

7th MEETING OF THE
WOMEN IN BANKING COMMITTEE

THE GEOPOLITICAL SITUATION AND THE BANKING SECTOR*

*ENGLISH TRANSLATION FROM THE ORIGINAL IN SPANISH

DEPUTY GOVERNOR
15 APRIL 2026

BANCODE **ESPAÑA**
Eurosistema



1. GEOPOLITICAL SITUATION

2. BANKING SECTOR



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GEOPOLITICAL SITUATION

ENERGY PRICES HAVE SOARED, ALTHOUGH MARKETS ARE EXPECTING A GRADUAL DECLINE

OIL: SPOT AND FUTURES PRICES



TTF NATURAL GAS: SPOT AND FUTURES PRICES



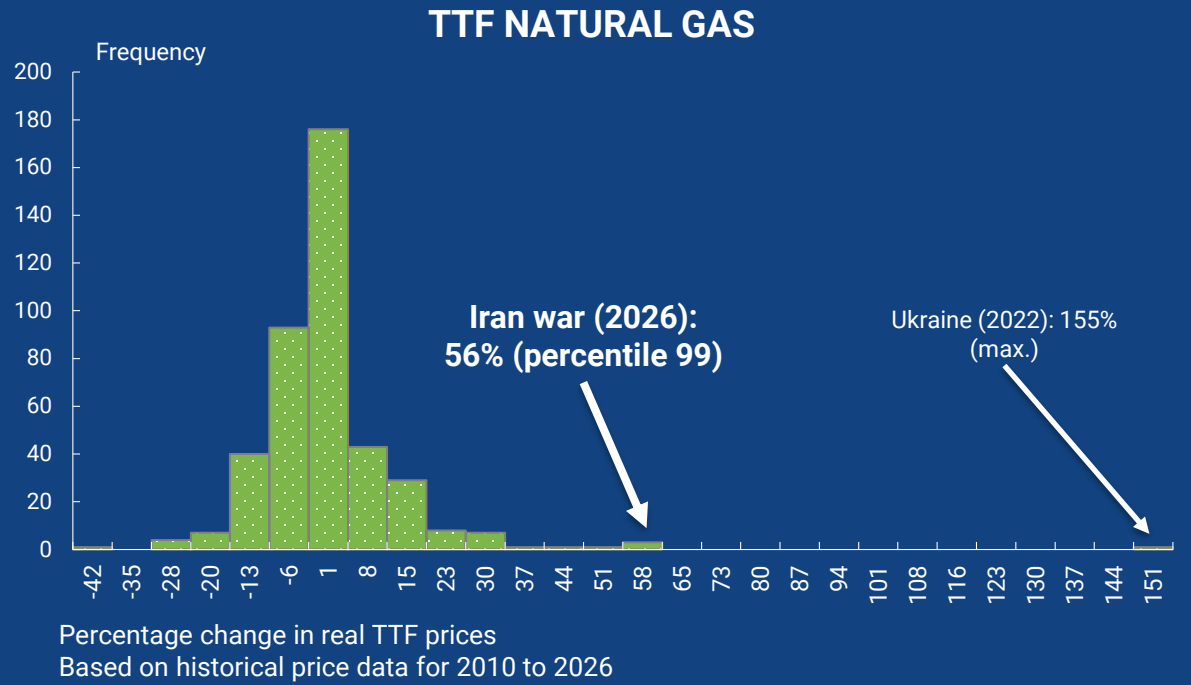
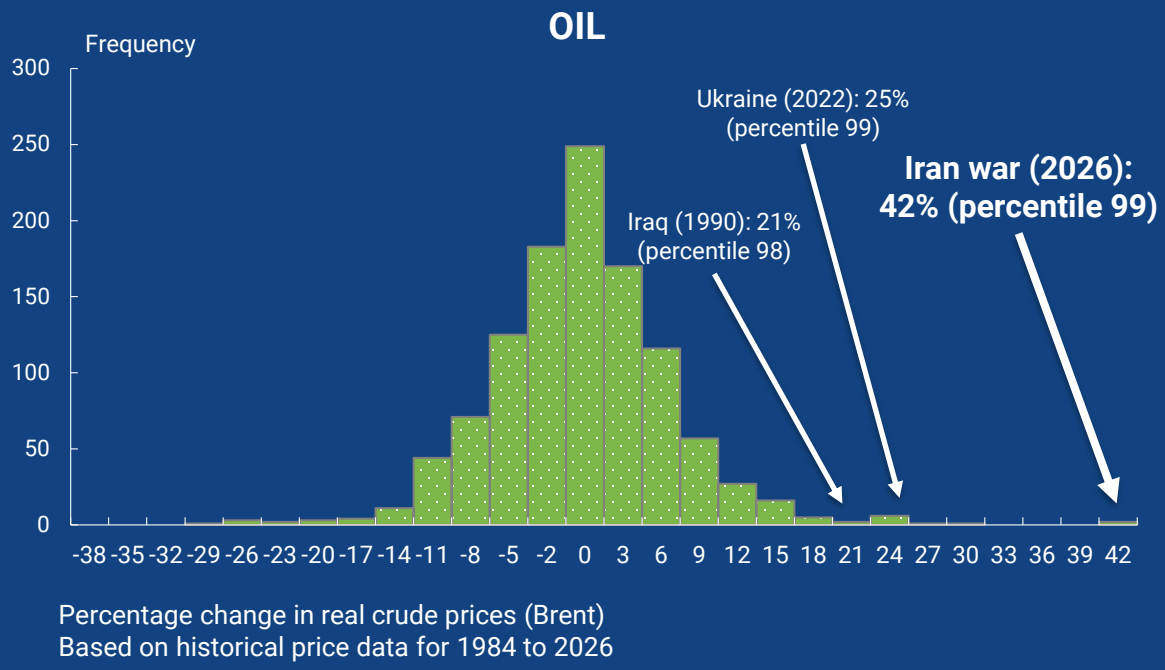
— SPOT PRICES - - - LATEST FUTURES

— PRE-WAR FUTURES (27 FEB)

SOURCE: LSEG. Latest observation: 13/04/2026.

A MAJOR ENERGY SHOCK BY HISTORICAL STANDARDS

PERCENTAGE CHANGE IN REAL PRICES (2-WEEK WINDOWS)

