





The Banking Hall ("Patio de Operaciones") in the headquarters of the Banco de España.

## 1.1 FUNCTIONS OF THE BANCO DE ESPAÑA

The Banco de España performs the functions of a national central bank and supervisor of the banking system within the ESCB and SSM frameworks.

The Banco de España is the national central bank and the supervisor of the Spanish banking system, within the framework of the European System of Central Banks (ESCB) and the Single Supervisory Mechanism (SSM).

The activity of the Banco de España is regulated by Law 13/1994 of 1 June 1994 of Autonomy of the Banco de España (LBE). This law is mainly implemented through the Internal Rules of the Banco de España, approved by the Governing Council Resolution of 28 March 2000. These rules have been amended on several occasions, in order to incorporate European regulatory changes over the years. Particularly noteworthy are the changes arising at the beginning of stage three of Economic and Monetary Union, on 1 January 1999, which led to some of the functions carried out until then by the national central banks (NCBs) of the euro area being redefined, especially as regards monetary policy. Equally important is the entry into operation of the SSM on 4 November 2014, which has established a single banking supervision system for European banks directly affecting the most significant credit institutions in the euro area.

The Eurosystem comprises the ECB and the NCBs of the Member States whose currency is the euro.

The ESCB comprises the Banco de España, the European Central Bank (ECB) and the NCBs of all the Member States of the European Union (EU). The Banco de España also forms part of the Eurosystem, together with the ECB and the NCBs of the EU Member States which have adopted the euro as the single currency. In this context of integration, the Banco de España is subject to the provisions of the Treaty of the Functioning of the European Union (TFEU), the Statutes of the ESCB and the ECB and Council Regulation (EU) 1024/2013 of 15 October 2013, which confers specific tasks on the ECB concerning policies relating to the prudential supervision of credit institutions.

The Banco de España's functions and action principles as a central bank and member of the ESCB and Eurosystem, and as a banking supervisor within the SSM framework, are summarised below.

### ***1.1.1 Functions as a member of the ESCB and as a national central bank***

As a member of the ESCB and the Eurosystem, the Banco de España contributes to defining and implementing monetary policy in the euro area.

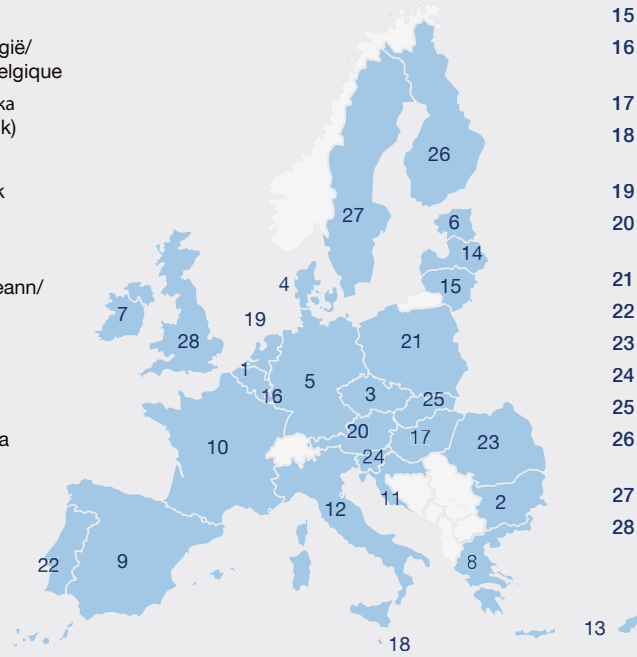
The ESCB comprises the ECB and the NCBs of all the EU Member States, regardless of whether or not they have adopted the euro as the single currency. As a national central bank, since 1 January 1999, the Banco de España has been involved in the following basic functions attributed to the ESCB. As part of the Eurosystem, the Banco de España's main function is to contribute to defining and implementing European monetary policy, with the principal aim of maintaining price stability across the euro area.

The Banco de España, under the operational frameworks of the ESCB and the Eurosystem, performs different functions relating to the management of official reserves, foreign exchange transactions, oversight of the functioning of payment systems, and the issuance of euro banknotes.

In this context, the Banco de España is also responsible for the function of carrying out foreign exchange transactions which are consistent with the provisions of Article 219 of the TFEU, and those arising from the management of the official currency reserves. In addition, the Banco de España must promote the sound working of payment systems in the euro area, ensuring that they are safe and effective, as well as guarantee the safety of payment instruments. It also shares the task of issuing banknotes in euros.

## EUROPEAN SYSTEM OF CENTRAL BANKS: THE ECB AND THE 28 NATIONAL CENTRAL BANKS OF THE EU

- € European Central Bank
- 1 Nationale Bank van België/  
Banque Nationale de Belgique
- 2 Българска народна банка  
(Bulgarian National Bank)
- 3 Česká národní banka
- 4 Danmarks Nationalbank
- 5 Deutsche Bundesbank
- 6 Eesti Pank
- 7 Banc Ceannais na hÉireann/  
Central Bank of Ireland
- 8 Bank of Greece
- 9 Banco de España
- 10 Banque de France
- 11 Hrvatska narodna banka
- 12 Banca d'Italia
- 13 Central Bank of Cyprus
- 14 Latvijas Banka



- 15 Lietuvos bankas
- 16 Banque centrale du  
Luxembourg
- 17 Magyar Nemzeti Bank
- 18 Bank Ċentrali ta' Malta/  
Central Bank of Malta
- 19 De Nederlandsche Bank
- 20 Oesterreichische  
Nationalbank
- 21 Narodowy Bank Polski
- 22 Banco de Portugal
- 23 Banca Națională a României
- 24 Banka Slovenije
- 25 Národná banka Slovenska
- 26 Suomen Pankki/  
Bank of Finland
- 27 Sveriges Riksbank
- 28 Bank of England

## THE EUROSISTEM: THE ECB AND THE 19 NATIONAL CENTRAL BANKS IN THE EURO AREA



Moreover, recognising the functions resulting from membership of the ESCB and the Eurosystem, the Law of Autonomy attributes to the Banco de España the performance of different functions as a national central bank.

As a national central bank, the Banco de España places coins into circulation, provides treasury and financial agent services for government debt and gives emergency liquidity assistance.

Thus, the Banco de España has been attributed certain tasks in its capacity as a national central bank, such as: i) placing coins into circulation; ii) providing treasury and financial agent services for government debt, and iii) granting emergency liquidity assistance to institutions (as part of the task of promoting the sound working and stability of the financial system and of national payment systems).

### 1.1.2 Functions as a supervisory authority

The Banco de España has traditionally supervised the solvency, conduct and regulatory compliance of credit institutions and other financial institutions operating in Spain.

Traditionally, the Banco de España has acted as the supervisory authority for credit institutions and other financial institutions operating in Spain, and has thus supervised the solvency, conduct and compliance of the specific regulations of banks, savings banks, credit cooperatives, branch offices of foreign credit institutions, payment institutions, specialised lending institutions, electronic money institutions, mutual guarantee and guarantee companies, currency exchange establishments and appraisal companies.<sup>1</sup>

The SSM, an integrated European supervision system involving the ECB and national authorities, became operational in November 2014.

