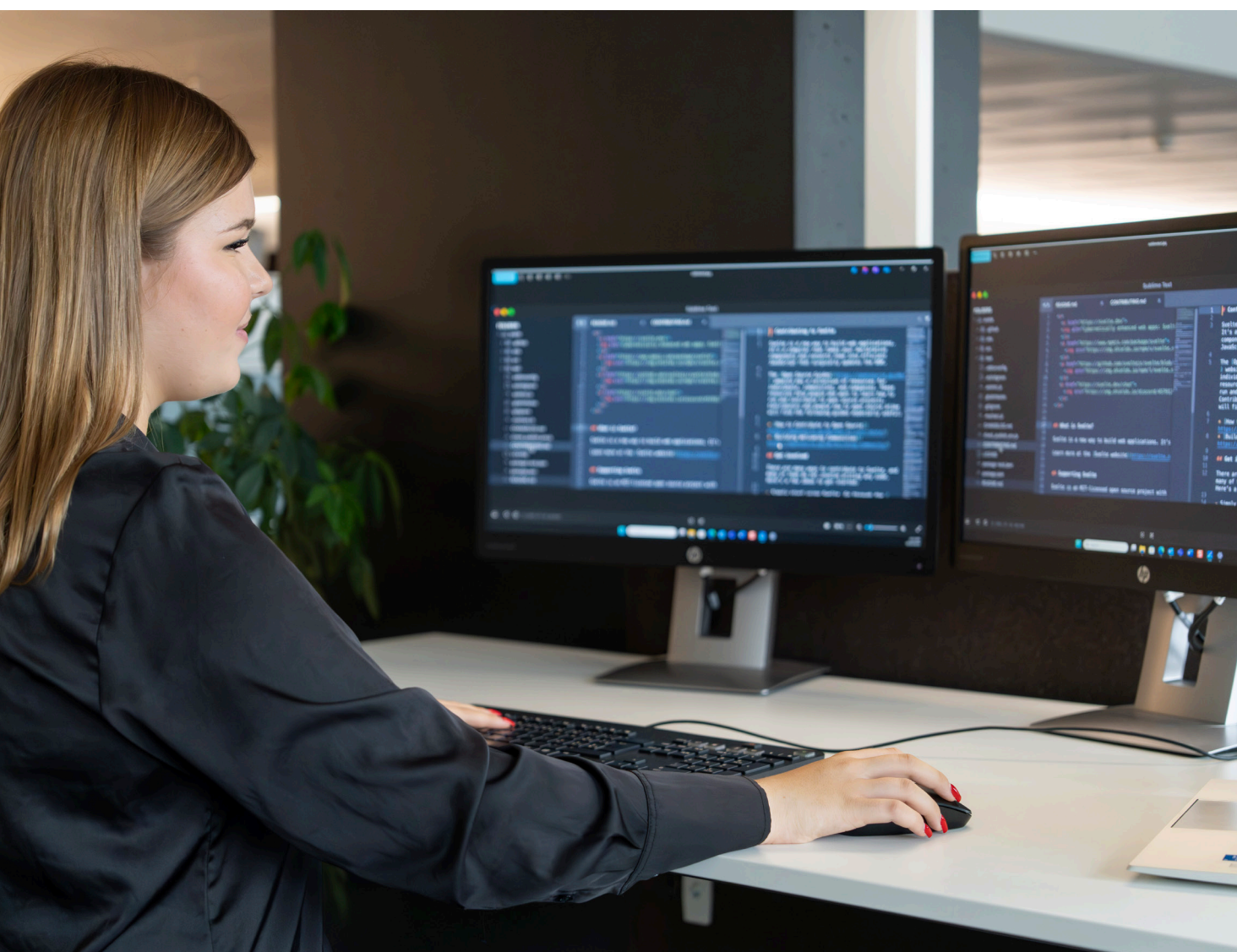


CHAPTER 3

Derivative Products: Options and Futures



29 million

of financial derivatives contracts traded in the first eleven months of 2025.



+52%

Trading in Stock Options increases to 14.6 million contracts.

The Spanish derivatives market, MEFF, trades more than 29 million contracts until November 2025, 15% more than the same period of the previous year, in a context of significant stock market increases, record levels of the IBEX 35® and low average volatility. Stock options increase by 52%.

