

**G) THE NATIONAL CENTRAL BANKS  
OF THE EUROSISTEM**

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| <b>1) Deutsche Bundesbank</b>  |
| <b>2) Bank of Greece</b>   |
| <b>3) Bank of Finland</b>  |
| <b>4) Banco d' España</b>  |
| <b>5) Central Bank and Financial Services Authority of<br/>Ireland</b> |
| <b>6) Banca d' Italia</b>  |
| <b>7) Banque centrale du Luxembourg</b>                                |
| <b>8) De Nederlandsche Bank</b>  |
| <b>9) Oesterreichische Nationalbank</b>                                |
| <b>10) Banco de Portugal</b>   |
| <b>11) Banque Nationale de Belgique</b>                                |
| <b>12) Banque de France</b>  |
| <b>13) Bank of Slovenia</b>  |
| <b>14) Central Bank of Cyprus</b>                                      |
| <b>15) Central Bank of Malta</b>                                       |
| <b>16) National Bank of Slovakia</b>                                   |

# 1) DEUTSCHE BUNDESBANK

**Staff number: 11.160**

Projection by the end of 2012: 9.000

- The Deutsche Bundesbank (D.B) was initially established on March 1948 under the name “Bank Deutscher Länder”. Under the Deutsche Bundesbank Act of 26 July 1957, the Bank Deutscher Länder absorbed previously affiliated Landeszentralbanken and its name changed to Deutsche Bundesbank. It is a Federal corporation under public law. Its basic capital, amounting to five billion Deutsche Mark (2.556.459.405 euros), is held by the Federal Government. It consists of the head office (Directorium) in Frankfurt am Main, nine Regional Offices (former “Landeszentralbanken”) and 47 branches.
- **In 1993, the D.B had 192 branches**, in particular 64 main branches (Hauptstellen) and 128 sub-branches (Zweigstellen). It decided to close gradually some of its sub-branches and the remaining became all main branches i.e. equal branches. The division between «Hauptstellen und Zweigstellen» was abolished. On 21<sup>st</sup> December 2001 remained 127 branches. In 2004, the Bundesbank had 126 branches. Up to 31.12.2004 it suppressed 60 branches. On 31<sup>st</sup> December 2006 remained 61 branches and at the end of the reorganisation period i.e on 1<sup>st</sup> October 2007 **remained only 47 branches**.
- In 2003, the Bank transferred a great percent of its counting and sorting activities, mainly of its branches, to private companies; although 2.600 employees lost their job, nobody dismissed; employees who have 55 years and more are entitled to an early retirement scheme which provides for 75% of the salary until 65 years, the legal age of the retirement in Germany. The Bank, also encourages these employees, who wish to remain in the Bank, to convert their full-time employment to a part-time job; in this case, they would received 83% of the gross salary, i.e 65% of their net salary. Some other employees are transferred to other Bank units.
- The D.B., as a member of the Eurosystem, implements the monetary policy defined by the Governing Council of the ECB and exercises the other core tasks of the ESCB. It has no printing works or mint. It purchases the national quota of euro banknotes by the private printing works: a) Giesecke und Devrient (G and D) with two factories in Munich

and Leipzig b) Bundesdruckerei Group in Berlin, owned by Apax Partners, an English multinational company.

- The banking supervision is entrusted with the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht, BAFin) that cooperates closely with the central bank. Into the new super-regulator authority BAFin, operating as from 1<sup>st</sup> May 2002, were amalgamated the Federal Banking Supervisory Office, the Federal Supervisory Office for Insurance Enterprises and the Federal Supervisory Office for Securities Trading. The Bundesbank executes prudential audits evaluating documents, reports, annual accounts and auditors' reports submitted by the institutions as well as regular on the spot audits of banking operations.

- The Bundesbank's decision-making body is the Executive Board. It comprises the President, the Vice-President and six other members. Its mandate is to govern and manage the Bundesbank. The Board has prepared an organisational statute to establish how responsibilities are shared out among the Board members and to determine the tasks which may be delegated to the Regional Offices. The President, the Vice-President and the other members of the Directorate are nominated by the Federal Government and appointed by the President of the Federal Republic. Members of the Directorate are appointed for eight years, or in exceptional cases for a shorter term of office, but not for less than five years.

## **ACTIVITIES OF THE DEUTSCHE BUNDESBANK**

### **Core activities**

1) Implementation of monetary policy decided by the Governing Council of the ECB.

2) Implementation of the foreign exchange rate policy within the Eurozone policies.

3) Management of the Deutsche Bundsbank foreign exchange and euro reserves and the ECB quota FX reserves.

4) Payment systems: oversight and ensuring the smooth and professional execution of domestic and cross-border payments.

- Management of the RPS, a retail payment system, having 15% of the total of processing retail payments in Germany.

- Management of the Electronic Securities Settlements (ESS) system for the monetary settlement of securities and derivatives in central bank money.

- Management with the Bank of France and the Bank of Italy of the single share platform of the system TARGET2.
- Function of the RTGSplus which as from 19 November 2007 is the national component of the single shared platform of the TARGET2 system. RTGSplus was the first component in cross-border payment value and the third in domestic payment value among the national components of the TARGET.
- Providing clearing and settlement services for exchange-traded and over-the-counter (OTC) spot and forward transactions in central bank money.

**5) Bank of banks:** Keeping current accounts, providing services for settling cashless payments and refinancing facilities within the framework of the Eurosystem.

**6)** It participates in the supervision of banking system collaborating closely with the Federal Financial Supervisory Authority (BAFin) which is the main super-regulator and supervision authority.

### **Other activities**

**1) Bank of the State:** it is the principal bank of the Federal Government and, to a lesser extent, of the Ländern Governments. It keeps accounts for public authorities, executes payments and assists Ländern Governments in their borrowing in the capital markets. It also puts coins into circulation on the behalf of the Federal Government. German euro coin quantity is produced by the five State Mints in Hambourg, Berlin, Karlsruhe, Munich and Stuttgart.

**2) Statistical tasks:** collecting and processing business and balance of payments statistics.

**3) Research Centre.** The Research Centre was established at the Deutsche Bundesbank in 2000 to examine a range of economic topics. The scope of the centre's research was extended in March 2005 to include banking supervision, financial stability and risk modelling. The main issues of current research are the monetary transmission process, the transformation process in central and eastern Europe, cyclical analysis and how open economies function. The Research Centre publishes discussion papers, organises conferences and provides study opportunities for visiting researchers. The Centre has the support of a research council and research professors.

**4) Portfolio Management** of the pension reserves for Federal civil servants. Management of the assets of the «Geld und Währung» Monetary Stability Foundation.

- 5) Asset manager of the Federal Employment Agency's pension scheme and asset manager of funded pension for civil servants working at the Federal Financial Supervisory Authority (BAFin).
- 5) Mediation Board for cross-border credit transfers and as from 1st January 2002 also for domestic credit transfers.
- 6) Central Credit Register for loans.
- 7) Currency supply and care of currency in circulation. The D.B aims to maintain a share around 50% of the recycling volume in banknote processing. The remaining is treated by private companies.
- 8) Technical Central Bank Co-operation, TCBC: the DB offers support to central banks in transition countries, emerging markets and developing countries. It mainly comprises training and consultancy services.
- 9) The DB offers a wide range of services to foreign central banks and international institutions wishing to invest their euro-denominated monetary reserves. These services include correspondent account management, short-term money market investments, capital market investments, safe custody services and foreign exchange dealings.
- 10) School Service: this is where the Deutsche Bundesbank features material on money and monetary policy that has been specially tailored to the needs of schoolchildren. The material includes the two booklets "Our money" (for lower secondary school pupils) and "Money and monetary policy" (for the upper secondary school). Each year the Bundesbank and the German Association for the Promotion of Economic and Social Education in Bonn make an updated version of these publications available free of charge to all schools.

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| <b>Summary of some important non purely monetary activities of the Deutsche Bundesbank</b> |
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| ⊙ Management of the retail payment system RPS and the Electronic Securities Settlements (ESS) system. |
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| ⊙ Promoting Financial Stability and collaborating with BAFin in the supervision of banking system. |
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| ⊙ Providing clearing and settlement services for exchange-traded and OTC transactions in central bank money. |
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| ⊙ Counting, sorting and recycling of 50% de billets de banque. |
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| ⊙ Bank of the Federal Government and, to a lesser extent, of the Regional (Ländern) Governments. |
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| <p>⊙ Portfolio Management of the pension reserves for Federal civil servants, judges and professional soldiers. Management of the assets of the «Geld und Wahrung» Monetary Stability Foundation.</p> |
| <p>⊙ Asset manager of the Federal Employment Agency’s pension scheme and asset manager of funded pension for civil servants working at the Federal Financial Supervisory Authority (BAFin).</p>        |
| <p>⊙ Research Centre.</p>  |
| <p>⊙ Deutsche Bundesbank University of Applied Sciences, Hacckenburg.</p>  |
| <p>⊙ Technical Central Bank Co-operation.</p>  |

## ORGANISATION CHART OF THE DEUTSCHE BUNDESBANK

| <b>EXECUTIVE BOARD</b>   |
|--|
| <ul style="list-style-type: none"> <li>● President</li> </ul>        |
| <ul style="list-style-type: none"> <li>● Vice – President</li> </ul> |
| <ul style="list-style-type: none"> <li>● 5 members</li> </ul>        |

### AREA 1 (PRESIDENT)

- President’s Office. Secretariat to the Executive Board
- European Secretariat
- Compliance Officer
- Research Centre
- Chairman of the Main Staff Representation Council
- Senior Equal Rights Officer
- Senior Representative of Disable Employees
- ▣ **Department: Communications**
    - Press and Public Relations Division
    - Information, Management and Language Services Division
  - ▣ **Department: Economics**
    - Office for Cross-sectional Tasks and Speeches
    - Monetary Policy and Analysis Division
    - Public Finances Division
    - Macroeconomic Analysis and Projections Division

- Balance of Payments, Exchange Rates and Capital Markets Analysis Division

## **AREA 2 (VICE-PRESIDENT)**

- Vice-President's Office

### **□ Department: Banking and Financial Supervision**

- Banking Supervision Law and International Banking Supervision Division
- Micro and Macro-Prudential Analysis of the Banking Sector Division
- On-Site Inspections and Implementation of Basel II Division
- Accounting and Supervisory Databases Division

### **□ Department: Legal**

- Administrative Law Division
- Institutional Law Division
- Financial Law Division
- Anti-Money Laundering Officer
- Arbitration Board for Credit Transfers

## **AREA 3 (MEMBER OF THE BOARD)**

### **□ Department: International Relations**

- Office for European relations
- International Affairs, IMF, G7 and International Development Issues Division
- International Monetary and Economic Trends Division
- International Financial System Division

### **□ Department: Statistics**

- Banking and External Stock Statistics Division
- Balance of Payments Statistics and International Investment Position Division
- General Economic, Capital Markets and Financial Statements Statistics Division
- Statistical Informations Systems and Mathematical Methods Division
- Representative Office in Tokyo, Japan
- Representative Office in New York, USA

#### **AREA 4 (MEMBER OF THE BOARD)**

##### **□ Department: Information Technology**

- IT Client Liaison Management Division
- IT Operations and Services Division
- Applications Development Division
- IT Infrastructure Division
- IT Project Services and Quality Management Division

##### **□ Department: Markets**

- Strategic Issues Division
- Market Analyses and Portfolios Division
- Market Operations Division
- Centre for Education, Training, and Central Bank Cooperation
  - Education and Training
  - Centre for Technical Central Bank Cooperation
  - Deutsche Bundesbank University of Applied Sciences, Hacckenburg

#### **AREA 5 (MEMBER OF THE BOARD)**

##### **□ Department: Human Resources**

- Office for Human Resources Policy Issues
- Human Resources Management Division
- Internal Staff Services, Compensation and Pensions Division
- Institutional and Regulatory Financial Market Issues
- Office for Risk Control

##### **□ Department: Cash**

- Banknote Development and Issue, Coins and Counterfeit Currency, Damaged Banknotes and Coins Division
- Cash Operations and Logistic Division
- Policy Issues of Cash Payment and Cash Processing Machines Division

#### **AREA 6 (MEMBER OF THE BOARD)**

##### **□ Department: Controlling, Accounting and Organisation**

- Cost Accounting and Budgets Division
- Accounting Division
- Organisation Division



- Corporate Controlling and Strategic Planning Division
- **Department: Payments and Settlement Systems**
- Payment Systems Policy and Oversight and Account Management Policy Division
- Payment and Account Management Operations Division
- Trades Settlement, Securities Deposits and Securities Settlement Systems Division
- IT Projects Payments and Settlement Systems
  - Data Protection Officer
  - Confidentiality Protection Officer

**AREA 7 (MEMBER OF THE BOARD)**

□ **Department: Audit**

- Office for Steering of Branch Audits
- Methods, Special Investigations and Cash Operations Audits Division
- IT Infrastructure Audits Division
- Audits of Banking Operations, Accounting and Administration Division

□ **Department: Administration and Premises**

- Infrastructure Division
- Logistics and Operational Security Division
- Centralised Construction Management Division

**REGIONAL OFFICES  
AND BRANCHES**

|                                     |
|-------------------------------------|
| <b>A) Hauptverwaltung Stuttgart</b> |
| (Baden-Württemberg)                 |
| <u>Branches</u>                     |
| <b>1) Stuttgart</b>                 |
| <b>2) Freiburg</b>                  |
| <b>3) Karlsruhe</b>                 |
| <b>4) Reutlingen</b>                |
| <b>5) Ulm</b>                       |
| <b>6) Villingen-Schwenningen</b>    |
| <b>B) Hauptverwaltung München</b>   |


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|---|
| (Bayern)  |
| <u>Branches</u>   |
| <b>1) München</b>   |
| <b>2) Augsburg</b>  |
| <b>3) Bayreuth</b>  |
| <b>4) Nürnberg</b>  |
| <b>5) Regensburg</b>  |
| <b>6) Würzburg</b>  |
| <b>C) Hauptverwaltung Berlin</b><br>(Berlin und Brandenburg)  |
| <u>Branches</u>   |
| <b>1) Berlin</b>  |
| <b>2) Cottbus</b>   |
| <b>D) Hauptverwaltung Hamburg</b><br>(Freien und Hansestadt Hamburg,<br>Mecklenburg-Vorpommern und<br>Schleswig-Holstein) |
| <u>Branches</u>   |
| <b>1) Hamburg</b>   |
| <b>2) Flensburg</b>   |
| <b>3) Kiel</b>  |
| <b>4) Lübeck</b>  |
| <b>5) Neubrandenburg</b>  |
| <b>6) Rostock</b>   |
| <b>E) Hauptverwaltung Frankfurt</b><br>(Hessen)   |
| <u>Branches</u>   |
| <b>1) Frankfurt am Main</b>   |
| <b>3) Giessen</b>   |
| <b>3) Kassel</b>  |
| <b>F) Hauptverwaltung Hannover</b><br>(Freien Hansestadt Bremen,<br>Niedersachsen und Sachsen-Anhalt)                     |
| <u>Branches</u>   |


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|--------------------------------------|
| <b>1) Hannover</b>                   |
| 2) Bremen                            |
| 3) Göttingen                         |
| 5) Magdeburg                         |
| 6) Oldenburg                         |
| 7) Osnabrück                         |
| <b>G) Hauptverwaltung Düsseldorf</b> |
| (Nordrhein-Westfalen)                |
| <u>Branches</u>                      |
| <b>1) Düsseldorf</b>                 |
| 2) Aachen                            |
| 3) Bielefeld                         |
| 4) Bochum                            |
| 5) Dortmund                          |
| 6) Duisburg                          |
| 7) Essen                             |
| 8) Hagen                             |
| 9) Köln                              |
| <b>H) Hauptverwaltung Mainz</b>      |
| (Rheinland-Pfalz und Saarland)       |
| <u>Branches</u>                      |
| <b>1) Mainz</b>                      |
| 2) Ludwigshafen                      |
| 3) Koblenz                           |
| 4) Saarbrücken                       |
| <b>I) Hauptverwaltung Leipzig</b>    |
| (Freistaaten Sachsen und Thüringen)  |
| <u>Branches</u>                      |
| <b>1) Leipzig</b>                    |
| 2) Chemnitz                          |
| 3) Dresden                           |
| 4) Erfurt                            |
| 5) Meiningen                         |


## 2) **BANK OF GREECE**


(Τράπεζα της Ελλάδος)


**Staff number: 2.700**


 The Bank of Greece (BOG) was established by virtue of the Geneva Protocol of 15.9.1927 and started its operations as from 14 May 1928. Its share capital goes up to 111.243.361,60 euros divided in 19.864.886 shares each having a nominal value of 5,60 euros. The share capital is distributed among a large number of individuals and institutional investors. The State controls the Shareholder's General Meeting through the packet of shares of social security funds, about 8% of the total of BOG shares. All the shares are quoted in the Athens Stock Exchange.


 The BOG primary objective is to ensure price stability. It carries out the core activities of the Eurosystem, supervises the credit institutions and operates its own printing works and mint. It has a large network of branches, counters and agencies even after the restructure of the network in 2007 (see below).

 It owns and operates the Electronic Secondary Securities Market for government securities. It operates also modern currency centers mainly in Athens metropolitan area and in Thessaloniki and to a lesser extent in its branch network.

 The BOG supreme body is the Shareholder's General Meeting. It approves the annual balance sheet of the Bank, the report of the Governor, and the amendments of the Statute prior to their submission to the Parliament. It also decides on the distribution of dividend and the increase of Bank's reserves.

 The General Council is responsible for the general management of Bank's affairs with the exception of core activities of the Eurosystem. It consists of the Governor-President, the two Deputy Governors and the three other members of the Monetary Policy Council as well as of six other members; one of them represents the Bank of Greece Employees Union and another the General Confederation of Greek Workers.

 The Monetary Policy Council decides on monetary and foreign exchange policy implementation and on payment systems issues within the guidelines and the policy of the Eurosystem.

 The Governor and the two Deputy Governors are charged with the executive management of the BOG. The Governor is, also, president of the General Council and the Monetary Policy Council.

## **ACTIVITIES OF THE BANK OF GREECE**

### **Core activities**

- 1) Implementation of monetary and foreign exchange policy within the framework of the Eurosystem policy.
- 2) Management of euro and foreign exchange reserves of the BOG and FX reserves quota of the ECB.
- 3) According to a contract: management of the Central Bank of Cyprus' quota of the ECB FX reserve.
- 4) Payment systems: the BOG manages the «HERMES», a RTGS system component of the TARGET1 system. As from 19 May 2008 HERMES was abolished and replaced by the FRESH System and the Transactions System. Both of them are partially the national component of the single shared platform of the TARGET2 system. The BOG has also the following responsibilities in the area of payment systems:
  - a) management of the «Electronic Secondary Securities Market» a system which trades government securities
  - b) cash settlement of shares and securities of Athens Stock Exchange and Athens Derivatives Exchange in central bank money
  - c) participation in the share capital and presidency of the «DIAS», the Greek interbank settlement system for small payments
  - d) management of traditional clearing houses
  - e) oversight of all the country payment systems.
- 5) Banking and financial supervision i.e. on-site and off-site inspections of banks, co-operative banks, specialised credit institutions, financial companies of credit institutions, foreign exchange offices, funds transfer companies and the Guarantee Fund for Small and Very Small Enterprises.
- 6) Contribution to the supervision of investments of social security funds through its participation in the Committee of Control and Supervision of the Management of Reserves of Social Security Organisations.
- 7) Examination and Certification of professional efficiency of employees and executives of credit institutions.
- 8) Printing banknotes and minting coins.

9) Bank of banks: keeping current accounts of credit institutions and acting as a settlement agent.

### **Other activities**

1) Cashier services, transport of funds. Currency centres: counting and sorting banknotes on behalf of credit institutions. It treats and distributes coins. It gathers and organises transport of foreign exchange banknotes abroad.

2) Bank of the government: keeping and managing current accounts of the Greek government, public organisations and enterprises and moral persons of public law. Purchase, sale and custody of State treasury bills and bonds. Management of the Treasury and the Debt Management Office FX and euro payments.

3) Management of a part of reserves of social security funds and of the Hellenic Deposit Guarantee Fund (HDGF). It has the presidency and 60% of the share capital of the HDGF.

4) Economic, banking and financial researches and statistics. Balance of payment statistics. Conjuncture surveys of the whole country and regional conjuncture surveys by the large branches.

5) Collection and analysis of enterprises' financial data (balance sheet and other accounting data global evaluation) for internal purposes.

6) Commercial activities: purchase and sale in the head office and the branches of foreign exchange and FX banknotes.

7) Imports and exports on behalf of the public sector, mainly of the Ministry of National Defense.

### **Activities of the BOG printing works**

It prints:













- 1) Euro banknotes and other banknotes.
- 2) State treasury bills and bonds.
- 3) State lottery tickets.
- 4) Cheques.
- 5) Visas.
- 6) «Shengen» cards.
- 7) Identity cards.
- 8) Passports





- 9) Bills of exchange.
- 10) State fees, stamp tax and VAT prints.
- 11) Documents for the BOG transactions.
- 12) All the BOG' reports, books and statistical bulletins.