With the entry into operation of the SSM on 4 November 2014 —a first step<sup>2</sup> towards the so-called “Banking Union”—, a new integrated European system was established for the supervision of financial institutions that combines the leadership of the European Central Bank (ECB), in a supervisory role, with the involvement of the national competent authorities (NCAs) of the euro area countries (including the Banco de España) and other EU Member States who wish to join it, establishing a close cooperation with the ECB. Its main objectives are to guarantee the security and solidity of the European banking system and to increase financial integration and stability in Europe.

The ECB is responsible for ensuring that the SSM is effective and consistent and exercises oversight over the banking system. To guarantee effective supervision, credit institutions are classified as “significant” and “less significant.”

The ECB directly supervises “significant” institutions, in collaboration with the national authorities.

The ECB directly supervises the institutions considered to be “significant” through the Joint Supervisory Teams (JSTs), whose work is coordinated by an ECB staff member, assisted by one or more NCA sub-coordinators. Among other duties, these teams are responsible for the ongoing assessment of institutions’ risk profiles, solvency and liquidity, and for preparing the draft decisions to be submitted to the governing bodies of the ECB.

The Banco de España takes part in decision-making relating to significant credit institutions through its representatives on the Governing Council (the Governor) and the Supervisory Board (the Deputy Governor) of the ECB.

With respect to significant institutions, the national authorities, including the Banco de España, must provide assistance to the ECB, contributing their experience and the bulk of inspectors forming part of the joint supervisory teams.

<sup>1</sup> The powers of branch offices of institutions in EU countries are limited to controlling the branch’s liquidity and ensuring compliance with rules laid down for reasons of general interest.

<sup>2</sup> To complete this process, another two fundamental pillars are needed: i) the Single Resolution Mechanism, which entered into operation in January 2015, and ii) a harmonised deposit guarantee system, still to be created.



The “less significant” institutions are directly supervised by the national authorities, in accordance with ECB guidelines.

Less-significant institutions are directly supervised by the NCAs and indirectly by the ECB. In these cases, the ECB, which has ultimate responsibility for the functioning of the SSM, may issue guidelines to ensure consistent supervision in participating countries, request additional information, or even take over the direct supervision of an institution if it considers it necessary.

The applied supervisory model is risk-based and implements supervisory practices that take into account the proportionality principle, adapting the supervisory intensity to the systemic importance and risk profile of the supervised institutions. It is based on four key elements: i) effective and prudent regulation; ii) continuous supervision of financial institutions; iii) a set of corrective measures, and iv) a disciplinary and sanctioning system which may be applied to both institutions and their directors.

The Banco de España is also responsible for supervising institutions’ compliance with the «rules of conduct», that is, those aimed primarily at establishing specific regulations regarding transparency in relation to banking products.

### 1.1.3 Other functions

In addition, the Banco de España undertakes other tasks such as preparing and publishing statistics and reports, advising the Government, promoting financial stability and the preventive resolution of credit institutions.

The Banco de España prepares statistics and reports relating to its functions and advises the Government.

The Banco de España advises the Government on different matters, including developments in financial regulation. The statistical function of the Banco de España is established in its Law of Autonomy and in the National Statistics Plan. The Law of Autonomy provides that the Banco de España shall compile and publish statistics related to its functions and that it shall assist the ECB in the compilation of the statistical information needed for the fulfilment of the ESCB’s functions. In this connection, the Banco de España prepares statistics relating to financial institutions and markets and interest rates. The Banco de España also prepares the *Balance of Payments and the International Investment Position*, the *Financial Accounts of the Spanish Economy*, and *Public Debt Market*, according to the Excessive Deficit Protocol (EDP), the *Survey of Household Finances*, and the *Financial Competence Survey*, which was launched in 2016.

Among other things, the Banco de España is responsible for promoting the stability of the financial system and the preventive resolution of credit institutions in the European framework.

The function of promoting financial stability is defined in the Law of Autonomy, which establishes that the Banco de España shall promote the smooth operation and stability of the financial system. The Banco de España analyses and monitors financial stability in the *Financial Stability Report*, a half-yearly publication, and proposes macroprudential policy measures relating to its areas of competence, in conformity with Law 10/2014 and its subsequent implementing regulations.

For its part, Law 11/2015 of 18 June on the recovery and resolution of credit institutions and investment firms confers preventive resolution functions to the Banco de España, according to the distribution of responsibilities established by the Single Supervisory Mechanism. These functions consist of preparing preventive resolution plans which include the necessary measures to facilitate the resolvability of credit institutions in the event of failure.

## 1.2 GOVERNING BODIES OF THE BANCO DE ESPAÑA

### 1.2.1 *The Governor*

The Governor of the Banco de España is appointed by the King, at the proposal of the Prime Minister, for a non-renewable six-year term. The current Governor is Luis M. Linde. His appointment was made public by Royal Decree 909/2012 of 8 June. His mandate began on 11 June 2012 and will end on 11 June 2018.

The Governor heads the Bank and acts as its representative at national and international institutions and organisations.

The Governor directs the Banco de España on an exclusive basis, chairs the Governing Council and the Executive Commission, and acts as the legal representative of the Bank at those institutions and international organisations in which its participation is envisaged. The Governor is also a member of the Governing Council and the General Council of the ECB. Lastly, he represents the Banco de España before the Spanish Parliament in the institutional sphere.

### 1.2.2 *The Deputy Governor*

The Deputy Governor stands in for the Governor and performs the duties established by the IRBE or delegated by the governing bodies.

The Deputy Governor of the Banco de España is appointed by the Government, at the proposal of the Governor, for a non-renewable six-year term. In 2016, the Deputy Governor of the Banco de España was Fernando Restoy, appointed by Royal Decree 940/2012 of 15 June. His mandate began on 18 June 2012. Fernando Restoy resigned from his post with effect from 1 January 2017, when he was replaced by the current Deputy Governor, Javier Alonso.

The Deputy Governor stands in for the Governor when the post is vacant or in the event of the latter's absence or illness and performs the duties established by the Internal Rules of the Banco de España (IRBE) or delegated by the Governor, or the Bank's Governing Council or Executive Commission. The Deputy Governor is a member of the Banco de España's Governing Council and Executive Commission and is an ex officio member of the other collegiate bodies to which he has been appointed under current legislation.

### 1.2.3 *The Governing Council*

#### a) Composition

The Governing Council is comprised of six elected members appointed by the Governor and two ex officio members.

The Governing Council of the Banco de España is comprised of the Governor, the Deputy Governor, six council members, the General Secretary for Treasury and Financial Policy and the Vice President of the National Securities Market Commission. The elected council members are appointed for a six-year term, renewable only once. They are appointed by the Government at the proposal of the Minister for Economic Affairs, Industry and Competitiveness, following consultation with the Governor, from among Spaniards of acknowledged competence in the fields of Economics or Law.

The Governing Council is presided over by the Governor – or by the Deputy Governor in his absence – and the General Secretary of the Banco de España acts as secretary thereto, attending the meetings in a non-voting capacity. Finally, the Directors-General of the Bank



The Governing Council of the Banco de España, 2016.

and a staff representative also attend the Governing Council meetings as non-voting participants.

