

1 CORPORATE GOVERNANCE REPORT



Accounting ledgers of the Banco de San Carlos, from the Historical Archive of the Banco de España. 1787-1824.

1.1 FUNCTIONS OF THE BANCO DE ESPAÑA

The Banco de España is the national central bank and, together with the ECB, the supervisor of the Spanish banking system, within the framework of the SSM.

The Banco de España is the national central bank and, together with the European Central Bank (ECB), the supervisor of the Spanish banking system, and as such performs the functions conferred on it 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 (hereafter, the “Law of Autonomy”). This law is mainly implemented through the Internal Rules of the Banco de España (IRBE), approved by the Governing Council Resolution of 28 March 2000. These rules have been amended on several occasions, in order to incorporate European and Spanish 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 was the entry into operation of the SSM on 4 November 2014, which established a single banking supervision system for European banks directly affecting the most significant credit institutions in the euro area.

In accordance with the Law of Autonomy, the Banco de España acts with autonomy and independence from the central government, and may not accept instructions from the government or any other national or EU body in the exercise of its functions as an ESCB member.

The Banco de España is part of the ESCB and of the Eurosystem.

The Banco de España forms part of the ESCB, together with the ECB and the NCBs of all the Member States of the European Union. 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.

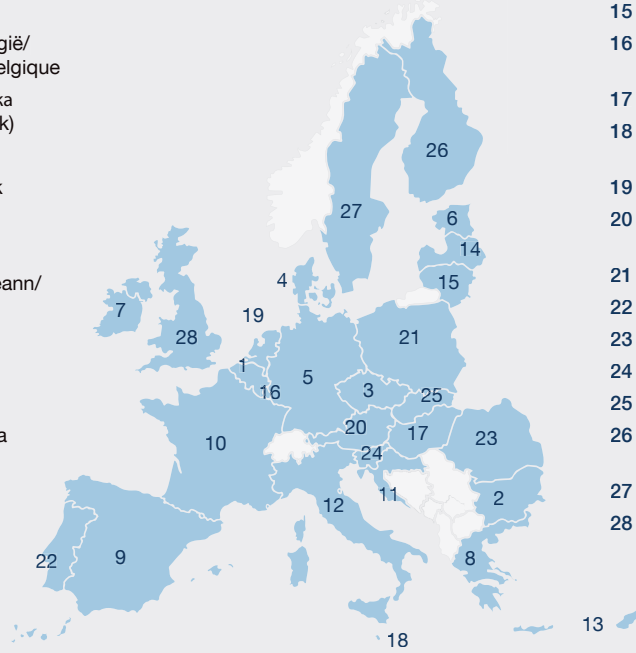
1.1.1 Functions as a member of the ESCB and as a national central bank

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 all the NCBs of 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 performing certain basic functions attributed to the ESCB. In this context, 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 for the common good.

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



As part of the ESCB and the Eurosystem, the Banco de España performs different functions relating to the management of official reserves, foreign exchange transactions, the promotion of the strong functioning of payment systems, and the issuance of euro banknotes.

In addition, 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.

The Banco de España performs supervisory functions within the framework of the SSM.

In this sphere, 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 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.

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.

The Banco de España has been attributed certain tasks such as placing coins into circulation, providing treasury and financial agent services for government debt, and granting emergency liquidity assistance to institutions. The latter function is 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

Until the entry into operation of the SSM on 4 November 2014, the Banco de España acted as the supervisory authority for all credit institutions and other financial institutions operating in Spain, and in that capacity, 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 re-guarantee companies, currency exchange establishments and appraisal companies.¹

The entry into operation of the SSM on 4 November 2014 —a first step² towards the so-called “Banking Union”—, led to the establishment of a new integrated European system for the supervision of financial institutions that combines the leadership of the ECB, in a supervisory role, with the involvement of the national competent authorities (NCAs) of the

¹ 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.
² 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 Governing Council of the European Central Bank.

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. The main objectives of the SSM 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 NCAs.

The ECB directly supervises the institutions considered to be “significant” through the joint supervisory teams, 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 NCAs, including the Banco de España, provide assistance to the ECB, contributing their experience and the bulk of inspectors that form part of the joint supervisory teams.

The NCAs directly supervise “less significant” institutions, 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 a less significant institution if it considers it necessary.



The Supervision Council of the European Central Bank.

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.

Lastly, the Banco de España also supervises 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 implementing the preventive resolution of credit institutions.

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

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. Accordingly, 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, since 2016, the Financial Competence Survey.

Finally, the functions of the Banco de España include, inter alia, advising the Government on different matters, including financial regulation developments.

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

The Law of Autonomy attributes to the Banco de España the smooth operation and stability of the financial system. Accordingly, the Banco de España analyses and monitors financial stability in the Financial Stability Report, a half-yearly publication. Also, in conformity with Law 10/2014 of 26 June 2014 on the regulation, supervision and solvency of credit institutions, and its subsequent implementing regulations, the Banco de España is also responsible for proposing macroprudential policy measures relating to its areas of competence.

Finally, 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. Specifically, according to the distribution of responsibilities established by the Single Supervisory Mechanism, the Banco de España is responsible for 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 heads the institution. He/she is appointed by the King, at the proposal of the Prime Minister, from among Spaniards of acknowledged competence in the fields of Economics or Law, for a non-renewable six-year term, to guarantee the independence of the institution. The current Governor is Luis M. Linde, whose 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 Banco de España 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, the Governor 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, from among Spaniards of acknowledged competence in the fields of Economics or Law, for a non-renewable six-year term.

The current Deputy Governor is Javier Alonso Ruiz-Ojeda, whose mandate commenced on 1 January 2017. His appointment was made public by Royal Decree 721/2016 of 23 December.

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 IRBE or delegated by the Governor, or the Governing Council or Executive Commission of the Banco de España. 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 the Governor, the Deputy Governor, six council members appointed by the Government and two ex officio members.

The Governing Council of the Banco de España is comprised of the Governor, the Deputy Governor, six elected council members and two ex officio members, according to their position: the General Secretary for Treasury and Financial Policy and the Vice-President of the National Securities Market Commission (CNMV, by its Spanish abbreviation).

The elected council members 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. They are appointed for a six-year term, renewable only once.

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

In 2017, the Governing Council was composed of:

- The Governor: Luis M. Linde.
- The Deputy Governor: Javier Alonso.
- Council members:³ Ángel Luis López Roa, Vicente Salas, Fernando Eguidazu, Guillem López i Casanovas, Carmen Alonso, Maximino Carpio, Rafael Castejón and Núria Mas.
- The General Secretary for Treasury and Financial Policy: Emma Navarro.
- The Vice-President of the CNMV: Ana María Martínez-Pina.
- The Secretary: Francisco-Javier Priego, General Secretary of the Banco de España.
- Non-voting participants: the Directors-General of the Bank (in 2017: Manuel Labrado, Julio Durán, Mariano Herrera, Pablo Hernández de Cos, Juan Ayuso, Concepción Jiménez and Jesús Saurina).⁴ The meetings are also attended by a staff representative (Mariano Serrano).

b) Functions of the Governing Council

The Governing Council approves the general guidelines for Bank activity, approves circulars and adopts resolutions for sanctioning proceedings.

