

Fixed Income Market

Annual Report 2025

March, 2026

Summary



Global GDP proved resilient in 2025, growing by around 3.2% despite the uncertainty generated by tariff tensions. Spain stood out positively, with growth of 2.8%, outperforming its European peers and other major advanced economies, and once again ranking among the world's twelve largest economies.



Lower inflation has paved the way for cuts in benchmark interest rates by central banks, although the timing of these moves has differed across jurisdictions. Yields on medium- and long-term benchmark sovereign bonds have remained relatively stable.



€400 billion in public and corporate issuance was channeled through BME's Fixed Income markets: €288.24 billion in government debt, €92.34 billion in corporate debt, and €14.55 billion through MARF.



The MARF has now 164 companies that have directly raised financing in its twelve years of existence. The outstanding balance recorded on the market exceeded €10 billion.



In 2025, sustainable finance in Spain reflects a more selective and mature market, prioritizing quality and rigor over volume, with a more moderate decline in issuance than at the global level and clear European leadership driven by the dynamism of sustainable bonds.



The start of the U.S. and Israeli armed intervention in Iran on 28 February 2026 triggered sharp declines and heightened volatility in global debt markets, amid fears of rising inflation and economic stagnation. Short- and long-term interest rates increased across all markets, risk premia widened slightly in Europe, and spreads on higher-risk bonds also expanded worldwide.



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Economic, Monetary and Debt Market Framework

World Economy, Eurozone and Spain

Overall, the global economy showed notable resilience in 2025, slightly exceeding initial expectations in several key economies, although trade uncertainty persisted throughout the year due to tariff tensions stemming from the discourse of the U.S. administration.

Global GDP ultimately recorded growth of around 3.2%, according to expert institutions such as the OECD and the IMF, supported by monetary easing and declining inflation. In the United States, despite a volatile start to the year, the economy managed to stabilize, closing the year with average growth of 2.3%. China met its official target, posting growth of 5.0%.

The Eurozone experienced a modest recovery, with growth of 1.5% for the year as a whole. The region was mainly held back by Germany, which narrowly avoided recession with growth of just 0.2%.

Spain stood out positively, with growth of 2.8%, outperforming its European peers and once again ranking among the world's twelve largest economies, as well as being one of the countries that most exceeded initial forecasts. Throughout the year, the Bank of Spain and the European Commission repeatedly revised their growth estimates upwards, reflecting the strength of the labor market, consumption and investment in capital goods.

Monetary Policy

During 2025, monetary policy in the two main developed economies—the United States and the European Union—was generally moderately accommodative, although divergent in terms of timing, as policy decisions were tailored to their respective economic conditions.

The US Federal Reserve (FED) paused its gradual easing cycle during the first part of the year after a prolonged period of restrictive interest rates, but later resumed it with three 25-basis points cuts in September, October and December. In December, the FED officially ended its quantitative tightening program (balance sheet reduction), signaling that interest rates had reached a “neutral” level. Rates ended the year in a range of 3.50%–3.75%.

The European Central Bank (ECB) maintained a cautious stance, constrained by still-persistent services inflation. It implemented 25-basis-points rate cuts in January, April and June, after which

rates were left unchanged, with the deposit facility standing at 2.00% and the main refinancing rate at 2.15%.

The Bank of England, for its part, cut rates through four 25-basis points reductions, bringing them down to 3.75%, while the Swiss National Bank lowered rates by 25 basis points on two occasions (March and June) to 0%, supported by low inflation and the strength of the Swiss franc.

The Bank of Japan’s monetary policy diverged sharply from the global easing trend, raising rates by 25 basis points in both January and December in response to rising inflation and economic stagnation. Policy rates reached 0.75%, their highest level since 1995, signaling the end of the deflationary era that had characterized the country for decades.

Debt Markets

An accommodative yet cautious monetary policy, generally reflected in modest cuts to short-term benchmark interest rates, characterized the actions of the world's leading central banks in 2025. This stance helped keep medium- and long-term benchmark government bond yields broadly stable, with volatility remaining within a narrow range, lower than in recent years.

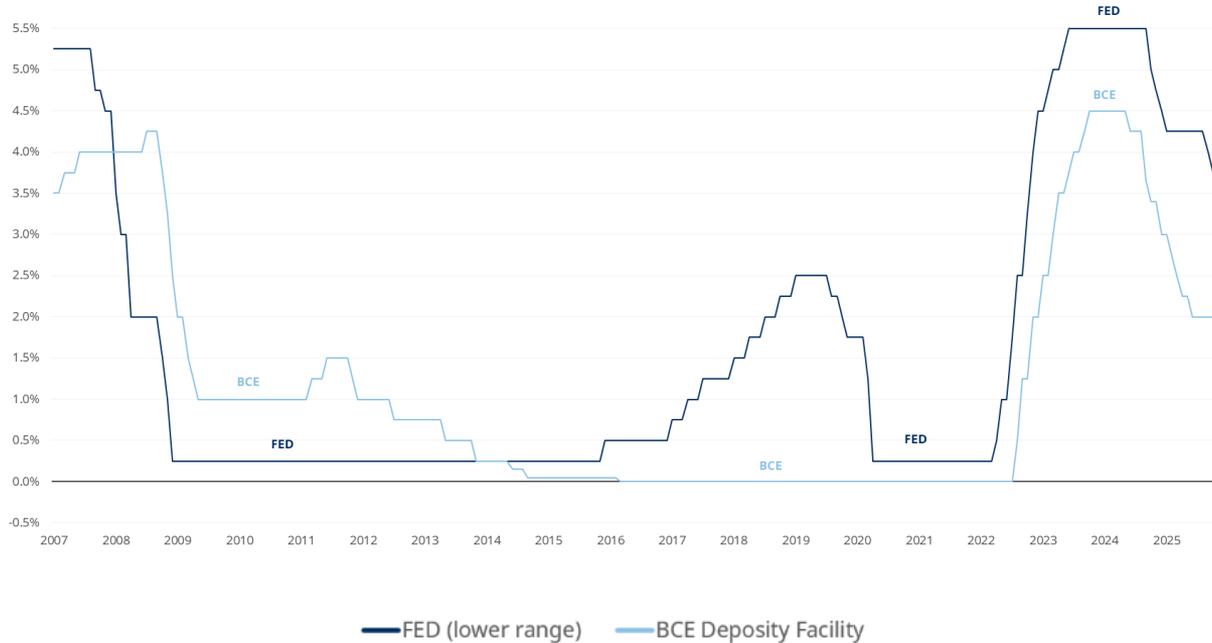
Global corporate debt markets also showed strong resilience, with credit spreads over government bonds remaining at historically tight levels. The environment of lower policy rates continued to benefit issuers with lower credit quality.

In Spain, issuance volumes in both government and corporate debt markets in 2025 exceeded those of the previous year, driven primarily by corporate debt. Across the markets managed by BME, total funding channeled to both the public and private sectors reached €400 billion.

Economic Environment Indicators

Monetary Policy: ECB and FED

Evolution of Interest Rates – From the Financial Crisis to Covid-19, the War in Ukraine and Inflation (2007–2025)



The US Federal Reserve remained cautious during the first part of 2025 in the face of persistent inflation, resuming interest rate cuts in September (-0.25%), October (-0.25%) and December (-0.25%), bringing rates to a range of 3.50%–3.75%, supported by better-controlled inflation and signs of slowing employment growth.

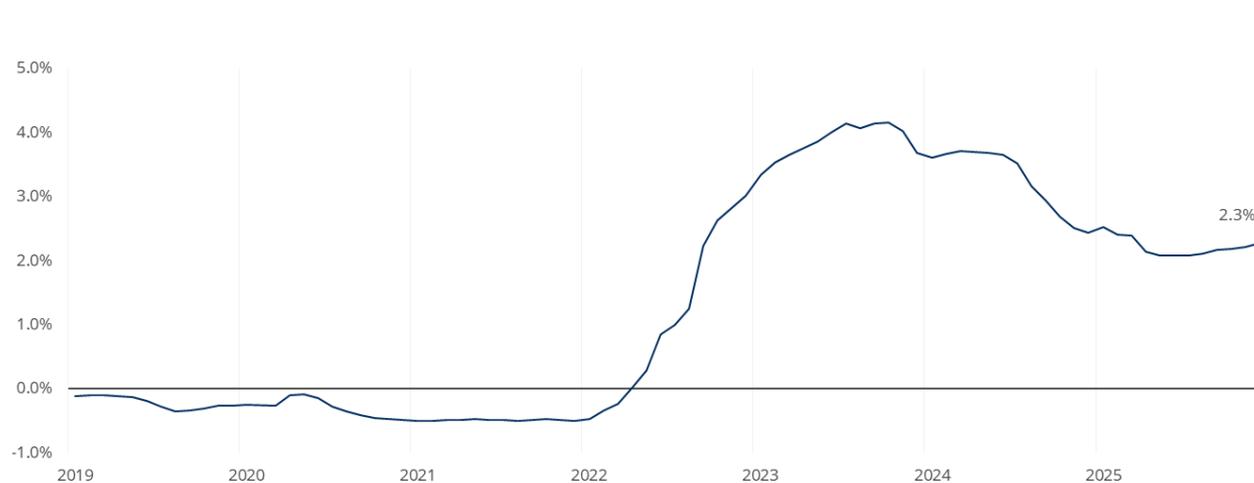
The ECB completed a monetary easing cycle with three 25-basis-points cuts in January, March and June, lowering the deposit facility rate to 2.0% and, subsequently, paused rate cuts as inflation moved closer to its target and modest GDP growth in the euro area began to gain traction.

