



# Chapter 3

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## Activity report

Banco de España  
Institutional Report 2024

## 2024 Highlights

### FEBRUARY



#### 1 February

The Banco de España and the Central Bank of the Republic of Turkey formalise an international cooperation agreement

### FEBRUARY



#### 12 February

The National Statistics Institute, the State Tax Agency, the social security authorities, the State Public Employment Service and the Banco de España sign an agreement to allow joint access to their databases for scientific research in the public interest

### MARCH



#### 19 March

150th anniversary of the Banco de España's branch network

### APRIL



#### 4 April

50th anniversary of the Basel Committee on Banking Supervision and publication, following its presentation at the 23rd International Conference of Banking Supervisors, of the final revision of the *Core Principles for Effective Banking Supervision*

### JUNE



#### 28 June

The Banco de España publishes the first *Compendium of best banking practice criteria*

### JULY



#### 3 July

The Central Credit Register celebrates its 60th anniversary

### OCTOBER



#### 1 October

The Banco de España announces its macroprudential decision to require credit institutions to hold a countercyclical capital buffer of 0.5% (effective in October 2025)

### OCTOBER



#### 24 October

Joint conference on the impact of artificial intelligence on the macroeconomy and monetary policy

### NOVEMBER



#### 4 November

10th anniversary of the Single Supervisory Mechanism

### NOVEMBER



The Banco de España adopts measures to deal with the fallout from the DANA

# 1 Monetary policy implementation, asset and financial risk management, and payment systems

## MONETARY POLICY



### What does it involve?

Monetary policy includes the decisions and actions taken by the Eurosystem to influence the cost and availability of money and ensure price stability.

### Why does it matter?

In a context of stable prices, money retains its value and people and businesses can better plan their spending and investments.

### What does the Banco de España do?

As part of the Eurosystem, the Banco de España works together with the European Central Bank (ECB) and its fellow euro area central banks to design and implement monetary policy.

### What's the goal?

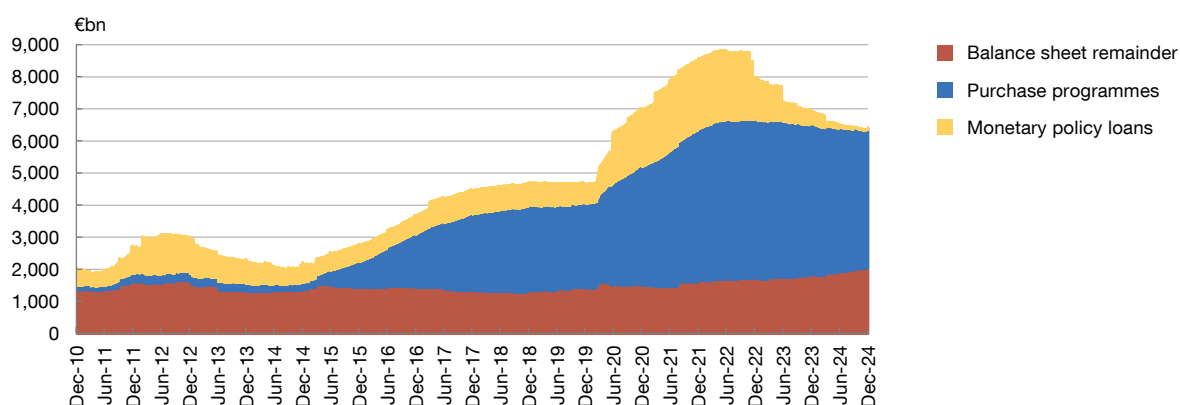
The Eurosystem's objective is to keep inflation at 2% over the medium term.

## 1.1 Monetary policy implementation

The Eurosystem maintained a restrictive monetary policy in 2024, before easing its stance over the second half of the year. As the inflation outlook brightened, the ECB's Governing Council began slowly reducing policy rates. The targeted longer-term refinancing operations (TLTRO-III) also ended, while the volume of asset purchase programmes continued to decline.<sup>1</sup>

Chart 3.1

Eurosystem balance sheet, by monetary policy component (a)



SOURCE: Banco de España.

a Evolution of the Eurosystem balance sheet since late 2010 due to variations in monetary policy loans, purchase programmes and the balance remainder. The balance sheet grew considerably between 2020 and 2022, largely due to monetary policy loans and, to a lesser degree, purchase programmes. These items began to decline gradually from late 2022 onwards, particularly in the case of monetary policy loans. This greater reduction in 2023 meant that monetary policy loans contributed less to the total balance sheet in 2024. Lastly, both items declined in roughly equal measure in 2024.

<sup>1</sup> The reduction in the purchase programmes amounted to €411 billion over the year as a whole.



Thus, in June 2024, after nine months without change, the Eurosystem began cutting its **policy interest rates**. Rates were lowered by 25 basis points (bp) in June, September, October and December, accounting for an overall reduction of 100 bp over the year (in contrast to the 200 bp rise in 2023). As 2024 ended, the deposit facility rate stood at 3%. The rates on the main refinancing operations and the marginal lending facility stood at 3.15% and 3.40%, respectively.

The Eurosystem's balance sheet was adjusted more gradually than in 2023 (see Chart 3.1). Monetary policy loans and purchase programmes contributed in similar proportions to reducing the balance sheet by a total of €787 billion.

The Eurosystem reviewed the features of its monetary policy operational framework to ensure that it remained fit for purpose during the balance sheet reduction process. The following findings were announced in March:

- The Eurosystem will steer short-term money market interest rates by adjusting the interest rate on the deposit facility.
- The main refinancing operations will be key to providing banks with liquidity.
- Starting on 18 September 2024, the spread between the interest rate on the main refinancing operations and the deposit facility rate was reduced from 50 bp to 15 bp.<sup>2</sup> The aim is to encourage participation in the main refinancing operations so that short-term money market interest rates remain close to the deposit facility rate, making them less volatile.
- Regular operations (main refinancing operations and longer-term refinancing operations) will continue to be conducted at a fixed interest rate with full allotment against the delivery of eligible collateral. Institutions will be able to choose from a broad range of financial assets.
- The Eurosystem will be able to deploy various instruments to meet the liquidity needs of the banking system. In addition to regular operations, structural operations will also be introduced at a later stage, including longer-term refinancing operations and securities purchases.

The key parameters of the monetary policy operational framework will be reviewed in 2026 (or earlier if necessary) in light of the lesson learned.

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<sup>2</sup> The spread between the rate on the main refinancing operations and the marginal lending facility rate was kept at 25 bp.

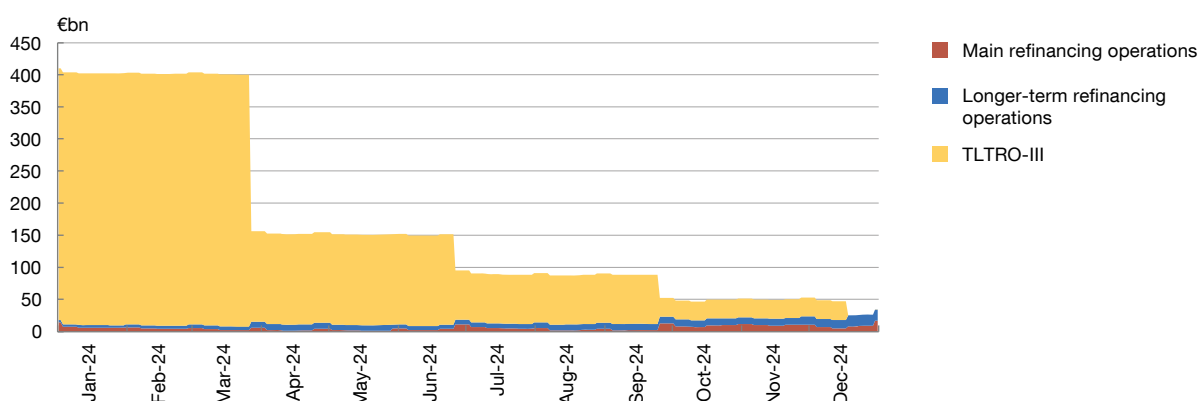


### 1.1.1 Eurosystem financing operations

The final TLTRO-III operations came to an end in December 2024. The programme peaked at €2,206 billion in September 2021. €392 billion was repaid in 2024 (€251 billion in March alone).

While participation in regular refinancing operations increased slightly over the year, it remained low. The volume of participation rose from an average of €10.6 billion in January 2024 to €22.9 billion in December 2024 (see Chart 3.2). As the year ended, main refinancing operations and longer-term refinancing operations accounted for similar shares of the outstanding balance of regular refinancing operations.<sup>3</sup> The narrowing of the spread between the interest rates on main refinancing operations and on the deposit facility rate carried out in September had no significant impact on participation in regular operations, as liquidity in the banking system remained plentiful.

Chart 3.2  
Monetary policy loans (a)



SOURCE: Banco de España.

a Evolution of the Eurosystem's refinancing operations in 2024 due to variations in the main refinancing operations (maturing weekly), longer-term refinancing operations (maturing quarterly) and the TLTRO-III. Significant reductions can be seen in the outstanding balances of the TLTRO-III, particularly in March, coinciding with their maturity dates. Meanwhile, there was a slight increase in main refinancing operations starting in the third quarter of the year.

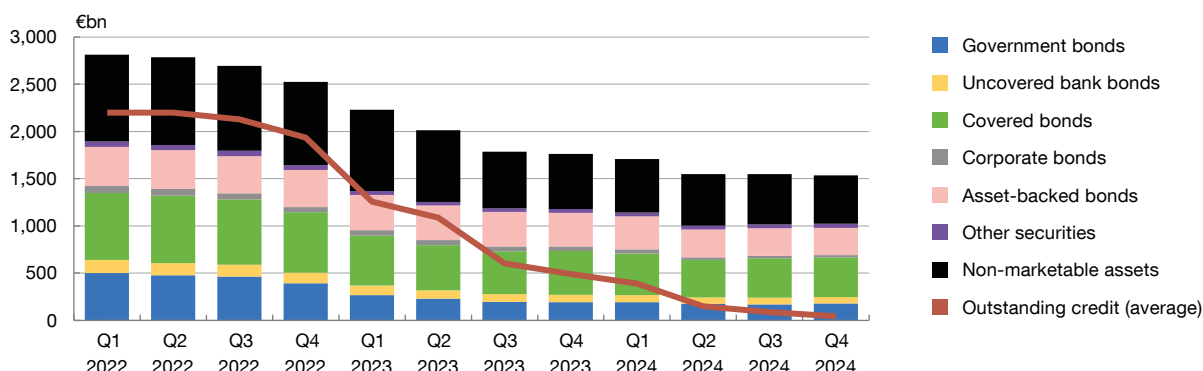
### 1.1.2 Collateral framework

In 2024, with the fallout from the COVID-19 pandemic now behind it, the Eurosystem continued to gradually adjust the special measures set in place in April 2020. The validity and characteristics of the additional credit claim frameworks were extended until end-2024, at the earliest. Certain types and features of additional credit claims used as collateral were also

<sup>3</sup> Main refinancing operations are conducted once a week and have a maturity of seven days. Longer-term refinancing operations are conducted once a month and have a maturity of three months.

Chart 3.3

### Use of collateral with the Eurosystem (a)



SOURCE: ECB.

a The chart depicts the continuation throughout the year of the downward trend in total collateral used, particularly during the first half, falling from €1,762 billion to €1,534 billion. This decrease was mainly due to the reduction in the use of asset-backed bonds (19%), non-marketable assets (12%) and covered bonds (9%).

suspended, and the minimum threshold of €25,000 was reintroduced for credit claims accepted under both the general and temporary collateral frameworks.

### 1.1.3 Asset purchase programmes

The Eurosystem has used its asset purchase programmes to improve monetary policy transmission, encourage lending in the euro area and keep inflation rates in check, with the aim of fulfilling its price stability mandate. Although activity waned in 2024, these programmes remain important due to their volume and share of the Eurosystem's balance sheet. The year's most relevant programmes were the Asset Purchase Programme (APP) and the Pandemic Emergency Purchase Programme (PEPP). Net purchases have now been phased out under both programmes,<sup>4</sup> giving way to the monetary policy normalisation and balance sheet reduction phase. Some of the securities maturing under the PEPP were successfully reinvested in 2024, while reinvestments under the APP came to an end in July 2023 (see Charts 3.4 and 3.5). The Eurosystem's holdings continue to affect liquidity in the financial system, interest rates and sovereign spreads. These holdings should be reduced gradually, with careful monitoring to avoid any market shocks that might impact monetary policy.

To ensure the smooth functioning of the markets, securities lending facilities were established for the Eurosystem's APP and PEPP holdings.<sup>5</sup>

These facilities, which remain in place, have helped to ease tensions on the repo market, particularly during quarter and year-end periods.

<sup>4</sup> Net purchases under the PEPP and the APP ended in March and July 2022, respectively.

<sup>5</sup> <https://www.bde.es/wbe/es/areas-actuacion/politica-monetaria/prestamos-valores/>

### Asset Purchase Programme

The APP<sup>6</sup> ran from late 2014 up until midway through 2023. Reinvestments of maturing securities were discontinued in July 2023. The APP includes various sub-programmes, depending on the type of asset purchased: public sector bonds (PSPP) covered bonds (CBPP3) corporate bonds (CSPP) and asset-backed securities (ABSPP).

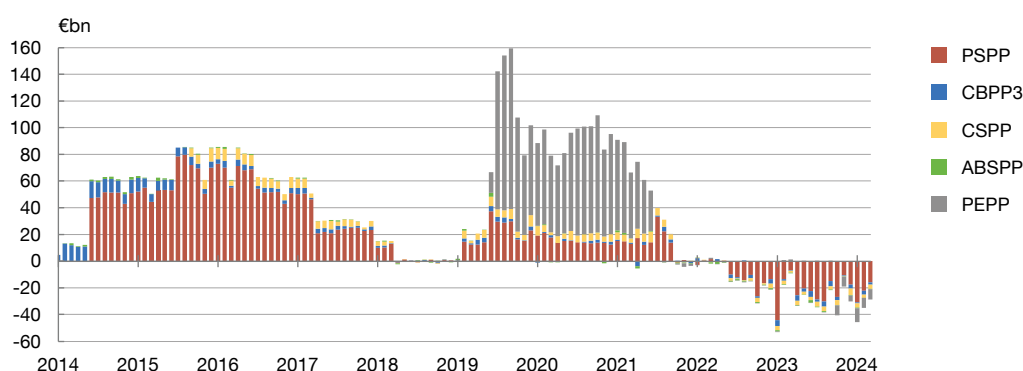
**The Eurosystem is aiming for decarbonisation in line with the Paris Agreement.** In July 2022, the ECB set in place measures to include climate considerations in its monetary policy: it adjusted its corporate bond holdings and collateral framework, introduced climate reporting requirements and improved its risk management. These measures factor in the financial risk of climate change and support the transition towards a green economy. They also encourage firms and financial institutions to cut their carbon emissions and be more transparent. With this in mind, **the Eurosystem decided to tilt reinvestments and potential adjustment measures toward issuers with a better climate performance in the CSPP, as well as in the corporate reinvestments under the PEPP, which continued throughout 2024.**

### Pandemic Emergency Purchase Programme

The PEPP<sup>7</sup> was launched in March 2020 to **counter the impact of the pandemic on monetary policy and the euro area economy.** The assets eligible for the PEPP are similar to those under the APP, albeit with greater flexibility. Up until June 2024, all maturing securities were reinvested.

Chart 3.4

Monthly purchases, by programme (APP and PEPP) (a)



SOURCE: ECB.

a The chart depicts the evolution of monthly purchases under the APP and PEPP programmes. In the case of the APP, purchases are broken down into each of its constituent subprogrammes (PSPP, CBPP3, CSPP and ABSPP). Since mid-2022, net monthly purchases under the programmes have been negative, as maturities under the APP have not been reinvested.

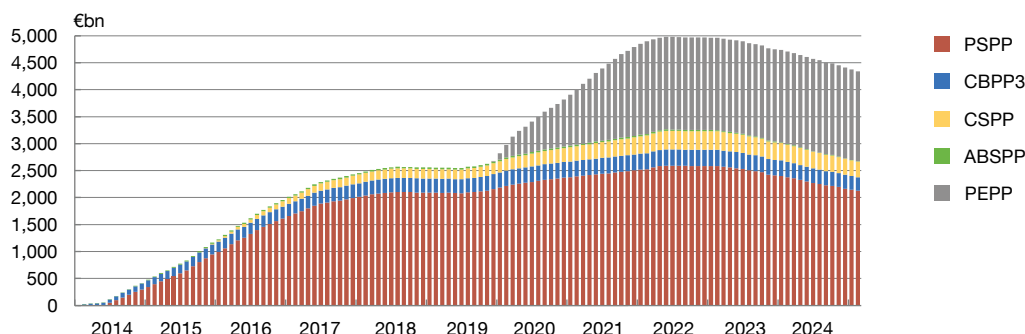
6 <https://www.ecb.europa.eu/mopo/implement/app/html/index.en.html>

7 <https://www.ecb.europa.eu/mopo/implement/pepp/html/index.en.html>



Chart 3.5

### Cumulative purchases under the APP and the PEPP (a)



SOURCE: ECB.

a The chart depicts the evolution of total cumulative holdings under the APP and PEPP programmes. In the case of the APP, holdings are broken down into each of its constituent subprogrammes (PSPP, CBPP3, CSPP and ABSPP). Since mid-2022, total programme holdings have been declining, as maturities under the APP have not been reinvested.

Starting in July 2024, reinvestments began to decline at an average rate of €7.5 billion a month, before being discontinued in January 2025.

## Transmission Protection Instrument

The Transmission Protection Instrument (TPI)<sup>8</sup> is a tool that can be activated to **counter disorderly market dynamics that pose a threat to the transmission of monetary policy across the euro area**. In the event of an unwarranted fragmentation of the government debt market,<sup>9</sup> the ECB can use the TPI to make secondary market purchases of public sector bonds in jurisdictions experiencing a deterioration in financing conditions not warranted by country-specific fundamentals. A series of criteria must first be met.<sup>10</sup> These purchases will not have a permanent impact on the Eurosystem's balance sheet, nor will they affect the monetary policy stance. The existence of this programme, whose conditions also apply to the Outright Monetary Transactions (OMT) programme, and the fact that it may be activated at any time, helped curtail adverse market movements in 2024. This enabled the market to function more smoothly, while easing monetary policy transmission.

## Outright Monetary Transactions<sup>11</sup>

Approved in 2012, this programme allows for **secondary market sovereign bond purchases to safeguard monetary policy transmission and the singleness of the monetary policy**. It

8 <https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.pr220721~973e6e7273.en.html>

9 This programme is geared primarily towards public sector securities with maturities of one to ten years. However, private sector securities may also be included.

10 Namely: a) compliance with the European Union (EU) fiscal framework, b) absence of serious macroeconomic imbalances, c) sustainability of a country's public debt, and d) sound and sustainable macroeconomic policy.

11 [https://www.ecb.europa.eu/press/pr/date/2012/html/pr120906\\_1.en.html](https://www.ecb.europa.eu/press/pr/date/2012/html/pr120906_1.en.html)

goes one step beyond the TPI and calls for greater commitment and conditionality.<sup>12</sup> Transactions are focused on the shorter part of the yield curve, on bonds with a maturity of between one and three years. No ex ante quantitative limits are set and the liquidity created through this programme will be fully sterilised.



See the Banco de España website for further information on [monetary policy instruments](#).

## 1.2 Asset and financial risk management

**In terms of own portfolio management, diversification across currencies and issuers with high credit ratings continued.** Similarly, the securities lending programme for the US dollar portfolio (introduced in 2020) continued, as did activities for third parties, such as the management of part of the ECB's foreign reserves and agency work for the portfolios of the Social Security Reserve Fund and the Deposit Guarantee Fund.

**Management of the financial risks arising from own portfolios is underpinned by a strict oversight process.** This ensures that such risks are prudently assumed and that the investments yield an efficient risk/return mix. Moreover, for the sixth year running, and in line with the 2019 recommendations of the Network for Greening the Financial System (NGFS), sustainability and responsibility principles were applied in own-portfolio investment decisions.<sup>13</sup> Thus, the share of green bonds increased thanks to the broadening of a thematic portfolio, investing directly in green bonds denominated in various eligible currencies.

**The incorporation of sustainability criteria in the management of its own portfolios testifies to the Banco de España's commitment to sustainable finance.** This approach is consistent with the common position reached within the Eurosystem in February 2021 to incorporate sustainable and responsible investment principles into non-monetary policy portfolios.

**March 2023 saw the publication of the first ever report on the climate-related aspects of the institution's euro-denominated non-monetary policy portfolios, titled *Climate-related aspects of the Banco de España's non-monetary policy portfolios*.**<sup>14</sup> This report follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on reporting on the way in which climate-related aspects are incorporated within governance,

<sup>12</sup> A necessary condition for Outright Monetary Transactions is strict and effective conditionality attached to an appropriate European Financial Stability Facility or European Stability Mechanism programme. Such programmes can take the form of a full macroeconomic adjustment programme or a precautionary programme (Enhanced Conditions Credit Line).

<sup>13</sup> For more details, see NGFS. (2019). *A call for action: Climate change as a source of financial risk*.

<sup>14</sup> [https://www.bde.es/f/webbde/INF/MenuHorizontal/Publicaciones/OtrasPublicaciones/Fich/InformeAnalisisClimatico\\_Marzo\\_2023\\_Ing.pdf](https://www.bde.es/f/webbde/INF/MenuHorizontal/Publicaciones/OtrasPublicaciones/Fich/InformeAnalisisClimatico_Marzo_2023_Ing.pdf).

strategy, risk management, metrics and targets. A second report was published in June 2024,<sup>15</sup> this time including climate-related information on foreign currency-denominated portfolios, while updating the information on their euro-denominated counterparts.



More information on environmental sustainability at the Banco de España can be found in [section 8 of this chapter](#), outlining the key regulatory developments and the work carried out by the institution in the area of environmental sustainability.

### 1.3 Payment systems and market infrastructures

**Securities payment and settlement systems are basic mechanisms for a country's economic and financial activity.** Broadly speaking, they are the infrastructure through which assets are mobilised in an economy.

The Eurosystem's TARGET services offer central liquidity management, including the settlement of central bank operations, real-time gross settlement of large payments, securities transaction settlements and instant payments settlements. They can be broken down into:

- **T2**, comprising two components: central liquidity management (**CLM**) and monetary policy operations, and real-time gross settlement (**RTGS**) for payments in euro, where interbank payments, customer payments and linked systems (chambers) are settled.<sup>16</sup> A total of 75 Spanish institutions, serving more than 100 institutions, participate directly in T2.
- **T2S (TARGET2-Securities)**, the technical infrastructure used by the Eurosystem to provide central securities depositories with settlement services for both domestic and cross-border securities transactions, using the delivery-versus-payment procedure in central bank money.<sup>17</sup>
- **TIPS (TARGET Instant Payments Settlement)**, a 24/7 instant payment settlement service whereby the Eurosystem provides participants with the settlement of payment orders in central bank money, enabling funds to be credited to the ultimate beneficiary's account in a matter of seconds.

Within the Eurosystem, the central banks of Germany, Spain, France and Italy (4CB) provide the TARGET services. The Banco de España contributes to the operation and maintenance of

<sup>15</sup> [https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesAnuales/aspectos\\_climaticos/fich/InformeAspectosClimaticos\\_Junio\\_2024\\_Ing.pdf](https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesAnuales/aspectos_climaticos/fich/InformeAspectosClimaticos_Junio_2024_Ing.pdf).