### Activities of the BOG Mint

It mints:

- 1) Eurocoins
- 2) Coins for other States.
- 3) Commemorative coins for its account.
- 4) Commemorative coins for the account of the State, the Parliament and public entities.
- 5) Medals.

| <b>The Bank of Greece beyond the monetary area</b>                                  |   |
|---|---|
|   | Currency centers, transport of funds  |
|  | Electronic Secondary State Securities Market  |
|  | Supervision of credit institutions and financial companies  |
|  | Contribution to the supervision of investments of social security funds   |
|  | Management of a part of reserves of social security funds   |
|  | Management of a part of reserves of the Hellenic Deposit Guarantee Fund   |
|  | Examination and Certification of professional efficiency of employees and executives of credit institutions   |
|  | Regional Economic Surveys   |
|  | Central Balance Sheet Data Office for internal purposes   |
|  | Printing banknotes, State treasury bills and bonds, State lottery tickets, cheques, identity cards, passports, bills of exchange, State fees, stamp tax and VAT prints, documents and books |
|  | Striking coins, commemorative coins and medals  |
|  | Cash settlement of shares and securities of Athens Stock Exchange and Athens Derivatives Exchange in central bank money   |
|  | FX and euro payments on behalf of the State Debt Management Office  |

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|  FX activities for the State and individuals  |
|  Purchasing and selling State securities on behalf of individuals   |
|  A large management of State Organisations' accounts and a large offer of semi-commercial activities to the public and private sector |
|  A large network of branches, counters and agencies   |

## ORGANISATION CHART OF THE BANK OF GREECE

### SHAREHOLDERS GENERAL ASSEMBLY

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| <b>General Council</b><br>(13 members)                  |
| ● Governor – President                                  |
| ● 2 Deputy Governors                                    |
| ● 4 members of the Monetary Policy Council              |
| ● <b>Bank of Greece Employees Union' representative</b> |
| ● General Confederation of Greek Workers representative |
| ● 4 representatives of productive classes               |

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| <b>Monetary Policy Council</b><br>(7 members) |
| ● Governor – President                        |
| ● 2 Deputy Governors                          |
| ● 4 external members                          |

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|------------------------|
| <b>Management</b>      |
| ● Governor – President |
| ● 2 Deputy Governors   |

## DEPARTMENTS

### 1) FINANCIAL OPERATIONS

Sections



- Reserves Management (Front Office 1)
- Foreign Exchange Operations (Front Office 2)
- Operations Support (Back Office)
- Risk Management, Performance Measurement and Reserves Liquidity (Middle Office)
- Monetary Policy Operations
- Credit Facilities and Deposits
- Capital Markets
- International Markets Research and Analysis
- Internal Auditing
- Exchange General Operations
- Office for Accounting Monitoring of Financial Operations

## **2) PAYMENT SYSTEMS**

Sections:

- Payment Systems Management
- Payment Systems Oversight
- Money Transfers and Infrastructure Study

## **3) STRATEGIC PLANNING AND ORGANISATION**

### **3a) Organisation Division**

- Organisation Section
- Documentation and Procedures Support Section

### **3b) Administrative matters and Eurosystem Relations Division**

- Study of Administration matters Section
- Study and Implementatiof Eurosystem Guidelines Section

### **3c) Independent Sections**

- Strategic Planning
- Assessment of the Effects of Organisational and Institutional Changes on Information Systems

## **4) SUPERVISION OF CREDIT AND RELATED FINANCIAL INSTITUTIONS**

- ANALYSIS AND SUPERVISORY ASSESMENT - DIVISION ONE

- Banking Supervision Section for Group A' Banks
  - Banking Supervision Section for Group B' Banks
  - Banking Supervision Section for Group C' Banks
  - Section for the relations with the Supervisory Authorities
  - Foreign Credit Institutions' Branches Section
- ANALYSIS AND SUPERVISORY ASSESMENT-DIVISION TWO
    - Cooperative Banks Supervision Section
    - Financial Institutions Supervision Section
- ON-SITE INSPECTION DIVISION
    - Banks Section
    - Financial Institutions Sections
- BANKING TRANSACTIONS TRANSPARENCY DIVISION
    - Banking Transactions Transparency Supervision
    - Institutional Framework for Transparency of Banking Transactions Section
- ANTI-MONEY LAUNDERING DIVISION
    - Anti-money Laundering Supervision Section
    - Anti-money laundering' Issues Monitoring
- STATISTICS AND REGULATORY REPORTING DIVISION
    - Prudential Reporting Methodology Section
    - Statistical Analysis Section
- INFORMATION TECHNOLOGY SYSTEMS DESIGN AND AUDITING DIVISION
    - Design and IT Auditing of Supervised institutions' IT Systems Section
    - Design and Support for Department' IT Systems Section
- RISK ANALYSIS AND SUPERVISORY TECHNIQUES DIVISION
    - Supervisory Rules and Techniques Section

- Financial Markets Monitoring and Market Risk Analysis Section
- Credit and Operational Risk Monitoring and Analysis Section
- REGULATORY FRAMEWORK AND BANKING AND CREDIT COMMITTEE (BCC) SUPPORT DIVISION
  - Supervised Institutions Regulatory Framework Section
  - Banking and Credit Committee' Sanctions and Secretariat Support Section

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  - Department' Secretariat Section

## **5) GOVERNMENT FINANCIAL OPERATIONS AND ACCOUNTS**

Sections:

- Public Entities Accounts
- Legal Entities' Reserve Management
- Book Entry Securities Management
- Government Loans
- Control and Survey of Social Security Funds' Investments
- Electronic Secondary Securities Market
- Government Securities Custody and Management
- Government Accounts
- Foreign Exchange Transactions
- State Documentary Credits
- Research, Planning and Operations Development Office

## **6) ACCOUNTING**

Sections:

- Ledgers
- Accounting Control
- Staff-related Financial Operations
- Financial Statements and Balance Sheet

## **7) CASH**

Sections:

- Cash processing

- Money Reserves and Secretariat
- Foreign Banknotes Handling
- Cash and Values' Security Standards Management
- Tellers
- Cash transportation
- Deposit Accounts
- State and Public Entities' Receipts and Payments
- Eurosystem – related Cash Matters

## **8) PRINTING WORKS AND MINT**

Divisions:

### **a) Printing Works**

- Preliminary Operations Section (Prepress)
- Banknotes and Securities Printing Section
- Lottery Tickets and Documents Printing Section
- Quality Control Service

### **b) Minting and Maintenance**

- Coin Minting Section
- Maintenance Section
- Design and Engraving Unit
- Quality Management Unit
- Production, Planning and Workstudy Unit

### **c) Administration and Financial Operations**

- Financial Operations
- Administration and Economic Operations
- Premises of Chalandri area Security Service subject to the Premises of Chalandri area Security Section of the Administrative Department

## **9) ECONOMIC RESEARCH**

Divisions:

### **a) Fiscal Affairs**

- Public Enterprises and Entities Section
- Government Budget Section

### **b) Administration**

- Library Section

- Administration Section
- Publications and Translation Section
- c) External Economic Affairs
  - Balance of Payments Analysis Section
  - International Economic Developments Section
- d) Domestic Economy
  - Incomes and Employment Section
  - Econometric Forecasting Section
  - Output and Expenditure Section
  - Prices Section
  - Regional Economic Conditions Service
- e) Money and Banking
  - Money Section
  - Banking Affairs and Capital Market Section
  - Eurosystem-related Issues Section
- g) Special Studies

## **10) STATISTICS**

Divisions:

- a) Balance of Payments Statistics
  - Banking Sector Data Collection Section
  - Bank of Greece and Non Banking Sector Data Collection Section
  - International Investment Position Section
  - Balance of Payments Compilation Section
- b) Financial Institutions and Markets Statistics
  - Money and Banking Statistics Section
  - Other Financial Institutions Statistics Section
  - Money and Capital Markets Statistics Section
- c) Financial Accounts
  - Data Base Management Section
  - General Government Data Collection and Financial Accounts Compilation Section
  - Non-Financial Corporations Data Collection Section
- Secretariat of Statistics Department Section

## **11) INFORMATION SYSTEMS**

### **11A) Divisions:**

- a) Information Systems Development A'**
  - Banking Systems Section
  - Payment and Monetary Policy Systems Section
- b) Information Systems Development B'**
  - Administration Systems Section
  - Statistical Systems Section
- c) Networks and Information Systems Security**
  - Information Systems Security Section
  - Networks and Communication Support Section
- d) Information Systems Support**
  - Systems Support Section
  - Help Desk Section
  - Data Processing and Operations Section

### **11B) Independent Sections:**

- Strategic Planning and Information Systems Evaluation
- Data Control
- Secretariat and General Services
- Premises Technical Support

■ Security Service of the Information Systems Center subject to the Section "Security of buildings and other locations of Halandri' BOG complex" of the Administration Department.

## **12) ADMINISTRATION**

### **Sections:**

- Human Resources Management
- Personnel Career Development
- Personnel Training
- Secretariat
- Communication, Press and Public Relations
- Staff-related Financial Matters
- Procurement
- Archives

- Mail Distribution
- Support Operations
- Telegrams and Test Keys
- Head Office Security
- Premises of Chalandri area Security
- Emergency Planning Office

### **13) TECHNICAL SERVICES**

Sections:

- Electrical Installations
- Design and Supervision of Building Construction
- Mechanical Installations
- Premises Maintenance
- Accounting
- Centre of Cash Processing and Distribution Technical Support
- Electromechanical Design and Supervision Service

### **14) LEGAL SERVICES**

Sections:

- Verification of Legal Documents and Secretariat
- Monetary and Banking Issues
- Personnel Issues
- General Issues

### **15) INTERNAL AUDIT**

- Central Operations Audit Division
- Regional Operations Audit Division
- Internal Information Systems Supervision Section
- Printing Works and Mint Cashiers' Control Section
- Head Office Cashiers' Control Section
- Centre of Cash Processing and Distribution Cashiers Control Section
- IT systems audit Section
- ESCB Projects Audit Section
- Secretariat and Archives Service

## 16) THESSALONIKI BRANCH (DEPARTMENT)

- ႁႃႆႇႈႉႊႋႌႍႎႏ႐႑႒႓႔႕႖႗႘႙ႚႛႜႝ႞႟ႠႡႢႣႤႥႦႧႨႩႪႫႬႭႮႯႰႱႲႳႴႵႶႷႸႹႺႻႼႽႾႿႿႿႿႿႿ ႿႿႿႿႿႿ ႿႿႿႿႿႿ ႿႿႿႿႿႿ ႿႿႿႿႿႿ
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- Security Service
- Cashier Control Service

## RESTRUCTURE IN THE BANK OF GREECE REGIONAL NETWORK

After a negotiation period of 9 months the Government of the Bank of Greece and the Bank of Greece Employees Union signed on March 2, 2007 an agreement on restructure of the Bank regional network. The outcome of negotiations was mutually agreed and **no** strike movements have been taken place.

As a restructure consequence, the Bank staff number will be reduced by the year 2011 from 2.900 today to 2.650. Here it is a summary of the written agreement:

**1) The Branch of Piraeus**, which is at a distance of 6 Kilometers from the head office, closes down as from 2008. The activities of the branch are transferred to the head office and its personnel will move to the head office or to other Athens metropolitan area units of the Bank (Banknote Printing Works and Mint, IT centre).

**2) Six** large branches are upgraded in **Core branches** and except of usual activities of the current branches will execute also the activities of core currency centre, transport of funds, regional economic conjuncture surveys and some activities of the head office.

**3) Ten branches** will execute the current activities of branches i.e. they remain as today.

**4) Nine** small branches are transformed to **Counters** i.e. will execute only cash and payment operations in favour of the government and the broad public sector. This will happen gradually as from the end of 2007 by 2011 as follows:



| <b>Branches transformed to Counters</b> | <b>Year of transformation</b> |
|---|-------------------------------|
| 1) Argostoli                            | 2007                          |
| 2) Drama                                | 2007                          |
| 3) Agrinio                              | 2008                          |
| 4) Xanthi                               | 2008                          |
| 5) Sparta                               | 2009                          |
| 6) Florina                              | 2009                          |
| 7) Rethymnon                            | 2010                          |
| 8) Corfu                                | 2010                          |
| 9) Pyrgos                               | 2011                          |

Each Counter will have 5 employees. Today, these branches have from 9 by 24 employees. The redundant staff will move to the nearer agencies, core and simple branches or if they want to the head office.

#### **5) Agencies into the Treasury Tax Offices**

The majority of them are consisted by one employee and the minority by two or three employees.

**From 67 agencies will remain 46** i.e 26 agencies will close down. Among them 10 are established in Athens metropolitan area and their employees will return to the Athens head office. The remaining are established in the province and their employee will move to the nearer agencies, core and simple branches or if they want to the head office.

| <b>One employee Agencies closing down</b> |                               |
|---|-------------------------------|
| 1)  | Aghia Paraskevi (Athens area) |
| 2)  | Aigaleo (Athens area)         |
| 3)  | Almyros                       |
| 4)  | Amaroussion (Athens area)     |
| 5)  | Amydaion                      |
| 6)  | Argos                         |
| 7)  | Yianitsa                      |
| 8)  | Didymotichon                  |
| 9)  | Elassona                      |
| 10)                                       | Elefteroupolis                |
| 11)                                       | Istiaia                       |
| 12)                                       | Kalavryta                     |
| 13)                                       | Kalambaka                     |
| 14)                                       | Kallithea (Athens area)       |

|     |                         |
|-----|-------------------------|
| 15) | Kiato                   |
| 16) | Kymi                    |
| 17) | Lagada                  |
| 18) | N. Jichni               |
| 19) | N. Ionia (Athens area)  |
| 20) | N. Smirni (Athens area) |
| 21) | Nigrita                 |
| 22) | Nikaia (Athens area)    |
| 23) | P. Faliro (Athens area) |
| 24) | Peristeri (Athens area) |
| 25) | Sidirocastro            |
| 26) | Chalandri (Athens area) |

### **Accompanying measures for the employees touched by the restructure**

☛ Redundant employees who have the right to take a pension according to the Greek social security legislation (usually above the age of 55 by 60) and will decide to do so, they will receive a bonus of 2 by 8 monthly salaries depended by the years left until the obligatory age of retirement (60 by 63 year of age depending of the employee grade).

☛ For social reasons, some employees, approaching the obligatory age of retirement, will remain as redundant in the Counters or the remaining Agencies by their retirement.

☛ The employees who will remain in the Bank and would loose a part of their salary due to the restructure process, they will continue to take all the allowances that take today so that they will have not a reduction in their salaries.

☛ The employees who are obliged to move to other Bank units will take on a permanent basis allowance for rent or who will remain in their house and will travel every day to the new unit will take an allowance for covering the statutory transportation expenses increased by 30% (a net amount of 800 euros per month).

### **Accompanying measures for all the employees of the Bank of Greece**

☛ The sum which the Bank will save from the restructure it will increase the employees salaries so that in the near future the Bank of Greece salaries approach the median of the Eurosystem salary level. Approximately, **the Bank of Greece all employees salaries will be increased gradually from now by the end of 2008 by 25%**. It is the larger salary increase given ever in the European Union taken into

account the small inflation rate of the country (2,8%). By the same percentage are increased the pensions of the Bank of Greece employees who will take their pension as from the end of 2008.

❖ The Bank of Greece will reinforce the reserves of Bank of Greece Employees **Pension Funds** in order to assure the viability of them for the 40 next years.

Here it is the new structure and the activities of the Bank of Greece regional network at the end of the restructure period:

### **NEW STRUCTURE OF THE BANK OF GREECE NETWORK**

**(It starts as from 2007 and will finish in 2011)**

#### **MAIN BRANCH - CORE BRANCHES – BRANCHES – COUNTERS – AGENCIES**

##### **► Main branch in Thessaloniki**

It operates as equivalent to a head office Department (see above) and has a part of activities of the head office and all the activities of the core branches (see below).

##### **► Core branches**

- 1) Heraklion
- 2) Ioannina
- 3) Kavala
- 4) Larissa
- 5) Patras
- 6) Rhodes

##### **Activities of Core branches**

All the activities of the branches (see below) plus core currency centre, transport of funds, regional conjuncture surveys and some activities of the head office.

##### **► Branches**

- 1) Alexandroupolis
- 2) Volos
- 3) Kalamata
- 4) Komotini
- 5) Lamia
- 6) Mytilene
- 7) Samos

- 8) Serrai
- 9) Tripolis
- 10) Cania

### **Activities of branches**

- a) Purchase and sale of foreign exchange and FX banknotes.  
They have their own cashier reserve kept within the Branch premises.
- b) Operations on behalf of the State, the State regional entities and the moral persons of public law.
- c) Service of government loans, State treasury bills and bonds.
- d) Payments on behalf of the State and public organisations.
- e) Management of traditional regional clearing houses.
- f) Counting and sorting of banknotes and coins.
- g) Contribution to Regional economic surveys.

### **► Counters**

- 10) Agrinio
- 11) Argostoli
- 12) Drama
- 13) Corfu
- 14) Xanthi
- 15) Pyrgos
- 16) Rethymnon
- 17) Sparta
- 18) Florina

### **Activities of counters**

- a) Payment operations on behalf of the State, the State regional entities and the moral persons of public law.
- b) Service of government loans, State treasury bills and bonds.
- c) Management of traditional regional clearing houses.
  - The counters have not their own cashier reserve. Every morning withdraw money from the special reserve of the Bank of Greece kept into the branch of the same city of the National Bank of Greece (the larger commercial bank of Greece controlled by the State) and at the end of the working day they return the remaining cash to this Bank branch.

### **► Agencies into the Treasury Cashier Offices**

The 41 agencies are small counters, stuffed with 3, 2 or 1 employee, operating into the Treasury Tax Offices. They function according to a contract between the Ministry of the Economy and Finance and the Bank of Greece.

- 1) Aghios Nikolaos
- 2) Aigion
- 3) Amalias
- 4) Amphissa
- 5) Arta
- 6) Chalkis
- 7) Chios
- 8) Edessa
- 9) Eleusis
- 10) Eordaia
- 11) Grevena
- 12) Gytheion
- 13) Zante
- 14) Igoumenitsa
- 15) Karditsa
- 16) Karpenissi
- 17) Kastoria
- 18) Katerini
- 19) Kilkis
- 20) Kozani
- 21) Corinth
- 22) Kyparissia
- 23) Kos
- 24) Lavrio
- 25) Levadia
- 26) Lefkas
- 27) Lemnos
- 28) Messolonghi
- 29) Nafpaktos
- 30) Nafplion
- 31) Naxos

- 32) Orestias
- 33) Polygyros
- 34) Poros
- 35) Preveza
- 36) Sitia
- 37) Soufli
- 38) Syros
- 39) Thebes
- 40) Trikala
- 41) Veria

**Activities of BOG agencies**

- a) Management of regional clearing houses in the geographical areas where there are not BOG branches.
- b) Encashments and payments on behalf of the Ministry of Finance, legal persons of public law, military units, the Ministry of Public Works and the Prefectures.
- c) Transactions on behalf of the Deposits and Loans Fund.
- d) Payments in respect of State treasury bills and bonds.
  - The agencies, as the counters, have not their own cashier reserve. Every morning withdraw money from the special reserve of the Bank of Greece kept into the branch of the same city of the National Bank of Greece (the larger commercial bank of Greece controlled by the State) and at the end of the working day they return the remaining cash to this Bank branch.

### **3) BANK OF FINLAND**

**(Suomen Pankki)**

**Staff number: 490**

**Bank target for 2011: 440**

- The Bank of Finland (BF) was established in 1811. The initial capital share goes up to 841.000.000 euros. Its main objective is to maintain price stability. It carries out the core activities of the Eurosystem and has an Institute for Economies in Transition which conducts high-level research on transition economics and monitors economic developments in Russia and the Baltic States. The Bank has 5 branches including a Payment Instrument Department in the Vantaa district. During the period 1992-1994 eight branches closed down.

- The banking supervision in Finland entrusts with the Financial Supervision Authority (FSA) supervising credit institutions, investment firms and marketplaces and carries out off-site and on-site inspections. The FSA is an independent company but in liaison with the central bank. It acquires services from the Bank of Finland, including those relating to personnel and financial administration, information management, security and other areas of general administration.

- The B.F. has not now an own banknote printing works. It purchased banknotes by the Setec Oy, a company the share capital of which belonged in the past by 40% to the central bank. In October 2003 the Bank of Finland sold its percentage and the State another 20% to institutional investors (see below "other activities, nr 5"). The B.F. purchases coins from the Mint of Finland owned by the Ministry of Finance. It counts and sorts banknotes but it collaborates in this field with the company Automatia Ltd owned by three larger banking groups (Nordea, the Okobank Group and Sampo). The Automatia, mainly, feeds with money the ATMs of the banks. As of February 2004, the Bank closed its printing documents unit and since then uses outside services.

- The BF is managed by the Board consisting now of the Governor, the Deputy Governor, two other members and the Secretary of the Bank. According to the articles 13 of the Act on the BF, the Chairman of the Board shall be the Governor and the maximum number of the Board' members should be up to six including the Chairman. All of them are appointed by the President of the Republic in response to a presentation by the Council of State, which is based on a proposal by the Parliamentary Supervisory Council of the Bank of Finland. The Chairman of the Board is appointed for a seven-year term and the other members of the Board each for a five-year term.

- The Parliamentary Supervisory Council supervises the administration and activities of the Bank, mainly approves the annual accounts and the Auditors' report, the measures on the Bank's profit or loss, makes proposals to the Council of State on the filling of positions as members of the Board and appoints the Deputy Chairman of the Board. It consists of nine members elected by the Parliament including the chairman and the deputy chairman.