Source: SIX iD

Euribor

Euribor at the end of each month (2019-2025)

Monthly averages of 1-year daily data



Euribor, the benchmark interest rate for interbank transactions in the euro area, recorded a slight decline in 2025 in response to the ECB's benchmark rate cuts. Between January and July, it fell by nearly half a percentage point, before reversing course and entering a mild but sustained upward trend through December.

Euribor started January at 2.52% and, over the year, accumulated a decline of 0.24 percentage points. Its trading range remained below half a percentage point.

Source: SIX iD

Exchange Rate

US Dollar per Euro (2019-2025)



Source: SIX iD

The euro exchange rate against the US dollar followed a sustained upward trend throughout 2025. The year began at around USD 1.04 per euro and closed at USD 1.18 per euro, representing an increase of more than 13%.

Heightened geopolitical tensions—alongside significant shifts in positions traditionally adopted by the United States, interest rate cuts by the Federal Reserve, and comparatively higher inflation in the US—help explain the sharp depreciation of the US dollar.

Public Debt in the U.S. and Germany

Interest Rates on U.S. and German 10-Year Bonds (2019-2025)

Daily data



Source: SIX iD

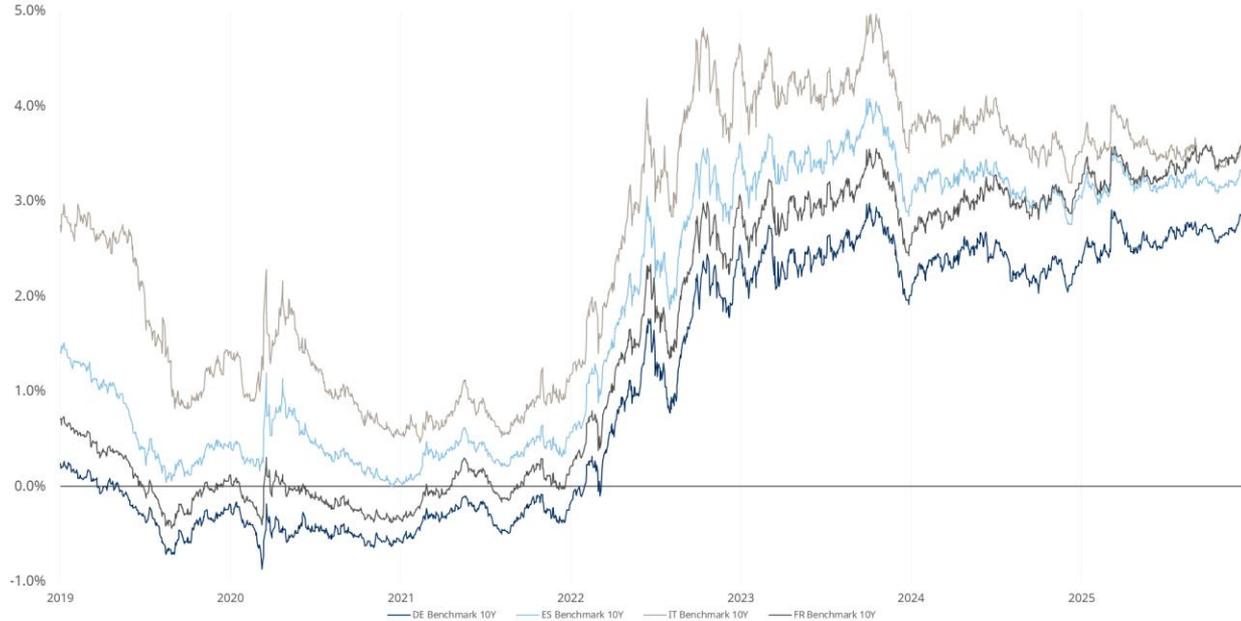
US 10-year Treasury yields started 2025 at 4.57%, reaching their annual high a few days later at 4.63%, before embarking on a mildly downward path with low volatility, closing the year at 4.17%.

In Europe, the 10-year German government bond (Bund) began the year with yields at 2.35%, touched its annual low the following day, and shortly thereafter rose sharply to 2.91%. After an improvement, yields returned to peak levels in mid-December, ending the year at 2.86%. Weakness in the German economy and the announced fiscal effort to launch an investment plan were reflected in the Bund's performance. The yield spread versus the US benchmark bond also narrowed, from levels above 2% at the start of the year to around 1.3% in the final stages of the year.

Public Debt. Eurozone

Interest Rates on 10-Year Bond in Germany, Spain, Italy and France (2019-2025)

Daily data



Source: SIX iD

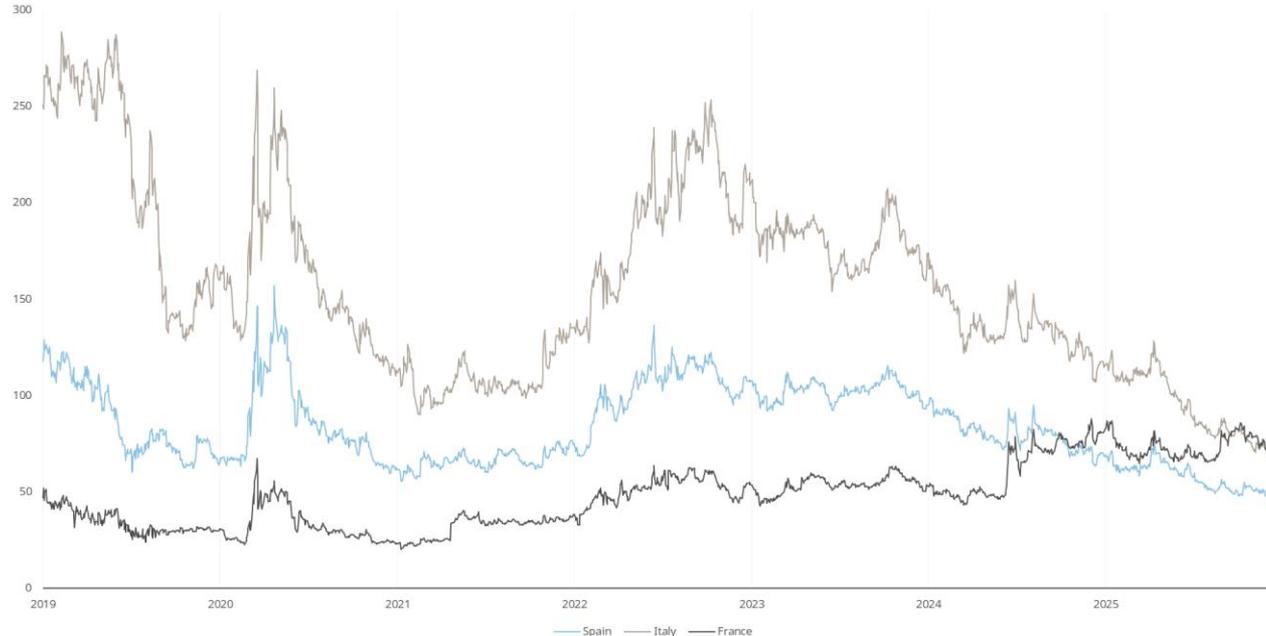
In the Eurozone, the Spanish and Italian 10-year government bonds diverged from the slightly upward trend shown by the benchmark German Bund, following a more stable path. By contrast, yields on the French 10-year government bond increased, driven by domestic political uncertainty and the country's difficulties in meeting its fiscal deficit commitments.

In the case of the Spanish 10-year bond, yields started the year at 3.04%, reached a peak of 3.50% in March, and thereafter followed a highly stable and mildly downward trajectory, closing the year at 3.28%.

Spanish, Italian and French Risk Premia

Spanish, Italian and French 10-Year Bond Against the German 10-Year Bund (2019-2025)

Daily data in basis points (b.p.)



Source: FactSet

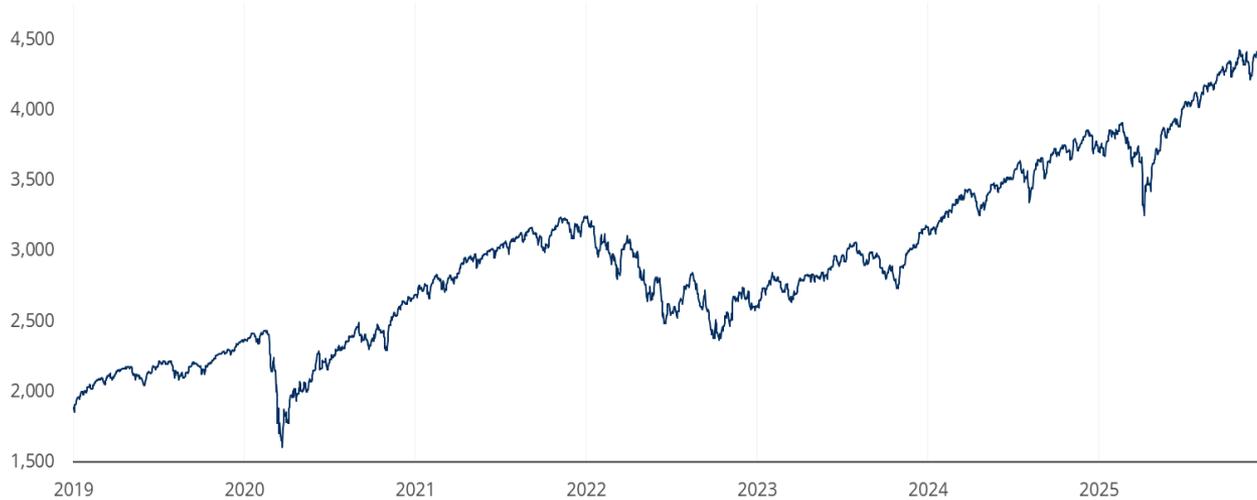
The risk premium on Spanish government bonds over the 10-year German benchmark declined from 0.69% (69 basis points) at the beginning of 2025 to 0.42% (42 basis points) at the end of December, very close to pre-2008 financial crisis levels.