<sup>16</sup> The Spanish component managed by the Banco de España settled more than 7.5 million transactions in 2024, amounting to over €15.6 billion. This represented a 9% increase in the number of transactions and a 3% increase in the amounts compared with the figures for 2023.

<sup>17</sup> In 2024, around 1.4 million cash settlement transactions were carried out in the Spanish component of T2S, with a value of approximately €26.6 billion. This represented an increase of 6% in the number of transactions and 304% in the amounts compared to 2023.



the T2S platform, taking charge of certain modules relating to the management of securities instructions. In 2024 further headway was made in the project to improve the cyber resilience of the T2S recovery functionality, aimed at rebuilding the T2S database in the event of a large-scale information loss. Meanwhile, work began on assessing the potential impacts on T2S of the shortening of the settlement cycle to T+1, to be implemented by the end of 2027, as recommended by the European Securities and Markets Authority (ESMA).

As a provider of financial market infrastructure services, **the Banco de España also keeps track of what technology has to offer in terms of improving clearing and settlement services.** To this end, an experimental programme was launched in partnership with the private sector, revolving around the use of digital tokens in wholesale operations (i.e. wholesale central bank digital currencies or wholesale CBDCs). Following an evaluation of the bids received,<sup>18</sup> three trials were selected, relating to interbank payments, currency operations and securities operations (simulating the life cycle of a bond).

Moreover, and as part of the TARGET services provided to the Eurosystem by the 4CB, the Banco de España leads and acts as a provider in the development of the ***Eurosystem Collateral Management System (ECMS)*** project, a future unified system for the management of assets used as collateral in Eurosystem credit operations. **The ECMS allows for the simultaneous and uniform application of the Eurosystem's collateral framework**, thus doing away with the need to interact with the systems of the 20 national central banks it replaces, enabling economies of scale to be leveraged and yielding substantial improvements in terms of operating efficiency and costs.

**The Banco de España plays a crucial role in the ECMS.** First, as a euro area central bank, it must ensure that the new system is properly adapted, both internally and in relation to the Spanish community as a whole. Second, together with the Banque de France, it provides the service and is jointly responsible for its implementation, maintenance and functional and technical operation. During 2024 this project underwent testing by the central banks in their communities. The new system is expected to go live on 16 June 2025, rounding out the global framework of TARGET services that facilitate the free flow of cash, securities and collateral in Europe.

**The Banco de España also works in partnership with the Banque de France to provide a common platform to manage the market operations of various central banks (MAPS),** providing support for the integral processing of these operations, from purchase through to final settlement and accounting. In February 2024, they were joined by the Central Bank of Ireland. With this new addition, the platform is now used by six national central banks, representing 40% of euro area GDP.

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<sup>18</sup> The companies chosen to take part in the testing environment were Cecabank, Abanca, Adhara Blockchain Technologies Spain and Minsait-Indra.

Similarly, together with the other Eurosystem central banks, the Banco de España is an active player in the digital euro project. [Box 3.1](#) takes a more detailed look at this initiative.

Elsewhere, the Banco de España is participating in a financial sandbox to facilitate digital transformation in the financial sector. Thanks to this tool, a regulated process<sup>19</sup> can be used to test technological innovations applicable to the financial system. Thus, both promoters and the Banco de España itself have the chance to learn and identify any potential regulatory barriers. Projects that have spent time in the financial sandbox include initiatives relating to digital identity, digital gateways for crypto asset payments in commerce and the use of blockchains as a support for clearing payments between businesses.



Further information on [payment systems and market infrastructures](#) can be found on the Banco de España website.



View of the clock and stained glass window, by the Maumejean company, in the banking hall of the Banco de España headquarters.

<sup>19</sup> Law 7/2020, of 13 November, on the digital transformation of the financial system. The Banco de España participates and liaises with other supervisory authorities and institutions in the financial sector on the Steering Committee, chaired by the General Secretariat for the Treasury and International Financing.

## 2 Supervision of financial institutions

### SUPERVISION OF FINANCIAL INSTITUTIONS



#### What does it involve?

The Banco de España's supervisory activities seek to ensure that the financial system operates in accordance with regulations and best practices.

#### Why does it matter?

The financial system plays a key role in economic development, channelling money from savers to the businesses and households that need it. Moreover, payment systems provide efficient mechanisms for the payment of purchases of goods and services.

#### What does the Banco de España do?

It monitors compliance with the regulations relating to the financial position and solvency of institutions, payment services and customer protection.

#### What's the goal?

To promote the smooth functioning of institutions and payment systems with the ultimate aim of safeguarding the stability of the financial system.

### 2.1 Authorization and registration of institutions

The institutions subject to the powers and functions exercised by the Banco de España require authorisation to operate as such, since some of the activities they pursue are reserved activities or have a reserved name.

The Banco de España's role in the processes for authorising financial institutions varies from case to case. Its powers in this area are as follows:

- Following the launch of the Single Supervisory Mechanism (SSM), it now falls to the ECB to authorise the creation of credit institutions in the SSM-member countries. However, the Banco de España is responsible for submitting a draft decision to the ECB in relation to the creation of Spanish credit institutions.
- The Banco de España is the competent authority for granting and revoking authorisations and registrations of electronic money institutions (EMIs), payment institutions (PIs), the payment service providers exempt under Article 14 of Royal Decree-Law 19/2018, account information service providers, specialised lending institutions (SLIs) that provide payment services (SLIs-PIs) or issue electronic money (SLIs-EMIs), mortgage lenders, mortgage intermediaries and currency-exchange bureaux. It also decides on applications for the approval of appraisal companies and carries out certain verifications of activities exempt from the application of Royal Decree-Law 19/2018, in accordance with Article 4 thereof.



- The Banco de España issues reports on the authorisation of SLIs, mutual guarantee companies (MGCs) and reguarantee companies. These authorizations are granted by the Ministry of Economic Affairs, Trade and Enterprise.

Since 30 June 2024, it has fallen to the Banco de España to authorise, supervise, inspect and sanction the issuers of electronic money tokens (EMTs) and asset-referenced tokens (ARTs), in accordance with Regulation (EU) 2023/1114, (also known as MiCAR). Similarly, it checks compliance with the exemption requirements under Articles 16(2) and 48(5) of the above Regulation.

Under the same Regulation, it was also decided that, starting on 30 December 2024, the Spanish National Securities Market Commission (CNMV) would be in charge of supervising crypto asset-related services. Thus, the register of providers engaged in exchange services between virtual currencies and fiat currencies and custodian wallet providers kept by the Banco de España was closed on the same date. All of the registrations made previously (and which are therefore eligible for the transitional regime envisaged in Article 143 of the MiCAR) have been maintained for consultation purposes.

The Banco de España's official registers also contain information on the authorised activities and contact details of registered institutions. Moreover, in the case of institutions with EU passporting rights, the official registers also include information on the EU countries in which they can operate. These records can be accessed publicly on the Banco de España website and can be used to consult both current registrations and historical data. **The registers have thus been designed as a tool to enable the general public to consult key facts and figures on registered institutions** (name, registered office, date of registration and deregistration, code number, etc.).

Details of the institutions registered since 2022 can be found in Tables 3.1 (credit institutions) and 3.2 (other non-credit institutions).

As can be seen in the two tables, a very broad range of institutions can be found on the Banco de España's registers. The differences in the way they are structured and regulated mean that the powers the Banco de España exercises over such institutions (by legal mandate) are equally diverse.

In terms of monitoring of regulated activities and designations, under Spanish law only certain duly authorised institutions or persons can pursue particular financial activities (such as deposit taking, payment services or currency exchange) or use certain designations (such as the terms "bank", "payment entity" or "electronic money institution").

Since late 2023, this responsibility has fallen to the Financial Fraud Prevention Unit, attached to the Banco de España's General Secretariat. The Banco de España stepped up its efforts in this area in 2024, launching 65 proceedings against legal or natural persons potentially carrying out reserved activities or misusing reserved names.

**Table 3.1**  
**Register of credit institutions**

Data at 31 December

	2022	2023	2024		
			Registrations	Deregistrations	Final
Credit institutions	194	189	1	2	188
Banks	48	47		1	46
Saving banks	2	2			2
Credit cooperatives	61	61			61
ICO	1	1			1
Branches of EU credit institutions	78	74	1	1	74
Branches of non-EU credit institutions	4	4			4
Financial holding companies	3	7		1	6
Mixed financial holding companies	1	1			1
<b>TOTAL</b>	<b>198</b>	<b>197</b>	<b>1</b>	<b>3</b>	<b>195</b>

**SOURCE:** Banco de España.

**Table 3.2**  
**Register of institutions other than credit institutions**

Data at 31 December

	2022	2023	2024		
			Registrations	Deregistrations	Final
Specialised lending institutions	24	25	0	2	23
Specialised lending institutions - payment institutions	9	9	1		10
Branches of financial institutions subsidiaries of EU credit institutions	1	1			1
Real estate lenders	146	152	17	6	163
Real estate credit intermediaries	488	589	141	34	696
Branches of EU real estate credit intermediaries	2	2			2
Mutual guarantee companies and reguarantee companies	19	19			19
Appraisal companies	32	32		1	31
Currency exchange bureaux (a)	16	15			15
Payment institutions	52	50	5	4	51
Payment institutions exempt under Article 14 of Royal Decree-Law 19/2018	10	14	1	1	14
Payment service providers excluded under Article 4 of Royal Decree-Law 19/2018	18	23	4	2	25
Account information service providers	3	4	2	1	5
Electronic money institutions	10	10	2		12
Branches of EU payment institutions	9	8	1		9
Branches of EU electronic money institutions	4	6	3	2	7
Virtual currency for fiat currency exchange service providers and electronic wallet custody service providers (b)	53	88	47	3	132
Virtual currency for fiat currency exchange services only	28	42	15	2	55
Electronic wallet custody services only	2	4	1		5
Both services	23	42	31	1	72
<b>TOTAL</b>	<b>896</b>	<b>1,047</b>	<b>224</b>	<b>56</b>	<b>1,215</b>

**SOURCE:** Banco de España.

**a** Excludes establishments authorised solely for the purchase of foreign currency with payment in euros.

**b** Law 10/2010, of 28 April, on the prevention of money laundering and terrorist financing, includes these providers as obliged parties for the purposes thereof and introduces an obligation to register with the Banco de España. However, it does not establish any rules on financial supervision, prudential supervision, corporate governance, technological security, market conduct or information transparency.

## 2.2 Prudential supervision

Since November 2014, the task of supervising credit institutions in the countries forming part of the banking union has fallen to the SSM, which comprises the ECB and the different national competent authorities (NCAs), including the Banco de España. The SSM celebrated its 10th anniversary in 2024. [Box 3.2](#) looks at its first ten years in more detail.

**Direct supervision of the most significant institutions (SIs) is the responsibility of the ECB.** To this end, it works in close collaboration with the NCAs, which are also charged with directly supervising the less significant institutions (LSIs), in line with a common policy outlined by the ECB.

As well as handling the direct supervision of Spain's LSIs, the Banco de España also has a pivotal role to play in the supervision of the country's SIs, both in the form of the ongoing off-site supervision work performed by the joint supervision teams (JSTs) and the on-site and model inspections of such institutions.

Spain is home to 195 institutions operating through permanent establishments. These can be broken down as follows: **10 Spanish groups of SIs**, which account for 89.8% of the national market in terms of total assets; 56 Spanish LSIs or groups (with a market share of 5.4%), and 71 groups made up of other subsidiaries and/or branches of foreign institutions (a share of 4.9%).

In 2024, the Spanish banking system showed, in aggregate terms, stable credit quality and sustained growth thanks to activity outside Spain; robust liquidity; steadily increasing profitability in recent years (on the back of higher interest and fee and commission income), outperforming its European counterparts; and capital ratios at historic highs and comfortably above those required.

**Supervisory activity in 2024 was in line with previous years and focused on:** credit, liquidity and structural interest rate risk management; the functioning of management bodies; the quality of data aggregation processes; climate risk management; and digitalisation and technological risk. The areas singled out for supervisory attention were determined with regard to the macro-financial and geopolitical shocks experienced in 2023, concerns over a potential deterioration in credit quality, a possible increase in the cost of bank financing and structural challenges such as climate change and digital transformation.

SIs and LSIs are mainly supervised through a combination of two complementary approaches: a) ongoing off-site supervision and b) on-site supervision. See the Banco de España website for further information on the [supervisory model](#).

**Ongoing off-site supervision ensures that institutions' risk profiles are kept up-to-date and includes a series of regular or ad hoc activities such as the annual supervisory review and evaluation process (the SREP, which incorporates the insights gained through all**



supervisory activities and helps inform the capital decision), detailed reviews, horizontal reviews, assessments of compliance with prudential regulations, assessments of the suitability of members of management bodies and evaluations of any acquisitions of significant holdings in credit institutions.

Following on from the 2024 SREP, Spanish SIs received 70 quantitative and qualitative requirements and recommendations. In terms of their subject matter, such requirements and recommendations notably included those relating to credit risk, governance and solvency.

**On-site supervision includes inspections, in which all manner of risks can be analysed, and investigations of internal models for calculating capital requirements, aimed at authorising a new model or reviewing changes to models already approved. These actions involve a more thorough examinations of certain aspects, rounding out the ongoing supervision.**

**Inspections of SIs in 2024 were aligned with the SSM's supervisory priorities and focused on assessing how institutions were impacted by the macroeconomic environment and interest rate hikes, particularly in terms of credit risk, as well as on the management of liquidity, interest rate and market risks. Inspections were launched at 18 Spanish SIs, 12 of them led by the Banco de España, while another earlier inspection was completed. The Banco de España also participated in inspections of three SIs in other SSM countries, taking the lead in one of them.**



Christine Lagarde, President of the European Central Bank, at the 10th anniversary of the SSM.

The capital model investigations (of which 13 were initiated in 2024, seven of them headed by Banco de España personnel) focused primarily on reviewing changes arising from new regulatory requirements and the rectification of obligations from previous missions.

In terms of the Banco de España's prudential supervision of the LSIs under its remit, 115 requirement and recommendation letters were sent out to these institutions in 2024 (59 on capital decisions, 48 on recovery plans and 8 following on-site inspections). Meanwhile, 11 inspection visits were initiated (of which two were completed, as were another five that had begun in 2023), with a particular focus on credit risk, governance and solvency.

In 2024, the **ECB Supervisory Board (on which the Banco de España sits) adopted 443 specific (212) and general (231) decisions and actions with an impact on Spanish SIs and LSIs**. Although this number was down slightly on the previous year, there was an increase in actions relating to governance (mainly due to suitability assessments).

Meanwhile, **stress tests** are conducted to assess the ability of credit institutions to withstand financial and economic shocks. The findings (which are published) can be used to identify and address vulnerabilities at an early stage, and also feed into the SREP.

Every year, the ECB/SSM alternates between a comprehensive solvency assessment stress test and a thematic stress test. In 2024, the ECB carried out a thematic stress test on cyber resilience on 109 institutions supervised by the SSM, including the 10 Spanish SIs. The Banco de España, together with the ECB and other national authorities, contributed to both the design and implementation phases.

Outside the scope of the SSM, the Banco de España also has **exclusive supervisory powers over institutions other than credit institutions that provide financial services or perform related functions**. The Banco de España carried out 320 ongoing supervisory initiatives at these institutions in 2024. Inspections were also conducted at eight of them, four of which were completed.

In 2024, the Banco de España conducted 371 suitability assessments of senior management at supervised entities, 172 of which involved credit institutions, with the remaining 199 concerning other institutions.

Schema 3.1 shows the main types of entities supervised by the Banco de España.

Meanwhile, under Royal Decree-Law 24/2021, transposing a European Directive,<sup>20</sup> **the Banco de España was granted supervisory powers over covered bonds**. By strengthening the supervisory regime and reducing the level of risk, this legislation has granted investors

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20 Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU. The Directive sets out a harmonised minimum regime in the EU for the issuance conditions and characteristics of this type of instruments, with the aim of promoting the unified development of these markets.

Schema 3.1

**Main types of institutions supervised by the Banco de España**

<b>CREDIT INSTITUTIONS</b>		Any individual or legal entity, whether Spanish or foreign, wishing to pursue the activities of a credit institution in Spain (especially, taking deposits and other repayable funds from the public) must first obtain the necessary authorisation and be entered in the Banco de España's official registers of credit institutions. Credit institutions include commercial banks, savings banks, credit cooperatives and the ICO.
	<b>BANKS</b>	Public limited companies with an initial share capital of not less than €18 million whose business consists of taking deposits and other repayable funds from the public and granting credits for their own account.
	<b>SAVINGS BANKS</b>	Institutions organised as foundations and with a social purpose, whose financial business is essentially geared to taking repayable funds and providing banking and investment services to retail customers and small and medium-sized enterprises.
	<b>CREDIT COOPERATIVES</b>	Companies whose corporate purpose consists of serving the financial needs both of their members and of third parties by pursuing the business of credit institutions.
	<b>BRANCHES OF FOREIGN CREDIT INSTITUTIONS</b>	Centres of activity, with no legal personality, that form part of a foreign credit institution and directly pursue all or any of the operations inherent to the business of that institution.
<b>SPECIALISED LENDING INSTITUTIONS</b>		Enterprises which, while not classed as credit institutions, professionally pursue one or more banking business activities, such as granting loans or credits or providing guarantees. They are subject to a minimum share capital requirement of €5 million. They may also provide payment services or issue electronic money, subject to prior authorisation by the Banco de España and entry in the Banco de España's Special Register, in which case they will be considered hybrid payment institutions or hybrid electronic money institutions, respectively.
<b>ELECTRONIC MONEY INSTITUTIONS</b>		Legal entities authorised by the Banco de España to issue electronic money. They must have minimum initial capital of €350,000 and sufficient own funds. They may also provide payment services, whether or not these are linked to electronic money.
<b>PAYMENT INSTITUTIONS</b>		Legal entities authorised by the Banco de España to provide and execute payment services in Spain (e.g., payment transactions, issuance of payment instruments, money remittances, payment initiation, information on accounts, etc.) with minimum initial capital and own funds requirements according to the payment services provided.
<b>MUTUAL GUARANTEE COMPANIES</b>		Business entities with variable capital established by small and medium-sized enterprises to facilitate their access to credit and related services and generally enhance their financial conditions. They may provide personal guarantees to their members, but they may not extend credit of any kind to them.
<b>REGUARANTEE COMPANIES</b>		Companies whose purpose consists of reguaranteeing guarantees furnished by mutual guarantee companies, to provide sufficient guarantee and cover for the risks assumed by the latter and help reduce the cost of furnishing personal guarantees to members.
<b>CURRENCY-EXCHANGE BUREAUX AUTHORISED TO PURCHASE AND/OR SELL FOREIGN CURRENCY</b>		Individuals or legal entities, other than credit institutions, that purchase foreign banknotes and travellers' cheques. Public limited companies that purchase and sell foreign banknotes and travellers' cheques.
<b>APPRAISAL COMPANIES</b>		Public limited companies that provide appraisal services. They are subject to prior authorisation, independence and secrecy requirements and to a minimum capital requirement of €300,506.

SOURCE: Banco de España.

greater legal protection. The Banco de España regularly updates the [list of authorised issuers and bonds issued under authorised programmes](#) on its website. It also supervises the specific framework governing the simple, transparent and standardised (STS) securitisations provided for in Regulation (EU) 2017/2402 when the issuers are credit institutions or other entities under its remit.<sup>21</sup>

Lastly, the Banco de España works in close collaboration with the Commission for the Prevention of Money Laundering and Monetary Offences (CPBCIM) and its Executive Service (Sepblac) to oversee and inspect compliance with anti-money laundering and counter-terrorist financing (AML/CFT) obligations by the institutions supervised by the Banco de España, within the framework of the domestic legislation and the cooperation and coordination agreement signed with the CPBCIM.

In 2024, AML/CFT inspections focused on governance reviews based on the AML report prepared by an external expert, drawing on a sample of eight credit institutions, and a general review of two LSIs and three PIs (the latter being a sector that carries significant inherent risk, according to national and international risk assessments in this area).

The work on AML/CFT was complemented by the off-site monitoring of the institutions supervised by the Banco de España, notably including 32 actions aimed at updating the risk profiles of the most significant institutions.

In June 2024, the new European AML/CFT package was approved, ushering in the Frankfurt-based **Authority for Anti-Money Laundering and Countering the Financing of Terrorism (AMLA)**, which has direct and indirect supervisory powers over obliged entities, and which began operating in 2025.

## 2.3 Supervision of institutions' conduct

**Conduct supervision seeks to ensure that institutions treat their customers in a fair and transparent manner**, in accordance with the regulations governing banking and payment services.

The Banco de España's commitment to protecting bank customers has gradually adapted in step with the regulatory developments and the changes in the way institutions sell their products and interact with their customers. Thus, conduct supervision seeks to change the culture of institutions, promoting a relationship model that takes customers' interests and needs on board. To this end, it uses an approach based on conduct risk (i.e. the risk that a bank's actions might harm the rights and interests of its customers).

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<sup>21</sup> In accordance with Law 5/2015 of 27 April 2015, on the promotion of business financing.

The conduct supervision model is currently based on three core activities: detection, investigation and mitigation. Detection aims to identify new market and institutional risks at an early stage and to monitor any risks already identified. Investigation involves analysing how institutions conduct themselves, assessing the seriousness of their actions. Mitigation seeks to encourage institutions to change their behaviour through disciplinary measures and other actions, such as the promotion of good banking practices.

In this context, various factors with an impact on conduct risk, such as the macroeconomic circumstances, technological innovation, fraud and the sale of loan-related products, were considered when deciding on the supervisory priorities for 2024. Two-way communication with the banking sector and consumer associations is key to identifying risks and designing effective regulatory solutions, as well as to communicating supervisory expectations.

Schema 3.2 shows the various **stakeholder groups** with which the Banco de España engaged over the course of the year.

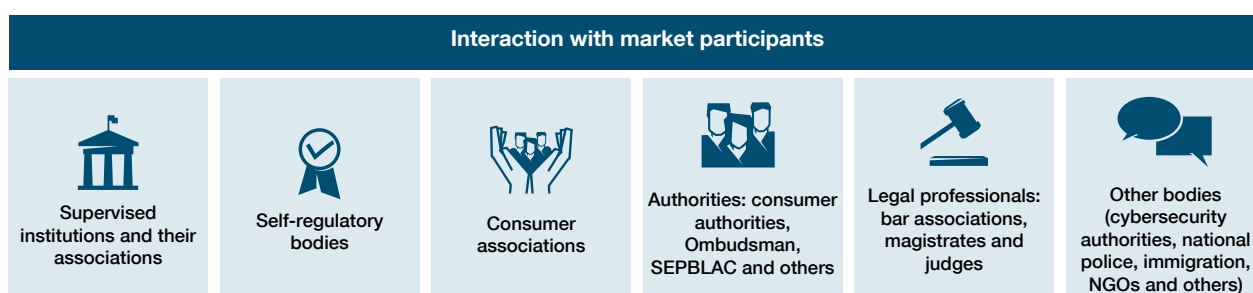
The 2024 supervisory plan focused on the following areas:

- Groups in financial difficulties.
- Monitoring of institutions' competitive practices and strategic behaviour.
- Broadening supervisory knowledge.
- Strengthening institutions' internal controls.

