

INSTITUTIONAL REPORT

2024

BANCO DE **ESPAÑA**
Eurosistema



INSTITUTIONAL REPORT 2024

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1

FUNCTIONS AND ORGANISATION

- 1 Main functions** 16
- 2 Governing bodies** 21
 - 2.1 Governing bodies 21
 - 2.2 Senior officers 23
 - 2.3 Committees 26
- 3 Structure and organisation** 29
 - 3.1 Structure and organisation 29
 - 3.2 Headquarters and branch offices 33
 - 3.3 Staff composition and internal administration 35
 - 3.4 Special purpose entities 39

2

TRANSPARENCY, ACCOUNTABILITY AND RELATIONS WITH THE PUBLIC

- 1 Transparency as a driver of change and a mechanism for accountability** 51
- 2 Transparency** 54
 - 2.1 Transparency Portal 54
 - 2.2 Parliamentary appearances 56
 - 2.3 Other public appearances 57
- 3 Publications** 60
 - 3.1 Reports and other annual publications 60
 - 3.2 Other regular publications 61
 - 3.3 Other occasional publications 61
- 4 External evaluations** 63
- 5 Strategic Plan 2030** 67
- 6 Actions to promote awareness of the Banco de España** 69
- 7 Financial education** 70
 - 7.1 The Banco de España and the promotion of financial education 70
 - 7.2 Financial education initiatives aimed at the teaching community 72
 - 7.3 Financial education initiatives aimed at the general public 74
 - 7.4 Institutional initiatives 75
 - 7.5 Future challenges 76
- 8 Services to the general public: in-person and online** 77
 - 8.1 In-person services to the general public 77
 - 8.2 Banco de España website and portals 77
 - 8.3 Virtual Office and other services 79
 - 8.4 Future challenges 81

3

ACTIVITY REPORT

1 Monetary policy implementation, asset and financial risk management, and payment systems 88

- 1.1 Monetary policy implementation 88
- 1.2 Asset and financial risk management 94
- 1.3 Payment systems and market infrastructures 95

2 Supervision of financial institutions 98

- 2.1 Authorization and registration of institutions 98
- 2.2 Prudential supervision 101
- 2.3 Supervision of institutions' conduct 105
- 2.4 Oversight and supervision of market and payment infrastructures 109
- 2.5 Sanctioning activity 110

3 Financial stability and preventive resolution 112

- 3.1 Financial stability and macroprudential policy 112
- 3.2 Preventive resolution 114

4 Banknotes and coins 116

- 4.1 Banknote and coin management 116
- 4.2 Cash and other means of payment 121
- 4.3 Combating banknote and coin counterfeiting 123

5 Resolution of bank customer complaints and enquiries 127

6 Statistics, financial information and the Central Credit Register 132

- 6.1 Statistics 132
- 6.2 Financial reporting and information on the Central Credit Register 136

7 Economic analysis 139

8 Environmental sustainability 145

- 8.1 Main regulatory developments 145
- 8.2 Environmental sustainability management at the Banco de España 147

9 The Banco de España on the European and international stage 153

- 9.1 The Eurosystem and the institutions of the Economic and Monetary Union 153
- 9.2 The European Banking Authority 155
- 9.3 The European Systemic Risk Board 156
- 9.4 Single Resolution Board 156
- 9.5 The Financial Stability Board, the Basel Committee on Banking Supervision and the Bank for International Settlements 157
- 9.6 International Monetary Fund and the G-20 160
- 9.7 International cooperation 161

10 Regulatory developments 163

4

INSTITUTIONAL SOCIAL RESPONSIBILITY

- 1 Artistic heritage** 173
 - 1.1 Conservation 173
 - 1.2 Research and cataloguing 174
 - 1.3 Dissemination 174
 - 1.4 Patronage and promotion of the arts 177
- 2 Temporary exhibition: “The Tyranny of Chronos”** 178
- 3 Historical Archive** 182
 - 3.1 Exchange of banknotes during the Civil War 182
 - 3.2 The Institutional Repository: digitalisation and dissemination 183
 - 3.3 Acquisition of banknotes 184
 - 3.4 Loans for temporary exhibitions 184
 - 3.5 Services for researchers 185
 - 3.6 Interns 186
- 4 Temporary exhibition: “The Photographic Archive of the Banco de España. From Albumen to Pixel”** 187
- 5 Bibliographic heritage** 190
- 6 Temporary exhibition: “Pathways and Landscapes. Spain in Travel Writing”** 195
- 7 Research grants** 197
- 8 Contributions from the Charitable and Welfare Fund** 198
- 9 The Banco de España’s artistic, historical and bibliographic heritage in previous editions of the Institutional Report** 199

5

THE BANCO DE ESPAÑA: FINANCIAL INFORMATION

- 1 Balance sheet** 207
 - 1.1 Assets 210
 - 1.2 Liabilities 213
- 2 Own funds** 215
- 3 Profit and loss account** 217
- 4 Operational and financial risks** 221

Acronyms and abbreviations 223

List of photographs 226

Banco de España publications 229

INDEX OF TABLES

- 3.1 Register of credit institutions 100
- 3.2 Register of institutions other than credit institutions 100
- 3.3 Banco de España sanctioning proceedings (2024) 110
- 3.4 Payment methods in physical establishments among population 121
- 3.5 Main means of payment in physical establishments among population 122
- 4.1 Visits to the exhibition “The Architecture of Eduardo de Adaro and the Banco de España. A Changing World” 175
- 4.2 Banco de España Art Collection portal 176

INDEX OF CHARTS

- 1.1 Staff composition (2015 - 2024) 36
- 1.2 Staff composition, by professional category 36
- 1.3 Staff composition by gender over the last five years 37
- 2.1 Most popular pages on the Transparency Portal 55
- 3.1 Eurosystem balance sheet, by monetary policy component 88
- 3.2 Monetary policy loans 90
- 3.3 Use of collateral with the Eurosystem 91
- 3.4 Monthly purchases, by programme (APP and PEPP) 92
- 3.5 Cumulative purchases under the APP and the PEPP 93
- 3.6 Banknotes delivered 117
- 3.7 Banknotes received 118
- 3.8 Net banknote issuance by the Banco de España 118
- 3.9 Banknote issuance, by denomination (2024) 118
- 3.10 Coins put into circulation 119
- 3.11 Coins withdrawn from circulation 120
- 3.12 Net euro coin issuance (2024) 120
- 3.13 Coins put into circulation in 2024, by denomination (millions of units) 120
- 3.14 Counterfeit banknotes withdrawn from circulation in Spain (2019-2024) and breakdown by denomination 124
- 3.15 Counterfeit coins withdrawn from circulation in Spain (2019-2024) and breakdown by denomination 125
- 3.16 Complaints received in 2024, by product (provisional data as at 31 December 2024) 128
- 3.17 Complaints received in 2024, by type (provisional data as at 31 December 2024) 128
- 3.18 Written enquiries and telephone enquiries over the last five years (provisional data as at 31 December 2024) 129

INDEX OF CHARTS

- 3.19 Written enquiries and telephone enquiries received in 2024 130
- 3.20 Risk reports requested by institutions and account holders 138
- 3.21 Exercise of the right to rectify or delete data reported to the CCR 138
- 5.1 Balance sheet of the Banco de España 209
- 5.2 Monetary policy portfolio 210
- 5.3 Monetary policy loans 211
- 5.4 Breakdown of investments in foreign currency-denominated assets, by currency and type of instrument, at 31/12/2024 212
- 5.5 Gold and gold receivables 212
- 5.6 Monetary policy assets and liabilities 213
- 5.7 Deposits held by credit institutions and TARGET 214
- 5.8 Own funds (excluding profit) 215
- 5.9 Revaluation accounts 216
- 5.10 Results of the Banco de España 218
- 5.11 Results of monetary policy operations 219
- 5.12 Operating expenses of the Banco de España in 2024 220

INDEX OF SCHEMAS

- 1.1 Regulation of the Banco de España's activities 18
- 1.2 Main functions of the Banco de España 19
- 1.3 Governing bodies of the Banco de España 22
- 1.4 Banco de España Senior Officers 25
- 1.5 The Audit and Steering Committees 26
- 1.6 Internal committees of the Banco de España 27
- 1.7 Organisation charts of the Banco de España 30
- 1.8 Functions of the Directorates General and the General Secretariat 31
- 2.1 Evaluation plan 64
- 2.2 Initiatives to promote awareness of the Banco de España 69
- 2.3 The Banco de España's Portals 78
- 3.1 Main types of institutions supervised by the Banco de España 104
- 3.2 Interaction to enhance effective supervision 106
- 3.3 Conduct supervision in 2024 108
- 3.4 *Compendium of good banking practice criteria* (new publication, June 2024) 131
- 3.5 Statistics at the Banco de España: new developments in 2024 135
- 3.6 Main regulatory developments in 2024 164
- 4.1 The Banco de España's artistic, historical and bibliographic heritage in previous editions of the Institutional Report 199
- 5.1 Simplified balance sheet of the Banco de España as at 31 December 2024 208
- 5.2 Risk management cycle 221

INDEX OF FIGURES

- 1.1 The ESCB and the Eurosystem 17
- 1.2 Governing Council of the Banco de España. 10.2.2025 24
- 1.3 Regional offices of the Banco de España 35
- 2.1 Public interventions by former Governor Pablo Hernández de Cos and former Deputy Governor Margarita Delgado 58
- 2.2 Public interventions by Governor José Luis Escrivá and Deputy Governor Soledad Núñez 59
- 2.3 Key annual publications 60
- 2.4 Other periodic publications 61
- 2.5 Sample of working papers, occasional papers and Economic Bulletin articles published in 2024 62
- 2.6 Relationship between the objectives of the IEO and its stakeholders 63
- 2.7 Interviews with the Director of the IEO and the Director of the Transparency and Communication Department 65
- 2.8 Pillars of the Strategic Plan 2030 67

INDEX OF BOXES

- 1.1 Creation of the Banco de España's Data Office 43
- 1.2 The Environmental, Social and Governance Office and its functions 44
- 1.3 Banco de España branches that have been open to the public for 150 years 45
- 1.4 The Banco de España's branches: their work and the challenges they face 46
- 1.5 Interview with two Banco de España employees 48
- 2.1 The Banco de España's electronic register of agreements 82
- 2.2 Managing the right to access public information 83
- 2.3 External and internal technological tools rolled out by the Banco de España 85
- 3.1 The digital euro project 166
- 3.2 Interview with a Banco de España inspector on the Single Supervisory Mechanism's first ten years 167
- 3.3 The Banco de España's response in the aftermath of the DANA 168
- 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) 169
- 3.5 Conferences organised by the Banco de España in 2024 170
- 4.1 "Itineraries" on the Banco de España's Art Collection portal 200
- 4.2 Official portraits 201
- 4.3 *The Banco de España's Photographic Archive. 1874-2023* 202
- 4.4 *The Campomanes Codex: ancient laws and charters of Spain* 203



Foreword by the Governor

José Luis Escrivá



Community engagement and accountability

This year, the publication of the *Institutional Report* comes with a major new development: an awareness-raising campaign that seeks to boost the Banco de España's public profile, offering a more detailed account of what we do and explaining why we are closer than you might think.

The surveys we have conducted are very clear: for the most part, the public is aware of us and values our work. Nonetheless, when asked exactly what it is we do, misunderstandings abound. People attribute functions to us that we don't actually perform, while overlooking others to which we devote considerable effort.

With this in mind, we believe that the publication of this *Institutional Report* (in which we seek to give a thorough account of everything we have done over the past year) represents an ideal opportunity to explain ourselves to the general public in a straightforward, easy-to-grasp manner. People need to know exactly how we serve them if they are to be able to judge our work. Without this exercise in transparency and proximity, accountability (which is so crucial for public institutions, above all those such as ours that have not been democratically elected) is likely to be found wanting.

To ensure greater transparency and accountability to the general public, we must first be more approachable, and we are making great efforts to be just that. Indeed, engagement and openness to the public are two of the cornerstones that underpin the

future Strategic Plan we are currently working on. This Plan also gives a central role to our branches, which enable us to maintain a physical presence across the entire country.

Engaging with the public is not simply a matter of efficiently discharging the functions entrusted to us by law, but rather also of explaining our work, detailing our activities, breaking down our annual accounts, describing what our workforce looks like, making our archives accessible, and so on. In short, opening the institution up to society and showcasing our work.

I hope it makes for an interesting read.

José Luis Escrivá

Governor of the Banco de España



Introduction by the Deputy Governor

Soledad Núñez



Once again, we are releasing our *Institutional Report* (now in its ninth year), which sets out an overview of the Banco de España's work and its most significant activities over the course of a year (in this case, 2024). With it, we aim to explain to the public what we have done, accounting for how we carry out the duties entrusted to us and revealing the key figures behind our activities.

This year's *Institutional Report* comes with a major new feature: a standalone chapter dedicated to transparency, accountability and community engagement. Although this aspect has always formed part of the report, we have decided to give it pride of place, since transparency is a driver of change for institutions such as ours. We believe that this chapter – which contains details, for instance, of our public appearances and interventions, our publications and the external evaluations we have undergone – deserves to stand on its own, at a time in which efforts to boost transparency and community engagement have come to the fore. This new approach aligns with the creation of a new Directorate-General at our institution focused precisely on this area.

Alongside this new chapter, the *Institutional Report* includes another four, now well-established sections, which address the following questions: What is the Banco de España? What does it do? How does it meet its institutional obligations? How is it funded? Over the course of these chapters, we outline our core functions, look at key figures such as our balance sheet and headcount, detail our public activities over the year, and offer insights into our historical and bibliographic heritage, among many other subjects.

Beyond the content itself, we have continued to refresh the format, giving greater prominence to visual elements, making them simpler and more engaging. We have also found room for interviews with Banco de España employees, for we believe it is they who can best speak on our behalf. Videos exploring certain topics in greater depth have also been added, as have numerous links for further information. And not only have we updated the format, but we have also leveraged the latest technologies (generative artificial intelligence) to improve and simplify our writing.

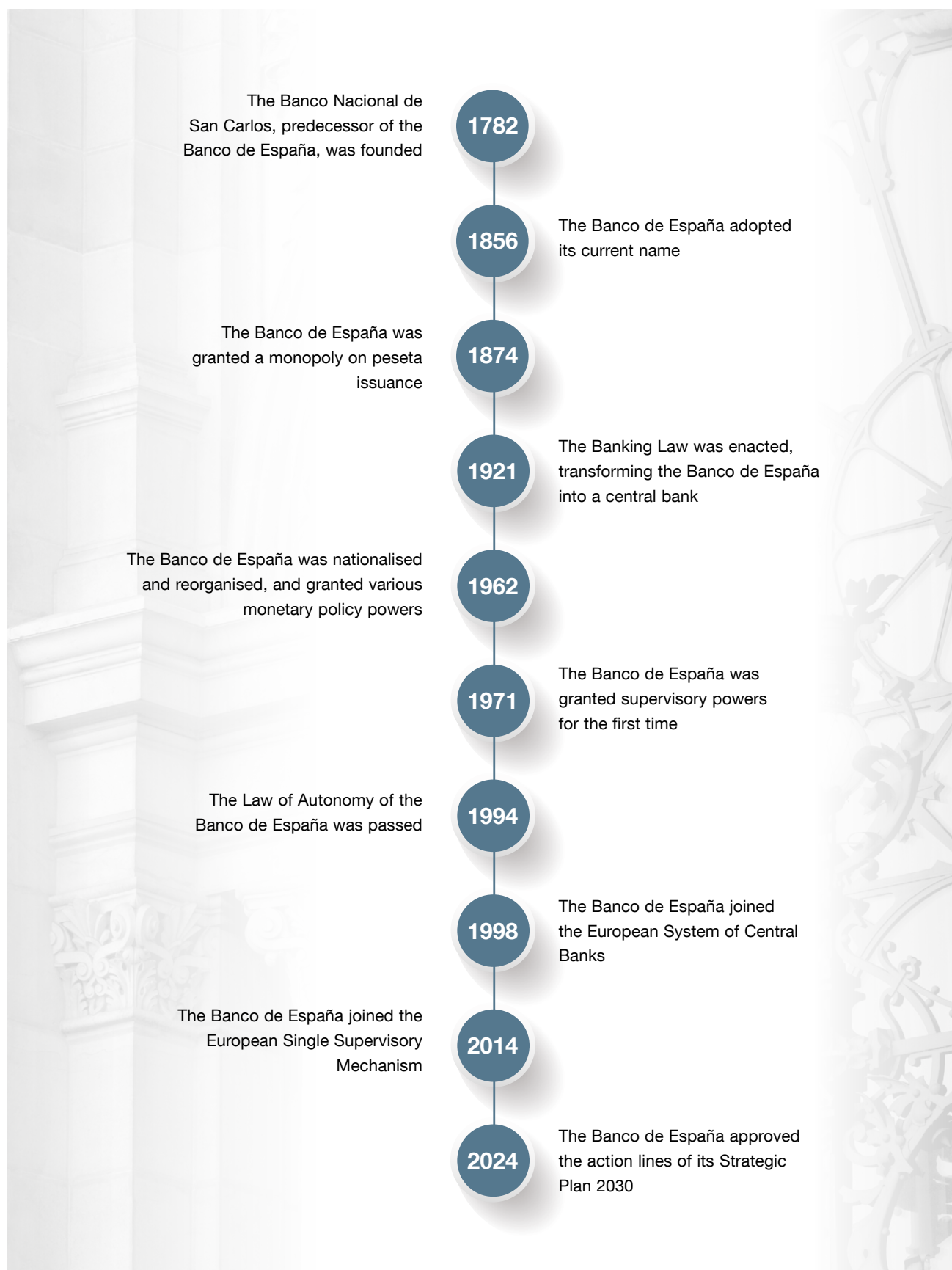
As is only to be expected when dealing with a year such as 2024, I would like to conclude by highlighting the section of the report that looks at our work to assist the general public and monitor the impact of the DANA in more than 70 municipalities in late October. Our Valencia branch played a crucial role in all of the extraordinary efforts made during that particularly challenging time. This is why we made sure to include it in this report, for we know that the work of our branches truly matters.

In short, as in every year, this *Institutional Report* marks our annual appointment with the general public, when we explain how we can be of service. I encourage you to take a look and get to know us better.

Soledad Núñez

Deputy Governor of the Banco de España

HISTORY OF THE BANCO DE ESPAÑA (1782-2024)





Chapter 1

Functions and organisation

Banco de España
Institutional Report 2024

The Banco de España in a nutshell



MISSION

Its aim is to ensure price stability and the soundness of the financial system in order to contribute to economic growth



INDEPENDENCE

Its autonomy allows it to act and make decisions objectively, reliably and impartially



INNOVATION

It works to streamline its processes, enhance data exploitation and modernise the services it provides



PUBLIC SERVICE

It is committed to society and to safeguarding the general interest in the exercise of its functions



INTEGRITY

It acts ethically, responsibly and honestly to strengthen its credibility and build trust in the value of its work



EXCELLENCE

Quality and rigour, as well as effectiveness and efficiency, drive the day-to-day work of its employees

1 Main functions

The Banco de España is Spain's national central bank. A public entity, it is also tasked with supervising the Spanish banking system and other financial intermediaries operating in Spain.

As part of the European System of Central Banks (ESCB), the Eurosystem, the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM), it performs its functions within a European institutional framework.

The main features of the ESCB and the Eurosystem are outlined in Figure 1.1.



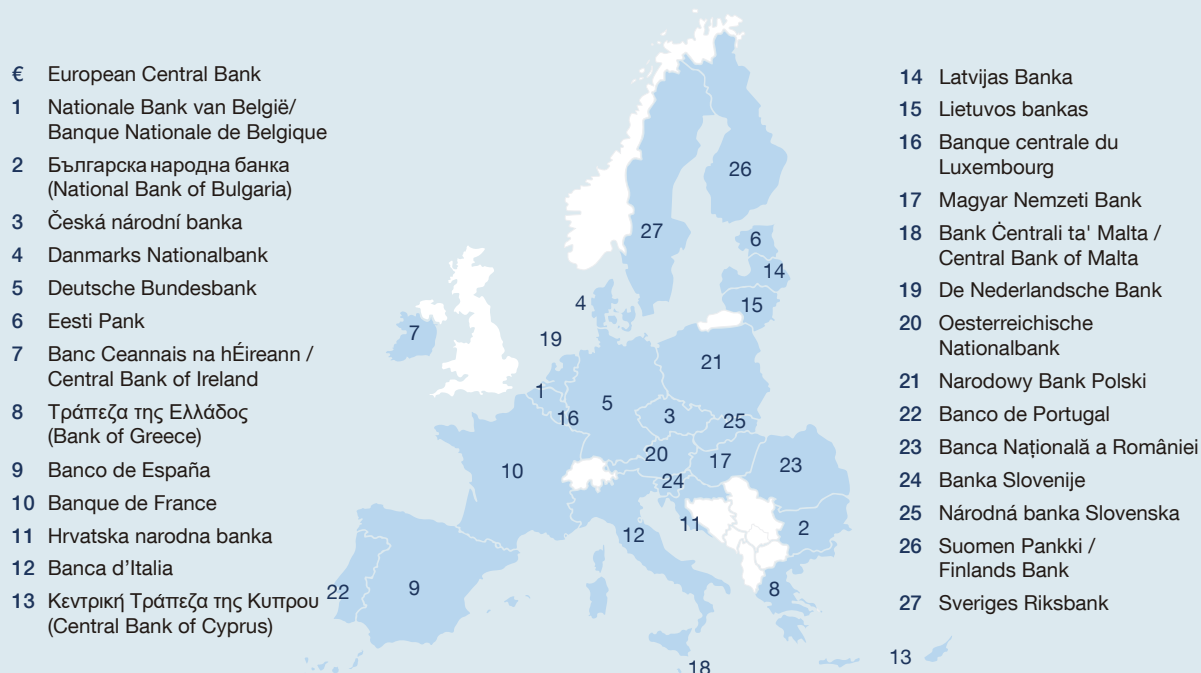
Part of the Calle de Alcalá façade of the Banco de España's headquarters.

Figure 1.1

The ESCB and the Eurosystem

THE ESCB

The ESCB consists of the European Central Bank (ECB) and the central banks of the member states of the European Union (EU), including the Banco de España. It was created under the Treaty on the Functioning of the European Union (TFEU), which sets out its functions (defined in more detail in the statutes of the ESCB and the ECB). It does not have its own legal personality and is governed by the decision-making bodies of the ECB, in which the Governor of the Banco de España participates.



The Eurosystem, for its part, comprises the ECB and the national central banks of the 20 member states that have adopted the euro.

EUROSYSTEM MEMBER STATES

The Eurosystem is the monetary authority of the euro area. Its core functions are:

1. To define and implement the euro area's monetary policy in order to maintain price stability.
2. To conduct foreign exchange operations.
3. To hold and manage the official foreign reserves of the euro area member states.
4. To promote the sound functioning of the payment system.
5. Other tasks such as issuing banknotes, compiling statistics, financial supervision and stability, and an advisory role on financial legislation and European and international cooperation.



SOURCE: Banco de España.

The Banco de España is an institution that acts independently of the central government. Accordingly, neither the government nor any national or EU body may issue the Banco de España with instructions, nor may the Banco de España request or accept such instructions. As a member of the ESCB, it follows the guidelines of the ECB.

The Banco de España has its own separate legal personality. It is governed by private law, save in certain cases, such as when it performs supervisory functions (an administrative power).

Schema 1.1 summarises the regulations governing the Banco de España's activity, while Schema 1.2 details its main functions.

Schema 1.1

Regulation of the Banco de España's activities

SPANISH LEGISLATION	EUROPEAN LEGISLATION
Law 13/1994 of 1 June 1994 of Autonomy of the Banco de España.	TFEU (a).
Internal Regulations of the Banco de España, approved by the Banco de España Governing Council Resolution of 28 March 2000.	Statutes of the ESCB and the ECB.
	Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions.

SOURCE: Banco de España.

a See, in particular, Part Three, Title VIII, Articles 123 and 124, and Chapter 2: Monetary Policy; Article 271(d); Part Six, Title I, Chapter 1, Section 6, and, in particular, Articles 282(1) and 283(1); and Protocol (No 4) on the Statute of the ESCB and of the ECB.

Schema 1.2

Main functions of the Banco de España

DESIGNING AND IMPLEMENTING MONETARY POLICY TO PROTECT PURCHASING POWER

Contributing to interest rate decisions

- Participating in the collective decision-making of the ECB's Governing Council on **key interest rates** and the deployment of **other monetary policy instruments**, as well as in ECB committees and working groups.

Implementation of monetary policy

- Granting **loans** and opening **deposits** for private banks for the implementation of monetary policy in Spain
- Managing **foreign currency reserves and precious metals**.
- Managing the **foreign reserves** transferred to the ECB.

ENSURING A STRONG, SOUND FINANCIAL SYSTEM WITH THE AIM OF PROTECTING PEOPLES' SAVINGS AND PREVENTING CRISES

Regulation

- Contributing to the design of **regulatory policy** by participating in international forums at global and European levels
- Advising the government on the **drafting of regulations**, at both European and domestic levels.
- Preparing **implementing regulations** (circulars).
- Fielding **enquiries** on regulatory matters related to organisation and discipline.

Supervision

- Supervising significant institutions jointly with the ECB.
- Directly supervising less significant institutions and **other entities** (such as payment institutions, electronic money institutions and valuation companies) and **activities** (such as anti-money laundering, in coordination with Sepblac).

Financial stability oversight, design and implementation of macroprudential policy

- Identifying and assessing **systemic risks** and their **transmission channels** using tools such as early warning systems, macroprudential stress tests and risk transmission and interconnection models.
- Selecting, calibrating and, where appropriate, activating the **appropriate macroprudential instruments** and evaluating (ex post) the measures adopted.

Preventive resolution

- Developing and updating **resolution plans** to ensure that failing institutions can be resolved in an orderly manner without jeopardising financial stability and at no cost to taxpayers.
- Identifying and monitoring the **resources that institutions must maintain** to absorb losses should they become non-viable.
- Monitoring and assessing the **financing conditions** of institutions.

MONITORING THE SMOOTH RUNNING OF PAYMENT SYSTEMS TO ENSURE PAYMENTS AND CASH

Payments

- Overseeing and ensuring the **sound operation of the domestic and European infrastructures** that enable both wholesale payments (between financial intermediaries) and retail payments (involving businesses, households, public administrations, etc.).
- In the area of **wholesale payments**, providing and managing (in coordination with other central banks) some of these infrastructures (in particular, the TARGET services).
- In terms of **retail payments**, supervising providers (such as banks or electronic money institutions) and monitoring the proper functioning of the payment instruments they use (such as transfers, cards or direct debits).

Cash

- In coordination with the ECB, issuing and placing into circulation **banknotes** produced jointly through IMBISA (an entity owned by the Banco de España).
- Putting the **coins** issued by the Treasury into circulation.

SOURCE: Banco de España.

Schema 1.2

Main functions of the Banco de España (cont'd)

PROTECTING BANK CUSTOMERS BY COMBATING MALPRACTICE

Preventive supervision	— Seeking to ensure fair, transparent and compliant treatment in contracts between banks and their customers by drafting regulations (circulars), monitoring advertising and resolving complaints.
Conduct supervision	— Carrying out audit actions and inspections .
Complaints	— Settling disputes between institutions and customers .

ACTING AS FINANCIAL AGENT FOR THE TREASURY AND OTHER ENTITIES TO ENHANCE COMPETITION IN THE DEBT MARKET

Accounts	— Managing the accounts used by the Treasury and other public entities to make collections and payments.
Government debt	— Helping to market government debt through the head office and branches.

ANALYSING THE SPANISH ECONOMY TO IDENTIFY AREAS FOR IMPROVEMENT AND PROVIDE ADVICE

Publications	— Producing regular reports and other publications , as well as numerous research papers that take a detailed look at economic and financial issues, collaborating with other national and international institutions on training and research programmes .
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SOURCE: Banco de España.

2 Governing bodies

2.1 Governing bodies

The governing bodies of the Banco de España are the Governor, the Deputy Governor, the Governing Council and the Executive Commission, as set out in Schema 1.3. Both the Governing Council and the Executive Commission achieved gender parity in late 2024.

Schema 1.3

Governing bodies of the Banco de España



GOVERNOR

- **José Luis Escrivá has been Governor since 6 September 2024.** He took over from Pablo Hernández de Cos, who stood down from office on 11 June 2024.
- Leads the Banco de España and acts as its legal representative, and chairs both the Executive Commission and the Governing Council.
- Appointed by the King at the proposal of the Prime Minister.
- Serves a non-renewable six-year term.
- Must be Spanish and must have recognised expertise in monetary or banking matters.



DEPUTY GOVERNOR

- **Soledad Núñez has been Deputy Governor since 11 September 2024.** She took over from Margarita Delgado, who stood down from office on the same day.
- Stands in for the Governor when the post is left vacant or where he is absent or ill, and has her own specific functions, alongside those delegated by the Governor, the Executive Commission and the Governing Council.
- Appointed by the Government, at the proposal of the Governor.
- Serves a non-renewable six-year term.
- Must meet the same requirements as the Governor.



GOVERNING COUNCIL

- Composed of the Governor, the Deputy Governor, six members appointed by the Government, and two ex officio members (the General Secretary of the Treasury and International Financing, and the Vice-President of the National Securities Market Commission (CNMV)). Until September 2024, one council member position remained vacant.
- Since September 2024, the gender composition of the voting Governing Council members has been evenly balanced.
- The General Secretary, the Directors General (as of September 2024, five men and three women) and a staff representative attend in a speaking but non-voting capacity.
- Its **main functions** are:
 - approving the institution's general operational guidelines;
 - supervising its contribution to the implementation of ESCB monetary policy;
 - approving Banco de España circulars, and
 - ruling on sanctioning proceedings.



EXECUTIVE COMMISSION

- Composed of the Governor, the Deputy Governor, and two council members (in 2024, one man and one woman) appointed by the Governing Council from among its non-ex officio members.
- The General Secretary and the Directors General attend in a speaking but non-voting capacity.
- Its **main functions** are:
 - deciding on the internal organisation and administration of the Banco de España;
 - approving internal circulars;
 - helping to implement ESCB monetary policy;
 - ruling on the administrative authorisations requested by the institutions it supervises;
 - adopting intervention measures and replacing directors;
 - instituting sanctioning proceedings, and
 - issuing requests and recommendations to supervised institutions.

SOURCE: Banco de España.



Further information on the **governing bodies** can be found on the Banco de España website.

2.2 Senior officers

The Banco de España performs its functions through its governing bodies and its Directorates General. The members of the governing bodies, along with the Directors General, the General Secretary and the Associate Directors General, are the institution's senior officers.

A photograph of the members of the Governing Council is included as Figure 1.2. Schema 1.4 shows the composition of this body over 2024 and indicates which members also sit on the Executive Commission and the Audit Committee. The schema also shows the institution's other senior officers.



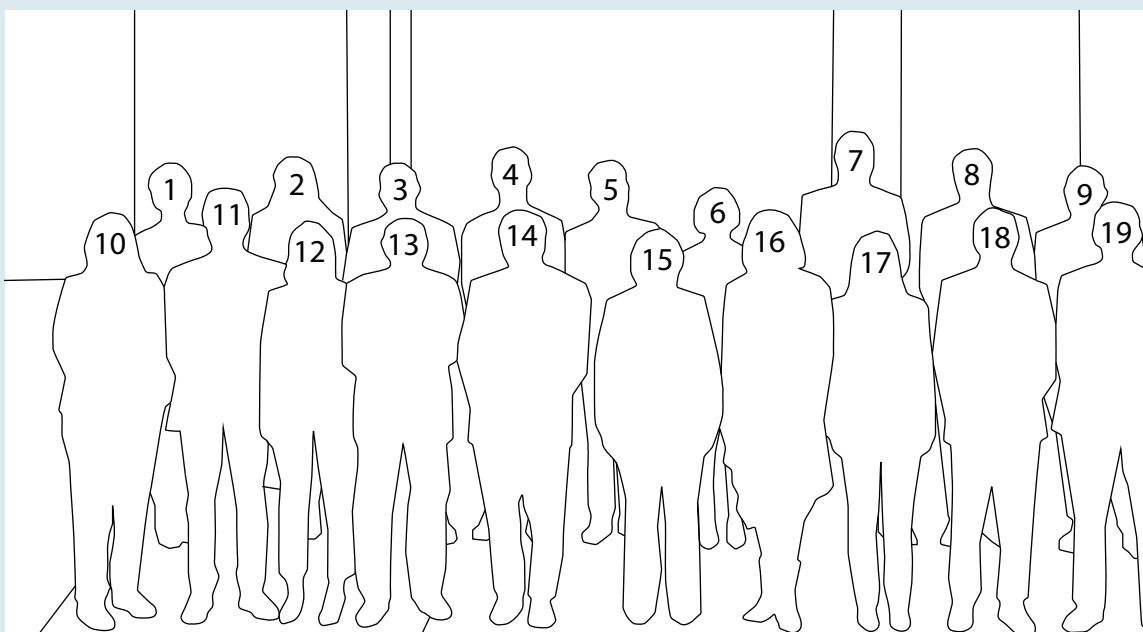
See the Banco de España's website for more information on [the professional experience and curriculum vitae of the members of the Governing Council](#).

At end-2024, there were five men and three women in the seven Directorates General and the General Secretariat. Meanwhile, the nine Associate Directorates General (two of which were created in 2024, in September and November) were headed by seven men and two women.

Figure 1.2
Governing Council of the Banco de España. 10.2.2025



The members of the Governing Council of the Banco de España, in February 2025.

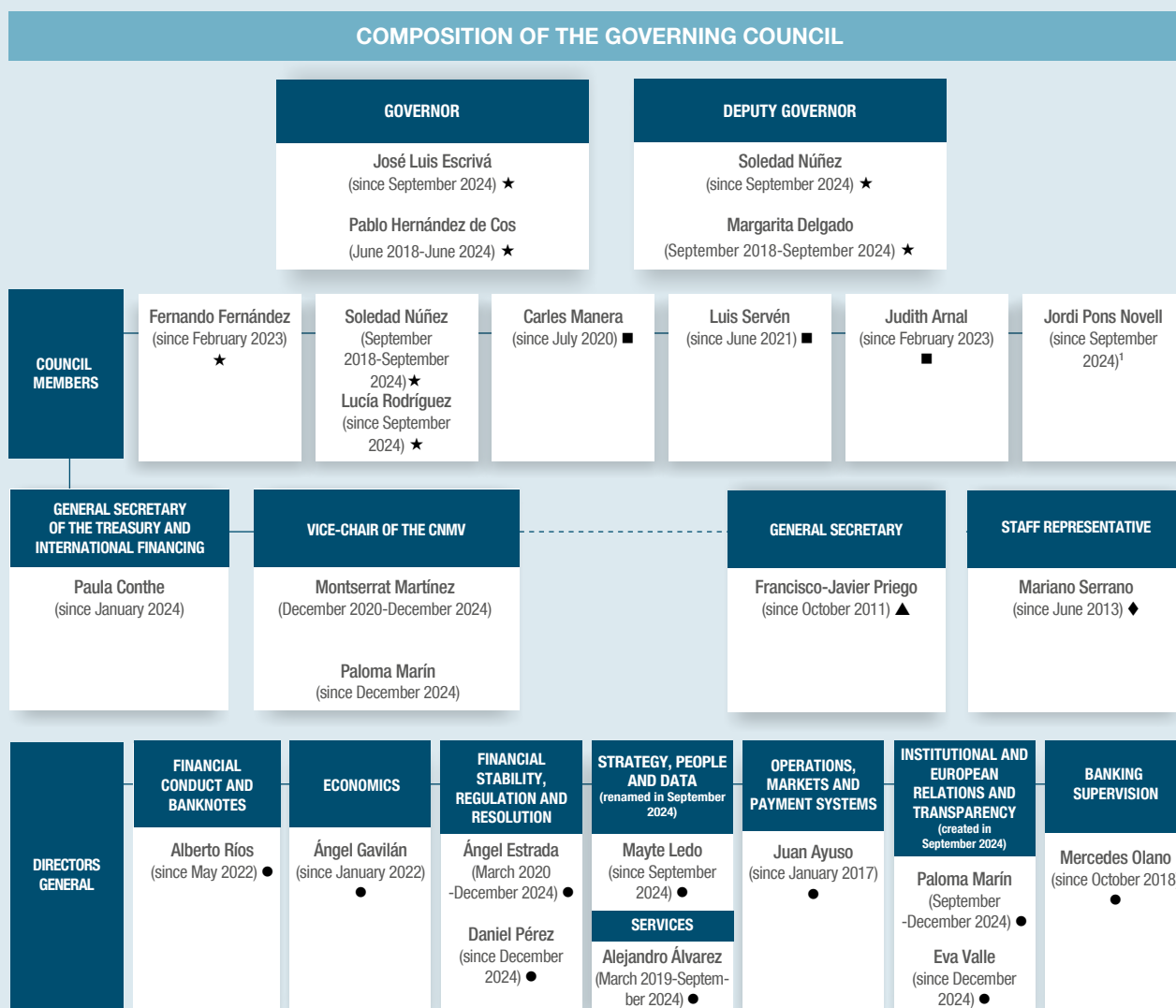


1. Eva Valle; 2. Mayte Ledo; 3. Ángel Gavilán; 4. Juan Ayuso, 5. Francisco-Javier Priego; 6. Mercedes Olano; 7. Alberto Ríos; 8. Daniel Pérez; 9. Mariano Serrano; 10. Judith Arnal; 11. Carles Manera; 12. Paula Conthe; 13. Fernando Fernández; 14. José Luis Escrivá; 15. Soledad Núñez; 16. Lucía Rodríguez; 17. Paloma Marín; 18. Luis Servén; 19. Jordi Pons Novell.

SOURCE: Banco de España.

Schema 1.4

Banco de España Senior Officers



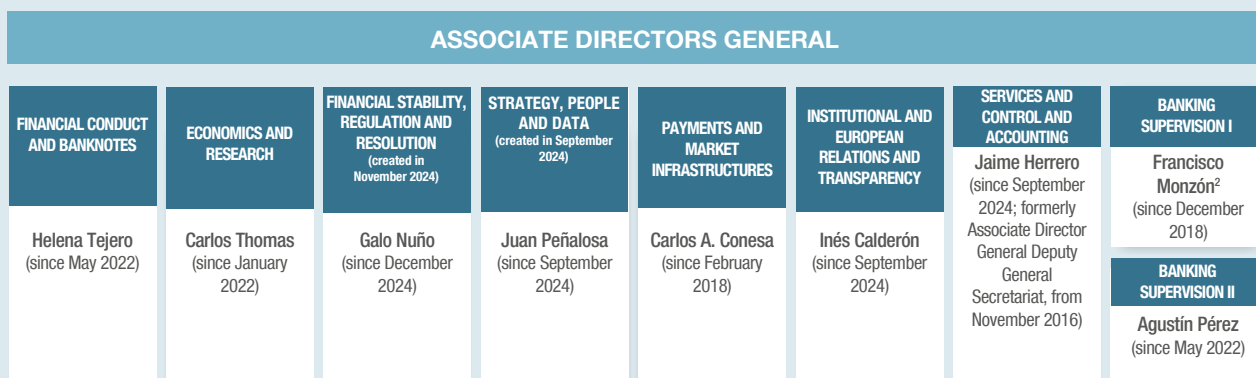
★ Members of the Executive Commission.