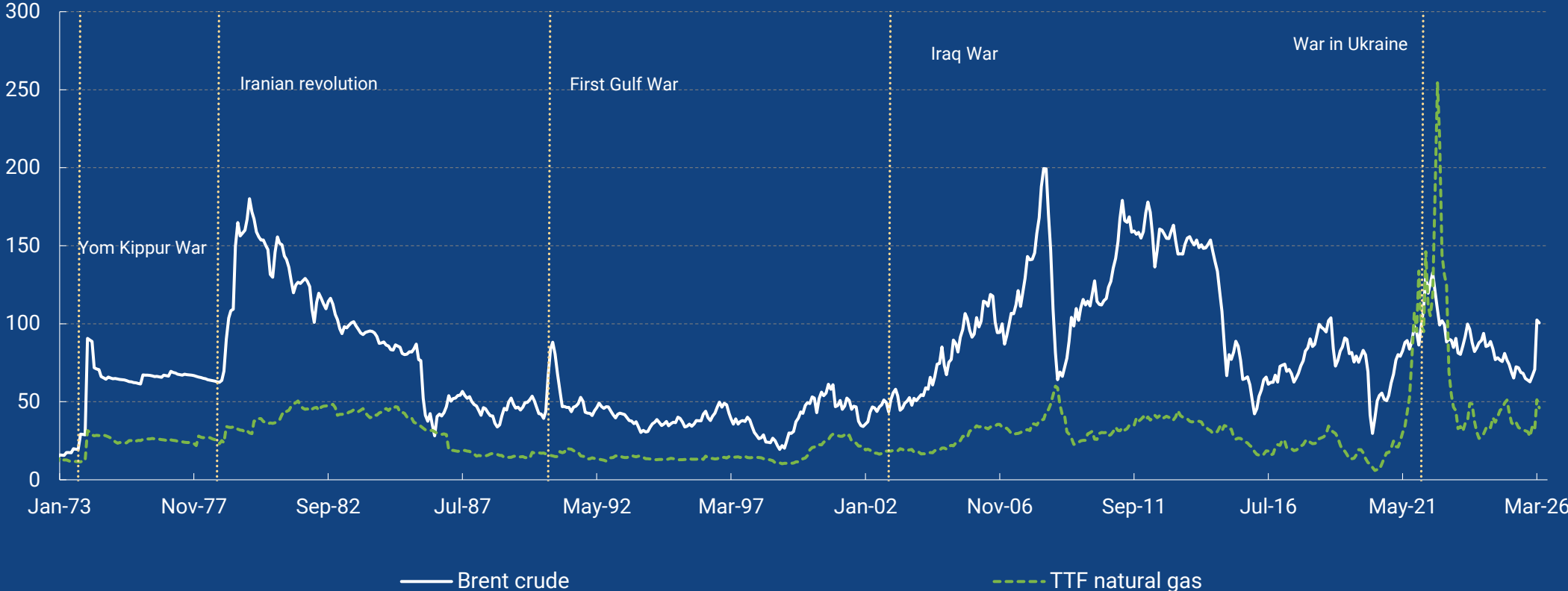


SOURCE: Banco de España, drawing on weekly changes in energy prices.

PRICE PATTERNS COMPARABLE WITH THOSE OF SEVERE ENERGY CRISES, BUT HISTORICAL ANALOGIES ARE LIMITED

REAL BRENT CRUDE AND TTF NATURAL GAS PRICES IN EUROPE

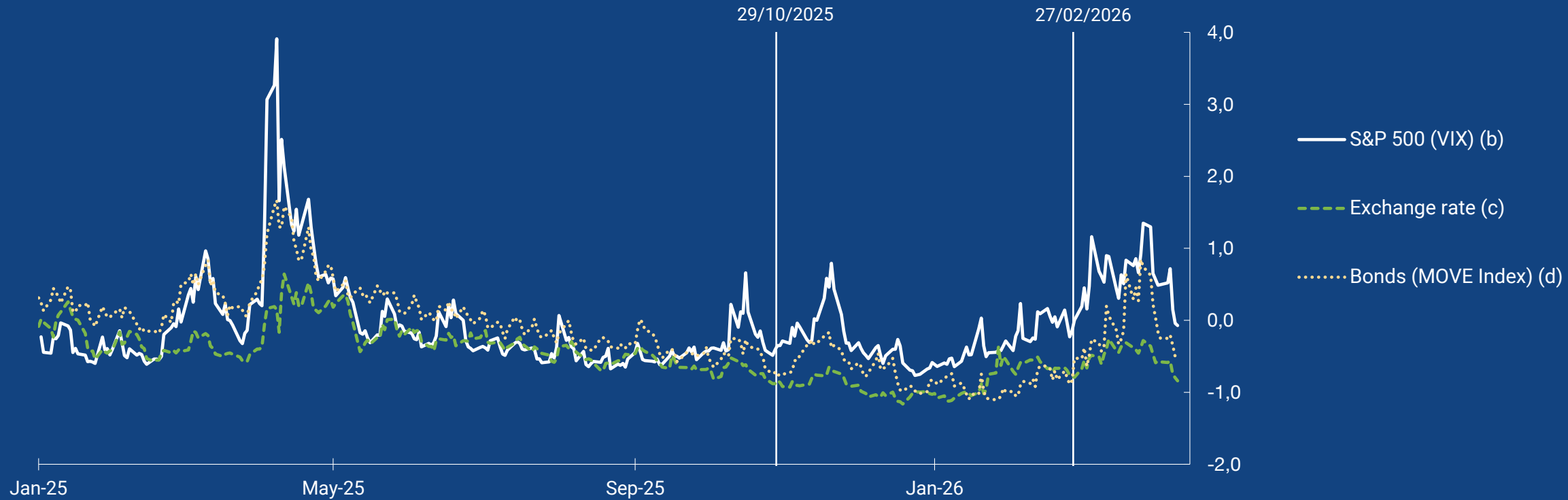
\$ per barrel in Dec-25 prices (deflated US CPI) and €/MWh in 2025 prices (deflated euro area CPI)



SOURCES: LSEG Datastream and World Bank. Latest observation: monthly data (price on 13/04/2026 is the latest April 2026 figure).

INCREASE IN VOLATILITY IN THE WAKE OF THE ATTACK ON IRAN

IMPLIED VOLATILITY (a)

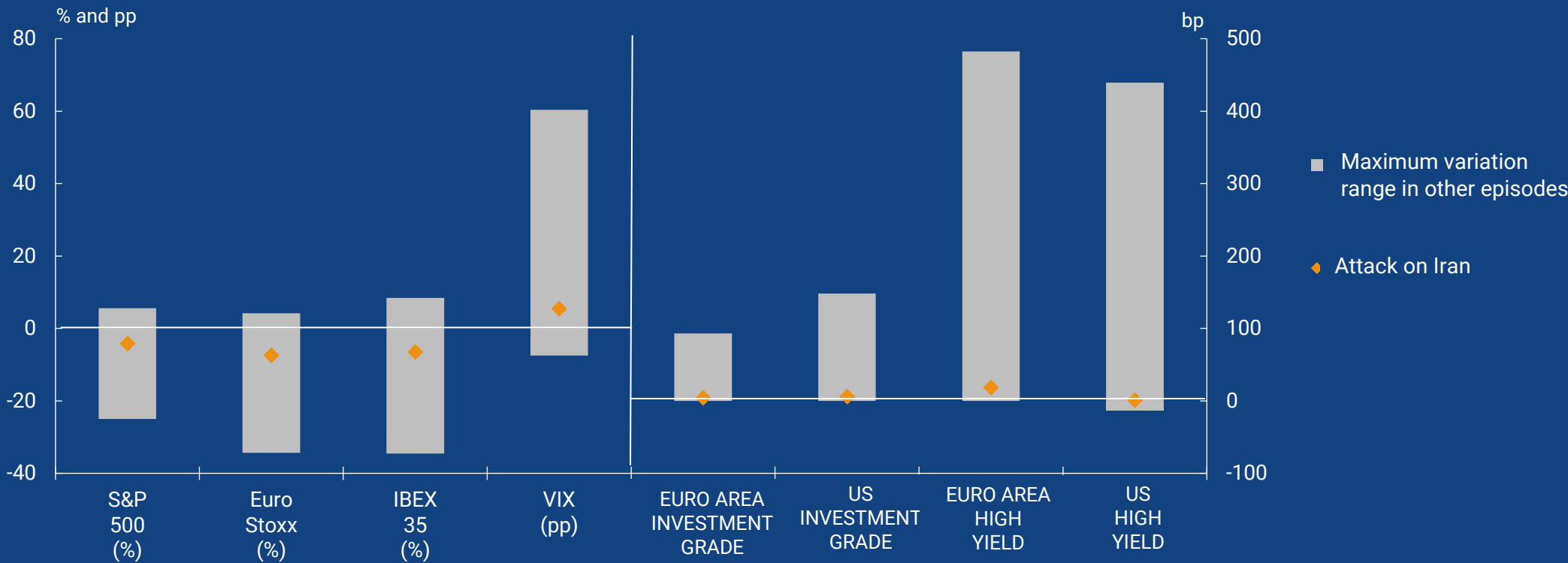


SOURCES: Bloomberg Data License, LSEG Datastream and Banco de España. 10 April 2026. 29 Oct 2025 is the cut-off date of the last report; 27 Feb 2026 is the last date before the start of the Iran War.