In relation to the first of these areas, **notable initiatives in 2024** included those aimed at examining measures to ease the impact of rising interest rates on mortgage loans, and the application of codes of good practice. In terms of monitoring institutions' competitive practices and strategic behaviour, the practice of selling mortgage-linked insurance products came under the spotlight. Meanwhile, supervisory expertise was enhanced with a focus on the way

Schema 3.2

#### Interaction to enhance effective supervision



SOURCE: Banco de España.



the new digital banks operate, while internal control-related initiatives centred on the way customer service departments are run and on the specific advertising-related controls set in place by institutions, as well as on fraud involving card payments and digital channels.

Thanks to the supervisory action taken to ensure that institutions abide by the regulations governing variable-to-fixed interest rate conversions in mortgage novations and subrogations, combined with the suspension of early repayment charges, customers were reimbursed fees and commissions worth €5 million.

Actions targeting responsible lending also continued, and steps were taken to better understand the activities of mortgage lenders and intermediaries. The review of advertising focused on social media and websites, as well as on auto financing.

In terms of the action taken to monitor customer service departments and customer complaints services and to inspect their operating rules and regulations, 342 letters were sent out to institutions.

Schema 3.3 describes the scope of the most notable conduct-related supervisory actions carried out in 2024.

A total of 85 supervisory actions were rolled out last year. Disciplinary proceedings were instituted in one case, while 144 letters detailing supervisory measures were sent out, including 72 demands and requests for the cessation or rectification of conduct.

Following the external evaluation of the conduct supervision function referred to in Chapter 2 of this Report, an **action plan for 2024-2026** was drawn up, including measures such as:



Notable initiatives included those aimed at examining measures to ease the impact of rising interest rates on mortgage loans

- Updating the definition of conduct risk and the methodology used to assess and quantify it.
- Reviewing institutions' risk profiles.
- Strengthening cross-cutting supervisory actions to verify the degree of compliance with supervisory expectations.
- Establishing efficiency and effectiveness measures to streamline supervisory processes and procedures.
- Designing a communication strategy.
- Exchanging best supervisory practices with other authorities.

Schema 3.3

**Conduct supervision in 2024**

AREAS SUPERVISED		
CUSTOMER SERVICES	MEASURES TO ALLEVIATE INTEREST RATE HIKES AND CODES OF GOOD PRACTICE	REVIEW OF PROCEDURES FOR CONTROLLING AND PREVENTING THE RISK OF FRAUD
<ul style="list-style-type: none"> <li>– Continuous monitoring of customer service departments.</li> <li>– Verification of changes to customer service operating regulations and changes in the persons in charge.</li> <li>– Actions to check that institutions' customer service departments are well run and that the information provided on their websites is adequate.</li> </ul>	<ul style="list-style-type: none"> <li>– Monitoring of compliance with the regulations facilitating the conversion of variable interest rates to fixed rates on mortgage loans.</li> <li>– Analysis of policies for the appropriate treatment of vulnerable customers in relation to both mortgage loans (codes of good practice) and consumer credit.</li> </ul>	<ul style="list-style-type: none"> <li>– Continuation of actions aimed at understanding policies relating to fraud risk management in card use and digital payments, as well as preventive measures to mitigate this risk.</li> <li>– Discussions with banking and consumer associations and other bodies.</li> </ul>
NEW DIGITAL BANKS	INSURANCE LINKED TO MORTGAGE LOANS	ADVERTISING
<ul style="list-style-type: none"> <li>– Identifying the conduct risk arising from their activities and drawing up a supervisory framework for this type of institution.</li> <li>– Areas analysed: i) business model; ii) governance and internal controls; iii) compliance with conduct and transparency regulations; and iv) service provision regime.</li> </ul>	<ul style="list-style-type: none"> <li>– Review of the marketing of insurance linked to mortgage loans for home purchases.</li> <li>– Areas analysed: i) internal procedures and controls; ii) pre-contractual information obligations; iii) obligations, restrictions and prohibitions established for linked sales; and iv) suitability of the insurance marketed to the needs of customers.</li> </ul>	<ul style="list-style-type: none"> <li>– Review of internal procedures and controls, as well as risk analysis models derived from advertising activity and controls for risk mitigation.</li> <li>– Supervision of adverts, focusing on vehicle financing adverts and ads posted on social media and websites (banners).</li> </ul>

SOURCE: Banco de España.



See the [action plan](#) published on the Banco de España website for further information

## 2.4 Oversight and supervision of market and payment infrastructures

**Financial market infrastructures (FMIs) are used to clear and settle a country's financial transactions.**<sup>22</sup> Together with payment schemes and agreements, FMIs are the bedrock of the financial system. Financial stability hinges on the smooth functioning of such infrastructure. With this in mind, central banks keep a close eye on them, ensuring they are properly run, enhancing their efficiency and safety, and developing market initiatives with the same goals in mind.

**The Banco de España supervises Iberpay**, the management company of the National Electronic Clearing System (SNCE, by its Spanish acronym). In 2024 it was decided to amend Iberpay's articles of association and the SNCE regulations and 13 of its operating instructions. As a result, interbank obligations arising from domestic card transactions and the euro leg of instant international transfers under the OCT Inst scheme of the European Payments Council (EPC) can now be settled in this system.

In 2024, the Banco de España carried out oversight activities targeting the retail payment systems SNCE and the Card and Payment Methods System (STMP, by its Spanish acronym), as well as various actions at Iberclear and BME Clearing, to check that Spain's market infrastructures comply with the security and efficiency standards of the Eurosystem's oversight frameworks and the European regulations governing such frameworks. The Banco de España issued a mandatory report on its review of Iberclear's internal rules and regulations, and three mandatory reports on the changes made to BME Clearing's internal regulations. It also reviewed BME Clearing's recovery plan as part of the activities of a college of supervisors (of which the Banco de España is a member). Moreover, in 2024 the Banco de España participated in the Eurosystem cooperative oversight groups for the oversight of pan-European payment systems.

On 1 August 2024, the ECB Governing Council approved the revised **cyber resilience strategy** developed by the Payments and Market Infrastructure Committee, on which the Banco de España sits. Over the course of the year, the Banco de España's oversight function took part in several TIBER<sup>23</sup> tests and analysed the cyber resilience of two national infrastructures. It also contributed to the preparation of the ECRB<sup>24</sup> meetings for strategic dialogue between industry and infrastructure supervisors.

22 FMIs include payment systems, securities settlement systems, central securities depositories, central counterparties and trade repositories.

23 Threat Intelligence Based Ethical Red-Teaming (TIBER) is a common European framework for conducting network teaming tests (controlled cyber-attacks) aimed at improving the cyber resilience of infrastructures. For more information on TIBER, see the Banco de España's website.

24 Euro Cyber Resilience Board.

Payment services providers and the services they provide were also supervised. Here, an on-site inspection of an electronic money institution was completed, while another was launched at a payment institution. In off-site supervision, an action on compliance with the requirements for the safeguarding and protection of payment service users' funds, initiated in 2023, came to an end. Planned and ongoing supervisory measures were also monitored.

Elsewhere, various complaints concerning the provision of payment services were processed and resolved; compliance with the Delegated Regulation on strong customer authentication and secure standards of communication was assessed; serious operational and security incidents were monitored, as were the trends in data on fraud from payment service providers; and regulatory compliance with the delegation of operational functions and the application of the community passport was verified. The Banco de España also helped to evaluate applications for the authorisation of new payment service providers other than credit institutions, and for exemption from the legislation governing payment services where specific and limited-use payment instruments are used.



See the Banco de España's website for more information on [payment systems and market infrastructures](#).

## 2.5 Sanctioning activity

The authority to impose sanctions is **one of the Banco de España's main powers**, and is used to discipline the entities it supervises. It is both closely linked and a necessary complement to its supervisory powers, which are deployed in the areas of prudential supervision, transparency and customer protection. In 2024, disciplinary action resulted in fines totalling more than €2.5 million. Table 3.3 provides an overview of this activity in 2024, distinguishing between proceedings currently in progress and those now resolved.

**In the prudential area, attention turned to institutions' internal control**, risk management and governance, with a particular emphasis on how conflicts of interest are managed and on compliance with remuneration-related requirements. In 2024, proceedings instituted against a credit cooperative and its management and administrative officers were resolved, while other

Table 3.3  
**Banco de España sanctioning proceedings (2024)**

	Proceedings initiated in 2024	Proceedings resolved in 2024
Number of proceedings	9	5 (a)
Number of sanctioned institutions	18	5
Number of positions or individuals subject to proceedings	37	26

SOURCE: Banco de España.

a Two of the proceedings resolved in 2024 were initiated that year. The other proceedings were initiated a year earlier.

proceedings (requested by the ECB) against a significant credit institution and its management staff were still underway as the year ended.

Proceedings were also initiated against a payment institution and its sole director, as well as against its significant shareholders, for a possible breach of their reporting and prior notification obligations (which enable the Banco de España to assess the suitability of shareholders of this type of institution).

Meanwhile, efforts to combat unauthorised activities were also stepped up, both in relation to the performance of unlicensed activities (two proceedings were completed in 2024: one concerning the collection of reimbursable funds from the public, initiated in 2024, and another concerning currency exchange) and to the use of reserved designations and failures to cooperate with inspections (another case resolved in 2024). Three proceedings were still ongoing as the year ended.

Appraisal companies and their respective management positions also remain a supervisory priority, particularly as regards internal control-related matters such as independence, observance of conflict-of-interest rules and the proper application of valuation methods. In 2024, one such procedure (initiated in 2024) was resolved, while another was still pending at year-end.

Lastly, in the area of **transparency and bank customer protection**, proceedings were instituted to investigate, among other matters, an alleged violation of the ban on sales linked to mortgage loans and insurance, which was still underway as the year came to a close.



Regulation of banking conduct and transparency is essential to ensure adequate customer protection



See the Banco de España website for more information on the [sanctions imposed](#) (published 15 days after the sanction becomes final in the administrative jurisdiction).



## 3 Financial stability and preventive resolution

### FINANCIAL STABILITY AND PREVENTIVE RESOLUTION



#### What does it involve?

The Banco de España helps to keep the Spanish financial system stable. Based on the systemic risks identified, it can adopt macroprudential policy measures aimed at mitigation and prevention, thereby making the banking sector more resilient. This function is supported by preventive resolution, and the Banco de España is the authority responsible for drawing up resolution plans for the credit institutions under its remit.

#### Why does it matter?

If a financial system is stable, it will be able to absorb the impact of shocks and the materialisation of risks without the financial intermediation process being damaged in such a way as to cause significant harm to economic activity. In preventive resolution, it is essential to plan the measures to be implemented in the event of the failure of a credit institution.

#### What does the Banco de España do?

The Banco de España continuously monitors the risks and vulnerabilities of the financial system and looks into the possible deployment of macroprudential measures. In addition, among other tasks, it conducts stress tests, draws up resolution plans for credit institutions and determines their minimum requirements for own funds and eligible liabilities (MREL).

#### What's the goal?

To continue working to strengthen financial stability, which is key to the well-being of society, as well as to ensure that credit institutions attain a suitable level of resolvability.

### 3.1 Financial stability and macroprudential policy

Among other responsibilities, **the Banco de España helps to keep the Spanish financial system stable in the face of systemic cyclical and structural risks and vulnerabilities**. To this end, it can draw on various instruments at its disposal in the form of the capital requirements (buffers) imposed on credit institutions, and the limits on concentration and on the conditions for granting bank loans.

In 2024, the Banco de España reviewed the framework for setting the countercyclical capital buffer (CCyB). The new CCyB methodological framework for monitoring cyclical systemic risks combines a synthetic indicator aggregation system with additional information on the macro-financial environment. This enables not only an integrated analytical approach to certain indicators that are already used to complement the credit-to-GDP gap in this area, such as the output gap, it also allows for the addition of other relevant dimensions, such as indicators that capture the situation of the banking system. All of this with the aim of better identifying both the different dimensions and the level of cyclical systemic risk, thus making it easier to deploy this macroprudential tool more proactively in Spain.

Meanwhile, starting in 2024 Q4, the Banco de España has set a CCyB rate of 0.5% for credit institutions' exposures in Spain. In line with the new revised CCyB framework, this measure was

warranted by the identification of a standard level of cyclical systemic risk (an intermediate level between high and low risk). Furthermore, to minimise the potential adverse effects associated with the introduction of this buffer, the Banco de España (taking a gradual approach and subject to a new macroprudential decision) deferred the subsequent build-up of the CCyB to 1% until 2025 Q4. In any event, it has the power to review or even reverse this plan should any relevant new information come to light. The review of the methodological framework and the proposed CCyB rate were subject to public consultation and disclosure, respectively.

As is the case every year, in 2024 the Banco de España identified the systemically important Spanish credit institutions and set their macroprudential capital buffer rates. Among other goals, these buffers seek to make these institutions more solvent and mitigate any adverse systemic impacts they may have on the financial system. Once again, the Banco de España identified four institutions (Banco Santander, SA; Banco Bilbao Vizcaya Argentaria, SA; CaixaBank, SA and Banco de Sabadell, SA) as [other systemically important institutions \(O-SIIs\)](#) at the domestic level (applicable in 2025), and one institution (Banco Santander, SA) as a [global systemically important institution \(G-SII\)](#); in the latter case, in line with the agreement reached by the Financial Stability Board (FSB) and the Basel Committee on Banking Supervision (BCBS) (applicable in 2026).

At the behest of the European Systemic Risk Board (ESRB), the Banco de España also analysed several requests for the **reciprocation of macroprudential measures adopted** in other EU countries. After assessing the materiality of Spanish banks' exposures, the Banco de España decided to reciprocate the [systemic risk buffer \(SRB\)](#) adopted by the Banca d'Italia, effective from 31 December 2024. It also decided to apply reciprocity to the 4% [sectoral SRB](#) on certain retail exposures secured by residential real estate located in Portugal.<sup>25</sup>

Once again, the Banco de España **assessed the Spanish banking system's capacity to withstand the possible materialisation of macroeconomic and financial risks**. These tests are based on an analytical tool known as the FLESB (Forward-Looking Exercise on Spanish Banks). The FLESB framework takes a top-down approach, developed in-house by the Banco de España. Identical scenarios, assumptions and models are applied across all of the banks analysed. Thus, institutions' balance sheets and profit and loss accounts can be projected under various risk scenarios. The 2024 exercise revealed that, overall, Spanish banks are likely to remain reasonably solvent under the adverse scenarios considered (one scenario of medium severity based on persistent inflation, and another markedly adverse scenario in line with the one used in the 2023 EU-wide stress test conducted by the European Banking Authority (EBA)).<sup>26</sup>

The Banco de España, alongside other Spanish authorities, forms part of the **Macroprudential Authority Financial Stability Council (AMCESFI)**.<sup>27</sup> This collegiate body is tasked with regularly analysing risk factors for the Spanish financial system and coordinating macroprudential

25 In particular, the sectoral SRB applies to exposures of this type with natural persons as counterparties and where banks use the internal ratings-based approach to calculate their regulatory capital requirements for credit risk.

26 For more information, see Box 2.1, [Forward-looking assessment of the Spanish banking system's resilience](#), in the *Financial Stability Report. Autumn 2024*.

27 See AMCESFI's Annual Report for more information on its activities over the year.

policies, and can issue and publish alerts and recommendations on issues that may affect financial stability, as well as opinions on proposed macroprudential policy measures.

In 2024, AMCESFI issued favourable opinions on the Banco de España's macroprudential measures as regards: a) the 0.5% CCyB rate set for exposures in Spain, and b) the reciprocity recommended by the ESRB for the SRB measures adopted in Italy and Portugal.

Worth highlighting within the **activities of the Eurosystem and the SSM is the Banco de España's role on the ECB's Financial Stability Committee (FSC)**. As a member of the FSC, the Banco de España participates in technical discussions on recent developments in the identification and assessment of systemic risks and key regulatory initiatives for financial stability, as well as issues related to the roll-out of domestic macroprudential measures and other actions within the banking union. The main work of the FSC is presented at the ECB's Macroprudential Forum (MPF), which regularly brings together members of the Governing Council and the Supervisory Board. In 2024, the Banco de España was represented on the FSC by the Director General Financial Stability, Regulation and Resolution. It also notified the FSC of all of its macroprudential actions, including its proposals relating to the CCyB and the O-SIIs and G-SIIs. These measures were all endorsed by the ECB.

At the EU level, the **Banco de España is also an active member of the ESRB**. The work of the FSC, which focuses on the banking sectors in the banking union countries, is coordinated with that of the ESRB's Advisory Technical Committee, whose macroprudential mandate encompasses all sectors of the financial system at the EU/European Economic Area (EEA) level. Further information can be found in [Section 9.3 of this chapter](#).



Further information on the area of [financial stability and macroprudential policy](#) can be found on the Banco de España's website.

### 3.2 Preventive resolution

In 2024, working in close collaboration with the Single Resolution Board (SRB) and other euro area resolution authorities, the Banco de España drafted resolution plans for 40 Spanish credit institutions (10 SIs and 30 LSIs) and four foreign groups with subsidiaries in Spain. A total of 48 workshops were organised to address the most relevant aspects of resolution planning and to set new objectives for improving the resolvability of institutions. Meanwhile, on its annual visit to the country, the SRB met with representatives of the Spanish SIs.

**The Banco de España also participates in the resolution colleges and crisis management groups** organised from time to time for institutions with a significant international footprint, to address resolution planning-related issues. In 2024, it took part in the Crisis Management Group of a Spanish SI and in the resolution colleges of two Spanish SIs, two foreign SIs with

subsidiaries in Spain and a foreign SI with a relevant branch in Spain. It also organised and chaired a European resolution college to discuss resolution planning for a Spanish LSI. Moreover, the Banco de España is a member of five resolution colleges of European central counterparties, in its capacity as the preventive resolution authority for some of these counterparties' clearing members.

The SRB and the non-euro area EU resolution authorities signed joint **decisions on the resolution plans and MRELS**<sup>28</sup> of two Spanish SIs and two foreign SIs with subsidiaries in Spain, whose colleges the Banco de España attends as an observer.

The following additional **resolution planning-related** actions were carried out in 2024:

- Communication of MRELS to 59 credit institutions.
- Revocation of MRELS for 52 LSIs and one subsidiary of a Spanish LSI.
- Review of the recovery plans of 10 Spanish SIs (in collaboration with the SRB) and 22 LSIs.

To implement the resolution regulations, the Banco de España actively contributed to the development of preventive resolution criteria and strategies. These actions notably included:

- Monitoring of the current MREL targets of all Spanish credit institutions.
- Collaboration with the FROB and the Deposit Guarantee Fund, including participation in committees with both institutions.
- Participation in a crisis simulation to examine cooperation between authorities in the event of the resolution of an LSI whose authorities requested the activation of the Single Resolution Fund (SRF).
- Investigation and assessment of issues such as liquidity, market access and the degree of progress made in the resolvability of LSIs with a resolution strategy.
- Review and justification of resolution tools.
- Submission to LSIs of the template prepared by the Banco de España for filling out the resolvability self-assessment report, in accordance with the EBA guidelines on resolvability testing.

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28 The MREL is set by the resolution authority to ensure that institutions at all times maintain a sufficient buffer of eligible liabilities so that, in the event of a crisis, it can contribute to the absorption of losses and the recapitalization of an institution by its shareholders and creditors, thereby avoiding the use of public funds. Further information on how the figure is set can be found at Single Resolution Board. (2024). [Minimum requirement for own funds and eligible liabilities \(MREL\). May 2024.](#)

## 4 Banknotes and coins

### BANKNOTES AND COINS



#### What does it involve?

The Banco de España issues euro banknotes and, on behalf of the Spanish state, puts euro coins into circulation.

#### Why does it matter?

Cash fulfils two basic functions: it is a means of payment and a store of value. It is also accessible to everyone, is key to the social inclusion of vulnerable people, and allows payments to be settled without the intervention of third parties.

#### What does the Banco de España do?

It estimates future banknote and coin needs; it oversees banknote production; it safeguards and distributes cash; it checks the authenticity and quality of cash, and it destroys any banknotes that are unfit for circulation.

#### What's the goal?

To meet the demand for cash throughout the country and ensure the integrity of banknotes and coins.

### 4.1 Banknote and coin management

The Banco de España, together with the ECB and other national central banks, issues euro banknotes, the only legal tender in the Eurosystem. It also puts euro coins into circulation on behalf of the Spanish state. Its aims are to ensure the availability of cash throughout the country and the integrity of banknotes and coins, i.e. ensuring that they are in good condition and that there are no counterfeits.

In 2024, the Banco de España rolled out various measures to help the municipalities in eastern Spain affected by an isolated high-altitude depression known as the DANA. One such measure sought to ensure that people could obtain cash. A special mechanism for exchanging damaged banknotes and coins was set up at the branches in the hardest hit regions (Valencia and Malaga). Operations began in Valencia on 15 November, followed by Malaga on 25 November. More than €13 million was processed in Valencia, and around €260,000 in Malaga. To facilitate this process, staff numbers were increased, and prior appointments were no longer needed. Meanwhile, local credit institutions were asked to accept damaged cash from anyone, whether their own customers or otherwise.

The Banco de España also constantly monitored cash availability in the affected areas, ensuring that ATMs were working properly and that people could access cash at all times.

See [Box 3.3](#) to find out more about how the Banco de España responded in the aftermath of the DANA.



In 2024, the Eurosystem commissioned the production of 3,532.95 million banknotes. The Banco de España produced 600.27 million of these through Sociedad Imprenta de Billetes, SA (IMBISA).

### a) Euro banknote issuance

In 2024, the Banco de España delivered 2,489 million banknotes to credit institutions, with a total value of €75,788 million (see Chart 3.6). In millions of banknotes, this represents a decrease of 1.3% compared to 2023, and 20.7% compared to 2019, the year before the pandemic and the change in payment habits. Banks distributed these banknotes to individuals and businesses through their over-the-counter services and ATMs.

In turn, the Banco de España received fewer banknotes from credit institutions than in the previous year. In 2024, 2,871 million banknotes were withdrawn, with a value of €88.037 billion (see Chart 3.7). In millions of banknotes, this represents a decline of 1% compared with the previous period, and of 16.6% compared with 2019.

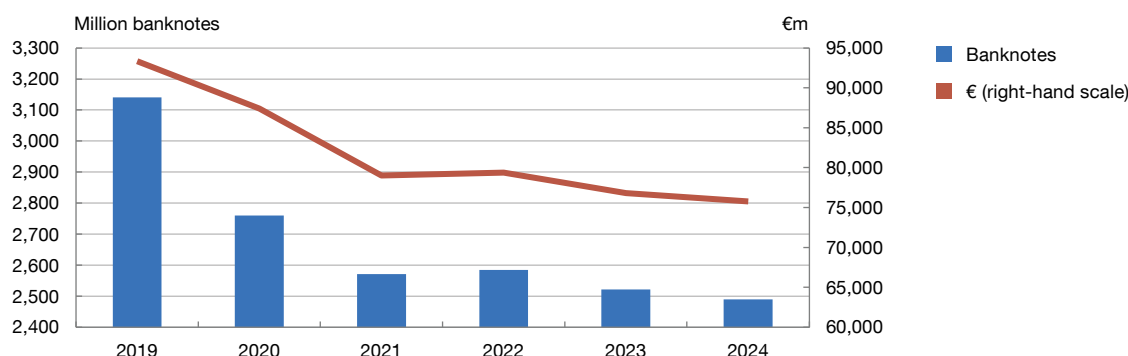
The difference between banknotes delivered and received resulted in a net **negative issuance of 382 million banknotes, equivalent to €12,249 million** (see Chart 3.8). This negative figure can be attributed to the importance of the tourism sector in Spain and, more specifically, to the cash in euro brought by tourists from their countries of origin.

