CNMV
Comisión Nacional del Mercado de Valores

CNMV BULLETIN

May 2025

CNMV BULLETIN
May 2025

The CNMV publishes this Bulletin to spread research in order to contribute to the best knowledge of the stock markets and their regulation.

The opinions in these articles are the sole responsibility of the authors and do not necessarily coincide with those of the CNMV.

The CNMV distributes its reports and publications via the Internet at www.cnmv.es.

ISSN (digital edition): 1988-2025

Layout: Cálamo y Cran

Contents

Initials and acronyms

AA. PP.	Public administration service
ABS	Asset-Backed Security
AIAF	Spanish Market in Fixed-income Securities
AIF	Alternative Investment Fund
ANCV	Spanish National Securities Numbering Agency
APA	Approved Publication Arrangement
APR	Annual Percentage Rate
ASCRI	Spanish Venture Capital & Private Equity Association
AV	Broker
BIS	Bank For International Settlements
BME	Spanish Stock Markets and Financial Systems
CADE	Public Debt Book-entry Trading System
CC. AA.	Autonomous regions
CCP	Central Counterparty
CDS	Credit Default Swap
CFA	Atypical financial contract
CFD	Contract for Differences
CIS	Collective Investment Company/Collective Investment Scheme
CISMC	CIS Management Company
CNMV	(Spanish) National Securities Market Commission
CP	Crowdfunding Platforms
CS	Customer Service
CSD	Central Securities Depository
CSRD	Central Securities Depositories Regulation
CTP	Consolidated Tape Provider
DLT	Distributed Ledger Technology
EAF	Financial advisory firm
EBA	European Banking Authority
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EC	European Commission
ECA	Credit and savings institution
ECB	European Central Bank
ECR	Venture capital firm
EFAMA	European Fund and Asset Management Association
EFSM	European Financial Stabilisation Mechanism
EICC	Closed-ended collective investment company
EIOPA	Occupational Pensions Authority
EIP	Public interest entity
EMIR	European Market Infrastructure Regulation
EMU	Economic and Monetary Union
ESEF	European Single Electronic Format
ESFS	European System of Financial Supervision
ESG	Environment, Social and Governance
ESMA	European Securities and Markets Authority
ESRB	European Systemic Risk Board

ETF	Exchange Traded Fund
EU	European Union
EUSEF	European Social Entrepreneurship Fund
FICC	Closed-ended collective investment fund
FII	Real estate investment fund
FIN-NET	Financial Dispute Resolution Network
FINTECH	Financial Technology
FOGAIN	Investment Guarantee Fund
FRA	Forward Rate Agreement
FROB	Fund for Orderly Bank Restructuring
FSB	Financial Stability Board
FTA	Asset securitisation fund
FTH	Mortgage Securitisation Fund
GDP	Gross Domestic Product
HF	Hedge Fund
HFT	High Frequency Trading
IAGC	Annual corporate governance report
IARC	Annual report on director remuneration
IAS	International Accounting Standards
ICO	Initial Coin Offering
IF	Investment Firm / Investment Fund
IFRS	International Financial Reporting Standards
IIMV	Ibero-American Securities Market Institute
IMF	International Monetary Fund
IOSCO	International Organization of Securities Commissions
IPO	Initial Public Offering (for sale/subscription of securities)
IPP	Periodic public information
IRR	Internal Rate of Return
ISIN	International securities identification number
KIID/KID	Key Investor Information Document
LATIBEX	Market of Latin American Securities
LEI	Legal Entity Identifier
LIIC	Spanish Collective Investment Companies Act
LMV	Spanish Securities Market Act
MAB	Alternative Stock Market
MAD	Market Abuse Directive
MAR	Market Abuse Regulation
MARF	Alternative Fixed-Income Market
MBS	Mortgage-Backed Securities
MEFF	Spanish Financial Futures Market
MFP	Maximum Fee Prospectus
MiFID	Markets in Financial Instruments Directive
MiFIR	Markets in Financial Instruments Regulation
MOU	Memorandum of Understanding
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MTF	Multilateral Trading Facility
MTS	Market for Treasury Securities
NCA	National Competent Authority
NDP	National Domestic Product
OECD	Organisation for Economic Cooperation and Development
OIS	Overnight Indexed Swaps
OTC	Over The Counter
OTF	Organised Trading Facility

PER	Price-to-Earnings Ratio
PRIIP	Packaged Retail and Insurance Based Investment Product -
PUI	Loan of last resort
RAROC	Risk-Adjusted Return On Capital
REIT	Real Estate Investment Trust
RENADE	Spanish National Registry for Greenhouse Gas Emission Allowances
RFQ	Request for Quote
RFR	Risk Free Rate
ROA	Return On Assets
ROE	Return On Equity
SAMMS	Advanced Secondary Market Tracking System
SAREB	Asset Management Company for Assets Arising from Bank Restructuring
SENAF	Electronic Trading Platform for Spanish Government Bonds
SEND	Electronic Debt Trading System
SEPBLAC	The Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offences
SGC	Portfolio management company
SGECR	Venture capital firm management company
SGEIC	Closed-ended investment scheme management company
SGFT	Asset securitisation fund management company
SIBE	Electronic Spanish Stock Market Interconnection System (SIBE)
SICAV	Open-ended collective investment company
SICC	Closed-ended collective investment company
SII	Real estate investment company
SIL	Hedge fund with legal personality
SME	Small and Medium Enterprise
SOC	National Electronic Clearing System
SPV/SFV	Special purpose/financial vehicle
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
STOR	Suspicious Transaction and Order Report
SV	Broker-dealer
T2S	Target2-Securities
TER	Total Expense Ratio
TOB	Takeover Bid
TRLMV	Recast Text of the Spanish Securities Market Act
TVR	Theoretical Value of the Right
UCITS	Undertaking for Collective Investment in Transferable Securities
VCF	Venture Capital Fund
XBRL	Extensible Business Reporting Language

I Securities markets and their agents: situation and outlook

Table of contents

List of exhibits

List of figures

List of tables

1 Executive summary

– **The first months of 2025 have been shaped by the economic policy decisions of the new Trump Administration, particularly regarding tariffs.** The year had initially begun with expectations of a mild economic slowdown and a continuation of interest rate cuts. However, the United States soon announced tariff measures, initially targeting its closest trading partners, Mexico and Canada, and subsequently extending these to nearly all its trading partners. These decisions influenced the trajectory of international financial markets and triggered a significant episode of turbulence in early April. By the time this report was finalised,[1] most of the announced measures had been postponed for at least three months, allowing a partial stabilisation in financial market activity.

– **Following the closing date of this report (15 April), a nationwide power outage occurred, which warrants mention at the time of this bulletin's publication.** The impact of this incident on the CNMV's area of oversight and the entities it supervises was minimal. Specifically: i) market infrastructures, including trading, clearing, and settlement, continued to function normally, equipped with backup systems and generators providing several days of autonomy; and ii) regarding the entities and infrastructures governed by DORA regulations, the CNMV informed those that resumed normal service by 9:00 a.m. the day after the blackout that they could forgo the formal notification required by the regulation, as long as they did not anticipate any changes following the incident. Importantly, there were no widespread price drops or volatility spikes in the markets. The CNMV is actively gathering and analysing all pertinent information to assess possible vulnerabilities and will make any necessary recommendations.

– **International equity markets exhibited considerable variability during the first quarter of the year, with declines in US and Japanese indices, while European indices saw gains.** In early April, following the tariffs announced by the Trump Administration, a period of turbulence started on 2 April (referred to as "Liberation Day" in the United States). This period was characterised by steep price drops followed by partial recoveries, concluding around 8–10 April when most of the announced tariffs were temporarily suspended. During this early part of the second quarter, European indices experienced declines, with the Ibex 35 down by 1.9% and the French CAC 40 and Italian MIB 30 falling by 5.8%. In the United States, indices recorded

1 The closing date for this report is 15 April, except for certain specific information such as, for example, the stress indicator, the monetary policy decisions of the European Central Bank (ECB) or certain market indicators.

additional losses ranging from 2.8% to 3.9%, similar to the Japanese indices, which decreased between 3.8% and 5.5%.

– **The market turbulence in April caused a temporary spike in the stress indicator for Spanish financial markets, reaching 0.44 (medium risk).** Until early March, this indicator had been gradually decreasing. During the turbulence, there was a general increase in stress across all six segments analysed, driven by rising volatility indicators. By early May, this stress level returned to low risk, at 0.26.

– **In a climate marked by unusually high volatility and uncertainty, the performance of international equity indices has been mixed so far this year:** US indices have seen declines ranging from 5.1% to 12.9%, particularly affecting those with a higher weighting of technology stocks, like the S&P 500 and Nasdaq. Japanese indices have fallen even more, with losses between 9.8% and 14.1%. Conversely, in Europe, there have been varying gains, with the exception of the French index, which was more severely impacted by tariffs. Notably, the Ibex 35 led with an increase of over 11%.

– **For Spanish equities, in addition to the distinct behaviour in share prices, there was also a temporary rise in trading volumes and volatility, reaching levels close to 40%.** The best-performing sectors were those with the least exposure to foreign markets, notably financial services, energy, and telecommunications. Conversely, companies in the consumer goods and services sectors, which are more export-oriented, experienced declines. Trading on the electronic market temporarily soared to daily values exceeding 3 billion, levels not seen for some time. Liquidity conditions remained satisfactory, and there was a slight increase in short positions. In the primary markets, the company Hotelbeds was incorporated into the electronic market. However, increased volatility and uncertainty may have disrupted other companies' plans to go public.

– **In European international fixed income markets, yields on long-term sovereign debt assets increased across most economies during the first quarter, rising between 20 and 40 basis points (bp). This was partly due to the spending plan approved in Germany. These increases were slightly reversed in April.** Year-to-date figures show increases ranging from 8 bp in the United Kingdom to 29 bp in Portugal, with Spain seeing a rise of 19 bp. An exception to this trend was observed in US sovereign bonds, where, unlike in other crisis periods, there were significant sales of these assets and dollar-denominated assets in general. Sovereign risk premiums in Europe showed slight increases, as did those for higher-risk assets (high yield), particularly in the United States.

– **In Spain, the performance of the fixed income market mirrored that of other neighbouring countries.** Alongside a slight cumulative rise in long-term yields, short-term rates declined, influenced by the ECB's three interest rate cuts during the year. The yield on three-month bills has decreased by just under 30 bp this year, reaching 2.2%. This trend in interest rates helped reverse some of the yield curve flattening observed in previous months. The

sovereign risk premium, which had dropped to 60 bp in the early weeks of the year, stood at 70 bp by mid-April, similar to levels at the start of 2025.[2] In the primary debt market, there was a significant increase in private sector issuance, amounting to €43.689 billion, with long-term issuance increasing by 58.9% and short-term issuance by 18.9%.

- **The assets of investment funds registered in Spain saw a significant increase in 2024, rising by 14.8%, and this growth continued into 2025, reaching €420 billion by the end of February.** This asset growth was driven by both the revaluation of these entities' portfolios, which increased by 7% over the year, and net subscriptions exceeding €28 billion in 2024. The largest inflows were directed towards fixed income funds, with net inflows surpassing €35 billion. Simultaneously, there was a considerable increase in the assets of foreign collective investment schemes (CISs) marketed in Spain, which ended 2024 at €297 billion, marking an 18% rise from 2023. In the specific area of open-ended investment companies (SICAVs), it is noteworthy that the sector appears to have stabilised after two years during which 80% of the vehicles were deregistered.[3]

- **In terms of providing investment services, banks continued to earn the majority of income from this sector in 2024, whereas securities firms and broker-dealers (SAVs) experienced a significant increase in aggregate profits.** The importance of investment service provision[4] has become entrenched in the banking sector, with continued growth in 2024. Commissions from this activity accounted for 38.5% of the total commissions earned by these entities, up 3 percentage points (pp) from 2023. Regarding SAVs, although their number remained constant at 99, their aggregate pre-tax profits rose by 33.1% in 2024, reaching €180 million. This was mainly driven by the growth in income from the marketing and sale of CIS and portfolio management. The solvency conditions of the sector continued to be satisfactory.

- **The International Monetary Fund (IMF) estimates that the uncertainty and the tariff measures (and countermeasures) announced by the Trump Administration could reduce the projected growth of the global economy by 0.5 pp this year, bringing it down to 2.8%, and by 0.3 pp next year, to 3% (compared to 3.3 %in 2024).** These forecasts, based on data available up to 4 April, suggest that the United States could see growth fall by nearly 1 pp this year, to 1.8%. The euro area's growth is predicted to decrease by 0.2 points from the previous forecast, remaining weak at 0.8%. Within the euro area, the resilience of the Spanish economy is notable, not only for having the highest expected growth rate among major economies this year at 2.5%, but also for being one of the few to receive an upward revision in its forecast, by 0.2 pp. Finally, emerging economies are projected to lose an average of 0.5 and 0.4 pp

2 After the closing date of this report, this indicator further decreased to 63 bp (19 May).

3 In terms of assets, the decrease was significantly lower, specifically 50%.

4 Including the distribution of CISs.

in growth this year and next year, respectively, bringing their growth rates to 3.7% and 3.9%, with more pronounced declines expected in China and Mexico.

– This report contains **two monographic exhibits**:

  • The first exhibit details the revision of the components that make up the Spanish financial market stress indicator. This revision aims to highlight areas not previously included, such as the liquidity conditions of debt assets issued by Spanish private entities. The updated version of this indicator has been available since the beginning of this year.

  • The second exhibit explores the fragmentation of Spanish equity trading over recent years. Fragmentation is understood as the shift of trading activities to venues outside their original location. The exhibit also examines the price formation process in these trading venues and their liquidity conditions. The analysis, situated within the context of MiFID I and II regulations and the opportunities these offer, reveals that trading fragmentation has persisted in Spain and other nearby countries. It also shows that while prices are largely determined at home venues, both these venues and their competitors often display "more competitive prices" (EBBO prices) for a significant portion of the time.

2 Stock market developments

The stress indicator for Spanish financial markets,[5] which stayed at a low-risk level during the first two months of the year, began to fluctuate from March onwards. It peaked at 0.44 (medium risk) in mid-April, due to Donald Trump's announcements about imposing tariffs on US imports. Stress levels, which had remained below 0.23 in January and February (low risk), rose occasionally and moderately at times in March, reaching a medium-risk level (above 0.27). The most significant increase, however, happened in April following the US President's tariff announcements, causing a general rise in price volatility across financial markets. From mid-April, a decrease in volatility indicators has reduced the stress indicator back to a low-risk level, specifically 0.26, by the report's cut-off date[6] (see Figure 1).

In the first two weeks of April, equities and foreign exchange segments saw the most significant increases in stress, whereas fixed income markets remained relatively stable. Specifically, risk in the non-financial equity market rose to 0.66 (from 0.17 two weeks prior), and the foreign exchange market risk climbed to 0.82 (from 0.1 at the end of March). Meanwhile, the long-term fixed income market stayed below 0.40. In the last two weeks of April and the early days of May, declining price volatility brought the markets that had experienced the most stress earlier in the month back to low levels. However, fixed income markets faced a slight rise in risk, driven by increased interest rate volatility, particularly in the long-term segment.[7]

---

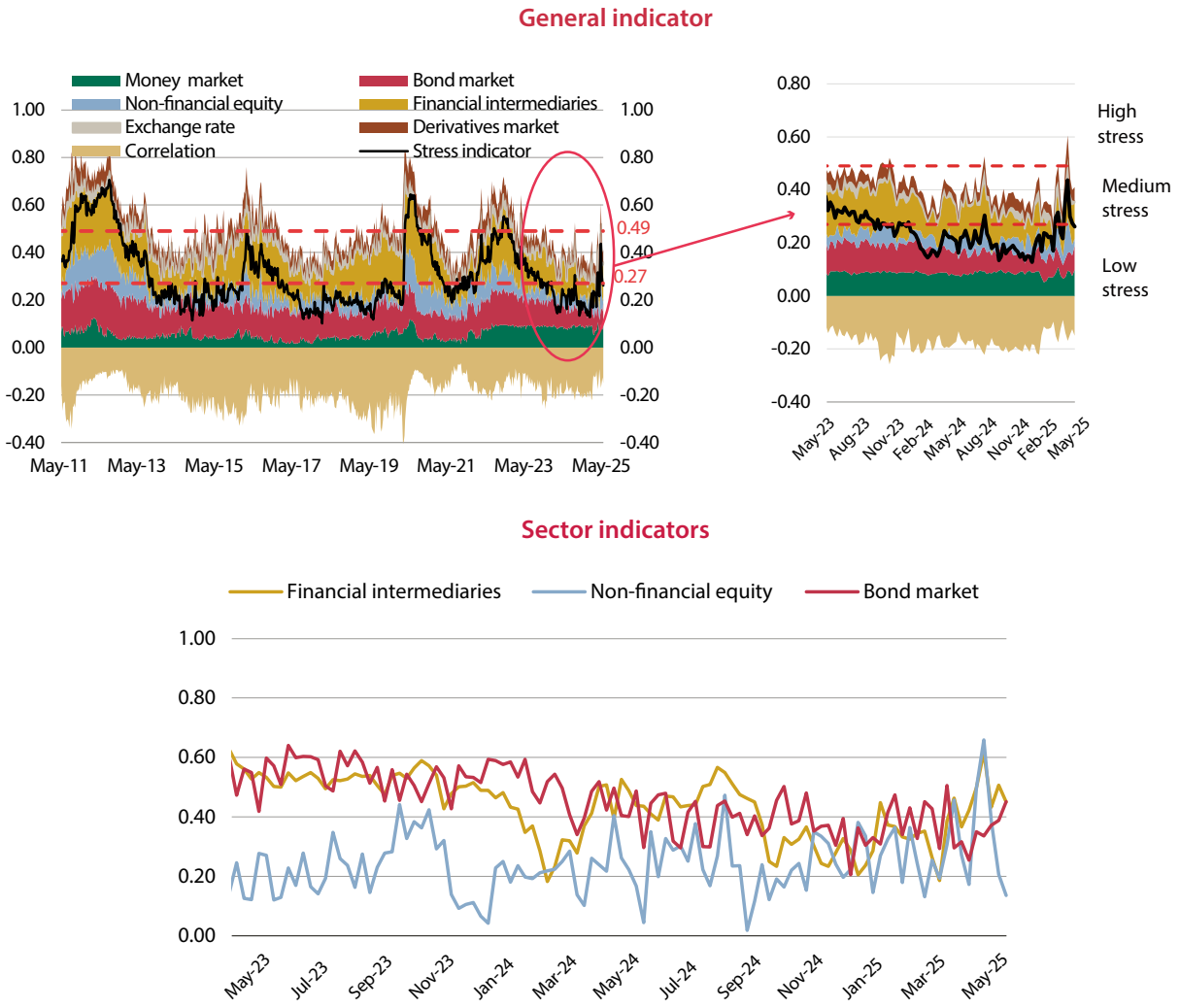
5 The stress indicator calculated by the CNMV provides a real-time measure of systemic risk in the Spanish financial system that ranges from zero to one. To do this, it evaluates stress in six segments of the financial system and makes an aggregate, obtaining a single figure that takes into account the correlation between these segments. Econometric estimates indicate that index values below 0.27 correspond to periods of low stress, while scores between 0.27 and 0.49 correspond to periods of medium stress, and values above 0.49 indicate periods of high stress. For further details on recent movements in this indicator and its components, see the half-yearly publication of the *Financial Stability Note*, and the CNMV's statistical series (Market stress indicators), available at http://www.cnmv.es/portal/menu/Publicaciones-Estadisticas-Investigacion.aspx. For more information on the methodology of this indicator, see Cambón, M.I. and Estévez, L. (2016). "A Spanish Financial Market Stress Index (FMSI)". *Spanish Review of Financial Economics*, Vol. 14, no. 1, pp. 23–41, or as CNMV Working Paper No. 60 (http://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Monografia_60_en.pdf).

6 This indicator has a weekly frequency. The last figure presented in this report corresponds to 2 May.

7 The interest rate on the 10-year sovereign bond, which had been reduced by 26 bp in the two central weeks of April, subsequently increased, practically in one week, by 20 bp, to 3.18% (18 bp in the last two days alone).

Stress indicator of the Spanish financial markets

FIGURE 1



Source: CNMV.

Review of the components that make up the stress indicator of the Spanish financial markets

EXHIBIT 1

The Spanish financial market stress indicator offers a snapshot of systemic risk within the Spanish financial system. It evaluates stress across six segments: equities, fixed income, financial intermediaries, money market, derivatives, and foreign exchange. These are aggregated, taking into account the correlation between them. Over the years, this indicator has effectively captured the tensions in the financial markets caused by various events of differing nature and intensity. Its development has been documented in several CNMV publications, such as the stability note, bulletin, and annual report.

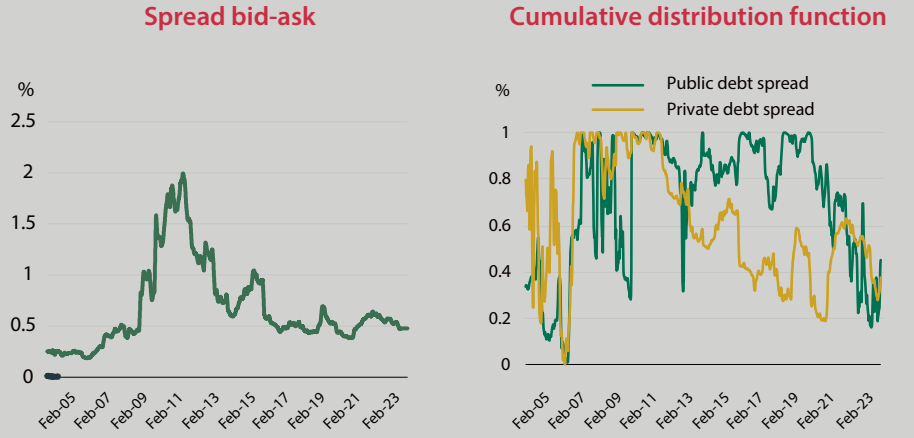
Despite its strong performance, a review has been deemed appropriate to determine whether its quality can be enhanced, either by modifying certain metrics or by adding others that reveal new areas of stress. This exhibit summarises the evaluation of three possible changes and the conclusions drawn:

i) First, the potential replacement of Euribor with the €STR (Euro Short Term Rate) was considered, following the reform of interest rate benchmarks. The analysis found that, for now, Euribor (particularly over a specific period) better reflects the financial reality that the stress indicator seeks to represent.

ii) Second, an alternative measure of volatility in the financial intermediaries segment has been developed, which is more effective as it more quickly reflects short-term market movements.

iii) Finally, it was deemed important to add an indicator to the long-term fixed income segment representing stress in the private fixed income market, as the three measures used so far only relate to government bonds. A variable measuring the liquidity level of corporate debt assets has been included, using the average bid-ask spread for a representative set of bonds.

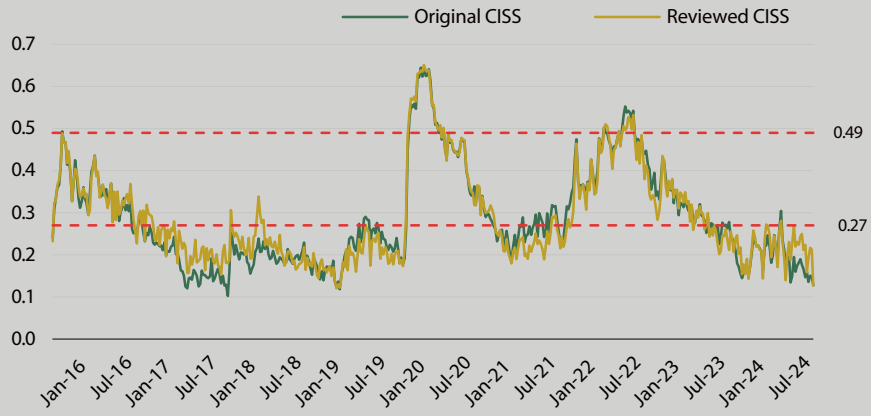
Private debt liquidity FIGURE E1.1



Source: CNMV.

The analysis shows that the second and third changes can enhance the illustration of market stress, both by revising some metrics and by adding others that were absent in the initial version of the indicator. Since these two modifications have not significantly impacted the overall indicator throughout 2024, it was deemed suitable to implement the proposed changes from 1 January this year. From that date, the updated version of the indicator has been featured in all CNMV publications. To conclude the description of this revision, the figure below compares the original stress indicator with the proposed new one.

Review of the financial market stress indicator FIGURE E1.2



Source: CNMV.

2.1 The stock markets

International stock markets began the year with gains, continuing the strong performance seen in 2024. However, doubts and setbacks quickly emerged in most markets following announcements from the new US Administration regarding its trade policy and the imposition of significant tariffs. These announcements have had unequal effects across regions, sectors, and companies, depending on their exposure to international trade. Markets have reacted with turbulence due to the potential negative impact on economic activity and growth. Currently, uncertainty persists about the extent of the tariffs. Investors are closely monitoring the outcomes of negotiations between various countries and the Trump Administration to assess their impact that could lead to further adjustments in the valuations of many sectors and securities.

Stock market prices

The main international equity indices, which closed 2024 with significant gains and in some cases near their all-time highs,[8] started the year with further increases. However, uncertainty quickly resurfaced due to the previously mentioned events. Initially, the largest declines were concentrated in US and Asian markets, driven by investor concerns about the impact of the initial measures announced[9] on US economic growth and the anticipated tariffs on China and Southeast Asian economies. At the start of April, the announcement[10] of a wide

8 All the major US indices (Dow Jones, S&P 500, and Nasdaq), as well as the European Eurostoxx 50 and the German Dax 30, ended 2024 at record highs.

9 The Trump Administration announced several trade policy measures initially affecting Canada, Mexico, and the steel and automobile sectors.

10 On 2 April, labelled by the Trump Administration as "Liberation Day", President Trump launched a trade war, imposing tariffs on nearly all countries. These tariffs ranged from a minimum of 10% to as high as

range of substantial tariffs affecting most economies, including the European Union, caused severe turbulence in global stock markets. These markets reacted with sharp declines,[11] given the anticipated significant reduction in international trade and the consequent drag on global economic growth.

Subsequently, the confirmation of bilateral negotiations with various countries and, most importantly, the announcement of a 90-day suspension of the tariff increases[12] allowed markets to regain some of the losses incurred following the initial announcement. The year's outcome is somewhat mixed, with significant declines in the United States and Asia but gains in European markets. The latter benefited from a capital return to Europe due to the deteriorating outlook for the US economy, more attractive valuations of European stocks, and the ECB's more accommodative monetary policy.[13] In this environment of geopolitical tensions and prospects of slowing growth, uncertainty spread across markets, leading to increased volatility reaching high levels (though not as severe as in past crises), and liquidity worsened. Investors are closely monitoring trade negotiations, economic indicators, and any announcements regarding corporate earnings prospects.

The declines between 1 January and 15 April were primarily concentrated in US markets, especially in the technology sector. The Dow Jones fell by 5.1%, the Nasdaq by 12.9%, and the S&P by 8.2%.[14] The more technology-focused indices, like the Nasdaq and the S&P 500,[15] experienced the steepest drops, with significant losses among the so-called "Magnificent Seven",[16] particularly Tesla and Apple. In contrast, the Dow Jones index, which has a broader base and a greater proportion of financial securities, saw more moderate declines. This was due to the lower international trade exposure of some of its components. Unlike in 2024, when the

---

40–50% for some Southeast Asian economies like Cambodia and Vietnam, while the European Union faced a 20% rate.

11 The major stock market indices saw their steepest declines since the outbreak of the COVID-19 pandemic in 2020.

12 However, these tariffs were to return to 10% for all countries during this period – with exceptions for Canada and Mexico, and certain products with specific trade agreements –, except for China. For China, the rate was set at 30% from 14 May for 90 days, following an agreement after heightened tensions between the two governments.

13 In response to deteriorating growth prospects caused by increased trade tensions, the European Central Bank cut interest rates by 25 bp to 2.25% on 17 April. Meanwhile, in the United States, tensions grew between the Trump Administration and the Federal Reserve, as the former pressured the Fed to lower interest rates.

14 After the closing date of this report, international indices experienced significant rallies. These gains wiped out losses for almost all indices that had shown declines and amplified gains for those already on the rise. As of 19 May, European indices had risen between 6.4% (FT 100) and 21.6% (Ibex 35). In the United States, only the Nasdaq experienced a decline of 0.5%, while other indices posted slight gains. In Japan, losses persisted but were reduced to between 1.7% and 6%.

15 The S&P index, the most representative of the US economy, covers all sectors, including technology, financials, healthcare, and industry. Technology companies make up more than 35% of its capitalisation. Among the top 10 companies by weighting in the index, eight are technology firms, accounting for over 33% of the total.

16 The so-called "Magnificent Seven" – Amazon, Apple, Alphabet (Google), Meta (Facebook), Microsoft, Nvidia, and Tesla – saw their stock values drop by 18.1%, 19.3%, 17.4%, 10.9%, 8.5%, 17.2%, and 37.1%, respectively.

technology sector led growth, the potential impact of a trade war on the growth prospects of these securities, coupled with their high valuations, has led to a significant reduction in this sector's prices.

The euro area initially gained from the prospect of capital returning to Europe due to uncertainties surrounding the new US Administration's economic policy. However, the announcement of tariffs eventually took its toll, particularly on economies and sectors with high export activity. Initial gains from the first quarter were more than halved across most European markets. Indices ranged from a 0.6% decrease for the French Cac 40 to an 11.1% increase for the Spanish Ibex 35, which led the gains. The European Eurostoxx 50 index rose **by just 1.5%** while the German Dax 30 and the Italian FTSE Mib rose by 6.8%and 4.8%, respectively. The UK FTSE 100 index saw a modest rise of 0.9%. Sectors and companies that suffered the most from the tariff announcement and potential trade war effects included luxury goods – largely contributing to the French Cac 40's dip into negative territory – along with industry, consumer goods, and technology sectors, as well as automotive companies and laboratories. In contrast, banks and the financial sector as a whole continued to achieve notable gains[17] due to their limited exposure to international trade and the strengthening of their balance sheets in recent years.

Asian indices saw significant declines, with Japan's Nikkei 225 and Topix falling by 14.1% and 9.8%, respectively. Chinese indices and most Southeast Asian markets also experienced downturns. While Hong Kong and South Korea managed to maintain modest gains, most indices recorded declines. These ranged from a 2.8% drop in China's Shanghai Composite to a 10.7% decline in Malaysia's Kuala Lumpur Composite and a 17.7% decrease in Taiwan's TWSE. In Latin America's emerging economies, Brazil's Bovespa and Mexico's IPC rose by 6.7% and 5.5%, respectively. Argentina's Merval, however, suffered a substantial fall of 28.6%.

Performance of the main stock market indices[1] TABLE 1

%

	2022	2023	2024	II 24	III 24	IV 24	I 25	In the year
World								
MSCI World	19.5	21.8	17.0	2.2	6.0	-0.4	-2.1	-5.0
Euro area								
Eurostoxx 50	-11.7	19.2	8.3	-3.7	2.2	-2.1	7.2	1.5
Euronext 100	-9.6	13.3	4.2	-2.8	0.0	-2.1	6.8	0.8
Dax 30	-12.3	20.3	18.8	-1.4	6.0	3.0	11.3	6.8
Cac 40	-9.5	16.5	-2.2	-8.9	2.1	-3.3	5.6	-0.6
FTSE Mib	-13.3	28.0	12.6	-4.6	2.9	0.2	11.3	4.8
Ibex 35	-5.6	22.8	14.8	-1.2	8.5	-2.4	13.3	11.1

17 Meanwhile, the European banking sector index, Stoxx 600 Banks, gained 14.2% in 2025.

Performance of the main stock market indices[1] (*continuation*) TABLE 1

United Kingdom								
FTSE 100	0.9	3.8	5.7	2.7	0.9	-0.8	5.0	0.9
United States								
Dow Jones	-8.8	13.7	12.9	-1.7	8.2	0.5	-1.3	-5.1
S&P 500	-19.4	24.2	23.3	3.9	5.5	2.1	-4.6	-8.2
Nasdaq-Composite	-33.1	43.4	28.6	8.3	2.6	6.2	-10.4	-12.9
Japan								
Nikkei 225	-9.4	28.2	19.2	-1.9	-4.2	5.2	-10.7	-14.1
Topix	-5.1	25.1	17.7	1.5	-5.8	5.3	-4.5	-9.8

Source: Refinitiv Datastream.

1 In local currency. Data until 15 April.

Spanish stock markets, which achieved their highest levels since 2010 in 2024, started 2025 with further gains, aligning with the positive trends in European markets, bolstered by the favourable outlook for the Spanish economy. Initially, their performance mirrored that of the European markets. However, when turbulence hit, the declines were somewhat less severe. The Spanish index benefited significantly from the strong weighting and relatively better performance of the financial sector and utilities – comprising electricity, gas, and telecommunications companies – mainly due to their limited exposure to international markets.

The Ibex 35, which had risen by 14.8% in 2024, advanced 13.3% in the first quarter of 2025 although reported a lower gain of 11.1% by mid-April.[18] This growth occasionally pushed it above 13,000 points, hitting 12,879.3 points on 15 April – a level not seen since 2008. However, it remains far from the nearly 16,000 points reached before the financial crisis, as well as the new all-time highs recorded by other major European indices like the German Dax 30 and the Eurostoxx 50 during the first quarter. Small and mid-cap companies showed mixed results. Small caps posted significant gains, while mid-caps experienced more modest growth. The latter's greater level of internationalisation made them more vulnerable to the potential impact of tariffs. The FTSE Latibex All-Share and FTSE Latibex Top indices, which represent Latin American securities listed in euros, experienced slight declines of 5.6% and 2.4%, respectively. Gains in some Latin American stock markets were insufficient to offset the depreciation of major Latin American currencies.[19]

18 Following the cut-off date of this report, as mentioned in an earlier footnote, equity indices saw strong gains, with the Spanish index continuing to lead these advances. The Ibex 35 rose by 7.3% in the second quarter up to 19 May and by 21.6% for the year so far. The index for small companies increased by 22.2% over the year, while medium-sized companies posted a 10.2% gain.

19 Between 1 January and 15 April 2025, the Mexican peso depreciated by 4.9%, while the Brazilian real fell by 3.6%.

The performance of the main sectors and companies listed on the Spanish market varied, influenced by their level of connection to the foreign sector and international goods markets. Financial services, energy, and telecommunications sectors saw positive developments, whereas consumer goods and services and real estate services faced declines. The materials, industry, and construction sector showed minimal change (see Table 2).

Banks and insurance companies once again stood out for their positive performance, continuing to benefit from strong balance sheets despite falling interest rates. Electricity and gas companies also experienced significant gains; along with telecommunications firms, they benefited from their status as essential services (utilities) and the considerable stability of their revenues. Additionally, food companies performed well, primarily due to their strong ties to the domestic market and minimal reliance on exports.

Declines were notable in the consumer goods and services sectors due to their export-oriented nature, as well as in the oil sector companies because of falling oil prices. Within consumer goods, the textile sector stood out, driven by the significant international presence of Inditex, along with pharmaceutical companies due to their export focus. In services, the drops were mainly seen in the tourism and air transport sectors, which could suffer in a more protectionist environment less conducive to international trade.

The price-to-expected earnings per share (P/E) ratio of major equity indices fell by mid-April compared to December 2024, with the steepest declines seen in the US S&P 500 and the Japanese Topix. Across the board, these ratios remained close to or below their historical averages, except for the US indices (see Figure 2). In Spain and, to a lesser extent, in the European Eurostoxx 50, the drop was less severe. The rise in share prices during this period was outpaced by the growth in expected profits for the coming months, allowing the P/E ratio to hit its lowest level in recent months. The Ibex 35's P/E ratio fell from 11.4 in mid-December 2024 to 10.7 in April 2025, moving below the Eurostoxx 50 and widening the gap between them. Figure 2 illustrates that the P/E ratios of major international stock indices have shown a similar trend this year. However, the declines for the US S&P 500 and the Japanese Topix are notably larger, coinciding with significant falls in both indices. Despite these declines, the S&P 500 remains – as is often the case – above its average values over the past decade. This suggests that, according to this indicator, prices may still be somewhat overvalued.

Performance of Spanish stock market indices and sectors[1]

TABLE 2

Indices	2022	2023	2024	II 24[2]	III 24[2]	IV 24[2]	I 25[2]	In the year
Ibex 35	-5.6	22.8	14.8	-1.2	8.5	-2.4	13.3	11.1
Madrid	-4.8	21.6	14.1	-1.3	7.7	-2.2	14.2	11.8
Ibex Medium Cap	-7.4	5.9	11.7	8.1	1.3	2.7	3.0	2.0
Ibex Small Cap	-12.8	10.6	2.6	6.0	-1.6	-2.5	12.2	10.2
FTSE Latibex All-Share	10.7	10.4	-25.6	-11.0	-2.4	-10.0	3.8	-5.6
FTSE Latibex Top	7.8	12.5	-27.0	-15.4	1.8	-12.3	6.7	-2.4
Sectors[3]								
Financial services	**7.9**	**29.3**	**22.4**	**-5.1**	**5.5**	**-2.2**	**35.4**	**30.4**
Banking	9.0	30.7	22.0	-5.3	5.5	-2.6	36.3	31.1
Insurance	-8.3	2.6	23.0	0.1	7.5	-2.5	22.6	22.1
Oil and energy	**5.2**	**3.4**	**4.6**	**3.2**	**8.3**	**-3.9**	**11.5**	**10.6**
Oil	42.3	-9.4	-13.1	-4.6	-19.6	-1.3	5.2	-14.6
Electricity and gas	-1.0	6.7	9.2	4.6	13.4	-3.8	12.6	14.3
Basic mats., industry and construction	**-11.3**	**25.5**	**10.6**	**-1.6**	**4.6**	**3.9**	**5.1**	**0.2**
Construction	-4.3	26.9	14.4	0.3	5.4	5.5	4.6	1.2
Manufacture and assembly of capital goods	-13.8	30.6	-14.7	-0.7	-3.1	-8.4	9.9	6.1
Minerals, metals and metal products processing	-14.2	13.5	-8.1	-5.5	1.6	-2.9	7.7	-1.0
Engineering and others	-46.3	35.3	26.7	5.5	11.1	-2.8	4.7	-5.0
Technology and telecommunications	**-22.8**	**17.8**	**2.9**	**-1.2**	**9.3**	**-5.1**	**8.0**	**6.5**
Telecommunications and others	-25.7	9.3	-0.5	-4.8	14.4	-12.9	9.2	7.9
Electronics and software	-17.0	32.9	6.7	4.3	3.3	5.0	6.7	4.9
Consumer goods	**-17.0**	**44.3**	**15.6**	**0.4**	**10.9**	**-6.3**	**-6.3**	**-4.9**
Textile, clothing and footwear	-14.2	58.6	22.5	-0.7	12.0	-6.9	-7.8	-5.9
Food and drink	-12.9	-3.2	11.4	3.4	3.2	-2.2	5.6	7.7
Pharmaceutical products and biotechnology	-0.7	19.0	-15.7	3.7	12.4	-4.2	-2.6	-5.2
Consumer services	**-15.9**	**30.4**	**41.8**	**-0.2**	**10.5**	**15.4**	**-0.7**	**-3.1**
Leisure, tourism and hospitality	-35.7	49.7	14.6	-0.5	-6.4	17.3	-12.2	-12.8
Transportation and distribution	-13.7	32.2	46.0	-0.4	12.0	16.5	-1.1	-3.8
Real estate services	**13.0**	**12.8**	**1.7**	**4.2**	**11.5**	**-8.9**	**-2.0**	**-3.3**

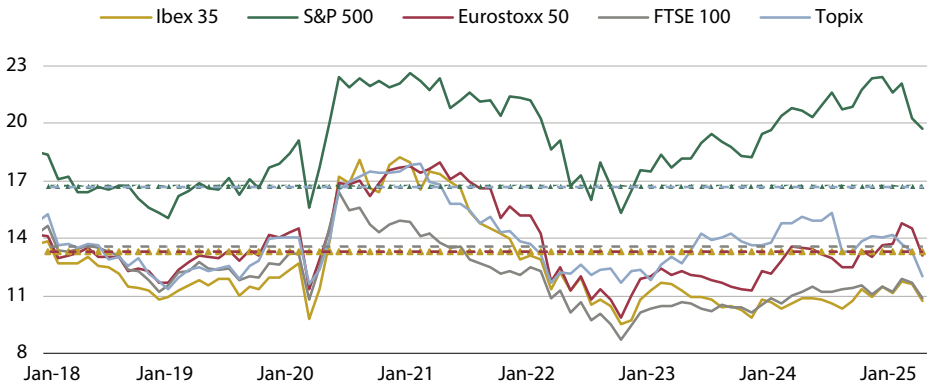
Source: BME and Refinitiv Datastream.

1 In local currency. Data until 15 April.

2 Variation compared to the previous quarter.

3 Sectors belonging to the IGBM (Madrid Stock Exchange General Index). The information corresponding to the most representative subsectors is displayed within each sector.

Price-earnings (P/E) ratio[1] FIGURE 2



Source: Refinitiv Datastream. Data until 15 April. The dashed lines represent the historical average of the indicator since 2000.

1 With forecast earnings for 12 months.

The historical volatility of the Ibex 35, which had remained low during the latter part of 2024, rose slightly in the early months of 2025 and surged more sharply at the end of March. By mid-April, after the announcement of new tariffs, it reached nearly 40%, the highest level since the pandemic. Despite this increase, the average volatility for the first quarter was 13.59%, marginally higher than the previous quarter's 12.94% and the annual average of 12.82% for 2024. This pattern of volatility echoed that seen in other international indices such as the Eurostoxx 50, although the rise was notably greater for indices in the United States and Japan.[20] As anticipated, the heightened volatility directly impacted market trading volumes, partly by encouraging algorithmic and high-frequency trading activities.

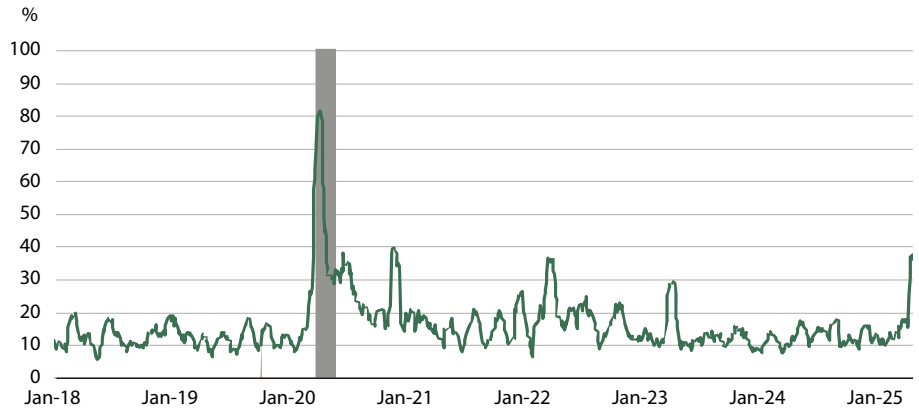
Meanwhile, the VIX index,[21] often referred to as the "fear index", reached its highest level in early April since the first half of 2020, coinciding with the outbreak of the COVID-19 pandemic.

20 In the case of the US Dow Jones index and Japanese Topix, the volatility values in the first half of April exceeded three times their average values for the first quarter.

21 The VIX index reflects market expectations regarding the volatility of the stocks in the S&P 500. It is calculated by the Chicago Board Options Exchange (CBOE), and very high values are associated with periods of significant uncertainty or market crises.

Historical volatility of the Ibex 35

FIGURE 3



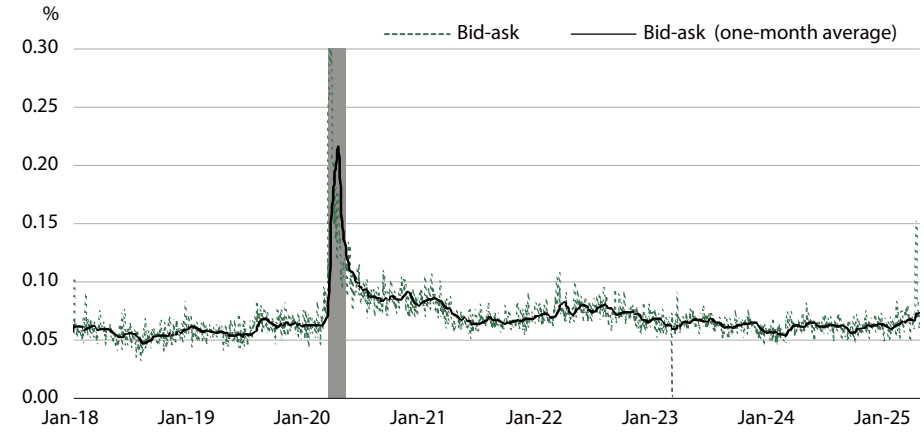
Source: Refinitiv Datastream and CNMV. The indicator is calculated as the annualised standard deviation of the daily price variations of the Ibex 35 over 21 days. The vertical lines of the figure refer to the introduction of restrictions on short-selling, the first for 1 day, which affected 69 entities (13 March 2020) and the second, adopted a few days later and ended on 18 May 2020, which affected all entities.

Activity: trading, issues and liquidity

Liquidity conditions on the Ibex 35, measured by the bid-ask spread, deteriorated slightly as the year progressed due to turbulence and increased volatility but remained at satisfactory levels. Despite a significant rise in trading volumes on the SIBE, increased market volatility led to the spread widening from an average of 0.064% in the first quarter to 0.083% in the first half of April. Both figures are higher than those for the last three quarters of 2024 (0.063%, 0.059%, and 0.062% in the second, third, and fourth quarters, respectively) and the overall 2024 average (0.06%), but they are still below the historical average for this indicator (0.086%) (see Figure 4).

Liquidity of the Ibex 35. Bid-ask spread

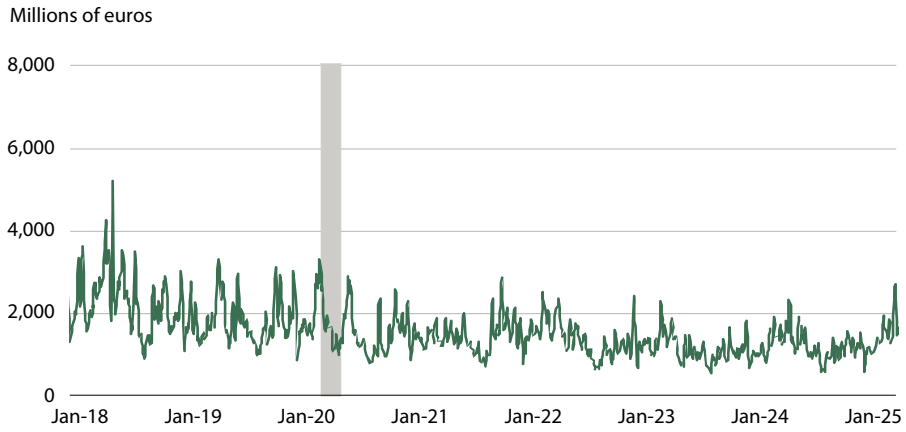
FIGURE 4



Source: Refinitiv Datastream and CNMV. Information on the bid-ask spread of the Ibex 35 and the average of the last month is presented here. The vertical lines of the figure refer to the introduction of restrictions on short-selling, the first for one day, which affected 69 entities (13 March 2020) and the second, adopted a few days later and ended on 18 May 2020, which affected all entities.

Amid this environment of market uncertainty and rising volatility, Spanish equity trading saw significant growth, reaching €224.73 billion in the first quarter of the year and over €287 billion between 1 January and 15 April. This was its highest volume since the first quarter of 2022. The latter figure represents a 39.4% year-on-year growth. Average daily trading in the first quarter of 2025 was €1.36 billion, 12.3% higher than the average for the same quarter the previous year (€1.21 billion). This average increased to €2.09 billion in the first 15 days of April.

Daily trading of the Spanish stock market[1] FIGURE 5



Source: CNMV. The vertical lines of the figure refer to the introduction of restrictions on short-selling, the first for one day, which affected 69 entities (13 March 2020) and the second, adopted a few days later and ended on 18 May 2020, which affected all entities.

Trading volumes recovered from previous quarters both on the BME and in competing trading venues, with the latter reaching record levels. As a result, trading on the Spanish regulated market accounted for 36.5%[22] of the total. This percentage is calculated against the total trading volume subject to non-discretionary market rules. BME's trading reached €104.13 billion, an 18.6% year-on-year increase, while trading at competing venues surpassed €183 billion, up nearly 55%. Major European stock markets have experienced a shift in share trading from domestic markets to other competitive venues, similar to the trend seen in Spain. BME's market share is comparable to that of Euronext Amsterdam and slightly higher than Euronext Paris.

Cboe Equities once again stood out in trading volume among BME's competitors, along with the growth of other venues like Equiduct and Aquis, which together account for nearly 15% of all trading. Operating out of Amsterdam, Cboe Equities solidified its leadership position by surpassing €143.60 billion in trading by mid-April, representing more than 78% of foreign trading. Aquis and Equiduct follow, accounting for 7.2% and 7% respectively of trading among BME's competitors, and

22 BME's market share in the first quarter of 2025 reached 36.8% of total trading subject to non-discretionary market rules, and 36.5% for the period from 1 January to 15 April. If these percentages are calculated based solely on trading through the book-entry system (on-book), BME's market share rises to 57% between 1 and 15 April.

together contribute 9.1% to the total trading of Spanish securities. Meanwhile, Turquoise, which had lost significance in previous quarters, regained momentum, increasing its market share to 5.1% of total trading across all competing venues.

Trading by systematic internalisers remained around 7% of total trading in Spanish securities during the first quarter of 2025, consistent with levels seen throughout 2024. This percentage, which had slowed its growth to 6.7% in the second half of 2024, is estimated by adding up trading subject to non-discretionary market rules and that conducted by systematic internalisers. This figure consolidates the recovery in this type of trading seen during 2023 and 2024, indicating a partial reversal of one of the goals of the MiFID II regulation, which aimed to shift some trading under discretionary rules to venues with non-discretionary rules.

Trading in Spanish equities admitted to trading on Spanish stock exchanges[1]

TABLE 3

	2022	2023	2024	III 24	IV 24	I 25	In the year[6]
Total	**738,361.6**	**630,337.0**	**717,533.3**	**150,890.1**	**185,592.1**	**224,731.4**	**287,593.8**
Admitted to SIBE electronic platform	**738,353.3**	**630,334.7**	**717,526.8**	**150,889.2**	**185,589.9**	**224,729.7**	**287,592.1**
BME	351,801.8	290,101.3	300,998.9	61,689.7	72,577.2	81,765.1	104,133.1
Cboe Equities[2]	294,530.2	247,337.2	323,396.1	67,987.4	90,498.7	110,706.1	143,641.3
Turquoise	19,251.4	15,886.0	20,689.9	4,776.2	5,168.8	7,427.9	9,283.8
Equiduct[3]	7,104.6	18,135.8	27,172.9	5,707.9	6,269.8	10,547.4	12,848.8
Aquis[3]	25,275.5	22,390.5	32,646.4	7,616.4	8,095.4	10,597.4	13,189.5
Portfolio Exchange		0.4	6.1	0.0	1.9	3.2	3.2
Other	40,389.8	36,483.5	12,616.5	3,111.7	2,978.1	3,682.6	4,492.4
Open outcry	**8.3**	**2.3**	**6.5**	**0.9**	**2.2**	**1.7**	**1.7**
Pro memoria							
Trading of foreign equities through BME	4,770.9	6,394.7	13,245.4	2,530.8	4,005.6	4,025.9	4,620.1
BME MTF Equity[4]	3,837.3	2,871.5	3,602.8	612.8	1,374.2	750.4	916.5
Latibex	93.4	65.7	154.5	32.6	41.4	61.4	74.9
ETF	1,604.8	1,297.3	991.5	229.0	220.6	286.7	386.9
Total trading through BME	362,116.5	300,732.8	318,999.7	69,094.9	78,221.3	86,899.1	110,133.1
% Spanish equities traded through BME/total Spanish equities	48.0	46.4	42.3	41.2	39.6	36.8	36.5
Systematic internalisers[5]	**42,059.5**	**43,460.2**	**53,082.4**	**12,123.0**	**1,840.1**	**16,800.1**	-

Source: Bloomberg and CNMV.

