

NATIONAL RESOLUTION FUND

Annual Accounts for the financial year ended
31 December 2024 and
Management Report

INDEPENDENT AUDITOR'S REPORT ON THE ANNUAL ACCOUNTS

To the Governing Committee of the Fund for Orderly Bank Restructuring (FROB):

Opinion

We have audited the annual accounts of the National Resolution Fund (the Fund), which comprise the balance sheet as of 31 December 2024, the income statement, the statement of changes in equity, the cash flow statement and the notes to the accounts for the year then ended.

In our opinion, the accompanying annual accounts give, in all material respects, a true and fair view of the Fund's equity and financial position as of 31 December 2024, and of its results and cash flows for the year then ended, in accordance with the applicable financial reporting framework (as set out in Note 2.1 to the accounts) and, in particular, with the accounting principles and criteria contained therein.

Basis for Opinion

We conducted our audit in accordance with the audit regulations in force in Spain. Our responsibilities under those regulations are described in the section *Auditor's Responsibilities for the Audit of the Annual Accounts* of our report.

We are independent of the Fund in accordance with the ethical requirements, including those relating to independence, that are relevant to our audit of the annual accounts in Spain, and we have fulfilled our other ethical responsibilities in accordance with said requirements. We have not provided any services to the Fund other than the audit of the annual accounts, and no circumstances have arisen that, in accordance with the applicable regulations, have impaired our independence or objectivity.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were the most significant risks of material misstatement in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to be communicated in our report.

Other Information: Management Report

The other information comprises solely the management report for the 2024 financial year, the preparation of which is the responsibility of the Chair of FROB, and which does not form part of the annual accounts.

Our audit opinion on the annual accounts does not cover the management report. Our responsibility in relation to the management report, in accordance with the audit regulations, is to evaluate and report on its consistency with the annual accounts, based on the knowledge of the entity obtained in the performance of the audit of those accounts, without extending to information other than that obtained as audit evidence during the audit. Our responsibility also includes evaluating and reporting on whether the content and presentation of the management report are in accordance with the applicable regulations. If, based on the work we have carried out, we conclude that there are material misstatements, we are required to report them.

Based on the work carried out, as described in the preceding paragraph, the information contained in the management report is consistent with that in the annual accounts for the 2024 financial year, and its content and presentation are in accordance with the applicable regulations.

Responsibilities of the Chair for the Annual Accounts

The Chair of FROB is responsible for preparing the accompanying annual accounts so that they give a true and fair view of the Fund's equity, financial position and results, in accordance with the financial reporting framework applicable to the entity in Spain, and for such internal control as they determine necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Chair is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Chair intends to liquidate the Fund or cease its operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Annual Accounts

Our objective is to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with the audit regulations in force in Spain will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the annual accounts.

A more detailed description of our responsibilities for the audit of the annual accounts is included in Annex 1 to this audit report. This description, which appears on the following page 3, forms an integral part of our audit report.

23 June 2025	<i>[Stamp: Institute of Chartered Accountants of Spain; PKF ATTEST SERVICIOS EMPRESARIALES, S.L. 2025 No. 01/25/17337 96.00 EUR; CORPORATE SEAL: Audit report on annual accounts subject to Spanish and international auditing standards]</i>	<i>[Stamp: PKF ATTEST Servicios Empresariales, S.L. Registered in the Official Register of Auditors (ROAC) under No. S1520; Alfredo Ciriaco Fernández Registered in the ROAC under No. 17,938]</i>
--------------	---	--

Annex 1 to the Audit Report

In addition to the matters included in our audit report, this Annex sets out our responsibilities for the audit of the annual accounts.

Auditor's Responsibilities for the Audit of the Annual Accounts

As part of an audit conducted in accordance with the audit regulations in force in Spain, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the annual accounts, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain sufficient and appropriate audit evidence to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chair.
- Conclude on the appropriateness of the Chair's use of the going concern basis of accounting and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our findings are based on the audit evidence obtained up to the date of our audit report. However, future facts or conditions may cause the Fund to cease being a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves a true and fair view.

We communicate with the Chair of the FROB regarding, among other matters, the planned scope and timing of the audit and any significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

Among the significant risks communicated to the Chair of the FROB, we determine those that have been of greatest significance in the audit of the annual accounts of the current period and, consequently, are considered the most significant risks.

We describe those risks in our audit report unless legal or regulatory provisions prohibit public disclosure of the matter.

