RESERVE FUND

SOCIAL SECURITY

Report to Parliament

Performance and actions in 2025 and situation at 31 December 2025

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MINISTERIO DE INCLUSIÓN, SEGURIDAD SOCIAL Y MIGRACIONES
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Glossary of abbreviations

ACM: Council of Ministers Agreement.

FRSS or the Fund: Social Security Reserve Fund.

MEI: Intergenerational Equity Mechanism.

€M: millions of euros. As a general rule, figures are given in millions of euros, although some, on account of their amount and for greater precision, are stated in euros.

TGSS: Social Security General Treasury

GDP: Gross Domestic Product.

INE: National Statistics Institute.

IRR: internal rate of return, or return on financial assets. It is the discount rate at which the net present value of the cash flows is equal to zero.

TRLGSS: Royal Legislative Decree 8/2015 of 30 October, approving the consolidated text of the General Social Security Law.

Definitions

Value of the FRSS: for the purposes of calculating the value of the FRSS in this report, financial assets are measured at their acquisition price, unless specifically stated otherwise.

Acquisition price: the total price paid for the financial asset (known as the dirty price), including, where applicable, the amount of the accrued coupon. The acquisition price differs from the carrying amount of the assets making up the FRSS, which, being classified as held-to-maturity investments, are recognised at their amortised cost at year-end.

Amortised cost: the amount at which the financial asset was initially measured, plus or minus, as appropriate, the portion of the difference between that initial amount and the redemption value at maturity allocated to the income statement using the effective interest rate. Implicit returns thus accrue and are recognised as an increase or decrease in the value of the asset.

GDP: unless specifically stated otherwise, references to GDP are to 2025 GDP according to INE data published on 26 March 2026 on the CNE-2010 base. It stood at €1,687,152 million.

01

Introduction

Introduction

In the 1990s, it was an institutional requirement for the Social Security system to establish stabilisation and FRSSs to cater to future needs in terms of contributory benefits, arising from deviations between the Social Security's income and expenditure.

The initial dialogue on this issue among the various political forces gave rise to the Toledo Pact, a catalogue of fifteen recommendations designed to ensure the sustainability of the system, which was approved by the Plenary of the Congress of Deputies in April 1995. The social partners subsequently signed up to the pact.

The reforms and measures that followed said recommendations have shaped the path travelled by our Social Security system to date. Meanwhile, the institutionalisation of the FRSS, with the aim of protecting the system in situations of need, came with the approval of Law 24/1997, of 15 July, on the consolidation and rationalisation of the Social Security system.

Years later, Law 18/2001, of 12 December, the General Budgetary Stability Law, established the priority application of the Social Security system's surplus to the FRSS. Since then, the priority application of the surplus to the FRSS has been laid down in successive budgetary stability legislation. At present, this requirement is set out in article 32 of Organic Law 2/2012 of 27 April, on Budgetary Stability and Financial Sustainability.

Meanwhile, Law 24/2001, of 27 December, on fiscal, administrative and social measures, provided for the constitution of the FRSS within the Social Security General Treasury, empowering the Government to set the allocation to the Fund in each financial year.

With the approval of Law 28/2003, of 29 September, the legal regime of the FRSS was established in a specific law for the first time. This regulation is currently contained in Royal Legislative Decree 8/2015, of 30 October, approving the consolidated text of the General Social Security Law. Pursuant to article 127 of that consolidated text, this report is presented on the performance and composition of the FRSS in 2025.

The Social Security's budget deficit position between 2012 and 2019 made the FRSS an essential instrument for guaranteeing the financial viability of the pension system.

The Committee for the Monitoring and Evaluation of the Toledo Pact Agreements, created for this purpose in 1999 and operating on a permanent basis since 2016, recommended in its Report on the Evaluation and Reform of the Toledo Pact—approved by the Plenary of the Congress of Deputies on 19 November 2020—the establishment of a minimum balance for the Social Security FRSS, with access to the Fund subject to stricter rules. It considered that, although the Fund can provide significant support in addressing temporary imbalances between Social Security revenue and expenditure, it is not the appropriate mechanism for resolving structural financial imbalances, since such challenges must be tackled through reforms that are themselves structural.

In line with the 2020 recommendations, the fourth final provision of Law 21/2021, of 28 December, guaranteeing the purchasing power of pensions and other measures to reinforce the financial and social sustainability of the public pension system, introduced the MEI in order to preserve the balance between generations and strengthen the sustainability of the Social Security system over the long term.

Subsequently, Royal Decree-Law 2/2023, of 16 March, on urgent measures to extend pensioners' rights, reduce the gender gap and establish a new sustainability framework for the public pension system, repealed the initial configuration of the MEI, introducing into the TRLGSS a new regulation of this mechanism with the aim of dispelling any doubt as to the capacity of this additional contribution to act as an instrument for the financial stabilisation of the system. This mechanism provides for the FRSS to be funded through an earmarked contribution from 1 January 2023 until 31 December 2050. The implementation of this measure entailed changes to the regulation of the FRSS contained in articles 117 to 127 of the TRLGSS to ensure that this earmarked contribution was incorporated into the Fund's allocations. It also amended the rules on withdrawals from the FRSS, incorporating new withdrawal limits as well as a bar on drawing on the Fund until 2033.

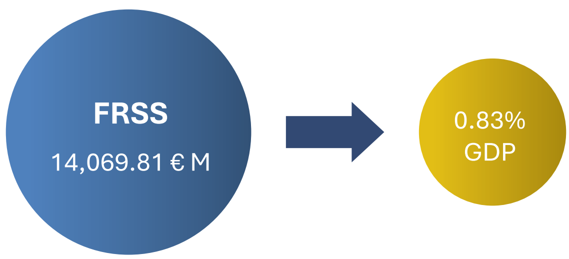
Finally, the State Budget Law for 2023 introduced amendments to the TRLGSS to include as allocations to the FRSS 80% of the surpluses of the mutual societies collaborating with the Social Security after funding the stabilisation reserve for occupational contingencies. The reform of the TRLGSS also included changes to the maximum amount of the stabilisation reserve for occupational contingencies and of the stabilisation reserve for common contingencies. Once the latter has been funded, any surpluses from management must also be allocated to the FRSS.

02

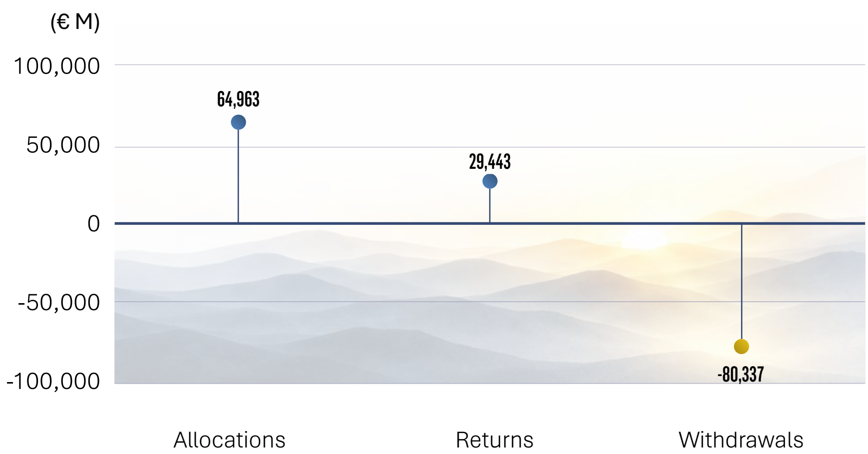
The FRSS in figures. Data at 31 December 2025

The FRSS in figures. Data at 31 December 2025

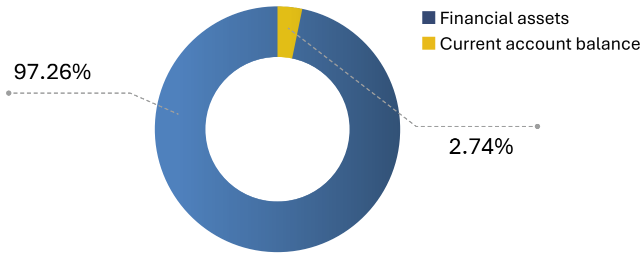
FRSS



Allocations, returns and withdrawals up to 2025

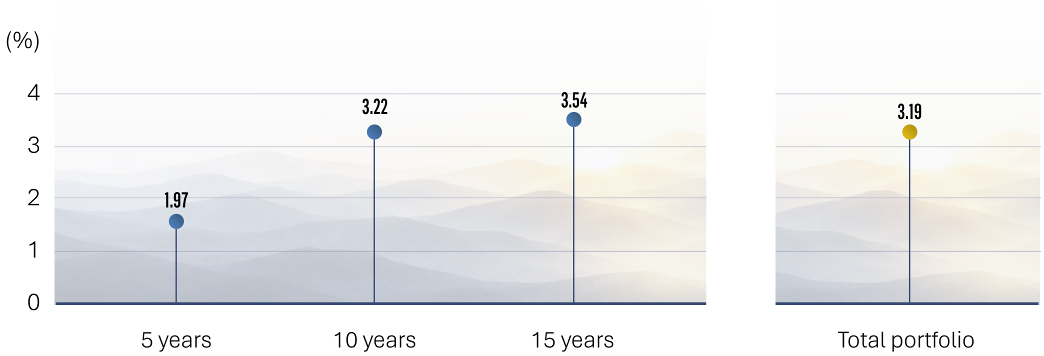


FRSS distribution



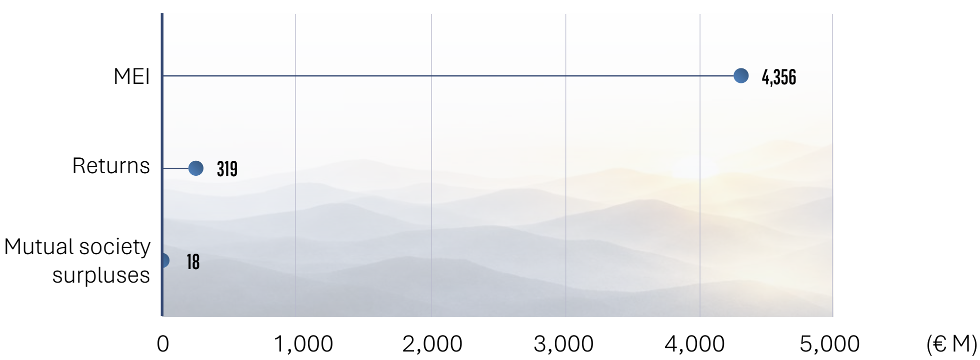
NOTE: The current account balance includes interest accrued in December 2025 and collected on 5 January 2026.