1 This includes the trading of Spanish equities subject to market rules or MTF (lit plus dark). Spanish equities on Spanish stock exchanges are those with a Spanish ISIN that are admitted to trading on the regulated market of Bolsas y Mercados Españoles (BME), i.e., not including the Alternative Stock Market (MAB), currently BME ETF Equity. Foreign equities are those admitted to trading in the regulated BME market with an ISIN that is not Spanish. The trading data for BME's competing venues has been sourced from BMLL since the third quarter of 2024.

2 Includes trading that until 2020 was carried out through Chi-X and BATS, which since January 2021 has moved to Amsterdam as a result of Brexit.

3 Trading on Equiduct and Aquis was previously reported under the category "Other" until 2020.

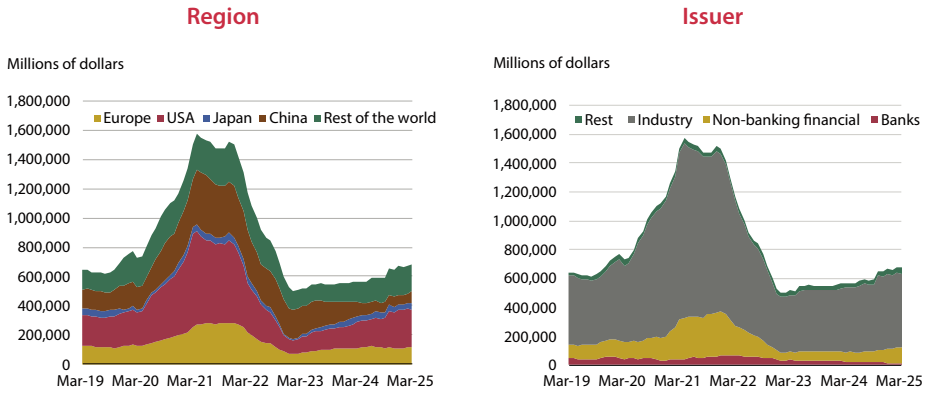
4 Called MAB (Alternative Stock Exchange) until September 2020. This MTF has three segments: BME Growth (in which growth companies and Spanish real estate investment funds are listed), BME IIC (in which the open-ended collective investment schemes and hedge funds are listed) and BME ECR (in which the venture capital firms are listed).

5 Data estimated by the CNMV with data from transaction reporting.

6 Data until 15 April.

The volume of equity issuance in international markets grew by 21% throughout 2024, surpassing €668 billion, a trend that continued into the first quarter of 2025 (see Figure 6). The amount issued in the first quarter exceeded $163 billion, marking a 7.1% year-on-year increase compared to the same period in 2024. Performance varied across regions, with robust growth in China, where issuance more than tripled, exceeding $26.60 billion. In contrast, Europe and Japan saw more modest increases, reaching $36.30 billion and $10.70 billion, respectively, while the United States experienced a slight decline (-2.3%), yet maintained its market leadership with over $60.40 billion. By sector, the majority of issuance was concentrated in the industrial sector ($125.60 billion, down 2.6%) and non-bank financial institutions ($25.60 billion, up 63.7%). Meanwhile, banks issued smaller amounts ($6.50 billion, up 1.3%), as did other sectors ($7.5 billion, up 57.8%).

International equity issues FIGURE 6



Source: Dealogic. Accumulated data for 12 months to 31 March.

Equity issuance in domestic markets reached €2.14 billion in the first quarter, nearly double the amount from a year ago. This figure confirms the continuation of the recovery trend in primary market issuance observed in 2024. More than half of this amount was due to capital increases under the scrip-dividend format, aimed at remunerating shareholders of large companies. The majority of the capital raised for new funding came from the public offer for subscription by Hotelbeds, which entered the market through a combination of an initial public offering (IPO) and the aforementioned subscription offer.

Hotelbeds was the only company to join the electronic market in the first quarter. While several companies initially planned to list during the year, increased volatility and uncertainties stemming from the trade war may have disrupted some plans, and cancellations cannot be ruled out. No companies joined BME Growth; however, there was notable activity in the BME Scaleup market for developing companies and, to a lesser extent, in the Portfolio Stock Exchange. Six companies valued at €766.5 million joined BME Scaleup, including Lar España Real Estate, which was valued at almost €695 million and left the electronic market. Meanwhile, two listed real estate investment trusts (SOCIMI) and one venture capital firm (VCF) worth €256.6 million joined the Portfolio Stock Exchange.

Capital increases and public offerings

TABLE 4

	2023	2024	II 24	III 24	IV 24	I 25	In the year
NUMBER OF ISSUERS[1]							
Total	**20**	**28**	**14**	**12**	**13**	**10**	**12**
Capital increases	20	29	14	12	13	9	11
Public offerings (for subscription of securities)	0	2	1	0	1	1	1
Initial public offerings (IPOs)	0	1	1	0	0	1	1
NUMBER OF ISSUES[1]							
Total	**39**	**67**	**27**	**14**	**17**	**13**	**15**
Capital increases	39	65	26	14	17	12	14
Public offerings (for subscription of securities)	0	2	2	0	1	3	3
Initial public offerings[2] (IPOs)	0	1	1	0	0	1	1
CASH AMOUNT[1] (millions of euros)							
Capital increases with fund-raising	**396.4**	**4,409.2**	**2,436.0**	**1,563.1**	**262.6**	**1,000.3**	**1,002.3**
With preemptive rights	181.1	94.8	42.9	12.0	0.0	108.0	108
Without preemptive rights	0.0	1,559.5	1,384.5	0.0	175.0	839.1	839.1
Accelerated book builds	2.9	998.1	0.0	920.8	77.3	53.2	53.2
Capital increases with non-monetary considerations[3]	5.2	263.4	259.6	0.0	3.8	0.0	0.0
Capital increases by conversion	51.5	384.0	364.1	5.9	1.9	0.0	2.0
Other	155.6	1,109.3	384.8	624.5	4.6	0.0	0.0
Scrip issues[4]	**3,281.0**	**3,524.0**	**251.4**	**1,963.0**	**370.1**	**1,140.4**	**1,140.4**
Of which, scrip dividends	3,279.5	3,522.2	251.4	1,962.9	368.5	1,104.4	1,104.4
Total capital increases	**3,677.5**	**7,933.2**	**2,687.5**	**3,526.1**	**632.7**	**2,140.7**	**2,142.7**
Initial public offerings	**-**	**-**	**1,388.1**	**0.0**	**0.0**	**23.0**	**23.0**
***Pro memoria:* transactions in BME Growth[5]**							
Number of issuers	14	36	14	15	19	14	6
Number of issues	31	116	31	23	35	23	8
Cash amount (millions of euros)	75.6	884.6	75.6	99.5	642.4	140.7	8.1
Capital increases	75.6	884.6	75.6	99.5	642.4	140.7	8.1
Of which, public offerings (for subscription of securities)	30.3	469.2	30.3	0.0	438.9	0.0	0.0
Of which, IPOs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Source: BME and CNMV.

1 Registered transactions at the CNMV. Does not include data from MAB, ETF or Latibex.

2 Trades linked to the exercise of green shoe options are separately accounted for.

3 Capital increases for non-monetary considerations are valued at market prices.

4 In scrip dividends, the issuer gives existing shareholders the option of receiving their dividend in cash or converting it into shares in a bonus issue.

5 Unregistered transactions at the CNMV.

Fragmentation, price formation and liquidity of Spanish equities in a European context

EXHIBIT 2

The recent developments in European securities markets are primarily shaped by the conditions set by MiFID regulations. MiFID I, among other things, marked a significant shift towards enhancing market competition by allowing new participants to enter.[1] In contrast, MiFID II put a greater emphasis on investor protection and financial stability. In recent years, there has been debate about whether MiFID regulations have led to a fragmentation in securities trading, potentially harming liquidity. It is also noted that home markets continue to have significant influence on price formation. The CNMV undertook a specific study on this topic in 2024 to evaluate these claims, publishing its findings at the end of the year.[2] This exhibit summarises the key findings from that study, which focused on Spanish equities and also presented key metrics for other European markets and the United States. United States.

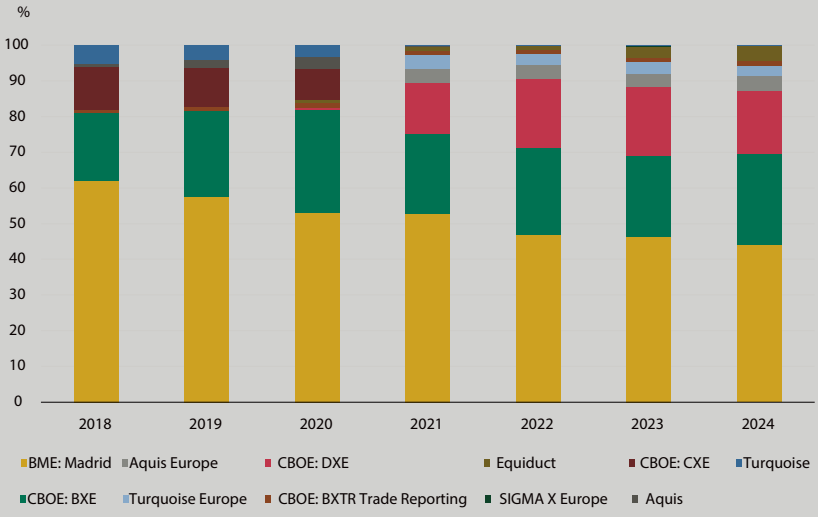
Fragmentation of trading

The study, using data from BMLL, found that the fragmentation of equity trading in Europe – understood as the process of trading equities in venues other than their home venue – persisted throughout the analysis period (2018–June 2024). However, it seems to have diminished in recent quarters, particularly concerning on-book trading. BME has followed a trend similar to other European home venues.

An analysis of on-exchange trading in Spanish equities, encompassing both on-book and off-book trading within the market, shows a decline in BME's market share, which, as noted earlier, appears to have stabilised over the past two years (Figure E2.1). Meanwhile, other trading venues have emerged, most notably CBOE, which has captured nearly 40% of all the trading volume, becoming the main competitor for BME and other European venues.

Market share by trading venue (on exchange trading)

FIGURE E2.1



Source: BMLL and CNMV. The 2024 results correspond to the first half of the year.

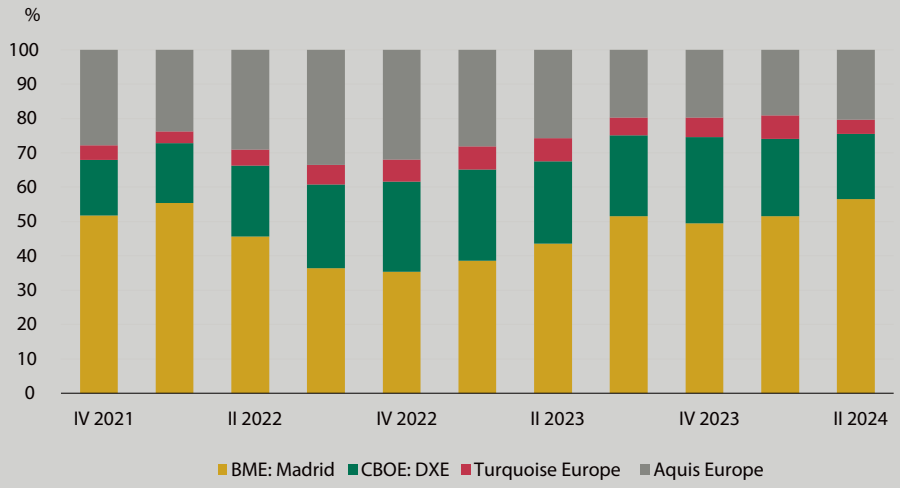
Off-market trading, which accounts for 30% of the total, has seen a decline in the relative importance of trading through systematic internalisers, while purely over-the-counter (OTC) trading has increased. Several factors could explain this trend, including reporting errors in identifying these transactions and a shift in market structure among traders.

In the United States, equity trading is also highly fragmented across various trading venues, with Nasdaq and NYSE being particularly prominent. The significance of OTC trading in the United States is equal to or greater than that in European countries, indicating that the percentages observed in Europe do not constitute a distinctive feature for the region.

Price formation and market liquidity

Price formation indicators show that primary markets hold the most significant influence in setting prices. More than 40% of price improvements occur in these home markets, and in some countries like France or Italy, this figure rises to 60% or more. In Spain, BME improves market prices nearly 50% of the time, on average, over the period.

Formation of best Spanish share prices (EBBO setting) FIGURE E2.2



Fuente: BMLL and CNMV.

Other metrics related to price formation and market liquidity indicate a more balanced situation between primary markets and CBOE. These metrics include the percentage of time a centre offers better prices, whether exclusively or not. Competing venues, particularly CBOE, are often able to maintain competitive pricing over extended periods, despite not having a leading role in price formation; they tend to act as price followers.

Given the study's main findings, it suggests the need for a general reconsideration of elements such as the competitiveness of European markets compared to others, and the competitive conditions among trading venues within the European Union itself.

1 These are multilateral trading facilities (MTFs) and systematic internalisers. MiFID II later introduced a new type of participant, the organised trading facility (OTF).

2 See Cambón, M.I. and Riba, Q. (2025). *Fragmentation, price formation and liquidity of Spanish equities in a European context*. CNMV, Working Paper No. 87. Available at: CNMV - Working Papers

2.2 Fixed-income markets

In the early months of the year,[23] short-term interest rates in fixed income markets declined, while yields on longer maturities increased. At the European level, the drop in yields for shorter maturities was more pronounced than in other markets, likely due to the ECB's rate cuts. In contrast, the rise in long-term yields appears to be influenced by the US government's tariff announcements and certain public spending decisions related to infrastructure and defence.

Interest rates

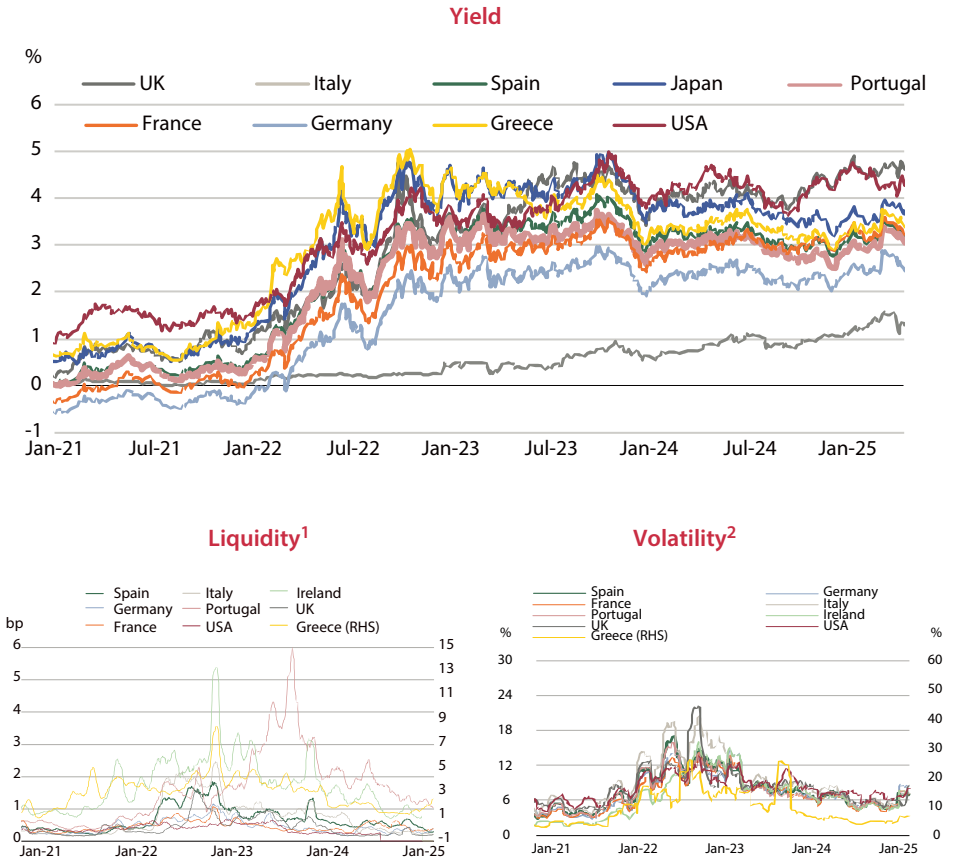
In the first few months of the year, the yield on the 10-year sovereign bond increased slightly across major advanced economies, except in the United States, where it fell by 23 bp to 4.34%. Yields on other maturities in the US yield curve also saw notable declines, particularly for the 1- to 10-year maturities. Only short-term yields, specifically at 1 and 3 months, edged up following the Federal Reserve's recent decision to maintain rates. The downward shift in the US yield curve may partly be attributed to lower expected levels of economic activity, stemming from various policy measures implemented by the US Administration.

In euro area countries, 10-year sovereign bond yields increased, ranging from an 11 bp rise in Finland to a 29 bp rise in Portugal. German sovereign bond yields rose to 2.55%, while yields in the Netherlands (2.80%), Finland (2.86%), Ireland (2.90%), and Austria (2.99%) also saw increases compared to the end of the year, yet remained below 3%. In mid-April, Portugal's debt yielded 3.14%, staying below other economies like Spain (3.25%), France (3.31%), and Italy (3.73%). Meanwhile, rates in the United Kingdom and Japan stood at 4.65% and 1.36%, respectively, with increases of 8 bp and 28 bp.

23 Data until 15 April.

10-year sovereign bond market indicators

FIGURE 7



Source: Bloomberg, Refinitiv Datastream and CNMV. Data until 15 April.

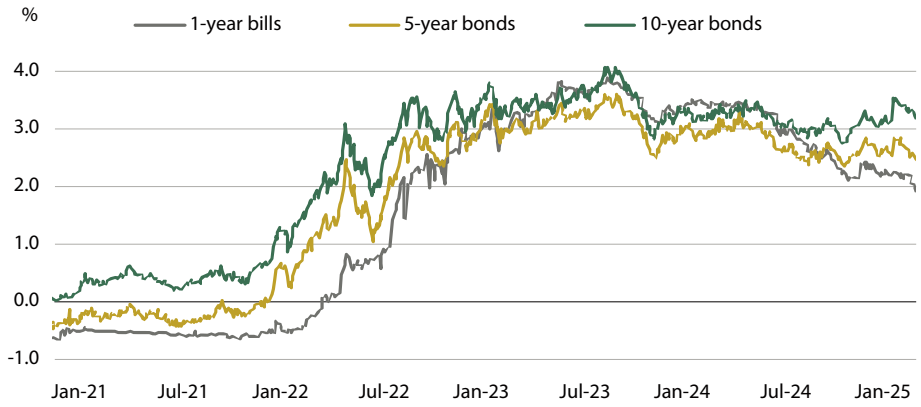
1 Monthly deviation of the daily bid-ask spread of 10-year sovereign bond yields.

2 Annualised standard deviation of daily changes in the prices of 40-day sovereign bonds.

In Spain, yields on short-term public debt declined in the early months of the year, continuing the downward trend seen in the fourth quarter of 2024. These decreases were particularly notable in the shortest maturities, which were more affected by the ECB's recent cuts to official rates. At its most recent meeting on 17 April, the ECB opted to maintain its monetary policy direction with an additional 25 bp reduction across the three official rates. During the first two weeks of April, the secondary market average yields for 3-, 6-, and 12-month Treasury bills were 2.20%, 2.11%, and 2.10%, respectively, marking a decline of between 8 and 40 bp from their December levels (see Table 5).

Interest rates on Spanish public debt

FIGURE 8



Source: Refinitiv Datastream. Data until 15 April.

Yields on short-term corporate fixed income assets have also fallen in the first months of the year. As shown in Table 5, this trend is quite similar to that observed in government bonds over the past year and aligns with the rate cuts implemented by the ECB since mid-2024. In the Spanish market, the average yield on commercial paper in the primary market in April reached 2.51% for the 3-month benchmark and 2.27% for the 12-month benchmark. The 6-month benchmark stood at 4.25%, a figure influenced by the limited number of observations in the first half of April, and therefore, not indicative or informative of a broader trend.

Short-term interest rates[1]

TABLE 5

%

	Dec-23	Dec-24	Jun-24	Sep-24	Dec-24	Mar-25	Apr-25[3]
Treasury bills							
3 months	3.56	2.57	3.50	3.02	2.57	2.32	2.20
6 months	3.57	2.51	3.41	3.09	2.51	2.27	2.11
12 months	3.28	2.18	3.38	2.83	2.18	2.21	2.10
Corporate commercial paper[2]							
3 months	4.24	2.97	3.70	3.60	2.97	2.61	2.51
6 months	5.21	3.73	3.77	3.43	3.73	2.55	4.25
12 months	4.06	2.61	3.27	2.98	2.61	2.56	2.27

Source: Refinitiv Datastream and CNMV.

1 Monthly average of daily data.

2 Issuance interest rates.

3 Daily data until 15 April.

As previously mentioned, medium and long-term government bond yields experienced a slight rebound through 2025, when comparing the monthly average for April 2025 with that of December 2024. Table 6 shows that yields on Spanish government bonds for the 3-, 5-, and 10-year terms were 2.20%, 2.57%, and 3.30% (monthly average), respectively, in April. This marks a decrease of 10 bp for the 3-year bonds and increases of 10 and 39 bp for the 5- and 10-year bonds, respectively, compared to December's figures.

Medium- and long-term fixed-income yields[1] TABLE 6

%

	Dec-23	Dec-24	Jun-24	Sep-24	Dec-24	Mar-25	Apr-25[1]
Sovereign fixed income							
3 months	2.75	2.30	3.06	2.48	2.30	2.44	2.20
6 months	2.76	2.47	3.05	2.54	2.47	2.73	2.57
12 months	3.08	2.91	3.35	2.98	2.91	3.42	3.30
Corporate fixed income							
3 months	3.96	3.05	4.03	3.43	3.05	3.03	2.88
6 months	4.16	3.29	3.90	3.55	3.29	3.42	3.26
12 months	4.16	3.48	4.17	3.94	3.48	3.67	3.64

Source: Refinitiv Datastream and CNMV.

1 Monthly average of daily data.

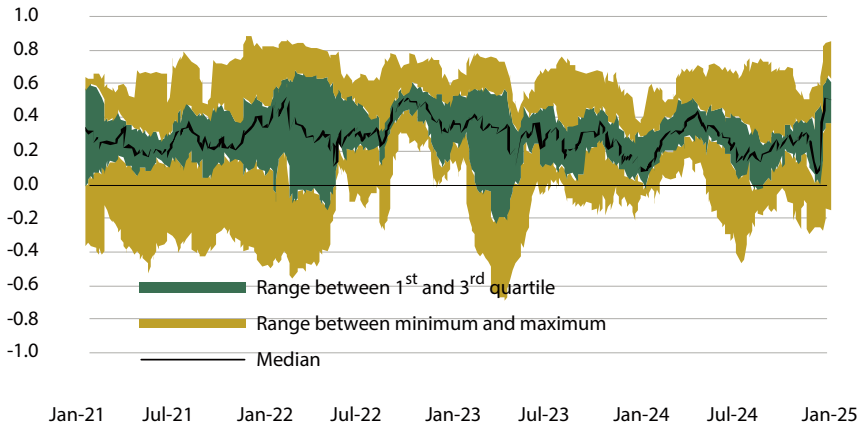
2 Daily data until 15 April.

The long-term corporate fixed income interest rates have remained more stable during the early months of 2025. Following the declines seen in 2024 and the relative stabilisation at the start of the year, rates in April stood at 2.88%, 3.26%, and 3.64% for 3-, 5-, and 10-year bonds, respectively. Compared to December 2024 yields, this marks a decrease of 17 bp and 3 bp for 3- and 5-year maturities, while 10-year debt saw an increase of 16 bp.

The correlation between prices of various financial asset classes, which had decreased in the first quarter, rose significantly in April amid the market turmoil (see Figure 9). Such an increase in correlation is typical during crises and results from similar trends in the prices of debt and credit assets compared to equities. The US Administration's implementation of tariff measures and the resulting market shock have led to similar behaviour between fixed income and equity assets, contributing to the observed rise in correlation between these asset classes.

Correlation indicator between asset classes[1]

FIGURE 9



Source: Refinitiv Datastream and CNMV. Data until 15 April.

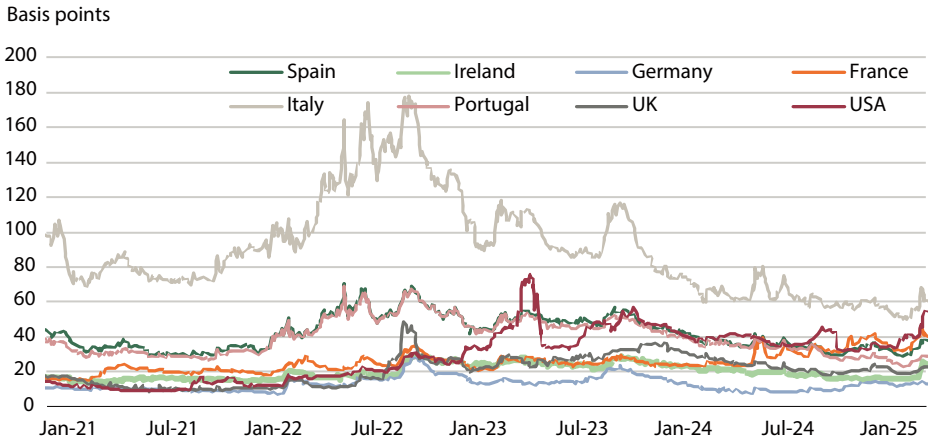
1 The correlation indicator between asset classes includes pairs of correlations calculated using daily data in 3-month windows. The asset classes are sovereign debt, private fixed income of financial and non- financial entities and securities of the Ibex 35, financial companies, utilities and other sectors.

Risk premiums

Sovereign credit risk premiums, measured by 5-year CDS contracts, in advanced economies have been influenced by the United States's recent announcement of tariff policies, particularly during the first two weeks of April. The 5-year CDS for the United States rose by 21 bp compared to the end of 2024. Meanwhile, the main European economies experienced more modest increases, around 2 and 3 bp. In Europe, the most significant rises occurred on 9 April, coinciding with the implementation of tariffs on European products imported by the United States. Ireland recorded the highest increase in its risk premium among European countries, reaching 25 bp on 15 April 2025, which is 9 bp more than at the close of the previous year.

Credit risk premiums on government bonds (5-year CDS)

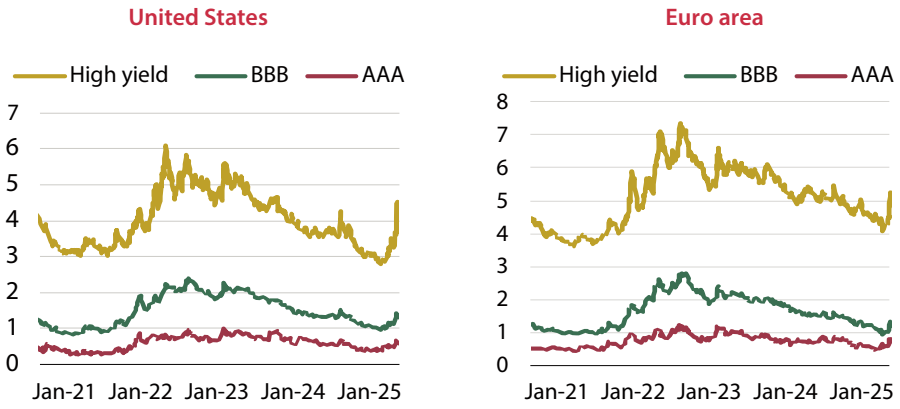
FIGURE 10



Source: Refinitiv Datastream. Data until 15 April.

Credit risk premiums in corporate fixed income markets of advanced economies, like those in government bond markets, have risen in recent months, particularly in the United States. High-yield debt in the United States experienced substantial increases of 92 bp, whereas the euro area saw more moderate rises of 34 bp. Risk premiums on BBB bonds increased by 34 bp in the United States, but saw little change in the euro area, with only a 2 bp rise. AAA debt showed similar trends in both economies, with increases of 14 bp in each region. As Figure 11 illustrates, recent events have heightened the perceived risk associated with lower credit quality companies, prompting investors to demand higher spreads compared to previous periods.

Private debt risk premiums[1] FIGURE 11



Source: Refinitiv Datastream and CNMV. Data until 15 April.

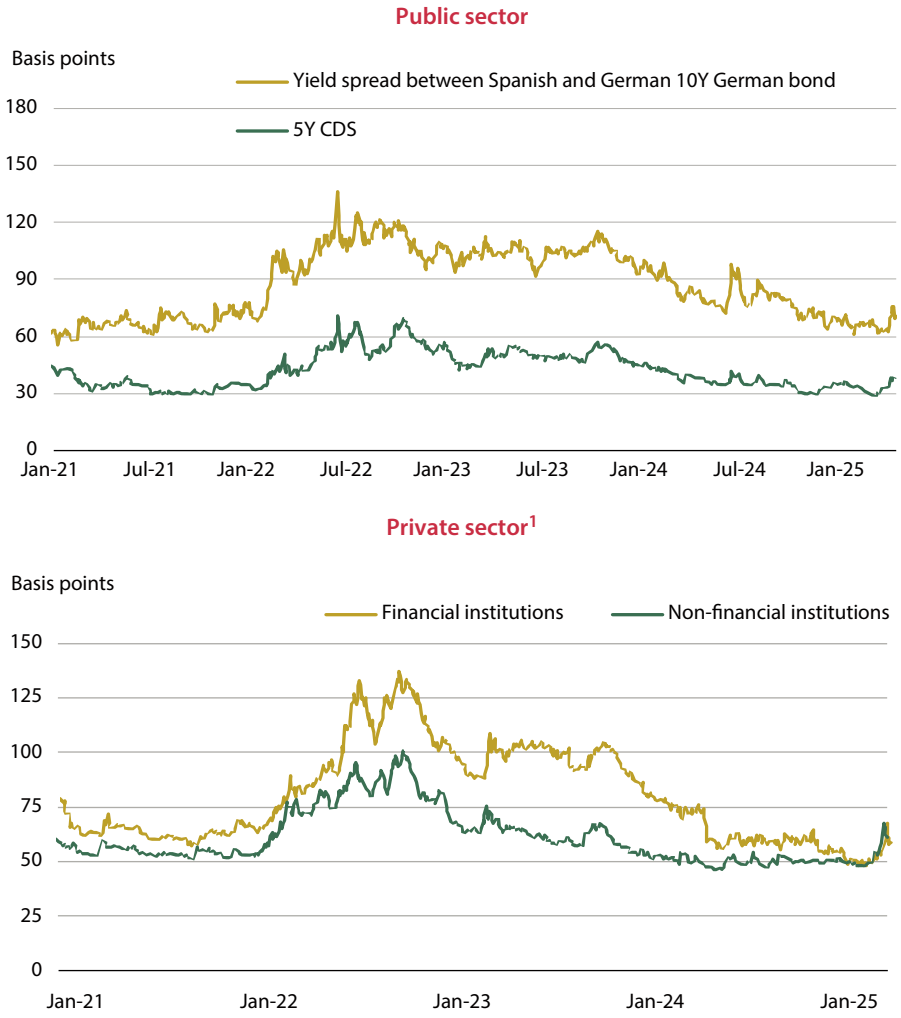
1 Spread vs. 10-year government debt. In the euro area in relation to German sovereign debt.

In Spain, the sovereign risk premium[24] as of 15 April was 71 bp, unchanged from the end of the previous year. This development aligns with that of other neighbouring economies, as noted at the start of this section. Since mid-2024, the Spanish risk premium has been decreasing, driven by the relatively better performance of the national economy, the release of corporate results that were more favourable than expected, and the ECB's continued interest rate cuts in recent months. However, this downward movement was halted in the first weeks of April after the United States announced tariffs on European products.

24 Defined as the difference between the 10-year Spanish and German sovereign debt yield.

Risk premium of Spanish issuers

FIGURE 12



Source: Refinitiv Datastream and CNMV.

1 Simple average of the 5-year CDS of a sample of entities.

The private sub-sectors of the Spanish economy have seen increases in risk premiums over the year, with slightly higher rises in non-financial institutions compared to financial ones. After remaining relatively stable in the first quarter, the risk premiums for both sub-sectors climbed to around 70 bp in early April. However, financial institutions experienced a somewhat sharper decline afterwards. By mid-April 2025, the average CDS spread for financial institutions was approximately 57.5 bp. In contrast, non-financial institutions saw their CDS spread reach 60.6 bp, a more significant rise from the 50.9 bp recorded at the end of the previous year.

Issues

Gross issuance of long-term debt securities in international markets saw a slight decline of 0.5% in the first quarter,[25] amounting to $8.1 trillion. Primary debt markets maintained levels similar to those of 2024. In regional terms, the United States experienced an increase in fixed income issuance, rising by 11.2% to $4.2 trillion. Conversely, other regions faced decreases: in Europe, debt issuance dropped by 7.3% to $1.9 trillion, while Japan and the rest of the world experienced reductions of 9.3% and 14.2%, respectively, compared with the same period in 2024.

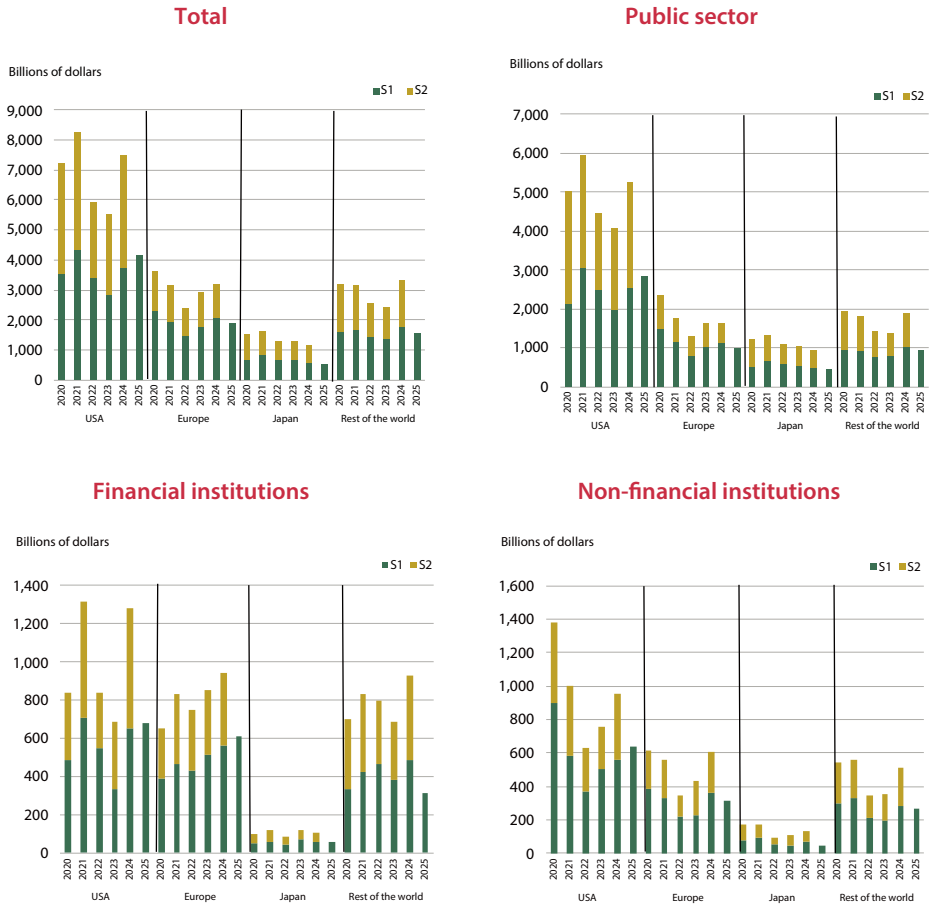
Gross sovereign debt issuance overall increased by 1.2% compared to 2024, reaching $5.2 trillion. However, this increase was not uniform across regions. In the United States, sovereign debt issuance surged by 12.2% to $2.8 trillion, while Europe, Japan and the rest of the world saw declines of 13.5% to $978 billion, 7.3% and 6.1%, respectively (see Figure 13).

Private sector debt issuance mirrored the trend in sovereign debt, experiencing slight declines compared to the first half of 2024. Issuance by financial institutions fell by 5.7% to $1.6 trillion, while non-financial companies saw only a marginal decrease of 0.1%, remaining at $1.3 trillion. As shown in the lower panels of Figure 13, the drop in financial institution issuance was mainly due to developments outside the major regions, where a 36.1% decline was recorded. Non-financial companies, however, experienced decreases in all key regions except the United States, where issuance increased by 14.6% to $639 billion.

25 Half-yearly data for analytical purposes.

International gross fixed-income issues

FIGURE 13



Source: Dealogic. Half-yearly data. Data for the first half of 2024 are to 31 March, but are shown as their half-yearly equivalent for purposes of comparison.

Fixed income issuance by Spanish private sector issuers totalled €43.69 billion in the first months of 2025 (up to 15 April). Of this, €26.10 billion was issued in Spain (admitted to trading on the AIAF or MARF) and €17.59 billion was issued abroad (with data available for January and February). **In Spain, there was a notable rise in long-term debt issuance, reaching €16 billion – an increase of 58.9**% compared to the same period in 2024. The AIAF saw substantial increases across most types of debt, particularly in asset-backed securities, where issuance more than doubled from the same period in 2024. Short-term issuance in Spain grew by 18.9% compared to 2024, reaching €10.02 billion (see Table 7). This figure includes €5.64 billion admitted to the AIAF, a 60.4% increase from 2024, and €4.37 billion in the MARF, which remained at similar levels to the previous year.

Gross fixed-income issuance by Spanish private sector issuers

TABLE 7

CNMV				2024		2025	
Admitted to the AIAF[1]	**2022**	**2023**	**2024**	**III**	**IV**	**I**	**In the year[2]**
Long-term	**59,242**	**49,503**	**38,986**	**6,586**	**11,432**	**14,023**	**15,598**
Non-convertible bonds and debentures	3,708	6,215	4,546	1,216	843	2,237	2,312
Convertible bonds and debentures	0	130	100	0	0	0	0
Covered bonds	31,350	22,750	16,500	3,000	7,250	6,000	7,500
Regional covered bonds	3,540	750	0	0	0	0	0
Asset-backed securities	20,645	14,808	14,740	2,370	2,239	4,436	4,436
Preference shares	0	1,350	750	0	0	1,000	1,000
Other issues	0	3,500	2,350	0	1,100	350	350
Short-term	**39,525**	**25,706**	**12,278**	**4,421**	**2,751**	**5,343**	**5,644**
Commercial paper	39,525	25,706	12,278	4,421	2,751	5,343	5,644
Total AIAF	**98,767**	**75,209**	**51,264**	**11,007**	**14,183**	**19,366**	**21,242**
Total MARF[3]	**13,772**	**15,273**	**16,468**	**3,261**	**4,997**	**4,061**	**4,862**
Long-term issues	769	498	1,142	40	913	379	486
Commercial paper	13,004	14,775	15,326	3,221	4,084	3,682	4,374
Total Spain (AIAF, MARF)	**112,539**	**90,482**	**67,732**	**14,268**	**19,180**	**23,427**	**26,104**
				2024		**2025**	
Carried out abroad	**2022**	**2023**	**2024**	**III**	**IV**	**I[4]**	**In the year[4]**
Long-term	**48,062**	**64,119**	**80,831**	**16,982**	**14,594**	**13,119**	**13,119**
Preference shares	0	2,744	1,407	1,407	0	0	0
Subordinated bonds	0	1,368	2,800	2,000	800	0	0
Bonds and debentures	48,062	59,013	75,873	13,575	13,794	13,119	13,119
Asset-backed securities	0	994	0	0	0	0	0
Short-term	**64,834**	**70,104**	**43,977**	**14,607**	**11,444**	**4,467**	**4,467**
Commercial paper	64,834	70,104	43,977	14,607	11,444	4,467	4,467
Asset securitisation	0	0	0	0	0	0	0
Total abroad	**112,896**	**134,222**	**124,807**	**31,589**	**26,038**	**17,585**	**17,585**
TOTAL (Spain and abroad)	**225,435**	**224,704**	**192,539**	**45,857**	**45,218**	**41,012**	**43,689**

Source: CNMV and Bank of Spain.

1 The figures correspond to the amounts admitted to trading in AIAF. No issue prospectus is required at the CNMV.

2 Data until 15 April.

3 It includes both short- and long-term issues admitted to trading on MARF.

4 Data until 28 February.

Debt issued abroad in the first two months of the year totalled €17.59 billion, marking a 35.1% decrease compared to the same period in 2024. This decline was mostly driven by a drop in long-term bond issues, which fell by 38.6%. External commercial paper issuance also decreased, albeit less sharply, by 22%.

Spanish issuers issued €4.12 billion in debt with environmental, social, and governance (ESG) criteria[26] in the first quarter, down from €10.48 billion in the same period the previous year. Most of this issuance comprised sustainable bonds, accounting for 65% of the total, a significant shift from previous periods when green bonds were more common. The number of ESG debt issues also decreased to 15 (12 green and 3 sustainable), nine fewer than in the same period last year. The private sector accounted for €1.43 billion, all issued abroad, representing a significant decline of 82.5% from the previous year. Meanwhile, the public sector[27] issued €2.70 billion in this type of debt through three issues in Spain, exceeding the €2.34 billion recorded in 2024.

Activity on Spanish trading venues saw a significant increase in organised trading facilities (OTFs) and a notable decline in the electronic debt trading system (SEND) compared to the previous year. In SEND, trading up to 15 April totalled €795 million, a decrease of 73.1% from 2024. Meanwhile, trading on the three OTFs authorised by the CNMV for fixed income[28] reached €450.84 billion between January and 15 April, marking a 34.9% rise from the same period in 2024. Out of this, €130.56 billion was related to Spanish government bonds. The OTF Tradition Financial Services España accounted for 69.1% of the total trading volume, standing out prominently.

2.3 Crypto-assets

Cryptocurrencies kicked off the year with fresh surges, continuing the upward trend from the last quarter of 2024, driven by Donald Trump's victory. The rally was fuelled by expectations that the new US Administration would favour the expansion of this market, proposing initiatives like the creation of a Bitcoin Strategic National Reserve. As a result, some assets, including bitcoin, reached their peak value in January. However, prices started to decline in February, a trend that intensified with rising trade tensions and market uncertainty, leading to a significant increase in asset volatility. The interconnection between these assets and the traditional financial system remains relatively small, but is growing. This is partly due to the rise of crypto exchange-traded products (crypto ETPs), which offer ways to invest in this market.

26 Source: Bank of Spain and Dealogic.

27 These are three issues from different autonomous communities.

28 There is a fourth OTF authorised by the CNMV in 2024 (Vamos OTF), which only trades derivatives.

The price of bitcoin was $84,523 in mid-April, marking a drop **of nearly 10% from its value at the start of the year.** Ethereum, on the other hand, plummeted by more than 50% to $1,621. These declines[29] spread to the most widely used cryptocurrencies. Moreover, the price drops significantly impacted trading volumes, which, despite experiencing considerable volatility, fell to less than half of those seen in the last quarter of 2024 and approached levels similar to previous quarters.

29 The lowest prices of the year were recorded on 9 April.

3 Market participants

3.1 Investment vehicles

Financial CIS

Investment funds

The assets of investment funds registered in Spain saw strong growth in 2024, rising by 14.9% to reach €405.93 billion at the end of the year. This asset increase was driven by both the revaluation of the investment portfolio, which totalled nearly €25 billion for the year, and net inflows of resources amounting to €28 billion. Net subscriptions surpassed €5 billion in every quarter of 2024, with particularly high figures in the last three months of the year (exceeding €8 billion). Data from January and February 2025 show the same trend: fund assets increased by 3.4%, reaching nearly €420 billion.[30]

For the fourth consecutive year, the majority of investment flows were directed towards fixed income funds, with net inflows exceeding €35 billion throughout the year.[31] Mixed fixed income funds also received net inflows, although to a much lesser extent, totalling €2.10 billion. In contrast, guaranteed funds experienced net redemptions of nearly €3.50 billion, and global funds saw net redemptions of €2.80 billion (see Table 8). These movements demonstrate investors' ongoing preference for more conservative funds, even with the stabilisation of interest rates.

30 This increase was primarily driven by high subscriptions from unitholders, which exceeded €10 billion in net terms. Net subscriptions for fixed income funds alone amounted to nearly €12 billion.

31 Of that, €11.80 billion was attributed to net subscriptions in money market funds, which have shown significant growth since 2022. In just two years, their number has grown from two to four, and their assets have quadrupled to almost €23 billion.

Net IF subscriptions

TABLE 8

Millions of euros

				2024			
	2022	2023	2024	I	II	III	IV
Total investment funds	**16,977.9**	**18,050.8**	**28,041.3**	**7,914.8**	**5,353.5**	**6,711.5**	**8,061.6**
Fixed income[1]	15,171.0	28,528.7	35,205.6	11,413.0	8,024.6	7,039.5	8,728.6
Mixed fixed income[2]	-8,999.8	-5,545.0	2,143.1	-1,631.7	1,194.4	1,064.0	1,516.4
Mixed equity[3]	-686.9	-2,287.9	-2,020.2	-1,994.8	-182.9	25.7	131.8
Euro equity[4]	-335.9	-1,753.1	-1,146.0	-384.9	-320.8	-249.4	-190.8
International equity[5]	1,782.7	-1,766.8	666.3	-538.9	459.4	271.4	474.3
Guaranteed fixed income	3,355.8	1,905.1	-1,359.5	-451.8	-457.4	-312.0	-138.3
Guaranteed equity[6]	-1,409.6	-938.7	-2,093.5	-528.9	-308.1	-357.7	-898.9
Global funds	3,824.2	-8,376.0	-2,771.5	575.0	-1,807.2	-821.3	-718.1
Passive management[7]	4,551.5	8,897.7	-965.5	1,523.5	-1,331.0	-113.7	-1,044.3
Absolute return	-274.9	-613.1	382.6	-65.7	82.5	165.0	200.8

Source: CNMV.

1 It includes: short-term constant net asset value public debt money market funds (MMFs), short-term low volatility net asset value MMFs, short-term variable net asset value MMFs, standard variable net asset value MMFs, euro fixed income, and euro short-term fixed income.

2 It includes: euro mixed fixed income and international mixed fixed income.

3 It includes: euro mixed equity and international mixed equity.

4 It includes: euro equity.

5 It includes: international equity.

6 It includes: guaranteed equity and partial guarantee.

7 It includes: passively managed CIS, CIS that replicate an index and CIS with a specific non-guaranteed target return.

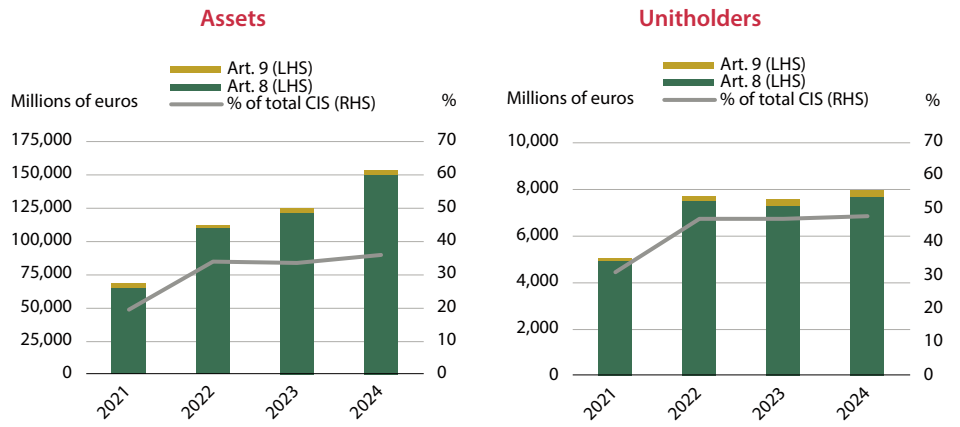
The portfolio performance of the funds in 2024 was 7.0%, with quarterly returns ranging from 1% to 3%. As shown in Table 9, every category recorded positive returns for the year, with figures ranging from 2.7% for guaranteed fixed income funds to 17.2% for international equity funds (for further details, see Table 9).

The total number of funds offered by management companies remained relatively stable in 2024, ending the year with 1,492,[32] although there were movements between categories. The number of funds decreased by four during the year, with 98 new registrations and 102 deregistrations. All but one of the deregistrations were due to takeovers by other CISs, with 99 funds absorbed by another domestic fund and two by a foreign CIS. Like the inflows, the largest increase occurred in fixed income funds, with 31 additional funds, followed by international equity funds, which gained 11. Conversely, the most significant decrease was seen in guaranteed equity funds, which dropped by 24 compared to 2023. Between January and March 2025, unlike in 2024, there was a notable reduction in the number of registered funds, dropping from 1,492 to 1,472, following 23 new registrations and 43 deregistrations.

32 These funds were spread across 1,714 sub-funds.

At the end of the year, the number of CISs which had adopted Articles 8 and 9 of the European Disclosure Regulation[33] amounted to 405[34] (51 more than in 2023), reflecting slightly lower growth than in previous years. Of these, the vast majority – specifically 384 (comprising 376 investment funds, four SICAVs, and four hedge funds) – were aligned with Article 8, while 21 (18 investment funds and three hedge funds) adhered to Article 9. The number of unitholder accounts in these institutions reached 7.7 million, and their assets surpassed €125 billion, representing 35% of total investment in CISs. In the first quarter of this year, there was minimal change, with the total number of CISs under Articles 8 and 9 increasing slightly from 405 to 406.

Assets and unitholders of sustainable CIS FIGURE 14



Source: CNMV.

In line with the growth in assets, the number of unitholder accounts in the sector increased significantly, with 551,000 more accounts than by the end of 2023, bringing the total to 16.6 million (representing 5.4 million investors).[35] This surge was particularly pronounced in the second half of the year, with over 415,000 additional unitholders. Fixed income funds saw the largest increase, gaining 515,000 unitholders, followed by international equity funds, which added 143,000. As a result, by December 2024, fixed income funds accounted for nearly 40% of all unitholder accounts. Between January and February of this year, the number of

33 Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019, on sustainability-related disclosures in the financial services sector (hereinafter SFDR Regulation). The aforementioned articles indicate the pre-contractual information requirements that must be met by financial products that promote environmental or social characteristics (Article 8) and financial products that target sustainable investments (Article 9).

34 This figure represents the number of sub-funds that submitted reserved statements, excluding those that might be undergoing dissolution or liquidation. These sub-funds were part of a total of 391 vehicles.

35 It should be noted that the same unitholder is counted for each contract held in different funds, so that the registered increase could be sometimes due to the diversification of the same investor into a greater number of funds. The number of investors (the sum of unitholders across each management company) was 5.4 million, meaning the total number of investors would be slightly lower if those who are clients of more than one management company were discounted.

unitholder accounts continued to grow at an even faster pace than in 2024, with an increase of over 366,000 in just two months, including nearly 233,000 in the fixed income category alone.