Translation of financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

FONDO DE RESOLUCIÓN NACIONAL
BALANCE SHEET AT 31 DECEMBER 2024 AND 2023
(Thousands of Euros)

ASSETS	Notes	2.024	2023
CURRENT ASSETS			
Cash and cash equivalents	5	17.189	16.606
Cash		17.189	16.606
Total current assets		17.189	16.606
TOTAL ASSETS		17.189	16.606

EQUITY AND LIABILITIES	Notes	2024	2023
EQUITY			
CAPITAL AND RESERVES WITHOUT VALUATION ADJUSTMENTS-	6	17.189	16.606
Equity fund		16.606	12.779
Profit/(loss) for the period		583	3.827
Total equity		17.189	16.606
TOTAL EQUITY AND LIABILITIES		17.189	16.606

Notes 1 to 11 to the accompanying financial statements are an integral part of the Balance Sheet at December 31, 2024

Translation of financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

FONDO DE RESOLUCIÓN NACIONAL

PROFIT AND LOSS ACCOUNT CORRESPONDING TO THE YEAR ENDED AT 31 DECEMBER 2024 AND 2023

(Thousands of Euros)

	Notes	Income / (Expenses)	
		2024	2023
CONTINUING OPERATIONS			
Revenue	8	-	3.358
Contributions from obliged entities		-	3.358
Other operating expenses		-	-
Financial income	5	583	469
Bank interests		583	469
Financial expenses	5	-	-
Bank interests		-	-
PROFIT / (LOSS) FOR THE PERIOD		583	3.827

Notes 1 to 11 to the accompanying financial statements are an integral part of the Profit and Loss Account of the year ended at December 31, 2024

|

Translation of financial statements originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

FONDO DE RESOLUCIÓN NACIONAL
STATEMENT OF CHANGES IN EQUITY AT 31 DECEMBER 2024 AND 2023

A) STATEMENT OF RECOGNIZED INCOME AND EXPENSES
(Thousands of Euros)

	Notes	Income / (Expenses)	
		2024	2023
PROFIT / (LOSS) FOR THE PERIOD	3	583	3.827
TOTAL RECOGNIZED INCOME AND EXPENSES		583	3.827

Notes 1 to 11 to the accompanying financial statements are an integral part of the Statement of Recognized Income and Expenses for the year ended at December 31, 2024

B) STATEMENT OF TOTAL CHANGES IN EQUITY
(Thousands of Euros)

	Equity Fund	Prior periods' profit and loss	Profit / (loss) for the period	Valuation adjustments	TOTAL
Balance at 31 December 2022	9.884	-	2.895	-	12.779
Total recognized income and expenses		-	3.827	-	3.827
Operations with Fund sponsors	2.895	-	(2.895)	-	-
- Allocation to Equity Fund (Note 3)	2.895	-	(2.895)	-	-
Other variations in equity	-	-	-	-	-
Balance at 31 December 2023	12.779	-	3.827	-	16.606
Total recognized income and expenses		-	583	-	583
Operations with Fund sponsors	3.827	-	(3.827)	-	-
- Allocation to Equity Fund (Note 3)	3.827	-	(3.827)	-	-
Other variations in equity	-	-	-	-	-
Balance at 31 December 2024	16.606	-	583	-	17.189

Notes 1 to 11 to the accompanying financial statements are an integral part of the Statement of Total Changes in Equity for the year ended at December 31, 2024

FONDO DE RESOLUCIÓN NACIONAL

STATEMENT OF CASH FLOWS CORRESPONDING TO THE YEAR ENDED AT 31 DECEMBER 2024 AND 2023

(Thousands of Euros)

	Collections / (Payments)	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES (I)	583	3.827
Profit/(loss) for the period before tax	583	3.827
Adjustments for:	(583)	(469)
- Valuation allowances for impairment losses	-	-
- Finance income	(583)	(469)
- Finance expenses	-	-
Changes in operating assets and liabilities	(11)	52
- Trade and other payables	(11)	52
Other cash flows from operating activities	594	417
- Interests paid	-	-
- Interests received	594	417
CASH FLOWS FROM INVESTMENT ACTIVITIES (II)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES (III)	-	-
EFFECT OF EXCHANGE RATE FLUCTUATIONS (IV)	-	-
NET INCREASE/DECREASE IN CASH AND CASH EQUIVALENTS (I+II+III+IV)	583	3.827
Cash and cash equivalents at beginning of period	16.606	12.779
Cash and cash equivalents at end of period	17.189	16.606

Notes 1 to 11 to the accompanying financial statements are an integral part of the Statement of Cash Flows for the year ended at December 31, 2024

Notes to the Annual Accounts for the financial year ended 31 December 2024

1. Activity

The National Resolution Fund (hereinafter, the “Fund”) was created under Law 11/2015 of 18 June on the recovery and resolution of credit institutions and investment firms (hereinafter, “Law 11/2015”), for an indefinite period of time, and was established as a separate estate without legal personality, the management, administration and representation of which is entrusted to FROB.

The purpose of the Fund is to finance the resolution measures implemented by FROB in its capacity as Executive Resolution Authority. To this end, the Fund has the following sources of financing::

- a) ordinary contributions to be collected at least annually, or extraordinary contributions when ordinary contributions are insufficient to finance the resolution measures envisaged, from obliged entities,
- b) income and gains that may be obtained from investments of its uncommitted assets, which must consist of government debt or other assets of high liquidity and low risk, and
- c) loans that it may receive from analogous financing mechanisms of other Member States of the European Union.

