 to 2025 Q3). Turning to the core internal metrics, the deleveraging process continued, with private debt declining from 107.2% of GDP in 2024 to

Chart 2.3 Central banks

1 Main central banks' policy interest rates



2 Size of main central banks' balance sheets



SOURCES: ECB, Federal Reserve System, Bank of England and Bank of Japan.
NOTE: DF: deposit facility; OMOs: open market operations.

105.4% in 2025. The ratios declined to 42.8% of GDP for households and 62.6% for firms, their lowest levels in the last 25 years. This decrease is attributable mainly to nominal GDP growth.

Spain recorded year-on-year CPI inflation of 2.9% in December 2025, up 0.1 pp from the 2.8% recorded in December 2024. Price developments reflected stickiness rather than a broad-based acceleration. The contribution of core inflation increased gradually from Q2 onwards, while the energy component fluctuated and ended December with a year-on-year rate lower than a year earlier.

The government deficit fell from 3.2% in 2024 to 2.4% in 2025 (or 2.2% excluding the aid related to the October flash floods), driven mainly by higher revenue, in relative and absolute terms. Tax revenue in cash terms was again at record levels (€325,356 million, up 10.4% on the 2024 figure), thanks to stronger economic activity. Consumption tax bases grew more strongly than a year earlier, while those related to income slowed. As a result of the high growth in tax revenue, resources according to the national accounts rose by 0.7 pp compared with 2023. In GDP terms, government expenditure ended 2025 0.1 pp down on a year earlier. However, excluding the flash flood-related aid, such expenditure would have been 0.3 pp lower.

These developments meant the government debt ratio continued on its downward path, reaching 100.7% of GDP at end-2025 (Chart A1.1 of Annex 1), its lowest level since 2020. Net sovereign issuance decreased to €54,775 million in 2025, €5 billion less than expected at the beginning of the year, with gross issuance at €274,017 million, up €14,652 million on 2024, owing to the higher volume of redemptions in 2025. In 2025 the cost of new debt issuance eased

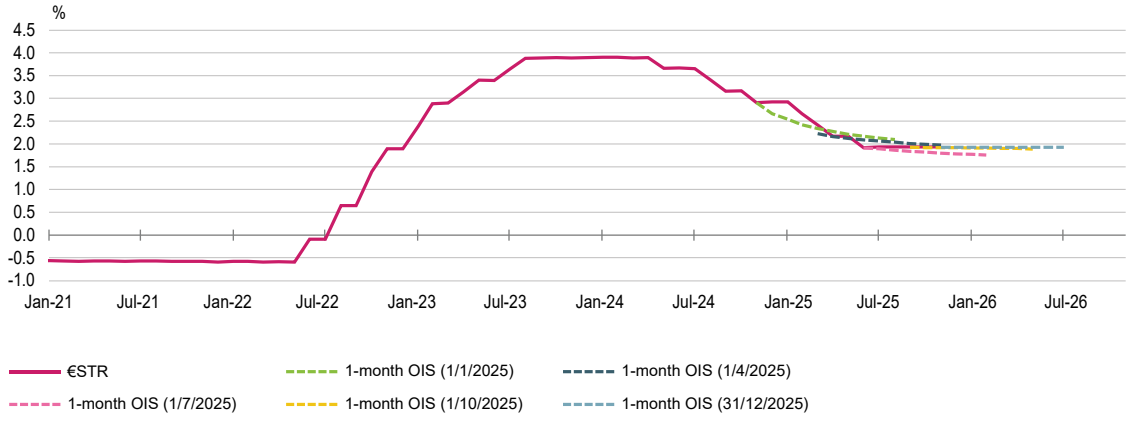
to 2.70% (in line with the decline in the European Central Bank's (ECB) key interest rates and disinflation in the euro area), down 74 basis points (bp) on 2023 (3.44%) and 46 bp on 2024 (3.16%), consolidating the downward trend that began in 2023.

2.2 Money markets and central banks

In 2025 the main central banks, except for the Bank of Japan, loosened their tight monetary policy stances to a neutral position, combining interest rate cuts with composition adjustments through balance sheet reduction. In 2025 central banks continued the monetary policy cycle shift that began in 2024, although they gradually moderated the intensity of the adjustment. Both the Federal Reserve (-75 bp) and the ECB (-100 bp) reduced policy rates (to 3.75% and 2%, respectively), and both reduced their balance sheets by 3% in nominal terms. Meanwhile, the Bank of England also cut its rates by 100 bp, but reduced its balance sheet by 15%, in line with the reduction of 13% in 2024. In pursuit of monetary policy normalisation, the Bank of Japan opted to raise its reference interest rate by 50 bp to 0.75% and reduced its balance sheet by 9%.

In 2025 the Eurosystem cut interest rates by 100 bp, continuing the easing cycle that began in June 2024, with the entire adjustment concentrated in the first half of the year. The ECB Governing Council cut rates four times between January and June, bringing the deposit facility rate to 2%, and opted to pause the adjustment at its July, September, October and December meetings. Thus, at

Chart 2.4 Changes in the €STR and future outlook based on 1-month forward OIS agreements (a)

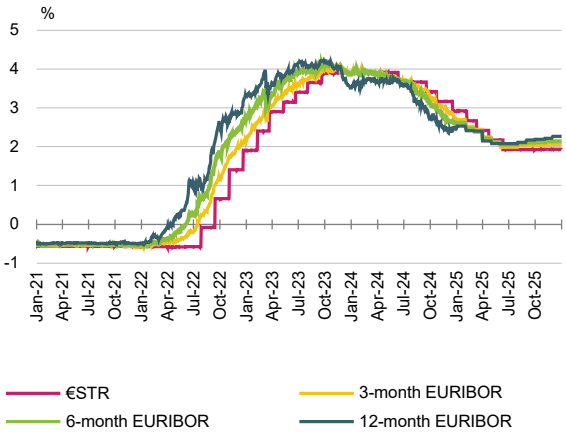


SOURCES: Refinitiv and AMCESFI.

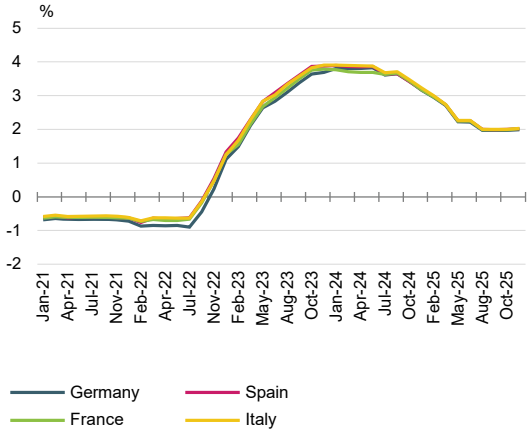
a The different dotted lines show the implied future rates in an €STR-based overnight index swap (OIS) that were quoted on the market on the dates indicated.

Chart 2.5 Reference money market interest rates

1 Reference unsecured money market interest rates



2 Reference secured money market interest rates, by country (a)



SOURCES: ECB (Money Market Statistical Reporting) and Refinitiv.

a For overnight transactions.

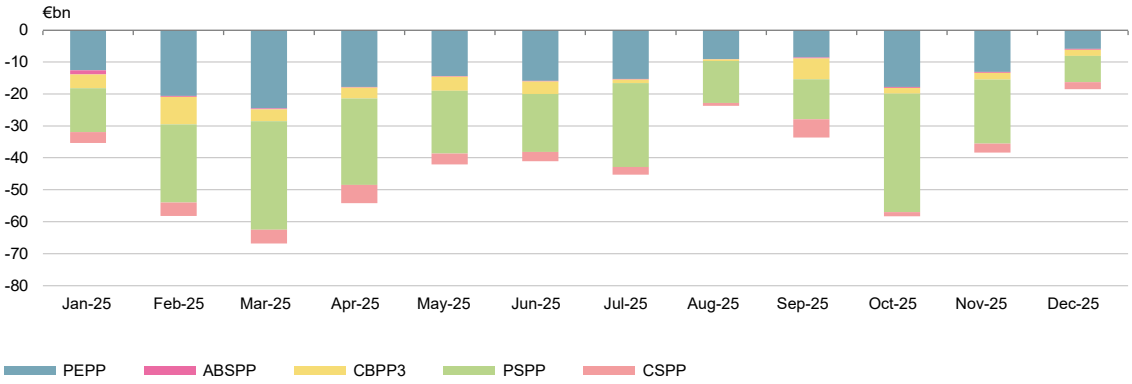
end-2025 the policy rates stood at 2% for the deposit facility, 2.15% for the main refinancing operations and 2.4% for the marginal lending facility.

The ECB's 2025 strategy review updated the 2021 framework to address a more volatile environment marked by high inflation, supply shocks and structural transformations such as artificial intelligence. In this update, the ECB reaffirmed its symmetric 2% inflation target over the medium term and clarified that it will combat upside and downside deviations with the same force in order to prevent inflation expectations from becoming de-anchored. To manage the current uncertainty, the Governing Council formally integrated scenario analysis into its decision-making and established a clear hierarchy of instruments, with interest rates regaining their central role as the main tool, while balance sheet measures remain secondary options or tools to support monetary policy transmission. Lastly, the strategy strengthens the commitment to include owner-occupied housing costs in the measure of inflation and to integrate climate risks into its policy, with the next assessment planned for 2030.

The expected path of Eurosystem policy rates remained consistent in 2025, converging towards around 2%, with an upward change in trend during Q4. The swaps segment of the money market, which rests partly on the overnight interest rate (the €STR in the euro area),[2] is used mainly for hedging risks (in the form of spot and forward contracts) and speculating on the path of policy interest

2 The euro short-term rate. It was designed to reflect the cost for banks to borrow at very short maturities (overnight) from different counterparties without providing collateral. Such counterparties may be banks, money market funds, investment or pension funds and other financial actors such as central banks.

Chart 2.6 Net Eurosystem asset purchases, by programme



SOURCE: ECB.
NOTE: The asset purchase programme (APP) comprises the public sector purchase programme (PSPP), the third covered bond purchase programme (CBPP3), the corporate sector purchase programme (CSPP), the asset-backed securities purchase programme (ABSPP) and the pandemic emergency purchase programme (PEPP).

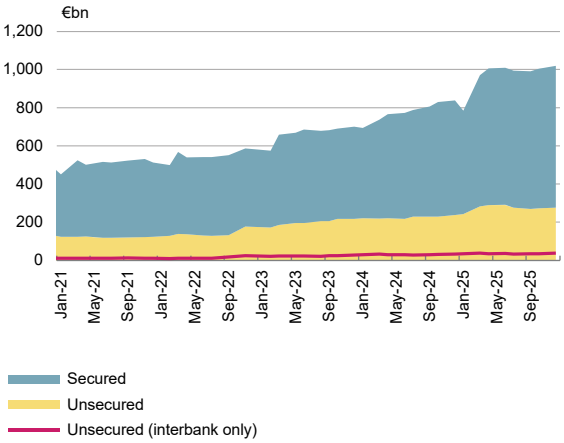
rates (in the form of forward contracts). The various forward curves show a clear stabilisation in expectations for interest rate cuts in 2025, with a slight increase in the interest rates implied by overnight index swap (OIS) forwards from October onwards (Chart 2.4). In December, the OIS futures market was pricing in a terminal policy (deposit facility) rate of 2.05%.

Money market interest rates recorded marked declines in 2025 and subsequently stabilised in the secured market while increasing in the unsecured market, reflecting higher inflation expectations. The overnight rate (€STR), determined in the unsecured segment, followed movements in the deposit facility rate with a stable spread of -8 bp, owing to the composition of the transactions used to calculate the €STR and the nature of the agents that can access the ECB's transactions. EURIBOR rates at different maturities moved in line with the decline in benchmark rates, but began to diverge upwards from the second half of the year onwards. This decoupling reflects a rise in the liquidity premium due to this premium declining in the market after monetary policy normalisation and an increase in geopolitical uncertainty. The shift in the monetary policy stance also passed through to rates in the secured (or repo) segment, but in this case rates ended 2025 at the level of the deposit facility rate (2%), mainly owing to excess demand for safe assets as collateral.

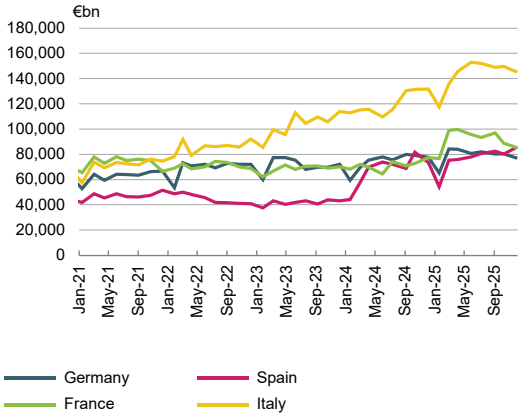
The ECB continued its quantitative tightening process launched in 2023, achieving quantitative normalisation following the full repayment of the targeted longer-term refinancing operations (TLTROs) and the net reduction in holdings under asset purchase programmes. The TLTROs were fully repaid at the end of 2024 and in 2025 the holdings under the various purchase programmes were further reduced as principal repayments were no longer reinvested. In 2025 the net holdings of the Pandemic Emergency Purchase Programme (PEPP)

Chart 2.7 Money market financing

1 Average daily volume of transactions in the EU money market, by segment



2 Total lending to banks in selected countries



SOURCE: ECB (Money Market Statistical Reporting).

declined by €175 billion (Chart 2.6). Meanwhile, total net asset purchases under the ordinary purchase programmes (Asset Purchase Programme, APP) fell by €340 billion overall, of which the €255 billion decline under the Public Sector Purchase Programme (PSPP) was particularly significant. The Eurosystem's total holdings of Spanish government debt at December 2025 stood at €414,990 million, representing 27% of the outstanding debt.

The volume of secured money market transactions increased by €143 billion in 2025, owing to lower excess liquidity, greater availability of collateral and active operations aimed at complying with regulatory liquidity requirements. The ECB maintaining its balance sheet reduction policy forced banks to seek market-based funding. This was reflected on the money markets, where average daily transaction volumes were up 16% for unsecured transactions overall, 12% for unsecured transactions in the interbank market (for example, interbank deposits) and 24% for secured transactions (repos). Banks in Italy continued to make greater use of money market financing than their counterparts in other countries such as France and Germany, although the use of such financing has been trending downward in all three countries since the peak recorded in early 2025 (Chart 2.7). By contrast, in Spain the trend is upward, with total lending to banks amounting to €86 billion at end-2025.

Box 2.A Rising geopolitical risk

Geopolitical tensions have intensified considerably in recent years. Russia's invasion of Ukraine in 2022 marked the end of almost a decade during which the level of geopolitical risk perceived in Spain and Europe had been relatively moderate. Since then, the prolonged military conflict in Ukraine, Hamas's attack on Israel in October 2023 and Israel's subsequent invasion of Gaza and, more recently, the US-Israeli war on Iran have ensured that geopolitical risks continue to occupy a prominent position in the global risk map. This environment is characterised by high uncertainty, increased geoeconomic fragmentation and a greater likelihood of adverse disruptions affecting financial markets, global supply chains and energy and commodity prices, with potentially significant implications for economic activity and financial stability.

The various indicators of geopolitical uncertainty available confirm the recent increase in the importance of geopolitical risks. The most commonly used indicator is that of Caldara and Iacoviello (2022),[1] which calculates the percentage of articles in a set of US newspapers that refer to adverse geopolitical events. After remaining below its historical average almost continuously between 2006 and 2021, this indicator increased sharply in 2022 and has since recorded four episodes in which it exceeded its mean by two standard deviations (Chart 2.A.1.1). Focusing on Spain, the bilateral geopolitical risk indicators of Alonso-Alvarez, Bukina, Diakonova, Khitarishvili, Pérez and Piqueras (2026)[2] confirm this time profile (Chart 2.A.1.2) and also show that the latest increases are due above all to the risk component related to the Middle East. Using more sophisticated methodologies based on AI techniques, the retrieval-augmented uncertainty indicators of geopolitical tensions developed by Ghomi and Hurtado (2026)[3,4] also identify an increase in the weight and level of uncertainty reflected in Spanish press articles since 2022, although in this case the increase compared with the previous situation is of just one standard deviation (Chart 2.A.1.3).

These conflicts have had a substantial impact on energy prices. Russia's attack on Ukraine pushed oil prices above $100 per barrel and multiplied natural gas prices by more than ten, generating inflationary pressures and persistent problems in global value chains. The war in Iran has caused a similar increase in oil prices and comparable supply disruptions in fertilisers and products such as helium and neon, industrial gases that are critical for semiconductor manufacturing. In addition, due to its effects on key shipping routes and fuel prices, the disruption to global production chains could be amplified, affecting transport costs for all manner of inputs.

1 Dario Caldara and Matteo Iacoviello. (2022). "Measuring Geopolitical Risk", *American Economic Review,* 112(4).

2 Irma Alonso-Alvarez, Ekaterina Bukina, Marina Diakonova, Nino Khitarishvili, Javier J. Pérez and Pedro Piqueras. (2026). "Geopolitical risk: a database of general and bilateral indices". Documentos de Trabajo, 2603, Banco de España.

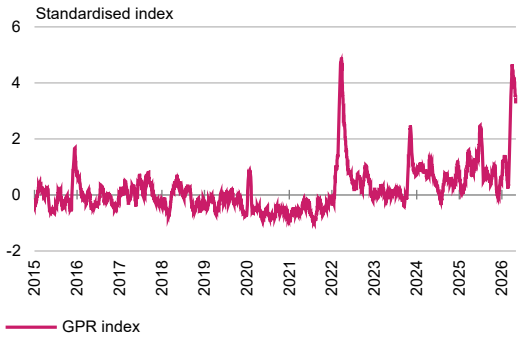
3 Morteza Ghomi and Samuel Hurtado. (2026). "RAUI: uncertainty indicators built with artificial intelligence". Documentos de Trabajo, 2609, Banco de España.

4 Traditional methodologies rely on dictionaries to analyse press articles (words indicating that an article concerns geopolitics and words indicating a high degree of uncertainty). The RAUI (retrieval-augmented uncertainty indicators) use an embedding model to select articles concerning geopolitics through semantic search and a large language model (GPT-4o-mini) to assess the level of uncertainty in each selected article.

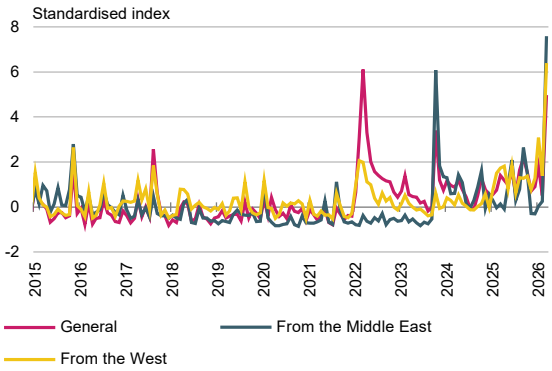
Box 2.A Rising geopolitical risk (cont'd)

Chart 2.A.1 Geopolitical uncertainty indices have risen since 2022

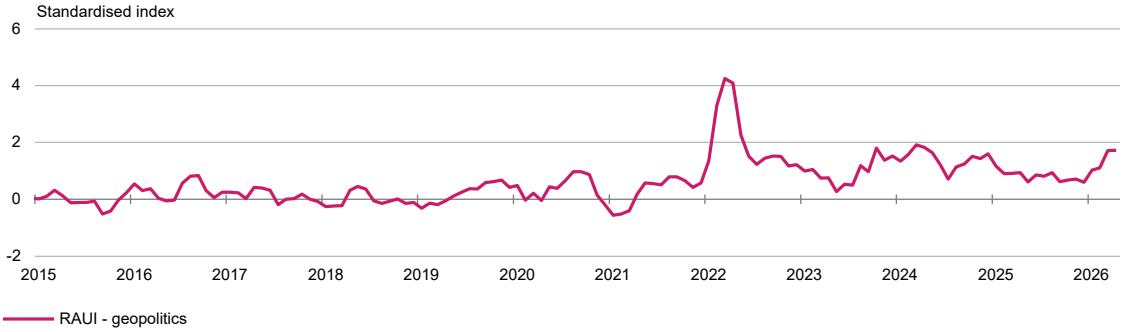
1 Geopolitical risk index (a)



2 Bilateral GPR indices for Spain (b)



3 RAUI - geopolitics (c)



SOURCES: Caldara and Iacoviello (2022), Alonso-Alvarez, Bukina, Diakonova, Khitarishvili Pérez, and Piqueras (2026) and Ghomi and Hurtado (2026).

a The general geopolitical risk (GPR) index shows geopolitical risk perceived for Spain, regardless of the source of risk.
b The bilateral GPR index measures the extent to which the geopolitical risk perceived in a country is associated with events arising in another country or region. Unlike the aggregate GPR index (which reflects the overall intensity of news on geopolitical risk that are relevant for a country), the bilateral index breaks down this perception by geographical origin. Methodologically, the bilateral GPR index is constructed by identifying, within the set of articles contributing to the national GPR, those which explicitly mention a specific country or region (e.g. Russia, China or the Middle East and North Africa). The resulting index thus quantifies how much each external area contributed to the perceived geopolitical risk in a given country, thereby allowing for analysis of the relative exposure to different international sources of tension. See Alonso-Álvarez, Bukina, Diakonova, Khitarishvili, Pérez and Piqueras (2026) for a detailed description of the methodology.
c The RAUI use artificial intelligence techniques (an embedding model to select relevant news via a semantic search and a large language model to assess the level of uncertainty in each news article) to quantify the level of uncertainty in Spanish press articles on different topics.

Greater geopolitical uncertainty has sizeable effects on macroeconomic and financial variables. In the vector autoregression analysis in Ghomi and Hurtado (2026), the international uncertainty component (to which geopolitical risks contribute with a coefficient of 0.41) generates significant effects on industrial output, interest rates and stock market valuations.[5]

5 In particular, the increase of more than one standard deviation in the level of the geopolitical uncertainty indicator between the average for 2015-21 and the average for 2022-26 has prompted in this period a decrease of more than 0.5 pp in industrial output in Spain and a persistent decline in the level of the IBEX 35 of approximately 1%.

Box 2.A Rising geopolitical risk (cont'd)

These macro-financial disruptions are important from a financial stability perspective because they affect the solvency, profitability and liquidity of the financial system. For banks, in addition to generating valuation losses on securities portfolios, a setting of greater geopolitical uncertainty and weaker economic activity tends to worsen the credit quality of households and firms, increasing the probability of default and provisioning needs. For investment funds, persistent falls in stock prices and increased risk aversion may trigger significant capital outflows, amplifying liquidity strains and fostering procyclical fire sales. For insurance undertakings and pension funds, the negative effects of these episodes would mainly be concentrated on the asset side through lower returns and higher unrealised losses in financial portfolios. In turn, these channels may reinforce each other and generate negative externalities across different segments of the financial system, increasing aggregate vulnerability to adverse shocks.

3 Financial system sectoral developments and macroprudential policy

3.1 Banking sector and macroprudential policy

The Spanish banking sector's intermediation activity grew in 2025. This increased activity was driven by lending in Spain, which grew in the household and firm segments, while credit quality also improved. The cost of funds declined, in line with the reduction in reference interest rates, albeit to a lesser extent. Meanwhile, liquidity ratios remained well above the required thresholds.

Profitability increased again, although by less than in recent years, to stand at historically high levels. Nevertheless, part of the improvement was attributable to one-off factors, such as the smaller adjustment for hyperinflation in certain international businesses. Against a backdrop of lower reference interest rates, net interest income declined relative to 2024, owing to a narrowing of the net interest margin (reducing the intensive margin, i.e. the spread between the interest rate charged on loans and that paid on liabilities), which was only partially mitigated by the growth in intermediation volumes (increasing the extensive margin).

Solvency continued to improve in 2025, while the liquidity position remained stable. The CET1 capital ratio improved in 2025 while the leverage ratio held steady, with both metrics standing at comfortable levels relative to regulatory requirements.