Key figures of investment funds*

TABLE 9

	2022	2023	2024	2024			
Number				I	II	III	IV
Total investment funds	**1,684**	**1,715**	**1,714**	**1,717**	**1,723**	**1,711**	**1,714**
Fixed income[1]	293	321	352	332	340	345	352
Mixed fixed income[2]	171	167	165	166	166	165	165
Mixed equity[3]	206	197	190	190	192	192	190
Euro equity[4]	86	82	75	80	77	75	75
International equity[5]	339	346	357	349	352	354	357
Guaranteed fixed income	49	58	58	57	56	57	58
Guaranteed equity[6]	102	98	74	90	89	78	74
Global funds	291	291	294	295	294	295	294
Passive management[7]	93	107	106	110	110	105	106
Absolute return	54	48	43	48	47	45	43
Assets (millions of euros)							
Total investment funds	**311,466.4**	**353,259.8**	**405,931.1**	**370,890.1**	**379,750.4**	**393,828.5**	**405,931.1**
Fixed income[1]	98,561.1	131,868.4	172,404.7	143,943.9	152,676.0	162,475.2	172,404.7
Mixed fixed income[2]	37,846.0	34,252.8	38,078.5	33,114.7	34,468.2	36,321.9	38,078.5
Mixed equity[3]	24,247.9	23,914.2	23,566.2	22,695.0	22,700.6	23,246.9	23,566.2
Euro equity[4]	7,226.3	6,704.0	6,111.0	6,731.7	6,450.6	6,465.4	6,111.0
International equity[5]	45,588.9	51,099.7	60,219.9	54,972.7	56,941.9	58,055.1	60,219.9
Guaranteed fixed income	5,454.9	7,564.6	6,380.7	7,120.7	6,689.8	6,482.4	6,380.7
Guaranteed equity[6]	6,306.7	5,602.1	3,674.1	5,122.7	4,837.9	4,546.5	3,674.1
Global funds	63,717.0	59,479.4	61,047.7	62,019.9	60,727.8	61,310.2	61,047.7
Passive management[7]	15,935.0	26,518.6	27,474.3	28,863.3	27,830.9	28,210.8	27,474.3
Absolute return	6,582.5	6,255.9	6,973.9	6,305.6	6,426.6	6,714.0	6,973.9
Unitholders							
Total investment funds	**16,119,440**	**16,020,641**	**16,571,850**	**16,571,850**	**16,571,850**	**16,571,850**	**16,571,850**
Fixed income[1]	5,539,272	5,833,434	6,348,681	6,022,372	6,134,804	6,197,897	6,348,681
Mixed fixed income[2]	1,216,179	1,048,597	1,061,288	1,002,792	1,010,621	1,035,669	1,061,288
Mixed equity[3]	696,718	634,547	579,490	591,380	582,917	577,939	579,490
Euro equity[4]	836,711	706,942	691,994	698,000	700,948	697,963	691,994
International equity[5]	4,156,864	4,082,653	4,225,554	4,058,244	4,050,359	4,168,649	4,225,554
Guaranteed fixed income	141,717	178,170	156,582	172,700	165,862	159,694	156,582
Guaranteed equity[6]	209,188	180,665	119,237	161,442	154,724	147,139	119,237
Global funds	2,067,594	2,002,961	1,972,624	2,007,552	1,977,336	1,962,832	1,972,624

Key figures of investment funds* (*continuation*)

TABLE 9

	2022	2023	2024	2024			
Number				I	II	III	IV
Passive management[7]	596,475	720,965	782,384	772,557	756,994	764,001	782,384
Absolute return	658,722	631,707	634,016	622,336	621,925	621,798	634,016
Return[8] (%)							
Total investment funds	**6.31**	**-8.95**	**7.55**	**2.60**	**1.28**	**-0.26**	**3.77**
Fixed income[1]	-0.31	-5.38	4.16	0.99	0.15	0.47	2.50
Mixed fixed income[2]	2.49	-8.83	5.75	1.56	0.51	-0.24	3.85
Mixed equity[3]	7.18	-11.37	8.51	2.96	1.66	-1.04	4.76
Euro equity[4]	16.72	-8.39	18.57	9.22	3.44	-1.72	6.79
International equity[5]	21.14	-13.14	16.56	6.55	4.14	-1.10	6.21
Guaranteed fixed income	-1.29	-8.43	3.02	0.85	-0.24	0.45	1.94
Guaranteed equity[6]	0.06	-5.44	4.03	1.58	0.09	0.14	2.18
Global funds	7.90	-10.53	7.05	1.97	1.31	-0.77	4.43
Passive management[7]	9.82	-9.31	8.98	3.90	1.76	0.00	3.07
Absolute return	3.02	-4.95	4.77	1.24	0.51	0.12	2.83

Source: CNMV. * Information on funds that have submitted confidential statements (therefore, this does not include funds in the process of dissolution or liquidation).

1 It includes: short-term constant net asset value public debt money market funds (MMFs), short-term low volatility net asset value MMFs, short-term variable net asset value MMFs, standard variable net asset value MMFs, euro fixed income, and euro short-term fixed income.

2 It includes: euro mixed fixed income and international mixed fixed income.

3 It includes: euro mixed equity and international mixed equity.

4 It includes: euro equity.

5 It includes: international equity.

6 It includes: guaranteed equity and partial guarantee.

7 It includes: passively managed CIS, CIS that replicate an index and CIS with a specific non-guaranteed target return.

8 Annual return for 2020, 2021 and 2022. Quarterly return not annualised for quarterly data.

The liquidity conditions of the investment funds' portfolios remained satisfactory in 2024, with an increase in assets considered more liquid over the year, as the high quality liquid assets (HQLA) ratio rose from 55% to 61%. The ratio[36] was 53.4% for equity funds,[37] 55.19% for mixed funds,[38] 65.8% for fixed income funds,[39]

36 This ratio accounts for both the type of asset and its credit ratings when determining the portfolio's liquid assets. High quality liquid assets (HQLA) include all cash and deposits, 50% of the value of equities, and varying percentages of government bonds, private fixed income, and securitisations, depending on their credit ratings. The percentage of government bonds considered liquid ranges from 0% to 100%, corporate fixed income from 0% to 85%, and securitisations from 0% to 65%. For further details, see the article Ojea, J (2020). "Quantifying uncertainty in adverse liquidity scenarios for investment funds" *CNMV Bulletin*, Quarter II, pp. 23–44. Available at: https://www.cnmv.es/docportal/publicaciones/boletin/boletin_ii_2020_ENen.pdf. In addition, to obtain a metric as accurate as possible, the HQLA of the CIS in which the Spanish funds invest has also been quantified, instead of considering this investment as having zero liquidity.

37 It includes: euro and international equity funds.

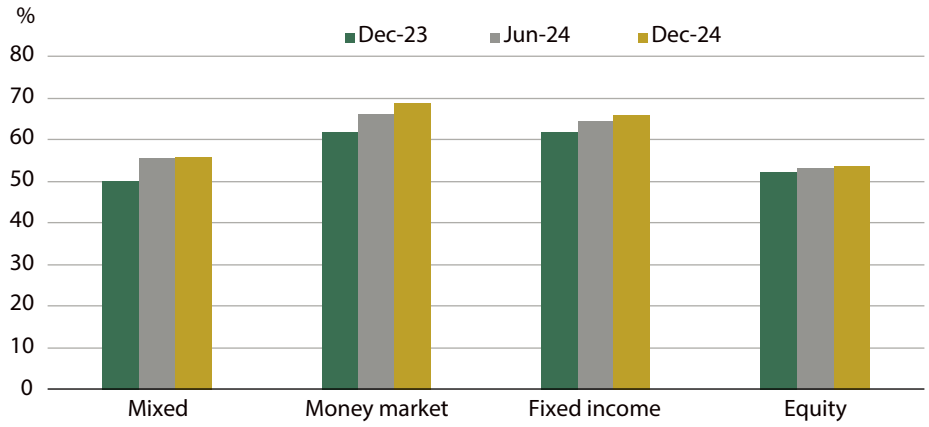
38 It includes: absolute return, passive management, global, mixed fixed income, mixed equity, and guaranteed equity funds.

39 It includes: fixed income and guaranteed fixed income funds.

and 68.8% for money market funds (see Figure 15). Throughout the year, there was a general shift in the fixed income portfolio towards private debt and away from public debt.[40] However, the improvement in credit ratings, particularly for public debt, led to the increase in the ratio.

An individual analysis shows that most investment funds had liquid assets exceeding 40%. Only 4.1% of the total funds (9.6% in 2023), in terms of assets, had a ratio below this threshold. Mixed funds had the highest proportion of those with a lower HQLA ratio: 7.1% of these funds (in asset terms) had less than 40% in liquid assets, though only 2.0% fell below 20%.

HQLA of the different types of investment funds FIGURE 15



Source: CNMV.

An in-depth look at the fixed income asset portfolios of investment funds[41] reveals high credit quality and moderate duration,[42] with improvements in both areas compared to 2023. By the end of 2024, 92.3% of the fixed income portfolio's value was rated BBB or higher (investment grade), an increase of 0.6 pp from a year earlier. This figure ranged from 90.2% for mixed funds to 99.0% for money market funds. Within the investment grade category, 22.1% of assets had AA or AAA ratings, up from 19.1% the previous year (see the left-hand panel of Figure 16). At the end of the year, the modified duration for investment funds overall was 1.8, slightly down from 1.9 in 2023. This marked a significant decline over the past two years due to the widespread increase in interest rates.[43] As shown in the right-hand panel of Figure 16, about 75% of mixed and fixed income funds (in terms of assets) had a modified duration of less than three years.

40 In general, government bonds have a higher weighting than private bonds when calculating HQLA.

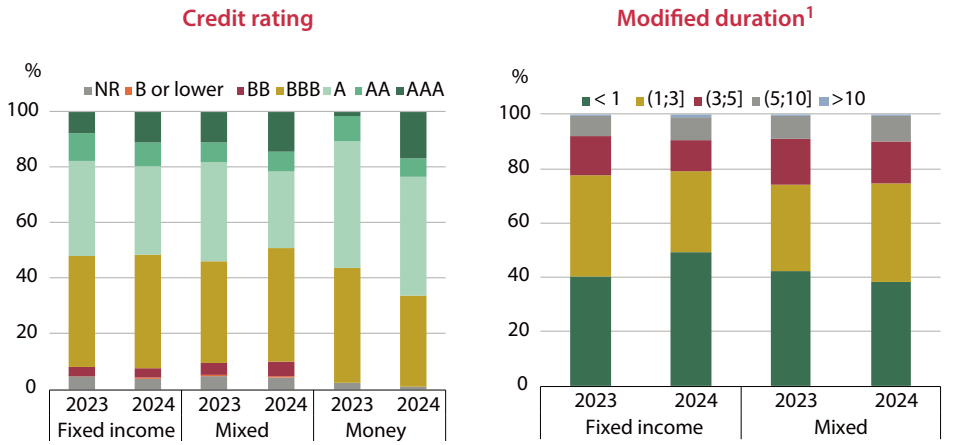
41 The analysis excludes the fixed income portfolio of equity funds, as it represents less than 2% of their total investment portfolio.

42 Modified duration measures the percentage change in an asset's price in response to a 100 bp increase in interest rates.

43 In 2021, the modified duration was 2.7, while in 2022, it was 2.3.

Characteristics of the fixed-income portfolio of investment funds

FIGURE 16



Source: CNMV.

1 Money market funds are not included as their entire fixed income portfolio has a duration of less than one year.

Open-ended collective investment companies (SICAVs)

In 2024, the sector of open-ended collective investment companies (SICAVs) stabilised clearly, following two years in which 80% of these vehicles were deregistered after the legislative change in 2021.[44] Their combined assets exceeded €13 billion, representing just under 50% of the total assets of these institutions at the end of 2021. By the end of the year, there were a total of 429 SICAVs, 21 fewer than at the end of 2023. Despite this slight reduction, assets grew by 10.6% to €15.83 billion, while the number of shareholders decreased by 5.4% to 94,256. As a result, the average assets per SICAV reached €36.9 million, an increase of €5 million compared to 2023.

In the first three months of this year, the number of registered SICAVs dropped slightly, with eight deregistrations, bringing the total to 421 by the end of February. Despite the decrease in numbers, the assets of SICAVs increased by 1.2% up to the end of February.

Hedge funds

The hedge fund sector[45] continued to expand, with assets increasing by 25.9% in 2024, reaching €7.32 billion by year-end. Despite this growth, the segment remains a small part of collective investment in Spain, accounting for less than 2% of total assets. Among these institutions, 88% of assets were in hedge funds,

44 This regulatory change, articulated in Law 11/2021, of 9 July, on measures to prevent and combat tax evasion, establishes a minimum holding of €2,500 – in addition to the existing requirement of a minimum of 100 participants – for shareholders to continue benefiting from the previously existing tax regime, in which they were taxed at 1% corporate income tax, the same as investment funds.

45 Hedge funds are composed of two types of vehicles depending on whether they invest in assets directly (hedge funds) or through other hedge funds (funds of hedge funds). Both types can be established as either funds or companies.

up from 86% the previous year, while the remaining 12% were in CISs of hedge funds. The total number of vehicles registered with the CNMV rose significantly in 2024, ending the year with 154, up from 131 at the end of 2023 (see Statistical Annex 3.1 for more details). In the first quarter of this year, there were three new registrations and four deregistrations, leaving 153 vehicles registered with the CNMV by the end of March.

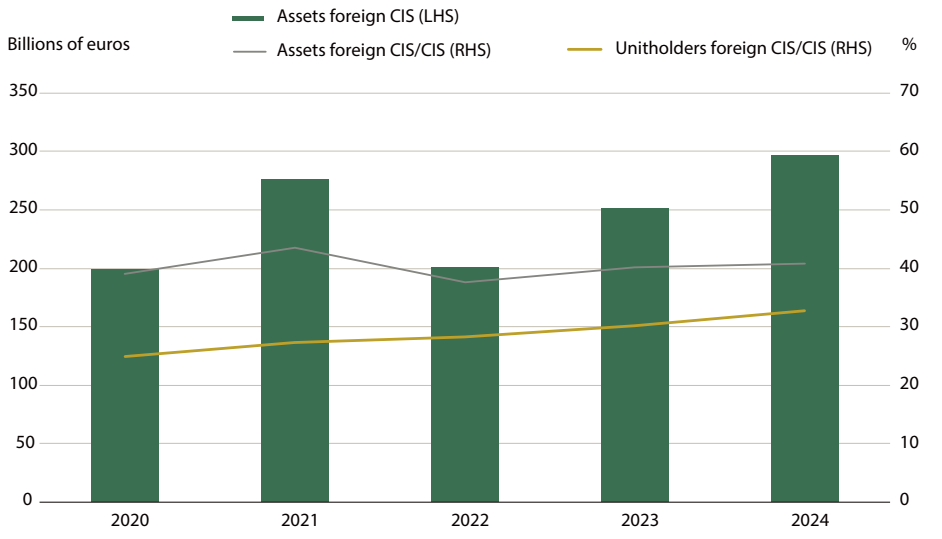
These vehicles delivered positive performance over the year, with hedge funds showing much stronger returns, as was the case in 2023. The investment portfolio for hedge funds appreciated by 9.7%, whereas funds of hedge funds saw a return of 3.5%. The total number of unitholders and shareholders in these institutions rose by 13.7% to 17,766, driven by the increase in registered vehicles.

Foreign CIS distributed in Spain

The volume of foreign CIS distributed in Spain increased by 18.1% in 2024, resulting in almost 50% growth over just two years. The assets of these entities reached €296.807 billion by year-end. As shown in Figure 17, this increase, mirroring that of domestic CIS, kept the share of foreign CIS slightly above 40% of the total CIS distributed in Spain. The number of foreign vehicles registered with the CNMV also rose in 2024, with 24 additional entities, totalling 1,139 by the end of the year (comprising 453 funds and 686 companies). Most new registrations came from France and Ireland, although Luxembourg remained the leader by a wide margin, with the highest number of registered vehicles at 509.

The number of unitholders in these vehicles saw a sharp increase in 2024, rising to over 8.1 million, which is 17.2% more than at the end of the previous year. Consequently, the accounts of unitholders of foreign CIS distributed in Spain made up around one third of the total, a proportion that has been steadily growing (see Figure 17).

Assets and unitholders of sustainable CIS distributed in Spain FIGURE 17



Source: CNMV.

Outlook

Rising interest rates and an increase in household savings in Spain have made CISs more appealing in recent years. However, this growth might slow down due to current geopolitical instability, as heightened uncertainty could lead to more cautious investment decisions. The outlook for collective investment is complicated, with factors pulling in different directions. On one side, household incomes and savings continue to support the industry, although there was a slowdown in savings growth at the end of last year. Increased uncertainty might temporarily boost savings for precautionary reasons, but it could also cause investors to adopt more conservative strategies. The average investor, who tends to be highly risk-averse, has historically kept most financial investments in cash and demand deposits. Only in the past two years has there been movement from these assets to financial instruments linked to rising interest rates, such as time deposits, public debt, or fixed income investment funds. Market turmoil could intensify these trends, even if interest rates are not as attractive as in previous quarters.

3.2 Provision of investment services

Credit institutions are by far the primary providers of investment services in Spain and account for the majority of fee income across different types of services. In 2024, they received 86.9% of this income, a figure similar to 2023 (see Table 10). Broker-dealers and brokers also maintain a relatively significant presence, particularly in order transmission and execution activities. Their market share increased for the second consecutive year to 27.8%, following approximately a decade of gradual decline. Besides these entities, financial advisory firms (EAFs) and portfolio management companies (SGCs) offer specific investment services).[46]

Fees received for investment services. 2024 TABLE 10

Amounts in millions of euros

	Investment services firms[1]	Credit institutions[2] (CIs)	Total	% CIs/ total
Total investment services	**807.6**	**5,369.4**	**6,177.0**	**86.9**
Placement and underwriting	8.2	435.5	443.7	98.2
Processing and execution of orders	353.5	915.9	1,269.4	72.2
Portfolio management	60.9	944.6	1,005.5	93.9
Investment advice	120.5	1,152.3	1,272.7	90.5
CIS distribution	264.5	1,921.2	2,185.7	87.9
Total ancillary services	**403.1**	**1,323.2**	**1,726.3**	**76.6**
Administration and custody	33.9	789.3	823.2	95.9
Financial reports and research	52.7	346.1	398.8	86.8
Other ancillary services	**316.6**	**187.7**	**504.4**	**37.2**

Source: CNMV and Bank of Spain.

1 Includes broker-dealers and brokers, financial advisory firms (EAFs) and branches of foreign investment services firms.

2 Includes banks, savings banks, credit cooperatives and branches of foreign credit institutions.

46 SGCs have not seen any new registrations in Spain since December 2021.

Credit institutions

Throughout 2024, there was very little change in the register of credit institutions that can provide investment services. At year-end, 107 domestic credit institutions (banks, savings banks, and credit cooperatives) were registered with the CNMV, just one fewer than a year earlier.[47] Conversely, the number of foreign credit institutions remained stable at 566. Among these, 514 operated under the freedom to provide services and 52 through branches, with nearly all originating from other EU Member States (560 institutions in total). From January to March 2025, the register saw minimal changes: one domestic credit institution eligible to provide investment services was deregistered, reducing the count to 106. Meanwhile, the number of foreign credit institutions increased by two, bringing the total to 568.

Fees and commissions from securities services and the distribution of CISs rose in 2024, leading to an overall increase of 11.4%to €6.69 billion (see Table 11). Credit institutions earned €3.45 billion in fees from non-ancillary investment services, a 15.7% rise from the previous year. Ancillary services yielded €1.32 billion, up 6.2% compared to 2023. The most significant growth was seen in investment advisory fees, which exceeded €1.15 billion during 2024. Fees for distributing CISs grew by 8.0%, reaching nearly €2.0 billion.

Revenue of credit institutions[1] from the provision of securities services and distribution of non-bank financial products

TABLE 11

Amounts in millions of euros

	2021	2022	2023	2024	% of total fees CIs[1]
For investment services	**2,887.9**	**3,052.0**	**2,980.6**	**3,448.2**	**20.5**
Placement and underwriting	531.1	400.6	398.2	435.5	2.6
Processing and execution of orders	785.6	969.3	816.3	915.9	5.5
Discretionary portfolio management	725.1	779.8	826.6	944.6	5.6
Investment advice	846.0	902.3	939.4	1,152.3	6.9
For ancillary services	**1,239.7**	**1,466.6**	**1,246.4**	**1,323.2**	**7.9**
Administration and custody	744.2	747.6	731.6	789.3	4.7
Financial reports and research	279.5	534.9	348.6	346.1	2.1
Other ancillary services	216.0	184.2	166.3	187.7	1.1
For distribution of non-bank financial products	**4,778.2**	**4,936.1**	**4,843.0**	**4,686.6**	**27.9**
Collective investment schemes	2,018.3	1,923.8	1,779.3	1,921.2	11.4
Pension funds	1,133.7	1,212.7	1,233.0	824.3	4.9
Insurance	1,603.6	1,792.7	1,823.4	1,925.0	11.5
Other	22.6	6.9	7.3	16.1	0.1
Total	**8.905.8**	**9,454.7**	**9,070.0**	**9,458.0**	**56.3**
Pro memoria:					
For securities services and distribution of CISs	6,145.9	6,442.4	6,006.3	6,692.5	38.5
Total fee and commission revenue	**16,927.0**	**17,535.0**	**16,751.0**	**17,387.2**	**100.0**

Source: CNMV and Bank of Spain.

1 Includes banks, savings banks, credit cooperatives and branches of credit institutions.

47 Out of the 107 domestic entities, 97 were considered active in the provision of investment services.

Broker-dealers and brokers

By the end of 2024, there were 99 broker-dealers and brokers registered with the CNMV, unchanged from the end of 2023, following two years of significant growth. All new registrations during the year were independent entities, continuing the shift in a sector long dominated by entities linked to banking groups. Although most institutions offering services in the European Union operated under the freedom to provide services (59, consistent with 2023), the number with branches increased considerably, rising from five to eight. In the first quarter of 2025, there was no change in numbers, leaving the total at 99 by the end of March.

The number of foreign entities providing investment services in Spain grew by 19 during 2024, after 64 new authorisations and 45 deregistrations. This brought the total to 883 by the end of December, with most originating from Cyprus and Germany. Out of all foreign institutions, 831 operated under the freedom to provide services, while the remainder operated through branches.

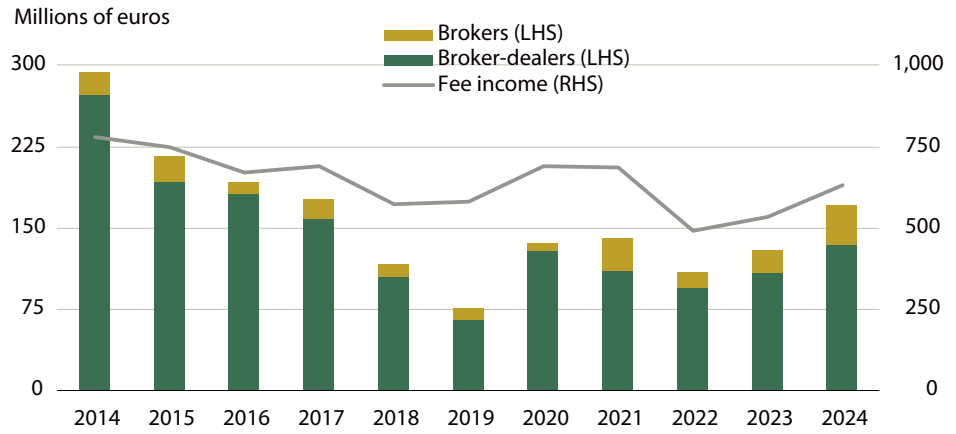
In 2024, for the second consecutive year, broker-dealers and brokers saw significant growth in their investment services activities. Revenue increased across nearly all areas of their operations, with portfolio management showing particularly high growth in relative terms – 26.6%, exceeding €56 million. Income from order processing and execution remained stable in 2024 at €134.5 million, continuing to be the main revenue source for these entities. However, the significance of domestic equity market intermediation continued to decline, becoming marginal as international equity and derivatives markets gained prominence.[48]

Broker-dealers and brokers collectively achieved a pre-tax profit of €180 million in 2024, up 33.1% from 2023. This growth was driven by strong performances in both broker-dealers, which experienced a 24.2% increase in profits, and brokers, where growth was much higher in relative terms, specifically 81.5% (see Figure 18).

48 Fees for brokerage in domestic equity markets fell from accounting for 47.5% of the fees for processing and executing broker-dealers' orders in 2018 to just 4.9% in 2024. Approximately half of this decline can be attributed to the cessation of activity by Credit Suisse, S.V., a foreign-owned broker-dealer that was very active in this area. The entity deregistered in August 2021 to become a credit institution.

Aggregate profit before tax and fee income of broker-dealers and brokers

FIGURE 18



Source: CNMV.

Broker-dealer revenues increased in 2024 compared with the previous year due to higher fees and commissions received, along with increased interest income. The most significant revenue growth from services to third parties came from fees and commissions for processing and executing orders, which rose by 6.4% to €125.3 million and remained the most crucial for the companies. CIS distribution fees also grew by 7.1% to €67.9 million. Additionally, fees from portfolio management and investment advice have grown substantially over recent years, rising from less than 5% of the total in 2021 to 10.5% in 2024 (see Table 12).

In contrast, income from financial investments fell by 16.4% to €34.3 million, highlighting the diminishing significance of proprietary trading, which was already quite small compared to investment firms in other countries. Nevertheless, profit before tax rose by 24.2% to €134.7 million, driven by a 15.8% increase in net fees and a 21.2% rise in net interest income.

Aggregate income statement (Dec-24)

TABLE 12

Amounts in thousands of euros

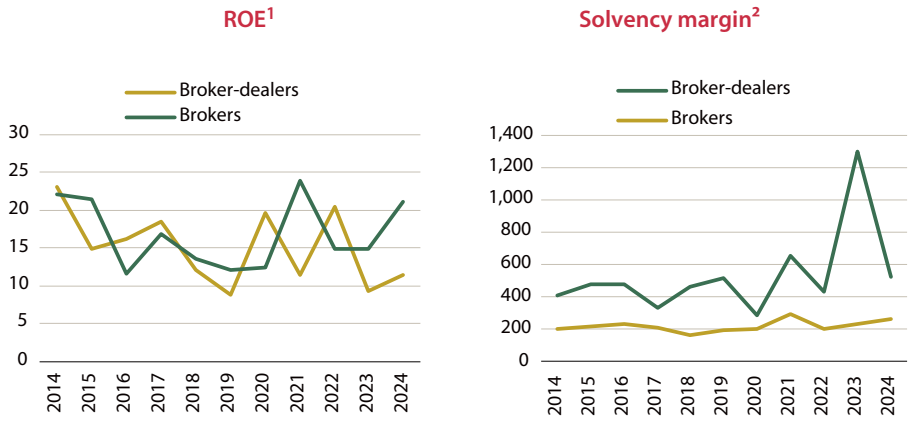
	Broker-dealers			Brokers		
	Dec-23	Dec-24	% change	Dec-23	Dec-24	% change
1. Interest income	80,476	97,571	21.2	2,086	3,963	90.0
2. Net fees	213,216	246,898	15.8	176,882	211,699	19.7
2.1. Fees received	315,902	363,650	15.1	216,159	268,393	24.2
2.1.1. Processing and execution of orders	117,833	125,319	6.4	16,754	9,185	-45.2
2.1.2. Placement and underwriting	7,047	7,594	7.8	829	360	-56.6
2.1.3. Deposit and book-entry of securities	32,507	33,125	1.9	281	258	-8.2
2.1.4. Portfolio management	17,588	21,645	23.1	26,700	34,444	29.0
2.1.5. Investment advice	11,624	16,508	42.0	37,940	33,314	-12.2
2.1.6. Search and placement of block trades	921	2,703	193,5	0	0	-
2.1.7. Market credit transactions	0	0	-	0	0	-
2.1.8. CIS distribution	67,896	75,976	11.9	101,698	131,507	29.3
2.1.9. Other	60,485	80,781	33.6	31,957	59,326	85.6
2.2. Fees paid	102,686	116,752	13.7	39,277	56,694	44.3
3. Gains/(losses) on financial investments	41,037	34,321	-16.4	1,771	1,923	8.6
4. Net exchange differences	-1,006	434	-	-380	225	-
5. Other operating income and expense	7,732	6,992	-9.6	-479	1,833	-
GROSS MARGIN	**341,455**	**386,216**	**13.1**	**179,880**	**219,643**	**22.1**
6. Operating costs	234,099	248,935	6.3	157,978	177,567	12.4
7. Depreciation, amortisation and other charges	4,474	7,306	63.3	4,824	8,653	79.4
8. Impairment losses on financial assets	596	738	23.8	87	136	56.3
OPERATING INCOME	**102,285**	**129,237**	**26.3**	**16,991**	**33,287**	**95.9**
9. Other gains and losses	6,136	5,444	-11.3	3,015	3,016	0.0
PROFIT BEFORE TAX	**108,421**	**134,681**	**24.2**	**20,006**	**36,303**	**81.5**
10. Tax on income	13,368	24,468	83.0	3,633	8,424	131.9
PROFIT/(LOSS) FROM CONTINUING ACTIVITIES	**95,053**	**110,213**	**15.9**	**16,373**	**27,879**	**70.3**
11. Profit/(loss) from discontinued operations	0	0	-	0	0	-
NET PROFIT/(LOSS) FOR THE YEAR	**95,053**	**110,213**	**15.9**	**16,373**	**27,879**	**70.3**

Source: CNMV.

Brokers experienced a significant increase in aggregate profit before tax for the second consecutive year in 2024, rising by 81.5% to over €36 million. This improvement was mainly driven by a 24.2% rise in income from fees, reaching €268.4 million. The trends within this category mirrored those of 2023: fees from CIS distribution grew by 29.3% to €131.5 million, and portfolio management fees increased by 29.0% to €34.4 million. Meanwhile, fees from order processing and execution dropped by 45.2% to €9.2 million.

Reflecting the improvement in profits, the sector's return on equity (ROE) before tax increased over the year, moving from 9.9% to 12.7%. Both broker-dealers and brokers saw gains: broker-dealers' ROE rose from 9.3% to 11.4%, while brokers' ROE jumped from 14.9% to 21.2% (see the left-hand panel of Figure 19). Moreover, the number of loss-making institutions was significantly lower than the previous year, dropping from 37 to 26.[49] Of these, 10 were broker-dealers and 16 were brokers, with total losses amounting to €18.2 million, down from €20.4 million in 2023.

ROE before tax of broker-dealers and solvency margin of IFs FIGURE 19



Source: CNMV.

1 ROE calculated with profit before taxes.

2 Capital surplus vs requirements.

In 2024, the sector maintained high solvency levels overall: with the equity margin at the end of the year being 4.4 times the volume of required own funds. Although this was much lower than the 9.5 times observed a year earlier, it aligns with previous years.[50] Generally, broker-dealers had a higher capital adequacy ratio compared to brokers: broker-dealers had an aggregate ratio of 5.2, while brokers had a ratio of 2.6 (see right-hand panel of Figure 19). Only one broker-dealer ended the year with a deficit in own funds. While solvency margins are very high in relative terms, the actual amounts involved are not particularly large.

Financial advisory firms

In 2024, the number of financial advisory firms (EAFs) registered with the CNMV decreased sharply due to the launch of national financial advisory firms (EAFNs). Of the 143 EAFs at the end of 2023, 49 were converted into EAFNs. Along with seven deregistrations and one new registration, this left a total of 88 EAFs by the

49 This includes the results of institutions registered with the CNMV at the end of the year.

50 In 2023, the solvency margin was significantly large due to one entity having own funds 1,000 times the regulatory minimum.

end of the year. In December 2024, there were 52 EAFNs (49 conversions, six new registrations, and three deregistrations). During the first quarter of 2025, the number of entities in both categories increased by two, resulting in 90 EAFs and 54 EAFNs at the end of the quarter.

The total assets advised by both types of firms reached €17.15 billion, marking an 8.8% increase over the year. This growth occurred in both the professional client segment, which rose by 7.4% to €7.89 billion, and the retail segment, which grew by 10.0% to €9.26 billion. The retail segment maintained its prominence, with a slightly higher share than in 2023, accounting for 54.0% compared to the previous year's 53.4%.

The combined profit of these institutions increased significantly, rising from €4.5 million in 2023 to €8.0 million in 2024. This growth was driven by higher fee income, which increased by 19.7% to reach €52.6 million, in line with the growth in assets under management.

Main metrics of financial advisory firms

TABLE 13

Thousands of euros

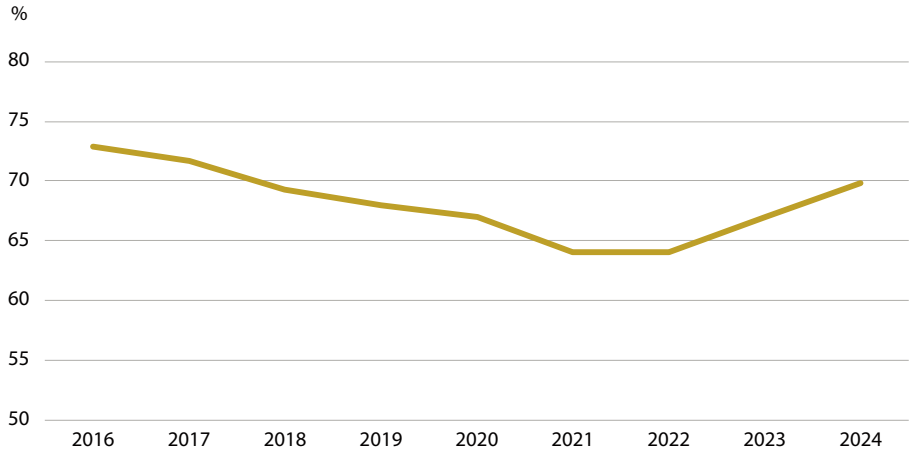
	2022	2023	2024	% change 24/23
NUMBER OF INSTITUTIONS	**143**	**143**	**140**	**-2.1**
ASSETS UNDER ADVICE[1]	**18,682,820**	**15,759,839**	**17,149,868**	**8.8**
Retail clients	10,136,837	8,415,076	9,259,252	10.0
Professional clients and other	8,545,983	7,344,763	7,890,616	7.4
NUMBER OF CLIENTS[1]	**10,737**	**11,064**	**11,877**	**7.3**
Retail clients	10,295	10,610	11,446	7.9
Professional clients	442	454	431	-5.1
FEE INCOME	**57,090**	**53,110**	**63,658**	**19.9**
Fees received	56,446	52,704	63,101	19.7
From clients	43,466	44,225	52,608	19.0
From other entities	12,980	8,479	10,493	23.8
Other income	644	406	557	37.2
EQUITY	**34,378**	**34,038**	**40,999**	**20.5**
Share capital	6,971	7,593	7,596	0.0
Reserves and retained earnings	23,778	20,795	22,118	6.4
Income for the year	2,561	4,510	8,035	78.2
Other own funds	1,068	1,140	3,250	185.1

1 Data at market value at the end of the period.

A complementary view of institutions providing investment services

This section examines the investment services business based on the core business models of the institutions, rather than their type. Typically, information about investment services[51] is presented by the type of institution offering these services (such as credit institutions, IFs, or CISMCs). However, focusing on the business models can provide a more accurate reflection of the industry's reality. This section differentiates between investment services provided by what could be termed commercial banks, which predominantly earn income from typical banking services like deposits and loans, and those offered by institutions specialising in investment services. The latter group includes independent IFs and CISMCs (which are not subsidiaries of commercial banking groups) and banks specialising in delivering investment services.

Share of financial institutions related to commercial banking[1] in total revenues derived from the provision of investment services[2] FIGURE 20



Source: CNMV.

1 This group of entities includes commercial banks (understood as those that do not specialise in the provision of financial services) and the investment firms and CIS management companies that belong to them.

2 It includes the activity of CIS management although this is not considered an investment service from a legal perspective.

Calculations indicate that in 2024, nearly 70% of the business related to investment services in Spain[52] was handled by traditional commercial banks or entities within their groups. The remaining 30% was undertaken by financial institutions specialising in investment services, without ties to commercial banking. These figures highlight an increase in the share of commercial banking in investment services for the second year in a row, following a decline observed from 2017 to 2022 (see Figure 20).

51 Including the activity of CIS management, although not strictly speaking an investment service from a legal point of view.

52 Measured through fees received and including CIS management.

Outlook

The business of the investment services sector in Spain remains largely unchanged from the patterns seen in recent years, with credit institutions dominating the sector and IFs diversifying their activities. Credit institutions have maintained a significant presence, capturing about 85–90% of the fees in this industry over the past decade. However, their share has slightly decreased by 2.5 pp over the last two financial years, leaving it open to interpretation whether this signals a trend shift or is merely a temporary fluctuation. Meanwhile, income from investment services has become increasingly important to banks' overall fee income, rising from 18% to 36% between 2010 and 2021, and has remained relatively stable since then.

Securities firms and brokers are increasingly operating independently from traditional commercial banks and are offering a more diversified range of investment services. Investment advice and portfolio management are gaining importance and seem to be in growing demand among investors.[53] The rising interest in crypto-asset transactions also presents a potential revenue stream for these entities. According to the MiCA Regulation,[54] IFs, among others, are permitted to provide crypto-asset services. However, as of now, no national IF is registered with the CNMV or the Bank of Spain to offer these services.[55]

3.3 CIS management companies

In 2024, assets managed by collective investment scheme management companies (CISMCs) rose by 14.8%, surpassing €429 billion.[56] The number of institutions increased from 117 to 119, a figure that remained stable between January and March of this year. The growth in assets, as mentioned earlier, was driven by both the revaluation of the portfolios under management and new inflows of funds. As in previous years, the majority of these assets were held in domestic mutual funds, which made up 94.2% of the total, followed by SICAVs with 4.0%. Additionally, the management of foreign CISs by domestic management companies grew by 21.4% in 2024, reaching €30.8 million. CIS management fee income increased in line with the growth in assets under management, rising by 14.2% to nearly €3.4 billion, while the average management fee remained steady at 0.79%.

---

53 In 2024 alone, fees from discretionary portfolio management and investment advisory services, including those from financial advisory firms, broker-dealers, and credit institutions, increased by 18.4% to reach €2.26 billion.

54 Regulation (EU) 2023/1114 of the European Parliament and of the Council, of 31 May 2023, on crypto-asset markets.

55 The MiCA Regulation, fully effective from 30 December 2024, requires entities providing crypto-asset services to be registered with the CNMV. However, during the 12-month transition period ending on 31 December 2025, entities already registered with the Bank of Spain as virtual currency exchange and electronic wallet custody service providers can continue this activity.

56 This figure corresponds to the information obtained from the reserved statements that Spanish CISs submit to the CNMV.

CIS management companies: assets under management, CIS management income and average fee ratio

TABLE 14

Amounts in millions of euros

	Assets under management	Income from CIS management fees	Average CIS management fees (%)	Fee ratio[1] (%)
2016	272,906	2,347	0.86	61.67
2017	299,974	2,647	0.88	58.68
2018	290,364	2,649	0.91	51.24
2019	312,235	2,638	0.84	49.75
2020	311,043	2,551	0.82	49.72
2021	358,349	3,026	0.84	47.74
2022	332,387	2,832	0.85	50.49
2023	374,065	2,972	0.79	50.50
2024	429,333	3,393	0.79	50.37

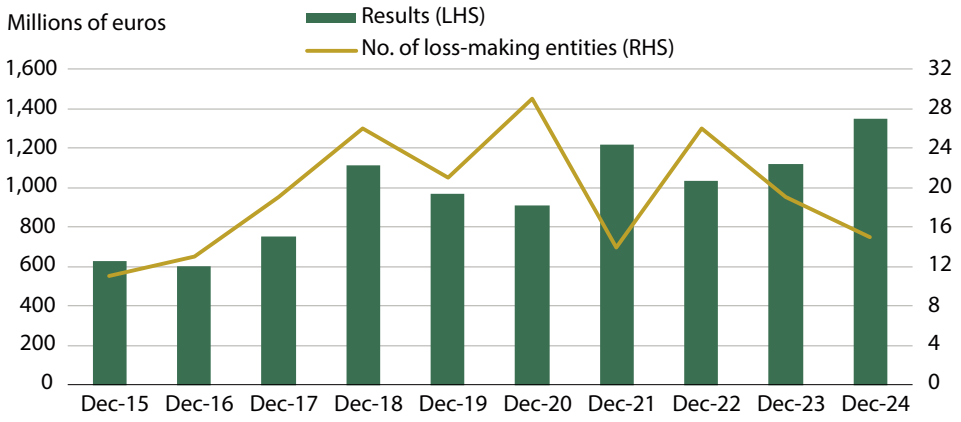
Source: CNMV.

1 Relationship between costs from fund distribution fees and CIS management fee income.

Aggregate pre-tax profits for CISMCs rose by 20.4% in 2024, reaching €1.35 billion, driven by the increase in assets under management. This resulted in a 14.6% rise in fees earned, with CIS management fees – accounting for about 85% of total fees earned by fund managers – increasing by 14.2% to nearly €4 billion. The return on equity (ROE) improved from 90.5% at the end of 2023 to 105.9% in 2024, reflecting the strong performance of these companies. The number of companies reporting losses fell significantly to 15, down from 19 the previous year, although the total volume of losses was slightly higher than in 2023, totalling €20.9 million compared to €20.2 million.

CIS management companies: profit before tax and loss-making entities

FIGURE 21



Source: CNMV.

3.4 Other intermediaries: venture capital firms and crowdfunding platforms

Venture capital

The private equity and venture capital sector continued to expand in 2024, though not as vigorously as in earlier years. The number of investment vehicles registered with the CNMV rose by 89, reaching 1,258, while the number of managers increased by eight, ending December at 158. Traditional venture capital vehicles[57] experienced the most significant growth, particularly venture capital companies (VCCs), which saw their numbers rise from 423 to 521 during 2024. The number of European venture capital funds (EVCFs) also saw a notable increase, adding 34 to reach a total of 169 by year-end.[58] The number of closed collective investment schemes grew as well, albeit at a more subdued pace since 2023, with 20 new registrations and five deregistrations in 2024, resulting in a total of 120 by the end of December).[59]

Registrations and deregistrations in the venture capital companies registry TABLE 15

	At Dec-2023	Regist.	Deregist.	At Dec-2024	Regist.	Deregist.	At Mar-2025
Entities							
Venture capital funds	351	48	12	387	8	1	394
SME venture capital funds	16	2	1	17	1	0	18
Venture capital companies	423	107	9	521	27	3	545
SME venture capital companies	25	5	3	27	0	0	27
Total venture capital entities	**815**	**162**	**25**	**952**	**36**	**4**	**984**
European long-term investment funds (ELTIFs)	3	2	0	5	1	1	5
European venture capital funds (EuVECA)	135	39	5	169	19	2	186
European social entrepreneurship funds (EUSEF)	11	1	0	12	0	0	12
Closed-ended collective investment funds	63	9	0	72	4	2	74
Closed-ended collective investment companies	42	11	5	48	2	2	48
Total closed-ended collective investment	**254**	**62**	**10**	**306**	**26**	**7**	**325**
Management companies of closed-ended CISs	**150**	**14**	**6**	**158**	**4**	**0**	**162**

Source: CNMV.

57 Traditional entities are understood to be those types that existed prior to the entry into force of Law 22/2014 of 12 November.

58 EuVECAs, along with European social entrepreneurship funds (EuSEFs), are covered by Regulation (EU) No. 345/2013 of the European Parliament and of the Council, of 17 April 2013, on European Venture Capital Funds and Regulation (EU) No. 346/2013 of the European Parliament and of the Council, of 17 April 2013, on European Social Entrepreneurship Funds.

59 It is important to remember that closed-end collective investment entities enjoy a high degree of flexibility both in their investment policy and in complying with investment ratios, which are more restrictive in the case of venture capital entities.

The combined assets of closed-ended collective investment schemes registered with the CNMV grew significantly in 2024, increasing by 20.8% to exceed €46 billion.[60] Nearly 85% of this was attributed to traditional venture capital funds and companies, with funds making up 57.5% and companies 26.9%, similar to the proportions in 2023. In contrast, closed-ended funds and companies represented just 7.9% of the total, nearly 1 pp less than the previous year.

In the first quarter of this year, the registration of new vehicles remained active, with a significant number of new additions. 62 vehicles were registered, and after accounting for 11 deregistrations, the total number of entities reached 1,309 by the end of March. Most of these new additions, as in 2024, were seen in traditional venture capital firms and European venture capital funds (EuVECAs), with 24 and 17 new vehicles, respectively (see Table 15). The number of fund managers also increased by four between January and March 2025, reaching 162 at the end of the first quarter.

Crowdfunding platforms

In 2024, following the deadline for adapting to the new European regulations,[61] the last four crowdfunding platforms (PFP) that had not yet done **so were added to the register of crowdfunding service providers (PSFP).** As a result, by the end of the year, 25 entities were registered in the PSPF register, with 24 converted from PFPs to PSFPs and one newly created. Among these, five were securities platforms, another five were lending platforms, and the remaining 15 were mixed platforms. No changes were recorded in the register during the first three months of 2025.

Although crowdfunding remains relatively small-scale in terms of investment in Spain, it has grown significantly in recent years. In 2024, the total financing raised through PSFPs registered with the CNMV reached €451.8 million, marking a 61.4% increase from 2023. Approximately 60% of this was raised via debt instruments, with the remaining 40% through equity instruments. Regarding investor types, only 2.1% were professional investors, while 43.4% were sophisticated investors, and 54.4% were retail investors.[62]

In addition to the national PSFPs, platforms from other European Union countries (PSFPEU) can also operate in Spain if they apply. By the end of 2024, there were 38 PSFPEUs registered, which was 19 more than the previous year. During the first three months of 2025, one of these platforms deregistered, reducing the total to 37 by the end of March.

---

60 Provisional data for December 2024, except for closed-ended investment funds and companies, whose data are for September 2024.

61 Regulation (EU) 2020/1503 of the European Parliament and of the Council, of 7 October 2020, on European providers of crowdfunding services (PSFP).

62 Professional investors are authorised entities or large companies operating in financial markets. Experienced investors are those who understand the risks of investing in capital markets and have the resources to bear them without facing excessive financial consequences. This category has criteria that non-professional investors must meet to join. Retail investors are those who do not fit into the previous two categories.

II Reports and analysis

Private finance markets

Francisco Javier González Pueyo (*)
María José Pérez-Santamarina Atiénzar

(*) Francisco Javier González Pueyo and María José Pérez-Santamarina Atiénzar belong to the Research and Statistics Department of the Strategic Policy and International Affairs Directorate-General. The authors would like to thank Eudald Canadell Casanova, Alejandro Marroquín González and Alberto Segurado García for their comments.

Table of contents

List of figures

Abstract

This article highlights key elements from **CNMV Working paper No. 88: *Private finance markets***. It analyses the current state and recent trends in private capital and credit markets, focusing specifically on the main characteristics of private capital in Spain and considerations for supervisors. The article also provides a brief introduction to private markets, including activity data and the main characteristics of capital and credit markets. In addition, it comments on the effects of the US Administration's announcement of tariff increases made on 2 April, which were suspended for 90 days. Among the concerns are two factors considered most detrimental to markets: heightened volatility and increased uncertainty, which could even impact investment flows between the United States and the rest of the world.

In recent years, driven by low interest rates, the private capital and credit markets have grown steadily, with total global assets surpassing $14 trillion. A notable development is the significant rise in private credit, particularly direct lending over the past five years. This trend is emerging as an alternative means of financing outside the traditional banking system, especially in sectors like technology, health, and defence. Following the completion of the working paper, new information has emerged about changes in the relationships and alliances between private credit managers and banks. **Private lending is also branching into new asset classes in the area known as private asset backed finance[1] (ABF or specialty finance lending)**. The working paper delves into the key economic and structural drivers behind this growth. It emphasises the **importance of the interconnection between public and private markets**, and explores the unique aspects of private market fundraising systems, their main vehicles, operational characteristics, the segmentation of assets under management, and the flexibility and advantages that private markets can offer to companies in emerging economic sectors.

Public and private markets have always been interconnected, rather than being isolated or disconnected segments. Regulated markets provide liquidity to private equity investments, with the largest managers listed on stock exchanges.

A long-standing link between public and private markets is the role of initial public offerings (IPOs) in the divestment of capital from start-ups and leveraged buyouts. However, in recent years, this role has been hampered by a global shortage of public offerings, a situation that is likely to worsen due to the current climate of high uncertainty and volatility following the announcement of tariff

1 Financing activity involving loans secured either by the cash flows of an asset portfolio or by the liquidation value of those assets. This includes assets such as mortgages, consumer credit, real estate, green energy assets, aviation, SME loans, and royalties and intellectual property.

increases. Private equity portfolios are seeing holding periods extend by around two years, largely because divestment in regulated markets has become more challenging. This extension is particularly affecting larger managers and companies with higher value portfolios. Investments are now often lasting beyond the average seven-year period, a trend that could intensify for transactions initiated during the pandemic, echoing patterns seen in investments made in 2005–2006, just before the global financial crisis. The prolonged duration of private equity investments is also evident in holdings within listed companies, driven by a decline in M&A activity, which complicates the ability to exit significant stakes.

The interconnectedness of public and private capital markets becomes especially clear during stock market corrections and bouts of turmoil, such as those that began on 2 April.

In sustained periods of high volatility and uncertainty, new transactions might be reassessed or postponed, institutional investments in private equity could decelerate, and divesting through IPOs, mergers, and third-party sales may prove more challenging. This can extend investment timelines in companies, impacting new investments in start-ups. Adding to these challenges is the denominator effect, where declines in public market values result in over-weighted allocations in private markets. Furthermore, there is the issue of asynchrony between daily valuations in public markets and the less frequent valuations in private markets.

From the perspective of financial institutions, these interconnections are integral to corporate strategy, due to the alliances and collaborations among private equity and credit managers, banks, insurance companies, and investment funds, which extend beyond the mere distribution of private assets. **The sustained growth in fund-raising by private credit managers has enabled them to fully finance loans originated by banks. In many cases, the banks' role is largely confined to leveraging their client networks that require funding.** Private equity often acquires stakes in insurance companies as well, where they drive changes in investment policies by increasing exposure to private assets. While these assets align with longer investment horizons, they also subject insurers to heightened liquidity and valuation risks.

Structural factors have significantly contributed to the growth of private equity and credit markets. Key among these is the regulatory shift initiated after the financial crisis of 2008, which raised capital costs for banks, particularly for loans to unrated entities. This change has discouraged traditional lending in favour of transferring leveraged lending activities from banks to private credit managers. Furthermore, the increased availability of private funds has facilitated larger financing rounds and allowed investors to maintain their capital in companies until they achieve greater maturity. This approach enables them to capture a substantial share of value appreciation while taking on more risk during the initial development stages of these companies. Private equity firms also play an active role in managing businesses, bringing in highly experienced executives and maintaining a longer investment horizon. This longer timeframe allows them to support projects that require extended maturation periods before they can become viable. **Private lending is extending into every stage of the lending value chain, including origination, syndication, structuring, and asset distribution. It is also building connections with asset managers, banks, and insurance companies.**

Another significant structural factor, particularly from the perspective of capital demand and financing, is the reluctance of new economy companies to endure continuous scrutiny of their market valuations and to regularly disclose information about their business models, which often contain substantial intellectual property. Furthermore, as highlighted in Mario Draghi's recent report, bank financing is not ideally suited to fostering innovation, as it requires higher risk tolerance and longer time horizons.

The following section first provides a brief analysis of the main figures of private equity in Spain, comparing them with those in other European countries. Both the levels of private equity investment relative to GDP, as well as the types and sectors of investment – predominantly in technology and healthcare – are quite similar to the rest of the European Union (EU), with the exception of a higher involvement in the hospitality and leisure sectors. Like elsewhere in Europe, 80% of investments originate from non-EU managers, who focus primarily on large transactions (€100 million) and middle market deals (€5–10 million). In contrast, Spanish private equity managers direct 90% of their investments towards small and medium-sized enterprises.

This paper also identifies key issues for supervisory authorities to analyse and monitor, particularly concerning potential systemic risk and the distribution of private investments to retail investors, who have largely been excluded from these markets thus far. In both instances, the fundamental concern is ensuring a reasonable level of transparency for the activities and entities in these market segments, as well as for asset valuation procedures. This transparency is crucial for investor protection and for enhancing market efficiency. For retail investors, facilitating participation and access to markets is vital. This involves including private equity and credit as available options. Spanish regulation addresses this by introducing a new pathway for retail investment in these vehicles, provided within an advisory service context. This involves evaluating the suitability of the offered vehicles, taking into account the specific characteristics and risks associated with investing in private assets (Article 75 of Law 22/2014).

1 Private equity and private credit markets

There is no universally accepted definition of private markets; however, literature typically describes them as markets where alternative investment managers channel funds from predominantly institutional investors to various capital seekers, using credit or equity instruments that are not traded on regulated markets or alternative trading systems.

In general, private markets can be segmented based on the types of assets managed,[2] including private equity (PE), venture capital (VC), private credit (PC), and real estate (RE). Many classifications also recognise infrastructure and natural resources as distinct categories due to their specific characteristics.

The key differences between private and public capital markets revolve around several aspects:

i) In private markets, the primary investment vehicle is closed-ended funds. These funds typically have a defined duration of 10 to 15 years in which they need to raise, invest, mature, and return capital. During this period, investors are required to commit their capital without the option to redeem their shares.[2]

   As a result, a priori, investing in private markets is inherently illiquid. This characteristic is crucial for assessing whether these private investment alternatives suit retail investors, who have largely stayed out of these markets until now.

   Moreover, the minimum investment period restricts liquidity transformation because the time horizons of the assets in the portfolios align with the investors' contributions. This is different from traditional investment funds offered to retail investors by commercial banks or conventional fund managers, where significant fund outflows are more likely.

ii) Investments in private equity and debt are not traded on organised markets. Typically, the companies targeted by private equity and venture capital funds are unlisted, except for certain leveraged buyout (LBO) transactions, in which publicly listed companies are acquired and subsequently delisted through public-to-private takeovers.