▲ The General Secretary is a speaking but non-voting member of the Governing Council and the Executive Commission.

● The Directors General of the Banco de España attend the Governing Council and Executive Commission meetings in a speaking but non-voting capacity.

■ Members of the Audit Committee.

◆ A staff representative attends the Governing Council meetings.


¹ Previously, this position had been vacant since March 2023.

² On 19 December 2024, the retirement of Francisco Monzón as Associate Director General Banking Supervision I was approved, effective 31 January 2025.

SOURCE: Banco de España.

2.3 Committees

At a second level, below the Governing Council and the Executive Commission, stand the Audit Committee and the Steering Committee.

The Audit Committee is made up of three members of the Governing Council. In 2024, this committee comprised two men and one woman.


The Steering Committee comprises the Governor, the Deputy Governor, the Directors General and the General Secretary. Although men outnumbered women on this committee last year, the share of women has risen since September 2024 (seven men and four women).

The composition and functions of the Audit and Steering Committees are described in Schema 1.5.

Schema 1.5

The Audit and Steering Committees

	COMPOSITION	FUNCTIONS
AUDIT COMMITTEE	<ul style="list-style-type: none"> Three non-ex officio members appointed by the Governing Council. (a) Two men and one woman in 2024. 	<ul style="list-style-type: none"> Reviewing the draft annual accounts of the Banco de España. Supervising internal audit and control services, as well as relations with external auditors.
STEERING COMMITTEE	<ul style="list-style-type: none"> The Governor, the Deputy Governor, the Directors General and the General Secretary Seven men and two women until September 2024. Six men and four women since September 2024. 	<ul style="list-style-type: none"> Advising the Governor and Deputy Governor on their decisions. Helping to prepare matters to be submitted by the Directors General and the General Secretary to the Governing Council and the Executive Commission.



SOURCE: Banco de España.

a The non-ex officio members are appointed by the Government, at the proposal of the Minister for Economic Affairs, Trade and Enterprise, after consulting the Governor of the Banco de España. They must be Spanish nationals with recognized expertise in the fields of economics or law.

There is a third level made up of internal committees charged by the Banco de España's Executive Commission with handling particular aspects related to the functions and organisation of the institution. Details of the internal committees can be found in Schema 1.6.



See the Banco de España's website for further information on the [Audit Committee](#).

Schema 1.6

Internal committees of the Banco de España

FINANCIAL STABILITY COMMITTEE <ul style="list-style-type: none"> – Identifies and assesses the risks to financial and economic stability. – Proposes macroprudential measures to mitigate such risks. – Discusses the <i>Financial Stability Report</i>. 	INITIATIVES AND PROJECTS COMMITTEE <p>Approves and oversees the implementation of major initiatives and projects.</p>	RISK MANAGEMENT AND CONTINUITY COMMITTEE <ul style="list-style-type: none"> – Proposes measures for the management of risks and the metrics for such risks, and conducts risk monitoring. – Submits business continuity strategies and approves the continuity plans of the areas.
INTERNATIONAL COOPERATION COMMITTEE <ul style="list-style-type: none"> – Defines the strategic lines of action as regards international cooperation. – Adopts high-level decisions and carries out strategic coordination. 	BANCO DE ESPAÑA INTERNAL REPORTING SYSTEM COMMITTEE <ul style="list-style-type: none"> – Manages and processes the reports received through the Banco de España's Internal Reporting System. – Ensures the confidentiality of the reports and protects both whistleblowers and affected individuals. <p>Created in December 2024.</p>	IRPH INTERNAL OVERSIGHT COMMITTEE <p>Reviews, discusses, reports on and adopts recommendations and decisions to ensure the integrity and quality of the official interest rate ("average rate on mortgage loans at more than three years, for open market house purchase, granted by credit institutions in Spain") (IRPH).</p>
FINANCIAL EDUCATION COMMITTEE <p>Defines and reviews and coordinates the implementation of the Banco de España's financial education strategy.</p>	DATA AND USERS COMMITTEE <ul style="list-style-type: none"> – Coordinates and optimises data and statistics management. – Ensures communication between internal data producers and users. – Streamlines data requests. – Ensures the consistency and accessibility of information. <p>This Committee replaced the more limited-scope Financial and Prudential Information Committee in November 2024.</p>	BUDGET COMMITTEE <ul style="list-style-type: none"> – Analyses the Banco de España's draft annual budget and reports on its outcome. – Monitors the approved budget.

SOURCE: Banco de España.

Schema 1.6

Internal committees of the Banco de España (cont'd)

COMPREHENSIVE SECURITY COMMITTEE <p>Adopts decisions on the actions of the Banco de España relating to comprehensive security matters.</p>	DOCUMENTARY POLICY AND ASSESSMENT COMMITTEE <p>Defines the standards for the classification, use and preservation of Banco de España documents.</p>	INTERNAL COMMITTEE ON THE PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING <p>Ensures compliance with internal regulations on the prevention of money laundering and terrorist financing.</p>
LEAVE OF ABSENCE ASSESSMENT COMMITTEE <p>Assesses leave of absence requests submitted by Banco de España employees to work for supervised institutions or institutions in the financial sector.</p>	COMMITTEE FOR THE ASSESSMENT OF FABS FINANCIAL ASSISTANCE <p>Assesses financial assistance applications made to the Charitable and Welfare Fund (FABS).</p>	WORKPLACE HEALTH AND SAFETY COMMITTEE <ul style="list-style-type: none"> – Proposes policies and basic criteria for workplace health and safety. – Coordinates and monitors preventive action in the workplace.
COMMITTEE OF INDEPENDENT EXPERTS FOR THE EVALUATION OF SUPERVISED INSTITUTIONS' SENIOR OFFICERS <ul style="list-style-type: none"> – Assesses the suitability of senior officers at supervised institutions where the individual in question has been sentenced for the commission of offences or misdemeanours, or is subject to a criminal investigation. – Comprises three external members designated by the Governing Council. 	RESEARCH COORDINATION COMMITTEE <ul style="list-style-type: none"> – Coordinates the Banco de España's research function. – Promotes synergies across research areas. – Centralises shared tasks to avoid inefficiencies and duplication. – Works towards long-term research goals. <p>Created in March 2024</p>	COMMUNICATION COMMITTEE <ul style="list-style-type: none"> – Designs and implements the communication strategy. – Seeks to ensure the coordination and consistency of the Banco de España's messages.

SOURCE: Banco de España.

3 Structure and organisation

3.1 Structure and organisation

The Banco de España's organisation chart is approved by the Executive Commission. The institution currently has seven Directorates General and a General Secretariat, as shown in Schema 1.7.

A major restructuring took place in September 2024, with the creation of the new Directorate General Institutional and European Relations and Transparency. The aim was to equip the institutional relations, communication and governor support functions with a centralised structure. This approach allows for an additional coordinated and efficient strategic component, in keeping with the institution's strategic guidelines regarding transparency and public accountability.

Likewise, the tasks of managing statistical and financial data on a centralised basis and ensuring that such data is aligned with an integrated reporting framework have been combined within a single Directorate General (Directorate General Strategy, People and Data). This also included the definition and roll-out of the institutional strategy based on technological, organisational and planning transformation to drive modernisation and organisational and cultural change. [Box 1.1](#) looks at the creation of the Data Office, which was placed under the Directorate-General Strategy, People and Data in September 2024.

The Independent Evaluation Office, which reports directly to the Governing Council, is another new addition. This Office aims to examine and improve the institution's actions, promoting the rational use of public resources and enhancing the quality management of services, while also championing transparency and accountability at the Banco de España.

Lastly, the Environmental, Social and Governance Office (which reports directly to the Deputy Governor) was also set up. This office aims to promote efforts related to the impact of climate change and the development of sustainable finance, in line with the global agenda and with many other central banks. Further information on the office can be found in [Box 1.2](#).

The functions of the Directorates General and the General Secretariat are outlined in Schema 1.8.

Organisation charts of the Banco de España

SOURCE: Banco de España.

Schema 1.8

Functions of the Directorates General and the General Secretariat

**Directorate General
Financial
Conduct and
Banknotes**

- Supervision, supervisory and regulatory policy and handling of queries regarding market conduct, banking transparency and customer protection, as well as the preparation of reports and proposals relating to the drafting of general provisions affecting the institutions supervised by the Banco de España in this area. Submission of the corresponding reports and proposals to the institution's governing bodies, including proposals concerning the adoption of preventive, disciplinary or precautionary measures.
- Resolution of queries, complaints and claims submitted by users of banking services regarding actions taken by supervised institutions in relation to transparency and customer protection regulations or good banking practices and customs.
- Oversight of the Banco de España's entire euro banknote production process entrusted to IMBISA, including the coordination and supervision of the company.
- Issuance of euro banknotes and circulation of coins as legal tender, as well as tasks related to the withdrawal, exchange, custody and recirculation of both banknotes and coins, in coordination with the Eurosystem and the European Commission, respectively.
- Promoting the quality and authenticity of banknotes and coins in circulation, as well as supervising and monitoring those involved in the processing and handling of cash.
- Detecting and analysing counterfeit banknotes and coins through the national banknote and coin analysis centres, in coordination with the Eurosystem and the Banco de España's Investigation Brigade.
- Certain operations with the general public, such as the exchange of damaged banknotes. Providing cashier services for public bodies.
- Management of the Banco de España's branch network.


**Directorate General
Economics**

- Analysis and advice on monetary policy issues for the Governor in his capacity as a member of the ECB Governing Council.
- Studies and research on Spanish, European and international economic and financial matters.
- Preparation of the Annual Report and the other reports and publications within its remit.
- Preparation of medium-term macroeconomic forecasts for the Spanish economy.
- Study and monitoring of political, economic and solvency-related developments in key countries in order to assess the effects of the financial risk assumed by Spanish institutions, in line with its regulatory function in relation to country risk provisions.


**Directorate General
Banking
Supervision**

- Supervision of the solvency of credit institutions and of other financial institutions and markets subject to the supervision of the Banco de España, within the framework of the SSM, and of their compliance with the specific regulatory and disciplinary rules. This function involves the ongoing supervision of supervised institutions and their groups, as well as their shareholders, directors and managers, by analysing the available information and conducting on-site inspections.
- Drawing up the necessary proposals for the adoption of preventive, disciplinary or precautionary measures with regard to the above institutions, groups and individuals.
- Helping to define the Banco de España's supervisory policy in coordination with other areas of the institution (in particular, the Directorate General Financial Stability, Regulation and Resolution), at both domestic and international level, save for matters relating to payment services, reserved activities and designations with respect to persons not registered on the Banco de España's registers, market conduct, banking transparency and customer protection, by submitting the relevant reports and proposals to the institution's governing bodies.
- Reporting, with the decisions proposed where appropriate, on requests from credit institutions and other financial agents to be reported or authorised by the Banco de España, concerning matters entrusted to this directorate general.
- Drafting of accounting standards for credit institutions and other supervised institutions, and fielding of queries on this matter.

SOURCE: Banco de España.

Schema 1.8

Functions of the Directorates General and the General Secretariat (cont'd)

**Directorate General
Strategy,
People and Data**

- Driving strategic and global planning activities, as well as organisational change within the institution.
- Preparing preliminary draft budgets for expenditure and investment.
- People management and workplace risk prevention.
- Information systems management.
- Preparing and disseminating the statistics entrusted to the Banco de España.
- Preparing, in coordination with the relevant directorate general, draft regulations on the information that institutions subject to Banco de España or SSM supervision must periodically report to the Banco de España.
- Receipt, quality control, custody and, where appropriate, dissemination of the information that institutions subject to Banco de España or SSM supervision must periodically report to the Banco de España, as well as the periodic information that must be reported within the Eurosystem.
- Management of the Central Credit Register (CCR), supervision of compliance with its regulations and submission of the corresponding reports and proposals to the Banco de España's governing bodies, including reports and proposals concerning the adoption of preventive, disciplinary or precautionary measures.
- Design and implementation of the Banco de España's data strategy, and establishment and management of the global data governance programme.


**Directorate General
Institutional
Relations and European
Relations and
Transparency**

- Promotion and development of the Banco de España's institutional relations at domestic and international level.
- Definition and coordination of the Banco de España's internal and external communication policy, as well as the dissemination of information and publications.
- Advising and supporting the Governor and Deputy Governor.
- Coordinating, analysing and advising on the Banco de España's role on the Governing Council, the General Council and the Supervisory Board of the ECB, as well as at other European and international bodies, such as the International Monetary Fund.
- Representing the institution in the Permanent Representation of Spain to the European Union (EU) and the House of the Euro in Brussels.
- Defining and coordinating international cooperation outside the EU, including the technical assistance provided to other national central banks, financial supervisors and other public agencies.
- Managing the Virtual Office and complying with obligations regarding transparency and access to public information, as well as accessibility.
- Defining and coordinating the Banco de España's document management.
- Managing the General and Historical Archive, the Library and the Numismatic Service of the institution.
- Designing and developing financial education initiatives.
- Publishing documents produced by the Banco de España in the performance of its functions.




**General
Secretariat**

- Secretariat of the governing bodies of the Banco de España, as well as assistance to the council members.
- Legal advice to the governing bodies and the institution in general.
- Conduct of sanctioning proceedings against the individuals envisaged in the prevailing regulations.
- Reporting, with the decisions proposed where appropriate, on requests from credit institutions and other financial agents to be reported or authorised by the Banco de España, concerning matters entrusted to the General Secretariat.
- Official registers of the Banco de España.
- Management of compliance with personal data protection obligations and codes of conduct.
- Management of the Banco de España's internal and external whistleblowing channels.
- Supervision of natural or legal persons who, despite not being registered on the Banco de España's registers, offer or carry out activities reserved for institutions subject to the functions and powers of the Banco de España or who misuse reserved names.
- Preparation of the draft accounts (balance sheet, profit and loss account and explanatory report); accounting and auditing of operations.
- Procurement regime.
- Acquisition, maintenance and administration of assets and artistic heritage.
- Management and organisation of internal security services.

SOURCE: Banco de España.

Schema 1.8

Functions of the Directorates General and the General Secretariat (cont'd)

 <p>Directorate General Financial Stability, Regulation and Resolution</p>	<ul style="list-style-type: none"> — Analysis and monitoring of financial stability and systemic risks. Preparation of the Banco de España's Financial Stability Report and regular stress tests. — Analysis and formulation of macroprudential policy proposals, liaising as necessary with other bodies in Spain and at European and international level. — Preparing reports and proposals relating to the drafting of regulations governing the organisation and discipline of entities subject to Banco de España supervision, in coordination with the relevant directorate general, and handling external consultations on the interpretation and application of such regulations, except in specific areas assigned to other directorates general. — Contributing to the definition of regulatory policy on technical and economic aspects within the framework of the Financial Stability Board (FSB), the Basel Committee on Banking Supervision (BCBS) and the European Banking Authority (EBA). To this end, the DG works with other areas of the institution, in particular with the Directorate General Banking Supervision, and submits the relevant reports and proposals to the pertinent bodies. — Carrying out all of the resolution functions assigned to the Banco de España by law, within the framework of the SRM. — Conducting research in the field of financial stability, regulatory policies and the resolution of institutions — Carrying out preparatory, advisory and monitoring work relating to the Banco de España's participation in the Macroeprudential Authority Financial Stability Council (AMCESFI), the European Systemic Risk Board, the ECB, the FSB, the BCBS, the EBA and the Single Resolution Board.
 <p>Directorate General Operations, Markets and Payment Systems</p>	<ul style="list-style-type: none"> — Carrying out the operations of the Banco de España in its capacity as a central bank and member of the Eurosystem. — Managing the gold, foreign currency reserves and euro-denominated financial assets in euros held by the Banco de España. — Measuring, assessing and managing the financial risks arising from the implementation of monetary policy and the management of the Banco de España's financial assets. — Provision of government debt-related financial services. — Provision of payment services and other banking operations to the Treasury and other public sector entities. — Promotion and supervision of the proper functioning of payment systems and instruments. — Provision, management and maintenance of market infrastructures within the framework of the Eurosystem. — Monitoring and analysis of innovations in financial markets. — Continuous supervision of compliance with the regulations governing payment institutions, account information service providers and electronic money institutions, except in matters of solvency, market conduct, banking transparency and customer protection, as well as the supervision of other institutions supervised by the Banco de España in relation to the provision of payment services. Submission of the relevant reports and proposals to the institution's governing bodies, including reports and proposals concerning the adoption of preventive, disciplinary or precautionary measures. — Helping to define the Banco de España's supervisory policy, in coordination with other areas of the institution and in collaboration with national and international bodies and forums, as well as preparing reports and proposals in the supervisory field that affect entities supervised by the Banco de España, except in matters of reserved activities and designations with respect to persons not registered on the Banco de España's registers, market conduct, banking transparency and customer protection.

SOURCE: Banco de España.

3.2 Headquarters and branch offices

The Banco de España has offices throughout the entire country.

The headquarters are in Madrid, at Calle de Alcalá, 48. These premises were later joined by the offices on the nearby Calle Prim. The other Madrid head office is also on Calle de Alcalá, at number 522. There are also branch offices in 15 cities: A Coruña, Alicante, Badajoz, Barcelona, Bilbao, Las Palmas de Gran Canaria, Málaga, Murcia, Oviedo, Palma, Sevilla, Santa Cruz de Tenerife, Valencia, Valladolid and Zaragoza. The location of all of the Banco de España's regional branches can be seen in Figure 1.3.

The branch offices carry out the Banco de España's functions in the regions. These include:

- Cash services for credit institutions.

- Certain services to the public, such as the exchange of euro banknotes and coins (including damaged ones), the handover of suspected counterfeit cash, government debt subscriptions, consultations of data on the Central Credit Register (CCR), the filing of complaints or enquiries about institutions' conduct,
- Workshops and seminars to improve financial education.

The branches also provide support services to the central departments in the areas of conduct supervision and cash.

From an architectural standpoint, the Banco de España's offices are often emblematic buildings. Inaugurated in 1891 and enlarged on three separate occasions, the headquarters can be found next to Madrid's Plaza de Cibeles. Its interior features, such as the grand staircase, the library, the banking hall and the vault, are particularly noteworthy.



See the Banco de España website for more information on its [headquarters and branch offices](#).

[Box 1.3](#) of this chapter looks at the Banco de España branches that have now been open to the public for 150 years. Meanwhile, [Box 1.4](#) explains what the branches do and the challenges they face.



Banking hall at the Seville branch (left). Main façade of the Valencia branch (right).

Figure 1.3

Regional offices of the Banco de España



SOURCE: Banco de España.

3.3 Staff composition and internal administration

3.3.1 Staff composition

At 31 December 2024, total headcount at the Banco de España stood at 3,587.

In late 2024, the average age of employees was 47.39, a slight rise on the previous year. The gender parity seen in recent years remained unchanged, with women accounting for 50.7% of staff and men 49.3%. The share of female employees has risen by around 3.5 percentage points over the past ten years (see Chart 1.1).

Chart 1.2 shows a breakdown of the workforce by professional category:

- a) **Senior managers** (Directors General and Associate Directors General).
- b) **Managers** (middle management, such as heads of division or similar positions and unit heads).

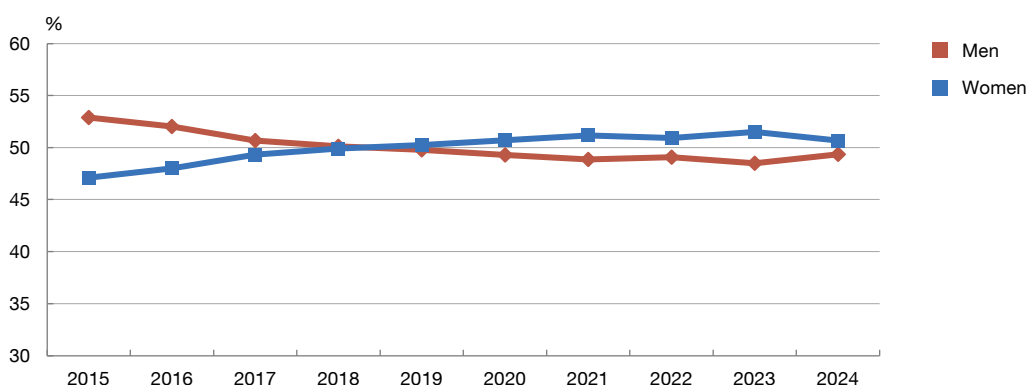
c) Senior experts and specialists.

d) Administrative staff and various support services.

Chart 1.3 shows the gender breakdown of each professional category over the last five years. The share of women in management positions increased in 2024.

At the end of 2024, the 15 branch offices were home to 424 employees. Each branch is headed by a director, who represents the Banco de España and is responsible for infrastructure and administrative and support services.

Chart 1.1
Staff composition (2015 - 2024)

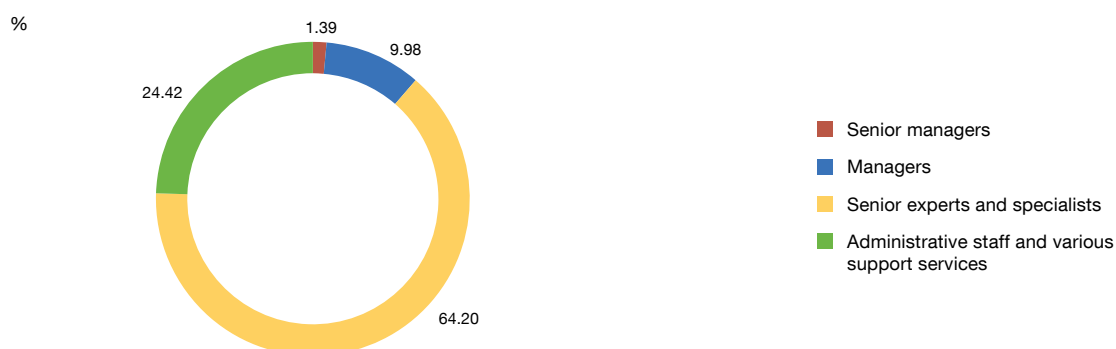


As a percentage

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Men	52.89	52.01	50.67	50.11	49.77	49.3	48.84	49.08	48.49	49.34
Women	47.11	47.99	49.33	49.89	50.23	50.7	51.16	50.92	51.51	50.66

SOURCE: Banco de España.

Chart 1.2
Staff composition, by professional category

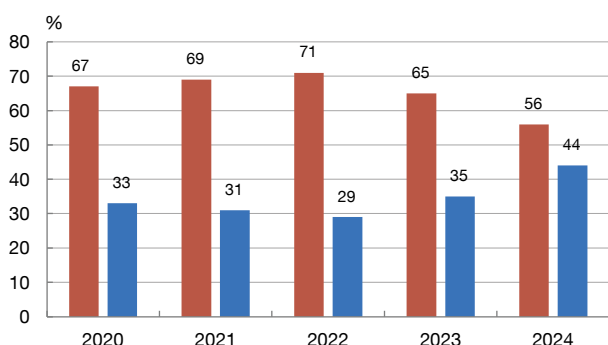


SOURCE: Banco de España.

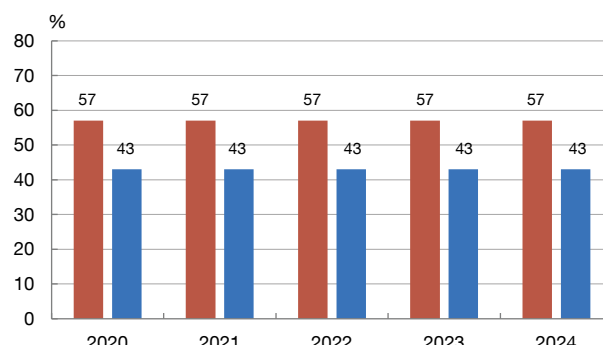
Chart 1.3

Staff composition by gender over the last five years

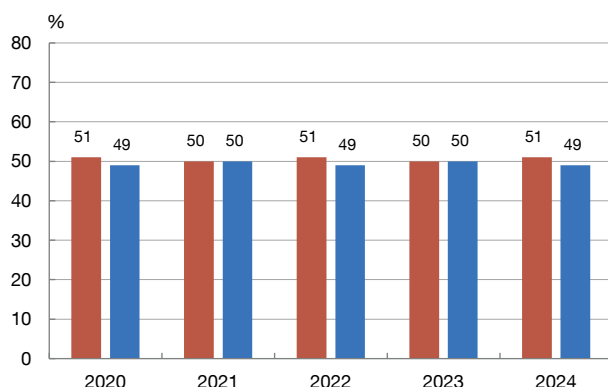
1.3.a Senior managers



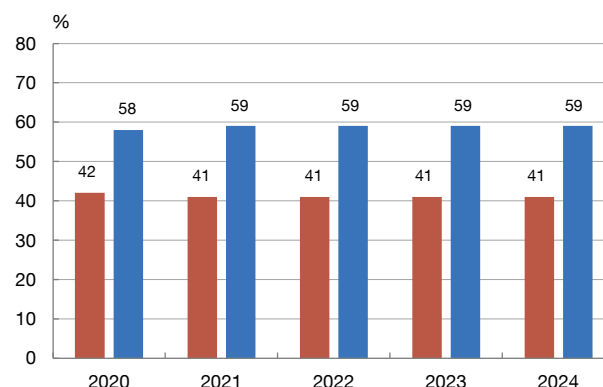
1.3.b Managers



1.3.c Senior experts and specialists



1.3.d Administrative staff and various support services



Men Women

SOURCE: Banco de España.

3.3.2 Internal administration

In 2024, the Banco de España set out to recruit professionals with a technological background. As a result, among other new recruits, the institution welcomed 109 IT experts, 31 inspectors and 90 specialists across all of its areas. Campaigns were also launched to attract specialised professionals (such as financial market and payment system experts and economists), in addition to large-scale processes to hire office support staff.

The Banco de España is an attractive institution, as borne out by the recognition it has received as one of the organisations most highly rated by its staff and interns. In 2024, recruitment processes were carried out to take on permanent and temporary staff, attracting a total of 3,009 and 1,559 applicants, respectively. To showcase the employment opportunities it has to offer, the institution stepped up its participation in job fairs and other university events.

In 2024, the Banco de España also focused on the professional development of its staff, encouraging and supporting promotion to management positions with responsibility for teams. As a result, 67 individuals were promoted to management positions, 43% of them women. The institution has an unwavering commitment to providing its staff with the training they need to perform their duties to the best of their abilities. Last year, a major training initiative was launched to improve digital skills, develop the competencies associated with each role and improve the use of agile methodologies, with over 200 employees taking part in 22 projects.

In an uncertain and changing economic environment, international mobility is an essential tool for fostering in-house talent through the exchange of experiences. In 2024, a total of 42 Banco de España employees were seconded to international organisations, mainly to areas within the ECB and the SSM.

The institution is at the service of a diverse society, and aims to reflect this by promoting equal opportunities and inclusion. As part of this commitment and within the framework of its talent attraction strategy, places are set aside in certain selection processes for persons with disabilities. Moreover, during 2024, the Banco de España worked on both gender and generational diversity, which it sees as essential for enriching human capital. On 7 and 8 March, to commemorate International Women's Day, it hosted the Conference on Diversity, Equity and Inclusion in Economics, Finance and Central Banking. A total of 140 participants from various national and international institutions came together to explore diversity-related challenges and practices.

The Banco de España uses tools to ensure respect for the unique characteristics of its employees and to promote the inclusion of the different profiles that make up its workforce. In 2024, considerable progress was made in cementing the measures agreed on with the workers' representatives in the Equality Plan, which is now midway through its term. Meanwhile, the 2023-2024 collective agreement was signed in November, with the unanimous backing of the representatives. In addition to ratifying the work-life balance measures set out in the Equality Plan, other measures were also introduced in the areas of leave, promotion and remuneration.

In 2024, the Banco de España introduced its new Performance and Development Evaluation System, with a dual purpose. The first is to equip the organisation with an evaluation that takes account of the challenges and objectives of each area, in order to facilitate the recognition of individual performance and people management. The second is to promote staff development, setting out the actions to be taken over the year in an individual plan.

Box 1.5 of this chapter contains an interview with two employees who have been with the Banco de España since 1992 and 2002, in which they explain how the institution has changed and how they think it should develop going forward.



Conference on Diversity, Equity and Inclusion in Economics, Finance, and Central Banking (left). Members of the negotiating committee for the Banco de España collective bargaining agreement (right).



More information on [recruitment processes and the scholarships and grants on offer](#) can be found on the Banco de España's website.



See the Banco de España's LinkedIn profile to find the [vacancies advertised by the institution](#).



See the “[Plans and programmes](#)” section of the Transparency Portal for more information on the Banco de España's Equality Plan.

3.4 Special purpose entities

The Banco de España is supported by two special purpose entities: the commercial-law company Imprenta de Billetes, SA (IMBISA) and Fundación Centro de Estudios Monetarios y Financieros (CEMFI).

3.4.1 Imprenta de Billetes, SA

IMBISA, a company that manufactures euro banknotes, is 80% owned by the Banco de España and 20% owned by the Spanish National Mint (FNMT-RCM). It was created in November 2014 to comply with the euro banknote production regulations, in accordance with Guideline (EU) 2015/280 of the European Central Bank


In 2023, construction of a new banknote production plant on Madrid's Avenida de Daroca was completed. New machinery and laboratory equipment were then installed, and staff were relocated. That same year, the plant obtained ECB accreditation to manufacture euro

banknotes. Since then, the Banco de España and the Eurosystem have had new, modern and secure facilities for manufacturing, safeguarding, distributing and managing euro banknotes.


In 2024, the euro banknotes allocated to the Banco de España by the ECB were manufactured at the new plant. Custody and distribution activities were also carried out to support the Banco de España's cash management.


Last year, the new IMBISA plant was visited by working groups from the Banknote Committee (BANCO), the European Banknote Conference and central banks from Latin America, all of whom praised its advanced technology and automatic storage systems.

Lastly, in 2024 the Banco de España was chosen to host the International Centre for Research on Reproduction at the IMBISA facilities. Its advanced cutting-edge technology leaves it well placed to meet the new challenges in banknote production.



Watch this video to find out more about the banknote production process at the new IMBISA plant:

PLAY 





Panoramic view of the new IMBISA printing works.

3.4.2 Centre for Monetary and Financial Studies

The Centre for Monetary and Financial Studies ([CEMFI](#)) is a foundation set up by the Banco de España to promote education and research in economics, focusing particularly on monetary and financial issues of interest to the institution. With this in mind, in 2022 the two institutions entered into a collaboration agreement to promote their activities and initiatives and to strengthen CEMFI's role as a centre for training and research.

In terms of training, CEMFI has partnered with Universidad Internacional Menéndez Pelayo to offer a post-graduate programme leading to a Master's Degree in Economics and Finance and a PhD in Economics and Governance. Meanwhile, in collaboration with the Banco de España's Directorate General Banking Supervision, it offers a Diploma in Banking Supervision to train those hoping to join the institution's team of inspectors. Similarly, it runs a summer internship programme for undergraduate students and a summer school offering training courses for economics and finance professionals.

On the research front, CEMFI took second spot on the ranking of Spanish institutions collaborating with the prestigious Research Papers in Economics (RePEc) initiative, which aims to boost the profile of economic research. Meanwhile, the Spanish National Research Agency



Detail of the interior courtyard of the CEMFI building.

has awarded CEMFI accreditation as a María de Maeztu Unit of Excellence, which recognises centres that stand out for the impact and international relevance of their findings and funds their strategic research programmes.

Box 1.1

CREATION OF THE BANCO DE ESPAÑA'S DATA OFFICE

Data are essential for the performance of a central bank's functions. Recent years have seen an exponential increase in the volume of data the Banco de España needs to manage if it is to do its job properly. The requirements and channels for receiving information have also multiplied. Meanwhile, advances in new technologies, data science and analytical capabilities have further underscored the critical role played by data. One of the goals set out in the Strategic Plan 2024 was therefore to transform the Banco de España into a data-driven organization, in which data is seen a key asset, shared across all the entire institution. This called for a corporate data governance and management program to engage the entire organization and harness the immense potential that data and data usage have to offer.

To this end, it was decided to opt for a hybrid organisational structure, combining a centralised team (directly involved in data management across all areas through committees and working groups) with other roles distributed throughout the institution.

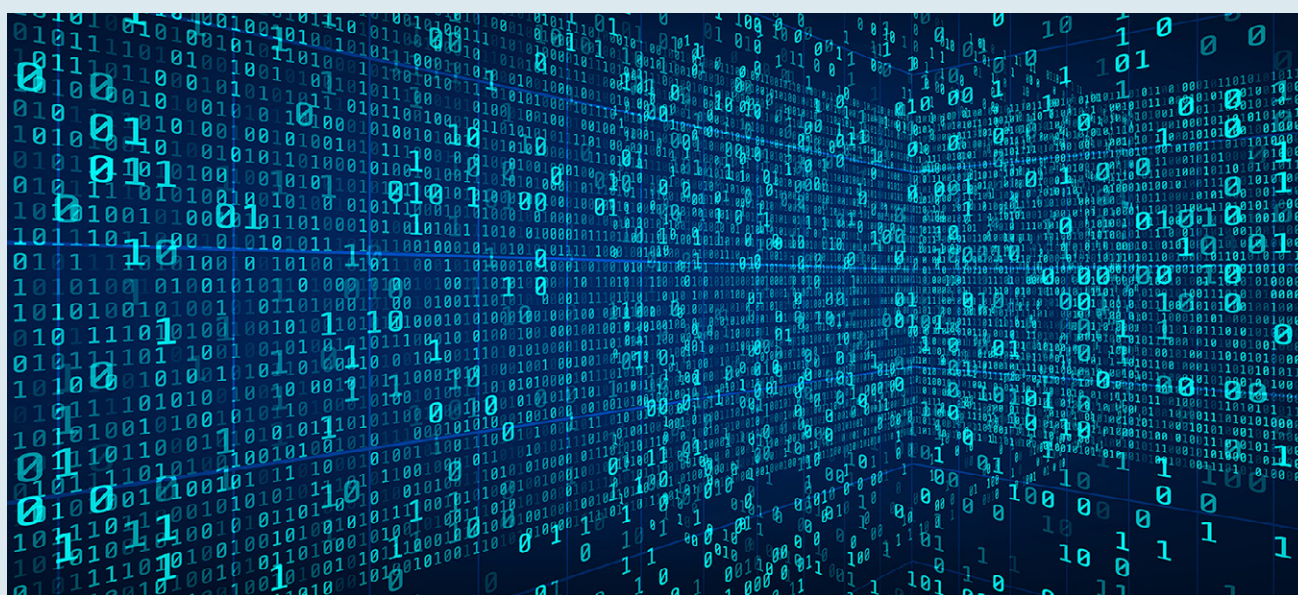
Thus, in March 2024, the Executive Commission gave the go-ahead to the Data Office, appointing a Chief Data Officer (CDO) to take charge. This office stands at the centre of the hybrid structure and is tasked, among other functions, with: a) designing and implementing the data strategy to maximise its value; b) planning and executing the data governance programme and designing its

components in collaboration with the relevant departments; c) helping to design the data architecture, through a technological infrastructure aligned with the data strategy that promotes governed data analytics; d) developing an initiative to drive cultural change; and e) championing analytical tools and new technologies, such as artificial intelligence.

Thanks to the Data Office, the Banco de España now has a team dedicated exclusively to data governance, the corporate data strategy and data management policies. This means that the business areas can now play a direct role in data governance, while enabling as many employees as possible to take part in the governance programme.

Fully harnessing the value of the data available to the institution, while encouraging efficient data management, fostering an institution-wide data-centric culture and keeping any data use-related risks to a minimum, will require a major effort in training and a clear communication plan. These initiatives are expected to pave the way for a cultural shift, thus eliminating silos and ensuring data are seen as an asset for the entire institution.

In September 2024, the Data Office was placed under the Banco de España's Directorate-General Strategy, People and Data, with the aim of capitalising on synergies in this area.



Recent years have seen an exponential increase in the volume of data the Banco de España needs to manage if it is to do its job properly.

Box 1.2

THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE OFFICE AND ITS FUNCTIONS**The Banco de España's commitment to ESG criteria**

In recent years, the acronym ESG (environmental, social and governance) has cemented its position at the heart of public policy and sustainability strategies for businesses and financial institutions. Environmental challenges (particularly those related to climate change) pose significant risks to financial stability, with a potential impact on both price stability and the balance sheets of financial institutions. This scenario means that central banks are well placed to promote the resilience of the financial system to the risks associated with such ESG factors and to ease the transition toward a sustainable economy.

Over this period, the Banco de España has aligned itself with the recommendations of the European Central Bank and the Network for Greening the Financial System. As a result, it has developed scenario analysis and research initiatives, while defining supervisory expectations and incorporating ESG criteria into its investments and monetary policy. It has also drawn up a plan to reduce its environmental footprint and achieve carbon neutrality.

To step up these efforts, in September 2024 the Banco de España's Executive Commission approved the creation of the ESG Office, with three objectives: a) to promote internal coordination; b) to boost the analysis and disclosure of ESG criteria at both domestic and international levels; and c) to provide strategic support to senior management.

Functions and responsibilities of the ESG Office

The ESG Office has a key role to play in coordinating ESG activities within the Banco de España, ensuring that an integrated, consistent approach is taken to incorporating ESG considerations in its operations and policies. To this end, it works in close collaboration with all of the

institution's Directorates General. Externally, the ESG Office acts as a liaison between the Banco de España and the main stakeholders (including government entities, private sector operators and international organisations) to promote harmonisation with national and global environmental sustainability and social goals.

Another of the ESG Office's priorities is to position the Banco de España as a leader in the adoption and promotion of international standards and best practices. Transparency and disclosure are also central elements of the ESG Office's responsibilities. Here, the Office contributes to the regular publication of comprehensive and accessible reports on the Banco de España's ESG-related activities and performance, and works to craft and disseminate clear and effective messaging tailored to a range of audiences.

Lastly, the Office represents the institution in national and international forums through active participation in debates and working groups, with the dual purpose of sharing knowledge and cementing the Banco de España's commitment to sustainable and responsible economic growth.