In 2016, the Governing Council was composed of:

- The Governor: Luis M. Linde.
- The Deputy Governor: Fernando Restoy. Since January 2017, Javier Alonso.
- Council members:<sup>3</sup> Ángel Luis López Roa, Vicente Salas, Guillem López i Casanovas, Carmen Alonso, Maximino Carpio and Rafael Castejón.
- The General Secretary for Treasury and Financial Policy: Rosa María Sánchez-Yebra until November 2016 and, subsequently, Emma Navarro.

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<sup>3</sup> Ángel Luis López Roa and Guillem López i Casanovas completed their respective terms as council members of the Banco de España in January and March 2017, respectively, and were replaced by Fernando Eguidazu and Núria Mas.



- The Vice President of the National Securities Market Commission: Lourdes Centeno until October 2016 and Ana María Martínez-Pina, from November 2016.
- The Secretary: Francisco-Javier Priego, General Secretary of the Banco de España.
- Non-voting participants: the Directors-General of the Bank (in 2016: Javier Alonso, Manuel Labrado, Julio Durán, Mariano Herrera, Pablo Hernández de Cos).<sup>4</sup> The meetings are also attended by the staff representative (Mariano Serrano).

#### b) Functions of the Governing Council

The Governing Council approves the general guidelines for the Bank to fulfil its functions. It also approves circulars and imposes sanctions on supervised institutions, within the scope of its competences.

The Governing Council of the Banco de España approves the general guidelines for Bank activity so it may perform the tasks assigned to it. Additionally, it supervises the Bank's contribution to the implementation of ESCB monetary policy by the Executive Commission, duly observing the ECB's guidelines and instructions and the Governor's independence and obligation of secrecy as a member of the ECB's governing bodies.

The Governing Council also approves the Banco de España's circulars and imposes sanctions that fall within its remit, reporting quarterly to the Ministry for Economic Affairs, Industry and Competitiveness on any sanctioning proceedings in progress and on the resolutions adopted.

Other functions of the Governing Council include appointing, at the Governor's proposal, the two council members of the Executive Commission and the three council members of the Audit Committee from among its elected council members; ratifying the appointments of the Banco de España's Directors-General; approving the annual accounts and budgets of the Banco de España as well as its *Annual Report* and, if appropriate, any other reports that the Bank may be required to submit to Parliament, the Government or the Minister for Economic Affairs, Industry and Competitiveness; and adopting any other resolutions that may be necessary for performance of the tasks assigned to the Bank that do not fall within the exclusive competence of the Executive Commission.

In 2016, the Governing Council held a total of 16 meetings.

### 1.2.4 The Executive Commission

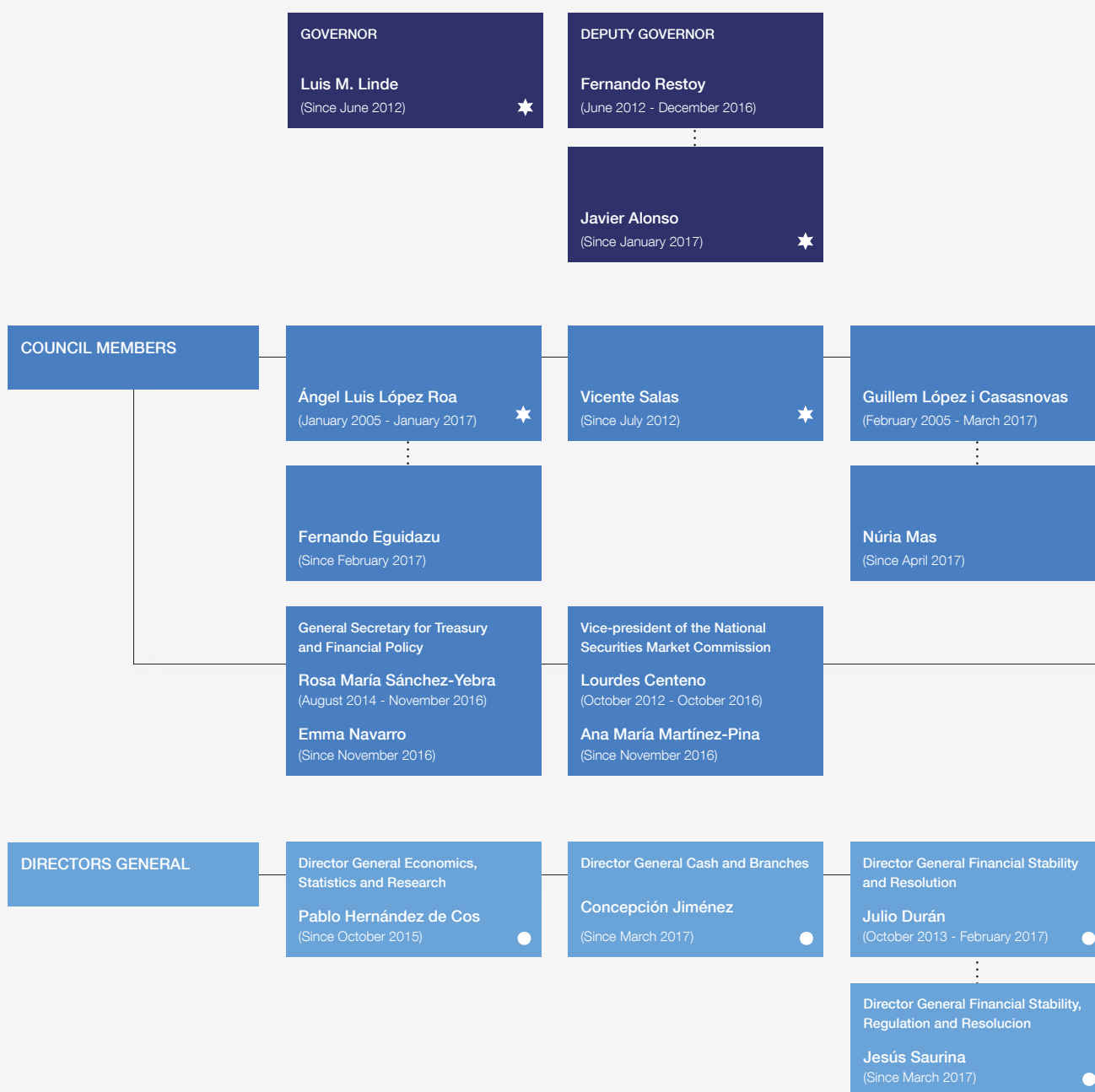
#### a) Composition

The Executive Commission of the Banco de España is formed by the Governor, the Deputy Governor and two members appointed by the Governing Council at the proposal of the Governor, from among the elected members of the council (for a period equal to the remainder of their ordinary mandates as council members). The two council members on the Executive Commission in 2016 were Ángel Luis López Roa and Vicente Salas. Since January 2017, Fernando Eguidazu has covered the vacancy arising from the expiry of Ángel Luis López Roa's term as council member.

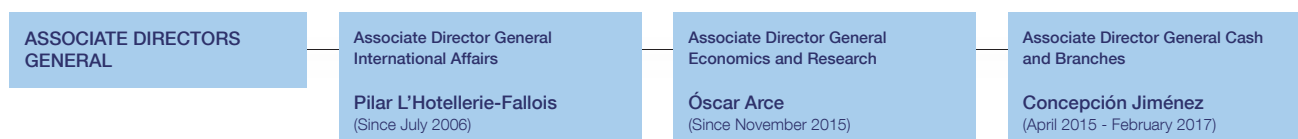
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<sup>4</sup> The current Directors-General of the Bank are: Manuel Labrado, Julio Durán, Pablo Hernández de Cos, Juan Ayuso, Concepción Jiménez and Jesús Saurina.