---

2 Aramonte and Avalos (2021). In the United States and Canada, some open-ended structures have been introduced that allow the fund to remain operational as long as the portfolio investments are not liquidated. These funds feature liquidity windows that enable investors to exit at the net asset value (NAV).

iii) Unlisted companies backed by private equity do not have to adhere to periodic financial reporting requirements beyond those mandated by commercial law and any conditions specified by investors during their initial investment.

iv) Because of the investment horizons involved, private equity investees are not marked to market, which can make it challenging to monitor investments and assess their potential returns. However, this approach helps managers and capital providers mitigate volatility during periods of economic instability.

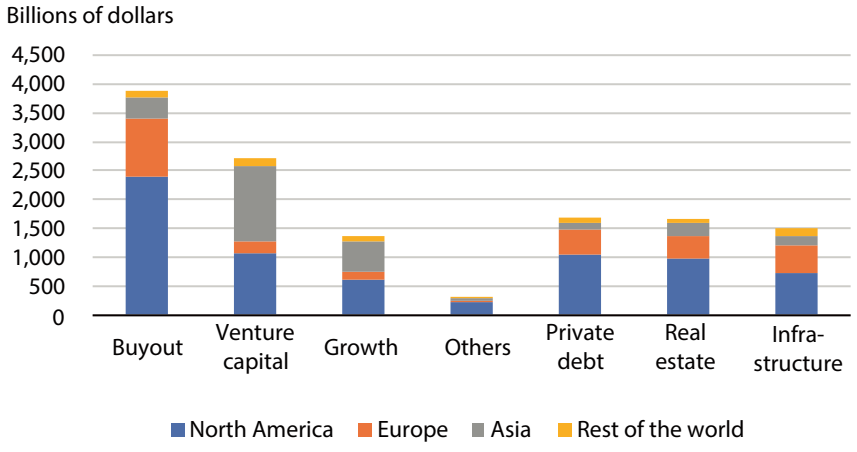
v) In many jurisdictions, private equity managers typically face less stringent supervision than investment fund managers. In Spain, the CNMV oversees the financial status of investment vehicles and ensures compliance with investment ratios and legal public disclosure requirements.

vi) Traditionally, private market investors have been large institutional players with robust analytical capabilities and access to extensive information. These professional investors are well-equipped to assess the risk-return profile of such investments, and they allocate a portion of their portfolios to them for diversification purposes. However, until very recently, retail investors had little involvement in these markets, as investments were generally restricted to amounts exceeding €100,000. As a result, financial regulators need to focus on retail participation in private markets. Although these investments offer clear diversification benefits, their unique characteristics, such as illiquidity and limited transparency, may make them unsuitable for all types of investors.

Size and recent developments in assets managed in private markets

Figure 1 illustrates the assets under management across various geographical regions for the main categories of private markets, including private equity, venture capital, private credit, real estate, and infrastructure. This data is sourced from the McKinsey's *Global Private Markets Review 2024* report.

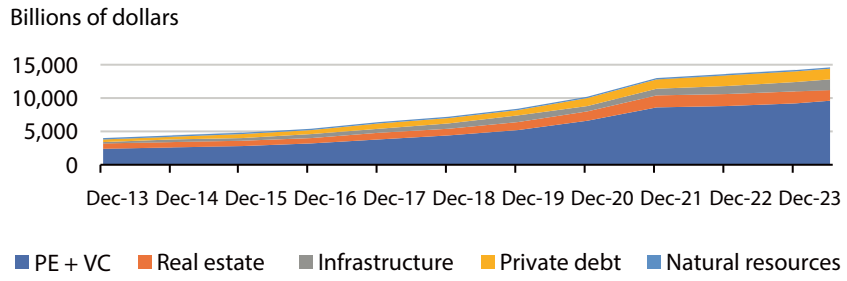
Assets under management (AuM). 2023 FIGURE 1



Source: McKinsey.

Figure 2 illustrates the significant and sustained growth in private equity and debt markets over recent years, particularly since 2016.

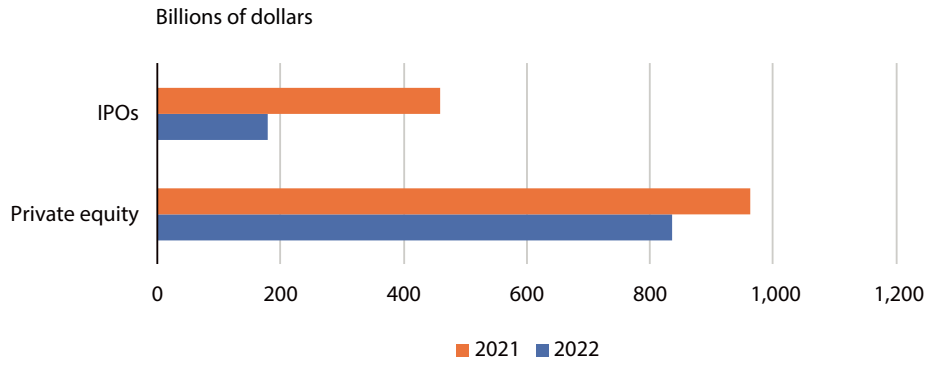
Assets under management (AuM). Global FIGURE 2



Source: Prequin.

In terms of volume, private equity and venture capital are prominent, with assets under management increasing from $500 billion in 2000 to $8.3 trillion in 2023. Within the private equity segment, which exceeds $5 trillion as shown in Figure 1, buyouts represent $3.85 trillion in assets under management, accounting for 47% of the total for the segment, down from 55% in 2018. A significant portion of these acquisitions is leveraged; these are the LBOs, which are examined in greater detail in Section 4 of this document. The latest data from Prequin, published in March 2024, indicates figures very similar to those reported at the end of 2023.

Funds raised. Global FIGURE 3



Source: Prequin and EY.

2 Private market segments

This section covers the two main activity segments of private markets: private equity and venture capital.

Private equity (PE) vs. venture capital (VC)

Private equity (PE) and venture capital (VC) are two categories of investment within the broader segmentation of private market activities, which also includes private debt and infrastructure. While PE and VC share some similarities, their distinct characteristics allow for separate categorisation.[3]

Private equity (PE):

- Private equity managers typically acquire majority stakes in companies, focusing on mature businesses that operate in traditional sectors. This majority ownership enables them to influence the management of the target company, often introducing their own qualified and experienced management teams.

- Private equity also seeks investment opportunities in established companies facing challenges due to operational inefficiencies. By addressing these inefficiencies, managers aim to restore these companies to profitability. In recent years, private equity has increasingly targeted technology firms that have received venture capital funding. These investments aim for returns through operational improvements, organic growth, and company expansion, alongside the application of financial engineering.

- Investments are made using capital from the fund or management, as well as through debt financing.

Venture capital (VC):

- Venture capital focuses on start-ups, primarily high-growth companies in the technology and healthcare sectors, where it typically acquires minority stakes.

- Investors seek returns by increasing the value of these target companies, which can be realised through sales to larger firms or via IPOs.

- Transactions in venture capital tend to be smaller in scale compared to those in private equity.

- Funding for these investments comes from cash contributions.

---

3 Pitchbook (2023b).

Buyouts and leveraged buyouts (LBOs) financed through debt issuance

According to global data on assets under management (AuM) from Preqin and McKinsey, which is detailed in Section 1 of this study, company buyouts represent $3.85 trillion in the PE segment. This accounts for 47% of the total PE assets under management, which amount to $8.2 trillion. Buyouts not only represent the largest area of activity within private equity, but they have also experienced significant growth in recent years, alongside the private debt segment. Over the past decade, these transactions have set continuous records in both the number of deals and company valuations, largely due to low interest rates. The stock market corrections and the instability and uncertainty following the US's announcement of tariff increases will negatively affect the possibility of both making new purchases and finding funds to finance them.

A significant portion of buyout transactions are leveraged buyouts (LBOs),[4] which involve using debt to finance more than 70–80% of the transaction value, with equity making up a maximum of 20–30%. Of this equity, managers typically contribute between 1–5% of the total transaction value. Consequently, a large segment of private equity relies on debt as a key operational tool.

Private credit markets

According to aggregate global data from Prequin and McKinsey, the private credit markets held approximately $1.6 trillion in assets under management at the end of 2023, a 27% increase from 2022. This figure has doubled since 2018. In Europe, around €460 billion is invested in private credit, although specific information on the Spanish market is not available. The International Monetary Fund (IMF), in its *Global Financial Stability Report*, raised the amount to $2.1 trillion in April 2024.

Compared to private equity, private credit offers shorter investment periods without relying on IPOs to recoup the principal and provides regular interest payments.

Over the past decade, the growth in private lending has largely focused on direct lending, primarily targeting highly leveraged medium-sized companies backed by private equity. According to McKinsey's report on the private credit market,[5] banks will retain their last mile customer relationships, concentrating on origination and cross-selling. However, they will transfer loan ownership to other investors. This shift allows banks to pass on credit risk to other participants in the financial sector, whether they are regulated or not.

Private lending is also diversifying into new assets and welcoming new participants. One area of expansion is the segment known as private asset backed finance[6] (ABF

---

4 The first LBO in history is considered to have been the purchase of Ford by Henry Ford and his son.

5 McKinsey & Company (2024). "The next era of private credit".

6 Financing activity involving loans secured either by the cash flows of an asset portfolio or by the liquidation value of those assets. This includes assets such as mortgages, consumer credit, real estate, green energy assets, aviation, SME loans, and royalties and intellectual property.

or specialty finance lending), whose current market volume stands at $20 trillion by some estimates.

Companies seeking financing in the private credit markets[7] are typically SMEs with EBITDA ranging from $3 million to $100 million. The private credit market can be divided into two main segments: the middle market, which comprises companies with an EBITDA of over €50 million, and the lower middle market, where average EBITDA ranges from €15 million to €25 million. The vast majority of issuing companies in private credit markets (more than 90%) are owned by private equity managers and, according to data from McKinsey & Co,[8] 80% of middle market operations carried out by private equity have been financed by private loans.

In contrast to the syndicated loan segment, which typically involves multiple lenders, private financing transactions are usually bilateral, occurring directly between the lender and the company. This approach streamlines the process, reducing the timeframe from initial contact to financing approval to approximately two months. It also allows for flexible loans that include variable components tied to the company's performance, as demonstrated by Oquendo Capital's 2022 transaction with Congelados Navarra, which will support the implementation of its business plan for the coming years.

In syndicated loans, two tranches are commonly present: senior and subordinated. In contrast, private loans typically consist of a single tranche (unitranche) that combines senior and subordinated debt. This unitranche carries an interest rate that is 50 to 100 basis points higher than the senior rate, reflecting the differing risk-return characteristics of the two tranches. In debt involving different tranches, each tranche has its own credit terms, guarantees, covenants, and conditions governing how creditors of the subordinated tranche might recover the collateral securing the loan. In unitranche transactions, however, all creditors have identical rights.

The main participants in this market are alternative asset managers who operate through lending platforms. These platforms source financing from various avenues, including: i) private credit funds, ii) collateralised loan obligations for medium-sized companies (middle-market CLOs), iii) investment funds, and iv) business development companies (BDCs). In recent years, low interest rates have directed significant funds towards credit funds seeking higher returns. This trend, along with advancements in financing structures and vehicles, has enabled the provision of larger loans and transactions, similar to developments seen in the private equity (PE) segment.

One key characteristic of private credit investors is their long-term horizon. These buy-and-hold investments are made by pension funds, insurance companies, university endowments, and foundations, which aim to align interest income from loans with their payment obligations.

---

7 Gunter, Latour and Maguire (2021).

8 McKinsey (2023).

In the United States, partnerships between alternative managers and insurance companies are common, providing a long-term funding source for lending platforms and ensuring financial stability throughout the life of the loan.

Lower liquidity in debt instruments and vehicles

Illiquidity poses a significant risk in private financing, as the debt instruments involved are not traded on secondary markets. While they may include assignment or sub-participation clauses that allow for the sale or transfer to third parties, there is no public price formation process. Consequently, investors must evaluate the risk-return profile of their investments based on the limited information available to them. Investors need to be prepared to hold the debt until maturity, which makes long-term investors, such as insurance companies, the primary buyers. Vehicles that facilitate early exits for investors may face liquidity challenges, potentially forcing managers to conduct disorderly asset sales (fire sales) during periods of market stress.

Credit quality

Firms seeking private financing are often smaller and have lower credit ratings. Although solvency standards in this sector were traditionally more stringent than those for syndicated loans, the growth of private credit in recent years has led to relaxed requirements and a decrease in the number of covenants, which are typically reduced to just one. In contrast, around 90% of syndicated loans, according to Standard & Poor's,[9] are covenant-lite. Similarly, there has been an increase in EBITDA add-backs in both private and syndicated loans.

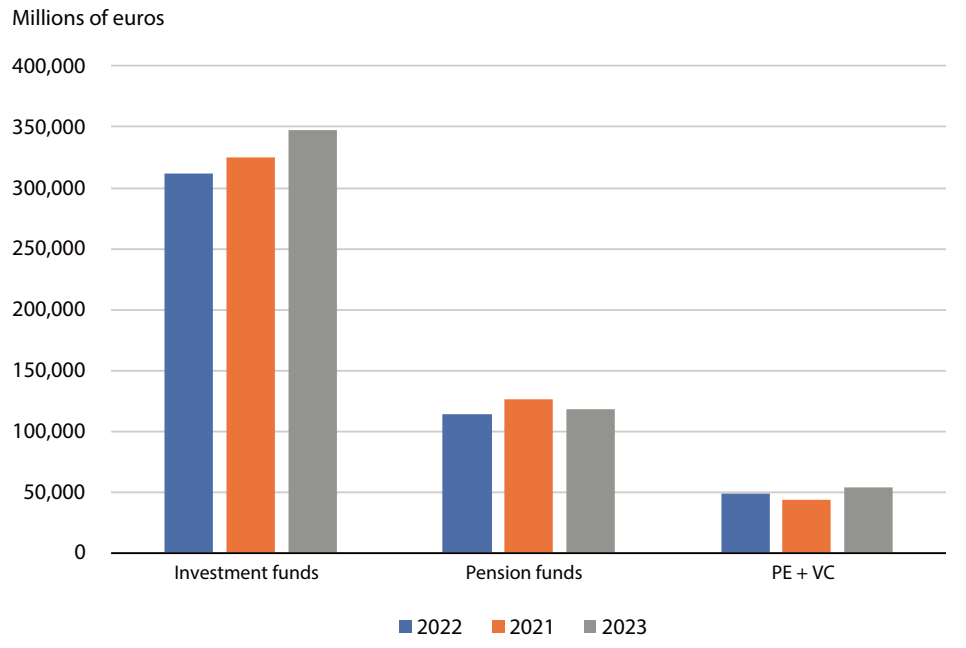
9 Latour (2021).

3 Main characteristics of private equity in Spain

The half-yearly and annual activity reports published by SpainCap[10] provide a detailed analysis of the private equity and venture capital sectors. These reports offer a wealth of granular data, revealing the distribution of investments by sector and autonomous community, as well as figures on fundraising and divestments. At the European level, this analysis can be supplemented by the information released annually by Invest Europe. In contrast, the private credit segment in Spain lacks the same level of detail and quality of information.

The following figure summarises the size of Spain's private equity investment portfolio, which reached €43.74 billion at the end of 2023. Of this total, €33.37 billion was managed by international firms. The report also compares this figure with the assets under management (AuM) of Spanish investment and pension funds, based on data from Inverco for the last two financial years.

Assets under management in Spain FIGURE 4



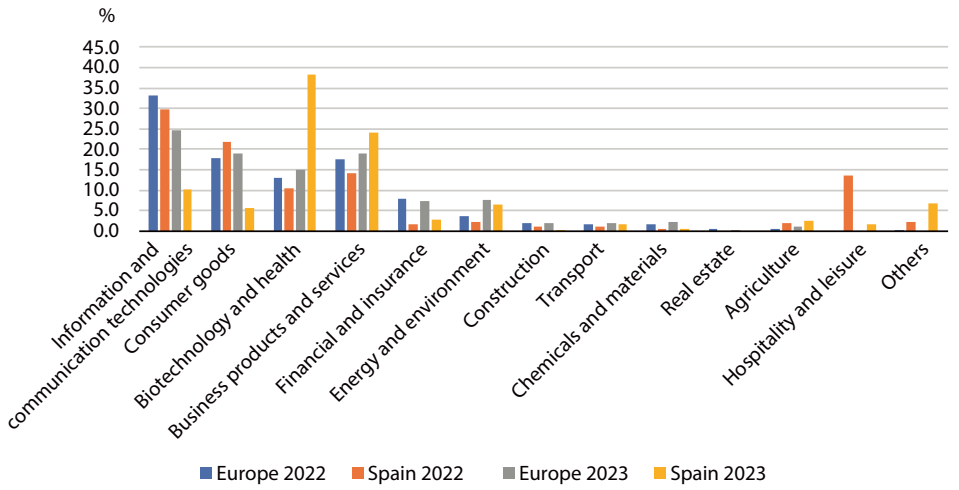
Source: SpainCap, CNMV and Inverco.

10 SpainCap (ASCRI until May 2022) is the association of private equity and venture capital in Spain, as well as its investors.

The sectors that have historically attracted the highest volumes of investment are ICT (information and communication technology), consumer goods, and biotechnology and health.

Sector-specific analysis of private equity investments in Spain reveals some similarities with trends in the rest of Europe, with one notable exception: the hospitality and leisure sector, which is not included in the statistics published by Invest Europe. This oversight likely reflects the significant role of the hospitality sector in Spain compared to other European countries, a factor that is also evident in private equity investment activity. The heavy concentration of private equity investment in the technology sector makes it more sensitive to market fluctuations, similar to certain stock market indices dominated by tech companies, such as the Nasdaq 100.

Percentage of private equity investment by sector FIGURE 5



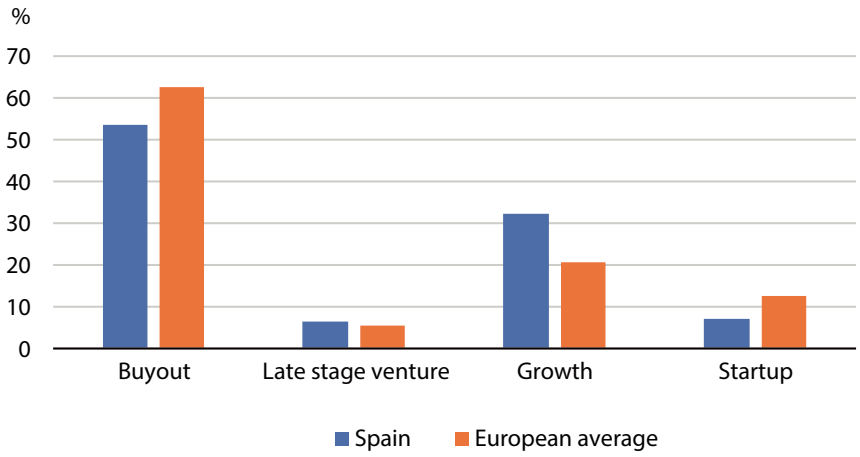
Source: SpainCap and Invest Europe.

Examining the development stage of private equity and venture capital investment in Spain alongside the European average for 2023, the following figure illustrates a consistent trend. Most investment activity is concentrated in LBOs, accounting for 54% of the total in Spain and 62% in Europe. This is followed by growth financing (private equity and venture capital) and both start-up and late-stage venture investments, each representing similar percentages of the total (6–7%).

Regarding the financing of LBOs, data from the investment bank Houlihan Lokey, published on 4 July 2024 by *Expansión*,[11] reveals that Banco de Santander and Banco Sabadell together accounted for 51% of transactions, with BBVA and Caixabank following behind. Banco Santander's dominant position results from its financing of transactions exceeding €20 million for international funds, facilitated through both its traditional banking operations and its direct investment fund, Tresmares.

11 BBVA and Banco Sabadell would jointly control venture capital financing.

Major investments in 2023 by stage (% of total) FIGURE 6



Source: SpainCap and Invest Europe.

A distinctive aspect of private equity investment in Spanish companies is that international managers account for between 75% and 80% of total investments, a figure that has remained stable in recent years. This level of participation by international managers contrasts sharply with the rest of Europe, where most investments are made by domestic managers and about a third by EU entities operating in other Member States. Typically, international funds focus on large transactions (over €100 million, known as "megadeals"), middle market transactions (between €5 million and €10 million), and leveraged transactions. However, in 2023, both large and middle market transactions lost momentum, resulting in a decrease in the average investment amount from €9.6 million to €7.9 million. In 2023, private equity invested an average of €11.8 million in each of the 569 companies it supported.

According to data from SpainCap, 90% of this investment went to small and medium-sized enterprises (SMEs), which is slightly higher than the European average of 85%. In terms of regional distribution, Madrid received the largest share of investment at 34%, followed by the Valencian Community with 24%, Catalonia at 21%, and Murcia at 5%. The average age of the companies in the portfolios of Spanish private equity firms is 4.5 years.

When looking at private equity investment as a percentage of GDP, Spain's figure stands at 0.32%, which is slightly below the European average of 0.4462% but still higher than that of Germany, Italy, Belgium, and Portugal.

The Spanish Tech Ecosystem Report 2024 reveals that the value of Spanish start-ups surpassed €100 billion for the first time in 2023. This figure exceeds the valuations of countries like Norway, Italy, and Portugal, which have yet to reach it. Germany (€450 billion), Sweden (€250 billion), France (€330 billion), and Denmark (€130 billion) have the highest valuations for their start-ups in Europe.

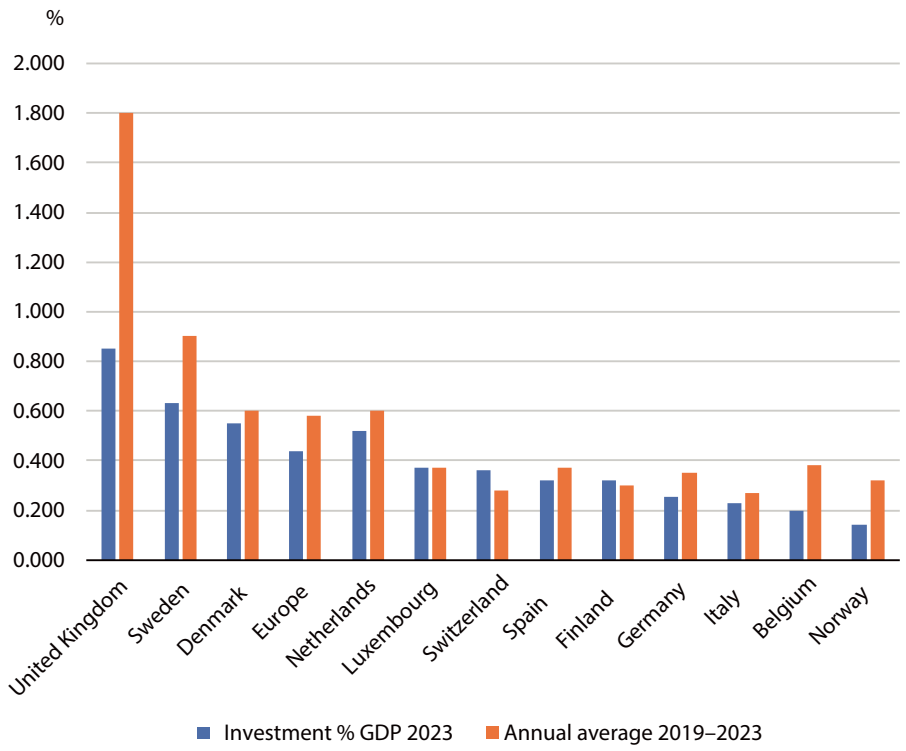
Dealroom lists 12,000 start-ups in Spain, with around 500 poised to reach scale-up status and 18 expected to achieve unicorn status. Between 2017 and 2023, these start-ups raised €13.7 billion, with 2021 marking their best year, bringing in €4.31 billion. Since 2020, there has been a noticeable slowdown in funding rounds for start-ups. That year, 135 rounds raised between €1 million and €5 million, with only nine rounds exceeding €50 million, according to the Bankinter Observatory. In 2023, start-ups managed to secure €2 billion across more than 850 funding rounds, according to *The Spanish Tech Ecosystem Report 2024*.

Spain has two prominent start-up hubs: Barcelona, which attracted €6.35 billion, and Madrid, with €5.78 billion. Together, they raised €12.14 billion between 2018 and 2023, nearly six times the amount secured by other regions in Spain, with Valencia trailing as a distant third at €494 million. During the 2020–2023 period, the sectors that garnered the most investment included: mobility and logistics (€1.64 billion), productivity and business (€1.55 billion), FinTech and InsurTech (€1.29 billion), PropTech (€1.05 billion), TravelTech (€842 million), health (€758 million), software (€522 million), and cybersecurity (€510 million).

Spanish private equity funds, both public and private, play a crucial role in financing start-ups during their early stages, such as seed and start-up phases. However, as funding needs grow, international funds typically dominate later-stage investments. It is important to assess how the uncertainty caused by the announced US tariff increases might impact private equity fund allocations to Europe. We should also consider how much this could affect their ability to attract new funds from other countries, like China and those in Southeast Asia, which might choose to redirect their investments to Europe.

The following figure, based on data from Invest Europe, illustrates that the percentage of private equity investment as a share of GDP declined in 2023 across nearly all European countries compared to previous years. Overall, private equity investment in Europe fell by 25% in 2023 and by 11% relative to the average over the last five years.

Private equity investment as a percentage of GDP. 2023 FIGURE 7



Source: SpainCap and Invest Europe.

Spanish investors provided 80% of the €2.70 billion raised by private equity and venture capital in 2023. Family offices in Spain have increased their involvement in private equity due to changes in the taxation of open-ended collective investment companies (SICAVs), prompting some to transition into private equity firms. In 2023, these family offices accounted for 33% of the €2.70 billion raised. This year marked the second-best performance for fundraising in history.

An analysis of the European market, based on data from Invest Europe and organised by region, reveals that France, the Netherlands, and Belgium combined account for 22.2% of total private equity funds, with the United Kingdom at 10.2%. Spain, Portugal, Italy, and Greece collectively contribute 5.2% of private equity funds in Europe. Most of the funds raised by private equity in Europe came from North America (23.4%) and Australia and Asia (19.9%).

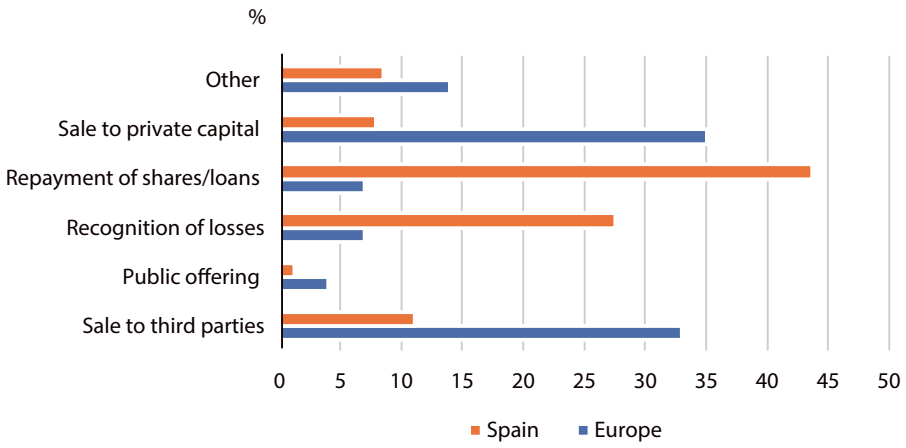
According to the Pitchbook report,[12] 2022 saw the highest number of transactions in Europe, although they tended to be smaller in scale. Only 36 transactions surpassed €1 billion, marking the lowest figure in nine years, with none occurring in the fourth quarter. There has been an increase in the number of add-on purchases. The decline in larger transactions can be attributed to managers exercising greater caution due to economic uncertainty. The volume and number of exits also reached their lowest point in nine years. In Spain, only 1.6% of transactions exceeded €200 million. The majority of investments were in deals ranging from €2.5 million

12 Pitchbook (2022).

to €5 million and in the so-called lower middle market, involving investments between €5 million and €10 million.

When it comes to divestment alternatives in Spain, loan redemptions have been the most prevalent option in recent years, while IPOs remain the least utilised alternative, accounting for less than 7% of divested capital in Europe. Figure 8 illustrates the types of private equity divestment in Europe and Spain as a percentage of the total for 2023. In Spain, the recognition of capital losses on investments has also become quite notable.

Divestment alternatives. Total 2023 FIGURE 8



Source: SpainCap and Invest Europe.

4 Key considerations for supervisors

In most jurisdictions, securities market supervisors have two primary mandates: to protect investors and ensure the orderly functioning of markets. Macroprudential supervisors focus on maintaining the stability of the financial system.

Investor protection in private equity and credit markets has traditionally excluded retail investors, except those investing over €100,000. Recent regulatory changes, particularly **Article 75 of Law 22/2014**, now allow retail investors to access this market segment. Due to this legal amendment, small savers can now invest in private equity funds with an initial minimum of €10,000, compared to the previous requirement of €100,000.[13]

The following sections detail the key aspects that supervisors should consider regarding private financing activity.

4.1 Macroprudential supervision

One of the main challenges in supervision, particularly in identifying, monitoring, and containing systemic risk, is derived from the limited regulation of information and transparency requirements across many relevant jurisdictions. This issue is compounded by the heterogeneity of regulations and the lack of or minimal requirements for information sharing among participants in private markets and the supervisors of the regulated financial system. This is especially important for the following reasons: the interconnection between private finance and the regulated financial sector plays a crucial role, and weaknesses in information can pose a significant barrier for supervisors trying to mitigate systemic risk.

The high level of uncertainty and the stock market corrections following the US tariff war require a reassessment of the risks banks have taken on. This includes their direct exposure to fund managers and to investors they may have financed, who might have used these investments as collateral against the banks. In such

13 - VCFs and hedge funds: distribution can be either through i) requiring an investment of over €100,000 and the signing of a risk assumption document, or through a personalised recommendation from an intermediary under an advisory service. In cases where the investor's financial assets do not exceed €500,000, a minimum investment of €10,000 is required, provided it does not exceed 10% of the investor's assets. Exceptions include managers and employees of the fund manager, VCFs listed on stock exchanges (MTFs are not eligible), and investors with proven experience in managing or advising VCFs or hedge funds.
- EUSEF and EUVECA: Investment requires more than €100,000 and the signing of a risk assumption document. This does not apply to managers or employees of the fund manager.
- ELTIF: No limitations. Only a suitability test is required.
- EICC: Cannot be marketed to retail investors.

uncertain times, both the valuation of portfolio companies and their effectiveness as collateral are impacted, as well as the creditworthiness of borrowers.

Growing interdependence between private credit managers and banks

From a lending perspective, banks provide financing to private equity and credit funds at three levels: to fund investors (upstream), to the fund managers themselves (midstream), and to the companies backed by these funds (downstream).

Fund managers and banks are becoming more connected through partnerships and alliances where banks offer their client base, and private credit managers increasingly take on roles within the value chain.

According to the asset manager Blackrock, currently, there are four possible types of partnerships between banks and private credit managers:

i) Direct funding from banks to private credit managers with transactions that appear on their asset balance sheets.

ii) Alliances with asset managers for loan origination.

iii) Direct lending through investments in funds made by the banking group's asset managers.

iv) Sale of loan portfolios to private credit managers.

Leverage

According to the Bank of International Settlements (BIS),[14] there are three sources of leverage in private equity transactions: i) the initial debt of the investee company prior to the transaction; ii) the additional debt that private equity managers (general partners, or GPs) incur when financing the acquisition of the target company through loans or bond issues, and iii) subscription credit lines (SCLs), which are loans secured by the committed capital of investors (limited partners, or LPs). Managers use these lines to seek greater flexibility and to reduce the frequency of capital calls from investors.

Over the past decade, a new form of leverage has gained traction as managers struggle to raise new funds in a higher interest rate environment. Some managers have started taking out loans secured by the net asset value of their fund portfolios (NAV loans), instead of borrowing directly from individual companies.

Following the crisis, the role of banks in financing has shifted towards non-bank lenders, as seen in other segments of the market. Recently, several private equity firms have turned to secured loans to pay dividends to pension fund and sovereign investors and to finance acquisitions of companies.

---

14 Aldasoro, Doerr and Zhou (2022).

Leveraged buyouts warrant special attention from supervisors for several reasons:

i) The potential increase in debt for target companies, which could jeopardise their viability.

ii) The role of banks in financing these transactions.

iii) The use of tax engineering to facilitate dividend payments to management through the indebtedness of the acquired company (leveraged recapitalisation dividend).

In its 2017 guide to leveraged transactions, the European Central Bank (ECB)[15] states that credit institutions should classify as leveraged any transaction that meets at least one of the following criteria: i) loans and credits to borrowers with a total debt to EBITDA ratio exceeding 4; and ii) loans or credit exposures where the lender is owned by one or more financial sponsors, defined by the ECB as investment firms engaged in private equity or leveraged lending.

This definition may have contributed to some of these loans transferring from banks to private credit managers. In 2022, the global market saw a significant 50% decline in the issuance of leveraged loans due to macroeconomic uncertainty, alongside private credit financing accounting for over 59% of transactions. However, as Moody's points out,[16] there is a risk that increasing competition between the syndicated loan segment and private credit could lower the lending standards for LBOs when this activity resumes. Data from the ECB's *Q4 2023 European Credit Markets Quarterly Wrap* report indicates that in 2023, 81% of European LBO transactions were financed by private credit, up from 56% in 2021.

Along with leverage, prudential supervisors should also focus on leverage and the relationships and level of activity that credit institutions maintain with private equity and credit managers, as they currently do, especially now, as they increasingly share more stages of the value chain, from origination, structuring, and syndication to distribution.

An ECB article[17] from 2007 highlighted the risks associated with financing LBOs for credit institutions. Authors like Kaplan and Strömberg[18] (2009), who critique private equity practices, argue that LBOs impose significant debt burdens on target companies, which in turn increases credit risk for the banking sector. This can reduce the future profitability of a company by tying up its earnings in interest payments, even if it shows a positive EBITDA.

15 European Central Bank (2017).
16 Financial Times (2023).
17 European Central Bank (2007).
18 Kaplan and Strömberg (2009).

Procyclical activity

Authors such as Bernstein, Lerner, and Mezzanotti (2019),[19] and Aramonte and Avalos from the BIS[20] point out that private equity activity tends to be procyclical and positively correlated with stock market indices.

While interest rates remain closely linked to private capital markets, several factors may mitigate their procyclical tendency:

i) The substantial amount of dry powder held by asset managers, which exceeded $3.7 trillion in mid-2023.

ii) The lack of mark-to-market valuations, which reduces the impact of volatility on portfolios and allows for adjustments to valuations over longer periods, enabling a potential "return to normality".

iii) The closed structure of funds, which prevents forced sales of portfolio assets during periods of market stress.

iv) The comprehensive information that managers have about the companies in which they invest and actively participate in managing. Strong bilateral relationships exist between lenders and borrowers in private credit markets, which enhance credit information and facilitate loan renegotiations.

Reliance of certain sectors/industries on private financing

Private equity activity is highly concentrated in specific sectors such as technology and healthcare, while small and medium-sized enterprises primarily rely on private credit for their financing needs. A slowdown in private finance markets could hinder the availability of funding during the growth and maturation phases of many innovative companies that play a crucial role in job creation.

4.2 Investor protection and market integrity

Retail investor participation in private finance markets

Until recently, retail investors faced significant barriers to investing in private equity and debt markets due to three main factors:

i) Regulatory restrictions that barred them from accessing these types of assets.

ii) High minimum investment thresholds set by asset managers.

iii) A lack of distribution channels tailored for retail investors.

---

19 Bernstein, Lerner and Mezzanotti (2019).

20 Aramonte and Avalos (2021).

Institutional investors remain, by a considerable margin, the primary providers of funds in private finance markets. Recent regulatory changes in both the United States and Europe, along with technological advancements – particularly blockchain technology enabling the tokenisation of fund shares – and the introduction of new open-ended fund structures, have created opportunities for retail investors to access private financing, including in Spain. Currently, there is no evidence of synthetic exposures being sold through derivative instruments in private equity and credit markets. However, should such practices emerge, the risks for retail investors would increase, particularly due to the credit risk associated with derivative counterparties. From a financial stability perspective, this could lead to significant levels of exposure, reminiscent of the subprime crisis involving the underlying real estate assets of structured instruments.

In the EU, the European Parliament approved amendments in 2023 to the regulations governing European long-term investment funds (ELTIFs). These changes aim to channel long-term capital towards financing digital and sustainability transitions, which are crucial for supporting small and medium-sized enterprises and long-term projects in sectors such as transport, infrastructure, and the generation and distribution of sustainable energy. In Spain, Law 18/2022, of 28 September, on the creation and growth of companies (the Create and Grow Law) allows retail investors to acquire shares with a minimum investment reduced to €10,000, down from the previous €100,000 (Article 74 bis). Furthermore, customers must receive a recommendation from an authorised entity providing advisory services, and the investment should not exceed 10% of the portfolio if financial assets are under €500,000.

The FinTech ecosystem is starting to develop various initiatives aimed at establishing a direct channel between fund managers and retail investors. These initiatives focus on digitising most of the investment process, which includes evaluating potential clients, ensuring compliance with MiFID requirements, adhering to money laundering regulations, and facilitating investment once all necessary criteria are met.

Lower levels of liquidity and transparency

Due to the specific characteristics of private equity and credit investments, the potential inclusion of retail investors must occur within a tailored framework that addresses at least two key distinguishing features: restricted liquidity during predefined periods and lower transparency compared to public markets. For supervisors themselves, the gradual shift of activity from public to private markets could have significant implications for their supervisory roles, due to reduced information and the transfer of risks to the private sector.

These characteristics directly affect a crucial aspect of investment decision-making: accurately valuing fund units. The absence of daily secondary markets for portfolio assets, combined with the restriction on selling units to predetermined windows, complicates this process. In times of high volatility and uncertainty, it is common for discrepancies in valuations between public and private markets to increase, which may lead to sales by institutional investors with liquidity windows.

International private equity and credit firms, including pioneers like Blackstone and Goldman Sachs, are introducing open-ended funds (also known as semi-liquid or interval funds) that offer more flexible options for divestment to attract retail investors. These open-ended funds will have liquidity windows based on NAV. However, the lack of a secondary market and inherent illiquidity means that managers will retain control over the valuation of capital redemptions. While these arrangements aim to alleviate some of the illiquidity issues faced by retail investors during specific timeframes, they do not simplify the complexities involved in valuing the underlying portfolios. Blackstone, Vanguard, and Wellington have new plans to form a strategic alliance to launch hybrid funds that include both public and private assets, aimed at high-income and retired retail investors.

It is crucial for fund managers and distributors to enhance guarantees and safeguards when marketing private equity and credit holdings to retail investors. This is already being recognised by many institutions and is appreciated by regulators and supervisors in countries where this type of financing is gaining importance. While investor education is vital, it takes a long and ongoing effort to be effective. Therefore, the industry itself must focus on proper marketing practices to achieve a sustainable diversification of funding sources and avoid potential issues arising from inadequate marketing.

Valuation challenges and information asymmetries

The entry of retail investors poses risks primarily due to the complexities involved in valuations. These complexities arise from several factors: i) the illiquidity and uniqueness of the various investment portfolios managed by private equity firms, ii) the frequent absence of comparable companies, iii) insufficient transparency, and iv) the high valuations typically seen during the final stages before an IPO or sale to another company. Potential investors often encounter information asymmetries when determining the issue price, as business owners possess confidential information about their ventures.

Each private equity fund's portfolio is unique and cannot be replicated, since the companies or projects they invest in are usually owned by a single fund and do not trade on secondary markets. This significantly complicates the valuation process for retail investors due to both a lack of information and the inherent challenges of valuation models, which rely heavily on future business expectations to determine reference prices. Many of these companies are also disruptive within their sectors, further complicating their valuations as they operate in industries characterised by significant network effects, where the first entrant often dominates the market ("winner takes it all").

As noted earlier, start-ups typically go through several rounds of capital raising from their inception before pursuing an IPO or selling to a third party. Investment in late-stage ventures, which include companies with positive sales and EBITDA and are considered pre-IPO, is particularly common in this phase. Start-ups often see substantial increases in valuation that align with the anticipated success of their business plans. The rise in company valuations prior to an IPO carries several risks, including the possibility of inflated valuations that could undermine the

success of the IPO and diminish returns for shareholders and investors in the final pre-IPO rounds, potentially including retail investors drawn in by these high valuations. Valuations of start-ups peaked during the COVID-19 pandemic, as the potential of business models involving significant digital components was often overestimated. With the pandemic receding, expectations for digital business have been revalued, leading to a downward adjustment in valuations. This correction is particularly evident in companies at more advanced stages, as many closed funding rounds between 2020 and 2022 at multiples that are now misaligned with the current market conditions. Some companies, once hailed as unicorns with valuations exceeding $1 billion, have lost their prestigious status and are struggling to achieve viable EBITDA figures, earning them the label of "zombicorns". During new funding rounds, these unicorns often reassess their business models, which can lead to declining valuations as their growth prospects come into question.

While late-stage financing has become synonymous with pre-IPO preparations – evidenced by the substantial amounts raised and the lofty valuations – there is a risk of insufficient scrutiny akin to the thorough evaluations typically mandated for IPOs. This lack of rigorous analysis by regulators, auditors, and investment banks can leave vital financial details and future outlooks unchecked. Moreover, inflated pre-IPO valuations can result in unsuccessful public offerings if the initial share price is set too high, discouraging potential investors in subsequent IPOs.

Data from the CNMV concerning the behaviour and characteristics of retail investors in financial markets in 2022 highlights the significant interest in growing companies. Retail investors accounted for over 35% of transactions in the Ibex Growth Market 15, compared to just 6% in the Ibex 35.

Potential conflicts of interest between different investors

One potential conflict of interest that managers may encounter arises from the extended execution periods for investments made by their vehicles. This situation occurs as investors enter at different valuations during the investment period, while there is a single exit point for all unitholders. Such conflicts can emerge because managers sometimes make investments before finalising the investment vehicles. During the subsequent fundraising period, which typically has a longer horizon than traditional investment funds, the situation becomes more complicated. When investments are liquidated, all investors receive the same exit price, regardless of when they entered the vehicle. During this placement period, the value of the investments often fluctuates based on the viability expectations for each project, and there is no reference market value available for comparison. Consequently, investors may pay different prices depending on when they entered, leaving particularly retail investors unable to assess the suitability of their investment. The application of anti-dilution measures could reduce potential conflicts of interest. The CNMV has also implemented a maximum 24-month limit for attracting investors and established equalisation premiums to ensure fair treatment across the board.

The global drop in IPOs is complicating one of the main avenues for private equity exits and is steering investors towards so-called continuation funds. These funds

enable new investors to join while allowing existing ones to exit and include stakes in companies that haven't managed to go public. In such funds, managers may encounter potential conflicts of interest, as they are involved on both the selling and buying sides. Furthermore, the exit price offered to initial investors will impact the future returns of new investors. Times of high uncertainty and valuation adjustments – especially when valuations are not public – are particularly prone to biases in the prices offered to both new and existing investors.

4.3 Market integrity: contagion from private to public markets

Private equity and credit managers are not required to liquidate positions during periods of market turbulence driven by investor redemptions. Closed-ended private market vehicles invest in unlisted assets, and their valuations typically reflect declines in public markets with a delay of two to three quarters. As a result, it is unlikely that private markets will exert pressure on public markets in terms of price fluctuations. However, significant corrections in public markets can lead to a slowdown in fundraising for private markets and complicate the divestment process through IPOs.

Losses in private markets can impact the overall returns and portfolio values of institutional investors, potentially jeopardising their obligations and limiting their capacity to invest in other segments. This may also necessitate the liquidation of assets in organised markets. Therefore, supervisors need to monitor their exposure and concentration in private markets closely.

5 Conclusions

The following conclusions are drawn from the aforementioned CNMV working paper: *Private finance markets*, which have been expanded to reflect the effects of increased volatility and uncertainty caused by the tariff hikes announced by the United States on 2 April.

Private equity and credit markets have seen consistent growth, particularly notable from the end of 2016 to 2022. The substantial levels of available capital during this period have enabled financing for the more mature stages of companies without the need for public offerings. Moreover, this capital has facilitated larger transactions in both equity and debt, allowing for the financing of larger enterprises.

Private equity and credit markets have become vital tools, complementing public markets, to finance small companies or those in innovative sectors that struggle to secure traditional bank funding. The growth of private credit has largely resulted from banks withdrawing from financing leveraged transactions in response to regulatory changes following the 2008 crisis, as well as the increased capital requirements for loans to SMEs.

The significant development of private markets in recent years goes beyond being a temporary or exceptional trend, even though the past levels of growth are unlikely to be maintained. This evolution is rooted in regulatory changes affecting credit institutions after the financial crisis, alongside structural shifts in the companies seeking financing. While the low interest rate environment has encouraged the entry of investors and funds into private markets, particularly in private equity, several factors are contributing to the ongoing significance of these markets. These factors include the preference for this type of financing within the technology and healthcare sectors, regulatory changes prompting banks to withdraw from financing certain companies, the information costs associated with listed firms, and the governance styles of new economy companies, which typically have lower fixed capital requirements. As noted in the Draghi report, bank financing, with its associated capital costs, often proves unsuitable for innovative companies. In this context, private equity and credit can play a crucial role, as demonstrated by trends in the United States. A potential area for research involves analysing and monitoring the potential impacts of a decline in private funding on industry development, as well as any systemic effects that may arise.

Increased volatility and uncertainty in the markets, such as after the tariff increase announcement on 2 April, can negatively impact both new investment operations and traditional divestment avenues like IPOs and mergers. The entry of new investors could also be affected, along with the need for current investors to reassess and reduce their allocations to private markets due to the denominator effect, which overweights private market allocations when public market prices fall.

A high interest rate environment, such as that observed in early 2022, and situations of high uncertainty could slow the entry of new funds into private equity markets, extend distribution periods, negatively affect the valuations of investee companies, and reduce value creation through leverage. The private credit segment has been expanding and has doubled in size since 2019, driven by a shift of the leveraged lending business from banks to private credit, direct lending, and growing partnerships between banks and asset managers. However, in the weeks following 2 April, there has been a reduction in high-yield bond issuances in the US markets and a tightening of conditions for leveraged loans, with widening credit spreads and a slowdown in transactions.

From a supervisory perspective, the authorities need to monitor private markets closely due to their increasing importance and their interconnections with new economy firms, banks, insurers, regulated markets, and retail investors. In private credit, there are more frequent partnerships and alliances between private credit managers, banks, and insurance companies. These partnerships enable private credit to cover the entire credit value chain, from origination, syndication, and structuring to distribution. Alliances between private credit managers and investment banks are becoming increasingly common. In these partnerships, the managers supply the funds while banks' role is reduced to identifying and engaging potential clients. We can also expect collaborations between private managers and traditional investment funds to emerge, aimed at distributing alternative products to a wider range of investors. Although they do not currently pose an immediate systemic threat based on the growth of assets under management, monitoring procedures should remain in place, particularly during periods of high uncertainty like the one observed since 2 April 2025, when portfolio valuations and borrowers' creditworthiness are affected. While the use of leverage as a value-creating tool has decreased in favour of operational improvements, there has been an increase in add-on acquisitions without debt. This trend necessitates careful analysis and monitoring of relationships with credit institutions and other regulated financial agents, particularly regarding the rising levels of indebtedness among acquired companies. Special attention should be given to ensuring that, following the anticipated recovery in activity, credit quality requirements for LBO financing do not decline ("race to the bottom") due to competition between banks and private lenders. It is also important to track the volume of loans requested by managers that are secured against the value of their assets (NAV loans) and to consider the implications of these transactions for credit institutions. Finally, it is important to assess the growing interrelationships between private equity managers and insurers, particularly in relation to how the acquisition of illiquid assets might impact private pension commitments.

To protect retail investors, safeguards must be implemented when distributing private equity and credit instruments. Their inherent lower liquidity and lack of available information can complicate valuations and may lead to potential conflicts of interest between managers and various investors. The challenging fundraising environment is prompting many fund managers to turn to retail investors for diversification, given their significant growth potential. Plans are in place to launch hybrid funds that include both public and private assets. While private equity and credit investments offer substantial diversification benefits, it is crucial to provide financial education to retail investors. Traditionally less familiar with this asset

class, retail investors need to understand its characteristics to appreciate the benefits of new investment opportunities and be aware of their limitations. This need for education is especially pertinent as retail investors are increasingly drawn to growth companies, as evidenced by their substantial involvement in trading on BME Growth. However, high valuations of more established companies present dual risks. Retail investors may enter at prices that offer limited upside, while there is also the danger of failed IPOs negatively impacting other offerings. European stock exchanges are facing growing competition for IPOs from Nasdaq and NYSE, particularly in companies backed by technology venture capital, which tend to achieve higher valuations.

The scarcity of IPOs, likely worsened by the uncertainty caused by tariffs, is complicating the divestment of private equity portfolios and extending the average holding period by an additional two years beyond the previous average of seven years. This situation has led to the use of continuation funds to provide liquidity to initial investors, thereby allowing new investors to enter and access portfolio companies. However, this also creates conflicts of interest for management companies regarding the valuation of holdings.

Spanish private equity maintains investment levels relative to GDP that are comparable to the European average and surpass those of countries like Germany. The distribution of investments across sectors closely aligns with European averages, and, similar to trends observed across the continent, a substantial majority – 80% in Spain – comes from foreign managers. This reliance on non-EU capital, particularly from the United States, is especially pronounced in funding rounds for more mature companies that require larger amounts of capital. This substantial flow of funds from the United States could be negatively impacted if US fund managers decide to prioritise domestic investments or if there is a reduction in new inflows from third countries, such as China. However, it could be offset if Southeast Asian countries choose to redirect their investments to Europe. A similar situation exists in private credit, where 80% of loans to European companies are sourced from non-EU funds. This is partly due to the fragmented nature of European capital markets, which lack the scale of those in the United States, as highlighted by the Draghi and Letta reports.

Bibliographical references

Aldasoro, I., Doerr, S. and Zhou, H. (2022). "Non-bank lenders in the syndicated loan market". BIS, *BIS Quarterly Review*, March.

Aramonte, S. and Avalos, F. (2021). "The rise of private markets". BIS, *BIS Quarterly Review*, December. Available at: https://www.bis.org/publ/qtrpdf/r_qt2112e.pdf

Ares (2020). *The Rise of Private Markets: Secular Trends in Non-Bank Lending and Their Economic Implications.* February. Available at: https://www.calpers.ca.gov/docs/board-agendas/202207/full/day1/03-c-01-private-debt-background2-a.pdf

Bain & Company (2023). "Global Private Equity Report. Why Private Equity Is Targeting Individual Investors". February. Available at: https://www.bain.com/insights/why-private-equity-is-targeting-individual-investors-global-private-equity-report-2023/

Bain & Company (2024). *Global Private Equity Report 2024.*

Barber, F. and Goold, M. (2007). "The Strategic Secret of Private Equity Why "buying to sell" can generate a much higher return on investment than the public company practice of "buying to keep"". *Harvard Business Review.*

Begum, E., Kant, R., Miller, A. and Sprague, K. (2016). "Grow fast or die slow: Why unicorns are staying private". McKinsey & Company. May.

Berkner, M., Kaufman, J. and Foster, J. (2019). "Dual-Track Processes: How to Turbocharge Your Exit". Harvard Law School forum on corporate governance.

Bernstein, S., Lerner, J. and Mezzanotti, F. (2019). "Private equity and financial fragility during the crisis". *Review of Financial Studies,* Vol. 32, No. 4, pp. 1,309–1373.

BIS (n.d.). "Credit from All sectors to Non-financial corporations at Market value, US dollar, Adjusted for breaks".

BlackRock (2023). *Private debt: a primer.* November.

Bloomberg (2023). *Private equity's latest money-making trade: Buying its own debt.* April.

Boston Consulting Group (2021). *Potential of Private Capital for insurers and pension funds.* January.

Brau, J. C. and Fawcett, S. E. (2006) "Initial public offerings: An analysis of theory and practice". *Journal of Finance*, Vol. 61, pp. 399–436.