## **ACTIVITIES OF THE BANK OF FINLAND**

### **Core activities**

- 1) Implementation of monetary and foreign exchange policy within the framework of the Eurosystem' policies.
- 2) Management of its foreign exchange and euro reserves and the quota of the ECB FX reserves.
- 3) Payment systems: management of the BOF-RTGS system which was a component of the TARGET1 system. As from 18 February 2008 it is the national component of the single shared platform of the TARGET2 system. It contributes to the stable, reliable and smooth operation of payment systems and oversees them.
- 4) It provides banks and clearing houses with settlement services using central bank money.

### **Other activities**

- 1) The branches of BF by the end of 2007 will count and sort banknotes and coins and feed with them the banks. The latter return fiduciary money to the BF branches for sorting and authentication.
- 2) The BF monitors the financial markets and collaborates closely with the Financial Supervision Authority (FSA) which carries out the banking and financial supervision.



- 3) Economic researches and money, banking and financial statistics. It manages the Institute for Economies in Transition, BOFIT (for details see below).
- 4) Management of accounts of the government of Finland.
- 5) The BF had 40% of the share capital of the company SETEK OY, which, among other activities, prints euro banknotes for the account of the BF. The SETEK OY also printed the euro banknotes quota of other NCBs and banknotes for many other countries being the major competitor of the big private printing works. The other shares were dispersed to State companies and other institutional investors. As from October 2003, SETEK OY was privatised. The B.F sold its portion and the State another 20% to the private institutional investors Finish National Fund for Research and Development Sitra, Finish Industry Investment Ltd, Varma-Sampo Limited and Fennia Life Company Ltd.

## **THE BANK OF FINLAND'S INSTITUTE FOR ECONOMIES IN TRANSITION, BOFI**

### **(Sirtymatalouksien tutkimuslaitos)**

The Bank of Finland has an Institute for economies in transition. The BOFI conducts research on transition economics and monitors economic developments in Russia and the Baltic States. It publishes:

- every week a brief compilation of leading economic news in Russia and China
- a monthly survey in English under the title "Russia Review" focusing in Russia' economy, public finances and financial markets
- a quarterly survey in English under the title " China Review" with the recent developments in the Chinese economy, public finances and financial markets
- "Discussion Papers", a series devoted to transition issues containing mainly academic studies on transitions economics and guest researchers
- "BOFIT online", an electronic publishing series. The focus is on work on economic policy and developments in transition economies
- "Baltic Economies-Bimonthly Review" in English was published from 1999 to 2003 and focused on economic policy developments in Estonia, Latvia and Lithuania

- “Review of Economies in Transition” in English and Finnish was published from 1992 to 1999.

## ORGANISATION CHART OF THE BANK OF FINLAND

|   |
|---|
| <b>Board</b>                            |
| ● Governor                              |
| ● Deputy Governor                       |
| ● Two members                           |
| The Secretary of the Bank<br>(non-vote) |

|  |
|--|
| <b>Parliamentary Supervisory Council</b> |
| ● Chairman                               |
| ● Vice Chairman                          |
| ● Seven members                          |
| Secretary (non-vote)                     |

### Under the Governor

- ⊙ ESCB and Eurosystem overall responsibility
- ⊙ General Secretariat
  - European and International Affairs
  - Senior Secretarial Staff
  - Communications
  - Legal Affairs
  - Strategy and Organisation
- ⊙ Internal Audit

### Under the Deputy Governor

- ⊙ Financial Markets and Statistics
  - Statistics
    - Balance of Payments
    - Financial Statistics
    - Statistical Systems Management
  - Financial Stability
  - Oversight of Market Infrastructure
- ⊙ Administration
  - Personnel
    - Personnel and Employment Services

- Competency and Development
- Personnel Administration
- electronic Human Resources Project Team
- Information Technology
  - IT Governace and Customer Relations
  - IT Development
  - IT Change Management
  - IT Production
- Security
  - Security Supervision, Head Office
  - Security Supervision and CIT, Vantaa
- Administrative Services
  - Document Services
  - Procurement Removals and Office Furnishing
  - Publication Services
  - Transportation Services
  - Office Service Centre
  - Restaurant Services
- Language Services
- Real Estate Management
  - Real Estate Management, Helsinki
  - Real Estate Management, Vantaa Office
  - Clearing Services
- Accounting
  - Accounting Services

### **Under the other member of the Board**

#### ⊙ Banking Operations

- Market Operations
- Investments
- Risk Management
- Back Office
- TARGET2 Division

#### ⊙ Currency Department

- Currency Technology Division
  - Banknote Technology
  - Currency Supply Systems
- Currency Operations Division
  - Regional Offices (Banknote procurement, Vault operations and Logistics)

|  |
|--|
| <b>Regional Offices<br/>of the Bank of<br/>Finland</b> |
| <b>1) Helsinki-Vantaa</b>                              |
| <b>2) Kuopio</b>                                       |
| <b>3) Oulu</b>   |
| <b>4) Tampere</b>                                      |

### **Under the one member of the Board**

#### ⊙ Monetary Policy and Research

- Research
- Institute for Economies in Transition (BOFIT)
- Economic Development and Analysis
- Forecasting
- Information Service

### **RAHOITUSTARCASTUS**

#### **(The Finnish Financial Supervision Authority (FIN-FSA)).**

##### **An independent entity but in liaison with the central bank**

● The FIN-FSA is an independent entity which operates in connection with the Bank of Finland (BF). The members of the Parliamentary Supervisory Council of the BF have administrative duties regarding the FSA as they appoint the chairman, who at this moment is the Deputy Governor of the central bank, the deputy chairman and three members of the Board of the FIN-FSA and confirm the rules of procedures. The FIN-FSA is administered by the Director General who is assisted by the Deputy Directors and the Chief Legal Counselor. It employs about 140 persons. It acquires services from the Bank of Finland, including those relating to personnel and financial administration, information management, security and other areas of general administration.

● The FIN-FSA has the following responsibilities: 1) issues regulations and guidelines 2) participates in the preparations of relevant laws and decrees 3) supervises: **a)** entities operating in the credit markets as commercial banks, the Okobank Group Central Cooperative, member banks of the merger of the co-operative banks, local co-operative banks, savings banks, limited-liability savings banks, financing institutions, Finnish representative offices of foreign credit institutions, Finnish branches of foreign credit institutions, pawnshops, the Deposit guarantee fund and other guarantee funds **b)** entities operating in the capital markets as marketplaces and stock exchanges, investment

firms, participants in a book-entry securities system, management firms, the Investor Compensation Fund, the Finnish branches of foreign investment firms and the foreign collective investment undertakings.

- The supervision authority comprises, inter alia, the right to perform on-site inspections on supervised entities and to receive necessary documents and information for supervision.

## **4) BANCO DE ESPAÑA**

**Staff number: 2.724**

- The Bank of Spain (BDE) was established in June 1980 and its main objective is to maintain price stability. Its basic capital is 1.370.000 euros. It implements the monetary and foreign exchange policies according to decisions taken by the ECB.

- It supervises all credit institutions. It had in the past 52 **branches** but by 31-12-2004 remained only **22**. It disposes a Central Balance Sheet Office, a Central Credit Register, a complaints service and a Centre for Monetary and Financial Studies. The BDE has not a printing works or mint. The Spanish quota of euro banknotes and coins is produced by the «Fabrica Nacional de Moneda y Timbre» (FNMT), a State company having its seat in Madrid. The FNMT produces also passports, identity cards, postage stamps, drafts, game tickets, government publications, chip and telephone cards, medal and securities.

- The BDE is managed by:

**a)** the Governing Council consisting of the Governor, the Deputy Governor, 6 external members, the Director General of the Treasury and Financial Policy and the Vice-President of the National Securities Market Commission. All of them have voting right. In the Council also participate without voting the Directors-General of the Bank, the General Secretary of the Bank and the representative of the personnel who votes only on staff issues. The Governing Council approves the Bank's general policy guidelines, in particular those relating to monetary policy and the circulars necessary for carrying out the tasks of the Bank

**b)** The Executive Commission consists of the Governor and the Deputy Governor, 2 Council members and other members without vote right i.e. the Directors-General of the Bank and the General Secretary. Within the guidelines of the Governing Council it implements the monetary policy

of the Eurosystem and determines the administrative authorisations that must be granted by the Bank.

- The Governor is appointed by the King following a proposal by the Prime Minister. The Deputy Governor is appointed by the government of the country following a proposal by the Governor of the BDE. The Governor and the Deputy Governor have a simultaneous term of office of six years non renewable for the same position. The six elected members of the Governing Council are appointed by the government of the country following a proposal by the Economy and Finance Minister, after a consultation with the Governor of the Bank for a six year term once renewable. The two elected members of the Executive Commission are appointed by the Governing Council following a proposal by the Governor.

## **ACTIVITIES OF THE BANK OF SPAIN**

### **Core activities**

- 1) Implementation of monetary policy of the Eurosystem.
- 2) Implementation of foreign exchange policy of the Eurosystem.
- 3) Management of foreign exchange and euro reserves and the national quota of the ECB FX reserves.
- 4) Payment systems: la BDE is responsible for promoting the smooth functioning and stability of domestic payment systems and of the financial system. Therefore, the creation of conditions conducive to flexible, secure and efficient systems is a major concern of the Banco de España, as this will make its task easier. Payment systems in Spain are currently organised in a retail system known as the National Electronic Clearing System and two large-value payment systems called the Spanish Interbank Payment Service and the Banco de España Settlement Service previously known as the Money-Market On-Line Service (Servicio Telefónico del Mercado de Dinero - STMD):

☒ The National Electronic Clearing System, SNCE (Sistema Nacional de Compensación Electrónica) is the system set up in Spain for the exchange, clearing and settlement of retail payments. It is a system based on the electronic exchange of information, in which the vast majority of transactions are cleared with no physical delivery of documents. Organised as a decentralised clearing house, the SNCE is able to process swiftly the whole range of payment instruments, including cheques, promissory notes, transfers, standing orders and bills of exchange, to mention the most common ones.

8) The Spanish Interbank Payment Service, SPI (Servicio Español de Pagos Interbancarios) was the institution resulting from the former Madrid Bank Clearing House 2nd Session (Cámara 2ª sesión) being reformed to adapt it to the international standards in place for payment systems. Efficiency and security have been duly improved. The SPI is a multilateral clearing system for payments denominated in euro, with same-day settlement, which operates in real time. The bulk of its operations arise from payments by or to non-residents, although it also processes certain domestic payments. The system is managed by Servicio de Pagos Interbancarios, S. A., a company owned by its member institutions, including the Banco de España.

9) The BDE Settlement Service (Servicio de Liquidación del Banco de España, SLBE) was the component of the EU trans-European payment transfer system (TARGET1) and it is as from 18 February 2008 the national component of the single shared platform of the TARGET2 system.

5) Banking supervision: it supervises all credit institutions and monitors the interbank, foreign exchange and book-entry public debt markets. The BDE supervises the solvency and specific regulatory compliance of credit institutions. This category comprises banks, savings banks, credit co-operative banks, the branches of foreign credit institutions, specialised credit institutions, electronic money issuers, mutual guarantee and re-guarantee companies, currency exchange bureaux and appraisal companies. Its powers over the branches of EU institutions are limited to the control of the branch's liquidity and of compliance with regulations of general interest. The BDE functions lead it to co-operate closely with the other national supervisory authorities, such as the National Securities Market Commission, the Directorate General of Insurance and Pension Funds, the Executive Branch of the Commission for the Prevention of Money Laundering and Monetary Offences and the regional (autonomous) community authorities in the area of financial supervision. Close co-operation is also maintained with foreign supervisory authorities, especially those of the Latin-American countries in which Spanish groups have a significant presence.

6) Keeping current account of banks and acting as a settlement agent.

### **Other activities**

1) Placement in circulation of euro banknotes and coins, counting and sorting, transport of funds and other cashier activities.

- 2) Provision of treasury services and acting as financial agent for the government debt. It keeps accounts of the central government and regional governments and provides the technical means to smooth debt issuance, redemption and general management of State securities.
- 3) Management of the Central Balance Sheet Office. Its main task is to collect and store economic and financial information on the activities of Spanish non-financial corporations in order to obtain a better understanding of this sub-sector within the functions assigned to the BDE (for details see below).
- 4) Complaints Service: it receives and processes customer complaints about specific transactions of credit institutions. Claims against currency-exchange bureaux are also addressed (for details see below).
- 5) Central Credit Register (CCR) system for credit exposures of banks' clients (for details see below).
- 6) Economic researches and statistics and Balance of payment statistics.
- 7) Centre for Monetary and Financial Studies (CEMFI). It organises a Postgraduate Studies Programme geared to training top-flight specialists in economics and finance (for details see below).

## **SOME INTERESTING ACTIVITIES OF THE BANK OF SPAIN**

☒ **Central Balance Sheet Data Office (CBSO):** it is a part of the Department of Statistics and CBSO, one of the three departments comprising the Directorate General Economics, Statistics and Research. The main task of the CBSO is to collect and store economic and financial information on the activities of Spanish non-financial corporations in order to obtain a better understanding of this sub-sector. The CBSO collects economic and financial information from Spanish non-financial corporations, which co-operate on a voluntary basis by completing a standardised questionnaire. The main objectives of the Central Balance Sheet Data Office include:

- obtaining advance information from the CBSO quarterly survey (CBQ), against which the short-term economic analysis carried out by the Research Department is checked
- obtaining information on the financial transactions, assets and liabilities of the non-financial corporations sub-sector. These data are required for the preparation of the financial accounts of the Spanish economy by the Statistics and Central Balance Sheet Data Office Department



- keeping databases with exhaustive and homogeneous information on individual corporations, which is used by the Directorate General: Economics, Statistics and Research to analyse corporate behaviour and the effects of monetary policy measures on corporate finance and results. The information available on individual corporations is also used by the Operations Department as the basis for assessing and proposing to the ECB the inclusion and maintenance of corporate liabilities in collateral
- distributing to reporting corporations aggregate and homogeneous sectoral information in consideration of their co-operation
- disseminating aggregate sectoral information for use by other analysts outside the BDE: financial institutions, universities, researchers, central government, regional governments and domestic and international public bodies.

☒ **Central Credit Register (CCR):** its main purpose is to provide reporting institutions (credit institutions and others) with the data required for optimum analysis of their credit risk. The CCR also enables the BDE to obtain overall data on lending by institutions and thus facilitates the central bank's performance of its banking supervision tasks.

- Direct credit to resident borrowers is generally considered to be reportable if the overall business in Spain is 6.000 euros or more or if that in any other country is 60.000 euros or more. Direct credit to non-residents must be reported from 300.000 euros. At the end of 2007 more than 25 million direct and indirect risks (the latter referring to guarantees of direct credits), amounting to 2,02 trillion euros and distributed among 14 million borrowers, had been reported to the CCR; 94% of the borrowers were individuals resident in Spain.
- Any borrower whose credit has been reported to the CCR can request data from it. To do so, the borrower's identity must be duly evidenced at any BDE branch or in a written communication addressed to the Central de Información de Riesgos del Banco de España. Individuals must include a photocopy of both sides of their national identity card. Legal entities are required to provide a photocopy of their business identification number (C.I.F.), the personal details (name, taxpayer identification number and job title) of the signer, who must have the appropriate power of attorney, and the details of that power of attorney: date, notary and protocol number. Further, any institution reporting to the CCR has access to the aggregate information on all the credit extended by the financial system to the borrowers reported by that institution, or to other borrowers provided that they have expressly authorised such access.

☒ **Complaints Service (CS):** The function of the CS is to receive and process customer complaints about specific transactions of credit

institutions subject to the BDE' authority. Claims against currency-exchange bureaux which, in addition to buying foreign banknotes or traveller's cheques, are also authorised to sell or transfer them abroad, are likewise addressed.

- The Complaints Service acts whenever the foregoing activities involve the possible infringement of norms of discipline or good banking practices and conducts. Complaints are processed free of charge. Any individual or company that is a customer of a credit institution can lodge a complaint concerning concrete transactions that affect them. Before the Service can receive or process a complaint, the interested party must present evidence that the complaint has already been lodged in writing with the customer complaints department, or its equivalent, of the credit institution in question. This department must provide written evidence of receipt of the complaint presented. If the customer complaints department refuses to handle the complaint (on grounds that must be justifiable), if the customer does not consider the solution given to be satisfactory, or if the complaint is not resolved within two months of its presentation, the interested party can then file a complaint with the Service. For this purpose, an institution or group of institutions is considered to have established (or to be formally committed to) an institution or department created for the purpose of safeguarding the rights and interests of its customers, having notified the BDE to this effect.

- The cause of complaints are infringement of the norms of discipline or good banking practices and customs. Disciplining regulations are laws and administrative provisions of a general nature that contain precepts specifically relating to credit institutions, which are obliged to observe them. Among these provisions are both those approved by State bodies or, where appropriate, by the Regional Governments with responsibility for this area, and the Circulars approved by the BDE. Banking customs refer to commonly accepted trade and banking customs. Good banking practices refer to practices that do not figure in disciplinary norms or constitute banking customs but which can be reasonably required for the responsible, diligent and respectful running of banking business.

- The Complaints Service does not handle complaints relating to matters of business policy (the denial of a loan, for example) or those falling within the jurisdiction of the system of justice. Nor does the Service evaluate any possible damages or order the payment of any pertinent amounts. Likewise, the Service does not accept complaints that are subject to legal proceedings or court litigation. Nor does it accept complaints lodged by the customers of credit institutions that refer to transactions or events dating back more than five years.

☒ **Centre for Monetary and Financial Studies (CEMFI):** the “Centro de Estudios Monetarios y Financieros” is a non-profit foundation created in 1987 by the Banco de España and has had foundation status since

1991. It organises a Postgraduate Studies Programme geared to training top-flight specialists in economics and finance.

- The Master's Programme lasts for two academic years, of full time dedication. The features of the Programme are as follows: a very strict admissions process, faculty which combine high quality of teaching with research at the frontier of their area of expertise and, lastly, a programme which features both solid training in theory and empirics and a rigorous approach to current issues in economics and finance.
- The Summer School in Economics and Finance is an initiative aimed at providing established practitioners and academics with a chance of updating their training in fields within CEMFI's range of expertise. Its courses last for five days and provide, in an intensive form, a rigorous and complete analysis of the topics covered.
- Research at CEMFI is undertaken, essentially, by full-time faculty. Their activities take place in the following five areas: publication in academic journals, participation in conferences and seminars, design and supervision of surveys for research, editorial duties in economics journals, and supervision of Ph.D. dissertations. Additionally, CEMFI has a group of Ph.D. students, who carry out their full-time research at the Centre, under the supervision of a member of the faculty.

## **ORGANISATION CHART OF THE BANK OF SPAIN**

| <b>Governing Council</b>   |
|--|
| • Governor   |
| • Deputy Governor  |
| • 6 members  |
| • Director General of the Treasury and Financial Policy            |
| • Vice-President of the National Securities Market Commission      |
| • General Secretary of the Bank of Spain (non vote)                |
| • Directors General of the Bank of Spain (non vote)                |
| • Representative elected by the staff (vote only on staff matters) |

- Audit Committee

| <b>Executive Commission</b>                         |
|---|
| • Governor  |
| • Deputy Governor                                   |
| • 2 members   |
| • General Secretary of the Bank of Spain (non vote) |
| • Directors General of the Bank of Spain (non vote) |

## **Governor**

- Internal Audit
- Communication

## **Deputy Governor**

### General Secretariat

- Legal Department
- Technical Secretariat
- ☆ Associate Directorate General International Affairs

### **1) Directorate General: Operations, Markets and Payment Systems**

- Cash and Issue
- Operations
- Payment Systems

### **2) Directorate General: Banking Regulation**

- Financial Stability
- Financial Reporting and Central Credit Register System
- Financial Institutions

### **3) Directorate General: Economics, Statistics and Research**

- Economic Analysis and Forecasting
- Statistics
- Monetary and Financial Studies

### **4) Directorate General: Banking Supervision**

- ☆ Associate Directorate General Banking Supervision
- Supervision I
- Supervision II
- Supervision III

### **5) Directorate General: Services**

- Information Systems and Processes
- ☆ Associate Directorate General: General Internal Affairs
- Administration and Properties

- Control, Budget and Accounting
- Human Resources and Organisation

## **THE OLD BDE' BRANCHES NETWORK AND ITS ACTIVITIES**

According to the volume of transactions and the staff number the branches of the Bank of Spain were classified in 5 groups:

### Group 1

1) Barcelona

### Group 2

2) Valencia 3) Sevilla 4) Zaragoza 5) Bilbao

### Group 3

6) Málaga 7) Palma de Mallorca 8) Murcia 9) Oviedo 10) Coruña 11) Las Palmas 12) Tenerife 13) Valladolid

### Group 4

14) Alicante 15) Cádiz 16) Granada 17) San Sebastian 18) Pontevedra

### Group 5

19) Córdoba 20) Santander 21) Badajoz 22) Salamanca 23) Tarragona 24) León 25) Logroño 26) Gerona 27) Pamplona 28) Burgos 29) Lleida (Lérida) 30) Toledo 31) Albacete 32) Vitoria 33) Castellón 34) Jaén 35) Cáceres 36) Huelva 37) Ciudad Real 38) Almería 39) Melilla 40) Palencia 41) Ceuta 42) Segovia 43) Lugo 44) Zamora 45) Cuenca 46) Avila 47) Orense 48) Soria 49) Huesca 50) Guadalajara 51) Santiago 52) Teruel.