- a. Demeaned and standardised data for the period 2000-2026.
- b. The VIX measures expected 30-day volatility in the US stock market. A high value points to increased market uncertainty.
- c. Average 3-month volatility in the dollar/euro, dollar/pound sterling and yen/dollar exchange rates.
- d. The MOVE measures implied volatility in the US Treasury bond market.

COMPARISON WITH OTHER EPISODES: VIX, STOCK MARKETS AND CORPORATE RISK PREMIA

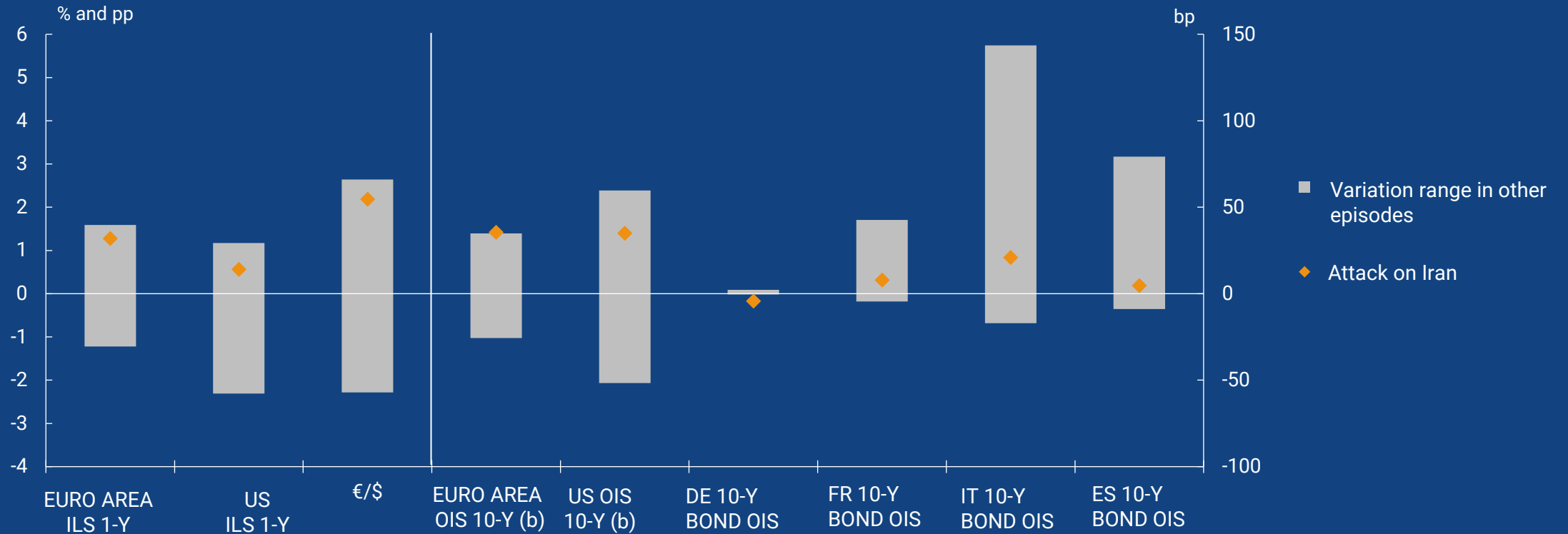
MAXIMUM VARIATION RANGE IN OTHER EPISODES AND VARIATION FOLLOWING ATTACK ON IRAN (a)



SOURCE: Bloomberg Data License. Latest observation: 25 March 2026. Last date before the start of the Iran War: 27 February 2026.
 a. Variations between the minimum and maximum recorded 18 working days after the start of the following geopolitical events and the COVID-19 pandemic: Gulf War (02/08/90); 9/11 attacks (11/09/01); war in Afghanistan (07/10/01); COVID-19 (21/02/20); invasion of Ukraine (24/02/22); and attack on Iran (13/06/25 to 24/06/25).

COMPARISON WITH OTHER EPISODES: INFLATION SWAPS, EXCHANGE RATE, LONG BOND RATES AND SOVEREIGN SPREADS

MAXIMUM VARIATION RANGE IN OTHER EPISODES AND VARIATION FOLLOWING ATTACK ON IRAN (a)



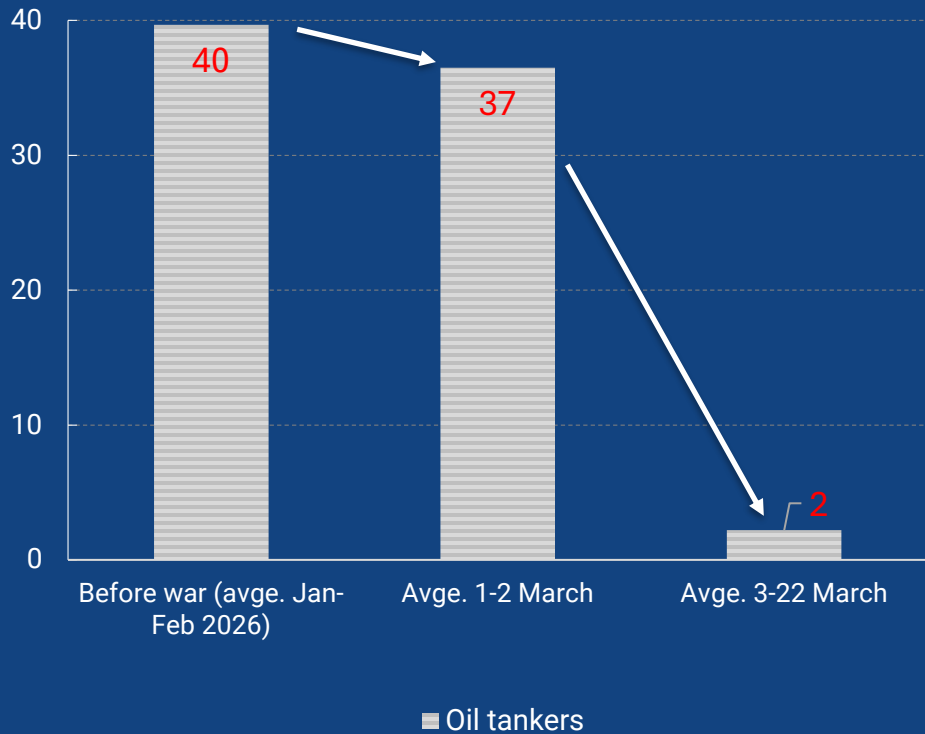
SOURCE: Bloomberg Data License. Latest observation: 25 March 2026. Last date before the start of the Iran War: 27 February 2026.