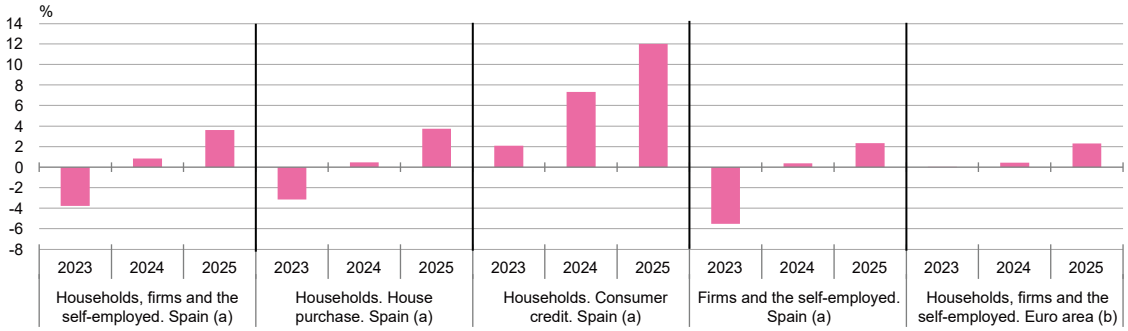
Lending developments in business in Spain and abroad

In 2025 bank lending to households, firms and the self-employed in Spain continued to expand, consolidating the rising trend of 2024. The outstanding stock of credit grew by 3.6% over the year as a whole, compared with 0.8% in 2024 (Chart 3.1.1, panel 1). This growth was observed both in loans to firms and the self-employed and, especially, in lending to households, with lending activity gaining momentum across most institutions in the fourth quarter. Lending to firms and the self-employed grew by 2.3%, up from 0.4% in 2024, while credit to households increased by 4.6% (from 1.2% in 2024), the strongest rate of growth since 2008.

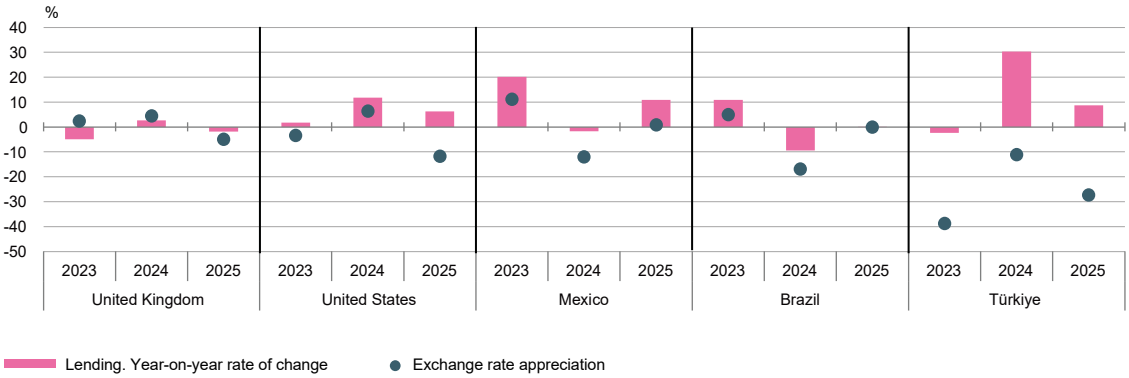
Lending to firms and the self-employed improved across all sectors. In particular, lending in the construction and real estate sectors grew by 1.4%, similar

Chart 3.1.1 Change in the stock of lending in Spain and abroad

1 Year-on-year rate of change in lending in Spain and the euro area. Domestic business. Individual data



2 Year-on-year rate of change in lending to households, firms and the self-employed abroad, expressed in euro (c), and exchange rate appreciation (d). Consolidated data



SOURCE: Banco de España.

a Lending by Spanish banks to residents in Spain.
b Lending by euro area banks to residents in the bank's home country.
c Lending by Spanish banks in the country indicated.
d A positive (negative) value indicates an appreciation (depreciation) of the local currency against the euro.

to the figure for 2024 (1.2%). ICO-backed credit linked to the COVID-19 pandemic shrank by 37.8% compared with the previous year.[3]

In the household segment, there was growth in both loans for house purchase and consumer credit. In 2025 loans for house purchase increased by 3.7% year-on-year, substantially more than in 2024 (0.5%). Growth in consumer credit, which stood at 7.3% in 2024, accelerated to 12% in 2025. Other lending to households,[4] which accounts for just over 6% of the total, decreased by 0.9%.

3 Since this guarantee facility is now closed to new lending, the stock of such loans will decrease as the performing loans are repaid.
4 This item includes the acquisition of land and securities, debt consolidation and other unspecified purposes.

Lending extended by Spanish banks to households, firms and the self-employed in foreign markets also increased. Banks' lending to foreign counterparties grew by 5.6% in 2025 (in euro terms), in line with 2024 (6.1%), with notable expansion in Mexico, Türkiye and the United States. The growth in Mexico, which accounts for more than 11% of business abroad, stood at 10.8%, against the backdrop of a stable peso. In Türkiye, lending grew by 8.8% despite the sharp depreciation of the lira. In the United States, credit increased by 6.3%, similarly despite the dollar's depreciation against the euro. In other material markets, lending declined moderately in the United Kingdom and stabilised in Brazil (Chart 3.1.1, panel 2).

The non-performing loan (NPL)[5] and stage 2[6] ratios for loans to households, firms and the self-employed declined over the year, against a backdrop of activity and employment growth. This owed both to a decrease in the stock of loans classified as non-performing or stage 2 (the numerator) and, to a lesser extent, to the growth in total lending (the denominator), and was broad-based across portfolios. Thus, the NPL ratio at end-2025 stood at 2.8%, down by 0.6 percentage points (pp) on 2024. The NPL ratio for firms and the self-employed stood at 3.6% (-0.7 pp), while for households it fell to 2.1% (-0.6 pp), with improvements in both lending for house purchase (-0.5 pp, to 1.7%) and other lending (-0.6 pp, to 4%). The stage 2 ratio fell to 5.8% in December 2025 (-0.8 pp), with declines in loans to firms and the self-employed (-1.3 pp, to 7.1%), and loans to households (-0.3 pp, to 4.9%) (Chart 3.1.2, panel 1).[7]

In business in Spain, refinancing and restructuring transactions, as well as foreclosed assets, declined further in 2025, extending the downward trend observed in previous years. Refinanced or restructured loans decreased by 23.2% year-on-year, falling by 3.1 pp more than in 2024. This reduction was especially marked in loans to firms and the self-employed (-24.9%). For households, the decline amounted to 21.5%, 3.3 pp more than in 2024. Foreclosed assets stood at €11.14 billion in December 2025, having dropped by a further 16.6% during the year.

In business abroad, the aggregate NPL ratio was unchanged from 2024, although there were significant cross-country differences. Panel 2 of Chart 3.1.2 shows the ratios in the main jurisdictions where Spanish banks operate. There were particularly notable declines in the United States and the

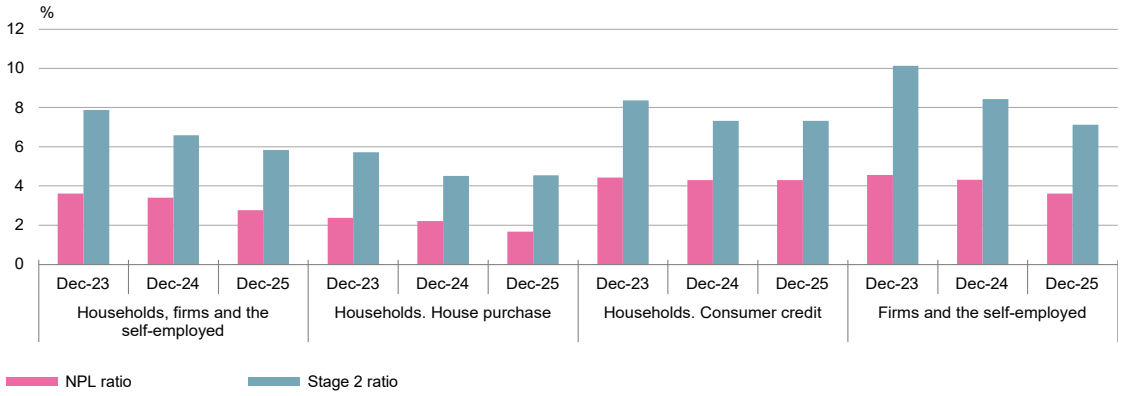
5 NPLs are those for which there is a significant probability of default by the debtor, either because they are more than 90 days past due on a principal or interest repayment or because there is reasonable doubt regarding their ability to meet their obligations, even if they have not fallen due.

6 Stage 2 loans are loans that are not "non-performing" but that show signs of impairment in the debtor's financial position or in the loan's credit quality.

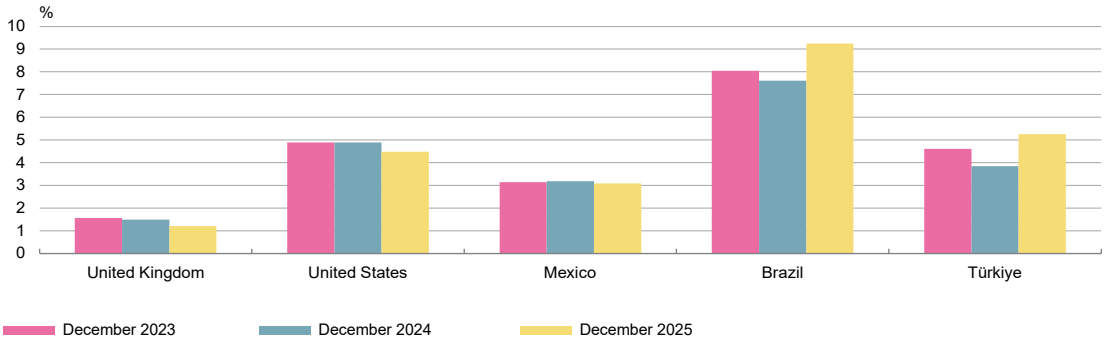
7 Refinancing is granted to facilitate the compliance of borrowers in financial difficulties with one or more (refinanced) transactions; restructuring is where the contractual terms are amended to facilitate payment of the debt due to the borrower's difficulty to pay. By contrast, renegotiation is where the financial conditions are amended without the borrower being in financial difficulties, and a roll-over is a loan arranged to replace another previously extended by the bank without the borrower being in financial difficulties.

Chart 3.1.2 Troubled assets in Spain and abroad

1 NPL and stage 2 ratios. Business in Spain. Individual data



2 NPL ratio in material countries for the Spanish banking sector
Consolidated data (a)



SOURCE: Banco de España.

a Data for lending to the resident private sector by Spanish banks in material foreign countries.

United Kingdom, with ratios of 4.5% and 1.2%, respectively, in December 2025. In Mexico the NPL ratio stood at 3.1%, broadly unchanged from a year earlier, while it rose to 5.3% in Türkiye and 9.3% in Brazil.

Financing conditions and liquidity

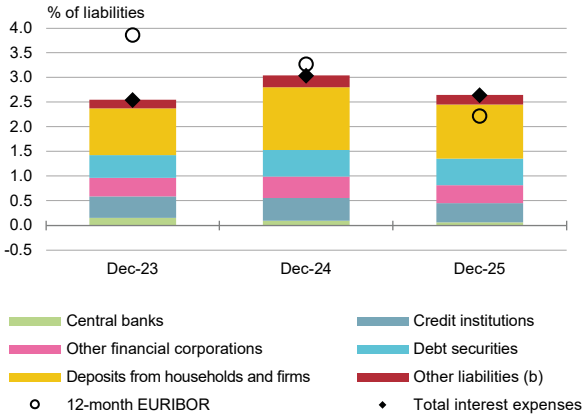
The average cost of bank liabilities fell in 2025 as monetary policy rates fell. The average cost of liabilities stood at 2.6% in 2025, down from 3% in 2024 (Chart 3.1.3, panel 1). All funding sources contributed to this decline, with the exception of debt issuance, whose contribution held unchanged. The largest reduction was observed in the remuneration of deposits from households and firms.

The sharper decline in reference rates reversed the advantage in average funding costs that Spanish banks had enjoyed in recent years. The banking

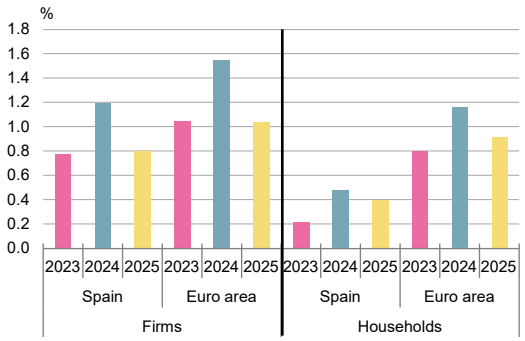
sector's average funding cost dropped in 2025, but reference interest rates fell more sharply, ultimately eliminating the favourable spread that Spanish banks had benefited from previously (i.e. average funding costs below interbank market rates). In other words, although banks succeeded in lowering their funding costs, reference rates declined to a greater extent, turning the previously favourable spread into an adverse one. This reflects the predominance of the retail funding model, which insulated funding costs from the pass-through of rising policy rates and helped keep them relatively low during the tightening phase, but which has also led to a less pronounced adjustment as interest rates fell.

Chart 3.1.3 Cost of funding and liquidity ratios

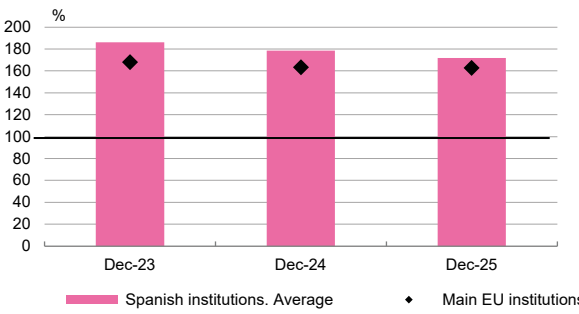
1 Interest expenses on funding. Consolidated data (a)



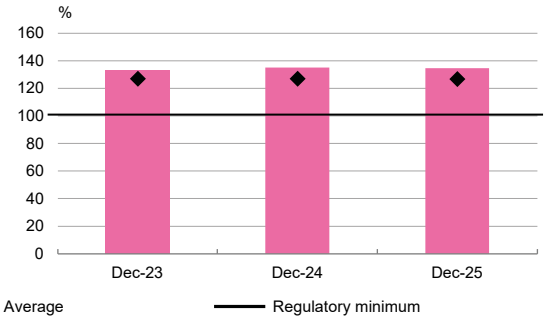
2 Average cost of deposits from households and firms. Domestic business



3 Liquidity coverage ratio. Consolidated data (c)



4 Net stable funding ratio. Consolidated data (d)



SOURCE: Banco de España.

a Interest expenses include net expenses associated with deposits (disaggregated by counterparty), debt securities issued and other bank liabilities. Includes deposits by households, non-profit institutions serving households, non-financial corporations, sole proprietors and general government.
b Includes interest paid on liabilities to general government and other interest expenses associated with other financial liabilities and other liabilities.
c The liquidity coverage ratio is defined as the ratio between a bank's unencumbered assets and the potential net liquidity outflows during a stress period lasting 30 calendar days. The black line denotes a level of 100%, above which banks hold sufficient liquid assets to cover potential liquidity outflows under a stress scenario.
d The net stable funding ratio is defined as the ratio of a bank's available stable funding to its required stable funding for a period of one year. The black line denotes a level of 100%, above which banks hold sufficient stable funding to meet their funding requirements over a period of one year under both normal and stressed conditions.

At consolidated level, the average cost of deposits from households and firms stood at 1.9% in 2025, down from 2.2% in 2024. Despite a smaller reduction in unit terms than that observed for other funding sources, due to the limited pass-through of lower reference rates, the cost remains notably below that of banks' other funding options.

In business in Spain, the average remuneration of household and corporate deposits also declined, remaining below that observed for euro area banks as a whole. For Spanish banks, the average remuneration of deposits from firms stood at 0.8% in 2025, compared with 1.2% in 2024 and 1% for euro area banks overall. The average remuneration of household deposits also decreased, albeit less markedly, in part due to its already low starting level. In 2025 the average cost of such deposits was 0.4%, compared with 0.5% in 2024 and well below the 0.9% observed for euro area banks as a whole (Chart 3.1.3, panel 2). This was supported by a slight increase in the share of sight deposits in total deposits, rising to 84% in December 2025, up by 1 pp on a year earlier.

The average cost of banks' debt securities held stable, while total new issuance volumes declined compared with 2024. The average cost of debt securities issued by Spanish banks stood at 4.3% in 2025, in line with the previous year. The build-up of instruments to meet resolution requirements reduced banks' need for new issuances in 2025 (see Box 3.A for a detailed analysis of the characteristics of past issuances).

Spanish banks' cost of equity decreased further in 2025, to around 8.2% at year-end, down from an estimated 9.7% at end-2024. This is lower than the average cost of equity for European banks (8.9%)[8] and stands significantly below the Spanish banking sector's return on equity (ROE) of 14.3%, indicating its capacity to generate value.

The liquidity position remained comfortable, well above the required thresholds. In December 2025 the aggregate liquidity coverage ratio (LCR) for Spanish banks stood at 171.9%, down from 178.6% a year earlier. Despite this decline, the ratio remains well above the 100% regulatory minimum. In addition, the LCR for the major Spanish banks (161.8%) is broadly in line with the average recorded by their peers in the main European banking systems (163.1%) (Chart 3.1.3, panel 3). The net stable funding ratio (NSFR) was 134.7%, virtually unchanged from 135% in December 2024. The ratio for Spain's significant institutions (132.5%) was higher than the average for their European peers (126.9%) (Chart 3.1.3, panel 4).

8 The cost of equity is the return investors demand for buying a firm's shares. It is unobservable and its estimation is subject to significant uncertainty. The value presented here is the average value and the minimum-maximum range of four dividend discount models, calculated as the weighted average estimate for the main Spanish listed banks. See Luis Fernández Lafuerza and Mariya Melnychuk. (2024). "Revisiting the estimation of the cost of equity of euro area banks". *Financial Stability Review - Banco de España,* Issue 46, pp. 25-46.

Profitability

The Spanish banking sector's profitability continued to improve in 2025, albeit less than in recent years. In 2025 the sector's consolidated profit stood at €42 billion, an increase of 6% on 2024, with return on assets (ROA) standing at 0.95% (up from 0.93% in 2024) (Chart 3.1.4, panel 1). Net interest income fell in 2025, although the pace of this year-on-year decline eased over the course of the year. The drop in net interest income was attributable to lower net interest margins. In other words, the negative effect of the decline in net interest margins (narrowing of the intensive margin) outweighed the positive effect of higher business volumes (widening of the extensive margin) driven by credit growth (see the section on lending developments and Chart 3.1.1). This was seen at consolidated level and also in business in Spain.

The favourable performance of various income statement headings offset the drop in net interest income. Notable among the components that contributed to profitability growth were higher net fee and commission income, the reduction in various impairment charges, lower taxes and growth in other operating income.[9] Some of these are one-off items, meaning their positive contribution to profitability may not be sustained in the coming years. Meanwhile, growth in operating expenses and impairment losses on financial assets contributed negatively to bank profitability, although the effect was limited.

Profitability improved both in Spain and in the business abroad of the main banks with a significant international presence. In 2025 these banks reported higher profits in several of their main foreign markets, most notably in the United States and Türkiye and, to a lesser extent, in the United Kingdom, while profits declined in Brazil and edged down in Mexico (Chart 3.1.4, panel 2). Nevertheless, Mexico remained the largest contributor to these banks' profits abroad, followed by Brazil, the United Kingdom, the United States and Türkiye.

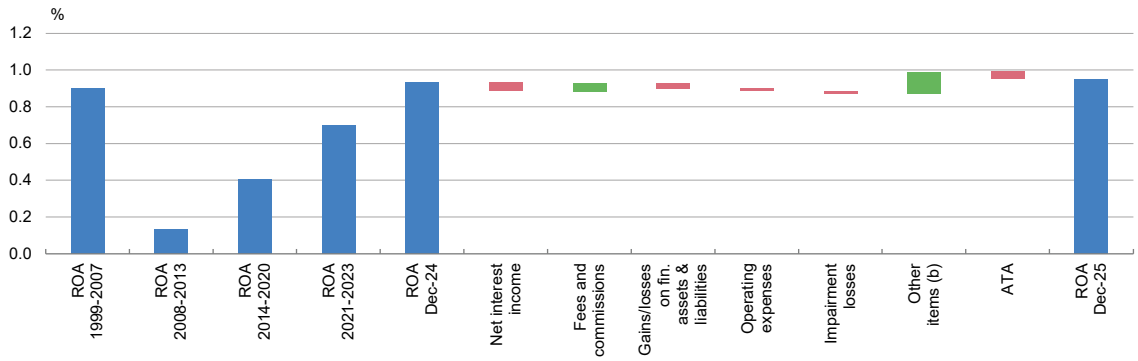
Solvency

The common equity tier 1 (CET1) ratio rose by 0.5 pp in 2025, to 13.9%. This owed to year-on-year growth in CET1 capital, the numerator of the ratio, which contributed 0.6 pp to the overall increase and was driven mainly by the positive contribution made by profits generated in 2025. As for the denominator, risk-weighted assets (RWAs) increased moderately in 2025, contributing negatively (-0.1 pp) to the change in the ratio. This modest increase in RWAs was due to the rise in total assets, which was largely offset by a reduction in their risk profile, as evidenced by a lower RWA density (Chart 3.1.5, panel 1).

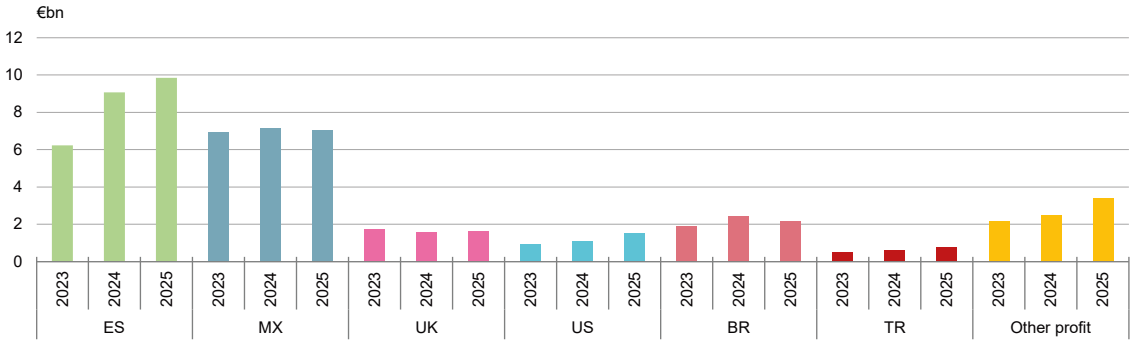
9 The improvement in other operating income was largely due to the smaller adjustment for hyperinflation in business in Argentina and Türkiye.

Chart 3.1.4 Bank profitability

1 Breakdown of change in profit. Consolidated net profit as a percentage of average total assets (ATA) (a)



2 Geographical distribution of ordinary profit attributable to the controlling entities of the three banks with the most business abroad (b). Consolidated data



SOURCES: Banco de España and public financial reports.

a The red (green) bars denote a negative (positive) contribution by the corresponding item to the change in consolidated profit at December 2025 compared with December 2024. The data in each of the different profit items include in December 2025 the amounts of the business affected by the sale of two subsidiaries abroad by two significant institutions (not grouped together under a single heading of profit or loss from discontinued operations). Consequently, the comparison of return on asset (ROA) components between the two periods is not distorted.

b This group includes the three banks with the most significant and longest-standing international presence. Non-recurring items in the period under review are excluded. "Other profit" includes profit generated by the banks' corporate centres.

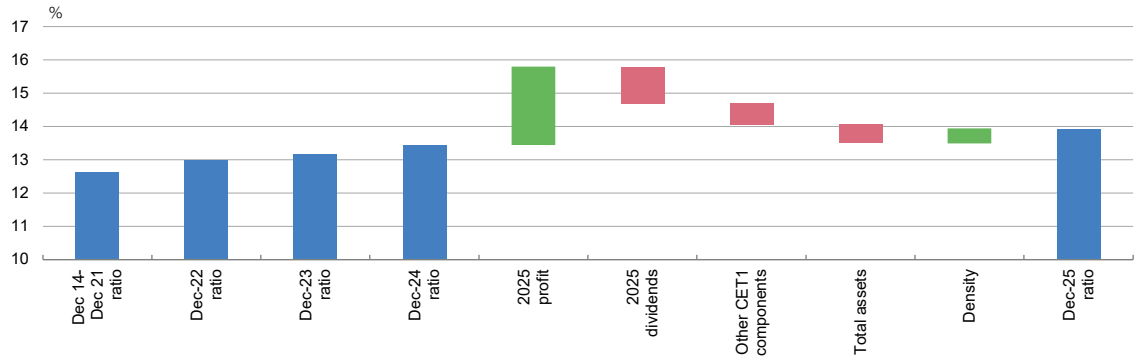
This increase in the CET1 ratio caused the gap with the European average to narrow in 2025. According to European Banking Authority (EBA) data, the spread between the CET1 ratio of the main Spanish institutions and that of their European Union (EU) peers shrank by more than 0.2 pp in 2025, to 3.1 pp at year-end (Chart 3.1.5, panel 2).[10]

The Spanish banking system's leverage ratio remained broadly in line with those of the main European banking systems. The gap with the European average held stable at around 0.5 pp. The difference between the gap measured in terms of the CET1 ratio and that measured using the leverage ratio reflects the Spanish banking system's higher risk density.