CNMV (2023). *Analysis of the behaviour of retail investors in the financial markets during the COVID-19 crisis.*

CNMV (2024). *Preguntas y respuestas sobre la normativa de IIC, ECR y otros vehículos de inversión colectiva cerrados.*

De Mol, A., Ramaswami, I., Rainey, B., Habbel, M. and Skolnik, O. (2023). *Global Private Equity Report Why Private Equity Is Targeting Individual Investors.* Bain & Company.

Dealroom (2024). *The Spanish tech ecosystem Report 2024.* Available at: https://dealroom.co/reports/the-spanish-tech-ecosystem-report-2024

Draghi, M. (2024). *The future of European competitiveness.*

Eccles, R.G., Shandal, V., Young, D. and Montgomery, B. (2022). "Private Equity Should Take the Lead in Sustainability". *Harvard Business Review*, July–August.

Eccles, R.G., Shandal, V., Young, D. and Montgomery, B.(2022). "Private Equity Should Take the Lead in Sustainability". *Harvard Business Review*, July–August.

Erdogan, B., Kant, R., Miller, A. and Sprague, K. (2016). "Grow fast or die slow: Why unicorns are staying private". May.

European Central Bank (2007). *Large banks and private equity-sponsored leveraged buyouts in the EU.* April.

European Central Bank (2017). *Guidance on leveraged transactions.* May. Available at: https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.lever-aged_transactions_guidance_201705.en.pdf

Ewens, M. and Farre-Mensa, J. (2019). *The Deregulation of the Private Equity Markets and the Decline of IPOs.* NBER, Working Paper 26317. Available at: http://www.nber.org/papers/w26317

EY (2022). "EY Global IPO trends 2022". Available at: https://www.ey.com/content/dam/ey-unified-site/ey-com/en-gl/insights/ipo/documents/ey-global-ipo-trends-2022-v1.pdf

EY (2023a). *I Study of private equity fund returns in Spain..*

EY (2023b). *II Study of private equity fund returns in Spain. 2022.*

Financial Stability Board (2023). *The Financial Stability Implications of Leverage in Non-Bank Financial Intermediation.* September.

Financial Times (2023a). "EU tightens rules on leverage for private credit funds". 23 July.

Financial Times (2023b). "Private equity firms offer sweeteners to lure reluctant investors". 7 August. Available at: https://www.ft.com/content/05b0d935-678b-418c-8a86-b1a99bb045ea

Financial Times (2023c). "Private equity firms pivot away from traditional buyouts". 24 September.

Financial Times (2023d). "UK regulator to launch review of private market valuations". 27 September.

Financial Times (2023e). "Moody's warns of 'systemic risk' from leveraged lending market". 28 September.

Gunter, E., Latour, A. and Maquire, J. (2021). "Private Debt: A lesser-known corner of finance finds the spotlight". S&P Global. Available at: https://www.spglobal.com/en/research-insights/featured/special-editorial/private-debt

Gurley, B. (2015). "Investors Beware: Today's $100M+ Late-stage Private Rounds Are Very Different from an IPO". Available at: https://abovethecrowd.com/2015/02/25/investors-beware/

Harris, R. S., Jenkinson, T. and Kaplan, S. (2012) . "Private Equity Performance: What Do We Know?". *Journal of Finance.*

IOSCO (2023). *Thematic Analysis: Emerging Risks in Private Finance Final Report.*

Jensen, M.C. (1989). "Eclipse of the public corporation". Harvard Business Review, *Magazine*. September–October.

Jensen, M.C. (1993). "The modern industrial revolution, exit, and the failure of internal control systems". *The Journal of Finance*, pp. 831–880.

Kaplan, S. and Schoar, A. (2005). "Private equity performance: return, persistence and capital flows". *Journal of Finance*, Vol. LX, no. 4, pp. 1791–1823. Available at: https://web.mit.edu/aschoar/www/KaplanSchoar2005.pdf

Kaplan, S. and Strömberg, P. (2009). "Leveraged buyouts and private equity". *Journal of Economic Perspectives*, Vol. 23, pp. 121–146.

Latour, A. (2021). "Covenant-lite deals exceed 90% of leveraged loan issuance, setting new high". S&P Global. Available at: https://www.spglobal.com/market-intelligence/en/news-insights/articles/2021/10/covenant-lite-deals-exceed-90-of-leveraged-loan-issuance-setting-new-high-66935148

Lukatsky, M. (2022). "Leveraged loan financing for LBOs deteriorates as cost of debt rises". Pitchbook, October. Available at: https://pitchbook.com/news/articles/leveraged-loan-financing-for-lbos-deteriorates-as-cost-of-debt-rises

McKinsey & Company (2023). *Global Private Markets Review 2023: Private markets turn down the volume.*

McKinsey & Company (2024). *Private markets: a slower era.*

McKinsey & Company (2024). *The next era of private credit.*

Moonfare (2023). *Navigating Private Equity Value Creation Primer.*

Nadauld, T., Sensoy, B. A., Vorkink, K. and Weisbach, M. S. (2016). *The Liquidity Cost of Private Equity Investments: Evidence from Secondary Market Transactions.*

Oliver Wyman (2023). *Clean Energy Startups Radar.*

Phalippou, L. (2024). The Trillion Dollar Bonus of Private Capital Fund Managers.

Pitchbook (2022). "European PE breakdown".

PitchBook (2023a). "The evolution of private markets secondaries".

Pitchbook (2023b). "Private equity vs. venture capital: What's the difference?". Pitchbook Blog, February. Available at: https://pitchbook.com/blog/private-equity-vs-venture-capital-whats-the-difference

Simmons & Simmons (2022). "Recent Spanish tax developments impacting dividend recaps". Available at: https://www.simmons-simmons.com/en/publications/cl8lgik425q430b24svyk3ktm/recent-spanish-tax-developments-impacting-dividend-recaps

The Economist (2023). "Big business. Goliath´s triumph". 26 August.

The Economist (2024). "Private Markets. In for a trillion". 27 January.

Analysis of the portfolios of retail investors in the Spanish equity market from 2020 to 2024

Guillermo Cambronero Pérez (*)
Daniel García Ruiz

(*) The authors are members of the Research and Statistics Department of the CNMV's Strategic Policy and International Affairs Directorate-General.

Table of contents

List of figures

List of tables

Abstract

This study **examines the investment choices of retail investors** in the Spanish equity market from 2020 to 2024, highlighting the characteristics and performance of their portfolios throughout the period. The analysis is based on data from transactions involving Ibex 35 shares by retail investors over these five years. This timeframe includes **various phases of the financial markets**, heavily impacted by the COVID-19 pandemic, leading to significant market turmoil with high volatility and sharp declines in share prices. Following this, the markets gradually stabilised.

The report's findings are supplemented by an **interactive dashboard,**[1] available on the CNMV's official website and accessible from any electronic device. This dashboard allows users to view the main dynamic charts presented in the study and customise them by selecting variables like the year, the sector of the companies invested in, or investor characteristics such as gender and age. This gives users the flexibility to tailor the information to their specific needs and enables a more efficient visualisation of the data. The dashboard is set to be updated regularly with data from future periods.

Despite extensive literature recommending portfolio diversification as a strategy to reduce risk and achieve sustained positive returns, various studies show that many retail investors **tend to significantly concentrate their investments**. In Spain, this pattern is evident, as the average number of securities per investor between 2020 and 2024 was 1.98, with a high percentage of portfolios consisting of a single security. In 2020, this percentage was 60.3%, with slight fluctuations in subsequent years, ending 2024 at 60.4%, similar to the start of the study period.

Consequently, the **average sectoral HHI**[2] **(Herfindahl-Hirschman Index)** during the period was close to 1 (0.83), indicating low portfolio diversification. Over the five years, the index showed little variation, remaining between 0.83 and 0.84. While this index is typically used to measure companies' market power, in this context it helps analyse the weight of different sectors in investors' portfolios, based on the volume allocated to each sector.

1 Dashboard for retail portfolios.

2 It is calculated by summing the squares of the weights of the sectors that make up the portfolios. The index ranges from 0 to 1, with values close to 0 indicating high diversification and values close to 1 indicating low diversification.

Between 2020 and 2024, retail investors **primarily operated** in the financial sector, which accounted for 34.2% to 38.9% of the total portfolio volume. The energy sector followed, with its share ranging from 21.9% to 26.3%. However, the two sectors followed very different paths: the financial sector's share steadily increased from 2021, while the energy sector's share declined. The industrial sector was the third most represented, with its share varying from 13.1% in 2020 to 17.4% in 2024.

Portfolio volumes showed an irregular pattern throughout the period. After rising from €4,701 in 2020 to €4,992 in 2021, the median volume decreased in 2022 to €4,878. In 2023, however, it increased significantly, reaching €5,509, and remained at that level through the final year of the study, ending the period at €5,629.

Despite the high concentration in portfolios, **performance over the period was positive**. The proportion of investors outperforming the Ibex 35 ranged from 42.6% to 61.5% over the five years. Overall, more than half of the retail investors (53.1%) achieved an average return higher than the variation of the index. The Ibex 35 had an average change of 4.9%, while investors' average return was 7.8%.

12.5% of retail investors consistently outperformed the Ibex 35 over the five years analysed, and **5.7% exceeded the performance of the CPI**. The portfolios of these investors had significantly higher volumes than average. While the median volume across all portfolios was €5,112, those who consistently outperformed the Ibex 35 had a median volume of €16,267. For the group surpassing the CPI throughout the period, the median volume was even higher at €18,017. This suggests these investors were better informed than the average, leading them to allocate more capital to their portfolios. This group also showed a stronger preference for the financial sector, with financial assets accounting for 82.1% of the portfolios of those who outperformed the Ibex 35 and 63.8% for those who achieved sustained outperformance against the CPI.

Overall, **women achieved higher gains than men** across most age groups throughout the period, with the differences growing over time. In fact, in 2023, women outperformed men in every age category. This difference in returns cannot be attributed to higher risk-taking, as both groups maintained similar levels of risk throughout the entire period.

The study provides a detailed analysis of the characteristics of retail investors' portfolios in the Spanish equity markets in recent years, as well as insights into the investors themselves. It reveals that **the majority of portfolios are small and highly concentrated.** Nevertheless, **these portfolios have delivered favourable returns**. The econometric analysis indicates a positive relationship between portfolio appreciation and concentration, and a negative relationship with portfolio size and risk. Women, who make up about a quarter of investors, consistently achieved higher returns than men. The analysis of investment sectors shows that retail investors capitalised on the strong performance of the financial sector, which was driven by the monetary policy at the time. A significant number of investors chose to invest exclusively in this sector.

This study, centred on a short-term analysis, offers valuable insights for the period examined. However, the limited timeframe of the data restricts the ability to draw conclusions applicable to a longer-term context. Extending the analysis period and incorporating variables related to investors' income and financial literacy would be beneficial, though this has not been feasible due to the nature of the data.

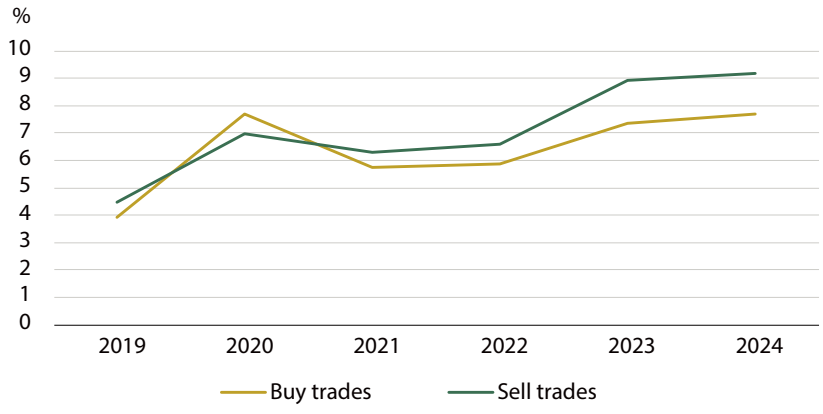
1 Introduction and motivation for the study

In recent years, retail investor participation in equity markets has grown significantly, driven by factors like the rise of online investment platforms and market globalisation. Following the pandemic, many investors saw their savings increase due to reduced consumption, and they took this opportunity to start trading in the markets. Consequently, the behaviour of retail investors has gained increasing attention both nationally and internationally. The investment choices of retail investors, regarding both asset selection and strategies, have shown important patterns that warrant deeper analysis.

Several studies have explored the increase in market participation by retail investors since the COVID-19 pandemic (Ortmann, Pelster and Wengerek, 2020). In 2022, the CNMV published a study on retail investor trading in the Spanish equity market during 2019 and 2020, along with an interactive dashboard that presented the analysed data. Since the publication of this study, the dashboard has been continuously updated with data from subsequent years, covering the period from 2019 to 2024.

The results show that, in recent years, the proportion of retail investors in the total trading volume of shares listed on the Ibex 35 has been increasing significantly. In 2019, before the pandemic, retail investors accounted for 4.0% of buy trades and 4.5% of sell trades. During the pandemic and lockdown, their participation rose to 7.7% for purchases and 7.0% for sales. Although these figures fell in 2021, following the shock in 2020, they stayed above pre-pandemic levels. From 2022 onwards, retail investors' participation resumed an upward trend, reaching 7.5% of total purchases and 9.1% of total sales in 2023.

Retail investor presence in total trading of Ibex 35 securities on Spanish stock exchanges FIGURE 1



Source: CNMV.

Given the growing influence of retail investors in trading Ibex 35 securities, it is crucial to analyse their investment decisions by examining the composition of their portfolios and tracking changes over time. Additionally, considering the varying performance of the Ibex 35 in recent years, it is particularly interesting to study the choices of investors who have consistently outperformed the index over the past five years. The findings and insights from this study can also support the CNMV's goal of protecting retail investors.

This study examines the characteristics of retail investors' portfolios in Ibex 35 securities and their appreciation or depreciation from 2020 to 2024. It focuses particularly on investors who have consistently achieved favourable results throughout the study period. The research analyses the composition of their portfolios and their performance at the end of each year. It also explores investor characteristics such as gender and age. Using the available data, various regressions are conducted to identify factors that might be associated with achieving favourable returns.

The study has several main objectives: i) analysing how retail investors shape their portfolios based on gender and age group, ii) evaluating portfolio performance at the end of each year, iii) identifying the percentage of investors who have consistently outperformed benchmark indices during the study period and examining their investment decisions, and iv) determining which factors and characteristics most significantly impact portfolio appreciation.

The data used in this study are published in aggregate form on an interactive dashboard available on the CNMV's official website. This dashboard allows users to adjust the variables in the figures according to their specific needs, enabling intuitive access to tailored data. The dashboard will be periodically updated with data for upcoming quarters.

Section 2 of this report provides details about the data sample used for the analysis. The subsequent sections explore the characteristics of the portfolios and their performance over the study period, with a particular focus on the group of investors who achieved consistently favourable returns. This is followed by a statistical analysis aimed at identifying factors that could explain portfolio performance. Finally, the study's conclusions are presented, and possible avenues for future research are proposed.

2 Description of the data sample

This section details the data sample used for the analysis. The sample consists of information available to the CNMV due to MiFIR regulations on retail investor transactions. It includes buy and sell decisions for Ibex 35 securities between 2020 and 2024, as well as descriptive indicators such as age and gender. Using this information, we reconstructed each investor's portfolio at the end of each period and calculated their annual appreciation and a risk indicator, drawing on share prices and Ibex 35 data from the commercial provider Refinitiv. Additional data was obtained from the European Central Bank (ECB) and the Spanish National Statistics Institute (INE).

This study aims to analyse the behaviour of retail investors in financial markets and examine how their decisions have affected the returns achieved. Data from transactions by retail investors on Ibex 35 shares during the period from 2020 to 2024 was used for this purpose. For the purposes of this study, a "retail investor" is defined as any natural person, regardless of their level of investment knowledge or experience. This definition slightly differs from the one in current legislation, as the Spanish Securities Markets and Investment Services Act, in Article 192, distinguishes between retail and professional clients. Article 204 defines professional clients as "those who are presumed to have the necessary experience, knowledge, and qualifications to make their own investment decisions and correctly assess their risks", while Article 193 defines retail clients as "those who are not professionals". However, for analytical purposes, this study groups all natural persons under the category of retail investors, regardless of their knowledge level or experience.

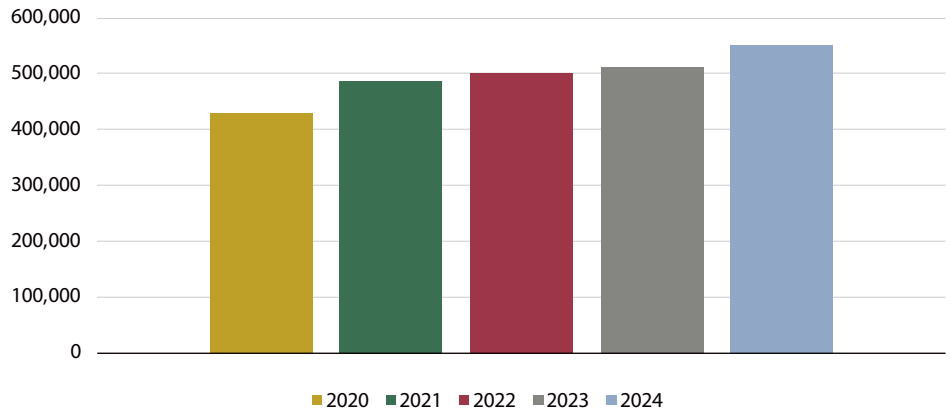
According to MiFIR regulations (Regulation (EU) No. 600/2014) in Article 26, investment firms that execute transactions involving financial instruments must report these transactions to the competent authority. The data for this analysis comes from transaction reports and order records provided by investment firms, the Financial Instruments Reference Database (FIRSD), the ECB statistical database, and the Continuous Register Statistics compiled by the INE.

This data has been verified according to the relevant regulatory standards before being included in the databases. To address potential minor errors or inconsistencies, a set of additional quality controls has been applied – in case there are minor errors or inconsistencies – to ensure the dataset is reliable, consistent, automated, and standardised. Occasionally, the regulatory report structure may not facilitate study preparation effectively. Therefore, data transformation is necessary to achieve an appropriate distribution, ensuring the analysis process is as efficient as possible.

The analysis in the following sections draws on trading data from retail investors in Ibex 35 securities. The focus is on transactions from individual accounts since shared accounts do not allow for demographic classifications, such as the investor's gender and age. The data spans from 1 January 2020 to 31 December 2024, enabling an annual examination of investors' portfolio characteristics during significant shifts in the financial markets. This timeframe covers an initial phase of significant disruptions due to the onset of the COVID-19 pandemic and the subsequent gradual recovery.

The study sample consists of a total of 730,736 portfolios that have been reconstructed from the purchase and sale transactions of each investor. The annual revaluation of each portfolio is determined using the weighted average cost accounting method. This involves dividing the total acquisition price of the shares by the number of shares acquired. The resulting average cost allows the estimation of revaluation after the shares are sold or at the year's end by examining their closing value. The number of portfolios analysed each year increased from 427,601 in 2020 to 551,084 in the last year. This growth is primarily because the majority of the portfolios reconstructed in the first year remained active in subsequent years, with additional portfolios being added over time.

Number of portfolios analysed each year during the study period (2020–2024) FIGURE 2



Source: CNMV.

As noted earlier, the financial markets experienced various phases during the study period, showing significant year-to-year differences. This trend is evident in the fluctuations of the Ibex 35 over these years. The index saw its sharpest changes in 2020, 2023, and 2024, with rates of -15.5%, 22.8%, and 14.8%, respectively. In contrast, 2021 and 2022 experienced less dramatic changes, with rates of 7.9% and -5.6%, respectively. Given these fluctuations in the overall market index, examining whether investors' portfolios underwent similar changes, including variations in performance, is highly relevant.

Demographic data indicates that 73.9% to 75.2% of investors in the sample are male, while females constitute between 24.8% and 26.1%. The gap between these figures appears to have narrowed slightly during the study period; the female participation was 25.1% in 2020 and increased to 26.1% by the end of the period.

The age of investors provides valuable insights into potential changes in retail investor behaviour. The analysis divides the sample into four age brackets: 18–34, 35–49, 50–64, and 65–99. Table 1 shows that the percentages remained relatively stable over the five years. The most notable change occurred in the 35–49 age group, where the proportion of investors decreased from 35.9% to 32.8% during the study period. Despite this decline, they retained the highest percentage, followed by the 50–64 age group.

Descriptive statistics of the data sample TABLE 1

%

	2020	2021	2022	2023	2024
Gender[1]					
Men	75.19	74.36	74.16	73.88	73.95
Women	24.81	25.64	25.84	26.12	26.05
Age[1]					
18–34	16.47	16.51	16.36	16.68	18.09
35–49	35.85	34.49	34.02	33.41	32.84
50–64	28.00	28.60	28.98	29.00	28.71
65–99	19.68	20.40	20.64	20.92	20.36

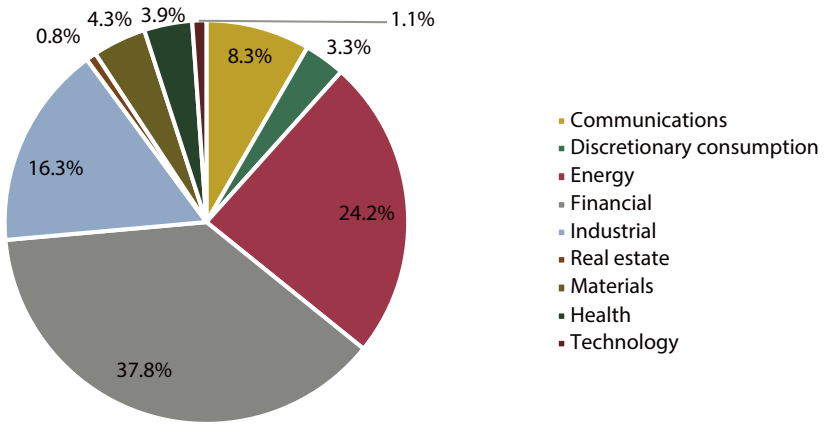
Source: CNMV.

1 Prepared from data of the individual transactions carried out with Ibex 35 securities, excluding those of accounts with shared ownership.

The financial sector accounted for the highest trading volume among the securities included in the portfolios, making up 37.8% of the total traded by retail investors from 2020 to 2024. It was followed by the energy sector at 24.2%, the industrial sector at 16.3%, and communications at 8.3%. Although these percentages fluctuated during the period, the relative positions of the sectors remained unchanged. Over the past three years, the two leading sectors took different paths. The financial sector's share increased since 2021, reaching 39.4%, while the energy sector's share declined over this three-year period. Despite these shifts, both sectors continued to be the most significant.

Volume of total portfolios by sector between 2020 and 2024

FIGURE 3



Source: CNMV.

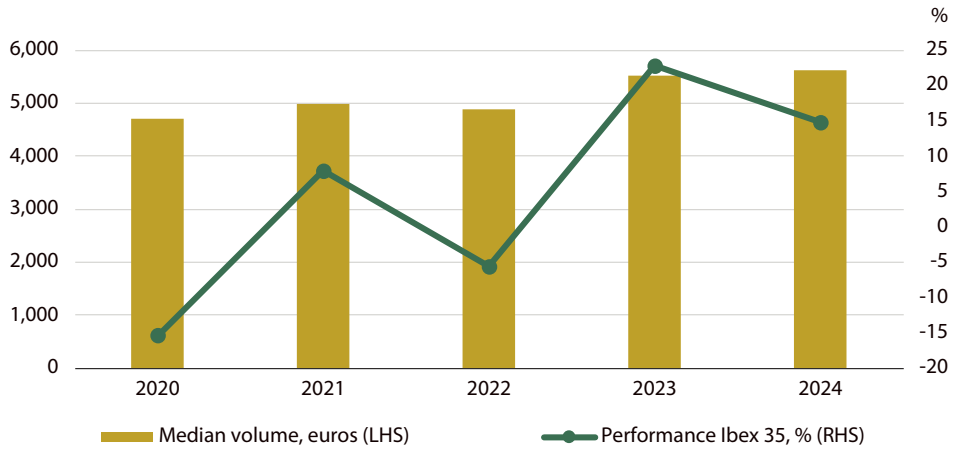
3 Main portfolio metrics in the 2020–2024 period

3.1 Main aspects for the period as a whole

This section examines the main characteristics of retail investors' portfolios during the period from 2020 to 2024. Various variables are analysed through the central values recorded and their changes over this time.

Starting with portfolio size, the median value for the period was €5,112, with significant growth noted in 2023. Figure 4 illustrates that after an increase from 2020 to 2021, followed by a slight decline, the median portfolio size in 2022 was €4,878. However, it increased substantially the following year to €5,509 and stood at €5,629 by the end of the period. There is a correlation between the Ibex 35's performance and the size of the portfolios: in years when the Ibex 35 performed well, the median portfolio size grew. The positive performance of the Ibex 35 not only led to an increase in the value of more portfolios but also likely boosted investor confidence, encouraging more investment activity.

Median portfolio volume between 2020 and 2023 FIGURE 4



Source: CNMV.

One of the most notable aspects is that, despite many economic and financial theories advocating diversification – spreading investments across different, uncorrelated assets to reduce risk – a significant proportion of retail investors invest in only one security. Between 2020 and 2024, the average number of securities per investor was nearly 2 (1.98). Recently, there has been an upward trend in the average number of securities per investor. In 2021, it was 1.92, increasing slightly to 1.97 in the following year, and reaching 2 in 2023. In the final year, there was a more significant increase, with the average reaching 2.07 by the end of the period.

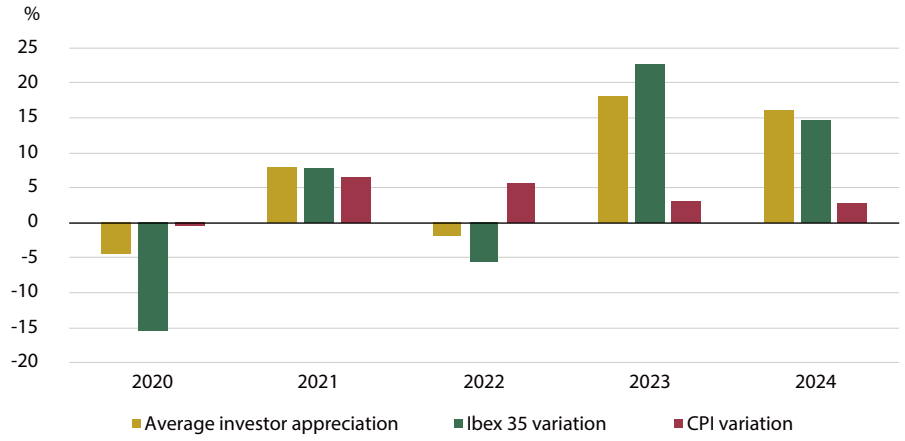
This trend is linked to the percentage of retail investors with portfolios consisting of shares in one or two companies, which ranged from 77.3% to 79.2% between 2020 and 2024, with the highest figures in 2024 and 2021, respectively. Approximately four out of five investors had portfolios composed of two or fewer securities. Consequently, the average sectoral HHI (Herfindahl-Hirschman Index) for the period was close to 1 (0.83), indicating low diversification in the portfolios, with minimal fluctuation over the five years, remaining between 0.83 and 0.84.

When analysing these concentration levels by gender and age, some interesting differences become apparent. Women's portfolios were generally more concentrated than men's. The percentage of female investors with portfolios consisting of a single security ranged from 65.1% to 67.0%, compared to 58.7% to 60.0% for men. Examining the age groups, from 2021 onwards, the 18–34 age group had the highest percentage of investors with a single security, ranging from 65.7% to 66.2% over these four years (whereas in 2020, it was the 65–99 age group). The group with the highest percentage of single-security portfolios was young women aged 18–34, ranging from 67.9% to 70.3%.

Regarding portfolio size, an increase in portfolio size corresponded with a greater number of different securities included. Between 2020 and 2024, the average percentage of investors with single-security portfolios, specifically in the group with a portfolio size of less than €2,500, was between 81.6% and 84.4%. Portfolios with volumes between €2,500 and €7,500 see their percentages decrease to a range of 65.5–70.5%. In portfolios over €7,500, the percentage drops significantly to between 38.2% and 39.5%. This change likely contributed to the increase in the average value per investor in 2023, as the median volume grew from €4,422 to €5,040 during that year. Investors who allocated smaller amounts tended to focus on a single security they knew well or were familiar with, while those investing larger sums chose to diversify their portfolios more.

Given the limited diversification of some portfolios, they might not have performed well over the period. However, the average annual appreciation was 7.8%. When comparing with benchmark indices like the Ibex 35 or the CPI, 53.1% of retail investors outperformed the Ibex 35's average change of 4.9%, and 56.3% surpassed the CPI's 3.5%. Particularly notable are the investors who consistently outperformed these indices each year. Among all retail investors studied, 12.5% achieved returns higher than the Ibex 35 annually, while only 5.7% did so in relation to the CPI. Figure 4 highlights that the negative movements of the Ibex 35 in 2020 and 2022 made it especially challenging to secure positive returns above the CPI.

Average appreciation of retail investors and performance of the Ibex 35 and CPI FIGURE 5



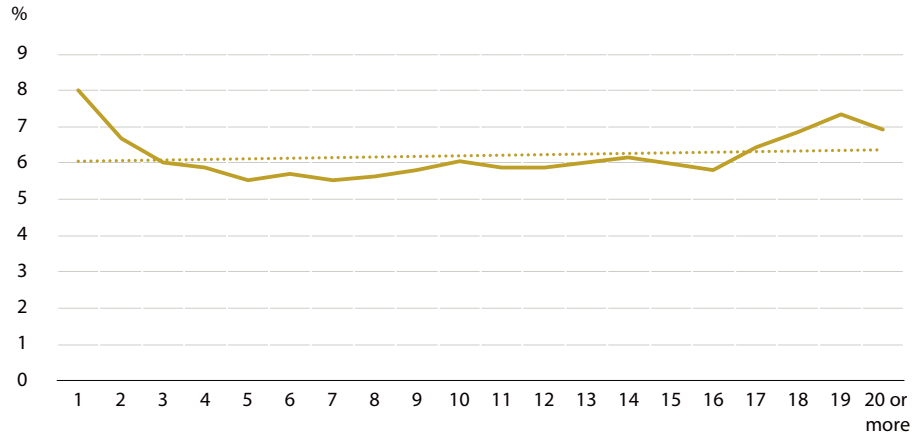
Source: CNMV.

A study by Ivković, Sialm, and Weisbenner (2004) on the concentration of securities listed on the S&P 500[3] in investors' portfolios presents various reasons for this high concentration. They mention the fixed costs associated with trading securities, which suggests that for investors with limited wealth, it might not be profitable to maintain a portfolio with a broad range of different assets. Behavioural factors, such as familiarity with the companies in which they invest or an overconfidence in their investments, could also play a role. Massa and Simonov (2005) report that retail investors, particularly those making smaller investments, often select shares based on familiarity. Lastly, the reason could be the ability to identify shares with high expected returns.

Ivković, Sialm, and Weisbenner (2004) argue that if the under-diversification of portfolios is solely due to behavioural biases, then concentrated portfolios should not, on average, outperform diversified ones. However, if it results from having favourable information about certain investments, this would be reflected in the returns. This aspect can be assessed by examining the average annual return based on the number of securities in the portfolio. Figure 6 illustrates that investors with portfolios composed of a single security achieve the highest average return. Following this, the average returns remain relatively stable at around 6%. Finally, when the number of securities rises to quite a high number (17 securities), higher returns are evident.

3 See Ivković, Sialm, and Weisbenner (2008).

Average annual appreciation based on the number of securities that make up the portfolio FIGURE 6



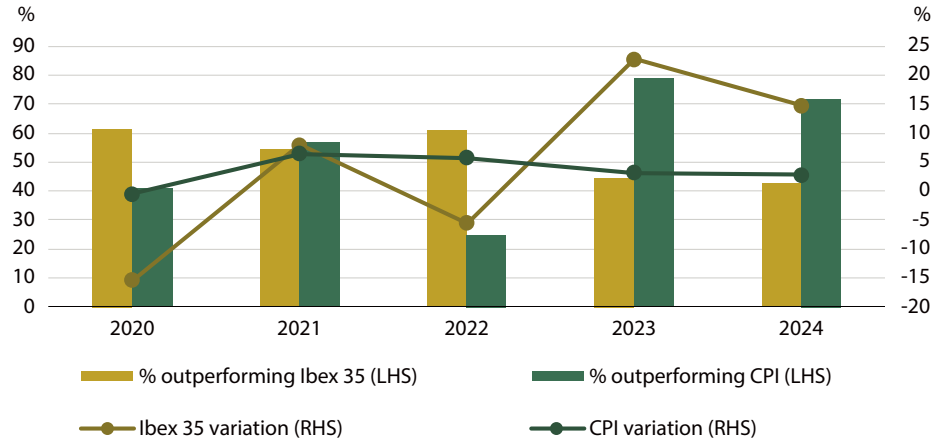
Source: CNMV.

The average appreciation of retail investors generally followed an upward trend over the period, with some fluctuations, similar to that of the Ibex 35. However, during the years when the index experienced negative changes, the decline in the average appreciation of portfolios was not as steep as that of the index. Thus, it can be stated that portfolio appreciation was less volatile than the Ibex 35. Regarding the CPI, in the years when the average portfolio appreciation was positive (2021, 2023, and 2024), portfolios outperformed the index. In contrast, the CPI outpaced the average portfolio performance in the other two years.

Some studies, like the one by Barber and Odean (2000), which analysed the performance of retail investors in US equity markets from 1991 to 1996, concluded that retail investors generally underperformed the markets they operated in. However, in this study, throughout the entire period, the average annual appreciation of portfolios was 7.8%, exceeding the Ibex 35's 4.9%, as previously mentioned.

Each year, roughly 40% to 60% of retail investors outperformed the Ibex 35, with the lowest percentage at 42.6% in 2024 and the highest at 61.5% in 2020. Meanwhile, the percentage of retail investors exceeding the CPI ranged from 24.9% in 2022 to 78.9% in 2023.

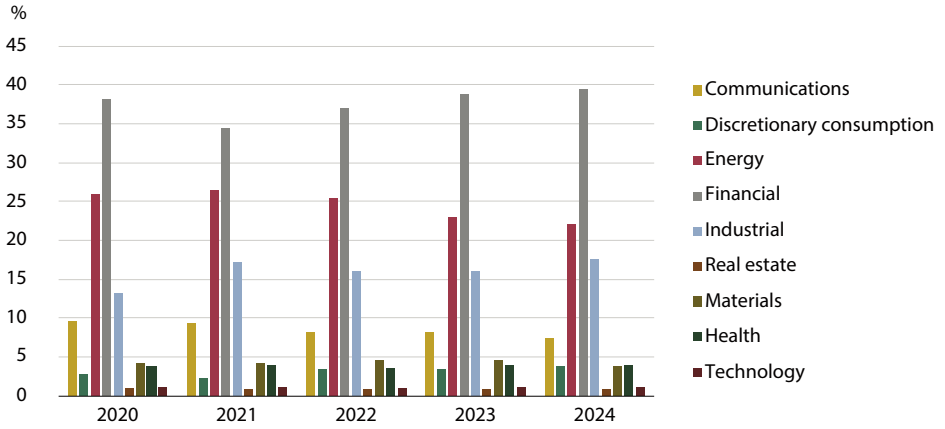
Ibex 35 and CPI performance and percentage of retail investors outperforming them FIGURE 7



Source: CNMV.

Based on these data, it is important to identify the sectors of the companies in which retail investors primarily invested. Over the five years studied, retail investors predominantly focused on the financial sector, which comprised 37.8% of the portfolio volumes, followed by the energy sector at 24.2%. However, as previously mentioned, these sectors followed different trends. The financial sector's share has been rising steadily since 2021, while the energy sector's share has been declining. The growing appeal of the financial sector can be partially attributed to the positive effects of significant interest rate hikes implemented by central banks to combat inflation. These hikes led to substantial increases in the net interest margins of financial institutions.

Volume of total portfolios by sector between 2020 and 2024 FIGURE 8



Source: CNMV.

As mentioned earlier, 12.5% of investors consistently outperformed the Ibex 35, achieving an average return of 17.4%. While the average number of securities per investor from 2020 to 2024 was 1.98, with a sectoral HHI of 0.83, this specific group had an average of 1.48 securities and an HHI of 0.93. This indicates that the portfolios of investors who beat the Ibex 35 annually were even more concentrated than the average portfolios.

For those investors who exceeded the CPI each year, the estimated percentage is lower, at 5.7%, but these portfolios had an average return of 17.5%. In this case, the average number of securities in their portfolios was 2.1, higher than those consistently outperforming the Ibex 35 and the overall average portfolio. As a result, these portfolios were less concentrated than usual. The HHI was also lower than that of the average investor, at 0.83.

Between 2020 and 2024, the average risk[4] of the portfolios was 0.32. Since the calculated risk indicator ranges from 0 to 1, one might say that investors generally did not diversify their portfolios but also did not opt for high-risk strategies. Throughout this period, the average risk taken by investors decreased, dropping to 0.24 in 2024 from 0.54 in 2020. This trend is not only a consequence of investors' choices but is also influenced by the varying conditions in the financial markets, as securities carried much higher risks during the pandemic.

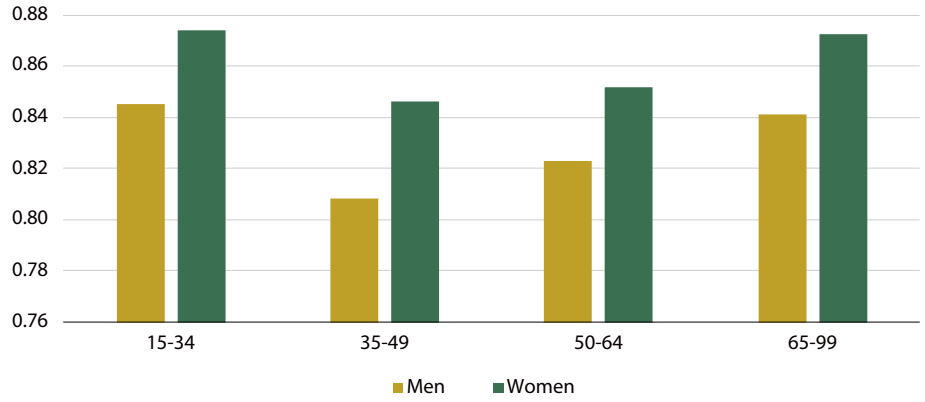
Analysing portfolio concentration by investors' demographic characteristics shows that women concentrated their investments more than men. During the study period, the percentage of portfolios containing only one security ranged from 65.1% to 67.0% for women, compared to 58.7% to 60.0% for men. Consequently, the sectoral HHI was higher for women, at 0.86 for the entire period, while it was 0.83 for men.

Considering the investors' age groups, those with the fewest different securities in their portfolios were the youngest, aged 18 to 34. Between 61.7% and 66.2% of this group invested in only one security, resulting in an HHI of 0.85. In contrast, the age group with the least concentrated portfolios was investors aged 35 to 49, with 57.6% to 59.0% investing in just one security, and their HHI was 0.82. For investors under 35, a possible reason for this trend could be the lower investment volumes typical among young people. The median size of their portfolios is by far the smallest, at around €1,500. However, this reasoning does not hold when looking at the group with the least concentrated portfolios, as they do not have the highest median portfolio size. Throughout the period, the median portfolio size has been positively correlated with the investor's age. Interestingly, the second youngest group recorded the lowest concentration in their portfolios.

4 The risk indicator is based on two components: the daily returns of assets during the study period and the covariance matrix among different assets, which is calculated annually. This indicator is influenced by the volatility of individual security returns and, collectively, by the covariances of the securities within the portfolios. It ranges from 0 to 1, where 0 represents the minimum risk and 1 the maximum.

HHI by age and gender of investors

FIGURE 9



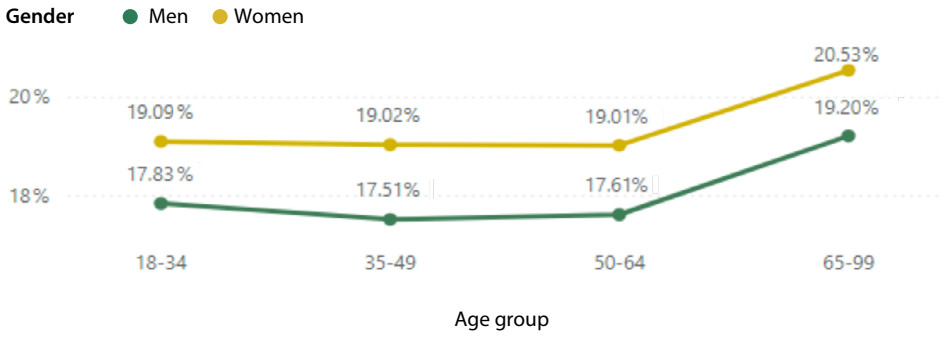
Source: CNMV.

The analysis of median volumes by age group and gender over the period shows that men aged 65 to 99 had the highest median portfolio volume. Women aged 18 to 34 had the lowest volume in 2020 and 2021, while men in the same age group had the lowest in 2022 and 2023. Portfolio sizes generally increased with the investor's age, and men tended to invest more as they got older. The youngest group is the only exception to this trend; in 2022 and 2023, women in this group had a higher median volume than men. All age groups saw their portfolios grow over the five years, except for those aged 18 to 34.

Throughout the entire period, and particularly in 2023, women achieved a higher average appreciation than men. That year, women's portfolios grew by 1 to 2 percentage points more than those of men across all four age groups. While the average risk was the same for both genders, at 0.24, differences were found in portfolio concentration. The average sectoral HHI was 0.83 for men's portfolios and 0.86 for women's. Thus, women achieved higher returns with less diversified portfolios.

Average appreciation by gender and by age groups in 2023

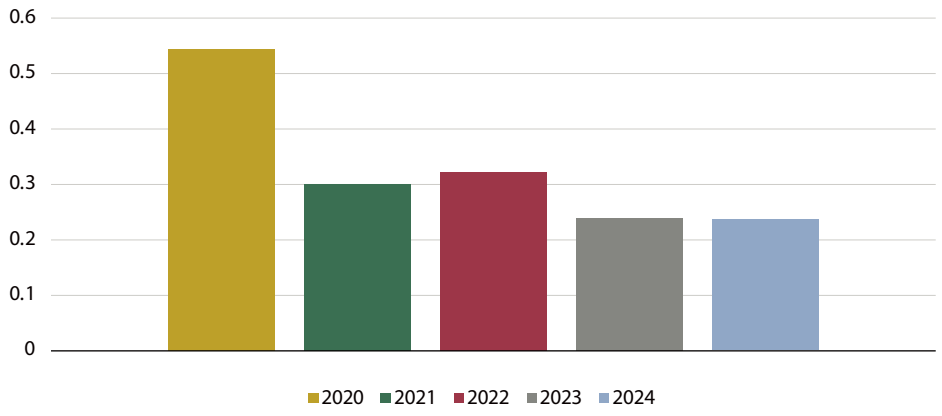
FIGURE 10



Source: CNMV.

As mentioned earlier, the average risk of portfolios has followed a downward trajectory since the year of the COVID-19 pandemic, when it was 0.54, decreasing to 0.24 by 2024.

Average risk assumed by retail investors between 2020 and 2024 FIGURE 11



Source: CNMV.

3.2 Key metrics in 2024

In 2024, the Ibex 35 grew by 14.8%. This increase was driven by central banks lowering interest rates, which created a more favourable environment for business development and boosted investor confidence. This section examines the main characteristics of retail investors' portfolios that year.

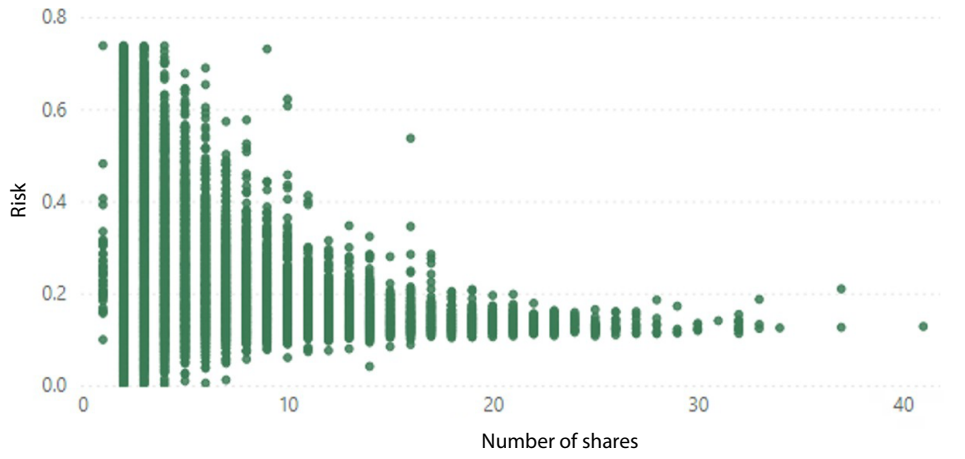
There were 551,084 portfolios in 2024, a 7.6% increase from the previous year. Of these, 60.4% contained only one security, a decrease of 0.7 percentage points from 2023. The average number of securities per investor rose by 3.5% to 2.1. This increase is partly attributable to the growth in the median portfolio size, which rose from €119.7 to €5,629. As noted earlier, larger portfolios tend to be more diversified because investors spread their investments more widely.

The average appreciation of the portfolios was 16.3%, higher than the Ibex 35 but lower than in 2023, mainly due to the overall lower market appreciation. The average risk of the portfolios was 0.24, identical to 2023, as was the average sectoral HHI, which remained at 0.83. Comparing 2024 portfolio performance to the Ibex 35's 14.8%, 42.6% of investors outperformed the inde3x. When compared to the CPI of 2.8%, 71.6% of investors achieved a higher appreciation.

Male investors had a slightly higher average return, at 16.3%, compared to 16.1% for female investors. In 2024, women's portfolios surpassed those of men only in the youngest investor group, aged 18 to 34. Both genders had the same average risk, at 0.31. However, differences emerged in concentration; the average sectoral HHI for men's portfolios was 0.83, while for women's, it was 0.86.

Examining the relationship between the number of securities in portfolios and their risk reveals a wide range of risk among portfolios with fewer securities. This variation is due to the large number of such portfolios and the differing levels of risk aversion among investors. As portfolios include more securities, their specific risk decreases due to increased diversification. Figure 12 illustrates how risk diminishes as the number of securities grows, although this reduction becomes less significant in portfolios with a large number of securities, as diversification cannot entirely eliminate risk.

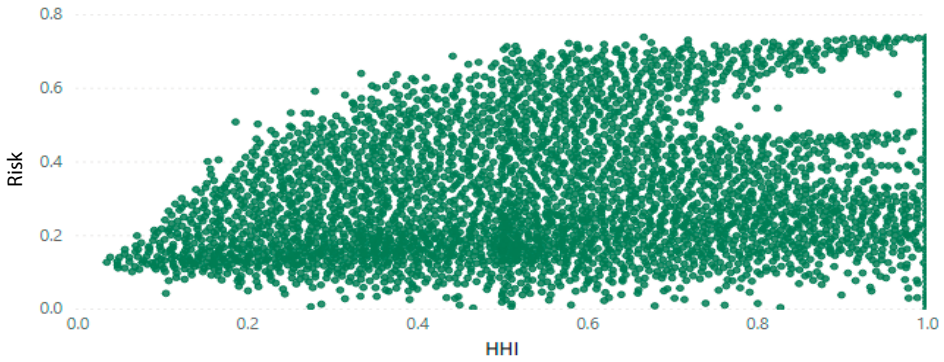
Average appreciation by gender and by age groups in 2023 FIGURE 12



Source: CNMV.

Examining the relationship between concentration level, measured by the HHI, and risk shows that more diversified portfolios have lower risk levels. As concentration increases, the risk range widens (see Figure 13). A significant number of portfolios have an HHI of 0.5, representing a wide range of risk values. Many of these portfolios consist of two securities from different sectors with equal investment amounts. There is also a wide range of portfolios with an HHI of 1, composed solely of securities from the same sector, leading to high variability in risk.

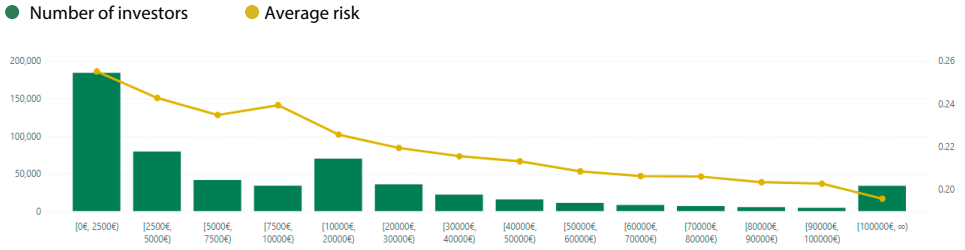
Relationship between risk and concentration level of portfolios in 2024 FIGURE 13



Source: CNMV.

Finally, the relationship between portfolio size and risk taken is analysed. Figure 14 illustrates the average risk of portfolios based on their size. Initially, it is clear that most portfolios are not large. Over the five years, about half of them (between 47.8% and 51.4%) had a size of less than €5,000. Risk tends to decrease as portfolio size increases. This decline is more pronounced in the initial stages, with a noticeable reduction in risk as the volume grows.

Portfolio volume and risk assumed by retail investors in 2024 FIGURE 14



Source: CNMV.

3.3 Analysis of the characteristics of the investors who outperformed the Ibex 35 and the CPI on a sustained basis

As mentioned above, 12.5% of retail investors consistently outperformed the Ibex 35 over the five years of the study. In contrast, 5.7% achieved results beyond those of the CPI. This section explores the characteristics of these investors and their portfolios.

The size of these portfolios is larger than average. Specifically, the median size of the portfolios that consistently outperformed the Ibex 35 was €16,267, while those that outdid the CPI boasted an even larger median of €18,017. Therefore, these groups invested significantly more than the average investor, (€5,112). This disparity in volume suggests that these investors are more qualified or better informed, allocating greater funds to their portfolios.

Investors who outperformed the Ibex 35 over the five years saw an average appreciation of 17.4% (compared to 4.9% for the Ibex 35), while those surpassing the CPI achieved an average appreciation of 17.5% (compared to 3.5% for the CPI). The risk taken by this group of investors was similar. Those who consistently outperformed the Ibex 35 took on a risk level of 0.35, while those who surpassed the CPI every year faced a risk of 0.37. This is not much higher than the risk level of 0.32 for the average portfolios during the period analysed. Thus, the higher returns were not due to taking on significantly greater risk.

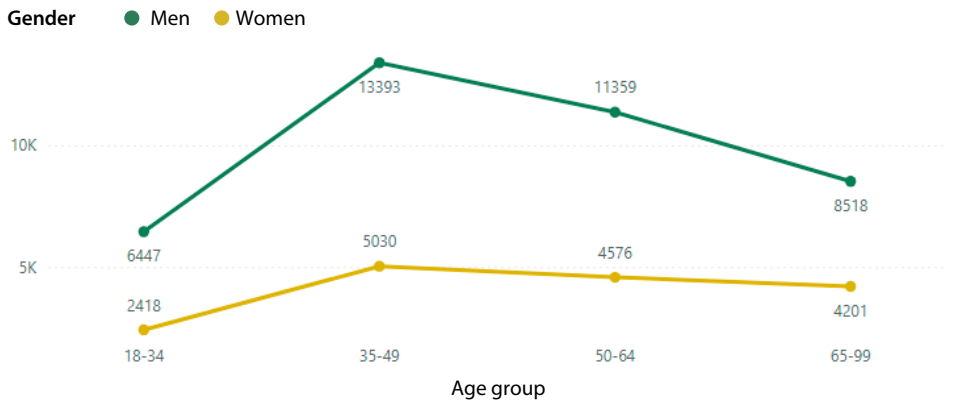
The biggest differences are seen in the number of shares. For portfolios that outperformed the Ibex 35 over the five years, the average number of securities was 1.5. In contrast, portfolios that exceeded the CPI every year consisted, on average, of 2.1 securities, while the overall average number of securities per investor across all portfolios was 2.0. When analysing differences in concentration using the HHI, the average HHI for the first group was 0.93 and 0.82 for the second group, compared to an average HHI of 0.83 for all portfolios. At first glance, it is surprising that portfolios consistently outperforming the Ibex 35 were more concentrated and comprised fewer securities, while those surpassing the CPI were more diversified with a larger security count. One possible explanation is that the CPI usually shows positive rates of change, so outperforming it every year requires a more diversified portfolio to weather potential downturns of the Ibex 35. In contrast, beating the Ibex 35 could be achieved by focusing on securities from a single sector that outperformed the index.

