

**PRESS RELEASE**

Madrid, 13 June 2012

**The Banco de España publishes the *Report on Banking Supervision in Spain 2011***

The Report on Banking Supervision in Spain 2011, published today by the Banco de España on its website ([www.bde.es](http://www.bde.es)), analyses first of all the structure and evolution of credit institutions under its supervision. These numbered 336 at end-2011, three fewer than the previous year. However, this overall figure includes 29 savings banks which, while retaining their status of credit institutions, ceased to engage in direct financial activity in 2011, such activity being transferred to banks under the comprehensive restructuring of the financial sector.

The reduction in the number of operational bank offices continued last year, falling to 40,034 (with 3,269 branches cut, 7.5% of the total). As a result, the office density stood at 10.4 per 10,000 inhabitants over 16 years of age. Staff numbers also fell, by 5.9%, to 247,741 employees in total. For the third year running, the number of automated teller machines likewise fell (773 fewer, 1.3% down) and the expansion of point-of-sale terminals came to a halt, as there were 39,000 fewer in 2011 (down 2.6%).

The supervisory activity of the Banco de España, aimed at determining and keeping updated each institution's supervisory risk profile, taking corrective measures if necessary, continued to be marked by the financial crisis and developments in the restructuring of the Spanish banking sector. The number of supervisory actions last year rose to 209 (30 more than the previous year), 71 of which were in progress as at 31 December. These actions include on-site inspection visits and actions conducted as part of continuous monitoring.

As regards supervisory policy, there were notable legislative changes in 2011 in the remuneration policy of credit institutions, as enshrined in the Sustainable Economy Law 2/2011, and in its regulatory implementation (Royal Decree 771/2011), and also, finally, in Banco de España Circular 4/2011. The entry into force of these new regulations reinforces the review of remuneration arrangements as part of the analysis of credit institutions' internal governance. As a result, the Banco de España will monitor the suitability of institutions' remuneration policies as a further task under its general remit.

*Reproduction permitted only if the source is cited.*