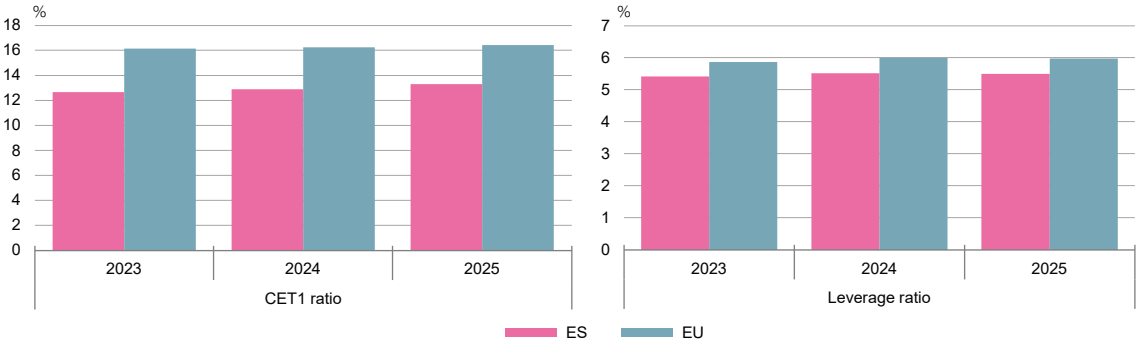
10 Chart 3.1.5 shows differing CET1 ratio figures for Spain in panels 1 and 2. This is because panel 1 covers all deposit institutions, while panel 2 is limited to the sample of main banks used by the EBA (which covers more than 90% of the system's total consolidated assets).

Chart 3.1.5 Bank solvency

1 Breakdown of change in the CET1 ratio (a). Consolidated data



2 European comparison of CET1 and leverage ratios. Consolidated data. 2023-25



SOURCE: Banco de España.

a The CET1 ratio is calculated as the ratio of CET1 to risk-weighted assets (RWAs). CET1 is broken down into its main components. The other CET1 components include capital instruments (which in turn include share buybacks) and accumulated other comprehensive income (which captures, on a cumulative basis, unrealised gains and losses not recognised in the income statement, such as fair value adjustments and hedges), along with minority interests and adjustments to CET1 stemming from prudential filters. RWAs can be calculated as total assets x density, where density is calculated as the ratio of RWAs to total assets. Thus, in the chart, the change in the CET1 ratio is broken down into the change in the main components of 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.

Macroprudential analysis and measures

The Banco de España regularly monitors cyclical systemic risks to inform decisions on the setting of the countercyclical capital buffer (CCyB). The methodological framework used to monitor these risks and calibrate the CCyB consists of two stages: an assessment of the "key indicators" and a subsequent quantitative and qualitative analysis of complementary information.[11] The first phase involves an assessment of the cyclical position of the 16 key indicators, which capture macroeconomic, financial and banking conditions in Spain.

11 For further details on the new framework for setting the CCyB in Spain, see the methodological document published by the Banco de España "Revision of the framework for setting the countercyclical capital buffer in Spain" and Ángel Estrada et al. (2024). "Analysis of cyclical systemic risks in Spain and of their mitigation through countercyclical bank capital requirements". Documentos Ocasionales, 2414, Banco de España.

Each indicator is assigned a risk level based on its position relative to its historical distribution, indicating whether its value is consistent with one of three possible levels of cyclical systemic risk: low (a scenario of risk materialisation), intermediate or high. Once standardised, this set of indicators is aggregated into a single composite indicator. Finally, in the second stage the automatic result of the first stage is reassessed using additional quantitative and qualitative information.

The key indicators of the CCyB framework stood at an intermediate level during 2025. This intermediate position was observed both across the four dimensions into which these indicators[12] are grouped and in the composite indicator aggregating the information (Chart 3.1.6, panel 1). The macroeconomic and banking system indicator categories recorded the highest levels, close to the upper bound of the intermediate risk range. Among the macroeconomic indicators, the output gap (the difference between actual GDP growth and the highest level it could reach without causing inflation) remained in positive values throughout 2025 (Chart 3.1.6, panel 2). The credit-to-GDP gap (a macro-financial indicator that measures the gap between the economy's aggregate debt – the credit-to-GDP ratio – and its long-run trend) increased slightly in 2025 (Chart 3.1.6, panel 2).

With cyclical systemic risks remaining stable at an intermediate level, the initial activation of the CCyB was completed at 0.5%, while progress was made towards its target level of 1%. Specifically, the 0.5% rate announced in October 2024 became binding from 1 October 2025. In addition, against the above-mentioned backdrop of cyclical systemic risks remaining at an intermediate level, and as envisaged in 2024, in the fourth quarter of 2025 the Banco de España approved an increase in the CCyB to 1%, with binding effect from 1 October 2026. This second increase will bring the CCyB to its target rate under the current framework for periods in which cyclical systemic risks are assessed to be at an intermediate level.

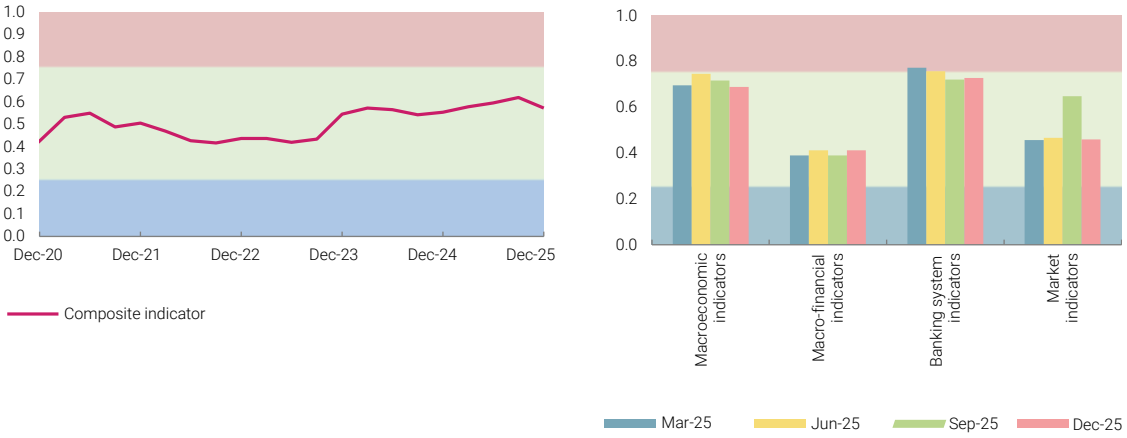
In 2025 the Banco de España conducted its annual review of the list of Spain's systemically important credit institutions. The Banco de España identifies "global systemically important institutions" (G-SIIs) and domestic systemically important institutions, known as "other systemically important institutions" (O-SIIs), based on objective criteria that take into account institutions' size and business model.[13] Each institution identified must meet an additional capital requirement to strengthen its resilience, mitigate the adverse effects that it might have on the global or domestic financial system and encourage a more prudent risk-taking.

12 Macroeconomic, macro-financial, financial market and banking system indicators.

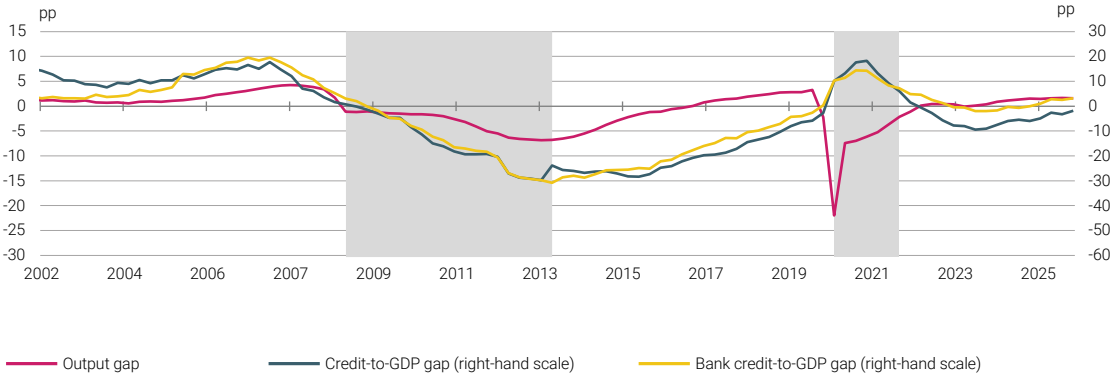
13 Specifically, indicators are used that relate to balance sheet size, interconnectedness with the banking sector and the non-banking financial system, substitutability of the services provided by the institution, the complexity of its activities and the volume of cross-border activity. Similar indicators are used in the methodologies for identifying G-SIIs and O-SIIs.

Chart 3.1.6 Cyclical systemic risks stood at an intermediate level. The output gap and the credit-to-GDP gap held stable in 2025

1 Composite indicators (a)



2 Credit-to-GDP gap and output gap (b)



SOURCES: Banco de España, INE, Datastream and own calculations.

a Data updated as at December 2025. The indicators are defined on a scale of 0 to 1 based on the percentile at which they stand within their historical distribution. The blue (green) [red] range indicates a low (intermediate) [high] level signal of cyclical systemic risks.

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. https://repositorio.bde.es/handle/123456789/6355. 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. See Jorge E. Galán. (2019). "Measuring credit-to-GDP gaps. The Hodrick-Prescott filter revisited". Documentos Ocasionales, 1906, Banco de España. https://repositorio.bde.es/handle/123456789/8807. The bank credit-to-GDP gap is calculated identically to the credit-to-GDP gap, but only taking into account bank lending. Data available up to December 2025. The grey vertical bands denote two periods of economic crisis in Spain since 2009: the systemic banking crisis (2009 Q1 to 2013 Q4) and the economic crisis triggered by the COVID-19 pandemic (2020 Q1 to 2021 Q4).

In 2025 the Banco de España again identified one G-SII and four O-SIIs. The buffers were unchanged in 2025 relative to the previous year, except BBVA's O-SII buffer. In July 2025 the Banco de España announced[14] that the four institutions designated as O-SIIs in 2024 would continue to be classified as such. Their macroprudential capital buffers for 2026 were set at levels similar to those

14 See the Banco de España's press release of 30 July 2025.

Table 3.1.1 2025 capital buffer requirements for systemically important institutions

LEI (a)	Institution	Designation (b)	2025 capital buffer requirement (%)	2026 capital buffer requirement (%)
5493006QMFDDMYWIAM13	Banco Santander, SA	G-SII and O-SII	1.25	1.25 (c)
K8MS7FD7N5Z2WQ51AZ71	Banco Bilbao Vizcaya Argentaria, SA	O-SII	1.00	0.75
7CUNS533WID6K7DGFI87	CaixaBank, SA	O-SII	0.50	0.50
SI5RG2M0WQQLZCXKRM20	Banco de Sabadell, SA	O-SII	0.25	0.25

SOURCE: Banco de España.

a Legal Entity Identifier.
b G-SII refers to global systemically important institutions; O-SII to other systemically important institutions.
c Where an institution is designated as both G-SII and O-SII, the higher of the two buffer requirements applies. Accordingly, for Banco Santander, S.A., in 2026 the O-SII buffer rate (1.25%) prevails over the G-SII rate (1%).

in 2025. The only material change was the 25 basis point (bp) reduction in BBVA's buffer, driven by a lower assessment of its systemic importance. Subsequently, in December 2025, it was announced that Banco Santander would continue to be identified as a G-SII,[15] with a buffer requirement for 2027 similar to that set for 2026. The buffers applicable to systemic institutions in 2025 (Table 3.1.1) had already been announced in 2023 (G-SIIs) and 2024 (O-SIIs).

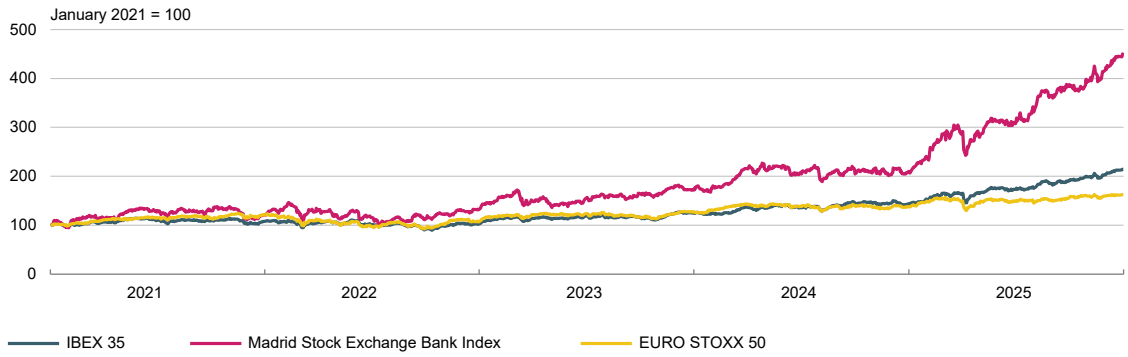
3.2 Securities, commodities and foreign exchange markets

Securities markets

Equity market indices recorded further strong gains in 2025, both in Spain and internationally, despite the geopolitical uncertainty, with most ending the year at all-time highs. Stock market indices posted gains for the third consecutive year, underpinned by central bank decisions, positive corporate earnings, the continued strong performance of artificial intelligence (AI) and technology companies, and European investment plans in defence and infrastructure. Spain's IBEX 35 index recorded gains of 49.3%, the strongest among the major international indices. As a result, the Spanish market closed the gap in returns vis-à-vis the main European markets that had opened up following the outbreak of the pandemic. The increase was again driven primarily by the strong gains in the financial sector (114.1%),[16]

15 See the Banco de España's press release of 5 December 2025
16 Over the same period, the STOXX Europe 600 Banks index, which comprises the main banking institutions across European economies, gained 67.3%.

Chart 3.2.1 Equity markets



SOURCE: Datastream.

given its substantial weight in the index, and, to a lesser extent, by the energy sector (Chart 3.2.1).

Volatility remained subdued for most of the year,[17] although slightly higher than in 2024 both in Spain and the main euro area and US markets. Only in April did the volatility indicator rise, amid the uncertainty triggered by the tariff measures introduced by the new US Administration. Liquidity held at satisfactory levels over the year as a whole, with a slight improvement in the H2 supported by the reduction in market volatility. Meanwhile, market-based corporate financing[18] increased for the second consecutive year, reaching its highest level in four years, while three new companies were listed on Spanish stock exchanges[19] (Hotelbeds, CIRSA and Izertis).

Trading in Spanish equities rose markedly in 2025 to more than €1.011 trillion (up 40.5%), the highest level since 2015. This growth was observed both in Spanish trading venues[20] (up 20.5% to €366,716 million) and their foreign competitors (up by 55.1% to nearly €644,800 million). In turn, the market capitalisation of Spanish regulated markets increased by 42.2% to over €1.09 trillion, an all-time high.

The easing of the European Central Bank's (ECB) monetary policy stance in 2025 contributed to lower government bond yields at the short end of the curve, whereas yields at the long end moved higher. These declines

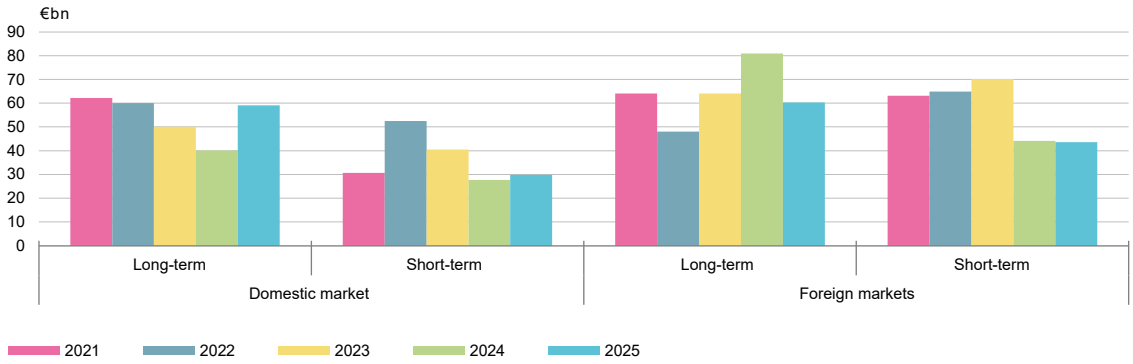
17 For the IBEX 35, the annual average of the volatility indicator was 14.6%, above its 2024 level (12.8%).

18 Market-based corporate financing increased by 46.2% in 2025, reaching €11,595 million. Of this amount, €7,940 million corresponded to capital increases, while the remainder were scrip issues under scrip dividend schemes.

19 The BME Growth market reached a market capitalisation of almost €20 billion, with 124 listed companies, while the BME Scaleup segment, which is aimed at companies at earlier stages of development, comprised 42 companies with a market capitalisation of more than €3.1 billion.

20 Of this amount, €363,044 million was traded on the regulated market, while €3,672 million was traded on the multilateral trading facilities (MTFs) BME MTF Equity and Portfolio Stock Exchange.

Chart 3.2.2 Debt issuance by Spanish private sector issuers



SOURCE: Datastream.

were concentrated in the first half of the year, in line with the timing of the ECB's policy rate cuts, while yields began to edge up in the second half of the year. In the private debt market, by contrast, financing costs fell both for short-term instruments and for long-term securities. Looking ahead to 2026, financial markets are pricing in the possibility of ECB policy rate increases, owing to higher inflation expectations in the context of the US-Israeli war on Iran, which may have shaped recent movements in long-term bond yields.

Spanish 10-year government bond yields ended 2025 close to 3.3%, slightly above the levels recorded at the beginning of the year. At the shortest end of the curve (between three and twelve months), yields fell by between 18 bp and 60 bp. The sovereign risk premium narrowed further over the year, declining from 70 bp to 44 bp, its lowest level since 2008. Risk premia in private debt markets also fell in 2025, particularly in the financial sector

In 2025 debt issuance by Spanish firms remained broadly unchanged compared to 2024. However, developments differed across domestic and foreign markets, with issuance activity increasing significantly in the former and declining in the latter. In particular, debt issuance admitted to trading on Spanish markets increased by 31.3% compared with 2024, to €88,954 million, while issuance on foreign markets declined by 16.9%, to €103,858 million (Chart 3.2.2). As regards domestic markets, issuance admitted to trading on AIAF, the benchmark fixed-income market for government and corporate debt, increased by 45.1% to €74,405 million. By contrast, fixed-income issuance admitted to trading on MARF, the alternative fixed-income market, amounted to €14,549 million, a decline of 11.7%. Meanwhile, private sector issuance of debt instruments incorporating environmental, social and governance (ESG) criteria amounted to €14,128 million in 2025, down by 15.7% compared with 2024.[21] Of this, €12,634 million was accounted for by green bond issuance.

21 This is almost 12% of all long-term debt issuance by Spanish issuers. General government ESG debt issuance amounted to €4,692 million in 2025, up by 12% on 2024.

Market risk in equity assets remained very high in 2025. This was attributable to the high valuations observed in some asset classes, sectors and markets, especially those linked to technology and US equity markets. Market risk in debt markets remained moderate.[22] Although debt instruments benefited from expectations of policy rate cuts as inflation normalised, corporate risk premia in some market segments continued to hold at historically low levels. Against this backdrop, a significant shift in agents' expectations could trigger substantial asset price corrections for some companies, drive up risk premia and lead to contagion spirals.

Credit risk remained at moderate levels,[23] supported by the interest rate cuts in the first half of the year and positive growth figures. Credit risk premia declined mainly in the financial sector, while remaining broadly unchanged in the corporate sector. However, several factors could lead to a significant increase in credit risk premia should current geopolitical tensions and conflicts persist. These include high debt levels in some economies both in Europe and the rest of the world, plans to increase government expenditure and the growing uncertainty surrounding private capital markets and certain recipients of private capital. Accordingly, there is the potential for price corrections and liquidity constraints in riskier asset classes (such as private debt, subordinated debt and high-yield debt), along with a degree of market fragmentation, while some issuers could struggle to access markets.

The financial market infrastructures supporting the trading and post-trading of securities in Spain operated without incident during 2025. Following the entry into force of Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector (DORA), one key development in 2025 was the review of BME Group's compliance with the new requirements relating to information and communication technology and cyber risks.

The CNMV conducted its regular ongoing supervision of the central counterparty (CCP), which includes monitoring of its activity and of market, credit, liquidity and operational risks. As part of this supervision, the CNMV reviewed the CCP's models and procedures to ensure compliance with regulatory requirements, specifically those related to the framework laid down by the European Market Infrastructure Regulation (EMIR). In addition, the CNMV authorised the clearing of interest rate swap (IRS) contracts in further currencies other than the euro (the US dollar, pound sterling, Swiss franc, Canadian dollar, Danish krone, Norwegian krone and Swedish krona). This was the first authorisation to be granted in the EU under the new accelerated authorisation procedure provided for in the revised EMIR framework (EMIR 3.0), in force since December 2024.

22 Associated with the possibility of fresh increases in bond yields.

23 Estimated based on the average cost of credit default swaps across sectors.

Furthermore, in October 2025 the Eurosystem declared BME Clearing an eligible CCP to access the overnight credit facility established for EU CCPs, as a liquidity source of last resort. The CNMV provided the Banco de España and the Eurosystem with the information required for the assessment. However, it should be noted that eligibility does not automatically entitle a CCP to obtain credit. Rather, the Eurosystem assesses whether the applicant CCP satisfies certain solvency requirements.

As regards BME Clearing's risk metrics, in 2025 the average level of total initial margins was 30.4% higher than in 2024. This was driven mainly by higher valuations of the IBEX 35 and the main equity underlying instruments, as well as by increased activity in the equity segment.

Turning to securities settlement, in March 2025 Iberclear (Spain's central securities depository) and its participants completed the orderly and secure elimination of the obligation to report transactions to the Post-Trade Information System (PTI). This was intended to align post-trading processes in Spain with European standards, facilitate the transition to a T+1 settlement cycle (scheduled for October 2027) and enhance the attractiveness of the Spanish securities market. In the context of the transition to T+1 settlement, particular mention should be made of the work coordinated by Iberclear at the national level, leading to the publication of two key documents: T+1 Playbook and T+1 Roadmap.[24]

Another significant milestone in the area of securities settlement in 2025 was the authorisation of securities lending by collective investment undertakings (CIUs). The new framework became operational in October 2025 following the publication of Order ECM/1155/2025.

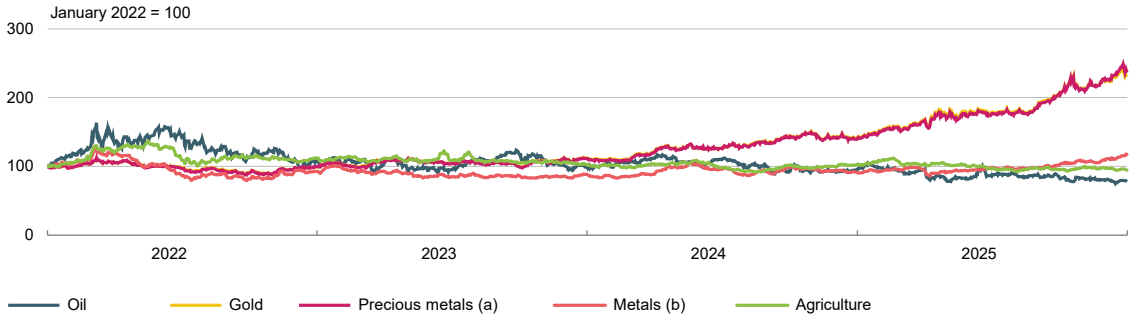
Lastly, settlement activity increased in 2025 compared with 2024. The number of transactions rose by 1.05%, while the value of settled transactions increased by 15.87%. Settlement efficiency ratios remained very high, at 95.3% in volume terms (93.8% in 2024) and 98.3% in value terms (97.5% in 2024). Settlement fails were primarily attributable to a lack of securities available for delivery at the time of settlement.

Commodity and foreign exchange markets

With the exception of precious and industrial metals, over the course of 2025 commodity prices fluctuated within a broadly downward trend. This reflected relatively weak economic growth across many economies, together with excess supply in some commodity markets, such as energy markets. Energy commodity prices declined markedly in 2025. Oil prices fell amid excess supply and weaker demand from China, while natural gas prices recorded a more moderate decline,

24 See playbook-proyecto-t1-reduccion-del-ciclo-de-liquidacion-es.pdf and Presentation of BME's T+1 Roadmap | BME Bolsas y Mercados Españoles.