The banknotes most in demand in 2024 were those most typically dispensed by ATMs: €50 (43.5% of the total) and €20 (28.4%), as shown in Chart 3.9.

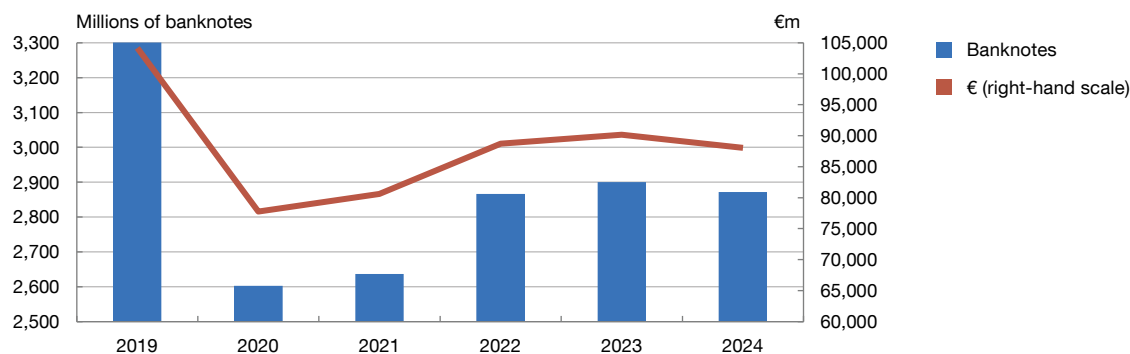
To ensure the fitness of the banknotes circulating in Spain, the Banco de España checks their authenticity and quality. It also regularly checks to ensure that cash-in-transit companies and credit institutions have suitable quality management systems.

Chart 3.6

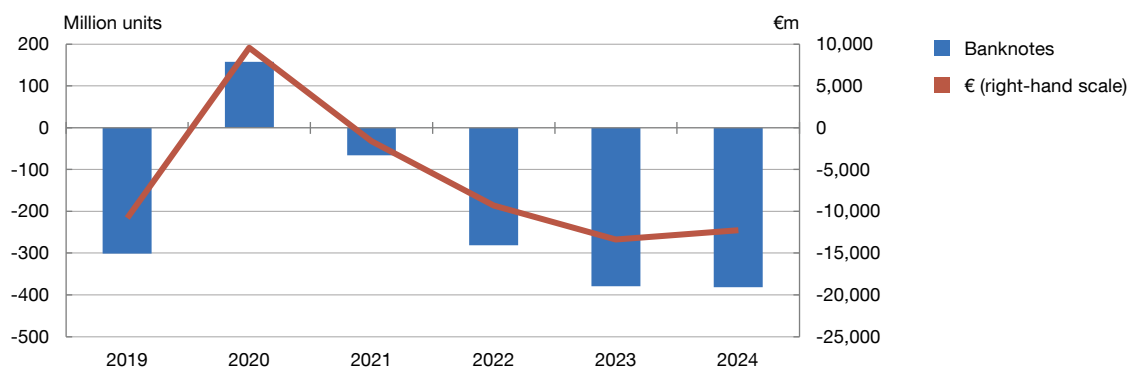
#### Banknotes delivered



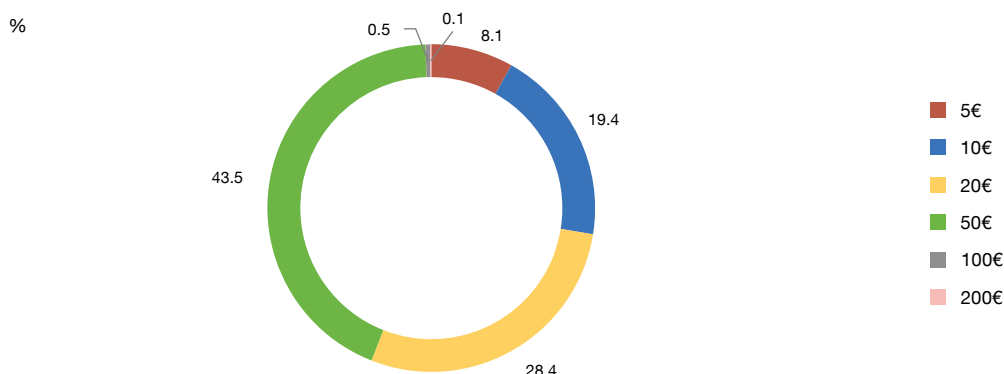
SOURCE: Banco de España.

**Chart 3.7**
**Banknotes received**


SOURCE: Banco de España.

**Chart 3.8**
**Net banknote issuance by the Banco de España**


SOURCE: Banco de España.

**Chart 3.9**
**Banknote issuance, by denomination (2024)**


SOURCE: Banco de España.

In 2024, the Banco de España used automatic processing systems to inspect around **2,902 million banknotes**. Of these, 80% were deemed fit for use and were returned to credit institutions. The rest were destroyed. The Banco de España also carried out 508 on-site

inspections of the facilities of cash-in-transit companies and 199 inspections of bank branches, checking 705 processing machines to see that they were in good working order and reviewing compliance with the regulations and procedures for checking the authenticity and quality of banknotes.

### b) Euro coin issuance and withdrawal

In 2024, coin issuance was down on the previous year. **The Banco de España put 726.7 million coins worth €183.9 million into circulation** (see Chart 3.10). This represents a decline of 5.1% compared with 2023, and 30.3% compared with 2019.

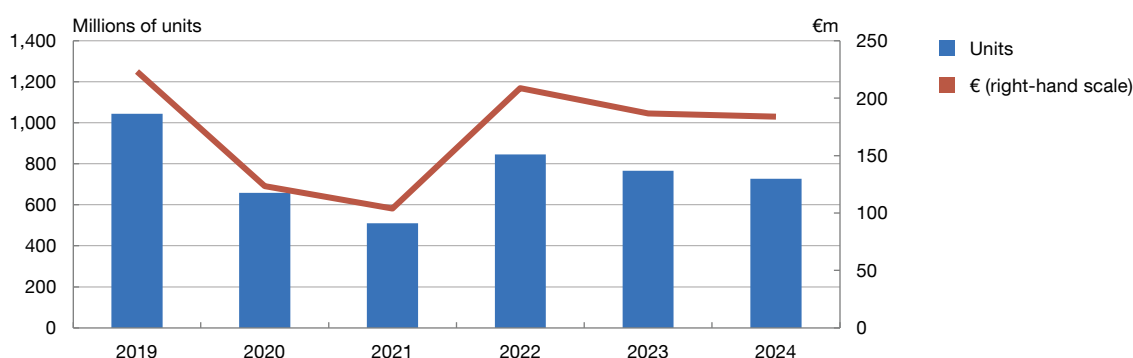
The €1 coin accounted for 14.5% of all coins put into circulation. The coins with the lowest face value (5, 2 and 1 euro cents) accounted for 60.2% of the total (see Chart 3.13).

In 2024, **130.8 million coins were withdrawn from circulation, with a value of €107.6 million** (see Chart 3.11). In millions of coins, this represents an increase of 56.1% compared to 2023, and 118.1% compared to 2019. The coins withdrawn were primarily €2 and €1 coins, accounting for 89.8% of the total. The lowest denomination coins (5, 2 and euro cents) accounted for a mere 1%.

The difference between the coins delivered and the coins withdrawn by the Banco de España (i.e. the net issuance) stood at 595.9 million coins, equivalent to €86.5 million euros (see Chart 3.12). In millions of coins, this represents a decrease of 12.6% compared with 2023, and 39.4% compared with 2019.

Lastly, the Banco de España visited 18 coin processing centres in 2024 (30% of the total), checking to ensure that their processing machines were in good working order. Thanks to these visits, around 1,024 million coins of the three highest denominations (€1 and €2 coins and 50 euro cent coins) were inspected.

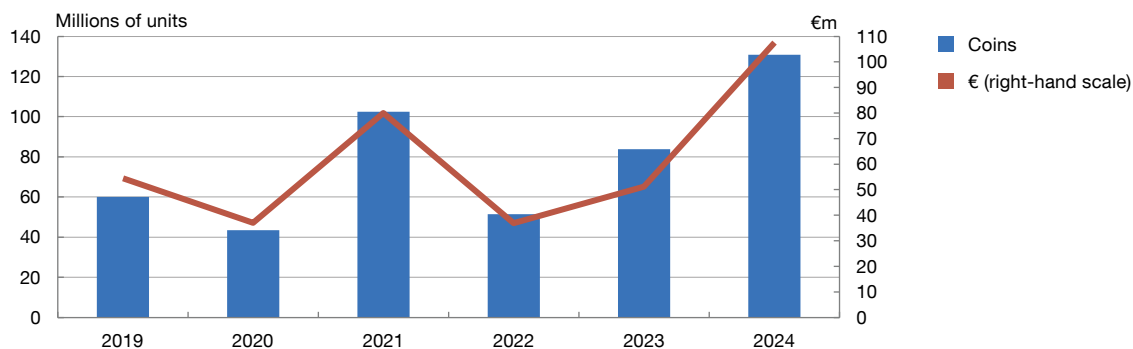
Chart 3.10  
**Coins put into circulation**



SOURCE: Banco de España.

Chart 3.11

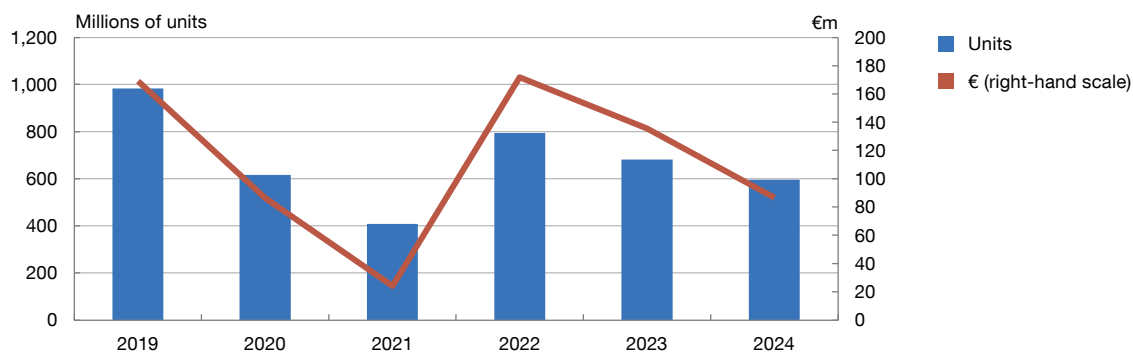
**Coins withdrawn from circulation**



SOURCE: Banco de España.

Chart 3.12

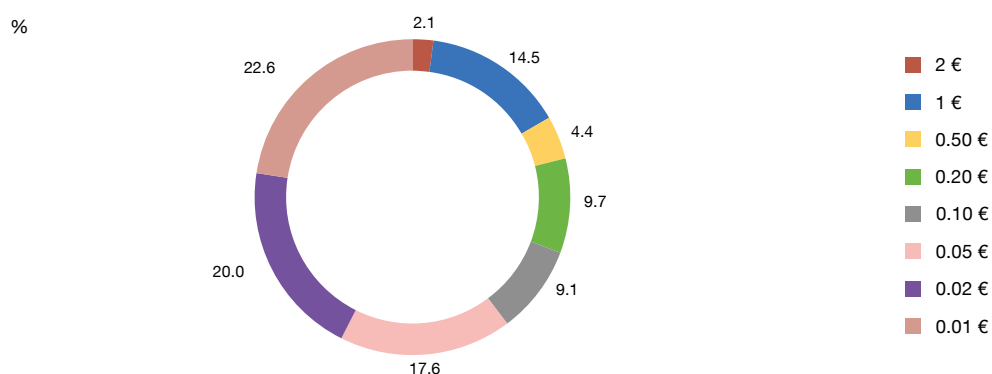
**Net euro coin issuance (2024)**



SOURCE: Banco de España.

Chart 3.13

**Coins put into circulation in 2024, by denomination (millions of units)**



SOURCE: Banco de España.



For more information on the issuance of banknotes and coins, see the [Banknotes and coins](#) section of the Banco de España website.

## 4.2 Cash and other means of payment

Last year saw the publication of the **third edition of the *Study on cash use habits***. This study looks at how the general public, small businesses and the hospitality industry use payment methods, cash in particular. It also includes information on topical cash-related issues, such as access to physical money in unbanked municipalities, alternative payment methods, new ways of withdrawing cash and the digital euro.

**Cash was the most widely used means of payment in physical stores** in 2024 (see Chart 3.4). Cash was used at least once during the year by 97% of the population, compared with 99% in 2023. It was used daily by 57%, as opposed to 65% in 2023. Card use remained largely unchanged: 86% used cards (as in 2023), with 31% doing so daily (a similar proportion to the 32% seen a year earlier). Mobile devices were used by 29% of the population, compared with 24% in 2023. Such devices were used every day by 13%, up from 10% in 2023.

As was the case in 2023, cash was the preferred means of payment for both men and women in 2024. Cash remained the most frequently used means of payment across all age groups, unchanged from 2023. This was particularly true for younger people (39%), although a shift in habits towards mobile devices (up 14 percentage points (pp)) can be seen. Cash remained the payment method of choice for people with basic education (77%), up 3 pp on 2023. Cards were more common among those with tertiary education (40%), albeit 3 pp less than in 2023. Mobile devices were a common payment method among those with secondary and tertiary education, and have risen in popularity since 2023. See Table 3.5 for a breakdown of the results by gender, age and educational attainment level.

Spaniards who paid mainly in cash did so for reasons of convenience, out of habit and to keep track of their spending, while those who primarily used cards and mobile devices did so for convenience and speed.

In the short term, most Spaniards do not expect major changes in the way cash is used. Among those surveyed, two out of three believe that habits will remain largely unchanged a year from now. Nonetheless, this perception varies across age groups. Among the under-25s, 39% believe they will use cash less, while only 13% of the over-64s take the same view.

Table 3.4  
**Payment methods in physical establishments among population**

% of population using each method

	Cash		Cards		Mobile devices	
	2023	2024	2023	2024	2023	2024
Used	99	97	86	86	24	29
Used daily	65	57	32	31	10	13

**SOURCE:** Company selected to conduct the study.



Table 3.5

**Main means of payment in physical establishments among population**

%

	Cash		Cards		Mobile devices	
	2023	2024	2023	2024	2023	2024
<b>Total</b>	<b>60</b>	<b>59</b>	<b>32</b>	<b>30</b>	<b>8</b>	<b>11</b>
Men	63	63	29	27	7	10
Women	56	55	34	33	9	12
18 - 24 years	53	39	26	26	21	35
25 - 34 years	36	39	41	34	23	27
35 - 44 years	51	50	38	37	11	13
45 - 54 years	59	59	36	34	5	7
55 - 64 years	71	66	28	30	1	4
65 years or more	76	78	23	21	1	1
Primary education	74	77	21	20	4	4
Secondary education	55	55	36	32	8	13
Higher education	44	42	43	40	13	17

**SOURCE:** Company selected to conduct the study.

**ATMs** remained the main source of cash for three out of four Spaniards. Alternative channels, such as cash-back or cash-in-shop withdrawals or the service offered by *Correos Cash*, although better known, saw very little take-up.



ATMs remain the main source of cash.

Awareness of the **digital euro** among the general public is still low (25%), albeit 5 pp higher than in 2023. A total of 22% of Spaniards reported that they would be happy to use the digital euro as an additional means of payment, with young people among the most willing.



More information on the [Study on cash use habits 2024](#) can be found on the institution's website

### 4.3 Combating banknote and coin counterfeiting

The Banco de España is the **national authority responsible for protecting the euro against counterfeiting** and is charged with detecting counterfeit euro banknotes and coins and gathering and analysing technical and statistical data. It also acts as the National Analysis Centre and the National Coin Analysis Centre.

To this end, it works in coordination with the Banco de España Investigation Brigade (BIBE), a police unit stationed at the Banco de España that investigates and prosecutes crimes related to the counterfeiting of national and foreign currency e.g. by dismantling clandestine banknote printing works and illegal coin manufacturing workshops.

#### a) Banknote counterfeiting

In Spain, **73,605<sup>29</sup> counterfeit euro banknotes were found to be circulating in 2024**, a 24.4% rise on the previous year, with an increase in the traditional counterfeiting methods. This increase is due to the historically low figures caused by the impact of the pandemic on economic activity. Meanwhile, according to the National Analysis Centre, an additional 62,885<sup>30</sup> counterfeit banknotes were seized by the police before the counterfeiters could use them.

As in previous years, **illicit reproductions** accounted for a sizeable share of the total number of fake banknotes in 2024. Although such reproductions are not, strictly speaking, counterfeit, since they are marked as “copies”, “not legal tender” or “for film or prop purposes only”, they can easily be confused with bona fide banknotes, causing economic damage to anyone who accepts them. However, thanks to police intervention, the number of such reproductions declined.

Chart 3.14 shows the trend in counterfeit banknotes withdrawn from circulation since 2019, and a breakdown by denomination in 2024. The €50 note was the most counterfeited denomination, followed by the €20 and €10 notes, with the three accounting overall for 90% of all counterfeits detected.

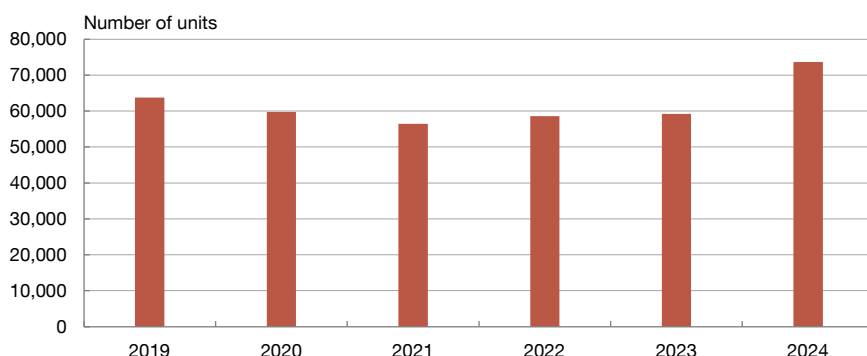
<sup>29</sup> Provisional data extracted on 10 January 2025. Later extraction dates may yield different results.

<sup>30</sup> Provisional data extracted on 10 January 2025. Later extraction dates may yield different results.

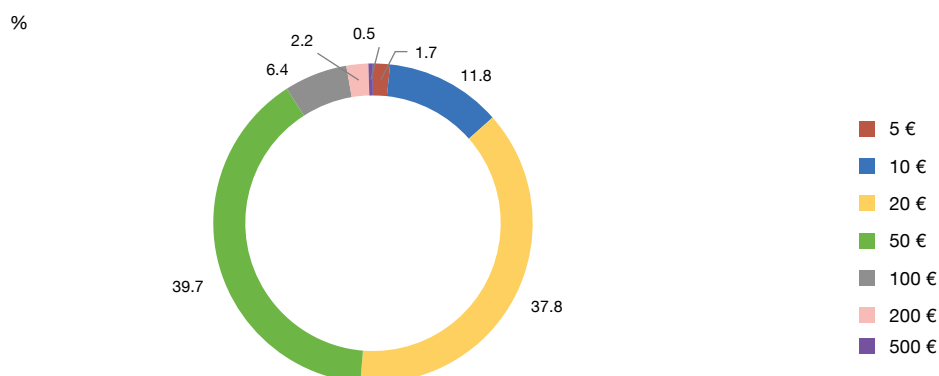
Chart 3.14

### Counterfeit banknotes withdrawn from circulation in Spain (2019-2024) and breakdown by denomination

#### 3.14.a Counterfeit banknotes withdrawn from circulation in Spain (2019-2024)



#### 3.14.b Breakdown by denomination in 2024



SOURCE: Banco de España.

In the Eurosystem overall, **Spain ranked third in the detection and withdrawal from circulation of counterfeit euro banknotes in 2024**. The chances of being handed a counterfeit banknote in Spain was very low, with just 20.4 counterfeit banknotes for every million euro banknotes in circulation.

It is very easy to check the authenticity of a banknote using the *feel, look and tilt* method.

#### b) Euro coin counterfeiting

In Spain, **42,110<sup>31</sup> counterfeit coins were withdrawn from circulation in 2024**, a figure very similar to pre-pandemic levels, albeit 27% higher than in 2023. Moreover, 14,537<sup>32</sup> counterfeit

<sup>31</sup> Provisional data extracted on 10 January 2025. Later extraction dates may yield different results.

<sup>32</sup> Provisional data extracted on 10 January 2025. Later extraction dates may yield different results.

€2 coins were detected last year. Thanks to an operation carried out by BIBE, these coins were seized before they could be put into circulation.

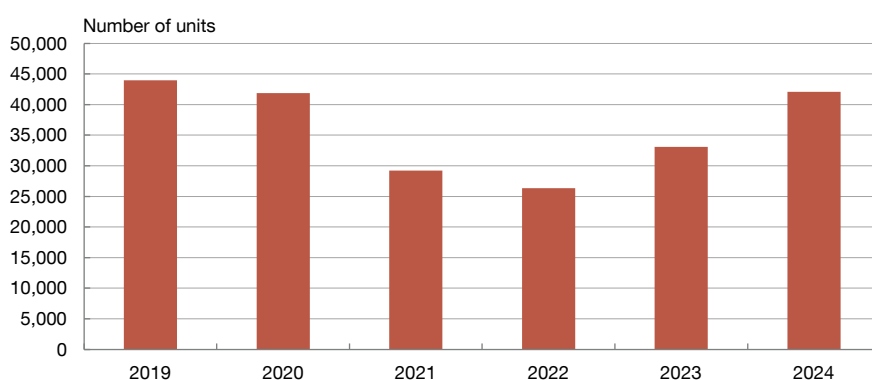
Chart 3.15 shows the figures on counterfeit euro coins detected and withdrawn from circulation since 2019, together with a breakdown by denomination in 2024.

The €2 coin remains the most counterfeited coin, accounting for 95.3% of all those withdrawn from circulation in Spain. As in the case of banknotes, the chances of being handed a counterfeit coin is very low, with only  $10^{33}$  counterfeit coins for every million euro coins in circulation of the three highest denominations (€2, €1 and €0.50).

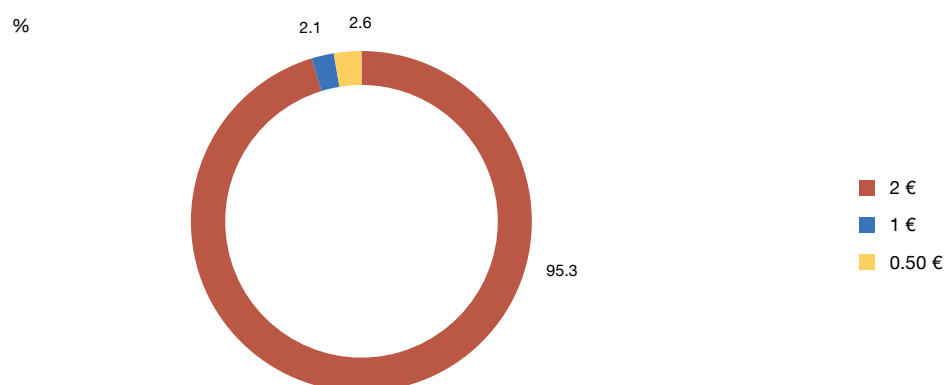
Chart 3.15

**Counterfeit coins withdrawn from circulation in Spain (2019-2024) and breakdown by denomination**

**3.15.a Counterfeit coins withdrawn from circulation in Spain (2019-2024)**



**3.15.b Breakdown by denomination in 2024**



SOURCE: Banco de España.