The reduction in the Italian risk premium was also very substantial, closing the year at 68 basis points, while the French risk premium increased significantly, ending the year above both the Spanish and Italian spreads at 69 basis points.

Equity. World Stock Exchanges

MSCI World Index* (2019-2025)

Daily data in points



Source: SIX iD. *The MSCI World Index is a global equity market indicator that tracks the performance of leading listed companies across the world's major stock exchanges.

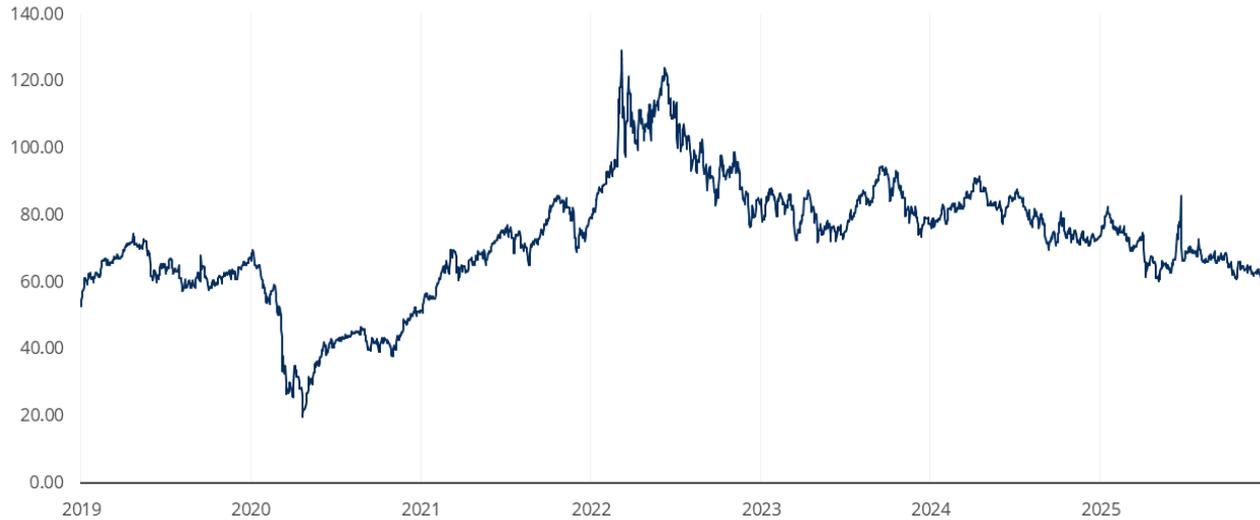
2025 financial year began on a very positive note for global equity markets, extending the upward momentum from 2024. This environment was abruptly disrupted following the announcement by the United States of the introduction of broad-based tariffs on exports from nearly all countries, which triggered a sharp initial sell-off in both equity and debt markets.

However, the actual economic impact of the tariffs proved to be less severe than initially feared, and markets resumed a sustained upward trend for the remainder of the year. This recovery was supported by factors such as the moderate decline in interest rates in major economies, inflation coming under control, positive expectations surrounding artificial intelligence as a driver of growth, and the strong performance of the global banking sector. The MSCI World Index closed the year with gains of 19.5%, surpassing those recorded in the previous two years, which were close to 16% in both 2023 and 2024. Volatility also remained low for most of the year.

Oil

Oil Prices (2019-2025)

Brent Price in USD/Barrel. Daily data



Crude oil prices followed a gentle and sustained downward trend throughout 2025, with episodes of increased volatility in the first half of the year as a result of geopolitical tensions.

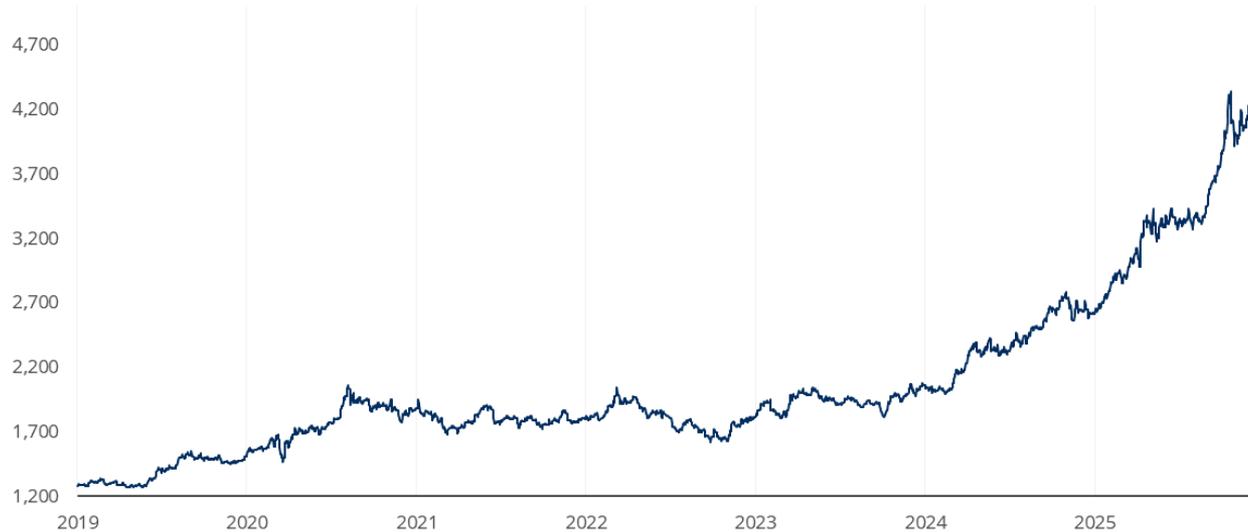
The benchmark Brent crude price started the year at USD 73.9 per barrel and closed at USD 61.7 per barrel, very close to its annual low. The year's peak was reached in mid-January at USD 82.5 per barrel. Prices also experienced a rebound in June, after which the second half of the year was characterized by a sustained downward trend with little volatility.

Source: SIX iD

Gold

Gold London AM Fixing (2019-2025)

USD per ounce. Daily data



Source: SIX iD

The evolution of gold prices throughout 2025 can be described as spectacular. After starting the year at USD 2,610.9 per ounce, the metal closed the year with a 65% appreciation, reaching USD 4,307.9 per ounce.

Throughout the year, several factors intensified demand for gold, including its role as a safe-haven asset amid uncertainty generated by geopolitical tensions, an accommodative monetary policy environment, growing demand from central banks, and the sharp price corrections experienced by assets such as bitcoin and other cryptocurrencies, which some analysts consider to be competing assets to gold.

Geopolitical Tensions Reshape the Fixed Income Landscape in the Early Months of 2026

Global fixed income markets experienced a significant shift in behavior and expectations in the first months of 2026, driven by the escalation of geopolitical tensions following the outbreak of armed conflict in Iran at the end of February.

Medium- and long-term bonds have seen widespread price declines and rising yields. The German 10-year Bund has exceeded 3%, levels not seen since 2011, while the US 30-year bond is approaching 5%. These movements are largely explained by increased uncertainty surrounding an energy shock whose consequences are difficult to assess. The effective closure of the Strait of Hormuz in the Persian Gulf, through which nearly 20% of global oil supplies transit, has pushed up crude oil and gas prices, already increasing global energy costs and raising inflation expectations.

Fixed Income market outlooks for the coming months will be shaped by the evolution of the conflict and its impact on inflation.

Monetary policy expectations have also shifted substantially, moving from a scenario of potential rate cuts to one in which further rate hikes are even being considered over the medium term. For the time being, at their March meetings, the main central banks have opted to keep policy rates unchanged, reflecting the complex dilemma they face between containing inflation and avoiding a further deterioration in economic growth.

Heightened price and yield volatility has also led to a significant increase in activity across global Fixed Income markets. In the case of the Spanish Fixed Income markets managed by BME, the volume of instruments traded between 1 January and 20 March 2026 amounted to €36.7 billion, compared with €26.4 billion in the same period of 2025, representing an approximate year-on-year increase of 39.2%.

Activity and Performance of the Fixed Income Markets Managed by BME

Spanish Public Deficit and Public Debt

Basic Data 2025

The general Government deficit as a percentage of GDP is estimated to have stood at 2.5% in 2025, down from 3.4% in 2024, 3.8% in 2023, 4.7% in 2022 and 6.7% in 2021. Economic growth, rising employment and inflation slightly above the European average helped reduce the deficit in 2025.

The general Government debt-to-GDP ratio is estimated to have reached 100.8%, improving on the 104% recorded in 2024 and well below the 120% peak reached in 2020 as a result of the pandemic.

Net issuance of Treasury Debt across all maturities reached €70.7 billion over the year as a whole, 28.5% higher than in the previous year, although well below the €110 billion in net issuance recorded in 2020 as a result of the pandemic.

Total gross issuance by the Treasury in 2025 amounted to €289.9 billion, up 11.8% compared with 2024.

Despite higher yields across all maturities, the average cost of Spain's outstanding Public Debt remained contained at 2.3% at year-end, a historically low level, albeit slightly above the 2.2% recorded the previous year. Interest expenditure also remained under control in 2025, at around 2% of GDP.

The average maturity of Spain's total Public Debt stands at eight years, a term considered appropriate for reducing refinancing risk and exposure to interest rate increases.

Spanish Public Debt Primary Market

Basic Data 2025: Listings and Outstanding Balances

The volume of Spanish Government debt issued and listed on BME's regulated Fixed Income market in 2025 reached €288.24 billion, up 2.1% compared with 2024.

Issuance and listings increased by 13.7% in the case of Treasury bills, reaching €104.3 billion. Issuance and listings of medium- and long-term Treasury debt rose by 0.6% to €175.6 billion.

