



## PRESS RELEASE

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### Publication of the Financial Stability Journal (number 28)

The Financial Stability Journal (number 28), published today by the Banco de España on its website ([www.bde.en](http://www.bde.en)), comprises four articles on the following issues:

**Henry Penikas** analyses in detail the regulatory activity of the Basel Committee on Banking Supervision (BCBS) – a key part of the recent history of banking regulation – on the occasion of its 40th anniversary. The author, who bases his article on documents published between 1974 and 2014, classifies the regulatory activity into five major stages. He also provides data describing the Committee's activity (number of documents published, average consultation period, number of comments received, etc.) which show, for example, which countries and institutions have been most active in sending comments. The author also analyses developments in regulatory activity by area and concludes by making several recommendations, including the need to improve cooperation between the BCBS and the academic community so that the latest research is incorporated more rapidly.

**Jaime Herrero** analyses the main components of corporate governance at Spanish banks. He examines its previous situation and its evolution, focusing on those less positive features that might have been involved in the emergence of the recent financial crisis. He goes on to describe the main regulatory changes introduced in the area of corporate governance in recent years and highlights certain improvements to governance which should be implemented by banks to ensure that banking activity is conducted properly. These improvements would also contribute to raising the levels of transparency and of shareholder, investor and customer knowledge and confidence in credit institutions, a key factor in the appropriate conduct of banking business.

**Jesús Benito Naveira and Ignacio Solloa Mendoza** describe the securities post-trading sector in Europe and Spain. This sector is an essential part of securities market operations and has been subject to an intensive reform process in recent years through initiatives such as TARGET2 Securities (T2S). In Spain, specific features of domestic practice have prompted a far-reaching reform. Noteworthy are the introduction of a central counterparty (CCP) – BME Clearing – in the equities clearing and settlement process and changes made to Iberclear to replace *Referencias de Registro* (RRs) in order to adapt to the European environment. The authors analyse both aspects in detail.

**Álvaro Martín Herrero and Javier Mencía** present a quantitative study on the increase in the sovereign bond yields of France, the Netherlands, Germany and Spain and their breakdown into the credit and liquidity risk components. They use data from January 2007 to February 2014, thus

capturing two periods of stress: the financial crisis and the sovereign crisis. They conclude that, in general, the credit effect dominates, although in certain countries it is alleviated by the liquidity premia arising from the safe-haven flows characteristic of periods of hectic financial episodes. Additionally, they identify a common European credit effect which allows them to distinguish idiosyncratic credit patterns.

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