### c) Professional training on banknotes and coins

To combat counterfeiting, the Banco de España seeks to improve awareness of the characteristics and security features of euro banknotes and coins. In 2024, it trained 7,192 specialised agents.

33 Provisional data extracted on 10 January 2025. Later extraction dates may yield different results.

In addition to training online and by videoconference, in-person courses are offered for cash professionals. Notable examples of such courses include “Euro banknotes and coins”, “Manual cash sorting” and, new in 2024, “Cash-in-shop”.



The Banco de España promotes awareness of the characteristics and security features of euro banknotes and coins in order to prevent counterfeiting.



More information on the [courses on the design and security features of cash](#), aimed at cash professionals and the general public, can be found in the training programme on the Banco de España website.

## 5 Resolution of bank customer complaints and enquiries

### RESOLUTION OF BANK CUSTOMER COMPLAINTS AND ENQUIRIES



#### What does it involve?

The Banco de España manages and resolves complaints and responds to enquiries submitted by users of financial services regarding conduct regulations, transparency and customer protection.

#### Why does it matter?

The analysis of individual disputes is not only a free and efficient service offered to the general public, but also a source of relevant information for the institution's supervisory expertise. It plays a key role both in encouraging appropriate conduct by institutions towards their customers and in improving regulation.

#### What does the Banco de España do?

The Banco de España takes a detailed look at all complaints and enquiries submitted by users of banking services on the subject of banking operations, conduct regulations, transparency and customer protection. It also advises them on the legal channels they need to exercise their rights.

#### What's the goal?

To ensure, by analysing complaints and resolving enquiries, the correct application of conduct regulations, transparency and good banking practices.

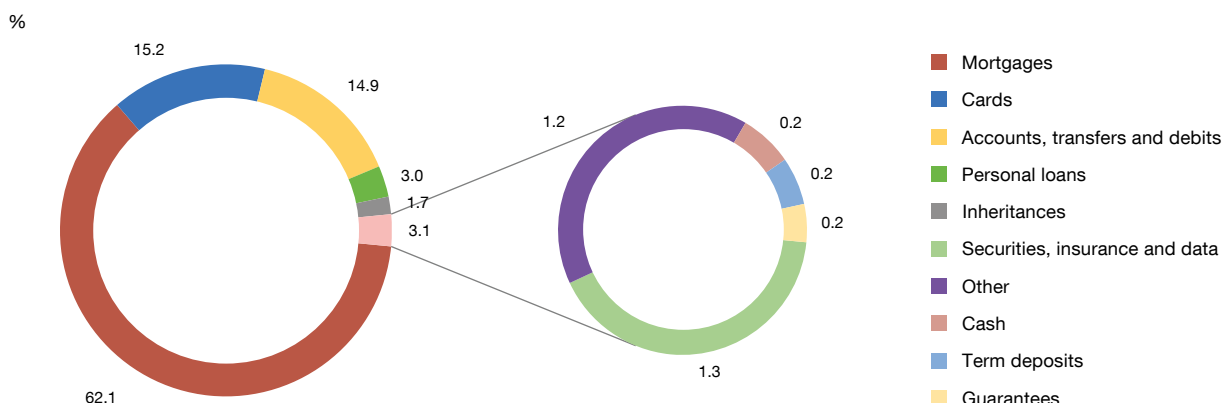
Last year was a very busy year for customer complaints filed with the Banco de España. **Almost 56,000 cases were processed, an all-time record since the service was set up 37 years ago (in 1987).** This increase can be explained by claims concerning applications for reimbursement of the fees charged when arranging mortgage loans, after the courts ruled that clauses of this nature are null and void and extended the deadline for claims. This ruling affects mortgages taken out before the entry into force of Law 5/2019 of 15 March 2019, regulating real estate loan agreements.

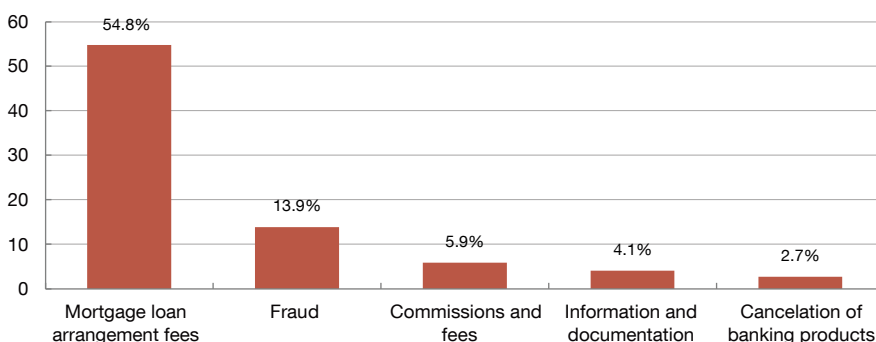
A total of **56,407 claims were processed, a 69.9% increase on 2023 (33,191).** This work involved the processing of 223,069 documents (124,410 incoming and 98,659 outgoing), an increase of 33.7% on 2023 (166,847 documents).

As Chart 3.16 shows, **three out of five complaints (62.1%) have to do with mortgage loans. Complaints regarding cards account for 15.2%, while those relating to accounts, transfers and debits represent 14.9%.** These three banking products make up **92.1%** of all complaints received.

- Mortgage loans were the product that triggered the highest number of complaints (62.1%). Complaints saw a threefold increase (273.3%) on 2023, largely due to applications for reimbursement of the fees charged when arranging these types of loans.
- Card-related complaints fell by 11.3% year-on-year. Here, credit and debit cards emerged as the products with the second highest number of complaints (13.3% of a total of 56,407), mainly due to transactions involving fraud or scams.



**Chart 3.16**
**Complaints received in 2024, by product (provisional data as at 31 December 2024)**

**SOURCE:** Banco de España.

**Chart 3.17**
**Complaints received in 2024, by type (provisional data as at 31 December 2024)**

**SOURCE:** Banco de España.

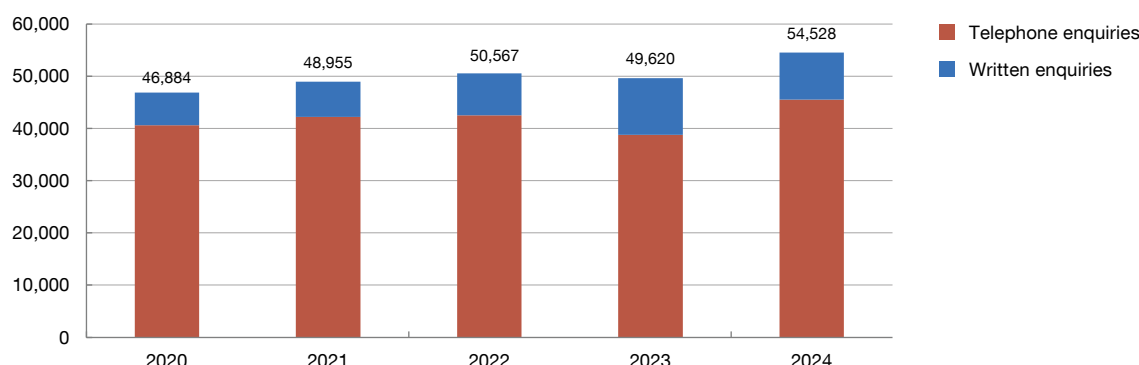
- In third place, complaints relating to account operations, as well as transfers and debits, were down 10.7% on 2023. Here, claims specifically dealing with the way accounts function accounted for 8.3% of the total. Fees and commissions (mainly maintenance charges) and expenses were the main bone of contention.

Chart 3.17 shows the five most common complaints received in 2024, accounting for 81.3% of all of the cases handled, a 14.9% rise on 2023.

Complaints about mortgage arrangement fees (54.8%) increased sixfold (up 538.4%) compared to the previous year. Although 10.9% down on 2023, complaints concerning fraudulent payment transactions (13.9%, with cards accounting for 9.4% and transfers for 4.2%) were again among the most prominent overall. Following a 25.9% decline, commissions, fees and expenses ranked third (5.9%, 2.1% of which were related to account maintenance charges). These were followed by requests

Chart 3.18

Written enquiries and telephone enquiries over the last five years (provisional data as at 31 December 2024)



SOURCE: Banco de España.

for information and documentation (4.1% of the total and down 1.7% year-on-year), particularly on revolving cards (1.2%). In last place were disputes regarding the cancellation of banking products (2.7% of the total and down 4.5% year-on-year), particularly mortgage loans (0.9%), accounts (0.8%) and personal loans (0.7%).

In terms of institutional collaboration, representatives from the Complaints Service regularly take part in the [FIN-NET](#) and [INFO](#) forums, the European and international networks, respectively, for sharing expertise among institutions specialising in dispute resolution in the financial sector.

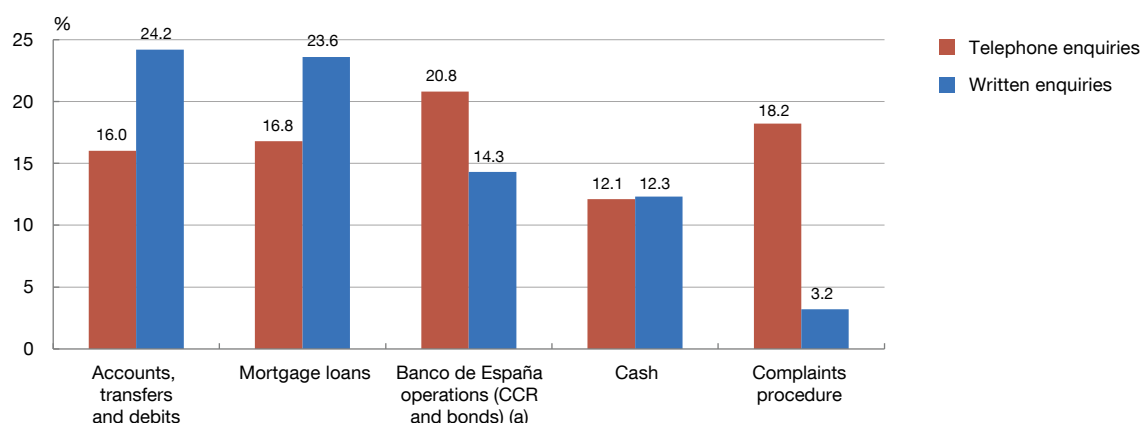
It was also a **record year** in terms of enquiries received, with a total of 54,528, up 9.9% on 2023. This rise was in part down to the enquiries dealt with on the subject of cash (12.2%), a new category introduced on 15 December 2023. Although written enquiries (9,001) were well down on the previous year (by 17.2%), enquiries over the phone (45,527) were up 17.5%. Chart 3.18 shows how enquiries have changed over the last half decade.

Chart 3.19 shows the **most common topics in 2024**. Most of the enquiries received, whether over the phone or in writing, fall within the same categories. This suggests that the issues that interest and concern customers are the same, regardless of the channel used.

- Written enquiries largely concerned incidents relating to popular products and services, such as accounts, transfers and debits (this includes enquiries about account-holders, sometimes involving identity theft), mortgage loans and cash (banknotes and coins). There was also no shortage of requests for information on the Banco de España's own services, such as the Central Credit Register (CCR) and government debt operations, although these activities have their own customer service channels, to which the public are forwarded.
- Enquiries handled over the phone notably include those concerning the complaints procedure and the status of procedures already in progress.

Chart 3.19

## Written enquiries and telephone enquiries received in 2024



SOURCE: Banco de España.

a Enquiries on the CCR and government debt are dealt with via their own channels. For more information, click on the following links: <https://www.bde.es/wbe/en/para-ciudadano/gestiones/informacion-riesgos-cir/> and <https://www.tesoro.es/en/deuda-publica>.

The complaints and enquiries service reports on its work in both the newly created *Compendium of good banking practice criteria* and in its annual activity report (the *Complaints Report*). In October and November events to launch the *Complaints Report* were held at both the Madrid headquarters and at the Murcia, Zaragoza, La Coruña, Tenerife and Badajoz branches.

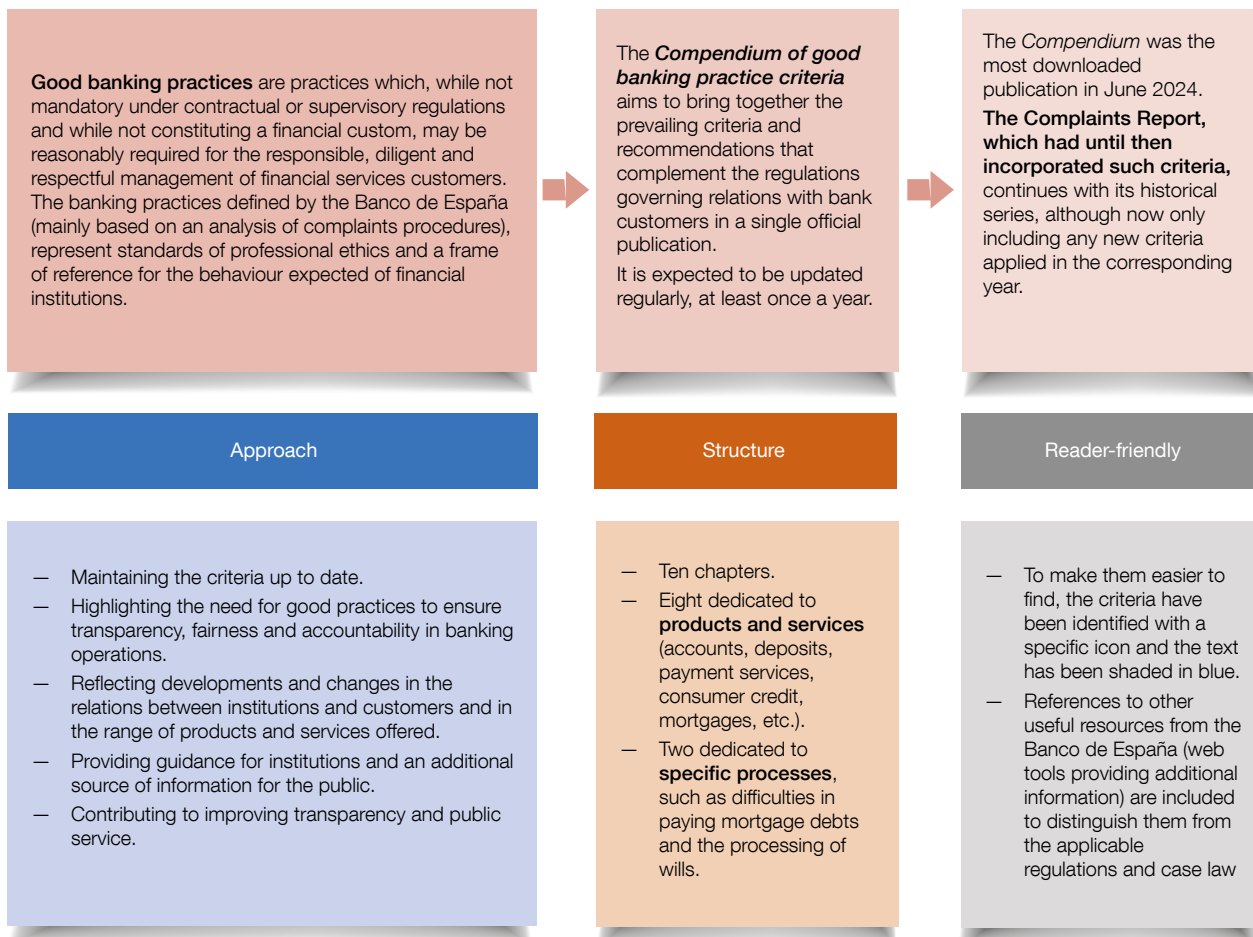
Published separately from the *Complaints Report* for the first time in June 2024, the *Compendium of good banking practice criteria* brings together the criteria used to settle claims and the legislation generally applicable to banking and payment products and services. Meanwhile, thanks to a consultation tool designed using Power BI, the *data on complaints and enquiries* were laid out in the report in a more visual, interactive format.

See Schema 3.4 for more information on the *Compendium of good banking practice criteria*.

Schema 3.4

### Compendium of good banking practice criteria (new publication, June 2024)

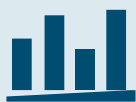
What are good banking practices? What's the main aim of the *Compendium*?



SOURCE: Banco de España.

## 6 Statistics, financial information and the Central Credit Register

### STATISTICS, FINANCIAL INFORMATION AND THE CENTRAL CREDIT REGISTER



#### What does it involve?

The Banco de España compiles and releases statistical information on various financial aspects of the economy and its participants. The CCR is a public service managed by the Banco de España that collects information on the credit risks that financial institutions hold with their customers.

#### Why does it matter?

Reliable statistics are key to informed decision-making by public administrations, businesses and households. They are also vital for defining monetary policy and understanding the risks assumed by financial institutions in order to assess their solvency.

Through the CCR, the Banco de España provides information to institutions so that they can assess the solvency of their current and potential customers and provide account holders with reports on the risks they have reported to the CCR.

#### What does the Banco de España do?

The compilation of statistics requires the collection of basic information (provided mainly by financial institutions), which must be processed in line with international practices in order to ensure the highest standards so that the statistics can be disseminated effectively.

Through the CCR, the Banco de España gathers information on all of the exposures (loans and others) that reporting institutions have arranged with their customers.

#### What's the goal?

To provide society with reliable, high-quality statistical information in a timely and useful manner.

As a public service, the CCR contributes to the supervision and inspection of institutions, to the performance of the functions assigned to the Banco de España and, ultimately, to improving the stability of the financial system.

### 6.1 Statistics

Work in 2024 focused on a benchmark revision of the summary statistics (Balance of Payments/ International Investment Position and Financial Accounts of the Spanish Economy) and of government debt in accordance with the Excessive Deficit Protocol. Carried out once every five years in coordination between various Spanish and European statistical bodies, these revisions place a significant demand on resources, as they cover a lengthy period and involve many statistics used as data sources. Schema 3.5 shows the publications relating to this extraordinary revision.

Alongside these revision activities, work was also done to improve the Banco de España's statistical output, to explore new economic fields, to better engage with the general public and to broaden the information and the data consultation methods on offer.

The statistical information available was enhanced with new datasets offered by the Banco de España's data laboratory (BELab), such as the data on foreign direct investment, the Household Panel of the National Markets and Competition Commission (CNMC), the annual accounts of Portuguese firms and the study on cash use habits. Moreover, in order to fully leverage BeLab's granular data (at an almost individual level), the Banco de España joined

forces with other national statistics bodies to create [ES\\_DataLab](#). Thanks to this initiative, researchers can combine data from various institutions and broaden their research. Box 3.4 takes a closer look at this partnership. Lastly, it is also worth noting that the historical statistics available were also enriched with data on the external sector and the Banco de España's balance sheets.

Another new feature worth highlighting are the experimental statistics now published. Although innovative, the methods and definitions have not yet been fully established. Drawn up to enable a faster response to an ever changing world, the findings may be subject to significant revisions. Last year saw the first ever publication of the experimental statistic on [“Card payments related to trips abroad by tourists resident in Spain”](#).

Harmonised information from the official statistics of the European System of Central Banks (ESCB) was used to modernise the statistics on securities issuances. This will help reduce information lags and provide more complete and detailed information.

Last year also saw the publication of the key findings of the 2022 [Spanish Survey of Household Finances](#) (EFF), detailed in an [Occasional Paper](#) and accessible via a tool available on the institution's [website](#), which can be used to view, graph and download a large number of descriptive results from every wave of the EFF in an interactive, user-friendly format. Meanwhile, in October 2024 work began on conducting interviews for the 2024 EFF, set to run until June next year. Microdata from the 2021 [Survey of Financial Competences](#) (ECF) were also released, as were the data harmonised with the [OECD/INFE International Survey of Adult Financial Literacy](#). Thanks to the ECF, the extent to which basic financial concepts are understood can be studied, as can the level of understanding, ownership, acquisition and use of a range of financial saving, insurance and borrowing vehicles.

In addition to broadening the information available, improvements were also made to facilitate user access. Offering interactive data visualisation, the [“BExplora”](#) collection was expanded with data from the financial accounts of the Spanish economy, regional data from the Central Balance Sheet Data Office, region-specific historical statistics and information on securities investments in Spain. These new tools, together with those already in place, have been assembled on a single [data visualisation page](#), making it easier for users to access them more directly.

Last year saw the launch of other tools with various aims. For example, the public can now access a [currency converter](#) (useful for both business and everyday life). The [statistics glossary](#) also has a fresh new design, offering a broader range of concepts and content and making it easier to access the data and documentation related to each term.

The Banco de España's statistical work requires constant feedback from the general public. We need to know if users' data needs are being met and to ensure that these statistics are more widely known. To this end, the [user satisfaction survey](#) and the survey on collaboration between firms and the Central Balance Sheet Data Office were both completed in 2024. The findings were very encouraging, showing that the Banco de España's statistics are highly





The results of the user satisfaction survey were very encouraging, showing that the Banco de España's statistics are highly thought of.

thought of. To lighten the workload of individuals who need to declare foreign transactions, the relevant form (ETE) was redesigned to make the entire process more straightforward. Meanwhile, information sessions were organised in various cities (e.g. Barcelona, Murcia, Valencia and Zaragoza) to engage more directly with users. Aimed at university students, baccalaureate teachers and business organisations, these sessions looked at the institution's statistics and the Central Balance Sheet Data Office. Meanwhile, to promote a better understanding of statistics among the general public, quizzes on curious historical economic facts and figures were posted under the title “[Do you know the historical data of the Spanish economy?](#)” Short items on more topical statistical curiosities (“Did you know...?”) were also published on social media.

Coordinating and exchanging data with other statistics institutions can help cut down on the effort needed to produce and enrich the data released. With this in mind, several collaboration agreements were signed in 2024, such as the new agreement between the Banco de España and the [Registrars' Association](#) to facilitate access to commercial information through the API web service; the agreement signed with the [CNMC](#) concerning the BeLab data laboratory, on access to Household Panel data, and the revision of the existing agreement with the [Secretary of State for Trade](#) for the exchange of data on foreign direct investment. Finally, an agreement was also reached with the [Banco de Portugal](#) to exchange information between the two institutions' data laboratories.