Meanwhile, issuance of debt by Spain's autonomous communities increased by 8.0% to €5.1 billion.

The total outstanding amount of Spanish Government debt on BME's regulated fixed income market stood at €1.56 trillion at the end of December, representing growth of 4.6% compared with the same date the previous year.

By contrast, the total outstanding amount of foreign Government debt tradable through the platform declined to €7.96 trillion at the end of December 2025, down 6.2% year on year.

Public Debt Primary Market

Treasury Issuing Activity

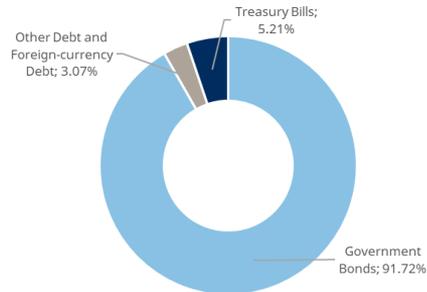
Spanish Treasury Debt Rating

Fitch: A / stable

Moody's: A3 / stable

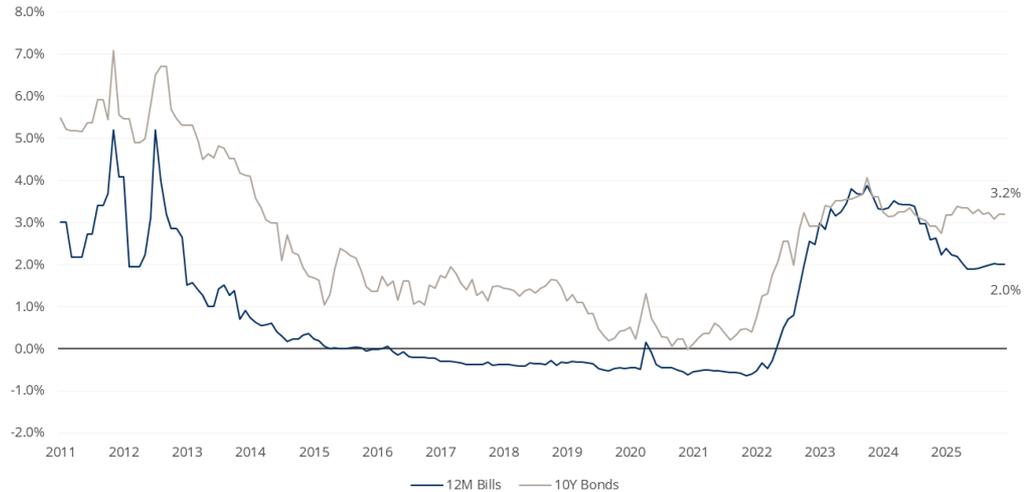
S&P: A+ / stable

Debt Composition 2025



Source: Spanish Treasury

Spanish Treasury Debt Issuance Rates (2011-2025)



Source: Spanish Treasury

Public Debt Primary Market

Treasury Issuing Activity

Data in millions of euros

Government Debt (Bills, Notes, and Bonds) Net Financing in 2025

	ISSUANCES	AMORTIZATIONS	NET FINANCING
January	36,281	28,662	7,619
February	23,652	7,813	15,839
March	29,206	8,790	20,416
April	24,468	28,944	-4,476
May	23,029	28,497	-5,468
June	33,045	8,696	24,349
July	22,446	32,218	-9,771
August	29,487	8,435	21,052
September	20,933	9,285	11,648
October	18,433	35,071	-16,638
November	17,979	10,986	6,993
December	10,992	11,846	-854
TOTAL	289,951	219,241	70,710

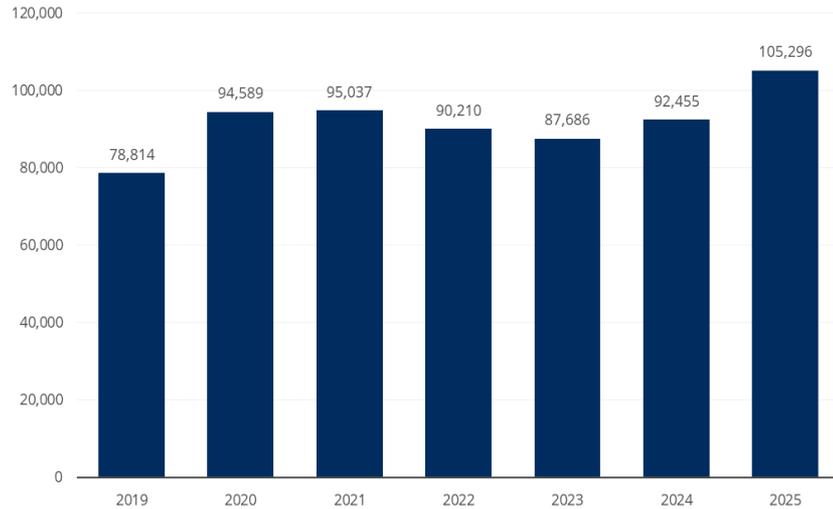
Source: Spanish Treasury.

Public Debt Primary Market

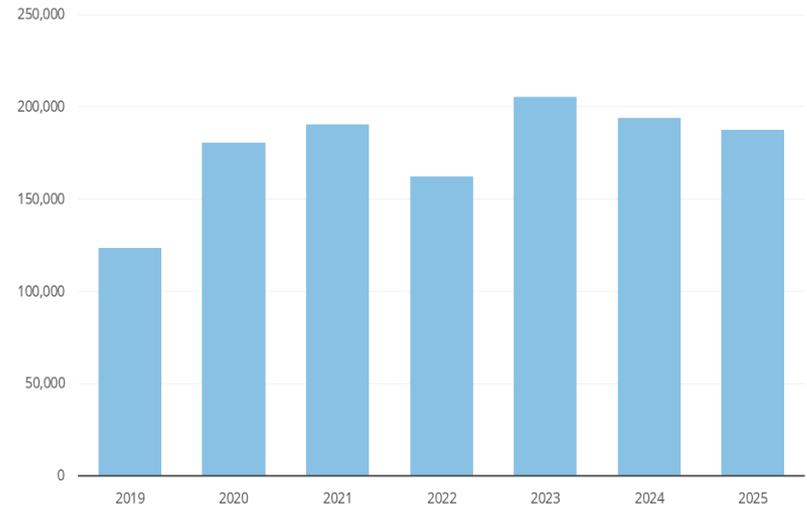
AIAF Market. Admissions to Trading

Data in millions of euros

Short-Term Public Debt



Medium and Long-Term Public Debt



Source: BME

Primary Corporate Debt Market

Changes Resulting from the New Securities Market Law and Relocation Towards the Domestic Market

2025 marks the second full year in which the new Securities Markets and Investment Services Act (LMVSI) has been in force. This legislation modifies the procedures for the verification and listing of Fixed-Income securities on regulated markets, with the aim of providing Spanish Fixed-Income markets with a more agile, efficient and competitive operating framework. Under the new regulatory framework, the CNMV continues to approve prospectuses, while BME is responsible for verifying compliance with listing requirements and for the admission of securities to trading.

According to CNMV data, debt issuance by Spanish corporate issuers in 2025 up to September shows strong momentum in the domestic market, with a 41.6% increase compared to the same period of the previous year. This contrasts with a 21.7% decline in issuance abroad, driven mainly by the fall in bond issuance (-22.5%), particularly in the financial sector.

The entry into force of the LMVSI, together with a more favorable

financial environment following the ECB's interest rate cuts, appears to have encouraged a shift in corporate debt issuance behavior in Spain, incentivizing companies to relocate euro-denominated debt issuance to the Spanish market, thereby strengthening its competitiveness.

In this context, Enagás registered its €750 million Euro Commercial Paper programme on the AIAF Market in July. This programme had previously been listed on the Dublin Stock Exchange.

Together with Enagás (€750 million), a total of 12 issuers have now repatriated their debt programmes to the fixed income markets managed by BME: ICO (€30 billion), Endesa (€5 billion), Redeia (€1 billion), Sacyr (€350 million), CAF (€250 million), Aena (€3 billion), Masmovil-Euskaltel (€200 million), Santander – Structured Products (€5 billion), Prosegur Cash (€400 million), CIE Automotive (€400 million) and Ence (€200 million).

Primary Corporate Debt Market

Basic Data 2025: Total Issuances and Outstanding Balances

The volume of Spanish corporate debt issued and listed on BME's regulated Fixed-Income market reached €92.34 billion in 2025, representing a 22.1% increase compared to 2024. This growth was largely driven by the confirmation of expectations of interest rate cuts by the European Central Bank, sustained investor demand and the strong credit standing of issuers, also reflected in the outstanding performance of prices of listed Spanish equities.

Many companies took advantage of this environment to refinance debt approaching maturity, benefiting from a backdrop of stable or, in some cases, slightly declining interest rates. Issuance volumes increased across virtually all corporate fixed-income asset classes, led by covered bonds (+87.8%), followed by commercial paper (+36.7%) and securitization (+8.1%).