Low average volatility in the Spanish market

According to BME's VIBEX® volatility index, the average implied volatility in 2025 was 14.9%, 2.2 percentage points higher than the levels reached the previous year. The indicator started the year 2025 at levels of 13%, only to reach its lowest levels of the year in January, around 11.6%. The spikes were clearly identified in April following the escalation of the tariff war initiated by President Donald Trump. Announcements of new tariffs and potential trade countermeasures caused falls in the IBEX 35®, exceeding 10% in some segments.

This context of global uncertainty boosted the VIBEX®, which reached a high of 27.2% on April 9, the highest level in 3 years and in line with the increase in implied volatility observed in other global markets. The combination of trade tensions and adjustments in options and futures positions created a high-turnover and highly sensitive environment in the markets.

Stock options and Mini IBEX 35® futures are on the rise

In the first two quarters of the year, trading in IBEX 35® index futures has been solid. In fact, compared to other

markets in our region where index futures are traded, trading volumes increased compared to the same period last year, while the rest of the markets suffered a drop in volume. In the first quarter, there was a 6.6% increase and a 3.34% increase in the second quarter. From July onwards, penalized by the reduced average volatility of the spot market, and, on the other hand, helped by the rise in the index prices, 3.8 million Futures contracts on the IBEX 35® have been traded until November, a drop of 7.84% compared to the same period of the previous year.

During the current fiscal year, activity in Futures contracts on Mini IBEX 35® and in Stock Options has been higher than that recorded in the same period of the previous year, with a sustained positive evolution throughout the first three quarters. This growth is attributed, on the one hand, to greater participation from retail clients, who have increased their activity in Mini IBEX 35® Futures by 24%, and on the other hand, to a greater concentration of corporate events, which has favored portfolio movements and, consequently, the trading of derivatives on shares. The quarterly data reflect this trend: In the first quarter, futures contracts on the Mini IBEX 35® grew by 13% and Stock Options by 58%; in the second quarter, the increases were 16% and 73%, respectively; and in the third quarter, 4% and 42%, compared to the same period last year. Overall, up to November, trading in Mini IBEX 35® Futures contracts has accumulated a growth of 7.0% and trading in Stock Options a growth of 51.64% compared to the same period of the previous year. Trading in dividend futures on shares has remained at levels similar to those of 2024, with a slight drop of 3% in 2025.

New Developments in Derivatives: New contracts on MEFF - European Style Stock Options cash settled and extended trading hours

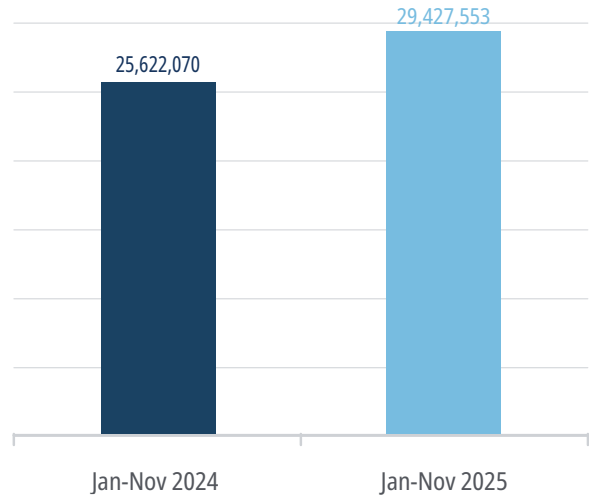
In March 2025, MEFF became the first European market to launch European-style cash-settled Equity Options on the following underlying assets: ACS, Banco Santander, Banco Sabadell, BBVA, CaixaBank, Endesa, Iberdrola, Inditex, Indra, Repsol, Técnicas Reunidas and Telefónica, thus expanding their range of products and functionalities for market participants. This new contract stands out for its operational simplicity and efficiency in the use of capital.