Chart 3.2.3 Developments in key commodity prices



SOURCE: Refinitiv Datastream.

a Precious metals: gold, silver and platinum.
b Metals: aluminium, copper, zinc, nickel and lead.

amid high production levels and moderate demand owing to increased use of renewable energy. Electricity prices fell sharply in the spring, following increases during the first two months of the year. Agricultural commodity prices also fell, as a result of strong harvests of key crops such as cereals and soybeans. By contrast, as noted above, industrial metal prices rose, driven mainly by copper and aluminium amid strong demand in the renewable energy sector. Price increases were especially marked in the case of precious metals. While this may at times have reflected their role as safe-haven assets, other factors, such as the depreciation of the US dollar and their use as hedging instruments, also contributed significantly.

Both the euro and other major currencies appreciated against the US dollar in 2025, in contrast to developments in 2024. The euro appreciated by 13.4%, with the EUR/USD exchange rate ending the year at 1.1746, up from 1.0357 at the start of the year. The EUR/USD exchange rate reached a high of 1.1868 in September and a low of 1.0245 in January. Meanwhile, the pound sterling appreciated by 7.6% against the US dollar in 2025, with the GBP/USD exchange rate rising from 1.2518 to 1.3475 at year-end. By contrast, the Japanese yen appreciated by only 0.1% against the US dollar. The main Latin American currencies – the Brazilian real and the Mexican peso – also appreciated against the US dollar in 2025.

3.3 Non-bank financial intermediation

Non-bank financial intermediation[25] (NBFI) continued to grow markedly in 2025, resulting in its assets as a share of the overall financial system rising

25 The CNMV publishes a detailed annual monitoring report on Non-banking financial intermediation in Spain.

to percentages not seen since before the global financial crisis. Thus, the aggregate of all non-bank financial institutions ended 2025 with assets slightly above €1.75 trillion, up 5% on 2024. Of this amount, which is slightly higher than Spanish GDP, 66.6% corresponded to 'other financial institutions', most notably investment funds, with almost €500 billion in assets, and captive financial institutions,[26] with more than €400 billion. A narrow measure of the NBFI aggregate that uses a stricter criterion may be used to assess NBFI institutions. This measure of NBFI ended 2025 with assets of €449 billion (growth of 13% on the 2024 figure), with its share of the overall financial system rising to 7.8%. Although not high compared with other European jurisdictions,[27] this is its highest level since 2007, before the global financial crisis (Chart 3.3.1).

The narrow measure of NBFI is the sum of the financial assets of the institutions whose activity may generate bank-like risks, based on their classification into one of the five economic functions (EFs) defined by the Financial Stability Board (FSB).[28] Most investment funds, securitisation vehicles, specialised lending institutions and some financial intermediaries, such as securities dealers, fall within these functions. The measure also excludes the assets of institutions that are consolidated in banking groups. In Spain, the first of the five economic functions (EF1) – which essentially comprises various types of collective investment undertakings (CIUs) – accounts for the largest share of NBFI assets, more so than in other European jurisdictions[29].

The assets included in the narrow measure amounted to €449 billion in Spain.[30] Of this total, 92% corresponded to EF1 entities (certain CIUs), which gives an idea of their significance in NBFI. Moreover, this proportion has gradually risen since 2010, when it stood at around 60%, because of the increase in assets managed by CIUs and the contraction in asset securitisations, which accounted for a very high share, above all between 2008 and 2011. At present, asset

---

26 Comprising holding companies of financial corporations and non-financial corporations and special-purpose entities, as well as financial vehicle corporations that issue securities and are subsidiaries of non-financial corporations.

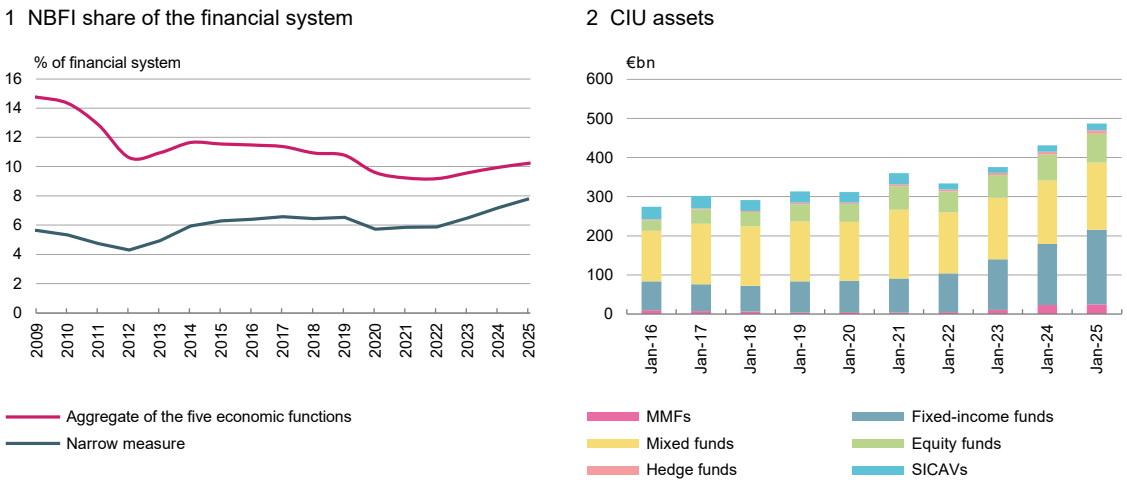
27 According to the latest FSB report with 2024 data, on aggregate, using the narrow measure, the NBFI sector accounted for 15.9% of the total financial system for the advanced economies. In most peer European countries, the NBFI sector accounts for around 10% (10.1% in Italy, 8.6% in France and 11% in Germany). FSB. (2024). Global Monitoring Report on Non-Bank Financial Intermediation 2024, of 16 December.

28 These functions are: management of collective investment vehicles with features that make them susceptible to runs (EF1); loan provision dependent on short-term funding (EF2); intermediation of market activities dependent on short-term funding (EF3); facilitation of credit creation (EF4); and securitisation-based credit intermediation for the funding of financial entities (EF5). For further details, see FSB. (2013). Policy Framework for Strengthening Oversight and Regulation of Shadow Banking Entities, of 29 August.

29 The NBFI sector includes all financial CIUs, except equity funds. At end-2025, 93.4% of the CIUs included (in net asset value terms) were harmonised (UCITS-compliant), while the remaining 6.6% were not (alternative investment funds).

30 The narrow measure does not include the assets of entities that are consolidated in banking groups, even if they meet the definition of one of the five economic functions. If these were included, total NBFI assets would amount to €589 billion.

Chart 3.3.1 Non-bank financial intermediation (2025)



SOURCES: CNMV and Banco de España.
NOTE: All the types of CIUs depicted in the chart are part of the NBFI sector except equity funds.

securitisations – included in EF5 – account for barely 5.6% of NBFI assets, while the remaining 2.4% are shared among the other three economic functions.[31]

Risk assessment of investment funds reveals no major vulnerabilities of concern from a financial stability standpoint. Most risk analyses within the NBFI sector are conducted on investment funds, considering their weight in this aggregate, and assess different pockets of risk (see below), notably including their level of leverage and the estimation of their liquid assets. Quantifying liquid assets is crucial to determine funds' resilience in the face of high liquidity needs, such as an exceptional increase in redemptions by unit-holders or an increase in collateral requirements arising from derivatives positions (margin calls). It is also important to monitor other sources of risk related to fixed-income portfolios, such as credit or duration risk, insofar as they reflect their sensitivity to interest rate movements. Risk assessment is complemented by stress tests and specific analyses to assess the degree of interconnectedness between investment funds.

The estimation of the leverage[32] of the CIUs included in the narrow measure of NBFI shows that their exposure to market risk remains well below the maximum permitted by legislation. Their synthetic leverage (via derivatives)

31 If analysing the entities that meet the definition of one of the five economic functions without excluding those that are consolidated in banking groups, EF1 would remain the most important, albeit accounting for a smaller percentage (70%), while EF5's share would rise to 20%. This is because of the high percentage of securitisation vehicles consolidated in banking groups.

32 Leverage and liquidity are assessed for investment funds and open-end investment companies (SICAVs) belonging to the NBFI sector, excluding hedge funds because they account for such a small percentage of the total (around 2% of EF1).

is assessed, as financial leverage (via debt) is severely limited by regulation.[33] Thus, the analysis of CIUs belonging to the NBFI sector shows that their gross exposure[34] to market risk amounted to 15.7% of net asset value (NAV) at end-2025, up slightly on the 2024 figure (14.4%), while their net exposure amounted to just 8%[35] of NAV (7.8% in 2024). Accordingly, based on the information available, there are no significant vulnerabilities in any of the possible risks generated by this leverage, which is well below the maximum permitted (100% of NAV).

Spanish investment funds' liquidity positions were satisfactory in 2025, although there was a slight decline in the most liquid assets. To assess the most liquid assets, two calculations are performed under the high-quality liquid assets (HQLA) framework: first the ratio of HQLA Level 1 holdings, which includes the securities deemed to be fully liquid[36] and, second, the previous ratio plus variable percentages of other HQLA Level 2 securities.[37]

Thus, the overall HQLA Level 1 ratio stood at 23% at end-2025, compared with 29% in 2024. This decline, which was sharper in fixed-income funds[38] (Chart 3.3.2), was largely due to the decrease in government debt holdings in favour of private debt.[39] The HQLA Level 2 ratio was notably high in 2025 (57.6%), albeit down from 60.8%. The decline was minor (between 1 pp and 3 pp) for most categories, except for, once again, fixed-income funds. In all fund categories, estimated liquid assets under this methodology exceeded 50% of the portfolio, which is a very high proportion.[40]

The individual distribution of the liquidity levels of the different vehicles shows that most investment funds' HQLA Level 2 ratio exceeded 40%. This was true for 89.7% of mixed funds, 93.5% of fixed-income funds and 89.6% of SICAVs.[41] By contrast, there are some vehicles whose liquid assets account for

33 Directive 2009/65/EC – the UCITS Directive – limits borrowing to no more than 10% of NAV to resolve temporary cash difficulties.

34 Gross exposure is calculated using the methodology proposed by IOSCO as the sum of the notional amounts of derivative contracts, including delta adjustments in the case of options.

35 This figure has been calculated for all the funds that perform their calculations using the commitment approach (94% of the total), which calculates exposure based on the conversion of all derivative contracts into their equivalent underlying asset positions and sets rules for netting short and long positions. Net exposure would increase to 17.3% if an estimation of indirect exposure through investment in other CIUs were included.

36 Cash, deposits and high-quality public debt are considered HQLA Level 1 assets.

37 HQLA Level 2 comprises, in addition to Level 1 assets, 50% of the value of equity securities and variable percentages of government debt, corporate bonds and securitisations depending on their credit rating. In addition, the HQLA ratio of the CIUs in which Spanish funds invest was quantified in order to improve the accuracy of this metric.

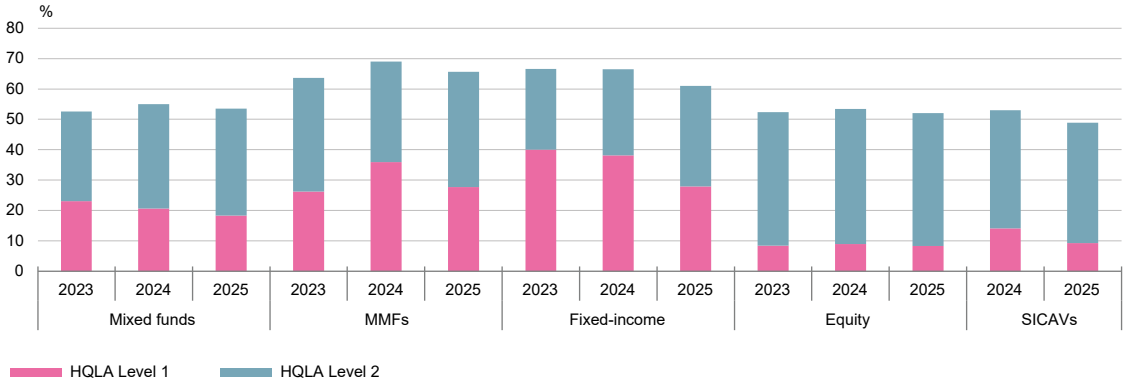
38 Includes fixed-income and guaranteed funds.

39 Between 2024 and 2025, the share of public debt decreased from 44.2% to 40%, while that of private debt rose from 42.7% to 47.5%.

40 By way of reference, in March 2020 (COVID-19 crisis) fixed-income funds were those that experienced the most redemptions by unit-holders, which amounted to 3.5% of their NAV.

41 All MMFs had a share of liquid assets of over 60%.

Chart 3.3.2 HQLAs of the different types of EF1 investment funds (2025) (a)



SOURCES: Banco de España and CNMV.

a Only investment funds belonging to the narrow measure of NBFI are included.

less than 20%, but this is a very small proportion, specifically (in NAV terms) 0.6% of SICAVs and 2.5% of mixed funds.[42]

A deep dive into the fixed-income portfolio assets of the investment funds belonging to the NBFI sector shows that, at end-2025, credit quality was high and the modified duration[43] was moderate. Thus, at end-2025, 91.4% of the value of the fixed-income portfolio had a credit rating of BBB or higher (investment grade), down barely 0.9 pp from a year earlier, of which 19.5% was rated AA or AAA. The value of investment grade assets amounted to between 89.5% of mixed funds and 99% of money market funds (MMFs) (Chart 3.3.3, panel 2). Meanwhile, the modified duration for EF1 investment vehicles at end-2025 was 1.9 (1.8 in 2024), after declining considerably between 2021 and 2023.[44] Almost all funds had relatively low durations: around 75% of mixed funds (in NAV terms) had a modified duration of less than 3, a percentage that rose to almost 80% of fixed-income funds (Chart 3.3.3, panel 2).

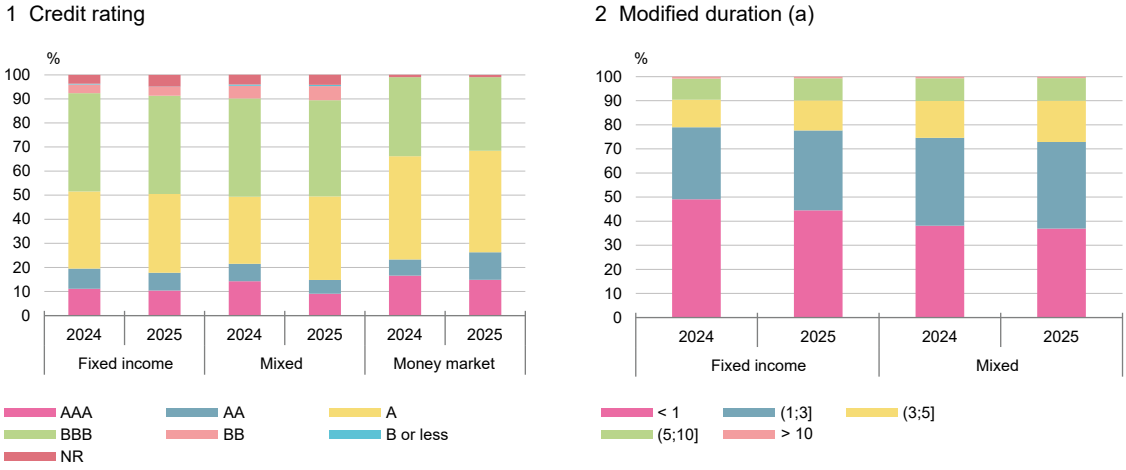
Hedge funds, which enjoy greater flexibility in investment policy than other CIUs, account for a very low relative share of the funds considered in this measure of the NBFI sector (2%), so financial stability risks are, a priori, limited. Even so, they are constantly monitored by the CNMV, precisely because of the above-mentioned flexibility, insofar as it may give rise to certain vulnerabilities. If considering direct exposures, the overall assessment of these

42 In some cases, such as most mixed funds and SICAVs, the low level of the HQLA ratio is because of investments in some (a few) CIUs on whose portfolios information is not available; as a result, their liquidity is deemed to be zero. In others, such as fixed-income funds, the main reason is the investment in high-yield debt securities (credit rating of BB or less).

43 Modified duration measures the percentage change in the price of an asset in the event of a 100 bp increase in interest rates.

44 In 2021 the modified duration was 2.7, compared with 2.3 in 2022.

Chart 3.3.3 Analysis of investment funds' fixed-income portfolio (2025)



SOURCE: CNMV.

a MMFs are not included because almost all their fixed-income portfolio has a duration of less than one year.

vehicles' liquidity and leverage conditions is satisfactory. With regard to leverage, for example, hedge funds' exposure to derivatives is low[45] from a risk assessment perspective and lower than their European counterparts. However, a key factor making it more complex to assess these funds' risks more accurately is that a sizeable share of their portfolio is invested in other open and closed-end CIUs, which brings indirect leverage into play and possibly worsens liquidity.[46] In 2025 such investment accounted for 52.4% of the portfolio, well above direct investment in shares (19.3%) or in debt securities (16.2%). Of this investment in other funds or firms, 64.3% related to alternative investment funds,[47] mostly hedge funds or venture capital firms registered outside Spain.

To monitor liquidity risk management more closely, the CNMV conducts half-yearly stress tests, a tool used by supervisors to check the resilience of institutions to very adverse scenarios. These tests, which assess liquidity mismatch risk, are performed on UCITS and quasi-UCITS and follow the methodology proposed by the European Securities and Markets Authority (STRESI framework)[48] and subsequently broadened by the CNMV.[49] The latest results, with data at December 2025, continue to indicate that the sector is resilient to the scenarios

45 On the data reported in the Alternative Investment Fund Managers Directive reporting templates, gross leverage of hedge funds and hedge fund companies managed by Spanish management companies accounted for 10.9% of NAV at end-2025. This amount does not include indirect leverage as a result of investment in other CIUs.

46 Given the nature of hedge funds, it is reasonable to assume that a considerable portion of their indirect investment is in other hedge funds (which, at European level, have high leverage) or in venture capital firms (which are inherently less liquid).

47 Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers (AIFMD).

48 European Securities and Markets Authority. (2019). Stress simulation for investment funds.

49 Javier Ojea-Ferreiro. (2020). "Quantifying uncertainty in adverse liquidity scenarios for investment funds". CNMV Bulletin, Quarter II.

considered, since only under the most extreme shock scenario[50] are some funds identified that could experience liquidity problems. Specifically, a total of 12 funds are identified whose estimated liquidity ratio is lower than the potential volume of redemptions. It should be noted that, in most of these cases, the liquidity ratio is low because the vehicles invest mainly in other CIUs, whose portfolios are unknown.[51]

On the international front, efforts continued to assess and reduce the liquidity risks stemming from investment fund activity. The International Organisation of Securities Commissions (IOSCO) published its revised liquidity risk management recommendations for CIUs and the related guidance for their effective implementation, prepared by its Committee on Investment Management (Committee 5). The aim of the revision was to align IOSCO's recommendations with the FSB's Revised Policy Recommendations to Address Structural Vulnerabilities from Liquidity Mismatch in Open-end Funds (issued in 2023). The most salient aspects of the two revisions were: (i) the categorisation of investment funds depending on their liquidity; and (ii) the promotion of the use of liquidity management tools, especially anti-dilution liquidity management tools.

Along these lines, at the end of 2025 a working group was set up, in which the CNMV participates, with the aim of analysing and identifying the most appropriate metrics for consistently measuring liquidity risk in open-end CIUs. This group's work will serve as a basis for future exercises assessing compliance with the revised recommendations

Continuing with work at international level, the FSB initiatives aimed at identifying and mitigating the risks of NBFI entities should be highlighted. In July 2025 the FSB published its final report on leverage in non-bank financial intermediation,[52] in which it analysed the risks it may pose to financial stability and made recommendations to the competent authorities. In this respect, the report recommends that authorities: (i) have a domestic framework in place to monitor the risks created by NBFI leverage; and (ii) select, design and calibrate measures to address the risks identified.

Linked to this objective, albeit with a broader scope, in July 2025 the FSB also published its Workplan to Address Nonbank Data Challenges. The FSB set up a high-level task force, the Nonbank Data Task Force, to help achieve the workplan.

While the CNMV did not participate directly in the above-mentioned FSB work, it did indirectly through its collaborations with IOSCO. In this respect, through IOSCO Committee 5, it participated in a case study on hedge funds' leveraged sovereign debt investment strategies. Likewise, as mentioned above,

50 This scenario is, depending on the category, up to three times more severe than that recorded in the worst week of March 2020.

51 This means that the liquidity level, calculated using the HQLA ratio, is virtually zero.

52 *Leverage in Nonbank Financial Intermediation: Final report.*

the CNMV participates in a working group on liquidity mismatch measures for open-end CIUs. This work will be coordinated with the FSB's Nonbank Data Task Force and will serve to analyse compliance with the FSB and IOSCO's revised recommendations on liquidity management.

3.4 Insurance undertakings and pension funds

In 2025 the insurance and pensions sector in Spain operated in an environment characterised by high macroeconomic uncertainty and persistent geopolitical tensions, creating a particularly demanding scenario for risk management. These international tensions continued to fuel volatility in financial markets, with second-round effects on economic growth and capital market stability. This setting reinforced the need for insurance undertakings and pension fund management companies to strengthen their operational and financial resilience.

Supervisory concern focused on the potential impact of these risks on the sector's financial stability. In particular, supervisors zeroed in on the effects that an adverse macro-financial scenario could have on the solvency, asset quality and liquidity position of insurance undertakings and pension funds.

The Spanish insurance sector demonstrated a high level of resilience and adaptability to the environment in 2025. Insurance undertakings adjusted their business models, strengthened their loss-absorption capacity and maintained a prudent, long-term perspective, which is especially relevant in life insurance activities and in pensions.

The sector's solvency level remained comfortably above regulatory requirements. In 2025 the Spanish insurance sector's solvency ratio stood at 238%, stable compared with the previous year, highlighting its soundness in a setting marked by high geopolitical uncertainty. This was mainly determined by the performance of own funds and the solvency capital requirement, which increased by 7.9% and 8%, respectively.

Own funds developments were mainly affected by the performance of investments and technical provisions. The latter grew by 4.2%, as a result of the increase in the turnover of the insurance sector in a conducive environment for the arrangement of insurance products, especially those geared towards saving. This setting was marked by inflation coming back under control and by the change in the slope of the short-term yield curve.

The increase in technical provisions had a downward effect on own funds, although this impact was offset by the growth in investments. In particular, investments increased by 5.2%, mainly as a result of the channelling of the

resources raised, mitigating the effect of the higher volume of provisions on the capital position.

Overall, business growth and profitability helped maintain a sound solvency position. The increase in the volume of business, together with the higher return on investments, drove the growth in own funds, thereby strengthening the sector's soundness and solvency.

The sector's profitability fared positively in 2025, with the recovery that had begun in previous years taking hold. After a prolonged period of extraordinarily low interest rates and the effects of the inflationary surge in previous years, the macroeconomic environment – characterised by easing inflation and a gradual normalisation of monetary policy – helped improve technical and financial margins. This was especially significant in non-life and life insurance activities, particularly in the life savings segment.

Financial and underwriting results improved across the board, with growth in the life and non-life insurance lines standing out in particular. In the non-life insurance business, the growth in gross premiums written (7.5%), together with a more risk-adjusted premium rating and more efficient cost management, kept combined ratios (in other words claims and expenses as a percentage of earned premiums) at levels compatible with sustainable profitability. Specifically, the combined ratio stood at 90.5% in 2025, down by 0.4 pp on 2024, despite the increase in claims associated with weather-related events and higher repair costs. In the life insurance business, the interest rate level, together with the change in the slope of the curve, favoured the marketing of long-term savings products, boosting financial income and this segment's contribution to the sector's aggregate earnings. In this context, gross premiums written grew by 22.3% and underwriting/financial results relative to mathematical reserves stood at 1.5, stable compared with 2024.

Financial results were one of the main drivers of profitability for the year. The increase in the volume of premiums and technical provisions broadened the base on which financial returns are generated, helping boost results without significantly increasing the level of risk assumed. Nevertheless, the sector remained exposed to financial market volatility and to possible corrections in asset valuations.

From a macroprudential perspective, the combination of high solvency and sound profitability strengthens the insurance sector's resilience. This strength enables the sector to play a stabilising role within the Spanish financial system; nevertheless, the positive developments are not free from challenges. Stronger competition in certain lines of business, pressure on margins in guaranteed savings products, growing exposure to less liquid assets and sustainability and governance regulatory requirements all mean that insurance undertakings need to maintain a rigorous and forward-looking risk management strategy.

Meanwhile, the main asset and participation indicators for Spain's pension fund and scheme system fared well in 2025, continuing the growth trend observed in previous years. The system's assets stood at €138,011 million, up 5% on 2024. Of this amount, €40,826 million corresponded to occupational pension schemes (30% of the total), while €97,185 million related to individual and associated pension schemes (70%).