## MEMBERS OF THE GOVERNING BODIES OF THE BANCO DE ESPAÑA. GOVERNING COUNCIL



## OTHER SENIOR MANAGEMENT MEMBERS



- ★ Members of the Executive Commission
- ▲ The General Secretary of the Banco de España acts as non-voting secretary to the Governing Council and the Executive Commission
- The Directors General of the Banco de España attend meetings of the Governing Council and Executive Commission as non-voting members
- ◆ A staff representative attends the meetings of the Governing Council

<b>Carmen Alonso</b> (Since January 2011)	<b>Maximino Carpio</b> (Since June 2012)	<b>Rafael Castejón</b> (Since October 2013)
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<b>General Secretary</b> <b>Francisco Javier Priego</b> (Since October 2011) ▲	<b>Staff Representative</b> <b>Mariano Serrano</b> (Since June 2013) ◆
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<b>Director General Operations, Markets and Payment Systems</b> <b>Javier Alonso</b> (July 2006 - December 2016) ●	<b>Director General Services</b> <b>Manuel Labrado</b> (Since February 2013) ●	<b>Director General Banking Supervision</b> <b>Mariano Herrera</b> (February 2014 - February 2017) ●
⋮		⋮
<b>Juan Ayuso</b> (Since January 2017) ●		<b>Julio Durán</b> (Since March 2017) ●

<b>Associate Director General Internal Affairs</b> <b>José Miguel García Hernando</b> (December 2012 - November 2016)	<b>Associate Director General Banking Supervision</b> <b>Pedro Comín</b> (February 2014 - February 2017)	<b>Deputy General Secretary</b> <b>Jaime Herrero</b> (Since November 2016)
⋮	⋮	
<b>Associate Director General Services</b> <b>Antonio Pérez Ocete</b> (Since December 2016)	<b>Alberto Ríos</b> (Since April 2017)	

The Executive Commission meetings are attended, in a non-voting capacity, by the Directors-General and the General Secretary of the Bank, who acts as secretary thereto (reference to them has been made earlier when describing the composition of the Governing Council).

#### b) Functions of the Executive Commission

The Executive Commission contributes to the implementation of ESCB monetary policy, adopts administrative resolutions and other measures within the scope of its supervisory powers, and manages the Bank's internal organisation and administration.

Subject to the guidelines of the Governing Council, the functions of the Executive Commission of the Banco de España include, inter alia, contributing to the implementation of ESCB monetary policy, resolving administrative authorisations to be granted by the Bank in connection with the supervised institutions, and adopting measures relating to intervention and replacement of directors, initiating and resolving sanctioning proceedings and issuing recommendations and requests of the Banco de España to credit institutions, all within the framework of the SSM.

The Executive Commission is also responsible for managing the Bank's internal organisation and administration in the private sphere, and for the approval of internal circulars and for formulating draft circulars to be submitted to the Governing Council.

In 2016, the Executive Commission held a total of 47 meetings.

#### 1.2.5 Committees and commissions

In addition to the aforementioned governing bodies, the Internal Rules of the Banco de España provide for the creation of other committees such as the Audit Committee and the Management Committee.

The Audit Committee supervises the annual accounts of the Banco de España and the functioning of audit and internal control services.

The Audit Committee is responsible for auditing the annual accounts of the Banco de España and supervising relations with external auditors and the functioning of audit and internal control services. It is formed by three members of the Governing Council, appointed by the latter. In 2016, this committee comprised Ángel Luis López Roa (as chairman), Carmen Alonso and Maximino Carpio. In January 2017, Maximino Carpio



Governing Council room, Banking Hall and Executive Commission room.



replaced Ángel Luis López Roa as chairman, upon expiry of the latter's mandate, and Rafael Castejón joined the committee as a new member.

The Management Committee advises the governing bodies and coordinates the activities of the Directorates General.

The Management Committee is made up of the Governor, the Deputy Governor and the Directors General. Its functions notably include: i) advising the Governor and the Deputy Governor on matters or decisions, as required; ii) assisting them in the preparation of matters to be presented to the Governing Council and the Executive Commission, and compliance with the agreements reached with these bodies, and iii) coordinating the activities of the different Directorates General.

In addition, the Executive Commission may set up internal commissions and committees to examine and resolve any matters identified. In this context, the Banco de España has a number of internal commissions and committees whose fundamental role is to provide advice and coordination to the Directorates General.

#### ***1.2.6 Appearances by the Governor and the Deputy Governor***

The Governor represents the Banco de España and regularly appears before the Spanish Parliament.

The Governor represents the Banco de España at the Spanish Parliament. In 2016 the Governor did not appear before Parliament owing to the exceptional nature of parliamentary sessions that year. The public appearances of the Governor and the Deputy Governor at different fora and organisations can be found on the Banco de España website.

## 1.3 STRUCTURE OF THE BANCO DE ESPAÑA

### 1.3.1 Organisational chart and structure. Directorates General and General Secretariat

The Banco de España performs its functions through its governing bodies, as described earlier, and its Directorates General, whose main tasks are summarised below.

The Directorate General Economics, Statistics and Research prepares studies, research and statistics to advise the Bank's management.

The Directorate General Economics, Statistics and Research conducts the studies and research needed to advise the governing and management bodies of the Banco de España on economic and financial matters within the sphere of the Spanish, European and international economy, and for the ongoing monitoring of the formulation and implementation of the Eurosystem's monetary policy. It collaborates with other national and international agencies and fora and drafts the reports and publications within its remit (including the *Annual Report*), preparing, analysing and disseminating the statistics entrusted to it. In April 2017, the Associate Directorate General International Affairs was assigned to this Directorate General. Its functions include developing and managing the Bank's international relationships with different international bodies, coordinating international cooperation and technical assistance, and performing tasks deriving from the regulation of country-risk positions.

The Director General Economics, Statistics and Research is Pablo Hernández de Cos, and Pilar L'Hotellerie is the Associate Director General International Affairs, and Óscar Arce, Associate Director General Economics and Research.

The Directorate General Cash and Branches controls production and issuance of banknotes and the circulation of coins.

In March 2017 certain other tasks that were previously being performed by this Directorate General were assigned to the Directorate General Cash and Branches (formerly an Associate Directorate General), which is responsible for, among other matters, monitoring the Banco de España's euro banknote production process (entrusted to the special-purpose entity IMBISA), the issuance of banknotes, circulation of coins, tasks relating to the withdrawal, exchange and custody of banknotes and coins, and detecting and analysing counterfeit banknotes and coins. It is also responsible for managing the Bank's branch network. The Director General is Concepción Jiménez.

The Directorate General Financial Stability, Regulation and Resolution ensures financial stability, formulates macroprudential policy and is competent to resolve credit institutions.