The novelty of these contracts lies in their simplicity, since as they are European-style, there is no possibility of early exercise and the open position cannot be affected by exercise and having to manage the delivery of shares, in addition to the fact that by being cash-settled, this minimizes the capital requirements since it is not necessary to have the shares to manage settlement at maturity. This product simplifies the settlement procedure and reduces operating and capital requirements. The consequences of these characteristics are:

- MEFF offers an efficient solution in terms of capital, as clients do not need to hold the underlying shares or prove ownership to meet exercise obligations. This simplifies operations and reduces capital requirements.
- It is a product that may be suitable for the institutional client: We know from statements by Derivatives experts in Fund Managers that the

TOTAL TRADING VOLUME OF EQUITY DERIVATIVES

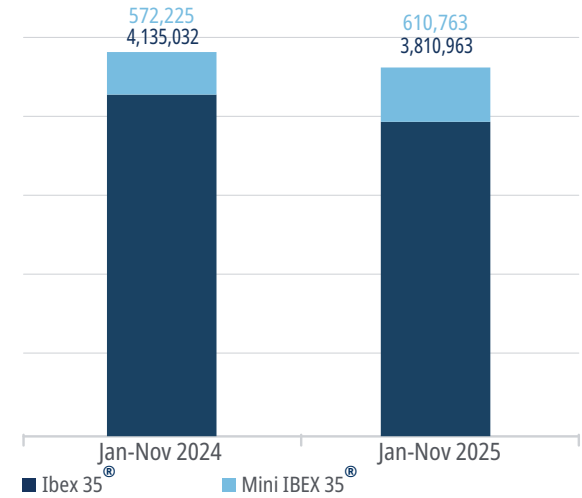
NUMBER OF CONTRACTS TRADED IN MEFF. SOURCE: BME



launch of these new Options represents excellent news for European Fund Managers since these funds usually maintain large portfolios of dividend or value stocks, and can now implement call option selling strategies without the risk of their shares being exercised at maturity. This allows them to generate additional income on top of dividends, while improving risk-adjusted returns by reducing drawdowns. This is a practical case where cash-settled options provide a distinctive value. Furthermore, cash-settled options represent a significant step forward for profitability improvement strategies in private banking, as they facilitate the transition from OTC structures to standardized contracts listed on regulated markets.

TRADED VOLUME OF IBEX 35® AND MINI IBEX 35® FUTURES

NUMBER OF CONTRACTS TRADED IN MEFF. SOURCE: BME

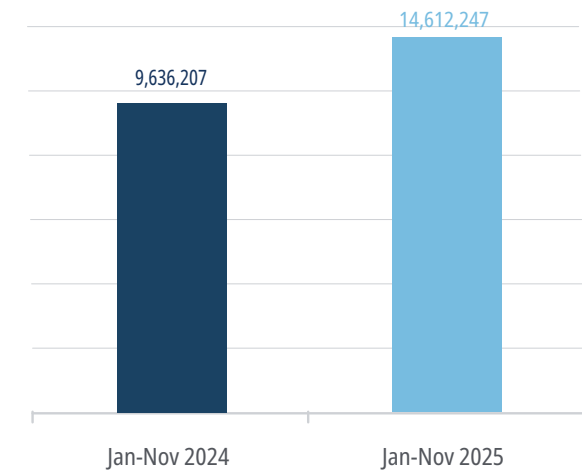


- It is a product that may be suitable for retail customers. It simplifies options trading by eliminating the risk associated with early exercise, which requires delivery of the underlying asset. In traditional scenarios, this obligation can disrupt the client's portfolio and expose them to losses if the coverage is incomplete. With this product, customers are not required to hold the underlying shares to meet early exercise obligations or deliver shares if the option expires "in the money" at maturity.

The activity of the Spanish derivatives market, as in other markets in the European Union, continues to be limited by regulatory restrictions that affect the supply of products aimed at retail customers. In this context, MEFF's launch of European-style cash-settled