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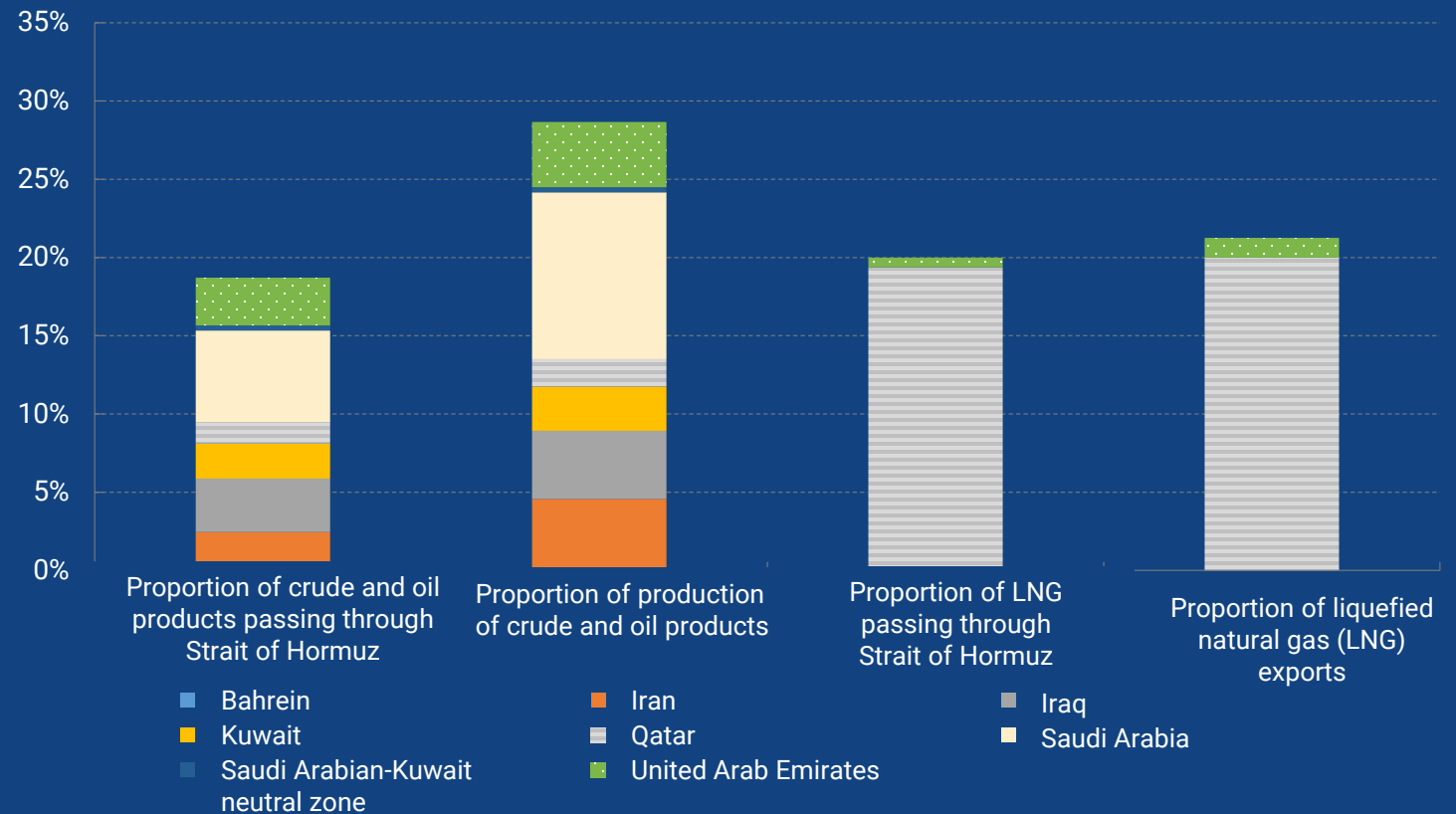
b. During the war in Afghanistan, the 9/11 attacks and the Gulf War, US and German 10-Y bonds.

CLOSURE OF THE STRAIT OF HORMUZ AFFECTS ALMOST 20% OF GLOBAL OIL PRODUCTION AND LNG EXPORTS

SHIPPING IN STRAIT OF HORMUZ

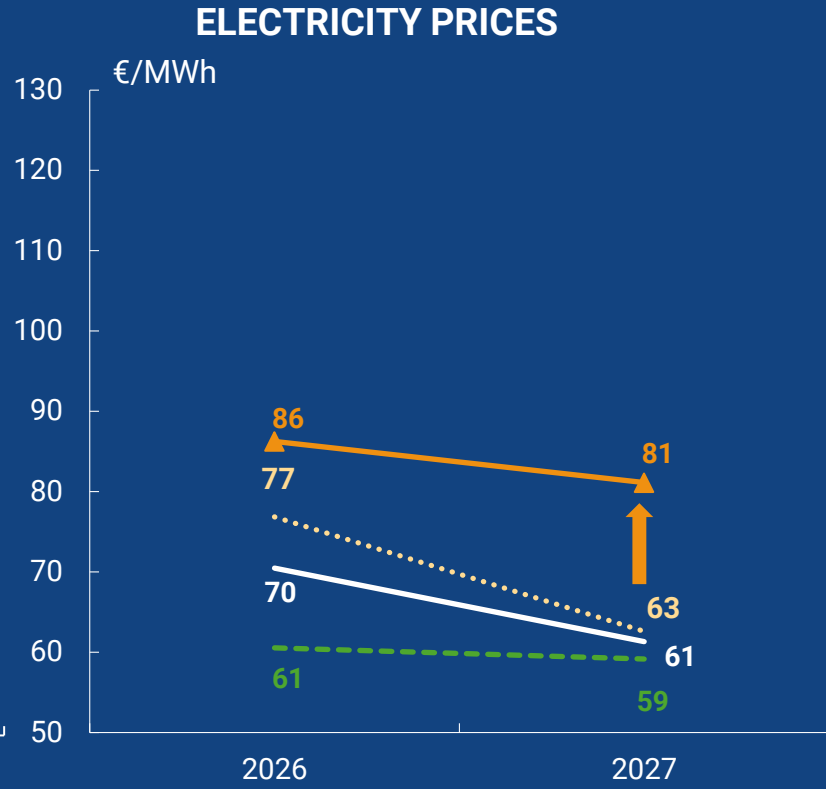
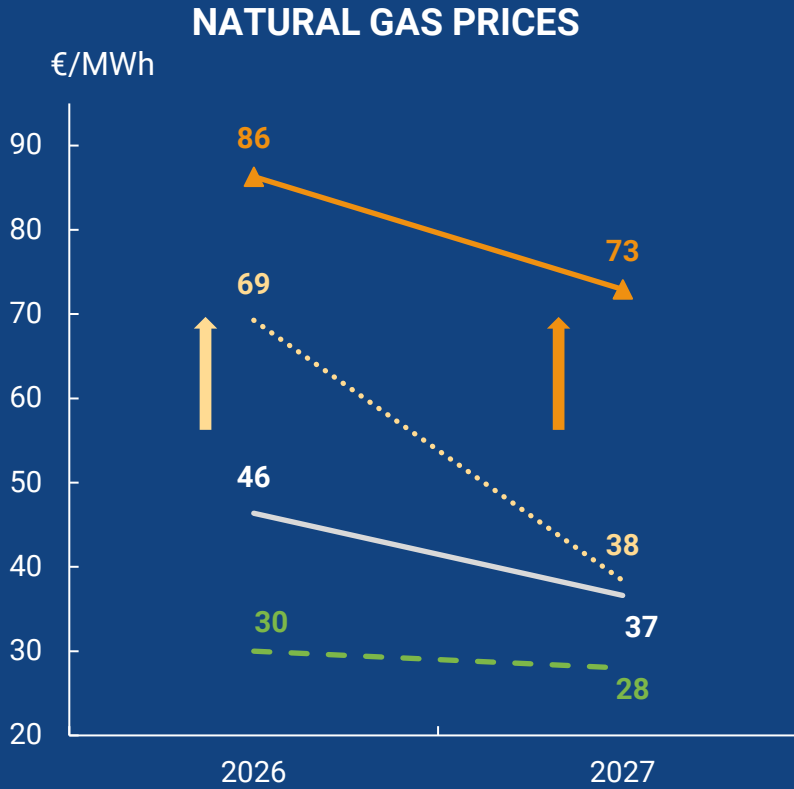
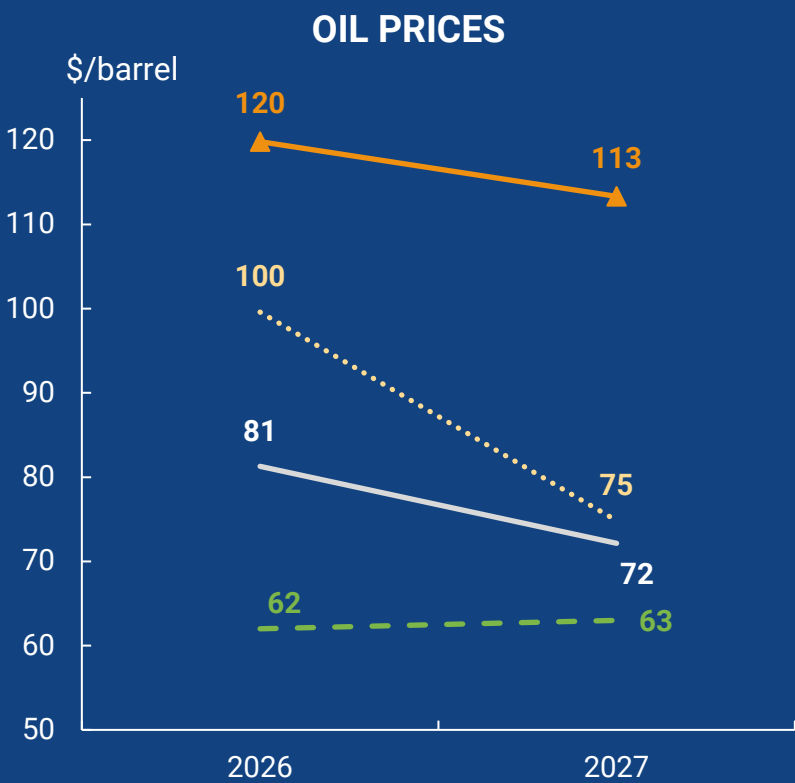