IRR on financial assets



NOTE: Weighted average IRR on the nominal value of the financial assets, calculated by maturity bracket and for the portfolio as a whole.

Allocations 2025



03

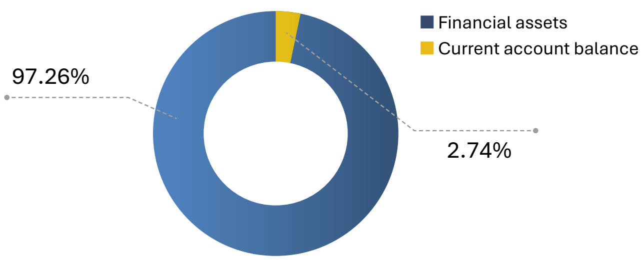
FRSS situation at 31 December 2025

FRSS situation at 31 December 2025

At 31 December 2025, the FRSS presented the following situation and distribution:

1. Financial assets[1]	€ 13,683,704,923.83
2. Current account balance	€ 385,846,165.60
3. Current account interest accrued in December	€ 255,908.30
RESERVE FUND	**€ 14,069,806,997.73**

FRSS distribution



NOTE: The current account balance includes interest accrued in December 2025 and collected on 5 January 2026.

The value of the FRSS at 31 December 2025 stands at €14,069.81 million. This is an increase of €4,693.16 million on the figure at 31 December 2024.

Most of the FRSS is held in financial assets. The current account balance consists almost entirely of the allocations made at the end of December, which are invested in financial assets at the beginning of the following month.

[1] Financial assets measured at acquisition price. At year-end, as they are classified for accounting purposes as "Held-to-maturity investments", the assets are recognised at their amortised cost (€13,567,049,789.59).

04

FRSS performance

FRSS performance

The FRSS has followed a variable trajectory since its first allocation in 2000. It underwent its greatest expansion from its creation until 2012, the year in which the first withdrawal was made to pay pensions, marking the start of a period of progressive reduction that lasted until 2020. The value of the FRSS remained stable from that year until 2023, when the earmarked MEI contribution and the allocation of mutual society surpluses arising from occupational contingencies were incorporated into the Fund.

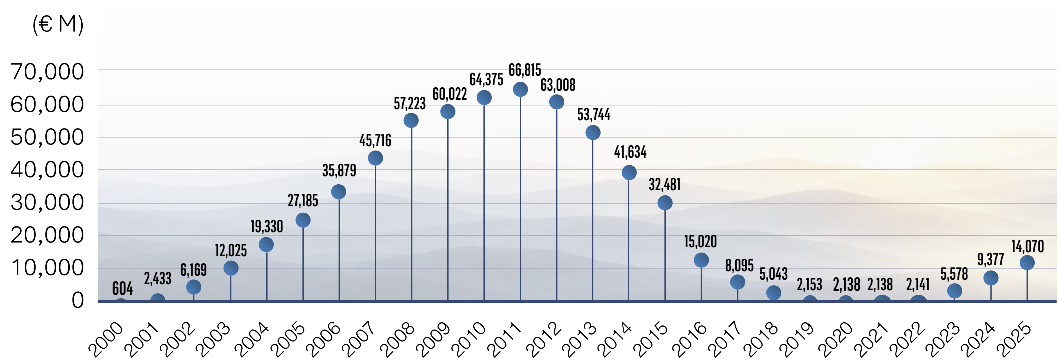
The performance of the FRSS's value at 31 December of each year is shown below in terms of the allocations made, the returns obtained and the withdrawals carried out:

Cumulative data	2000 to 2017	2018	2019	2020	2021	2022	2023	2024	2025
ALLOCATIONS	**53,600**	**53,601**	**53,601**	**53,601**	**53,601**	**53,601**	**56,986**	**60,590**	**64,963**
Surplus of managment agencies and common services	52,113	52,113	52,113	52,113	52,113	52,113	52,113	52,113	52,113
Surplus of mutual societies	1,487	1,488	1,488	1,488	1,488	1,488	2,655	2,683	2,700
MEI							2,218	5,794	10,150
NET RETURNS	**28,932**	**28,879**	**28,889**	**28,874**	**28,874**	**28,877**	**28,929**	**29,124**	**29,443**
Returns	30,802	30,793	30,818	30,811	30,811	30,814	30,866	31,061	31,380
Adjustments for redemption/ divestiture of assets	-1,870	-1,914	-1,929	-1,937	-1,937	-1,937	-1,937	-1,937	-1,937
WITHDRAWALS	**-74,437**	**-77,437**	**-80,337**	**-80,337**	**-80,337**	**-80,337**	**-80,337**	**-80,337**	**-80,337**
RESERVE FUND VALUE	**8,095**	**5,043**	**2,153**	**2,138**	**2,138**	**2,141**	**5,578**	**9,377**	**14,070**

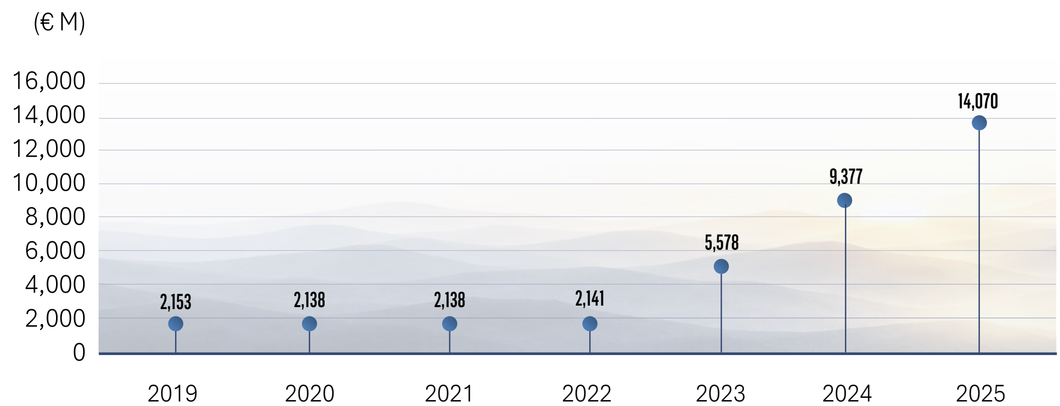
Amounts in € M

The following chart shows the performance of the FRSS in terms of its value at acquisition price at 31 December of each year:

FRSS Performance



FRSS performance: detail 2019 to 2025



4.1. ALLOCATIONS TO THE FRSS

Allocations to the FRSS from the first allocation approved in 2000 until 31 December 2025 amount to €64,963 million.

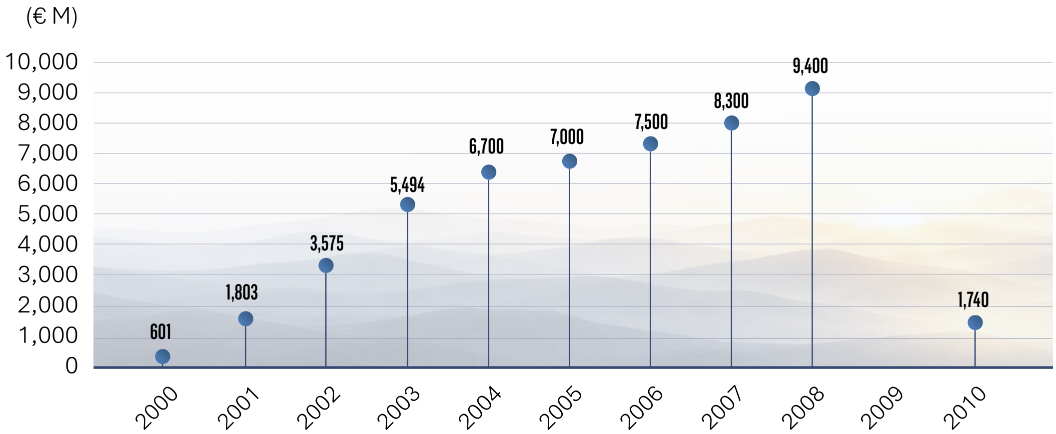
According to their origin, allocations are classified into allocations from the surpluses of the management agencies and common services, allocations in respect of the surplus arising from the management by the mutual societies collaborating with the Social Security of temporary disability benefit for common contingencies and of benefits for occupational contingencies, and allocations charged to the earmarked MEI contribution, distributed as follows:

ITEM	AMOUNT
From the surpluses of the management agencies and common services	€52,113 million
From the surpluses of the mutual societies	€2,700 million
From the MEI	€10,150 million
	€64,963 million

Allocations to the FRSS charged to the budget surpluses of the Social Security management agencies and common services, agreed by the Council of Ministers, amount to €52,113 million since the first allocation approved in 2000. The last allocation under this heading took place in 2010.