Lastly, several international events were staged in 2024. Examples include the international conference on [External statistics after the pandemic: addressing novel analytical challenges](#), organised jointly by the ECB, the Irving Fisher Committee on Central Bank Statistics (IFC) and

Schema 3.5

**Statistics at the Banco de España: new developments in 2024**

 <b>BELab</b>	<p>New microdata databases:</p> <ul style="list-style-type: none"> <li>— Foreign Direct Investment.</li> <li>— CNMC Household Panel.</li> <li>— Annual accounts of Portuguese firms.</li> <li>— Study on cash use habits.</li> </ul>
 <b>Sources of information</b>	<ul style="list-style-type: none"> <li>• Sources of information:             <ul style="list-style-type: none"> <li>— Modification of forms and modernisation of the system for reporting economic transactions and financial assets and liabilities abroad (ETE form).</li> <li>— Start of fieldwork for the 2024 EFF.</li> </ul> </li> </ul>
 <b>Available statistics</b>	<ul style="list-style-type: none"> <li>• New statistical information:             <ul style="list-style-type: none"> <li>— Experimental statistics. Card payments related to trips abroad by tourists residents in Spain.</li> <li>— Historical series: external statistics with data since 1931 and adjusted balance sheets of the Banco de España.</li> <li>— ECF 2021.</li> <li>— EFF 2022.</li> </ul> </li> </ul>
 <b>Communication</b>	<ul style="list-style-type: none"> <li>• New data visualisation web pages.</li> <li>• Currency converter.</li> <li>• New in BExplora:             <ul style="list-style-type: none"> <li>— Financial Accounts of the Spanish Economy.</li> <li>— Regional Central Balance Sheet Data Office.</li> <li>— Territorial historical statistics.</li> <li>— Securities investments in Spain.</li> </ul> </li> <li>• Statistics glossary.</li> <li>• Survey on user satisfaction with Banco de España statistics.</li> <li>• Survey of firms on their collaboration with the Central Balance Sheet Data Office.</li> <li>• Information sessions in various Spanish cities.</li> <li>• Quizzes: Do you know the historical data of the Spanish economy?</li> <li>• Did you know? Features on topical statistical curiosities on social media.</li> </ul>
 <b>Publications</b>	<ul style="list-style-type: none"> <li>• Business Sector Classification And Beyond Using Machine Learning. Statistical Notes. 18. Banco de España.</li> <li>• Una herramienta para el análisis monetario: los balances ajustados del Banco de España desde 1954. Statistical Notes. 19. Banco de España.</li> <li>• Benchmark revision of the balance of payments and international investment position of the Spanish Economy (2024). Statistical Notes. 20. Banco de España.</li> <li>• Resultados de la encuesta de satisfacción de usuarios de las estadísticas del Banco de España 2023. Statistical Notes. 21. Banco de España.</li> <li>• Benchmark revision of the Financial Accounts of the Spanish Economy. Statistical Notes. 22. Banco de España.</li> <li>• How to identify all companies worldwide. Experience with the legal entity identifier (LEI). Occasional Papers. 2401. Banco de España.</li> <li>• Micro and macro data on household wealth, income 2024 and expenditure: comparing the Spanish Survey of Household Finances (EFF) to other statistical sources. Occasional Papers. 2407. Banco de España.</li> <li>• Spanish Survey of Household Finances (EFF) 2022: methods, results and changes since 2020. Occasional Papers. 2413. Banco de España.</li> <li>• Una reflexión sobre los umbrales cuantitativos en los modelos de depósito de las cuentas anuales y su posible impacto en el tamaño empresarial en España. Occasional Papers. 2419. Banco de España.</li> <li>• The Survey of Financial Competences: description and methods of the 2021 wave. Occasional Papers. 2425. Banco de España.</li> <li>• The Banco de España's Central Balance sheet data office database: a regional perspective. Occasional Papers. 2429. Banco de España.</li> </ul>

**SOURCE:** Banco de España.

the Banco de España, which centred primarily on identifying the needs of users of external statistics and understanding how to adapt swiftly to economic changes. Meanwhile, the conference [New Insights from Financial Statements](#) was staged in partnership with the IFC and the European Committee of Central Balance Sheet Depositories (ECCBSO). The conference looked at the way corporate (financial and sustainability) reporting by non-financial corporations can be used to study the impact of shocks and identify risks using innovative technologies.



More information on the [Banco de España's statistics](#) can be found on its website.

## 6.2 Financial reporting and information on the Central Credit Register

Royal Decree-Law 6/2024 of 5 November 2024, adopting urgent measures in response to the damage caused by the DANA in various municipalities between 28 October and 4 November 2004, was approved in late 2024. The measures envisaged in this piece of legislation included a statutory moratorium on interest and principal payments on the credit facilities and loans (whether secured by mortgage or otherwise) of individuals and businesses affected by the DANA. This had implications for the data reported by institutions to the Banco de España and the information on exposures submitted to the Central Credit Register (CCR).

Thus, starting on 30 November 2024, financial institutions began submitting monthly updates on applications to suspend these payments, the status of such applications and the economic activity of beneficiaries. Moreover, as from December 2024, any loans qualifying for moratorium arrangements or for which government guarantees have been requested must be identified, in order to keep track of these operations.

In addition to these extraordinary measures, 2024 also saw the approval of Banco de España Circular 1/2024 of 26 January 2024, on the financial information to be reported by institutions to the Banco de España, **updating and harmonising the information to be reported by financial institutions on holders of shares and ownership interests and capital contributions**. Understanding variations in the capital and shareholding structure of financial institutions is essential if the Banco de España is to exercise the powers entrusted to it.

The Banco de España adopted two sets of EBA guidelines on the benchmarking of remuneration practices, the gender pay gap, higher ratios and high earners. Credit institutions and specialised lending institutions have been reporting this information since 31 December 2023, thus helping the Banco de España to fulfil its oversight duties as a supervisor.

Meanwhile, Implementing Regulation (EU) 2021/451, regulating supervisory reporting requirements for credit institutions, was amended to introduce new templates relating to interest rate risk in the banking book. This information enables supervisors to monitor the various ways in which changes to policy interest rates can impact institutions.

In terms of European initiatives for integrating reporting requirements, on 4 December 2024 the ECB published a press release announcing change to the timeline for the Integrated Reporting Framework (IReF). This framework will harmonise statistical reporting across euro area banks.

In March 2024, the ECB and the EBA created the Joint Bank Reporting Committee (JBRC) to develop common definitions and standards for the data that credit institutions must submit for statistical, supervisory and resolution purposes. The JBRC will create a data dictionary and common concepts and definitions, covering both current and future reporting requirements.

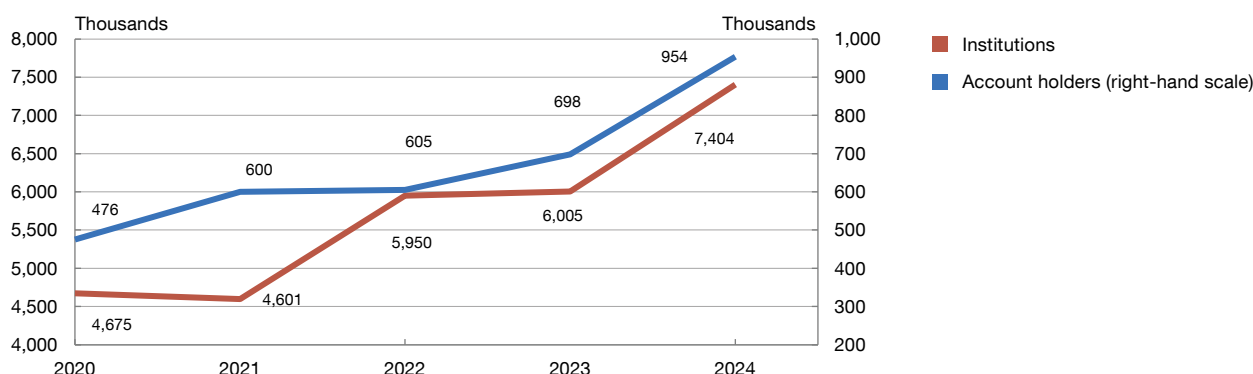
As far as reporting to the CCR is concerned, in December 2024 the 407 reporting institutions filed information on more than 27 million natural and legal persons holding 62 million loans and other exposures. This increase was due to the modifications made to the CCR regime under various legislative initiatives, which, among other measures, lowered the reporting threshold for transactions to be reported to the CCR on an individualised basis (from the previous overall exposure threshold of €6000, to €3000 under the amended legislation). In 2024, the total exposure amount (drawn plus undrawn) stood at €3.76 billion.

The CCR provides financial institutions and borrowers with up-to-date information to reduce information asymmetries in the credit market. Once a month, to enable institutions to keep track of their customers' levels of debt, they are provided with information on their exposures. Similarly, when a potential new customer's creditworthiness needs to be assessed, up-to-date information is provided on how indebted they are, and on their payment or default status. In 2024, the CCR provided institutions with a total of 459 million reports on individuals and legal entities, of which 7.4 million were provided for the purpose of evaluating new transactions.

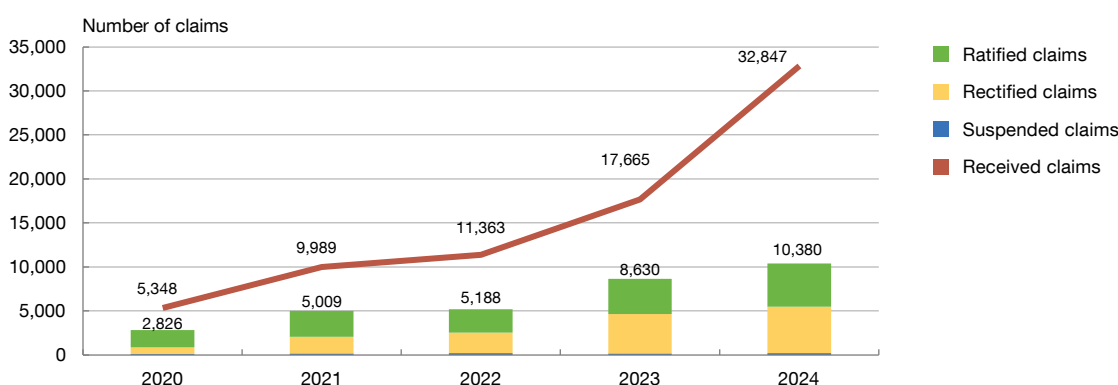
Meanwhile, debtors are entitled to access any of their data recorded on the CCR as a result of reporting by institutions. As a result of such requests, reports were provided to 890,000



The Banco de España rolled out a range of measures to address the fallout from the DANA.

**Chart 3.20**
**Risk reports requested by institutions and account holders**


**SOURCE:** Banco de España.

**Chart 3.21**
**Exercise of the right to rectify or delete data reported to the CCR**


**SOURCE:** Banco de España.

account-holders in 2024, up from 700,000 a year earlier. Similarly, 2024 saw striking increase in the number of individuals exercising their rights of rectification and elimination, with 32,847 requests received, almost 86% more than in the previous year. This increase was in large part due to requests for the elimination of the registered data on debtors who had benefited from the exoneration of their outstanding liabilities as a result of a ruling handed down in insolvency proceedings.

Charts 3.20 and 3.21, respectively, show the data from the risk reports provided to reporting institutions and debtors over the last five years, and the number of complaints received and resolved over the same period.



More information on [reporting to the CCR](#), the [CCR Report](#) and the [confidential statements](#), as well as on the [supervisory statistics](#) and the [primary public financial statements](#), can be found on the Banco de España website.



## 7 Economic analysis

### ECONOMIC ANALYSIS

	<b>What does it involve?</b>	
	<p>Economic analysis and research are used to examine the national and international economic situation, make macroeconomic projections and carry out research to support the analyses.</p>	
<b>Why does it matter?</b>	<p>It guides the monetary policy decisions taken by the ECB (in which the Banco de España participates), as well as the measures aimed at ensuring financial stability. It also enables the institution to advise the government on other economic policies.</p>	<b>What does the Banco de España do?</b>
	<p>It analyses and monitors areas such as the Spanish economy and its environment; economic policies, with particular attention to monetary policy in the euro area; and the financial and banking system.</p>	
<b>What's the goal?</b>	<p>To provide analysis and research in support of some of the Banco de España's functions, such as defining monetary policy, advising the government and preparing reports.</p>	

Economic analysis and research are organised around a series of priorities. The strategic framework for the Banco de España's medium-term analytical and research priorities for 2020-2024 was structured around five major themes:

- 1 Central bank policies and their interactions.
- 2 Key long-term trends of the Spanish economy.
- 3 Risks and opportunities stemming from the international environment.
- 4 Aggregate consequences of the heterogeneity of individuals and firms.
- 5 Challenges posed by new technologies.

For each of these priority areas of analysis different work streams are set up, which are then reviewed each year in light of the shifting economic environment. In the 2023 update, it was decided that efforts in 2024 would largely concentrate on analysing:

- Inflation dynamics and the monetary policy stance, together with the way in which both aspects impact the financial markets, the main macroeconomic aggregates, households, firms and the banking sector.
- The extent to which bank solvency levels in Spain are appropriate, bearing in mind the characteristics of the Spanish banking system, the country's economy and its situation



as compared with other European financial systems, as well as the costs and benefits of deploying macroprudential tools, such as the positive neutral CCyB rate.

- The fiscal policy stance and implementation, the way these interact with monetary policy and government debt sustainability, all of this within the context of the new Economic and Monetary Union (EMU) fiscal governance framework.
- Recent trends in the Spanish employment market and the key factors (such as demographic change and new technologies) set to shape developments in the coming years.
- Recent dynamics and determinants of the Spanish residential housing market, with a particular emphasis on affordability issues.
- Recent international banking crises and their fallout, the way they were impacted by new technologies, the role of prudential supervision and the functioning of the regulatory framework.
- The repercussions of the digital euro for monetary policy, the financial system and the economy as a whole.

To meet these goals, the research activities carried out over the course of 2024 addressed these and other aspects, within the framework of the five major priority themes, as detailed below.

With respect to **the first theme (central bank policies and their interactions)**, research in the monetary policy area covered various topics. The review conducted of the Eurosystem's operational framework was analysed (particularly in terms of the demand for reserves and the composition of the ECB's balance sheet), as was the way the framework interacts with the digital euro. The interactions between monetary, fiscal and macroprudential policy were also studied, together with the implications of climate change for monetary policy. The way risk-free interest rates break down into interest rate expectations and risk premia was also researched, as were the redistributive effects of inflation.

Developments in inflation and economic activity in the euro area have a pivotal role to play in the conduct of monetary policy. With this in mind, the continued slowdown in the disinflation process and the weakness of the euro area economy came in for particular attention when preparing the ECB Governing Council meetings. The determinants of inflation and the way in which monetary policy should respond to supply shock-driven inflationary episodes were also the subject of in-depth analysis. Meanwhile, numerous analyses were conducted to understand why disinflation had slowed in the euro area, particularly in the more stable components. The resilience of the employment market and the impact of wage demands on inflation were central features of this analysis. Also under the spotlight was the greater downward stickiness of food inflation, where trends have diverged from other historical



One priority area among the key long-term trends of the Spanish economy was the long-term impact of the energy transition.

episodes, as well as the increasingly prominent role of global and domestic geopolitical and geoeconomic shocks in inflation.

Elsewhere, various studies looked into the impact of monetary policy tightening on the supply of business lending in Spain and the euro area, on corporate investment and on new mortgage loans. Other research on corporate financing looked at the impact of climate change, the drivers of credit supply and demand, the use of commercial credit, access to financing and the survival of firms without bank debt, and the post-global financial crisis deleveraging process.

As far as the **second theme is concerned (key long term trends of the Spanish economy, including recent developments)**, research focused primarily on recent inflation dynamics. One priority area was the long-term impact of the energy transition, and the consequences of renewable energy facilities for the price of electricity. Meanwhile, in coordination with other Eurosystem national central banks and the ECB, a macro-econometric model was used to study the origins of the inflationary process.

Other notable research included a study of the heterogeneous characteristics of households and firms and their macroeconomic consequences. The way in which households responded to rising inflation was analysed. As far as firms are concerned, the Banco de España Survey on Business Activity (EBAE) and the institution's Central Balance Sheet Data Office were used to study developments in regional economic activity, investment and import dependence on critical products. In a pioneering initiative, this research was combined with other business surveys conducted in the Eurosystem. In the case of the EBAE, the idea is to promote its use within BELab, and a [methodological note](#) was published to make it more transparent and accessible to the general public.

The employment market, the external sector and fiscal policy were among the other areas studied. Certain long-term employment market trends were analysed, such as the impact of an ageing population or migratory flows. The external sector was also analysed, including research into the diversification of tourism flows and exports. Lastly, work on analysing fiscal policy continued with a methodological paper on stochastic debts sustainability models, and the research into the impact of fiscal drag on government accounts.

Developments in the Spanish housing market were also analysed, in terms of both sales and rentals, comparing them against global trends and paying particular attention to affordability-related issues. The effects of the latest changes to insolvency legislation were also evaluated. Lastly, the recent performance of business margins and how they affect business investment were assessed.

**As regards the third theme (risks and opportunities stemming from the international environment),** the Banco de España analysed the way in which various geopolitical developments, trade tensions between countries and geographic areas and the changing economic policies of systemic economies such as the United States and China affected economic activity and inflation in the global and euro area economies. Work also continued on a structural analysis of other global trends and risks, such as those stemming from international trade and the challenges facing the multilateral rule-based framework. Other aspects analysed included political and social tensions, economic and economic policy uncertainty, food security, the energy transition and efforts to combat climate change, as well as migratory movements.

In addition to the analysis of inflation developments in the euro area referred to in the monetary policy section, the slowdown in manufacturing (which hit the German economy particularly hard) was also studied. This was in contrast to the sharp recovery in services, concentrated in Spain and other countries on the euro area periphery. Lastly, the roll-out of the new European fiscal framework was also analysed. This will be crucial if the current high debt levels of many EMU member states are to be brought down to more sustainable levels in the medium term, thus ensuring the adequate, stable provision of public services.

Also under the spotlight was the way in which economic developments in emerging regions and the global south impact the euro area economies, including Spain. Systemic economies, the economies looking to join the EU at some future point and the economies of particular importance to Spain, given the country's material exposure to them, came in for particular attention.

In terms of the **fourth theme (aggregate consequences of the heterogeneity of individuals and firms),** research focused on three key areas. In the first of these, referring to households and individuals, life cycle models and an analysis of surveys and administrative data were used to study ownership rates in Spain, rising prices in the wake of the Ukraine war, future income expectations and intergenerational wealth transfers. In terms of human capital, educational performance in Spain was compared with other euro area economies, and experiments were conducted to assess social inclusion programmes and to understand gender gaps in financial

literacy and the impact of financial education on schools. The contribution of immigration to per capita GDP growth was also analysed. New challenges include finding ways of forecasting wealth distribution and getting cash to people with limited access.

The second area of research addressed firms and the employment market. Balance sheet microdata were used to research monopoly and monopsony power and firm productivity. Drawing on CPI microdata from European countries, price changes across different sectors during the recent inflationary episode were studied. Data on job vacancies, online portals and employment flows were also used to measure labour market tightness. Gender differences in professional outcomes and wage rigidities were analysed, using models that enabled the heterogeneous effects of interventions to be captured. The impact of the 2021 employment reform on firms and workers was also studied. New challenges include the need to identify the role played by institutional quality and investment in technology and artificial intelligence (AI) on economic performance.

The third focal point has to do with energy and climate change. Researchers looked into the impact of closures and investments in renewable energies on employment, demographic flows and the distribution of land income. The impact of regulations on the roll-out of photovoltaic plants and the way in which gas-intensive firms responded to rising costs during the Ukraine war were also evaluated. Notable challenges include the need to analyse the financial conditions of renewable energy investments and the way in which auctions can make such financing more accessible.

Lastly, the research advances in relation to the **fifth theme (challenges posed by new technologies)** can be included within the methodologies and aspects addressed in the work detailed above. Examples worth mentioning here include an analysis of the implications of the digital euro project (referred to above) and the use of AI in various research projects, notably including the deployment of large language models to develop monetary policy stance indices.

Alongside this research, the Banco de España's usual research activities continued in 2024, including seminars (33 delivered by guest speakers and 39 by in-house researchers) and conferences (14 organised or jointly organised by the institution). The 2024 annual research conference was devoted to the [Macroeconomic and Financial Aspects of Climate Change](#). Meanwhile, the sessions at the annual conference on issues of particular relevance for the Spanish economy focused on the [employment market and productivity and technological progress](#). Also worth noting were the [Conference on Diversity, Equity and Inclusion in Economics, Finance, and Central Banking](#), and the [Conference on Artificial Intelligence and Monetary Policy](#). Details of the conferences organised by the Banco de España in 2024 can be found in [Box 3.5](#).

The institution's researchers also made notable contributions to Eurosystem and international research initiatives and networks, such as the ESCB research clusters, the Challenges for Monetary Policy Transmission in a Changing World Research Network and the annual Joint Research Program promoted by the Center for Latin American Monetary Studies (CEMLA), as well as to numerous high-level specialist seminars and conferences.



Developments in the Spanish housing market were analysed, in terms of both sales and rentals.

Closer to home, numerous collaboration initiatives have been set up with research institutions. Notable examples include the Centro de Estudios Monetarios y Financieros, with which the Banco de España has particularly close ties, and other organisations such as Real Instituto Elcano. The Banco de España also takes part in joint analyses with other institutions as part of initiatives such as the Profit Margins Watchdog, the CNMC's Business Competition Forum, or the recently created Spanish Productivity Council, chaired by a Banco de España researcher.

Lastly, the Banco de España has entered into several active ongoing agreements with Spanish and foreign universities to drive key lines of research.



See Section 3 of Chapter 2 for more details of the Banco de España's publications, including its [economic analysis and research](#).

## 8 Environmental sustainability

### ENVIRONMENTAL SUSTAINABILITY



#### What does it involve?

Initiatives set in place by the Banco de España as part of its global commitment to combating climate change and driving the ecological transition.

#### Why does it matter?

Climate change is an ever greater concern given its potential implications for financial stability, price stability and economic growth.

#### What does the Banco de España do?

As part of its mandate, the Banco de España acts to address the risks associated with climate change, to promote the ecological transition and to reduce the environmental footprint of cash.

#### What's the goal?

To steer prudential supervision and the necessary regulation, to improve analytical capacity, to study the monetary policy implications and to make the institution more sustainable.

### 8.1 Main regulatory developments

Climate change and environmental sustainability are a core feature on the agendas of the leading national, European and global regulatory bodies. Significant steps were taken in 2024 to ensure that financial supervisors, central banks and institutions stand ready to tackle these risks. Some of the most relevant are highlighted below.

#### 8.1.1 International regulatory developments

Worth noting on the international front were the initiatives rolled out by the NGFS, the FSB and the BCBS, all of which count the Banco de España among their members.

The NGFS helped drive the work of central banks and financial supervisors and regulators in the area of climate and environmental risk. It published a range of reports in 2024 on key issues such as transition plans, using and improving climate scenarios and an analysis of the impact of climate change on the macroeconomy and its implications for monetary policy.

The FSB continued to take a leading role in addressing these risks through the actions set out in its July 2021 Road Map. In 2024 it published a report on transition plans in which it looked at the role this tool has to play from a financial stability standpoint.

Lastly, the BCBS continued to look at how financial risks stemming from climate change can be addressed within the prudential banking framework. In April 2024 it released a discussion





Plenary session of the FSB.

paper on the role of climate scenario analysis in strengthening the management and supervision of such risks.

### 8.1.2 European regulatory developments

**Notable developments in Europe included the new mandates on environmental, social and governance (ESG) matters given to the EBA following the approval of the banking package.** This package includes amendments to Regulation (EU) No 575/2013 (CRR III) and Directive 2013/36 (CRD VI).

The EBA made further progress in implementing its sustainability road map (which includes the above mandates). Notable among the work completed in 2024 were its guidelines on the management of ESG risks and the final report on greenwashing.<sup>34</sup>

Among other aspects, these guidelines require that credit institutions analyse the materiality of their ESG risks so as to identify any potential impacts on conventional financial risks. It also details how processes based on robust data and a mix of methodologies (exposures, portfolios and scenarios) can be used to identify and measure ESG risks. The guidelines also set out the core requirements to ensure the transition is suitably planned, including the key content of the plans to be drawn up by credit institutions to address transition-related risks, within the context of the climate-related regulatory goals of the jurisdictions in which they operate.