As established in Article 53.2 of Law 11/2015, these funds shall be used to ensure the effective application of resolution tools and may take the form, inter alia, of one or more of the following measures::

- a) The granting of guarantees.
- b) The granting of loans or credit facilities.
- c) The acquisition of assets or liabilities, with the possibility of retaining their management or entrusting it to a third party.
- d) The making of contributions to a bridge institution or to an asset management company.
- e) The payment of compensation to shareholders and creditors.
- f) The making of contributions to an entity where certain liabilities are excluded from bail-in.
- g) The granting of loans to other financing mechanisms.
- h) The recapitalisation of an entity, under the terms and with the limitations provided for in Law 11/2015.

In addition, the Fund may also, under certain conditions, grant loans to analogous financing mechanisms of other Member States of the European Union. The resources of the Fund may likewise be applied to cover the expenses arising from its own operation.

As regards the legal regime applicable to the Fund and its contributions, according to the report issued, at the request of FROB, by the Ministry of Finance and Public Administrations on 4 December 2015, the contributions do not have the status of public resources. For its part, the Fund is not included in the General State Budget and its budgetary, accounting and control regime is subject to the rules approved by FROB's Management Committee.

FROB is governed and managed by a Management Committee composed, as of 31 December 2024, of eleven members: the Chair of FROB; four members appointed by the Bank of Spain, one of whom, the Deputy Governor, holds the position of Vice-Chair; three representatives of the Ministry of Economy, Trade and Enterprise; the Vice-Chair of the National Securities Market Commission; and two representatives of the Ministry of Finance. The Comptroller General of the State Administration and a representative appointed by the State Advocate General also attend the meetings of the Committee with the right to speak but without voting rights.

However, decisions of the Management Committee that affect the General State Budget, or FROB's management of its portfolio of holdings, shares, securities and other instruments, are taken in a reduced composition consisting of the Chair of FROB, three representatives of the Ministry of Economy, Trade and Enterprise and two representatives of the Ministry of Finance. The representatives appointed by the Comptroller General of the State Administration and by the State Advocate General also attend these reduced-composition sessions, with the right to speak but without voting rights.

FROB's registered office is located at number 38 Avenida del General Perón, Madrid.

Collection of contributions

With the entry into force of Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July

2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms within the framework of a Single Resolution Mechanism and a Single Resolution Fund, the Single Resolution Board manages and administers the Single Resolution Fund, which is financed by contributions from the following entities: credit institutions established in participating Member States; parent undertakings, including financial holding companies and mixed financial holding companies established in one of the participating Member States, where they are subject to consolidated supervision by the ECB; and investment firms and financial institutions established in a participating Member State where they are included within the scope of consolidated supervision of the parent undertaking by the ECB. In this respect, the Board is the competent authority to calculate the ex-ante contributions payable by the indicated entities, while collection is entrusted to FROB, which subsequently transfers them to the SRF.

At national level, the contributions that FROB must collect for the National Resolution Fund are limited to those of entities which, although within the scope of Law 11/2015, are not required to contribute to the SRF. Thus, the entities required to contribute to the Fund are investment firms whose minimum legal share capital is at least 730,000 euros, or whose activity does not meet the characteristics described in Article 1.3(b) of Law 11/2015, provided that they are not included within the scope of consolidated supervision of the parent undertaking by the ECB. In addition, pursuant to Final Provision Eight of Royal Decree-law 19/2018 of 23 November on payment services and other urgent financial measures, which amended, inter alia, Articles 1.2(e) and 53.1(a) of Law 11/2015, from the 2019 contribution cycle onwards, branches in Spain of credit institutions and investment firms established outside the European Union are also included among the obliged entities.

The contributions received by the National Resolution Fund are governed by Royal Decree 1012/2015 of 6 November, implementing Law 11/2015 and amending Royal Decree 2606/1996 of 20 December on deposit guarantee funds of credit institutions, as well as by Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 as amended by Commission Delegated Regulation (EU) 2023/662 of 20 January 2023. This legislation regulates, among others, the following aspects:

- The financial resources raised by the Fund must reach at least 1% of the covered deposits of all institutions by 31 December 2024.
- FROB may agree to extend this initial deadline for a maximum period of four years if disbursements made by the Fund exceed 0.5% of the covered deposits of all institutions.
- If, after the initial period, the Fund's financial resources fall below the target level, ordinary contributions shall resume until that level is reached.
- FROB shall determine, before 1 May of each year, the total contribution to be made by all obliged institutions on the basis of the average amount of covered deposits corresponding to the previous year.
- FROB shall collect annual ordinary contributions from institutions, including their branches in the European Union, and from branches in Spain of institutions established outside the European Union, in accordance with the following criteria:
 1. Each institution's contribution shall correspond to the proportion represented by the following concept in relation to the aggregate total of all institutions: the institution's total liabilities, excluding own funds and the amount of covered deposits in accordance with Royal Decree-law 16/2011 of 14 October creating the Deposit Guarantee Fund of Credit Institutions.
 2. Contributions shall be adjusted to the risk profile of each institution, in accordance with the criteria laid down by regulation.

In addition, Article 10 of Delegated Regulation (EU) 2015/63 lays down a fixed-amount contribution system for certain institutions, based on their total assets and total liabilities, excluding own funds and the amount of covered deposits.