Their distribution by year is presented in the following chart:

Allocations of surpluses of the management agencies and common services of the Social Security



The following table shows, by date, the total allocations charged to the budget surpluses of the Social Security management agencies and common services.

Allocations of surpluses of the management agencies and common services of the Social Security

Year	Quarter	Date	Amount	Subtotal	Cumulative total
2000	4th	16/10/2000	240		
		12/12/2000	361		
				601	**601**
2001	2nd	11/05/2001	240		
	4th	23/11/2001	1,563		
				1,803	**2,404**
2002	2nd	25/04/2002	1,052		
		25/06/2002	840		
	3rd	27/08/2002	840		
		27/09/2002	843		
				3,575	**5,979**
2003	1st	26/02/2003	1,202		
		28/02/2003	0		
	3rd	08/07/2003	1,200		
		11/09/2003	1,092		
	4th	19/12/2003	2,000		
				5,494	**11,473**
2004	1st	04/03/2004	3,000		
	2nd	17/06/2004	3,700		
				6,700	**18,173**
2005	1st	18/02/2005	3,500		
	3rd	12/07/2005	3,500		
				7,000	**25,173**
2006	2nd	15/02/2006	3,700		
	3rd	18/07/2006	3,800		
				7,500	**32,673**
2007	1st	21/02/2007	4,000		
	3rd	17/07/2007	4,300		
				8,300	**40,973**
2008	1st	12/02/2008	4,700		
	3rd	01/07/2008	4,700		
				9,400	**50,373**
2009					
				0	**50,373**
2010	1st	02/03/2010	1,740		
				1,740	**52,113**

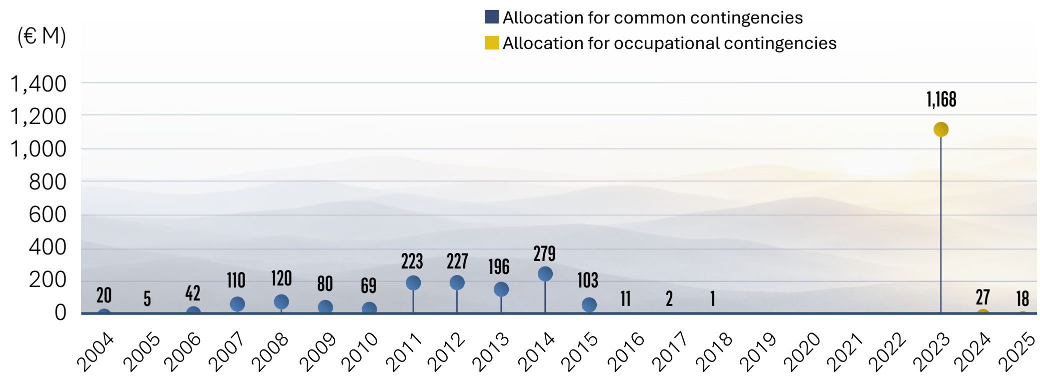
Amounts in € M

As regards the allocations arising from the surpluses of the mutual societies collaborating with the Social Security, until 2022 only amounts from the surpluses on the management of the temporary disability contingency for common contingencies were paid into the FRSS. However, the State Budget Law for 2023 introduced amendments to the TRLGSS to include, as allocations to the FRSS, 80% of the surpluses of the mutual societies after funding the stabilisation reserve for occupational contingencies.

The amounts allocated by the collaborating mutual societies total €2,700 million, of which €1,488 million correspond to surpluses arising from the management of temporary disability benefit for common contingencies and €1,212 million come from the surplus arising from the management of benefits for occupational contingencies. The last allocation charged to common contingency surpluses took place in 2018.

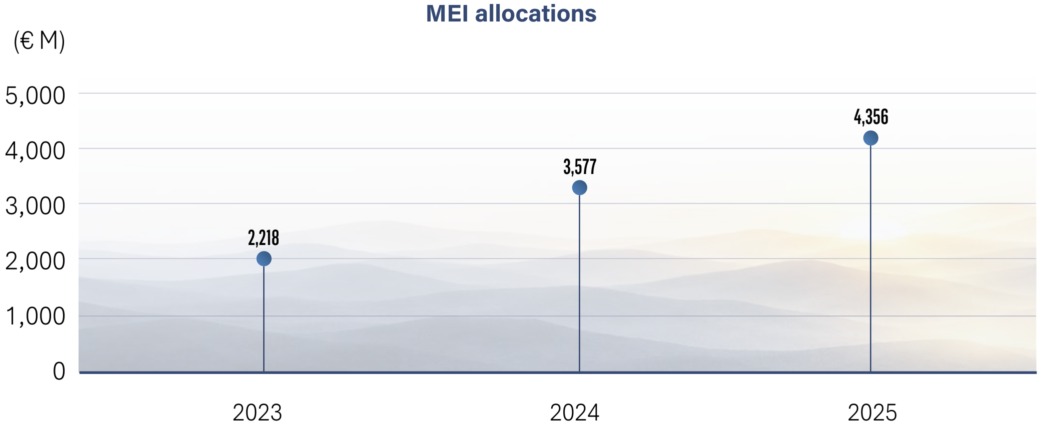
These allocations are presented in the following chart, according to the year of payment:

Allocations of surpluses of the mutual societies collaborating with the Social Security



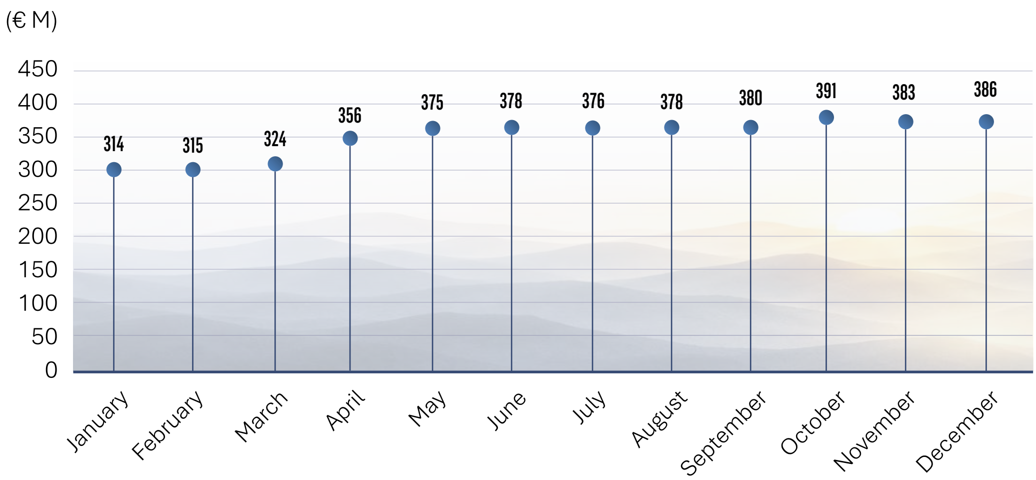
Finally, the amounts allocated from the earmarked MEI contribution total €10,150 million, of which €2,218 million correspond to the allocations made in 2023, €3,577 million in 2024 and €4,356 million in 2025.

MEI allocations



The monthly distribution of the MEI allocations in 2025 is presented in the following chart:

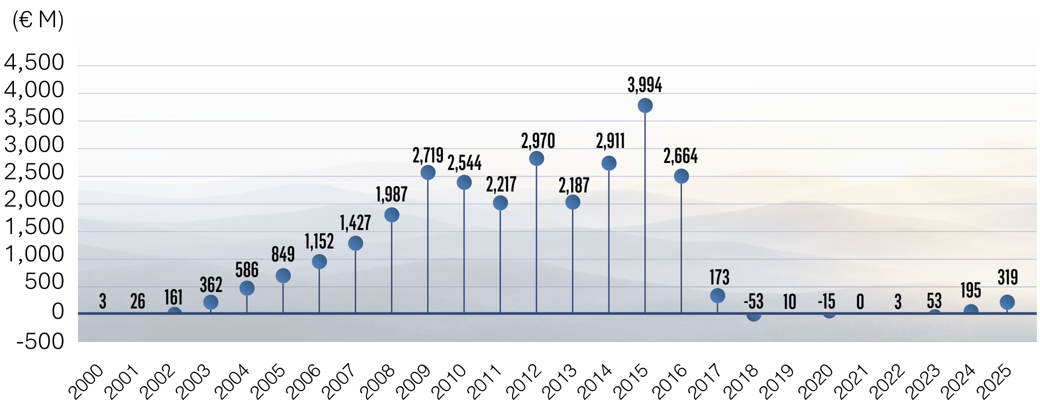
MEI allocations 2025



4.2. FRSS RETURNS

The returns obtained from the first allocation to the FRSS, approved in 2000, until 31 December 2025 amount to €29,443 million. Their breakdown by year is presented in the following graph:

Returns

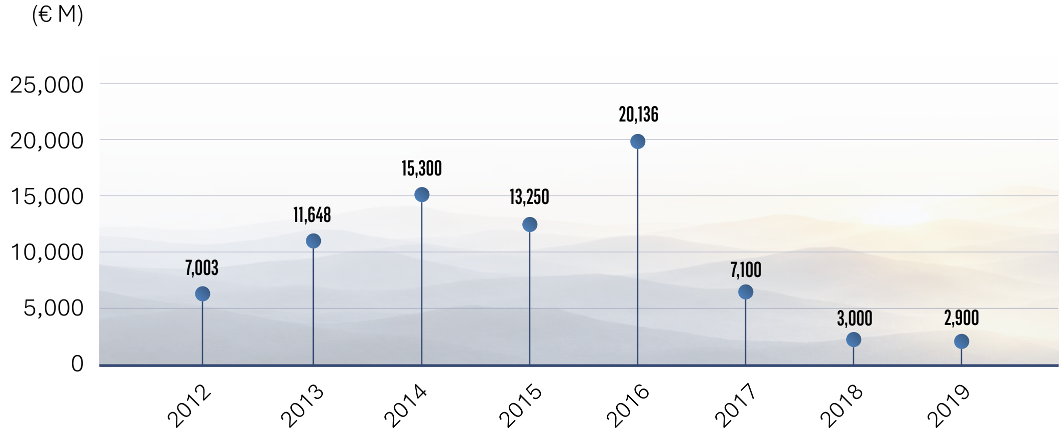


The details of these returns are presented in section 7.1.

4.3. FRSS WITHDRAWALS

Withdrawals from the FRSS made in the years 2012 to 2019 totalled €80,337 million. No withdrawals have been made from the FRSS since the last one in 2019; moreover, the legal changes in force since 2023, introduced by Royal Decree-Law 2/2023, do not allow new withdrawals to be made until 2033. The distribution of withdrawals by year is presented in the following chart:

FRSS withdrawals



As detailed in the chart above, from 2012 onwards the Social Security's financial shortfalls made it necessary to draw on the FRSS to enable the Social Security General Treasury to meet its payment obligations on time. Withdrawals from the FRSS have been made pursuant to the following rules:

- **ACM of 27 September 2012:** pursuant to article 4 of Law 28/2003, of 29 September, regulating the FRSS, which set the ordinary limit on withdrawals from the Fund at 3% of the budget appropriation for contributory pensions and the other expenditure necessary for their management.

- **Royal Decree-Law 28/2012, of 30 November, on measures to consolidate and guarantee the Social Security system:** this suspended, for 2012, 2013 and 2014, the general 3% limit laid down in article 4 of the aforementioned Law 28/2003, of 29 September, allowing withdrawals to be made in those years, as needs arose, up to a maximum amount equivalent to the deficit on non-financial operations shown by the estimated budget outturns of the Social Security management agencies and common services.

- **Law 36/2014, of 26 December, on the State Budget for 2015:** its tenth additional provision extended the extraordinary withdrawal regime to 2015 and 2016.

- **Law 3/2017, of 27 June, on the State Budget for 2017:** its one hundred and twelfth additional provision suspended the general 3% limit for 2017 and 2018.

- **ACM of 15 November 2019:** pursuant to article 121 of the TRLGSS, which lays down the ordinary limit and authorises withdrawals from the FRSS in 2019 up to a maximum amount equivalent to 3% of the budget appropriation for contributory pensions and the other expenditure necessary for their management.

Total withdrawals made up until 31 December 2025 are presented in the table below:

FRSS withdrawals

Rule	Year	Quarter	Date	Amount	Subtotal	Cumulative total
ACM 27-09-2012	2012	3º	28/09/2012	1,700		
		4º	26/10/2012	1,363		
					3,063	3,063
Royal Decree-Law 28/2012, of 30 November		4º	03/12/2012	3,530		
			18/12/2012	410		
					3,940	7,003
	2013	3º	01/07/2013	3,500		
			22/07/2013	1,000		
			01/08/2013	1,000		
		4º	01/10/2013	720		
			02/12/2013	5,000		
			20/12/2013	428		
					11,648	18,651
	2014	3º	01/07/2014	5,500		
			21/07/2014	500		
		4º	01/12/2014	8,000		
			22/12/2014	1,300		
					15,300	33,951
Law 36/2014, of 26 December	2015	3º	01/07/2015	3,750		
		4º	01/12/2015	7,750		
			21/12/2015	1,750		
					13,250	47,201
	2016	3º	01/07/2016	8,700		
			20/07/2016	1,000		
		4º	01/12/2016	9,500		
			20/12/2016	936		
					20,136	67,337
Law 3/2017, of 27 June	2017	3º	03/07/2017	3,514		
		4º	01/12/2017	3,586		
					7,100	74,437
	2018	4º	30/11/2018	3,000		
					3,000	77,437
ACM 15-11-2019	2019	4º	02/12/2019	2,900		
					2,900	80,337

Amounts in € M

05

Management of the FRSS in the year 2025

Management of the FRSS in the year 2025

The Management Committee is responsible for the overall advisory, control and direction of the FRSS's financial management. The Management Committee meets regularly to formulate proposals on the management of the Fund, provide advice, select the securities that will make up its portfolio and, where appropriate, dispose of financial assets held by the Fund. To this end, it approves the investment and management criteria for each financial year and decides which investments will be made from the Fund's cash inflows.

At its January 2025 meeting, the Management Committee approved the FRSS's investment and management criteria—set out in section 5.1—and, based on the estimated allocations for 2025, agreed to invest in Spanish government debt as follows: securities with a nominal value of €3,280 million maturing in 2035; up to €700 million nominal maturing in 2041; and the remainder, approximately €1,580 million, maturing in July 2043.

Likewise, at the beginning of 2025, €317 million from the last allocation to the FRSS in December 2024 was invested in the reference maturing in July 2039, as stipulated in the Management Committee agreement of February 2024 for that year's allocations.

All the financial asset acquisitions carried out on the secondary market during 2025 under the aforementioned agreements are detailed below:

Financial asset acquisitions 2025

Description of the financial asset and issue reference	Redemption date	Acquisition price	Nominal value	IRR
Government Bond (3.15%) ES0000012O67	30/04/2035	1,636,156,014.64	1,640,000,000.00	3.203%
Government Bond (3.20%) ES0000012P33	31/10/2035	1,640,792,994.61	1,640,000,000.00	3.246%
Government Bond (3.90%) ES0000012L60	30/07/2039	317,362,453.05	296,787,000.00	3.438%
Government Bond (3.50%) ES0000012O75	31/01/2041	694,015,475.29	700,000,000.00	3.685%
Government Bond (3.45%) ES0000012K95	30/07/2043	1,191,529,959.38	1,214,337,000.00	3.707%
Total		**5,479,856,896.97**	**5,491,124,000.00**	**3.401%**

Amounts in €
Weighted average IRR calculated on the nominal value acquired.

5.1. CRITERIA FOR INVESTMENT AND MANAGEMENT 2025

The FRSS's investment and management criteria, approved by the Management Committee at its meeting of 22 January 2025, determine the securities in which the Fund is to be invested, as well as the general investment guidelines.

- The FRSS will invest in sovereign public debt and in assets issued by the Official Credit Institute (ICO). All assets must be issued in euros, be of high credit quality and be traded on regulated markets or organised trading systems.
- Investment in the public debt of non-Spanish issuers approved by the Management Committee will be limited such that total foreign debt does not exceed 55% of the total portfolio in nominal value.
- If market conditions should make it advisable, asset divestiture is contemplated pursuant to the criteria of safety, profitability and diversification.
- The FRSS will be managed taking into account the time horizon determined by the planning of future inflows and of withdrawals of funds to cover contributory pensions, which is carried out by the State Secretariat for Social Security and Pensions.
- There must be a balanced structure of the maturity dates of the portfolio's securities to avoid excessive concentrations of maturity dates by periods.
- The FRSS's Spanish securities will be diversified, avoiding concentrations of any single reference in the portfolio, whose weight relative to the nominal outstanding balance will not exceed 16% as a general rule. However, this maximum percentage of each issue will be increased from 16% to 35% for those issues where this is strictly necessary to comply with investment conditions. This is without prejudice to the issuer's policy, which will not automatically condition the Fund's investment decisions. On an exceptional basis, exceeding this limit of 35% may be accepted in certain short-term issues when investment is deemed appropriate.
- The nominal volume of the set of Spanish Public Treasury references in the FRSS's portfolio relative to total outstanding Treasury debt (bills, short- and long-term bonds), excluding foreign-currency issues, will not exceed 12%.
- At the time of investment, priority shall be given to purchases of benchmark issues in the portfolio.

06

Distribution and composition of the FRSS portfolio

Distribution and composition of the FRSS portfolio

At 31 December 2025, the portfolio of assets making up the FRSS stands at €13,683.70 million.