**The final report on greenwashing includes a series of recommendations aimed at regulators, supervisors, institutions and the EBA itself.** It recommends finalising and effectively

<sup>34</sup> Greenwashing is a practice that may prove misleading to consumers, investors, or other market participants, whereby an institution's communications, declarations and actions do not reflect its sustainability profile or that of its financial products or services.

implementing the regulatory initiatives currently in place that already address this phenomenon indirectly before introducing any new legislation in this area.

### 8.1.3 Domestic regulatory developments

At domestic level, in November 2024 the Ministry of Economic Affairs, Trade and Enterprise published its *Green Paper on Sustainable Finances in Spain*, setting out a range of initiatives aimed at bringing the private sector into line with the European sustainable finances framework. Proposals include the creation of a Sustainable Finances Board as a forum for public-private coordination. This board will look into the challenges and opportunities generated in the transition and monitor the actions detailed in the Green Paper. Other measures put forward include the creation of a sustainability sandbox to better understand how climate change risk can be measured, and the development of green financial products such as the “green mortgage”.

## 8.2 Environmental sustainability management at the Banco de España

### 8.2.1 The Environmental, Social and Governance Office

In September 2024, the Banco de España created the Environmental, Social and Governance Office, which reports to the Deputy Governor. The aim of the office is to enhance internal coordination, improve analysis and drive awareness of ESG criteria at domestic and international level, as well as to provide strategic support to senior management.



The measures put forward in the Green Paper include the development of green financial products such as the “green mortgage”.

The ESG Office coordinates activities within the Banco de España, collaborating with all of the Directorates General and liaising with government entities, the private sector and international organisations to drive sustainability. It also seeks to position the Banco de España at the forefront of international standards and best practises, while also focusing on transparency and the publication of reports on ESG activities. Moreover, it represents the institution at domestic and international forums, taking part in debates and working groups to share expertise and further cement the commitment to sustainable and responsible economic growth.

The ESG Office integrates ESG principles within the institution's activities and promotes a strategic agenda in alignment with other central banks for the transition towards a decarbonized economy.

More information on the ESG Office can be found in [Box 1.2 of Chapter 1](#).

## 8.2.2 Financial stability, regulation and supervision

**In 2024 the Banco de España continued to work on the early detection of potential climate change-related threats to the financial system by identifying the associated risks.**

Specifically, the Banco de España continued to develop and implement stress tests for both energy transition-related risks and the damage resulting from extreme physical events. It also made further progress in building and analysing granular databases on exposures to such risks and assessing their macro-financial implications.

The Banco de España also contributed to the “Fit-for-55” exercise conducted jointly by the three European Supervisory Authorities (ESA), the ECB and the ESRB. This exercise sought to assess the ability of the European financial system to support the EU in meeting its 2030 sustainability goals, under stressed conditions. Published in late 2024, the findings of this exercise reveal that transition risks, in and of themselves, are unlikely to pose a threat to financial stability. Nonetheless, they could prove disruptive if combined with other macroeconomic shocks. With this in mind, policies must be coordinated to finance the ecological transition and the integration of climate risks within financial institutions' risk management.

Meanwhile, the ECB continued to assess the measures adopted by institutions to remedy the shortcomings identified in the 2022 thematic review of climate and environmental risk-related practices, and the extent to which such measures are in line with the supervisory expectations published in 2020.<sup>35</sup> As a result of this assessment, the ECB imposed binding qualitative requirements on those SIs that continue to have severe shortcomings when integrating such risks within their business strategy, internal governance structure and risk appetite framework. This review process is set to continue in 2025, since the ECB required that

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<sup>35</sup> 186 institutions were analysed in the thematic review: 107 SIs (including the ten Spanish LSIs) and 79 LSIs (including 4 Spanish LSIs).

such SIs fully comply with the supervisory expectations set out in the above guide by the end of 2024. Moreover, the ECB continued conducting on-site inspections on climate and environmental risks at various SIs, focusing on specific areas and supplementing the horizontal analysis of the implementation of supervisory expectations.

**The ECB also assessed the transition risk of the euro area banking sector's credit portfolios in terms of their alignment with the EU's climate goals.**<sup>36</sup> Specifically, it analysed the credit portfolios of 95 SIs by comparing the projected production volumes in key economic sectors<sup>37</sup> with those needed to achieve zero net emissions, based on the scenarios of the International Energy Agency, over a five-year time horizon and factoring in the carbon impact of the production plans of firms in those key sectors. Its main finding was that banks' credit portfolios are currently substantially misaligned with the Paris Agreement objectives, thus posing major transition risks for approximately 90% of the institutions analysed. These transition risks stem largely from exposures to firms in the energy sector, which are lagging behind in the gradual elimination of carbon-intensive production processes and the rollout of renewable energy production. Moreover, this portfolio misalignment may trigger a rise in future litigation risks for 70% of these institutions, which have already publicly committed to meeting the Paris goals.

**In 2024 the Banco de España continued to assess the progress made by LSIs in incorporating climate change and environmental degradation risks within their internal procedures.** To this end, it monitored compliance with the recommendations made to LSIs in 2023, focusing on those whose interest income from contaminating sectors accounted for a larger share of their total income. The aim of these initiatives (which included on-site visits to the institutions) was to assess the progress made with the overall framework, including the preparation of action plans, with a particular focus on credit risk. In particular, the integration of climate and environmental considerations within the life cycle of credit transactions was reviewed, including the availability of quality data underpinning the measurement of climate risks in the credit portfolio.

### 8.2.3 Actions in the area of monetary policy and the Banco de España's non-monetary policy investment portfolio

In 2019 the Banco de España designated **the principle of sustainability and responsibility as one of the pillars of its non-monetary policy portfolio investment policy**, in line with Recommendation no 2 of the NGFS.

Meanwhile, the Banco de España contributes to the Eurosystem's joint efforts to incorporate climate considerations within its monetary policy framework and further the integration of sustainability and responsibility criteria within the management of its non-monetary policy portfolios. The Banco de España continued to expand its thematic portfolio for sustainable and

<sup>36</sup> [Risks from misalignment of banks' financing with the EU climate objectives.](#)

<sup>37</sup> Oil and gas, coal, energy, automobiles, steel and cement, accounting for more than 70% of the EU's CO<sub>2</sub> emissions.



responsible investment in 2024 by investing directly in green bonds denominated both in euro and other currencies.

The Banco de España also takes part in the Eurosystem's joint efforts to improve compliance with its disclosure commitments, as set out in the common stance adopted by the Eurosystem's national central banks in 2021 on applying sustainable and responsible investment principles to their euro-denominated non-monetary policy portfolios. In 2024 the Banco de España published its second report on the [climate-related aspects of its non-monetary policy portfolio](#), using a common framework based on the recommendations of the TCFD. This report will be released annually. As a new feature, climate-related information is now also provided for foreign currency-denominated portfolios, and the information on euro-denominated portfolios has been updated.

#### 8.2.4 Research

Research into the numerous implications that climate change and the transition towards a more sustainable growth model have for the overall economy and for **the financial system is high on the Banco de España's research and analysis agenda**, as borne out by the [December 2023 update to the lines of work for 2024](#). As in recent years, a section of the Annual Report 2023 ([Chapter 2, Structural challenges facing the Spanish economy](#)) is devoted to a recent analysis of the ecological transition.

The 2024 Annual Research Conference was dedicated to the latest academic findings on the macroeconomic and financial dimensions of climate change. Lastly, the [Green Swan Conference 2024](#), organised jointly by the Banco de España, the Bank for International Settlements (BIS), the NGFS and the Bank of Japan, looked at the impact of climate change on the real economy. On this occasion, taking place as it did shortly after the DANA, the analysis of this recent event from a central bank standpoint was one of the focal points of the gathering.

#### 8.2.5 Corporate sustainability

In line with the ISO 14064 standard, the Banco de España calculated the **carbon footprint of all of its buildings and facilities** in 2024, focusing on three categories of emissions:

##### 1 Direct emissions:

- Fixed: produced by all types of fuel consumed in fixed installations.
- Mobile: generated as a result of the consumption of fuel by transport for the distribution of cash.
- Fugitive: originating from refrigerant equipment and firefighting systems.

- 2 Indirect emissions caused by imported energy, deriving from electricity consumption.
- 3 Indirect emissions caused by staff travel, mainly due to Eurosystem activities and meetings.

Moreover, in accordance with its Sustainability Policy, the Banco de España conducted an **integral environmental inspection of all of its buildings** in 2024, while following up on any shortcomings identified the last time round, once the relevant deadlines (based on how serious such shortcomings were) had expired.



The Banco de España calculated the carbon footprint of all of its buildings and facilities.

In 2024 the Banco de España began **implementing an environmental management system** in accordance with the ISO 14001 standard. This process is expected to be completed in the first half of 2025, and an environmental statement will be prepared.

As in previous years, in 2024 the Banco de España organised a **programme of conferences and voluntary initiatives**, with a view to raising staff awareness of the importance of caring for the environment.

In the area of cash, notable measures included:

- Participation in Eurosystem R&D projects aimed at reducing the environmental footprint of cash. This includes the sustainability of both current and future euro banknotes, and



the recycling of waste from banknotes unfit for circulation. Examples of such initiatives include the use of banknote waste for road surfacing and recycling banknotes to produce biogas through anaerobic digestion.

- Improvement of the environmental footprint of the Banco de España's share of euro banknote production, thanks to the use of 100% sustainable cotton (with more than 50% organic or fair trade cotton) in the manufacture of paper for printing €5 and €10 banknotes.
- Organisation of a Eurosystem seminar on sustainable technologies for euro banknote waste disposal, in collaboration with the ECB.
- Signing up to a Collective Extended Producer Responsibility (EPR) Scheme (SCRAP-GENCI), in accordance with Royal Decree 1055/2022 of 27 December 2022, on packaging and packaging waste.
- Presentation of the 2023 annual packaging declaration.



More information on environmental sustainability at the Banco de España and its [High Level Coordination Group](#) can be found on the website.

## 9 The Banco de España on the European and international stage

### THE BANCO DE ESPAÑA ON THE EUROPEAN AND INTERNATIONAL STAGE



#### What does it involve?

The Banco de España is part of the European institutional framework and is represented at the main international economic and financial institutions, such as the International Monetary Fund and the Bank for International Settlements.

#### Why does it matter?

The Spanish economy is fully integrated within the global economy and, particularly, the euro area. Thus, in carrying out its functions and conducting its analyses, the Banco de España must be mindful of the international environment in which the Spanish economy operates.

#### What does the Banco de España do?

It takes part in numerous working groups and committees, as well as in discussions in the field of global financial architecture, contributing its expertise.

#### What's the goal?

To continue to participate actively in decision-making at the leading European and international institutions and forums, passing on and exchanging knowledge, experience and good practices.

### 9.1 The Eurosystem and the institutions of the Economic and Monetary Union

Throughout 2024 the Banco de España continued to play a prominent role in the activities of the ESCB. Where necessary, the Governor and the Deputy Governor attended the regular meetings of the ECB Governing and General Councils, which decide on monetary policy and the way the Eurosystem is run. Moreover, until September, when she was replaced by the Director General Banking Supervision, the Deputy Governor participated as the institution's official representative at the meetings of the ECB Supervisory Council, where the supervisory tasks of the SSM are debated, planned and executed, and which submits draft decisions in the area of the prudential supervision of credit institutions for the approval of the Governing Council (see [section 2.2](#) of this chapter for more information on prudential supervision).

The Banco de España also continued to make key contributions to the work of the various ESCB committees. Among others, it took part in the Monetary Policy Committee, the Market Operations Committee, the Market Infrastructure and Payments Committee, the Financial Stability Committee, the Legal Committee, the Statistics Committee, the Banknote Committee and the Risk Management Committee, as well as in the various working groups that report to such committees. Among the notable issues addressed by the committees and debated and approved by the ECB Governing Council were those relating to the significant change to the monetary policy stance. In the second half of 2024, with inflation far higher than at any point since the euro was first created and following two consecutive years of rate hikes, interest rates began their downward trajectory. As inflation gradually converged towards the 2% target, the restrictive monetary policy stance could gradually be eased. At the same time, the Eurosystem continued

reducing its bond holdings within the framework of the asset purchase programmes, shrinking its balance sheet in the process.

The ECB Governing Council also forged ahead with the **digital euro project**, publishing progress reports in July and December. Similarly, in line with its sustainability goals, work continued on incorporating climate-related considerations within its investment portfolios and supervisory activities. In June 2024, the Governing Council approved the convergence report, in line with the obligations set out in the treaties. The report looked at how far six of the seven member states that have yet to join the euro have come in meeting the criteria needed to adopt the currency, namely: Bulgaria, the Czech Republic, Hungary, Poland, Romania and Sweden.

As for other EU institutions, the **Banco de España** took part in various working groups and committees. As in previous years, it was represented at the two informal meetings of the EU Economic and Financial Affairs Council held in February and September. The first of these took place in Ghent, Belgium, followed by the second in Budapest, Hungary, organised by the respective presidencies of the Council of the European Union. It also participated in the meetings of the Economic and Financial Committee and the Economic Policy Committee. Among other matters, these gatherings looked into actions in support of Ukraine, sanctions on Russia and Belarus and proposals to use frozen Russian assets to rebuild Ukraine. Meanwhile, the Recovery and Resilience Mechanism (the EU's recovery instrument and the cornerstone of the NextGenerationEU Plan) was also evaluated.

Although June's European Parliament elections slowed certain projects and legislative processes, the EU's economic and fiscal governance framework was nonetheless approved, with the aim of ensuring sound and sustainable public finances, while also promoting sustainable and inclusive growth. In terms of financial services, the Basel III reforms were implemented, introducing new rules on capital requirements. Furthermore, in May, a directive and a regulation were adopted to



Governing Council of the ECB.

prevent the use of the financial system for money laundering and terrorist financing, and Frankfurt was chosen as the seat of the AMLA. Also noteworthy, due to its strategic relevance, is the Artificial Intelligence Regulation, which sets out harmonised rules for the development, marketing and use of AI in the EU.

## 9.2 The European Banking Authority

The Banco de España represents Spain at the EBA<sup>38</sup> and is an active participant in its working groups and decision-making committees. The Director General Financial Stability, Regulation and Resolution is the institution's representative on the EBA's Board of Supervisors, and performed an identical role on its Management Board in 2024.

One of the EBA's strategic priorities in 2024 was to implement the Basel framework reforms in Europe, developing a range of technical mandates envisaged in the new banking package, which comprises the Capital Requirements Regulation and the Capital Requirements Directive (CRR3<sup>39</sup> and CRD6<sup>40</sup>, respectively)

Against a backdrop of uncertainty and high interest rates, the EBA stepped up its monitoring of financial stability. Meanwhile, it approved the methodology for the 2025 EU-wide stress tests.

As far as sustainability (and, in particular, ESG risks) is concerned, the main work of the EBA is described in [section 8 of this chapter](#).

The EBA continued to develop and strengthen its supervisory and oversight capacity in the areas of digital operational resilience<sup>41</sup> and crypto assets. It also worked on financial innovation and, notably, on monitoring the use of AI and machine learning (ML) in the banking sector.

In the area of conduct and consumer protection in financial services, the EBA gathered data on the procedures for evaluating the solvency of non-bank lenders and, together with the other ESAs, published a report on the use of behavioural insights in supervisory and policy work.

Lastly, the EBA worked with the European Commission and other authorities to transfer its anti-money laundering and terrorism financing powers and competences to AMLA, the newly created European supervisory authority.

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38 The EBA is an independent EU authority. It plays a key role in safeguarding the integrity and robustness of the EU banking sector to support financial stability.

39 Regulation (EU) 2024/1623 of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor.

40 Directive (EU) 2024/1619 of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks.

41 Meaning the ability of financial institutions, when faced with an information technology-related threat, to ensure that their systems and infrastructures are secure and can continue to operate even in adverse situations.

### 9.3 The European Systemic Risk Board

The ESRB is the EU body tasked with macroprudential oversight of the financial system and the prevention of systemic risk. It includes representatives from central banks, other national financial supervisory authorities from all of the EU-member states and various EU bodies. The General Board is the ESRB's main decision-making body. Participating on behalf of Spain are the Banco de España (in the form of the Governor, as the only Spanish member with a vote), the CNMV and the Directorate-General of Insurance and Pension Funds (DGSFP). Summaries of the main topics addressed and the decisions adopted by the ESRB General Board at its ordinary quarterly meetings last year can be found in its 2024 [press releases](#).

The task of preparing the debates and documents of the ESRB General Board lies mainly with the **Advisory Technical Committee (ATC)**, which meets periodically with the heads of financial stability and macroprudential policy at all of the ESRB member institutions. Pablo Hernández de Cos continued to chair the ATC in 2024, and took part in a high-level working group created to steer the next revision of the ESRB regulations by the European Commission.<sup>42</sup>

In 2024 the ESRB published various thematic reports<sup>43</sup> on improving (and implementing) its guidance framework for macroprudential policy, the EU's operational tools and their potential use in the event of a systemic cyber incident, and the way climate risks are captured in public financial reporting.



For more information on the [European Systemic Risk Board](#), see the institution's website.

### 9.4 Single Resolution Board

The Single Resolution Board (SRB) and the National Resolution Authorities (NRAs) together form the Single Resolution Mechanism (SRM), which aims to ensure the orderly resolution of failing banks in the banking union, while preventing or minimising adverse impacts on the real economy, the financial system and the public finances of Member States.

A transition period in which work on the EU's resolution framework was completed has now come to an end. Most institutions (whether falling within the remit of the SRB or the NRAs) have improved their resolvability and met their MREL targets. Moreover, the resolution tools have now been defined, and suitable implementation guidelines have been drawn up.

<sup>42</sup> The [report published](#) by this group sets out various recommendations for strengthening the ESRB's mandate and improving its operations.

<sup>43</sup> Publications available on the [Reports of the ESRB](#) section of the institution's website.



Against this backdrop, 2024 marked the beginning of a new phase for the SRB, in which attention has now turned to the deployment of the tools and strategies set out in the resolution plans. As outlined in the SRB's new strategic plan, operationalisation, testing and crisis readiness will take precedence in this new phase.

**The SRB worked on policies and key guidance across various areas.** First, it unveiled the new MREL policy for 2024, which includes changes to both the market confidence charge and the monitoring of eligible liabilities qualifying as MREL. Meanwhile, the public consultation on the future of MREL<sup>44</sup> launched in December 2023 has come to an end. The findings will serve as a guide for developing future medium-term policies. Similarly, the Minimum Bail-in Data Template package, which seeks to support bail-in execution in the event of a crisis and the roll-out of testing exercises, has now been released. Lastly, the SRB has worked to improve the analysis of bank resolvability, launching a public consultation on the guidance for bank self-assessments.<sup>45</sup>

**The Single Resolution Fund (SRF), an emergency fund financed by the banking sector that can be drawn on (under certain conditions) in times of crisis, reached its target on 31 December 2023,** with its financial resources amounting to 1% of covered deposits across all Member States participating in the SRM (a total of €78 billion). Thus, for the first time, banks were not called on to make ordinary contributions to the SRF in 2024. A new phase has now begun, focused on ensuring that the quantitative 1% target is maintained at all times.

## 9.5 The Financial Stability Board, the Basel Committee on Banking Supervision and the Bank for International Settlements

### 9.5.1 Financial Stability Board

**The Banco de España is a member of the FSB.** The Governor is a member of the Plenary and the Steering Committee.

In 2024 the FSB continued to **monitor risks and trends in the non-bank financial intermediation sector.** This sector is home to a very broad range of institutions that, although not banks, sometimes pursue activities akin to those traditionally performed by banks. The FSB also worked on initiatives to strengthen the sector, such as the development of metrics and regulatory tools to counter excess leveraging (borrowing to finance other investments) by non-bank financial intermediaries. Moreover, the FSB drew up recommendations to improve liquidity management by such intermediaries, to avoid situations in which they are unable to meet higher margin calls or collateral requirements.

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44 Single Resolution Board. (2024). [Feedback statement to the consultation on the future of MREL](#).

45 Single Resolution Board. (2024). [Operational guidance for banks on resolvability self-assessment](#).



The FSB continued working on **financial innovation and analysing vulnerabilities associated with structural changes**. Here, it is currently working on a standardised format for reporting cyber incidents at international level, to enable a swift, coordinated response. It also published reports on the possible impacts of asset tokenisation<sup>46</sup> and AI on financial stability.

Given its cross-border nature, the FSB also addresses key issues for **emerging and developing economies**. In 2024 it looked into the risks posed to such economies by global stablecoins,<sup>47</sup> such as those stemming from regulatory arbitrage and capital flight and the implications for monetary sovereignty. The FSB also worked to improve cross-border payment infrastructures, to make them faster, cheaper and more transparent and inclusive.

Lastly, the FSB concerns itself with issues relating to the **effective resolution of financial institutions**, ensuring that failures of such institutions do not jeopardise financial stability and promoting international cooperation. In 2024 work was completed on a global standard ensuring that the resolution authorities are equipped with the resources and tools they need to resolve central counterparties.

### 9.5.2 Basel Committee on Banking Supervision

The Banco de España also forms part of the BCBS. In 2024, this institution continued analysing **the banking and supervisory implications of the digitalisation of finance**. These notably include the fact that banks are increasingly reliant on external suppliers, thereby exacerbating concentration risk. With this in mind, the BCBS launched a public consultation on the update to the principles for the supervision of outsourcing practises. Meanwhile, it finalised its disclosure framework (Pillar 3) for banks' crypto-asset exposures, revising the prudential treatment of such exposures.

The work on monitoring and reviewing the existing standards was limited to specific initiatives, in keeping with the guidance of the Group of Governors and Heads of Supervision. In early 2024, the BCBS published the final review of its [Core principles for effective banking supervision](#). It also finalised the targeted adjustments to its standard on interest rate risk in the banking book, as well as the guidelines for counterparty credit risk management.<sup>48</sup>

46 Although there is no one universally accepted definition of "asset tokenization", the BIS defines it as "the process of generating and recording a digital representation of traditional assets on a programmable platform". Thus, it is a process that involves the use of new technologies, such as distributed ledgers, to issue and represent traditional assets in digital form, known as a token. These tokens can represent existing assets, including financial assets such as securities or bank deposits, or physical assets such as property, and can include various rights in relation to such assets (ownership rights, collection rights, rights of use, etc.).

47 The term stablecoin is typically used to refer to a type of crypto asset that seeks to keep its value pegged to a specific asset or basket of assets. The FSB has defined global stablecoins (GSCs) as a type of stablecoin that differs from others due to three key features: 1) GSCs have an effective stabilization mechanism that maintains their value, thanks to the establishment of asset reserves by the issuer; 2) they can be used both to make payments and store value, and 3) they can be adopted and used in multiple jurisdictions.

48 Counterparty risk is the risk for a bank that the other party to a financial transaction may fail to meet its payment or collateral obligations, potentially triggering losses for the bank. Crucially, it differs from credit risk in that counterparty risk is generally bilateral, as either party may default, whereas credit risk is unilateral and only the debtor has an obligation to pay the creditor.

Amid the rollout and evaluation of these reforms, the BCBS continues to promote the full and consistent application of Basel III, while supervising the progress made across all of its member jurisdictions.