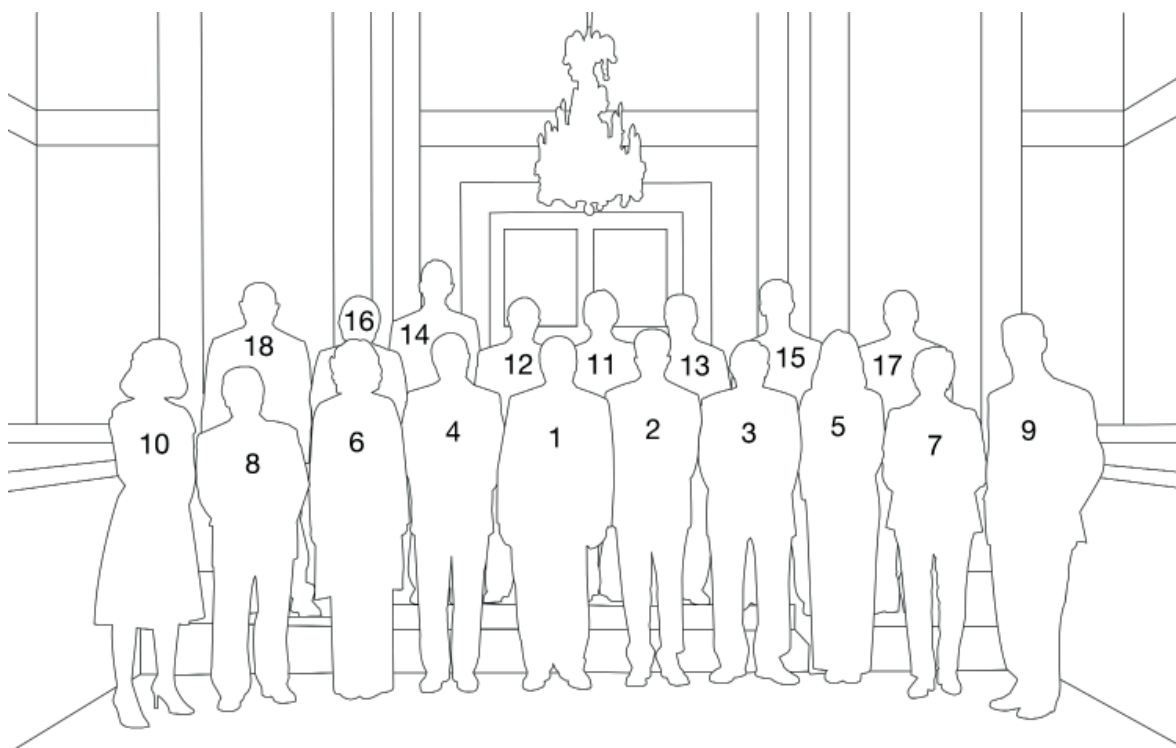
The functions of the Governing Council of the Banco de España are established in Article 21 of the Law of Autonomy, according to which the Governing Council of the Banco de España approves the general guidelines for Bank activity so it may fulfil the functions entrusted to it. Additionally, it discusses matters relating to monetary policy and supervises the Bank's contribution to the implementation of ESCB monetary policy, 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, that is, the provisions it issues to develop the regulations. The Governing Council also 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.

Lastly, the functions of the Governing Council include appointing, at the Governor's proposal, the two council members of the Executive Commission and the three council

³ 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.

⁴ Mariano Herrera resigned from his post in February 2017.



The Governing Council of the Banco de España.

1. Luis M. Linde; 2. Javier Alonso; 3. Vicente Salas; 4. Fernando Eguidazu; 5. Emma Navarro; 6. Ana María Martínez-Pina;
7. Carmen Alonso; 8. Maximino Carpio; 9. Rafael Castejón; 10. Núria Mas; 11. Francisco-Javier Priego; 12. Manuel Labrado;
13. Julio Durán; 14. Pablo Hernández de Cos; 15. Juan Ayuso; 16. Concepción Jiménez; 17. Jesús Saurina; 18. Mariano Serrano.

members of the Audit Committee from among its elected council members; ratifying the appointments of the Banco de España's Directors-General; preparing the annual accounts and approving the budget proposals of the Banco de España as well as its *Annual Report* and, if appropriate, any other reports that must be submitted 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 2017, the Governing Council held a total of 19 meetings.

1.2.4 The Executive Commission

a) Composition

Another of the Banco de España's collegiate decision-making bodies is the Executive Commission. It is formed by the Governor, as chair, 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 council members on the Executive Commission in 2017 were Ángel Luis López Roa (until 22 January 2017), Vicente Salas and Fernando Eguidazu (who covered the vacancy arising from the expiry of Ángel Luis López Roa's term as council member).

The Executive Commission meetings are attended, in a non-voting capacity, by the General Secretary of the Banco de España, who acts as secretary thereto. Finally, the Directors-General of the Bank also attend the Executive Committee meetings as non-voting participants.

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.

The Executive Commission is responsible for managing the Bank's internal organisation and administration in the private sphere.

Subject to the guidelines of the Governing Council, the functions conferred on the Executive Commission by the Law of Autonomy which 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.

Lastly, the Executive Commission is also responsible for the approval of internal circulars and for submitting proposals to be subsequently adopted by the Governing Council.

In 2017, the Executive Commission held a total of 54 meetings.

1.2.5 Committees and commissions

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

The Audit Committee is responsible for auditing the annual accounts of the Banco de España and supervising 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, from among the elected council members. In 2017, this committee comprised Ángel Luis López Roa (as chairman until January 2017), Carmen Alonso and Maximino Carpio. In January 2017, Maximino Carpio 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.

Lastly, the Executive Commission may set up internal commissions and committees to examine and resolve any matters considered appropriate. Accordingly, 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.

The purpose of the internal committees is to coordinate the institution's various activities relating to different operational areas. The Bank's main external committees, and their key functions, are described below:

Risk Management Committee: This committee is chaired by the Deputy Governor, and its main functions are to propose the key risk policies of the Banco de España, and the risk measurement methodologies and risk monitoring and control frameworks.

Business Continuity Committee: Its core mission is to design the business continuity strategy and ensure that the Banco de España puts in place the necessary measures and means to implement it. This committee is chaired by the Deputy Governor.

Information Systems Committee: This committee is chaired by the Deputy Governor and is responsible for establishing, and monitoring, the Banco de España's annual systems plan, participating in any strategic measures relating to information systems affecting the Bank.

International Cooperation Committee: The Deputy Governor chairs this committee, which is chiefly responsible for defining the strategic lines of action as regards international cooperation, and for decision-making at the highest level and strategic coordination.