## **ACTIVITIES**

**a) Banknotes and coins distribution.** At the end of the year 1991 currency centres have started to function in the Bank of Spain. These centres are established within the branches of the groups, 1, 2 and 3. In these branches - centres are carried out the sorting and the destruction of banknotes and the supervision of transport of money to the branches belonging to the groups 4 and 5. The «Section of cashier's office of Madrid 1» functions as currency centre from which are depended the branches of Avila, Cáceres, Ciudad Real, Cuenca, Guadalajara, Segovia and Toledo.

Certainly, this decentralisation leads to an increase of activities of the above mentioned centres and to a decrease of the branches-satellites' activities.

**b) Service of complaints.** The clients of the credit institutions may present their complaints to the Bank of Spain branches which try to find a solution acceptable by both parties. In the case that the clients' reasons are proved true the Bank of Spain addresses recommendations to the credit institutions.

**c) Clearing Houses.** In all cities that exist Bank of Spain' branches function clearing houses supervised by them.

**d) Register of foreign exchange agencies.** As from 1992 the foreign exchange operations have been liberated. The right of purchase and sale of foreign banknotes is given not only to credit institutions but also to private companies. The register of licenses to the non bank agencies, buying and selling foreign exchange, is kept by the Bank of Spain branches.

**e) Compilation of central balance-sheet data.** The branches stimulate the enterprises of their region to participate voluntarily in the Bank of Spain central balance-sheet. They compile also the relative data and after a first elaboration transfer them to the head office where exist a statistical and central balance-sheet department (Estadística y Central de Balances).

**f) Services rendered to the State and the banks.** The Bank of Spain, according to an agreement with the Ministry of the Economy, has obtained, in 1990, the right to selling titles of the public debt (letters, treasury bills, bonds). In order to facilitate their settlement the Bank has permitted to private individuals to open in its branches direct accounts (cuentas directas). This work is classified as the most important of branches activities and its volume increases constantly. In the branches, as in the head office, are kept current accounts of credit institutions, through which settlements are accomplished between the participants in the financial system.

### **THE NEW STRUCTURE OF THE BANK OF SPAIN' BRANCHES NETWORK**

The Executive Commission of the B.D.E decided, on July the 3<sup>rd</sup>, to **close down 30 branches** as follows:

**a) as from December 31<sup>st</sup> 2002:** 1) Avila 2) Castellón 3) Cuenca 4) Guadalajara 5) Lérida 6) Lugo 7) Palencia 8) Segovia 9) Soria 10) Teruel

**b) as from December 31<sup>st</sup> 2003:** 11) Albacete 12) Almería 13) Burgos 14) Huelva 15) Huesca 16) Jaén 17) Orense 18) Salamanca 19) Tarragona 20) Zamora

**c) as from December 31<sup>st</sup> 2004:** 21) Cáceres 22) Cádiz 23) Ciudad Real 24) Cordova 25) Gerona 26) Granada 27) León 28) Pontevedra 29) Santiago and 30) Vitoria.

According to the negotiations outcome (signed by the majority of the B.D.E.' trade unions), no one employee of the closing branches will be fired with the exception of those who don't accept one of the following alternative solutions: **A)** transposition to other remaining branches or to the head office in Madrid **B)** acceptance of a voluntary early retirement scheme **C)** voluntary leave for transferred employees until finding a vacant place near their home. In order to amplify the vacant working positions in Madrid and the remaining branches, so that the employees of the closing branches have more opportunities to opt for a place there and following a Unions' claim, it was decided that the early retirement scheme will be applied also to the personnel of Madrid and remaining branches. The early retirement scheme is valid only for agents above 50 years old (closing branches) or 53 (head office and remaining branches). The B.D.E will fully cover the expense related with the early retirement scheme. The employees of the closing branches who don't opt neither a transposition nor an early retirement scheme are considered to opt breaking their employment contract; in this case, they receive the lump sum defined by law.

### **2 groups instead of 5**

The restructuring of the network led to a limitation of the number of groups of branches from 5 to 2:

**1)** The first comprises the branches of the old groups 1, 2 and 3 plus the branches of Alicante and Badajoz which will be currency centres i.e. will count and sort banknotes.

**2)** The second comprises the rest of the remaining branches which is separated into two subdivisions. The branches of San Sebastian, Logroño, Pablona, Santander and Toledo will not offer more cashier services to the institutional clients. The branches of Ceuta and Melilla maintain the cashier services to the institutional clients.

The branch network of the Banco de España consists now of 22 branches, divided up as follows:

|                                  |
|----------------------------------|
| <b>15 branches with banknote</b> |
|----------------------------------|

| <b>processing centres</b> |
|---------------------------|
| 1) La Coruña              |
| 2) Alicante               |
| 3) Badajoz                |
| 4) Barcelona              |
| 5) Bilbao                 |
| 6) Las Palmas             |
| 7) Málaga                 |
| 8) Murcia                 |
| 9) Oviedo                 |
| 10) Palma de Mallorca     |
| 11) Sevilla               |
| 12) Tenerife              |
| 13) Valencia              |
| 14) Valladolid            |
| 15) Zaragoza              |

| <b>2 branches with no banknote processing, but with cash services for financial institutions</b> |
|--|
| 16) Ceuta  |
| 17) Melilla  |

| <b>5 institutional branches, with no cash services for financial institutions</b> |
|---|
| 18) Logroño   |
| 19) Pamplona  |
| 20) San Sebastián   |
| 21) Santander   |
| 22) Toledo  |



## **5) CENTRAL BANK AND FINANCIAL**

### **SERVICES AUTHORITY OF IRELAND**

**(Banc Ceannais agus Údarás Seirbhísí Airgeadais na hÉireann)**

**Staff number: 977**

- The Central Bank of Ireland (CBI) was established on 1 February 1943. As from 1 May 2003 the CBI was renamed as the Central Bank and Financial Services Authority of Ireland (CBFSAI) according to Central Bank and Financial Services Authority of Ireland Act, 2003. Under this Act the Irish Financial Services Regulatory Authority was established and incorporated into the central bank. In January 2004, the capital and reserves of the CBFSAI were 269.319 euros.
- The Bank is a member of Eurosystem and implements the monetary policy decided by the Governing Council of the ECB. It has no one branch or agency. It incorporates within its currency center the banknote printing works and mint.
- The CBI is administered by the Board of Directors made up of the Governor, who at the same time is the president of the Board and is appointed by the President of the Republic on the advice of the Government for a 7 year term of office once renewable, the Director General of the Bank, the Secretary General of the Department of Finance, the Chairperson of the Irish Financial Services Regulatory Authority, the Chief Executive of that Authority and 7 other Directors appointed by the Minister of Finance; 4 of them should be members of the Irish Financial Services Regulatory Authority.
- The Irish Financial Services Regulatory Authority (IFSRA) into the central bank:

This Authority, established on 1 May 2003 and incorporated as a distinct component into the renamed central bank, is administrated by the Board comprising no fewer than 8 and no more than 10 members, of whom one is the Chief Executive, one is the Consumer Director and no fewer than 6 and no more than 10 are persons appointed by the Minister of Finance after consulting the Minister for Enterprise, Trade and Employment. Its main task is to regulate all financial institutions including those previously regulated by **1)** the Central Bank of Ireland (banks, building societies, investment and insurance intermediaries, funds, investment business firms, stockbrokers, Exchanges, Bureaux de

change) **2)** the Department of Enterprise, Trade and Employment, DETE (insurance companies) **3)** the Office of the Director of Consumer Affairs, ODCA (mortgage intermediaries, bank charges, money lenders, Consumer Credit Act) and **4)** the Registrar of Friendly Societies (credit unions). It develops under the management of Consumer Director of the IFSRA the consumer information and protection on information and education, codes of conduct and their enforcement, industry education and competence, monitoring competition, motor insurance consumer protection, complaints handling with the financial services ombudsman, financial exclusion.

## **ACTIVITIES OF THE CBFSAI**

### **Core activities**

- 1)** Implementation of monetary and foreign exchange policies of the Eurosystem.
- 2)** Management of its foreign exchange and euro reserves and the national quota of the ECB FX reserves.
- 3)** Banking and financial supervision and contribution to the stability of financial system: it is responsible for both authorisation and supervision of banks, building societies, financial institutions such as the Stock Exchange, Stock brokers, Futures and Options Exchanges, Moneybrokers, investment business firms, collective investment schemes and the service providers to these schemes, entities operating in the International Financial Services Centre (IFSC) and the insurance intermediaries. It is responsible for Consumer Information and Protection. Two Consultative Panels “Consumer” and “Industry” to advise the Regulatory Authority were established. A position for a Financial Services Ombudsman was established to deal with consumer complaints regarding financial institutions
- 4)** Printing euro banknotes and coins and commemorative coins.
- 5)** Bank of banks.
- 6)** Oversight of payment and settlement systems. It manages the IRIS that as from 18 February 2008 is the national component of the single shared platform of the TARGET2 system.

### **Other activities**

- 1)** Cashier activities: safe custody, counting and sorting, distribution, redemption and destruction of banknotes and coins.

2) Bank to the Irish Government: the Bank keeps accounts for the government and maintains the Register of Irish Government Bonds including payment of dividend and redemption proceeds on registered holdings.

3) Economic analysis, research and publications. It provides advice and guidance on Irish government economic policies.

4) Balance of payments and other statistics.

| <b>Summary of some important activities of CBFSAI</b>  |
|--|
| 1) Banking and Financial Supervision including Insurance Companies, Stock Exchange and Stock Brokers |
| 2) Consumer Information and Protection   |
| 3) Printing banknotes and minting coins and commemorative coins                                      |
| 4) Register of Irish Government Bonds  |

## **ORGANISATION CHART OF THE CENTRAL BANK AND FINANCIAL SERVICES AUTHORITY OF IRELAND**

| <b>THE BOARD OF DIRECTORS</b>  |
|--|
| <b>OF THE CENTRAL BANK AND FINANCIAL SERVICES AUTHORITY OF IRELAND</b>   |
| <ul style="list-style-type: none"><li>• Governor of the Bank and President of the Board</li><li>• Director General of the Bank</li><li>• Secretary General of the Department of Finance</li><li>• Chairperson and Chief Executive of the Irish Financial Services Regulatory Authority</li><li>• 7 Directors, 4 of them should be members of the Irish Financial Services Regulatory Authority</li></ul> |

### **A) ORGANISATION CHART OF THE CENTRAL BANK**

#### **DEPARTMENTS**

##### **► Under the Director General**

- General Secretariat
- Internal Audit

##### **► Under the Deputy Director General and Secretary**

- Financial control

- Financial markets
- Payment and Securities settlements

▶ **Under the Assistant Director General**

- Currency issue
- Currency production

▶ **Under the other Assistant Director General**

- Economic Analysis, Research and Publications
- Financial Stability
- Monetary Policy and International Relations
- Statistics

▶ **Under the other Assistant Director General**

- Corporate Services
- Human Resources
- Information Systems

|  |
|--|
| <p><b>B) ORGANISATION CHART OF THE IRISH FINANCIAL SERVICES REGULATORY AUTHORITY<br/>(FINANCIAL REGULATOR)</b></p> |
|--|

|                  |
|------------------|
| <b>THE BOARD</b> |
| ● Chairman       |
| ● 9 members      |

▶ **Under the Chief Executive:** he is the head of all the following activities and in particular has under his own direct responsibility the following units:

- Legal and Enforcement
- Planning and Finance
- Registrar of Credit Unions

▶ **Under the Prudential Director**

- Banking Supervision

- Financial Institutions and Funds Authorisations
- Insurance Supervision
- Investment Service Providers Supervision
- Markets Supervision

▶ **Under the Consumer Director**

- Consumer Information
- Consumer Protection

## 6) **BANCA D' ITALIA**

**Staff number: 7.100**

- The Banca d' Italia (BDI) was founded in 1893 through the merger of “Banca Nazionale nel Regno”, “Banca Nazionale Toscana” and “Banca Toscana di credito per le industrie e il commercio d'Italia”.
- Its statutory capital is 156.000 euros and in January 2004 its capital and reserves were 13.665.846.000 euros. It oversees payment systems, carries out banking and financial supervision and has its own printing works .
- It disposes 97 branches in Italy and 6 representative offices abroad.
- The BDI disposes a Central Risks Office, manages the Central Interbank Alarm system for irregular cheques and payment cards, carries out regional economic surveys and as from August 1998 integrates the Italian Foreign Exchange Office (Ufficio Italiano dei Cambi).
- The Bank of Italy (BDI) is administered by:
  - a) the Annual General Meeting which approves the annual accounts and appoints the members of the Board of Auditors
  - b) the Directorate consisting of the Governor, the Director General and 3 Deputy Directors General. The Directorate manages the activities of the Bank having the supervision of the areas of Central Managers
  - c) the Board of Directors consisting of the Governor as Chairman and 13 members appointed by the General Assembly of Shareholders. It takes decisions on the administration of the BDI except of monetary and foreign exchange policies and banking supervision issues
  - d) the Board of Auditors, consisting of 5 members and two alternates, checks the Bank's administration and compliance with the law and the Statute. There is also an Executive Committee of the Board of Directors with advisory and administrative responsibilities.
- The appointment of the Governor and the other members of the Directorate are decided by the Board of Directors and must be approved in a decree issued by the President of the Republic acting on a proposal of the Prime Minister. The Governor of the B.D.I had an unlimited term of office but following the reform of December 2005 has now a six year term once renewable.
- According to the **restructure plan** of the Bank of Italy, the branch and representative offices network will be decreased dramatically. **The**

**Bank of Italy tries to close down 75 branches** affecting about 2.200 employees. For this reason, the trade unions are in conflict with the government of the Bank.

## **ACTIVITIES OF THE BANK OF ITALY**

### **Core activities**

1) Implementation of monetary and foreign exchange policies of the Eurosystem.

2) Management of the country foreign exchange reserves, the own reserves and the national quota of FX reserves of the ECB.

3) Printing banknotes in its printing works (la Stamperia).

4) Oversight of payment and settlement systems. It managed the BI-REL, a RTGS system that was in the past a component of the TARGET1 system which as from 19 May 2008 is simply the national component of the single shared platform of the system TARGET2. Domestic interbank retail payments are settled via BI-COMP clearing system, which: a) handles paper-based transactions through the Local Clearing subsystem managed by the Bank of Italy and is exclusively concerned with the clearing of bank and postal cheques exceeding 2.582 euros b) handles electronic transactions through the Retail subsystem managed by the Interbank Company of Automation and clears domestic retail electronic payment instruments entered using common standards. It handles about 90% of retail payments in volume. The transactions concluded on regulated financial markets and on the OTC (over the counter) market are cleared once a day using the LDT (Liquidazione dei Titoli) procedure managed by the Bank of Italy. Alternatively, those concluded on the OTC market can be settled on a real-time gross basis using the «Express» procedure managed by «Monte Titoli».

• Management of the single shared platform of the TARGET2 system in conjunction with the Deutsche Bundesbank and the Bank of France.

5) Bank of banks. Keeping current accounts and acting as a settlement agent.

6) On site and off-site banking and financial supervision. The BDI acts following a mandate of CICR (Comitato Interministeriale per il Credito e il Risparmio) that is the State authority on credit institutions supervision. The Bank supervises not only individual credit institutions but also group of banks with strong local roots. Since the beginning of 2001 the supervision of smaller banks that are part of a group has been carried

out in close collaboration with the supervisory units of BDI' branches. The Bank also supervises asset management companies and investment firms.

### **Other activities**

**1) Bank to the government.** Keeping and managing current account of the Treasury and public entities. It offers cashier services for the tax agencies of the Ministry of Economy and Finance. In 2000, the transfer of central securities depository services for government securities from the Bank of Italy to Monte Titoli was completed. Despite of this development the Bank of Italy continues to handle the securities used as collateral for Eurosystem credit operations, to withdraw certificates for dematerialisation, to place new Treasury issues, to service the government debt and to execute clearing and settlement for State financial instruments. In general, the Bank of Italy assists the Ministry of Economy and Finance in the management of the public debt.

**2) Central Risk Office (Centrale dei rischi):** it is a computerised information system aiming to improve intermediaries' ability to monitor the risks deriving from multiple borrowing. The register is fed by banks reporting their loans and in return inform them of each borrower's aggregate indebtedness, as well as providing a variety of statistics for the banking system as a whole. Interested parties may obtain access to their files by applying to a bank or a branch of the Bank of Italy.

**3) Cashier services:** counting, sorting and distribution of banknotes and coins.

**4) Economic researches.** Regional economic conjuncture surveys. Collection and processing of economic, monetary, financial and banking statistics.

**5) Commercial activities** as dealing with values and foreign banknotes, settlement of remittances, payment orders and foreign coupons.

**6) SADIBA (Training School in Perugia).** It offers courses to the Bank employees and at the same time is a centre for national and international meetings and conferences on economic and financial issues.

**7) Interbank Alert Register (Centrale d' Allarme Interbancaria):** it is a database managed by the Bank of Italy which stores information on persons who have written bad cheques on bank or postal accounts or whose payment cards have been revoked. Entry in the register entails an automatic six-month prohibition on issuing cheques on bank or postal accounts and on opening new checking accounts with any



intermediary. The register stores, also, data on cheques and payment cards that have been lost, stolen or cancelled.

**8) E-MID contracts settlement:** e-MID is the only **electronic market** for Interbank Deposits in the Euro Area and US. Money-market deposits in euros, dollars, sterling and Polish zlotys are traded on the e-MID market operated by e-MID S.p.A. The available maturities range are from overnight to one year. The relevant contracts are automatically settled through BI-REL directly on the counterparties' accounts at the Bank of Italy or through TARGET2 in the case of banks based in different countries.

| <b>Summary of non monetary activities of the Bank of Italy</b>  |
|---|
| ● Banking and financial supervision   |
| ● Printing banknotes  |
| ● Cashier's activities for the Treasury Tax agencies and a large series of services to the State                                    |
| ● Cashier's services for the banking system   |
| ● Management of the single shared platform of the TARGET2 system in conjunction with the Deutsche Bundesbank and the Bank of France |
| ● Central Risk Office   |
| ● Interbank Alert Register  |
| ● Regional Conjuncture Surveys  |
| ● Training School in Perugia  |
| ● A network of branches having a lot non monetary activities  |

## **ORGANISATION CHART OF THE BANK OF ITALY**

### **● General Meeting of Shareholders**

| <b>Governing Board - Directorate</b> |
|--------------------------------------|
| ● Governor                           |
| ● Director General                   |
| ● 3 Deputy Directors General         |

### **● Secretariat to the Governing Board - Directorate**

| <b>Board of Directors</b> |
|---------------------------|
| ● Governor as Chairman    |

- |                |
|----------------|
| ● 13 Directors |
|----------------|

|                          |
|--------------------------|
| <b>Board of Auditors</b> |
|--------------------------|

- |             |
|-------------|
| ● 5 members |
|-------------|

- |                |
|----------------|
| ● 2 Alternates |
|----------------|

### **1) Central Banking and Markets Area**

- Managing Director
- Monetary and Exchange Rate Policy Department
- Asset Management Department
- Market Oversight Office

### **2) Payment System and Treasury Services Area**

- Managing Director
- Payment System Department
- Treasury Services Department
- Payment System Oversight Office

### **3) Banking and Financial Supervision Area**

- Managing Director
- Competition, Regulation and General Affairs Department
- Banking Supervision Department
- Financial Supervision Department
- Supervision Inspectorate
- Secretariat of the Interministerial Committee for Credits and Savings

### **4) Currency Circulation Area**

- Managing Director
- General Secretariat
- Banknote Printing Department
- General Cash Department

### **5) Economic Research and International Relations Area**

- Managing Director
- Economic Outlook and Monetary Policy Department
- Structural Studies Department
- International Economic Analysis and Relations Department
- Economic and Financial Statistics Department

- Secretariat and Coordination Unit
- IT support

#### **6) Legal Research Area**

- Legal Services and Law Studies Department

#### **7) Human and Technical Resources Area**

- Managing Director
- Personnel Management Department
- Personnel Rules and Remuneration Department
- Credit and Financial Statistics Department
- Information Technology Department

#### **8) Organisation and Logistics Area**

- Managing Director
- Organisation Department
- Property Department
- Purchasing Department
- Health and Safety Office

#### **9) Accounting and Control Area**

- Managing Director
- Accounting Department
- Expenditure Analysis and Verification Department
- Tax Department

#### **10) Internal Auditing Area**

- Internal Auditing Department

#### **11) Financial Intelligence Unit**

### **THE BANK OF ITALY' BRANCHES AND THEIR ACTIVITIES**

The Bank of Italy disposes 99 branches (Filiali):

- 14, which are regional main offices and considered of special importance, are called «SEDI» and have their seat in the following cities:

Bologna, Genova, Milano (sede), Torino, Trieste, Venezia, Ancona, Firenze, Livorno, Roma (sede), Bari, Cagliari, Napoli (sede) and Palermo.