Specifically, 82.1% of the total volume of portfolios consistently outperforming the Ibex 35 was invested in shares of companies from the financial sector. For portfolios outperforming the CPI, this figure was 63.8%. The energy sector was the second largest, with shares of 5.3% and 18.9%, respectively. These data reveal a greater emphasis on the financial sector within these groups, compared to 37.8% for the financial sector and 24.1% for the energy sector in the overall portfolio distribution.

Finally, analysing which investors achieved these favourable results by age group shows that, for both men and women, the largest group of successful investors fell within the 35 to 49 age range, followed by those aged 50 to 64 (see Figures 14 and 15).

Investors who outperformed the Ibex 35 on a sustained basis between 2020 and 2024

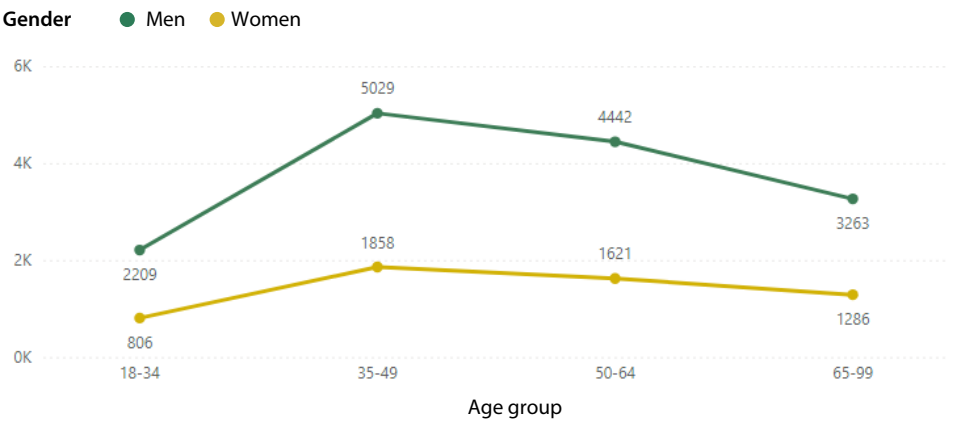
FIGURE 15



Source: CNMV.

Investors who outperformed the CPI on a sustained basis between 2020 and 2024

FIGURE 16



Source: CNMV.

4 Factors explaining the annual appreciation of portfolios

After analysing the data obtained, developing a model that partly explains the results presented is worthwhile. A regression model using panel data has been estimated to explain the evolution of portfolio performance based on various influencing variables, such as risk, concentration or volume, and certain investor characteristics.

The dependent variable in the model is the annual appreciation of the portfolio. The explanatory variables include demographic characteristics of the investor, such as gender, represented as a dichotomous variable (0 for male, 1 for female), and age, ranging from 18 to 99 years. Portfolio characteristics are also considered, including the Herfindahl-Hirschman Index (HHI), risk (which takes values between 0 and 1), and volume.

In addition to the panel data regression, two probit regressions are performed. These use the same independent variables to explain their influence on the probability of the portfolio outperforming the Ibex 35 or the CPI. In these cases, the variable being explained is the probability of outperforming the given index, with values between 0 and 1.

4.1 Determinants of annual appreciation

This section examines how investor characteristics (age and gender) and portfolio characteristics (concentration, risk, and volume) influence portfolio performance. A panel data regression is conducted on retail investor data from 2020 to 2024. The model to be estimated is as follows:

$$Appreciation_{i,t} = \beta_0 + \beta_1 \cdot age_{i,t} + \beta_2 \cdot female_{i,t} + \beta_3 \cdot hhi_{i,t} + \beta_4 \cdot risk_{i,t} + \beta_5 \cdot volume_{i,t} + \mu_{it} \quad (1)$$

where:

- $Appreciation_{i,t}$: return on portfolio of investor i in year t, expressed as a percentage.
- $age_{i,t}$: age of investor i in year t, in years.
- $female_{i,t}$: dummy variable which takes the value 1 if investor i is female in year t.

– $hhi_{i,t}$: sectoral concentration index of the portfolio of investor *i* in year *t*, with a range from 0 (least concentrated) to 1 (most concentrated)

– $risk_{i,t}$: risk measure of the portfolio of investor *i* in year *t*, with a range from 0 (least risky) to 1 (most risky).

– $volume_{i,t}$: value of the portfolio of investor *i* in year *t*, in euros.

A potential limitation of this section of the paper is that it omits socio-economic variables, such as individual income or savings rate, as well as factors related to education or financial literacy, which could significantly impact portfolio returns but are not included due to a lack of data. This analysis determines period fixed effects to control for time variations affecting all portfolios similarly. Dichotomous variables for each year are included in the regression model to detect and adjust for the effects of specific annual events. This approach reduces biases from timing factors, resulting in a more accurate model.

The regression results indicate that all explanatory variables are significant both individually and collectively, with an R^2 of 0.26. Results in Table 2 suggest a positive relationship between being a female investor and portfolio appreciation. Higher concentration is also associated with increased portfolio returns during this period. Conversely, the investor's age, risk level, and portfolio size all show negative coefficients, so an increase in any of these three variables would be associated with lower levels of return.

Analysis of the annual appreciation of portfolios TABLE 2

Independent variables	Coefficient (p_i)
Age	-0.000159*** (1.00*10^(-5))
Female	0.002174*** (0.000361)
HHI	0.068960*** (0.000595)
Risk	-0.066375*** (0.002007)
Volume	-1.51*10^(-8)*** (1.64*10^(-9))
Adjusted R^2	0.255091

Source: CNMV. The table presents results from the regressions of equation (1) conducted on the variable "annual portfolio return" for Spanish retail investors investing in Ibex 35 listed securities. The sample includes all portfolios of Spanish retail investors from 1 January 2020 to 31 December 2024. The regression is performed using "annual portfolio returns" against the variables "age", "female" – taking the value 1 if the investor is female and 0 if male – "HHI", "risk", and "volume". The estimation accounts for variables such as time (year) and investor. The estimated ratios and standard deviations are shown in brackets. The constant and estimates for the time and issuer dummies are omitted.

* Significance at 10%, ** significance at 5%, and *** significance at 1%. Number of data points: 1,876,971.

At first glance, these results may seem to differ from what economic theory might predict. However, this analysis covers only a relatively short five-year period, allowing for a focused examination of the specific economic context at that time. The results suggest that higher concentration positively influences portfolio performance. In the short term, concentrated portfolios can yield favourable outcomes if their limited securities perform well during that period. Ivković, Sialm, and Weisbenner (2004) reached the same conclusion in their study of the concentration and performance of retail investors' portfolios in the US equity market between 1991 and 1996, finding that more concentrated portfolios achieved greater appreciation than diversified ones.

In this analysis, risk negatively impacts portfolio returns. According to Markowitz's modern portfolio theory, taking on more risk typically leads to higher expected returns, though it also increases volatility, which can result in losses. However, the study's findings reveal that during the analysed period, taking on more risk did not yield higher average returns. Investors were able to achieve favourable returns without needing to take on high risks when constructing their portfolios.

4.2 Determinants of the probability of outperforming the Ibex 35

In this analysis, a probit model is estimated using explanatory variables similar to those in the previous model. The dependent variable is the probability that the portfolio will outperform the Ibex 35. This is a dichotomous variable, taking the value of 1 if the portfolio beats the index and 0 otherwise. The estimated equation is specified as follows:

$$Outperforms\ Ibex\ 35_{i,t} = \beta_0 + \beta_1 \cdot age_{i,t} + \beta_2 \cdot female_{i,t} + \beta_3 \cdot hhi_{i,t} + \beta_4 \cdot risk_{i,t} + \beta_5 \cdot volume_{i,t} + \mu_{it} \quad (2)$$

The explanatory variables are defined in the same manner as in equation (1). However, limitations may arise due to missing information on variables that could be crucial for explaining this probability, so the results should be interpreted cautiously.

Table 3 shows the estimation results for the different variables, akin to the analysis of profitability determinants. Statistical analysis reveals that all explanatory variables are individually significant. Regarding the coefficients, the conclusions align with those in the previous section concerning the impact of each variable on portfolio appreciation. Being a female investor positively influences the likelihood of outperforming the Ibex 35 and achieving greater portfolio concentration. Conversely, higher risk levels and larger portfolio sizes are negatively associated with performance. The exception is age, which positively affects the probability of achieving returns above the index in this analysis, while it negatively impacted portfolio returns in the previous regression. However, its coefficient is very small in both analyses, meaning its influence on the dependent variable's behaviour is relatively minor.

Analysis of the probability of outperforming the Ibex 35 TABLE 3

Independent variables	Coefficient (p_i)
Age	0.000902*** (5.85*10^(-5))
Female	0.060051*** (0.002114)
HHI	0.598424*** (0.003383)
Risk	-0.546732*** (0.008494)
Volume	-1.25*10^(-7) (8.98*10^(-9))
McFadden's R^2	0.013458

Source: CNMV. The table displays the regression results for equation (2), where the dependent variable "outperforms Ibex 35" equals 1 when successful and 0 otherwise. This analysis encompasses Spanish retail investors who invest in securities listed on the Ibex 35. The sample includes all portfolios of these investors from 1 January 2020 to 31 December 2024. The regression is conducted against the variables "age", "female"– which is 1 if the investor is female and 0 if male – "HHI", "risk", and "volume". The estimation accounts for variables such as time (year) and investor. Reported are the estimated coefficients with standard deviations in parentheses. The constant and estimates for the time and issuer dummies are omitted.

* Significance at 10%, ** significance at 5%, and *** significance at 1%. Number of data points: 1,876,971.

These results suggest a similar interpretation to the previous regression. In the short term, high levels of concentration can yield favourable returns. However, analysing the long term would be interesting, as high concentration often results in unfavourable returns due to reliance on a small number of securities. Aliaga-Diaz, Shtekhman, Harbron, Jacobs, and Bloore (2024) claim that greater diversification increases the likelihood of outperforming the market. Bessembinder (2018) found that poorly diversified strategies tended to underperform market averages, based on a study of the US stock market from 1926 to 2016. In our analysis, many investors managed to outperform the market with securities from the financial sector, which benefited from the prevailing monetary policy. In the long run, achieving favourable results consistently may require greater portfolio diversification.

4.3 Determinants of the probability of outperforming the CPI

Finally, an analysis is conducted to evaluate the determinants influencing the probability of achieving a portfolio return higher than the CPI. The same explanatory variables as in previous regressions are used, but here the dependent variable is dichotomous, taking the value of 1 if the portfolio outperforms the CPI and 0 otherwise. The estimated equation is specified as follows:

$$Outperforms\ CPI_{i,t} = \beta_0 + \beta_1 \cdot age_{i,t} + \beta_2 \cdot female_{i,t} + \beta_3 \cdot hhi_{i,t} + \beta_4 \cdot risk_{i,t} + \beta_5 \cdot volume_{i,t} + \mu_{it} \quad (3)$$

The results are presented in Table 4. All variables are significant both individually and collectively. Furthermore, McFadden's R^2 is higher, at 0.10. While this value is relatively low, it does not necessarily indicate inadequacy. It could be deemed acceptable in this context, given that a binary classification model is being used. The analysis of the coefficients leads to the same conclusions as the regression concerning the probability of outperforming the Ibex 35. Age, being a female investor, and portfolio concentration positively influence the probability of outperforming the CPI, while risk and portfolio size have a negative relationship with this probability.

Notably, concentration positively affects the likelihood of achieving returns above the CPI. However, the portfolios that consistently achieved this over the five-year study period were less concentrated than the average portfolio. This group is small relative to the total number of portfolios. Many portfolios managed to outperform the CPI, although not every year. These portfolios are significant in the sample because most were highly concentrated. Thus, the regression indicates that high concentration is positively correlated with the probability of beating the CPI.

Analysis of the probability of outperforming the CPI TABLE 4

Independent variables	Coefficient (p_i)
Age	0.000671** (6.42*10^(-5))
Female	0.034079*** (0.002312)
HHI	0.771356*** (0.003768)
Risk	-4.923597*** (0.010865)
Volume	-7.01*10^(-8) (1.05*10^(-8)
McFadden's R^2	0.104618

Source: CNMV. The table displays the regression results for equation (2), where the dependent variable "outperforms CPI" equals 1 when successful and 0 otherwise. This analysis encompasses Spanish retail investors who invest in securities listed on the Ibex 35. The sample includes all portfolios of these investors from 1 January 2020 to 31 December 2024. The regression is conducted against the variables "age", "female" – which is 1 if the investor is female and 0 if male – "HHI", "risk", and "volume". The estimation accounts for variables such as time (year) and investor. Reported are the estimated coefficients with standard deviations in parentheses. The constant and estimates for the time and issuer dummies are omitted.

* Significance at 10%, ** significance at 5%, and *** significance at 1%. Number of data points: 1,876,971.

5 Conclusions

In recent years, retail investors have significantly increased their presence in the Spanish equity market. Available data show that these investors tend to have highly concentrated portfolios, with a large percentage investing solely in the shares of a single company. Nonetheless, their results have been positive, often outperforming benchmark indices like the Ibex 35 and the CPI. Many portfolios were composed of shares from the financial sector, which benefited particularly during the study period due to the prevailing monetary policy. This study helps to illuminate the characteristics of these investors and the composition of their portfolios.

The average return of the retail portfolios over the period was 7.8%, compared to 4.9% for the Ibex 35 and a 3.5% change in the CPI. Additionally, 12.5% of investors consistently outperformed the Ibex 35 over the five years, while 5.7% outperformed the CPI. The analysis of investors who consistently outperformed the Ibex 35 and the CPI over the five-year study period shows some shared traits, including significantly larger portfolios than the average investor and slightly higher risk levels. However, the most notable finding is the level of concentration: investors who consistently outperformed the Ibex 35 had even more concentrated portfolios, whereas those who consistently outperformed the CPI had more diversified portfolios than the average. This could be because, in some cases, outperforming the Ibex 35 required only holding shares in a few financial sector companies that outperformed the index. In contrast, to outperform the CPI, which typically has positive changes, a more diversified portfolio might be necessary.

The results of the econometric study support some of these relationships, but it's important to consider two types of limitations. The first relates to the relatively short sample period, during which the financial sector showed very high returns due to the rate hikes implemented by central banks, which positively affected share prices. As a result, investors could achieve high yields and returns exceeding those of the Ibex 35 by selecting just one security from this sector. The second limitation concerns potential drawbacks in the regressions due to missing information, such as investors' income levels or educational backgrounds, which may significantly impact their investment decisions. Nevertheless, the regressions indicate that, in terms of demographic characteristics, female investors have, on average, achieved higher portfolio returns. The relationship between investor age and portfolio performance remains inconclusive; it seems positive regarding the likelihood of outperforming benchmarks but negative in terms of absolute appreciation. In any case, the estimated coefficients for this variable are very small, so its effect is not substantial. Portfolios with higher concentration tend to deliver higher returns, while riskier and larger portfolios are linked to lower returns.

The study suggests that between 2020 and 2024, retail investors: i) largely concentrated their portfolios, with three-fifths of their total investments in single company securities; Ii) they achieved favourable returns by leveraging the positive momentum in the financial sector to allocate their capital; and iii) in the short term, the high concentration of their portfolios did not result in negative outcomes.

For the medium and long term, it is necessary to extend this analysis over a longer period and incorporate investment decisions involving other financial assets beyond Ibex 35 shares. Importantly, information on individuals' income or financial knowledge should be included, though this is currently not possible due to data limitations.

Bibliography

Aliaga-Díaz, R.A., Shtekhman, A., Harbron, G., Jacobs, D. and Bloore, W. (2024). *The Case for Global Diversification Vanguard.*

AMF, Markets Directorate (2020). *Retail investor behaviour during the COVID-19 crisis.*

AMF, Markets Directorate (2021). *Retail investors and their activity since the COVID crisis: younger, more numerous and attracted by new market participants.*

Bank of Spain. Financial accounts of the Spanish economy.

Barber, B.M. and Odean, T. (2000). "Trading is Hazardous to your Wealth: The Common Stock Investment Performance of Individual Investors". *Journal of Finance*, Vol. 55, No. 2, pp. 773–806.

Bessembinder H. (2018). "Do stocks outperform Treasury bills?". *Journal of Financial Economics*, Vol. 129, No. 3, pp. 440–457. Available at: https://www. sciencedirect. com/science/article/pii/S0304405X18301521/pdfft?md5=e1a5448919676077c6a28fe8589677ed&pid=1-s2.0-S0304405X18301521-main.pdf

Cambronero, G. and Ruiz, G. (2022). *Analysis of the behaviour of retail investors in the financial markets during the COVID-19 crisis.* CNMV, Working Paper No. 78. Available at: https://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/DT_78_Comp_minoristas_COVID_Enen.pdf

European Central Bank. Statistical Data Warehouse. Financial accounts of the euro zone.

Ivković, Z., Sialm, C. and Weisbenner, S. (2008). "Portfolio Concentration and the Performance of Individual Investors". *Journal of Financial and Quantitative Analysis*, Vol. 43, No. 3, pp. 613–656. Available at: https://www.ivey.uwo.ca/media/3775515/portfolio_concentration_and_the_performance_of_individual_investors.pdf

Massa, M. and Simonov, A. (2006). "Hedge Funds, Market Intermediaries, and Investors: The Impact of Retail Investors on Asset Pricing". *Review of Financial Studies,* Vol. 19, No. 2, pp. 535–577.

Ortmann, R., Pelster, M. and Wengerek, S. T. (2020). *Covid-19 and Investor Behavior.* TAF, Working Paper No. 54. TRR 266 Accounting for Transparency Working Paper Series No. 25. Available at: https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3589443

Dynamic modelling of climate-related shocks in the Spanish fund sector

Diana Mykhalyuk (*)

(*) Diana Mykhalyuk is a member of the CNMV's Research and Statistics Department.

Table of contents

List of figures

List of tables

Abstract[1]

The investment fund sector plays a key role in Spain's financial system and in financing the transition to climate neutrality. This study presents a preliminary estimate of potential losses in fund portfolios under three climate transition stress scenarios developed by the European Systemic Risk Board (ESRB). It uses a dynamic assessment framework to simulate and evaluate both the static and dynamic impacts of climate transition risk. The analysis excludes physical risks, providing only a partial view of climate risk. The analysis consists of a static shock applied to direct and indirect fund holdings, varying by asset type. Dynamic effects, including investor flows and portfolio adjustments, are incorporated to assess systemic and behavioural responses under transition scenarios.

Funds are categorised as sustainable or non-sustainable based on the emissions intensity of their portfolio securities, though other classification methods are also used. The paper develops a novel methodology for assessing the environmental, social, and governance (ESG) ratings of sovereign debt. The main findings suggest that Spanish mutual funds would record lower losses (8.2%) on average compared to their European peers (15.8%). Non-sustainable funds would experience greater losses than sustainable funds when classified by emission intensity.

1 This article summarises the methodology and analysis in Mykhalyuk (2025). *Dynamic modelling of climate-related shocks in the Spanish fund sector*. CNMV, Working Paper No. 91.

1 Introduction

The transition to zero net emissions economy is increasingly gaining momentum, driven by global efforts to address climate change and mitigate its impacts. Numerous sectors face climate risks stemming from the materialisation of transition scenarios, with different degrees of vulnerability depending on their activities and carbon intensity. The investment fund sector is a crucial part of the financial system, accounting for over 90% of assets in non-bank financial intermediation (NBFI)[2] in 2023 (CNMV, 2024). At the Spanish national level, fund sector oversees assets under management (AuM) of almost €337 billion.[3] Due to its size, it is essential to examine the industry's impact on financial stability.

To assess the potential effects of energy transition shocks on the Spanish financial system, the CNMV has made progress in the methodology for assessing funds' resilience to the risk of a disorderly climate transition. The initial methodology, developed by Crisóstomo (2022), has been completed by including dynamic effects. These dynamics model investors' reaction to the shock in fund portfolios, and, also, that of the fund managers, who reorganise the portfolio after the shock. The availability of information has been expanded by including a look-through of the portfolio of the collective investment schemes (CIS) that the funds invest in. The characteristics of these dynamics are based on a study published by the European Securities and Markets Authority (ESMA) in 2023 (Amzallag et al., 2023). Extending their methodology, two additional propagation channels are included: sovereign and corporate debt assets. As a novelty, this study presents the exercise results by classifying funds – as a guideline for this exercise – into sustainable and non-sustainable according to different sustainability measures, to determine if significant differences exist between them. A new method for assessing the ESG ratings of sovereign debt is also developed.

The analysis covers potential financial losses and short-term vulnerabilities of mutual funds under three climate change scenarios: a baseline scenario and two adverse scenarios. The scenarios[4] considered align with the European Commission's mandate to assume that the objectives of the Fit-for-55 package will be fully achieved by 2030, while incorporating severe yet plausible transition risk factors that could adversely affect the financial system up to that year. Each scenario is originated by an instantaneous shock triggered by a disorderly transition due to a sharp increase in the price of carbon emissions (EIOPA, 2022). Thus, in the baseline

2 Under the narrow measure of NBFI, equity funds are not included.

3 Source: CNMV. September 2023.

4 The scenarios were developed by the ESRB's Stress Testing Working Group and approved by the General Board of this institution to conduct a unique stress test for the EU financial sector. These scenarios are described in greater detail in the ESRB document (2023), and the shock values are detailed in Annex B of Mykhalyuk (2025).

scenario (B), the Fit-for-55 targets are achieved within an economic environment that reflects the projections of the baseline scenario. The first adverse scenario (A1) focuses on short-term climate risks, in the form of asset price corrections due to a sudden reassessment of transition risk, also referred to as "Run-on-Brown". The second adverse scenario (A2) combines climate change-related risks with additional macroeconomic stress factors.

The stress test consists of two steps: first-round (static) and second-round (dynamic) effects. The primary aim of this exercise is to assess the total losses funds would incur under these scenarios, taking into account both static losses (from the post-shock price drop) and dynamic losses (stemming from the actions of investors and managers). Given the readjustment in the value of the funds, managers, on the one hand, adapt the capital invested in each asset to meet their investment policy and, on other hand, sell and buy new assets in accordance with their new expectations. The dynamic losses aim to illustrate at least part of the potential second-round effects. The analysis assumes a static balance sheet, with the portfolio assessed at the ISIN level for each fund.

Among the previous literature, the recent analysis of climate risk scenarios conducted by the European Supervisory Authorities (ESAs) and the European Central Bank (ECB) (EBA et al., 2024) is particularly noteworthy. This study provides an estimate of the resilience of the European Union (EU) financial sector – including funds – to climate transition risk. Their results point to greater losses for European funds compared to the losses estimated for Spanish funds in this study. At the national level, Crisóstomo (2022) estimates, for the Spanish fund sector, an average loss of 5.7% (€17.5 billion), considering only the direct and first-round effects of the climate transition.

This study contributes to the literature and the development of stress testing methodology in several key ways. First, by incorporating dynamic effects to capture the investors and fund managers reactions. Second, by extending data coverage through detailed look-through portfolio information. This approach breaks down the composition of the funds to include underlying assets, enhancing the granularity of the data and providing a more comprehensive view of fund exposure. Regarding sustainability aspects, this study contributes by developing new methods for assessing the ESG ratings of sovereign debt and by categorising funds based on sustainability criteria.

The analysis estimates a total loss of 8.2% in the worst-case scenario. Non-sustainable funds show higher losses (9.3%) compared to sustainable funds (4.6%) when their classification is based on the emission intensity of their portfolio securities. However, this difference does not hold when alternative classification criteria are employed.

2 Data and calibration

The sample includes 1,716 Spanish mutual funds at the sub-fund level, representing 109,417 individual positions across 16,820 unique assets. The dataset represents a portfolio snapshot as of September 2023 and covers approximately €337 billion in AuM. Individual fund-level data comes mainly from mutual fund reporting to the CNMV. This information has been supplemented, where necessary, with data from Refinitiv Eikon, particularly to incorporate financial characteristics (such as credit ratings and asset type descriptions) and sustainability factors (including CO_2 emissions and ESG ratings) of the issuers in the funds' portfolios. The portfolio composition of the funds of funds has been obtained from Refinitiv Lipper.

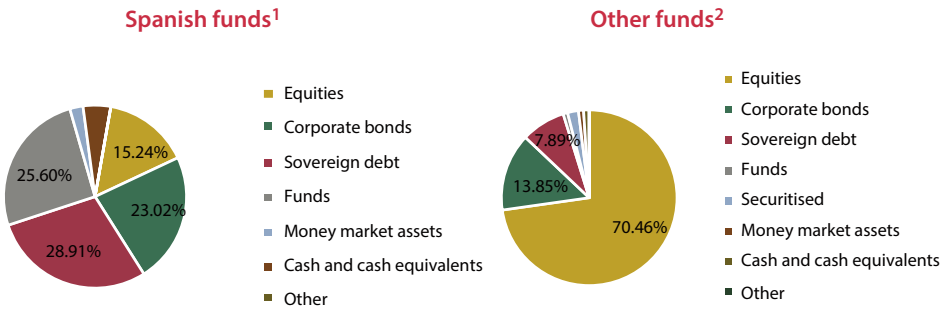
Fund exposures are categorised into nine asset classes: i) corporate bonds, ii) monetary assets, iii) sovereign debt, iv) equities, v) investments in other funds, vi) repos, vii) collateralised debt, viii) cash and cash equivalents, and ix) other asset classes. Sovereign debt is the largest asset class within the funds' portfolios, making up nearly 29% of total assets (see Figure 1, left panel). This is followed by allocations in other funds (25%), corporate bonds (23%), and equities (15%). In contrast, the portfolio of the underlying funds[5] is mainly composed of equity assets (70%), with private fixed income assets (14%) and sovereign debt (8%) playing a much smaller role, as illustrated in the right-hand panel of Figure 1. The portfolios analysed do not include positions in derivatives, which could be an important factor for future analysis. Exchange-traded funds (ETFs) are listed on major secondary markets and can be treated as equities; however, in this study, they are classified as funds.

This approach is driven by the need to analyse portfolio composition with maximum granularity to more accurately assess how a climate shock might impact their value. Table 1 shows the composition of fund portfolios by asset class. While sovereign debt accounts for the largest share of the portfolio in terms of AuM, corporate bonds and equity assets hold the most positions, even tripling those of government debt. About 19% of assets are issued in the United States, with Luxembourg following at 14%, Spain and France at around 9% each, Ireland at 6%, and the United Kingdom at 5%.

5 The investment in other funds is one of the larger asset classes, comprising a total of 3,631 funds. The portfolio composition for 3,001 of these funds is obtained from Lipper.

Composition of the portfolios of mutual funds domiciled in Spain and the funds they invest in

FIGURE 1



Source: CNMV and Refinitiv Eikon.

1 For this representation, money market assets also include repos, while corporate debt includes collateralised debt. Table 1 shows the details of these concepts.

2 The composition of funds, securitised assets, money market assets, cash and other assets is less than 2% of the total AuM.

Mutual funds portfolio by asset class

TABLE 1

Asset class	Share of investment (AuM, %)	No. of positions	No. of unique ISINs
Equities	15.24	33,529	4,491
Corporate bonds	21.93	37,354	6,624
Sovereign debt	28.92	10,330	1,267
Collateralised debt	1.09	879	152
Repos	1.67	5,032	41
Other funds	25.60	12,058	3,666
Money market assets	0.67	1,559	445
Cash and cash equivalents	4.86	8,445	-
Other[1]	0.02	231	133[2]
Total	**100.00**	**109,417**	**16,820**

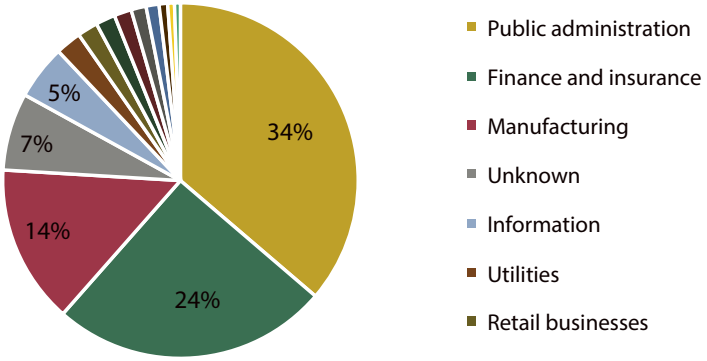
Source: CNMV and Refinitiv Eikon.

1 The asset class "Other" includes securities pending admission to trading or not admitted to trading, unlisted securities, private equity, and non-performing investments.

2 Not all positions in the "Other" category are identified by an ISIN, making this result not 100% representative.

The most significant sectors within the funds' portfolio assets are public administration (34%), financial services (24%), and manufacturing (14%), which is a sector highly exposed to climate transition risks (see Figure 2). These allocations include both direct and indirect investments through other mutual funds.

Sectoral composition of Spanish fund portfolios FIGURE 2



Source: CNMV and Refinitiv Eikon.

Finally, Spanish mutual funds show a high exposure to financial assets from entities with high carbon emissions. This exposure is measured by analysing emission intensity for equity and corporate debt issuers, and total emissions for sovereign debt.[6] To ensure comparability of CO_2 emission values, a logarithmic transformation is applied, followed by the fitting of a normal distribution. CO_2 emissions are then rescaled using percentile-based mapping to maintain their distribution. The resulting values provide a relative ranking of emissions exposure. Figure 3 presents the Q-Q plot[7] of CO_2 emissions, covering 4,621 equity and corporate bond positions and emissions from 74 countries. The study's model effectively describes the carbon emission data (R^2 = 0.9832 and R^2 = 0.9321, respectively). This also applies to data on indirect positions.

In addition, the funds' level of sustainability has been measured using two complementary approaches:

i) The ESG (environmental, social, and governance) ratings of the issuers held in the portfolio.

ii) The classification of funds according to their adherence to Articles 8 or 9 of the SFDR Regulation.[8]

6 Carbon intensity is defined as the total amount of direct (Scope 1) and indirect (Scope 2) CO_2 equivalent emissions, normalised by net sales or revenues in millions of US dollars (tCO_2e/m). This metric does not capture efficiency per unit of output and has certain biases but allows for better comparability across emitters.
Scope 3 is excluded due to the lack of consistent and reliable data. However, Scope 3 emissions account for, on average, 83% to 85% of total emissions across sectors, so their exclusion may lead to a significant underestimation of results (Harjoto et al., 2025).
For sovereign debt, carbon intensity is measured in tCO_2e per unit of GDP. This measure is converted to the tCO_2e/m scale through quantile mapping, assigning each sovereign country its relative position in the intensity distribution among sovereign issuers and linking it to the corresponding quantile in the global distribution in tCO_2e/m.

7 A probability plot serves to compare two probability distributions by plotting their quantiles against each other.

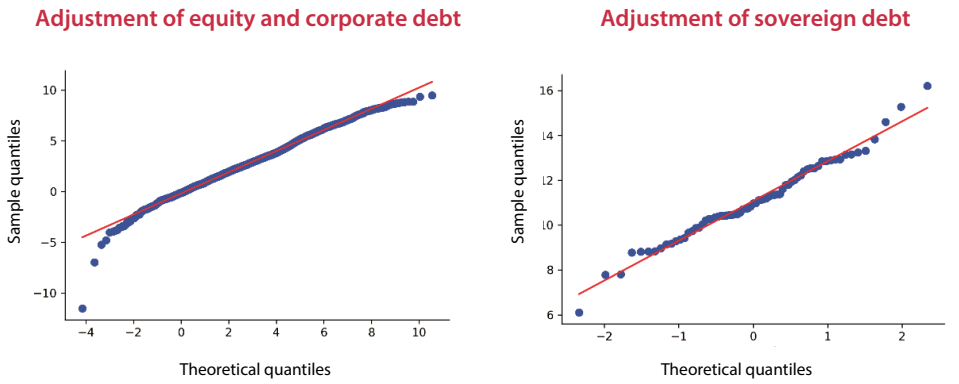
8 The SFDR outlines how financial market participants must disclose information on sustainability. Article 8 funds focus on promoting environmental or social characteristics, while Article 9 funds pursue sustainable investment objectives (European Union, 2019).

ESG ratings for equity and sovereign debt assets were obtained through the Refinitiv Eikon platform. ESG scores for sovereign debt were estimated using an own methodology based on World Bank data on a specific set of key environmental, social, and governance variables.[9]

Regarding ESG ratings classification, a fund is considered sustainable if its weighted average ESG rating exceeds the threshold of 60, a value close to the first quartile of the distribution.

For the SFDR Regulation classification, and for purely indicative and methodological purposes, funds classified under Articles 8 and 9 are considered as sustainable. It is important to note that these articles do not themselves constitute a category of sustainable funds. Instead, they define different registration options for financial products, each with its own disclosure obligations. Thus, Articles 8 and 9 do not establish minimum sustainable investment requirements or ensure sustainability outcomes. Yet, in practice, products registered under these articles often align with those marketed as incorporating ESG features or having an explicit sustainable investment objective. Moreover, the designation as sustainable does not guarantee the absence of direct or indirect exposure to fossil fuels, which are the major drivers of global warming.

Normal Q-Q plot of CO_2 emission intensity FIGURE 3



Source: CNMV and Refinitiv Eikon.

9 More information on the method and detailed selection criteria can be found in Annex A of Mykhalyuk (2025).

3 Methodology

The starting point for modelling the impact of climate transition risk on funds is to simulate the expected effects of climate-related shocks on asset prices.[10] Asset behaviour is assumed to vary across different classes and sectors. For simplicity, this analysis focuses on shocks to equity prices, corporate debt, and sovereign debt.[11] The impact on equities depends on the country and sector;[12] for corporate bonds, it depends on the country, sector, and credit quality; while for sovereign bonds, it is influenced by the country and maturity.[13] As previously mentioned, both direct and indirect positions are included. The most carbon-intensive sectors, considering carbon intensity based solely on Scope 1 and 2 emissions, are cement, other materials, energy, and transport. Spain is among the most penalised countries for sovereign debt issuers, alongside Italy, Portugal, and others.[14]

Following the ESMA methodology (Amzallag et al., 2023), the impact of the price shocks is divided into two components. First, an instantaneous stress scenario is modelled, where static effects – a shock to the prices of equities, corporate, and sovereign assets – lead to an immediate reduction in the value of funds that directly and indirectly hold the affected assets. Second, after direct shocks and adjustments for static effects, the value of funds may change due to investor behaviour and fund manager actions. This behaviour is modelled through dynamic effects.

Within these dynamic effects, the initial focus is on how investors react by adjusting their subscriptions and redemptions based on changes in fund value and their expectations. Following the methodology of Amzallag et al. (2023), it is assumed that investor inflows are proportional to positive fund performance, while outflows correspond to negative performance.[15] In other words, flows are a piecewise linear function of return.[16, 17] The sensitivities to return are given by the coefficients established by Renneboog et al. (2011) (see Table 2), which differ for funds classified as sustainable or non-sustainable. According to these elasticities, sustainable

10 These values are provided by the ESRB (2023) and have been employed by Amzallag et al. (2023) (ESMA), and Gourdel and Sydow (2023) (ECB). They are also included in Annex B of Mykhalyuk (2025).

11 Investments in other asset classes are not considered for this modelling.

12 NACE codes.

13 If, as of 30 September 2023, the maturity is 0 or negative, indicating it has already expired, the asset in question does not change in value.

14 For the countries not listed in Table B3 of Mykhalyuk (2025), their shock is calculated by averaging the sample countries based on maturity.

15 Following a conservative assumption, zero returns are considered as negative.

16 Also used by Gourdel and Sydow (2023) (ECB).

17 This calibration does not consider that the relationship between the sustainability group and return sensitivity might depend on the fund's position within the performance distribution, as shown by Cambón and Losada (2013) for equity funds.

open-ended funds are more sensitive to performance than conventional ones. This result shows that all funds exhibit a convex relationship between flows and return, a common finding in many studies. Funds with a weighted average CO_2 intensity below 35, which approximates the first quartile of the sample, are considered sustainable.

Calibration of flow-return elasticities TABLE 2

	Flow-return elasticity	
	Positive return	Negative return
Sustainable funds	1.014	0.121
Non-sustainable funds	1.014	0.285

Source: ESMA and Renneboog et al. (2011). Note: "flow-return elasticity" is defined as the ratio of fund flows to the fund's value at the start of the period, corresponding to a percentage change in return during the same period. Positive coefficients indicate inflows with positive returns and outflows with negative returns.

All funds experience negative or zero returns following the initial shock (see Table 3). Sustainable funds with zero returns are characterised by investing mostly in repos (40% on average) and government debt (17%), and they hold cash or cash equivalents (23%). The government debt in these funds is primarily issued by Spain, Italy, and France. Non-sustainable funds with zero returns exhibit a similar investment pattern, with larger positions in government debt (92% on average) and cash or cash equivalent assets (4%). The most common issuing countries are Spain, Italy, France, and Germany.

Number of funds and their flows by performance for sustainable and non-sustainable funds TABLE 3

	Number of funds		Flows (in millions of euros)	
	Zero return[1]	Negative return	Zero return	Negative return
Sustainable funds	65	411	0	-374
Non-sustainable funds	29	1,211	0	-5.390

Source: CNMV and authors. Note: The classification of funds into sustainable and non-sustainable categories is based on CO_2 emissions, specifically a normalised emissions intensity of 35, which is close to the first quartile of the sample.

1 Due to the applied methodology, no funds show positive returns.

The next dynamic effect involves divesting and purchasing new assets. Initially, a simulation is conducted for the divestment of 20% of the worst-performing assets in the portfolio, which includes equities and both corporate and sovereign bonds. It is assumed that these assets can be sold easily. The proceeds from this divestment are then used to acquire new assets, selecting from the 20% best-performing asset portfolio of peer fund groups. This behaviour is supported by the study of Grinblatt et al. (1995), which observed that investors often select funds based on past performance, favouring those that have recently performed well.

Finally, the intra-portfolio rebalancing is performed in two steps, following the ESMA method. First, fund managers adjust the portfolio by removing sold assets and incorporating the newly acquired ones. Next, to balance the weights, the manager reallocates capital within the resulting asset pool in each sub-fund portfolio. The amount of resources to be reallocated, as a proportion of the fund's value, P_i, is the sum of 1% of the fund's loss from the static effect (both direct and indirect losses) and 25% of the absolute value of the investor's net flows. This resulting amount, P_iVi, is redistributed among the assets in proportion to their relative returns.[18] Funds not involved in the divestment and buyback process are those that do not invest in private equity or public equity, comprising a total of 365 sub-funds. After the portfolios are adjusted, the same scenario is simulated to assess the effectiveness of the fund managers and evaluate the measures taken.

18 The variation in the value invested in asset *j* per fund *i* is given by $\Delta\omega_j = \frac{P_i}{N} \cdot \frac{(r_j - \bar{r})}{std(r)}$, where *N* denotes the number of assets and *r* is the average return due to the price shock.

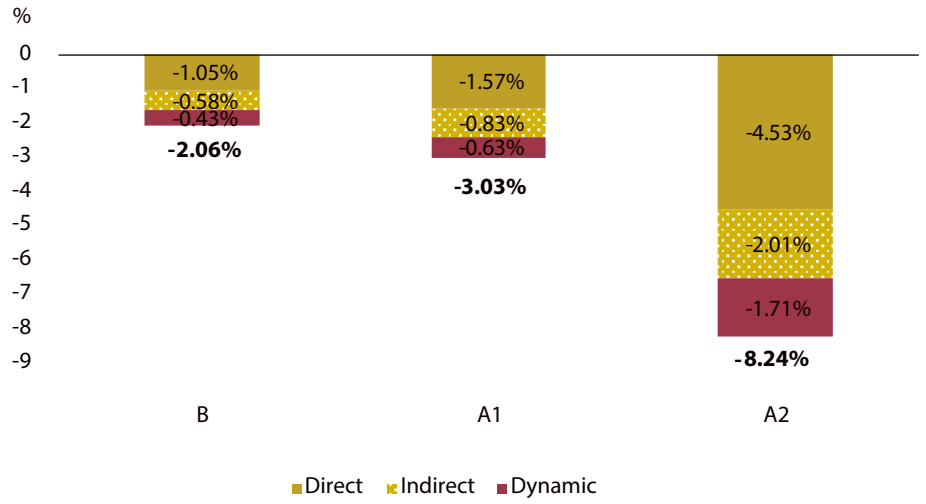
4 Empirical results

The sensitivity of each counterparty to the climate transition in the static exercise depends on factors such as CO_2 emission values, economic sector, country, and credit quality. In contrast, the dynamic exercise involves modelling investor subscriptions and redemptions based on each fund's returns and its sustainability level. Investment flows are influenced by whether a fund is classified as sustainable or not.

The study's main finding indicates that the estimated losses for Spanish investment funds range from 2.1% in the baseline scenario to 8.2% in the worst-case scenario, with 3% in the intermediate scenario, as shown in Figure 4. These results combine the losses from both the first round (static exercise) and the second round (dynamic exercise). In all scenarios, first-round losses are greater than second-round losses, and within the first round, losses from direct exposure exceed those from indirect exposure. Of the total estimated losses in the most adverse scenario (8.2%), 6.5 percentage points (pp) are attributed to first-round effects (4.5 pp from direct exposure and 2 pp from indirect exposure), while the remaining 1.7 pp are due to second-round effects. In terms of the number of funds, 95% (1,622 funds) experience losses from static shocks.

After adjusting the portfolios, the same scenario is simulated to assess the effectiveness of the fund managers' actions and evaluate the impact of the measures adopted. The results reveal a significant reduction in estimated losses, with a relative decrease of 30% in total losses across the three scenarios. This reduction is observed both in the first-round effects, where direct and indirect exposures were adjusted, and in the second-round effects.

Estimated first and second round losses for funds FIGURE 4

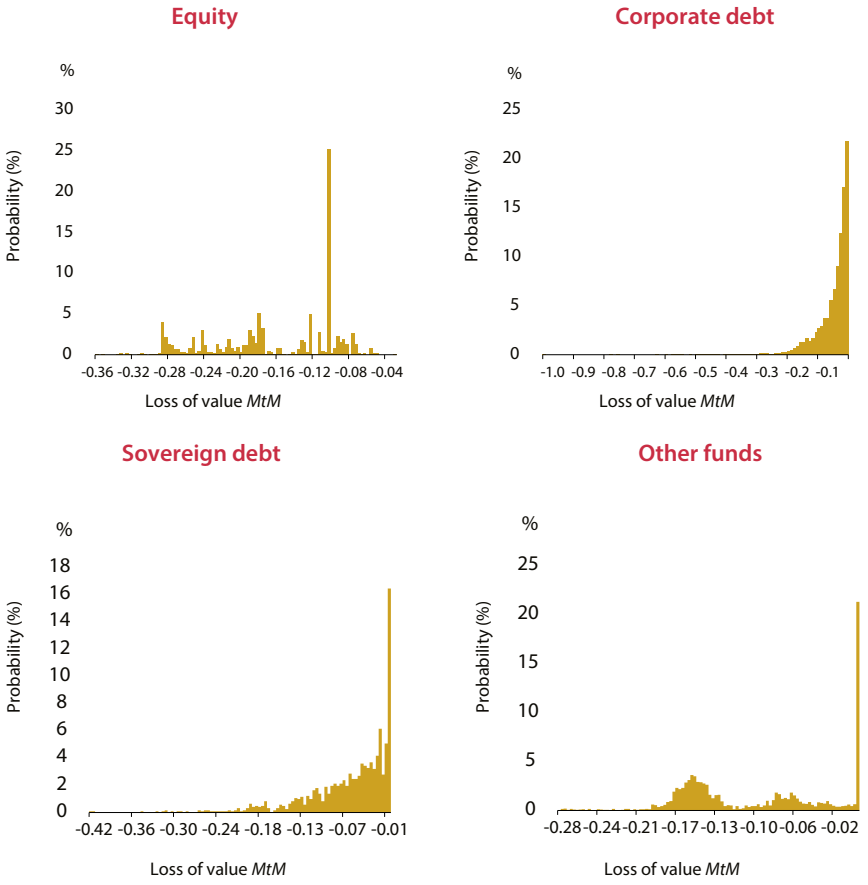


Source: CNMV and Refinitiv Eikon. Note: Represented losses are weighted by equity.

The estimated average loss for the mutual fund sector in the most adverse scenario (8.2%), amounting to approximately €27.77 billion in aggregate terms, is higher than the previous exercise's estimate (5.7% and €17.50 billion). This increase is partly due to the inclusion of the dynamic simulation, absent in the first test, which accounts for nearly 2 pp of additional losses, even though the static simulation losses are also higher (6.5% compared with 5.7%). In addition to the dynamic part, it is important to highlight the estimated first-round losses through indirect channels, which add 2 pp to the total losses.

In the most adverse scenario of the static exercise, an analysis by asset type reveals that equity assets would incur the largest losses. This outcome, consistent with the first exercise of this kind, is attributed to the significant sectoral heterogeneity and intra-sectoral dispersion of CO_2 emissions among equity issuers, a key factor in the results. The estimated losses for each asset class are as follows: 16.1% for equities, 9.5% for allocations to other funds, 5.2% for corporate debt, and 4.4% for sovereign debt. Additionally, there is considerable variability among financial instruments within each asset class, particularly in equities and other funds (see Figure 5).

Distribution of losses in the A2 disorderly transition scenario by asset class FIGURE 5

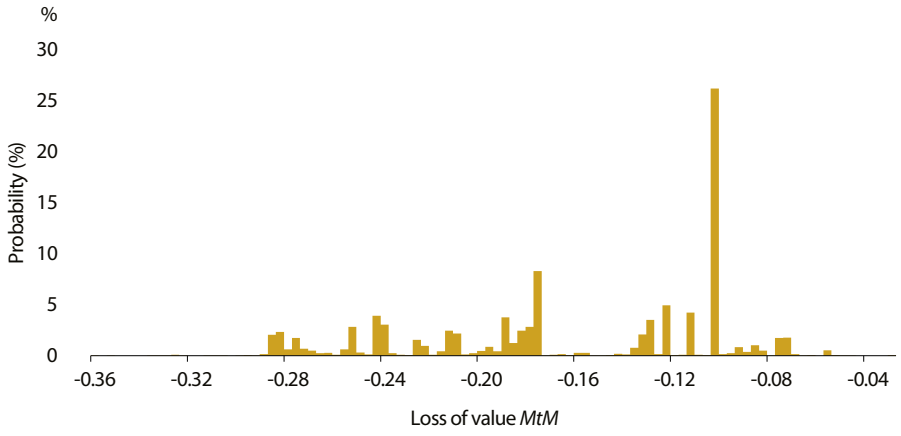


Fuente: CNMV and Refinitiv Eikon.

The considerable heterogeneity in exposure to sectors with varying levels of greenhouse gas (GHG) emissions explains the high dispersion of losses in equity assets and in other funds. The manufacturing sector is particularly important, as it not only plays a significant role in the investment fund portfolio but also exhibits considerable variability in its exposure to issuers with differing CO_2 emissions and ESG ratings. Investments in other funds' equity positions have an average loss of 15.8%, higher than direct equity investments (see Figure 6). This suggests that indirect exposure to equity assets is more heavily concentrated in polluting sectors than direct exposure. Notably, the maximum observed loss in equity assets – about 10% – arises from the concentration of three main sector-country groups: US finance and insurance, information, and professional services. These sectors face the same economic shock, which raises their risk.

Sovereign and corporate debt show a high percentage of assets with small losses. Corporate debt benefits from bonds issued by companies with a low carbon footprint, and over half of it (52%) has short maturities, resulting in minimal losses when credit spreads widen. In contrast, corporate bonds with the largest losses are typically issued by companies in more vulnerable sectors, like manufacturing and utilities, and have long maturities. Similarly, sovereign debt sees almost half of the portfolio composed of short-term maturities, dominated by countries with less exposure to the climate transition. Overall, 56% of the sovereign bonds in the funds' portfolio would experience losses of less than 5%.

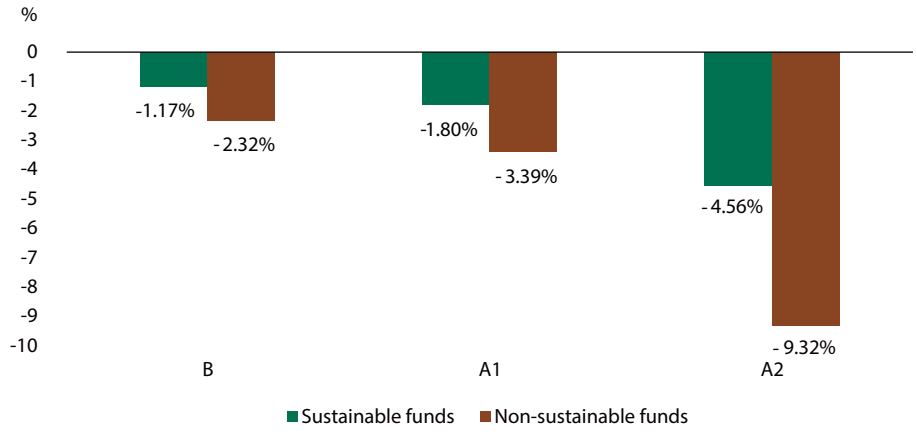
Distribution of losses in the A2 disorderly transition scenario of the funds that Spanish funds invest in FIGURE 6



Source: CNMV and Refinitiv Eikon.

The analysis of losses reveals significant differences between funds with sustainable characteristics and others, especially when grouped by the carbon intensity of the portfolio's assets. Across all three scenarios analysed, non-sustainable funds incur higher losses than sustainable ones. This difference is particularly notable in the most adverse scenario (see Figure 7), where non-sustainable funds would experience an average loss of 9.3%, more than twice the 4.6% estimated for sustainable funds.

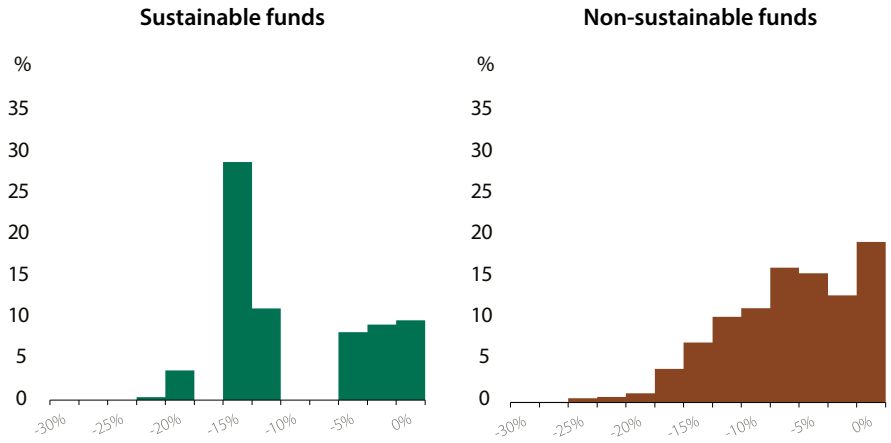
Relative losses of sustainable and non-sustainable funds FIGURE 7



Source: CNMV and Refinitiv Eikon.

According to the classification made, the group of sustainable funds is composed of 476 funds, while the group of non-sustainable funds includes 1,240 entities. The distribution of total losses in each group reveals significant and intriguing differences (see Figure 8): sustainable funds show a higher concentration of smaller losses, around 10%, whereas non-sustainable funds exhibit more dispersion, with a substantial proportion experiencing larger losses, close to 20%. This behaviour suggests that sustainable funds might offer greater resilience in risk scenarios. In contrast, the higher exposure of non-sustainable funds to more polluting sectors might cause more extreme losses.

Loss distribution distinguishing between sustainable and non-sustainable funds FIGURE 8



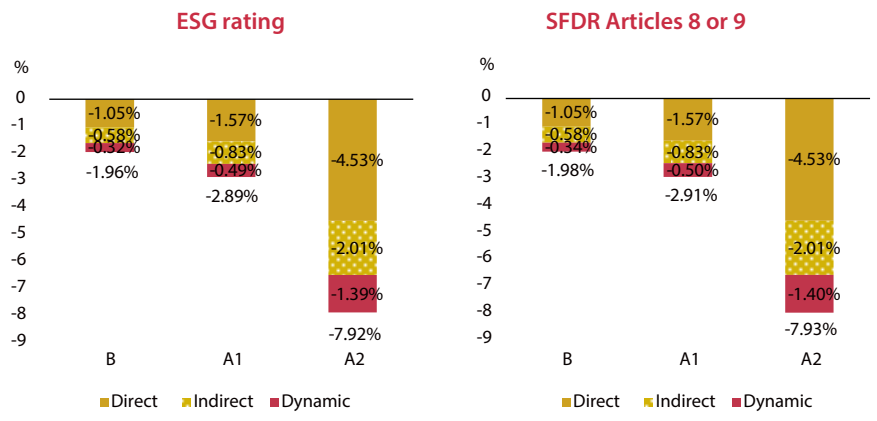
Source: CNMV and Refinitiv Eikon.