- Institutions must pay the annual contribution before 30 June of each year.
- Both ordinary and/or extraordinary contributions, as well as the income and gains obtained from the investments of uncommitted assets, shall form part of the Fund's estate.
- Failure to pay contributions, in whole or in part, by the established due date shall constitute a very serious infringement.

Moreover, Article 53.1(a) of Law 11/2015, in line with European Union legislation, provides for the possibility that the available financial resources to be taken into account for reaching the target level may include irrevocable payment commitments fully backed by low-risk, unencumbered assets that are freely available and allocated for the exclusive use of FROB for the purposes assigned to it by law, provided that irrevocable payment commitments do not exceed 30% of the total amount collected. These commitments consist of the institution's unconditional obligation to pay its contributions in the future when such payment is demanded. The institution must also deposit part of its annual contribution as collateral for this future payment commitment.

With regard to the collection of contributions to the National Resolution Fund for financial year 2024:

- On 15 February 2024, the Board reported that, since the available financial resources of the SRF as at 31 December 2023 amounted to EUR 78 billion and, therefore, the target level of 1% of the covered deposits of participating Member States (approximately EUR 75 billion) had already been reached, as laid down in Article 69.1 of the SRMR, the Board would not collect contributions from the institutions subject to the SRF for the 2024 ex-ante contribution cycle.
- The annual target level of the National Resolution Fund has been set, since its creation in 2015, at 1% of the covered deposits of all institutions subject to Law 11/2015, namely those institutions required to contribute both to the National Resolution Fund and to the SRF. Each year, the amount that each institution should contribute to reach this target is calculated, and on this basis the contributions of the institutions subject to the National Resolution Fund are determined.
- Since the full mutualisation of the different national compartments of the SRF has already taken place, following the end of the transitional period defined in the IGA, the determination of the target level to be reached by the National Resolution Fund must be based solely on the institutions that contribute to it, namely investment firms not forming part of banking groups and branches of third-country institutions.
- In application of the above, insofar as the current financial resources of the National Resolution Fund are sufficient to cover 1% of the covered deposits of the institutions contributing to it, it was not considered necessary to collect ex-ante contributions for the 2024 cycle.
- In view of the foregoing, and following consultation with the preventive resolution authorities as required by Article 48.1 of Royal Decree 1012/2015 and also pursuant to that Article, the Management Committee, at its meeting held from 21 to 24 May 2024, approved the proposal to the Minister of Economy, Trade and Enterprise to suspend the collection of ex-ante contributions to the National Resolution Fund. The approved proposal was sent to the Minister of Economy, Trade and Enterprise by letter of the Chair of FROB dated 31 May 2024 and was approved by the Minister on 31 July 2024.

With regard to the collection of contributions to the National Resolution Fund for financial year 2023:

- The financing level of the Fund for 2023 was set at 874,968 thousand euros, an amount corresponding to one tenth of 1% of the covered deposits of Spanish institutions and non-EU branches as of 31 December 2022, i.e. 874,968,062 thousand euros, according to communications from the Deposit Guarantee Fund dated 31 January 2023.
- In financial year 2023, all investment firms obliged to contribute to the National Resolution Fund, as well as three of the six branches obliged to contribute to the Fund, fell within the limits of the fixed-amount contribution system. The remaining three branches, having exceeded the thresholds required to contribute under that system, contributed under the general regime.
- In accordance with Article 49 of Royal Decree 1012/2015 and pursuant to the exception laid down in Article 20(6) of Commission Delegated Regulation (EU) 2015/63 of 21 October 2014, FROB, before 31 May 2023, calculated and notified the ordinary contributions to be made in 2023 to the Fund by the 34 obliged entities, which together contributed an aggregate amount of 3,358 thousand euros.
- At its meeting of 16–19 May 2023, FROB's Management Committee, in addition to the contributions, resolved, in line with the decision of the Single Resolution Board, to authorise 22.5% as the maximum limit of each entity's total contribution that could be covered by irrevocable payment commitments, with only cash collateral being accepted. No entity made use of this option.

As regards contributions to the SRF, the total amount collected in respect of ex-ante contributions for financial year 2023 amounted to 1,004,873 thousand euros, of which 1,004,769 thousand euros were transferred to the Single Resolution Fund and 104 thousand euros were transferred to the three entities with negative contributions, on 28 June 2023, in accordance with Additional Provision Four of Law 11/2015. On 6 July 2023, 1,179 thousand euros

were transferred to the SRF in respect of interest.

The amounts collected by way of ex-ante contributions, which are received and subsequently transferred to the SRF, are presented net in the Fund's cash flow statement, since the Fund acts solely as an intermediary in this process.

The following table shows the detail of contributions made in financial year 2023 (in thousands of euros):

	2023
Ex-ante contributions collected	1,008,127
Total SRF amount	1,004,769
Total NRF amount	3,358
Total amount to be transferred to the SRF	1,005,948
Ex-ante contributions	1,004,769
<i>Of which, collateral corresponding to irrevocable payment commitments</i>	<i>123,007</i>
Adjustment for the effect of interest rates	1,179

2. Basis of presentation of the annual accounts and other information

2.1 Applicable financial reporting framework

These annual accounts have been prepared by the Chair of FROB, in accordance with the applicable financial reporting framework, which is that established in:

- a) The Spanish Commercial Code and other applicable commercial legislation..
- b) The Spanish General Chart of Accounts approved by Royal Decree 1514/2007 of 16 November, and subsequent amendments.
- c) Mandatory rules approved by the Spanish Accounting and Audit Institute (ICAC) in development of the General Chart of Accounts and its supplementary rules.
- d) Other applicable Spanish accounting regulations.