PROPORTION OF GLOBAL OIL AND GAS PRODUCTION THAT PASSES THROUGH STRAIT OF HORMUZ OR IS PRODUCED IN MIDDLE EAST



SOURCES: LSEG, Portwatch, Reuters and IEA. Latest observation: 22 March 2026 (left-hand panel) and 2025 (right-hand panel).

SCENARIO ASSUMPTIONS



— Baseline - - - BMPE Dec-25
⋯ Adverse —▲— Severe

SOURCES: Banco de España and Eurosystem

IMPACT OF SCENARIOS ON GDP AND INFLATION PROJECTIONS

SPAIN				EURO AREA		
Impact on GDP						
	Baseline <i>(with RDL 7/2026)</i>	Adverse <i>(deviations from baseline)</i>	Severe <i>(deviations from baseline)</i>	Baseline	Adverse <i>(deviations from baseline)</i>	Severe <i>(deviations from baseline)</i>
2026	2.3	-0.1	-0.4	0.9	-0.3	-0.5
2027	1.7	-0.2	-0.6	1.3	-0.1	-0.4
Cumulative		-0.3	-1.0		-0.4	-0.9

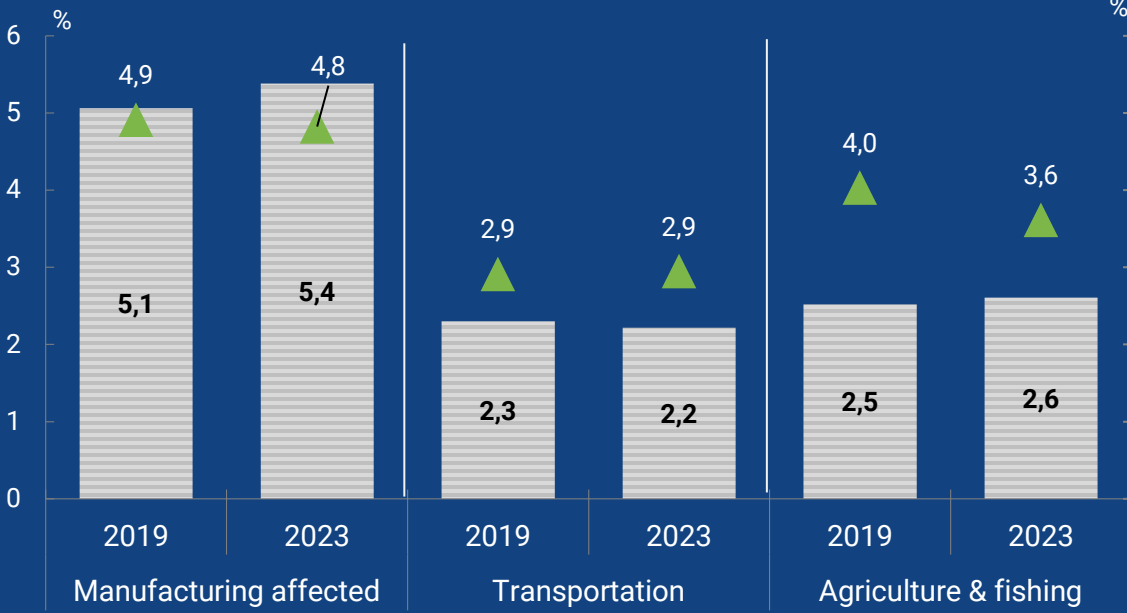
Similar impact on GDP in cumulative terms

Impact on inflation						
2026	3.0	+0.9	+2.9	2.6	+0.9	+1.8
2027	2.5	-0.5	+0.7	2.0	+0.1	+2.8
Cumulative		0.4	3.6		1.0	4.6

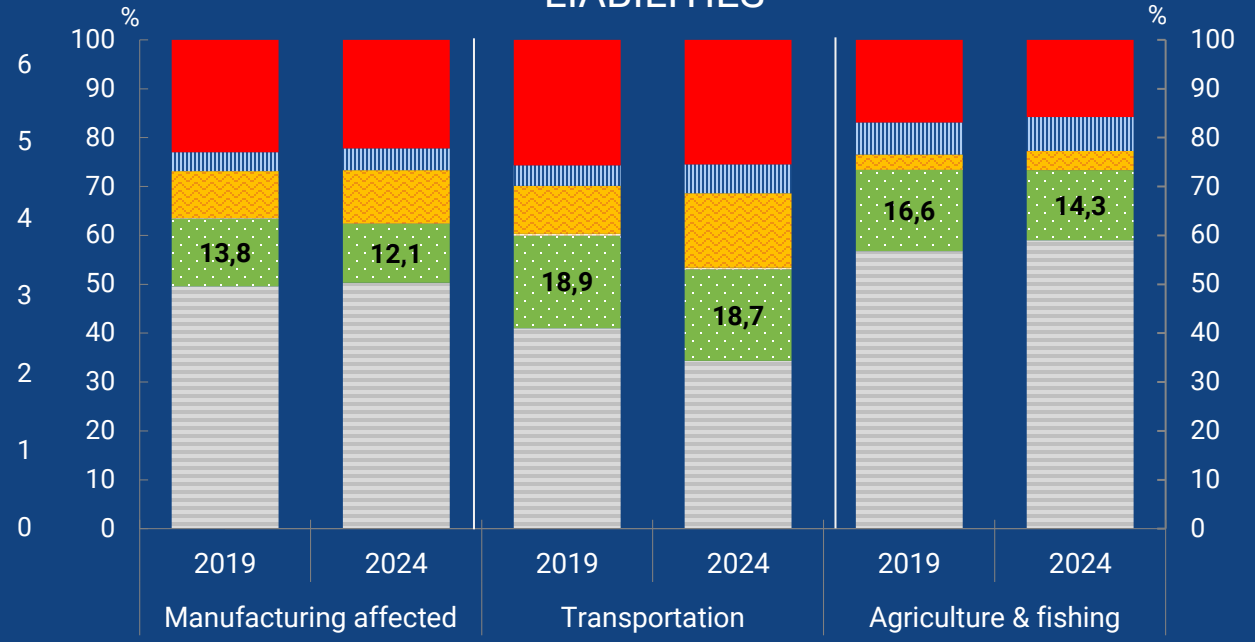
Impact on inflation is more rapid but less intense