Pension premiums and benefits performed unevenly across the different areas of the system. In 2025 pension premiums amounted to €3,303 million, while pension benefits, which also rose, reached €3,673 million. Comparing the two figures shows that the system did not generate positive net saving overall; however, this result was offset by favourable market developments and the positive return for the year (6.01%). This overall performance reflected different developments in the two areas that make up the system. Thus, while in the individual system benefits exceeded premiums (premiums of €1,605 million, compared with benefits of €2,284 million), the occupational system recorded a positive net saving – premiums of €1,699 million, compared with benefits of €1,389 million.

Concentration in the Spanish insurance sector took hold as a major structural trend in 2025. Specifically, the top five life insurance undertakings accounted for 61.8% of premiums and 60.5% of life technical provisions, while the top five non-life insurance undertakings accounted for 42% of premiums in this segment.

The number of insurance undertakings operating in Spain has gradually decreased in recent years. This has been linked mainly to integration processes, mergers, discontinuations of activity and corporate reorganisations. Although the Spanish market continues to have a large number of undertakings, insurance activity is increasingly concentrated in a small group of large undertakings, which absorb a very significant proportion of the total volume of business.

Increased concentration reflected regulatory, technological and profitability-related factors. The main causes included higher solvency, governance and reporting regulatory requirements, higher costs associated with digitalisation and with sustainability requirements and the need to achieve sufficient scale to preserve profitability amid greater financial volatility. These factors have had a more pronounced effect on smaller undertakings, accelerating their exit from the market or their integration into larger groups.

From a macroprudential perspective, growing concentration has significant financial stability implications. On the one hand, large insurance groups tend to have greater loss-absorption capacity, broader risk diversification and better access to financial markets, which may strengthen their resilience at individual level. On the other, a higher degree of concentration increases the systemic importance of a small number of undertakings, so that any difficulties in one could have significant effects on the sector as a whole and, potentially, on the wider financial system.

Against this backdrop, changes in the market structure reinforce the need to strike a balance between efficiency, competition and financial stability. The Spanish insurance sector's concentration underlines the importance of strengthening supervisory and macroprudential analysis frameworks, with the aim of anticipating and mitigating the potential risks arising from an increasingly concentrated market structure.

Interconnectedness between the banking sector and the insurance sector is a structural feature of the Spanish financial system and, from a financial stability perspective, is a key area for monitoring. This link is highlighted both through the bancassurance model and through cross-financial exposures and joint participation in alternative financing markets, which increases the complexity of the system and broadens the possible channels of risk transmission.

The bancassurance model is significantly present in Spain. A considerable number of insurance undertakings are integrated into banking groups and a substantial part of the sector has shareholding or strategic links with credit institutions. As a result, this model accounts for approximately 38% of total insurance business and close to 67% of life insurance business, a segment in which the banking channel plays a clearly dominant role.

This degree of integration means that banks do not act solely as a distribution channel. In practice, credit institutions exert significant control over a substantial part of the insurance business, especially in life-savings and life products, which are highly sensitive to financial conditions, interest rate developments and customer confidence.

From a macroprudential perspective, interconnectedness between banks and insurance undertakings can amplify the effects of adverse shocks. This risk is especially important amid liquidity stress or high financial volatility, where spillovers between the different financial sectors may intensify.

In Spain, the close links between banks and insurance undertakings could act as a transmission channel for shocks. Thus, tensions in one part of a financial group may spread to the group as a whole, affecting both the solvency and the liquidity of the entities involved (see also Chapter 4, on interconnectedness in the financial system).

The systemic weight of the bancassurance model requires ongoing vigilance and coordinated supervision. Although this model has proven efficient operationally and commercially, it is necessary to maintain prudent management of shared risks and a coordinated supervisory approach that factors in not only each sector's individual risks, but also the interconnectedness and spillover effects that may materialise in adverse scenarios. Here, the supervision of financial conglomerates provides significant value added. It enables an integrated analysis of interconnectedness and the joint monitoring of activities and risk concentration,

facilitates the detection of spillover effects and the control of regulatory arbitrage and provides a consolidated view of groups' solvency, liquidity and governance.

An additional element of risk is the growth of private credit and alternative financing. This growth is channelled through private credit funds, specialised investment vehicles or other structures specific to the non-bank financial system, in which both banks and insurance undertakings participate increasingly, whether as originators, investors or indirect financiers.

Insurance undertakings' exposure to private credit mainly reflects the search for higher yields and assets with a longer duration. This type of investment is attractive in an environment of changing interest rates, but entails significant liquidity, valuation and management risks, as these instruments are less transparent, scarcely traded in secondary markets and highly sensitive to rapid downturns in the business cycle. In addition, these exposures may generate indirect interconnectedness between insurance undertakings, banks and funds, thus increasing the complexity of the financial system and the potential channels of contagion.

The DGSFP has identified the growth of private credit and alternative financing as a priority area for monitoring. Their presence on insurance undertakings' balance sheets is currently limited, at around 2% of total investments. Nevertheless, the DGSFP considers that these investments may give rise to vulnerabilities on their balance sheets, especially owing to valuation difficulties and the lack of observable prices. This increases the risk of abrupt corrections with an impact on solvency.

From a prudential perspective, the liquidity risks associated with these exposures remain a key focus. The limited depth of secondary markets could hamper swift divestment in stressed scenarios. As a result, the DGSFP underscores the need to strengthen monitoring of the credit quality of investments, exposure concentration and the appropriate alignment between the risk profile of assets and the structure of commitments undertaken. All of this is aimed at ensuring that undertakings' funds are used to meet obligations to policyholders. Against this backdrop, the DGSFP underlines the importance of prudent asset and liability management, taking into account both the long-term nature of insurance business and the possible materialisation of risks over shorter time horizons than initially envisaged.

Reinsurance is key to risk management in the insurance sector and to preserving undertakings' solvency. Through reinsurance, significant exposures can be transferred, results can be stabilised and solvency can be protected against high-severity or high-frequency claims, while also facilitating shock absorption and the long-term sustainability of the business. Under Solvency II, its recognition as a mechanism for mitigating the capital requirement is conditional on the transfer of risk being real, effective and legally enforceable.

At European level, supervision continues to keep a close eye on certain reinsurance structures whose effectiveness in transferring risk is limited. In particular, supervisors are concerned about arrangements which, despite their contractual design, do not substantially transfer risk off insurance undertakings' balance sheets, which may lead to their mitigating effect being overestimated and, consequently, capital requirements being underestimated. These issues are especially relevant in the presence of non-traditional reinsurance mechanisms, restrictive contractual clauses, side agreements or where reinsurance undertakings located in jurisdictions with less stringent regulatory frameworks are involved. Against this background, and without prejudice to this type of transaction currently being negligible in Spain, the DGSFP has been carrying out actions aimed at boosting transparency, the analysis of basis risk and the supervision of more complex transactions, reminding undertakings that, if the required prudential criteria are not met, reinsurance is not eligible to mitigate their capital requirements.

Appropriately managing climate and sustainability risks is key to financial stability. The materialisation of these risks may give rise to abrupt losses, significant impairment in asset values, increases in claims incurred and economic disruptions with systemic effects. In the insurance sector, insufficiently integrating these risks may result in greater earnings volatility, an increase in capital requirements and a higher probability of solvency tensions in the medium and long term, with possible macroprudential implications.

From this perspective, the DGSFP considers making progress in the integration of climate risks across the insurance sector a priority. The DGSFP deems it a priority for insurance undertakings to integrate climate and sustainability risks across their strategy, governance structure and risk management systems, with the aim of strengthening the sector's resilience and preserving its ability to meet their obligations to policyholders in a setting characterised by growing uncertainty. Against this backdrop, the Insurance Compensation Consortium (CCS, by its Spanish initials) and Agroseguro play an essential stabilising role within the system, by absorbing high-severity climate risks that could jeopardise undertakings' solvency, containing systemic risk and mitigating the adverse macroeconomic effects arising from the materialisation of extreme events.

Insurance undertakings also contribute to financial stability from a preventive and structural perspective. This contribution materialises, first, through their role as institutional investors, by channelling capital towards activities aligned with ESG criteria and reducing the risks associated with the green transition, and, second, through their insurance activity itself, by designing products and premium rating policies that foster prevention, adaptation to climate change and the resilience of households and firms. This dual function strengthens the stability of the financial system as a whole and mitigates the build-up of environmental risks with a potential systemic impact.

Digitalisation, AI and cybersecurity drove the efficiency and transformation of the insurance sector in 2025, but also generated relevant risks from a

macroprudential perspective. The growing use of AI-based solutions and greater critical technology vendor lock-in increase technological concentration and raise the risk of operational failures and cyber incidents, with possible contagion effects and a loss of confidence in a highly interconnected environment. In this context, the Digital Operational Resilience Act has established a key framework for digital operational resilience that strengthens information and communication technology risk management, third-party supervision and the insurance sector's resilience to severe disruptions, contributing to financial stability.

The transposition of the revised Solvency II framework (Directive (EU) 2025/2) and of the Directive establishing a framework for the recovery and resolution of insurance and reinsurance undertakings (Directive (EU) 2025/1) began in 2025. The revised Solvency II incorporates improvements from a macroprudential perspective, by introducing a chapter specifically dedicated to these risks, strengthening liquidity requirements and granting the supervisor new powers that will allow it, in certain circumstances, to restrict dividend payments and even suspend the redemption rights of life insurance policyholders in exceptional situations, with the aim of safeguarding the collective interest of policyholders and preserving financial stability. Likewise, macroprudential considerations and sustainability risks have gained greater prominence in the Own Risk and Solvency Assessment and in investment decisions, especially in the case of larger undertakings.

The transposition of Directive (EU) 2025/1 will strengthen the pre-emptive and resolution framework for the insurance sector. In particular, it will help improve the regulatory framework relating to pre-emptive recovery plans, which must cover 60% of the market and be configured as effective tools for preventing situations of insolvency, through the early detection and restoration of deteriorations in financial positions. The Directive will also incorporate into Spanish law a specific resolution framework for the most important insurance and reinsurance undertakings for the financial system and the economy overall, which will complement the existing winding-up system managed by the CCS.

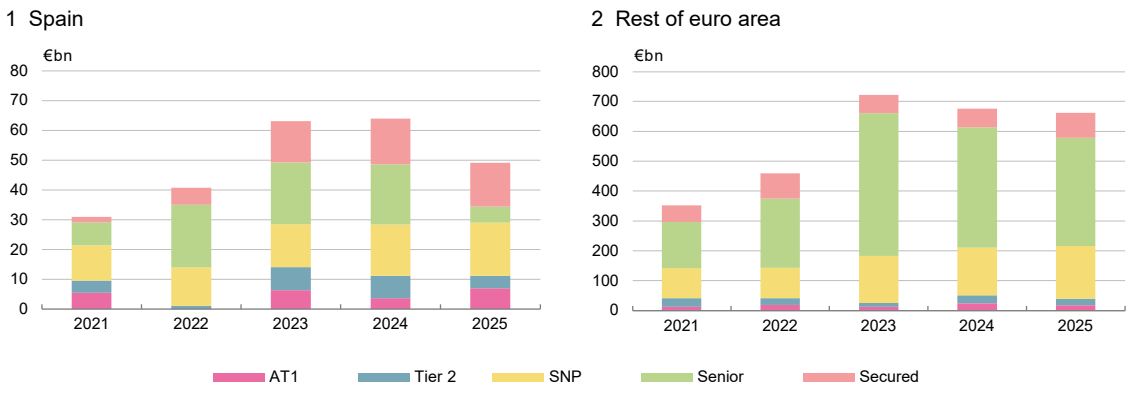
EIOPA carried out its fifth Europe-wide stress test exercise on occupational pension funds in 2025. The exercise aimed to assess the resilience of institutions for occupational retirement provision (IORPs) to liquidity risks in adverse market scenarios, analysing their ability to meet short-term cash needs and identifying possible vulnerabilities in liquidity management. To do so, two adverse but plausible scenarios were applied, one where interest rates rose (yield curve up) and another where they fell (yield curve down), incorporating simultaneous impacts on interest rates, spreads, currencies and asset prices, as well as haircuts when IORPs were forced to sell assets. At aggregate level, the sector showed resilience to the stresses considered, although significant challenges were identified, especially in the yield curve up scenario, owing to the high liquidity demands associated with derivatives. Spain's results were consistent with the trend observed at European level, with the impact of derivatives and a varying application of liquidity management tools standing out.

Box 3.A Banking sector debt issuance in Spain and the euro area: investor composition and funding costs

Bank debt issuance in financial markets creates significant interconnections with other financial sectors, as these instruments may be acquired by a broad range of financial intermediaries. Against the backdrop of the renewed activity in bank debt issuance since 2021, this box examines the characteristics of the debt issuances, the structure of the investor base and the costs at which these instruments were issued.

Bank debt issuance in Spain and other euro area countries has been particularly buoyant since 2021, although developments have differed across instruments depending on their degree of subordination. The increase in issuance volumes can be attributed, first, to the need to comply with minimum requirements for own funds and eligible liabilities (MREL)[1] and, second, to the growing need for wholesale funding after accommodative monetary policy came to an end. Differences can be observed between Spanish banks and their euro area peers in terms of the degree of subordination of the instruments issued. For Spanish banks, secured instruments account for a significant share of debt financing. The most notable development, however, has been the

Chart 3.A.1 Issuances by seniority



SOURCES: Centralised Securities Database, LSEG and own calculations.
NOTE: The debt instruments, ranked from the highest to the lowest degree of subordination, are as follows: Additional Tier 1 (AT1) instruments, which are hybrid securities that pay coupons but can absorb losses if the bank's CET1 ratio falls below a specified threshold; Tier 2 instruments, which are subordinated debt securities with a maturity of more than five years; senior non-preferred (SNP) debt, introduced in Spain in 2017 through Royal Decree-Law 11/2017 to facilitate compliance with MREL requirements; senior preferred debt, which ranks ahead of the other categories; and secured debt, which are instruments whereby financing is obtained against pledged collateral.

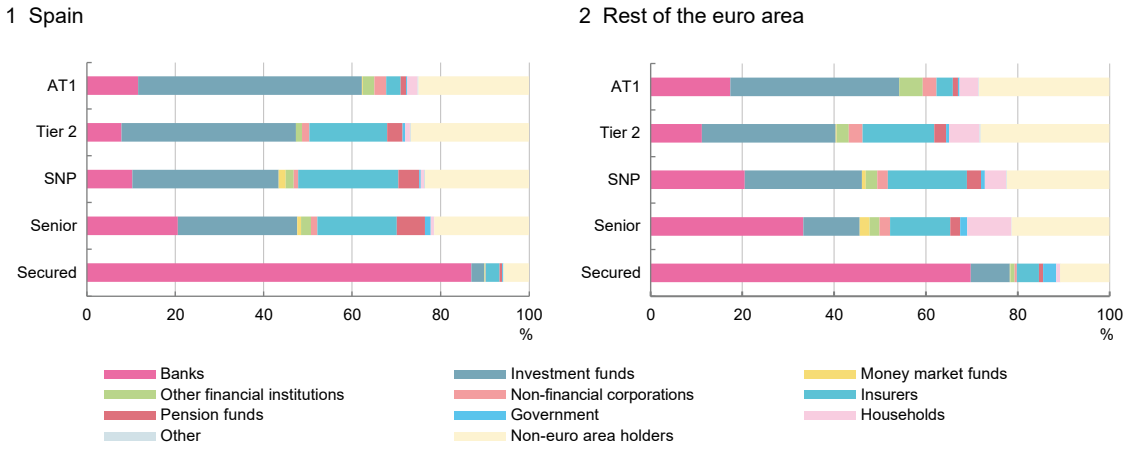
1 MREL requirements are designed to ensure that shareholders and certain creditors are the first to bear losses should a bank fail. Eligible liabilities are defined as unsecured instruments with a remaining maturity of more than one year. Although the deadline to comply with these requirements was 1 January 2024, banks were required to meet interim targets from 2022 onwards.

Box 3.A Banking sector debt issuance in Spain and the euro area: investor composition and funding costs (cont'd)

growing share of senior non-preferred (SNP)[2] issuance, which accounted for 36% of total issuance in 2025, making it the largest issuance category. For banks in the rest of the euro area, senior debt, which is characterised by a lower degree of subordination, represents more than 50% of total issuance (Chart 3.A.1).

The financial sector is the main holder of bank debt instruments, although there are significant differences across instrument types. The banking sector accounts for a particularly large share of holdings of secured instruments, reaching 87% for debt issued by Spanish banks and 70% for debt issued by banks in the rest of the euro area. In aggregate terms, holdings of bank debt make up 49% of Spanish banks' tradable debt securities portfolios, compared with 37% for the other euro area banking systems. By contrast, demand for more highly subordinated instruments is stronger among other financial institutions, such as investment funds. They hold around 20% of outstanding bank debt, and their appetite for these instruments increases with their degree of subordination. Their holdings account for 50% of the value of AT1 instruments issued by Spanish banks, compared with just 3% in the case of secured debt. Insurers also account for a significant share of holdings of Tier 2, SNP and senior debt (Chart 3.A.2). The

Chart 3.A.2 Bank debt holders, by level of subordination



SOURCES: Centralised Securities Database and Securities Holdings Statistics by Sector.

2 MREL-eligible instruments, ranked from the highest to the lowest degree of subordination, are: (a) Additional Tier 1 (AT1) instruments, which are hybrid securities that pay coupons but have loss-absorbing capacity; they rank immediately above equity in the creditor hierarchy and can be perpetual; (b) Tier 2 instruments, which are subordinated debt securities with a maturity of more than five years; (c) senior non-preferred (SNP) debt, introduced in Spain in 2017 through Royal Decree-Law 11/2017 to facilitate compliance with MREL requirements; and (d) senior preferred debt, which ranks ahead of the other categories in the creditor hierarchy.

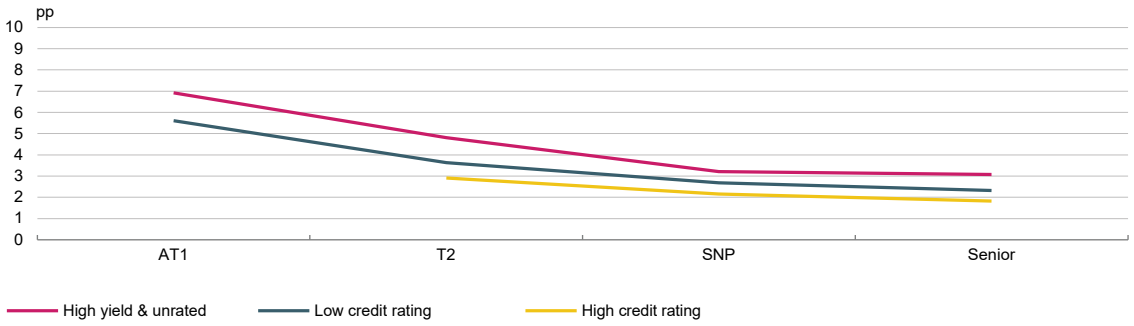
Box 3.A Banking sector debt issuance in Spain and the euro area: investor composition and funding costs (cont'd)

percentage held by non-euro area foreign investors is particularly high for the most subordinated instruments, such as AT1, where they account for around 25% of outstanding debt, whereas their share is considerably lower in the case of secured debt.

By contrast, non-financial sectors generally account for a small share of holdings. For Spanish banks, these holdings peak at 5% of AT1 debt, while for debt issued by other euro area banks they represent higher shares, reaching up to 14% for senior debt.

The cost of bank debt issuance varies according to both the degree of subordination and the issuer's credit rating, suggesting that investors take both factors into account when acquiring these instruments. The spreads over secured debt are sizeable and in keeping with the risk profile of the instruments. The results are based on an analysis[3] of the determinants of issuance costs, to establish the relevance of aspects related to aggregate factors, such as the risk-free interest rate and macroeconomic conditions; bank-level characteristics, such as size, profitability and risk profile; and instrument-specific characteristics, including maturity and degree of subordination. The model results indicate that, for banks in the euro area as a whole,[4] average issuance costs

Chart 3.A.3 Incremental issuance cost for banks of unsecured instruments relative to secured debt



SOURCES: Centralised Securities Database, LSEG and Capital IQ.
NOTE: Based on the analysis in Francisco González Rodríguez, Alberto Orts Torres, José María Serena Garralda and Miquel Tarí Sánchez. (2026). "Issuance yield of MREL-eligible bank debt: a benchmarking model". Documentos Ocasionales, 2607, Banco de España. https://doi.org/10.53479/42805 (see, in particular, footnote 4). The analysis is based on a Heckman regression model that considers the interaction term between the issuer's credit rating and the degree of subordination. In the "High yield and unrated" category, high yield is a rating of BB+ or lower. All other variables are evaluated at their mean values. Data included from 206 banks from 11 banking union member countries and covers the period from the third quarter of 2019 to the third quarter of 2024.

3 González-Rodríguez, Francisco, Alberto Orts Torres, José María Serena Garralda and Miquel Tarí Sánchez. (2026). "Issuance yield of MREL-eligible bank debt: a benchmarking model". Documentos Ocasionales, 2607, Banco de España.

4 Included are banks from 11 euro area countries (Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain), reflecting data availability constraints with regard to credit ratings and bank-specific information, such as total assets, CET1, ROA, customer deposits and cost-to-income data.

Box 3.A Banking sector debt issuance in Spain and the euro area: investor composition and funding costs (cont'd)

may differ by more than 400 basis points, depending on whether the instrument issued is AT1 or senior debt. The issuer's credit rating is also significant as it determines the impact of the instrument's subordination: the premium associated with subordination increases as the level of credit risk (measured by the issuer's rating) rises (Chart 3.A.3). An AT1 issuance by a high-yield issuer would carry a substantially higher cost than one by an investment-grade issuer. These differences become smaller for instruments with a lower degree of subordination, such as SNP or senior debt.

Box 3.B MiCA, the European crypto-assets regulation, one year on

The crypto-asset sector experienced notable volatility in 2025 and 2026 – with Bitcoin and Ethereum as benchmarks – owing to several factors, such as growing interest from firms and institutional investors, regulatory initiatives and the arrival of a more crypto-asset friendly Administration in the United States. The market capitalisation of these assets reached a peak of more than USD 4.3 trillion in October last year, and trading increased so much at certain points that it came close to the volumes traded on international stock exchanges. Subsequently, both market capitalisation and trading volume declined significantly. Thus, at year-end, total market capitalisation stood at USD 3.1 trillion, while daily trading volumes were below USD 200 billion.[1]

Notable within this market was the growth of stablecoins, whose value is pegged to that of another asset, such as a currency, so their price does not usually experience the high volatility that is the hallmark of other crypto-assets. Their presence has been growing, with those pegged to the US dollar accounting for almost all activity, and is expected to continue doing so in the coming years, since they make it possible to trade other crypto-assets natively and therefore more efficiently, help preserve the value of savings in countries where the currency is depreciating and facilitate cross-border fund transfers.

Against this backdrop, the Markets in Crypto Assets (MiCA) Regulation (Regulation (EU) 2023/1114) became fully applicable on 30 December 2024. Last year, the National Securities Market Commission, like other European supervisors, focused its efforts mainly on the authorisation processes for crypto-asset service providers.

The authorisation processes have been complex because of the nature of the assets themselves and of the services provided. In addition, because most of the entities that had been providing these services come from the technology sector, and are therefore less accustomed to interacting with financial supervisors, their transformation into regulated financial entities has posed a challenge. Another key aspect in the authorisation processes has been the need to go over technological resources and cybersecurity with a fine-tooth comb, since this business model is based largely on information and communication technologies, with significant dependence on their providers. Here it should be noted that, in addition to MiCA, since 2025 these entities have also been subject to the Digital Operational Resilience Act (Regulation (EU) 2022/2554), the European regulation on digital operational resilience in the financial sector.

Last year, four notification applications submitted by financial entities and three authorisation proceedings for crypto-asset service providers (CASPs) were successfully resolved in Spain. As a result of the end of the transitional period established in MiCA, which in Spain ends on 30 June 2026, during the final months of 2025 and early 2026 applications for authorisation piled up because entities that are not authorised will have to cease

1 Market capitalisation continued to decrease in early 2026 and stood at USD 2.6 trillion at end-April. Meanwhile, trading volumes have remained at levels similar to those of end-2025.

Box 3.B MiCA, the European crypto-assets regulation, one year on (cont'd)

providing services to European clients on that date.

Likewise, in 2025 the European Securities and Markets Authority worked intensively on implementing MiCA and on the cooperation mechanisms for its application. The complex nature of the business models and the high concentration of business among certain large entities operating in the global crypto-asset ecosystem make a high degree of regulatory convergence in its implementation indispensable. Specifically, work was carried out to identify the most significant providers of this type of service in Europe, who were monitored by the authorities that were to receive their authorisation applications. Joint stances were also coordinated on specific issues affecting applications for authorisation, such as corporate structures, the need for a real presence in the jurisdictions, outsourcing, the use of liquidity providers and the impact and risk of unregulated activities.