5 Robustness check

The results are contrasted with other sustainability metrics: ESG ratings of issuers in the funds' portfolio and adherence to Articles 8 or 9 of the SFDR Regulation. The goal is to demonstrate the consistency of the results using these three measures. A fund is considered sustainable based on ESG ratings if its weighted average ESG score is above 60 (roughly the first quartile). Meanwhile, for SFDR classification, funds categorised under Articles 8 and 9 are considered sustainable. Articles 8 and 9 of the SFDR do not classify funds as sustainable but offer various options for registering financial products, which dictate specific disclosure obligations. In other words, these articles do not set minimum sustainable investment requirements and therefore do not ensure sustainability performance. Nevertheless, financial products registered under Articles 8 or 9 typically align with those marketed as incorporating ESG features or pursuing a sustainable investment objective.

The aggregate losses of the funds remain largely unchanged with alternative classifications of sustainable and non-sustainable funds (see Figure 9), at 7.9% in the worst scenario under both classifications. The losses associated with both direct and indirect effects amount to 6.5% in each case. Second-round effects, which vary depending on the criteria used to segment funds with sustainability characteristics, result in losses of 1.4 pp in the worst-case scenario, regardless of whether the criterion is based on the ESG ratings of the funds' portfolio or SFDR information. These losses in the central exercise – described in the previous section – are slightly higher, at 1.7 pp. Therefore, under these alternative classifications, the estimated total loss for the funds (7.9%) is lower than the one of the central exercise, primarily due to second-round effects.

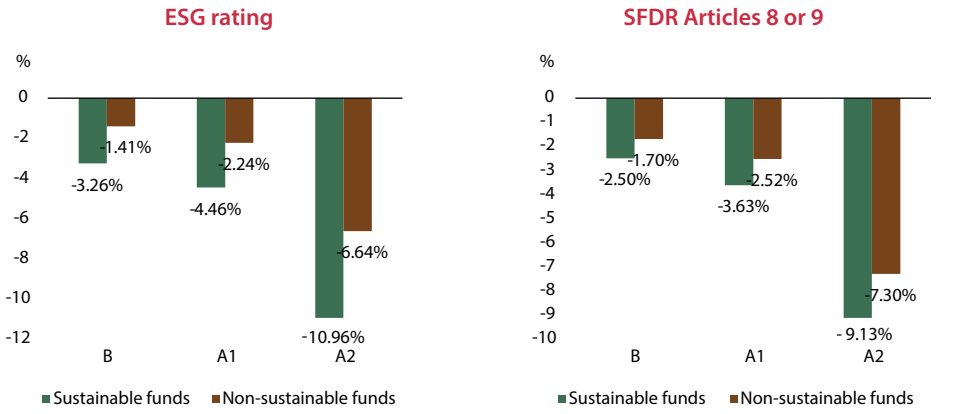
First and second round losses under different criteria for classifying funds FIGURE 9



Source: CNMV and Refinitiv Eikon.

The major difference with respect to the central exercise is related to the losses of sustainable and non-sustainable funds. When analysed using the two alternative classifications, significant differences emerge compared to results based on the carbon intensity criterion. Contrary to the findings of the central exercise, when funds with high ESG ratings or those aligned with Articles 8 or 9 of the SFDR Regulation are designated as sustainable, these funds experience higher losses than non-sustainable ones (see Figure 10).

Relative losses of sustainable and non-sustainable funds under different fund classification criteria FIGURE 10



Source: CNMV and Refinitiv Eikon.

In the worst-case scenario, alternative sustainable funds would face losses of approximately 11.0% and 9.1% under the ESG rating and SFDR classification, respectively, compared to a 4.6% loss in the central exercise. For non-sustainable funds, the ESG rating and SFDR classification show losses of 6.6% and 7.3%, respectively, in contrast to the 9.3% loss observed in the central exercise. The difference in losses between sustainable and non-sustainable funds is less pronounced under the SFDR classification. These results are consistent with each other and align with the supervisory experience of the CNMV (CNMV, 2023): most fund managers – 93% in the case of equities – relied on third-party ESG ratings to assess and classify their funds under Articles 8 or 9 of the SFDR Regulation and lack specific climate objectives in their investment strategies and constituent selection.

Secondly, some aspects of the two alternative criteria may not be fully suitable for evaluating the climate performance of funds. ESG ratings incorporate information on both current and future sustainability commitments, but the fulfilment of those commitments can be uncertain. Additionally, these ratings are sometimes presented on a relative scale within the sector, which might lead to high ratings for companies in heavily emitting sectors simply due to a relatively better position compared to peers. Moreover, ESG ratings generally assess companies' overall policies and practices, focusing primarily on transparency and environmental, social, and governance issues, rather than specifically on climate performance. Factors such as transition plans, actual emission reductions, or alignment with climate taxonomy would be far more pertinent to the analysis. In some instances, the potential for greenwashing practices should also be taken into account.

6 Conclusion

This study explores the potential losses that Spanish mutual fund sector might face under climate transition risk using a dynamic stress testing framework. Analysing 1,716 mutual funds managing €337 billion, it evaluates the possible financial impacts of three climate scenarios developed by the ESRB. Funds are classified as sustainable or non-sustainable based on a carbon emissions metric. Additionally, two alternative sustainability metrics are considered: ESG ratings and adherence to Articles 8 and 9 of the SFDR.

The analysis reveals that Spanish mutual funds would experience losses ranging from 2.1% to 8.2% of portfolio value, depending on the severity of the scenario. First-round losses, resulting from static shocks, are more significant than second-round losses, which are introduced by dynamic effects, at 6.5% and 1.7%, respectively. Within the static effects, direct exposures show higher losses than indirect exposures, at 4.5% and 2.0%, respectively. The most adverse scenario would result in an aggregate loss of approximately €27.77 billion, surpassing previous estimates due to the incorporation of dynamic simulations and indirect exposure analysis. However, these results point out that Spanish mutual funds show more resilience to climate transition shocks compared to the European average. When considering portfolio rebalancing by fund managers, total losses decrease by 30% across all scenarios, highlighting the relevance of management response to mitigate potential losses.

Distinguishing between asset types, equity assets would suffer the highest losses (16.1%), followed by investments in other funds (9.5%), corporate bonds (5.2%), and sovereign debt (4.4%). Corporate and sovereign debt show smaller losses due to mitigating factors such as low-carbon issuers and short-term maturities. The largest losses in equity investments are likely to stem from the significant variability in CO_2 emissions both within and between sectors, especially within manufacturing. Notably, indirect equity investments (through other funds) tend to be concentrated in more polluting sectors compared to direct equity exposures.

At the fund level, funds experiencing the largest losses invest mostly in sectors with high carbon intensity, particularly equities. In contrast, the best-performing funds hold large positions in government debt, repos, and cash assets, which are less vulnerable to climate transition risks.

When considering total losses, the results obtained using alternative sustainability measures, such as ESG ratings and adherence to Articles 8 and 9 of the SFDR, closely align with those obtained using CO_2 emissions as the primary measure. Under both alternative measures, Spanish funds would experience losses ranging from 2.0% to 7.9% of portfolio value, depending on the scenario's severity. Significant differences emerge, however, when breaking down fund losses by their

sustainability level. Using carbon emissions as the metric, non-sustainable funds – those with emissions above 35 – experience greater losses (9.3%) compared to sustainable funds (4.5%). However, when alternative sustainability metrics are applied, the results differ significantly. Using metrics such as ESG ratings or adherence to Articles 8 and 9 of the SFDR, sustainable funds show relatively higher losses (11.0% and 9.1%, respectively) compared to non-sustainable funds (6.6% and 7.3%, respectively). This divergence can be attributed to the nature of these metrics: carbon emissions reflect the current environmental impact, despite previously noted methodological limitations, while alternative measures are forward-looking and come with their own analytical limitations. These findings highlight the importance of considering multiple sustainability metrics directly related to climate actions when assessing resilience, as relying on a single measure may condition the conclusions drawn.

Nevertheless, the analysis is subject to certain limitations, such as assumptions underlying shock simulations and reliance on the sustainability metrics used. Future research could expand this framework to other markets or investigate additional risk transmission mechanisms.

The findings highlight the importance of setting specific climate targets for sustainable funds – and transition funds more broadly – such as reducing portfolio emissions, developing transition plans, or aligning with the EU Taxonomy. It is equally crucial to assess exposure to physical and transition risks and manage them differently, before incorporating them into a coherent framework. These efforts will enhance understanding of the complex interactions between climate risks and financial stability in portfolio management.

References

Amzallag, A., Harris, A. and Reiche, P. (2023). *Dynamic modelling of climate-related shocks in the fund sector.* ESMA TRV Risk Analysis. Available at: https://www.esma.europa.eu/sites/default/files/2023-12/ESMA50-524821-3073_TRV_Article_Dynamic_modelling_climate_shocks_fund_sector.pdf

Cambón, M.I. and Losada, R. (2013). *Evidence from purchases and redemptions in the Spanish equity fund market.* CNMV, Working Paper No. 56. Available at: https://www.cnmv.es/DocPortal/Publicaciones/MONOGRAFIAS/Doc_N56_ENen. pdf

Comisión Nacional del Mercado de Valores(CNMV) (2023). *Results of the first phase of implementing the sustainability regulation in CISs.* Available at: https://www.cnmv.es/Portal/verDoc.axd?t=%7bbe599feb-4358-4371-8991-9306acf24ab0%7d

Comisión Nacional del Mercado de Valores (CNMV) (2024). *Non-bank financial intermediation in Spain. 2023.* Available at: https://www.cnmv. es/DocPortal/Publicaciones/Informes/Monitor_IFNB_2023_ENen.pdf

Crisóstomo, R. (2022). *Measuring Transition Risk in Investment Funds.* CNMV, Working Paper No. 81. Available at: https://www.cnmv.es/DocPortal/ Publicaciones/MONOGRAFIAS/DT_81_Measuring_Transition_Risken.pdf

European Banking Authority (EBA), European Insurance and Occupational Pensions Authority (EIOPA), European Securities and Markets Authority (ESMA) and European Central Bank (ECB) (2024). Fit-For-55 climate scenario analysis. Available at: https://www.eba.europa.eu/risk-and-data-analysis/risk-analysis/ risk-monitoring/climate-risk-stress-testing-eu-banks/one-fit-55-climate-risk- scenario-analysis

European Insurance and Occupational Pensions Authority (EIOPA) (2022). *2022 IORP Stress Test: Technical Specifications.* EIOPA-22-310, 4 April 2022. Available at: https://www.eiopa.europa.eu/system/files/2022-04/eiopa-22-310_2022_iorp_st_technical_specifications.pdf

European Systemic Risk Board (ESRB) (2023). Climate-related scenarios for the one-off Fit-for-55 scenario analysis exercise. Available at: https://www.esrb. europa.eu/mppa/stress/shared/pdf/esrb.stress_test241119~397b375f75.en.pdf

European Union (2019). Regulation (EU) 2019/2088 of the European Parliament and of the Council, of 27 November 2019, on sustainability-related disclosures in the financial services sector. *Official Journal of the European Union.* Available at: https://eur-lex.europa.eu/legal-content/ES/TXT/ PDF/?uri=CELEX:32019R2088

Gourdel R. and Sydow, M. (2023). "Non-banks contagion and the uneven mitigation of climate risk". *International Review of Financial Analysis,* Vol. 89. Available at: https://www.sciencedirect.com/science/article/pii/S1057521923002557

Grinblatt, M., Titman, S. and Wermers, R. (1995). "Momentum Investment Strategies, Portfolio Performance, and Herding: A Study of Mutual Fund Behavior". *American Economic Review,* Vol. 85, pp. 1088-1105. Available at: https://papers.ssrn.com/ sol3/papers.cfm?abstract_id=5686

Renneboog, L., Ter Horst, J. and Zhang, C. (2011). "Is ethical money financially smart? Nonfinancial attributes and money flows of socially responsible investment funds". *Journal of Financial Intermediation,* Vol. 20, No. 4, pp. 562–588. Available at: https://www.sciencedirect.com/science/article/abs/pii/ S1042957310000537?via%3Dihub

The World Bank. Sovereign ESG Data Framework. Available at: https://esgdata.worldbank.org/data/framework?lang=en

III Legislative Annex

Since the publication of the *CNMV Bulletin* for the first half of 2024, the following legislative developments have occurred:

Spanish legislation

– Royal Decree 1125/2024, of 5 November, regulating the organisation and operational instruments for the Digital Administration of the State.

  The Government is required to approve the Information and Communication Technologies Strategy (ICT Strategy) along with any revisions. This ICT Strategy will set the objectives, principles, and actions necessary for developing digital administration and transforming the digital infrastructure of the General State Administration and its public bodies and related or subordinate public law entities.

  Royal Decree 806/2014, of 19 September, concerning the organisation and operational tools for information and communication technologies within the General State Administration and its public bodies, is repealed.

– Royal Decree-Law 9/2024, of 23 December, introducing urgent measures in economic, tax, transport, and social security areas and extending certain measures to address social vulnerability.

  The Sole Transitory Provision of Royal Decree-Law 34/2020, of 17 November, concerning urgent measures to support business solvency and the energy sector, along with tax matters on temporarily suspending the liberalisation of certain foreign direct investments by residents of other European Union and European Free Trade Association countries, is amended. This regime will apply until 31 December 2026.

The Spanish National Securities Market Commission (CNMV)

– CNMV Resolution of 4 October 2024, announcing an agreement with Vilanueva International University to provide external curricular and extracurricular internships for students pursuing official bachelor's and master's degree programmes.

– CNMV Resolution of 12 December 2024, announcing the Agreement with the Ibero-American Institute of Securities Markets Foundation. The agreement grants a subsidy to the foundation to support its activities and fulfil its mission during 2025.

– CNMV Circular 1/2024, of 17 December, repealing Circular 1/2022, of 10 January, on crypto-assets advertised as investment opportunities.

This Circular repeals CNMV Circular 1/2022, of 10 January, on advertising crypto-assets as investment opportunities. The repeal is justified by the adoption of a European Regulation on Crypto-assets, which has rendered unnecessary the regulatory authority previously granted by Article 247 of Law 6/2023 of 17 March, on Securities Markets and Investment Services. The premise for this authority was the absence of a suitable European regulatory framework and the inability to establish national regulations for issues now governed at the European level.

– Resolution of the CNMV Board of 5 March, on the delegation of powers.

– Resolution of the CNMV Board of 26 July, modifying the Internal Regime.

A new department has been established, directly reporting to the Vice-Presidency of the CNMV, which consolidates functions related to investor protection, financial education, and the prevention of financial fraud.

– CNMV Circular 1/2025, of 5 March, amending CNMV Circular 6/2008, of 26 November, CNMV Circular 11/2008, of 30 December, and CNMV Circular 4/2016, of 29 June.

This Circular aims to introduce amendments to these CNMV Circulars to enhance supervisory practices.

It will come into effect 20 days after its publication in the *BOE* [Official State Gazette], except for the reserved statements mentioned in rule one. The first reserved statements required under this rule will pertain to 31 December 2025.

Amendments are made to:

- CNMV Circular 6/2008, of 26 November, concerning the determination of net asset value and operational aspects of collective investment schemes. The rules on performance management fees in this circular are updated to align with the ESMA Guidelines on such fees in UCITS and specific types of AIFs.

- CNMV Circular 11/2008, of 30 December, on accounting standards, annual accounts, and confidential information statements for venture capital firms, mandating that European long-term investment funds (ELTIFs) submit public and confidential information statement models to the CNMV. This aims to align their reporting with that of other entities regulated by Law 22/2014, of 12 November, which governs venture capital entities, other closed-ended collective investment schemes, and their management companies, and amends Law 35/2003, of 4 November, on Collective Investment Schemes.

  The submission of monitoring reports must be done via the CIFRADOC/CNMV service in the CNMV's electronic register, as per the CNMV Resolution of 16 November 2011, establishing and regulating the Electronic

Register of the CNMV. This must be completed within the first nine months of the financial year following the one to which the annual accounts relate.

The Circular also revises aspects of the reserved statements to enhance supervision of entities within its scope and adjusts models to reflect the latest regulatory changes, particularly concerning ratios.

- CNMV Circular 4/2016, of 29 June, regarding the functions of depositaries of collective investment schemes and entities regulated by Law 22/2014, of 12 November. This Law governs venture capital entities, other closed-ended collective investment schemes, and their management companies, and amends Law 35/2003, of 4 November, on Collective Investment Schemes. The Circular mandates that depositaries of entities regulated under Law 22/2014 must submit the annual report on compliance with oversight and supervisory functions as a standardised electronic document.

Other

– Resolution of 26 December 2024, from the Office of the Undersecretary, publishing the Agreement between the General Secretariat for Digital Administration and the National Securities Market Commission. This agreement concerns the allocation of portable and/or detachable equipment under the "Intelligent Workplace" initiative, as part of the Recovery, Transformation and Resilience Plan – financed by the European Union – Next Generation EU.

European Securities Markets Authority (ESMA)

– Guidelines on funds' names using ESG or sustainability-related terms (21.08.2024). European Securities Markets Authority (ESMA).

– Joint guidelines on the oversight cooperation and information exchange between the ESAs and the competent authorities under Regulation ((EU) 2022/2554 (06.11.2024). European Securities Markets Authority (ESMA) / European Banking Authority (EBA) / European Insurance and Occupational Pensions Authority (EIOPA).

– Joint EBA and ESMA Guidelines on the assessment of the suitability of the members of the management body of issuers of asset-referenced tokens and of crypto-asset service providers (04.12.2024). European Banking Authority (EBA) / European Securities and Markets Authority (ESMA).

European Union regulations (in order of publication in the *OJEU*)

– Regulation (EU) 2024/2987 of the European Parliament and Council, of 27 November 2024, amending Regulations (EU) No 648/2012, (EU) No. 575/2013 and (EU) 2017/1131 as regards measures to mitigate excessive exposures to third-country central counterparties and improve the efficiency of Union clearing markets.

  Published in the *OJEU* (L) No. 2987, of 4 December 2024, pp. 1–71.

– Commission Delegated Regulation (EU) 2025/292, of 26 September 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards establishing a template document for cooperation arrangements between competent authorities and supervisory authorities of third countries.

  Published in the *OJEU* (L) No. 292, of 13 February 2025, pp. 1–5.

– Commission Delegated Regulation (EU) 2025/293, of 30 September 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements, templates and procedures for the handling of complaints relating to asset referenced tokens.

  Published in the *OJEU* (L) No. 293, of 13 February 2025, pp. 1–10.

– Commission Delegated Regulation (EU) 2025/294, of 1 October 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the requirements, templates and procedures for the handling of complaints by the crypto-asset service providers

  Published in the *OJEU* (L) No. 294, of 13 February 2025, pp. 1–9.

– Commission Delegated Regulation (EU) 2025/295, of 24 October 2024, supplementing Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to regulatory technical standards on harmonisation of conditions enabling the conduct of the oversight activities.

  Published in the *OJEU* (L) No. 295, of 13 February 2025, pp. 1–10.

– Commission Delegated Regulation (EU) 2025/296, of 31 October 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the procedure for the approval of a crypto-asset white paper.

  Published in the *OJEU* (L) No. 296, of 13 February 2025, pp. 1–5.

– Commission Delegated Regulation (EU) 2025/297, of 31 October 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the conditions for the establishment and functioning of consultative supervisory colleges.

  Published in the *OJEU* (L) No. 297, of 13 February 2025, pp. 1–7.

– Commission Delegated Regulation (EU) 2025/298, of 31 October 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the methodology to estimate the number and value of transactions associated to uses of asset-referenced tokens and of e-money tokens denominated in a currency that is not an official currency of a Member State as a means of exchange.

  Published in the *OJEU* (L) No. 298, of 13 February 2025, pp. 1–5.

– Commission Delegated Regulation (EU) 2025/301, of 23 October 2024, supplementing Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to regulatory technical standards specifying the content and time limits for the initial notification of, and intermediate and final report on, major ICT-related incidents, and the content of the voluntary notification for significant cyber threats.

  Published in the *OJEU* (L) No. 301, of 13 February 2025, pp. 1–5.

– Commission Implementing Regulation (EU) 2025/302, of 23 October 2024, laying down implementing technical standards for the application of Regulation (EU) 2022/2554 of the European Parliament and of the Council with regard to the standard forms, templates, and procedures for financial entities to report a major ICT-related incident and to notify a significant cyber threat.

  Published in the *OJEU* (L) No. 302, of 13 February 2025, pp. 1–44.

– Commission Delegated Regulation (EU) 2025/303, of 31 October 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the information to be included by certain financial entities in the notification of their intention to provide crypto-asset services.

  Published in the *OJEU* (L) No. 303, of 13 February 2025, pp. 1–11.

– Commission Implementing Regulation (EU) 2025/304, of 31 October 2024, laying down implementing technical standards for the application of Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to standard forms, templates and procedures for the notification by certain financial entities of their intention to provide crypto-asset services.

  Published in the *OJEU* (L) No. 304, of 13 February 2025, pp. 1–6.

– Commission Delegated Regulation (EU) 2025/415, of 13 December 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying adjustment of own funds requirement and minimum features of stress testing programmes of issuers of asset-referenced tokens or of e-money tokens.

  Published in the *OJEU* (L) No. 415, of 13 February 2025, pp. 1–8.

– Commission Delegated Regulation (EU) 2025/418, of 16 December 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the minimum content of the governance arrangements on the remuneration policy of issuers of significant asset-referenced or e-money tokens.

  Published in the *OJEU* (L) No. 418, of 13 February 2025, pp. 1–8.

– Commission Delegated Regulation (EU) 2025/419, of 16 December 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the procedure and timeframe for an issuer of asset-referenced tokens or of e-money tokens to adjust the amount of its own funds.

  Published in the *OJEU* (L) No. 419, of 13 February 2025, pp. 1–3.

– Commission Delegated Regulation (EU) 2025/421, of 16 December 2024, supplementing Regulation (EU) 2023/1114 of the European Parliament and of the Council with regard to regulatory technical standards specifying the data necessary for the classification of crypto-asset white papers and the practical arrangements to ensure that such data is machine-readable.

  Published in the *OJEU* (L) No. 421, of 13 February 2025, pp. 1–7.

IV Statistics Annex

1 Markets

1.1 Equity

Share issues and public offerings[1]

TABLE 1.1

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
NO. OF ISSUERS								
Total	27	20	28	8	14	12	13	10
Capital increases	27	20	29	8	14	12	13	9
Primary offerings	1	0	2	0	1	0	1	1
Bonus issues	12	11	10	3	4	4	4	3
Of which, scrip dividend	11	10	8	3	4	3	3	3
Capital increases by conversion	4	3	6	2	6	3	2	0
For non-monetary consideration	2	1	2	0	1	0	1	0
With pre-emptive subscription rights	2	2	3	1	1	1	0	3
Without trading warrants	10	4	12	3	4	4	6	3
Secondary offerings	0	0	1	0	1	0	0	1
NO. OF ISSUES								
Total	55	39	67	9	27	14	17	13
Capital increases	55	39	65	9	26	14	17	12
Primary offerings	1	0	2	0	2	0	1	3
Bonus issues	16	15	15	3	4	4	4	3
Of which, scrip dividend	15	14	13	3	4	3	3	3
Capital increases by conversion	14	14	24	2	13	5	4	0
For non-monetary consideration	5	1	3	0	2	0	1	0
With pre-emptive subscription rights	2	2	3	1	1	1	0	3
Without trading warrants	17	7	18	3	4	4	7	3
Secondary offerings	0	0	1	0	1	0	0	1
CASH VALUE (millions of euros)								
Total	6,111.8	3,677.5	9,321.2	1,086.9	4,075.5	3,526.1	632.7	2,163.7
Capital increases	6,111.8	3,677.5	7,933.2	1,086.9	2,687.5	3,526.1	632.7	2,026.6
Primary offerings	200.0	0.0	1,559.5	0.0	1,384.5	0.0	175.0	839.1
Bonus issues	3,591.5	3,281.0	3,524.0	939.4	251.4	1,963.0	370.1	1,140.4
Of which, scrip dividend	3,590.0	3,279.5	3,522.2	939.4	251.4	1,962.9	368.5	1,140.4
Capital increases by conversion	81.6	51.5	384.0	12.2	364.1	5.9	1.9	0.0
For non-monetary consideration[2]	1,381.2	5.2	263.4	0.0	259.6	0.0	3.8	0.0
With pre-emptive subscription rights	254.2	181.1	94.8	39.8	42.9	12.0	0.0	108.0
Without trading warrants	603.3	158.5	2,107.4	95.4	384.8	1,545.2	81.9	53.2
Secondary offerings	0.0	0.0	1,388.1	0.0	1,388.1	0.0	0.0	23.0
NOMINAL VALUE (millions of euros)								
Total	529.6	277.3	737.8	78.9	118.0	438.7	102.2	187.3
Capital increases	529.6	277.3	719.3	78.9	99.8	438.7	102.2	187.1
Primary offerings	0.8	0.0	4.9	0.0	3.5	0.0	1.7	0.7
Bonus issues	334.4	208.8	204.3	68.2	1.6	114.7	19.8	74.9
Of which, scrip dividend	332.9	207.3	202.6	68.2	1.6	114.5	18.2	74.9
Capital increases by conversion	6.5	40.7	23.0	2.1	18.0	2.8	0.1	0.0
For non-monetary consideration	19.3	0.8	4.4	0.0	0.6	0.0	3.8	0.0
With pre-emptive subscription rights	22.9	21.8	17.7	2.6	7.1	8.0	0.0	100.3
Without trading warrants	145.6	5.1	464.9	5.9	68.9	313.3	76.8	11.3
Secondary offerings	0.0	0.0	18.2	0.0	18.2	0.0	0.0	0.0
***Pro memoria:* transactions BME Growth[3]**								
No. of issuers	41	35	36	14	14	15	19	14
No. of issues	88	111	116	31	27	23	35	23
Cash value (millions of euros)	2,329.5	1,517.9	884.6	75.6	67.1	99.5	642.4	140.7
Capital increases	2,329.5	1,517.9	884.6	75.6	67.1	99.5	642.4	140.7
Of which, primary offerings	1,487.1	986.7	469.2	0.0	30.3	0.0	438.9	0.0
Secondary offerings	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1 Registered transactions at the CNMV. Does not include data from BME Growth, ETF or Latibex.
2 Capital increases for non-monetary consideration are valued at market prices.
3 Unregistered transactions at the CNMV. Source: BME and CNMV.

Companies listed[1]

TABLE 1.2

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
Total electronic market[2]	121	120	121	120	120	120	121	121
Of which, foreign companies	6	8	8	8	8	8	8	9
Second market	0	0	0	0	0	0	0	0
Madrid	0	0	0	0	0	0	0	0
Barcelona	0	0	0	0	0	0	0	0
Bilbao	0	0	0	0	0	0	0	0
Valencia	0	0	0	0	0	0	0	0
Open outcry	9	8	8	8	8	8	8	7
Madrid	3	3	3	3	3	3	3	3
Barcelona	6	5	6	6	6	6	6	5
Bilbao	2	0	2	2	2	2	2	2
Valencia	0	2	0	0	0	0	0	0
BME MTF Equity[3]	1,349	655	659	655	659	648	659	655
Latibex	19	18	18	18	18	18	18	18

1 Data at the end of period.
2 Without ETFs (Exchange Traded Funds).
3 Alternative Stock Market.

Capitalisation[1]

TABLE 1.3

Millions of euros

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
Total electronic market[2]	724,476.0	862,511.2	952,069.9	927,728.4	891,512.5	958,220.3	952,069.9	1,055,903.4
Of which, foreign companies[3]	141,178.4	195,490.0	207,284.8	218,450.2	182,002.4	189,455.3	207,284.8	225,334.6
Ibex 35	438,222.8	520,388.7	592,855.6	569,051.0	561,223.0	609,936.1	592,855.6	671,968.5
Second market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Madrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Barcelona	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilbao	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valencia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Open outcry	1,227.9	1,366.5	1,767.7	1,417.4	1,508.1	1,665.2	1,767.7	1,876.3
Madrid	32.8	33.2	37.7	31.2	29.3	27.7	37.7	37.7
Barcelona	1,201.5	1,234.0	1,236.5	1,398.6	1,489.4	1,646.4	1,749.0	1,857.5
Bilbao	0.0	14.7	18.9	14.7	14.7	13.1	18.9	18.9
Valencia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BME MTF Equity[4, 5]	39,070.4	34,634.1	38,160.8	36,299.1	37,169.5	37,863.4	38,160.8	38,213.8
Latibex	228.5	305.9	322.8	302.5	313.6	315.2	322.8	379.6

1 Data at the end of period.
2 Without ETFs (Exchange Traded Funds).
3 Capitalisation of foreign companies includes their entire shares, whether they are deposited in Spain or not.
4 Calculated only with outstanding shares, not including treasury shares, because capital stock is not reported until the end of the year.
5 Alternative Stock Market.

Trading

TABLE 1.4

Millions of euros

				2024				2025
	2022	2023	2024	I	II	III	IV	I
Total electronic market[1]	356,572.7	296,496.0	314,244.3	76,400.3	96,379.6	64,881.5	76,582.9	85,791.0
Of which, foreign companies	4,770.9	6,394.7	13,245.4	2,637.1	4,018.3	2,584.4	4,005.6	4,025.9
Second market	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Madrid	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Barcelona	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilbao	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Valencia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Open outcry	8.3	2.3	6.5	2.5	0.9	0.9	2.2	1.7
Madrid	0.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Barcelona	7.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bilbao	0.0	2.3	6.5	2.5	0.9	0.9	2.2	1.7
Valencia	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BME MTF Equity[2]	3,837.3	2,871.5	3,602.8	862.2	750.5	615.9	1,374.2	758.4
Latibex	93.4	65.7	154.5	35.5	45.0	32.6	41.4	61.4

1 Without ETFs (Exchange Traded Funds).
2 Alternative Stock Market.

Trading on the electronic market by type of transaction[1]

TABLE 1.5

Millions of euros

				2024				2025
	2022	2023	2024	I	II	III	IV	I
Regular trading	342,364.3	290,657.5	301,562.5	73,449.3	90,825.3	62,765.2	74,522.6	84,205.9
Orders	247,439.8	209,439.7	227,933.1	58,228.2	64,012.4	50,889.5	54,802.9	70,504.7
Put-throughs	35,058.8	27,822.5	28,827.4	7,946.7	8,265.7	6,041.4	6,573.6	7,892.5
Block trades	59,865.7	53,395.3	44,802.0	7,274.4	18,547.3	5,834.3	13,146.1	5,808.7
Off-hours	3,873.0	2,291.9	2,648.8	1,194.9	518.4	457.4	478.1	135.9
Authorised trades	867.1	387.0	419.0	51.4	104.0	204.4	59.2	60.6
Art. 36.1 SMA trades	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Tender offers	5,125.0	0.0	2,473.3	994.5	1,168.9	0.0	309.9	54.4
Public offerings for sale	467.5	72.4	3,700.6	0.0	2,997.3	616.7	86.6	193.3
Declared trades	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Options	2,458.4	2,175.3	2,235.8	412.9	555.7	509.8	757.4	489.9
Hedge transactions	1,417.5	911.9	1,204.3	297.3	210.0	328.0	369.0	651.0

1 Without ETFs (Exchange Traded Funds).

1.2 Fixed income

Gross long-term issues registered at the CNMV

TABLE 1.6

				2024				2025
	2022	2023	2024	I	II	III	IV	I
NO. OF ISSUERS								
Total	27	28	17	7	4	3	3	5
Mortgage-covered bonds	8	9	4	4	0	0	0	1
Territorial-covered bonds	3	1	0	0	0	0	0	0
Non-convertible bonds and debentures	9	10	1	1	0	0	0	1
Convertible bonds and debentures	0	1	1	1	0	0	0	0
Backed securities	11	11	11	1	4	3	3	2
Other fixed-income issues	0	2	0	0	0	0	0	0
Preference shares	0	3	1	1	0	0	0	1
NO. OF ISSUES								
Total	127	109	59	10	16	18	15	6
Mortgage-covered bonds	21	18	5	5	0	0	0	1
Territorial-covered bonds	4	1	0	0	0	0	0	0
Non-convertible bonds and debentures	49	31	1	1	0	0	0	1
Convertible bonds and debentures	0	1	1	1	0	0	0	0
Backed securities	53	52	51	2	16	18	15	3
Other fixed-income issues	0	3	0	0	0	0	0	0
Preference shares	0	3	1	1	0	0	0	1
NOMINAL AMOUNT (millions of euros)								
Total	84,866.9	54,982.6	18,790.0	6,050.0	8,131.1	2,370.2	2,238.7	6,436.0
Mortgage-covered bonds	31,350.0	20,550.0	2,700.0	2,700.0	0.0	0.0	0.0	500.0
Territorial-covered bonds	3,540.0	750.0	0.0	0.0	0.0	0.0	0.0	0.0
Non-convertible bonds and debentures	29,332.2	14,156.9	500.0	500.0	0.0	0.0	0.0	500.0
Convertible bonds and debentures	0.0	130.0	100.0	100.0	0.0	0.0	0.0	0.0
Backed securities	20,644.7	14,665.5	14,740.0	2,000.0	8,131.1	2,370.2	2,238.7	4,436.0
Other fixed-income issues	0.0	3,380.2	0.0	0.0	0.0	0.0	0.0	0.0
Preference shares	0.0	1,350.0	750.0	750.0	0.0	0.0	0.0	1,000.0
Pro memoria:								
Subordinated issues	1,825.1	3,864.3	2,119.7	950.0	525.4	303.9	340.4	1,570.0

Issues admitted to trading on AIAF[1]

TABLE 1.7

Nominal amount in millions of euros

				2024				2025
	2022	2023	2024	I	II	III	IV	I
Total	98,766.9	75,208.8	51,264.0	12,170.3	13,903.8	11,007.0	14,182.9	19,365.8
Commercial paper	39,524.5	25,705.6	12,277.8	2,450.8	2,654.9	4,421.1	2,751.0	5,343.0
Bonds and debentures	3,707.7	6,215.2	4,546.2	1,719.5	767.8	1,215.7	843.2	2,236.8
Mortgage-covered bonds	0.0	130.0	100.0	0.0	100.0	0.0	0.0	0.0
Territorial-covered bonds	31,350.0	22,750.0	16,500.0	4,500.0	1,750.0	3,000.0	7,250.0	6,000.0
Backed securities	3,540.0	750.0	0.0	0.0	0.0	0.0	0.0	0.0
Preference shares	20,644.7	14,808.0	14,740.0	2,000.0	8,131.1	2,370.2	2,238.7	4,436.0
Matador bonds	0.0	1,350.0	750.0	750.0	0.0	0.0	0.0	1,000.0
Other fixed-income issues	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1 Only corporate bonds are included.

AIAF. Issuers, issues and outstanding balance

TABLE 1.8

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
NO. OF ISSUERS								
Total	272	265	244	259	256	254	244	237
Corporate bonds	236	231	216	225	222	220	216	209
Commercial paper	6	9	12	9	11	11	12	12
Bonds and debentures	31	31	28	31	31	29	28	27
Mortgage-covered bonds	23	24	23	23	23	23	23	23
Territorial-covered bonds	4	5	4	5	4	4	4	4
Backed securities	187	178	166	174	169	169	166	160
Preference shares	5	5	5	5	5	5	5	5
Matador bonds	3	3	3	3	3	3	3	3
Government bonds	36	34	28	34	34	34	28	28
Letras del Tesoro	1	1	1	1	1	1	1	1
Long government bonds	1	1	1	1	1	1	1	1
Regional government debt	14	12	12	12	12	12	12	12
Foreign public debt	13	12	7	12	12	12	7	7
Other public debt	9	9	8	9	9	9	8	8
NO. OF ISSUES								
Total	2,353	2,221	2,125	2,163	2,196	2,204	2,125	2,093
Corporate bonds	1,370	1,228	1,159	1,199	1,174	1,210	1,159	1,131
Commercial paper	121	146	154	140	135	181	154	163
Bonds and debentures	367	231	187	223	218	199	187	186
Mortgage-covered bonds	156	154	148	155	151	153	148	145
Territorial-covered bonds	13	12	8	12	11	11	8	8
Backed securities	699	671	649	654	646	653	649	615
Preference shares	11	11	10	12	10	10	10	11
Matador bonds	3	3	3	3	3	3	3	3
Government bonds	983	993	966	964	1,022	994	966	962
Letras del Tesoro	12	12	12	12	12	12	12	12
Long government bonds	232	227	226	231	228	225	226	233
Regional government debt	155	148	152	151	156	155	152	153
Foreign public debt	560	576	545	538	592	566	545	532
Other public debt	24	30	31	32	34	36	31	32
OUTSTANDING BALANCE[1] (millions of euros)								
Total	6,036,311.1	10,012,218.8	10,328,502.8	9,862,073.3	10,404,616.1	10,365,689.5	10,328,502.8	10,267,323.6
Corporate bonds	384,144.5	376,059.6	351,661.2	370,395.4	365,826.1	364,448.1	351,661.2	342,765.2
Commercial paper	8,715.2	7,353.6	5,703.3	6,742.4	6,425.1	6,188.4	5,703.3	5,857.8
Bonds and debentures	37,838.3	43,165.8	40,599.2	42,624.0	42,023.5	41,315.1	40,599.2	40,338.9
Mortgage-covered bonds	175,698.3	175,818.0	173,481.0	175,667.9	174,023.0	176,984.8	173,481.0	169,076.9
Territorial-covered bonds	12,585.0	13,040.0	8,290.0	13,040.0	12,790.0	12,790.0	8,290.0	8,290.0
Backed securities	140,888.0	128,512.5	116,668.1	124,006.4	123,644.9	120,250.2	116,668.1	112,117.5
Preference shares	8,225.0	7,975.0	6,725.0	8,120.0	6,725.0	6,725.0	6,725.0	6,889.4
Matador bonds	194.6	194.6	194.6	194.6	194.6	194.6	194.6	194.6
Government bonds	5,652,166.6	9,636,159.3	9,976,841.6	9,491,677.9	10,038,790.0	10,001,241.3	9,976,841.6	9,924,558.4
Letras del Tesoro	74,881.0	71,599.3	74,679.7	71,590.1	72,659.3	74,445.5	74,679.7	77,359.4
Long government bonds	1,184,497.3	1,273,792.3	1,334,750.8	1,319,220.7	1,326,567.0	1,344,198.5	1,334,750.8	1,378,135.2
Regional government debt	35,109.3	36,592.0	37,217.8	38,009.1	37,742.8	37,265.9	37,217.8	39,138.0
Foreign public debt	4,339,951.8	8,214,367.3	8,487,736.2	8,021,446.0	8,559,310.6	8,501,693.1	8,487,736.2	8,387,422.4
Other public debt	17,727.1	39,808.4	42,457.1	41,412.0	42,510.3	43,638.3	42,457.1	42,503.5

1 Nominal amount.

AIAF. Trading

TABLE 1.9

Nominal amount in millions of euros

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
BY TYPE OF ASSET								
Total	18,782.9	22,968.1	5,009.7	2,242.1	1,360.3	732.5	674.8	627.9
Corporate bonds	106.7	102.1	101.1	29.6	31.2	19.3	20.9	12.6
Commercial paper	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Bonds and debentures	105.8	100.2	100.5	29.4	30.8	19.3	20.9	12.6
Mortgage-covered bonds	0.0	0.7	0.2	0.2	0.0	0.0	0.0	0.0
Territorial-covered bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Backed securities	0.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preference shares	0.0	1.2	0.4	0.0	0.4	0.0	0.0	0.0
Matador bonds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Government bonds	18,676.2	22,866.0	4,908.6	2,212.5	1,329.1	713.2	653.9	615.3
Letras del Tesoro	730.3	803.3	203.0	54.9	58.6	50.8	38.7	44.1
Long government bonds	5,623.7	9,337.8	3,250.4	1,213.1	842.7	662.3	532.3	480.2
Regional government debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Foreign public debt	12,322.3	12,724.9	1,455.1	944.4	427.7	0.0	82.9	91.0
Other public debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
BY TYPE OF TRANSACTION								
Total	18,782.9	22,968.1	5,009.7	2,242.1	1,360.3	732.5	674.8	627.9
Outright	18,782.9	22,968.1	5,009.7	2,242.1	1,360.3	732.5	674.8	627.9
Repos	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sell-buybacks/Buy-sellbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

AIAF. Third-party trading. By purchaser sector

TABLE 1.10

Nominal amount in millions of euros

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
Total	18,771.9	22,952.9	4,978.5	2,240.7	1,358.3	730.3	649.2	627.9
Non-financial companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial institutions	18,771.9	22,952.9	4,978.5	2,240.7	1,358.3	730.3	649.2	627.9
Credit institutions	92.6	256.1	267.9	124.9	87.5	34.7	20.7	45.6
CIS, insurance and pension funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other financial institutions	18,679.3	22,696.8	4,710.6	2,115.8	1,270.8	695.6	628.5	582.4
General government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Households and NPISHs[1]	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Rest of the world	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1 Non-profit institutions serving households.

Equity markets. Issuers, issues and outstanding balances

TABLE 1.11

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
NO. OF ISSUERS								
Total	8	7	7	7	7	7	7	6
Private issuers	4	4	4	4	4	4	4	3
Non-financial companies	0	0	0	0	0	0	0	0
Financial institutions	4	4	4	4	4	4	4	3
General government[1]	4	10	3	3	3	3	3	3
Regional governments	2	2	2	2	2	2	2	2
NO. OF ISSUES								
Total	40	34	32	34	33	32	32	27
Private issuers	11	10	10	10	10	10	10	6
Non-financial companies	0	0	0	0	0	0	0	0
Financial institutions	11	10	10	10	10	10	10	6
General government[1]	29	24	22	24	23	22	22	21
Regional governments	24	22	21	22	22	21	21	20
OUTSTANDING BALANCES[2] (millions of euros)								
Total	7,717.5	7,076.0	6,953.0	7,067.1	7,046.9	6,959.7	6,953.0	6,372.0
Private issuers	273.3	232.5	201.5	223.6	215.4	208.2	201.5	123.3
Non-financial companies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Financial institutions	273.3	232.5	201.5	223.6	215.4	208.2	201.5	123.3
General government[1]	7,444.2	6,843.5	6,751.5	6,843.5	6,831.5	6,751.5	6,751.5	6,248.7
Regional governments	7,338.6	6,811.5	6,731.5	6,811.5	6,811.5	6,731.5	6,731.5	6,228.7

1 Without public book-entry debt.
2 Nominal amount.

SENAF. Public debt trading by type

TABLE 1.12

Nominal amount in millions of euros

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
Total	100,432.0	174,703.0	99,456.0	20,758.0	26,854.0	27,314.0	24,530.0	28,077.0
Outright	100,432.0	174,703.0	99,456.0	20,758.0	26,854.0	27,314.0	24,530.0	28,077.0
Sell-buybacks/Buy-sellbacks	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1.3 Derivatives and other products

1.3.1 Financial derivative markets: MEFF

Trading on MEFF

TABLE 1.13

Number of contracts

				2024				2025
	2022	2023	2024	I	II	III	IV	I
Debt products	0	0	0	0	0	0	0	0
Debt futures[1]	0	0	0	0	0	0	0	0
Ibex 35 products[2, 3]	5,693,086	4,748,749	4,687,574	1,161,815	1,129,368	1,129,376	1,267,014	1,374,734
Ibex 35 plus futures	5,445,516	4,615,051	4,524,516	1,124,189	1,084,864	1,101,407	1,214,056	1,198,403
Ibex 35 mini futures	93,450	61,215	61,670	15,000	15,270	16,863	14,538	169,855
Ibex 35 micro futures	0	0	0	0	0	0	0	0
Ibex 35 dividend impact futures	19,708	16,640	20,180	3,675	5,050	2,850	8,605	305
Ibex 35 sector futures	0	0	0	0	0	0	0	0
Call mini options	42,485	24,192	40,287	9,792	12,789	3,219	14,488	4,078
Put mini options	91,927	31,651	40,921	9,160	11,396	5,038	15,327	2,092
Stock products[4]	25,333,109	24,111,351	22,621,854	6,060,113	6,210,667	4,083,066	6,268,008	7,949,564
Futures	10,313,726	11,279,153	11,472,801	3,468,508	3,666,397	953,426	3,384,470	3,324,940
Stock dividend futures	12,550	1,050	121,476	34,385	35,416	22,350	29,325	20,050
Stock plus dividend futures	13,510	20,381	24,402	8,134	8,134	0	8,134	8,134
Call options	7,900,379	5,832,613	5,083,232	1,071,580	1,545,873	1,295,732	1,170,047	1,392,450
Put options	7,092,944	6,978,154	5,919,943	1,477,506	954,847	1,811,558	1,676,032	3,203,990

1 Contract size: €100,000.
2 The number of Ibex 35 mini futures (multiples of €1) and micro futures (multiples of €0.1) was standardised to the size of the Ibex 35 plus futures (multiples of €10).
3 Contract size: Ibex 35, €10.
4 Contract size: 100 stocks.

1.3.2 Warrants, option buying and selling contracts, and ETF (Exchange-Traded Funds)

Issues registered at the CNMV[1]

TABLE 1.14

				2024				2025
	2022	2023	2024	I	II	III	IV	I
WARRANTS								
Premium amount (millions of euros)	5,233.0	4,482.7	0.0	0.0	0.0	0.0	0.0	0.0
On stocks	1,595.9	752.4	0.0	0.0	0.0	0.0	0.0	0.0
On indexes	3,014.2	3,590.3	0.0	0.0	0.0	0.0	0.0	0.0
On commodities	493.6	124.6	0.0	0.0	0.0	0.0	0.0	0.0
On exchange rates	18.2	14.9	0.0	0.0	0.0	0.0	0.0	0.0
On derivatives	111.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0
Number of issues	7,383	6,480	0	0	0	0	0	0
Number of issuers	2	2	0	0	0	0	0	0

1 Due to the entry into force of Security Markets Act (Law 6/2023), as of September, no warrant issuances were registered with CNMV.

Equity markets. Warrants and ETF trading

TABLE 1.15

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I
WARRANTS								
Trading (millions of euros)	599.6	381.1	110.2	29.7	33.3	21.7	25.6	23.1
On Spanish stocks	86.0	53.4	24.6	6.1	6.9	3.8	7.9	5.5
On foreign stocks	26.4	18.4	9.1	3.5	1.4	2.1	2.0	2.8
On indexes	436.8	293.5	73.7	18.7	24.7	15.3	15.0	14.7
Other underlyings[1]	50.4	12.6	1.7	0.4	0.1	0.4	0.7	0.1
Number of issues[2]	3,938	3,449	896	355	238	170	133	128
Number of issuers[2]	2	3	1	2	2	2	1	1
CERTIFICATES								
Trading (millions of euros)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Number of issues[2]	0	0	0	0	0	0	0	0
Number of issuers[2]	0	0	0	0	0	0	0	0
ETFs								
Trading (millions of euros)	1,604.8	1,297.3	993.3	298.4	243.6	229.0	222.4	282.5
Number of funds	5	5	6	5	6	6	6	6
Assets[3] (millions of euros)	241.2	222.5	241.9	248.8	238.8	245.9	241.9	272.4

1 It includes the following underlying: baskets of stocks, exchange rates, interest rates and commodities.
2 Issues or issuers which were traded in each period.
3 Only assets from national collective investment schemes are included because assets from foreign schemes are not available.

2 Investment services

Investment services. Spanish firms, branches and agents

TABLE 2.1

				2024				2025
	2022	2023	2024	I	II	III	IV	I
BROKER-DEALERS								
Spanish firms	34	39	40	39	40	40	40	39
Branches in Spain	15	16	21	18	19	19	21	20
Agents operating in Spain	1,222	1,306	1,533	1,332	1,400	1,415	1,533	1,586
Branches in EEA[1]	5	5	6	5	5	5	6	6
Firms providing services in EEA[1]	23	25	26	25	27	24	26	25
Passports to operate in EEA[1, 2]	204	262	269	254	256	255	269	238
BROKERS								
Spanish firms	61	60	59	62	62	61	59	60
Branches in Spain	20	25	34	33	32	34	34	56
Agents operating in Spain	1,246	1,333	1,367	1,351	1,371	1,376	1,367	1,369
Branches in EEA[1]	6	3	2	3	5	2	2	3
Firms providing services in EEA[1]	32	34	33	35	32	33	33	34
Passports to operate in EEA[1, 2]	211	234	228	237	234	235	228	238
PORTFOLIO MANAGEMENT COMPANIES								
Spanish firms	0	0	0	0	0	0	0	0
FINANCIAL ADVISORY FIRMS[3]								
Spanish firms	143	143	88	92	89	89	88	90
Branches in Spain	21	16	7	8	8	7	7	7
Agents operating in Spain	26	24	23	23	24	23	23	24
Branches in EEA[1]	0	0	0	0	0	0	0	0
Firms providing services in EEA[1]	23	22	22	23	23	22	22	23
Passports to operate in EEA[1, 2]	46	46	53	47	56	44	53	54
NATIONAL FINANCIAL ADVISORY FIRMS[3]								
Spanish firms	–	–	49	47	49	51	49	54
Branches in Spain	–	–	0	0	0	0	0	0
Agents operating in Spain	–	–	0	0	0	0	0	0
CREDIT INSTITUTIONS[4]								
Spanish firms	108	108	107	108	107	107	107	106

1 EEA: European Economic Area.
2 Number of passports to provide services in the EEA. The same entity may provide investment services in one or more Member States.
3 The entry into force of Security Markets Act (Law 6/2023) has created a new entity type, the National financial advisory firm (EAFN), which is not considered as an Investment services company (ESI), as defined in Article 128.5.a).
4 Source: Banco de España [Bank of Spain] and CNMV.