The Directorate General Financial Stability, Regulation and Resolution is responsible for analysing and monitoring financial stability, preparing the *Financial Stability Report*, and analysing and formulating proposals on macroprudential policy. It drafts reports and proposals on the issuance of rules on the regulation and disciplining of institutions subject to supervision, contributing to the design of regulatory policy. This Directorate General also manages the Central Credit Register and performs all preventive resolution tasks assigned to the Banco de España. It cooperates with the international bodies that are competent in these matters. In 2016, when it was still known as the Directorate General Financial Stability and Resolution, its Director General was Julio Durán. He was replaced by Jesús Saurina in March 2017.

The Directorate General Operations, Markets and Payment Systems manages reserves and financial risks and oversees payment systems.

The Directorate General Operations, Markets and Payment Systems is mainly responsible for functions relating to the implementation of the operations of the Banco de España in its capacity as a central bank and member of the Eurosystem, the management of gold, foreign currency reserves and euro-denominated financial assets owned by the Bank, and the management of financial risks and the rendering of various payment and other

government debt-related services. It also promotes and oversees the sound functioning of payment systems and instruments and manages the TARGET2-Banco de España system. En 2016, the Director General was Javier Alonso, who was replaced by Juan Ayuso in January 2017.

The Directorate General Services manages and administrates the Bank's internal services.

The Directorate General Services manages and administrates the internal services and functions common to the entire Bank, and its responsibilities encompass the following: human resources and workplace health and safety, hiring arrangements, preparation of draft budgets and annual accounts, accounting and control of the Bank's accounts, acquisition, maintenance and administration of its assets, information systems, and organisation and management of internal security services. The Director General of this area is Manuel Labrado and the Associate Director General was José Miguel García Hernando until November 2016, subsequently replaced by Antonio Pérez Ocete.

The Directorate General Supervision supervises the solvency of credit institutions and their compliance with regulations with the SSM framework.

As regards the tasks performed by the Banco de España as a supervisory authority within the framework of the SSM, the Directorate General Banking Supervision is entrusted with supervising the solvency of credit institutions and their compliance with the specific regulations governing them, indirectly in the case of significant credit institutions and directly in that of less significant credit institutions and other financial institutions supervised by the Banco de España. For this purpose it monitors the supervised institutions and their groups on an ongoing basis, proposing, where appropriate, preventive, disciplinary and precautionary measures, reporting on requests of credit institutions and other financial agents, and contributing to the drawing up of draft rules on accounting. It also collaborates with Spanish and international organisations and fora within the scope of its competencies. The Director General Banking Supervision in 2016 was Mariano Herrera, and Pedro Comín, the Associate Director General. They were replaced in March 2017 by Julio Durán and Alberto Ríos, respectively.

The General Secretariat provides the secretariat for the governing bodies, heads the institution's legal advice service and exercises competencies in matters relating to transparency, customer protection and documentation management.

Finally, the General Secretariat provides the secretariat for the governing bodies of the Banco de España and heads the legal advice service for the governing bodies and the institution as a whole. Other functions include conducting sanctioning proceedings, keeping official registers and processing authorisation procedures for new institutions, supervisory functions, supervisory and regulatory policy in respect of banking transparency and customer protection, and claims settlement. It is also responsible for the Register, the archives, documentation management and the Virtual Office. The General Secretary is Francisco Javier Priego, and the Deputy General Secretary is Jaime Herrero.

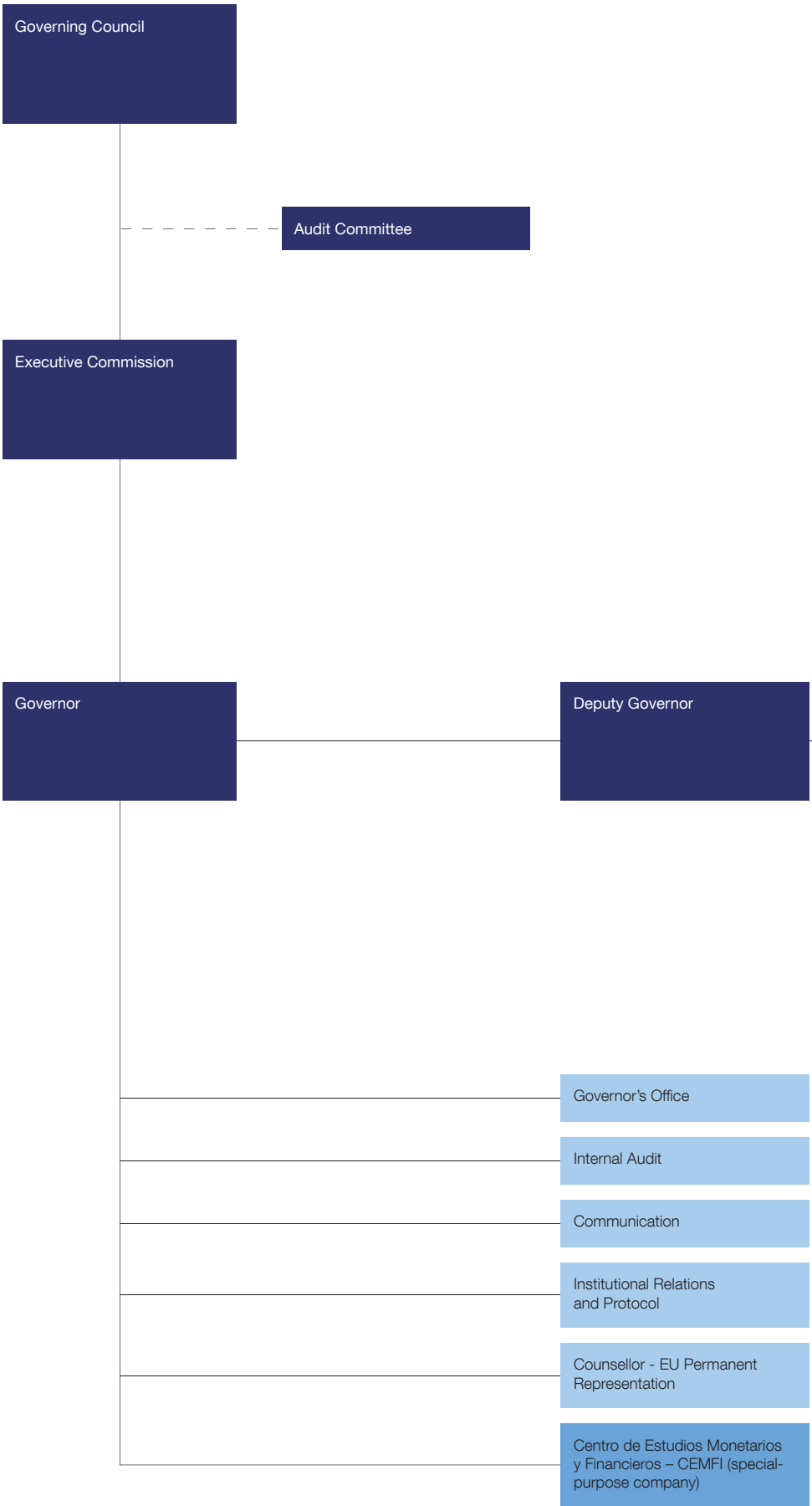
### **1.3.2 Headquarters and branch offices of the Banco de España**

The Banco de España has its headquarters in Madrid and 15 branch offices located throughout the country.