Budget Committee: The main tasks of this committee, chaired by the Director General Services, are to analyse the Banco de España's draft annual budget and monitor the approved budget; analyse and monitor the inclusion of appropriations from one year to the next; report and, if is the case, submit proposals for the transfer of budget appropriations; and give advance notice of proposals to grant extraordinary and supplementary appropriations.

Comprehensive Security Committee: This committee is responsible for proposing the adoption of decisions by the Banco de España relating to security matters. It is chaired by the Director General Services.

Documentary Policy and Assessment Committee: This committee is responsible for defining the characteristics for the classification, use and preservation of Banco de España documents, and for studying and delivering an opinion on its classification criteria, conservation periods, transfers, elimination and conservation of documents. It is chaired by the General Secretary.

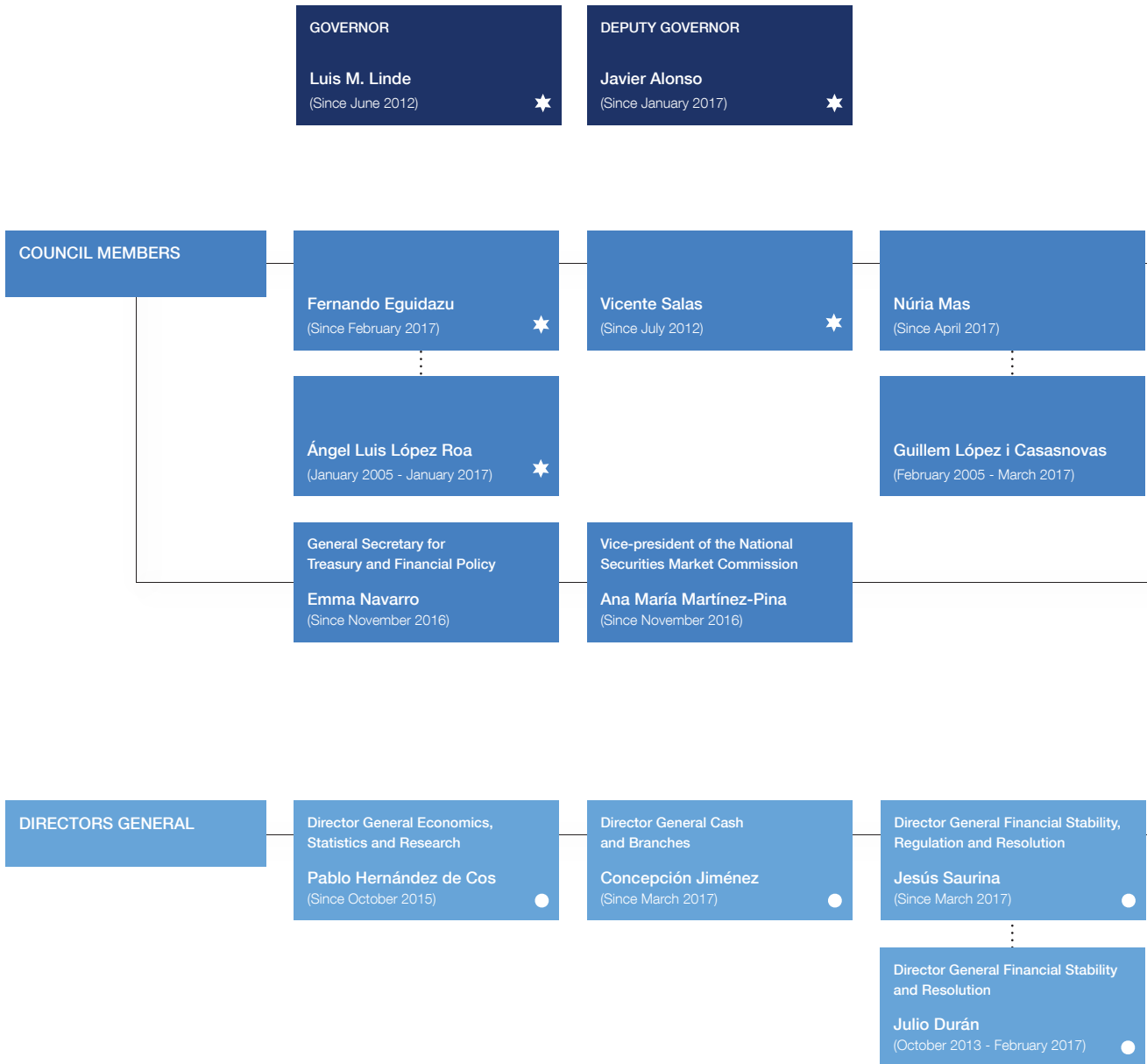
Committee Receiving Reports on Suspected Money Laundering: This committee, which was set up for the purpose of complying with the Banco de España's internal regulations on the prevention of money laundering and terrorist financing, is chaired by the Deputy General Secretary and receives and examines reports submitted by the departments and branches of the Banco de España in connection with its internal operations.

Leave of Absence Assessment Committee: This committee's main task is to assess the mandatory cooling-off periods applicable to Banco de España employees who request leave of absence to work for supervised or financial sector institutions. It is chaired by the Deputy General Secretary.

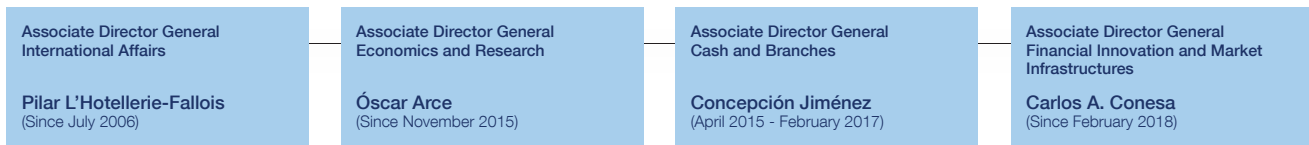
Workplace Health and Safety Committee: This committee's key tasks are to propose the policies and basic criteria for workplace health and safety, to coordinate and monitor preventive action and to submit the annual prevention plans for approval. It is chaired by the Associate Director General Services.

Independent Experts' Committee for the Evaluation of Supervised Institutions' Senior Officers: This committee, established in application of the provisions of Royal Decree 256/2013, comprises three external members (currently, Ignacio Sierra Gil de la Cuesta, Mercedes Vérguez Sánchez and Antonio Salinas Casado), who are appointed by the Bank's Governing Council, at the proposal of the Governor. Its main function consists of advising the Bank in the analysis of the suitability to take up office of the members of the board of directors, general managers and the like, and all those individuals who assume internal control functions and key functions, both in cases where a sentence has been handed down for the commission of offences or misdemeanours and where the individual being assessed is subject to a relevant and well-founded criminal investigation.