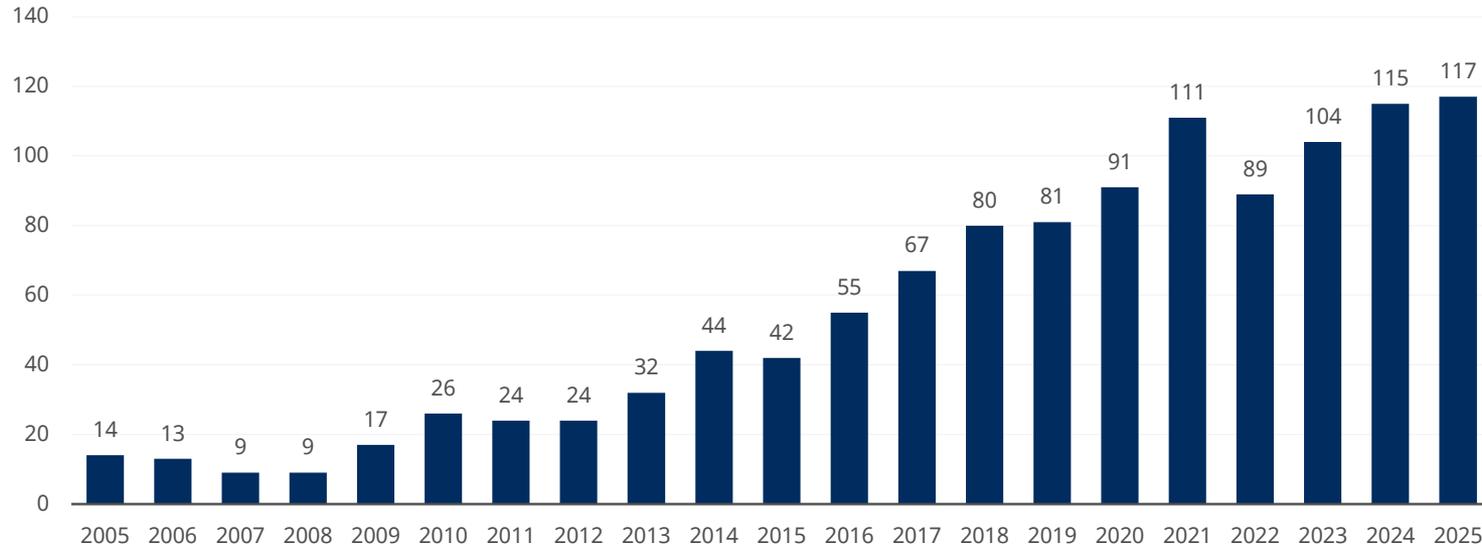
At year-end 2024, the total outstanding volume of Spanish issues registered on the regulated corporate fixed-income market stood at €366.6 billion, down 3.5% compared with the previous year, reflecting lower borrowing needs in certain sectors, including the banking sector.

Primary Corporate Debt Market

Issuers (2005-2025)

Number of Spanish Non-Financial Issuers That Have Issued Short, Medium and Long-Term Fixed-Income Securities

Number of Spanish Non-Financial Fixed-Income Issuing Companies

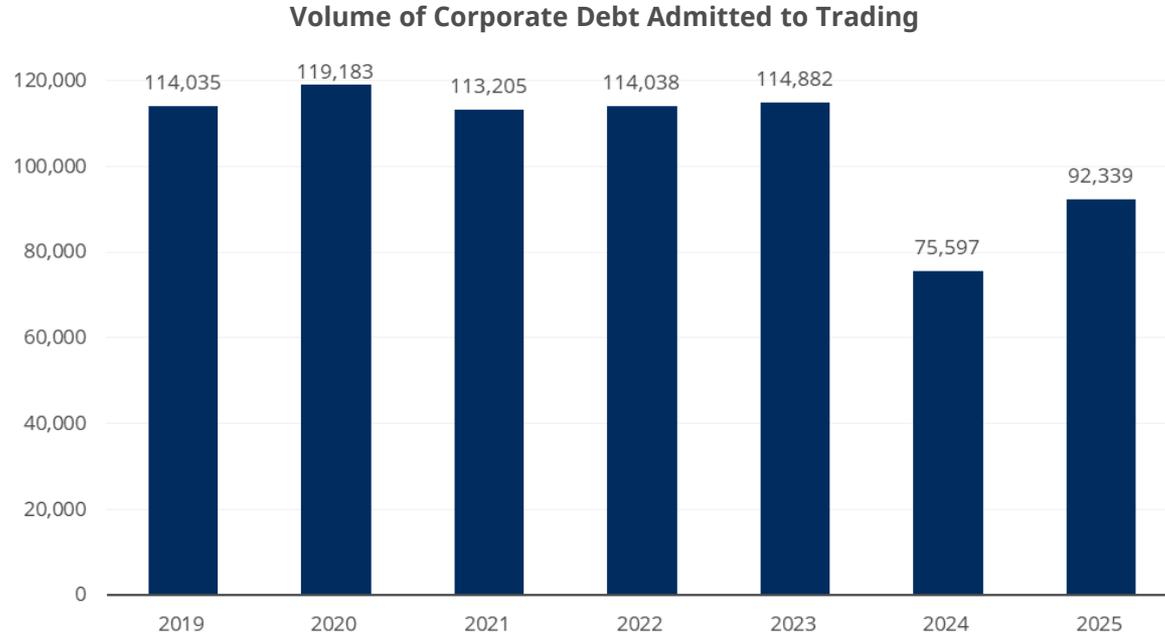


Source: Bank of Spain

Primary Corporate Debt Market

AIAF Market. Admission to Trading (2019-2025)

Data in millions of euros

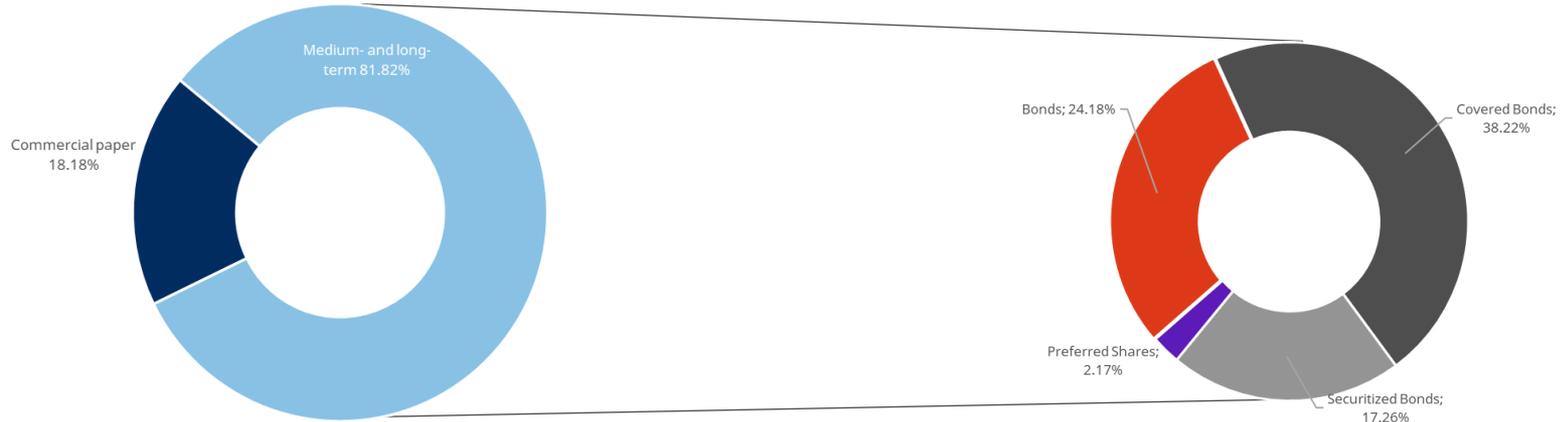


Source: BME

Primary Corporate Debt Market

AIAF Market. Typology of Admissions

Admissions to Trading by Term and Typology in 2025



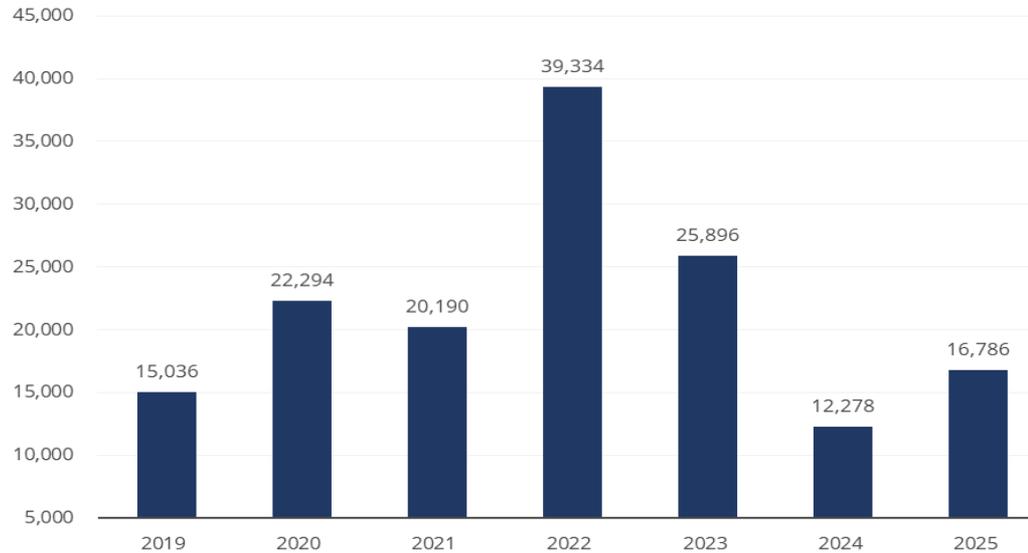
Source: BME

Primary Corporate Debt Market

AIAF Market. Commercial Paper

Data in millions of euros

Volume of Commercial Paper Admissions (2019-2025)



Source: BME

Secondary Debt Market

AIAF Market. Outstanding Amounts and Issuances of Government and Corporate Debt

Data at 2025 end

Outstanding Balances (millions of euros)

	SHORT-TERM	MEDIUM- AND LONG-TERM
Corporate Debt	6,388	360,237
Public Debt	79,617	1,490,923
Foreign Government Debt	28,522	7,930,925
TOTAL	114,527	9,782,085

Number of Outstanding Issuances

	SHORT-TERM	MEDIUM- AND LONG-TERM
Corporate Debt	170	919
Public Debt	26	393
Foreign Government Debt	8	482
TOTAL	204	1,794

Source: BME

Secondary Debt Market

SENAF and SEND

Greater predictability regarding the evolution of short-term interest rates, which has also extended to medium- and long-term rates, had a positive impact on total trading volumes on the main Fixed-Income trading platform managed by BME.

