

**26.06.2018**

**Taking up of office by the Governor of the Banco de España**

Pablo Hernández de Cos  
Governor

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Honourable Ministers and Authorities, ladies and gentlemen, dear colleagues and friends, I believe today calls, above all, for a round of gratitude.

First, I wish to thank Ministers Calviño and Montero for their presence here today.

May they rest assured I am firmly committed to maintaining the close and loyal collaboration traditionally offered by the Banco de España to the Ministries for the Economy and Finance.

I also wish to thank the previous minister, Román Escolano, for his presence at this ceremony, and for his proposal and defence of my appointment before the Parliamentary Committee for the Economy and Competitiveness.

And my gratitude extends to the representatives of the Committee accompanying us today.

I undertake to make every effort to improve the capacity of the Banco de España to face the challenges addressed during the Parliamentary Committee hearing.

Ministers, as I am surrounded above all by colleagues, I trust you will allow me to continue in a more informal tone.

As you know, including a three-year tour at the European Central Bank, I now have two decades behind me at the Banco de España. Professionally speaking, this is, then, my home.

It is a real honour for me to have been appointed governor. But, above all, I feel a great responsibility at having inherited the enormous legacy of an institution with the history, functions and position in the Spanish economy of the Banco de España.

I wish to begin this new stage thanking those people who have steered my career over the years. I have learnt from all of them and their teachings have been a source of wealth for me. My sincere thanks to all of them.

Thanks, of course, to José Luis Malo de Molina, under whose leadership of the Research Department I have pursued most of my career, and, among others, Eloísa Ortega and José María Bonilla. They were most forthcoming with their trust and have, at different times, been a major source of guidance and support for me.

Thanks also to Fernando Restoy, above all for being a point of reference in terms of competence and dedication to public service.

Thanks especially to José Manuel González Páramo, who oversaw my Ph.D. and took me to Frankfurt. That experience gave me, early on, a first-hand view of the work of the European Central Bank and of the Banco España's potential as a member of the Eurosystem.

Naturally, my greatest gratitude is to Governor Luis María Linde for naming me Director General for Economics, Statistics and Research almost two and a half years ago. That was, unquestionably, the necessary step for taking me to where I am today.

Thank you, Governor, for your constant support over this period. I hope to be up to the task of the legacy you are leaving us.

My thanks, too, to the members of the Bank's Executive Commission and Governing Council and, most particularly, to the Deputy Governor, Javier Alonso.

Javier, your help and far-reaching knowledge of the Bank are making these first weeks in the job easier for me.

But, above all, I should like to thank my colleagues over the course of the years. It would be impossible to list them all; many are here today.

The career of a Banco España employee can only fully be understood through the prism of the numerous interactions and discussions between us, which are the bedrock on which we build our knowledge and our particular human capital. It is a privilege to be part of this environment and to participate in such an enriching process.

Finally, the most singular thanks are for my family. Without them none of this would have been possible.

Let me seize this opportunity to refer briefly to what should, in my view, be the two main objectives of the Banco de España at this juncture and which are related to our relevance and reputation.

The first has to do with our insertion into the Eurosystem and into the Single Supervisory Mechanism. Some think this means that the Banco de España has an increasingly diminished role, given that the main functions linked to monetary policy and supervision of the financial system are decided in that framework.

However, I believe all of us who have experienced this environment have emerged with a very different lesson learnt.

Indeed, we cannot overstate the extraordinary potential this setting offers to an institution such as ours which has always valued, and legitimately so, the soundness of its judgement.

With that conviction, we should devote most of our efforts to forging closer insertion, collaboration and coordination-based links with our European partners with an essential aim in mind: to reinforce our weight and ability to influence decision-making.

This is a challenge and it is also an opportunity, but it is above all a responsibility to support, from the vantage of the Banco de España, the project for European construction.

The second objective has to do with our contribution to financial and macroeconomic stability.

After an unprecedented financial crisis, the reputation of economic policymakers, of central banks in particular and, indeed, of the economics profession as a whole was enormously dented.

Testifying to this were the regulatory and institutional changes set in train to prevent similar situations from recurring.

However, the real test, where we place our social prestige and credibility on the line, will involve us truly being able to identify risks and vulnerabilities in due time, being able to issue warnings about them and, within our remit, being able to act to mitigate them or to contribute decisively to other players acting when they must.

All this must be attained in a setting in which new developments and circumstances will be emerging – and they are in fact appearing already – to make our analytical and supervisory tasks more demanding. In any event, enjoying society's trust and recognition will involve being able to respond successfully to this challenge.

To be able to accomplish our mission and reach both objectives, the Banco de España is going to have to adapt. But such adaptation must also stand on sound pillars.

The first of these pillars is our independence.

Independence is a necessary condition for achieving the aforementioned objectives and it is independence alone that can offer us the best guarantees of success.

Secondly, the exercise of independence should be underpinned by analysis and decisions based on the utmost intellectual rigour. This is also the best base from which to address the necessary accountability and transparency to society.

Thirdly, we can only properly perform our dual role of members of the Eurosystem and public servants by the pursuit of excellence in our work and by promoting the excellence of our staff. Such excellence has been and is, no doubt, one of the hallmarks of this institution. It is my firm commitment to maintain and enhance the Bank's human capital.

To conclude, I shall adhere to the tradition launched by Governor Linde when he took office and end, as he did, with a quote.

In tribute to the Governor, as I know that Fernando Pessoa is one of his favourite poets, I'd like to quote his "Odes by Ricardo Reis", in which he reminds us of the importance of being truly committed to our work.

"To be great, be whole: don't exaggerate  
Or leave out any part of you.  
Be complete in each thing. Put all you are  
Into the least of your acts."

Thank you all for being here.