2.2 Functional and presentation currency

The annual accounts are presented in thousands of euros, which is the functional and presentation currency of the Fund..

2.3 True and fair view

The Fund's annual accounts have been obtained from its accounting records and are presented in accordance with the applicable financial reporting framework (see Note 2.1) and, in particular, the accounting principles and criteria contained therein (see Note 4), so as to present a true and fair view of the Fund's equity and financial position as of 31 December 2024 and of its results, changes in equity and cash flows for the financial year then ended.

The Fund's annual accounts for financial year 2023 were approved by FROB's Management Committee on 13 June 2024, and those for financial year 2024, which were prepared by the Chair of FROB on 20 June 2025, will be submitted for approval to FROB's Management Committee and are expected to be approved without modification.

2.4 Accounting principles applied

The annual accounts of the Fund have been prepared taking into account all mandatory accounting principles and standards that have a significant effect on them (see Note 4). There is no accounting principle that, being mandatory and having a significant effect on these annual accounts, has not been applied. In the preparation of the annual accounts, no non-mandatory accounting principles have been applied.

2.5 Critical aspects of measurement and assessment of uncertainty

The information contained in these annual accounts is the responsibility of the Chair of FROB.

In preparing these annual accounts, estimates have been made to measure certain items recorded therein, basically relating to the assessment of potential impairment losses on certain assets (see Note 4).

These estimates have been made on the basis of the best information available up to the date of preparation of these annual accounts, and there are no subsequent events that could alter those estimates. Any future events not known at the date of preparation could lead to modifications (upwards or downwards), which would, if applicable, be made on a prospective basis.

When preparing the annual accounts for financial year 2024, the going concern principle was applied, assuming that the Fund will continue to operate and will therefore realise its assets and settle its liabilities in the normal course of business. Accordingly, the application of accounting principles is not aimed at determining the value of equity for the purposes of its total or partial disposal, nor the amount resulting in the event of liquidation.

2.6 Comparative information

The information contained in these annual accounts relating to financial year 2023 is presented solely for comparative purposes with the figures for financial year 2024.

2.7 Changes in accounting policies

During financial year 2024, there were no significant changes in accounting policies compared with those applied in financial year 2023.

2.8 Correction of errors

In the preparation of the accompanying annual accounts, no significant errors were identified that would have required a restatement of the amounts included in the 2023 annual accounts.

2.9 Materiality

In determining the information to be disclosed in these Notes regarding the different items of the financial statements or other matters, the Fund, in accordance with the Conceptual Framework of the Spanish General Chart of Accounts, has taken into account materiality in relation to the 2024 annual accounts.

2.10 Environmental impact

Given the activities carried out by the Fund, it does not generate any significant impact on the environment. For this reason, no information on this matter is disclosed in these annual accounts.

3. Appropriation of results

In accordance with Article 53.6 of Law 11/2015, any profit accrued and recognised in the Fund's annual accounts shall form part of its estate. Therefore, the appropriation of the results for financial years 2024 and 2023 is as follows:

	Thousands of euros	
	2024	2023
Basis for allocation:		
Balance of the profit and loss account	583	3,827
Application:		
Equity Fund	583	3,827

4. Accounting policies

The main recognition and measurement policies applied by the Fund in preparing the annual accounts for the 2024 financial year, in accordance with those established by Spanish General Chart of Accounts approved by Royal Decree 1514/2007 of 16 November (the "General Chart of Accounts"), are as follows:

4.1 Financial assets – Categories of financial assets

Financial assets at amortised cost:

A financial asset is included in this category, even when it is admitted to trading on an organised market, if the entity holds the investment with the objective of collecting the cash flows arising from the execution of the contract and the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Contractual cash flows that are solely payments of principal and interest on the outstanding principal amount are inherent to an agreement of the nature of a standard or ordinary loan, even if the transaction is agreed at a zero or below-market interest rate.

As a general rule, this category includes trade receivables and non-trade receivables:

- Trade receivables: financial assets arising from the sale of goods and the rendering of services in the course of the entity's business, with deferred collection; and
- Non-trade receivables: financial assets which are neither equity instruments nor derivatives, do not originate from trading activities, and whose collections are fixed or determinable amounts, arising from loan or credit transactions granted by the entity.

Initial measurement –

Financial assets classified in this category are initially measured at fair value which, unless there is evidence to the contrary, is the transaction price, equivalent to the fair value of the consideration given, plus any transaction costs directly attributable to them.

However, trade receivables maturing in no more than one year and not bearing an explicit contractual interest rate, as well as loans to staff, dividends receivable and contributions receivable on equity instruments, whose amount is expected to be collected in the short term, may be measured at their nominal value when the effect of not discounting cash flows is not significant.