- The other 84 are small branches named: «SUCCURSALI» and have their seat in the following towns:

Agrigento, Alessandria, Aosta, Arezzo, Ascoli Piceno, Asti, Avellino, Belluno, Benevento, Bergamo, Bolzano, Brescia, Brindisi, Caltanisseta, Campobasso, Caserta, Catania, Catanzaro, Chieti, Como, Cosenza, Cremona, Cuneo, Enna, Ferrara, Foggia, Forli, Frosinone, Gorizia, Grosseto, Imperia, Isernia, L' Aquila, La Spezia, Latina, Lecce, Lucca, Macerata, Mantova, Massa, Matera, Messina, Milano (succursale), Modena, Napoli (succursale), Novara, Nuoro, Oristano, Padova, Parma, Pavia, Perugia, Pesaro, Pescara, Piacenza, Pisa, Pistoia, Pordenone, Potenza, Ragusa, Ravenna, Reggio Calabria, Reggio Emilia, Rieti, Roma (succursale), Rovigo, Salerno, Sassari, Savona, Siena, Siracusa, Sondrio, Taranto, Teramo, Terni, Trapani, Trento, Treviso, Udine, Varese, Vercelli, Verona, Vicenza, Viterbo.

- One branch (filiale) Roma Tuscolano has particular tasks in money circulation and in management of telecommunication procedures regarding the the service of the State treasury.

The Bank of Italy branches have the following activities:

**a) Supervision (Vigilanza):** they carry out the prudential control and banking supervision regarding credit institutions having their head Office in their region. They collaborate with the Bank of Italy head Office regarding the other credit institutions mainly providing information on local branches. They collect and study data on local financial situation mainly on local banking conjuncture. They examine credit institutions's balance-sheets, accounts and other accounting documents. They monitor, inter alia, the practices related to real estate investments, credit institutions's shares and reserve requirements. As from January 2001 they strongly involve in the supervision of smaller banks that are part of a banking group.

**b) Services to the State Treasury (Tesoreria dello Stato):** they carry out preventive accounting and administrative controls on all State operations executed through branches and confirm encashments and coupon payments regularity. They are emitting cheques in favour of public sector and accomplish other operations related to the Treasury Tax service.

**c) Payment Systems (Sistema dei pagamenti):** they carry out compensation of various debits and credits connected with cheques settlement. In particular, they involved in the BI-COMP' local clearing subsystem. They control the smooth function of payment systems and instruments into their region. They service the Interbank Alert Register (Centrale d' Allarme Interbancaria) i.e give and receive information to/from persons on irregular banking cheques and payment cards.

**d) Cashier's and deposit services (Servizi di cassa e deposito):** management of banknotes, coin, coupons, values and coupons payment. Carrying out of all operations in cash, in coupons and in values related to provincial Treasury service. The branches keep also accounting books regarding deposits and coupons. They handle State coupons, guaranty deposits and keep books of credit institutions transactions and usual clientele deposit accounts.

**e) Economic research (Ricerca economica):** compilation and analysis of information and data on regional economic situation. Credit statistical data analysis. Administrative and legislative measures compilation and analysis regarding provincial economic, financial and credit matters. Drawing up reports on regional surveys. Research on manufacturing enterprises balance-sheets and investments.

**f) Central Risk Office (Centrale dei rischi):** in the counters of the branches, persons involved may ask for information registered in their name and anyone may receive information on the function details of the system and the acces conditions.

**g) Counsels on the list of the Library Paolo Baffi (Consultazione del catalogo della biblioteca de Paolo Baffi):** it is a library based in the head office of the Bank of Italy.

### **The Representative Offices abroad**

The Bank of Italy disposes six representative offices abroad:

- Brussels
- Frankfurt
- London
- Paris
- Tokyo
- New York

The representative offices gather information on the local economy and leading financial institutions and handle relations with international organisations and the authorities in the host country. Also, a number of Bank employees work as financial attachés at Italian Embassies.

## **UFFICIO ITALIANI DEI CAMBI (UIC) (Italian Foreign Exchange Office)**

***To be fully incorporated into the Bank of Italy***

The UIC was previously an autonomous entity closely collaborated with the central bank and executed mainly foreign exchange controls. As from 1997 the UIC transformed to ensure compatibility with ESCB Statute.

Legislative Decree 319/26-8-1998 completed the integration of UIC with the Bank of Italy. Now, the UIC is an instrumental entity of the central bank. The Governor of the BDI is the Chairman of the UIC's Board of Directors. The other members are the Director General and three others nominated by the Governor. The UIC's main activities are:

- collecting data and preparing statistics on the balance of payments and on the foreign assets position.
  - national numbering agency for the International Securities Identification Number (ISIN).
  - money laundering prevention and repression. Statistical analysis of aggregate data on all transactions with amounts in excess of euros 10.329 as part of its money laundering fight responsibility. Suspicious transactions on financial and non-financial activities are reported to UIC. Inspections of financial and non-financial intermediaries for this purpose.
  - oversight function against usury. The UIC with the Bank of Italy monitors overall average real interest rates for any evidence of usury.
  - monitoring of import and export of currency, securities and valuables with a value exceeding euros 10.329.
  - providing treasury services for branches of the public administration.
- 
- According to the restructure plan of the Bank, the UIC should be fully incorporated into the Bank of Italy.

## **7) CENTRAL BANK OF LUXEMBOURG**

**Staff number: 216**

- The Central Bank of Luxembourg (BCL) was founded in 1998. The Luxembourg State is the sole holder of its capital, which is set at 25 million euros. It implements the monetary and FX rate policy and oversees the payment systems within the framework of the ESCB and the Eurosystem. It is a Bank which is limited only to the core activities of the Eurosystem.
- The BCL lost the banking supervision that was transferred to the Commission of Financial Sector Supervision, a super-regulator authority. It has no branches neither a printing works nor mint. Luxembourg quota of euro banknotes and coins is produced abroad following tender operations.
- As from 1.1.2007 the Bank of Slovenia delegated the BCL to manage its quota of the ECB foreign exchange reserves.
- The BCL is administered by:
  - a) the Executive Board consisting of the Director General and two Directors. It is the superior executive authority and draws up the measures and takes the decisions required for the fulfilment of the tasks entrusted to the BCL. The members of the Executive Board are appointed for a six year term of office by the Grand-Duke following a proposal of the Council of Ministers. The appointment is renewable
  - b) the Council composed by the members of the Executive Board, i.e the Director General, who is also the President of the body, and two Directors and moreover by six members appointed by the Council of Ministers. The appointment is for a six year term of office and is renewable. The Council determines the activities' policy of the Bank, adopt guidelines, approves the annual budget, the financial accounts and the reports of the Executive Board and gives its consent prior to the use of central bank's reserve funds.

### **ACTIVITIES OF THE BCL**

#### **Core activities**

- 1) Implementation of monetary and foreign exchange rate policy of the Eurosystem.

- 2) Management of its own FX and euro reserves and the ECB FX reserve quota. Execution of foreign exchange operations
- 3) According to a contract: management of the Bank of Slovenia' quota of the ECB FX reserve.
- 4) Issuing and circulation of euro banknotes and circulation of euro coins on behalf of the Finance Ministry which issues them. Banks of the financial centre receive banknotes and coins from the BCL in view of the withdrawals and deposits made by their own clients.
- 5) Oversight of payment systems, monitoring and ensuring their organisation and good functioning. It manages the LIPS-gross that was a RTGS system component of the TARGET1. As from 19 November 2007 it is the national component of the single shared platform of the TARGET2 system. b) It managed the LIPS-net, the Luxembourg compensation system. Until 6 October 2006, LIPS-Net (Luxembourg Interbank Payment System – Netting System) used to be the national compensation system for domestic cheques and credit transfers. The system started in 1994, as the substitute for a manual clearing house. Since 1 July 2006, Luxembourg banks exchange and compensate cheques, whose volumes have been on the decline in the past years, on a bilateral basis. Since 9 October 2006, domestic credit transfers and standing orders are processed in the pan-European system STEP2. STEP2 is operated by the Euro Banking Association (EBA).
- 6) Surveillance of the financial stability and collaboration with the Commission of Financial Sector Supervision.
- 7) Bank of banks: keeping current accounts and acting as a settlement agent.

### **Other activities**

1) Cashier activities: the Cash Department is in charge of supplying the country with banknotes and coins in sufficient quantity and quality. The Banknotes, Coins and Security Section is in charge of the activities concerning the production of notes and coins: the Bank issues the notes, and the coins are issued on behalf of the Luxembourg State, including numismatic products. This Section also handles matters pertaining to counterfeiting. The Central Cashier's Office Section manages the circulation of notes and coins: lodgement, withdrawal and sorting operations, in order to respond to the needs of the financial system and payment circuits. The BCL handles operations with the public at its public counters, in particular the sale of numismatic products and the exchange of old and damaged notes and coins.



- 2) Economic analysis and research on financial markets and economic developments of the Luxembourg and the euro zone area.
- 3) Collection, compilation and analysis of statistics in the areas of economic and monetary affairs. Balance of payment statistics. Collaboration with the State statistical organisation STATEC (Service central de la statistique et des études économiques du Luxembourg).
- 4) Fiscal agent of the State on a restrictive basis: access deposits, current accounts, operations with the IMF and circulation of euro coins on behalf of the Finance Ministry.

## **ORGANISATION CHART OF THE BCL**

### **THE EXECUTIVE BOARD**

- Director General
- Director
- Director

- Internal Audit
- Organisation and Risk management

### **THE COUNCIL**

- The members of the Executive Board
- plus 6 members

## **DEPARTMENTS**

### **1. General Secretariat**

1.1 Communication, Protocol, Press, Conferences, Publications and Library

1.2 Legal Services

1.3 Financial System Stability and Relations with Supervisory Authorities

### **2. Cash**

2.1 Banknotes, Coins and Security

2.2 Central Cashier's Office

### **3. Information Technology**

3.1 Office Automation and Communications

3.2 Systems and Operations

3.3 Software

3.4 Development

### **4. Monetary Affairs, Economic Analysis and Statistics**

4.1 Monetary Policy and International Relations

4.2 Economic Analysis and Research

4.A.1 Monetary and Financial Statistics

4.A.2 Balance of Payments

### **5. Banking Operations**

5.1 Front Office and Treasury

5.2 Back Office and Securities

5.3 Operations Analysis

### **6. Payment Systems**

6.1 Payment Systems and Security Settlement Policy

6.2 Management of TARGET2, Lips-Gross and Lips-Net, Payment Processing

### **7. Internal Administration**

7.1 Human Resources and Budget

7.2 Finance and Premises

## **8) DE NEDERLANDSCHE BANK**

**Staff number: 1.600**

- The Bank of the Netherlands (DNB) was established in 1814 and is a public limited liability company. Its authorised capital is 500.000.000 euros divided into 500 shares of 1.000.000 each, all held by the government of the country. It carries out the core activities of the Eurosystem and supervises credit institutions, insurers, pension funds and a variety of financial institutions (for details see next paragraph and core activities nr 4). It has not a printing works. It purchases euro banknotes by the private company «Johan Entchedé and Zn, Haarlem» and get coins by the State company “the Royal Dutch Mint” (Koninklijke Nederlandse Munt), Utrecht.
- On 30 October 2004, the Nederlandsche Bank (DNB) and the Pensions and Insurance Supervisory Authority of the Netherlands (Pensioen- & Verzekeringkamer / PVK) **merged** into one under the name of the Nederlandsche Bank.
- During the recent years 9 agencies of the DNB were closed down. By the end of the year 2007, it has 3 agencies (Eindhoven, Hoogeveen and Wassenaar) and the Agency of Amsterdam in the head Office. In mid May 2003, the Bank decided to pass, as from 2005, the cost of banknotes handling to commercial banks and to finalise this procedure as from 1<sup>st</sup> January 2008. Through this measure the Bank wishes to reduce the flow of banknotes processed now by the central bank from 2 billion to 800 million banknotes a year. In December 2007 the remaining agencies of the Bank closed down. A total of 170 jobs disappeared, 110 at the agencies and 60 at the head office sorting services.
- The DNB is administered by: **a)** the Governing Board, which is responsible for the day-to-day management of the Bank. It consists of the President of the Bank and up to five Directors appointed by the Crown following a proposal by the Government for a period of seven years **b)** the Supervisory Board supervises the management of the Bank's affairs and adopts the annual accounts. It has a Chairman, a Vice Chairman, a secretary and at least nine and up to twelve members. The Government for a period of four years appoints one member of the Supervisory Board. The Chairman and the other members of the Supervisory Board are also appointed for periods of four years, by the general meeting of shareholders **c)** the Bank Council

that the President reports to on general economic developments and the policy conducted by DNB. The Bank Council may make recommendations to the Governing Board. It consists of the President of this instance and 13 members. Two members of the Supervisory Board, including the government-appointed member, sit on the Bank Council. Among the 13 members are representatives of the social partners and the financial sector as well as independent experts.

## **ACTIVITIES OF THE DNB**

### **Core activities**

- 1) Implementation of monetary and foreign exchange policies of the Eurosystem.
- 2) Management of the foreign exchange and euro reserves of the Bank and the national quota of the FX reserves of the ECB.
- 3) Oversight of payment systems, payment products and providers of payment services. It operates the TOP, which was a RTGS system component of the TARGET1 system. As from 18 February 2008 it is the national component of the single shared platform of the TARGET2 system.
- 4) Supervision of credit institutions, insurance companies, pension funds, securities firms, collective investment schemes, money transaction offices and trust offices. A trust office is a legal entity, partnership or natural person providing, either independently or together with other legal entities, partnerships or natural persons, inter alia, one or more of the following services: a) a manager or partner of a legal entity or partnership b) an address or correspondence address c) advice or assistance in the area of private law d) tax advice or preparing tax returns e) preparing, reviewing or auditing financial statements or keeping accounting records f) recruiting a manager for the legal entity or partnership g) selling legal entities h) process agent.
- 5) Bank of banks: keeping current accounts, acting as a settlement agent, managing collateral procedures.

### **Other activities**

- 1) Bank to the government: keeping current accounts, clearing the public authority bond strips.
- 2) Export and Import Credit Guarantees: involvement in the reinsurance by the Dutch Government of foreign payment risks in respect of exports, imports and investment transactions and any attending FX risks. Making

independent assessments, drawing up instructions and taking decisions in respect of application for insurance and settlement of claims. Giving advice to the Minister of Finance on the policy to be conducted. Performing secretarial services on behalf of the State Commission for Export, Import and Investment Guarantees.

**3)** Cashier services: counting and sorting banknotes returned from circulation. Destroying unfit banknotes. Purchasing banknotes by the private company of the Netherlands «Johan Entchedé and Zn, Haarlem» and get coins by the State company “the Royal Dutch Mint” (Koninklijke Nederlandse Munt), Utrecht. The distribution of coins is in the hands of the banks and private cash-in-transit companies. DNB does hold an emergency depot to cope with temporary ups and downs in the demand for coins. Advising the Ministry of Finance on the purchase of coins. Maintaining contacts with banks and carriers of valuables. Safekeeping of the Bank’s gold holdings.

**4)** Implementing the Guarantee Scheme for private venture capital companies.

**5)** Compiling, processing and providing statistical information for monetary supervision, socio-economic policy and prudential supervision. Balance of payment statistics.

**6)** Research in the monetary, financial and general economic fields. Developing and maintaining of various types of models including macroeconomic policy models. Econometric research, historical research, consultative activities on the basis of the research.

**7)** Management of portfolio investments owned by the Bank and its Pension Fund.

**8)** DNB advances compensations under the Deposit Guarantee Scheme and subsequently apportion the total sum paid among the participating banks according to their size.

| <b>The De Nederlandsche Bank beyond the monetary area</b>                 |
|---|
| ✪ Supervision of credit institutions and securities firms                 |
| ✪ Supervision of pension funds and insurance companies                    |
| ✪ Supervision of collective investment schemes                            |
| ✪ Supervision of money transaction offices and trust offices              |
| ✪ Export and Import Credit Guarantees                                     |
| ✪ Implementing the Guarantee Scheme for private venture capital companies |

## ORGANISATION CHART OF “DE NEDERLANDSCHE BANK”

|  |
|--|
| <b>Governing Board<br/>(De Directie)</b> |
| • President of the Bank                  |
| • 3 Executive Directors                  |

- Secretary to the Governing Board and secretariat

|   |
|---|
| <b>Supervisory Board<br/>(Raad van Commissarisen)</b> |
| • Chairman  |
| • Vice Chairman                                       |
| • Secretary   |
| • 5 members   |
| • 1 member appointed by the government of the country |

- Internal Audit Department

|   |
|---|
| <b>Bank Council<br/>(Bankraad)</b>  |
| • Chairman  |
| • 2 members of the Supervisory Board including the member appointed by the government |
| • 10 members  |

### 1) Financial Stability Division

- Monitoring and Assessment Department

### 2) Economics and Research Division

- Monetary Policy Department
- Economic Policy Department
- Financial Research Department
- Economic Research Department

### 3) Financial Markets Division

- Treasury and Monitoring Department
- Asset Management Department

- Risk Management Department

#### **4) Statistics and Information Division**

- Money and Banking Statistics Department
- Insurance Companies and Pension Funds Statistics Department
- Other Financial Intermediaries Statistics Department
- Balance of Payments and Statistical Publications Department
- Expert Centre for Statistics System Department
- Data Management Department
- Documentary Information and Library Department
  - Documentary Information Section 1
  - Documentary Information Section 2
  - Documentary Information Section 3
  - Documentary Information Section 4, Apeldoorn

#### **5) Payments Operations Division**

- Payments and Securities Department
  - Payment Services Section
  - Investment Services Section
  - Process Development Section
- Payment and Settlement Systems Policy Department
- Cash Policy Department
- Cash Operations Department
  - Processing Section
  - Storage and Distribution Section
  - Counterfeits and Technical Support Section
  - Process Development Section
  - Administration, Statistics and Process Support Section
- Oversight Department

#### **6) Legal Services Division**

- International, Institutional, Payments and Company Lawyers Department
- Supervision and Regulation Department
- Compliance and Integrity Department

#### **7) Corporate Support Division**

- Security and Transport Department

- Guard, Transport and Safety Section
- Communications Department
- Facility Management Department
  - Services Section
  - Housing and Maintenance Section
  - Document Processing and Procurement Section
- Personnel and Organisation Department
  - Advice Training, Health and Safety Section
  - Support and Administration Section

#### **8) Insurance Supervision Division**

- Financial Conglomerates Department
- Insurance Companies 2 Department
- Insurance Companies 3 Department
- Insurance Companies 4 Department
- Money Transaction and Trust Companies Department
- Expert Centre for Market Access Department
- Expert Centre for Fit and Proper Testing and Disclosure Department
- Expert Centre for Enforcement Department

#### **9) Pension Supervision Division**

- Supervision of Large Pension Funds Department
- Supervision of Self-Administered Pension Funds Department
- Supervision of Reinsured Pension Funds Department
- Investment Firms and Collective Investment Schemes Department
- Expert Centre for Material Compliance Supervision of Pensions Department
- Expert Centre for Reinsurance and Asset and Liability Management Department
- Expert Centre for ICT (Information and Communication Technologies) Supervision Department

#### **10) Supervisory Policy Division**

- Supervisory Strategy Department
- Quantitative Risk Management Department
- Accountancy, Organisation and Integrity Department



- Supervisory Policy Development Department

### **11) Banking Supervision Division**

- ABN-AMRO Department
- Rabobank Department
- ING Department
- Fortis/SNS Department
- Banks 1 Department
- Banks 2 Department
- Expert Centre for Integrity Department

### **12) Corporate Affairs and ICT Division**

- Strategy, Planning and Control Department
  - Processes and Report Section
  - Support, Risk Assessment and Process Optimisation Section
- Accounting Department
- ICT (Information and Communication Technologies) Department
  - Service and Account Management Section
  - Application Development and Maintenance Section
  - Infrastructure Development and Maintenance Section
  - Data Centre Operations and Customer Service Desk Section

|   |
|---|
| <b>Agencies<br/>closed down<br/>as from 1<sup>st</sup><br/>January<br/>2008</b> |
|---|

|             |
|-------------|
| • Amsterdam |
|-------------|

|             |
|-------------|
| • Eindhoven |
|-------------|

|             |
|-------------|
| • Hoogeveen |
|-------------|

|             |
|-------------|
| • Wassenaar |
|-------------|

## 9) OESTERREICHISCHE NATIONALBANK

Staff number: 1.100

- The imperial patent of 5 July 1817 gave the exclusive right to österreichische National-Bank to issue and distribute banknotes. The successor of the österreichische National-Bank was the Austro-Hungarian Bank. The Geneva Protocol of October 1922 established the Oesterreichische Nationalbank under its current form and name. The name of the bank in English is “National Bank of Austria” (OeNB). It is a stock corporation. Its capital is 12.000.000 euros and is divided into 150.000 registered shares; half of this capital is held by the federal government and half by banks, insurance corporations and employer and employee organisations. The main task of the OeNB center on contributing to a stability-oriented monetary policy within the Eurosystem, safeguarding financial and price stability in Austria.

- It has three subsidiary companies: **a)** the GSA (Geldservice Austria GmbH), a cash handling company **b)** the «Oesterreichische Banknoten und Sicherheitsdruck GmbH» which mainly prints banknotes **c)** the «Oesterreichische Münze AG (OMAG) which strikes coins. The GSA belongs to the central bank by 96.4% while the other two by 100% (for details see below).

- The OeNB had in the past 8 branches. Recently, the Bank close down the branches of Bregenz, Eisenstadt and Saint Polten and thus remained 5 branches. As of 1st April 2002 the banking supervision was transferred to an independent super-regulator authority called “Financial Market Authority, FMA” (Finanzmarktaufsicht) with which the central bank co-operates closely i.e carrying out on-site inspections following a mandate of the FMA.