Over the course of 2025, total Government debt trading on the SENAF platform, reserved for specialized Primary Dealers, increased by 38.4% to €137.2 billion, while trading on the SEND platform, which is open to all types of investors, declined to €2.1 billion. The number of trades executed in 2025 also rose by 5.8% on the SENAF platform to 12,432, while falling by 19% on the SEND platform to 3,774 trades.

Corporate fixed-income trading on the SEND platform remained at low levels, amounting to €33.9 million and slightly more than 3,000 trades.

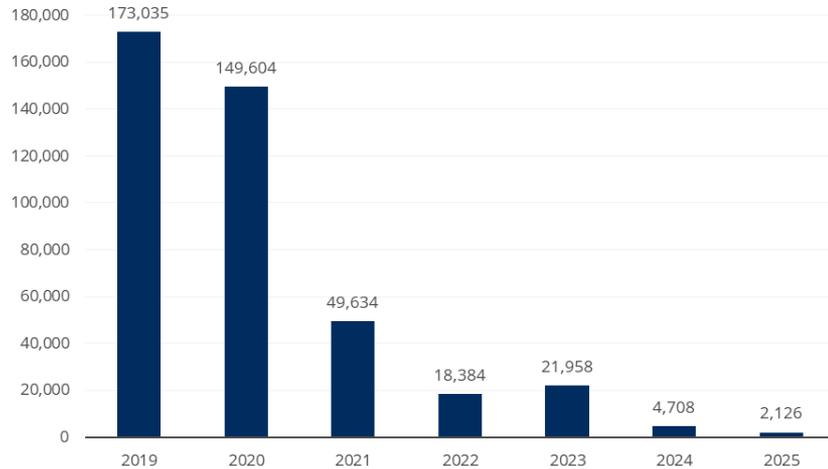
Financial institutions that acquire the status of Fixed Income Market Members also access the fixed-income markets and electronic trading systems managed by BME in order to comply with transparency, information disclosure and reporting obligations arising from the application of MiFID II regulations to Fixed-Income markets.

In response to demand from member institutions, since 2017 the platforms managed by BME have incorporated issues from the Treasuries of Germany, France, the Netherlands, Belgium, Italy, Austria, Portugal, Ireland and Greece, as well as from the European Stability Mechanism (ESM).

Secondary Government Debt Market

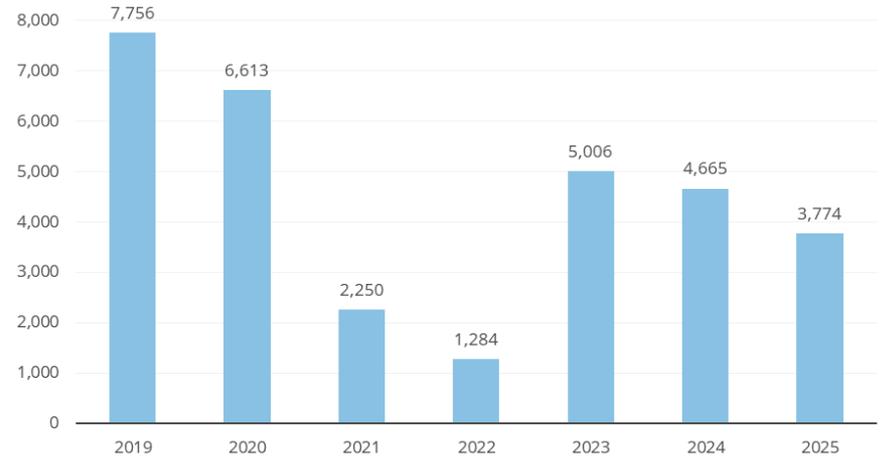
AIAF Market. SEND Platform - Volumes and Number of Trades

Turnover Volume
Million of euros



Source: BME

Number of Trades



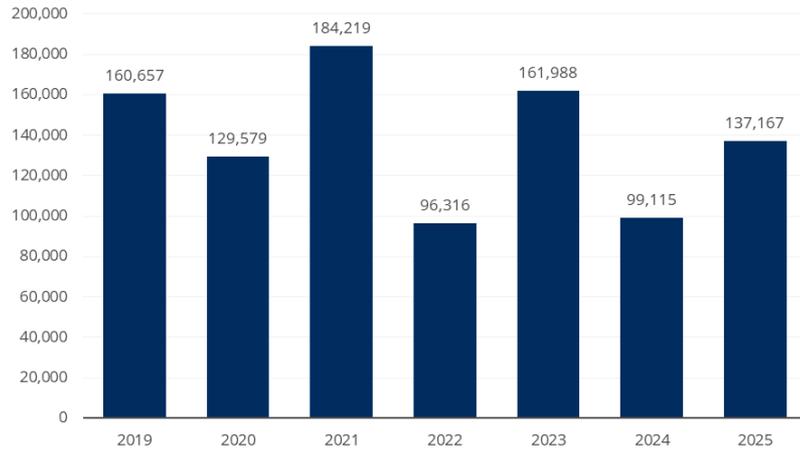
Source: BME

Secondary Government Debt Market

SENAF Platform

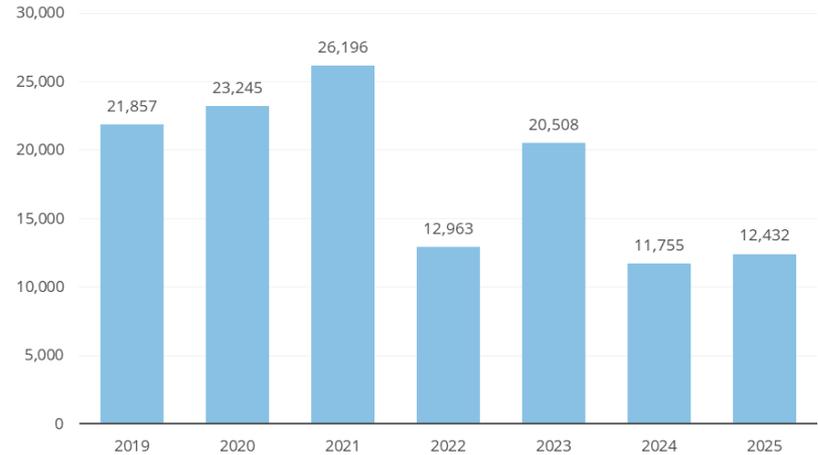
Turnover Volume

Million of euros



Source: BME

Number of Trades

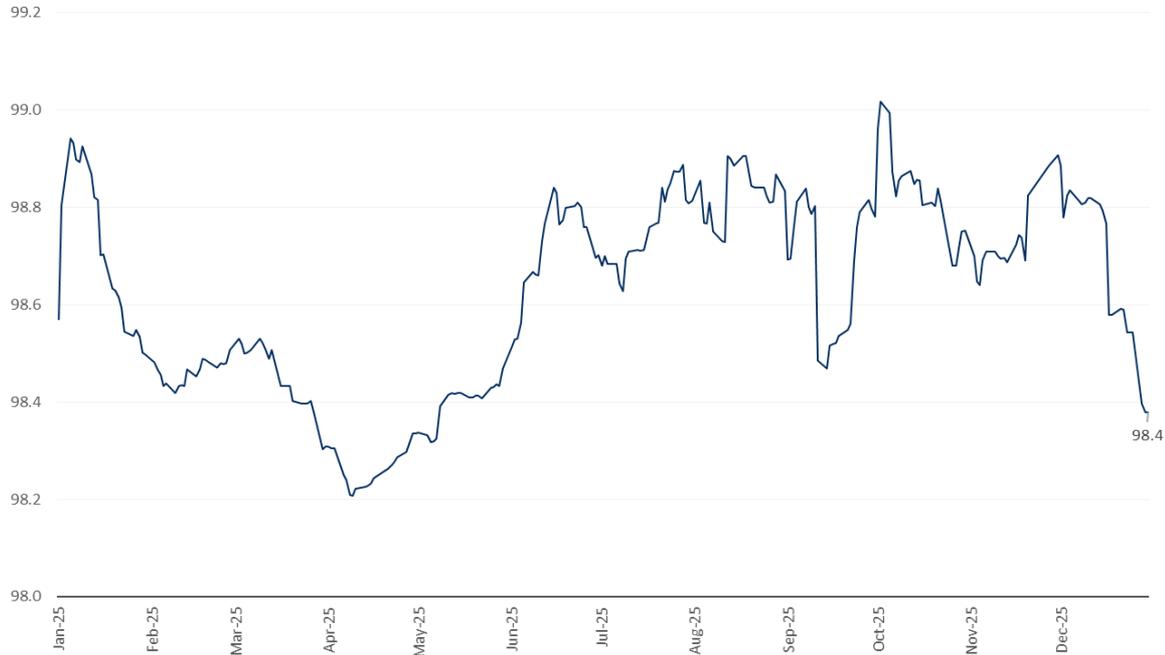


Source: BME

Government Debt Yield Indices (RODE)

RODE Daily Index of Spanish Public Debt Between 6 and 12 Months

Year 2025. Daily data in points.



Source: BME

The Spanish Fixed-Income market features the Government Debt Yield Index family (RODE), launched in May 2021 to track the performance of the Spanish government debt market across different maturities.

The index series consists of nine daily and nine monthly indicators that reflect internal yield levels in the government debt market.

RODE indices represent a volume-weighted average of yields and prices, based on the nominal amount of transactions executed.

Government Debt Yield Indices (RODE)

RODE Daily Index of Spanish Public Debt Between 8 and 12 Years

Year 2025. Daily data in points.