Investment services. Foreign firms

TABLE 2.2

				2024				2025
	2022	2023	2024	I	II	III	IV	I
Total	1,432	1,442	1,465	1,455	1,464	1,466	1,465	1,465
Investment services firms	974	873	896	887	896	897	896	896
From EU Member states	968	864	883	877	885	885	883	884
Branches	43	47	52	49	48	51	52	51
Free provision of services	925	817	831	828	837	834	831	833
From non-EU States	6	9	13	10	11	12	13	12
Branches	2	2	2	2	2	2	2	2
Free provision of services	4	7	11	8	9	10	11	10
Credit institutions[1]	458	569	569	568	568	569	569	569
From EU Member states	452	563	563	562	562	563	563	563
Branches	52	49	49	49	50	49	49	49
Free provision of services	400	514	514	513	512	514	514	514
Subsidiaries of free provision of services institutions	0	0	0	0	0	0	0	0
From non-EU States	6	6	6	6	6	6	6	6
Branches	3	3	3	3	3	3	3	3
Free provision of services	3	3	3	3	3	3	3	3

1 Source: Banco de España [Bank of Spain] and CNMV.

Intermediation of spot transactions[1]

TABLE 2.3

Millions of euros

				2023	2024			
	2022	2023	2024	IV	I	II	III	IV
FIXED INCOME								
Total	2,901,223.2	3,094,018.9	2,769,612.8	706,400.1	795,750.4	677,310.2	503,071.1	793,481.1
Broker-dealers	2,890,878.3	3,083,705.8	2,767,416.8	704,852.1	795,210.8	676,672.2	502,503.6	793,030.2
Spanish organised markets	662,074.8	487,314.3	474,126.0	118,739.1	126,818.9	129,789.6	99,981.9	117,535.6
Other Spanish markets	1,289,213.6	1,341,113.2	1,450,857.4	311,569.0	457,941.3	313,325.3	205,855.2	473,735.6
Foreign markets	939,589.9	1,255,278.3	842,433.4	274,544.0	210,450.6	233,557.3	196,666.5	201,759.0
Brokers	10,344.9	10,313.1	2,196.0	1,548.0	539.6	638.0	567.5	450.9
Spanish organised markets	2,044.6	942.5	346.5	249.0	118.2	81.9	89.7	56.7
Other Spanish markets	454.6	402.9	627.7	169.9	88.7	134.1	186.5	218.4
Foreign markets	7,845.7	8,967.7	1,221.8	1,129.1	332.7	422.0	291.3	175.8
EQUITY								
Total	146,070.1	170,438.0	97,328.3	30,320.6	24,704.6	27,365.9	15,316.3	29,941.5
Broker-dealers	130,376.3	144,950.8	80,738.1	24,152.7	20,067.8	24,137.4	13,771.1	22,761.8
Spanish organised markets	38,170.8	43,121.6	40,401.0	7,142.0	7,811.5	14,940.9	5,896.4	11,752.2
Other Spanish markets	2,802.8	2,982.2	3,393.1	807.3	741.1	816.6	821.3	1,014.1
Foreign markets	89,402.7	98,847.0	36,944.0	16,203.4	11,515.2	8,379.9	7,053.4	9,995.5
Brokers	15,693.8	25,487.2	16,590.2	6,167.9	4,636.8	3,228.5	1,545.2	7,179.7
Spanish organised markets	5,978.1	8,385.6	9,533.1	3,328.0	2,102.0	2,101.4	1,014.8	4,314.9
Other Spanish markets	864.8	7,448.4	1,291.7	121.3	119.1	66.8	48.1	1,057.7
Foreign markets	8,850.9	9,653.2	5,765.4	2,718.6	2,415.7	1,060.3	482.3	1,807.1

1 Period accumulated data. Quarterly.

Intermediation of derivative transactions[1, 2]

TABLE 2.4

Millions of euros

				2023	2024			
	2022	2023	2024	IV	I	II	III	IV
Total	9,792,568.5	8,922,442.0	8,476,121.7	2,208,419.7	2,392,988.4	2,139,069.0	1,887,922.8	2,056,141.5
Broker-dealers	8,817,459.1	7,889,992.0	7,798,613.0	2,026,266.4	2,212,698.6	2,013,064.5	1,727,310.3	1,845,539.6
Spanish organised markets	4,192,650.3	3,344,015.7	2,959,057.4	848,296.9	773,494.8	772,882.5	690,021.7	722,658.4
Foreign organised markets	4,451,806.6	4,433,507.7	4,636,521.4	1,140,492.0	1,420,011.3	1,151,994.4	1,010,646.6	1,053,869.1
Non-organised markets	173,002.2	112,468.6	203,034.2	37,477.5	19,192.5	88,187.6	26,642.0	69,012.1
Brokers	975,109.4	1,032,450.0	677,508.7	182,153.3	180,289.8	126,004.5	160,612.5	210,601.9
Spanish organised markets	9,075.1	6,064.8	76,223.6	2,199.0	2,762.4	3,842.7	1,840.1	67,778.4
Foreign organised markets	960,541.5	1,016,950.8	573,962.3	179,394.9	176,295.8	113,451.7	145,465.0	138,749.8
Non-organised markets	5,492.8	9,434.4	27,322.8	559.4	1,231.6	8,710.1	13,307.4	4,073.7

1 The amount of the buy and sell transactions of financial assets, financial futures on values and interest rates, and other transactions on interest rates will be the securities nominal or notional value or the principal to which the contract applies. The amount of the transactions on options will be the strike price of the underlying asset multiplied by the number of instruments committed.
2 Period accumulated data. Quarterly.

Portfolio management. Number of portfolios and assets under management[1]

TABLE 2.5

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
NUMBER OF PORTFOLIOS								
Total[2]	103,905	113,597	144,175	113,597	119,924	125,880	133,755	144,175
Broker-dealers. Total	21,914	19,503	19,002	19,503	18,754	18,906	19,171	19,002
CIS[3]	29	24	22	24	26	26	22	22
Other[4]	21,885	19,479	18,980	19,479	18,728	18,880	19,149	18,980
Brokers. Total	81,991	94,094	125,173	94,094	101,170	106,974	114,584	125,173
CIS[3]	38	45	47	45	45	40	44	47
Other[4]	81,953	94,049	125,126	94,049	101,125	106,934	114,540	125,126
ASSETS UNDER MANAGEMENT (thousands of euros)								
Total[2]	8,206,522	10,444,200	14,950,397	10,444,200	11,163,402	11,507,699	12,258,933	14,950,397
Broker-dealers. Total	2,901,726	3,207,358	3,559,599	3,207,358	3,358,927	3,361,832	3,463,131	3,559,599
CIS[3]	393,165	337,662	350,640	337,662	345,793	347,263	352,062	350,640
Other[4]	2,508,561	2,869,696	3,208,959	2,869,696	3,013,134	3,014,569	3,111,069	3,208,959
Brokers. Total	5,304,796	7,236,842	11,390,798	7,236,842	7,804,475	8,145,867	8,795,802	11,390,798
CIS[3]	1,276,836	2,227,407	2,194,882	2,227,407	2,031,524	2,321,325	2,520,491	2,194,882
Other[4]	4,027,960	5,009,435	9,195,916	5,009,435	5,772,951	5,824,542	6,275,311	9,195,916

1 Data at the end of period. Quarterly.
2 Only data on broker-dealers and brokers are shown.
3 It includes both resident and non-resident CIS management.
4 It includes the rest of clients, both covered and not covered by the Investment Guarantee Fund – an investor compensation scheme regulated by Royal Decree 948/2001.

Financial advice. Number of contracts[1, 2]

TABLE 2.6

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
NUMBER OF CONTRACTS								
Total[3]	48,139	65,516	83,805	65,516	55,122	71,943	66,208	83,805
Broker-dealers. Total	20,133	26,066	38,085	26,066	27,561	29,779	33,104	38,085
Retail clients	20,076	25,992	38,001	25,992	27,487	29,703	33,025	38,001
Professional clients	43	57	65	57	57	59	62	65
Eligible counterparties	14	17	19	17	17	17	17	19
Brokers. Total	28,006	39,450	45,720	39,450	27,561	42,164	33,104	45,720
Retail clients	27,638	39,028	45,261	39,028	27,487	41,734	33,025	45,261
Professional clients	327	385	425	385	57	393	62	425
Eligible counterparties	41	37	34	37	17	37	17	34
***Pro memoria:* commission received for financial advice[4]** (thousands of euros)								
Total[3]	45,484	49,564	49,822	49,564	11,115	22,201	33,584	49,822
Broker-dealers	7,937	11,624	16,508	11,624	4,123	7,404	10,919	16,508
Brokers	37,547	37,940	33,314	37,940	6,992	14,797	22,665	33,314

1 Data at the end of period. Quarterly.
2 Quarterly data on assets advised are not available since the entry into force of CNMV Circular 3/2014, of 22 October.
3 Only data on broker-dealers and brokers are shown.
4 Accumulated data from the beginning of the year to the last day of every quarter. It includes companies removed during the year.

Aggregated income statement. Broker-dealers

TABLE 2.7

Thousands of euros[1]

				2024				2025
	2022	2023	2024	I	II	III	IV	I[2]
I. Interest income	66,519	80,476	97,571	13,810	63,586	83,028	97,571	14,112
II. Net commission	191,789	213,216	246,898	61,026	119,140	173,779	246,898	44,909
Commission revenues	293,594	315,902	363,650	87,828	178,753	260,608	363,650	65,025
Brokering	105,849	117,833	125,319	34,180	66,369	93,808	125,319	25,866
Placement and underwriting	7,881	7,047	7,594	1,290	3,619	5,234	7,594	1,787
Securities deposit and recording	32,979	32,507	33,125	8,048	16,402	24,573	33,125	4,563
Portfolio management	14,096	17,588	21,645	4,498	8,656	12,884	21,645	3,013
Design and advice	19,162	21,142	25,519	6,193	11,049	16,738	25,519	5,521
Stock search and placement	1,010	921	2,703	218	1,326	2,613	2,703	133
Market credit transactions	0	0	0	0	0	0	0	0
CIS marketing	63,402	67,896	75,976	18,569	36,673	56,095	75,976	13,893
Other	49,215	50,967	71,770	14,831	34,658	48,662	71,770	10,250
Commission expenses	101,805	102,686	116,752	26,802	59,613	86,829	116,752	20,116
III. Financial investment income	57,558	41,037	34,321	10,606	18,325	24,040	34,321	9,069
IV. Net exchange differences and other operating products and expenses	1,372	6,726	7,426	2,364	4,455	5,195	7,426	276
V. Gross income	317,238	341,455	386,216	87,806	205,506	286,042	386,216	68,366
VI. Operating income	90,039	102,285	129,237	28,535	87,222	107,274	129,237	22,292
VII. Earnings from continuous activities	82,156	95,053	110,213	24,238	80,822	99,732	110,213	19,171
VIII. Net earnings from the period	82,156	95,053	110,213	24,238	80,822	99,732	110,213	19,171

1 Accumulated data from the beginning of the year to the last day of every quarter. It includes companies removed during the year.

2 Available data: February 2025.

Results of proprietary trading. Broker-dealers

TABLE 2.8

Thousands of euros[1]

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
TOTAL								
Total	122,542	128,333	136,883	128,333	26,827	86,367	111,030	136,883
Money market assets and public debt	-2,032	2,412	982	2,412	1,077	997	716	982
Other fixed-income securities	47,796	38,044	27,962	38,044	9,134	16,133	20,929	27,962
Domestic portfolio	7,462	8,477	9,493	8,477	4,441	6,784	8,085	9,493
Foreign portfolio	40,334	29,567	18,469	29,567	4,693	9,349	12,844	18,469
Equities	11,693	5,470	8,538	5,470	1,601	3,574	5,178	8,538
Domestic portfolio	7,200	2,705	5,932	2,705	1,215	2,961	4,225	5,932
Foreign portfolio	4,493	2,765	2,606	2,765	386	613	953	2,606
Derivatives	2,064	-2,192	-1,616	-2,192	-862	-1,078	-831	-1,616
Repurchase agreements	-21	2,048	2,229	2,048	585	1,390	1,896	2,229
Market credit transactions	0	0	0	0	0	0	0	0
Deposits and other transactions with financial intermediaries	9,394	23,645	26,771	23,645	5,812	11,951	18,351	26,771
Net exchange differences	-273	-1,007	434	-1,007	508	541	-621	434
Other operating products and expenses	1,645	7,732	6,992	7,732	1,856	3,914	5,816	6,992
Other transactions	52,276	52,181	64,591	52,181	7,116	48,945	59,596	64,591
INTEREST INCOME								
Total	66,519	80,476	97,572	80,476	13,809	63,585	83,026	97,572
Money market assets and public debt	457	647	652	647	181	352	512	652
Other fixed-income securities	209	862	898	862	257	490	656	898
Domestic portfolio	76	479	465	479	156	278	368	465
Foreign portfolio	133	383	433	383	101	212	288	433
Equities	4,014	1,318	1,127	1,318	197	643	974	1,127
Domestic portfolio	630	627	644	627	98	288	565	644
Foreign portfolio	3,384	691	483	691	99	355	409	483
Repurchase agreements	-21	2,048	2,229	2,048	585	1,390	1,896	2,229
Market credit transactions	0	0	0	0	0	0	0	0
Deposits and other transactions with financial intermediaries	9,394	23,645	26,771	23,645	5,812	11,951	18,351	26,771
Other transactions	52,466	51,956	65,895	51,956	6,777	48,759	60,637	65,895
FINANCIAL INVESTMENT INCOME								
Total	57,557	41,038	34,321	41,038	10,606	18,325	24,041	34,321
Money market assets and public debt	-2,489	1,765	330	1,765	896	645	204	330
Other fixed-income securities	47,587	37,182	27,064	37,182	8,877	15,643	20,273	27,064
Domestic portfolio	7,386	7,998	9,028	7,998	4,285	6,506	7,717	9,028
Foreign portfolio	40,201	29,184	18,036	29,184	4,592	9,137	12,556	18,036
Equities	7,679	4,152	7,411	4,152	1,404	2,931	4,204	7,411
Domestic portfolio	6,570	2,078	5,288	2,078	1,117	2,673	3,660	5,288
Foreign portfolio	1,109	2,074	2,123	2,074	287	258	544	2,123
Derivatives	2,064	-2,192	-1,616	-2,192	-862	-1,078	-831	-1,616
Other transactions	2,716	131	1,132	131	291	184	191	1,132
EXCHANGE DIFFERENCES AND OTHER ITEMS								
Total	-1,534	6,819	4,990	6,819	2,412	4,457	3,963	4,990
Net exchange differences	-273	-1,007	434	-1,007	508	541	-621	434
Other operating products and expenses	1,645	7,732	6,992	7,732	1,856	3,914	5,816	6,992
Other transactions	-2,906	94	-2,436	94	48	2	-1,232	-2,436

1 Accumulated data from the beginning of the year to the last day of every quarter. It includes companies removed during the year.

Aggregated income statement. Brokers

TABLE 2.9

Thousands of euros[1]

				2024				2025
	2022	2023	2024	I	II	III	IV	I[2]
I. Interest income	960	2,086	3,963	545	2,421	3,049	3,963	280
II. Net commission	170,724	176,882	211,699	40,435	86,657	135,875	211,699	39,500
Commission revenues	198,293	216,159	268,393	50,148	106,849	169,817	268,393	48,542
Brokering	18,030	16,754	9,185	2,611	4,802	6,763	9,185	1,909
Placement and underwriting	1,187	829	360	45	48	68	360	6
Securities deposit and recording	286	281	258	64	132	198	258	37
Portfolio management	23,388	26,700	34,444	7,397	15,377	23,820	34,444	5,829
Design and advice	38,167	38,232	33,470	7,051	14,903	22,794	33,470	6,039
Stock search and placement	0	0	0	0	0	0	0	42
Market credit transactions	0	0	0	0	0	0	0	0
CIS marketing	94,339	101,698	131,507	26,620	54,380	83,707	131,507	24,175
Other	22,896	31,665	59,170	6,360	17,208	32,468	59,170	10,504
Commission expenses	27,569	39,277	56,694	9,713	20,192	33,942	56,694	9,042
III. Financial investment income	-1,479	1,771	1,923	534	809	1,574	1,923	378
IV. Net exchange differences and other operating products and expenses	588	-859	2,058	63	646	890	2,058	279
V. Gross income	170,793	179,880	219,643	41,577	90,533	141,388	219,643	40,437
VI. Operating income	10,018	16,991	33,287	2,583	9,490	20,938	33,287	10,580
VII. Earnings from continuous activities	10,364	16,373	27,879	2,868	10,026	20,462	27,879	10,917
VIII. Net earnings of the period	10,364	16,373	27,879	2,868	10,026	20,462	27,879	10,917

1 Accumulated data from the beginning of the year to the last day of every quarter. It includes companies removed during the year.
2 Available data: February 2025.

Capital adequacy. Broker-dealers and brokers[1, 2]

TABLE 2.10

	2020	2021	2022	2023	2024
TOTAL[3]					
Own fund surplus (thousands of euros)	1,026,770	612,842	449,135	1,189,629	606,937
Surplus (%)[4]	277.64	541.03	363.05	954.27	436.87
Number of companies according to surplus percentage					
≤ 100%	26	25	34	38	37
> 100-≤ 300%	29	35	29	29	29
> 300-≤ 500%	12	12	10	14	11
> 500%	10	19	15	18	21
BROKER-DEALERS					
Own fund surplus (thousands of euros)	960,720	506,721	372,541	1,095,598	488,485
Surplus (%)[4]	285.14	654.90	431.57	1,303.36	523.03
Number of companies according to surplus percentage					
≤ 100%	9	4	9	13	13
> 100-≤ 300%	11	12	12	12	11
> 300-≤ 500%	8	5	3	5	6
> 500%	8	12	8	9	9
BROKERS					
Own fund surplus (thousands of euros)	66,051	106,121	76,595	94,030	118,452
Surplus (%)[4]	200.79	295.60	204.86	231.58	260.15
Number of companies according to surplus percentage					
≤ 100%	17	21	25	25	24
> 100-≤ 300%	18	23	17	17	18
> 300-≤ 500%	4	7	7	9	5
> 500%	2	7	7	9	12

1 From 2014 to 2020 this table only includes the entities subject to reporting requirements according to Regulation (EU) No. 575/2013, of the European Parliament and of the Council, of 26 June 2013, on prudential requirements for credit institutions and investment firms.

2 From II- 2021 onwards there are no quarterly data available, due to regulatory changes made by Regulation (EU) 2019/2033 of the European Parliament and of the Council, of 27 November 2019, on the prudential requirements of investment firms; and Directive (EU) 2019/2034 of the European Parliament and of the Council, of 27 November 2019, on the prudential supervision of investment firms.

3 Only data on broker-dealers and brokers are shown.

4 Average surplus percentage is weighted by the required equity of each company. It is an indicator of the number of times, in percentage terms, that the surplus contains the required equity in an average company.

Return on equity (ROE) before taxes[1]

TABLE 2.11

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
TOTAL[2]								
Average[3] (%)	19.39	9.88	12.66	9.88	9.27	14.91	13.47	12.66
Number of companies according to annualised return								
Losses	37	36	26	36	34	35	38	26
0-≤ 15%	17	19	22	19	18	16	14	22
> 15-≤ 45%	13	18	21	18	23	23	19	21
> 45-≤ 75%	7	7	8	7	10	7	9	8
> 75%	19	17	20	17	14	18	19	20
BROKER-DEALERS								
Average[3] (%)	20.42	9.32	11.42	9.32	9.36	14.78	12.38	11.42
Number of companies according to annualised return								
Losses	11	10	10	10	10	11	14	10
0-≤ 15%	10	12	13	12	10	10	10	13
> 15-≤ 45%	5	7	7	7	12	9	6	7
> 45-≤ 75%	2	3	3	3	2	4	4	3
> 75%	5	5	5	5	3	4	4	5
BROKERS								
Average[3] (%)	14.91	14.87	21.15	14.87	8.42	16.13	23.66	21.15
Number of companies according to annualised return								
Losses	26	26	16	26	24	24	24	16
0-≤ 15%	7	7	9	7	8	6	4	9
> 15-≤ 45%	8	11	14	11	11	14	13	14
> 45-≤ 75%	5	4	5	4	8	3	5	5
> 75%	14	12	15	12	11	14	15	15

1 ROE has been calculated as:

$$ROE = \frac{Earning\ before\ taxes\ (annualized)}{Own\ Funds}$$

Own funds= Share capital + Paid-in surplus + Reserves – Own shares + Prior year profits and retained earnings – Interim dividend.

2 Only data on broker-dealers and brokers are shown.

3 Average weighted by equity, %.

Financial advisory firms. Main figures[1]

TABLE 2.12

Thousands of euros

	2020	2021	2022	2023[2]	2024[3]
ASSETS UNDER ADVICE[4]					
Total	17,423,050	19,530,452	18,682,820	15,759,839	17,149,868
Retail clients	6,907,284	9,125,730	10,136,837	8,415,076	9,259,252
Rest of clients and entities[5]	10,515,766	10,404,722	8,545,983	7,344,763	7,890,616
COMMISSION INCOME[6]					
Total	45,782	56,823	57,090	53,110	63,658
Commission revenues	45,153	56,430	56,446	52,704	63,101
Other income	629	393	644	406	557
EQUITY					
Total	30,177	33,334	34,378	34,038	40,999
Share capital	5,454	6,151	6,971	7,593	7,596
Reserves and retained earnings	18,979	21,128	23,778	20,795	22,118
Income for the year[6]	4,837	6,517	2,561	4,510	8,035
Other own funds	907	-461	1,068	1,140	3,250

1 Annual frequency since 2015 (CNMV Circular 3/2014, of 22 October).

2 Updated data.

3 It includes both financial advisory firms (EAF) and national financial advisory firms (EAFN).

4 Data at the end of each period.

5 It includes both professional and other clients. Since 2019, due to the entry into force of CNMV Circular 4/2018, there is no disaggregated information of non-retail clients.

6 Accumulated data from the beginning of the year.

3 Collective investment schemes (CIS)

Number, management companies and depositories of CIS registered at the CNMV

TABLE 3.1

				2024				2025
	2022	2023	2024	I	II	III	IV	I
Total financial CIS	2,675	2,077	2,075	2,077	2,080	2,062	2,075	2,046
Mutual funds[1]	1,484	1,496	1,492	1,499	1,500	1,482	1,492	1,472
Investment companies	1,091	450	429	443	439	435	429	421
Funds of hedge funds	8	7	8	7	8	8	8	8
Hedge funds	92	124	146	128	133	137	146	145
Total real estate CIS	4	3	2	2	2	2	2	2
Real estate mutual funds	2	2	1	1	1	1	1	1
Real estate investment companies	2	1	1	1	1	1	1	1
Total foreign CIS marketed in Spain	1,095	1,115	1,139	1,119	1,126	1,135	1,139	1,161
Foreign funds marketed in Spain	426	442	453	447	451	452	453	466
Foreign companies marketed in Spain	669	673	686	672	675	683	686	695
Management companies	123	117	119	117	119	119	119	119
CIS depositories	34	32	30	31	30	30	30	30

1 Data Mutual funds corresponding to June 2024, reviewed and modified in May 2025. Starting in 2025, FI from the Sandbox (Law 7/2020, of November 13, for the digital transformation of the financial system) are not included.

Number of CIS investors and shareholders

TABLE 3.2

				2024				2025
	2022	2023	2024	I	II	III	IV	I[1]
Total financial CIS	16,247,654	16,116,236	16,655,877	16,201,290	16,248,734	16,421,061	16,655,877	17,027,374
Mutual funds	16,115,864	16,016,612	16,561,621	16,103,633	16,152,457	16,324,687	16,561,621	16,933,491
Investment companies	131,790	99,624	94,256	97,657	96,277	95,793	94,256	93,883
Total real estate CIS[2, 3]	593	583	104	581	581	581	104	103
Total foreign CIS marketed in Spain[4]	6,412,067	6,951,170	8,144,894	7,133,668	7,397,244	7,413,511	8,144,894	–
Foreign funds marketed in Spain	830,870	880,152	1,128,287	947,938	994,603	994,650	1,128,287	–
Foreign companies marketed in Spain	5,581,197	6,071,018	7,016,607	6,185,730	6,402,641	6,418,861	7,016,607	–

1 Available data: February 2025.
2 Investors and shareholders who invest in different sub-funds from the same CIS have been taken into account once. For this reason, investors and shareholders may be different from those in Tables 3.6 and 3.7.
3 Real estate mutual funds and real estate investment companies.
4 Only data on UCITS are included. Estimated data.

CIS total net assets

TABLE 3.3

Millions of euros

				2024				2025
	2022	2023	2024	I	II	III	IV	I[1]
Total financial CIS	327,330.7	367,570.9	421,761.4	385,976.9	395,037.3	409,211.0	421,761.4	435,721.5
Mutual funds[2]	311,466.4	353,259.8	405,931.1	370,890.1	379,750.4	393,828.5	405,931.1	419,697.3
Investment companies	15,864.3	14,311.1	15,830.3	15,086.8	15,286.9	15,382.5	15,830.3	16,025.5
Total real estate CIS[3]	1,279.0	1,319.2	1,049.7	1,300.3	1,298.4	1,296.7	1,049.7	1,052.6
Total foreign CIS marketed in Spain[4]	201,058.7	251,304.7	296,806.6	260,337.6	275,267.3	275,005.8	296,806.6	–
Foreign funds marketed in Spain	27,630.3	35,677.7	46,692.5	38,947.5	42,821.7	42,560.8	46,692.5	–
Foreign companies marketed in Spain	173,428.3	215,627.0	250,114.1	221,390.1	232,445.6	232,445.0	250,114.1	–

1 Available data: February 2025.
2 Mutual funds investment in financial mutual funds of the same management company reached €11,213.1 million in December 2024.
3 Real estate mutual funds and real estate investment companies.
4 Only data on UCITS are included. Estimated data.

Asset allocation of mutual funds

TABLE 3.4

Millions of euros

				2023	2024			
	2022	2023	2024	IV	I	II	III	IV
Asset	311,466.4	353,259.8	405,931.1	353,259.8	370,890.1	379,750.4	393,828.5	405,931.1
Portfolio investment	291,188.2	335,351.6	386,962.4	335,351.6	351,703.2	359,347.7	374,509.7	386,962.4
Domestic securities	58,740.0	79,509.6	82,535.3	79,509.6	82,207.6	80,589.7	80,598.0	82,535.3
Debt securities	42,044.2	60,888.4	60,957.7	60,888.4	62,845.2	60,771.8	59,762.1	60,957.7
Shares	6,113.0	6,586.3	6,307.8	6,586.3	6,546.9	6,263.7	6,572.4	6,307.8
Collective investment schemes	9,927.7	10,152.3	12,001.9	10,152.3	10,993.1	11,045.9	11,304.6	12,001.9
Deposits in credit institutions	431.8	1,686.1	3,099.8	1,686.1	1,595.7	2,283.5	2,766.0	3,099.8
Derivatives	159.5	134.3	85.7	134.3	164.0	151.8	117.6	85.7
Other	63.8	62.3	82.4	62.3	62.7	73.0	75.2	82.4
Foreign securities	232,444.2	255,835.0	304,420.2	255,835.0	269,484.5	278,749.9	293,904.0	304,420.2
Debt securities	110,173.6	133,146.1	173,974.5	133,146.1	142,746.4	151,331.6	164,820.4	173,974.5
Shares	41,321.4	46,093.4	53,341.7	46,093.4	49,781.0	51,121.5	52,008.7	53,341.7
Collective investment schemes	80,592.6	76,255.3	76,592.8	76,255.3	76,546.0	75,855.9	76,649.0	76,592.8
Deposits in credit institutions	0.0	196.7	468.7	196.7	323.6	366.0	422.3	468.7
Derivatives	356.1	143.3	42.4	143.3	87.3	74.6	3.4	42.4
Other	0.5	0.2	0.0	0.2	0.2	0.2	0.2	0.0
Doubtful assets and matured investments	4.0	6.9	6.9	6.9	11.0	8.1	7.6	6.9
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net fixed assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash	18,515.0	16,466.7	17,713.9	16,466.7	17,461.3	18,448.9	17,728.2	17,713.9
Net balance (Debtors - Creditors)	1,763.2	1,441.6	1,254.8	1,441.6	1,725.6	1,953.7	1,590.6	1,254.8

Investment companies asset allocation

TABLE 3.5

Millions of euros

				2023	2024			
	2022	2023	2024	IV	I	I	III	IV
Asset	15,864.3	14,311.1	15,830.3	14,311.1	15,086.8	15,286.9	15,382.5	15,830.3
Portfolio investment	12,349.9	13,502.9	15,015.7	13,502.9	14,268.2	14,362.3	14,565.7	15,015.7
Domestic securities	2,583.6	2,231.1	2,308.2	2,231.1	2,206.6	2,136.3	2,214.2	2,308.2
Debt securities	773.6	858.3	991.7	858.3	779.2	720.1	803.1	991.7
Shares	819.9	870.4	844.9	870.4	932.6	941.5	930.0	844.9
Collective investment schemes	950.2	457.0	438.7	457.0	460.6	440.6	447.7	438.7
Deposits in credit institutions	1.4	13.9	5.2	13.9	5.8	5.6	5.2	5.2
Derivatives	-0.8	0.0	-0.5	0.0	-1.0	-0.8	-0.8	-0.5
Other	39.3	31.6	28.2	31.6	29.3	29.3	29.1	28.2
Foreign securities	9,763.6	11,271.0	12,706.9	11,271.0	12,060.6	12,225.0	12,350.7	12,706.9
Debt securities	1,807.1	2,370.0	2,425.7	2,370.0	2,365.2	2,369.4	2,506.1	2,425.7
Shares	3,605.4	4,396.9	5,343.2	4,396.9	4,977.9	5,024.5	5,065.7	5,343.2
Collective investment schemes	4,325.7	4,478.0	4,921.1	4,478.0	4,686.2	4,796.9	4,745.0	4,921.1
Deposits in credit institutions	0.0	10.2	0.0	10.2	15.3	15.1	15.2	0.0
Derivatives	7.9	-0.9	-3.0	-0.9	-2.6	1.0	-1.3	-3.0
Other	17.4	16.8	19.9	16.8	18.6	18.2	20.0	19.9
Doubtful assets and matured investments	2.6	0.8	0.6	0.8	1.0	0.9	0.8	0.6
Intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net fixed assets	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Cash	2,962.6	868.6	898.8	868.6	733.4	817.0	679.0	898.8
Net balance (Debtors - Creditors)	551.3	-60.9	-84.7	-60.9	84.7	107.1	137.3	-84.7

Financial mutual funds: number, investors and total net assets by category[1, 2]

TABLE 3.6

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I[3]
NO. OF FUNDS								
Total financial mutual funds	1,684	1,715	1,714	1,717	1,723	1,711	1,714	1,707
Fixed income[4]	293	321	352	332	340	345	352	358
Mixed fixed income[5]	171	167	165	166	166	165	165	167
Mixed equity[6]	206	197	190	190	192	192	190	188
Euro equity	86	82	75	80	77	75	75	75
Foreign equity	339	346	357	349	352	354	357	358
Guaranteed fixed income	49	58	58	57	56	57	58	56
Guaranteed equity[7]	102	98	74	90	89	78	74	61
Global funds	291	291	294	295	294	295	294	295
Passive management[8]	93	107	106	110	110	105	106	107
Absolute return	54	48	43	48	47	45	43	42
INVESTORS								
Total financial mutual funds	16,119,440	16,020,641	16,571,850	16,109,375	16,156,490	16,333,581	16,571,850	16,937,963
Fixed income[4]	5,539,272	5,833,434	6,348,681	6,022,372	6,134,804	6,197,897	6,348,681	6,581,521
Mixed fixed income[5]	1,216,179	1,048,597	1,061,288	1,002,792	1,010,621	1,035,669	1,061,288	1,076,391
Mixed equity[6]	696,718	634,547	579,490	591,380	582,917	577,939	579,490	583,736
Euro equity	836,711	706,942	691,994	698,000	700,948	697,963	691,994	702,889
Foreign equity	4,156,864	4,082,653	4,225,554	4,058,244	4,050,359	4,168,649	4,225,554	4,322,913
Guaranteed fixed income	141,717	178,170	156,582	172,700	165,862	159,694	156,582	148,294
Guaranteed equity[7]	209,188	180,665	119,237	161,442	154,724	147,139	119,237	101,144
Global funds	2,067,594	2,002,961	1,972,624	2,007,552	1,977,336	1,962,832	1,972,624	2,001,725
Passive management[8]	596,475	720,965	782,384	772,557	756,994	764,001	782,384	770,180
Absolute return	658,722	631,707	634,016	622,336	621,925	621,798	634,016	649,170
TOTAL NET ASSETS (millions of euros)								
Total financial mutual funds	311,466.4	353,259.8	405,931.1	370,890.1	379,750.4	393,828.5	405,931.1	419,697.3
Fixed income[4]	98,561.1	131,868.4	172,404.7	143,943.9	152,676.0	162,475.2	172,404.7	181,153.6
Mixed fixed income[5]	37,846.0	34,252.8	38,078.5	33,114.7	34,468.2	36,321.9	38,078.5	39,607.4
Mixed equity[6]	24,247.9	23,914.2	23,566.2	22,695.0	22,700.6	23,246.9	23,566.2	24,374.4
Euro equity	7,226.3	6,704.0	6,111.0	6,731.7	6,450.6	6,465.4	6,111.0	6,571.7
Foreign equity	45,588.9	51,099.7	60,219.9	54,972.7	56,941.9	58,055.1	60,219.9	62,387.9
Guaranteed fixed income	5,454.9	7,564.6	6,380.7	7,120.7	6,689.8	6,482.4	6,380.7	5,991.1
Guaranteed equity[7]	6,306.7	5,602.1	3,674.1	5,122.7	4,837.9	4,546.5	3,674.1	3,311.8
Global funds	63,717.0	59,479.4	61,047.7	62,019.9	60,727.8	61,310.2	61,047.7	62,012.0
Passive management[8]	15,935.0	26,518.6	27,474.3	28,863.3	27,830.9	28,210.8	27,474.3	27,046.5
Absolute return	6,582.5	6,255.9	6,973.9	6,305.6	6,426.6	6,714.0	6,973.9	7,240.9

1 Sub-funds which have sent reports to the CNMV excluding those in process of dissolution or liquidation.
2 Data on side-pocket sub-funds are only included in aggregate figures, and not in each individual category.
3 Available data: February 2025.
4 It includes: public debt constant net asset value short-term money market funds (MMFs), low volatility net asset value short-term MMFs, variable net asset value short-term MMFs, variable net asset value standard MMFs, euro fixed income, short-term euro fixed income and foreign fixed income.
5 It includes: mixed euro fixed income and foreign mixed fixed income.
6 It includes: mixed euro equity and foreign mixed equity.
7 It includes: guaranteed equity and partial guarantee.
8 It includes: passive management CIS, index-tracking CIS and non-guaranteed specific return target CIS.

Financial mutual funds: detail of investors and total net assets by type of investors

TABLE 3.7

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I[1]
INVESTORS								
Total financial mutual funds	16,119,440	16,020,641	16,571,850	16,109,375	16,156,490	16,333,581	16,571,850	16,937,963
Natural persons	15,839,201	15,739,140	16,271,840	15,825,404	15,870,627	16,044,357	16,271,840	16,637,085
Residents	15,717,938	15,610,315	16,131,514	15,694,668	15,737,468	15,907,717	16,131,514	16,493,877
Non-residents	121,263	128,825	140,326	130,736	133,159	136,640	140,326	143,208
Legal persons	280,239	281,501	300,010	283,971	285,863	289,224	300,010	300,878
Credit institutions	883	931	942	955	937	944	942	965
Other resident institutions	278,246	279,329	297,655	281,771	283,562	286,887	297,655	298,484
Non-resident institutions	1110	1241	1413	1,245	1,364	1,393	1,413	1,429
TOTAL NET ASSETS (millions of euros)								
Total financial mutual funds	311,466.4	353,259.8	405,931.1	370,890.1	379,750.4	393,828.5	405,931.1	419,697.3
Natural persons	257,253.5	295,592.2	339,518.1	310,006.9	317,658.8	329,580.4	339,518.1	350,948.0
Residents	253,545.2	291,241.1	334,214.8	305,466.7	312,909.2	324,531.0	334,214.8	345,446.0
Non-residents	3,708.3	4,351.1	5,303.3	4,540.2	4,749.6	5,049.4	5,303.3	5,502.0
Legal persons	54,212.8	57,667.5	66,413.0	60,883.2	62,091.6	64,248.1	66,413.0	68,749.4
Credit institutions	351.8	430.3	421.5	444.7	418.7	446.2	421.5	398.4
Other resident institutions	53,052.7	55,858.1	64,163.5	58,919.4	60,078.3	62,053.1	64,163.5	66,501.2
Non-resident institutions	808.3	1,379.1	1,828.0	1,519.0	1,594.6	1,748.8	1,828.0	1,849.8

1 Available data: February 2025.

Subscriptions and redemptions of financial mutual funds by category[1, 2]

TABLE 3.8

Millions of euros

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
SUBSCRIPTIONS								
Total financial mutual funds	162,843.5	135,431.3	164,740.0	35,503.2	40,315.2	42,106.6	32,980.6	49,337.6
Fixed income	89,725.6	87,913.2	105,686.5	24,623.1	27,087.1	26,835.8	20,577.6	31,186.1
Mixed fixed income	11,075.6	5,650.5	11,397.7	1,874.0	2,054.6	3,413.2	2,433.3	3,496.6
Mixed equity	6,933.1	3,877.8	4,631.2	1,133.9	976.5	1,152.2	811.0	1,691.4
Euro equity	2,989.1	1,533.9	1,666.4	386.8	445.5	564.3	279.4	377.1
Foreign equity	18,529.7	11,222.3	14,358.4	2,128.9	3,887.7	3,560.2	2,279.9	4,630.5
Guaranteed fixed income	3,751.3	2,635.2	804.4	354.4	214.6	153.4	192.3	244.0
Guaranteed equity	680.3	84.8	118.2	3.7	6.4	39.1	34.2	38.5
Global funds	17,969.3	7,789.4	8,452.5	1,743.2	1,854.0	1,932.2	1,768.8	2,897.5
Passive management	8,884.4	12,964.8	15,815.4	2,841.4	3,342.5	4,046.2	4,198.8	4,227.9
Absolute return	2,305.0	1,759.3	1,809.3	414.0	446.3	409.9	405.2	548.0
REDEMPTIONS								
Total financial mutual funds	145,802.6	117,376.8	136,698.7	34,257.6	32,400.6	36,753.7	26,268.5	41,276.0
Fixed income	74,352.0	58,939.1	70,679.8	15,822.4	15,674.1	18,812.0	13,688.8	22,504.8
Mixed fixed income	17,345.2	11,344.4	7,983.4	3,977.5	2,368.9	2,218.8	1,395.7	2,000.0
Mixed equity	7,440.1	6,112.0	5,184.9	2,194.9	1,401.5	1,335.1	889.8	1,558.4
Euro equity	3,205.0	3,290.6	2,655.4	740.3	814.9	908.3	364.1	568.0
Foreign equity	16,794.8	13,002.7	13,907.7	3,798.3	4,473.6	3,100.8	2,173.2	4,160.0
Guaranteed fixed income	335.2	507.6	1,908.3	183.3	646.7	610.8	268.4	382.3
Guaranteed equity	2,060.0	826.0	2,131.2	471.8	522.0	347.2	391.9	870.2
Global funds	17,670.9	16,688.0	14,077.0	5,388.3	4,134.6	3,739.3	2,590.1	3,613.0
Passive management	4,236.9	4,306.7	16,744.6	1,076.6	1,852.1	5,354.1	4,266.2	5,272.2
Absolute return	2,362.2	2,359.8	1,426.5	604.2	512.0	327.1	240.2	347.2

1 Estimated data.
2 Data on side-pocket sub-funds are only included in aggregate figures, and not in each individual category.

Change in assets in financial mutual funds: net subscriptions/redemptions and return on assets[1, 2]

TABLE 3.9

Millions of euros

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
NET SUBSCRIPTIONS/REDEMPTIONS								
Total financial mutual funds	16,977.9	18,050.8	28,041.3	1,254.0	7,914.8	5,353.5	6,711.5	8,061.6
Fixed income	15,171.0	28,528.7	35,205.6	8,977.5	11,413.0	8,024.6	7,039.5	8,728.6
Mixed fixed income	-8,999.8	-5,545.0	2,143.1	-2,097.5	-1,631.7	1,194.4	1,064.0	1,516.4
Mixed equity	-686.9	-2,287.9	-2,020.2	-1,061.1	-1,994.8	-182.9	25.7	131.8
Euro equity	-335.9	-1,753.1	-1,146.0	-353.4	-384.9	-320.8	-249.4	-190.8
Foreign equity	1,782.7	-1,766.8	666.3	-1,671.0	-538.9	459.4	271.4	474.3
Guaranteed fixed income	3,355.8	1,905.1	-1,359.5	-40.0	-451.8	-457.4	-312.0	-138.3
Guaranteed equity	-1,409.6	-938.7	-2,093.5	-524.4	-528.9	-308.1	-357.7	-898.9
Global funds	3,824.2	-8,376.0	-2,771.5	-3,644.2	575.0	-1,807.2	-821.3	-718.1
Passive management	4,551.5	8,897.7	-965.5	1,858.3	1,523.5	-1,331.0	-113.7	-1,044.3
Absolute return	-274.9	-613.1	382.6	-190.2	-65.7	82.5	165.0	200.8
RETURN ON ASSETS								
Total financial mutual funds	-30,163.5	23,796.0	24,699.2	12,642.9	9,728.1	3,532.6	7,379.6	4,058.8
Fixed income	-5,031.3	4,781.0	5,336.1	3,105.3	663.7	708.5	2,761.4	1,202.6
Mixed fixed income	-3,997.8	1,970.7	1,705.9	1,274.2	499.3	164.0	792.0	250.7
Mixed equity	-3,204.9	1,958.0	1,676.7	1,093.8	778.5	189.2	520.6	188.3
Euro equity	-715.3	1,233.3	554.2	439.7	412.6	40.3	264.3	-163.0
Foreign equity	-7,412.1	7,281.7	8,458.2	2,975.9	4,412.5	1,511.4	842.9	1,691.5
Guaranteed fixed income	-247.6	204.7	175.6	145.4	7.8	31.6	104.7	31.6
Guaranteed equity	-378.6	234.1	165.6	124.7	49.5	23.3	66.3	26.5
Global funds	-7,693.1	4,148.1	4,356.0	2,561.0	1,965.4	525.0	1,403.6	462.0
Passive management	-1,109.3	1,693.5	1,928.2	749.8	822.8	298.7	500.8	306.0
Absolute return	-372.4	290.9	342.6	173.1	115.9	40.7	123.2	62.9

1 Data on side-pocket sub-funds are only included in aggregate figures, and not in each individual category.
2 A change of category is treated as a redemption in the original category and a subscription in the final one. For this reason, and the adjustments due to deregistrations in the quarter, the net subscription/refund data may be different from those in Table 3.8.

Return on assets in financial mutual funds. Breakdown by category[1]

TABLE 3.10

% of daily average total net assets

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
MANAGEMENT YIELDS								
Total financial mutual funds	-8.81	8.05	7.44	3.93	2.94	1.18	2.16	1.24
Fixed income	-5.03	4.69	4.06	2.61	0.61	0.62	1.90	0.86
Mixed fixed income	-8.65	6.50	5.90	4.05	1.76	0.74	2.53	0.88
Mixed equity	-11.32	9.32	8.65	4.96	3.82	1.16	2.60	1.12
Euro equity	-8.09	18.89	10.20	7.08	6.72	1.02	4.58	-2.28
Foreign equity	-14.02	16.29	16.53	6.40	8.79	3.10	1.82	3.19
Guaranteed fixed income	-7.98	3.51	3.30	2.16	0.25	0.60	1.75	0.77
Guaranteed equity	-5.40	4.40	4.02	2.30	1.08	0.59	1.55	0.78
Global funds	-10.32	7.92	8.42	4.66	3.51	1.18	2.64	1.08
Passive management	-8.63	8.28	7.79	3.12	3.14	1.28	2.09	1.28
Absolute return	-4.81	5.34	6.03	2.99	2.03	0.82	2.10	1.10
EXPENSES. MANAGEMENT FEE								
Total financial mutual funds	0.81	0.80	0.79	0.20	0.20	0.20	0.20	0.20
Fixed income	0.37	0.43	0.48	0.12	0.11	0.12	0.12	0.12
Mixed fixed income	0.87	0.91	0.91	0.23	0.22	0.23	0.24	0.22
Mixed equity	1.14	1.14	1.18	0.29	0.30	0.28	0.30	0.29
Euro equity	1.22	1.26	1.29	0.33	0.32	0.32	0.33	0.31
Foreign equity	1.15	1.16	1.16	0.29	0.29	0.29	0.29	0.30
Guaranteed fixed income	0.35	0.46	0.49	0.12	0.12	0.12	0.12	0.12
Guaranteed equity	0.40	0.42	0.41	0.11	0.10	0.10	0.10	0.10
Global funds	1.16	1.16	1.18	0.30	0.30	0.29	0.30	0.29
Passive management	0.34	0.44	0.49	0.12	0.12	0.13	0.12	0.13
Absolute return	0.51	0.61	0.67	0.18	0.17	0.16	0.19	0.16
EXPENSES. DEPOSITORY FEE								
Total financial mutual funds	0.07	0.07	0.07	0.02	0.02	0.02	0.02	0.02
Fixed income	0.06	0.05	0.05	0.01	0.01	0.01	0.01	0.01
Mixed fixed income	0.08	0.08	0.08	0.02	0.02	0.02	0.02	0.02
Mixed equity	0.09	0.09	0.09	0.02	0.02	0.02	0.02	0.02
Euro equity	0.09	0.09	0.09	0.02	0.02	0.02	0.02	0.02
Foreign equity	0.08	0.08	0.08	0.02	0.02	0.02	0.02	0.02
Guaranteed fixed income	0.05	0.05	0.05	0.01	0.01	0.01	0.01	0.01
Guaranteed equity	0.05	0.06	0.05	0.01	0.01	0.01	0.01	0.01
Global funds	0.08	0.08	0.08	0.02	0.02	0.02	0.02	0.02
Passive management	0.04	0.04	0.04	0.01	0.01	0.01	0.01	0.01
Absolute return	0.05	0.05	0.05	0.01	0.01	0.01	0.01	0.01

1 Data on side-pocket sub-funds are only included in aggregate figures, and not in each individual category.

Mutual funds, quarterly returns. Breakdown by category[1]

TABLE 3.11

%

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I[2]
Total financial mutual funds	-8.95	7.55	6.96	2.81	0.97	1.95	1.08	1.48
Fixed income	-5.38	4.16	3.51	0.48	0.49	1.78	0.72	0.61
Mixed fixed income	-8.83	5.75	5.08	1.56	0.50	2.26	0.68	1.17
Mixed equity	-11.37	8.51	7.69	3.54	0.85	2.29	0.82	1.90
Euro equity	-8.39	18.57	9.10	6.63	0.69	4.25	-2.53	10.75
Foreign equity	-13.14	16.56	17.16	8.86	2.80	1.51	3.14	2.62
Guaranteed fixed income	-8.43	3.02	2.69	0.11	0.40	1.53	0.63	0.38
Guaranteed equity	-5.44	4.03	3.56	0.97	0.48	1.43	0.64	1.30
Global funds	-10.53	7.05	7.42	3.27	0.87	2.33	0.78	1.74
Passive management	-9.31	8.98	7.60	3.15	1.10	1.94	1.21	2.21
Absolute return	-4.95	4.77	5.34	1.87	0.61	1.87	0.90	1.37

1 Data on side-pocket sub-funds are only included in aggregate figures, and not in each individual category.
2 Available data: February 2025.

Hedge funds and funds of hedge funds

TABLE 3.12

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
HEDGE FUNDS								
Investors/shareholders[1]	8,817	10,341	11,590	10,341	11,071	11,504	11,733	11,590
Total net assets (millions of euros)	3,894.0	5,022.6	6,475.6	5,022.6	5,516.5	5,667.2	6,023.0	6,475.6
Subscriptions (millions of euros)	1,257.1	1,416.3	1,612.4	519.6	411.3	192.1	401.6	607.4
Redemptions (millions of euros)	603.3	640.6	623.7	176.3	124.0	153.1	114.1	232.4
Net subscriptions/redemptions (millions of euros)	653.9	775.7	988.7	343.4	287.3	39.0	287.5	375.0
Return on assets (millions of euros)	-300.8	362.0	475.6	145.5	210	114.2	70.4	81.4
Returns (%)	-7.71	7.98	9.67	3.21	4.26	2.13	1.60	1.37
Management yields (%)[2]	-7.21	9.32	9.61	3.47	4.34	2.36	1.55	1.63
Management fees (%)[2]	0.85	0.82	0.83	0.21	0.21	0.18	0.20	0.24
Financial expenses (%)[2]	0.28	0.29	0.23	0.06	0.04	0.05	0.07	0.06
FUNDS OF HEDGE FUNDS								
Investors/shareholders[1]	5,347	5,283	6,166	5,283	5,282	5,288	5,522	5,347
Total net assets (millions of euros)	741.3	794.8	846.0	794.8	804.4	843.7	836.3	741.3
Subscriptions (millions of euros)	110.1	77.3	91.2	8.3	23.0	35.9	19.4	110.1
Redemptions (millions of euros)	225.1	25.1	70.3	14.2	21.2	3.5	24.5	225.1
Net subscriptions/redemptions (millions of euros)	-115.0	52.2	20.8	-5.9	1.8	32.4	-5.1	-115.0
Return on assets (millions of euros)	22.2	1.3	30.5	-17.5	7.9	6.9	-2.3	22.2
Returns (%)	3.04	0.37	3.49	-2.04	0.96	0.73	-0.27	3.04
Management yields (%)[3]	4.67	1.63	5.28	-1.84	1.38	1.27	0.11	4.67
Management fees (%)[3]	1.32	1.33	1.38	0.32	0.33	0.38	0.33	1.32
Depository fees (%)[3]	0.06	0.06	0.05	0.01	0.01	0.01	0.01	0.06

1 Data on sub-funds.
2 % of monthly average total net assets.
3 % of daily average total net assets.

Management companies. Number of portfolios and assets under management

TABLE 3.13

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I[1]
NUMBER OF PORTFOLIOS[2]								
Mutual funds[3]	1,484	1,496	1,492	1,499	1,500	1,482	1,492	1,476
Investment companies	1,086	447	426	440	436	432	426	420
Funds of hedge funds	8	7	8	7	8	8	8	8
Hedge funds	91	123	145	127	132	136	145	144
Total real estate CIS[4]	4	3	2	2	2	2	2	2
ASSETS UNDER MANAGEMENT (millions of euros)								
Mutual funds	311,466.4	353,259.8	405,931.1	370,890.1	379,750.4	393,828.5	405,931.1	419,697.3
Investment companies	15,468.1	13,878.1	15,351.5	14,616.8	14,799.9	14,899.6	15,351.5	15,532.4
Funds of hedge funds	741.3	821.7	836.6	804.4	843.7	836.3	846.0	847.9
Hedge funds	3,431.8	4,387.0	6,164.6	5,285.8	5,427.2	5,791.9	6,234.8	6412.6
Total real estate CIS[4]	1,279.1	1,319.2	1,049.7	1,300.3	1,298.4	1,296.7	1,049.7	1,052.6

1 Available data: February 2025 except for funds of hedge funds and hedge funds, which correspond to January 2025.
2 Data source: registers of CIS.
3 Data of mutual funds corresponding to June 2024, reviewed and modified in May 2025. Starting in 2025, investment funds from the sandbox (Law 7/2020, of November 13, for the digital transformation of the financial system) are not included.
4 Real estate mutual funds and real estate investment companies.

Foreign CIS marketed in Spain[1]

TABLE 3.14

	2022	2023	2024	2023 IV	2024 I	2024 II	2024 III	2024 IV
INVESTMENT VOLUME[2] (millions of euros)								
Total	201,058.7	251,304.7	296,806.6	251,304.7	260,337.6	275,267.3	275,005.8	296,806.6
Mutual funds	27,630.3	35,677.7	46,692.5	35,677.7	38,947.5	42,821.7	42,560.8	46,692.5
Investment companies	173,428.3	215,627.0	250,114.1	215,627.0	221,390.1	232,445.6	232,445.0	250,114.1
INVESTORS/SHAREHOLDERS								
Total	6,412,067	6,951,170	8,144,894	6,951,170	7,133,668	7,397,244	7,413,511	8,144,894
Mutual funds	830,870	880,152	1,128,287	880,152	947,938	994,603	994,650	1,128,287
Investment companies	5,581,197	6,071,018	7,016,607	6,071,018	6,185,730	6,402,641	6,418,861	7,016,607
NUMBER OF SCHEMES[3]								
Total	1,095	1,115	1,139	1,115	1,119	1,126	1,135	1,139
Mutual funds	426	442	453	442	447	451	452	453
Investment companies	669	673	686	673	672	675	683	686
COUNTRY[3]								
Luxembourg	498	504	509	504	507	510	511	509
France	222	230	239	230	231	233	235	239
Ireland	248	247	255	247	245	246	252	255
Germany	53	60	61	60	61	61	61	61
United Kingdom	0	0	0	0	0	0	0	0
The Netherlands	3	3	3	3	3	3	3	3
Austria	34	33	34	33	33	34	34	34
Belgium	3	3	3	3	3	3	3	3
Denmark	1	0	0	0	0	0	0	0
Finland	14	14	14	14	15	15	15	14
Liechtenstein	4	4	4	4	4	4	4	4
Portugal	6	7	7	7	7	7	7	7
Sweden	9	10	10	10	10	10	10	10

1 Only data on UCITS are included.
2 Investment volume: participations or shares owned by the investors/shareholders at the end of the period valued at that time.
3 UCITS (funds and societies) registered at the CNMV.

Real estate investment schemes[1]

TABLE 3.15

	2022	2023	2024	2024 I	2024 II	2024 III	2024 IV	2025 I[2]
FUNDS								
Number	3	2	2	2	2	2	2	1
Investors/Shareholders	593	583	104	581	581	581	104	103
Assets (millions of euros)	1,279.10	1,319.20	1,049.70	1,300.30	1,298.40	1,296.70	1,049.70	1,052.60
Return on assets (%)	2.94	2.85	-17.10	-1.44	-0.15	-0.13	-15.65	0.28

1 Real estate mutual funds and real estate investment companies which have sent reports to the CNMV, excluding those in process of dissolution or liquidation.
2 Available data: February 2025.