- The Bank is administered by:

- a)** the General Meeting of Shareholders which approves the annual accounts and the report of the General Council concerning the conduct of business during the previous financial year, decides on the allocation of earnings and fixes the dividend to be distributed to shareholders, appoints two Auditors and elects six members of the General Council and removes these members from office

- b)** the General Council (Generalrat) charged with the surveillance of all business not falling within the core activities of the ESCB and of the Eurosystem. It advises the Governing Board in the conduct of the Bank’s business and in matters of monetary policy. Joint meetings of

two bodies take place at least once each quarter. The GC appoints the members of supervisory boards and executive bodies of companies in which OeNB is a shareholder. It consists of the President, one Vice-President and twelve members. The President, the Vice-President and six out of 12 members are appointed for a 5 year term by the federal government while the other six members are appointed by the General Meeting of Shareholders

c) The Governing Board (Directorium) is responsible for the overall running of the Bank and the conduct of the business of OeNB. It comprises the Governor, the Vice Governor and two Executive Directors who are appointed for a 5 year term by the President of the Republic following a proposal of the federal government.

- It is noted that the president of the General Council and the Governor are two different persons.

## **ACTIVITIES OF THE OeNB**

### **Core activities**

1) Implementation of monetary and foreign exchange policy of the Eurosystem.

2) Management of its own foreign exchange and euro reserves and the national quota of FX reserves of the ECB.

3) Oversight of payment systems. Operation of ARTIS, a RTGS system which was a component of the TARGET1 system. As from 19 November 2007 it is the national component of the single shared platform of the TARGET2 system. The OeNB offers also for small payments a unique access to credit institutions to the system STEP2 which belongs to Euro Banking Association (EBA).

3) Bank of banks.

6) Financial stability. The OeNB is competent to ensure the financial stability of Austria's financial markets. To this end, it collaborates closely with the "Financial Market Authority, FMA" (Finanzmarktaufsicht), the independent super-regulator authority of Austria which set up as of April 1, 2002. The OeNB, on the basis of supervisory data, assesses the risk levels of individual banks. Additionally, the Bank Analysis and Inspection Division of the OeNB is commissioned by the FMA to carrying out on-site inspections of banks.

### **Other activities**

- 1) Execution of banking transactions in favour of the federal administration.
- 2) Cashier services through its branches and subsidiary companies. The Test Center in the OeNB's Cashier's Division tests banknote processing machines and banknote authentication machines according to the guidelines of the European Central Bank. For this purpose the OeNB Test Center closely cooperates with the manufacturers and distributors of these machines.
- 3) Domestic and international economic analysis.
- 4) Analysis of financial markets.
- 5) General statistical analysis and balance of payments statistics.
- 6) CEEC Research Platform: Given the prime importance of Central and Eastern European countries (CEEC) for both the Austrian economy and the stability of the Austrian financial market, the OeNB monitors and analyses the integration process in this area. In this field, the OeNB is able to draw on the expertise contained in country reports and a wide range of academic papers produced, among other things, for its publication Focus on European Economic Integration. Last but not least, the OeNB supports the CEEC area through technical cooperation projects and as a sponsor of the Joint Vienna Institute (JVI).

## **ORGANISATION CHART OF THE OeNB**

- General Meeting of Shareholders

|                                     |
|-------------------------------------|
| <b>General Council (Generalrat)</b> |
| ■ President                         |
| ■ Vice-President                    |
| ■ 12 members                        |

- Office of the General Council

|                                      |
|--------------------------------------|
| <b>Governing Board (Directorium)</b> |
| ■ Governor                           |
| ■ Vice-Governor                      |
| ■ Two Executive Directors            |

### **A) Area under the Governor**

## ► **CENTRAL BANK POLICY**

- Office of the Governor
- Internal Audit Division
- Communications Division
- Planning and Control Division
- Anniversary Fund
- Personnel Division
- Future Unit

## **B) Area under the Vice-Governor**

### ► **MONEY, PAYMENT SYSTEMS, ACCOUNTING AND IT**

- Legal Division
- Payment Systems and Information Technology Department
  - Information Technology and Payment Systems Strategy Division
  - IT Development Division
  - IT Operations Division
  - Payment Systems Division
- Cashier's Division and Branch Offices Department
  - Printing Office
  - Cashier's Division
  - Northern Austria Branch Office
  - Southern Austria Branch Office
  - Western Austria Branch Office
- Accounting Department
  - Financial Statements Division
  - Accounts Division

## **C) Area under the one Executive Director**

### ► **ECONOMICS AND FINANCIAL MARKETS**

- Economic Analysis and Research Department
  - Economic Analysis Division
  - Economic Studies Division
  - European Affairs and International Financial Organisations Division
  - Foreign Research Division
  - Brussels Representation Office

- Paris Representation Office
- Financial Stability and Bank Inspections Department
  - Financial Markets Analysis and Surveillance Division
  - Banking Analysis and Inspections Division
  - Credit Division

#### **D) Area under the other Executive Director**

##### **► INVESTMENT POLICY, INTERNAL SERVICES AND STATISTICS**

- Equity Interest Management Division
  - Treasury Department
    - Treasury - Strategy Division
    - Treasury – Front Office
    - Treasury – Back Office
    - London Representative Office
    - New York Representative Office
  - Organisation and Internal Services Department
    - Organisation Division
    - Procurement and Technical Services Division
    - Security Division
    - Documentation Management and Communications Services
  - Statistics Department
    - Supervisory and Monetary Statistics Division
    - External Statistics and Financial Accounts Division
- **The OeNB branches:** following the closure of branches in Bregenz, Eisenstadt and Saint Polten, the country was divided into four regions:
- 1) Region East where the local activity is executed by the head office in Vienna
  - 2) Region North where exist the branches of Linz and Salzburg
  - 3) Region South where the activities of branches of Graz et Klagenfurt are developed
  - 4) Region West where exist the branch of Innsbruck. The branches of the OeNB offer a cashier service, they inform the citizens on the activities of the OeNB, the ESCB and the Eurosystem and for the payment systems and instruments and they organise seminars in favour of regional banking community and local collectivities. They collect regional statistical data and develop relations with the regional public instances.

| OeNB' branches |
|----------------|
| • Graz         |
| • Innsbruck    |
| • Klagenfurt   |
| • Linz         |
| • Salzburg     |

## OeNB' SUBSIDIARY COMPANIES

### A) GSA ( Geldservice Austria GmbH)

It was established by OeNB on March 2001 as a subsidiary company. The 96,4% of its share capital belongs to the central bank while the remaining is dispersed among credit institutions and other investors. It replaced the Central Cashier Department of the OeNB and the cashier services of its branches. However: a) GSA' employees, who transferred there by OeNB, are paid and are subject by/to the central bank working conditions status b) 31 of them work in OeNB branches of Linz, Graz, Klagenfurt, Bregenz and Innsbruck ie GSA uses the central bank premises.

#### **Activities of GSA**

- 1) Counting, sorting and packaging euro banknotes and coins. Detection of counterfeit banknotes via high speed machines.
- 2) Planning of shipment routes and co-ordination of transport of funds to credit institutions' branches and other customers. However, shipments are carried out by collaborating private cash-in-transit-companies.
- 3) Foreign currency, precious metal and travel checks processing and shipments to/from branch offices.
- 4) ATM feeding operations.
- 5) Crediting of customer accounts immediately upon deposit currency counting.
- 6) Assistance in fee negotiations with armored car companies. Planning of shipment routes and co-ordination of joint shipments for several customers. Selection of means of transportation (armored carriers or by air).
- 7) Organisation of freight insurance.
- 8) Vault reconciliation and management of cash holdings (branch offices/business accounts)

9) Supply of commemorative coins and medals.

10) Auditing and billing.

11) Online order processing by 10.30 a.m and for special shipments (Vienna area only) by 01.00 p.m.

## **B) Oesterreichische Banknoten und Sicherheitsdruck GmbH (OeBS)**

### **(The Austrian Banknote and Securities Printings Works, SA)**

In 1998, the banknotes printing division of the National Bank of Austria is converted into a subsidiary company the share capital of which keeps the central bank by 100%. It produces:

- banknotes
- security documents
- tax labels
- cheques
- fiscal stamps
- coupons
- vouchers
- certificates

Customers of the OeBS are the OeNB, the Austrian Government, the ECB, the NCBs of the ESCB and other central banks. The company is cost effective, disposes a sales and Marketing Management Department and places its products in Austria and the international market.

## **C) Oesterreichische Münze AG (OMAG)**

### **(The Austrian Mint, SA)**

In January 1989 the State Mint was converted into a public company owned by 100% by the central bank. It produces:

- euro coins and other coins
- commemorative silver coins
- gold coins
- gold bars

The OMAG is a major shareholder in Casinos Austria AG and has purchased Hans W. Hercher GmbH, a major wholesaler of coins, as a wholly owned



subsidiary. Services in the field of engineering are also offered, such as the project of constructing a new mint for the Ukraine.

|   |
|---|
| <b>Summary of the OeNB' important activities</b>                                    |
| ⊛ Printing banknotes and minting coins  |
| ⊛ Test Center for banknote processing machines and banknote authentication machines |
| ⊛ Transport of funds  |
| ⊛ Financial stability and on the spot inspections                                   |
| ⊛ CEEC Research Platform  |

## **10) BANCO DE PORTUGAL**

**Staff number: 1.700**

- The Bank of Portugal (BDP) was established by a royal charter of November 19th, 1846, to act as a commercial bank and issuing bank. With the publication of the Decree-Law of July 9th, 1891, the BDP became the sole issuer of bank notes for the mainland, the Azores and Madeira. Its share capital is 1.000.000 euros and may be increased following an authorisation by the Minister of Finance.

- The main objective of the BDP is to maintain price stability. Another important mission is to provide for the stability of the domestic financial system. It applies the monetary and foreign exchange policies of the Eurosystem. It carries out banking and financial supervision and prints banknotes through its subsidiary company VALORA, which has its seat at the Carregado Complex, 40 kilometers from Lisbon. The share capital of Valora belongs by 75% to the BDP and 25% to the English private company De La Rue. The Treasury and Issue Department is the main occupant of complex of Carregado including banknote printing and counting, sorting and transport of funds services. The BDP operates a Central Balance-Sheet Data Office, a Central Credit Register and a Centralisation of Information on Cheque Defaulter. The Bank had in the past 32 branches. At present, it has a main branch, two regional delegations and seven branches, i.e. totally 10 branches with 150 employees.

- The BDP is administered by:

- a) the Board of Directors consisting of the Governor, two Vice-Governors and of three to five Directors. It is responsible for all the acts required to achieve the purposes assigned to the Bank. The Governor is also President of the Board of Directors and supervises the co-ordination and dynamisation of the activities of the Board and the Bank. As is the case with all members of the Board of Directors, the Governor is appointed by the Council of Ministers, following a nomination by the Minister of Finance. The term of office of the Governor is for a period of five to six years, and is renewable

- b) the Board of Auditors consisting of four members. Three of them are appointed by the Minister of Finance and one by the staff of the Bank. It examines the periodic statements, the observance of laws and regulations and issues its opinion on the budget, the balance sheet and the annual accounts. It examines also the books, vaults and safes of the

Bank

c) the Advisory Board issues non-binding opinions on the annual report of the Bank and the measures taken by the Bank within the scope of its functions. It consists of the Governor, who presides over the Council, the Vice-Governors, the former governors, a representative of the governmental department responsible for development planning, two individuals of demonstrated competence in banking and finance matters and one in economic matters, two representatives of the Autonomous Regions of the Azores and Madeira and the Chairman of the Board of Auditors of the BDP.

## **ACTIVITIES OF THE BDP**

### **Core activities**

- 1) Implementation of Eurosystem' monetary and foreign exchange policies.
- 2) Management of its foreign exchange and euro reserves and the national quota of FX reserves of the ECB.
- 3) Supervision of credit institutions and financial companies i.e banks, public savings banks, mutual agricultural credit banks and its Caixa Central, investment companies, leasing companies, factoring companies, credit-purchase financing companies, the financial companies, a group which includes brokers, dealers, foreign exchange or money-market mediating companies, investment fund management companies, wealth management companies, credit card issuing or managing companies, regional development companies, group-purchase managing companies, exchange agencies and other companies such as Finangeste and Credivalor, holding companies controlling one or more credit institutions and financial companies when their portfolio is made up of more than 50 per cent of the shares in credit institutions or financial companies.
- 4) Printing banknotes.
- 5) Oversight of payment systems. It operates the SPGT (Sistema de Pagamentos de Grandes Transacções), a RTGS system that was a component of TARGET1 system. As from 18 February 2008 the SPGT is simply the national component of the single shared platform of the TARGET2 system. The BDP has promoted and closely monitored the automation of the payment systems, and in particular retail payment systems as the SICOI (Sistema de Compensação Interbancária), which processes retail payment instruments such as: cheques, bills of

exchange, TEI (Transferências Eletrónicas Interbancárias) that is an interbank electronic transfers system, the Direct Debit System (SDD) and Multibanco.

**6) Bank of banks:** opening accounts for the credit institutions, keeping the stability of the domestic financial system, performing for the purpose the function of lender of last resort. This goal is achieved also through the supervision of credit institutions and financial companies.

### **Other activities**

- 1) Counting and sorting banknotes, storage and other cashier activities.
- 2) Services provided to the Government: current accounts, public debt issues and payment of State securities. The Ministry of Finance entrusts the management of the public debt to the Debt Management Office, an autonomous institution subject to the Ministry's supervision.
- 3) Central Credit Register for the centralisation of information on credit risks (for details see below).
- 4) Central Balance - Sheet Data Office (for details see below).
- 5) Preparation, analysis and publication of monetary, financial, foreign exchange and balance of payments statistics.
- 6) Economic researches.
- 7) SIBAP (Sistema de Instruções do Banco de Portugal) i.e the Bank of Portugal Instruction system. It is a permanently updated computerised database containing legal instructions issued by the central bank.
- 8) Centralisation of Information on Cheque Defaulter that registers the termination of the convention on cheques with defaulting entities and the unpaid cheques (for details see below).

### **Activities of branches**

- 1) Centralisation and handling of information related to the annual and quarterly accounts of non-financial companies and risks of customers of financial institutions.
- 2) Studies on central offices for cash-balances of national, foreign and international entities.
- 3) Implementation of decisions taken by the Directive Commission of the Guaranty Fund.
- 4) Cashier services: counting and sorting banknotes, storage, compensation of checks and other values. Feeding the banks with fiduciary money and accepting money deposits.

## **SOME IMPORTANT ACTIVITIES OF THE BANK OF PORTUGAL**

### **► The Central Credit Register**

- The Central Credit Register (CCR) is a database operated by the BDP on the basis of credit-related information supplied by the credit institutions. The CCR contains information on credit extended by participants to individuals and organisations. Also included are the potential liabilities, which may take the form of irrevocable commitments. The BDP aggregates credit liabilities on a monthly basis. Since 1993, however, has the system included aggregate information on individuals. The main aim of the CCR is to provide a service for participants that need to assess risk when extending credit. To this end, the credit institutions have access to the total liabilities of each borrower in the financial system.

- The participants are legally bound to send to BDP the information related to the end-of-month outstanding loans to individuals and organisations, resident and non-resident, where the total liability is over 50 euros. Participants classify liabilities by type, according to the nature of the operations, and by category, bearing in mind the number of beneficiaries (borrowers) who make up the credit contract. The database set up by the BDP is both positive and negative. This means that all credit liabilities above 50 euros have to be reported to the Banco de Portugal, whether performing or non-performing.

- On a monthly basis, the BDP performs the aggregation of credit liabilities, which consists in adding up all the outstanding credit of a specific borrower received from the participants in the system, by type and category. Following this process, the BDP sends the information to the participants that reported the credit extended to their clients in the form of an aggregated total of liabilities and there is no mention of specific institutions or the place where the credit has been extended. In addition to the monthly information about their clients, the participants can request information from the BDP on an individual or organisation requiring a loan. For these requests to be accepted, there needs to be express authorisation from those concerned.

- The borrower has the right to know what exists on the database in his regard. If the client considers that the information is not correct or up-

dated, he can ask the participant responsible for sending the information to the BDP to correct and update it.

- It is legally authorised to use CCR information for statistical and supervision purposes.

### ► **The Central Balance-Sheet Data Office**

- The Central Balance-Sheet Data Office (CBSDO) of the Bank of Portugal (BDP) gathers important economic and financial information data on the companies, which are willing to co-operate with this Office. It provides the BDP with effective mechanisms for the analysis of the situation and of the economic and financial prospects in different fields of activity, and it also gives useful information to Portuguese entrepreneurs in order to assist them in fitting them into their fields of activity. It also provides the employers' associations, universities, consultants, analysts and other users with aggregated data to support them in the execution of surveys.

- The data are collected through the completion of an annual questionnaire submitted to the companies, printed or on diskette, and is then compiled to produce single summary tables and overall centralisation. From the latter, Sectoral Situation Tables are published, broken down by fields of activity, with the highest possible disaggregation. These tables, which are released free-of-charge through the BDP website, are printed or are available on CD and contain information to assist in the execution of surveys on the situation and trends in the different fields of activity. The CBSDO supplies these publications to companies, together with a User's Guide to make their interpretation and use easier. The publications are also useful in assisting the companies in their management and in fitting them into their fields of activity. The Summary Table is especially useful to companies in their first approaches to credit institutions in order to ease the appraisal of their financing requests for investment, the negotiation of credits, and to provide the banks with better knowledge of the companies. Other aggregates or non-standardised information obtainable from the database may be supplied upon request.

- The CBSDO of the BDP participates in the BACH database (Bank for the Accounts of Companies Harmonised), managed by the Directorate General II of the European Commission, which contains economic and financial information, aggregated by fields of economic activity and issued by companies in Member States of the E.U.

## ► Centralisation of Information on Cheque Defaulter

The cheque is among the payment instruments most commonly used in Portugal. In order to achieve increased confidence in the normal circulation of cheques, credit institutions must notify the termination of the convention on cheques with defaulting entities.

- the Credit institutions are obliged to communicate to the BDP' Cheque Defaulter Register **a)** the termination of the convention on cheques with defaulting entities **b)** signing of a new cheque convention, presentation of an unpaid cheque but settled within the legal period, issue of a cheque after termination, and **c)** justified refusal of payment of a cheque of an amount equal to or lower than 62,35 euros, or supplied in violation of the prohibition to do so.

- The BDP is responsible for checking compliance with the duties assigned to the credit institutions, namely the obligation to pay cheques, centralises the information compulsorily reported by credit institutions, and discloses through the banking system the list of cheques defaulters. It is also the responsibility of BDP to authorise the signing of new cheque conventions (exclusively at the request of credit institutions) in such cases in which the previous termination has occurred for at least two years and to decide upon the removal of defaulters from the list (at the request of the latter or by proposal of the credit institution). In both situations described above, it is an essential condition that all the cheques drawn on accounts without sufficient provision have been settled and the cheques that have not been used yet must be returned; indication must be given of the relevant reasons that justify the necessity of using cheques again as a means of payment. Failing this, cheque defaulters will be put on the list for a period of two years as of the date of entry, after which the institutions shall consider that these users have been removed from the said list.

- The civil courts shall inform the BDP regarding: **a)** the sanctions applied to cheque defaulters under criminal proceedings (prohibition from using cheques for a period of six months to six years). A rehabilitation sentence can be passed before expiration of the prohibition period **b)** other coercive measures (such as injunctions) with similar effect and in force until they are declared to be no longer in effect **c)** injunctions of the same type applied by the sentencing courts in situations of probation. The permanence in the cheque defaulters' list or the application of the aforementioned judicial decisions, do not preclude such persons from depositing or withdrawing from their deposit accounts through counter cheques - plain cheques for withdrawals and

certified cheques for payments - or through any other means that the credit institution decides to provide to its customers or representatives.

## **ORGANISATION CHART OF BANK OF PORTUGAL**

| <b>Board of Directors</b> |
|---------------------------|
| ● Governor                |
| ● 2 Vice-Governors        |
| ● 3 Directors             |

| <b>Board of Auditors</b> |
|--------------------------|
| ● Chairman               |
| ● 1 chartered accountant |
| ● 1 economist            |
| ● 1 staff representative |

| <b>Advisory Board</b>  |
|--|
| ● Governor   |
| ● 2 Vice-Governors   |
| ● Former Governors   |
| ● Chairman of the Board of Auditors  |
| ● 1 representative of the governmental department responsible for development planning |
| ● 2 individuals of demonstrated competence in banking and finance                      |
| ● 1 economist  |
| ● 2 representatives of the Autonomous Regions of Azores and Madeira                    |

| <b>Management</b>                      |
|--|
| ● Governor                             |
| • Office of the Governor and the Board |
| • Secretary of the Boards              |
| ● 2 Vice-Governors                     |



- 3 Directors

## **DEPARTMENTS**

- 1) Banking Supervision
- 2) Economic Research
- 3) Markets and Reserve Management
- 4) Statistics
- 5) Control and Accounting
- 6) Treasury and Issue
  - Oporto Branch
  - Regional Delegations
  - Agencies
- 7) Payments Systems
- 8) International Relations
- 9) Human Resources Management and Development
- 10) Legal Services
- 11) Organisation and Information Systems and Technology
- 12) Audit
- 13) Administrative Services

## **THE BRANCHES OF THE BP**

- 1) Main branch in Porto
- 2) Regional Delegation at Ponta Delgada
- 3) Regional Delegation at Funchal
- 4) Branch at Braga
- 5) Branch at Castelo Branco
- 6) Branch in Coimbra
- 7) Branch at Evora
- 8) Branch at Faro
- 9) Branch at Villa Real
- 10) Branch at Viseu

The branches operate mainly as treasuries for the banking system and, mostly, as centres for counting and sorting of banknotes.