An integral approach to sustainability

From the outset, the ESG Office has focused its efforts on coordinating and integrating ESG principles into the institution's core activities and on driving a strategic agenda aligned with those of other central banks, thereby contributing to an orderly transition toward a decarbonized economy. Acting transparently, promoting collaboration and best practises and bringing the different stakeholders on board, the Banco de España is better able to manage environmental risks, strengthening its position as a leader in the integration of ESG criteria with the aim of guaranteeing the stability of the financial system.

Box 1.3
BANCO DE ESPAÑA BRANCHES THAT HAVE BEEN OPEN TO THE PUBLIC FOR 150 YEARS


Main façade of the Palma branch.

Eight of the Banco de España's 15 branch offices turned 150 in 2024: A Coruña, Bilbao, Barcelona, Málaga, Oviedo, Palma, Valladolid and Zaragoza. These branches were created under the Decree-Law of 19 March 1874, at the behest of the Finance Minister José de Echegaray (Spain's first Nobel Laureate in Literature).

Initially, the Banco de España issued banknotes together with other private banks, but the Decree-Law granted it a monopoly on issuance, and it had to open its own offices.

In addition to the Madrid head office, there had been two branches in Valencia and Alicante since 1858, since neither city had private issuing banks.

The Decree forced private banks to choose between merging with the Banco de España or continuing to operate without issuing banknotes. It was not an easy decision to make, and the government extended the merger deadline on two separate occasions.

The negotiations that followed culminated with the opening of the eight branches in 1874. The Oviedo branch was the first to open its doors in the summer, with those in Zaragoza, Málaga, Barcelona, Bilbao, Palma and A Coruña following suit in the final third of the year. A branch was also opened in Valladolid, which had no private issuer banks.

The network grew rapidly. There were 58 branches by 1892, more than one per province, and the numbers continue to swell, rising to 70 by 1957. In their early years, the branches were key to the acceptance of banknotes as a means of payment, and they remain important for the circulation of cash. They also had a part to play in the success of the Banco de España's transfer service, facilitating the exchange of money across provinces between 1884 and 1930, while contributing to the integration of Spain's financial market in the late 19th and early 20th centuries.

The branches also enriched the architectural heritage of their host cities, and continue to do so today.



Watch the following video to find out more about the branches' first 150 years:

PLAY



Box 1.4
THE BANCO DE ESPAÑA'S BRANCHES: THEIR WORK AND THE CHALLENGES THEY FACE

The branches are a crucial component of one of the Banco de España's core functions as a member of the European System of Central Banks: the issuance of euro banknotes and the circulation of euro coins. They help to ensure that cash circulates throughout Spain by supplying it to credit institutions, from where it can be withdrawn by the general public for their day-to-day needs.

To ensure public trust in cash, the branches conduct on-site inspections of bank branches to ensure the authenticity and good condition of banknotes and coins, withdrawing from circulation any that are unfit for use.

At times of crisis, the branches are key to ensuring the continuity of means of payment and represent an alternative to the Madrid offices in the event of operating contingencies. During the pandemic, Storm Philomena and the DANA, they demonstrated their commitment to society by continuing to provide essential services for daily life.

The branches have a strong public service ethos and are constantly adapting to shifting demands. The Banco de España is open to anyone looking to exchange euro banknotes and coins for notes and coins with a different value, to exchange defective or damaged banknotes and coins for others in good condition, to deposit cash thought to be counterfeit, to consult any data in their name on the Central Credit Register, to file claims against supervised institutions or to subscribe government debt by opening direct accounts.

The extensive branch network also enables the Banco de España to meet other community needs. Notable examples include its efforts in financial education, including the training offered on economic matters and the visits welcomed from a range of groups, such as schools, merchants, local police and foundations, with the aim of promoting the social and financial inclusion of the most vulnerable sectors.

INTERVIEW WITH PALOMA MARTÍNEZ

We sat down with Paloma Martínez, head of the Valencia branch since 2008.

How has the role of branches evolved since you first joined as the head of the Valencia office?

In recent years, the branches have started to collaborate in Banco de España functions that had until then been the sole preserve of the central departments, such as on-site inspections of bank branches to check compliance in the



Paloma Martínez, Director of the Valencia branch.

area of banknotes recirculation and authentication. But, above all, I would single out our role in the area of financial education, which has brought us closer to the public. Above and beyond the importance of our day-to-day operations in areas such as cash, complaints and government debt, we at the branches have a deep-seated public service vocation, and our work in helping the public (particularly the young and the elderly) to better understand their finances is a truly rewarding part of the job.

Looking ahead, what challenges do the branches face?

The branches are adapting and readying themselves for what the future may hold, with an emphasis on our strategic values of transparency, independence, public service and excellence. Our work will be crucial if the Banco de España is to meet some of the goals it has set itself for the coming years. These include increasing our external impact, strengthening and improving engagement and the channels of communication with society and improving the financial and economic literacy of the general public.

The branches also need to open up more to the public, showcasing their valuable cultural heritage. All with the aim of using our branches and the great team of professionals that work there to greater and better effect.

Box 1.4

THE BANCO DE ESPAÑA'S BRANCHES: THEIR WORK AND THE CHALLENGES THEY FACE (cont'd)

If you had to pick out one challenge you have faced recently...

I would single out the efforts made by the team at the Valencia branch to facilitate the collection and exchange of banknotes and coins damaged by the DANA, providing support and significant relief to the victims. Our branch is the first port of call for those affected. We are on hand to

help anyone who brings us damaged, damp or soiled banknotes and coins. After an initial inspection, we identify which banknotes and coins can in principle be counted and deemed authentic, before exchanging them there and then. Otherwise, if appropriate, a process of recognition and dry cleaning is then carried out, with a view to identifying the amount that can legitimately be exchanged and paid to the victims.

Box 1.5
INTERVIEW WITH TWO BANCO DE ESPAÑA EMPLOYEES


Ester Miralles (Legal Department) and Juan Granados (Information Systems Department) during the interview.

We talked with Ester and Juan, who have been working at the Banco de España since 1992 and 2022, respectively. We discussed how the institution has changed and what they think the Banco de España should look like going forward.

How has the Banco de España changed as a place to work since you first joined?

Ester: The Banco de España has changed a great deal since I first joined more than thirty years ago, particularly in terms of the technological changes that have taken place, bringing about substantial improvements in both effectiveness and efficiency. I have also seen a significant change in the area of transparency. Thanks to initiatives to promote greater openness and communication with the public, today's Banco de España is a much more transparent institution than it was back in 1992. Lastly, I would single out the internationalisation of the institution. As a central bank and supervisory authority, we now operate within a European framework and actively participate in numerous forums and organizations, something that clearly makes our day-to-day work more rewarding.

Juan: Even though I've only been here for two years, I've noticed significant changes at the Bank. For example,

measures have been set in place to encourage work-life balance and greater flexibility. There is now a firm commitment to cross-departmental collaboration, encouraging communication initiatives and collaborative projects that make for more tight-knit teams. Also, I feel that the Bank has gone to great lengths to incorporate advanced technological solutions to help it fulfil its remit.

And how do you see it going forward?

Ester: I have high hopes for artificial intelligence as a professional tool, as it will bring about a revolution comparable to the arrival of the Internet. I also believe that we will continue moving forward in terms of transparency and external communication. Society demands ever more and ever clearer information, and I am convinced that, moving forward, the Bank will continue rolling out initiatives to help improve both aspects.

Juan: We are clearly living and working at a time of constant technological change, in which I believe the Banco de España will continue to progress, with a particular emphasis on artificial intelligence and data governance. And, like Ester, I believe that we will continue forging closer ties with the society we serve, thanks, above all, to new channels of communication.

Society is ever-changing, presenting organisations with increasingly demanding challenges. How can the Banco de España prepare itself to best respond to these challenges?

Ester: Above all else, with transparency and openness. The public needs to have a clear understanding of the functions we perform and, by extension, the value of our work.

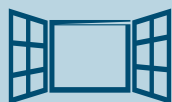
Juan: In my opinion, by engaging all of us who work at the institution. Quite aside from our professional duties, which we carry out with diligence and commitment, we are also ambassadors for the Bank and can help those around us to understand what it truly stands for. I also believe that, as employees, we all have an added responsibility; namely, to play a proactive role in generating ideas, and so drive the continuous improvement of our workplace.



Chapter 2

Transparency, accountability and relations with the public

The Banco de España up close



COMMITMENT

Promoting transparency in order to strengthen public trust, to this end working in an innovative, agile and forward-looking manner



PROXIMITY

Social media presence (Instagram, X, LinkedIn, Bluesky and YouTube). A total of 32 posts on the Banco de España's online blog in 2024



EFFICIENCY

Constant review of the institution's actions by the Independent Evaluation Office to ensure continuous improvement



OPENNESS

Regular appearances by the governor before the Spanish Parliament, presentation of reports, organisation of conferences and exhibitions on the institution's historical heritage



FINANCIAL EDUCATION

Enhancing real-world understanding of finance in society through the Financial Education Plan and other initiatives



DATA

Design and implementation, by the Data Office, of a data strategy aimed at maximising its value

1 Transparency as a driver of change and a mechanism for accountability

Transparency is a core principle that guides all of the Banco de España's activities. A commitment to upholding this principle is embedded within the institution's culture. Moreover, transparency helps to transform the institution, forging stronger bonds with the society it serves.

This commitment was further cemented with the approval of Law 19/2013 of 9 December 2013, on transparency, access to public information and good governance (the Transparency Law). To comply with this law, the Banco de España created the [Transparency Portal](#), on which information of public interest can be consulted. It has also set in place a [procedure whereby anyone can request public information from the institution](#).

Transparency has evolved since the since the law was first approved, driven by a growing public demand for information and the numerous initiatives rolled out at national and international level. It is no longer enough just to disclose information. Clear, open communication is now needed, as are effective accountability mechanisms.



View of the Banco de España headquarters.

The Banco de España is working towards these goals. First, it uses a broad range of mechanisms to ensure accountability. The Transparency Portal, the public appearances and speeches by the institution's senior officials, the external evaluations of its activities, its responses to public information requests, and the publication of reports and reviews are all accountability mechanisms that enable society to understand the institution and examine its work. Among these publications, the Institutional Report stands out. Published since 2016, it provides a comprehensive overview of the organisation, its structure and the various functions it performs, together with a breakdown of the most relevant activities carried out during the year and information on its financial and economic position. Unlike more technical publications, it is designed to be broadly accessible and understandable, showcasing the work the Banco de España performs for the good for society in an engaging fashion. Meanwhile, the institution also strives to communicate more clearly, to ensure that the information that reaches the public is accurate and easy to understand.

In short, accountability has become an essential tool for maintaining trust and commitment to society, while also guaranteeing two-way communication with the general public.

The Banco de España's commitment to transparency was laid out in its first Strategic Plan, which ran until 2024. In that plan, transparency was considered one of the five core values guiding the institution's conduct, ensuring internal cohesion and building a robust reputation in the eyes of the public.

As part of the strategic framework that will underpin the design and execution of the Banco de España's new strategic plan (approved in late 2024 and set to run until 2030), accountability is one of the values that inspire and guide the institution's conduct, cementing its position as a transparent institution that engages with society and builds trust (the ultimate goal). Success will rest on the introduction and implementation of channels of communication and dialogue with the general public.

The Banco de España has already set this strategic renewal in motion.

The [new Directorate-General Institutional and European Relations and Transparency](#), home to the new **Transparency and Communication Department**, was set up towards the end of 2024. This department brings together the areas of the Banco de España that deal directly with the public: the Communication Division reports on the institution's actions, while the Transparency, Financial Education and Publications divisions, together with the Virtual Office, the Archive and the Library, also perform public-facing tasks. Combining all of them within one single department will yield synergies to better engage with society.

The Banco de España is also focused on sharing its rich heritage with the general public through exhibitions and the Institutional Repository. Similarly, it is committed to promoting publications and initiatives that explain, in a straightforward, accessible manner, the sort of complex subjects that are typically dealt with in analytical and research papers. This requires exploring new tools and formats that cater to the public's demands, ensuring that messages are conveyed as

effectively as possible. To this end, the Banco de España has been on Instagram since November 2024 ([@bancodeespana](#)), while early 2025 saw the launch of a podcast that uses accessible language to reach a broad audience.

To further enhance accountability, the Banco de España **conducts independent evaluations of its activities and functions**. These evaluations are useful both internally, since their findings are taken on board in subsequent decision-making, and externally, as they strengthen transparency, independence and accountability. It is worth noting here that the [independent expert reports](#) are published on the institution's website.

Meanwhile, **a working group has been set up to conduct a study of the Banco de España's independence, autonomy, transparency and accountability**, as part of a process of reflection on [Law 13/1994 of 1 June 1994, of Autonomy of the Banco de España](#) (the Law of Autonomy).

As far as the Banco de España is concerned, transparency is not merely a commitment, but rather also a principle that presides over and guides its everyday activities, acting as a force for change. It promotes transformation and fosters innovation (both of which are essential for building an open institution), while ensuring accountability and safeguarding independence. All of this with the ultimate aim of strengthening public trust, which is its *raison d'être*.

2 Transparency

2.1 Transparency Portal

The [Transparency Portal](#) is an open window on the institution's public information.

The portal was created following the entry into force of the Transparency Law. The Banco de España's commitment to transparency has led it to add to the site with additional content published by the institution at its own initiative, on the understanding that it may prove interesting to the general public. Such content includes the calendars of the Governor and Deputy Governor, the codes of conduct of the governing bodies and staff, a wealth of information on the institution's historical and artistic heritage and the Banco de España's annual evaluation programme.

The information on the Transparency Portal is organised into three thematic sections.

- The first, “**Institutional and planning information**”, offers a comprehensive overview of the institution, including its functions, its organisational structure and its frameworks for action. The information available for consultation includes the calendars of the Governor and the Deputy Governor, the Banco de España's plans and programmes, the codes of conduct and the initiatives rolled out in the area of institutional social responsibility.



Detail of the stained glass window in the banking hall at the Banco de España's headquarters.

- The second, “**Financial information**”, is dedicated to economic and budgetary transparency. Here, information can be found on contracts and procurement, the remuneration of the governing bodies and senior officials, the institution’s annual accounts, its historical and artistic heritage and the management of its material resources. Further information on the agreements entered into by the Banco de España and their registration can be found in [Box 2.1](#).
- The third, “**Official information and publications**”, is devoted to legal and regulatory matters, providing access to all of the documentation on the Banco de España’s regulatory activities. The circulars approved and the documents submitted to public consultation can be found here, as can other publications prepared by the institution.

If a search for information on the portal proves unsuccessful, a request to access the Banco de España’s public information can be submitted. The public has the right to access any public information (content or documents) in the institution’s possession that has been prepared or obtained in the exercise of its public functions. Additional information on how this right of access was managed in 2024 can be found in [Box 2.2](#).

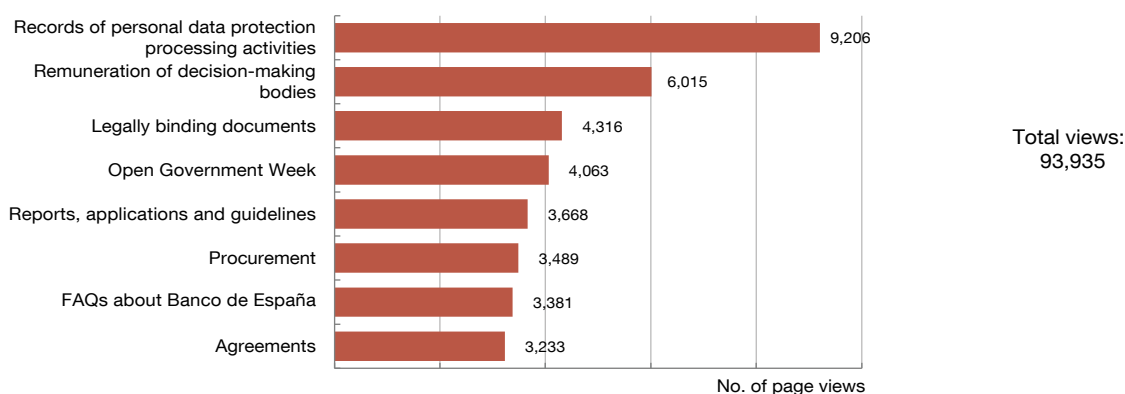
The Transparency Portal includes an “**FAQs**” section on issues concerning the Banco de España and transparency, containing details of the queries that interested parties have raised with the institution. The results of the [evaluations of the Banco de España conducted by the Council for Transparency and Good Governance](#), on the application of the Transparency Law, can also be consulted.

The Transparency Portal saw an extraordinary rise in visitor numbers in 2024, largely owing to the celebration of Open Government Week in June. Chart 2.1 shows the most popular pages in 2024.

The Banco de España’s commitment to transparency and accountability to society is not simply a response to its statutory obligations, but rather is the bedrock of everything it does.

Chart 2.1

Most popular pages on the Transparency Portal



SOURCE: Banco de España.

Thus, with the aim of strengthening institutional transparency, the Governor and Deputy Governor both make numerous public speeches at a wide range of forums and organisations, all of which are available on the Banco de España's website. Moreover, as already noted, [their calendars are published every month on the Transparency Portal](#).

In 2024 the terms of office of Governor Pablo Hernández de Cos and Deputy Governor Margarita Delgado came to an end, giving way to José Luis Escrivá and Soledad Núñez, respectively. Their appearances before parliament and some of their most noteworthy speeches at national and international forums are summarised in the following sections.



Video features on transparency are available on the Banco de España's [Transparency Portal](#).

2.2 Parliamentary appearances

Appearances before parliament are one of the Banco de España's key accountability mechanisms. As the institution's representative before Parliament, the Governor appears regularly before the lower and upper houses.

In accordance with the Law of Autonomy of the Banco de España, the Governor appears before Parliament to present the *Annual Report*, which examines recent developments in the Spanish economy and the main challenges it faces.

On 7 May 2024, the former Governor Pablo Hernández de Cos appeared before the Economy, Trade and Digital Transformation Parliamentary Committee to present the [Annual Report 2023](#). In his speech, he looked at where the Spanish economy stands in a global context, its future



Appearances by the former Governor Pablo Hernández de Cos (left) and Governor José Luis Escrivá (right) before the Parliamentary Economic Affairs and Digital Transformation Committee.

prospects and the risks and challenges it faces. He also offered a series of economic policy recommendations for addressing the challenges facing the European Union (EU) and Spanish economies.

As the institution's most senior representative, the Governor of the Banco de España can also appear voluntarily before Parliament to address issues of interest.

Thus, on the occasion of his recent appointment, the current incumbent, José Luis Escrivá, appeared before the Economy, Trade and Digital Transformation Parliamentary Committee on 21 November 2024, [to set out the general lines of his mandate](#). The lower chamber was informed of the challenges to be addressed by the institution over the next six years. The Governor also outlined the goals set in pursuit of greater efficiency and innovation, as well as to make the Banco de España more open, transparent and accountable, with the aim of bringing the institution closer to the general public.

2.3 Other public appearances

In 2024 the institution was represented by its most senior officials at numerous forums, both in Spain and further afield. Figures 2.1 and 2.2 detail some of their most notable appearances.

Figure 2.1

Public interventions by former Governor Pablo Hernández de Cos and former Deputy Governor Margarita Delgado



In 2024, the former governor participated in numerous international forums. His most relevant interventions were:

- Conference on the macroeconomic impact of climate change, organised by the Bank Al-Maghrib.
- VIII Conference of Mediterranean Central Banks, on the challenges for central banks in turbulent times.
- Opening address at the 5th Conference on Diversity, Equity and Inclusion in Economics, Finance, and Central Banking, organised by the Banco de España together with the Bank of Canada, the Bank of England, the Board of Governors of the Federal Reserve System and the European Central Bank (ECB).
- Participation in the debate on monetary policy transmission and the banking system, as part of The ECB and Its Watchers XXIV, an event organised by the Institute for Monetary and Financial Stability and the Goethe-Universität.

Meanwhile, on the domestic front, notable events included:

- The 14th edition of Spain Investors Day.
- The X Hotusa Explora Tourism Innovation Forum.
- The V Expansión International Forum.
- Commemoration of the 50th anniversary of CUNEF.
- The Youth in Perspective Forum. Economic capacities of Spanish youth, organised by Centro Reina Sofia-FAD Juventud.

Similarly, in 2024 the former Deputy Governor appeared at a range of international events. Notable examples included her appearances on the following panels:

- “Green transition and the future patterns of capital flows and global liquidity”, at Bretton Woods @80 and Austria’s IMF Membership @75, an event organised by Oesterreichische Nationalbank.
- “10 years of the single supervisor: looking back and ahead”, on the occasion of the 10th anniversary of the Single Supervisory Mechanism (SSM).
- “Addressing supervisory challenges through enhanced collaboration”, at the Joint ECB and EBA international conference.



Closer to home, her interventions at the following forums are worth noting:

- El Confidencial-PIMCO Fourm, on challenges and opportunities in the banking sector.
- Round table “Perspective on the IGAE from institutions with related functions”, during the opening ceremony of the 150th Anniversary of the State Comptroller’s Office.
- Event organised by the European Commission in Spain on the implementation of the Recovery and Resilience Mechanism in the country.
- Meeting of the Association of Economic Journalists (APIE), organised at Universidad Internacional Menéndez Pelayo, on the economic situation and outlook for the Spanish banking sector.

SOURCE: Banco de España.

Figure 2.2
Public interventions by Governor José Luis Escrivá and Deputy Governor Soledad Núñez

After taking up office in September, Governor José Luis Escrivá took part in various national and international events. Notable examples from an international perspective included the following:

- [Green Swan Conference 2024](#), on the economic impact of climate risks, co-organised by the Bank for International Settlements, the Bank of Japan, the Banco de España and the Network for Greening the Financial System.
- [Annual Membership Meeting](#) of the Institute of International Finance.

On the domestic front, he appeared at the following events:

- [Annual Conference of the Financial Markets Association](#), speaking on the ECB's monetary policy normalisation.
- [Macroeconomic Information Conference 2024](#), organised by APIE, speaking on the effects of the DANA on the financial system and the economy.
- “The Monetary Union in the face of the challenges of stability, growth, and competitiveness of the European economy”, at the [La Toja-Vínculo Atlántico Forum](#).
- Closing remarks at the [XV Finance Conference. Banking Sector](#), organised by KPMG and Expansión.



Meanwhile, the current Deputy Governor of the Banco de España, Soledad Núñez, spoke at various domestic forums. Notable examples included:

- [XXIX Economics Conference at S'Agaró](#), on sustainable growth and the European banking context.
- “Spain, a European leader in finance and insurance”, at the [IV National Civil Society Congress](#).
- [31st Financial Sector Conference](#), organised by ABC and Deloitte, on the transformation of the financial sector and strategies for sustainable banking.

SOURCE: Banco de España.

3 Publications

3.1 Reports and other annual publications

The Banco de España regularly publishes a range of publications. Figure 2.3 includes some of the most noteworthy examples.

Figure 2.3

Key annual publications

REPORTS AND OTHER ANNUAL PUBLICATIONS



Annual Report

- Analyses developments in the Spanish and international economies.
- Highlights the main short and long-term risks and vulnerabilities facing the Spanish economy.



Institutional Report

- Provides a comprehensive overview of the organisation, structure and functions of the institution.
- Outlines the year's most important activities.



Annual Accounts

- Includes the balance sheet, the profit and loss account and the notes to the accounts.
- Prepared in accordance with the Banco de España's internal accounting rules and principles, based on the accounting rules of the European System of Central Banks.



Supervision Report

- Describes how supervision is organised.
- Sets out the priorities and strategies adopted, the Banco de España's circulars and its participation in international forums on banking regulation and supervision.



Complaints Report

- Summarises the activities of the Banco de España's Institutions' Conduct Department.
- Includes a statistical analysis of the claims processed, as well as the transparency legislation and best practices applied.



Central Credit Register Report

- Summarises the activity of the Banco de España's Central Credit Register (CCR).
- Focuses on the most salient aspects of the credit risk-related information and the services provided.



Climate-related aspects of the Banco de España's non-monetary policy portfolios

- First published in 2023, it includes financial information on climate related aspects of the non-monetary policy portfolios.
- Contributes to transparency by following the recommendations of the Task Force on Climate-related Financial Disclosures.

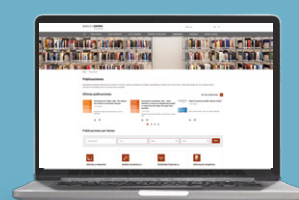
STATISTICS



Central Balance Sheet Data Office

- Contains the last ten years' aggregate data of listed and unlisted Spanish non-financial corporations and corporate groups.
- This information is compared with that of other European central bank sheet data offices.

All of the annual publications can be found on the Banco de España website.



SOURCE: Banco de España.

3.2 Other regular publications

In addition to the annual publications referred to above, the Banco de España also publishes other documents, bulletins and reviews with varying frequency. The most important can be seen in Figure 2.4.

Figure 2.4

Other periodic publications

ECONOMIC ANALYSIS AND RESEARCH



Economic Bulletin

- Published quarterly.
- Examines macroeconomic developments in Spain.
- Includes the "Macroeconomic projections and quarterly report on the Spanish economy", a chronological list of analytical articles on economics and finance, economic notes published on the Banco de España's website over the quarter, and several boxes on key economic topics.



Macroeconomic projections and quarterly report

- Analyses recent developments in the economy, in the international and euro area context.
- Updates the Banco de España's projections for the Spanish economy for the current year and the following two years.

FINANCIAL STABILITY AND MACROPRUDENTIAL POLICY



Financial Stability Report

- Published twice yearly (spring and autumn).
- Analyses the risks to the Spanish financial system and the profitability and solvency of deposit institutions.
- Presents the Banco de España's macroprudential policy and measures.



Financial Stability Review

- Published twice yearly.
- Serves as a platform for communication and dialogue on financial stability-related issues.
- Focuses on macroprudential policy, regulation and supervision.
- Open to contributions by researchers in the financial field, subject to an anonymous refereeing process.

STATISTICAL INFORMATION AND RESEARCH



Statistical Bulletin

- Published monthly.
- Contains a range of statistics compiled by the Banco de España, a summary of general statistics from the National Statistics Institute and other public bodies, and a set of indicators for other countries.



Research Update

- Published twice yearly in English, aimed at the international research community.
- Summarises the research activities of the Banco de España.

All of the **periodic publications** can be found on the Banco de España website.

SOURCE: Banco de España.

3.3 Other occasional publications

The Banco de España also publishes a range of research and economic analysis in the form of working papers, occasional papers and *Economic Bulletin* articles.















The *Occasional Papers* series seeks to disseminate the work carried out by the Banco de España within its sphere of competence that is considered to be of general interest for knowledge of the functioning of the Spanish economy and of its international environment.

The aim of the *Working Papers* series is to disseminate research papers on economics and finance by Banco de España researchers. The *Working Papers* are published once they have successfully undergone an anonymous evaluation process

Figure 2.5 shows a sample of the papers published in 2024.

Figure 2.5

Sample of working papers, occasional papers and Economic Bulletin articles published in 2024

WORKING PAPERS	
	2404. CBDC and the operational framework of monetary policy
	2405. Estimating individual responses when tomorrow matters
	2423. Sovereign uncertainty
	2433. The public-private wage GAP in the euro area a decade after the sovereign debt crisis
OCCASIONAL PAPERS	
	2413. Spanish Survey of Household Finances (EFF) 2022: methods, results and changes since 2020
	2430. The Letta report: a set of proposals for revitalising the European economy
	2432. El mercado del alquiler de vivienda residencial en España: evolución reciente, determinantes e indicadores de esfuerzo
	2433. El mercado de la vivienda residencial en España: evolución reciente y comparación internacional
ECONOMIC BULLETIN ARTICLES	
	2024/Q1. Article 07. Spanish and euro area households' response to rising prices
	2024/Q2. Article 03. Recent diversification of international tourist flows to Spain
	2024/Q3. Article 06. Comparing the characteristics of migratory flows to Spain and other European Union countries
	2024/Q3. Article 09. The impact of renewable energies on wholesale electricity prices
	2024/Q3. Article 10. Banco de España Business Activity Survey: 2024 Q3
	2024/Q4. Article 03. The rise of the electric vehicle in China and its impact in the EU
The occasional papers, working papers and Economic Bulletin articles are available on the Banco de España website , listed by publication date and/or thematic content. These non-periodic publications can also be found in the Institutional Repository .	

SOURCE: Banco de España.

4 External evaluations

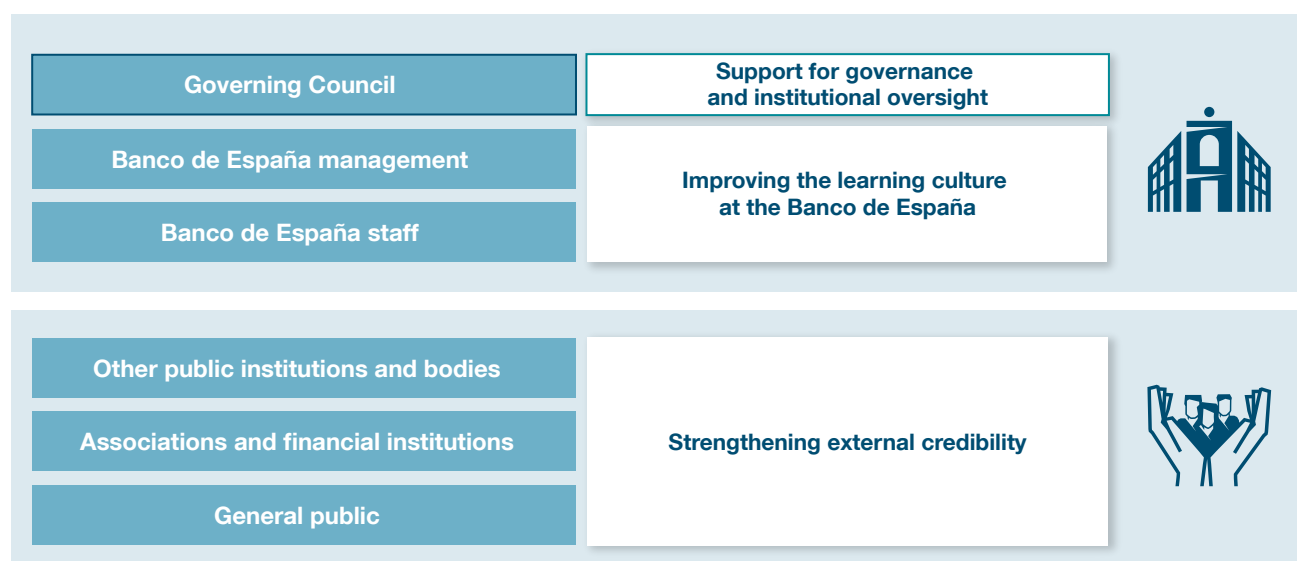
In March 2022, the Banco de España launched its Evaluations Programme with the aim of examining and improving its activities, ensuring public resources are used efficiently and enhancing the quality of its services. Two years later, in **September 2024, the Independent Evaluation Office (IEO) was set up to conduct objective, independent and systematic evaluations on key issues for the institution's mission and functions.** Its purpose is to support the Banco de España's Governing Council in fulfilling its responsibility for institutional governance and oversight of the institution's functioning, to instil a culture of learning within the institution and to boost its external credibility.

Figure 2.6 shows how the goals of the IEO relate to its stakeholders.

Since the programme was first launched, seven evaluations affecting different areas of the Banco de España have been completed, and another is currently ongoing (see Schema 2.1).

Figure 2.6

Relationship between the objectives of the IEO and its stakeholders



SOURCE: Banco de España.

Figure 2.7 provides further information on the IEO and its activities in the form of interviews with the IEO Director and the Head of the Transparency and Communication Department (an area assessed in the external evaluation of dissemination activities).

Schema 2.1

Evaluation plan

Evaluation Plan	Directorates General							
	Evaluation	Institutional and European Relations and Transparency	Financial Stability, Regulation and Resolution	Economics	Operations, Markets and Payment Systems	Banking Supervision	Financial Conduct and Banknotes	Strategy, People and Data
Pilot	Dissemination	✓						
2022-2023	Research		✓	✓	✓			
	Macroeconomic projections			✓				
	Suptech					✓		✓
2023-2024	Conduct supervision						✓	
	International cooperation	✓						
	Macroprudential policy framework		✓					
2024-2025	Data governance, management and use		✓	✓	✓	✓	✓	✓

SOURCE: Banco de España.

NOTE: Main areas evaluated are shown in a darker shade and secondary areas are in a lighter shade.

Figure 2.7

Interviews with the Director of the IEO and the Director of the Transparency and Communication Department

Interview with María Gutiérrez de Ojesto, Director of the IEO



1. What type of evaluations do you conduct?

We carry out both evaluations of well-established functions and early stage evaluations, i.e. evaluations of functions at the implementation stage. The experience of other offices, and our own, shows that such evaluations are

very useful, as they help identify opportunities to correct or improve functions at an early stage. This fosters a culture of learning within the bank.

2. How do you choose which areas to evaluate?

We look at a range of criteria, such as strategic relevance, the extent to which an area is representative, evaluations conducted by other comparable offices and cross-cutting issues. It is also essential to secure the commitment of the area under evaluation to ensure a successful outcome.

3. What are the key conclusions drawn from the evaluations conducted?

Overall, the Banco de España's work in the areas evaluated is singled out for praise. The evaluations also offer up valuable ideas for further strengthening these areas. Moreover, many recommendations repeatedly crop up in the different evaluations, particular in terms of internal aspects of the institution, such as people, processes, technology and communication. With this in mind, our new strategic plan will have a strong internal focus.

4. How do you work with the areas under evaluation?

Throughout the evaluation process, the office holds periodic meetings to touch base with representatives from the area evaluated. This helps to resolve any issues and ensure that these representatives are kept abreast of how the evaluation is progressing. This approach ensures that our recommendations address the specific issues they face. Once the report is presented, the IEO then helps the departments to decide which recommendations to act on and to turn the suggested improvements into actions to transform the organisation.

5. What value can an external evaluation add for a specific area?

The involvement of renowned external experts brings an independent viewpoint and a fresh perspective on how to perform their functions, in line with international best practices. Furthermore, when the topics evaluated are cross-cutting in nature, evaluations foster collaboration and cooperation across areas and help break down silos.

SOURCE: Banco de España.

Figure 2.7

Interviews with the Director of the IEO and the Director of the Transparency and Communication Department (cont'd.)

Interview with Ana Buisán, Director of the Transparency and Communication Department, an area assessed in the external evaluation of dissemination activities



1. How did you work with the Independent Evaluation Office (IEO)?

Although the dissemination of our economic and financial publications was evaluated prior to the creation of the IEO, the process was supported by the team working on the Strategic Plan 2024, which would later go on to form the office. Collaboration with the IEO was fruitful and was key to monitoring and implementing the recommendations (comply or explain), and has played a decisive role in improving and transforming dissemination and communication at the Banco de España.

2. What has this external evaluation meant for your area?

The evaluation had a decisive impact on the construction of a governance framework that has improved the coordination of the Banco de España's communication and dissemination initiatives. These initiatives have been incorporated into the first institution-wide integrated communication strategy. This process made it easier to set up the Transparency and Communication Department, which has integrated the areas most focused on dealing with the general public: Communication, Publications, Financial Education, Transparency and Archives and Document Management. The evaluation also supported and promoted impact measurement activities, leading to recommendations for a more effective selection of communication initiatives in our annual action plans.

3. Which action based on the results of the evaluation has had the biggest impact?

In addition to the strengthening of coordination mentioned in my previous answer, at a more operational level some of the evaluators' recommendations have been applied in the form of very specific actions, which

are yielding good results. I would point to the creation of the Banco de España blog, a specific research account on X, an updated format for some publications (such as the articles in the Economic Bulletin and the "Quarterly projections and report") and the launch of a podcast.

4. And the biggest challenge you have faced?

The main challenge lay in the lack of coordination in the dissemination and communication activities of the various areas involved, which we began to tackle with the design of our communication strategy. Another major challenge is to adapt the way we communicate (traditionally aimed at expert audiences) to the demands of wider audiences, maintaining rigour and gaining clarity and simplicity, but without multiplying channels and formats needlessly.

5. How would you feel about updating the evaluation in a few years' time?

Updating the evaluation in a few years would be a great opportunity to assess the changes we want to make to transparency and communication at the Banco de España. The IEO offers a far-reaching review and sound recommendations, which have had a great transformative power at the institution.

SOURCE: Banco de España.



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

5 Strategic Plan 2030

In late 2024, the Banco de España's Governing Council approved the strategic framework that will guide the design and rollout of the institution's new strategic plan: the **Strategic Plan 2030 (SP 2030)**. This strategic framework sets out the institution's mission, values, vision and strategic goals between now and 2030.

Figure 2.8 depicts the pillars of the future SP 2030.

Figure 2.8

Pillars of the Strategic Plan 2030

PLAN
ESTRATÉGICO
2030

BANCODE ESPAÑA
Eurosistema

VALUES

WHAT INSPIRES AND GUIDES US

INDEPENDENCE

Our autonomy enables us to act and make decisions objectively, reliably and impartially.

ACCOUNTABILITY

We are an open and transparent organisation, and we strive to be clear and accessible when communicating what we do.

PUBLIC SERVICE

We are committed to society and act in the public interest when performing our functions, thereby building trust.

INTEGRITY

Our credibility rests on an ethical, responsible and honest approach to our actions.

EXCELLENCE

Quality and rigour, as well as efficacy and efficiency, guide our actions in a collaborative, innovative and agile working environment in which diversity is prized.

VISION OUR GOAL

A transparent institution that inspires trust, made up of committed individuals working to serve society in an innovative, agile and forward-looking spirit.

OBJECTIVES

HOW WE INTEND TO MEET OUR GOAL

CULTURAL AND ORGANISATIONAL TRANSFORMATION

Building a new way of working together

PULL TOGETHER

TAKE BOLD ACTION

LEARN

We are firmly committed to new ways of working that promote agility and a multidisciplinary approach, mindful of the risks but capitalising on opportunities and learning from the organisations around us.

TECHNOLOGY

Equipping the organisation with cutting-edge technology

We aim to improve the tools our employees use in their day-to-day work, streamlining our processes, better leveraging our data and modernising the services we provide to society.

TALENT

A wholesale redesign of the way we manage our people

We aim to roll out our employee-focused policies in a framework of trust, fostering and developing talent.

TRANSPARENCY

Better engaging with individuals and society as a whole

We aim to strengthen and adapt our channels for communicating with and listening to the public, while forging closer ties with the organisations around us.

SOURCE: Banco de España.

Technological innovation will have a pivotal role to play in the transformation envisaged. The Banco de España has already embarked on a process of change. [Box 2.3](#) takes a look at the internal and external technological tools set in place by the institution.