Another key matter on which much of the work in 2025 focused was the implications of stablecoins within the scope of MiCA and the repercussions of the dual nature – as crypto-assets and as money – of electronic money tokens (EMTs). In 2025 the EBA addressed doubts concerning the treatment of EMTs and required CASPs providing certain services involving EMTs to hold a dual authorisation, under MiCA and under PSD2, the second Payment Services Directive. In addition, the EBA stated that the deadline for obtaining this authorisation as a payment institution should not extend beyond March 2026.

Lastly, in 2025 the guidelines on the classification of crypto-assets, drawn up under the MiCA framework, were applied, providing guidance for classifying crypto-assets under the regulation.

4 Interconnectedness in the financial system

This chapter analyses the risks to financial stability associated with interconnections between financial institutions. The sale and purchase of financial instruments between institutions that are part of the financial system, as well as other contracts between them, can generate significant economic benefits; for example, greater risk diversification, the channelling of excess liquidity or access to a broader funding base. However, this creates direct interconnections (on-balance-sheet assets and liabilities vis-à-vis other intermediaries)[54] and indirect interconnections (common assets and liabilities vis-à-vis third parties) that may facilitate the transmission of shocks originating in one or more institutions to the rest of the financial system.

Direct interconnections between the different sectors of the Spanish financial system grew at a slower pace than their total assets in 2025. Specifically, direct interconnections between financial sectors increased by 3.1% over 2025, while their total assets grew by 6.5%. This breaks the trend of the previous two years, although, given the strong relative growth in interconnections in 2024 (15%, compared with asset growth of 4.7%), the cumulative result still shows a system with stronger connections between institutions than a few years ago.

Banks' direct interconnections (via assets) remain concentrated in interbank exposures. As in the *Annual Report 2024*, Sankey diagrams are used to depict the direct exposures between financial institutions. Since these relationships are relatively stable over time, the results are similar to those in the previous report. The banking sector remains the largest and one of the most interconnected,[55] mainly through the interbank market and, to a lesser extent, through assets vis-à-vis the insurance sector (Figure 4.1, panel 1).[56]

The funding provided to the banking sector by collective investment undertakings (CIUs), pension funds and insurance undertakings remains another key source of interconnectedness in the Spanish financial system. Within the group of non-bank financial institutions, insurance undertakings recorded the highest exposures to other financial institutions in 2025, mainly to the banking

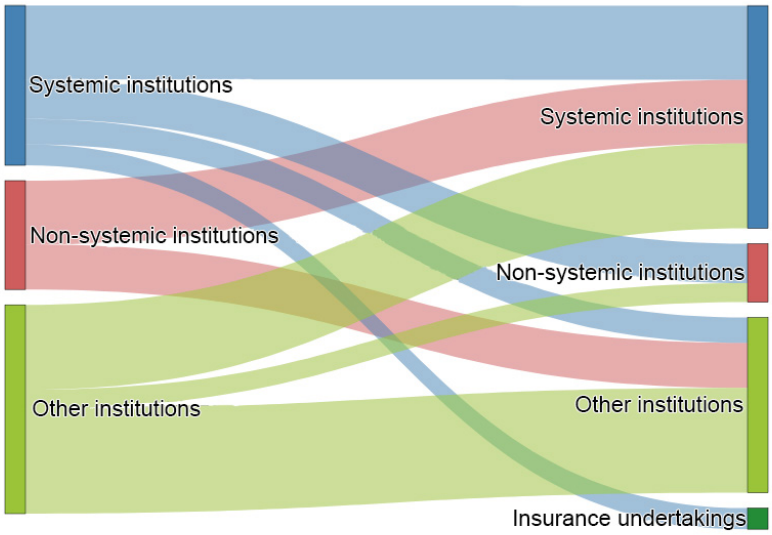
54 Direct exposures include various types of holdings of other financial institutions, such as loans, debt securities, equity holdings (shares), investment fund shares or units, deposits and cash accounts.

55 In Spain, the total financial assets of the resident private financial system exceeded €4.9 trillion in December 2025, of which more than 65% were accounted for by the banking sector.

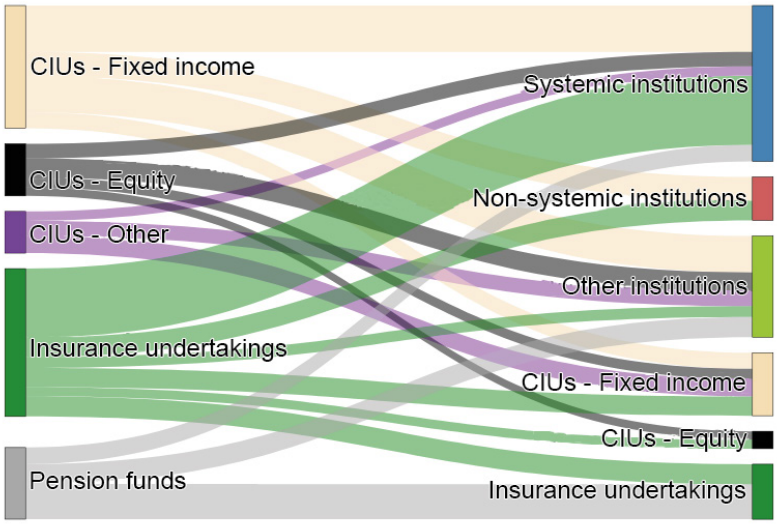
56 The banking sector is broken down into three categories: (i) systemic institutions, i.e. those identified by the Banco de España as global systemically important institutions (G-SIIs) or other systemically important institutions (O-SIIs); (ii) non-systemic but significant institutions from the standpoint of the Single Supervisory Mechanism; and (iii) less significant institutions (LSIs). For further details, see Chapter 4 of the AMCESFI *Annual Report 2020*.

Figure 4.1 Direct interconnections of the Spanish financial system. December 2025

1 Exposures of the banking sector (left-hand side) to all financial sectors (right-hand side)



2 Exposures of the non-bank financial sector (left-hand side) to all financial sectors (right-hand side)

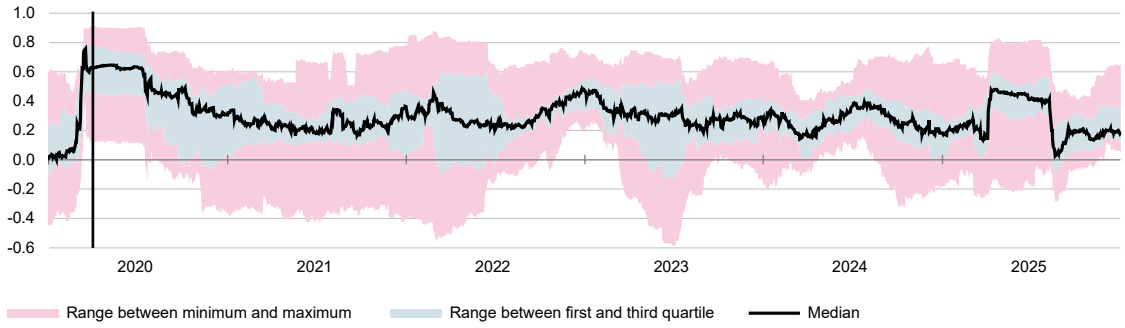


SOURCES: Banco de España, CNMV and DGSFP.
NOTE: Direct exposures include various types of holdings of other financial institutions, such as loans, debt securities, equity holdings (shares), investment fund shares or units, deposits and cash accounts. CIUs: collective investment undertakings. Direct interconnections are calculated taking no account of consolidations between the different financial sectors. The size of the flows is represented by the width of the lines. For greater clarity, exposures accounting for less than 1% of the total exposure in the financial system are not included. In cumulative terms, these exposures account for 7.6% of the total exposure.

sector, but also to CIUs and through funding to other insurance undertakings (Figure 4.1, panel 2). In the case of CIUs, interconnectedness with the banking sector is the most significant, while pension funds provide a comparable amount of funds to the banking sector and to the insurance sector.

Chart 4.1 Analysis of indirect interconnections through correlations between prices of listed financial assets

1 Indicator of correlation between asset classes (a)



2 Indicators of correlation between the financial and the non-financial sector (b)

SOURCE: CNMV.

a The indicator of correlation between asset classes takes correlation pairs calculated by drawing on daily data in 3-month windows. The asset classes are sovereign debt, corporate bonds of financial and non-financial institutions and equity securities of financial institutions, utilities and all other sectors. The vertical line marks the start of the market turmoil owing to the health crisis, in early March.

b The indicators of correlation between the financial and the non-financial sector take correlation pairs calculated by drawing on daily data in 3-month windows. The assets considered for the calculation are listed equity securities of the financial and the non-financial sectors. In addition, the latter has been split into two groups: i) the sectors most vulnerable to the effects of the COVID-19 pandemic, and ii) all other non-financial sectors. The vertical line marks the start of the market turmoil owing to the health crisis, in early March.

Correlations between financial assets began and ended 2025 at similar levels to those observed in previous years, but the middle part of the year saw an episode of high correlation. This analysis, based on the price correlation between the equities and debt securities issued by Spanish issuers, offers an estimation[57] of the changes in indirect interconnections between financial institutions (Chart 4.1, panel 1). In the first months of 2025, this indicator behaved in line with the levels and trends recorded in previous years. However, in early April, following the US

57 Changes in these correlations provide information on interconnections insofar as, if the underlying risks are similar, financial markets tend to value the assets issued similarly. This is a limited indicator, given that other factors may also affect these correlations: as discussed in the text, in 2025 the materialisation of risks with very broad cross-sectoral and cross-regional effects generated an increase in correlations that is not necessarily linked to changes in the level of interconnectedness.

Administration's first tariff announcements, correlations increased rapidly and reached historically high levels, which were maintained during the middle months of the year. In the final stretch of 2025, these correlations eased again and returned to levels similar to or even lower than those of previous years.

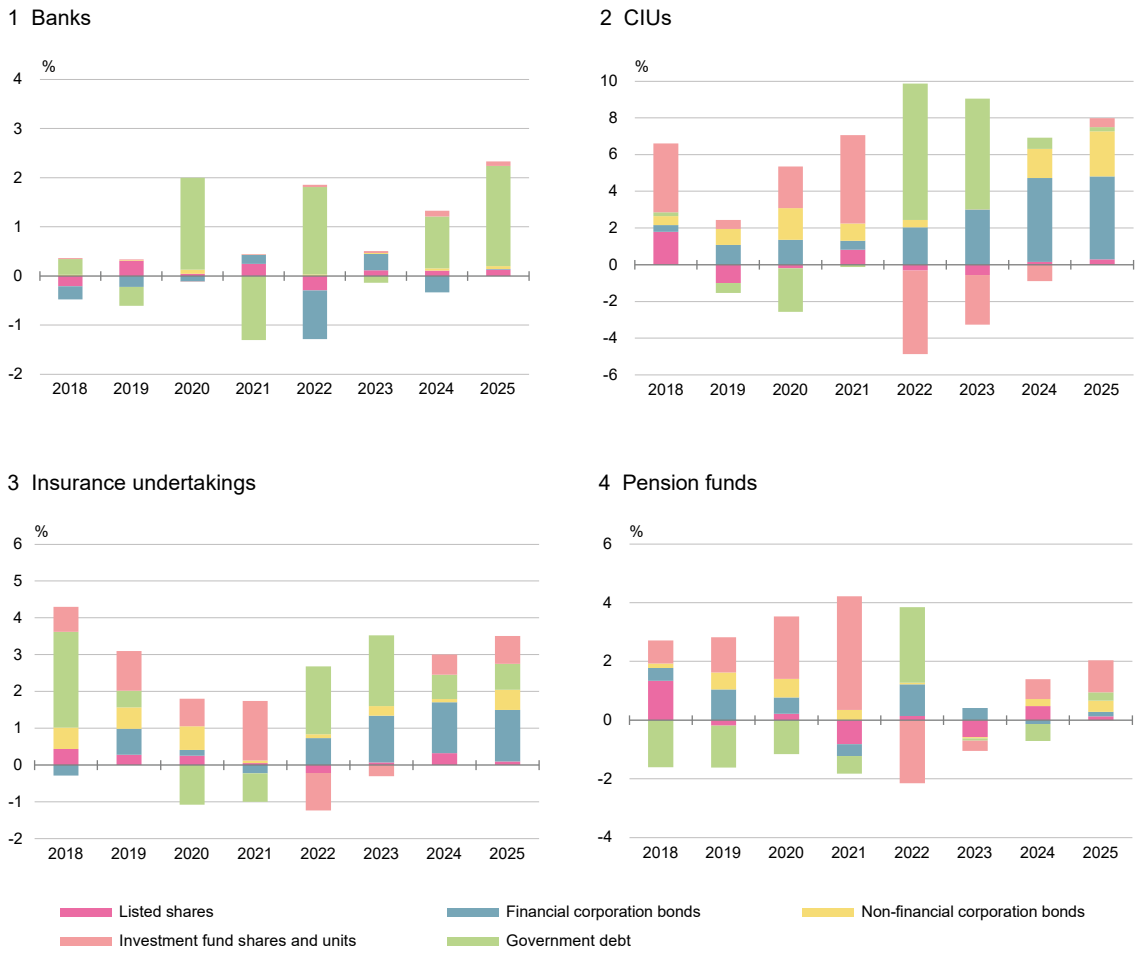
Correlations' variability over the year did not reflect structural changes in the system's interconnections. By affecting a broad part of the economy and of the global financial system, certain shocks may intensify – at least temporarily – correlations between the prices of different assets. The April 2025 episode is an example of one such exceptional situation that does not permanently change the structure of the system.

A similar pattern in correlation dynamics is observed over the course of 2025 when the analysis is restricted to equity instruments issued by banks and non-bank financial intermediaries. The high correlations in the middle part of the year lasted longer in this case and only reversed towards the end of 2025, when correlations tended to decline to the lower end of the range observed in recent years (Chart 4.1, panel 2).

In 2025 the share of sovereign debt in banks' securities portfolios increased once again, while growth in exposure to debt issued by financial corporations stood out among CIUs and insurance corporations. In 2025, as in the previous year, and in aggregate terms, the only asset class for which banks recorded a significant increase in holdings was government debt (Chart 4.2). CIUs increased their investment in all the classes of instruments analysed, although growth in terms of the share in total assets was concentrated mainly in corporate bonds, particularly those issued by financial corporations, but also by non-financial corporations. In the case of insurance undertakings, sizeable increases were observed in investments in bonds issued by financial corporations, but also – albeit to a lesser extent – in those issued by non-financial corporations, in government debt and in investment fund shares or units. Lastly, pension funds increased their holdings in all asset categories, although the rise was above all concentrated in investment fund shares or units. Overall, the main contributors to the increased interconnections within the system were the greater investment by CIUs and insurance undertakings in bonds issued by financial corporations and the rise in pension funds' holdings of investment fund shares and units.

The links between insurance undertakings and banking groups continue to stand out as a source of interconnections. The bancassurance business contributes to the banking sector's earnings not only through dividends received on equity holdings (which contribute to the above-mentioned direct interconnections), but also through fees and commissions for the distribution of insurance products. The prominence of the bancassurance business in Spain reflects several structural factors, most notably the extensive physical bank branch network, the banking

Chart 4.2 Net transactions by type of instrument as a % of the sector's total assets



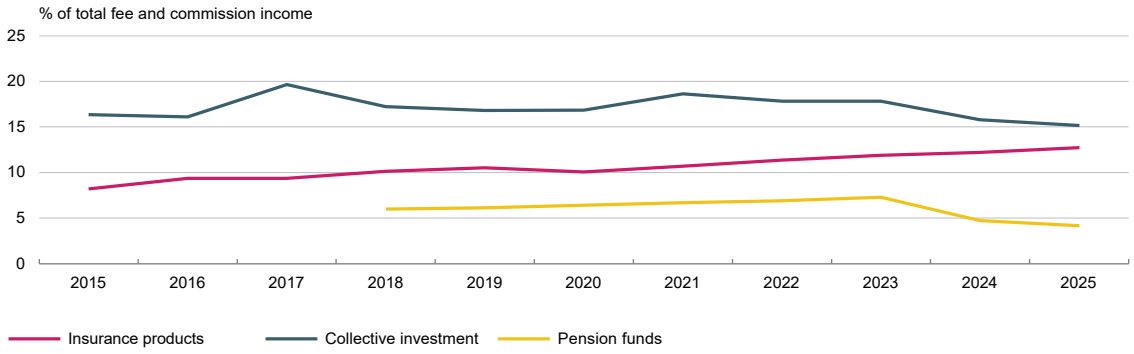
SOURCES: Banco de España (Financial Accounts of the Spanish Economy) and ECB (Securities Holdings Statistics by Sector).

sector's ability to obtain economies of scope[58] in the distribution of different financial products and the importance of credit protection insurance – both consumer credit and, especially, mortgage loans – within the overall life insurance market, aimed at protection in the event of the policyholder's death.

Banks' fees and commissions linked to collective investment products remained the most significant within this income category in 2025, although those associated with insurance continued to grow. Thus, the relative share of insurance product fees and commissions in the total increased, while it declined for both collective investment products and pension plans (Chart 4.3). As noted in previous editions of this report, from a banking conduct perspective, the high returns on credit protection insurance entail risks owing to potentially unsound practices

58 Economies of scope arise when the average costs of a firm decrease when producing or selling two or more products jointly rather than separately.

Chart 4.3 Income from fees and commissions linked to insurance and collective investment products marketed by the banking sector



SOURCES: Banco de España and CNMV.
NOTE: For fees and commissions relating to the marketing of pension funds no data are available before 2018.

regarding their underwriting and sale. Monitoring fees and commissions linked to this diverse range of products makes it possible to measure interconnections through business activity, beyond those arising from financial investments and from funding received.

There are other channels of interconnectedness that also affect the risks to financial stability. Notable examples include operations on derivatives markets and their central counterparty clearing houses, cyber risks and artificial intelligence risks.

5 European Systemic Risk Board recommendations and warnings relevant to AMCESFI

AMCESFI, in its capacity as the Spanish macroprudential authority, may receive recommendations from the European Systemic Risk Board (ESRB). These recommendations are intended to prevent or mitigate systemic risks and vulnerabilities and to promote interventions by the relevant EU authorities, including national authorities, designated supervisory, resolution and macroprudential authorities and even Member States themselves. The ESRB also addresses recommendations to the European Commission, ECB Banking Supervision, the three European Supervisory Authorities (EBA, EIOPA and ESMA) and the Single Resolution Board.

In 2025 the ESRB issued five recommendations with particular relevance for the Banco de España on voluntary reciprocity for certain macroprudential policy measures implemented in Austria, Belgium, Germany, Norway and Sweden. These recommendations are intended to encourage the application of measures activated in one Member State to relevant exposures held by institutions having their head office in another Member State, whether through branches or directly, thereby ensuring the effectiveness and consistency of national macroprudential policy measures. For this purpose, **Recommendation ESRB/2015/2** on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures is amended on a case-by-case basis. In 2025 the ESRB issued recommendations on voluntary reciprocity relating to the following national measures:

- Recommendation ESRB/2025/10 on the activation in Austria of a sSyRB of 1% for all relevant exposures to non-financial corporations in the construction and real estate sector located in the country, with the exception of limited profit housing associations.

- Recommendation ESRB/2025/11 on the deactivation by Belgium of a sSyRB, which was therefore removed from the list of macroprudential policy measures which are recommended to be reciprocated.

- Recommendation ESRB/2025/4 on the reduction in Germany of the sectoral systemic risk buffer (sSyRB) applicable to exposures secured by residential property located in the country from 2% to 1%, where such exposures reduce supervisory own funds requirements.

- Recommendation ESRB/2025/6 on the extension by Norway of the risk-weight floors applicable to exposures secured by residential

and commercial real estate, applicable to credit institutions using the internal ratings-based (IRB) approach.

— Recommendation ESRB/2025/5 on the extension by Sweden of the risk-weight floors applicable to exposures secured by residential and commercial real estate, applicable to credit institutions using the IRB approach.

— The Banco de España did not adopt reciprocal measures in any of these cases, as Spanish institutions' exposures were below the materiality thresholds recommended by the ESRB.

In addition, in 2025 the Banco de España adopted a macroprudential measure pursuant to Recommendation ESRB/2024/7, issued in late 2024, concerning the reciprocation of a Norwegian measure. In 2024 Norway decided to extend the systemic risk buffer (SyRB) in force in that country since the end of 2020 and applicable to all exposures located in Norway, holding it at 4.5%. The Banco de España resolved to recognise and reciprocate the Norwegian measure, since one Spanish institution exceeded the recommended materiality threshold (primarily owing to exposures held through a subsidiary in Norway) and the ESRB recommendation called for reciprocating measures to be applied on a consolidated, sub-consolidated and individual basis, irrespective of whether the exposures were held through subsidiaries or branches, or arose from direct cross-border lending. Accordingly, in May 2025 the Banco de España decided to require Banco Santander, on a consolidated, sub-consolidated and individual basis, to apply a 4.5% SyRB to all exposures located in Norway from 1 September 2025.

This brings to three the number of macroprudential measures adopted by other European countries that have been reciprocated by the Banco de España, all of them relating to the SyRB. The previous two, concerning measures adopted in Portugal and Italy, were announced in May and October 2024, respectively (more information can be found here).

Drawing on its experience with the EU macroprudential reciprocation framework over the past decade, the ESRB has made changes to its recommendations to foster the adoption of reciprocal measures by Member States. Specifically, in order to facilitate and harmonise to the extent possible the application of national macroprudential measures across the EU, the ESRB has increasingly specified the criteria that relevant authorities should apply when assessing the materiality of institutions' exposures, as well as the levels at which reciprocal measures should be applied. It should be noted that all recommendations issued in 2025 on the adoption of reciprocal measures specified that such measures should generally be applied on a consolidated, sub-consolidated and individual basis, as this helps limit regulatory arbitrage, address systemic risks more effectively and strengthen the overall effectiveness of macroprudential policy.

In 2025 the ESRB also issued Recommendation ESRB/2025/9 on third-country multi-issuer stablecoin schemes. This recommendation contains a set of nine recommendations addressed to various authorities: the European Commission, the EBA, ESMA and the national authorities responsible for the supervision of stablecoin issuers.

Recommendations H and I are addressed to the Banco de España in its capacity as the national supervisor of issuers of electronic money tokens and asset-referenced tokens. The Banco de España must report to the ESRB on compliance with those recommendations by no later than 31 December 2026. To date, no entity participating in a multi-issuer arrangement involving third-country entities has been established in Spain. In practice, therefore, the above-mentioned recommendations are not yet applicable. Should issuers operating under third-country multi-issuer stablecoin schemes be established in Spain in the future, the Banco de España should take the following supervisory actions:

— require issuers to demonstrate that the institutions supporting them have the capacity to execute cross-border operations, particularly asset sales and cross-border fund transfers;

— ensure that issuers are able to provide comprehensive data required for effective supervision and to assess the adequacy of the reserves backing the tokens that are held in the EU.

It should be noted that ESRB recommendations are not legally binding, but they are subject to the "comply or explain" principle. The ESRB conducts regular assessment and follow-up exercises to determine the degree of compliance by the authorities to which each of its recommendations are addressed. In 2025 it published assessment reports on compliance with the following recommendations relevant for Spanish authorities:

— Recommendation ESRB/2022/9 on vulnerabilities in the commercial real estate sector in the European Economic Area. The measures taken by the Spanish addressee authorities (AMCESFI, Banco de España, CNMV and DGSFP) to implement Recommendation A on improving the monitoring of systemic risks stemming from the commercial real estate market were assessed as fully compliant, the highest possible rating (Table 5.1).

— Recommendation ESRB/2019/18 on exchange and collection of information for macroprudential purposes on branches of credit institutions having their head office in another Member State or in a third country. The ESRB also assessed as fully compliant the implementation of Recommendation A on cooperation and exchange of information deemed necessary for the discharge of macroprudential policy and financial stability functions. In Spain, this recommendation is addressed to AMCESFI and the Banco de España (Table 5.1).