Subsequent measurement –

Subsequently, financial assets included in this category are measured at amortised cost. Accrued interest is recognised in the profit and loss account using the effective interest method.

However, receivables maturing in no more than one year which, in accordance with the preceding paragraph, were initially measured at their nominal value, continue to be measured at that amount, unless they have become impaired.

Impairment –

When the contractual cash flows of a financial asset are modified due to the financial difficulties of the issuer,

an assessment is made as to whether it is appropriate to recognise an impairment loss.

At least at year-end, the necessary valuation adjustments are made whenever there is objective evidence that the value of a financial asset, or of a group of financial assets with similar risk characteristics measured collectively, has been impaired as a result of one or more events occurring after initial recognition that cause a reduction or delay in the estimated future cash flows, which may arise from the insolvency of the debtor.

The impairment loss on these financial assets is the difference between their carrying amount and the present value of estimated future cash flows, including, where applicable, those arising from the enforcement of collateral, discounted at the effective interest rate calculated at the time of initial recognition.

Impairment losses, as well as their reversal when the amount of such loss decreases due to events occurring after recognition, are recognised as an expense or income, respectively, in the profit and loss account. The reversal of an impairment loss is limited to the carrying amount that would have been recognised at the reversal date had no impairment loss been recorded.

However, as a substitute for the present value of estimated future cash flows, the market value of the instrument may be used, provided that it is sufficiently reliable to be considered representative of the amount that could be recovered by the Fund.

The recognition of interest on financial assets with credit impairment will follow the general rules, without prejudice to the Fund simultaneously assessing whether such amount will be recovered and, where appropriate, recognising the corresponding impairment loss.

4.2 Cash and cash equivalents

Cash balances are presented in these accounts at nominal value.

Interest accrued on bank accounts and deposits held by the Fund is calculated using the effective interest method based on their contractual rates and is recognised under the heading "Financial Income – Bank Interest", or, where applicable, under "Financial expenses – Bank interest" in the accompanying profit and loss account.

Note 6 provides certain significant information on cash and cash equivalents.

4.3 Financial liabilities at amortised cost

This item includes the amount of ex-ante contributions made by entities that must be transferred to the Single Resolution Fund.

All financial liabilities are classified in this category except when they must be measured at fair value through the profit and loss account.

As a general rule, this category includes trade payables, which are financial liabilities arising from the purchase of goods and services in the ordinary course of the entity's operations with deferred payment, and non-trade payables, which are financial liabilities that are not derivative instruments and are not of commercial origin, but arise from loans or credit facilities received.

Financial liabilities included in this category are initially measured at fair value, which, unless there is evidence to the contrary, is the transaction price, equivalent to the fair value of the consideration received, adjusted for any directly attributable transaction costs. Subsequently, these financial liabilities are measured at their amortised cost. Interest accrued is recognised in the profit and loss account using the effective interest method.

However, trade payables maturing within one year that do not carry a contractual interest rate, as well as capital calls demanded by third parties which are expected to be paid in the short term, are measured at nominal value, when the effect of not discounting cash flows is not material.

As of 31 December 2024 and 2023, there is no amount outstanding under this heading.

4.4 Tax regime

In 2015, a binding consultation was submitted to the Directorate-General for Taxation regarding the direct taxation applicable to the Fund, specifically, whether the income attribution regime provided for in Article 6 of Law 27/2014, of 27 November, on Corporate Income Tax (LIS), was applicable.

On 13 July 2016, a reply to this consultation was received, concluding that, since the Fund constitutes a financing mechanism of the FROB and is regarded as an instrument thereof, the provisions of Article 6 of the LIS concerning entities under the income attribution regime were not applicable. Therefore, the income obtained by the Fund is deemed to be income obtained by the FROB. Consequently, the Fund is fully exempt from Corporate Income Tax.

4.5 Income and expenses

Income and expenses are recognised in the profit and loss account on an accrual basis, that is, when the actual acquisition or provision of the goods and services they represent takes place, regardless of the date of the related cash settlement.

4.6 Provisions and contingencies

In preparing the annual accounts, the Fund distinguishes between:

- a) Provisions: credit balances covering present obligations arising from past events, the settlement of which will probably require an outflow of resources, but which are uncertain as to their amount and/or timing. These obligations may originate from a legal or contractual provision, or from an implicit or constructive obligation assumed by the Fund.
- b) Contingencies: possible obligations arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more future events beyond the control of the Fund.

Provisions are measured at the present value of the best possible estimate of the amount required to settle or transfer the obligation, taking into account the information available on the event and its consequences. Any adjustments resulting from the unwinding of the discount are recognised as a finance cost as they accrue.

Reimbursement to be received from a third party upon settlement of the obligation, provided there is no doubt that such reimbursement will be collected, is recognised as an asset, except where there is a legal relationship under which part of the risk has been externalised and, by virtue of which, the Fund is not obliged to respond; in this case, the reimbursement is taken into account when estimating the amount of the related provision, if any.

As of 31 December 2024, and throughout the life of the Fund since its creation, no provisions have been recognised for any reason.