6 Actions to promote awareness of the Banco de España

In 2024, as part of the Banco de España's Institutional Social Responsibility Plan, various initiatives were carried out with the aim of making the institution more accessible to the public and promoting greater awareness of its functions. These included training sessions on finance and banknotes and coins and the institution's participation in university and career guidance events, as well as university employment fairs, as detailed in [section 3.3 of Chapter 1](#).

The Banco de España took part in Open Government Week, while also organising activities at its branches, presenting economic reports at various forums outside Madrid and hosting cultural visits at the institution's headquarters.

Some of the initiatives carried out are summarised in Schema 2.2.

Schema 2.2 Initiatives to promote awareness of the Banco de España	
<p>Open Government Week</p>	<ul style="list-style-type: none"> — Participation: the Banco de España took part for the third year running. — Open days: from 10 to 14 June, the Banco de España opened its doors to the public. — Events: 74 workshops in Madrid and at 14 branches. — Types of workshops: on the Banco de España's functions, activities and statistics and the importance of its library. Also on topical issues such as digital assets, inflation and the fintech sector. Elsewhere, career opportunities at the institution were presented, visitors were taught how to spot genuine banknotes and financial education issues were addressed. — Attendance: more than 2,000 visitors learned more about the Banco de España.
<p>Activities at branches</p>	<ul style="list-style-type: none"> — Institutional visits: 284 representatives from public administrations, universities, professional associations and business operators visited the branches. — One-off events: 50 events at 14 branches, including presentations of annual reports and publications, meetings with judges and magistrates, conferences and international events. — Participation in Global Money Week, the Central Banking and Supervision Programme and the hazQTRente workshops: attended by 950, 16,600 and 2,750 people, respectively. — Participation in Open House Madrid: at three branches, with almost 800 participants.
<p>Presentation of economic reports at various venues across Spain</p>	<ul style="list-style-type: none"> — Reports presented: <i>Annual Report</i>, quarterly reports and projections. — Venues: eight cities. — Presentations at universities: in Granada, Santiago de Compostela, Castellón, Pamplona, Las Palmas de Gran Canaria, Toledo and Valencia, attended by 430 people. — Institutional events: with representatives from social sectors of the public administration, trade union representatives, academic authorities and members of business and economic associations. Attended by 100 people in eight provinces.
<p>Cultural tours</p>	<ul style="list-style-type: none"> — Programme of tours: guided cultural tours, free of charge, from October to June, of the Madrid headquarters. — Visitors: more than 5,848 in 2024. — Participation with the Official College of Architects of Madrid in Architecture Week, Open House Madrid and the Madrid City Council's Madrid Otra Mirada programme.

SOURCE: Banco de España.



More information on the [programme of guided tours of the Banco de España's buildings](#) can be found in the "For the public" section of its website.

7 Financial education

FINANCIAL EDUCATION



What does it involve?

Financial education seeks to help the public better understand the economy and finances and take more informed decisions about their money.

Why does it matter?

Financial education matters because making sound decisions when managing personal finances contributes to the overall financial well-being of society, reduces the risk of financial exclusion and conflicts between agents and, ultimately, helps keep the financial system as a whole on an even keel.

What does the Banco de España do?

The Banco de España has a dual role here. First, as a partner under the Financial Education Plan, it helps steer Spain's financial education strategy. Second, it develops numerous training initiatives covering personal finances, monetary policy and economics, as well as providing content aimed at vulnerable groups.

What's the goal?

To improve the financial well-being of society as a whole and make the system more stable, through initiatives to make the Banco de España more accessible to the general public.

7.1 The Banco de España and the promotion of financial education

An understanding of basic economics and finance can help us manage our money at different stages of our lives, thereby improving our financial well-being. Moreover, a grasp of the core principles of economics and monetary policy can help us to understand the measures the Banco de España adopts to maintain financial stability and how they affect the general public. This builds trust in the financial system, helping to ensure it remains stable and functions smoothly.

The latest round of the [Banco de España's Survey of Financial Competences \(ECF by its Spanish acronym\)](#) and the most recent [PISA Report on Financial Competences](#) both show that, although financial literacy has improved somewhat, there is much still to be done. According to the ECF, only 19% of those surveyed in 2021 responded correctly to the three questions on inflation, compound interest rates and risk diversification, as compared with 18% in 2016. The survey questionnaire allows the responses given in Spain to be compared against those of other countries taking part in equivalent surveys coordinated by the Organisation for Economic Co-operation and Development (OECD). In terms of financial skills, Spain's adult population performed slightly better (scoring 66 out of 100 on the OECD scale) than the OECD-member country average (63), and equalled or outperformed the average in other European countries, such as France (66), Italy (53) or Portugal (61). However, the level of understanding is notably worse than in Germany, which posted the highest score (85) of all of the European countries surveyed. These results highlight the need to continue working to improve economic and financial literacy.

The Banco de España is committed to the goal of expanding financial and economic education. To this end, it works on two fronts: its in-house projects and the initiatives under the Financial Education Plan (FEP).

The Banco de España has been a promoter of the FEP since 2008, together with the Spanish Securities Market Commission (CNMV). Formalised in periodic agreements, this work is carried out under the banner of the [Finance For All](#) initiative. The most recent agreement (running from 2022 to 2025) welcomed the Ministry of Economic Affairs, Trade and Enterprise as a new promoter. Thus, this national financial education strategy now has the formal backing of the country's three main economic and financial authorities.

The FEP guides and promotes the outreach initiatives of a [network of public-private partnerships](#) taking educational initiatives to all four corners of the country. The content of the plan is based on the [competence frameworks for children and youth developed by the OECD and the European Commission](#) and the [competence frameworks for adults and small businesses drawn up by the same institutions](#), and covers key concepts on managing personal finances.

The FEP partners play a key role in promoting and expanding financial education. As one of the plan's promoters, the Banco de España takes part in numerous events organised by both the FEP partners and other institutions with prominent roles in educational development.



Main event of Financial Education Day, hosted at the Banco de España's headquarters.

These initiatives notably include the content delivered on economics, monetary policy and banknotes and coins.

As part of its commitment, the Banco de España has strengthened its financial education strategy. The institution's work plan was expanded in 2024 with the launch of an [economics programme](#) on its website. Also, the Banco de España's branch network is now an increasingly integral part of the financial education programmes.

On the international front, the Banco de España is an active contributor to the leading international forum for debate on financial education: the OECD International Network for Financial Education (INFE). Home to more than 290 institutions spanning 134 economies, this network is the international benchmark for projects to evaluate, research and standardise national financial education strategies.

7.2 Financial education initiatives aimed at the teaching community

These initiatives target the under-18s, particularly those still in compulsory education. The OECD recommends starting financial education as soon as possible to instil healthy money management habits and encourage saving and forward planning. The aim is to use the school curriculum to reach all future adults.

With this in mind, the Banco de España is working with the Ministry of Education, Vocational Training and Sport to include more financial education in school programmes, offering courses and classroom materials. The FEP is largely made up of activities covering the principles of basic financial management. Meanwhile, content more specific to the functions of the Banco de España is dealt with elsewhere.

In 2024, as one of the promoters of the FEP, the Banco de España contributed to the report *Financial Competences in the Spanish Education System*, looking at the extent to which financial education is included in the teaching programmes under the current education law (Organic Law 3/2020 of 29 December 2020, amending Education Organic Law 2/2006 of 3 May 2006). The Banco de España also works in partnership with the regional education departments of Galicia and Castilla-León, training teachers on how to incorporate financial literacy within their subject areas.

Thanks to the FEP, teaching staff from secondary, baccalaureate and vocational training cycles can access the Finance For All-School Financial Education Programme. This programme includes a 10-module course that comes with supplementary teaching materials including activities, videos and resources. A total of 1,006 educational institutions had signed up for the programme by 31 December 2024, a twofold increase on the previous year. The programme has been updated for the 2024-2025 academic year to bring it into line with the EU financial competence framework for children and youth, and is now easier to access from the [Finance For All](#) website.

Registered centres can take part in the Finance For All-Financial Literacy School Competition. A total of 138 educational institutions from across the country competed in the 2023-2024 edition. The quarter and semi-finals were held at the Banco de España's Barcelona, Bilbao, Zaragoza and Malaga branches, while the Madrid headquarters hosted the final as one of the centrepieces of Financial Education Day. For the ninth edition (2024-2025) and to encourage more pupils from different age groups to sign up, the competition has been revamped significantly with the creation of two categories: "juniors", for pupils from years one to three of secondary education, and "young adults", which runs from secondary year four to the second year of baccalaureate and intermediate levels of vocational training.

Last year also saw the celebration of the 12th edition of Global Money Week (GMW), an international OECD-backed campaign aimed at raising awareness of the importance of financial education from an early age. As a promoter of the FEP, the Banco de España organised more than 100 initiatives across the country and over 20 activities at its Madrid headquarters and branch offices. Under the slogan "Protect your money, secure your future", some 20 organisations took part in this latest edition, with around 270,000 individuals benefiting directly from in-person and online activities.

Beyond the FEP, the Banco de España also stages workshops to explain its functions and activities. Here, the institution outlines key aspects of the mission of a Eurosystem central bank, supervisory authority within the SSM framework, monetary policy and the characteristics of banknotes and coins. In 2024, almost 15,000 participants (mainly primary and secondary pupils) attended these workshops, most of them at the Banco de España's network of branches.

The Banco de España also organises weekly workshops (under the title "hazQTRente: understand your finances, decide your future") aimed primarily at secondary school and baccalaureate students. Taught both face-to-face and by video conference, these workshops address core concepts such as saving, budgeting, spending and fraud prevention, as well as offering practical insights into banknotes and coins. 124 workshops were staged in 2024, with more than 5,200 participants. As from September 2024, these workshops are also taught at the Banco de España's branches, now reaching more pupils from different regions. Moreover, in 2024 a system was set in place to gather and analyse data on training activities, with the aim of better gauging their impact and applying the findings to other medium-term initiatives.

The Generation Euro competition is another cornerstone of the Banco de España's educational initiatives. Aimed at baccalaureate students and students on intermediate-level vocational training courses, the competition seeks to broaden their understanding of the Eurosystem and its monetary policy strategy for maintaining price stability. The final phase of the 13th edition was completed in the first half of 2024, with the three teams in the final displaying a real flair for analysing and explaining monetary policy decisions. The 14th edition got under way in the final quarter of the year, with around 520 teams and a total of 2,000 students in contention. The customary training event for the teachers of the teams who made it through to the final took place towards the end of last year.



Students and their teacher from Salamanca's IES Fray Luis de León, celebrating victory in the Generation Euro 2023-2024 competition.



More information on the [Banco de España's financial education initiatives](#) can be found on the institution's website.

Elsewhere, the Banco de España also approved a total of €150,000 in financial aid for university and vocational training students of economics, finance and business administration and management residing in municipalities affected by the DANA. These grants are awarded on the basis of academic merit, giving priority to those eligible for minimum vital income.

7.3 Financial education initiatives aimed at the general public

In 2024 the Banco de España launched an [economics programme](#) on its website, aimed at a non-expert audience. This programme seeks to equip the general public with a basic understanding of economics and finances so that they can take more informed financial decisions and better understand how the economy affects their day-to-day lives. The first two modules (on inflation and financial risks) were released in 2024. Page views topped 30,300 between the release of the first online module in May and the end of the year.

The [Banking Customer Portal](#) (which can also be accessed via the institution's website) is a learning resource offered by the Banco de España to help adult users in their financial dealings. The site contains general banking product and service-related information, including

topics of interest such as digital finances, inheritances, fees, commission and interest, sustainable finances and tips on avoiding financial fraud. It also offers useful tools, such as simulators or guides to drafting queries and complaints, all in a user-friendly format and using straightforward language.

The portal received around 7.6 million page views in 2024. The most popular items were the simulators and the [weekly blog](#) posts. The blog contains brief news features and tips on a range of issues relating to the purchase of banking products. Page views passed the 4-million mark, with wills, mortgages and cards topping the list of the most popular topics.

The Banco de España also contributed to Open Government Week 2024 with a range of financial education offerings. The sessions for adults (on inflation) and families of primary school pupils (to encourage them to start talking about money) attracted more than 1,500 participants.

Further progress was also made in 2024 on integrating financial education within the ordinary institutional activities of the branch network. Over the course of the year, training sessions covering a range of topics were organised with the institutions selected by each branch, with more than 5,500 people taking part.

A [course on crypto-assets](#) was also prepared as part of the FEP. Moreover, more institutions and groups engaged in financial education were invited to get involved in the plan.

7.4 Institutional initiatives

On 7 October 2024, the Banco de España's headquarters hosted the 10th Financial Education Day. This event testifies to the commitment of the FEP's promoters and partners and highlights the importance of financial education in personal development. This time round, under the tagline "Digital finances: learn, innovate, advance", the event centred on the opportunities the digital environment has to offer the young, and the importance of understanding the risks technology can pose.

The main event included a demonstration of the way artificial intelligence (AI) can be used by entrepreneurs, as a means of showcasing the opportunities technology can offer the world of finance. The risks and challenges posed by the digital environment were highlighted, such as decision-making in this context, the impact of social media influencers, the risks of associating online financial management with experiences more akin to gaming, digital addictions and fraud (illustrated with an example of voice cloning).

The numerous outreach initiatives carried out by the FEP partners before and after Financial Education Day are worth highlighting. Some 50 activities were organised across all of the Banco de España's branches. These included training workshops, talks, conferences, information stands and recreational activities. Spain's national broadcaster (Radio Televisión España) helped to boost the profile of Financial Education Day, interviewing the Governor of the

Banco de España, who discussed financial education during a [special edition of *Las Mañanas de RNE*](#) broadcast from the institution's banking hall.

7.5 Future challenges

As the results of the ECF show, Spaniards' financial literacy still has much room for improvement. While the financial skills of the population are on a par with the OECD average and some other European countries (e.g. France or Portugal), the country still falls some way short of its highest-scoring European counterparts.

One stated goal is to effectively communicate the key aspects of monetary policy decision-making in the Eurosystem to a non-expert audience.

Financial education is a powerful means of making the Banco de España and its work more accessible to the general public. The challenge here lies in identifying the channels best suited to addressing each target audience, from the more traditional in-person or online courses to outreach on social media or the staging of temporary or permanent exhibitions.

Under the FEP, the Banco de España hopes to reach a broader audience through a wider and more efficient network of partners. The institution also intends to prepare bespoke learning content to cater to emerging training needs. These include digital training (particularly for older segments of the population), services for vulnerable sectors, preparation for starting a business, fraud prevention and digital finances.



See the [Finance For All](#) website and the [Banking Customer Portal](#) for more information.



The Banco de España took part in Open Government Week 2024 with a range of financial literacy-related content, including sessions on inflation aimed at adults (left) and others aimed at families of primary school pupils (right).

8 Services to the general public: in-person and online

8.1 In-person services to the general public

The Banco de España offers in-person services to the general public in Madrid and at its branch offices. These services include [exchanging euro banknotes and coins](#) for other euro banknotes and coins of different denominations, [collecting counterfeit banknotes and coins](#), [exchanging damaged banknotes](#), [subscribing to public debt](#), [requesting risk reports from the CCR](#) by account holders, submitting [complaints](#) and [queries](#) as a user of banking services, submitting documentation to the [General Register](#) and deposits to public bodies with accounts at the Banco de España. A [prior appointment](#) is sometimes necessary.

The [Banco de España Library](#) is also open to the general public and to any institutions interested in exploring its extensive collections of specialist economic works. The Banco de España's [Historical Archive](#) is also open for consultation and research to anyone looking to learn more about the history of the institution or the economy, politics and society of Spain over the past 242 years.

8.2 Banco de España website and portals

The Banco de España's institutional website (www.bde.es) marked its first year since its relaunch with a fresh new design and more visual content, as well as an information architecture aimed at enhancing the user experience.

Based on the user data gathered by Google Analytics, it is the institution's main channel of communication.

The first aspect worth highlighting are the more than 5.5 million sessions (up 15% on 2023) and the more than 12 million page views (a 14% rise), which gives some idea of the website's importance. This represents a monthly average of more than 458,000 visits and 1,000,000 page views. Daily users number around 12,000, with the average session lasting just over 4 minutes.

An analysis of users reveals that three out of four visits came from desktop computers, with mobile phones accounting for most of the rest. The use of other devices, such as tablets or smart TVs, was negligible. These proportions vary in the sections with the greatest public impact, such as job offers or procedures and services for the general public, where the use of mobile devices is around 10 percentage points higher than the average

Most users access the website through external search engines (65%, versus 29% direct traffic). Searches from external links or social media were even less common.

Geolocation analysis reveals that most users came from Spain (around 88%), followed, at a considerable distance, by those from Europe, the United States and Latin America.

In terms of content, the most popular sections were “For the public”, “Statistics”, “About the Bank” and “Publications”. Also worth noting were the “Careers” section and certain procedures for the general public and institutions.

Schema 2.3

The Banco de España's Portals



Transparency Portal

Includes relevant information on aimed at enhancing and reinforcing the institution's transparency as a mechanism to facilitate oversight of its public actions.



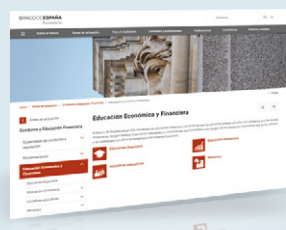
Virtual Office

Offers a range of services and procedures that can be provided online by the Banco de España.



Bank Customer Portal

Provides access to information on the main banking products, services and practices.



Education Portal

Makes various educational tools for students and teachers available to the school community.



Finance for All

A portal run by the Ministry of Economic Affairs, Trade and Enterprise, the CNMV and the Banco de España, with information and learning resources on banking operations and personal finances.



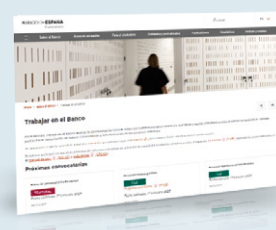
Economic Research Portal

Provides information on the research projects undertaken at the Banco de España, the priority areas of research and the research staff.



Art Collection

Contains information on the Banco de España's historical and artistic heritage.



Careers Portal

Provides information on recruitment processes, scholarships and the grants offered by the Banco de España.

The various Banco de España portals can be accessed via the institutional website.

SOURCE: Banco de España.

Downloads topped the 1.8 million-mark over the year. Notable among them were downloads dealing with specific statistics such as exchange rates and interest rates and those relating to Banco de España selection processes and government debt-related procedures.

Various general interest portals can also be accessed from the institutional website. These include the Transparency Portal, the Virtual Office, the Bank Customer Portal, the Education Portal, the Finance for All Portal, the Economic Research Portal (English only), the Art Collection (on the institution's artistic heritage) and the Careers Portal. The content of each of these portals is detailed in Schema 2.3.

8.3 Virtual Office and other services

8.3.1 Virtual Office

The Virtual Office is the Banco de España website where users can deal with the institution online.

The Virtual Office provides individuals, companies, financial institutions and public administrations with a secure digital environment in which to conduct their business quickly, effectively and efficiently wherever they may be, 24/7, 365 days a year.

The catalogue of online procedures (requests for reports, filing of declarations, claims, complaints, queries, etc.) is updated yearly, improving and expanding the services on offer.

A number of different processes were added to and removed from the Virtual Office in 2024, leaving the total number at 115.

The Virtual Office was received a total of 5,575,824 visits in 2024, an 18% increase on the previous year.

In terms of the most popular procedures and content in 2024, requests by account-holders for credit reports from the CCR once again stood out, with 2.6 million views. These were followed by content relating to claims and queries regarding transparency regulations and good banking practices, with around 200,000 views. The third most viewed content was that relating to the submission by residents in Spain of declarations on economic transactions and the balances of financial assets and liabilities with foreign countries (form ETE), with around 153,000 views.

A total of 737,000 files were downloaded from the Virtual Office in 2024. Meanwhile, around 4,500 e-mail enquiries concerning general doubts about the Virtual Office were resolved.

8.3.2 General Register and information for the public

The Banco de España has a Single General Registration System (Central Register, Auxiliary Registers and Electronic Register) for processing incoming and outgoing requests, documents and communications relating to the procedures and services within its remit.

The Central Register (in Madrid) and the Auxiliary Registers (at the branch offices) are the on-site registers. The Electronic Register, available on the Virtual Office, can be used to send applications, documents and communications online. It also allows documents to be sent on matters that do not have a specific electronic procedure on the Virtual Office. **This service is available 24 hours a day, all year round.**

Thanks to the integration of various applications on the Electronic Register and the fact that legal entities are obliged to deal with the Banco de España online, 2024 saw a significant rise (of almost 48%) in online submissions. The number of individuals using online resources also rose steadily. By comparison, the increase in on-site submissions was small (around 11%).

In terms of outgoing documentation, there was a decline (of around 38%) in the volume of documents dispatched in-person, and a rise (of just over 19%) in the number dispatched online.

Meanwhile, the institution has an information helpdesk at its registry offices, offering general guidance to the public on procedures, formalities, areas of responsibility, opening hours, requirements, documentation, etc. in relation to the services provided by the Banco de España. 2,600 enquiries were dealt with by the Banco de España's Central Registry helpdesk in 2024 (on a par with the figures for previous years).

In 2024, the Banco de España continued working to integrate the institution with various online platforms and services provided by the central government.

8.3.3 Electronic notification service

The Electronic Notification Service is the Banco de España's system for sending notifications and electronic communications quickly and easily via the Single Enabled Electronic Address (DEHú).

Around 47,000 electronic notifications and some 4,400 electronic communications were served through the DEHú in 2024.

These figures confirm that the process for issuing and sending electronic notifications and communications via the DEHú at the Banco de España is ever more widely accepted and well-established, significantly helping to streamline business procedures in administrative units.

The introduction of electronic notifications and communications has yielded significant savings in time and resources for the Banco de España. This change has not only cut down on the costs associated with paper and postal delivery, but it has also optimised response times and operational efficiency, using AI techniques to do away with the need for manual and physical processes. These improvements have allowed resources to be redirected towards more strategic areas, with a positive knock-on effect on overall productivity. Moreover, the speed with which electronic notifications and communications can be sent via the DEHú has made for more satisfied users, who can now access information securely and instantaneously. Electronic notifications and communications have played a key role in modernising and increasing efficiency at the Banco de España.

8.4 Future challenges

In 2025, the Banco de España has set itself the goal of automating the helpdesks currently available at its on-site registers, incorporating AI tools to enable the public to submit first-level queries via the website. This information desk will be named BEClaro.

Meanwhile, **the main goal for the institution's website in 2025** is to continue improving browsing and the accessibility of the content housed on the various sections, starting with the Publications section, while also developing publication tools to provide more visual resources, particularly graphics that make downloading data easier.

Work on redesigning the Virtual Office also began in 2024, a key project aimed at improving browsing and the user experience when dealing with the Banco de España. The new site will be unveiled in 2025.

In terms of document management, the aim is to integrate the institution with central government platforms for the submission of electronic files with their corresponding authenticated electronic index and availability.

Box 2.1
THE BANCO DE ESPAÑA'S ELECTRONIC REGISTER OF AGREEMENTS

To fulfil its remit, the Banco de España enters into a range of collaboration instruments with other public institutions and private-law entities, including agreements, protocols and other arrangements.

The Directorate-General Institutional and European Relations and Transparency manages the Banco de España's Electronic Register of Agreements, on which any agreements signed by the institution in accordance with Law 40/2015 of 1 October 2015, on the Legal Regime of the Public Sector, can be registered.

The Register contains detailed information on all agreements, including:

- **Date of signature:** the date on which the agreement was signed.
- **Entities involved:** the parties to the agreement, specifying their names and status.
- **Purpose of the agreement:** a clear description of the aim and scope of the agreement.

- **Term:** the term of the agreement, specifying the start and end dates.

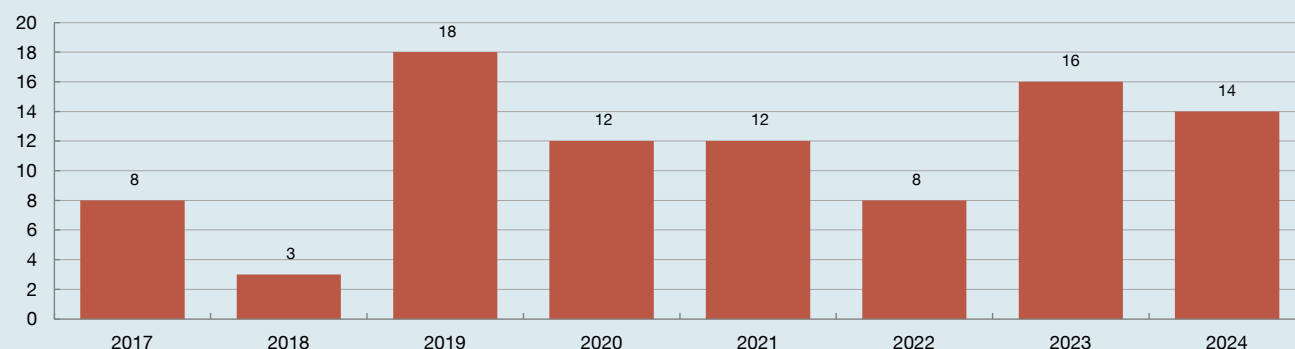
The Banco de España publishes regular updates on the agreements signed by the institution, and any amendments made, on its Transparency Portal.

The text of all agreements published in the Official State Gazette can be found on the Transparency Portal, as can an Excel detailing their signatories, purpose, term and financial terms and conditions.

A total of 91 agreements were entered on the register between the entry into force of Law 40/2015 and 2024, 14 of them last year.

Moreover, a further 22 instruments setting out the terms and conditions of collaboration between the Banco de España and other institutions were signed over the same period, using various mechanisms not legally deemed to constitute agreements, such as protocols or other arrangements.

Chart 1
Agreements signed, by year



SOURCE: Banco de España.

Box 2.2
MANAGING THE RIGHT TO ACCESS PUBLIC INFORMATION

The Banco de España guarantees public access to any content or documents (in physical or digital format) produced or acquired by the institution in the exercise of its functions and activities subject to administrative law. The procedures and requirements for requesting such information are explained on the Banco de España's [Virtual Office](#).

Applicants will be notified of the decision granting or denying access within one month of the receipt of their request. This deadline may be extended by another month where the information requested is lengthy or complex. Notifications must include the decision and must be reasoned if access is denied, granted partially or in a manner other than that requested, or granted despite opposition from a third party. Notifications must also indicate that no further administrative remedies are available, and the appeals process must be explained. According to Article 23.2 of the Transparency Law,

decisions issued by the Banco de España may only be challenged in the form of an appeal for judicial review before the Contentious-Administrative Chamber of the National High Court, within two months of the date of notification.

In order to safeguard other public and private goods and interests, the right to access information is subject to certain limits (regulated in the Transparency Law). Moreover, according to paragraph two of the first additional provision of the Transparency Law, any matters subject to a specific legal regime on access to information will be governed by their specific rules and regulations. Where such rules and regulations have nothing to say on the matter, the Transparency Law will apply secondarily.

The Banco de España is subject to a specific legal regime of secrecy, as set out in Article 82 of Law 10/2014 of 26 June 2014, on the organisation, supervision and

Chart 1
Requests for access to public information held by the Banco de España between 2016 and 2024

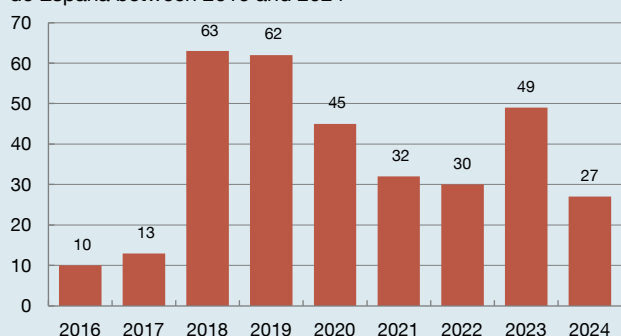


Chart 2
Outcome of the requests processed by the Banco de España between 2016 and 2024

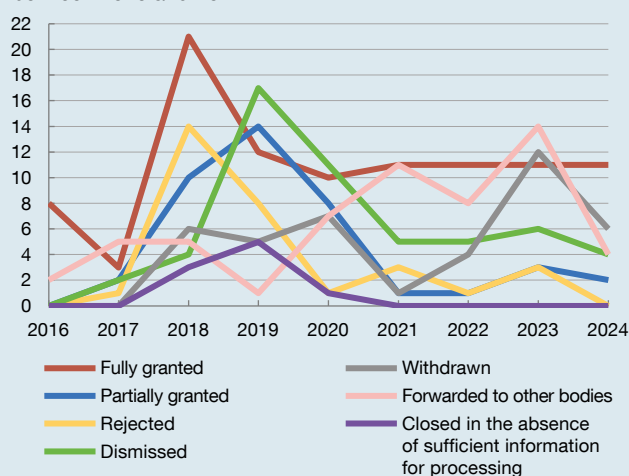
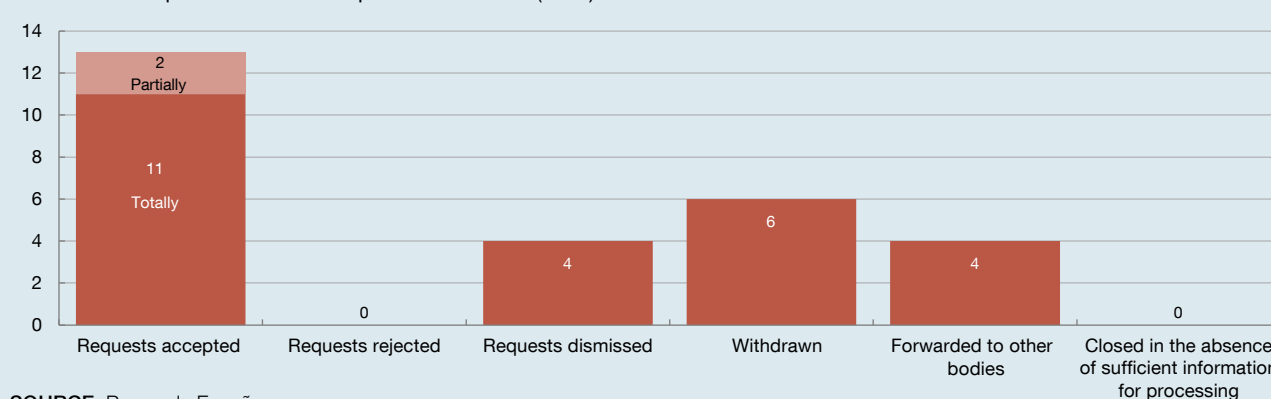


Chart 3
Decisions on requests for access to public information (2024)



SOURCE: Banco de España.

Box 2.2

MANAGING THE RIGHT TO ACCESS PUBLIC INFORMATION (cont'd)

solvency of credit institutions. Any data, documents or information in its possession in the exercise of its functions are confidential and may not be disclosed, save in the exceptional scenarios envisaged in paragraph 3.

The courts have acknowledged the special nature of the Banco de España's regulations as regards the right to access public information and the secrecy regime governing such information. This position was reflected in the National Court judgments of 16 October 2019 (appeal no. 610/2018) and 8 September 2021 (appeal no. 617/2020), and the Supreme Court Judgment of 27 February 2023 (cassation appeal no. 8073/2021). This last ruling held that the Transparency Law cannot be invoked to access the Banco de España's data, documents and information, unless one of the exceptional scenarios under Article 82.3 of Law 10/2024 has arisen.

The Banco de España has processed more than 300 requests since the Transparency Law entered into force. Around a dozen requests a year were received between 2015 and 2017. This figure rose to more than 60 in 2018 and 2019. Between 2020 and 2024, an average of 39 requests a year were processed.

In 2024, 27 requests for access to public information held by the Banco de España were filed. In 11 cases, the Banco de España granted access to all the information requested. 2 requests were partially granted and 4 were denied on account of the confidential nature of the information (mainly documents obtained in the exercise of the institution's supervisory powers), in line with the confidentiality regime under Article 82 of Law 10/2024. On 6 occasions, the Banco de España was not the competent agency, and the requests were thus forwarded to the relevant body. In 6 cases, the applicants failed to remedy the defects in their requests, which were therefore closed (dismissed).

Box 2.3

EXTERNAL AND INTERNAL TECHNOLOGICAL TOOLS ROLLED OUT BY THE BANCO DE ESPAÑA

Thanks to various IT solutions rolled out or developed in 2024, the information technology (IT) services provided to organisations, the general public and the Eurosystem have improved.

Changes to the ESCB Public Key Infrastructure (ESCB-PKI) service

In October 2024, the Governing Council of the European System of Central Banks (ESCB) agreed to expand the Public Key Infrastructure (ESCB-PKI) service to include the European Banking Authority and the Single Resolution Board, along with an additional financial envelope extending the public key infrastructure services provided to the ESCB/SSM up to 2027.

Changes to the digital workstation

The Banco de España began adding artificial intelligence (AI) capacities to the digital workstation in 2024, enabling employees to leverage AI in their day-to-day work.

Secure mail solution

In 2024, the Eurosystem's Information Technology Committee approved an upgrade to the ESCB/SSM secure mail solution, with a view to equipping the different

central banks and national competent authorities with mechanisms to make the messages exchanged more secure. This new solution is expected to be rolled out over the first quarter of 2025.

New solutions for exchanging information

The NetBox platform has now established itself as an additional mechanism for facilitating file sharing with companies, organizations and the general public. Designed with a user-friendly, intuitive web interface, this solution allows information to be uploaded and downloaded within a folder structure, which can be created based on flexible criteria, while maintaining security levels appropriate to the information exchanged or stored in the system. The system is currently used by more than 2,300 external contacts.

New means of collaborating with other central banks

The ability to collaborate and communicate with the Eurosystem community of central banks was improved in 2024. Banco de España staff can now communicate (instant messaging, videoconferencing, checking calendar availability) directly with 17 central banks.



Chapter 3

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?

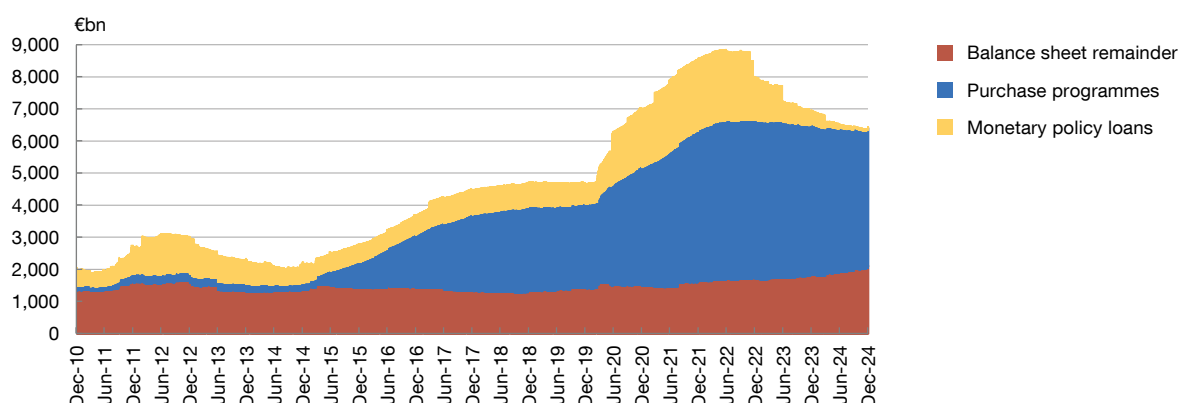
The Eurosystem's objective is to keep inflation at 2% over the medium term.

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.¹

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.

¹ 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.² 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.

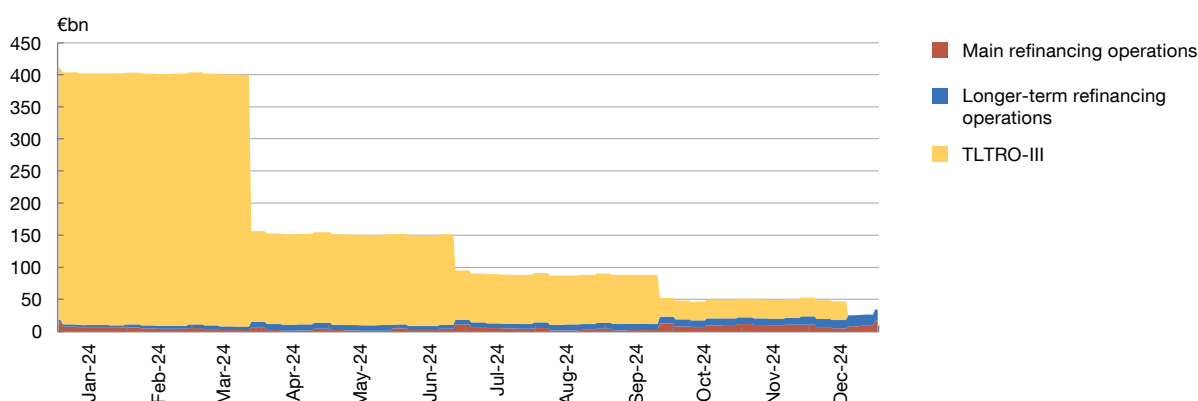
² The spread between the rate on the main refinancing operations and the marginal lending facility rate was kept at 25 bp.

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.³ 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.

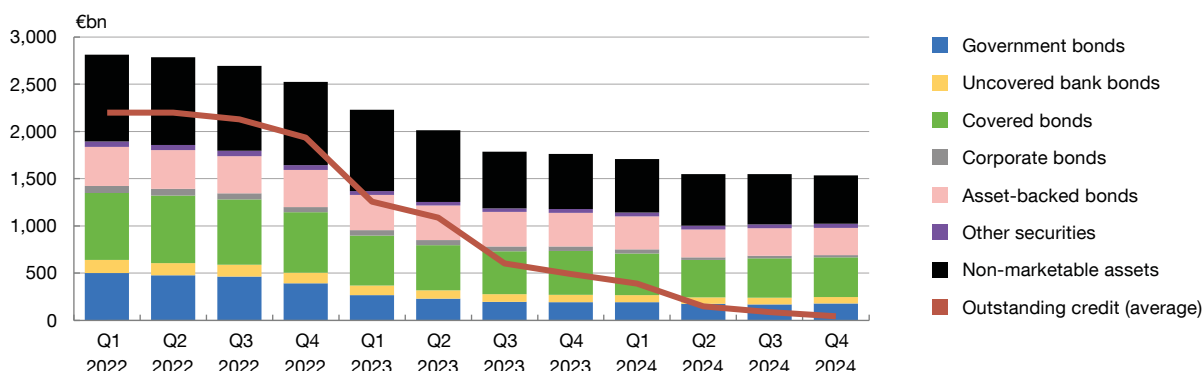
1.1.2 Collateral framework

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

³ 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,⁴ 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.⁵

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

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

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

Asset Purchase Programme

The APP⁶ 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).