### 9.5.3 Bank for International Settlements

Representatives of the Banco de España sit on **four of the main BIS committees that analyse the global economy and international financial markets**. The Governor attends the Global Economy Meeting every two months, while the Deputy Governor attends the Committee on the Global Financial System (CGFS) once a quarter. The Director General Operations, Markets and Payment Systems sits on the Markets Committee. Meanwhile, the Deputy Director General Payments and Market Infrastructures and the Head of the Payment Systems Department represent the Banco de España on the Committee on Payments and Market Infrastructures. Notable among this committee's activities was the publication of the report *Tokenisation in the context of money and other assets: concepts and implications for central banks*,<sup>49</sup> which looks at the nature and implications of the tokenisation of money and other assets and the factors accelerating or hindering its development. The committee continued to support work to comply with the G-20 roadmap on cross-border payments.

In 2024, the Deputy Director General Payments and Market Infrastructures chaired the **Central Bank-Operated Payment Systems Community of Practice**, a public forum for the exchange of information and experiences to improve cross-border payments from an operational perspective. Moreover, together with other Eurosystem central banks, the Banco de España contributed to the activities of the regional office of the BIS Innovation Hub and the discussions of the BIS Innovation Network, chairing a working group on the use of technology in sustainable finance.

Of particular note is the contribution made by representatives of the Banco de España to a CGFS report<sup>50</sup> on the interest rate risk exposures of non-financial corporates and households from a broad sample of countries. The report takes a historical look at the sensitivity of corporate investment and household consumption, as well as the financial resilience of the non-financial private sector, to interest rate hikes. It also compares the experience of the first six quarters of the latest cycle of rate hikes against historical patterns.

In November 2024, Pablo Hernández de Cos, (Governor of the Banco de España until July 2024) was appointed General Manager of the BIS for a five-year term, starting in July 2025.

49 <https://www.bis.org/cpmi/publ/d225.htm>.

50 <https://www.bis.org/publ/cgfs70.pdf>.

## 9.6 International Monetary Fund and the G-20

The Banco de España held several meetings with the IMF in 2024. Organised in conjunction with the Ministry of Economic Affairs, Trade and Enterprise, the aim of these meetings is to prepare the IMF's annual report on the Spanish economy (known as the 'Article IV' Report). Last year also saw the completion of the five-year Financial Sector Assessment Programme (FSAP) in Spain, as detailed in the IMF's Financial Sector Stability Assessment and several technical notes.<sup>51</sup> In the Autumn 2024 issue of its *Financial Stability Review*, the Banco de España published an article summarising this recent assessment. Meanwhile, as is customary, representatives of the Banco de España attended the IMF's Spring and Annual meetings in Washington.

In terms of Spain's financial commitment to the IMF, in late 2024 the Spanish Parliament ratified a 50% increase to Spain's quota in the Fund. Once 85% of the votes of all IMF member countries have been secured (a prerequisite for approval), the country's quota will increase from the current 9,535 billion special drawing rights (SDRs), equivalent to approximately €11,919 million, to 14,303.3 billion SDRs, around €17,879 million. Spain's total share will remain unchanged at 2%.

Spain is a permanent guest of the G-20, and the Banco de España participates together with the Ministry of Economic Affairs, Trade and Enterprise in the five groups of the "Finance Track": the Framework Working Group, on macroeconomics; the IFA Working Group, dedicated



G20 summit held in Rio de Janeiro from 18-19 November 2024.

<sup>51</sup> The FSAP documentation for Spain can be found on the [Spain section of the IMF website](#).



to international financial architecture; the Sustainable Finance Working Group, on sustainable development and the financial aspects of climate change; the Infrastructure Working Group, focused on infrastructure financing; and the Global Partnership for Financial Inclusion, for financial inclusion-related issues. In 2024, Brazil chaired the G-20, and the working group meetings were mostly hybrid, allowing for participation both in person and online. The priorities of Brazil's presidency, under the banner "Building a just world and a sustainable planet", focused on three areas: a) social inclusion and the fight against poverty; b) energy transitions and the promotion of sustainable development; and c) reform of the global governance of institutions.

As 2024 neared its end, South Africa took up the reins of the G-20, under the slogan "Solidarity, Equality, Sustainability". It outlined its main priorities as strengthening disaster resilience, ensuring debt sustainability for low-income countries, mobilising finance for a just energy transition and harnessing critical minerals for inclusive and sustainable growth. The country also proposed a multi-level assessment of the way the G-20 itself operates in order to enhance its effectiveness.

## 9.7 International cooperation

In 2024, the Banco de España continued its work in the international arena, focusing on relations with Latin American central banks and financial institutions. To this end, it carried out cooperation and technical assistance activities, including visits, missions and virtual meetings, and championed the development of networks of experts to share best practices and international standards. In this region and elsewhere, the Banco de España currently has



Meeting of Governors of Central Banks of CEMLA Member Countries, held at the Banco de España's Madrid headquarters.

14 memoranda of understanding with central banks and financial institutions. Notable examples include its close collaboration with the Banco Central de Chile, the Banco de la República (Colombia) and the Bank Al-Maghrib (Morocco).

Within the framework of the ESCB, **the Banco de España deepened two key areas of multilateral cooperation.** First, it participated in the European Commission-funded II Regional Program for the Western Balkans, aimed at strengthening the capacities of the region's central banks and banking supervisors. This programme included cooperation activities with the National Bank of Serbia and participation in training events and high-level workshops. The Banco de España also hosted the seventh meeting of the Programme Steering Committee in Madrid. The second area concerns a pilot project involving 12 African central banks, to which the Banco de España and other European central banks contributed, under the leadership of the central banks of Germany and France. Here, the Banco de España and the Banque de France took the lead on bilateral measures for the Bank Al-Maghrib, while the Banco de España and the Banca d'Italia collaborated on initiatives for the Central Bank of Tunisia.

In 2024, an **independent external evaluation** of the Banco de España's international cooperation was carried out, yielding a positive assessment. The final report called for a more strategic and demand-driven approach, further progress in assessing the impact of activities and the creation of an international cooperation institute to improve visibility, coordination and cost efficiency.

On 1 February 2024, the Banco de España signed a **memorandum of understanding with the Central Bank of the Republic of Turkey (CBT).** This agreement seeks to establish a common and stable framework for cooperation to achieve goals in the two countries' mutual interest. Turkey has been a candidate for EU membership since 1999 and is an emerging economy within the G-20. Moreover, the Banco de España has collaborated regularly with the CBT in recent years, as it seeks to strengthen ties with central banks in the Mediterranean. This non-regulatory agreement will help forge stronger institutional ties through expert meetings, visits, missions and bilateral technical assistance.

On 9 and 10 May, the **116th Meeting of Governors of Central Banks Members of CEMLA** was held in Madrid, chaired by the Governor of the Banco de España. CEMLA brings together most of the central banks of Latin America and the Caribbean and is a key forum for cooperation and exchange on economic and financial issues. This time round, the meeting focused on reforms to boost productivity in Latin America, the role of central banks in climate risk management, the disinflation process and monetary policy easing. Guest speakers included Pablo Moreno, Director of the IMF's Independent Evaluation Office; Piero Cipollone, Member of the Executive Board of the ECB; and Mira Milosevich, Senior Research Fellow at Real Instituto Elcano.

Last year saw a slight rise in the number of cooperation activities, with 275 (almost 7% more than in 2023). By type of activity, the number of programmed multilateral activities remained stable at 25, with a notable upturn in activities in the "other technical assistance" category, which includes online bilateral meetings, due in part to the strengthening of relations with numerous central banks in Latin America.



## 10 Regulatory developments

### REGULATORY DEVELOPMENTS



#### What does it involve?

The Banco de España performs its functions in accordance with the provisions of the Law on Autonomy and other legislation. It also has the power to approve circulars and technical guidance.

#### Why does it matter?

The rules and regulations approved at national and EU level affect the functions and powers of the Banco de España. Meanwhile, the circulars and technical guides issued by the institution reinforce and expand on these state and EU rules.

#### What does the Banco de España do?

It performs the functions assigned to it and incorporates any new developments and regulatory updates approved at national and international level, while also drafting and approving supplementary circulars and technical guidelines.

#### What's the goal?

To bring the Banco de España's actions into line with regulatory changes and issue circulars and technical guidelines when required by national and EU regulations.

In 2024 the Banco de España issued a circular addressed to banks, cooperatives and credit and other supervised institutions with information on the capital structure, equity units and offices of such credit institutions and others. Various pieces of domestic and EU legislation with a bearing on the functions and competences assigned to the Banco de España were also approved. Schema 3.6 outlines the main regulatory developments in 2024.



Library on the main floor of the Banco de España headquarters.



The regulations published at European level included, first and foremost, the **approval of the banking package**, consisting of amendments to the Capital Requirements Regulation (CRR III) and the Capital Requirements Directive (CRD VI). The main aim of this reform was to implement the latest revisions to the Basel capital framework (Basel III) in the EU. CRR III entered into force on 1 January 2025. As for CRD VI, member states have 18 months in which to transpose the directive into their domestic legal systems.

Last year also saw the approval of the **European AML/CFT package**, consisting of the new Regulation and the Sixth AML/CFT Directive, on the mechanisms to be put in place by the Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing.

Schema 3.6

### Main regulatory developments in 2024

#### RULES AND REGULATIONS APPROVED UNDER THE BANCO DE ESPAÑA'S EXTERNAL REGULATORY POWERS

Banco de España **Circular 1/2024** of 26 January 2024, addressed to banks, credit cooperatives and other supervised entities, concerning information on capital structure, and amending Circular 1/2009 of 18 December 2009, addressed to credit institutions and other supervised entities, regarding information on the capital structure and equity units of credit institutions, and on their branches. (Official State Gazette of 1 February 2024).

#### RULES AND REGULATIONS APPROVED AT THE STATE LEVEL, OF PARTICULAR RELEVANCE TO THE BANCO DE ESPAÑA

**Royal Decree-Law 6/2024** of 5 November 2024, adopting urgent measures in response to the damage caused by the DANA in various municipalities between 28 October and 4 November 2024. (Official State Gazette of 6 November 2024).

**Organic Law 2/2024** of 1 August 2024, on Equal Representation and Gender Balance in Decision-Making Bodies. (Official State Gazette of 2 August 2024).

#### RULES AND REGULATIONS APPROVED AT THE LEVEL OF THE EUROPEAN UNION, WITH A PARTICULAR IMPACT ON THE BANCO DE ESPAÑA

**Regulation (EU) 2024/1623** of the European Parliament and of the Council of 31 May 2024 amending Regulation (EU) No 575/2013 as regards requirements for credit risk, credit valuation adjustment risk, operational risk, market risk and the output floor (Text with EEA relevance). (OJEU of 19 June 2024).

**Directive (EU) 2024/1619** of the European Parliament and of the Council of 31 May 2024 amending Directive 2013/36/EU as regards supervisory powers, sanctions, third-country branches, and environmental, social and governance risks. (OJEU of 19 June 2024).

**Regulation (EU) 2024/1624** of the European Parliament and of the Council of 31 May 2024 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (Text with EEA relevance). (OJEU of 19 June 2024).

**Regulation (EU) 2024/1620** of the European Parliament and of the Council of 31 May 2024 establishing the Authority for Anti-Money Laundering and Countering the Financing of Terrorism and amending Regulations (EU) No 1093/2010, (EU) No 1094/2010 and (EU) No 1095/2010 (Text with EEA relevance). (OJEU of 19 June 2024).

**Directive (EU) 2024/1640** of the European Parliament and of the Council of 31 May 2024 on the mechanisms to be put in place by Member States for the prevention of the use of the financial system for the purposes of money laundering or terrorist financing, amending Directive (EU) 2019/1937, and amending and repealing Directive (EU) 2015/849 (Text with EEA relevance). (OJEU of 19 June 2024, corrected OJEU of 1 October 2024).

**Regulation (EU) 2024/1689** of the European Parliament and of the Council of 13 June 2024 laying down harmonised rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) (Text with EEA relevance). (OJEU of 12 July 2024).

SOURCE: Banco de España.

The publication of the European AML/CFT package was followed one week later by the **regulation creating the EU's AMLA**. Known as the “AMLA Regulation”, it establishes that AMLA and the national supervisory authorities will together form an integrated AML/CFT supervisory system, with the new authority as its central component.



See the Banco de España website for more information on the [financial regulation](#) relating to its activities.

**Box 3.1**
**THE DIGITAL EURO PROJECT**

The Eurosystem has been looking into the possibility of a digital euro for several years now. It would be a digital version of cash, enabling anyone who so wishes to make their digital payments using central bank money. It would not be a new currency, nor would it spell the end for banknotes and coins. Rather, it would offer the general public a different means of representing central bank money, to stand alongside the current method of payment using cash.

The project was launched in July 2021. However, the final decision on whether or not to issue a digital euro has not yet been taken, since the issue is complex and calls for a far-reaching analysis. The first two years (the investigation phase) were taken up with an analysis of the various design options, the distribution models and the viability of a compensation model. This exercise revealed that it is possible to design a digital euro that caters to society's

needs without distorting the financial and monetary system.

Based on these findings, in October 2023 the European Central Bank's Governing Council decided to press ahead with the project, embarking on the preparation phase. The aim here is to lay the groundwork so that the Eurosystem can develop a digital euro, should it see so fit. To this end, work is now under way on: a) finalising the digital euro rulebook, setting out the operating standards, practises and rules; b) diving deeper into the technical analysis of certain design aspects, and c) selecting providers to develop, where applicable, the infrastructure and components of the platform. At the same time, the Eurosystem continues to support co-legislators in developing the regulatory framework needed to issue a digital euro.



The Banco de España is participating, together with the other Eurosystem central banks, in the digital euro project.

**Box 3.2**
**INTERVIEW WITH A BANCO DE ESPAÑA INSPECTOR ON THE SINGLE SUPERVISORY MECHANISM'S FIRST TEN YEARS**


Laura Vázquez, Banco de España inspector.

Laura Vázquez, an inspector at the Banco de España, looks back on the first ten years of the Single Supervisory Mechanism (SSM).

**What is your overall assessment of how the SSM has performed so far?**

The SSM is now performing reasonably well, although, due to its short lifespan, changes are still ongoing. In any event, while there are still aspects to be addressed, the SSM has proven itself to be an effective mechanism for banking supervision, making for a more stable, better integrated financial system and fostering a shared supervisory culture.

**Which of the SSM's achievements would you single out?**

The three key achievements would be the regulatory and supervisory harmonisation across different jurisdictions, the institution's pan-European perspective and its ability to respond and adapt to sudden changes in the environment (COVID-19, for instance, or the digitalisation of the banking sector).

**What do you see as the biggest strategic and operational challenges that lie ahead?**

Heightened uncertainty and the speed with which changes occur in the current environment mean that the institution

must be ready to adapt seamlessly to new, complex and fast-changing issues and scenarios (for example, the introduction of AI-driven solutions in the banking business). The need to have in place professionals with the expertise needed to address these changes is another major challenge.

**How do you view the current state of operational integration at the SSM?**

Very significant strides are being made in operational integration and in building a common supervisory culture. A range of sensibilities, supervisory cultures and working methods have gradually been integrated, thanks to close, efficient collaboration between the different national competent authorities (NCAs) and the European Central Bank (ECB), leading to more harmonised and effective supervision.

**Would you pick out any particular operational changes?**

Speaking personally, I would perhaps single out two major changes that have significantly affected the way work is done: first, the distribution of functions across vertical teams and horizontal functions (with the latter playing an increasingly prominent role) and the necessary interaction between the two, from which both challenges and opportunities spring. Second, the collaboration programmes between the NCAs and the ECB, which has allowed me not only to change my role (and, as a result, to broaden my supervisory experience), but also and very particularly, to enjoy a highly rewarding international experience both personally and professionally.

**What aspects of a career in supervision appeal to you most?**

Overall, I have a positive view of a career in banking supervision. I think it makes for a highly stimulating working environment, with constant opportunities to learn and grow professionally as new challenges continue to emerge, and access to training and professional development programmes that enable you to acquire new skills and the expertise needed to meet those challenges.

That said, the dilemma generated by the "generalist-versus-specialist supervisor" dichotomy has yet to be resolved, no easy task given, among other aspects, the inherent complexity of the environment in which we operate.

**Box 3.3**
**THE BANCO DE ESPAÑA'S RESPONSE IN THE AFTERMATH OF THE DANA**

The Banco de España rolled out a series of specific measures to deal with the fallout from the flash floods (DANA) in various municipalities to the east of the country, focusing its efforts on ensuring access to cash, safeguarding the stability of the financial system and providing direct support to the individuals and businesses affected.

**Exchange of damaged banknotes and coins**

A special mechanism was immediately set in place to cater to the need to exchange damaged banknotes and coins at the branches in the hardest hit areas. To this end, extra staff were brought in to help the public at the Valencia and Malaga branches, and special counters were set up to streamline procedures, doing away with the need for prior appointment.

Moreover, a procedure was set up in collaboration with local credit institutions, which took in damaged cash even from non-customers, thus ensuring this service had a broader reach.

Operations in Valencia were up and running on 15 November, followed by Malaga 10 days later. Since then, deposits worth more than €13 million (400,000 banknotes) have been processed in Valencia, and around €260,000 (8,000 banknotes) in Malaga.

**Guaranteeing the availability of cash**

The Banco de España constantly monitored the availability of cash in the areas affected, supervising the operations of undamaged ATMs in coordination with the cash-in-transit companies. The public was thus able to access cash at all times.

**Supervision of the financial system**

Over the final months of 2024, the Banco de España also conducted a detailed analysis of how the DANA had impacted the financial system and the credit institutions operating in the areas affected, where the total exposure at end-2024 stood at €22,446 million, per the following breakdown:

- Households accounted for €14,641 million, of which €10,641 million were mortgage loans and €1,660 million consumer loans.
- Non-financial corporations accounted for €7,805 million, of which €4,524 million pertained to small and medium enterprises (SMEs).

In terms of the customers affected, the data show a total of 561,210 individuals and businesses, comprising:

- 534,529 households, including 147,245 mortgage holders.
- 26,681 non-financial corporations, with SMEs accounting for a sizeable share of the number.

Thanks to this detailed monitoring, the Banco de España was able to identify the most vulnerable areas and coordinate measures with credit institutions to ensure that the needs of customers and businesses were properly managed.

**Measures to support credit institutions**

The Banco de España worked alongside credit institutions to roll out measures to relieve the financial burden on the individuals and businesses affected, without any additional adverse impacts on the financial system. These measures included the adoption of practises similar to those used during the pandemic, avoiding the reclassification of loans, thus granting greater flexibility without jeopardising the financial stability of banks.

**Financial aid for students**

Lastly, a package of direct financial aid was approved in December 2024 for students residing in the affected areas, financed with €150,000 from the Charitable and Welfare Fund. This programme will provide individual grants of €1,000 for both university and vocational training students of subjects relating to economics and finance.

Priority will be given to beneficiaries of the minimum vital income, or students with eligible family members, while also taking academic merit into account. This programme seeks to support the ongoing education of the students affected, helping to mitigate the effects of the DANA in the most vulnerable communities.

**Ongoing monitoring and evaluation**

Since the crisis first hit, the Banco de España has conducted daily, comprehensive monitoring of the measures applied and their effects in the areas affected. This monitoring included the evaluation of operations relating to the exchange of banknotes, the functioning of credit institutions and the supply of cash, with a view to ensuring that the public's needs were duly addressed.

## Box 3.4

**AGREEMENT BETWEEN THE NATIONAL STATISTICS INSTITUTE, THE STATE TAX AGENCY, THE SOCIAL SECURITY AUTHORITIES, THE STATE PUBLIC EMPLOYMENT SERVICE AND THE BANCO DE ESPAÑA TO ALLOW JOINT ACCESS TO THEIR DATABASES (ES\_DATALAB)**

Known as ES\_DataLab, this agreement emerged in response to the need to grant researchers access to confidential high-quality microdata. The ability to reuse the data provided to public institutions by individuals, firms and entities in scientific projects of public interest enhances their value and contributes to economic and social progress.

**What is ES\_DataLab and what does it have to offer?**

ES\_DataLab brings together microdata from the public institutions that have signed up to the agreement. It offers an extensive catalogue of data that can be combined with each other. A range of data from the National Statistics Institute is now available, including figures on job market integration, births, deaths and the use of technology by households. The data provided by the State Tax Agency includes data on personal and corporation taxes and foreign trade. Meanwhile, the social security authorities also contribute key information on employment histories, firm-employee panels and benefits. For its part, the Banco de España offers microdata on firms' balance sheets and profit and loss accounts, bank loans, foreign investment, and so on.

The complete data catalogue can be found on the [ES\\_DataLab](#) website.

**Who can access this microdata?**

Access is restricted to researchers pursuing scientific projects of public interest at research bodies and institutions.

**How can I access the data at ES\_DataLab?**

Access to the microdata is arranged over two phases. First, the organisation to which a researcher belongs must be recognised as a “research entity”. If it has not yet been registered, an application must be made. In the second phase, a detailed “research proposal” must be submitted, in which researchers must describe the aim of their study, their methodology and how they intend to use the data.

**How are the data provided and for how long?**

Data can be accessed online or in person via a “secure centre”. Access to the microdata is only granted during the period specified in the research.



**Box 3.5**
**CONFERENCES ORGANISED BY THE BANCO DE ESPAÑA IN 2024**


In recent years, the number of meetings organised at the Banco de España's offices has increased considerably.

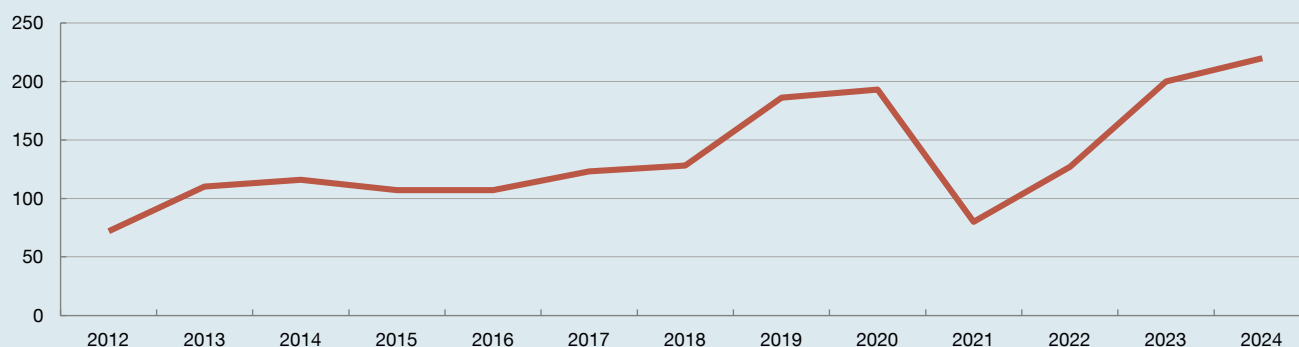
Recent years have seen a striking increase in the number of meetings, rising from 127 in 2021 to a total of 226 in 2024. Particularly notable are the meetings held at the Banco de España's various branch offices. This increase

testifies to the efforts made by the institution to raise its profile and strengthen its ties with the financial industry, Latin American central banks, economic and academic sectors of interest and social groups.

Notable events included the Conference on the Spanish Economy at Universidad Internacional Menéndez Pelayo, the conference on External statistics after the pandemic: addressing novel and analytical challenges, the event staged to mark the 10th anniversary of the Single Supervisory Mechanism, the Conference on Diversity and a range of business gatherings with key sectors. Meetings were also held on banking regulation, advances in fintech, environmental issues, etc. underscoring the Banco de España's commitment to innovation, sustainability and diversity. These events have not only bolstered the Banco de España's presence in the finance space, but they have also served to spark a constructive dialogue with various key actors.

Chart 1

Meetings with external participation



**SOURCE:** Banco de España.