HARDEST HIT SECTORS ACCOUNT FOR ALMOST 10% OF GDP AND HAVE DIFFERENT LEVELS OF LEVERAGE

SHARE OF GDP AND EMPLOYMENT



LIABILITIES

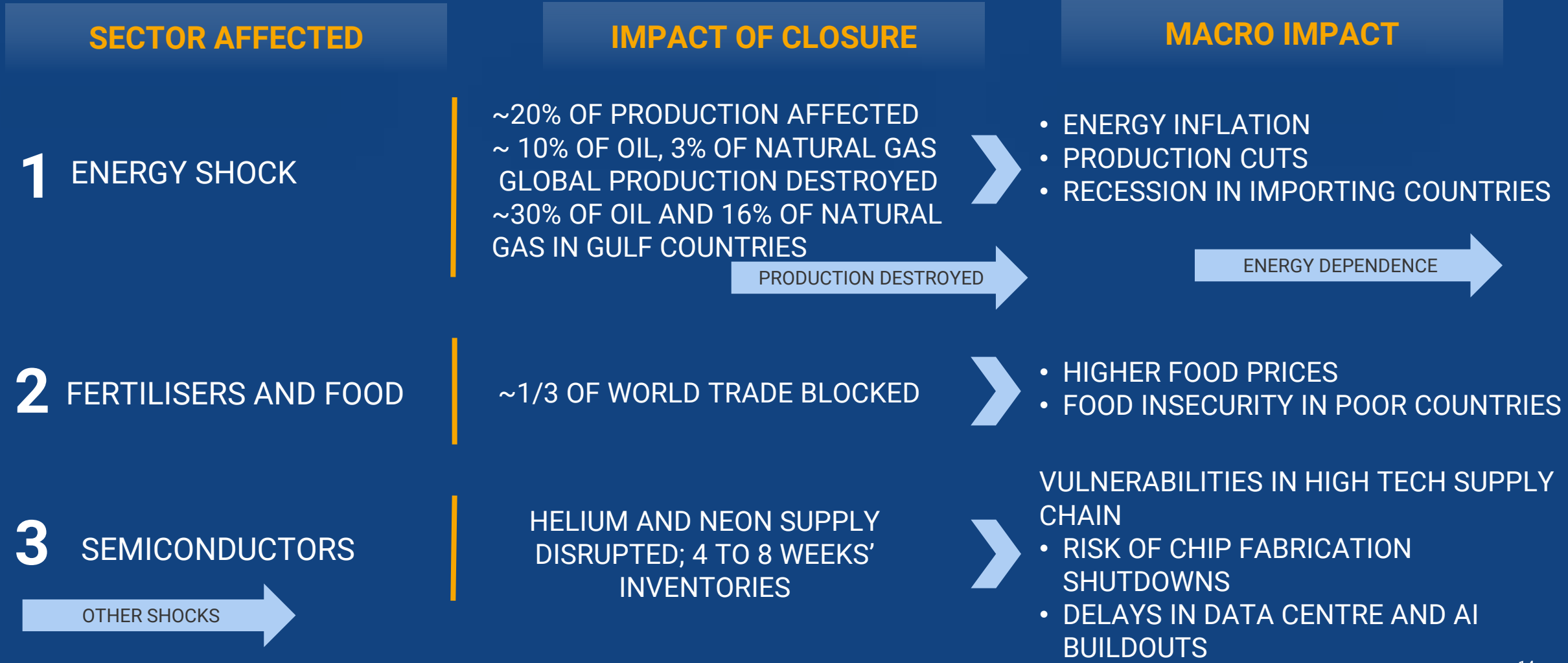


■ Share of GDP ▲ Share of employment

■ Equity ■ Bank debt
 ■ Debt securities ■ Debt with group companies
 ■ Other interest-bearing debt ■ Non-interest-bearing debt

SOURCES: INE and Banco de España. Latest observation: 2023 and 2024, respectively. Manufacturing sectors include food, wood, paper, coking, chemicals, rubber and plastic, non-metallic mineral products and basic metals.

SUPPLY-SIDE SHOCK PARTICULARLY SEVERE FOR OIL AND GAS, BUT ALSO FOR OTHER KEY INPUTS



2

BANKING SECTOR

BANKING SECTOR – KEY MESSAGES

- **Profitability** rose in 2025 and is high by historical standards...
 - *Compared with banking in Europe, banking in Spain stands out in terms of profitability and cost/income*
- ... although **net interest income** fell in the year, albeit tending to stabilise
 - *Net interest margins narrowed in a year marked by interest rate cuts*
 - *Credit growth (extensive margin) cushioned part of this decline*
- **Solvency** also improved, thanks to the increase in capital, and **liquidity** remains well above the regulatory minimum
- In Spain, credit to households and firms is growing, but with no alarm signals
 - *No sign of an increase in **sectoral concentration**...*
 - *... or in **new lending** to higher-risk corporate borrowers*
 - *Meanwhile, **securitisations** remain at average levels for recent years*

STRONG PROFITABILITY, CAPITAL AND LIQUIDITY RATIOS WELL ABOVE REQUIRED LEVELS AND NPLs ON THE DECLINE

SPANISH BANKING SECTOR – KEY METRICS

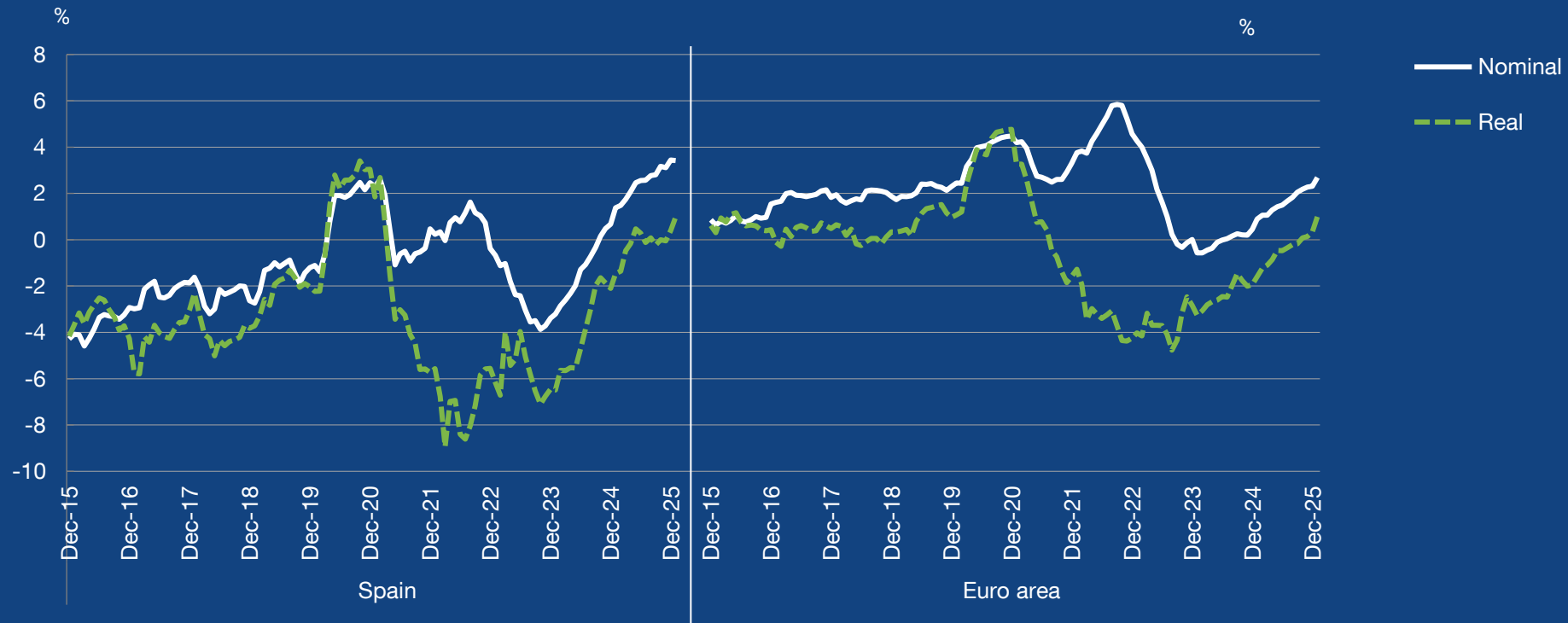
	<i>Dec 2025 (%)</i>	<i>Dec 2024 (%)</i>	<i>2014-19 (%) (a)</i>
ROA	0.95	0.93	0.51
ROE	14.3	14.2	6.9
CET1 ratio	13.9	13.4	12.4
Leverage ratio	5.7	5.7	5.8
Liquidity coverage ratio (LCR)	171.9	178.6	162.4
Net stable funding ratio (NSFR)	134.7	135.0	-
Credit growth (Spain)	3.6	0.8	-3.0
Non-performing loan (NPL) ratio (Spain)	2.8	3.4	8.9