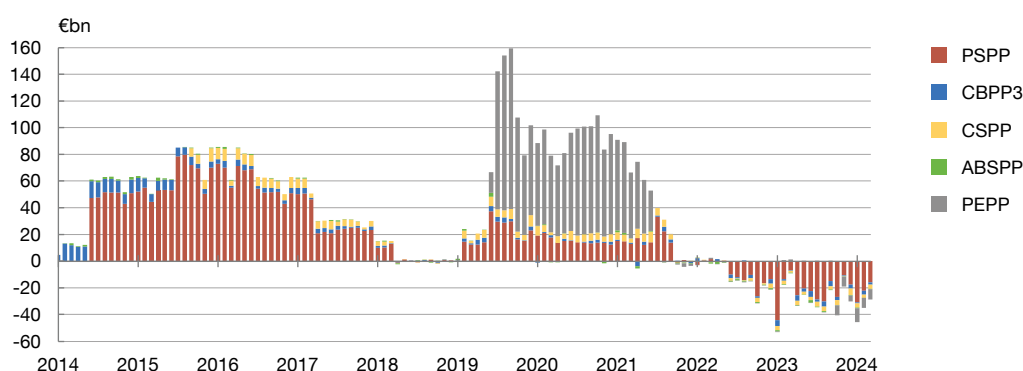
The Eurosystem is aiming for decarbonisation in line with the Paris Agreement. In July 2022, the ECB set in place measures to include climate considerations in its monetary policy: it adjusted its corporate bond holdings and collateral framework, introduced climate reporting requirements and improved 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 PEPP⁷ 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.

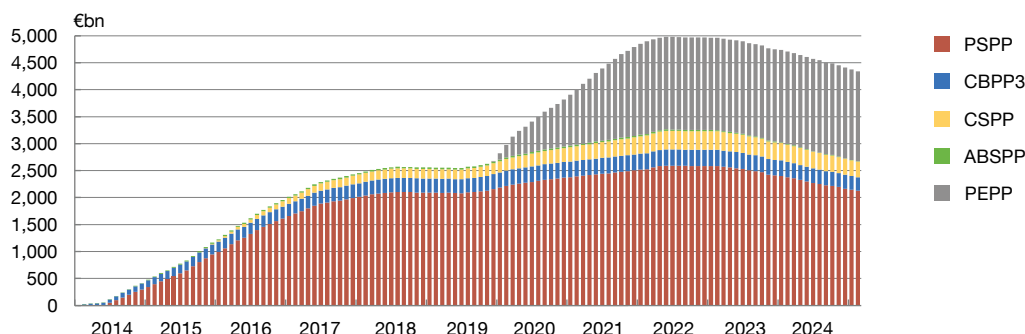
a The chart depicts the evolution of monthly purchases under the APP and PEPP programmes. In the case of the APP, purchases are broken down into each of its constituent subprogrammes (PSPP, CBPP3, CSPP and ABSPP). Since mid-2022, net monthly purchases under the programmes have been negative, as maturities 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)⁸ 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,⁹ 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.¹⁰ 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 Transactions¹¹

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

goes one step beyond the TPI and calls for greater commitment and conditionality.¹² 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.¹³ 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*.¹⁴ 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,

¹² 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).

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

¹⁴ 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 2024,¹⁵ 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.¹⁶ 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.¹⁷
- **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

¹⁵ https://www.bde.es/f/webbde/SES/Secciones/Publicaciones/PublicacionesAnuales/aspectos_climaticos/fich/InformeAspectosClimaticos_Junio_2024_Ing.pdf.

¹⁶ 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.

¹⁷ 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,¹⁸ 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.

¹⁸ 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 process¹⁹ 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.

¹⁹ 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
TOTAL	198	197	1	3	195

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
TOTAL	896	1,047	224	56	1,215

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,²⁰ **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

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

CREDIT INSTITUTIONS		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.
	BANKS	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.
	SAVINGS BANKS	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.
	CREDIT COOPERATIVES	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.
	BRANCHES OF FOREIGN CREDIT INSTITUTIONS	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.
SPECIALISED LENDING INSTITUTIONS		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.
ELECTRONIC MONEY INSTITUTIONS		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.
PAYMENT INSTITUTIONS		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.
MUTUAL GUARANTEE COMPANIES		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.
REGUARANTEE COMPANIES		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.
CURRENCY-EXCHANGE BUREAUX AUTHORISED TO PURCHASE AND/OR SELL FOREIGN CURRENCY		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.
APPRAISAL COMPANIES		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.²¹

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).

²¹ 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.

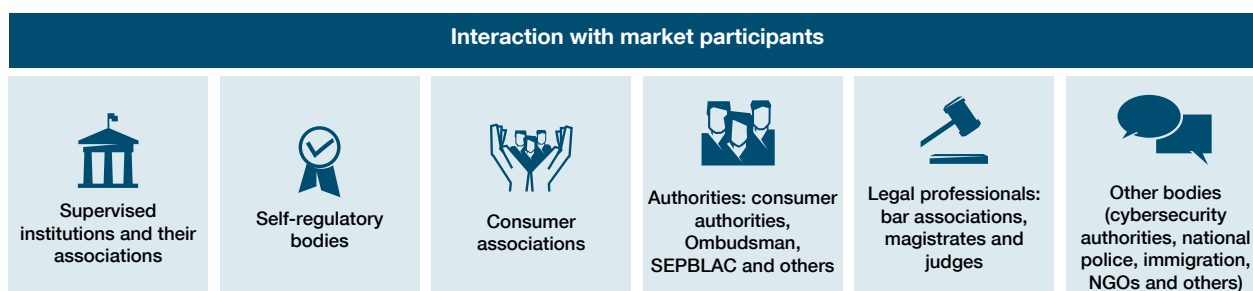
The 2024 supervisory plan focused on the following areas:

- 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"> – Continuous monitoring of customer service departments. – Verification of changes to customer service operating regulations and changes in the persons in charge. – Actions to check that institutions' customer service departments are well run and that the information provided on their websites is adequate. 	<ul style="list-style-type: none"> – Monitoring of compliance with the regulations facilitating the conversion of variable interest rates to fixed rates on mortgage loans. – Analysis of policies for the appropriate treatment of vulnerable customers in relation to both mortgage loans (codes of good practice) and consumer credit. 	<ul style="list-style-type: none"> – 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. – Discussions with banking and consumer associations and other bodies.
NEW DIGITAL BANKS	INSURANCE LINKED TO MORTGAGE LOANS	ADVERTISING
<ul style="list-style-type: none"> – Identifying the conduct risk arising from their activities and drawing up a supervisory framework for this type of institution. – Areas analysed: i) business model; ii) governance and internal controls; iii) compliance with conduct and transparency regulations; and iv) service provision regime. 	<ul style="list-style-type: none"> – Review of the marketing of insurance linked to mortgage loans for home purchases. – 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. 	<ul style="list-style-type: none"> – Review of internal procedures and controls, as well as risk analysis models derived from advertising activity and controls for risk mitigation. – Supervision of adverts, focusing on vehicle financing adverts and ads posted on social media and websites (banners).

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.²² 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 TIBER²³ tests and analysed the cyber resilience of two national infrastructures. It also contributed to the preparation of the ECRB²⁴ 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.²⁵

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)).²⁶

The Banco de España, alongside other Spanish authorities, forms part of the **Macroprudential Authority Financial Stability Council (AMCESFI)**.²⁷ 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**²⁸ 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.

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.

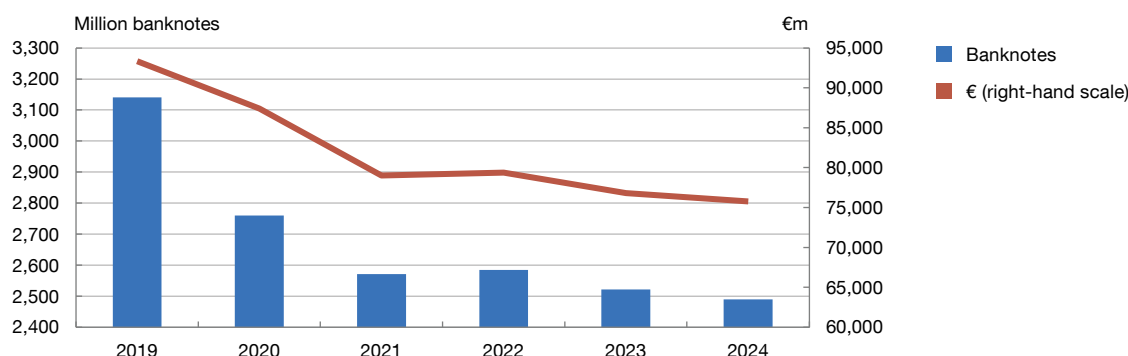
The difference between banknotes delivered and received resulted in a net negative issuance of 382 million banknotes, equivalent to €12,249 million (see Chart 3.8). This negative figure can be attributed to the importance of the tourism sector in Spain and, more specifically, to the cash in euro brought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

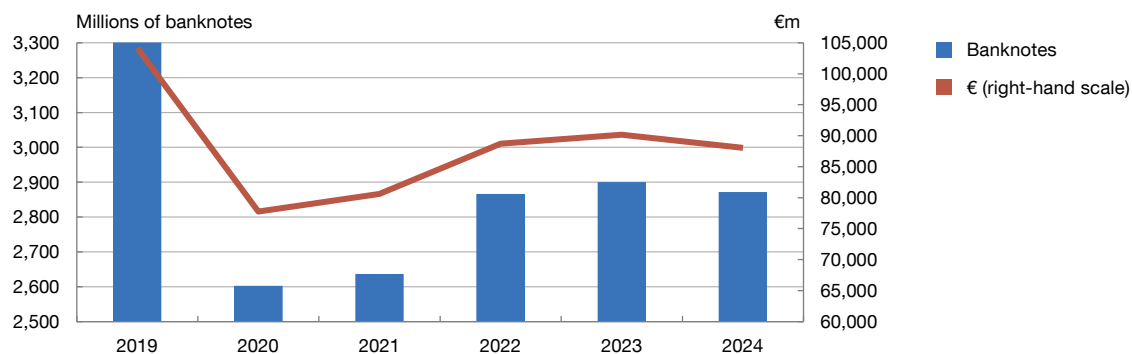
To ensure the fitness of the banknotes circulating in Spain, the Banco de España checks their authenticity and quality. It also regularly checks to ensure that cash-in-transit companies and credit institutions have suitable quality management systems.

Chart 3.6

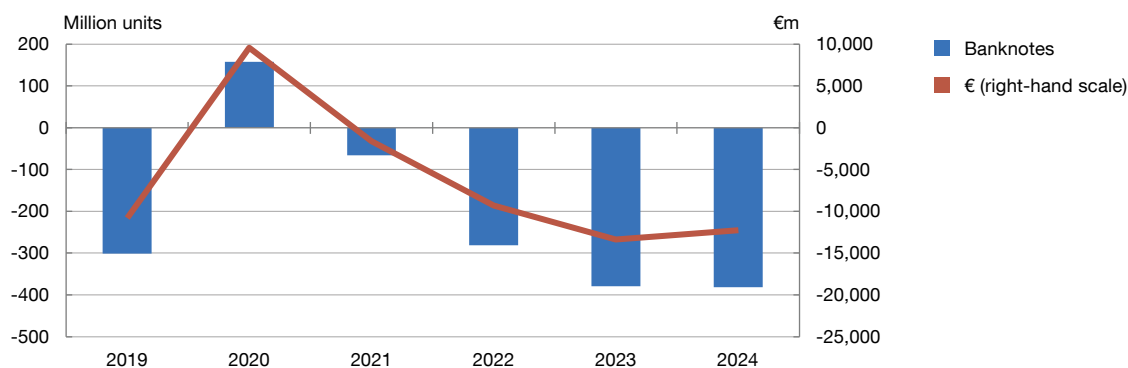
Banknotes delivered



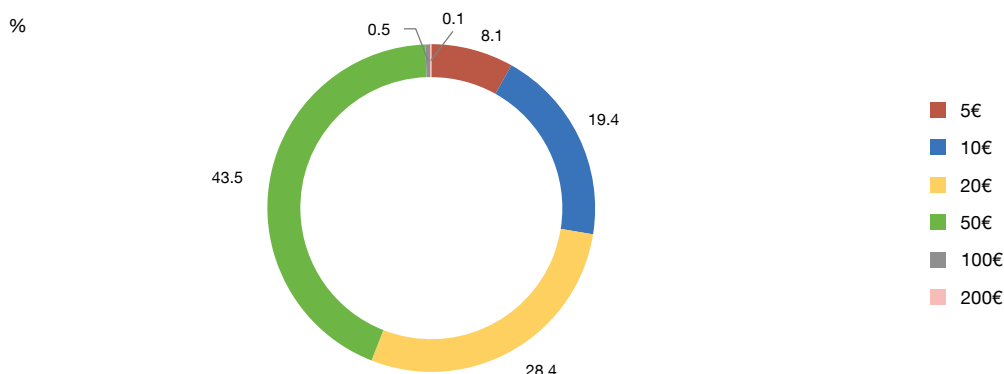
SOURCE: Banco de España.

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.

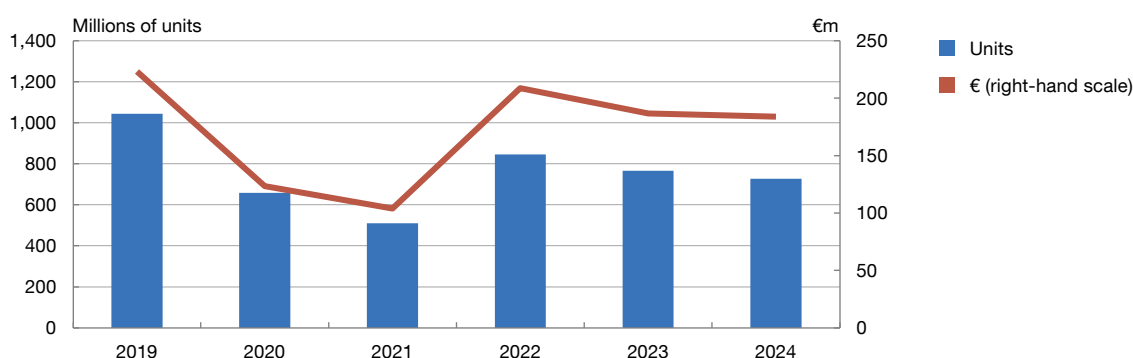
The €1 coin accounted for 14.5% of all coins put into circulation. The coins with the lowest face value (5, 2 and 1 euro cents) accounted for 60.2% of the total (see Chart 3.13).

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%.

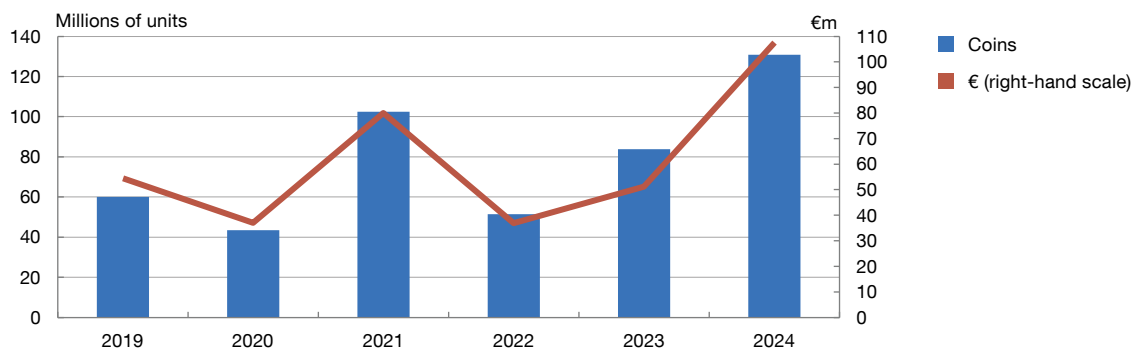
The difference between the coins delivered and the coins withdrawn by the Banco de España (i.e. the net issuance) stood at 595.9 million coins, equivalent to €86.5 million euros (see Chart 3.12). In millions of coins, this represents a decrease of 12.6% compared with 2023, and 39.4% compared with 2019.

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.

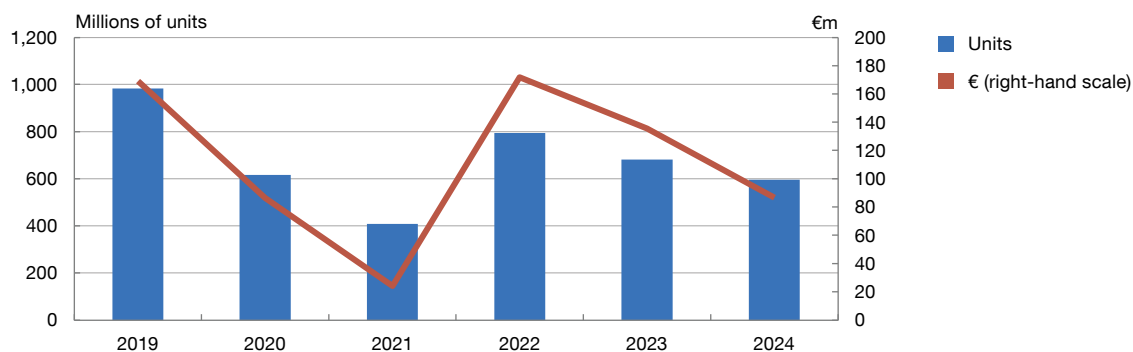
Chart 3.10
Coins put into circulation



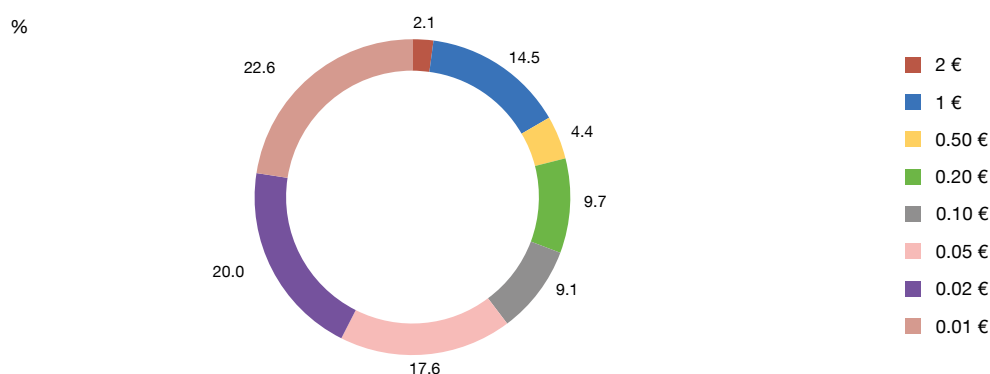
SOURCE: Banco de España.

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
Total	60	59	32	30	8	11
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, **73,605²⁹ 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 62,885³⁰ 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.

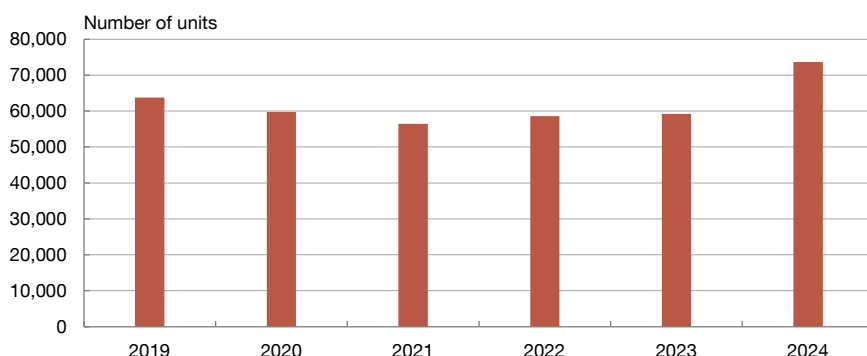
29 Provisional data extracted on 10 January 2025. Later extraction dates may yield different results.

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

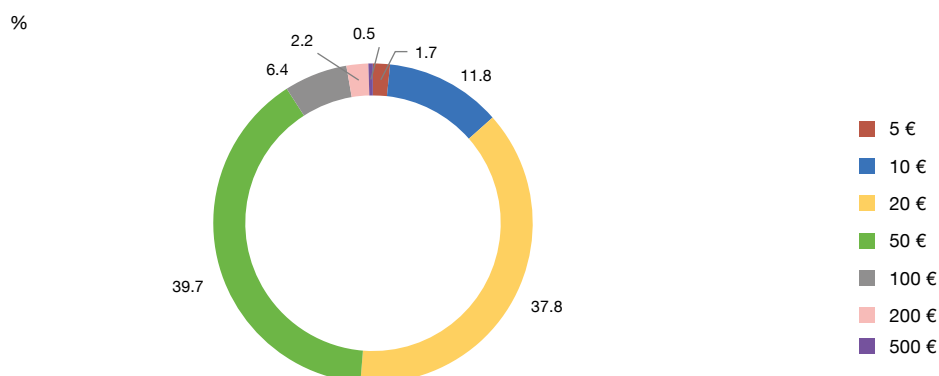
Chart 3.14

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, **42,110³¹ counterfeit coins were withdrawn from circulation in 2024**, a figure very similar to pre-pandemic levels, albeit 27% higher than in 2023. Moreover, 14,537³² counterfeit

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

³² 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.

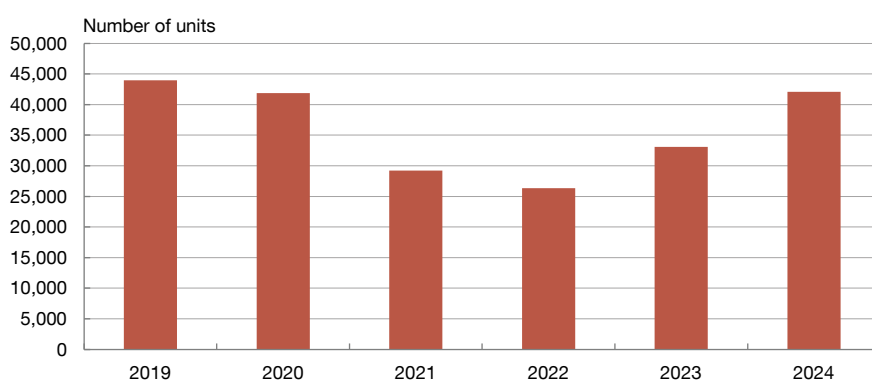
Chart 3.15 shows the figures on counterfeit euro coins detected and withdrawn from circulation since 2019, together with a breakdown by denomination in 2024.

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).

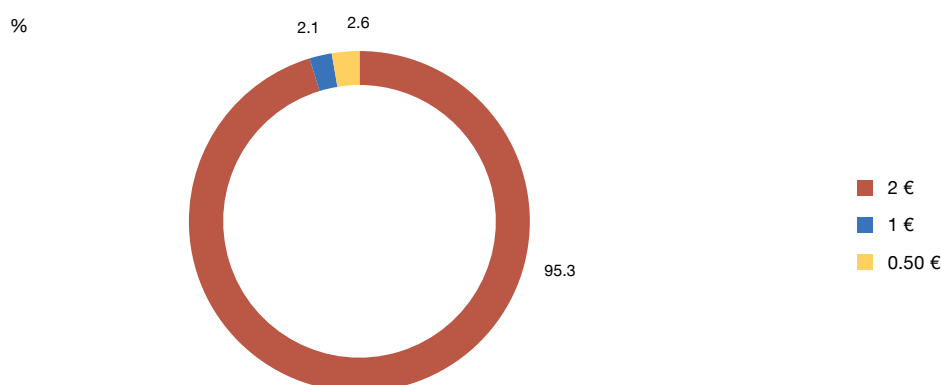
Chart 3.15

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.

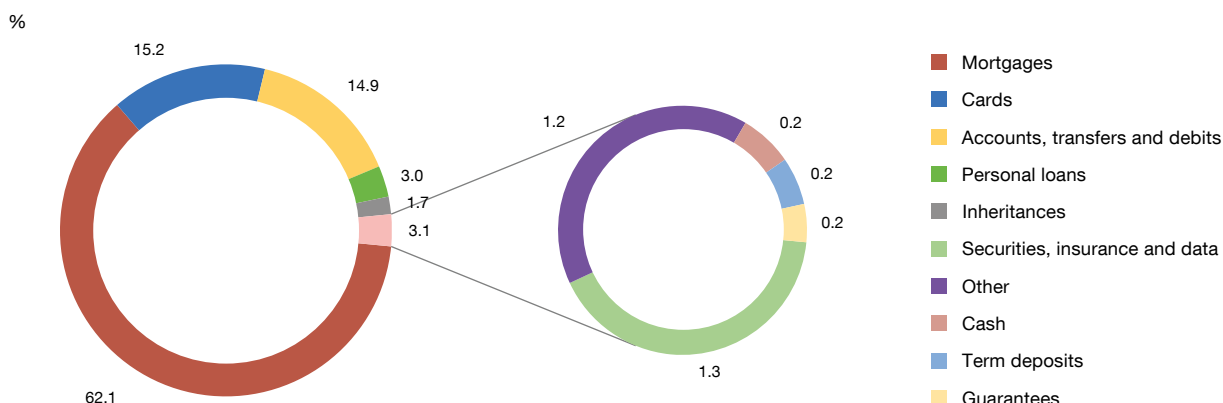
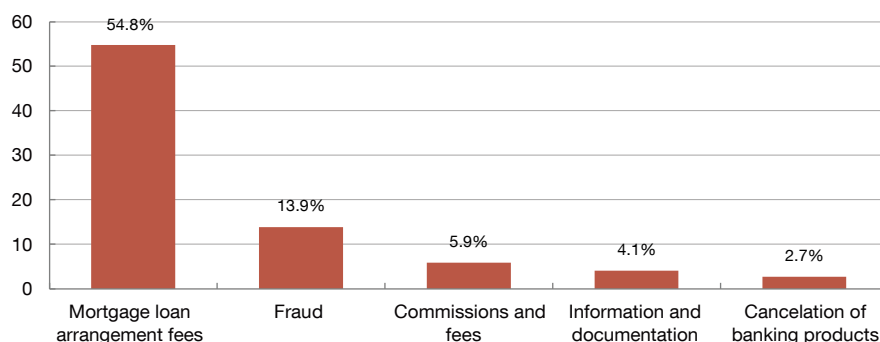
Chart 3.16
Complaints received in 2024, by product (provisional data as at 31 December 2024)

SOURCE: Banco de España.

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

SOURCE: Banco de España.

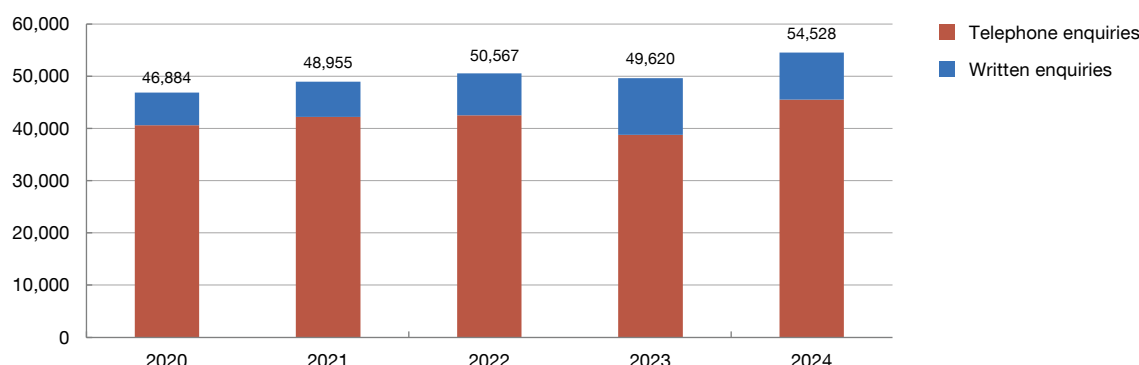
- In third place, complaints relating to account operations, as well as transfers and debits, were down 10.7% on 2023. Here, claims specifically dealing with the way accounts function accounted for 8.3% of the total. Fees and commissions (mainly maintenance charges) and expenses were the main bone of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

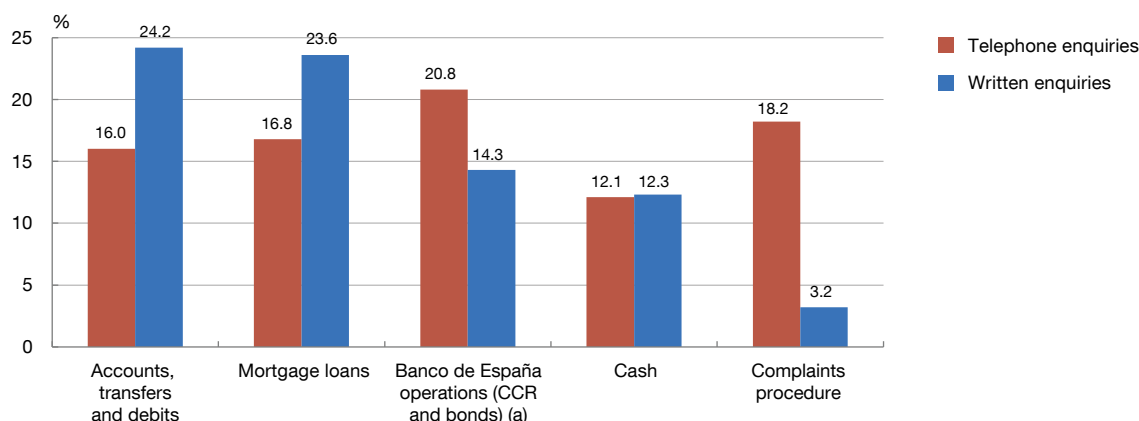
It was also a **record year** in terms of enquiries received, with a total of 54,528, up 9.9% on 2023. This rise was in part down to the enquiries dealt with on the subject of cash (12.2%), a new category introduced on 15 December 2023. Although written enquiries (9,001) were well down on the previous 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*?

Good banking practices are practices which, while not mandatory under contractual or supervisory regulations and while not constituting a financial custom, may be reasonably required for the responsible, diligent and respectful management of financial services customers. The banking practices defined by the Banco de España (mainly based on an analysis of complaints procedures), represent standards of professional ethics and a frame of reference for the behaviour expected of financial institutions.



The *Compendium of good banking practice criteria* aims to bring together the prevailing criteria and recommendations that complement the regulations governing relations with bank customers in a single official publication. It is expected to be updated regularly, at least once a year.



The *Compendium* was the most downloaded publication in June 2024. **The Complaints Report, which had until then incorporated such criteria**, continues with its historical series, although now only including any new criteria applied in the corresponding year.

Approach

- Maintaining the criteria up to date.
- Highlighting the need for good practices to ensure transparency, fairness and accountability in banking operations.
- Reflecting developments and changes in the relations between institutions and customers and in the range of products and services offered.
- Providing guidance for institutions and an additional source of information for the public.
- Contributing to improving transparency and public service.

Structure

- Ten chapters.
- Eight dedicated to **products and services** (accounts, deposits, payment services, consumer credit, mortgages, etc.).
- Two dedicated to **specific processes**, such as difficulties in paying mortgage debts and the processing of wills.

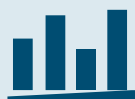
Reader-friendly

- To make them easier to find, the criteria have been identified with a specific icon and the text has been shaded in blue.
- References to other useful resources from the Banco de España (web tools providing additional information) are included to distinguish them from the applicable regulations and case law

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

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

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.

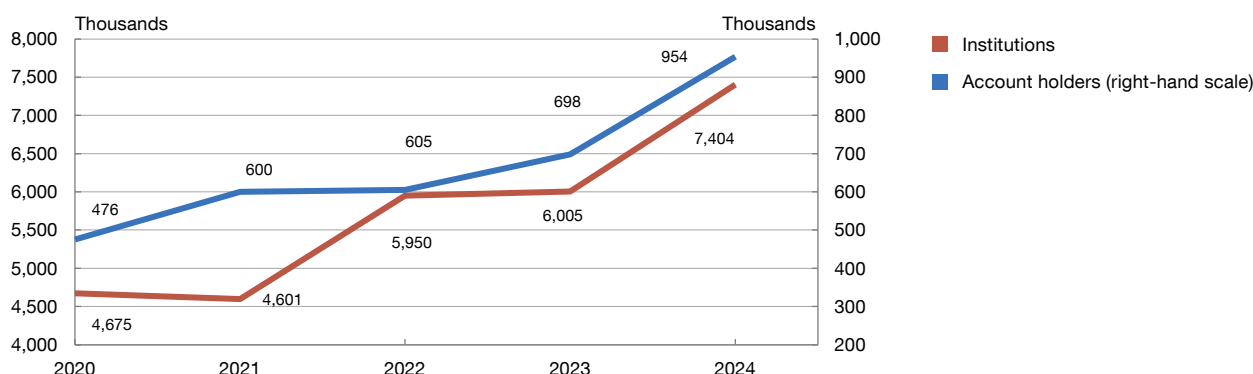
As far as reporting to the CCR is concerned, in December 2024 the 407 reporting institutions filed information on more than 27 million natural and legal persons holding 62 million loans and other exposures. This increase was due to the modifications made to the CCR regime under various legislative initiatives, 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.

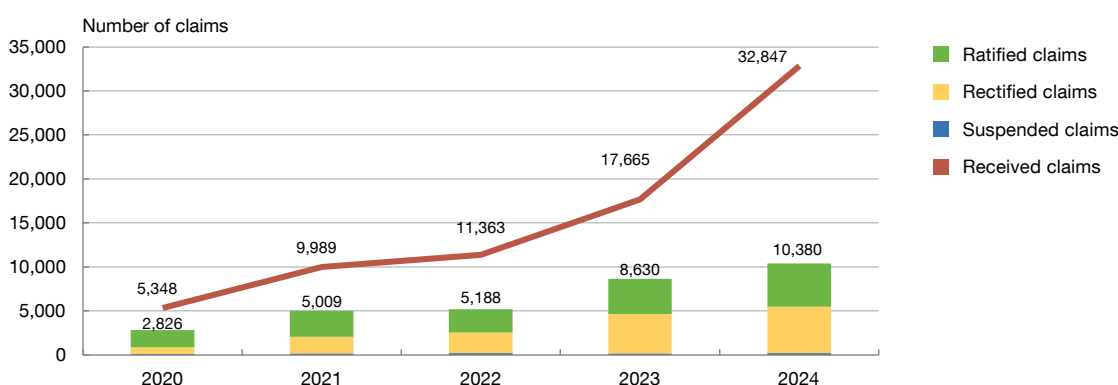
Meanwhile, debtors are entitled to access any of their data recorded on the CCR as a result of reporting by institutions. As a result of such requests, reports were provided to 890,000



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

	What does it involve?	
	<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>	
Why does it matter?	<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>	What does the Banco de España do?
	<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>	
What's the goal?	<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.³⁴

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

³⁴ 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 2020.³⁵ 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

³⁵ 186 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.³⁶ Specifically, it analysed the credit portfolios of 95 SIs by comparing the projected production volumes in key economic sectors³⁷ 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

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

³⁷ Oil and gas, coal, energy, automobiles, steel and cement, accounting for more than 70% of the EU's CO₂ 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 EBA³⁸ 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 (CRR3³⁹ and CRD6⁴⁰, 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 resilience⁴¹ 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.

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.⁴²

In 2024 the ESRB published various thematic reports⁴³ 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.

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

⁴³ 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 MREL⁴⁴ 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.⁴⁵

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.

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 tokenisation⁴⁶ 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,⁴⁷ 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.⁴⁸

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*,⁴⁹ 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 report⁵⁰ 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.⁵¹ 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.

⁵¹ 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.

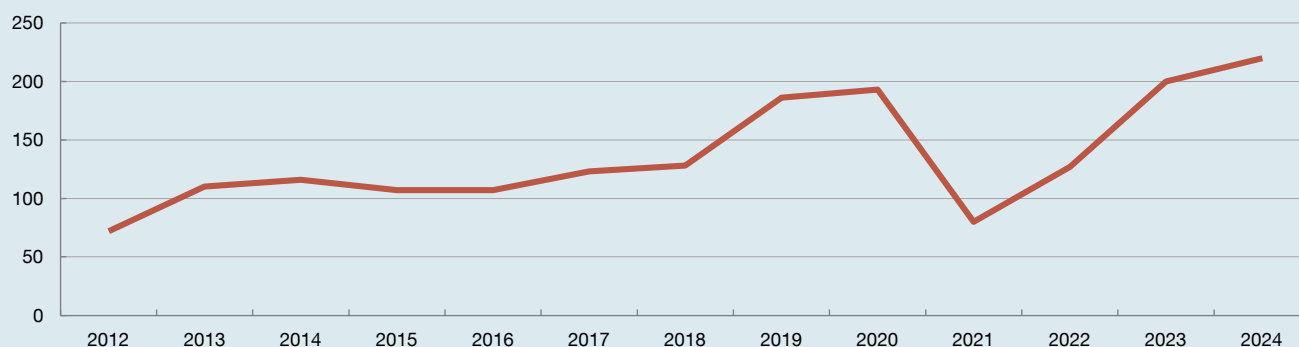
Recent years have seen a striking increase in the number of meetings, rising from 127 in 2021 to a total of 226 in 2024. Particularly notable are the meetings held at the Banco de España's various branch offices. This increase

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.



Chapter 4

Institutional social responsibility

Institutional social responsibility-related actions in 2024



HISTORICAL ARCHIVE

Digitalisation drive, with two major new additions: the Collection of Architectural Plans of the Banco de España's buildings (770 plans and drawings) and the Minutes of the Management Committee (50 books of minutes)



BIBLIOGRAPHIC HERITAGE

Increase in the number of copies available in the Library, with the acquisition of nine more works for the Special Value Collection and a greater commitment to digitisation: 100,146 pages from 614 works



ARTISTIC HERITAGE

Development of cataloguing plans, covering 3,000 prints and textiles, and launch of the plan to catalogue furnishings, with more than 300 items classified



PORTRAIT GALLERY

Addition of portraits of King Felipe VI and Queen Letizia and Governor Pablo Hernández de Cos, taken by photographer Annie Leibovitz



FABS GRANTS

€1,936,979.87, awarded to institutions dedicated to economic research and analysis, educational and cultural activities, and social and humanitarian assistance



RESEARCH

154 research projects carried out in the Historical Archive, with ten scholarships for postgraduate studies and two annual grants for research projects in economic history

1 Artistic heritage

The Banco de España's wide-ranging collection of historical and artistic assets includes everything from paintings and drawings to sculptures and photographs, in addition to numerous pieces of decorative and graphic art. This collection bears witness to the history of the institution and the contributions made by the key figures who have served it, from the founding of the Banco Nacional del San Carlos in the 18th century to the present day.

