

Introduction by the Deputy Governor Margarita Delgado Tejero



This *Institutional Report* aims to offer the reader, in a simple and accessible format, an overall view of the organisation, structure and functions of the Banco de España, along with a summary its main activities in the year. It is an annual publication, in the context of the institution's need to be accountable to society and to foster the transparency of its activities.

The Banco de España's *Institutional Report 2016* was the first in the series. Five editions later, this *Institutional Report 2021* incorporates a number of changes and improvements, both in its structure and content and, most notably, in its design. These new features, as mentioned by the Governor in his Foreword, are designed to attain the Strategic Plan's objective of generating greater confidence in the Banco de España and greater value for society.

The report is divided into four chapters (as opposed to three in previous years), which give an account of the main aspects of the Banco de España's organisation and activities. The report's new structure seeks to respond to the questions of what the Banco de España is and how it is internally organised, what activities it engages in and how it meets its commitment to institutional social responsibility. It also seeks to explain the resources it has available and financial results of its activity.

Chapter 1, "Functions, organisation and transparency", reports on the institution's main functions, the progress made in its Strategic Plan, the composition of its decision-making and governing bodies, its structure and organisation, and the periodic publications, occasional papers and analytical articles which generated most interest in 2021. It also includes information about transparency and accountability, necessary complements to the independence enjoyed by the Banco de España, and highlights the main public appearances of the Governor and myself during the year.

Chapter 2, "Activity report", summarises the key activities carried out in different operational frameworks, notably economic analysis, research and statistics, the implementation of monetary policy, asset and financial risk management, cash management, prudential supervision and the supervision of conduct and payment

systems, and financial stability and preventive resolution. It also includes the main activities the institution engaged in as a member of the Eurosystem and of other international organisations, its actions in the field of international cooperation and the most significant regulatory changes of the year affecting the Banco de España's activity. New features of this chapter include aspects such as financial education or environmental sustainability, which are essential to the Banco de España's activity and which in previous reports were scattered throughout other sections.

Chapter 3, “Institutional social responsibility”, describes the main dissemination actions carried out to raise public awareness of the Bank’s artistic heritage, Historical Archive and bibliographic heritage. Special mention should be made of the temporary exhibition “*2328 reales de vellón. Goya and the origins of the Banco de España’s art collection*”, with which the institution’s new gallery was inaugurated in October 2021 and which received a large number of visitors. Moreover, this chapter reports on other activities carried out by the institution as a centre fostering economic research and internships, and on the research grants and beneficent-social assistance awarded in 2021.

The fourth and last chapter, “Financial information of the Banco de España”, explains the way in which the institution's functions and activities are reflected in its financial statements, financial resources and results obtained in 2021. The risks the Bank faces as a result of its activities and the policies pursued to mitigate them are also described.

As regards the report’s new design features, this edition provides simplified content backed by a larger number of visuals. Additionally, throughout the different chapters, information boxes appear enabling the reader to expand on the content with links to other publications, other sections of the report or explanatory videos about certain key aspects.

We trust that this new format proves more engaging and gives the reader a clearer and more accessible view of our institution and its organisation and structure, and the different areas in which it performs its functions.

To conclude, I would like to refer briefly to the social and economic setting in which the Banco de España operated last year and has operated so far this year. In 2021, the pandemic evolved favourably, thanks to the large-scale vaccination programme, although uncertainty remained high owing to the emergence of new strains of the virus, especially in the closing months of the year. This prompted our organisation to continue adjusting its work dynamics to this setting, combining on-site and remote working in areas and positions in which this was a viable alternative. In any event, the Bank's adaptation to an increasingly digital environment, through the widespread use of IT applications such as electronic signatures and document notifications, or videoconferencing for national and international meetings, has become increasingly more matter-of-course and prevalent in our work.

Regrettably, the improved economic developments which began to emerge in early 2022 have been radically affected by another exceptional and severe scenario. The war triggered by Russia's invasion of Ukraine is already having serious repercussions from a humanitarian standpoint and will foreseeably have adverse effects on the global – and especially the European – economy.

Lastly, I should like to take this opportunity to once again express my gratitude to all our employees for their hard work, professionalism and dedication in this period of extraordinary and far-reaching change, amid so much uncertainty. Thanks to the excellent work performed in all our areas, the Banco de España has succeeded in discharging its functions efficiently, working continuously, in the national and international arena, to properly fulfil its mission, and contributing to the public interest.

**Margarita Delgado Tejero**

Introduction by the Deputy Governor