SOURCE: Banco de España. Latest observation: December 2025.

a. Average figures at December of each year. Data for leverage ratio and LCR from 2016 and for NSFR from 2021.

IN REAL TERMS, CREDIT GROWTH IN SPAIN HAS OUTPACED THAT IN THE EURO AREA, CLOSING THE GAP SEEN IN PREVIOUS YEARS

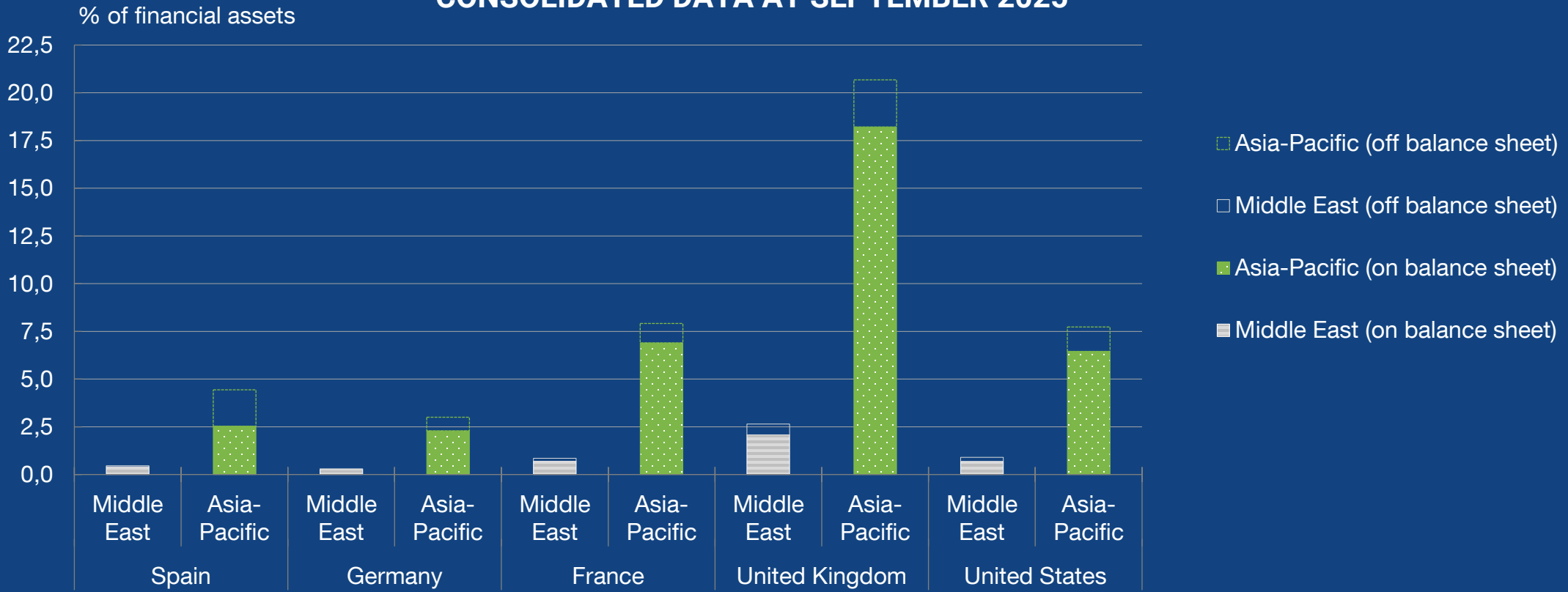
YEAR-ON-YEAR RATE OF CHANGE OF CREDIT TO HOUSEHOLDS, FIRMS AND SELF-EMPLOYED



SOURCES: ECB and Banco de España. Latest observation: January 2026.

BANKS HAVE LITTLE DIRECT EXPOSURE TO THE MIDDLE EAST, BUT INDIRECT CHANNELS COULD PROVE SIGNIFICANT

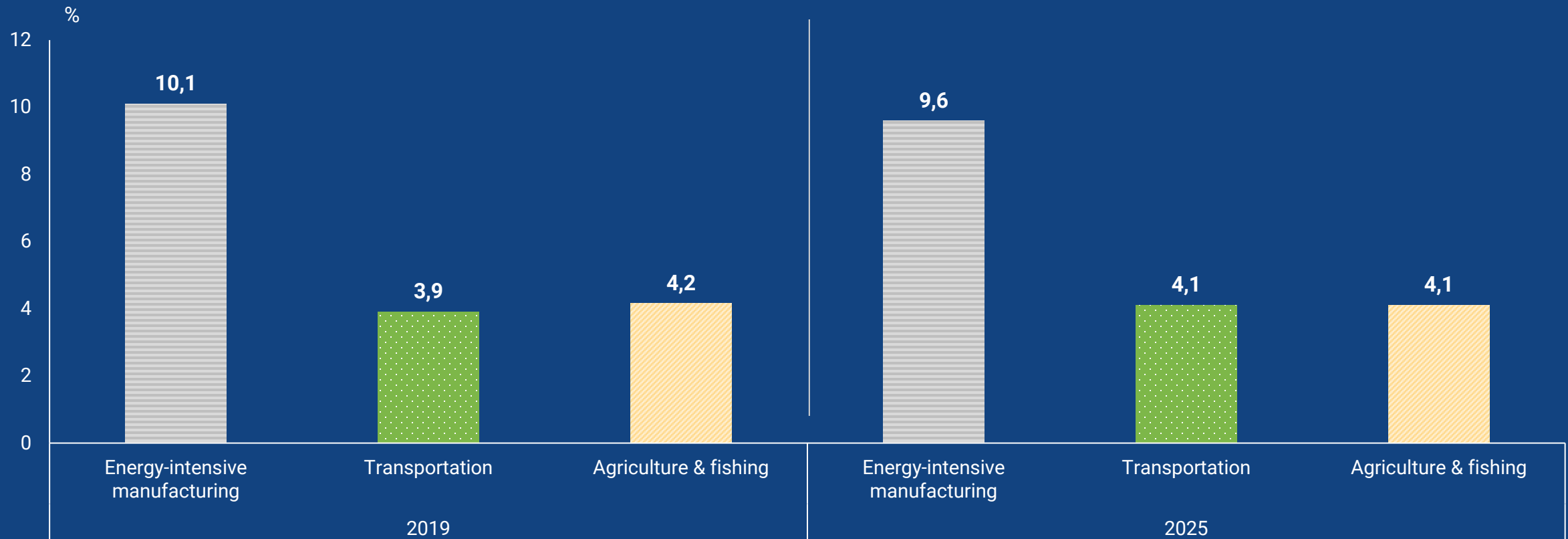
EXPOSURE TO REGIONS AFFECTED BY THE CONFLICT – INTERNATIONAL COMPARISON. CONSOLIDATED DATA AT SEPTEMBER 2025



SOURCE: BIS Consolidated Banking Statistics. Latest observation: September 2025.