The institution's artistic heritage is managed in four key areas: conservation, research, dissemination and patronage and promotion of the arts.

1.1 Conservation

Conservation is one of the Banco de España's most important responsibilities as far as its artistic heritage is concerned, with the ultimate aim of ensuring that it is passed on for the enjoyment of future generations. In 2024, pre-emptive conservation work to minimise potential risks was carried out on around 400 items. In addition, 25 items of various types were restored,



Voltaire contando uno de sus cuentos, by Joaquín Sorolla, in the Prado Museum restoration workshop.

including ten clocks from the collection. Notable among these was an extraordinary 18th-century English longcase clock by Robert Higgs.

Also in 2024, work began on improving the air conditioning and lighting in the Goya Room and adjoining spaces to ensure the proper conservation of the highly valuable items on display. This called for the removal of highly complex works of art, such as Joaquín Sorolla's ceiling painting (or *cuadratura*) *Voltaire Telling One of his Stories*. Thanks to a collaboration agreement signed with the Prado's restoration workshop, the painting was thoroughly cleaned by specialists from the museum. The luminosity and colouring so characteristic of this artist have thus now been restored.

1.2 Research and cataloguing

The Banco de España continued to work on various conservation and cataloguing initiatives, gaining a broader and deeper understanding of its own collections in the process.

The Graphic Artwork Conservation and Cataloguing Plan launched in 2023 was completed last year. Some 3,000 prints (dating from the 17th century up to the present day), made using different techniques and in a range of formats and of varying historical and artistic value, were photographed, studied and recorded. Thanks to this work, these collections have now been organised in a systematic, orderly manner, with the dual aim of improving their conservation and facilitating their subsequent dissemination.

Work on researching and cataloguing the Banco de España's textile collection was also completed, with the study of more than 300 items, from which a sample will later be selected for publication.

Lastly, 2024 saw the launch of the Plan for the Conservation and Cataloguing of Historical and Artistic Furnishings. Each piece will be studied according to its individual characteristics. The broader historical context of the development of the Banco de España's headquarters will also be taken into account. The building's renovation and expansion will be examined, as will the way in which these changes influenced the selection and conservation of furnishings. The first phase involved the classification of more than 300 items of furniture stored in the Banco de España's warehouses, the main floor and the gold vault.

1.3 Dissemination

1.3.1 Exhibition: "The Architecture of Eduardo de Adaro and the Banco de España. A Changing World"

The Banco de España Collection is mainly showcased through exhibitions. Two were staged in 2024: "The Architecture of Eduardo de Adaro and the Banco de España. A Changing World" and "The Tyranny of Cronos" (detailed in section 2 of this chapter).

Table 4.1

Visits to the exhibition “The Architecture of Eduardo de Adaro and the Banco de España. A Changing World”

Total visits	26,595
General public	25,532
Employees	832
Institutions	231

SOURCE: Banco de España.

The first of these, on the architect Eduardo de Adaro, was inaugurated on 24 October 2023 and closed on 24 February 2024. Table 4.1 shows the number of visitors.

1.3.2 Publications

In 2024, work began on a new edition of the catalogue raisonné of textiles, documenting and describing these items. It follows the same format as previous editions. High-quality reproductions of each of the catalogued items will be accompanied by detailed expert commentaries on each piece, together with background notes detailing the date on which it was acquired by the Banco de España, its provenance and various technical features. In addition to the printed edition, there are plans to post all of the content on the Banco de España’s Art Collection portal to ensure the widest possible audience.

1.3.3 The Banco de España Art Collection portal

The Banco de España’s Art Collection website (available in Spanish and English) is one of the ways in which the institution showcases its heritage to the general public, both in Spain and further afield. In 2024, 86 new works were added to the ‘Collection’ section of the website, bringing the number of artistic pieces currently available online to almost 2,000. Each entry includes detailed commentaries on the work and its author, written by specialists in art history and criticism, as well as high-resolution images. The ‘Decorative Arts’ section was also expanded last year to include a selection of clocks, carpets and tapestries.

Box 4.1 takes a look at the ‘Itineraries’ section (within ‘Collection’), where various tours of the institution’s artistic heritage can be taken.

Visitor numbers in 2023 and 2024 for the Banco de España Art Collection portal can be seen in Table 4.2.¹

¹ Google Analytics data were used to obtain the 2024 figures on users and page views, while the data on downloads were obtained using Webtrends. In previous years’ reports, users and views were measured using Webtrends, and this should be borne in mind when making comparisons.

Table 4.2

Banco de España Art Collection portal

	2023	2024
Users	29,596	59,516
Publications (downloads)	11,124	13,535
Page views	95,037	208,550

SOURCE: Banco de España.

1.3.4 Loans of artworks

Temporary loans of art works for exhibitions in museums and art centres are another way of introducing the public to the Banco de España’s collection. The Banco de España partnered with nine national and international institutions over the course of 2024, lending out 17 works of art for 11 temporary exhibitions.

Particularly noteworthy was the inclusion of Banco de España pieces in high-profile exhibitions such as “Sorolla, One Hundred Years of Modernity” at the Royal Collections Gallery, “Soledad Sevilla. Rhythms, Patterns, Variables” at the Reina Sofía Museum, “A Conversation: Chillida and the Arts. 1950-1970” at the San Telmo Museum (San Sebastián), “Art and Social Transformations in Spain (1885-1910)” at the Prado Museum, “A Revolution in Art: Paris 1863-1874. From Salon to Impressionism” at the Wallraf-Richartz Museum (Cologne) and “The Intimate Realism of Isabel Quintanilla” at the Thyssen-Bornemisza Museum.

1.3.5 Guided tours

Tasked with managing, preserving and raising awareness of the Banco de España’s artistic heritage, **the Conservation Division organises expert guided tours of the institution’s buildings and collection.** These visits are aimed at different professional sectors interested in



The Banco de España contributed to exhibitions such as “A Revolution in Art: Paris 1863-1874. From Salon to Impressionism” at the Wallraf-Richartz Museum (left) and “Sorolla, One Hundred Years of Modernity” at the Royal Collections Gallery (right).

studying and understanding this historical and artistic heritage. Particularly worth noting here is the institution's ongoing collaboration (in place for several years now) with the Madrid Architects' Association to mark Architecture Week, and with Open House Madrid, the international architecture festival during which around 100 buildings that are normally off limits open their doors to the public.

By November 2024, more than 750 visitors had taken one of these tours.

1.4 Patronage and promotion of the arts

1.4.1 Training grants

Collaboration with the Prado and the Reina Sofia museums continued in 2024 thanks to the four two-year Banco de España-funded training grants awarded a year earlier. At the Prado Museum, the recipients of these grants were assigned to the Spanish Gothic Painting and the Drawing and Print Conservation areas, while their counterparts at the Reina Sofia Museum were assigned to the Publications Service and the Public Activities area.

1.4.2 Purchases of works of art

The Banco de España added 12 new works to its art collection in 2024. **These new additions testify to the institution's ongoing support for artistic creation.** The pieces bought last year were largely made up of local and international artists who had not previously featured in the collection, such as [Ángel Poyón Calí](#) (San Juan Comalapa, Guatemala, 1976), [Raqs Media Collective](#) (New Delhi, India, 1992), [Javier Núñez Gasco](#) (Salamanca, 1971) and [Yto Barrada](#) (París, 1971). Meanwhile, new pieces were also added by artists already included in the collection, including [Inmaculada Salinas](#) (Seville, 1967) and [Antonio Pichillá](#) (San Pedro La Laguna, Guatemala, 1982).

Lastly, the Banco de España's Portrait Gallery also welcomed 2 new additions in 2024: portraits of King Felipe and Queen Letizia and of Governor Pablo Hernández de Cos, whose mandate came to an end in June. Both were the work of the artist [Annie Leibovitz](#).

See [Box 4.2](#) for further information on the institution's official Portrait Gallery.

2 Temporary exhibition: “The Tyranny of Chronos”

Open to the public between 27 November 2024 and 31 May 2025, this exhibition explored the idea of time and the various ways in which it has been understood and represented over the course of history. While the Banco de España’s own collection was used as the starting point and central focus, the exhibition also drew on loans from other local and international institutions. The exhibition also served as the backdrop to the unveiling of [Annie Leibovitz’s](#) portraits of Their Majesties the King and Queen of Spain and the outgoing Governor Pablo Hernández de Cos.

The exhibition comprised around fifty of the institution’s own pieces (in addition to works on loan), including a wide selection of the clocks owned by the Banco de España. The clock has played a crucial role in the way time has been perceived and represented in Western culture and, in particular, in the history of the Banco de España itself. Clocks have been ever present since the institution was first founded in the late 18th century, thanks to the emerging financial bourgeoisie who viewed this object as a symbol of progress and social distinction.

The exhibition revealed how this object, thanks to its heavy symbolic charge (measuring and marking obligations and time), has often been used as an artistic motif, particularly in portraits of leaders and monarchs. Examples include several of the paintings on display from the Banco de España’s Portrait Gallery, such as Goya’s likenesses of the [Conde de Floridablanca](#) and [Francisco de Cabarrús](#) and the 1852 portrait of [Ramón de Santillán](#) by José Gutiérrez de la Vega.



Portraits of King Felipe VI and Queen Letizia in the exhibition “The Tyranny of Chronos”.

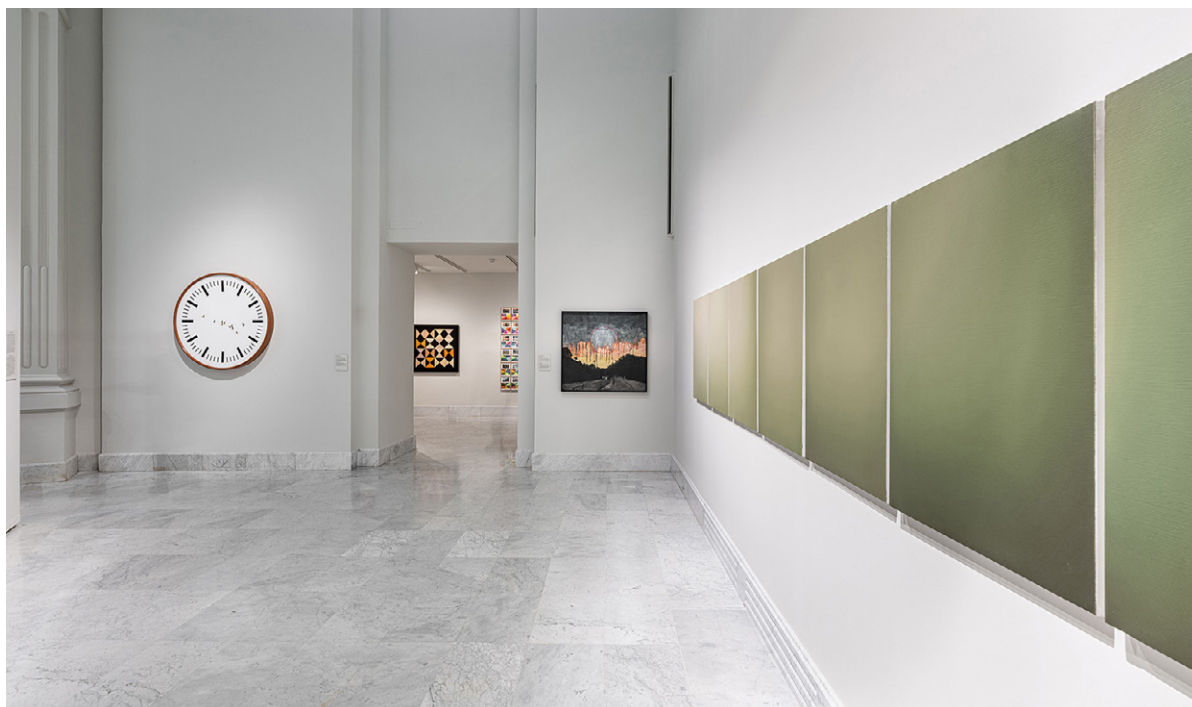
Clocks also feature in the gallery's latest two additions: the portraits of [King Felipe and Queen Letizia](#) and of [Governor Pablo Hernández de Cos](#), for which the Banco de España commissioned [Annie Leibovitz](#), the US photographer who won the 2013 Prince of Asturias Award for Communication and Humanities. This marks the first time that photography (as opposed to painting) has been used, and the first time a foreign artist has been commissioned. [Annie Leibovitz's](#) photographs formed part of "Portraits Through Time", the first of the three sections making up the exhibition. The other two sections, "I Don't Have Time" and "A Time Without a Clock" featured pieces from the Banco de España's contemporary collection. Some of these are recent acquisitions, testifying to the institution's openness to new languages and its increasingly international outlook in recent years.

The section "I Don't Have Time" reflected on why people feel that their time is no longer their own, the cause of a deep sense of unease in today's world. The title comes from a piece by the Croatian artist [Mladen Stilinović](#) in which this phrase is repeated over and over. This served as an introduction to the various artists' highly abstract approaches to the concept of time in the Western world and its role in capitalist society. This way of understanding time would not have been possible without the clock, which enables us to measure time accurately and exchange it for goods.

The pieces on display in this section express the difficulties associated with the world of work and the relationship between time and money. It also includes various pieces that reflect the role the clock (a metaphor for rules and order) has played and continues to play in the Banco de España's day-to-day life, due to its presence in the institution's buildings and workspaces, and not simply as a collector's item or pictorial motif. Alongside the works by [Mladen Stilinović](#), this section also featured pieces by [Isidoro Valcárcel Medina](#), [Ibghy & Lemmens](#), [Raqs Media Collective](#), [Inmaculada Salinas](#), [Juan Luis Moraza](#), [Manolo Laguillo](#) and [Candida Höfer](#), together with a scene taken from Chaplin's *Modern Times*, which takes aim at the dehumanisation of work.

The third and final section of the exhibition ("A Time Without Clocks") is the one that most clearly calls into question the idea of linear, measurable, predictable time that underpins our current production model. It does so by drawing on a selection of works that show other ways of conceiving, experiencing and representing time that come from the language of creation or from non-Western cultures, such as those of indigenous peoples, for whom time is linked to the natural cycles or to native wisdom.

Similarly, other pieces in the exhibition suggest alternative models of time that have to do with the culture of deceleration (the slow movement), or directly question the widely held notion that time is money, and should not therefore be wasted. These are works by artists who take a freer approach to the way they view and live time, and who question the way time is subject to the whims of the consumer society. This aspect of time is championed and explored in the works of [Yto Barrada](#), [Antonio Pichillá](#), [Ángel Poyón Calí](#), [Manuel Chavajay](#), [Pieter Vermeersch](#), [Javier Núñez Gasco](#), [Victoria Civera](#), [Chema Madoz](#) and [Inmaculada Salinas](#), which were included in this third section of the exhibit.



View of the exhibition "The Tyranny of Cronos".

Overseen by the Banco de España curator Yolanda Romero, the exhibition brought together some 50 works by 24 artists or artistic collectives, including tapestries, paintings, sculptures, photographs and clocks. The oldest piece, [The Triumph of Love and Eternity over Time](#), a tapestry by Jan Leyniers based on a design by David Teniers III, is dated 1684, while the most recent items were acquired in 2024.

The exhibition welcomed 11,677 visitors in 2024. Based on visitor numbers during the opening two months of the four exhibitions held at the Banco de España since its exhibition space was first opened, this latest showcase is the institution's biggest success to date.

The exhibition was also accompanied by a catalogue and a brochure, in print and digital formats. These publications were designed to offer content of the very highest quality and to reach as broad an audience as possible, including both experts and the general public. The digital versions can be downloaded free-of-charge from the Banco de España [Art Collection](#) portal. The catalogue reflects the layout of the exhibition, and is thus organised into three chapters: "Portraits Through Time", "I Don't Have Time" and "A Time Without a Clock". It also includes a series of essays that further explore the issues and challenges addressed in the exhibition, with contributions from Justo Navarro, Amelia Aranda Huete, Yolanda Romero and David Garneau, alongside an introduction penned by the current Governor José Luis Escrivá.

To accompany the exhibition and provide visitors with as much information as possible, Spanish and English audio guides were also offered.

A programme of expert-led guided tours was also designed for different audiences: the general public, employees and families. Offered on Saturdays, the family tours included special activities tailored to children and their families.



See the Banco de España Art Collection portal for more information on the exhibition
[The Tyranny of Chronos](#)

3 Historical Archive

The Historical Archive of the Banco de España (1856-present) is home to the institution's documentary and numismatic collection, from its beginnings as the Banco de San Carlos (1782-1829), through its later conversion into the Banco de San Fernando (1829-1856) and up to the present day. The archive's collections are an essential source of information for understanding the economic, social and political history of Spain over the last 242 years.

Encompassing 15 kilometres of shelves, the archive can be found at the Banco de España's Madrid headquarters and is one of the best-preserved banking archives in the world. Open to the public since 1982, it is an invaluable resource for historical research into a wide range of key subjects: shareholders and customers, monetary and financial policy, key figures in politics and economics, state financing, private banking, foreign trade and the balance of payments, economic research, banknote issuance, banking architecture, etc.

3.1 Exchange of banknotes during the Civil War

In 2024 work continued on the project to digitalise documents detailing the exchange of banknotes during the Civil War and the dictatorship (1936-1960), which began in late 2023. The digitalisation work is expected to be completed by the end of 2025, generating more than a million digital images in the process and making it easier to consult documents. The Banco de España is thus following through on its commitment to transparency and community outreach.



Audit of banknotes from the 21 November 1936 issue (circa April 1937) at the Palma branch.

These documents concern the processes for exchanging banknotes during the Spanish Civil War, when monetary unity collapsed in the country. Two separate currencies circulated during the conflict: the Republican peseta and its Nationalist counterpart. Following the Decree of 27 August 1938, the Banco de España centralised the exchange of banknotes put into circulation before 18 July 1936, discarding any issued after that date. This work generated a vast amount of paperwork: some 1,300 storage boxes containing around 80,000 files and bundles of documents. The documents are kept in the Banco de España's Historical Archive.

Interest in this documentation has grown in recent years, particularly in the wake of Democratic Memory Law 20/2022 of 19 October 2022.

3.2 The Institutional Repository: digitalisation and dissemination

In 2024, more than 26,000 documents from the Historical Archive were downloaded for consultation from the Institutional Repository, showing that the website reaches a very wide audience.

Moreover, two of the collections most often requested by users were digitalised and published in the Institutional Repository: the Collection of Architectural Plans of the Banco de España's buildings and the Minutes of the Management Committee. This initiative aims to make the archives more widely known and easier to use.

- **Collection of Architectural Plans.**
 - A total of 770 plans and drawings from the Collection of Architectural Plans were published. This is a major collection, reflecting the Banco de España's rich architecture. The plans and drawings of the Madrid headquarters (covering the period from 1882 up to the present day) reveal how the building was designed and subsequently developed, while also reflecting the architectural trends at each stage of construction. The plans of more than 70 branches and agencies located in Spain and in certain foreign capitals are also included, showcasing the building techniques used by the institution as it expanded its reach. The collection is of great value for those looking to learn about [the architecture created by the Banco de España](#).
- **Minutes of the Management Committee.**
 - Also digitalised and published in the Institutional Repository were [50 books of minutes of the Management Committee](#). This Committee oversaw spending by the Banco de España between 1849 and 1962. The minutes provide essential insights into all manner of expenditure, from minor purchases to acquisitions of works of art and real estate.

3.3 Acquisition of banknotes

This collection includes Spanish banknotes issued between 1783 and the present day, in addition to foreign banknotes. It was further enriched with the addition of several banknotes acquired last year:

- **The 50-peseta banknote, dated 17 May 1927.** A set of 12 banknotes that reflect the different stages of the banknote design process.
- **The 100-peseta banknote, dated 1 July 1903.** Produced by the Banco de España's printing works at its headquarters on Madrid's Calle de Alcalá, this banknote stands as a landmark in banknote production due to a significant new technological feature: it is the first banknote without cancellation marks to be added to the collection.

3.4 Loans for temporary exhibitions

Various pieces were also loaned out for temporary exhibitions in 2024. The Banco de España's documents are often a valuable addition to exhibitions staged by other institutions:

- **Exhibition: "Colonisation Settlements. Reflections on an Invented Landscape"**, organised by Fundación ICO (February-May 2024). This exhibition looked at the creation of 300 new villages and towns in Spain between the 1940s and the 1970s. These projects included economic, urban planning-related, architectural and artistic aspects. They were financed using government debt issued by the Official Credit Institute, which was marketed and sold by the Banco de España. The Historical Archive loaned 11 documents to the exhibition, including the 1959 agreement for the supply of machinery between the National Colonisation Institute and the Development Loan Fund. Following the success of the exhibition on its tour of several cities, there are now plans to create the first museum on colonisation villages in Spain in Valdelacalzada (Badajoz), where the Banco de España's documents will be on display.
- **Exhibition: "The Lorca Archive: From Exile to the Centre"** (December 2024-May 2025), organised by the Federico García Lorca Centre (Granada). This exhibition looked at how the poet's archive was assembled as a way of constructing memory. The Banco de España contributed a deposit receipt dated October 1936 for a trunk containing García Lorca's belongings from his home in Madrid.
- **Exhibition: "Stone and Metal: Burgos and the Royal Mint"** (October 2024-January 2025). Organised by the Casa de la Moneda Museum, this exhibition was staged in the Arco de Santa María exhibition rooms in Burgos. It looked at the relationship between the Burgos Mint and the Spanish National Mint's Security Paper Factory. Digital images of several pieces were contributed, including a gold doubloon of Enrique II and the minutes of the Governing Council from 1936 to 1939.

3.5 Services for researchers

The services offered to users were among the priorities of the Banco de España's Historical Archive in 2024. Over the year, 154 research projects were carried out (30% more than in 2023), for which nearly 1,500 archive boxes had to be consulted. This activity continues to grow thanks to the efforts made to raise awareness of the wealth of documentation available. More than half of the research enquiries come from Spanish and foreign universities and form part of research projects, doctoral theses and master's degree dissertations. The lines of research currently in progress and the breadth of the time frames they encompass are summarised below:

- **Economic, monetary and financial history of the 18th century**, in relation to the Banco de San Carlos, through the activities of its shareholders and commissioners, trade with the American territories and economic relations with France.
- **Banking history of credit institutions and savings banks and of specific sectors of the economy in the 19th and 20th centuries**, such as telecommunications, industry, housing and tourism.
- **Architecture and architects of the Banco de España's buildings in Madrid and its branches**, and their artistic legacy.
- **Biographies of shareholders, directors, deputy governors and governors of the Banco de España**, as well as key figures from political, financial and cultural history.



Historical Archive of the Banco de España.

The recent publication of the Banco de España's photographic archive has sparked interest in the family history of the institution's employees and in other aspects related to the archive's role as a source for research into the history of photography.

- **The Second Republic and the Spanish Civil War**, including topics such as the economic crisis of the 1930s and the 1932 agrarian reform, and economic aspects stemming from the war (arms purchases, the Banco de España's gold reserves, war donations, national subscriptions and all manner of topics relating to current accounts, deposits and safety deposit boxes for seized assets).
- **The economy under Franco's dictatorship**, taking in everything from monetary policy to exchange controls, foreign investment in Spain, the Stabilisation Plan and Spain's admission to international organisations (the International Monetary Fund and the World Bank).
- **New lines of research into the role of women in banking history and economic studies on Spain's democratic transition.**

3.6 Interns

The Banco de España's Historical and General Archive Unit was commended by Madrid's Complutense University for its special contribution to academic internship programmes. In 2024, the Archive welcomed seven new interns, providing them with valuable work experience in the field of documentation and archives.

4 Temporary exhibition: “The Photographic Archive of the Banco de España. From Albumen to Pixel”

To showcase its photographic collection, the Banco de España’s Historical Archive staged an exhibition at the institution’s Madrid headquarters between April and July 2024. **Under the title “The Photographic Archive of the Banco de España. From Albumen to Pixel”, it featured a selection of 300 previously unseen photographs taken between 1869 and the present day.**

Based on chronological and thematic criteria, the exhibition was divided into five rooms, each displaying images of the Banco de España’s buildings, employees and public events. The exhibition offered an insight into the institution’s history from a documentary photography perspective.

The exhibition began in the “Yellow Time” room, with a selection of portraits of the members of the Constituent Assembly of 1869, taken by Leopoldo Rovira and featuring such well-known figures as General Francisco Serrano, Pascual Madoz, Pedro Antonio de Alarcón, Francisco Pi y Margall and Juan Bautista Topete. Alongside these portraits, and of particular testimonial value, were beautiful photographs of the city of Barcelona in 1880 (compiled when the Bank was looking for a site for its branch) and of the central building on Madrid’s Calle de Alcalá, taken in 1891 by the famous photographic studio J. Laurent y Cía.

The second room, titled “The Photograph as a Document”, brought together a selection of employee portraits taken for ID purposes. The oldest date from 1905 and constitute a delightful gallery of faces and trades from the Banco de España’s past, including night watchman, stoker, banknote engraver, lift attendant and banknote collector. **Among the first portraits were never before seen images of the Banco de España’s first two female employees, Carmen Esteban and Engracia Herranz, who joined the institution in 1901.**

The central room, titled “From the Silver Age to the Transition”, covered a very long span of time (1925 to 1975). **On display were numerous photographs of the Banco de España’s buildings, which at one point comprised 70 branches in Spain and six agencies abroad.** The institution’s architecture showcased a variety of styles, from Art Deco, eclecticism and regionalism to the more classicist models with which the institution is more commonly associated. The cities in which branches were opened featured in a historical roundup of postcards, from the first illustrated cards in 1892 to more colourful examples from the 1970s.

The exhibition also included the gold vault, whose fiendishly complex construction process in the 1930s was captured for posterity in a photographic essay. A 1944 image shows the vault in its finished state, full of ingots, illustrating how reserves were replenished after the huge losses of the Civil War.

In 1966 an exceptional event was staged in a Spain that was then in the process of opening up to the wider world: the 13th International Monetary Conference of the American Bankers



View of the exhibition "The Photographic Archive of the Banco de España. From Albumen to Pixels".

Association, which brought together the leading lights of international banking and finance. The conference was immortalised in extensive photo essays and in a NO-DO newsreel. Manuel Aumente and Manuel Torres Molina were the event's lead photographers.


This was followed by a fourth room, titled "Spain is Different", which featured projections of public events held by the Banco de España between 1975 and the present day. They showed how the institution has changed in recent times: the arrival of democracy, integration within Europe, the introduction of the euro and the meetings of the European Central Bank, a commitment to financial education and the climate change and gender equality-related challenges now facing the institution.

The final room, "Towards Artificial Intelligence", was a celebration of the valuable work performed by the archives as a custodian of the Banco de España's history. A selection of photographs from the branches' archives and the institution's Historical Archive reflects the work done behind the scenes and the unstinting efforts to remain up to date and to meet the challenges posed by the latest technologies.


The exhibition showcased the work of nearly one hundred photographers from all over the country. Meanwhile, thanks to the cameras and laboratory equipment on display throughout the exhibition, visitors could trace the technological history of photography and photographic processes: from the albumen used as a binder in the 19th century to the pixel of the 20th-century digital image.

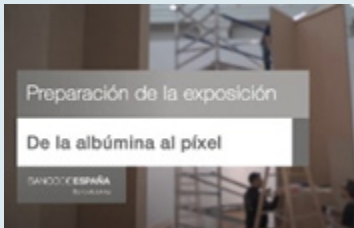
To guide visitors and give them the chance to explore the content of the exhibition in greater depth, an 80-page brochure was published, including pieces written by the curators and reproductions of the photographs on display. A [PDF brochure](#) can be downloaded from the Banco de España website.

Audio guides in Spanish and English were available during the exhibition, as were guided tours for adults, employees and families, with activities designed children aged 5-12. In total, the exhibition welcomed more than 20,000 visitors, more than 2,000 of whom took one of the guided tours.




For more information, see the making-of video feature on the exhibition “The Photographic Archive of the Banco de España. From Albumen to Pixel.”:


PLAY 




The exhibition was curated by Juan Miguel Sánchez Vigil, a professor at Madrid’s Complutense University specialising in documentary photography, Elena Serrano, Head of the Banco de España’s Historical Archive, and Patricia Alonso, an expert archivist from the Banco de España’s Historical Archive. Elena and Patricia have spent ten years sorting through and assembling the Banco de España’s photographic archive.



For more information, see the video on the opening of the exhibition “The Photographic Archive of the Banco de España. From Albumen to Pixel.”:

PLAY 



See [Box 4.3](#) to find out more about the catalogue *The Banco de España’s Photographic Archive. 1874-2023*.



Arrival of participants in the 13th International Monetary Conference of the American Bankers Association held in Spain in 1966 (left). Portrait of Engracia Herranz, one of the first female employees of the Banco de España (1905-1907).

5 Bibliographic heritage

Since the Banco Nacional de San Carlos was founded back in 1782, the Banco de España has gradually amassed a considerable collection of bibliographic resources. **Specialising in economics, this collection is one of the most diverse and broad-ranging of its kind in Spain, and is updated continuously** to ensure that employees or anyone else who might pay a visit to the library can access the most up-to-date information.

To manage this collection and offer related services, **the Banco de España put together a library that first opened its doors in 1980. Since then, it has been open to any individuals or institutions who might need to consult its collections.** Last year, the library was open to the public 34 hours a week.

The Banco de España Library welcomed 1,122 visitors in 2024, an average of 94 visitors a month (up 29% on the previous year's figure). However, the need to carry out work that affected the ventilation and air conditioning in the reading room left the Banco de España with no choice but to suspend in-person services for the general public for just over two months, between late June and late August.

The number of requests for information from individuals and external institutions remained largely unchanged from the previous year. Of these requests, 32% were for bibliographic information, and more than 90% were received and dealt with by e-mail.

In 2024, thanks to its intra-library lending service, **the library sent 60 documents to other libraries**, an increase on the previous year's figure. Spanish institutions accounted for 62% of the requests, with the other 38% coming from abroad.

A total of 1,774 monographs were added to the collection (37% in e-book format and 63% in print editions). In recent years, the library has purchased fewer monographs, focusing instead on subscriptions and purchases of journals devoted to the latest advances and developments across all economic disciplines. Electronic information sources, such as specialised databases and portals, also account for an increasingly large share of the collection.

Patterns in the way the collections were used varied over the year depending on the format of the documents. Loans of print books and journals fell by 2.8% compared with 2023. The use of electronic formats held steady thanks to a 4% increase in the use of electronic journals and despite the declining popularity of e-books. Downloads of journal articles accounted for 94% of all electronic documents used, outnumbering downloads of e-books by a factor of 15 and loans of print copies by a factor of nearly 8.

Within the library's collection, the Special Value Collection (SVC) takes pride of place. Combining manuscripts and print editions, it is currently home to 17,433 items produced or published between the 14th and 19th centuries. This collection is of great interest to those

looking to explore Spain's economic and legal history. The library continues to add to this collection with the acquisition of antique books, thereby helping to preserve the country's bibliographic heritage.

A total of 9 works corresponding to six volumes were purchased in 2024 and added to the SVC, including, most notably (given its age and value), the Campomanes Codex. More information on this codex can be found in Box 4.4. The other five volumes added to the collection were:

- ***Tablas de reducción de acciones y obligaciones cotizables en francos ó napoleones á pesetas (Tables for the Conversion of Shares and Bonds Quoted in Francs or Napoleons to Pesetas)***, published in 1893. Aimed at financial market operators, this practical work is hard to find in Spanish library catalogues. Its author does not feature in any other works, and the publisher only has one other work on record (registered in 1894).
- ***Economía industrial. Tomo I, Economía del obrero (Industrial Economics. Volume 1, Labour Economics)***, published in 1834 by Claude Lucien Bergery (1787-1863), a French economist and business management theorist. It forms part of his major three-volume work, *Économie industrielle, ou Science de l'industrie* (1829-1831). It was translated into Spanish soon after publication, and only six copies remain in Spanish libraries.
- ***A la Sociedad económica de Amigos del País... (To the Economic Society of Friends of the Country...)***, dated 20 July 1816 (Palma de Mallorca). This publication contains a royal decree on Spanish agriculture as an economic driver of the nation. It focuses on the islands of Menorca and Ibiza and the types of products that should be exploited. It bears the printed signature of the Marquis of Coupigny, the Captain General of the Balearic Islands at that time. There is only one other known copy in Spain's libraries.
- ***Enterado el Consejo de los excesivos precios á que se vendian los granos y aceyte en la Ciudad de Málaga... (The Board having been apprised of the excessive prices at which grain and oil was being sold in the city of Malaga...)*** dated 5 October 1797 (Valladolid). A Council of State Circular on international trade in oil and cereals during the reign of Carlos IV. The flourish that appears at the end pertains to the secretary Ramón de Santillana. Similar works can be found in Madrid, but not in Valladolid.
- ***Prontuario del valor diario de los vales reales, en sus tres modernas creaciones de 1º de enero, 1º de mayo, y 1º de septiembre, con inclusión de los intereses que lleven devengados (Record of the daily value of royal vouchers, in their three recent issues of 1 January, 1 May, and 1 September, including the interest accrued)***. A compendium of the value of royal vouchers over a complete year. A type of government debt, royal vouchers were created in 1780 to finance the war against England and compensate for the shortage of liquidity due to the interruption of remittances of precious metals from the colonies. The library is home to two similar publications on the value of royal vouchers in the 18th century, although neither were published in Cadiz, like this edition, of which there is only one other known copy in Spanish libraries.



Library at the Banco de España headquarters.

In 2024 work continued on digitalising part of the bibliographic collection. 100,146 pages from 614 works were digitalised, of which 301 were from the SVC and 50 were copies of Banco de España publications, mainly from the 19th century.

The Institutional Repository offers secure, long-term access to all of the Banco de España's publications, as well as to other digitalised material from its bibliographic and documentary collection. The number of documents available increased by 5.3% in 2024, and now stands at 25,574. New additions included 372 copies of Banco de España publications (particularly, the *Statistics Bulletin* from 1960 to 1977), 262 editions from the SVC and 504 copies of regular Banco de España publications. In terms of user numbers, document downloads were up 22.8% on the previous year, rising to 835,642. However, the number of visits fell, declining to 499,311.

In 2024 the library continued to work in partnership with other institutions on various projects, such as the Collective Catalogue of Spain's Bibliographic Heritage. Led by the Ministry of Culture, this initiative seeks to identify all copies of pre-1959 editions in Spain's libraries and collections. In 2024, the team working on the catalogue continued to inspect copies in the Banco de España's bibliographic collection. At the end of 2024, this catalogue contained 23,490 bibliographic records, corresponding to 27,501 items from the Banco de España Library. Currently, 10,761 of these records can only be found at the Library.

Meanwhile, the institution continued to contribute to the Collective Catalogue of Specialist Central Government Libraries (Biblespage), which currently contains 314,000 records from the Banco de España Library, together with records from another 16 specialist libraries. As part of this collaboration, the Banco de España took part in a pilot intra-library lending

project, a normalisation working group was set up and various awareness-raising initiatives were carried out.

In 2024 the Library also continued to work with La Rioja University's Fundación Dialnet, playing an active role in the maintenance of a platform widely acknowledged to be one of the leading tools for disseminating scientific literature in the Spanish-speaking world. Since this partnership first got underway, a total of 417 new entries have been added, attesting to the joint efforts made by the two institutions to maintain and enrich this valuable resource. Likewise and also with the aim of boosting awareness of the Banco de España's publications, the library works in partnership with international portals such as [RePEc](#) and [SSRN](#).

Towards the end of the year, discussions began with Alicante University's Germán Bernácer Chair with the aim of boosting the profile of this major Spanish economist, a key figure in the founding and development of the Banco de España's Research Department in the 1930s.

The Library also carries out a broad range of awareness-raising activities, with the aim of boosting the profile of its collections and services among all those who might be interested. Two issues of the Library's journal (*La Biblioteca Informa*) were released in 2024. First published in 2015, this newsletter is an essential tool for showcasing the Banco de España Library's collections and activities, both internally and externally. It includes recommended reading, articles on tools and resources, activities, news items and features on the institution's bibliographic heritage.

The Institutional Repository plays a key role in disseminating this heritage, offering access to digital copies of the most important works, while also enabling the collections to be accessed from other systems with a much broader audience. In 2024 the quality of metadata was improved, while the number of copies included by systems such as [Hispana](#) and [Europeana](#) increased. In the latter case and thanks to these improvements, works from the Repository are now easier to find and reuse in thematic collections, exhibitions, projects and applications for research and educational purposes. Moreover, thanks to the Repository, in 2024 the Library took part in an online Ministry of Culture exhibition to mark [World Book Day](#).

The Library uses all of the Banco de España's social media channels to raise awareness of its collections, services and activities. Engagement and interaction with the Library's posts on X, LinkedIn, YouTube and Instagram increased markedly compared with the previous year. In 2024 it posted 7 times on X and 17 times on LinkedIn. The institution's YouTube channel featured a brief video feature titled *Do you know the Banco de España Library?* (with more than 1,200 views), aimed at introducing younger audiences to the library. Another video, *The Banco de España Library*, was released in late 2024. Adopting a more institutional tone, it looks at the services and collections on offer. The library also contributed content to three different posts (on the library itself and on two works from its collection) on the Banco de España's [Instagram channel](#).

The Banco de España blog is another new vehicle created to reach a wider audience. Among 2024's first posts was an item on a [manuscript kept in the library](#) containing the first known

Spanish translation of Richard Cantillon's *Essai sur la nature du commerce en général*, considered to be the foundational text of modern economics.

Public exhibitions are also used to showcase the institution's bibliographic heritage. The exhibition "Pathways and Landscapes. Spain in Travel Writing" (see [section 6 of this chapter](#)) was staged in 2024.

The Library took part in the initiatives organised by the Banco de España to mark Open Government Week for the first time in 2024, offering a workshop titled "the Banco de España Library: a shared treasure". The workshop was attended by 17 participants, who learned about the Library's history, collections and services.

The workshop focused on how these resources can best be used. It also included a guided tour of the installations and looked at a selection of the Library's most prized possessions.



Workshop: "The Banco de España Library: a shared treasure", one of the events staged at the Banco de España headquarters as part of Open Government Week.

6 Temporary exhibition: “Pathways and Landscapes. Spain in Travel Writing”

The Library’s reading room hosted this exhibition between 18 September and 17 December 2024, bringing together a selection of 31 pieces of travel writing from the Banco de España’s collection.

The works on display included tales of journeys through Spain between the 17th and 19th centuries. These accounts offer a unique vision of the country through the eyes of travellers, while also reflecting how perceptions of Spain changed over this three hundred-year span.