# **11) BANQUE NATIONALE DE BELGIQUE**

(Nationale Bank van Belgie)

**Staff number: 2.048**

- The National Bank of Belgium (BNB) was established on 5 May 1850. It is a stock company. Its capital is divided into 400.000 shares. The Belgian State keeps 50% of this number of shares that is registered and not transferable. The other 200.000 shares are registered or bearer and are quoted on the stock exchange. The shares may be converted into registered or bearer shares, free of charge, as the owner wishes. The Bank provides free custody of NBB' shares. The annual dividend is payable on the second working day following the general meeting of shareholders on presentation of coupon. The NBB is a member of the Eurosystem and follows the monetary and foreign exchange policies' guidelines and decisions of the ECB Governing Council. It has not a responsibility of the banking supervision which is entrusted to the Banking, Financial and Insurance Commission with which collaborates closely through the Committee of Financial Stability.
- The BNB has its own printing works and manages, inter alia, a Central Balance Sheet Office, a Central Corporate Credit Register and a Central Office for Credits to Private Individuals. In 1980, the Bank had 43 branches. Since then profound restructures were taken place. In 2005, only 5 branches and 2 representative offices remained.
- The BNB is managed by:
  - a) the Board of Directors consisting of the Governor, who presides over this organ, the Vice-Governor and 5 to 7 Executive Directors. It is responsible for the administration and management of the Bank and decides on the direction of its policy, on the investment of the capital, reserves and depreciation accounts after consultation with the Council of Regency. It exercises regulatory powers and has the right to make settlements and compromises
  - b) the Council of Regency consisting of the members of the Board of Directors and 10 regents. It exchanges views on general questions concerning the Bank, monetary policy and the economic situation of the country and the EU. It approves the expenditure budget and the annual accounts, the report on the company's operations to be presented annually by the Governor to the General Meeting and fixes the salaries

and pensions of the members of the Board of Directors. It also sets the internal regulations of the Bank following a proposal of the Board

c) the Board of Censors consisting of 10 members including the president of this Board. It supervises the preparation and implementation of the budget

d) the General Meeting of Shareholders which is not a decision making organ of the National Bank. Most of the powers exercised in other public limited liability companies by the General Meeting of Shareholders are, in the case of the National Bank, attributed to the Council of Regency. However, the Meeting elects the regents and the censors.

- The Governor directs the National Bank. He presides over the Board of Directors and the Council of Regency, he has their decisions implemented and represents the Bank in legal proceedings. He is appointed by the King, following a proposal of the federal government, for a renewable term of five years.

- The executive directors of the Board of Directors are appointed by the King, on the proposal of the Council of Regency, for a renewable term of six years. The King confers the title of Vice-Governor on one of the directors.

- The regents are elected by the General Meeting of Shareholders for a renewable term of three years. Two regents are chosen on the proposal of the most representative labour organisations of the country. Three regents are chosen on the proposal of the most representative organisations from industry and commerce, from agriculture and from small and medium-sized enterprises and traders. Five regents are chosen on the proposal of the Minister of Finance.

- The censors are elected by the general meeting of shareholders for a renewable term of three years.

## **ACTIVITIES OF THE BNB**

### **Core activities**

1) Implementation of monetary and foreign exchange policies of the Eurosystem.

2) Management of its foreign exchange and euro reserves and the FX reserves quota of the ECB.

3) Printing euro banknotes.

4) Oversight of national payment and settlement systems and the international ones having their seat in Belgium. Management of:

a) ELLIPS (Electronic Large - Value Interbank Payment System) that was a component of the TARGET1 system, which processes payments exceeding the amount of 500.000 euros. As from 18 February 2008 it is simply the national component of the single shared platform of the TARGET2 system.

b) CEC (Centre of Exchange and Clearing), a system treating low value payments and processing 4 million settlements a day. The CEC participants can exchange payment instructions day and night via B2B-communication: transfers totalling up to 500,000 euros, cheques for up to 50.000 euros, unpaid cheques, domiciliations, unpaid domiciliations, card payments (debit card, credit card and PROTON electronic purse) and commercial bills. In volume they represent around 99.75 % of all interbank giro payments in Belgium, but only 2% in value

c) Clearing, a securities settlement system which treats electronically only cheques for more than 50.000 euros

d) The Securities Regulation Fund, a public institution with a Board of directors chaired by the Administrator General of the Treasury. The board comprises three representatives of the National Bank of Belgium and three senior Treasury officials. It performs various functions relating to the secondary market in government debt securities. Individuals trade these securities primarily on the bond market. The Securities Regulation Fund ensures that their orders for the purchase or sale of government loans (State, communities, regions and some government institutions) are effected at a fair price. Professionals handle their transactions in linear bonds, split securities and treasury certificates primarily by telephone on the secondary off-exchange market.

5) Bank of banks: keeping current accounts, organising interbank payments and managing a securities settlement system acting as a settlement agent.

**6) Financial stability:** apart from monetary stability, maintenance of an efficient, high-quality financial system is a key objective for the NBB. The challenge lies in ensuring that market forces operate to the full while preventing major disruption of the financial system, which would jeopardise all sectors of the economy. The supervision of the banking and financial sectors as well as of insurance companies is carried out by the Belgian Banking, Financial and Insurance Commission (new authority established as of 1<sup>st</sup> January 2004). According to a new arrangement a coordinating authority was established, the Committee of Financial Stability. It co-ordinates a) the oversight of payment and settlement systems (National Bank of Belgium) and b) the prudential

supervision of banks and financial and insurance companies (Banking, Financial and Insurance Commission). It is presided over by the Governor of the National Bank of Belgium while the Bank is represented in the governing board also by other members. In this way the central bank plays a more significant role in the supervision of the financial system as a whole.

### **Other activities**

- 1) Central Depository for deeds of protest concerning cases of non-payment of bills of exchange confirmed by a court of justice.
- 2) Daily management of Deposit and Financial Instruments Protection Fund.
- 3) Central Balance Sheet Office: since 1978 it collects, on request of the legislator, the annual accounts of Belgian enterprises. It elaborates 308.000 annual accounts. Anyone seeking to investigate a company or an economic sector can receive copies of these accounts. Anyone may obtain, against payment, a copy of the annual accounts of an enterprise under a form of a printed document or a bulletin of images via an Email message. The annual accounts are also available on-line via Internet under a subscription scheme. The system disposes three types of CD-Rom: a) the total of annual accounts scanned under the form of pdf images b) the calculated data of the normalised annual accounts and c) the sectorial statistics on a multi-year basis. Moreover, the Central Balance Sheet Office offers a file of the enterprise that permits its comparison within its activity sector.
- 4) Central Corporate Credit Register (CCCR): it is directed mainly at banks enabling them to assess the risks they incur when granting loans to the self-employed and companies. All banks established in Belgium forward information to the CCCR regarding enterprises and individuals who have obtained credit totalling 25 000 euro or more from the same institution in connection with their business activity. The participants at the CCCR are credit institutions and certain insurance companies established in Belgium. Participants have to report any credit which they have granted if the cumulative total for a particular beneficiary amounts to 25 000 euro or more. Participants, debtors, the Banking, Finance and Insurance Commission as well as other central credit offices abroad may all consult data. Each quarter, the National Bank publishes statistics of the credits authorised and credits used.
- 5) Central Office for Credits to Private Individuals: it records the arrears of the individuals' payments concerning their consumer or mortgage

loans. Since July 1999 records also information of debt collective settlements. It is an instrument used to curb excessive indebtedness. It records information on all loans contracted by natural persons for private purposes as well as any overdue debts relating to these loans. It is compulsory for lenders to consult the Central Office for Credits to Private Individuals before granting any loans. The data recorded are reported by lenders as banks, insurance companies and financing companies. The information included relates to all consumer credits and mortgage loans, contracted by natural persons for private purposes as well as any overdue debts arising from these credits. Both lenders and consumers may consult data. Each year, the National Bank publishes a specific brochure containing an overview regarding the number of and changes to the contracts and persons recorded by the Central Office.

**6)** Bank to the government: it is the cashier of the State. It centralises the State' encashments and expenses on the Treasury' current account kept by the BNB. This account registers BNB' transactions on behalf of the State while integrates the Post and Postcheque operations and the operations regarding the issuance, the payment of interests and the reimbursement of the Federal State loans. The BNB executes also the State cashier transactions. The individuals may liquefy State securities directly at the BNB' cashiers desks. However, they are usually addressed to the credit institutions which in their turn present these securities at the BNB Central Cashier office or in the BNB branches.

**7)** Statistics and economic studies. Each month 6.000 companies participate in the Bank's business surveys. They give detailed answers to questions regarding activity, expected orders, employment etc. These surveys are an important source of information for the study of the Belgium economic situation and expectations.

**8)** Balance of payment statistics.

**9)** Management of the National Socio-Economic Data Bank «Belgostat». It concentrates and provides data such macro-economic indices of the national accounts, production, prices, employment, foreign trade, balance of payment statistics, volume of enterprises activities, banking data and relevant legislative texts, directives and jurisprudence.

**10)** a) Cashier services rendered to banks b) currency centres providing modern banknote services to the banking system (fraction deliveries by banking agency).

**11)** Processing files of bail and securities custody.

| <b>Summary of some important activities of the BNB</b>            |
|---|
| • Central Balance Sheet Office                                    |
| • Central Corporate Credit Register                               |
| • Central Office for Credits to Private Individuals               |
| • Securities Regulation Fund                                      |
| • CEC (Centre of Exchange and Clearing)                           |
| • Securities Settlement System                                    |
| • Belgostat   |
| • Currency centre   |
| • Management of Deposit and Financial Instruments Protection Fund |
| • National and Regional economic surveys                          |
| • A large series of services to the State                         |

## **ORGANISATION CHART OF THE BNB**

- General Meeting of Shareholders

| <b>BOARD OF DIRECTORS</b> |
|---------------------------|
| • Governor                |
| • Vice-Governor           |
| • 6 Executive Directors   |

| <b>COUNCIL OF REGENCY</b> |
|---------------------------|
| • Governor                |
| • Vice-Governor           |
| • Executive Directors     |
| • 10 regents              |

| <b>BOARD OF CENSORS</b>                             |
|---|
| • 10 censors, including the president of this Board |

## **DEPARTMENTS**

### **Governor**

#### **COMMUNICATION AND SECRETARIAT**

- Communication
- Secretariat
- Publishing and documents

#### **INTERNAL AUDIT**

### **Vice-Governor**

#### **CONTROLLING**

- Accounting
- Strategy and organisation

### **Director**

#### **INFORMATION TECHNOLOGY**

- IT Projects
- IT Infrastructure
- IT Centre

### **Director**

#### **GENERAL STATISTICS**

- Financial and Economic Statistics
- Balance of Payment Statistics
- External Trade Statistics
- Statistical Information Systems

#### **CURRENCY IN CIRCULATION AND PROVINCIAL BRANCHES**

- Central Cash Office
- BNB Provincial Branches

### **Director**

#### **RESEARCH**

- Analysis and Research Group
- Documentation

#### **HUMAN RESOURCES**

- Human Resources Management



- Human Resources Policy and Collective Agreements
- Wages and Social Affairs Administration
- Training

### **Director**

#### **FINANCIAL MARKETS**

- Front Office
- Middle Office
- Back Office
- Cashless Payments
- Securities

#### **LEGAL SERVICE**

### **Director**

#### **MICROECONOMIC INFORMATION**

- Central Balance Sheet Office
- Central Credit Offices
  - ▣ Central Corporate Credit Register
  - ▣ Central Office for Credits to Private Individuals
  - ▣ Central Processing of Bills of Exchange – Information to participants
  - ▣ Central Processing of Bills of Exchange – Protests
- Microeconomic Analysis

#### **PRINTING WORKS**

- Administrative Service
- Technical Service

#### **FACILITY MANAGEMENT**

- Equipment and Techniques
- General Services
- Security and Supervision

#### **INTERNAL WORKPLACE PREVENTION AND SAFETY SERVICE**

### **Director**

#### **INTERNATIONAL CO-OPERATION AND FINANCIAL STABILITY**

ECB Co-ordination Unit

## **CLOSING DOWN SOME AGENCIES AND THE NEW STRUCTURE OF BNB NETWORK**

As from 1st July 2002 a new structure was applied for the BNB network. One only unit will operate per each country' province. As from this date the agencies of Bruges and Charleroi close down. In addition, as from 1.7.2003 the Representation Agencies of Louvain and Wavre and from 28.2.2005 the Representation Agency of Arlon closed down. The remaining units are divided into the following categories:

|  |
|--|
| <b>A) Branches with full activities</b>  |
| <b>1) Liege</b>  |
| <b>2) Anvers</b>   |
| They carry out: <b>a)</b> the first pillar activities i.e. counting, sorting and distribution of banknotes and coins, State coupons repayment and <b>b)</b> the second pillar activities related with the non-monetary operations as relations and communication with regional socio-economic circles, statistics and enterprises' economics such Central Balance Sheet, Central Credit and Central Consumer Offices, regional analysis and conjuncture surveys. |
| <b>B) Agencies with limited activities</b>   |
| <b>3) Courtrai</b>   |
| <b>4) Hasselt</b>  |
| <b>5) Mons</b>   |
| They develop the first pillar activities (banknotes, coins, coupons) and some tasks of the regional representation without carrying out the other second pillar activities.  |
| <b>C) Representation Agencies</b>  |
| <b>6) Gand</b>   |
| <b>7) Namur</b>  |
| They operate with a reduced staff number and the only activities carried out at their counters are those related with Central Balance Sheet, Central Credit and Central Consumer Credit Offices and to a lesser extent with exchanging belgian francs against euros.   |

## **12) BANQUE DE FRANCE**

**Staff number: 12.000**

- The Bank of France (BDF) was created on 18 January 1800 by Napoléon Bonaparte and nationalised by the law of 24 July 1936. It carries out many activities. Beyond to monetary field (Eurosystem' monetary policy, foreign exchange policy, payment systems) and indirectly banking supervision, it develops its activities which may be divided into the following categories: **a)** Services rendered to banks as FIBEN, different Central Risks Data Offices **b)** Services rendered to enterprises as the Central Balance Sheet Data Office, GEODE, SEF, ANVAR etc. **c)** Services rendered to individuals as the Secretariat for the Household Debt Commissions' activities, databases of general interest, info bank etc. **d)** Services rendered to the Treasury.
- The BDF has its printing works at Chamalières and paper mill at Vic-Le-Comte. In 1928 the BDF had 261 branches. Today, it has **209** among which 68 are branches with cashier services, 28 branches without cashier services, 17 economic antennas without cashier services, 4 economic antennas with cashier services, 7 are centres for the treatment of household debt, 4 are centres for the treatment of fiduciary money and 81 are reception and information offices (see below the chapter "The Branch Network of the BDF").
- The Monetary Policy Council consists of the Governor, who presides over this organ, the two Deputy Governors and six members. All of them are appointed by a decree of the Council of ministers, the Governor and the two Deputy Governors for a period of six years once renewable, the other four members for a period of six years not renewable. The M.P. Council discusses the monetary developments and analyses the consequences of the Eurosystem' monetary policy. Within the framework of decision of the ECB Governing Council, it implements the procedures of purchase and selling, loans, repurchase agreements or the issue of interest bearing treasury bills as well as the nature and the extent of collateral given against the Bank's loans.
- The General Council consists of the members of the Monetary Policy Council plus the general councillor representing the staff. All of them have a six year term of office. The Council discusses matters relating to the management of activities of the BDF with the exception of those regarding the mission of the European System of Central Banks (ESCB) and the Eurosystem. It decides also on the statutes of personnel and the use of its own funds. It formulates the budget, the balance sheet

and the accounts as well as the project of profits and the dividends to be rendered to the State.

## **ACTIVITIES OF THE BANK OF FRANCE**

### **Core activities**

- 1) Implementation of monetary and foreign exchange policy of the Eurosystem.
- 2) Management of its own foreign exchange and euro reserves and its part of FX reserves of the ECB.
- 3) **Payment systems:** the BDF conducts the oversight of the payment systems.

In France, there are the following payment systems:

■ **TBF** (Transferts Banque de France) which was the French component of TARGET1 system for the settlement of large-value payments. It was managed by the BDF.

■ **PNS** (Paris Net Settlement), run by CRI (Centrale des règlements interbancaires), a company owned jointly by the Banque de France and nine credit institutions. It was a real-time system operating on a net basis. PNS provided final and continuous settlement for transfer operations in central bank money accounts held by participants.

■ **As from 18 February 2008, the TARGET2 system replaced TBF and PNS**, the two above systems used by the Paris financial centre.

TBF remained but simply as the national component of the single shared platform of the TARGET2 system.

■ The Bank of France, in collaboration with the Deutsche Bundesbank and the Bank of Italy, assumed the task to establish the single shared platform of the TARGET2 system. Today, following the Live Production of the system, it manages the single shared platform with the two above NCBs.

■ **SIT** (Interbank Teleclearing System) handling **retail payments** and clearing interbank exchanges of cashless payment instruments. It is Europe's largest retail payment system in volume and value terms. SIT is operated by the French Interbank Clearing Consortium (GSIT), which was set up in 1983 by the main French banks, the Post Office (now the Banque Postale) and the Banque de France. It is a multilateral-netting payment system that processes transactions between participants. Six credit institutions belonging to the GSIT created a company known as STET (Technological Systems for Exchange and Processing), whose purpose is to set up a new retail payment system. This is expected to

replace SIT in 2007. The STET project should facilitate the renovation of the technical infrastructure for the clearing of retail payments.

- **LCH.Clearnet SA** handling equities listed on Euronext markets, derivatives and options, as well as French and German government bonds traded over the counter by certain brokers. LCH.Clearnet SA, 100% owned by LCH.Clearnet Group Limited.

- The settlement – delivery of securities is assured by **Euroclear France**, which is the central securities depository in France.

- **RGV2**, a French settlement - delivery system of securities. It is composed of one revocable channel (formerly called "Relit+") and one irrevocable channel (formerly called "RGV"). The irrevocable channel delivers prompt irrevocable settlement via gross and simultaneous settlement of securities and fund transfers, in central bank money. Relit+, the second channel, operates the trades negotiated on Euronext Paris on the basis of deferred irrevocability until settlement of the cash balances in TBF. It is also used for transactions operated "over the counter" that are also eligible for RGV but do not require immediate irrevocability.

#### **4) The banking supervision in France**

It is entrusted to Banking Commission which is presided over by the Governor of the Bank of France. The latter assures its general secretariat and disposes to the B.C. agents in order to carry out on-site and off-site inspections. The B.C. controls the respect of credit institutions to legislative and regulatory disposals and penalises the confirmed violations. It examines their financial situation quality and vigilates on the respect of the rules of good practice code. The Governor of the BDF presides over also the Committee of Credit Institutions and the Investment Enterprises (CECEI). The BDF disposes the staff deemed necessary for its function. The CECEI gives licenses and operating authorisations and, if it is appropriate, in conjunction with Financial Markets Authority (AMF). It organises, also, the reception of the E.U. institutions. The Governor of the BDF is a member of the Advisory Committee on Financial Legislation and Regulation (CCLRF) which advises on regulations concerning the execution of activities of credit institutions and formulates rules to be applied to investment services providers. The BDF assures also the function of the general secretariat of the Credit and Securities National Council which decides on monetary and credit questions within the monetary policy framework of the ECB. The Bank participates also, through the Deputy Governor and the General Director on operations, in the administrative bodies of

the Financial Markets Authority (AMF). It was established in November 2003 following a merger of the Stock Exchange Operations Commission (COB) and the Financial Markets Council (CMF). Its main responsibilities are the protection of savings invested in financial products, the information to investors and the good function of the markets. The regional Directors of the BDF are the AMF representatives in the regions.

**5)** Printing at Chamalières euro banknotes and banknotes for other countries in particular for french speaking Africa countries. Producing paper for banknotes at Vic-Le-Comte.

**6)** Bank of banks: opening and management of current accounts, acting as a settlement agent.

It operates also **different data offices**, which protect individuals and banks from overdebted and of bad faith persons as:

- **Central Cheque Register (FCC)**

The Central Cheque Database was created in 1955 because the authorities and the banking industry wanted to encourage the use of cheques by making them more secure. The implementation on 1 January 1976 of the Acts of 3 January 1972 and 3 January 1975 on the prevention and repression of cheque-related fraud extended and diversified the use of cheques. The legal framework was once again modified by the Cheque and Payment Card Security Act of 30 December 1991, which expanded the Banque de France's role in the prevention of bad cheques. The BDF centralises information on cheque payment incidents and the ensuing bank-ordered bans on writing cheques that are automatic in such cases. It also records court-ordered bans ("interdictions judiciaires"). This information is transmitted to the drawee banks and the judiciary authorities. The BDF selectively informs account-managing institutions of bans imposed on their customers by other banks. Such bans must be immediately reported to the Bank at the first incident. The BDF is authorised by law to consult the Ficoba database on bank accounts managed by the French tax service so that it can identify all of the different accounts held by persons under a cheque-writing ban. It also informs banks when their customers have cleared up their situation with other banks. The new Act protects the rights of victims by encouraging the issuers of bad cheques to clear up rapidly their financial situation in order to regain the right to write cheques. Failing that, the cheque-writing ban is imposed for ten years. Since 1 August 1987, the Central Cheque Database has also compiled records of the bank cards cancelled by members of the Carte Bancaire

Consortium (CB) in case of misuse by the cardholders. Since 13 November 1995, the Central Cheque Database has been able to cover the entire French territory. Thanks to an exchange of data with the overseas note-issuing institutions, bank and court-ordered cheque-writing bans and payment card cancellations issued in the overseas departments and territories and the special-status territories are now recorded in the Central Cheque Database. At the end of the 1995, approximately 1,9 million cheque-writing bans had been issued. The Central Cheque Database responds to some 50 million queries from account-managing institutions every year. As from 26 January 2004 the FCC is accessible via Internet.