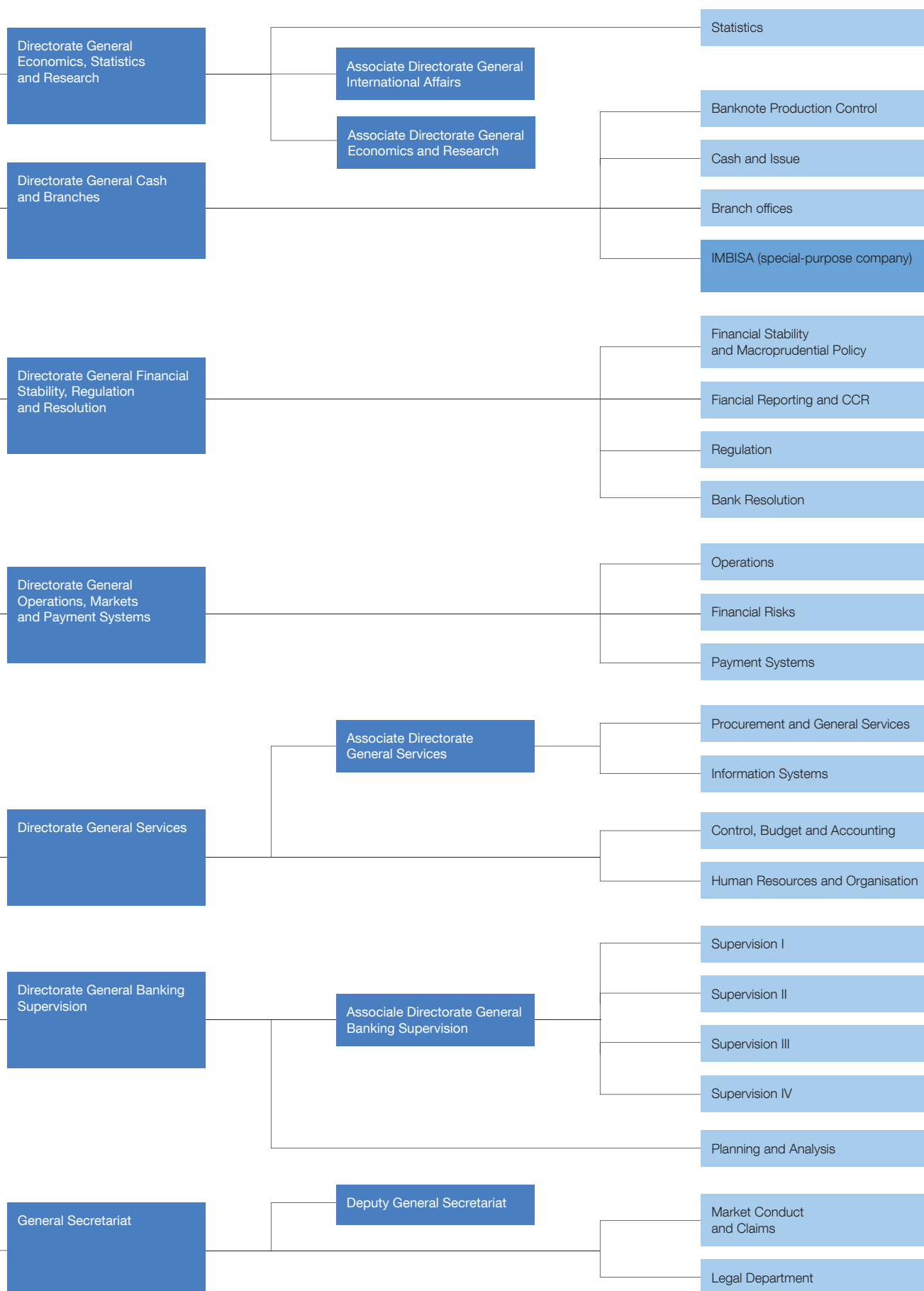
The Banco de España performs its functions through its Madrid offices, at two different locations, and its network of branches located throughout the country.

Since 1891, the headquarters of the Banco de España have been located in Calle de Alcalá, 48, next to Plaza de Cibeles, in Madrid, in one of the city's most emblematic buildings, representative of Spanish architecture in the 19th and early 20th centuries. The Bank's central services and senior management are based in this building. The Banco de España has another building in Madrid, located in Calle de Alcalá, 522, where more operational functions are carried out, such those relating to cash management and information systems.

ORGANISATION CHART OF THE BANCO DE ESPAÑA









Imprenta de Billetes, SA (IMBISA) (left). The Library at Centro de Estudios Monetarios y Financieros (CEMFI) (right).

In addition to its headquarters, the Banco de España has 15 branches located in the following cities: La Coruña, Alicante, Badajoz, Barcelona, Bilbao, Las Palmas, Málaga, Murcia, Oviedo, Palma, Sevilla, Santa Cruz de Tenerife, Valencia, Valladolid and Zaragoza.

### 1.3.3 *Special-purpose entities*

The Banco de España has two special-purpose entities: i) the commercial-law company Imprenta de Billetes, SA (IMBISA), and ii) the Foundation «Centro de Estudios Monetarios y Financieros» (CEMFI).

#### a) IMBISA

IMBISA is entrusted with the production of the Spanish quota of euro banknotes.

IMBISA is a publicly-owned commercial-law company whose sole corporate purpose is the production of euro banknotes. This special-purpose entity was created in response to the need to adapt to the legal framework for euro banknote production, following approval of Guideline (EU) 2015/280 of the European Central Bank of 13 November 2014, on the establishment of the Eurosystem Production and Procurement System (ECB/2014/44).

In the specific case of Spain, the option chosen was a model under which the national quota of euro banknotes for the ESCB could be produced by a commercial-law company assigned the status of a specific resource and technical service of the Banco de España. Accordingly, Law 36/2014 of 26 December 2014 on the 2015 State Budget amended the Law of Autonomy of the Banco de España so that the central bank could entrust its euro banknote production quota to a commercial-law firm in which it held a majority stake. The company is 80%-owned by the Banco de España and 20%-owned by the FNMT-RCM (Spanish National Mint), which may maintain this stake until 31 December 2017.

b) Centro de Estudios Monetarios y Financieros (CEMFI)

CEMFI is a foundation engaging in graduate education and research in Economics and Finance.

CEMFI is a public-sector foundation created by the Banco de España in 1987 with the two-fold aim of developing graduate education for high-level specialists in Economics and Finance, and engaging in research in economics. The foundation was recognised and classified under a Ministerial Order dated 12 April 1991 and is registered in the Foundation Register of the Ministry of Education, Culture and Sports.

To develop its goals, CEMFI's activity focuses on two main directions: i) graduate education, most notably through the official post-graduate programme in Economics and Finance it offers jointly with the Universidad Internacional Menéndez Pelayo (UIMP), and a Summer School, and ii) research on a variety of economic and financial topics, combining theoretical and applied approaches.

The governing and management bodies of CEMFI are its Board of Trustees, its Executive Commission and its Director. In 2016, the Board of Trustees was composed of a total of 14 members. Its ex officio members are the Governor, who chairs it, and the Deputy Governor of the Banco de España. Other members have a four-year term of office and can be re-elected. The Executive Commission is composed of five members and chaired by the Deputy Governor of the Banco de España.