Source: BME

The daily RODE indices are designed to represent a nominal volume-weighted average of rates and prices of completed trades.

MARF: 12 Years

After completing a decade of operations in 2023, the MARF Fixed-Income market has continued to expand its activity, reaching 164 companies that have obtained financing directly through the market, while several hundred more have done so via securitization issues, which include financing instruments such as loans or invoices from small-sized companies. Total funds raised on the MARF during this period exceed €90 billion.

The MARF was created in the aftermath of the financial and sovereign debt crisis as a Multilateral Trading Facility designed to facilitate fixed-income issuance by companies of different sizes, many of which had no prior presence in capital markets before issuing on the MARF. Over its twelve-year history, it has become firmly established as a solid financing alternative for companies across all sizes and sectors of the economy. Of the 164 direct issuers on the MARF, 14 are international, with a particularly notable presence of Portuguese companies, accounting for eight issuers.

Regarding financing options, the MARF offers a broad range of instruments, from commercial paper programmes for short-term funding to medium- and long-term bond issues, including project bonds for infrastructure financing and securitizations. In addition, for several years now the market has also hosted ESG instruments, such as sustainable, sustainability-linked and social bonds, as well as green bond issues.

MARF

Summary 2025: issuances, outstanding balance and companies

In 2025, the volume of issues and listings incorporated into the MARF amounted to nearly €14.6 billion, representing a 12.3% decrease compared with the previous year. During the year, bond issuance stood out, rising by 95.6% to €676 million, along with securitization issues, which increased by 5.5%.

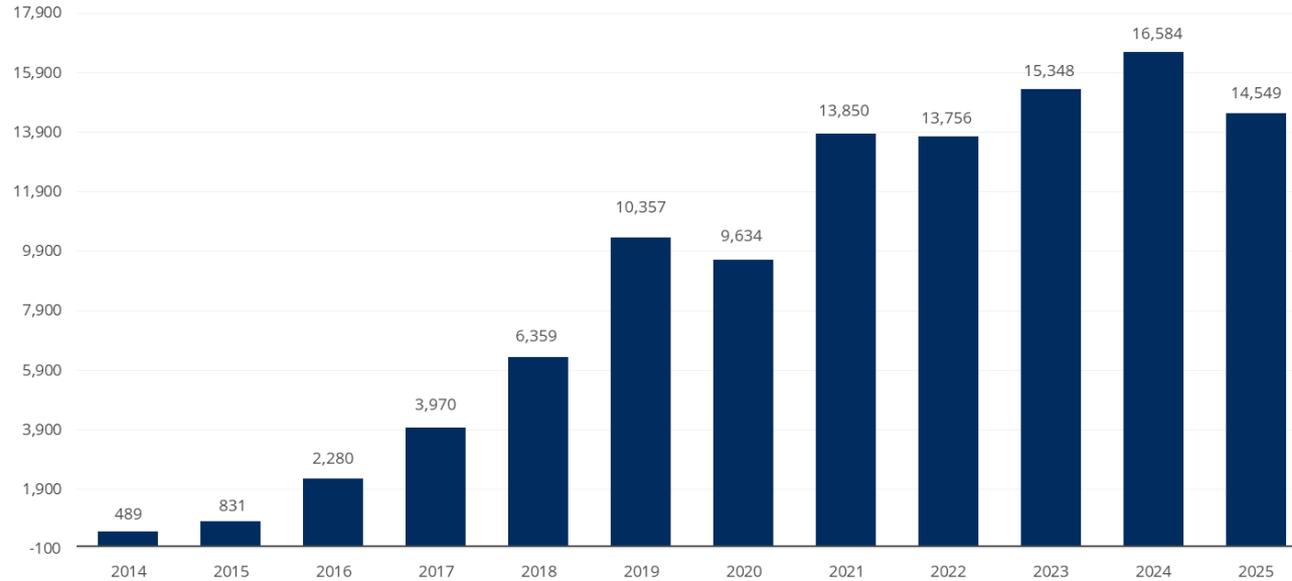
After exceeding €10 billion for several months throughout the year, outstanding balance at year-end stood at €9.9 billion, up 13.69% compared with the previous year-end. Bond issuances stood out, with an outstanding amount of €2.3 billion, up 24.4% year on year.

Many companies that had issued commercial paper in previous years extended their maturities and placed new issues in the market with longer tenors. At year-end, there were more than 650 outstanding tranches under commercial paper programs, representing a substantial increase compared with the previous

year. The remainder consists of bond issues, covered bonds, securitization issues and hybrid debt, spread across nearly 70 issues.

In 2025, the MARF once again demonstrated the wide diversity of companies it has attracted since its inception. New listings during the year included Nextil (Nueva Expresión Textil), a company specialized in the manufacture and sale of all types of knitted fabrics made from natural, artificial or synthetic fibers, and Secuoya Content Group, a global audiovisual group focused on the creation and production of original content and the provision of integrated audiovisual and communication services. In addition, one of Spain's largest industrial cooperative groups, ULMA, with operations in 81 countries, renewed its commitment to the MARF with a €20 million bond issue, following its previous issuance in 2019, or Técnicas Reunidas, GAM, Grenergy, among others.

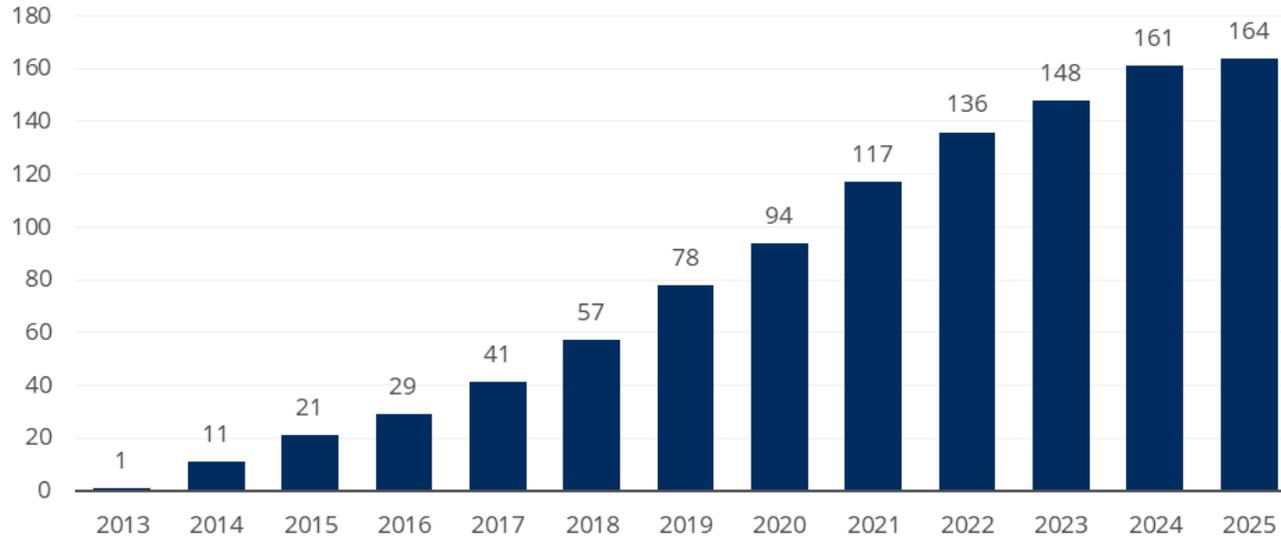
Volume Issued and Incorporated for Trading (2014-2025)



Source: BME

Cumulative data from 2013 to the end of each year

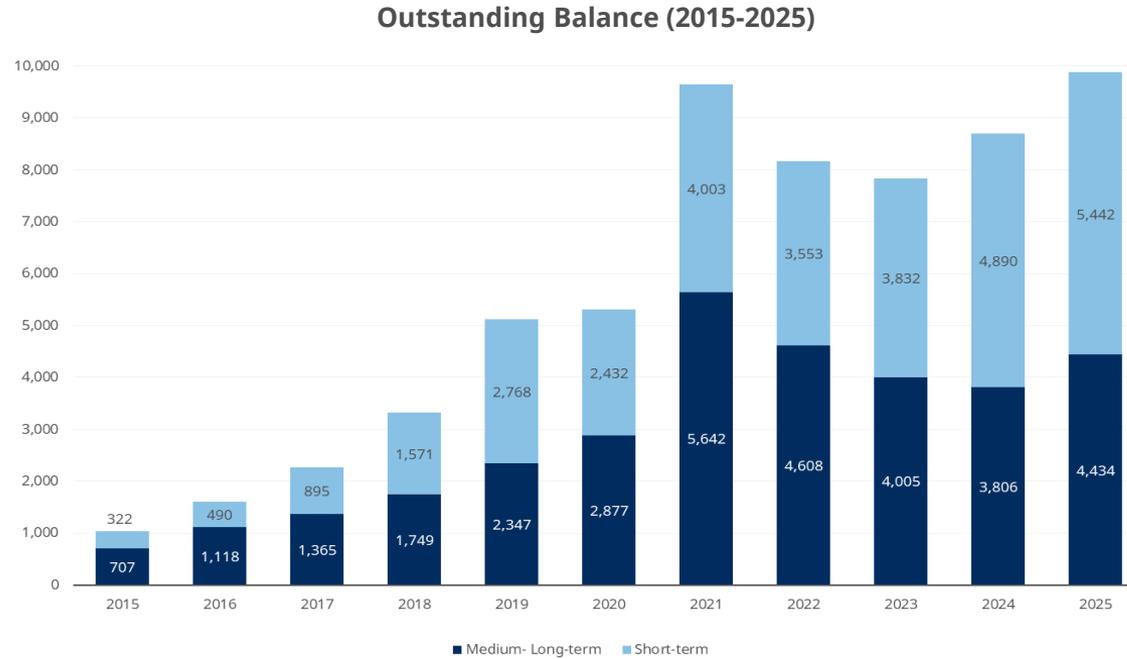
Number of Companies Financed Since Launch (2013-2025)



Source: BME

Outstanding Balance

Figures in millions of euros at the end of each year



Source: BME

Global Sustainable Debt Issuance

Global Sustainable Debt Issuance

Bond financing aimed at promoting environmentally and socially sustainable development entered a phase of consolidation and maturity in 2025, marked by higher requirements in terms of technical quality, transparency and regulatory alignment.