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



OTHER SENIOR MANAGEMENT MEMBERS ASSOCIATE DIRECTORS GENERAL



- ★ 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 Committee as non-voting members
- ◆ A staff representative attends the meetings of the Governing Council
- Members of the Audit Committee

Carmen Alonso
(Since January 2011) ■

Maximino Carpio
(Since June 2012) ■

Rafael Castejón
(Since October 2013) ■

General Secretary
Francisco Javier Priego
(Since October 2011) ▲

Staff Representative
Mariano Serrano
(Since June 2013) ◆

Director General Operations, Markets and Payment Systems
Juan Ayuso
(Since January 2017) ●

Director General Services
Manuel Labrado
(Since February 2013) ●

Director General Banking Supervision
Julio Durán
(Since March 2017) ●

⋮
Mariano Herrera
(February 2014 - February 2017) ●

Associate Director General Services
Antonio Pérez Ocete
(Since December 2016)

Associate Director General Banking Supervision
Alberto Ríos
(Since April 2017)

Deputy General Secretary
Jaime Herrero
(Since November 2016)

⋮
Pedro Comín
(February 2014 - February 2017)

1.2.6 Appearances by the Governor and the Deputy Governor

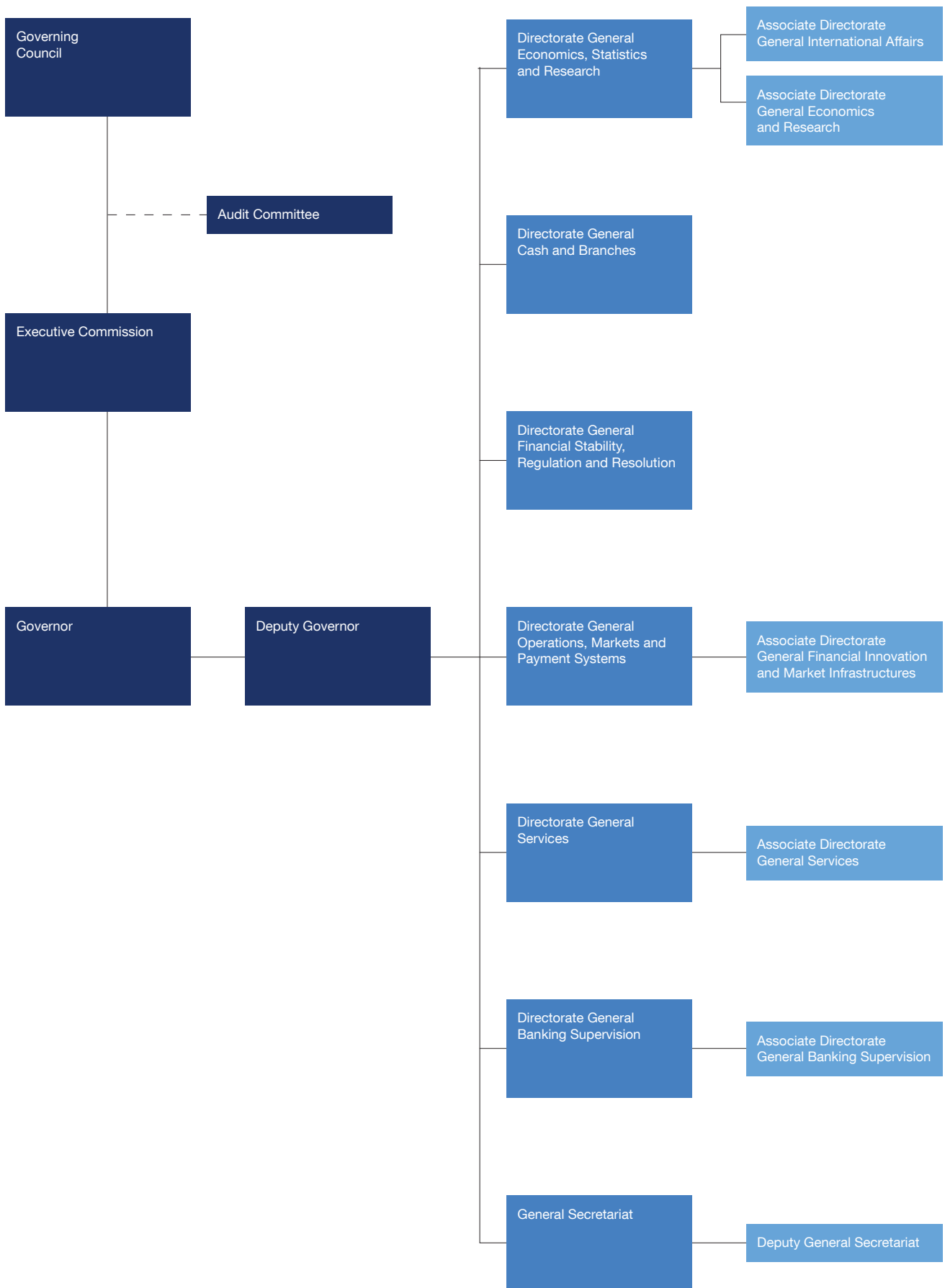
The Governor represents the Banco de España and regularly appears before the Spanish Parliament.

The Governor, as the representative of the Banco de España at the Spanish Parliament, makes regular appearances before the lower and upper houses of Parliament (Congreso and Senado, respectively). In 2017, the Governor appeared before Parliament on five occasions:

- Testimony before the Parliamentary Committee for the Monitoring and Assessment of the Toledo Pact Agreements, on 15 February.
- Testimony before the Parliamentary Budget Committee in relation to the draft State Budget for 2017, on 25 April.
- Testimony before the Upper House of Parliament, in relation to the draft State Budget for 2017, on 6 June.
- Testimony before the Lower House Parliamentary Committee for Economic Affairs and Competitiveness, on 20 June.
- Testimony before the Lower House Parliamentary Committee of Inquiry into the Financial Crisis in Spain and Financial Assistance Programme, on 12 July.
- Testimony before the Upper House Parliamentary Committee of Inquiry into the Financing of Political Parties, on 14 November.

The public appearances of the Governor and the Deputy Governor at different fora and organisations can be found on the Banco de España website.

ORGANISATION CHART OF THE BANCO DE ESPAÑA

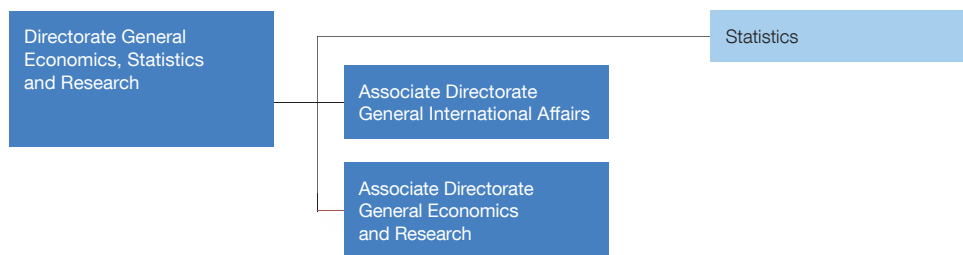


1.3 STRUCTURE OF THE BANCO DE ESPAÑA

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.