The portfolio consists exclusively of Spanish public debt, and its classification by maturity bracket is distributed as follows:

Portfolio distribution by maturity bracket

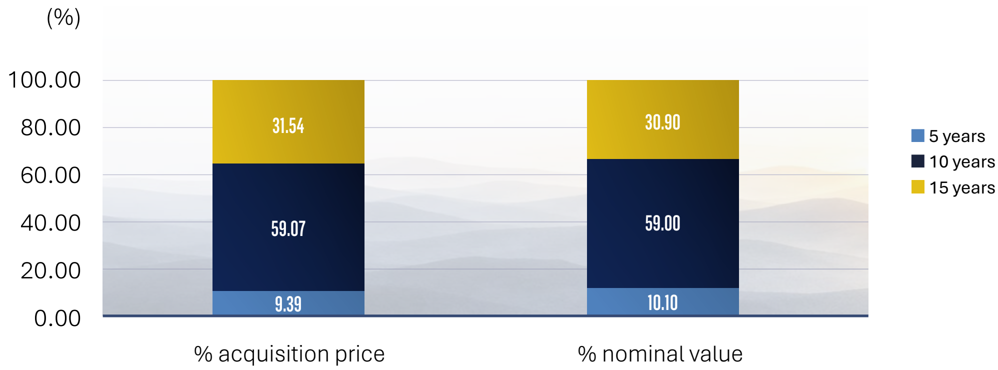
Maturity brackets	Acquisition price	%	Nominal value	%
5 years	1,285,425,662.65	9.39	1,366,342,000.00	10.10
10 years	8,082,752,246.71	59.07	7,980,000,000.00	59.00
15 years	4,315,527,014.47	31.54	4,179,591,000.00	30.90
Total	**13,683,704,923.83**	**100.00**	**13,525,933,000.00**	**100.00**

Amounts in €

The maturity bracket distribution criterion applied is as follows:

- 5 years: maturity of more than 4 years and up to 7 years, by reference to 31 December 2025.
- 10 years: maturity of more than 7 years and up to 11 years, by reference to 31 December 2025.
- 15 years: maturity of more than 11 years and up to 20 years, by reference to 31 December 2025.

Portfolio distribution by maturity bracket



The following table provides an itemisation by type of asset and references of the portfolio's composition at 31 December 2025:

Composition of the FRSS portfolio at 31 December 2025

Description of the financial asset and issue reference	Redemption date	Acquisition price	Nominal value
5-years			
Government Bond (0.70%) ES0000012K20	30/04/2032	855,094,900.29	923,800,000.00
Government Bond (2.55%) ES0000012K61	31/10/2032	430,330,762.36	442,542,000.00
5-years total		**1,285,425,662.65**	**1,366,342,000.00**
10-years			
Government Bond (3.15%) ES0000012L52	30/04/2033	1,080,800,900.85	1,050,000,000.00
Government Bond (3.55%) ES0000012L78	31/10/2033	1,097,017,883.92	1,050,000,000.00
Government Bond (3.25%) ES0000012M85	30/04/2034	1,300,840,848.10	1,300,000,000.00
Government Bond (3.45%) ES0000012N35	31/10/2034	1,327,143,604.59	1,300,000,000.00
Government Bond (3.15%) ES0000012O67	30/04/2035	1,636,156,014.64	1,640,000,000.00
Government Bond (3.20%) ES0000012P33	31/10/2035	1,640,792,994.61	1,640,000,000.00
10-years total		**8,082,752,246.71**	**7,980,000,000.00**
15-years			
Government Bond (3.90%) ES0000012L60	30/07/2039	2,429,981,579.80	2,265,254,000.00
Government Bond (3.50%) ES0000012O75	31/01/2041	694,015,475.29	700,000,000.00
Government Bond (3.45%) ES0000012K95	30/07/2043	1,191,529,959.38	1,214,337,000.00
15-years total		**4,315,527,014.47**	**4,179,591,000.00**
Total public financial assets		**13,683,704,923.83**	**13,525,933,000.00**

Amounts in €

07

Analysis of the FRSS's return

Analysis of the FRSS's return

7.1. FRSS RETURNS

From the first allocation to the FRSS in 2000 until 31 December 2025, the net returns obtained by the Fund amount to €29,443.31 million.

Returns can be classified into coupons, implicit returns, the result of divestiture transactions, other income and interest earned on the balances held in the FRSS's current account.

The overall amounts obtained by the FRSS are presented in the following table:

Returns

Item	Amount
Coupons	26,875,417,885.66
Implicit returns	-1,996,539,720.23
Result of divestiture transactions	6,118,911,481.05
Other income	-3,394,997.03
Adjustments for redemption/divestiture of assets	-1,936,561,803.49
Current account interest	385,480,094.46
Total	**29,443,312,940.42**

Amounts in €

The breakdown of the returns generated in 2025 is as follows:

Returns 2025

Item	Amount
Coupons	302,535,856.71
Implicit returns	15,004,814.00
Result of divestiture transactions	
Other income	488.72
Adjustments for redemption/divestiture of assets	
Current account interest	1,819,478.78
Total	**319,360,638.21**

Amounts in €

As regards coupons, a total of €26,875.42 million has been collected, distinguishing between coupons collected on the maturity date, €26,023.93 million, and coupons obtained at the time of divestiture of the assets, €851.49 million, broken down as follows:

Coupons collected

Year	At maturity	On divestiture	Total amount
2001	18,699,000.00		18,699,000.00
2002	120,425,190.08		120,425,190.08
2003	338,265,455.84		338,265,455.84
2004	592,924,827.64		592,924,827.64
2005	857,615,313.37		857,615,313.37
2006	1,171,273,841.45		1,171,273,841.45
2007	1,535,058,217.03		1,535,058,217.03
2008	2,034,850,211.79		2,034,850,211.79
2009	2,339,694,054.23	156,913,647.84	2,496,607,702.07
2010	2,478,598,524.41	91,216,232.39	2,569,814,756.80
2011	2,709,616,791.70		2,709,616,791.70
2012	2,765,822,459.74	58,802,906.46	2,824,625,366.20
2013	2,561,622,105.56		2,561,622,105.56
2014	2,243,846,346.50	147,071,866.64	2,390,918,213.14
2015	1,790,818,506.50	239,048,434.14	2,029,866,940.64
2016	1,159,723,202.92	158,439,186.43	1,318,162,389.35
2017	573,667,848.00		573,667,848.00
2018	183,329,300.00		183,329,300.00
2019	57,828,185.00		57,828,185.00
2020	24,778,650.00		24,778,650.00
2021			
2022	1,807,100.61		1,807,100.61
2023	17,751,421.00		17,751,421.00
2024	143,373,201.68		143,373,201.68
2025	302,535,856.71		302,535,856.71
Total	**26,023,925,611.76**	**851,492,273.90**	**26,875,417,885.66**

Amounts in €

Implicit returns are the difference between the nominal value and the ex-coupon acquisition price. These returns are recognised in full at the time of redemption or divestiture of the assets. The details are as follows:

Implicit returns

Year	From redeemed securities	From divested securities	Total amount
2002	6,714,260.00		6,714,260.00
2003	17,220,919.74		17,220,919.74
2004	-14,800,848.92		-14,800,848.92
2005	7,627,818.36		7,627,818.36
2006	-14,445,823.13		-14,445,823.13
2007	-100,368,613.40		-100,368,613.40
2008	-70,394,705.16		-70,394,705.16
2009	-144,330,440.02	32,526,580.28	-111,803,859.74
2010	-65,155,129.73	-32,623,033.13	-97,778,162.86
2011	-352,313,679.93		-352,313,679.93
2012	-193,164,725.87	90,528,546.56	-102,636,179.31
2013	-251,607,366.30		-251,607,366.30
2014	-199,697,478.25	-89,181,162.29	-288,878,640.54
2015	-98,723,767.46	-96,604,608.60	-195,328,376.06
2016	105,013,436.76	-35,531,397.33	69,482,039.43
2017	-281,342,264.90		-281,342,264.90
2018	-192,464,934.27		-192,464,934.27
2019	-32,096,564.27		-32,096,564.27
2020	-32,709,833.63		-32,709,833.63
2021			
2022			
2023			
2024	26,380,280.66		26,380,280.66
2025	15,004,814.00		15,004,814.00
Total	**-1,865,654,645.72**	**-130,885,074.51**	**-1,996,539,720.23**

Amounts in €

The result of divestiture transactions amounts to €6,118.91 million. The last divestitures were carried out in 2016. The details are set out below:

Result of divestiture transactions

Year	Amount
2009	498,913,390.60
2010	185,377,136.85
2011	
2012	478,199,906.83
2013	
2014	1,041,120,454.32
2015	2,373,983,076.82
2016	1,541,317,515.63
Total	**6,118,911,481.05**

Amounts in €

Other income comprises income arising from double swap transactions in securities, from temporary acquisitions of assets under repurchase agreements, income in compensation for interest forgone as a result of late payment by the collaborating mutual societies, and interest income arising from counterparty failure in financial asset acquisition transactions. The performance of this income up to 31 December 2025 is detailed below:

Other income

Year	Double swap transactions in securities	Temporary acquisitions of assets under repurchase agreements	Compensation for late payments by collaborating mutual societies	Interest on counterparty failure	Total amount
2007	44,755.52				44,755.52
2008	45,023.25		78,017.23		123,040.48
2009	11,269.09				11,269.09
2010					
2011	53,087.31				53,087.31
2012	40,254.17				40,254.17
2013	27,607.08				27,607.08
2014	24,001.92	22,183.54			46,185.46
2015		-1,947,508.57			-1,947,508.57
2016		-2,799,470.39			-2,799,470.39
2017					
2018				5,168.94	5,168.94
2019		-281,196.55		5,498.84	-275,697.71
2020					
2021					
2022				1,112.43	1,112.43
2023		1,271,250.54		890.80	1,272,141.34
2024				2,569.10	2,569.10
2025				488.72	488.72
Total	**245,998.34**	**-3,734,741.43**	**78,017.23**	**15,728.83**	**-3,394,997.03**