The exhibition included accounts of journeys to Spain for political reasons, such as François Bertaut’s *Journal du voyage d’Espagne*, for educational purposes, such as Antoine de Brunel’s *Voyage d’Espagne, curieux, historique...*, or for personal reasons, such as *Relation du voyage d’Espagne* by Madame d’Aulnoy, which tells the tale of its author’s journey from Paris to Madrid to visit her mother. These books all paint a sombre, critical portrait of 17th century Spain, as the country’s political and economic power and influence slowly waned.

The illustrious travellers who traversed Spain in the 18th century were represented in the exhibition by names such as Antonio Ponz, Guillermo Bowles, Jean-François de Bourgoing, Henry Swinburne and Joseph Townsend. As the second half of the century got under way, the reforms undertaken by Carlos III began to attract the attention of these travellers, who began to roam the country, picking up a wealth of detail on their way. Thus, for example, Bourgoing’s *Nouveau voyage en Espagne* and Townsend’s *A journey through Spain, in the years 1786 and 1787* both devote several pages to the creation of the Banco Nacional de San Carlos, an event they witnessed first-hand.

By the 19th century, Spain was welcoming travellers in increasing numbers. This can in part be attributed to the country’s exotic, mysterious image, as portrayed by the romantic movement throughout Europe. This period also saw a notable boom in travel literature, thanks largely to publications in instalments in newspapers and journals.

Over the course of the century, Spain was visited by writers such as Lady Chatterton and Louisa Tenison, and journalists such as Edmondo de Amicis and Antonio Gallenga, in addition to celebrated figures of the stature of Hans Christian Andersen and Gustave Doré.

The works on display included numerous engravings and sketches, many of them made by the travellers themselves, who increasingly used images as a form of expression. This led to the emergence of so-called “picturesque travel”, in which illustrations take centre stage thanks to their artistic beauty and painstaking, occasionally allegorical, portraits of nature, monuments, landscapes, etc.

The exhibition covered the period up until the final decades of the 19th century, when travellers began to give way to tourists. Improvements in infrastructure, such as the railway line joining Madrid to Paris, played a decisive role in this process.

In its three-month run, the exhibition welcomed 253 visitors, including both Banco de España employees and the general public. It was accompanied by a [brochure](#) containing further information on the works on display.

The Banco de España used its in-house communication channels and institutional website, as well as its social media presence, to publicise the exhibition. To this end, it published communications, posts, announcements and a video feature.



View of the entrance to the temporary exhibition "Pathways and Landscapes. Spain in Travel Writing".

7 Research grants

The Banco de España's functions include economic analysis and research. With this in mind, it promotes and supports economic research and work experience initiatives. Its activities in 2024 included the following:

- Completion of the selection process (approved in November 2023) for ten scholarships for further studies in Spain and abroad for the 2024-2025 academic year, renewable for the 2025-2026 academic year. Moreover, a new process was announced in November for ten scholarships for the 2025-2026 academic year, also renewable for a further year. These grants offer financial support for official postgraduate qualifications in economics and finance, as well as in economic and financial technological innovation.
- Grants for two research projects under the programme of grants for research in economic history (approved in November 2023). A new call for applications was also announced for this programme, which takes place every year and is awarded to a maximum of two projects. These grants are managed under collaboration agreements with internationally renowned Spanish and foreign universities and research centres.



Further information on the [grants and scholarships offered by the Banco de España](#) can be found on the institution's website.

8 Contributions from the Charitable and Welfare Fund

The Banco de España's Charitable and Welfare Fund (FABS, by its Spanish acronym) allows the institution to set aside up to 1% of its net profits for charitable and social contributions. All types of individuals and public and private legal entities are eligible. Grants are awarded based on the goals of the FABS: the economic, social, cultural and cross-cutting usefulness of the project; transparency; the academic, social and cultural standing of the recipients and, in the case of economic research grants, a competitive award system.

No contributions were paid out in 2024, since the Banco de España's 2023 Annual Accounts recorded a loss.

Nonetheless, the amount set aside for the FABS each year can be used at any time between the date on which the government approves the annual accounts for the previous year and 31 December of the following year. Thus, the available FABS funds were used to award grants in 2024 with a charge to the 2022 profits.

Specifically, grants totalling €1,936,979.87 were awarded to organisations dedicated to economic research and analysis, educational and cultural activities and social and humanitarian assistance. Moreover, the grants for further studies and the programme of grants for research in economic history described in the previous section were also financed with a charge to this fund.

Meanwhile, to help mitigate the economic effects of the catastrophe caused by the DANA and to support recovery in the affected areas, the Banco de España issued a call for applications for direct financial aid for students of finance, business administration and economics residing in these areas. Totalling €150,000, these grants were financed from the 2022 FABS.
















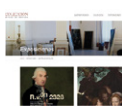










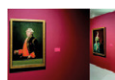







See the Banco de España's website for more information on the [FABS](#).

9 The Banco de España's artistic, historical and bibliographic heritage in previous editions of the Institutional Report

The Banco de España has been showcasing its rich artistic, historical and bibliographic heritage in its Institutional Reports since 2016. Schema 4.1 shows the content on the institution's heritage highlighted in previous editions of the *Institutional Report*, together with the relevant links.

Schema 4.1

The Banco de España's artistic, historical and bibliographic heritage in previous editions of the Institutional Report

2023 INSTITUTIONAL REPORT							
	Temporary exhibition: The Architecture of Eduardo de Adaro and the Banco de España. A Changing World		Collection of Securities Certificates		Exhibition: Campomanes at the Banco de España Library		Restoration of a painting by Asterio Mañanós
2022 INSTITUTIONAL REPORT							
	The banknote as a medium for images and ideas		Temporary exhibition: Flowers and fruit. Banco de España Collection		Temporary exhibition: (Un)Common Values		The Governing Council of the Banco de España
2021 INSTITUTIONAL REPORT							
	Exhibition: 2328 reales de vellón		Banco Nacional de San Carlos shares		Banco Nacional de San Carlos banknotes		Marine Atlas by Pieter Goos, 17 th century
2020 INSTITUTIONAL REPORT							
	Catalogue raisonné of the Banco de España Collection		Art Collection portal		Benito Pérez Galdós at the Banco de España		The history of the peseta
2019 INSTITUTIONAL REPORT							
	The Banco de España's headquarters		First exhibition of the Special Value Collection		The Gold Vault		<i>Reflections in a Golden Eye</i> (2018), by Carlos Aires
2018 INSTITUTIONAL REPORT							
	Guide to the historical archives of banking in Spain		Restoration, photos by Jorge Ribalta		Restoration of 17 works from the collection and other items		<i>Pegaso</i> (1903), sketch for a banknote by José Villegas
2017 INSTITUTIONAL REPORT							
	Exhibition: From Goya to the present day		Review and update of the Goya room		Recovery of the photography collection		Exhibition: Goya in the Banco de España's documents
2016 INSTITUTIONAL REPORT							
	Exhibition: Economic issues and Cervantes		Loans of works of art to other institutions		Sample of banknotes from the Numismatic Collection		First Preventive Conservation Plan

SOURCE: Banco de España.

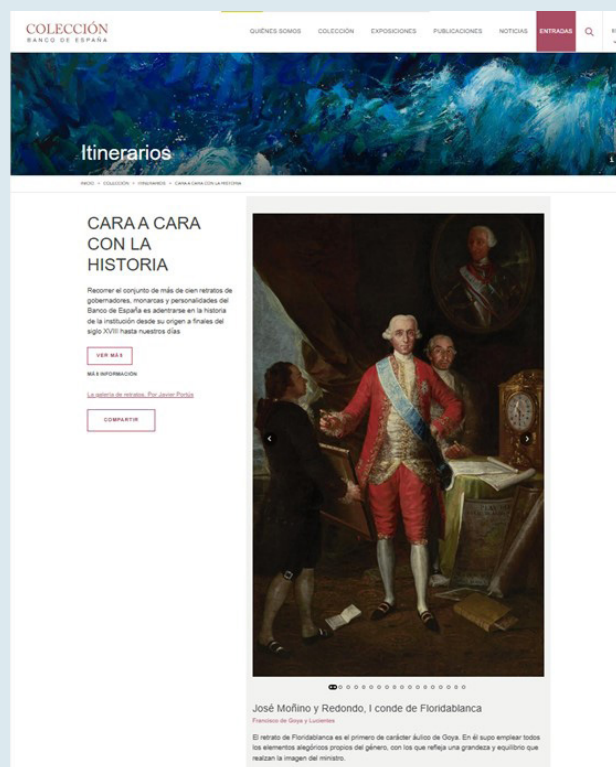
Box 4.1

“ITINERARIES” ON THE BANCO DE ESPAÑA’S ART COLLECTION PORTAL

The Banco de España’s Art Collection portal includes an [Itineraries](#) section, featuring various tours around the institution’s heritage. Somewhat akin to an online exhibition, these tours focus on various specific aspects of the collection. They were designed and developed with the help of renowned figures from the world of art and culture, hand-picked for their unique and rigorous analytical approach.

Ten different itineraries have been published since the Banco de España’s Art Collection portal was first launched back in Autumn 2020. In reverse chronological order (from last to first), the authors responsible were: the artists [Rogelio López Cuenca](#) (National Award for Plastic Arts, 2022) and [Elo Vega](#); [Carmen Ripollés](#), professor in Portland State University’s Art Department; the journalist and art historian [Anatxu Zabaldeasoa](#); the writer [Marta Sanz](#) (winner of the 2015 Herralde Prize); [Carles Guerra](#), art critic and associate lecturer in contemporary art at Universidad Pompeu Fabra; [Ismael Amaro](#), art historian and lecturer at Universidad de Jaén; [Javier Portús](#), curator at the Prado Museum and head of its Spanish Painting Department; the filmmaker [Margarita Ledo](#), professor of audiovisual communication and advertising at Universidade de Santiago de Compostela; [José Manuel Matilla](#), head of drawing and print conservation at the Prado Museum; and [Amelia Aranda Huete](#), curator of the clock and silver collections at Spanish National Heritage.

These tours explore subjects such as the presence of women and the “cultural other” in art, the symbolic nature of the still life genre, landscape as (self)portrait, the body and its representation, the effects of digitalisation on the artistic



The Banco de España’s Art Collection portal includes a range of themed tours, with the main aim of making the institution’s rich heritage more accessible to the general public.

experience, the three sets of Goya prints owned by the Banco de España and the origins and history of the institution’s Portrait Gallery. Although these itineraries have occasionally been tied to the different exhibitions staged, allowing for further exploration of certain specific aspects, they have mainly been developed on a standalone basis.

Box 4.2

OFFICIAL PORTRAITS

The official portraits gallery is without doubt one of the centrepieces of the artistic heritage that makes up the Banco de España's art collection. The gallery reflects the history of the institution, almost in its entirety, from the founding of the Banco Nacional de San Carlos in 1782 to the present day. The collection of portraits includes not only likenesses of figures involved in the management of the Banco de España (directors, governors and finance ministers), but also the various heads of state who have been in power over the institution's lifetime.

Annie Leibovitz was approached to take the latest portraits. The US photographer was chosen in response to a desire to move on from the traditional painted portrait and transition to photography. This marks the first time that a foreign artist has been selected, giving the collection a more international air. Moreover, the choice of Leibovitz boosts the presence of female artists in this section of the collection, striking a more equal balance.

Thanks to its diptych (or double panel) composition, the royal portrait can be analysed on two levels: first, dressed in ceremonial attire, King Felipe VI can be seen surrounded by the classic accoutrements of institutional portraiture: a table, a chandelier, a mirror and a clock; second, sporting two vintage Balenciaga garments and stripped of symbols of grandeur, such as a diadem or the sash of Carlos III, Queen Letizia enters the chamber bathed in natural light. Leibovitz takes her inspiration from the tradition of classic Spanish portraiture, from Velasquez to Goya, albeit reinventing it, creating regal, yet human images of artistic and historical relevance.

The portrait of Hernández de Cos, also taken by Leibovitz, showcases the photographer's visual language, which seeks to reveal the psychological dimension of her subject



Portrait of former governor Pablo Hernández de Cos.

thanks to a painstaking staging of light, setting and composition. The setting is the meeting room of the Banco de España's Governing Council, a place steeped in the history of the institution. Leibovitz includes various symbolic touches, such as a clock, emphasising the need to regulate time in the economy and symbolising the governance of the institution. Moreover, the artist presents the governor in a relaxed pose, seated atop his desk, in a break with the rigidity typically found in other official portraits. She thus remains true to her style, aiming for an intimate, relatable portrait.

Box 4.3

THE BANCO DE ESPAÑA'S PHOTOGRAPHIC ARCHIVE. 1874-2023

The catalogue *The Banco de España's Photographic Archive. 1874-2023* was published in print and on the institution's website. It shows the results of almost a decade's work on restoring and cataloguing the photo archive. The catalogue contains more than 500 previously unpublished photographs taken by more than 120 photographers, illustrating the last 150 years of the history of the Banco de España and of Spain.

The publication is divided into three chapters. The first, "The Banco de España and the City", includes an introduction by Pedro Navascués, architectural historian and member of the San Fernando Royal Academy of Fine Arts. This chapter features a wide-ranging selection of photographs of the Banco de España's architecture, including both its Madrid headquarters and 73 of the 76 branches established since 1858.

The second chapter, "The Faces of the Banco de España", opens with a piece by Publio López Mondéjar, photo historian and member of the San Fernando Royal Academy of Fine Arts. It includes an extensive gallery of employee portraits, from 1874 to the late 1940s.

The third chapter, "the Banco de España and the Economy", begins with a piece by María Ángeles Pons, a professor specialising in economic history at Valencia University. This chapter is headed by a photograph of a 1934 shareholders meeting, and runs up to the present day with images of the institution's public events.

The catalogue highlights the variety of the photographers behind the images, including Eusebio Juliá, Jean Laurent, Venancio Gombau, Leopoldo Savignac, Dubois, Joan Andreu Puig Farran, Carlos Pérez de Rozas, Orestes

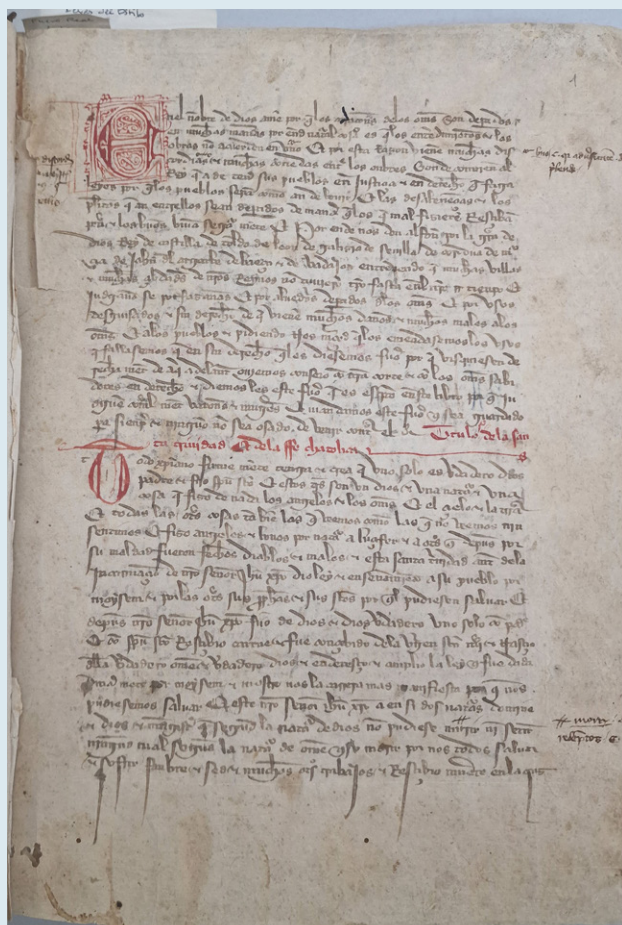


Orderly and attendant posing in regulation uniforms, between 1874 and 1884.

Calvet, Manuel Torres Molina and Cristóbal Portillo. It serves to showcase the Banco de España's photographic and documentary heritage, which reflects the country's history, architecture, political and economic development and sociocultural evolution.

Box 4.4

THE CAMPOMANES CODEX: ANCIENT LAWS AND CHARTERS OF SPAIN



First page of the Campomanes Codex, with the beginning of the royal charter.

The Special Value Collection was further enhanced in 2024 with the addition of an exceptional new item. Namely, a codex consisting of four legal manuscripts from the late Middle Ages, bound together under the title *Fueros y Leyes Antiguas de España* (Ancient Laws and Charters of Spain).

It is a 237-page folio-sized volume, written in Castilian Spanish in 14th-century Gothic cursive script, with notes in the margins. Based on the typeface used and the content of the manuscripts, it is believed that they may have been copied during the reign of Pedro I of Castile (1350-1369). The red leather binding, embellished with gold ironwork, dates from the 18th century.

The manuscripts, which may have been copied independently, include four different versions of three of the key legal texts of the Kingdom of Castile:

- 1 *The Fuero Real* (Royal Charter), one of the legislative works attributed to King Alfonso X the Wise. Completed around 1255, it was granted as a charter to many cities between 1256 and 1270.
- 2 *The Leyes del Estilo* (Laws of Style), assembled in two different versions. These are interpretations, clarifications and caveats in relation to the Royal Charter, originating from the court of Alfonso X and his successors.
- 3 *The Fuero Viejo de Castilla* (Ancient Charter of Castile), a compilation of medieval Castilian laws, later codified during the reign of Pedro I.

It is, in short, a compilation of legal texts that form the basis of medieval Castilian law, some of which remained in force until the 19th century. While several copies of these texts are known and have been studied in depth, the versions included in this codex have not yet been analysed by historians, and may therefore include unknown variants.

Although the codex has no ownership marks, its origins can be traced to Pedro Rodríguez de Campomanes (1723-1802), the First Count of Campomanes. Recognised as 18th-century Spain's foremost legal scholar, he took a keen interest in compilations of laws. His personal library, one of the finest of its time, was home to numerous legal works spanning every era. He is known to have bequeathed all of the manuscripts and legal books in his collection to his firstborn son, Sabino, and these were probably then passed on down to his successors and heirs.

The codex appears with the title that features on the binding in an 1879 inventory of the books inherited by the widow of the Sixth Count of Campomanes upon her husband's death.

The Banco de España Library already contained another item from Campomanes' private collection, the 26-volume *Colección cronológica de Reales Pragmáticas, Cédulas, Decretos, etc. del conde de Campomanes* (*Chronological Collection of Royal Pragmatics, Charters, Decrees, etc. of the Count of Campomanes*).

By acquiring the codex and adding it to its library collection, the Banco de España can help ensure it is preserved and remains available to researchers and the wider public.



Chapter 5

The Banco de España: financial information

The year in figures



€917 billion
Total assets

The Banco de España's total assets decreased to €917 billion in 2024 as a result of the restrictive monetary policy stance adopted in mid-2022 in response to rising inflation



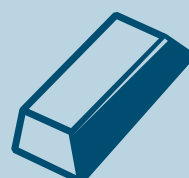
€566 billion
Securities held for monetary policy purposes

Since 2015, the Banco de España has acquired a significant volume of securities as part of its monetary policy decisions, with the total figure standing at €566 billion at end-2024



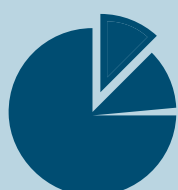
–€8.4 billion
Result of monetary policy operations

Monetary policy operations resulted in an €8.4 billion loss in 2024, compared with a €5.8 billion loss in 2023



€22.7 billion
Gold and gold receivables

Holdings of fine gold ounces have remained constant over recent years, albeit appreciating steadily, reaching a market price of €22.7 billion at the end of 2024



€52.8 billion
Own resources

In 2024, capital and reserves, generic provisions and revaluation accounts, which constitute the Banco de España's own resources, increased slightly compared with 2023 due to a significant increase in the revaluation accounts, which offset the decrease in the general provisions released to cover losses



€0 million
Profit

The Banco de España broke even in 2024, after applying provisions of €7,549 million. It is worth noting that the objective of a central bank is not to make a profit, but rather to fulfil its mandate of maintaining price stability

This chapter aims to look at how the functions entrusted to the Banco de España affect its financial statements (balance sheet and profit and loss account). To this end, it sets out a comprehensive analysis of the main balance sheet items and the institution's results, showing how they have evolved over the last five years and how this relates to the key events and the monetary policy measures adopted over this period.¹ It concludes by describing the risks and uncertainties facing the Banco de España as a result of its actions, with details of the management policies set in place to mitigate them.



The Banco de España's own funds increased slightly compared with 2023 thanks to a significant increase in the revaluation accounts

¹ The *Annual Accounts of the Banco de España* provide more detailed information on the composition of the balance sheet and profit and loss account and can be found on the institution's website.

1 Balance sheet

The Banco de España's balance sheet sets out a true and fair view of its economic and financial position. On the asset side, it records the resources available, while the sources of financing used can be seen on the liability side.

The Banco de España's financial functions and activities are detailed on its balance sheet as follows:

The Eurosystem's monetary policy operations are based on the decisions adopted by the European Central Bank (ECB) Governing Council, and are implemented by the euro area national central banks (NCBs) on a decentralised basis. These operations are reflected in the financial statements of each central bank. Thus, monetary policy securities purchases can be found on the asset side of the Banco de España's balance sheet (see Schema 5.1 (d)), as can the loans granted to Spanish credit institutions (Schema 5.1 (c)), while the deposits held by such institutions can be seen on the liability side (Schema 5.1 (g)).

The management of official foreign currency reserves is reflected under foreign currency-denominated assets and liabilities (the latter being of little significance) on the balance sheet (Schema 5.1 (a)).

The Banco de España uses the TARGET² system to manage settlements of domestic and cross-border euro-denominated payments. These transactions are primarily initiated by private entities (i.e. credit institutions, corporations and individuals), although they may also be originated by the NCBs themselves or by the ECB. The settlement of cross-border payments gives rise to intra-Eurosystem assets or liabilities on the balance sheet of the NCBs vis-à-vis the ECB.³ In the case of the Banco de España, this item is included on the liability side of the balance sheet (Schema 5.1 (h)).

The issue of legal tender banknotes is recognised on the balance sheet under liabilities (Schema 5.1 (f)), and the allocation of euro banknotes among the euro area NCBs in accordance with their allocation key⁴ gives rise to intra-Eurosystem accounts on their balance sheets. At the Banco de España, this account is recorded under assets (Schema 5.1 (e)), since the volume of banknotes put into circulation is lower than the corresponding amount per the institution's allocation key. As explained in Chapter 3, this is because the net issuance of banknotes by the Banco de España (both in 2024 and earlier) was negative. In other words, the inflow of banknotes exceeded the outflow, owing essentially to the impact of tourism.

2 TARGET is the platform owned and operated by the Eurosystem for processing large-value payments in euro that are settled instantly.

3 All settlements are automatically aggregated to form a single position for each NCB vis-à-vis the ECB.

4 The "banknote allocation key" is the result of applying 92% to each NCB's capital key in the Eurosystem (the remaining 8% is allocated to the ECB). At the end of 2024, the Banco de España's banknote allocation key was 10.879%.

Schema 5.1

Simplified balance sheet of the Banco de España as at 31 December 2024

€m

ASSETS		LIABILITIES	
Gold and foreign currency-denominated assets (a)	105,378	Banknotes in circulation (f)	172,796
Euro-denominated own portfolio (b)	27,826		
Monetary policy loans (c)	18	Deposits held by credit institutions (g)	210,321
Monetary policy portfolio (d)	566,412		
		Intra-Eurosystem liabilities (h)	446,668
Intra-Eurosystem assets (banknotes) (e)	199,341	Other liabilities (i)	34,217
Other assets	17,789	Own resources	52,762
TOTAL	916,764	TOTAL	916,764

SOURCE: Banco de España.

Meanwhile, the treasury service provided by the Banco de España to the Treasury and other public entities is managed through accounts opened at the Bank. These accounts are recorded on the liabilities side, under deposits in euro from other euro area residents (Schema 5.1 (i)).

The Banco de España also manages its own euro-denominated financial assets, comprising debt securities and recorded on the asset side of the balance sheet (Schema 5.1 (b)).

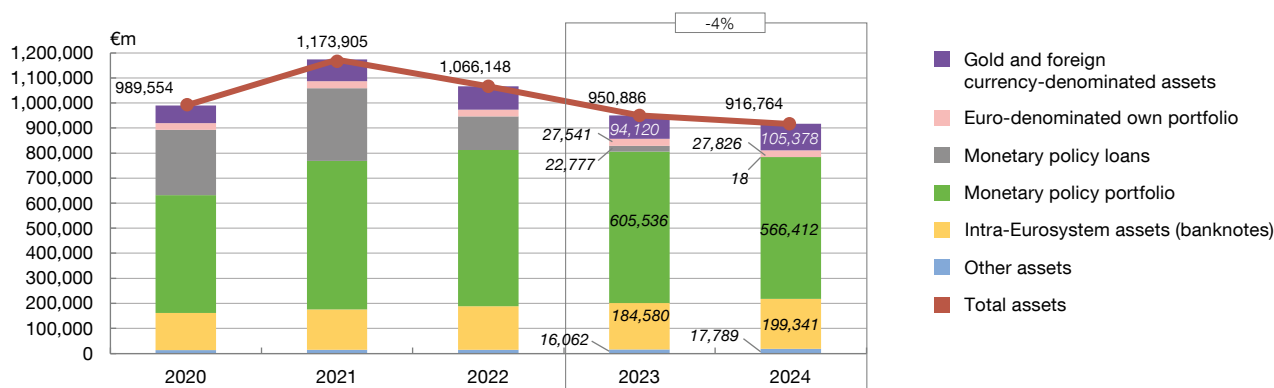
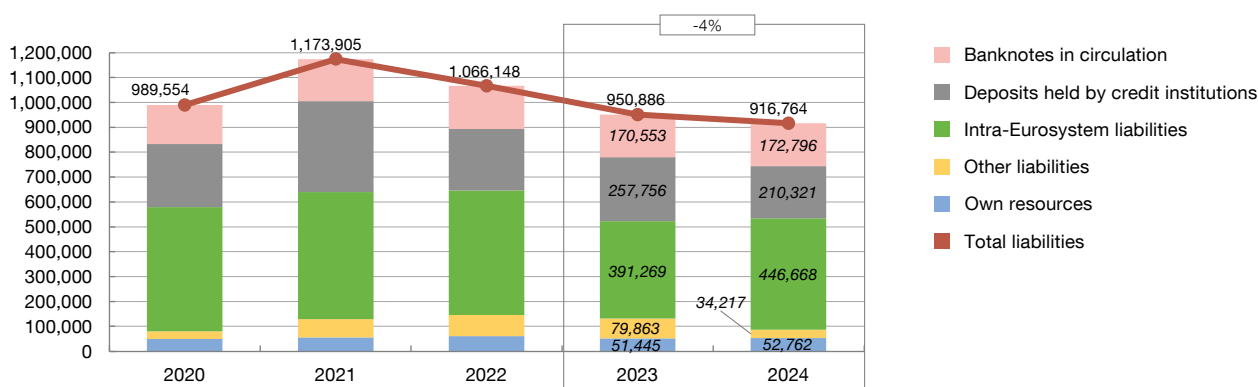
Schema 5.1 shows the Banco de España's balance sheet in simplified form.

The current composition of the balance sheet reflects the monetary policy implemented over recent years, which has pursued different approaches and objectives to address the major economic challenges of the period. Starting in 2008, an accommodative monetary policy was introduced in a bid to kickstart the economy amid a prolonged economic slump caused by the global financial crisis, later followed by the debt crisis and, finally, the COVID-19 crisis. The unconventional measures rolled out to address these unprecedented challenges, such as the long-term loans granted to credit institutions and the securities purchased for monetary policy portfolios, led to a significant expansion of the balance sheets of the Banco de España and the other Eurosystem central banks. Midway through 2022, having overcome these crises and in response to rising inflation, the ECB embarked on a new strategy, characterised by the steady normalisation of monetary policy, hiking policy interest rates and adjusting an additional range of parameters in its monetary policy operations. Between July 2022 and September 2023, the ECB increased its reference rate on 10 consecutive occasions, from 0% (set in March 2016) to 4.5%. Meanwhile, the ECB has adopted a passive

strategy for normalising (contracting) its balance sheet, opting not to renew the non-standard monetary policy assets originated in the previous expansionary phase as and when they mature. As a result, the Banco de España's balance sheet contracted markedly in 2022 and 2023 (by 9% and 11%, respectively), thanks largely to the maturity and early repayment of a sizeable portion of the targeted long-term loans granted to credit institutions (under the **TLTRO-III programme**).

Beginning in mid-2024, with inflation showing signs of abating, the ECB cut policy interest rates on four consecutive occasions, leaving the deposit facility rate at 3% at the end of the year.⁵ Balance sheet normalisation continued throughout 2024, albeit at a slower pace (–4%) than in the previous two years. The remaining TLTRO-III loans matured, and the monetary policy securities portfolio was gradually reduced as maturities are spread over a long time horizon. The impact of previous operations on the liabilities side resulted in a decline in both deposits from other institutions and intra-Eurosystem liabilities (TARGET), with balances falling from their mid-2022 peak, reflecting the decline in excess liquidity.

Chart 5.1 shows the Banco de España's balance sheet over the last five years.

Chart 5.1
Balance sheet of the Banco de España
5.1.a Assets

5.1.b Liabilities


SOURCE: Banco de España.

⁵ In March 2024, the ECB Governing Council announced changes to the operational framework for implementing monetary policy, including the setting of the deposit facility rate as a guide for the monetary policy stance.

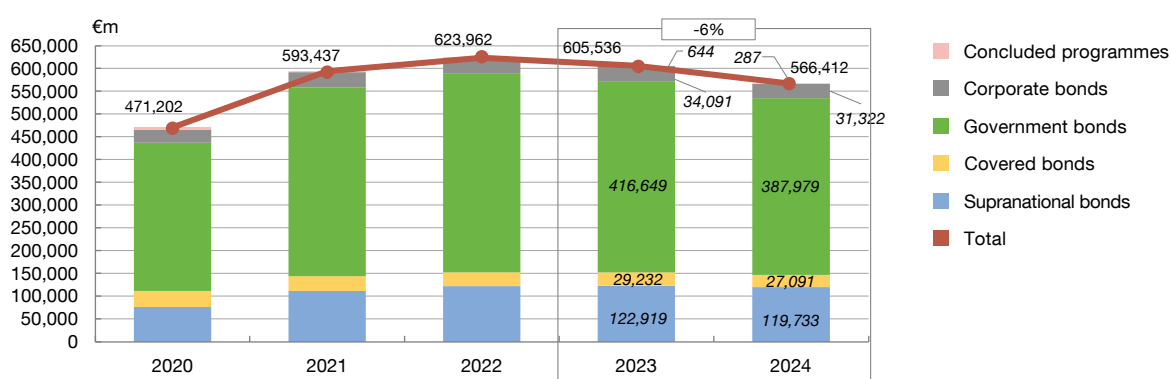
1.1 Assets

At the end of 2024, the monetary policy portfolio accounted for almost two-thirds of the Banco de España's total assets (62%). Under this balance sheet item, the Banco de España includes the assets acquired within the framework of the various purchase programmes carried out by the Eurosystem, as part of its non-standard monetary policy measures. Launched at various points since 2019, each programme targets a type of security issued by euro area residents. Chart 5.2 shows this item over the last five years.

The Asset Purchase Programme (APP) got underway in 2014, while the Pandemic Emergency Purchase Programme (PEPP) was launched in 2020. The security purchases within the framework of these programmes were made by the Eurosystem NCBs on a decentralised basis. The Banco de España began making significant acquisitions in 2014, its holdings peaking at around €630,000 million in 2022 Q3. As part of its new monetary policy stance, the ECB Governing Council decided to discontinue the net security purchases under both programmes in 2022, thereafter continuing to reinvest the principal of maturing securities. A later decision to put an end to reinvestments under these portfolios (in 2023 in the case of the APP and 2024 in the case of the PEPP) explains why this item has contracted over the last two years. These holdings stood at 566,412 million euros at end-2024.⁶

By the end of 2024, monetary policy loans accounted for an almost negligible share of the Banco de España's total balance sheet, with an outstanding balance of €18 million, corresponding to three-month lending operations.

Chart 5.2
Monetary policy portfolio



SOURCE: Banco de España.

⁶ A detailed breakdown can be found in explanatory note 7.a) to the balance sheet in the *Annual Accounts of the Banco de España*.

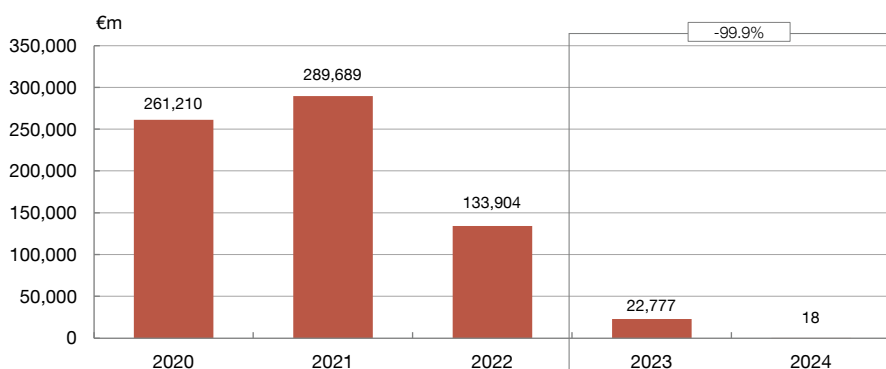
In previous years this item showed significant balances, almost entirely attributable to TLTRO-III operations. These loans were granted in quarterly auctions between September 2019 and December 2021, with a three-year maturity, to kickstart bank financing for the real economy. As 2021 drew to a close, with a balance of just under €290,000 million, they represented 25% of the balance sheet. From that moment on, the balance began to decline gradually as loans matured and institutions began to make early repayment (see Chart 5.3). This lending programme was discontinued in late 2024.

Foreign currency-denominated assets primarily comprise assets denominated in US dollars, Special Drawing Rights, Canadian dollars, pounds sterling, yen and renminbi. The breakdown by currency has remained largely unchanged over recent years, the US dollar being the main component. By type of instrument, foreign currency-denominated assets mainly comprise debt securities, most of them denominated in US dollars. Chart 5.4 shows a breakdown of investments in foreign currency-denominated assets by currency and type of instrument at end-2024.

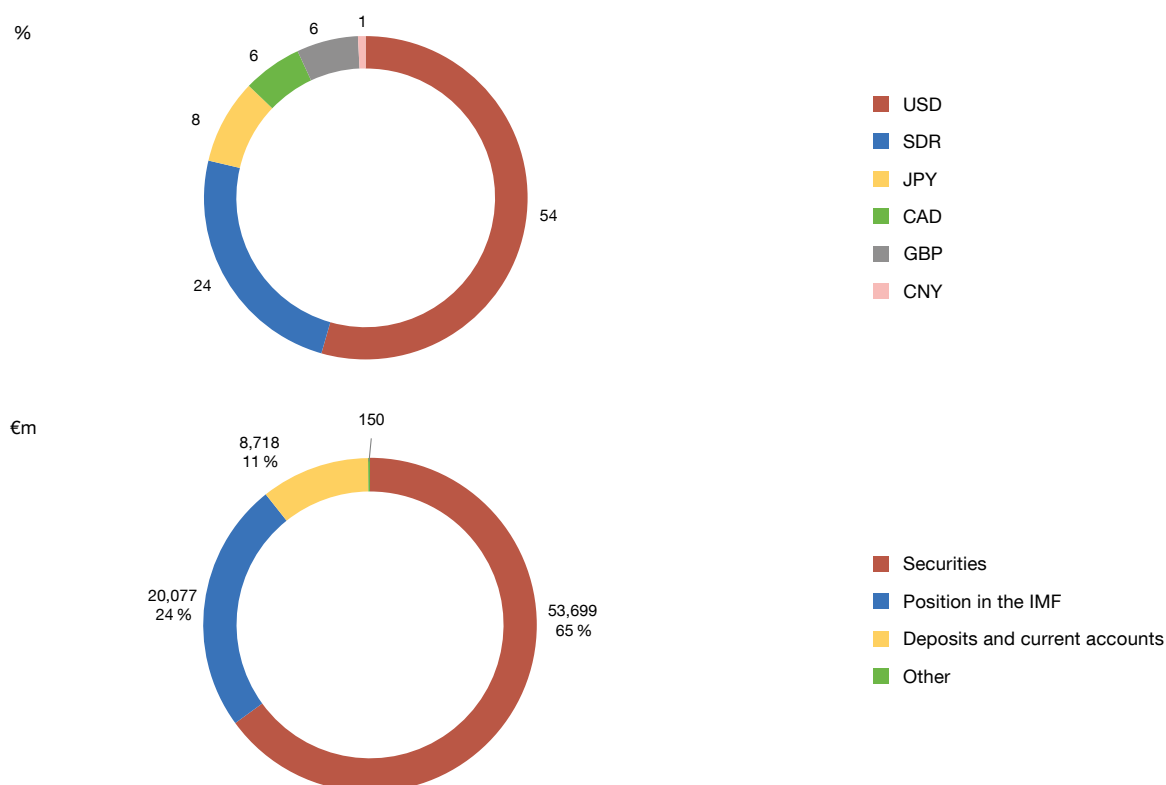
The asset side of the Banco de España's balance sheet also includes holdings in gold and gold receivables. Between 2020 and 2024, holdings of ounces of fine gold held steady (9,054 million troy ounces), while the market price trended upwards. The market value at end-2024 stood at €22,735 million, up 34% over the year. Chart 5.5 shows recent trends in gold and gold receivables.

Lastly, in addition to its economic policy financial assets, the Banco de España has another series of euro-denominated assets that are recognised in the accounts as its euro-denominated non-monetary policy portfolio, with the results belonging entirely to the institution. These investments are made up entirely of debt securities: 79% issued by Spanish residents, 18% by residents of other euro area countries, and 3% by non-euro area residents. The balance of this item has remained broadly unchanged over recent years, standing at €27,826 million at end-2024. These investments are managed so as to prevent interferences with monetary policy operations.