Table 5.1 ESRB recommendations in force addressed to AMCESFI

ESRB Recommendation	AMCESFI	Banco de España	CNMV	DGSFP	FROB	Government
Recommendation ESRB/2022/9 of 1 December 2022 on vulnerabilities in the commercial real estate sector in the European Economic Area	FC (b)					
Recommendation ESRB/2020/12 of 24 September 2020 on identifying legal entities	FC	FC	LC	LC	FC	
Recommendation ESRB/2019/18 of 26 September 2019 on exchange and collection of information for macroprudential purposes on branches of credit institutions having their head office in another Member State or in a third country	FC (b)					
Recommendation ESRB/2016/14 of 31 October 2016 on closing real estate data gaps	FC (a)					
Recommendation ESRB/2015/2 of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures	FC (b)					
Recommendation ESRB/2013/1 of 4 April 2013 on intermediate objectives and instruments of macroprudential policy	LC (a)					LC

SOURCES: ESRB and AMCESFI.
NOTE: The shaded cells denote the authorities to which each recommendation is addressed. The degree of compliance is indicated where an ESRB compliance assessment report is available, as follows: Fully Compliant (FC); Largely Compliant (LC); Partially Compliant (PC); Materially Non-Compliant (MN); Sufficiently Explained (SE); and Insufficiently Explained (IE).

a Before AMCESFI was established in 2019, the Banco de España, as the designated authority for the banking sector, assumed responsibility for complying with the ESRB recommendations addressed to the macroprudential authority.
b Recommendations ESRB/2015/2 and ESRB/2022/9 were assessed jointly for all the authorities addressed.

Table 5.1 lists the ESRB recommendations currently in force and addressed to AMCESFI, indicating the degree of compliance, based on the ESRB's assessment where available. Annex 2 provides a list of other ESRB recommendations addressed to at least one national authority in Spain, but not specifically to AMCESFI.

Lastly, the ESRB is empowered to issue warnings on vulnerabilities in the EU where it identifies systemic risks to financial stability. These warnings can be addressed to the EU as a whole or to individual Member States, the European supervisory authorities or national authorities. The ESRB and the Council of the European Union decide, on a case-by-case basis, whether a warning should be made public, bearing in mind that disclosure can be key to its effectiveness and to compliance. Subsequently, the ESRB assesses whether the systemic risk has been adequately addressed and may, where appropriate, return to the matter, this time issuing a recommendation. The latest ESRB

warning, on vulnerabilities in the EU financial system (Warning ESRB/2022/7), was issued in 2022, highlighting the need to preserve or enhance the resilience of the financial sector so that it can continue to support the real economy if and when financial stability risks materialise. The ESRB makes use of this warning mechanism on a relatively exceptional basis, which is why no further warnings have been issued since then.

Annex 1 Dashboard of risk indicators

Chart A1.1 **Macroeconomic risk**

1 Real GDP, seasonally adjusted quarter-on-quarter rate of change

2 Unemployment rate according to the Spanish Labour Force Survey

3 Inflation according to headline HICP

4 Government debt and deficit

5 Resident private sector debt, consolidated

6 Current account balance

7 Negative net international investment position

8 Unit labour costs

Chart A1.2 **Market risk**

1 Price-to-earnings ratio of the main stock markets

2 10-year government bond yield

3 12M EURIBOR

4 International market volatility

5 IBEX 35 volatility

Chart A1.3 **Credit risk**

1 NPL ratio, deposit institutions

2 Coverage ratio, deposit institutions

3 Spanish 10-year government bond yield spread over 10-year German Bund

4 CDS indicators

5 Stock of credit to the resident private sector

6 New credit to the resident private sector

Chart A1.4 **Residential real estate market risk**

1 Residential real estate market developments

2 House price overvaluation estimates

3 Housing and construction loans

4 New housing loans

Chart A1.5 **Commercial real estate market risk**

1 Real price indices for the commercial real estate market

2 Indicator linking commercial real estate market prices to their trend and the sector's value added trends and interest rates

3 Commercial real estate lending as a share of total lending

4 New real estate lending secured by commercial property

Chart A1.6 **Liquidity risk and financing**

1 3-month LIBOR-OIS spread

2 Eurosystem monetary policy interest rates

3 Spain's average interest rate spread against the euro area on new loans of up to €1 million extended to firms

4 Debt security issuances

5 Equity issuances by Spanish firms

6 Loan-to-deposit ratio, other resident sectors

7 Trading of Spanish equities

8 Bid-ask spreads

Chart A1.7 **Solvency risk and profitability. Banks. Consolidated data**

1 ROE

2 Cost/income ratio

3 Capital ratios

4 Leverage ratio (phased-in)

Solvency risk and profitability. Insurance undertakings

5 ROE

6 Non-life gross combined ratio

7 Solvency ratio

Chart A1.8 **Structural risks and interconnectedness**

1 Financial sector assets

2 Assets of other financial intermediaries

3 Investment funds

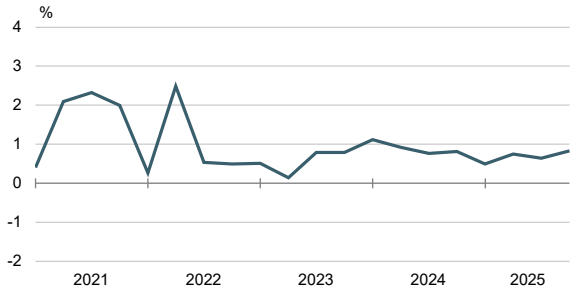
4 Assets of insurance undertakings and pension funds

5 Banking sector liabilities, by sector

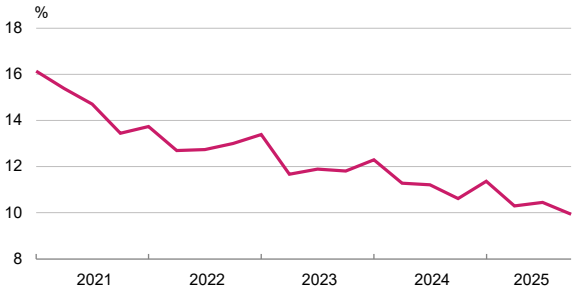
6 Systemic risk indicator

Chart A1.1 Macroeconomic risk

1 Real GDP, seasonally adjusted quarter-on-quarter rate of change (a)

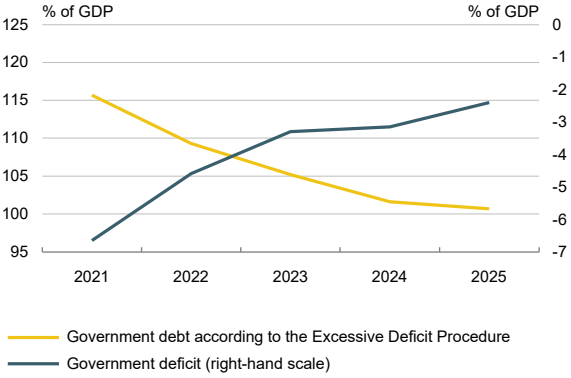


2 Unemployment rate according to the Spanish Labour Force Survey



3 Inflation according to headline HICP (b)

4 Government debt and deficit

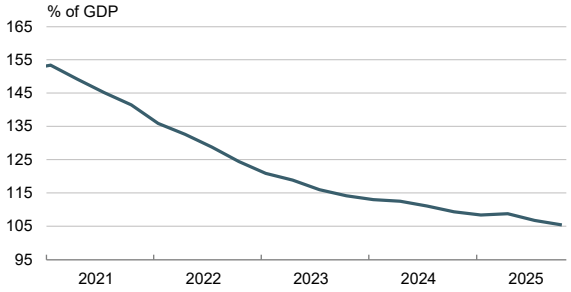


SOURCE: Ministerio de Economía, Comercio y Empresa.

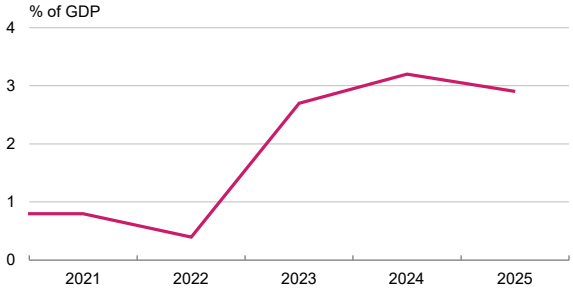
a Quarterly rate of change.
b Annual rate of change.

Chart A1.1 **Macroeconomic risk** (cont'd)

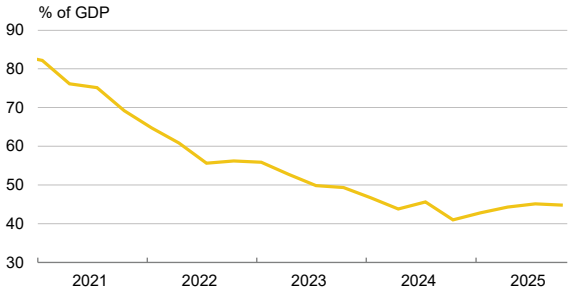
5 Resident private sector debt, consolidated (a)



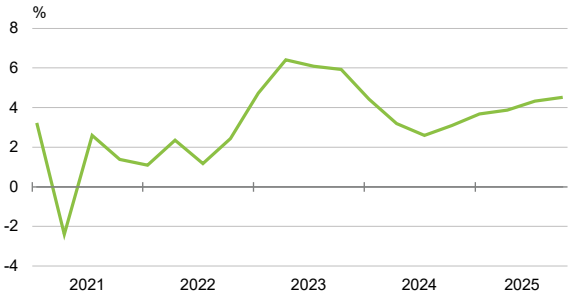
6 Current account balance



7 Negative net international investment position



8 Unit labour costs (b)

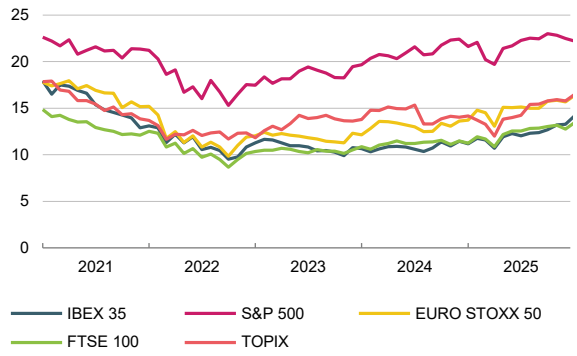


SOURCE: Ministerio de Economía, Comercio y Empresa.

a NFCs and households and NPISHs.
b Annual rate of change.

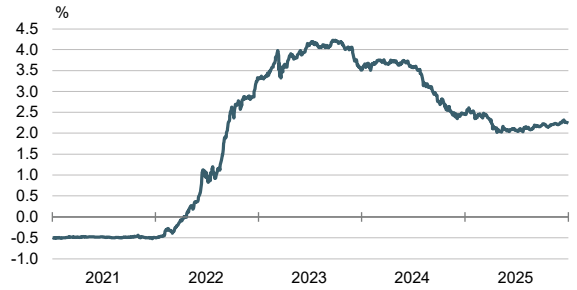
Chart A1.2 Market risk

1 Price-to-earnings ratio of the main stock markets

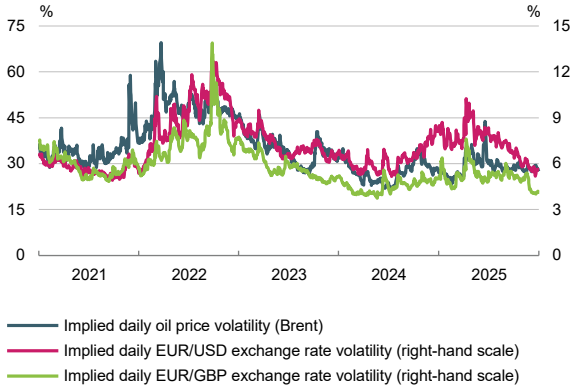


2 Spanish 10-year government bond yield

3 12M EURIBOR



4 International market volatility



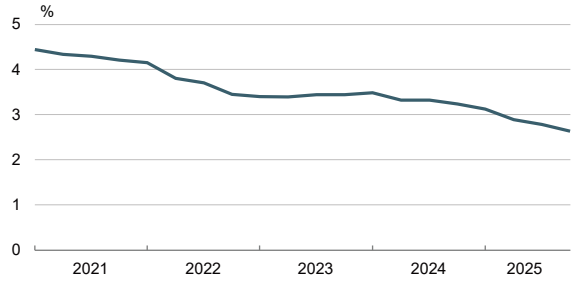
5 IBEX 35 volatility

SOURCE: Datastream.

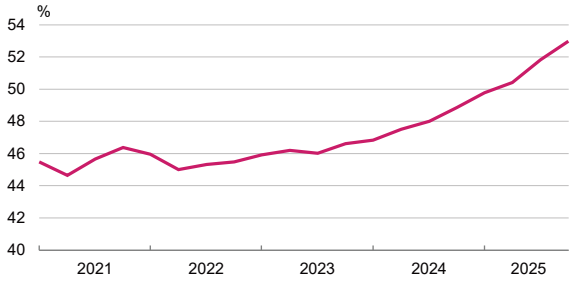
a The historical volatility indicator is calculated as the annualised standard deviation of daily IBEX 35 price changes over 21 days.

Chart A1.3 Credit risk

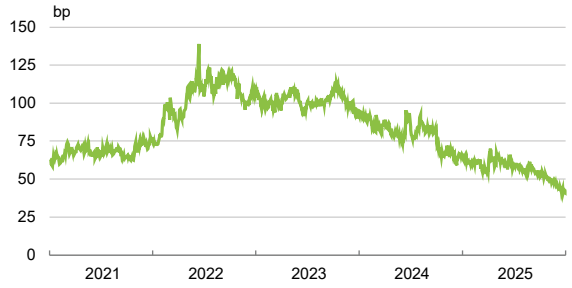
1 NPL ratio, deposit institutions (a)



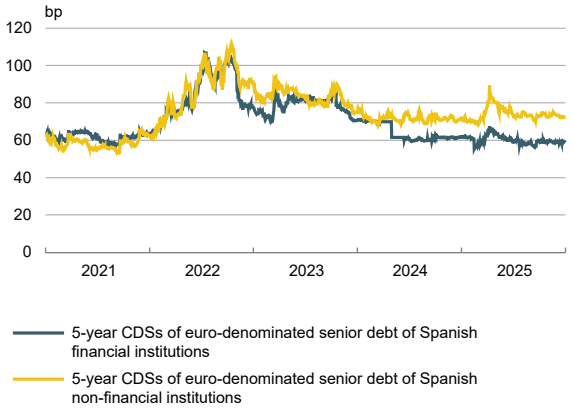
2 Coverage ratio, deposit institutions (a)



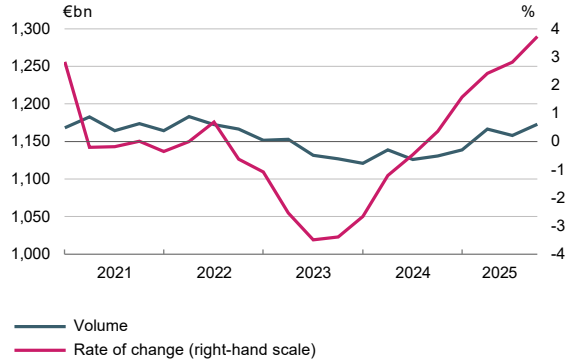
3 Spanish 10-year government bond yield spread over 10-year German Bund



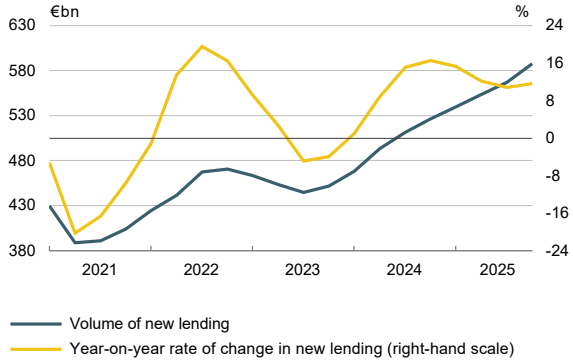
4 CDS indicators (b)



5 Stock of credit to resident private sector (c)



6 New credit to resident private sector (c) (d)

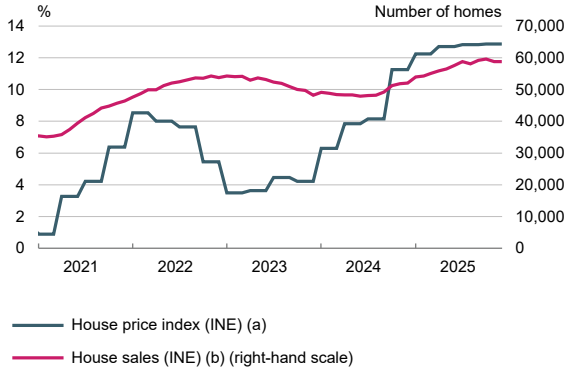


SOURCE: Banco de España.

a Bank-level data, business in Spain.
b Simple average of a sample of IBEX 35 members.
c Households and NFCs.
d Cumulative 12-month flow.

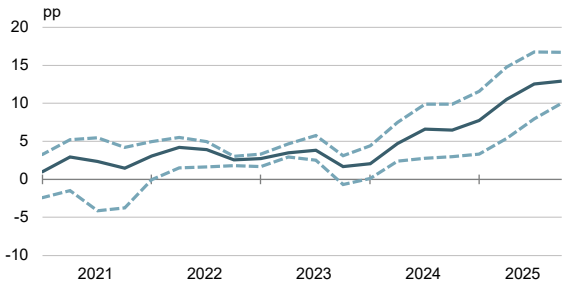
Chart A1.4 Residential real estate market risk

1 Real estate market developments

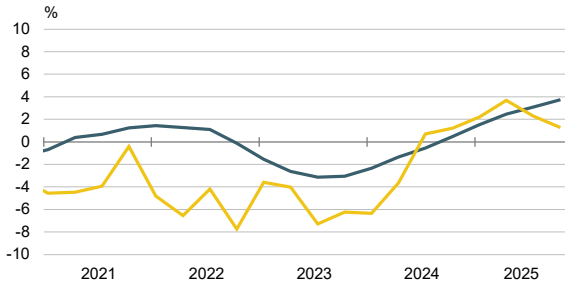


House price index (INE) (a)
House sales (INE) (b) (right-hand scale)

2 House price overvaluation estimates (c)

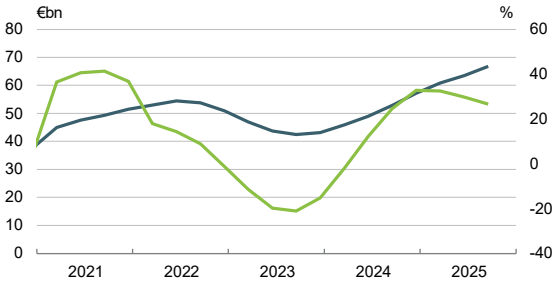


3 Housing and construction loans (d)



Loans to households for house purchase
Loans for construction, property development and real estate activities

4 New housing loans (e)



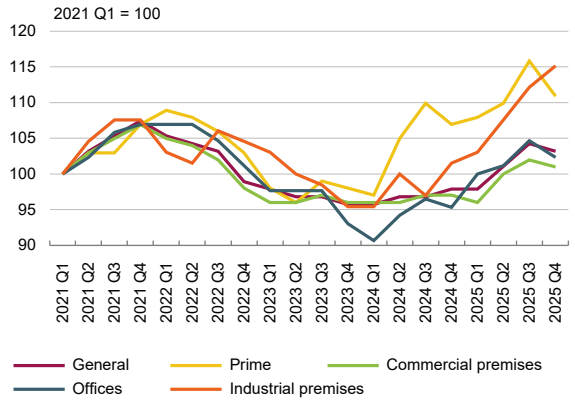
New loans for house purchase
Year-on-year rate of change in new loans for house purchase (right-hand scale)

SOURCE: Banco de España.

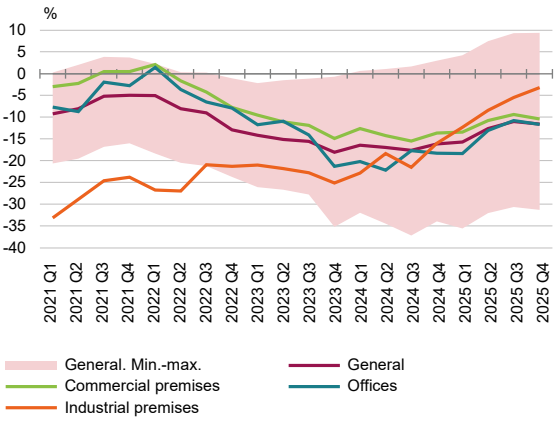
a Annual rate of change.
b 12-month moving average.
c The solid and broken lines denote, respectively, the average, minimum and maximum values of a set of four indicators for changes in real estate sector prices vis-à-vis their long-term trends: (i) house price gap with respect to the long-term trend calculated using a Hodrick-Prescott filter with a smoothing parameter of 400,000; (ii) house-price-to-disposable income ratio gap with respect to the long-term trend calculated using a Hodrick-Prescott filter with a smoothing parameter of 400,000; (iii) econometric model for house price imbalances explained by long-term trends in disposable income and mortgage rates; and (iv) econometric model for long-term house price imbalances explained by prices in preceding periods, disposable income, new mortgage rates and fiscal variables.
d Year-on-year rate of change.
e Cumulative 12-month flow. Including credit to households and NPISHs.

Chart A1.5 Commercial real estate market risk

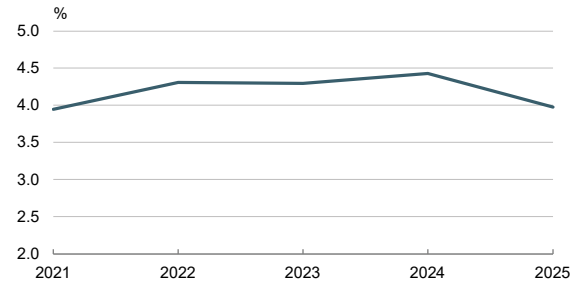
1 Real price indices for the commercial real estate market (a)



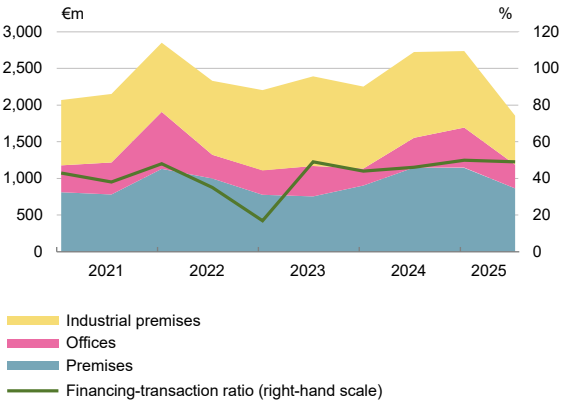
2 Indicator linking commercial real estate market prices to their trend and the sector's value added trends and interest rates (b)



3 Commercial real estate lending as a share of total lending



4 New real estate lending secured by commercial property (c)



SOURCES: Colegio de Registradores, Banco de España and EBA. Latest observation: December 2025.

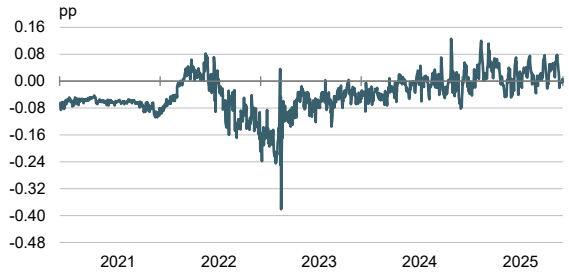
a Obtained drawing on estimations using a hedonic regression model in each bracket. Quarterly frequency. The aggregate index is the average weighted by the relative share of the transactions performed in each quarter in each segment (4% offices, 78% commercial premises and 18% industrial premises). In 2025 properties in prime areas (located in central neighbourhoods of the main urban centres of Barcelona, Bilbao, Madrid, Malaga, Palma and Valencia) accounted for 4% of the transactions in the overall commercial real estate segment. The real indices are obtained by adjusting the nominal indices by the seasonally adjusted implied deflator of final consumption expenditure in the economy as a whole.

b The indicator depicted is the average of four independent imbalance indicators: price gap (difference between actual value and estimated trend) using the Hodrick-Prescott filter, price-sector gross value added gap using the Hodrick-Prescott filter, ordinary least squares model and error correction model. Luis Fernández Lafuerza, Irene Roibás and Raquel Vegas. (2025). "Indicadores de desequilibrios de precios del mercado inmobiliario comercial". Documentos Ocasionales, 2507, Banco de España. https://doi.org/10.53479/39625

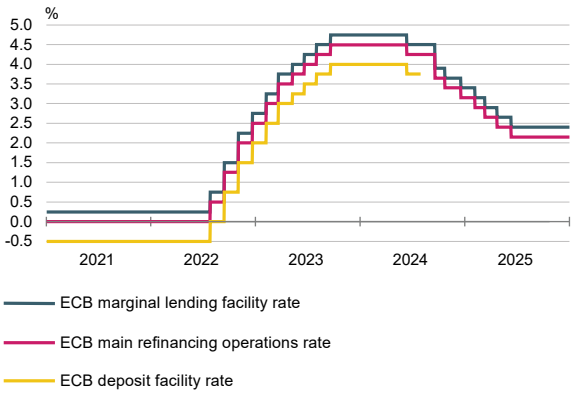
c For each date, the real flow of new lending in the previous six months is depicted. The actual aggregates are obtained by adjusting the nominal volumes by the seasonally adjusted implied deflator of final consumption expenditure in the economy as a whole. The financing-transaction ratio (right-hand scale) is calculated as the ratio of total mortgage lending secured by commercial premises to the total volume transacted in sales and purchases of commercial real estate.