Amounts in €

Adjustments for redemption or divestiture of assets are negative entries made at the time of redemption or divestiture of the asset for the amount of the accrued coupon. This is because financial assets are measured at the total price paid for the asset, including, where applicable, the amount of the accrued coupon; subsequently, on the corresponding collection date, the coupon is collected and recognised at its full amount, so that, in order to determine the return on the asset, an adjustment must be made, for the amount of the accrued coupon, in the opposite direction to the amounts received when the asset matures or is divested. The following adjustments have been made under this heading:

Adjustments for redemption/divestiture of assets

Year	Adjustments for redempion of assets	Adjustments for divestiture of assets	Total amount
2003	-10,127,671.24		-10,127,671.24
2004	-27,994,229.11		-27,994,229.11
2005	-40,342,926.12		-40,342,926.12
2006	-37,745,774.46		-37,745,774.46
2007	-46,818,106.24		-46,818,106.24
2008	-71,255,374.93		-71,255,374.93
2009	-86,417,563.25	-96,846,522.35	-183,264,085.60
2010	-86,764,239.58	-31,432,533.89	-118,196,773.47
2011	-149,585,272.90		-149,585,272.90
2012	-174,890,719.20	-58,398,804.46	-233,289,523.66
2013	-124,194,336.56		-124,194,336.56
2014	-110,321,460.64	-122,180,770.35	-232,502,230.99
2015	-56,834,529.01	-156,350,039.60	-213,184,568.61
2016	-125,743,980.33	-136,317,009.62	-262,060,989.95
2017	-119,418,296.60		-119,418,296.60
2018	-43,833,617.03		-43,833,617.03
2019	-15,144,819.63		-15,144,819.63
2020	-7,603,206.39		-7,603,206.39
Total	**-1,335,036,123.22**	**-601,525,680.27**	**-1,936,561,803.49**

Amounts in €

Finally, the interest accrued and collected on the current account held with the Banco de España is set out in detail.

Current account interest

Period	Amount
2000	2,779,240.69
2001	7,500,828.26
2002	33,507,299.15
2003	16,991,616.34
2004	35,243,455.27
2005	24,341,090.96
2006	33,743,035.77
2007	38,559,185.51
2008	93,906,295.36
2009	18,618,272.71
2010	4,359,772.06
2011	9,664,584.45
2012	3,160,265.51
2013	1,404,582.21
January-June 2014	454,059.59
July 2014-August 2022	
September-December 2022	878,797.79
2023	33,548,866.73
2024	24,999,367.32
2025	1,819,478.78
Total	**385,480,094.46**

Amounts in €

The figure for January to June 2014 refers to the period during which EONIA remuneration was in force, from 1 January to 10 June. From that date until August 2022, the account ceased to earn interest at positive rates. From 14 September 2022, as a result of the European Central Bank's decisions to raise interest rates, the remuneration of the accounts became positive again.

The interest generated on the balances held in the current account in the aforementioned periods in which rates were negative was not passed on to the FRSS, but was borne by the Social Security system, in accordance with its specific rules.

7.2. FRSS RATE OF RETURN

The FRSS's cumulative return is calculated using the method approved by the FRSS Management Committee in 2005, in line with the methodology used by other private investment and pension funds. Its main feature is that it takes into account the market value of the Fund at the time of each allocation or withdrawal, which makes it possible to adequately weight the contribution of each cash flow to the Fund's total return.

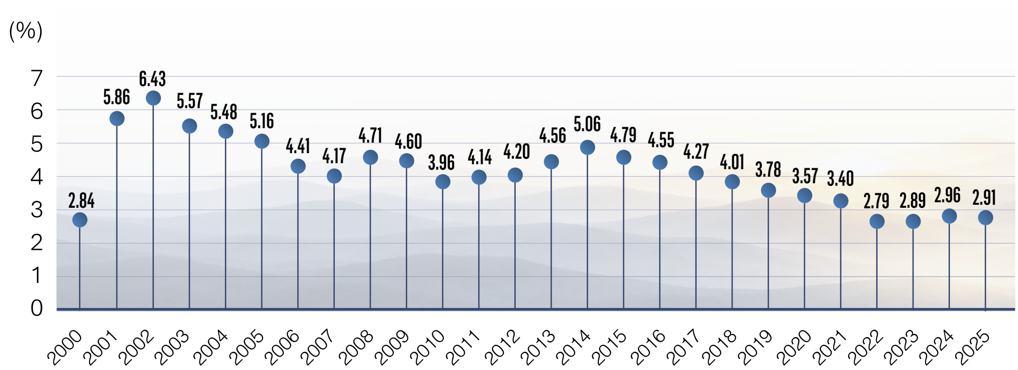
The Fund's cumulative return is calculated by comparing the current net asset value of one unit with its value when the Fund was established and then annualising the result. The net asset value per unit is adjusted whenever a new allocation or withdrawal is made, allowing the return attributable to each cash flow to be isolated for each subperiod.

For the purposes of the calculation, the market value of the assets making up the portfolio at 31 December 2025 has been taken into consideration, according to the closing price of each security obtained from Bloomberg; the net asset value of the FRSS at that date amounts to €14,030.07 million. Of that net asset value, €13,643.96 million corresponds to the valuation of the portfolio, €385.85 million to the balance deposited in the current account and €0.26 million to the interest accrued on the account balance during December.

Based on this method, the cumulative return on the FRSS from its inception in 2000 until 31 December 2025 stands at 106.25%, which represents, in annualised terms, 2.91%.

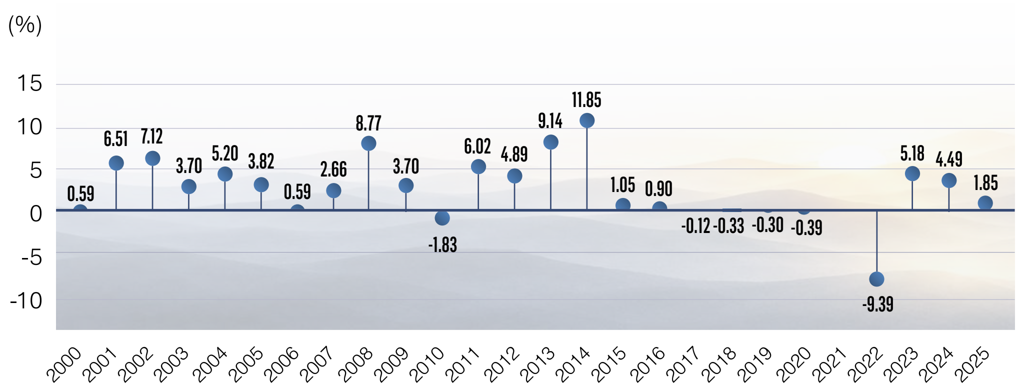
The performance of the annualised cumulative return, at the close of each year, since the first allocation to the FRSS in 2000 is reflected in the following chart:

Annualised cumulative return performance



Meanwhile, the FRSS's year-on-year return for 2025 stands at 1.85%. The performance of the FRSS's year-on-year return is reflected in the following chart:

Year-on-year return performance



It should be noted that the returns, as explained above, take into account the market value of the financial assets at 31 December 2025; however, under the rules in force, the FRSS's assets are unavailable until 2033 and, in accordance with the Fund's current investment strategy, they will be held to maturity. In this framework, the portfolio will be measured at acquisition price and not at market price.

Finally, by way of summary, the following table shows the average annualised returns of the FRSS at 31 December 2025, as well as a comparison with private pension plans under the individual system:

Average annualised returns of pension plans

		20 years	10 years	5 years	3 years	1 year
	FRSS	2.91	0.12	0.28	3.83	1.85
INVERCO	Short-term fixed income	0.70	0.20	0.80	2.60	1.80
INVERCO	Long-term fixed income	1.40	0.30	0.10	3.40	2.20
INVERCO	Equities	6.10	9.10	11.20	16.90	12.00
INVERCO	**Total pension plans**	**3.10**	**3.70**	**4.70**	**8.50**	**6.00**

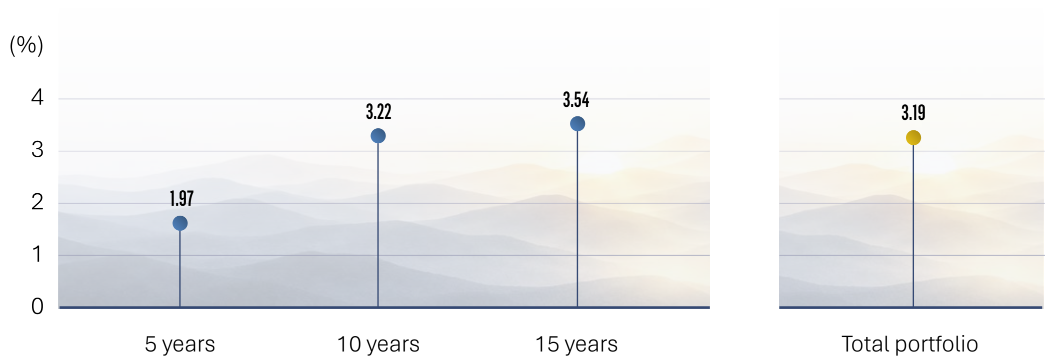
Data in %
Source: TGSS; INVERCO.