4.7 Definition of fair value and amortised cost

For the purposes of preparing these accounts, fair value is understood to mean the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair value is determined without deducting any transaction costs that may be incurred in a disposal. Under no circumstances is a value arising from a forced or urgent transaction, or from a situation of involuntary liquidation, considered to be fair value.

As a general rule, fair value is calculated by reference to a reliable market value, understood as the quoted price in an active market, where the goods or services exchanged are homogeneous, buyers and sellers can normally be found at any time for a given good or service, and prices are known, readily accessible to the public, and reflect actual, regularly occurring market transactions.

Amortised cost of a financial instrument is understood as the amount at which it was initially recognised, less principal and interest repayments made, plus or minus, as applicable, the portion allocated to the profit and loss account, using the effective interest method, of accrued interest and of the difference between the initial amount and the redemption value of the instrument. In the case of financial assets, amortised cost also includes any impairment losses recognised.

The effective interest rate is the discount rate that exactly discounts the initial value of a financial instrument to the present value of the estimated cash flows over the expected life of the financial instrument, based on its contractual terms and without considering future credit losses. In its calculation, any financial fees charged upfront when granting the financing are included.

5. **Cash and cash equivalents – Treasury**

As of 31 December 2024 and 2023, this line item in the accompanying balance sheet is broken down as follows:

	Thousands of euros	
	2024	2023
Accounts held with the Bank of Spain	17,148	16,554
Accrued interest receivable	41	52
TOTAL	17,189	16,606

During financial year 2024, bank interest income of 583 thousand euros was accrued (469 thousand euros in 2023), which is recognised under the heading “Finance income – Bank interest” in the accompanying profit and loss account. Of this amount, 41 thousand euros was outstanding as of 31 December 2024 (52 thousand euros as of 31 December 2023), which was settled on 7 January 2025.

6. **Equity**

Equity fund

As of 31 December 2024, the Fund’s equity amounted to 17,189 thousand euros (16,606 thousand euros at 31 December 2023) and is composed entirely of the results generated by the Fund since its inception up to 31 December 2024.

The Fund’s own equity shall consist of:

- a) The ordinary or extraordinary contributions to be made by the obliged entities..
- b) The income and gains obtained from the investments made with uncommitted equity, and, where applicable, from instruments issued by entities acquired through the application of resolution tools.

7. **Information on the nature and level of risk of financial instruments**

The main risk factors associated with the Fund’s financial instruments and the policies adopted for their management are described below:

Liquidity risk

Liquidity risk is defined as the risk that the Fund may not have the resources required to meet its debts as they fall due.

As of 31 December 2024, the Fund holds immediately available liquid assets and, given the composition of its balance sheet, exposure to this risk is nil..

Credit risk

Credit risk is defined as the risk that the Fund’s financial assets will not be repaid by its counterparties upon maturity due to insolvency.

As of 31 December 2024, no credit risk is considered to exist in the Fund’s accounts..

Interest rate risk

Structural interest rate risk is defined as the exposure of the Fund's financial and economic position to adverse movements in interest rates, arising from differences in the timing of maturities and depreciation of items in its balance sheet.

As of 31 December 2024, the only financial assets subject to interest rate risk are cash holdings (Note 5).

Market risk

Market risk is defined as the risk affecting profit or equity as a result of adverse movements in the prices of securities held by the Fund or of potential issuances.

As of 31 December 2024, given the composition of the Fund's balance sheet, exposure to this risk is nil..

Other risks

The Fund does not maintain any significant direct exposures to other risks associated with its financial instruments that have not already been disclosed in these annual accounts.

8. Income – Contributions from obligated entities

This caption included 3,358 thousand euros at the close of financial year 2023, corresponding to the amount accrued for ordinary contributions for that year from obligated entities. Since financial year 2019, these have included the Spanish branches of credit institutions and investment firms established outside the European Union (Note 1). In 2023, all entities paid their contributions within the legally established deadline.

9. Other information

The fees relating to audit services and other services provided by the Fund's auditor, PKF Attest Servicios Empresariales, S.L., or by any company related to the auditor through control, common ownership, or management, corresponding to financial year 2024, are borne by the FROB as the entity responsible for its management. Accordingly, they are not recorded as an expense of the FRN. These fees amounted to the following (in thousand euros), regardless of the timing of invoicing:

	Services provided by the statutory auditor and related companies	
	2024	2023
Audit services	2.9	2.9
Other assurance services	-	-
Total audit and related services	2.9	2.9
Tax advisory services	-	-
Other services	-	-
Total professional services	-	-
Total	2.9	2.9

Neither FROB's senior management nor the members of its Governing Committee received any remuneration, allowances, service-related benefits, or any other form of compensation in financial year 2024 in connection with their work relating to the Fund.

10. Information on payment deferrals to suppliers. Additional Provision Three. "Duty of disclosure" of Law 15/2010, of 5 July

During financial years 2024 and 2023, the Fund did not carry out any transactions involving payments to suppliers.