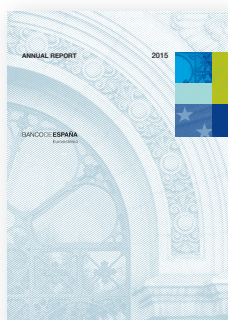
## 1.4 REPORTS AND PUBLICATIONS

The Banco de España periodically publishes documents providing information on the activities that fall within its remit. These publications are listed below, together with a brief summary of their contents. While the complete list of Banco de España publications can be found on its website<sup>5</sup>, this section briefly describes the most relevant ones.

The Banco de España publishes the following documents on an **annual or half-yearly basis**.

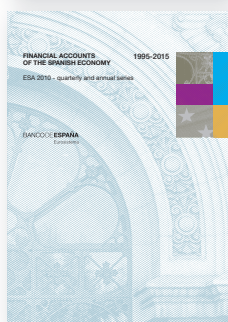
### Annual Report

The *Annual Report* of the Banco de España analyses the performance of the Spanish economy in the context of the international economy, with particular emphasis on monetary and fiscal policy and economic and financial flows.



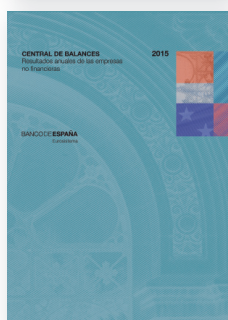
### Financial Accounts of the Spanish Economy

The *Financial Accounts of the Spanish Economy* includes annual and quarterly series on financial and non-financial flows in the Spanish economy, and is divided into two sections: i) the non-financial national accounts, prepared by the Spanish National Statistics Institute (INE), and ii) the financial balance sheets and financial transaction accounts for the sectors and subsectors of the Spanish economy.



### Central Balance Sheet Data Office. Annual results of non-financial corporations

This publication contains the annual series of results of non-financial corporations over the last ten years (balance sheets, income statements, ratios, etc.) and non-financial information relating, inter alia, to employment and salaries.



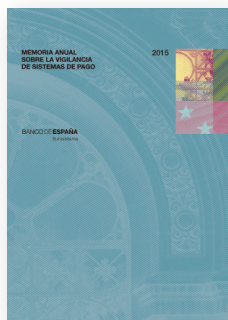
### Public Debt Market

This annual publication describes the evolution of the primary market and the trading carried out in the secondary book-entry debt market, for assets issued by the Treasury and other issuers and public entities.



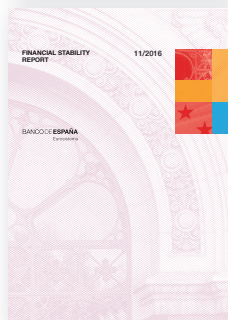
<sup>5</sup> The Publications Catalogue, periodically updated, can be found at the following link: [http://www.bde.es/webbde/Secciones/Publicaciones/Relacionados/Fic/cat\\_publ.pdf](http://www.bde.es/webbde/Secciones/Publicaciones/Relacionados/Fic/cat_publ.pdf). Most of the documents listed there are available in pdf format, downloadable free of charge, at: <http://www.bde.es/webbde/en/secciones/informes/>. If a publication cannot be found on the website, it can be requested from [publicaciones@bde.es](mailto:publicaciones@bde.es).





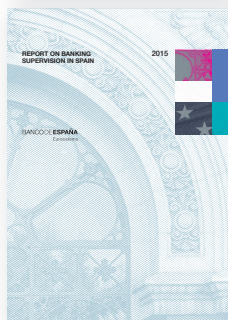
### Annual Report on the Oversight of Payment Systems

This publication describes the main changes that took place in Spanish payment systems during the preceding year and explains the oversight activities carried out in this area.



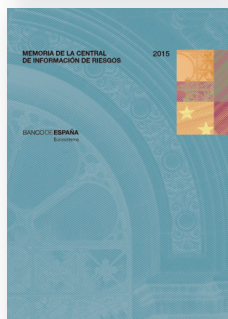
### Financial Stability Report

This is a half-yearly publication that analyses the risks to the Spanish financial system and the profitability and solvency of Spanish credit institutions in both a backward- and forward-looking fashion. The report likewise presents the Banco de España's macroprudential policy and measures.



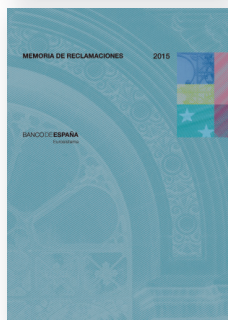
### Report on Banking Supervision in Spain

This annual publication includes a detailed description of the supervisory functions of the Banco de España and the supervisory actions undertaken during the year, and of the organization of the Banco de España's supervision, the priorities and strategies adopted, Banco de España circulars relating to supervision and its participation in international fora on banking regulation and supervision.



### Central Credit Register Report

This publication contains the activities carried out by the Central Credit Register (CCR) of the Banco de España in the preceding year. The information in the CCR: i) allows the banking regulator to build its own credit risk models to compare and validate against those presented by supervised institutions, and ii) it allows supervised institutions to model their credit risk and appropriately validate their own models.



### Annual Claims Report

The annual report provides a statistical analysis of the proceedings processed by the Market Conduct and Claims Department, indicating, amongst other issues, the areas in which claims and complaints were lodged, as well as the affected entities. It also indicates the transparency regulations and the best practice criteria applied in the resolutions issued during the corresponding year.

The Banco de España also publishes its *Annual Accounts* which comprise the balance sheet, the profit and loss account and the notes to the accounts, and which have been prepared in accordance with the accounting regulations established for national central banks of the European System of Central Banks.

The Banco de España publishes the “Quarterly Report on the Spanish Economy” and various analytical articles and economic notes.

In addition to the above publications, the Banco de España publishes another series of documents known as the *Economic Bulletin*, which presents the key messages relating to the macroeconomic performance of the Spanish economy and contains the “Quarterly Report on the Spanish Economy”.

The Bulletin’s frequency of publication and contents have been changed, and with effect from January 2017, it has been published quarterly and includes the “Quarterly Report on the Spanish Economy”. The Analytical Articles in the Bulletin are published separately on the Bank’s website during the quarter. In addition, there is a new section of Economic Notes focusing on specific issues, both of a methodological and statistical nature and relating to changes in the economy. At the end of each quarter, in addition to the Quarterly Report, the Bulletin includes the list of links for electronic access to the articles and notes published during the last three months on the Bank’s website.

Other publications issued by the Bank include the *Statistical Bulletin*, on a monthly basis and in electronic format, containing the economic statistics compiled by the Banco de España, and the *Research Update*, targeted at the international scientific community, which provides a summary, every six months, of research activities at the Banco de España.

Mention should also be made of two daily publications: the *Operations Bulletin*, which provides information on the interbank market and official euro exchange rates against other currencies, and the *Public Debt Market Bulletin*, with information on debt transactions and the characteristics of outstanding debt.

Lastly, the Banco de España publishes the *Financial Stability Journal*, which acts as a platform for communication and dialogue regarding issues related to financial stability, with a particular focus on prudential regulation and supervision. It is an open publication, accommodating personal collaborations by financial sector researchers and professionals that will be subjected to an anonymous refereeing process.