7.2.1. Rate of return on financial assets

The rate of return on the financial assets making up the Fund's portfolio is defined by the IRR of each security and is calculated as a weighted average on the nominal value of each asset.

The IRR of the current portfolio, made up of the fixed-income securities acquired and forming part of the portfolio at 31 December 2025, is calculated as a weighted average on the nominal value and stands at 3.19%, with the following breakdown:

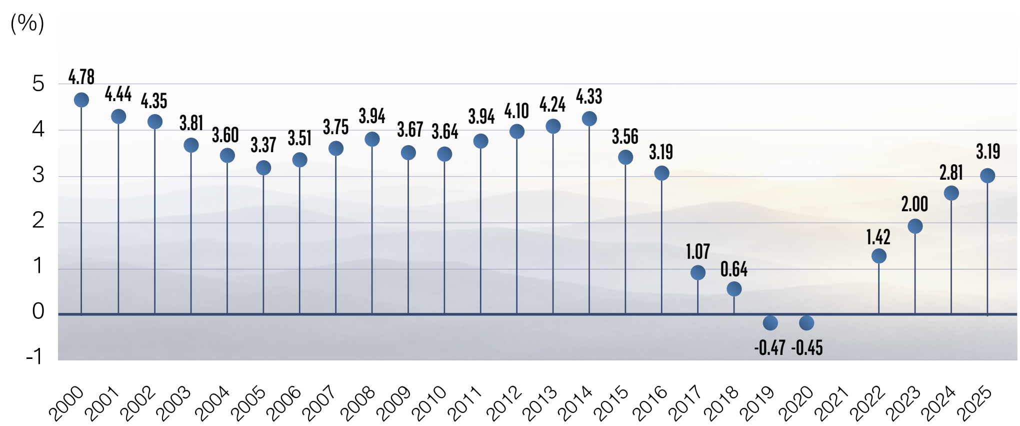
Portfolio IRR



NOTE: Weighted average IRR on the nominal value of the financial assets, calculated by maturity bracket and for the portfolio as a whole.

The IRR of the assets in the portfolio has performed as follows by financial year:

Portfolio IRR performance



The figure for 2020 refers to the portfolio in existence at 12 November, since on 13 November 2020 all the financial assets in which the FRSS was invested were redeemed and, until 30 March 2022, the date on which acquisitions of new assets began, the entire FRSS was held in the current account, meaning that it is not appropriate to speak of an IRR on the assets in that period.

7.2.2. Rate of return on the current account held with the Banco de España

Since 1 January 2022, with the discontinuation of the publication of the EONIA interest rate, the reference rate for the euro area unsecured overnight market has been the *euro short-term rate* (€STR), produced by the European Central Bank. For this reason, and in accordance with Guideline ECB/2019/7, from 1 January 2022 the €STR interest rate began to be applied to the first €20 million of the balance held in the accounts that the FRSS holds with the Banco de España, and the lower of zero per cent, the deposit facility rate and the €STR to balances exceeding that threshold (in practice, the entire balance came to be remunerated at the €STR rate).

On 12 September 2022, the Governing Council of the European Central Bank approved Decision ECB/2022/30. In accordance with article 1 thereof, the rates applied from 14 September 2022 until 30 April 2023 to the FRSS accounts held with the Banco de España by the General Treasury were as follows:

a) The €STR interest rate, whether positive or negative, for balances held daily up to the €20 million threshold.

b) The lower of the Eurosystem deposit facility rate and the €STR, for balances exceeding the threshold each day.

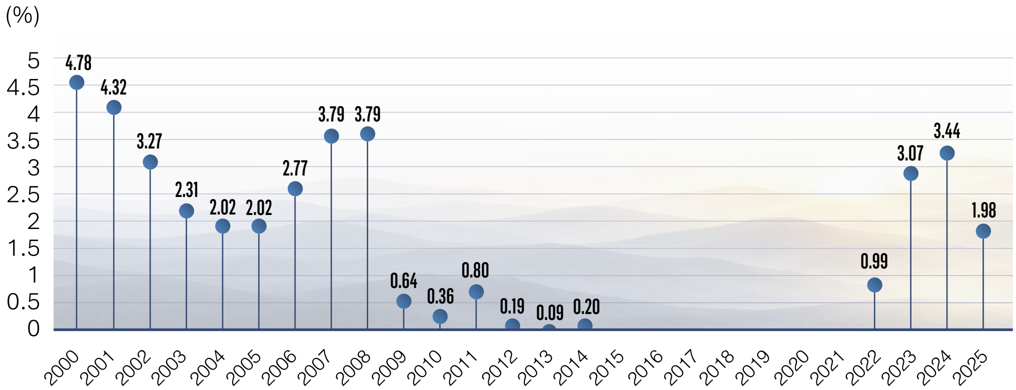
As a result of this Decision and of the official interest rate rises agreed by the European Central Bank on various dates, the FRSS's accounts have been remunerated at positive rates since 14 September 2022.

Following the approval by the Governing Council of the European Central Bank of Guideline ECB/2023/8, of 5 April, which introduced changes to the framework for the remuneration of general government deposits held with Eurosystem central banks, since 1 May 2023 the entire balance deposited in the FRSS accounts held with the Banco de España has been remunerated at the €STR rate less twenty basis points, and the previously established thresholds have ceased to apply.

From June 2014 until September 2022, negative interest was generated which, in accordance with the rules governing the FRSS, was not passed on to the Fund, but was borne by the Social Security system.

The average rates applied in each year are shown in the chart below:

Current account average interest rate



7.3. SUMMARY OF RETURNS

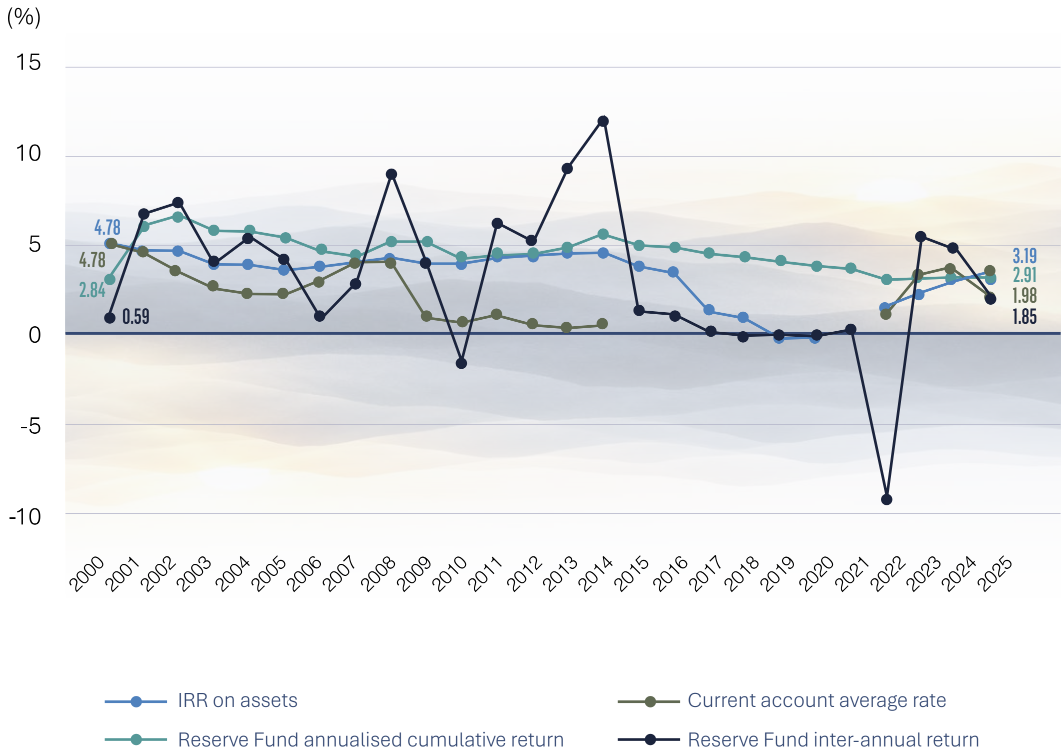
Next, a summary table of percentages is presented along with the chart reflecting the performance of the Fund's returns, analysed in detail in the previous sections:

Summary of returns

Year	IRR on assets	Current account average rate	Annualised cumulative return	Year-on-year return
2000	4.78	4.78	2.84	0.59
2001	4.44	4.32	5.86	6.51
2002	4.35	3.27	6.43	7.12
2003	3.81	2.31	5.57	3.70
2004	3.60	2.02	5.48	5.20
2005	3.37	2.02	5.16	3.82
2006	3.51	2.77	4.41	0.59
2007	3.75	3.79	4.17	2.66
2008	3.94	3.79	4.71	8.77
2009	3.67	0.64	4.60	3.70
2010	3.64	0.36	3.96	-1.83
2011	3.94	0.80	4.14	6.02
2012	4.10	0.19	4.20	4.89
2013	4.24	0.09	4.56	9.14
2014	4.33	0.20	5.06	11.85
2015	3.56		4.79	1.05
2016	3.19		4.55	0.90
2017	1.07		4.27	-0.12
2018	0.64		4.01	-0.33
2019	-0.47		3.78	-0.30
2020	-0.45		3.57	-0.39
2021			3.40	
2022	1.42	0.99	2.79	-9.39
2023	2.00	3.07	2.89	5.18
2024	2.81	3.44	2.96	4.49
2025	3.19	1.98	2.91	1.85

Data in %

Return performance



08

2026 cash flow forecast

2026 cash flow forecast

The establishment of the earmarked MEI contribution will make it possible to make new allocations to the FRSS throughout 2026. From January of that year, the MEI contribution rate rises from 0.8%, the rate set for 2025, to 0.9%.

