

Introduction by the Deputy Governor Margarita Delgado Tejero



The *Institutional Report* aims to explain, in accessible language, what the functions of the Banco de España are and how they are carried out. As in previous editions, the report is divided into three chapters. The first chapter is intended to provide a view of the institution from the inside, with a new section this year specifically concerning the Bank's financial information, including its balance sheet and profit and loss account and the main risks arising from its activities. The second chapter gives an account of some of the main activities the institution engaged in during 2020, and the focus of the third chapter is on the Bank's interaction with the public and some notable actions in this area.

Last year, the *Institutional Report* referred to the pandemic, which had broken out a relatively short time before. The report noted that COVID-19 would foreseeably have a severe impact on society in general, and on the economic framework and the financial system in particular. The latter aspects are both very closely related to the functions conferred on the Banco de España by law.

Regrettably, the past year has only confirmed this negative outlook. The pandemic, and the measures adopted to curb and control its spread, have certainly brought sweeping changes to our lives, affecting people's movement and economic activity. Above all else, it has caused a great deal of suffering for many families.

That report also described how the Banco de España had adapted its working practices in record time to the new pandemic-induced situation, entailing a series of operational limitations regarding the physical presence of employees in the workplace.

From the outset, our institution has sought to prioritise people's health and, naturally, that of its employees. A number of action plans were deployed to ensure that all employees who could perform their tasks from home were able to do so. To that end, a programme was set up to provide staff with computers, screens and mobile phones, allowing us to interact and work using electronic and online connections, in various ways, progressively and efficiently.

Of course, some of the essential services that we provide as part of our functions require employees to be physically present. For example, euro banknotes and

coins were put into circulation, collected and handled meeting the required levels at all times. In addition, as soon as it became practicable once the mobility restrictions had been lifted, the Banco de España opened to the public by appointment only, so that credit institutions and citizens could use the services it provides to third parties.

These measures have enabled the Bank to effectively perform the tasks entrusted to it by law, even though many processes have had to be adapted to be carried out online, something which has proved extremely useful and helped us gain flexibility.

In January this year, the importance of this flexibility and capacity to adapt was brought home to us. This time, it was not a pandemic but the historic snowstorm Filomena which paralysed Madrid and other parts of the country for almost a week. Until very recently, a situation such as that caused by Filomena would have had serious consequences, interrupting practically all activity and preventing us from carrying out our work. However, the experience gained over the previous year allowed work to continue almost as usual.

I would like to stress the excellent work performed by the Bank's staff throughout this period. Regardless of the material resources available, it has been the commitment and responsibility shown by our employees which has ensured that the work has been carried out efficiently, with the necessary adaptations, and they have responded positively to difficult and exceptional circumstances.

Nevertheless, the video conferencing software that we learnt to use in the past year cannot replace the proximity and connection brought by working face-to-face in a team, both from a personal and professional standpoint. Moreover, looking back over the past year, we cannot help but miss the company of our colleagues and co-workers, the daily working routine, the frequent interaction and meetings. This is, without doubt, something that we did not fully appreciate until we no longer had it.

Although the Banco de España's actions during this period – and the way it has adapted to a unique and unfamiliar situation – can only be described as positive, we should try to resume our former work dynamics as soon as possible, albeit partially, while maintaining the flexibility and other useful aspects acquired during the pandemic, which have helped improve the way we work.

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