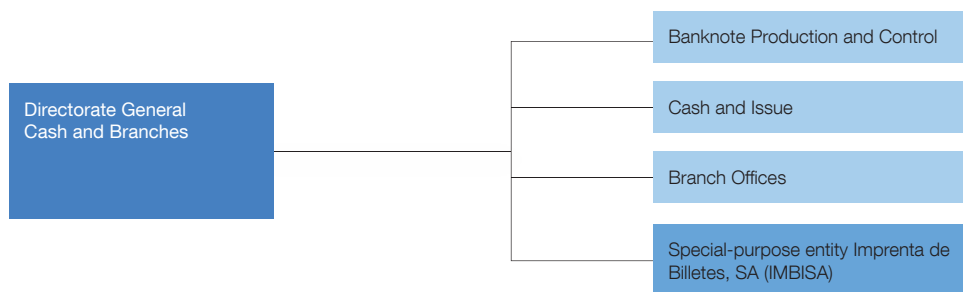
The Directorate General Economics, Statistics and Research prepares studies, research and statistics to advise the Bank's management.



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 integrated into 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.



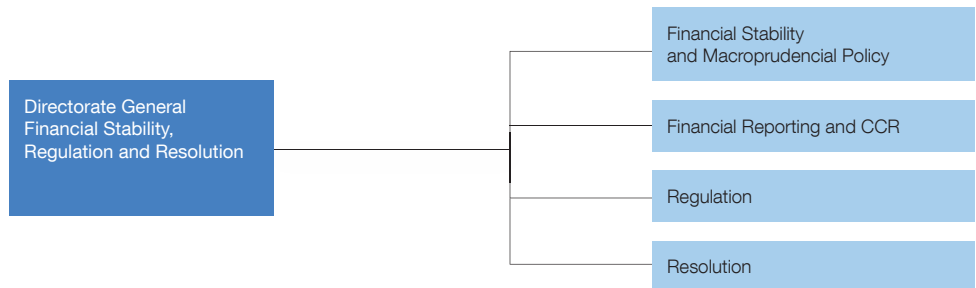
In March 2017, the Directorate General Cash and Branches was created (formerly an Associate Directorate General). It is responsible for, among other matters, monitoring the Banco de España's euro banknote production process (entrusted to the special-purpose entity IMBISA), the issuance of banknotes, the circulation of coins, and tasks relating to the withdrawal, exchange and custody of banknotes and coins. It also performs the



Scales for weighing ingots in the Gold Vault.

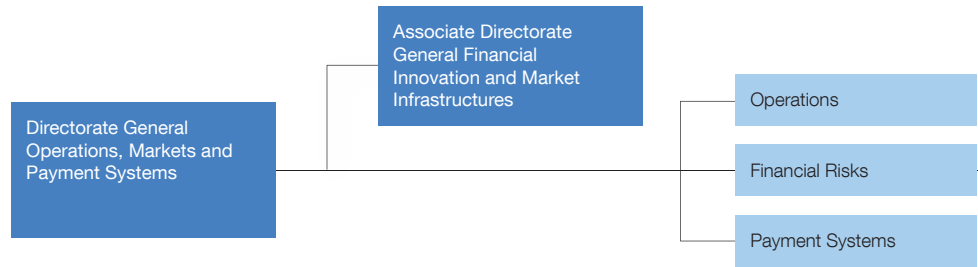
functions of detecting and analysing counterfeit banknotes and coins. Moreover, it is responsible for managing the Bank's branch network. The Director General is Concepción Jiménez.

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. Until March 2017, when it was still known as the Directorate General Financial Stability and Resolution, its Director General was Julio Durán. He was then replaced by Jesús Saurina, and the Directorate General adopted its current name.

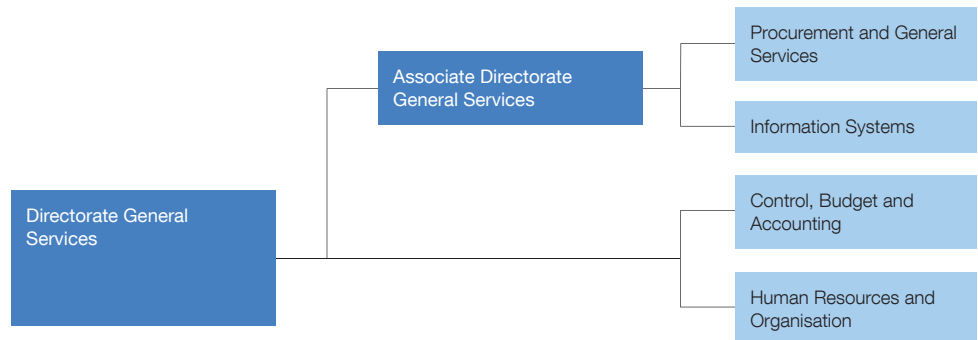
The Directorate General Operations, Markets and Payment Systems manages reserves and financial risks and oversees payment systems.



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. The Director General Operations, Markets and Payment Systems is Juan Ayuso.

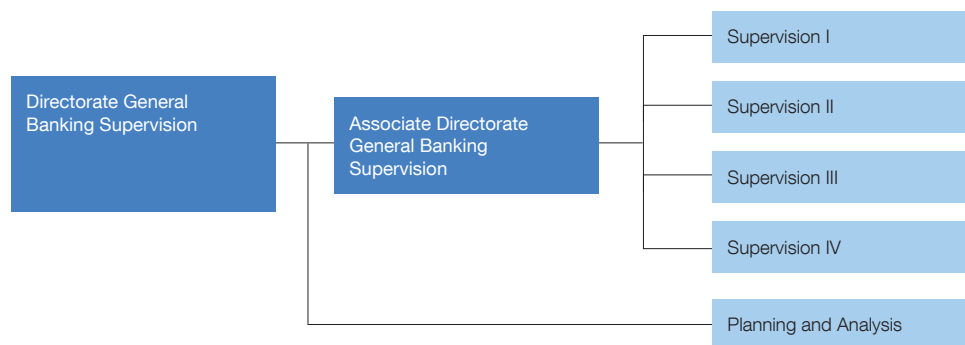
Although this report refers to 2017, the following updates the information contained therein at the closing of this edition. In February 2018, an Associate Directorate General Financial Innovation and Market Infrastructures was established under this Directorate General, with Carlos Conesa as the Associate Director General.

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 is Antonio Pérez Ocete.

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

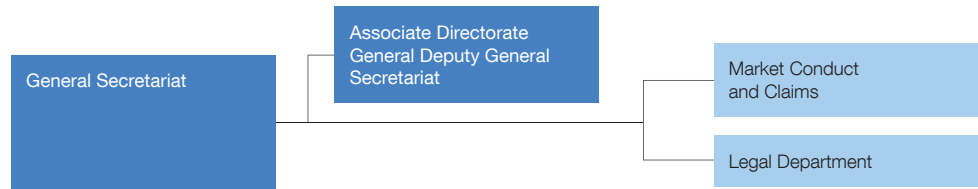


As regards the tasks performed by the Banco de España as a supervisory authority within the framework of the SSM, the Directorate General Banking Supervision is entrusted with supervising the solvency of credit institutions and their compliance with the specific regulations governing them, indirectly 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. Until March 2017, the Director General of Banking Supervision was Mariano Herrera and the Associate Director General, Pedro Comín. From that date, they were replaced by Julio Durán and Alberto Ríos, respectively.