Total issuance reached €784.4 billion, a 17% decline compared with the previous year, according to figures from the Spanish Sustainable Finance Observatory (OFISO), based on data from Environmental Finance. By issuance type, green bonds continued to lead the market with €464.4 billion, despite an 18% decline, while sustainable bonds, which include both social and environmental projects, recorded a slight increase of 1%, reaching €175 billion.

By economic region, Europe remained the leading market, concentrating the largest issuance volumes, with the euro consolidating its position as the dominant currency, overtaking the US dollar, which has lost ground due to political

fragmentation in the United States regarding ESG criteria.

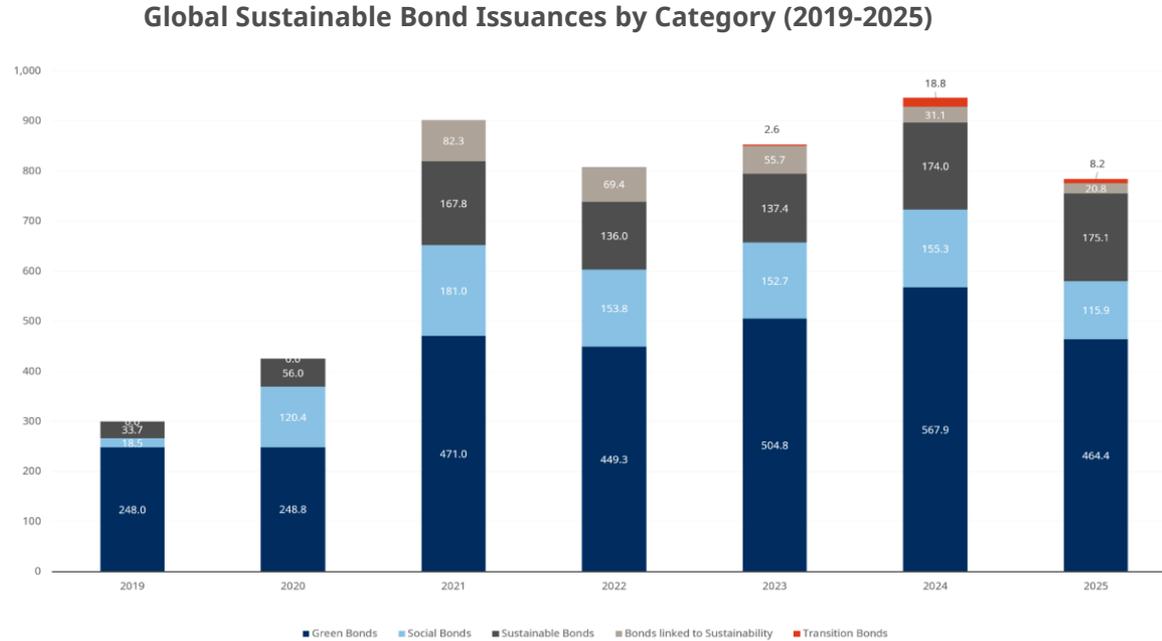
The year 2025 was also marked by the practical implementation of highly demanding regulatory frameworks:

- EU Green Bond Standard (EU GBS): the entry into force of this voluntary standard in Europe has raised the bar, with investors favoring bonds demonstrating 100% alignment with the EU Taxonomy, thereby reducing appetite for bonds with weaker or less robust labels.
- Transparency (CSRD and ISSB): new corporate reporting requirements have compelled companies to disclose more granular data, facilitating external verification and reducing uncertainty.

Global Sustainable Debt Issuance

Issuances

Data by type of issuance in billions of euros



Source: OFISO

Sustainable Debt Issuance in Spain and in BME Markets

The sustainable finance landscape in Spain in 2025 reflects a trend very similar to the global one: a market that prioritizes rigor and quality over sheer volume, consolidating its position as one of Europe's leading markets for green issuance.

In 2025, the issuance of green, social and sustainable bonds in Spain declined by 10%, a smaller drop than the global average of 18%, reaching €21.732 billion, according to data published by OFISO. Issuance volumes in 2025 were concentrated in green bonds, which accounted for €15.3 billion. Sustainable finance already represents 19% of the Spanish fixed-income market excluding Treasury issuance, according to OFISO.

Among sustainable issuance categories, the only segment to record growth in 2025 was sustainable bonds, with issuance of nearly €4.7 billion (+31%). Spain's participation in the new European Green Bond Standard (EU GBS) also stood out, with issues by Iberdrola (€750 million) and the Autonomous Community of Madrid (€500 million) under this format.

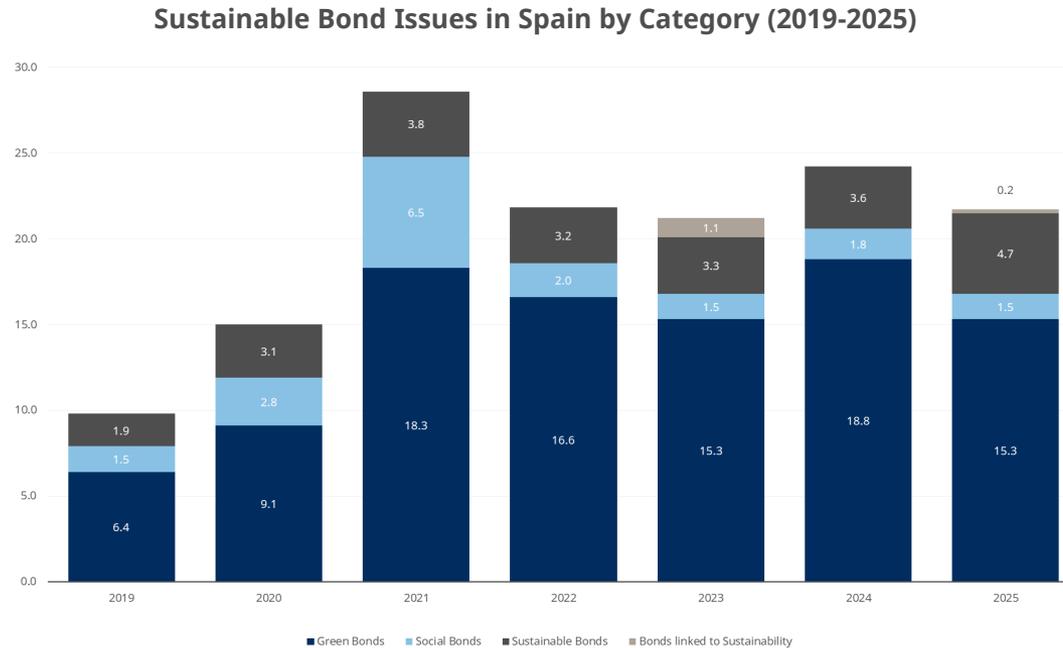
Across the fixed-income markets and platforms managed by BME, more than 50 green, social and sustainable fixed-income issues were admitted to trading, with a total volume close to €60 billion, of which nearly €10 billion corresponded to Spanish issuers and the remainder to foreign issuers. At the end of 2025, there were 136 outstanding green, social and sustainable commercial paper and bond issues on BME platforms.

Green, social and sustainable issuance has also played a prominent role on the MARF fixed-income market, which is focused on financing smaller companies. At the end of 2025, there were 23 base prospectuses for the incorporation of green, social and sustainable commercial paper and securitization programs, including issuers such as Pikolin, Ecoener, Ence, Greening Group, Greenvolt, Grenergy Renovables, Nexus, Opdenergy, Visalia, Aludium, Elecnor, GAM, Tubacex, CAF and Ontime.

Sustainable Debt Issuance in Spain

Issuances

Data by type of issuance in billions of euros



Source: OFISO

Sustainable Financing for SMEs: a Study on ESG Bonds on the MARF

A recent unpublished study by the University of Seville¹ examines ESG bond issuance carried out on the MARF. Over the 12 years of the MARF's existence covered by the study, this type of issuance has involved 12 issuers and has made it possible to raise €774 million.

SMEs have used the same ESG bond formats as large corporations, with green bonds being the most prevalent, followed by sustainability-linked bonds. These financial instruments are issued under a reference framework that ensures transparency in the use of proceeds and the measurement of the environmental impact generated by the financed projects. As a result, the MARF actively contributes to the European Union's sustainability objectives.

Most issuing companies carry out these transactions in order to

contribute to the fight against climate change, specifying environmental objectives and the Sustainable Development Goals (SDGs) in their sustainability reports.

In addition, the study observes that issuing companies are meeting the sustainability targets set out in the issuance prospectus, which is essential for the consolidation of this type of financing. The exploratory analysis highlights the important role that the MARF can play as a driver of sustainable financing for SMEs.

The authors recommend that European regulators be *“aware that regulatory complexity in ESG matters may represent a handicap for smaller companies, and that some degree of simplification could therefore be advisable.”*

¹“Financiación Sostenible Para PYMES: un Estudio Sobre Los Bonos Sostenibles En EL MARF”, authored by Palacín-Sánchez, M.J.; Calle-Piñero, T.; and Avilés-Blanco, M.V., all from the University of Seville, which has been accepted and is pending publication in Revista Española de Capital Riesgo in 2026.

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