TRADED VOLUME OF EQUITY OPTIONS

NUMBER OF CONTRACTS TRADED IN MEFF. SOURCE: BME

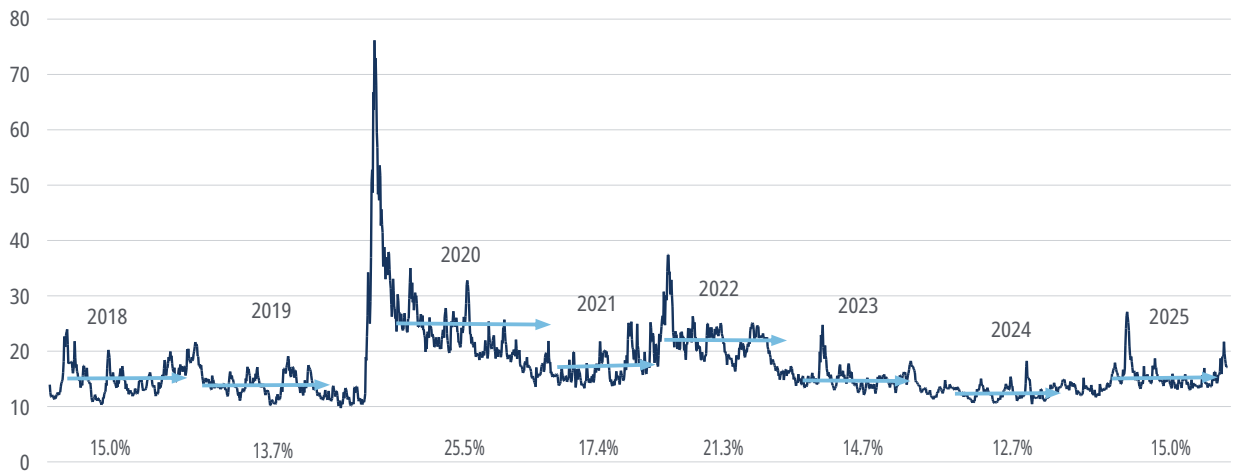


Equity Options represents a significant step forward. MEFF continues to work on developing the Retail Strategy, which will be based on Financial Education, a product range suitable for the customer and efficient distribution. The objective is to bring Regulated Market Derivatives contracts closer to the investor for them to serve as another tool for portfolio management and hedging, compared to OTC Derivatives and aligned with the spirit of the Savings and Investment Union.

Another new development is the extension of trading hours for IBEX 35® Futures, Mini IBEX Futures and IBEX Micro Futures until 10 p.m. since June 23, seeking to meet the needs of clients and incorporating the IBEX 35® Future as one of the main benchmark contracts that can be traded until the close of other international exchanges, such as the New York Stock Exchange.

VIBEX® SPANISH STOCK EXCHANGE VOLATILITY INDEX 2018 - 2025 (NOV)

DAILY VOLATILITY DATA AND YEARLY AVERAGE IN %. SOURCE: SIX ID



xRolling® FX: Foreign exchange futures

During 2025, the foreign exchange market has been characterized by a strong expansion in trading volume and high volatility, driven by expectations about global monetary policy and political uncertainty that led to a significant increase in the use of hedging derivatives to protect against currency risks. In this sense, the divergence of policies between Central Banks has resulted in unpredictable movements with some countries still maintaining restrictive rates while others are in easing cycles.

Since January of this year, banking entities can also benefit from lower capital consumption if they use

xRolling® FX futures. This is due to the entry into force of the latest phase of Basel III, which provides for a capital consumption of 2% if a Central Counterparty Clearing House is used in the trading of the product, compared to more than 20% if it is an OTC traded product.

By the end of November 2025, activity on the xRolling® FX trading platform reached 6,746 contracts, remaining broadly stable compared to the same period last year. In the coming months and throughout 2026, new fund management companies are expected to start using the product, highlighting xRolling® FX's contract size, flexibility, and cost savings as its most important competitive advantages for hedging portfolios with structural or long-term positions.

Electricity Derivatives

In 2025, the volume traded in Electricity Futures contracts on MEFF was 2.41 million megawatt hours (MWh), representing a drop of 59.30% compared to the previous year (5.91 million MWh). The open position decreased by 18.47%, standing at 4.15 million MWh compared to 5.09 million in 2024.

Despite price stabilization and reduced collateral requirements, activity in the Spanish electricity market

continues to recover from the crisis that occurred in late 2021 and early 2022. MEFF continues to feel the impact of the widespread movement of participants towards a single central counterparty (which offers energy derivatives from different countries), driven by the high collateral requirements. This shift, which originated during the period of high volatility resulting from the energy crisis, led to operational consolidation in a single clearing house and a significant outflow of liquidity.