## 1.5 THE VIRTUAL OFFICE AND PROCEDURES CONDUCTED BY THE BANCO DE ESPAÑA

### 1.5.1 The Virtual Office

The Virtual Office of the Banco de España is a website available to all users wishing to conduct business with the Bank by electronic means in an efficient and reliable manner. It has been developed following universal accessibility and usability standards, so that all users, including those with a disability, can access the electronic services provided by the Banco de España and the related standardised forms.

The Virtual Office enables users to electronically perform 72 different procedures with the Banco de España.

Since 2016, the 72 procedures provided by the website include all those undertaken or resolved by the Banco de España at the request of the party concerned.

The number of visits to the Virtual Office has gradually increased since its launch. In 2016, it received 690,252 visits, 122,675 more than in 2015 (an increase of around 21%).

Among the most visited sections of the Virtual Office are the “Catalogue of procedures” section – which includes an alphabetical list of all procedures and services offered –, accounting for 50% of all visits, and the “Citizens” section, with 32% of visits.

The most viewed procedures are:

- request for risk reports from the Central Credit Register, with 360,614 page views (40.04% of the total);



The Virtual Office of the Banco de España

- reporting on economic transactions and cross-border financial asset and liability balances of residents in Spain (ETE form), with 243,420 page views (27.03% of the total);
- submission of claims, complaints and queries, with 95,303 page views (10.58% of the total), and
- exchange of pesetas for euros, with 69,698 page views (7.74% of the total).

In 2016, support was provided to the Virtual Office in the form of 1,935 electronic mails, which represents an increase of 7.44% with respect to 2015.

### 1.5.2 E-Administration. Electronic Register

In 2016, the Banco de España enhanced the functioning of different electronic tools, such as notifications, document digitalisation or improving accessibility via mobile devices.

In addition to the Virtual Office, the Banco de España is committed to enhancing as much as possible the use of electronic means in the conduct of its business, in conformity with the provisions of Law 39/2015 of 1 October on the Common Administrative Procedure for General Government. Accordingly, in 2016 the Banco de España developed a number of projects for improvement in this area, particularly as regards:

- 1 Guaranteed digitalisation of documents.
- 2 Electronic notifications.
- 3 Improving accessibility of mobile phones and other electronic devices.
- 4 Study of the documentation processed by the General Register of the Banco de España.

The Electronic Register is the channel for the electronic receipt of requests, written submissions and communications relating to procedures available in the Virtual Office, which require submission to a register. It operates 24 hours a day, all year round, except when necessary interruptions arise for technical reasons, notified by the Virtual Office.

Submitting documents through the Electronic Register, which operates 24 hours a day, has gained ground with respect to on-site registration.

As shown in the table below, in 2016 the total number of documents submitted to Banco de España registers fell slightly. However, the number of documents submitted through the Electronic Register rose considerably, almost doubling the number submitted in this way in 2015. This increase was offset by a practically equivalent decrease in the total number of documents submitted to on-site registers, which fell by 17.43% with respect to 2015.

	2015	2016	Year-on-year change
On-site register	83,843	69,232	-17.43%
Electronic Register	15,175	29,539	94.66%
TOTAL	99,018	98,771	-0.25%



## 1.6 TRANSPARENCY AND INFORMATION

### 1.6.1 The Transparency Portal

Under Article 10 of Law 19/2013 of 9 December 2013 on transparency, access to public information and good governance, all levels of general government are obliged to develop a Transparency Portal giving citizens access to the information envisaged therein.

The Transparency Portal contains institutional, legal and economic information about the Bank of interest to the public.

The contents of the Transparency Portal include all the information stipulated by the Law on Transparency, as well as any other information considered by the Banco de España to be of interest to citizens, according to the following information categories:

- *Institutional and planning information*, which includes information relating to the functions of the Banco de España, the legal framework applicable to its activities, the organisational structure of the Bank, the Governor's agenda, codes of conduct and plans and schedules for the Bank's activities.

The screenshot shows the 'TRANSPARENCY PORTAL' section of the Banco de España website. The header includes the bank's logo, language options (Español, English, CA, EU, GA, VA), and social media links. A navigation bar contains links for 'About us', 'Eurosistema', 'SSM', 'Services', 'Employment and grants', 'Legislation', 'Publications', and 'Press room'. The main content area is titled 'TRANSPARENCY PORTAL' and features a 'Transparency' sidebar. The central text explains the purpose of Law 19/2013 and lists two approaches to transparency: active publication and public access. It also provides 'Last updates and news' with a list of recent orders and publications. At the bottom, there are two columns of links: 'Institutional and planning information' (Duties, Legal framework, Organisational structure, Governor and deputy governor agendas, Codes of Conduct, Plans and schedules) and 'Economic information' (Contracts, Agreements, Management delegation agreements, Cultural and social work, Budget management, Annual accounts). The right sidebar contains 'CONTACT US' information for the Vice Secretary General, 'RELATED INFORMATION' including an RSS feed, 'ALSO OF INTEREST...', 'RELATED LEGISLATION' (Ley 13/1994 and Ley 19/2013), and 'OTHER USEFUL INFORMATION' (Access to public information, Supervisory Transparency, Government of Spain Transparency Portal, ECB Transparency, and Access statistics).

The Transparency Portal of the Banco de España

- *Information of legal importance*, which includes circulars, documents subject to public consultation, reports, technical applications and guidelines prepared by the Bank and documents issued by international bodies developed within the framework of collaboration with the Banco de España.
- *Economic information*, which includes information relating to contracts, agreements, management delegation agreements, cultural and social work, budget management, annual accounts, salaries of members of governing bodies and senior directors, conflicts of interest of public employees, fixed assets and official vehicles and information relating to the Bank's historical and artistic heritage.

As shown in the table below, the visits to the Transparency Portal increased by 16% in 2016.

	2015	2016	Year-on-year change
Visits to the Transparency Portal	24,529	28,470	16%

The most visited section of the Transparency Portal, not counting the home page, is the section on economic information, which accounts for 58% of total visits.

### 1.6.2 Information points and requests for access to public information

The information point gives citizens on-site or online access to information about procedures and services provided by the Bank.

As well as the Transparency Portal, the Banco de España offers citizens an information point which gives them access, either on-site or online, to general information about procedures, requirements or documentation relating to the services it provides.

In 2016, the information point of the Banco de España handled 7,070 requests, an increase of 4.58% with respect to 2015. Of the total visits to the information point, 72% were on-site, while 28% were online, through the e-mail addresses of the Virtual Office and Transparency Portal.

The information point handled 7,070 requests in 2016, 4.58% more than in 2015.

Despite the prevalence of the on-site information point, in 2016 the increase in visits to the online information point almost doubled the growth in visits to the on-site information point.

	2015	2016	Year-on-year change
On-site information point	4,900	5,092	3.92%
Online information point	1,860	1,995	7.26%
TOTAL	6,760	7,087	4.83%

The Bank handled 10 requests for access to public information in 2016.

The section on the process for requesting access to public information of the Banco de España received 4,973 visits in 2016, 10 requests for access to public information were submitted during the year and 60 e-mails were received at the Transparency Portal e-mail address.