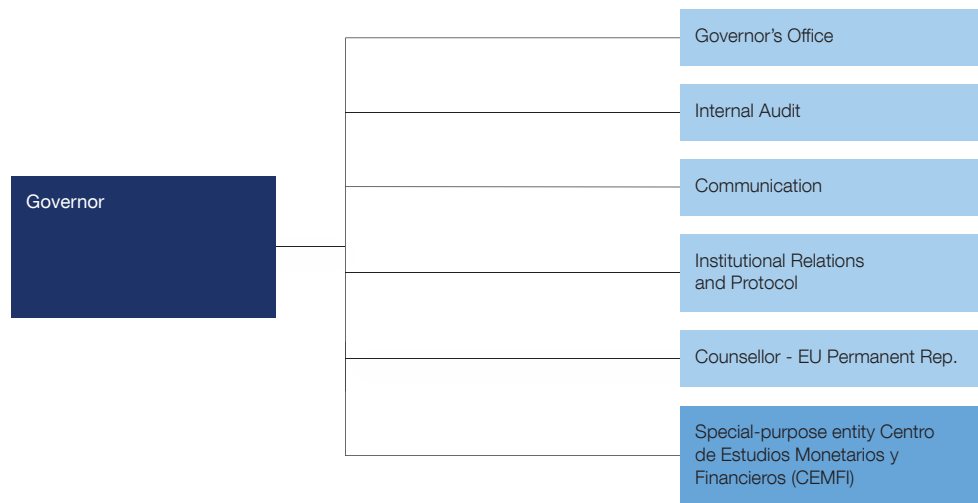


View of the inside of the building in Calle de Alcalá, 522.

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.



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 areas relating to transparency and access to public information, E-Administration and Virtual Office, institutional responsibility, and documentation, such as the Register, the archives and documentation management. The General Secretary is Francisco Javier Priego, and the Deputy General Secretary is Jaime Herrero.



Lastly, and reporting directly to the Governor, there are various departments which have been entrusted with cross-departmental functions. These departments, in their respective fields of competence, are responsible for internal audit functions as regards reviewing processes and procedures entrusted to them in connection with the institution's business areas; media relations and implementation of the Bank's communication policy and institutional image; functions relating to institutional activities and protocol, and to the Bank's advisory functions for the permanent representation of Spain to the European Union.

1.3.2 Banco de España head offices and branches

The Banco de España has its head offices 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 head offices 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



Map of Spain showing the Banco de España's regional organisation and branch network.

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.

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

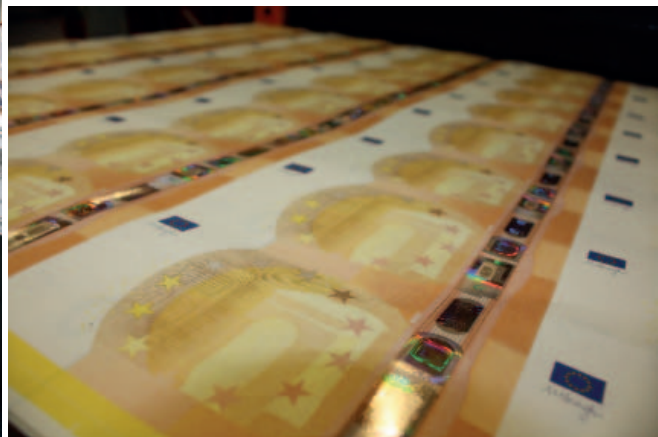
1.3.3 *Special-purpose entities*

The Banco de España has two special-purpose entities: a) the commercial-law company Imprenta de Billetes, SA (IMBISA), and b) the Fundación Centro de Estudios Monetarios y Financieros (CEMFI, by its Spanish abbreviation).

a) IMBISA

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



Central courtyard in the CEMFI head offices (left). Printing of Europa series €50 euro banknotes (right).

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 Spanish National Mint (FNMT-RCM, by its Spanish abbreviation), which may maintain its stake in IMBISA for as long as the company carries out its banknote production activities on the premises of the FNMT-RCM.

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 principal aim of organising a post-graduate programme focusing on education for high-level specialists in Economics and Finance.

The Bank set up the CEMFI in 1991, with the aim of promoting education and research in Economics, focusing particularly on monetary and financial issues. 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.

The governing and management bodies of the Foundation are its Board of Trustees and its Executive Commission. In 2017, the Board of Trustees was composed of a total of 16 members. Its ex officio members are the Governor, who chairs it, and the Deputy Governor of the Banco de España. The other members are appointed by the Executive Commission of the Banco de España, at the proposal of the Board of Trustees, for a four-year term of office and with the possibility of re-election. The Executive Commission

of the CEMFI is composed of five members and chaired by the Deputy Governor of the Banco de España.

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

In 2017, CEMFI obtained accreditation from the María de Maeztu Excellence Unit, granted by the State Research Agency to boost the quality of Spanish scientific research.

1.4 REPORTS AND PUBLICATIONS

1.4.1 Regular 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,⁵ this section briefly describes the most relevant ones.

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



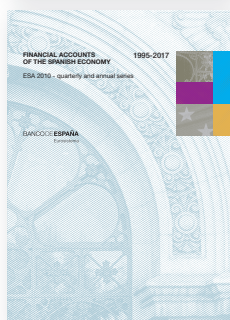
Institutional Report

The *Institutional Report* is intended to provide citizens and the public at large with a fuller view of the organisation and structure of the Bank, and of the various functions it performs. It also summarises the principal activities carried out over the previous year.



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, by its Spanish abbreviation), and ii) the financial balance sheets and financial transaction accounts for the sectors and sub-sectors of the Spanish economy.

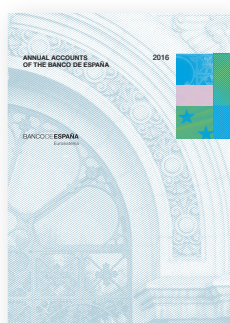


Report on Banking Supervision in Spain

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

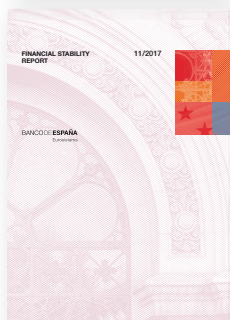
⁵ The Publications Catalogue, periodically updated, can be found at the following link <https://www.bde.es/f/webbde/Secciones/Publicaciones/Relacionados/Fic/Catalogopublicaciones.pdf>. Most of the documents listed there are available in pdf format, downloadable free of charge, at <http://www.bde.es/webbde/es/secciones/informes/>. If a publication cannot be found on the website, it can be requested from publicaciones@bde.es.

adopted, Banco de España circulars relating to supervision and its participation in international fora on banking regulation and supervision.