Meanwhile, during 2026 and based on the securities portfolio in existence at 31 December 2025, coupons will fall due in the amount of €431.93 million, broken down as follows:

Coupon maturities in 2026

Maturity date	Amount
31/01/2026	22,352,057.00
30/04/2026	133,451,600.00
30/07/2026	130,239,532.50
31/10/2026	145,889,821.00
Total	**431,933,010.50**

Amounts in €

09

Comparison of the FRSS's key figures

Comparison of the FRSS's key figures

This section compares the FRSS's value in 2025 with 2024, both at acquisition price and at market price, as well as its key figures.

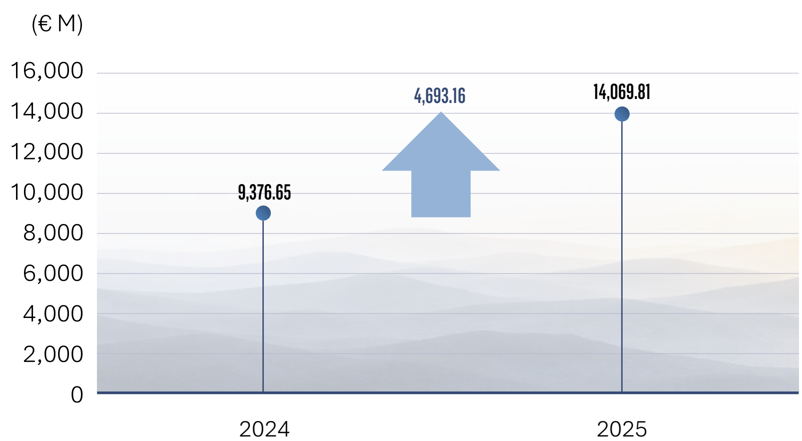
FRSS comparison

Item	Year 2024	Year 2025	Difference
FRSS at acquisition price	9,376.65	14,069.81	4,693.16
FRSS at market value	9,433.99	14,030.07	4,596.08

Amount in € M

The total amount of the FRSS, at acquisition price, at 31 December 2025 compares with the same date of the previous year as follows:

FRSS performance at acquisition price



Similarly, the performance of the FRSS at market value is shown below:

FRSS performance at market value

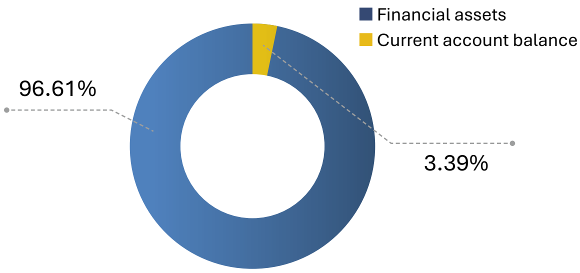
Comparison of the FRSS's key figures

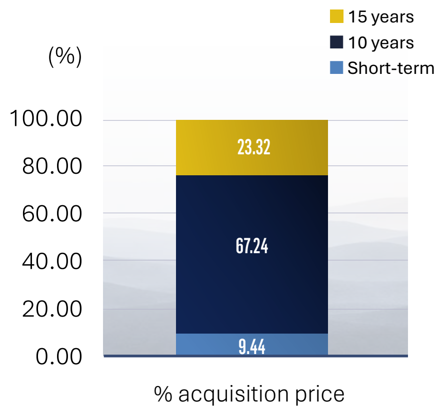
Item	Year 2024	Year 2025
Return on fixed-income assets (IRR)	2.81%	3.19%
FRSS annualised cumulative return	2.96%	2.91%
FRSS inter-annual return	4.49%	1.85%
Current account average rate	3.44%	1.98%
Degree of concentration	0.64%	0.92%
Duration	7.63 years	8.45 years
Modified duration	7.40	8.18
FRSS at acquisition price as % of GDP	0.59%	0.83%

The figure for the FRSS as a % of GDP for 2024 refers to 2024 GDP according to INE data on the CNE-2010 base, published on 26 March 2026. It stood at €1,594,330 million.

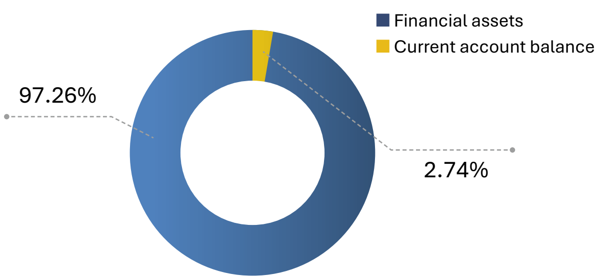
Finally, a comparison of the distribution of the FRSS and its portfolio in 2024 and 2025 is presented:

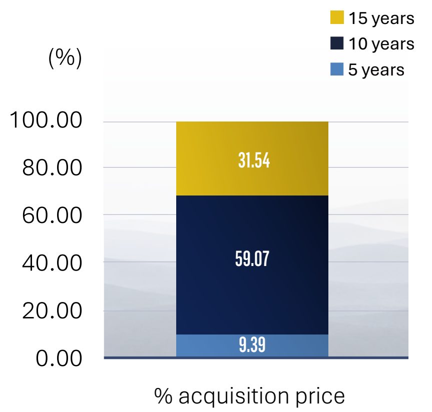
31 December 2024





31 December 2025





NOTE: The current account balance includes interest accrued in December and collected in January.

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Appendix. Financial and economic information on the annual accounts

Appendix. Financial and economic information on the annual accounts

This report on the actions taken in 2025 and the situation of the FRSS at 31 December 2025, which is presented to Parliament pursuant to article 127 of the TRLGSS, is intended to provide information on the management and actions carried out during the year, which have been based on the decisions of the Management Committee as the senior management and control body. Specifically, it presents the key data for the FRSS at 31 December 2025, such as its value, composition, distribution by portfolio, return and market value. It also includes key additional information on the Fund's performance in the coming years, providing the forecast of the flows available to the Fund so that the corresponding management actions can be planned.

The information is presented from a management perspective, with data broken down by maturity and assets valued at market prices. In certain sections, this differs from the economic and financial information in the annual accounts, which is prepared in accordance with the applicable accounting principles and measurement rules.

Order EHA/1037/2010, of 13 April, approved the General Public Accounting Plan as the framework accounting plan for all Public Administrations. However, its applicability to the Social Security sphere required an adaptation, which was approved by the Resolution of 1 July 2011 of the General Comptroller of the State Administration, approving the Adaptation of the General Public Accounting Plan to the entities making up the Social Security system.

The Resolution of 11 October 2023 of the General Comptroller of the State Administration subsequently amended that adaptation of the General Public Accounting Plan. It introduced a specific reserve reflecting the assets held by the Social Security Reserve Fund, separate from any other fund or reserve intended to meet the Social Security system's general needs, in light of the Fund's new structure and broader sources of funding.

As regards the investment of the Fund, given the nature of the securities in which the FRSS may, by legal mandate, be invested, for measurement purposes these could only be classified within the categories of "Held-to-maturity investments" or "Available-for-sale financial assets".

Until 2014, the FRSS's assets were classified as "Held-to-maturity investments". However, at the end of 2014, in view of the foreseeable divestitures of the public debt financial assets making up the FRSS, as well as the changes in the intention and in the financial capacity to hold them, the public debt assets comprising the Fund's portfolio, classified until then as "Held-to-maturity investments", were reclassified to the category of "Available-for-sale investments", applying the measurement criteria laid down in the aforementioned Adaptation of the General Public Accounting Plan.

In 2022, the FRSS Management Committee, on the basis of the new conditions for withdrawals from the Fund regulated under the MEI, changed the classification of the assets back to the category of "Held-to-maturity investments". Finally, this classification was removed from the FRSS's investment and management criteria, as it is a technical internal management criterion whose decision falls to the Public Accounts Department of the Social Security.

Lastly, the net asset position of the FRSS at the close of 2025 is quantified at €14,907,328,880.94, broken down as follows:

Net asset position of the FRSS at 31 December 2025

Item	Amount
Long-term debt securities held to maturity	**13,567,049,789.59**
- Domestic portfolio	13,567,049,789.59
- Euro area portfolio	0.00
Short-term debt securities held to maturity	**0.00**
- Domestic portfolio	0.00
- Euro area portfolio	0.00
Financial balance earmarked for the Social Security Reserve Fund	**385,846,165.60**
Short-term interest on debt securities	**189,180,300.73**
- Domestic portfolio	189,180,300.73
- Euro area portfolio	0.00
Other short-term interest receivable	**255,908.30**
MEI contributions collected - November 2025	**384,105,305.40**
MEI contributions collected - December 2025	**380,891,411.32**
Total Social Security Reserve Fund	**14,907,328,880.94**

Amounts in €

GOBIERNO DE ESPAÑA

MINISTERIO DE INCLUSIÓN, SEGURIDAD SOCIAL Y MIGRACIONES

SECRETARÍA DE ESTADO DE LA SEGURIDAD SOCIAL Y PENSIONES