Chart A1.6 Liquidity risk and financing

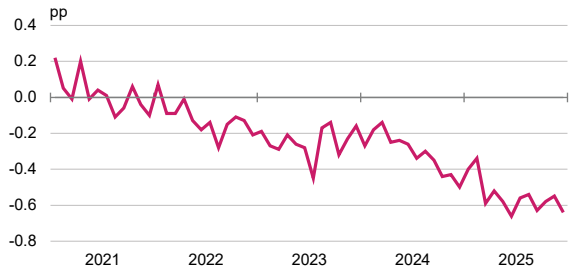
1 3-month LIBOR-OIS spread



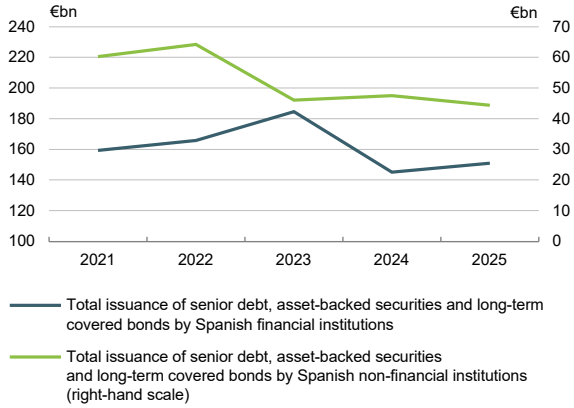
2 Eurosystem monetary policy interest rates



3 Spain's average interest rate spread against the euro area on new loans of up to €1 million extended to firms



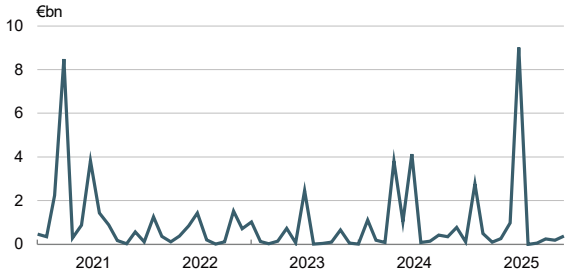
4 Debt security issuances



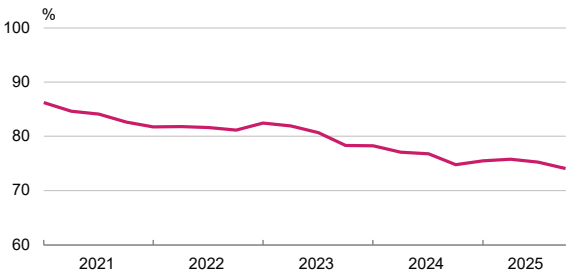
SOURCES: Banco de España, ECB and CNMV.

Chart A1.6 **Liquidity risk and financing** (cont'd)

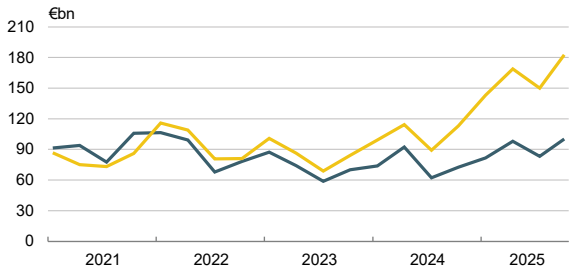
5 Equity issuances by Spanish firms



6 Loan-to-deposit ratio, other resident sectors (a)



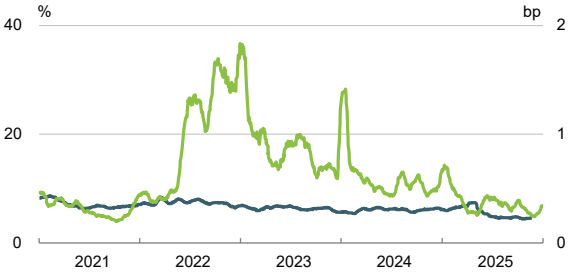
7 Trading of Spanish equities



Spanish equities traded on Spanish stock market

Spanish equities traded on other stock markets (Chi-X, Turquoise, BATS, etc.)

8 Bid-ask spreads



IBEX 35 bid-ask spread

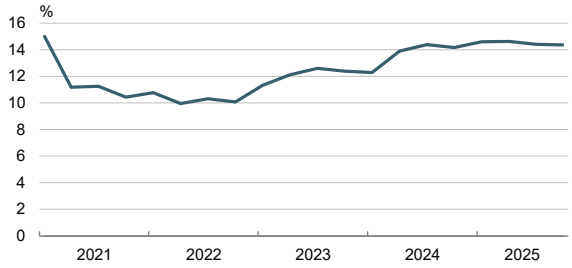
10-year sovereign bond bid-ask spread (right-hand scale)

SOURCES: CNMV and Banco de España.

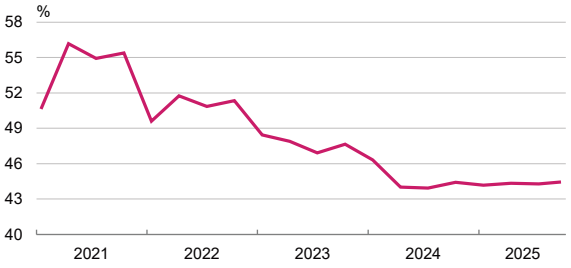
a Households and NFCs.

Chart A1.7 Solvency risk and profitability. Banks. Consolidated data

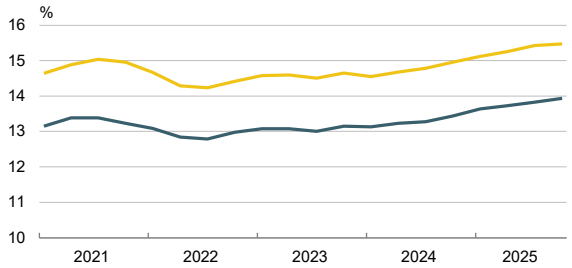
1 ROE (a)



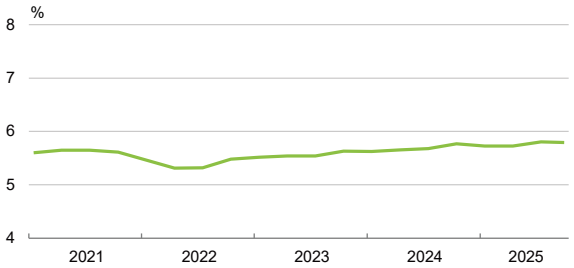
2 Cost/income ratio (b)



3 Capital ratios



4 Leverage ratio (phased-in)



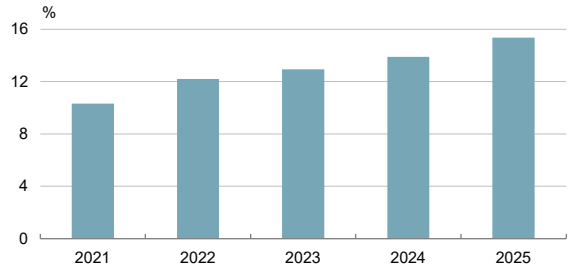
Tier 1 capital ratio (phased-in)
CET1 ratio (phased-in)

SOURCE: Banco de España.

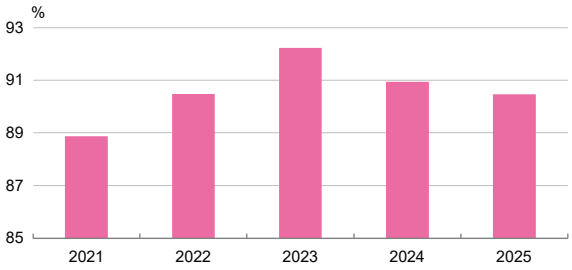
a Net profit as a percentage of average equity.
b Operating costs as a percentage of gross income.

Chart A1.7 **Solvency risk and profitability. Insurance undertakings** (cont'd)

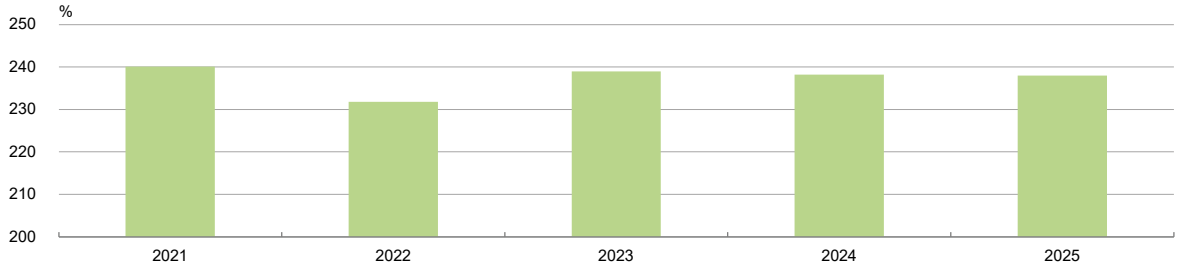
5 ROE



6 Non-life gross combined ratio



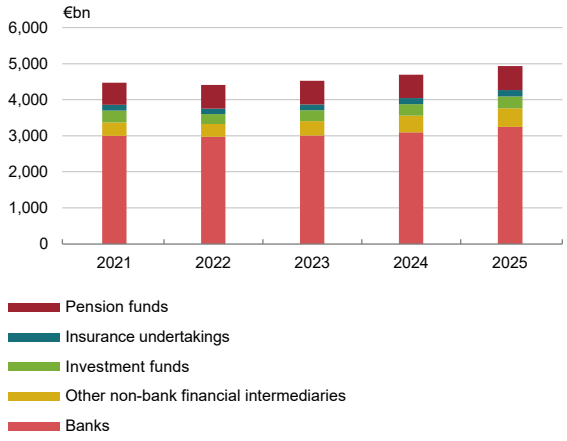
7 Solvency ratio



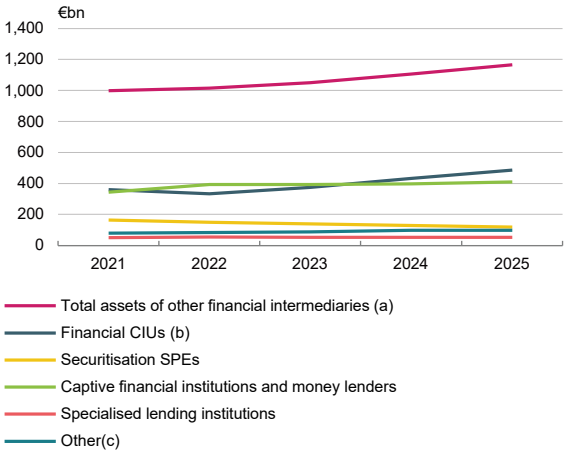
SOURCE: DGSFP.

Chart A1.8 Structural risks and interconnectedness

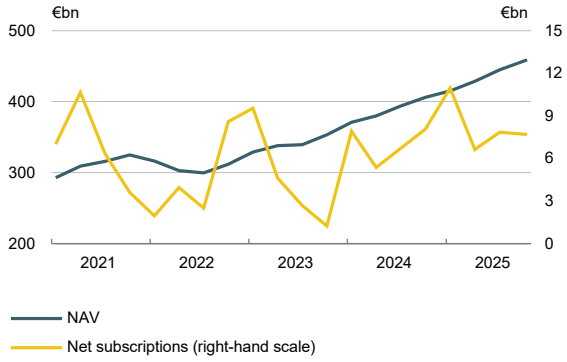
1 Financial sector assets



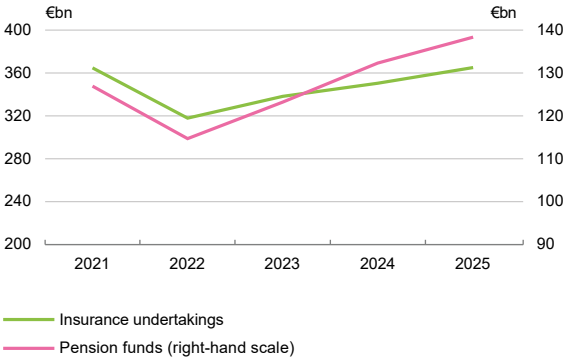
2 Assets of other financial intermediaries



3 Investment funds



4 Assets of insurance undertakings and pension funds

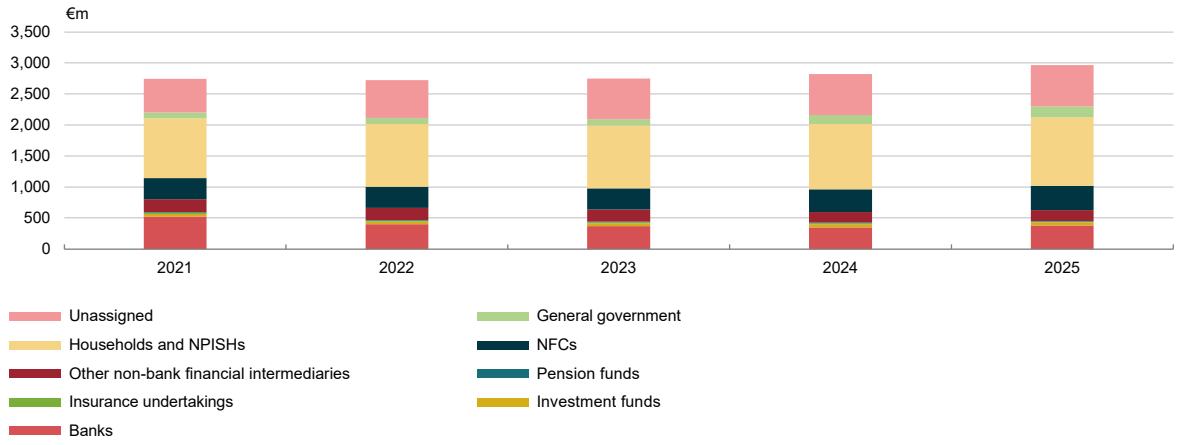


SOURCES: CNMV, DGSFP and Banco de España.

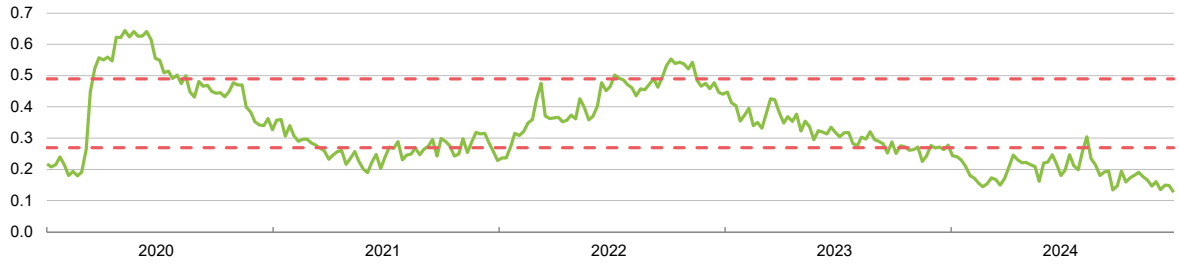
a The 2021 data are provisional.
b Including investment funds (including MMFs), SICAVs and hedge funds.
c Sareb's assets are not included here from 2020 due to this institution being reclassified as general government.

Chart A1.8 **Structural risks and interconnectedness** (cont'd)

5 Banking sector liabilities, by sector



6 Systemic risk indicator (a)



SOURCES: Banco de España and CNMV.

a Stress is measured in six segments of the financial system and is aggregated, to obtain a single figure that factors in the correlation between the segments. The econometric estimates suggest that indicator values below 0.27 denote periods of low stress, values between 0.27 and 0.49 denote periods of medium stress, and values over 0.49 denote periods of high stress. The broken red lines mark the boundaries between the different stress levels (high, medium and low).

Annex 2 European Systemic Risk Board recommendations relevant to AMCESFI member institutions and other authorities in Spain

Table A2.1 ESRB recommendations, by authority

ESRB recommendation	Banco de España	CNMV	DGSFP	Government
Recommendation ESRB/2025/9 of 25 September 2025 on third-country multi-issuer stablecoin schemes (a)				
Recommendation ESRB/2021/17 of 2 December 2021 on a pan-European systemic cyber incident coordination framework for relevant authorities				FC
Recommendation ESRB/2020/6 of 25 May 2020 on liquidity risks arising from margin calls	SE	FC/LC	SE	
Recommendation ESRB/2015/1 of 11 December 2015 on recognising and setting countercyclical buffer rates for exposures to third countries	FC			
Recommendation ESRB/2014/1 of 18 June 2014 on guidance for setting countercyclical buffer rates	FC			
Recommendation ESRB/2012/2 of 20 December 2012 on funding of credit institutions	FC			
Recommendation ESRB/2011/3 of 22 December 2011 on the macro-prudential mandate of national authorities				PC (b)
Recommendation ESRB/2011/2 of 22 December 2011 on US dollar denominated funding of credit institutions	FC			
Recommendation ESRB/2011/1 of 21 September 2011 on lending in foreign currencies	FC			

SOURCES: ESRB and AMCESFI.
NOTE: The shaded cells denote the authorities to which each recommendation is addressed. The recommendations addressed to AMCESFI included in Table 5.1 and recommendations amending previous recommendations have been excluded. The degree of compliance is indicated where an ESRB compliance assessment report is available, as follows: Fully Compliant (FC); Largely Compliant (LC); Partially Compliant (PC); Materially Non-Compliant (MN); Sufficiently Explained (SE); and Insufficiently Explained (IE).

a The ESRB gave the national competent authorities until 31 December 2026 to comply with recommendations H and I. Consequently, compliance therewith had not yet been assessed on the date this report was published.
b When this recommendation was assessed, AMCESFI had not yet been created in Spain and the legislative implementation in this field remained incomplete. Therefore, this classification does not reflect the current degree of compliance with the recommendation.

Annex 3 Key publications by AMCESFI institutions

This annex compiles regular articles and occasional papers on topics related to the analysis of financial stability and macroprudential policy published by AMCESFI member institutions between July 2025 and June 2026. For publications relating to 2025 H1, see Annex 3 of the AMCESFI *Annual Report 2024.*

Banco de España

Financial Stability Report. Spring 2026

Financial Stability Report. Autumn 2025

Supervision Report 2025

Annual Report 2025

"Macroprudential FX Regulations and Small Firms: Unintended Consequences for Credit Growth"
María Alejandra Amado
Documentos de Trabajo, 2604 (2026)

"Issuance yield of MREL-eligible bank debt: a benchmarking model"
Francisco González Rodríguez, Alberto Orts Torres, José María Serena Garralda and Miquel Tarí Sánchez
Documentos Ocasionales, 2607 (2026)

"Geopolitical Risk: A Database of General and Bilateral Indices"
Irma Alonso-Alvarez, Ekaterina Bukina, Marina Diakonova, Nino Khitarishvili, Javier J. Pérez and Pedro Piqueras
Documentos Ocasionales, 2603 (2026)

"A literature review on ex-ante and ex-post analysis of the implications of borrower-based macroprudential measures"
Adrián Carro, Jorge E. Galán, Enric Martorell and Raquel Vegas
Documentos Ocasionales, 2524 (2025)

"Ayudas directas de la línea COVID-19: los determinantes de la asignación y el efecto sobre el crédito bancario"
Marina García Gil and Dmitry Khametshin
Documentos Ocasionales, 2520 (2025)

"From risk to buffer: calibrating the positive neutral CCyB rate"
Luis Herrera, Mara Pirovano and Valerio Scalone
Documentos de Trabajo, 2544 (2025)

"Diversifying sovereign risk in the euro area: empirical analysis of different policy proposals"
Christian E. Castro, Ángel Estrada García and Gonzalo Fernández Dionis
Documentos de Trabajo, 2540 (2025)

"Banks' specialization and private information"
Alejandro Casado and David Martínez-Miera
Documentos de Trabajo, 2539 (2025)

"Cross-border spillovers of bank regulations: evidence of a trade channel"
María Alejandra Amado, Carlos Burga and José E. Gutiérrez
Documentos de Trabajo, 2538 (2025)

"Stablecoins y política regulatoria: Análisis comparado de la regulación en Estados Unidos, Reino Unido y la Unión Europea"
Lucas García Calvo and Diego Hernández García
Revista de Estabilidad Financiera, 50, primavera (2026)

"Efectos sobre el crédito hipotecario de una menor capacidad de endeudamiento de los hogares en España"
Gabriel Jiménez and Eduardo Pérez Asenjo
Revista de Estabilidad Financiera, 50, primavera (2026)

"Analysis of the private credit market in Spain"
Esther Cáceres, Martin Farias, Gianmarco Ruzzier and Clara (Chi) Xu
Financial Stability Review, 49, autumn (2025).

"Firms' recourse to trade credit and the relationship with bank credit in Spain"
Miguel García-Posada, Sergio Mayordomo, Álvaro Menéndez and Maristela Mulino
Financial Stability Review, 49, autumn (2025).

National Securities Market Commission (CNMV)

Financial Stability Note No 30. Forthcoming

Financial Stability Note No 29. December 2025

Non-bank financial intermediation. Financial year 2024

Informe anual 2025

"Change over time. Private equity collective investment schemes between 2013 and 2024"
María Dolores Santiago Cañizares and Gema Pedrón Fernández
CNMV Bulletin. October 2025

"Do ESG controversies impact the performance of listed companies?"
Jesús González Redondo and María Isabel Cambón Murcia
CNMV Bulletin. October 2025

"Informe sobre el estado de los activos digitales"
Policy and International Affairs Directorate General
Documento de Trabajo n.º 94 (2026)

"Large Language Models and Stock Investing: Is the Human Factor Required?"
Ricardo Crisóstomo and Diana Mykhalyuk
Documento de Trabajo n.º 96 (2026)

"Three decades of Euribor: Viability and prospects for future development"
María José Gómez Yubero, Ignacio Ollero García-Agulló and Miguel Palomero Aguilar
Documento Ocasional (2026)

"Transformación tecnológica, resiliencia y competitividad en la compensación europea"
María José Gómez Yubero, Bárbara Gullón Ojesto and Pablo Iglesias-Rodríguez
Documento Ocasional (2026)

Ministry of Economy, Trade and Business

Directorate General of Insurance and Pension Funds

Informe del sector de seguros y fondos de pensiones 2024

Glossary

AI	Artificial intelligence
AIFMD	Alternative Investment Fund Managers Directive
AMCESFI	Spanish Macroprudential Authority
APP	Asset Purchase Programme
AT1	Additional Tier 1 capital
ATA	Average total assets
bn	Billion
bp	Basis points
CCP	Central counterparty clearing house
CCyB	Countercyclical capital buffer
CET1	Common Equity Tier 1
CIU	Collective investment undertaking
CNMV	National Securities Market Commission
COVID-19	Coronavirus disease 2019
CPI	Consumer Price Index
CSPP	Corporate sector purchase programme
DGSFP	Directorate General of Insurance and Pension Funds
EBA	European Banking Authority
ECB	European Central Bank
EIOPA	European Insurance and Occupational Pensions Authority
ESG	Environmental, social and governance
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board
EU	European Union
EUR	Euro
FROB	Spanish executive resolution authority
FSB	Financial Stability Board
FSTC	Financial Stability Technical Committee (AMCESFI)
GBP	Pound sterling
GDP	Gross domestic product
G-SIIs	Global systemically important institutions
HICP	Harmonised Index of Consumer Prices
HQLA	High-quality liquid assets
ICO	Official Credit Institute
INE	National Statistics Institute
IRB	Internal ratings-based
IRS	Interest rate swap
LCR	Liquidity coverage ratio
LEI	Legal Entity Identifier
MiCA	Markets in Crypto-Assets
NBFI	Non-bank financial intermediation
NFCs	Non-financial corporations

NPISHs	Non-profit institutions serving households
NSFR	Net stable funding ratio
OIS	Overnight index swap
ORSA	Own risk and solvency assessment
O-SIIs	Other systemically important institutions
PEPP	Pandemic Emergency Purchase Programme
pp	Percentage points
Q	Quarter
ROA	Return on assets
ROE	Return on equity
RWA	Risk-weighted assets
SyRB	Systemic risk buffer
sSyRB	Sectoral systemic risk buffer
TLTROs	Targeted longer-term refinancing operations
UCITS	Undertakings for collective investment in transferable securities
USD	United States dollar

Cut-off date: 30 June 2026
Reproduction is permitted for educational or non-profit purposes,
provided the source is cited
© Ministerio de Economía, Comercio y Empresa - Banco de España -
Comisión Nacional del Mercado de Valores, Madrid, 2026
ISSN: 2660 - 4116