CREDIT EXPOSURE TO CERTAIN SECTORS IS QUITE HIGH RELATIVE TO THEIR SHARE OF GDP

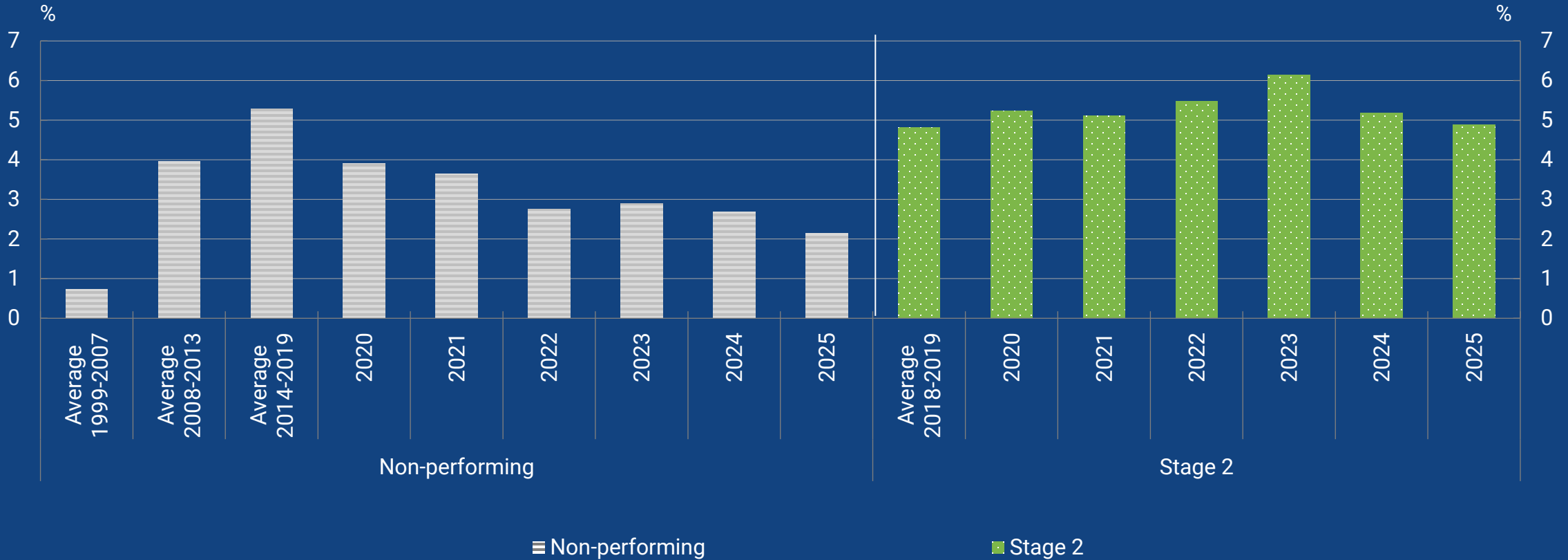
SHARE OF EACH SECTOR IN CREDIT TO FIRMS AND SELF-EMPLOYED



SOURCE: Banco de España. Latest observation: December 2025. Manufacturing sectors include food, wood, paper, coking, chemicals, rubber and plastic, non-metallic mineral products and basic metals.

CREDIT QUALITY OF LOANS TO HOUSEHOLDS CONTINUES TO IMPROVE, WITH FURTHER DECLINES IN NPL AND STAGE 2 RATIOS

NPL AND STAGE 2 RATIOS IN CREDIT TO HOUSEHOLDS



SOURCE: Banco de España. Latest observation: December 2025.

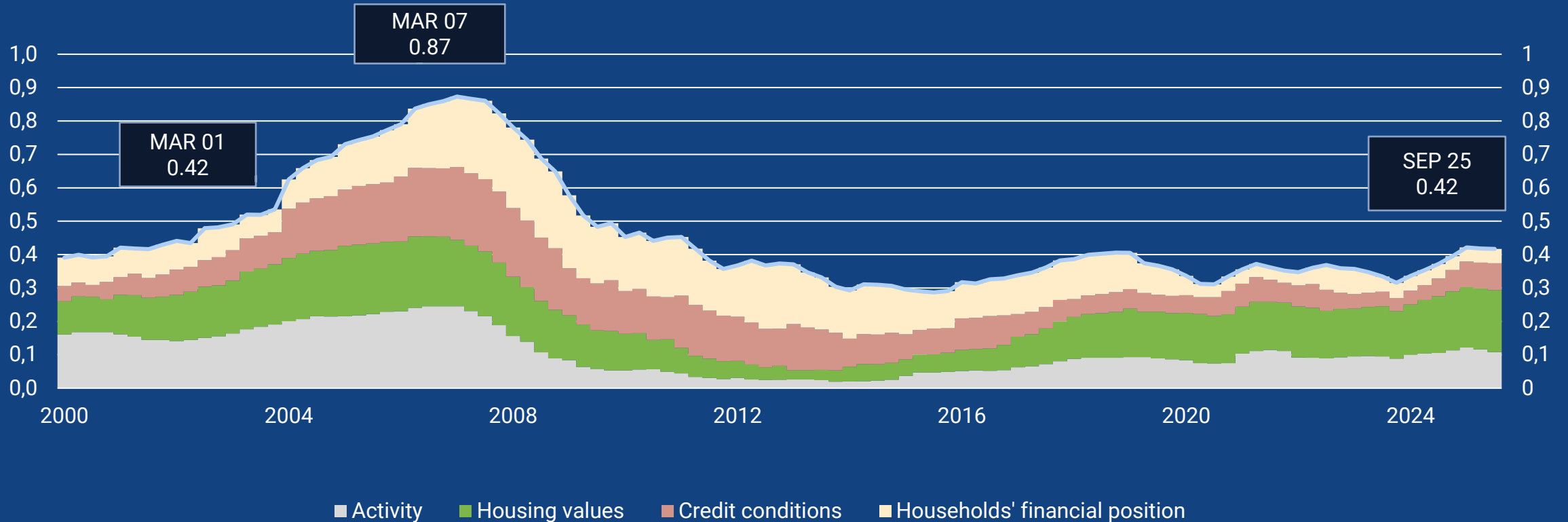
CREDIT QUALITY OF LOANS TO BUSINESS SECTORS ALSO IMPROVED IN 2025

NPL AND STAGE 2 RATIOS IN CREDIT TO FIRMS AND SELF-EMPLOYED



SOURCE: Banco de España. Latest observation: December 2025.

THE REAL ESTATE RISK SYNTHETIC INDEX IS AT 2001 LEVELS AND REFLECTS CONTAINED RISK



SOURCES: Banco de España and INE. Latest observation: September 2025. The index is constructed using 20 individual warning indicators covering four categories: (1) households' financial position; (2) credit conditions; (3) housing values; and (4) real estate activity. The index ranges between zero and one. Higher (lower) values denote the presence of higher (lower) imbalances. See P. Alves, C. Broto, M. Gil and M. Lamas. (2023). "Risk and vulnerability indicators for the Spanish housing market". Documentos Ocasionales, 2314, Banco de España.

Thank you