11. Subsequent events

On 10 February 2025, the Single Resolution Board reported that, as the available financial resources of the SRF as of 31 December 2024 met the target level of 1% of covered deposits of the participating Member States at that date, as established in Article 69.1 of the SRMR, the Board would not collect ex-ante contributions from entities subject to the SRF for the 2025 contribution cycle.

At its ordinary meeting held on 25 April 2025, the Governing Committee of the FROB resolved that, as the current financial resources of the National Resolution Fund are sufficient to cover 1% of the covered deposits of the entities contributing thereto, it was not considered necessary to collect ex-ante contributions for the 2025 cycle.

National Resolution Fund

Management Report for the financial year ended 31 December 2024

1.- INTRODUCTION

One of the pillars of the Banking Union and of the new resolution framework for credit institutions and investment firms established at European level by Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 is the creation of resolution funds as financing mechanisms available to resolution authorities to effectively implement the various resolution tools provided for. To this end, they must have adequate financial resources, enabling Member States to raise ex-ante contributions from authorised institutions within their territory, including branches established within the Union.

At the national level, this mandate was implemented through the creation of the National Resolution Fund (NRF) under Law 11/2015, of 18 June, on the recovery and resolution of credit institutions and investment firms (hereinafter, "Law 11/2015"), the management of which is entrusted to the FROB.

At the European Union level, Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and procedures for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism (SRM) and a Single Resolution Fund (SRF), established the SRF, which is managed by the Single Resolution Board. The Board is responsible for calculating the contributions of credit institutions and those investment firms subject to consolidated supervision by the European Central Bank of their parent undertaking.

In addition, as in previous years, the FROB has worked closely with the Single Resolution Board and with the other National Resolution Authorities in the process of collecting ex-ante contributions to the SRF for the 2024 cycle.

Since the establishment of the NRF in 2015, the total amount of contributions made by entities obliged to contribute to the NRF, together with their accumulated returns, amounts to 17,189 thousand euros, and it has not yet been necessary to use this financing mechanism to implement any resolution measure. As regards the SRF, Spanish institutions have contributed approximately 7,500,000 thousand euros.

2.- ACTIVITY CARRIED OUT DURING FINANCIAL YEAR 2024. RELEVANT ASPECTS

With regard to the determination of annual contributions, Article 4.2 of Commission Delegated Regulation (EU) 2015/63 provides that the resolution authority shall determine them (i) on the basis of the annual funding level of the resolution financing arrangement, taking into account the funding target to be reached by 31 December 2024, over a ten-year period, and (ii) on the basis of the average amount of covered deposits of the previous year, calculated quarterly, of all institutions subject to the scheme in the territory, this information being provided by the deposit guarantee schemes.

Since its creation in 2015, the annual target level of the NRF has been set at 1% of the covered deposits of all entities subject to Law 11/2015, i.e., the entities required to contribute both to the NRF and to the SRF. Each year, the amount that each of them should contribute to achieve this target is calculated, and on this basis, the contributions of the entities subject to the NRF are determined.

As the full mutualisation of the various national compartments of the SRF has already taken place, following the conclusion of the transitional period defined in the IGA, the determination of the target level to be achieved by the NRF must be based solely on those entities that contribute to it, namely investment firms that are not part of banking groups and branches of third-country institutions.

In application of the foregoing, insofar as the current financial resources of the NRF are sufficient to cover 1% of the covered deposits of the entities contributing to the NRF, it was not considered necessary to proceed with the collection of ex-ante contributions for the 2024 cycle.

In light of the above, and after consultation with the preventive resolution authorities, as required by Article 48.1 of Royal Decree 1012/2015, and likewise in application of that Article, the Governing Committee, at its session held from 21 to 24 May 2024, approved a proposal to the Minister for Economy, Trade and Enterprise to suspend the collection of ex-ante contributions to the National Resolution Fund. The approved proposal was sent to the Minister for Economy, Trade and Enterprise by letter from the Chairman of the FROB dated 31 May 2024 and was approved by the Minister on 31 July 2024.

3.- SUBSEQUENT EVENTS

From the reporting date to the date of preparation of the annual accounts, the main subsequent events have been as follows:

On 10 February 2025, the Single Resolution Board reported that, as the financial resources available in the SRF as at 31 December 2024 met the target level of 1% of covered deposits of the participating Member States, as established in Article 69.1 of the SRMR, no ex-ante contributions will be collected from institutions subject to the SRF for the 2025 contribution cycle.

At its ordinary session held on 25 April 2025, the Governing Committee of the FROB resolved that, insofar as the current financial resources of the National Resolution Fund are sufficient to cover 1% of the covered deposits of the institutions contributing to it, it was not considered necessary to collect ex-ante contributions for the 2025 cycle.

4- OTHER INFORMATION

During financial year 2024, no research and development activities were carried out.

National Resolution Fund

The undersigned, Chair of FROB, hereby certifies on 20 June 2025 the accompanying Annual Accounts of the National Resolution Fund for the financial year ended 31 December 2024, together with the 2024 Management Report. These documents are printed on the 17 attached pages, duly initialled by me for identification purposes, and will be submitted for approval to the Governing Committee of the FROB.

Signed. Álvaro López Barceló

Chair of FROB