Annual Accounts of the Banco de España

The *Annual Accounts* comprise the balance sheet, the profit and loss account and the notes to the accounts. These accounts have been prepared in accordance with the accounting policies established framework established for national central banks in the ESCB.



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.



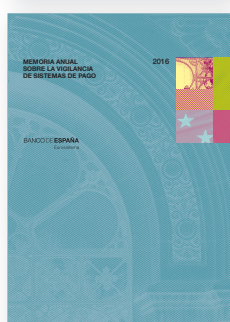
Central Credit Register Report

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) 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.



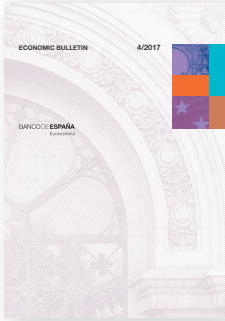
Annual Report on the Oversight of Payment Systems

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.



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

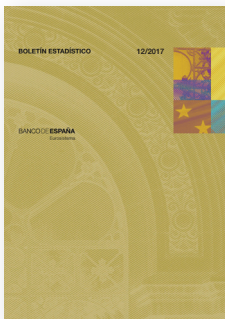
This publication contains the annual series of results of non-financial corporations over the last ten years (balance sheets, income statements, ratios, etc.) and non-financial information relating, *inter alia*, to employment and salaries.



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”.

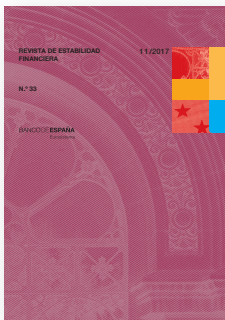
The Bulletin’s frequency of publication and contents have been changed, and with effect from January 2017, it has been published quarterly and includes the “Quarterly Report on the Spanish Economy”. The Analytical Articles in the Bulletin are published separately on the Bank’s website during the quarter. The change in format aims to highlight this type of publication, which complements the research of the Banco de España, seeking to bring the papers and analyses of the Banco de España to the attention of a broad audience interested in current economic and financial affairs.

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 international experts in economic and finance, which provides a summary, every six months, of research activities at the Banco de España.

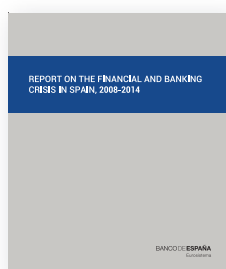
Mention should also be made of two daily publications: the *Operations Bulletin*, which provides information on the interbank market and official euro exchange rates against other currencies, and the *Public Debt Market Bulletin*, with information on debt transactions and the characteristics of outstanding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

1.4.2 Special publications

In addition to the documents regularly published by the Banco de España in the form of reports, bulletins or journals, mention should be made of two unique publications that were released in 2017, in view of their content and significance.

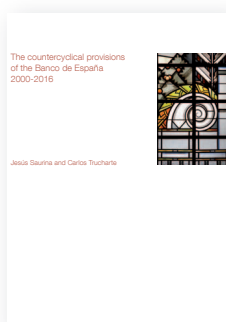


Report on the financial and banking crisis in Spain, 2008-2014

Although the Banco de España had already made publicly available, on its website and in the form of printed publications, extensive documentation relating to the international financial crisis that began in 2007, a specific report on this crisis was prepared in 2017. The purpose of this report was to provide an ordered and systematic analysis of the impact on the Spanish financial system of the international financial crisis that began in 2007, and of the regulation, supervision and intervention measures adopted in the 2008-2014 period.

The Directorates General Supervision, Economics, Statistics and Research, Financial Stability, Regulation and Resolution and the General Secretariat of the Banco de España took part in drafting this report, under the coordination of Fernando Eguidazu, member of the Governing Council of the Banco de España.

The report was structured around five chapters and two annexes. The first four chapters follow a chronological sequence, comprising four phases: the years of economic expansion (2000-2007), the onset of the crisis (2008-2011), the worsening of the crisis (2012-2013) and the economic and financial normalisation (2014). Chapter 5 reviews the restructuring process of the Spanish banking system. Annex 1 summarises the collaboration between the Banco de España and the FROB with judicial bodies in relation to the banking crisis, and annex 2 provides a list of the main documents published by the Banco de España before the aforementioned crisis.



The countercyclical provisions of the Banco de España, 2000-2016

This book, written by Jesús Saurina and Carlos Trucharte, was also published in 2017. It discusses the vicissitudes that had to be overcome by the countercyclical provisions pioneered by the Banco de España, long before there was talk of macroprudential regulation of credit institutions.

This publication also emphasises the role played by this instrument in moderating credit expansion, since it obliges institutions to record provisions linked to such growth and, above all, it highlights their effectiveness in preventing even greater credit contraction during the recession than that which occurred.

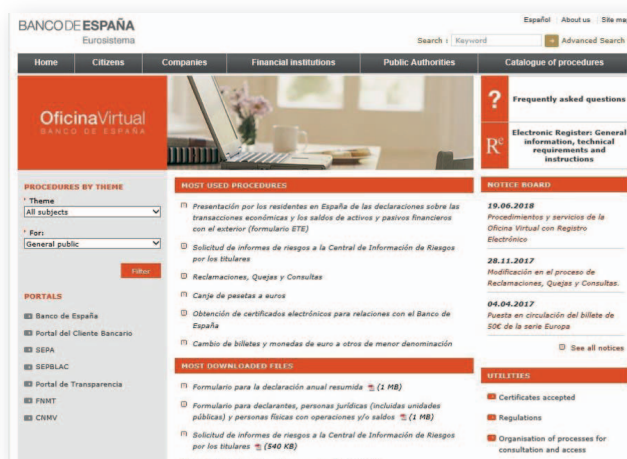
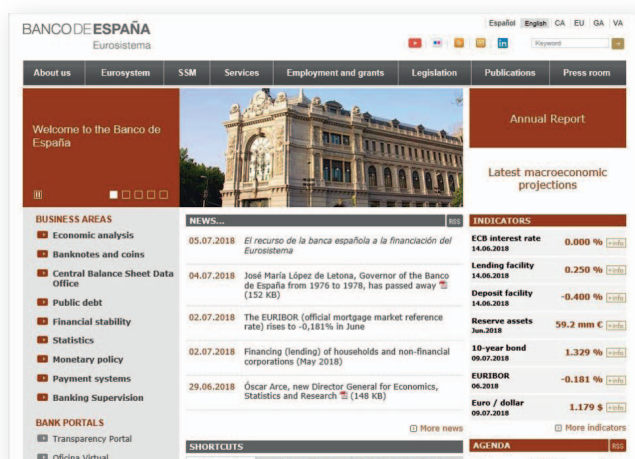
Furthermore, the publication stresses the role played by the provisions as a source of inspiration for the countercyclical capital buffer agreed by the Basel Committee on Banking Supervision in 2010, and concludes that, with some nuances along the way, these provisions can also be considered the precursors of the expected-loss concept to calculate credit provisions under the IFRS 9.

