EXECUTIVE SUMMARY

In 2025 we reinforced our focus on serving the public, modernised our organisation and strengthened our economic analysis. We also enhanced our banking supervision, which is essential to ensuring a sound and responsible financial system. At the same time, we played an active role in the review of euro area monetary policy, a key instrument for maintaining price stability and supporting the smooth functioning of the economy

Against this backdrop, we launched the Strategic Plan 2030, designed to improve our governance and ways of working, and to make the Banco de España a more accessible and useful institution for society. To this end, we worked to foster an organisational culture centred on transparency, new technologies, the protection of bank customers, sustainability, financial education, innovation and the preservation and dissemination of our heritage.

In the area of economic analysis, the use of new high-frequency indicators (data updated almost in real time) has enhanced our ability to anticipate economic developments and assess uncertainty in an environment marked by geopolitical tensions and technological change. These improvements in our analytical capabilities also enable us to monitor more accurately how monetary policy decisions are transmitted to households, businesses and markets.

Monetary policy decisions in the Eurosystem are taken by the Governing Council of the European Central Bank (ECB), whose members include the Banco de España and the other national central banks of the euro area. In the first half of the year, with inflation running close to 2%, the Governing Council approved four interest rate cuts, bringing the key policy rate down to 2% and thereby easing financing costs. In the second half of the year, interest rates remained unchanged against a backdrop of significant uncertainty, while the economy continued to grow at a steady pace and the effects of earlier rate cuts continued to be felt.

The ECB’s monetary policy strategy review allowed us to update our policy framework for an environment marked by geopolitical tensions, climate change, population ageing and new technologies. This strengthened our capacity to assess risks and ensured that the appropriate instruments are available to safeguard price stability.

As regards our supervisory work, we found the Spanish banking system to remain sound, with ample liquidity above minimum requirements, strong profitability by historical standards and capital ratios above regulatory minimums. This indicates that banks are financially sound and capable of absorbing stress without jeopardising their solvency, thereby reducing risks to customers and the economy.

In this favourable setting for the sector, we raised the countercyclical capital buffer rate from 0.5% to 1%. The buffer represents the level of capital that banks are required to hold based on cyclical risks and acts as a complement to structural buffers.

As part of the Spanish Macroprudential Authority Financial Stability Council (AMCESFI), we contributed to the analysis of risks that could affect banks' solvency, including climate-related risks. The analysis showed that inaction on climate change would entail unacceptable economic costs.

Further, as the preventive resolution authority, the Banco de España drew up resolution plans for 35 Spanish credit institutions and four foreign groups, ensuring that any restructuring can be carried out without recourse to public funds.

As part of our supervisory work, in 2025 we imposed sanctions amounting to more than €43 million for breaches of rules on bank customer protection and unauthorised financial activity, and a further €6 million in the area of prudential supervision. For instance, penalties were imposed for unauthorised shareholding movements and insufficient own funds.

As regards bank customer protection, the number of complaints fell significantly (-43%), largely reflecting the fall in complaints relating to mortgage arrangement fees. Fraud related to payment systems was one of the main sources of complaints. We worked to improve the support provided to users of financial services and developed new digital tools to provide faster assistance (chatbot).

We also strengthened the supervision of financial institutions' conduct to promote sound banking practices and protect customers, with particular emphasis on corporate culture, transparency and the risks arising from digital channels.

The Banco de España is also responsible for the oversight and supervision of payment systems, where we made significant progress in the modernisation of Europe's financial infrastructure. We worked to ensure that all transactions, from large-value transactions to day-to-day payments, are carried out securely and efficiently.

This includes TARGET, the platform used by European banks to transfer money securely and immediately between each other. As part of this project, we contributed to the implementation of the fourth TARGET service, the Eurosystem Collateral Management System (ECMS), which provides a single platform for managing the collateral (bonds and other assets) that banks pledge to the ECB in exchange for funds. We also reinforced oversight of the cyber resilience of financial infrastructure and advanced work on the next phase of the digital euro project, paving the way for a pilot project in 2027.

Our remit also includes ensuring the quality and availability of cash, which involves processing, withdrawing and recirculating millions of banknotes and coins. In 2025 the Banco de España analysed 2,815 million banknotes, 20% of which were deemed unfit and sent for destruction. Counterfeiting remained at very low levels, with just over 63,000 counterfeit banknotes detected, equivalent to 18 counterfeit euro banknotes per million banknotes in circulation.

Communication and transparency are central to our commitment to accountability and to bringing the Banco de España closer to the public, as envisaged in the Strategic Plan 2030. Accordingly, in 2025 we reinforced our communication strategy to reach new audiences. We tailored our messages and formats to each platform, diversifying content and creating a more active digital community. As a result of these efforts, we increased our Instagram audience fivefold and expanded our LinkedIn following by 22%.

We also modernised our electronic services website, rolled out the “Close to You” campaign and took part in Open Government Week. The branch network reinforced its contribution to financial education by extending its workshops to new audiences and launching pilot programmes on financial basics.

In the cultural sphere, we worked to preserve and promote our historical and artistic heritage through exhibitions, restoration initiatives and loans of artworks. We also broadened the content available on the Banco de España Collection section of the website and launched the Museo Banco de España project. Work also continued on the digitisation of the Historical Archive, and we launched the Open Doors programme to share our heritage with the public, attracting almost 8,000 visitors to its guided tours in just three months.

Financial education remained a key pillar of our work, given its essential role in enabling people to make informed decisions and plan for the future with confidence. These initiatives enabled us to engage with more than 36,000 people across the country, and we are now working to expand our content and reach new audiences.

Looking ahead to 2026, the Banco de España faces a series of challenges to ensure the smooth functioning of the financial system and a balanced relationship between financial institutions and their customers, in an environment shaped by geopolitical uncertainty, new technologies and climate-related risks. In this context, we are moving towards simpler and more efficient supervision and regulation, reducing the reporting burden on banks and implementing European reforms aimed at making supervision more agile and risk-focused.

For instance, we are working to strengthen banks’ resilience to economic and geopolitical shocks through new stress-testing exercises, address deficiencies in climate risk management and data quality, and further the digitalisation and modernisation of payment infrastructure by leveraging new technologies. We also face the challenge of modernising conduct supervision by incorporating indicators to help anticipate risks and prevent practices that may be detrimental to users of financial services.

We are committed to building a more innovative, modern and accessible Banco de España, with a gender-balanced workforce and a firm commitment to equality.