Chart 5.3
Monetary policy loans

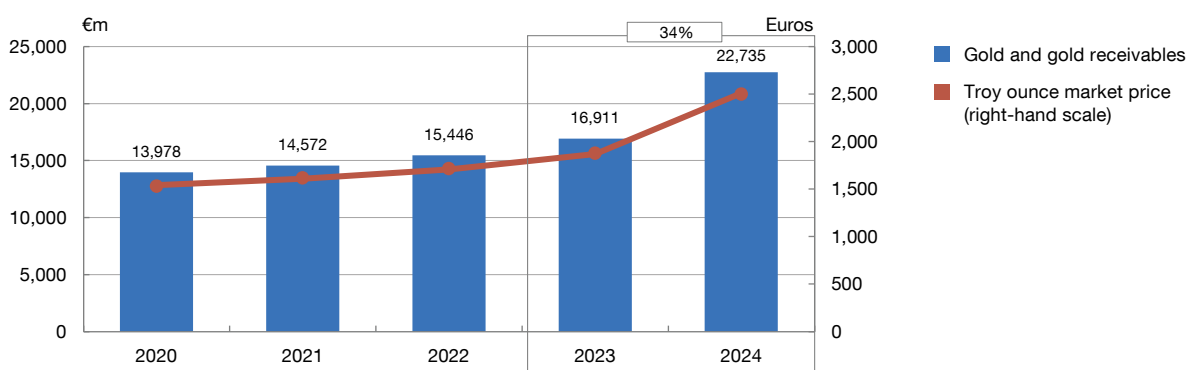


SOURCE: Banco de España.

Chart 5.4
Breakdown of investments in foreign currency-denominated assets, by currency and type of instrument, at 31/12/2024


SOURCE: Banco de España.

NOTE: USD: US dollars; SDR: Special Drawing Rights; JPY: yen; CAD: Canadian dollars; GBP: pounds sterling; CNY: renminbi.

Chart 5.5
Gold and gold receivables


SOURCE: Banco de España.

1.2 Liabilities

During the expansionary phase, the non-standard monetary policy measures primarily affected two areas on the liability side: the balance of intra-Eurosystem liabilities (TARGET) and deposits from credit institutions. The balance sheet reduction of recent years has led to a decline in both liabilities.

Chart 5.6 shows the combined evolution of the asset items targeted by these measures and the two liability items referred to above, and shows how they are clearly interrelated.

Deposits held by credit institutions include both current accounts, where the minimum reserves required of such institutions are kept, and the overnight deposits arranged under the deposit facility. Until 2016, these deposits largely comprised the minimum reserves required of institutions. In the years that followed these deposits grew steadily as a result of the expansionary monetary policy measures designed by the ECB to stimulate the euro area economy, leading to greater liquidity in the system (see Chart 5.7). The amount deposited peaked in October 2022, before declining notably as the year ended, essentially as institutions used part of their surplus reserves to make early repayments on their monetary policy loans. Deposit levels held steady in 2023 and even rose slightly (+ 4%), before resuming their gradual decline in 2024, to stand at €210,321 million at the end of the year (23% of total liabilities).

The balance of intra-Eurosystem liabilities shows the net position of the Banco de España vis-à-vis the Eurosystem as a result of transfers made through TARGET. Intra-Eurosystem liabilities increased in 2024, to stand at €446,668 million at the end of the year (up 14% on 2023), accounting for 49% of total liabilities.

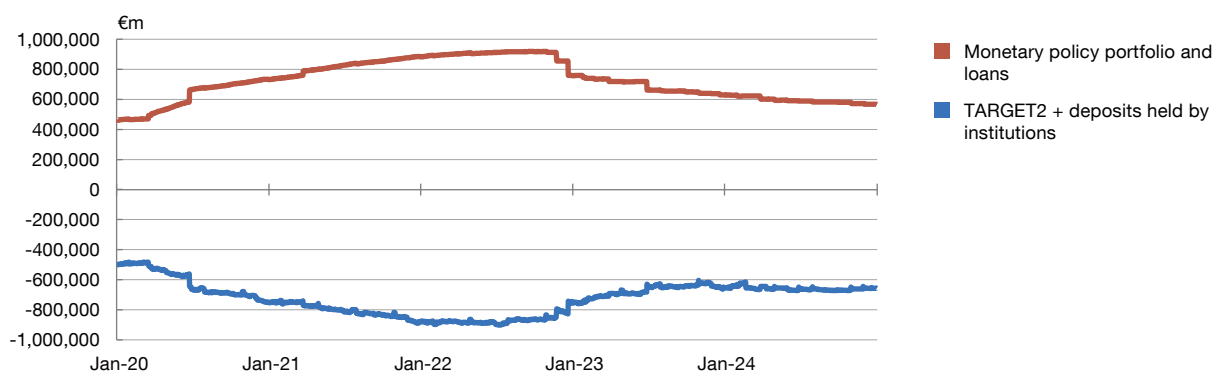
The balance of banknotes in circulation recognised on the liability side of the balance sheet reflects the amount allocated to the Banco de España as a share of the total value of euro banknotes put into circulation by the Eurosystem, based on the allocation key.⁷ The difference between this amount and the banknotes actually put into circulation by the Banco de España is recorded in the intra-Eurosystem adjustment account for banknotes.⁸ In the case of the Banco de España, this account is shown in the intra-Eurosystem assets. Its inclusion on the asset side shows that the Banco de España put fewer banknotes into circulation than those to which it is entitled as a share of the total euro banknotes in circulation according to the allocation key.

⁷ See footnote 4 to this chapter.

⁸ For more information, see note 14 to the balance sheet in the *Annual Accounts of the Banco de España*.

Chart 5.6

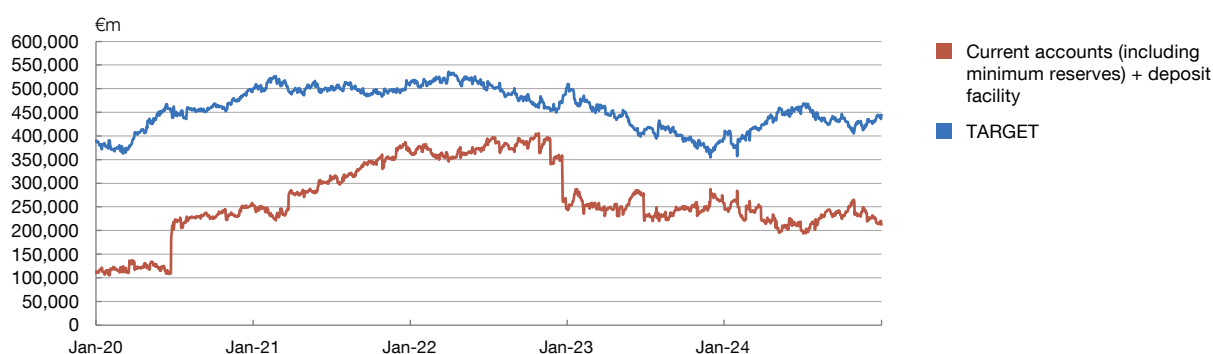
Monetary policy assets and liabilities



SOURCE: Banco de España.

Chart 5.7

Deposits held by credit institutions and TARGET



SOURCE: Banco de España.



For more information on the balance sheet, see the *Annual Accounts of the Banco de España*.

2 Own funds

The Banco de España's own funds consist of its capital and reserves, general provisions and revaluation accounts. Until 2022, these funds grew steadily. The general provisions recorded in previous years were used to offset the losses in 2023 and 2024, thus breaking even (see Section 3, "Profit and loss account"). This led to a decline in own funds in 2023, albeit recovering slightly in 2024 (+ 3%) thanks to the growth in the revaluation accounts (see Chart 5.8).

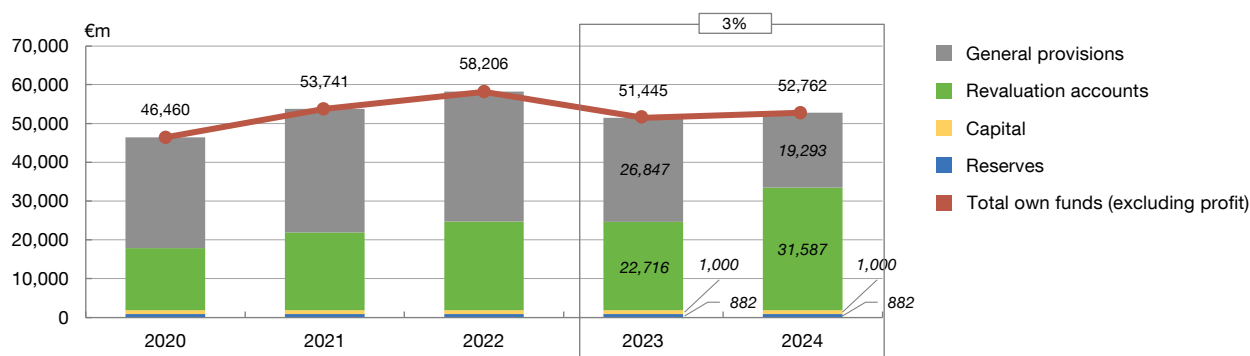
Capital and reserves stood at €1,882 million at end-2024 and have remained largely unchanged since 2006.

General provisions (€19,293 million) include the provision for financial risk and the provision for operational risk. The Banco de España reviews the balance of these provisions annually based on its exposure to these risks, using methodologies consistent with those used by the Eurosystem.⁹ Until 2022, the provision for financial risk increased steadily, in line with a prudent risk management policy, to account for the greater exposure deriving from the balance sheet growth, particularly due to the asset purchases under the Eurosystem's monetary policy programmes. In 2023 and 2024, these provisions declined by €6,621 million and €7,554 million, respectively, essentially as they were used to offset the losses in both years and break even. This aspect is further explored in the next section.

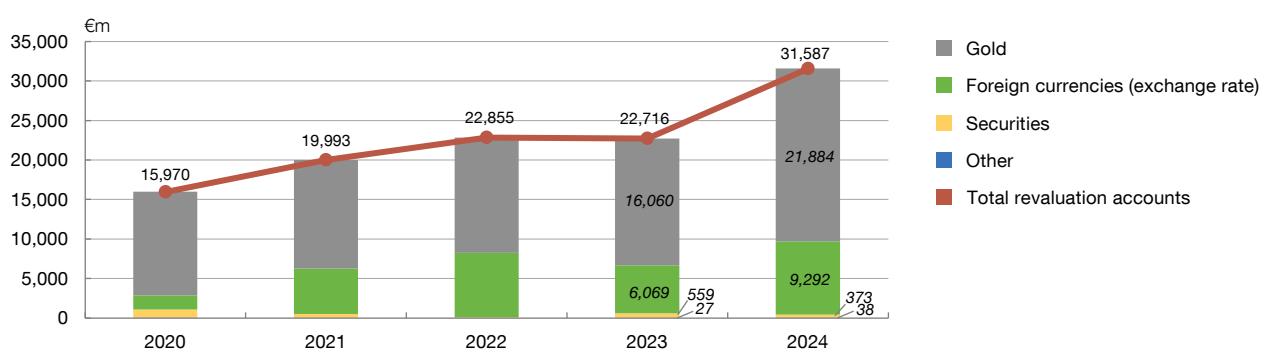
The revaluation accounts (31,587 million) record unrealised gains on gold, foreign currencies and mark-to-market securities. These gains (the difference between the market value and the carrying amount) are not recognised as income in the profit and loss account, but rather on the liability side of the balance sheet. The balances of these accounts can help offset the impact of future adverse price or exchange rate movements, making the Banco de España better able to face risks. In recent years, the balance of these accounts has trended upwards, albeit with variations, as it is heavily influenced by changes in currency exchange rates and the price of gold (see Chart 5.9).

In 2024, the balance of the revaluation accounts increased significantly in comparison to 2023 (+39%). This increase was due largely to higher gold prices and the appreciation of the US dollar against the euro.

⁹ Additional information on risk management at the Banco de España can be found in section 3.6 of the explanatory notes to the *Annual Accounts of the Banco de España*.

Chart 5.8
Own funds (excluding profit)


SOURCE: Banco de España.

Chart 5.9
Revaluation accounts


SOURCE: Banco de España.



See the *Annual Accounts of the Banco de España* for more information on own funds.

3 Profit and loss account

In the exercise of its functions, the Banco de España earns income and incurs a series of expenses. Historically, the institution has consistently achieved earned profits through its activities. These profits are transferred in full to the Public Treasury.

In 2023, as was the case for most Eurosystem central banks, this unbroken track record of profits was cut short, and losses were again posted in 2024.

The Eurosystem balance sheet grew significantly between 2013 and 2021 due to the monetary policy operations implemented over this period. During those years, economic stimulus programmes (known as quantitative easing) were rolled out, involving securities purchases on a large scale. The goal was to inject liquidity into the economy, lower long-term interest rates and spur credit and investment. At that time, with interest rates close to zero, the yields on security purchases were very low.

The sharp increase in policy interest rates between June 2022 and September 2023 (by 450 basis points (bp)) in response to rising inflation led to the materialisation of “structural balance sheet risk”, stemming from the differing sensitivity of financial income and expenses to interest rate variations. The increase in policy interest rates had an immediate impact on the cost of liabilities, most of which were demand liabilities. However, the return on assets did not keep pace with the higher market rates, since they largely consisted of securities acquired during a period of low returns and with long maturities. This led to a negative gap in net interest income, making 2023 the first year in which losses were posted. This imbalance between the return on assets and the cost of liabilities continued in 2024, since, although interest rates began falling midway through 2024, the average deposit facility rate was 42 bp higher than a year previously, while the return on assets remained at similar levels (slightly higher) to those seen in 2023. The losses recorded in 2024, before provisions, amounted to €7,549 million (€6,612 million in 2023). Meanwhile, the ECB’s losses stood at €7,944 million in 2024 and €7,886 million in 2023 (before the application of its provision for general risks).

Nonetheless, thanks to a judicious provisioning and profit distribution policy implemented in previous years, the Banco de España currently has sufficient financial buffers to cover these losses. In 2023 and 2024, the provision for financial risks was used to offset the above losses, meaning that the institution broke even in both years.

It is important to remember that the losses posted by the Eurosystem central banks are exceptional and temporary, and are the result of the monetary policy implemented to maintain price stability in the euro area. This policy is designed with no regard to its impact on central banks’ financial results, since the existence or otherwise of an accounting profit has no bearing on their ability to effectively implement monetary policy. Net income is expected to rise gradually over time, as the gradual withdrawal of excess liquidity will reduce interest expenses. Moreover, as the balance sheet normalises, the income earned on credit transactions is also expected to rise over the medium and long term. The net income of the Eurosystem is therefore expected

to return to positive territory in time, aided by the existence of other interest-bearing assets, together with cost-free liabilities such as banknotes.

As for the Banco de España, positive margins are expected to return in the short term, provided the downward trend in policy rates that began in mid-2024 continues. In any event, the outstanding balance of the provision for financial risks remains high, and the financial soundness of the Banco de España is not therefore in question.



See the Banco de España's online blog for more information on [the change of trend in its results](#).

Chart 5.10 shows the composition and evolution of the Banco de España's profit and loss account over the last five financial years.

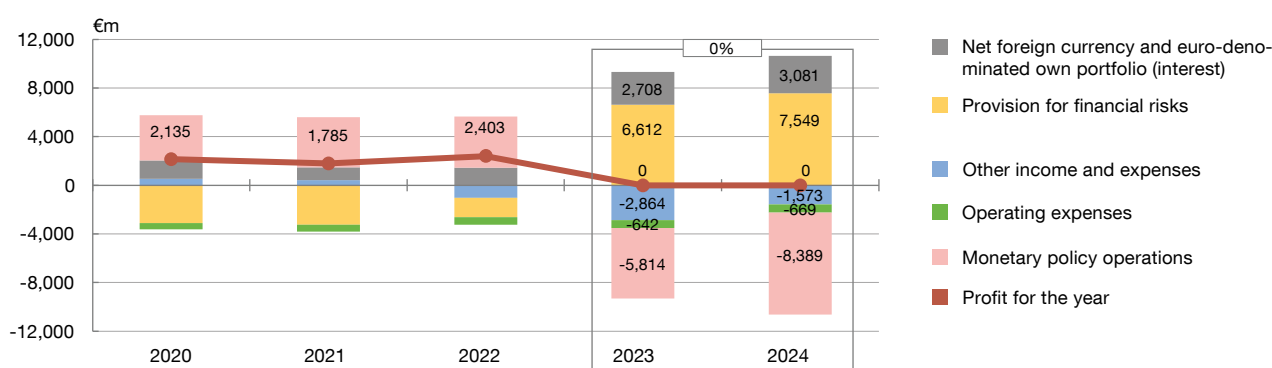
The results generated by monetary policy operations are particularly important. These operations include the monetary policy portfolio, monetary policy loans, deposits of credit institutions, intra-Eurosystem accounts and the redistribution of the monetary income generated by these operations among the NCBs of the Eurosystem. Overall, these operations yielded a net negative result of €8,389 million in 2024, compared with a negative result of €5,814 million in the previous year. These developments are shown in Chart 5.11.

The interest on the monetary policy portfolio stood at €6,287 million in 2024, up 3% on the previous year.

The interest income from monetary policy loans (mainly long-term loans to credit institutions) fell due to repayments. These loans generated €244 million in 2024, falling well below the previous year's figure (€2,147 million).

Chart 5.10

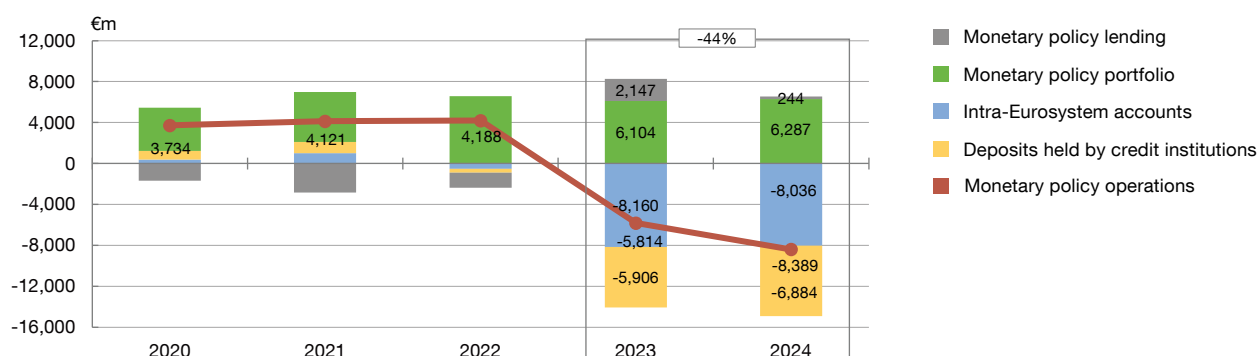
Results of the Banco de España



SOURCE: Banco de España.

Chart 5.11

Results of monetary policy operations



SOURCE: Banco de España.

The interest expense in respect of deposits by credit institutions declined slightly (€8,036 million in 2024, versus €8,160 million in 2023). First, minimum reserves have not been remunerated since September 2023. Furthermore, as a result of monetary policy normalisation, banks held lower excess balances, although their average cost in 2024 was higher than in the previous year, as policy rate cuts began in June 2024.

The intra-Eurosystem accounts include the remuneration of asset accounts (primarily due to the banknote adjustment according to the allocation key) and liability accounts (mainly related to TARGET operations), as well as the redistribution of monetary income.

This redistribution refers to the mechanism established by the Eurosystem for allocating the income and expenses generated by monetary policy-related assets and liabilities (specifically, those classified as shared income and risks). The total income and expenses generated by the Eurosystem are allocated annually according to the respective ECB capital keys, regardless of which central bank holds them on its balance sheet. Overall, intra-Eurosystem items showed a result of –€6,884 million. This negative result for the Banco de España can essentially be attributed to the fact that the net expenses generated by monetary policy assets and liabilities were lower than its share (based on its capital key) in the Eurosystem’s overall net expenses.

In addition to the results of monetary policy operations, the following items in the profit and loss account are worth noting:

- Income from the Banco de España’s own investments, which include net foreign currency assets and the euro-denominated portfolio, stood at €3,081 million, exceeding the €2,708 million earned in 2023, thanks to both higher returns and a higher average balance.

- The operating costs of the Banco de España, necessary for carrying out its assigned tasks, are recorded under operating expenses. This item also includes the costs of banknote production and the depreciation of fixed assets. In 2024, operating expenses amounted to €669 million (versus €642 million in 2023). Chart 5.12 shows how the Banco de España's operating expenses broke down in 2024.

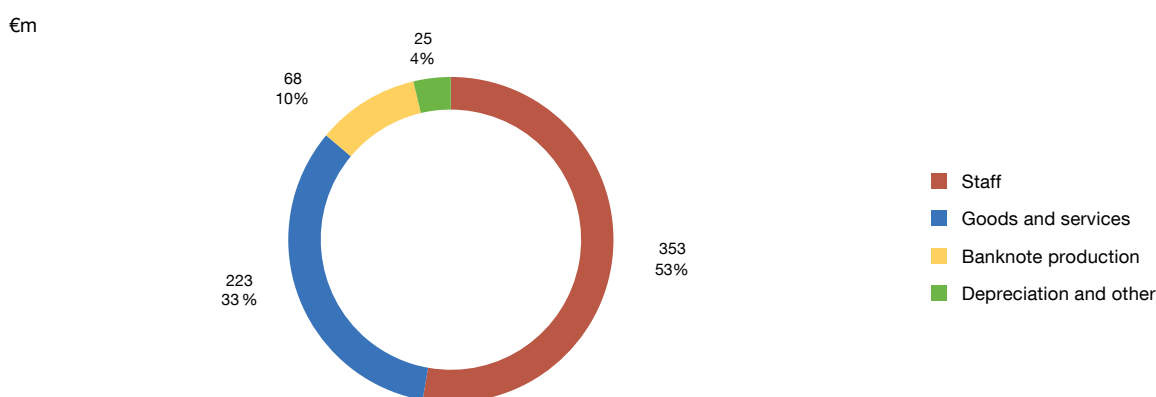
As noted above, the Banco de España posted a preliminary loss in 2024. As a result, the Executive Commission approved the application of €7,549 million from the provision for financial risks, meaning that the Banco de España ultimately broke even.



See the *Annual Accounts of the Banco de España* for more information on the profit and loss account.

Chart 5.12

Operating expenses of the Banco de España in 2024



SOURCE: Banco de España.

4 Operational and financial risks

The Banco de España faces operational and financial risks that may affect its financial position and reputation and its ability to meet its objectives. These risks are managed through an ongoing process: 1) identification and assessment; 2) response; 3) follow-up and monitoring; and 4) communication, through effective policies, methodologies, processes and systems.

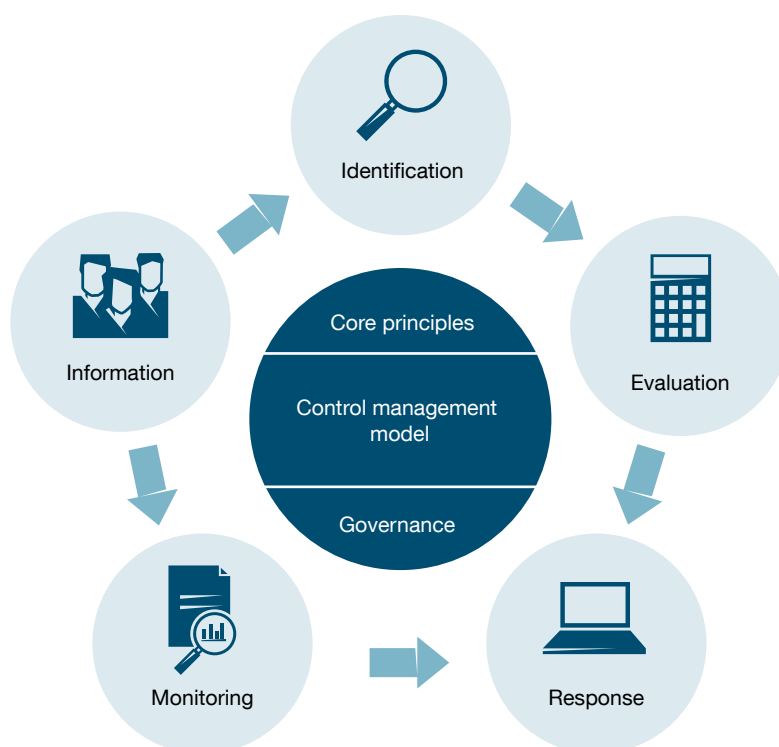
The Banco de España's risk management policy seeks to ensure that risks remain low and easy to foresee. This policy safeguards the institution's reputation and solvency and ensures it can fulfil its remit in accordance with the Law of Autonomy of the Banco de España and attain its objectives.

Last year saw a slight improvement in the Banco de España's operational risk profile. This was due to the progress made in mitigation plans, enhancing the control environment. The non-financial risks of most concern to the institution have to do with the major challenges it faces (e.g. risks relating to human capital, digital transformation, cybercrime, procurement, etc.).

The Banco de España has improved its measures for responding to potential disruptions or crises. It has also implemented its response structures and contingency plans. This has

Schema 5.2

Risk management cycle



SOURCE: Banco de España.

improved awareness of the procedures to be followed in such scenarios. As a result, the institution is now more operationally resilient.

Meanwhile, the key development in terms of financial risks was their reduction in absolute terms, mainly due to the winding down of the purchase programmes. The relative risk of the non-monetary and monetary policy portfolios remained stable.

Lastly, the Banco de España's internal credit assessment system (ICAS BE) continued to support the use of credit claims as collateral in monetary policy operations. In 2024, work was also carried out to incorporate climate risks as an additional factor in the credit quality assessment of non-financial corporations.

ACRONYMS AND ABBREVIATIONS

ABSPP	Asset-backed Securities Purchase Programme
AI	Artificial intelligence
AMCESFI	Spanish Macroprudential Authority Financial Stability Council
AML/CFT	Anti-money laundering and counter terrorist financing
AMLA	Authority for Anti-Money Laundering and Countering the Financing of Terrorism
API	Application programming interface
APIE	Association of Economic Information Journalists
APP	Asset Purchase Programme
ART	Asset-referenced token
ATC	Advisory Technical Committee
BCBS	Basel Committee on Banking Supervision
BELab	Banco de España database laboratory
BIBE	Banco de España Investigation Brigade
Biblespage	Specialised libraries of the central government administration
BIS	Bank for International Settlements
BME	Spanish securities markets and financial system operator
BOE	Official State Gazette
bp	Basis points
CAD	Canadian dollar
CBDC	Central bank digital currency
CBPP3	Covered Bonds Purchase Programme
CBRT	Central Bank of the Republic of Turkey
CCyB	Countercyclical capital buffer
CEMFI	Centre for Monetary and Financial Studies
CEMLA	Latin American Center for Monetary Studies
CGFS	Committee on the Global Financial System
CIR	Central Credit Register
CLM	Central liquidity management
CNMC	Spanish National Markets and Competition Commission
CNMV	Spanish National Securities Market Commission
CNY	Renminbi
CPI	Consumer Price Index
CO2	Carbon dioxide
CPBCIM	Commission for the Prevention of Money Laundering and Monetary Offenses
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CSPP	Corporate Sector Purchase Programme
CUNEF	Colegio Universitario de Estudios Financieros
DANA	Isolated depression at high levels
DEHú	Single Enabled Electronic Address
DGSFP	Directorate General for Insurance and Pension Funds
EBA	European Banking Authority
EBAE	Banco de España Business Activity Survey
ECB	European Central Bank
ECCBSO	European Committee of Central Balance Sheet Data Offices
ECF	Financial Competencies Survey
ECMS	Eurosystem Collateral Management System
ECRB	Euro Cyber Resilience Board
EEA	European Economic Area
EFF	Household Financial Survey
EMI	Electronic money institution
EMT	Electronic money token
EMU	Economic and Monetary Union
EPC	European Payments Council
ES_DataLab	Public institutions data laboratory
ESA	European Supervisory Authorities
ESCB	European System of Central Banks
ESCB-PKI	Public key infrastructure of the European System of Central Banks
ESG	Environmental, social and governance
ESMA	European Securities and Markets Authority

ACRONYMS AND ABBREVIATIONS

ESO	Compulsory secondary education
ESRB	European Systemic Risk Board
ETE	Foreign Economic Transactions Statement
EU	European Union
FABS	Banco de España charitable and welfare fund
FAD	Drug addiction support foundation
FEP	Financial Education Plan
FIN-NET	Financial dispute resolution network
FLESB	Forward-Looking Exercise on Spanish Banks
FNMT-RCM	Royal Mint
FSAP	Financial Sector Assessment Program
FSB	Financial Stability Board
FSC	Financial Stability Committee
GBP	Pound sterling
GDP	Gross domestic product
GMW	Global Money Week
GSC	Global stablecoin
G-SIIs	Global systemically important institutions
ICAS BE	In-house Credit Assessment System of the Banco de España
ICO	Official Credit Institute
IEO	Independent Evaluation Office
IES	Secondary education institute
IFA	International financial architecture
IFC	Irving Fisher Committee on Central Bank Statistics
IGAE	General State Administration Audit Office
IMBISA	Imprenta de Billetes, SA
IMF	International Monetary Fund
INCIBE	Spanish National Cybersecurity Institute
IReF	Integrated Reporting Framework
IRPH	Average rate of mortgage loans over three years for free-market housing granted by credit institutions in Spain
ISO	International Organization for Standardization
JBRC	Joint Bank Reporting Committee
JPY	Yen
JST	Joint Supervisory Teams
LSI	Less significant institution
MAPS	Market Activities Processing System
MGS	Mutual guarantee society
MiCAR	Markets in Crypto-Assets Regulation
ML	Machine learning
MPF	Macroprudential Policy Forum
MREL	Minimum requirement for own funds and eligible liabilities
NAC	National Analysis Centre
NCAAs	National competent authorities
NCAC	National Coin Analysis Centre
NCBs	National central banks
NGFS	Network for Greening the Financial System
NGO	Non-governmental organization
NO-DO	Newsreels and Documentaries
NRAs	National resolution authorities
OECD	Organisation for Economic Co-operation and Development
OECD-INFE	OECD International Network for Financial Education
OCT Inst	One-Leg-Out Instant Credit Transfer
OJEU	Official Journal of the European Union
OMT	Outright Monetary Transactions
O-SIIs	Other systemically important institutions
PEPP	Pandemic Emergency Purchase Programme
PI	Payment institution
PISA	Programme for International Student Assessment
PSPP	Public Sector Purchase Programme
R&D	Research and development

ACRONYMS AND ABBREVIATIONS

RePEc	Research Papers in Economics
RNE	National Radio of Spain
RTGS	Real-time gross settlement
SA	Public limited company
SCRAP-GENCI	Collective Extended Producer Responsibility System for the Management of Industrial and Commercial Packaging
SDR	Special drawing rights
Sepblac	Executive Service of the Commission for the Prevention of Money Laundering and Monetary Offenses
SI	Significant institution
SLI	Specialised lending institution
SMEs	Small and medium-sized enterprises
SNCE	National Electronic Clearing System
SP	Strategic Plan
SRB	Single Resolution Board
SRyB	Systemic risk buffer
SREP	Supervisory Review and Examination Process
SRF	Single Resolution Fund
SRM	Single Resolution Mechanism
SSM	Single Supervisory Mechanism
SSRN	Social Science Research Network
STMP	Sistema de Tarjetas y Medios de Pago S.A.
STS	Simple, Transparent and Standardised
Suptech	Supervisory technology
SVC	Special Value Collection
TARGET	Trans-European Automated Real-time Gross Settlement Express Transfer System
TCFD	Task Force on Climate-related Financial Disclosures
TFEU	Treaty on the Functioning of the European Union
TIBER	Threat Intelligence-Based Ethical Red-Teaming
TIPS	TARGET Instant Payment Settlement
TLTRO-III New	Targeted Longer-Term Refinancing Operations
TPI	Transmission Protection Instrument
USD	United States dollar

LIST OF PHOTOGRAPHS

- Corner of the Banco de España's Madrid headquarters facing onto the Plaza de Cibeles. Luis Asín.
© Banco de España COVER
- Governor of the Banco de España. Nina Prodanova. © Banco de España 9
- Deputy Governor of the Banco de España. Nina Prodanova. © Banco de España 11
- View of the door on the corner of the Banco de España's Madrid headquarters facing onto the Plaza de Cibeles.
Juan Carlos Quindós. © Banco de España 14
- Part of the Calle de Alcalá façade of the Banco de España's headquarters. Juan Carlos Quindós.
© Banco de España 16
- Governing Council of the Banco de España. Olga Guarddón. 24
- Banking hall at the Banco de España's Seville branch. Juan Carlos Quindós. © Banco de España 34
- Main façade of the Banco de España's Valencia branch. Francisco Álvarez. © Banco de España 34
- Conference on Diversity, Equity and Inclusion in Economics, Finance, and Central Banking. Olga Guarddón.
© Banco de España 39
- Members of the negotiating committee for the Banco de España collective bargaining agreement. Raúl Mezquita.
© Banco de España 39
- Panoramic view of the new IMBISA printing works. Juan Carlos Quindós. © Banco de España 40
- Detail of the interior courtyard of the CEMFI building. José Ulises Tineo. © CEMFI 41
- Data Office. © Shutterstock 43
- Main façade of the Banco de España's Palma branch. Juan Carlos Quindós. © Banco de España 45
- Banco de España employee. Olga Guarddón. © Banco de España 46
- Interview with two Banco de España employees. Raúl Mezquita. © Banco de España 48
- Approach to the imperial staircase at the Banco de España's headquarters. Juan Carlos Quindós.
© Banco de España 49
- View of the Banco de España headquarters. Juan Carlos Quindós. © Banco de España 51
- Detail of the stained glass window in the banking hall at the Banco de España's headquarters.
© Banco de España 54
- Appearance by the former Governor, Pablo Hernández de Cos, before the Parliamentary Economic Affairs and Digital
Transformation Committee. © Congreso de los Diputados 56
- Appearance by the Governor, José Luis Escrivá, before the Parliamentary Economic Affairs and Digital
Transformation Committee. © Congreso de los Diputados 56
- The ECB and Its Watchers XXIV. © Hannelore Förster 58
- 10th anniversary of the Single Supervisory Mechanism. Juan Carlos Quindós. © Banco de España 58
- Green Swan Conference 2024. © Banco de España 59
- 31st Financial Sector Conference. © Banco de España 59
- Banco de España employee. Belén García-Olmedo. © Banco de España 65
- Banco de España employee. Olga Guarddón. © Banco de España 66
- Main event of Financial Education Day, hosted at the Banco de España's headquarters. Olga Guarddón.
© Banco de España 71
- Students and their teacher from Salamanca's IES Fray Luis de León, celebrating victory in the Generation Euro 2023-
2024 competition. Marina Neira. © Banco de España 74
- Financial education workshop for adults. Juan Carlos Quindós. © Banco de España 76

LIST OF PHOTOGRAPHS

- Financial education workshop for families of primary school pupils. Juan Carlos Quindós.
© Banco de España 76
- Main entrance to the Banco de España's Valencia branch. Francisco Álvarez. © Banco de España 86
- View of the clock and stained glass window in the banking hall of the Banco de España headquarters.
Juan Carlos Quindós. © Banco de España 97
- Christine Lagarde, President of the European Central Bank, at the 10th anniversary of the SSM. Angela Morant.
© BCE 102
- Verification of measures to alleviate the impact of interest rate hikes on mortgage loans. © Shutterstock 107
- Protecting bank customers. © Shutterstock 111
- ATM. © Shutterstock 122
- Euro banknote security features and measures. © Shutterstock 126
- Satisfaction survey. © Shutterstock 134
- The Banco de España rolled out a range of measures to address the fallout from the DANA. © Shutterstock 137
- Long-term impact of the energy transition. © Shutterstock 141
- Evolution of the housing market in Spain. © Shutterstock 144
- Plenary session of the Financial Stability Council. © Consejo de Estabilidad Financiera 146
- Green mortgage. © Shutterstock 147
- Carbon footprint. © Shutterstock 151
- Governing Council of the European Central Bank. Andrej Hanzekovič. © BCE 154
- G20 summit held in Rio de Janeiro. Dario Pignatelli. © Unión Europea 160
- Meeting of Governors of Central Banks of CEMLA Member Countries. Daniel Santamaría. © Banco de España 161
- Library on the main floor of the Banco de España headquarters. Ana Amado. © Banco de España 163
- Digital euro project. © BCE 166
- Banco de España employee. Raúl Mezquita. © Banco de España 167
- Meeting organised at the Banco de España's headquarters. © Banco de España 170
- Meeting room of the Executive Committee at the Banco de España headquarters. Juan Carlos Quindós.
© Banco de España 171
- Voltaire contando uno de sus cuentos*, by Joaquín Sorolla, in the Prado Museum restoration workshop.
© Banco de España 173
- Exhibition "A Revolution in Art: Paris 1863-1874. From Salon to Impressionism" at the Wallraf-Richartz Museum.
Rheinisches Bildarchiv Köln/Joschua Rohloff. © Wallraf-Richartz-Museum & Fondation Corboud 176
- Exhibition "Sorolla, One Hundred Years of Modernity" at the Royal Collections Gallery. Mario Sedeño.
© Patrimonio Nacional 176
- Portraits of King Felipe VI and Queen Letizia, by Annie Leibovitz, in the exhibition "The Tyranny of Cronos". Juan Carlos Quindós. © Banco de España 178
- View of the exhibition "The Tyranny of Cronos". Juan Carlos Quindós. © Banco de España 180
- Audit of banknotes from the 21 November 1936 issue (circa April 1937) at the Palma branch. Ribas de Durán.
© Banco de España 182
- Historical Archive of the Banco de España. Ana Amado. © Banco de España 185
- View of the exhibition "The Photographic Archive of the Banco de España. From Albumen to Pixels". Juan Carlos Quindós. © Banco de España 188

LIST OF PHOTOGRAPHS

13th International Monetary Conference of the American Bankers Association held in Spain in 1966. Ferrer.
© Banco de España 189

Portrait of Engracia Herranz, one of the first female employees of the Banco de España (1905-1907). José Irigoyen Zabaleta. © Banco de España 189

Library at the Banco de España headquarters. Ana Amado. © Banco de España 192

Workshop: “The Banco de España Library: a shared treasure” as part of Open Government Week. Pablo Moreno.
© Banco de España 194

View of the entrance to the temporary exhibition “Pathways and Landscapes. Spain in Travel Writing”. Patricio Cerro de la Fuente. © Banco de España 196

Banco de España Art Collection portal. © Banco de España 200

Portrait of former governor Pablo Hernández de Cos. Annie Leibovitz. © Banco de España 201

Orderly and attendant posing in regulation uniforms, between 1874 and 1884. Eusebio Juliá.
© Banco de España 202

First page of the Campomanes Codex, with the beginning of the royal charter. © Banco de España 203

Meeting room of the Governing Council at the Banco de España headquarters. Juan Carlos Quindós.
© Banco de España 204

Ledger of the Banco Nacional de San Carlos (1785). Ana Amado. © Banco de España 206

Some of the contributors to the *Institutional Report*. Pablo Moreno. © Banco de España 229

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Contributors to the *Institutional Report*



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