1.5 BANCO DE ESPAÑA WEBSITE AND PORTALS. VIRTUAL OFFICE

Through its website and various portals, the Banco de España offers the general public access to information and documents which, both in terms of volume and useful content, are a major source of economic and financial information.

The Bank's website is a vehicle that conveys and gives access to information about its main activities, such as those relating to the following areas: economic analysis, banknotes and coins, Central Balance Sheet Data Office, public debt, financial stability, statistics, monetary policy, payment systems and supervision.

The website also contains information on the services provided by the Bank, the main economic and financial indicators and the most relevant news concerning to the institution. The electronic versions of publications and an extensive database of sector-specific legislation are also available on the website. In addition, all the information relating to Banco de España job offers and scholarships can be found on the website.



Banco de España's website and portals.

The Banco de España has several specific portals that give access to a wealth of information and the possibility of carrying out online business or procedures. These include the Virtual Office, the Transparency Portal, the *Portal del Cliente Bancario* (Bank Customer Portal), the *Portal Educativo* (Education Portal) and the portal called *Finanzas para todos* (Finance for all), as well as the Economic Research Portal, which is only available in English.

The key aspects of these portals, of undoubted interest to the general public, are summarised below.

1.5.1 The Virtual Office and E-Administration

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, and to access the electronic services provided by the Banco de España and the related standardised forms.

The Virtual Office enables users to electronically perform 68 different procedures with the Banco de España.

The Virtual Office enables users to perform 68 procedures undertaken or resolved by the Banco de España at the request of the party concerned. The website also provides access to a range of information. In 2017, the Virtual Office received 850,316 visits, 160,064 more than in 2016, an increase of around 23%, which confirms the upward trend of recent years.

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 43% of all visits, and the “Citizens” section, with 38% of visits.

The most viewed procedures are:

- Request for risk reports from the Central Credit Register, with 462,014 page views (48% of the total).
- Submission of claims, complaints and queries, with 167,207 page views (18% of the total).
- Reporting on economic transactions and cross-border financial asset and liability balances of residents in Spain (ETE form), with 109,674 page views (12% of the total).
- Exchange of pesetas for euros, with 89,142 page views (9% of the total).

In 2017, the Virtual Office received 2,321 electronic mails, which represents an increase of approximately 20% with respect to 2016.

In 2017, the Banco de España strengthened digitalisation by developing and enhancing the use of electronic means, such as the digitalisation of documents, the creation of the Electronic Register of Powers of Attorney or improvement of the Electronic Register.

In 2017, the Banco de España strengthened the use of electronic tools to optimise organisational processes, in line with its commitment to enhance E-administration, to facilitate as much as possible the functioning of electronic means in the conduct of its business. As a result, the guaranteed digitalisation of documents in the General Register was implemented, the Electronic Register of Powers of Attorney was created, the design of the electronic notification system was completed, and work was under way on simplifying the use of the Electronic Register by the general public.

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.

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

In 2017, the number of documents submitted through Banco de España registers rose considerably. As the table below shows, there was an increase in both the on-site registers and in the Electronic Register, with the number of documents submitted to the latter significantly higher than in 2016, in line with recent years.

| | 2016 | 2017 | Year-on-year change |
|---------------------|---------------|----------------|---------------------|
| On-site Register | 69,232 | 95,427 | 37.84% |
| Electronic Register | 29,539 | 51,342 | 73.81% |
| TOTAL | 98,771 | 146,769 | 48.59% |

1.5.2 The Transparency Portal. Information point and requests for access to public information

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, Access to Public Information and Good Governance, 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.



General Register counter, in the main banking hall (*Patio de Operaciones*).

- *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 19% in 2017.

| | 2016 | 2017 | Year-on-year change |
|-----------------------------------|--------|--------|---------------------|
| Visits to the Transparency Portal | 28,470 | 33,810 | 19% |

The most visited section of the Transparency Portal, not counting the home page, continues to be the section on economic information, which accounts for 61% of total visits.

In this connection, it should be noted that, in 2017, the Transparency and Good Governance Council assessed the degree of compliance with the Law on Transparency of Spanish constitutional bodies and regulatory agencies, and established a ranking in which the Banco de España came third. The report analysed both mandatory transparency, referring to whether organisations fulfil their obligation to publish on their websites the information required by the Law on Transparency, and voluntary transparency, where organisations go a step further and publish the information most demanded by citizens, although the law does not require them to do so.

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

The Banco de España also 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.

The information point handled 6,459 requests in 2017.

In 2017, the information point of the Banco de España handled 6,459 requests, in keeping with the volumes recorded in 2016. Of the total visits to the information point, 63% were on-site, while 37% were online, through the e-mail addresses of the Virtual Office and Transparency Portal.

Despite the prevalence of the on-site information point, as the table below shows, the use of online information systems by the general public has increased and is now preferred by 40% of citizens.

| | 2016 | 2017 | Year-on-year change |
|---------------------------|--------------|--------------|---------------------|
| On-site information point | 5,092 | 4,054 | -20.38% |
| On-line information point | 1,995 | 2,405 | 20.55% |
| TOTAL | 7,087 | 6,459 | -8.86% |



Participation by the Banco de España in the presentation of the report of the Transparency and Good Governance Council.

The Bank handled 13 requests for access to public information in 2017.

The section on the process for requesting access to public information of the Banco de España received 3,580 visits in 2017 and 13 requests for access to public information were submitted during the year.

1.5.3 The Bank Customer Portal

The Bank Customer Portal offers individuals who have (or may have in the future) dealings with a banking institution, information on banking products and services, statistics and indicators, the current financial situation, and e-mail boxes for complaints and queries.

The primary aim of the portal is to assist bank customers by providing useful information on good banking practices, and on the different types of financial institutions and their operational framework and activities, together with a detailed explanation of those that are supervised by the Banco de España.

This information is supplemented with an extensive list of general banking regulations and regulations more directly related to banking transparency and consumer protection.

The portal also provides detailed explanations, in language that is easy to understand, of the main banking products and services available in different areas such as financing, accounts and deposits, payment services, and cash, cheques or guarantees. For this purpose, there are simulators which allow the user to calculate, for example, the annual percentage rate (APR) of a mortgage or personal loan, the instalment payable on such loans or even the maturity date of the last instalment of a revolving card.

Other key elements of this portal worth mentioning are those relating to information on how to file a complaint or submit a query, or to financial education.

Proof of the broad public response to this portal is the number of visits it received in 2017 (a total of 4,043,337), notably higher than the already significant number received in 2016 (3,618,664).

| | 2016 | 2017 | Increase |
|------------------------------------|-----------|-----------|----------|
| Visits to the Bank Customer Portal | 3,618,664 | 4,043,337 | 11.7 % |