● **National Register on Irregular Cheques (FNCI)**

In accordance with the Cheque and Payment Card Security Act of 30 December 1991, the BDF provides information on the regularity of cheques received for payment of goods or services. The FNCI centralises the details of all bank accounts opened by persons under cheque-writing bans, closed accounts and stop-payment orders for lost or stolen cheques that have been reported by the account-managing institutions. Since 11 April 1996, the BDF has made a special telephone service (Centre national d'appel chèques perdus ou volés) available to cheque-account holders. Lost or stolen cheques can be reported immediately to the FNCI. This service is particularly useful on bank holidays. The reports are automatically deleted within 48 working hours if they have not been confirmed by a stop-payment order from the account-managing institution. The BDF sub-contracted the implementation of the FNCI query procedures to the company, Mantis. The access service is disseminated under the name "Resist". Tradesmen through the service Resist usually consult the FNCI. As from April 2004 the FNCI is accessible via Internet.

● **National hotline for Lost and Stolen Cheques (CNACPV)**

The BDF established in 1996 A lost and stolen cheque national call centre accessible seven days out of seven and twenty four hours out of twenty four. It permits to beneficiaries of chequebooks to declare via phone the loss or the theft of them to the National Database on Irregular Cheques (FNCI) as from the confirmation of these events, in particular during the hours and days of closure of banking agencies. The entry of this declaration into FNCI entails an alert if the lost or stolen cheque is the case of a consultation by a merchant subscribed to the service RESIST, that is the call system for consultation of the FNCI. These declarations are deleted after 48 working hours if they will not be

confirmed by a declaration to the FNCI comprising an opposition of the institution in which belongs the account. For this reason, the beneficiary of the account has to oppose in writing immediately in its banking agency.

- **Securities Payment Incidents Database**

The BDF is responsible to centralise the incidents relating with the payment instruments other than cheques. It exists in the BDF head office and in its branches, a database for the payment incidents feeded by the participating institutions (banks, popular credit institutions, agricultural credit savings banks, mutual credit institutions, co-operative credit banks, centers of postal cheques). The registered incidents are marked out, under a group form, according to reporting credit institutions. More generally, the BDF accepts to notify to the banking system information collected on enterprises. It helps the credit institutions to evaluate exactly the situation of affairs needed their assistance.

- **National Database on Household Credit Repayment Incidents (FICP).**

The 31 December 1989 Act on Household Debt Problems has been repealed and its provisions have been incorporated into the new consumer protection code published in 1993. It entrusts the BDF with the task of compiling the following data: **a)** repayment incidents on personal loans **b)** the debt work-out agreements and legal procedures for overindebtedness problems provided by the Act. This information is recorded in the National Database on Household Credit Repayment Incidents (FICP), with the main objective of giving credit institutions the means to assess the repayment difficulties of borrowers. The database records incidents on all types of credit granted to French residents, including overdrafts, whatever their qualification or the technique used. Only critical debt situations are recorded for the principal debtors. They are kept in the database for five years. However, the incident is deleted from the database upon repayment of the full amount declared due by the institutions. Information on repayment agreements or court-ordered settlements are kept on file for the duration of the debt work-out agreement set up by the household debt commissions, the court-enforced recommendations made by the commissions or the rulings made in application of articles L 332.2 and L 333.3 of the consumer protection code. In any event, such information cannot be kept for more than five years. The information recorded for each debtor is deleted as soon as all the debts listed in the debt workout agreement or court-



ordered settlement have been repaid. As from April 2004 the FICP is accessible via Internet.

## **Other activities**

### **1) Bank of the State:**

Management of the Treasury accounts (8,500 Treasury accountants) and of the public debt through the Telsat system (weekly and monthly tender operations), cashier transactions and accounting services to the Public Treasury (Agence France Trésor). The BDF has close ties with a large number of public authorities, administrations and economic organisations. BDF' representatives serve as experts for a number of economic bodies set up by central government or local authorities: CIRI, CODEFI, CORRI, public aid committees, regional development advisory councils. The BDF also provides services to local authorities by contributing to a local economic observation tool (ACSEL) and by making financial analyses of companies that are likely to benefit from local subsidies (GEODE).

**2)** Elaboration and distribution of monetary, financial and economic statistics and studies. Balance of payments statistics.

**3)** Cashier activities: deposits, withdrawals, exchange, counting and sorting fiduciary money.

### **4) Services rendered to enterprises:**

#### **● Enterprises' credit rating**

It is used for opting credits as collateral in the Eurosystem' interventions in the money market as well as within the frame of prudential control; credit institutions may obtain refinancing from the BDF, collateralised by the portfolio of short-term claims that they hold on companies having the most favourable assessment. The rating is given by the branches of the BDF which collect and analyse descriptive, accounting and financial data, legal information, data relating to bill payment incidents and bank liabilities and information relating to companies environment, in particular their managers, stakeholders and affiliated companies. The BDF rating has three elements: a) the turnover rating b) the credit rating c) the payment rating. In order to make a comprehensive assessment of a company, the BDF takes into account the information available in the public domain on the management of the enterprise and gives a rating to legal entity and a rating to managers-natural persons. The ratings are sent to the enterprise concerned and the credit institutions that must respect the professional secrecy rules.

### ● **The Balance Sheet Data Center**

Created by the Banque de France in 1968, the Balance Sheet Data Office is a key component of the statistical monitoring system of French corporates. The Balance Sheet Data Office's task is set forth in the memorandum of understanding signed in 1969 between the BDF and the national statistical office, INSEE: "On the basis of samples taken from all its member companies, the Office shall process and supply all the information that can possibly be derived from accounting records (balance sheets, profit and loss accounts, notes to the accounts)". More precisely, the Balance Sheet Data Office is a database containing descriptive and accounting data relating to French companies. The base is used to analyse the information contained at individual and sectoral levels and to study successive positions and the main performance trends of the national industries. These tasks are carried out by the Companies Division of the BDF (as regards the management of the database and fundamental economic and methodological research) and by decentralised units at each branch of the Bank, which are responsible for gathering and processing the basic data, handling relations with members and drafting regional or local studies. The Balance Sheet Data Office of the Banque de France currently has three complementary aspects: **a)** a harmonised corporate database **b)** a financial analysis and diagnosis service (operates country-wide) **c)** an economic observatory for the national, regional and local productive base.

### ● **GEODE (Operational and Dynamic Management of Enterprises)**

GEODE is an assessment service provided by the Banque de France to companies. A GEODE assessment is two-pronged, consisting of:

**a)** an in-depth economic and financial analysis of the company's last four financial years and

**b)** performance simulations drawn up using various scenarios based on assumptions provided by company managers. Discussions with the GEODE analyst are a crucial part of the assessment. To consolidate the analyses and guide simulations, the company's performance is compared with those of other firms in its sector, or companies chosen as specific benchmarks. The qualitative insight the strategic approach provides paints an overall picture of the company and the constraints it faces, while qualifying assessments of its performance. GEODE is well-suited to small and medium-size companies that seek to take a detailed reading of their economic and financial positions. The GEODE assessment is carried out by a BDF analyst, usually on-site and in the

presence of the company manager and, possibly, other employees such as accountants, the financial director and the head of production, or the company accountant. A detailed and confidential report is rendered to the enterprise, which may use it not only for its own purposes but also to reinforce its communication strategy with banks, shareholders, services providers etc.

### **5) Secretariat for the Household Debt Commissions**

The branches of the BDF provide secretarial services for these commissions since 1st March 1990. They were set up under the terms of the 31 December Act (Law Neiertz) as amended by the Acts of 8 February 1995 and 29 July 1998 and in 2003 by Jean-Louis Borloo law. The Household Debt Commissions, which operate in each geographical department of the country attempt to work out agreements between debtors and creditors and to seek amicable solutions to the problems of individuals who have contracted excessive debts. Failing an agreement, the commissions set up a reorganisation plan at the request of the debtor. This plan becomes enforceable after the execution judge has verified its legal validity. The main reforms of the law Borloo, voted on 24 July and promulgated on 1<sup>st</sup> August 2003, are the following: a) according to the “personnel reestablishment procedure” the Household Debt Commission of individuals remains always the point of entry for all files. This is which forwards to the judge the files evaluated as unsolved because “the situation of the person is irremediably compromise”. In this case and following the consent of the debtor, the personnel reestablishment procedure starts within a maximum period of six months. In practice, the execution judge disposes one month to summon to a hearing the debtor and the creditors. At the end of this hearing, he can open the personnel reestablishment procedure. This means the automatic suspension of the possibility of creditors to demand the payment of debts. The judge may nominate a proxy to evaluate the debtor’ economic situation within a period of 4 months. At the end of this phase, the judge has the right to pronounce the judiciary liquidation of the debtor’ personal property with the exception of the property which is necessary for elementary life needs and the non professional fortune that is needful for the exercise of professional activity. If the liquefying fortune is sufficient to cover the debts, the judge closes the procedure; if not, he pronounces the closing of procedure due to insufficient assets that entails the cancellation of all non-professional debts including fiscal liabilities b) as from the beginning of procedure, all persons disposing a household debt file are registered in

the National Database on Household Credit Repayment Incidents (FICP) for a period of 8 years c) two new persons “ having an experience in economic and family field and a university degree and a judicial experience” participate in the meetings of the Household Debt Commission with a consultative vote and are involved in processing the files.

#### **6) National Risks Database**

It centralises the total volume of credits given by banks and specialised credit institutions to one individual. It registers also the arrears of payments concerning the contributions to the social security funds. The risks are divided into categories such for example of short, medium and long term or commercial, export and import credits and housing loans, guarantees and pledges etc. The declarations carried out by several institutions under the name of the same beneficiary are centralized through a common matriculation number attributed to this person. Some risk centralizations (by category of credits, activity sector, declaring institution and geographical area) are published periodically.

7) Giving technical advice within the framework of different procedures regarding primes attribution by local or regional collectivities.

#### **8) Infobanque**

This databank comprises legislative texts, regulations, jurisprudence, a list of credit institutions, useful addresses, information for consumers, questions submitted by banking services users and selected answers by subject, interest rates and scale of prices. The data bank is at the disposal of the BDF agents and may be open for the general public. This activity is in liaison with the consumers action plan and aims at protecting consumer rights.

#### **9) Enterprises' Banking Data Bank (FIBEN)**

The FIBEN Companies Database (Fichier Bancaire des Entreprises) was set up to facilitate the implementation of monetary policy. It is also used for the supervision of banks and is an important tool for analysing risk, making decisions and monitoring companies. It is the main tool used for the assessments of local and regional economic structures carried out by its regional branches. It comprises moral or physical persons, that present an economic and financial interest, having their seat or residence in France and at the Principality of Monaco. The data bank registers data regarding companies' activity volume, banking debts, bills of exchange repayment incidents, some judgments issued by the commercial courts etc. Actually, 3.500.000 enterprises and

2.500.000 managers are inserted in this database. It was accessible through a computer-based network. As from October 2003 FIBEN is accessible via Internet (Inet Fiben). Usual users of FIBEN are the main banking groups.

#### **10) Central Credit Register**

The central credit Register is a part of the FIBEN information system. Its objectives are twofold: **a)** to enable all banks to satisfy their customer's loan applications as fully as possible without incurring excessive risk and **b)** to provide monetary policy-makers and bank supervisors with all the credit - related information that could be useful to their decision making.

#### **11) Structural Economic Localised Conjuncture Analysis (ACSEL)**

It is a diagnostic economic analysis offered to regional and territorial collectivities, chambers of commerce and professional associations. ACSEL is a product of the Network Department of the BDF. It is applied to a geographical zone that constitutes a coherent economic area: region, department or zone of urban communities. The analysis depends upon financial and economic data already collected by the Bank, industry, services sector and commerce. The client has the choice among several formulas based on information registered in the BDF databases. ACSEL is a partnership based on profound exchanges with the client as from the presentation of the analysis. There are the following formulas: a) ACSEL Series presenting forces and weaknesses of a group of representative activities regarding data of a geographical zone b) ACSEL Comparative that compares two territories c) ACSEL Two which connects the analysis of the group and the geographical comparison d) ACSEL Plus enriching the different options by two conjuncture windows.

#### **12) The Foundation of the BDF.**

It is a public institution to foster international research in the fields of Money, Finance and Banking.

#### **13) The International Banking and Finance Institute (IBFI) of the BDF.**

It offers free training seminars to executives of central banks and banking supervision bodies. The seminars last 3, 4 or 5 days. Central banks or institutions intending to enrol a participant must apply at least seven weeks before the date of the seminar.

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| <b>Summary of some important activities of the Banque de France</b> |
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| <ul style="list-style-type: none"><li>• Banking Supervision in collaboration with the Banking Commission</li></ul> |
|--|

|   |
|---|
| • Printing euro banknotes and banknotes for French speaking countries   |
| • Producing banknote paper  |
| • Managing the single shared platform of the TARGET2 system in collaboration with the Deutsche Bundesbank and the Bank of Italy |
| • Central Cheque Database (FCC)   |
| • National Database on Irregular Cheques (FNCI)   |
| • National Database on Household Credit Repayment Incidents (FICP)  |
| • Enterprises' credit rating  |
| • Balance Sheet Data Center   |
| • GEODE (Operational and Dynamic Management of Enterprises).  |
| • Secretariat for the Household Debt Commissions  |
| • National Risks Database   |
| • Infobanque  |
| • FIBEN (Enterprises' Banking Data Bank)  |
| • Structural Economic Localised Conjuncture Analysis (ACSEL)  |
| • A large series of services to the national and regional public authorities  |
| • Full cashier activities   |
| • National and regional economic conjuncture surveys  |
| • BDF Foundation  |
| • Observatory of Payment Card Security  |
| • International Banking and Finance Institute of the BDF  |

## ORGANISATION CHART OF THE BANK OF FRANCE

|                                |
|--------------------------------|
| <b>Monetary Policy Council</b> |
| • Governor                     |
| • 1st Deputy Governor          |
| • 2nd Deputy Governor          |
| • six members                  |

|   |
|---|
| <b>General Council</b>                          |
| • The members of the Monetary Policy Council    |
| • The General Councillor representing the staff |
| • Monetary Committee of the General Council     |

- Audit Committee
- Censor and Alternate Censor

|   |
|---|
| <b>Governor's Private Office</b>                |
| • Director of Private Office                    |
| • Adviser on the Fight against Money Laundering |
| • Parliamentary adviser                         |
| • Adviser on Relations with the Regions         |
| • External Relations Officer                    |

- Ethics Officer

|  |
|--|
| <b>• Comptroller General</b>                 |
| <b>1) General Inspectorate</b>               |
| • Cabinet                                    |
| • Head Office Audit                          |
| • Branch Network Audit                       |
| • On-site Inspections at Credit Institutions |
| <b>2) Risk Prevention</b>                    |

- Press and Communication
- Legal Affairs
- BDF Ombudsman

|  |
|--|
| <b>General Secretariat of the Banking Commission</b>         |
| • Secretary General  |
| • Deputy Secretaries General                                 |
| • Supervision of General and Specialised Credit Institutions |
| • Supervision of Mutual Institutions and Investment Firms    |
| • Legal Services and Secretariat of the Banking Commission   |
| • General Banking System Supervision                         |

|   |
|---|
| General Secretariat of the<br><b>Advisory Committee on the Financial Sector</b> |
| • Chairman  |

General Secretariat of the  
**Advisory Committee on Financial Legislation and  
Regulation and of the Credit Institutions and  
Investment Firms Committee**

- Secretary General

**Banking Mediation Committee**

- Secretary

**Observatory of Payment Card Security**

**1) GENERAL SECRETARIAT**

- Secretary General
- Deputy Responsible for Branch Network and Regional Representation
- Deputy Responsible for Organisation and Information Systems
- Companies
- Branch Network and Regional Representation
- Supervision of Relations between the General Public and the Financial Sector
- Management Control and Budget
- Accounts
- Property and General Services
- Security
- Poitiers Administrative Centre
- Marne-La-Vallée Administrative Management
- Management Control and Budget
- Data Processing and Telecommunications
- Organisation and Development

**2) DIRECTORATE GENERAL BANKNOTE AND COIN  
MANAGEMENT**

- Director General
- Banknote and Coin Issuance and Circulation
- Cash processing and Relations with Institutional Clients



### **3) DIRECTORATE GENERAL OPERATIONS**

- Director General
- Deputies
- Market Operations
- Back Office
- Financial Stability
- Payment Systems and Market Infrastructure
- TARGET 2
- Banking Services
- Credit Institutions and Investment Firms

### **4) DIRECTORATE GENERAL ECONOMICS AND INTERNATIONAL RELATIONS**

- Director General
- Deputies
- Delegate director
- International and European Relations
- Research
- Monetary Research and Statistics
- Balance of Payments
- Macroeconomic Analysis and Forecasting
- Surveys and Economic Publications
- International Banking and Finance Institute

### **5) DIRECTORATE GENERAL BANKNOTE MANUFACTURING**

- Director General
- Delegate to the Director General
- Industrial sites
- European and Scientific Affairs
- Banknote Production
- Paper Manufacturing
- Quality Control
- Industrialisation, Research and Development

## **6) DIRECTORATE GENERAL HUMAN RESOURCES**

- Director General
- Deputy
- Industrial Relations and Projects
- Human Resource Management
- Training and Skills Development
- Personnel Administration

## **THE BRANCH NETWORK OF THE BDF**

In 1928, the Bank of France counted 261 branches. In 1970, the Bank closed down 27 branches and left 234. In 1990, the BDF closed down 23 branches and left 211 while at the same time transformed 25 institutional cashier offices into clientele cashier offices. In 1994, it transformed 25 institutional cashier offices into clientele cashier offices. In 1997, it transformed 45 institutional cashier offices into clientele cashier offices and examined the situation of 15 other cashier offices in order to take a decision by the end of 2002. In 2003, the Bank had 211 branches of which 131 had an institutional cashier office and 80 a clientele cashier office. (The institutional clientele comprises the Ministry of Finance, credit institutions, foreign central banks, and international financial organisations. The individual clientele comprises the beneficiaries of fiduciary and securities accounts, lessees of saves and to a lesser extent the occasional clientele as persons exchanging francs/euros or mutilated and counterfeit banknotes. This clientele can be divided as internal (Bank' employees and retired persons) and external (individuals, enterprises and associations). The Bank tries to suppress and on a permanent basis limits the activities related with the individual clientele).

The BDF branches have the following activities:

### **Activities of BDF branches by principal domains**

- Management of fiduciary operations: 1) transactions with banks and cash-in-transit companies (withdrawals and deposits of banknotes and coins) 2) banknote sorting 3) transactions with the occasional or in-the-street clientele (exchanges of french/euros banknotes and coins, exchange of mutilated and used banknotes in euros).

- Management of scriptural payment instruments and institutional, conventional and individual clientele operations: 1) processing of scriptural operations of credit institutions in the name of which the Bank manages a current account 2) encashments and processing transactions on behalf of the Public Treasury and the public accountables 3) transactions with the conventional clientele.
- Economic affairs: **1)** contribution to monetary, financial and banking diagnosis (participation in processing conjuncture surveys, contribution to the establishment of the balance of payments, relations with credit institutions in the context of banking supervision and activities carried out on behalf of the Secretary General of the Banking Commission **2)** economic and financial analysis of enterprises (registration in the Enterprises' Banking Data Bank (FIBEN) of financial or descriptive information on enterprises and their managers, analysis of enterprises and group of companies ending in general in a credit rating, specific services of FIBEN, Balance Sheet Data Center and GEODE diagnosis **3)** centralised tasks within a regional competence pole (groups analysis, monitoring enterprises listed in a stock exchange or an other organised market in the context of a regional delegation of Financial Markets Authority (AMF), coordination of activities of GEODE analysts, coordination of actions promoting specific FIBEN and GEODE products.
- Public and general interest services to users of the banking and financial sphere: activities to individuals resulting from a public service to users as **1)** the management of Secretariats for the Household Debt Commissions **2)** collection and availability of individual information registered in the national incident databases (Central Cheque Database (FCC), National Database on Household Credit Repayment Incidents (FICP) **3)** the exercise of rights to an account.

The Infobanque, a general interest service, assures information to individuals on banking transactions and practice.

These activities may be divided into two separate functions:

- a) "Front-office" operations**: they comprise the reception of individual persons and the delivery of answers to questions and demands formulated at the Bank' counters as: **1)** information to individuals on household debt procedures and deposit at the Bank' counters of the relevant files **2)** information on exercising the right to an account **3)** exercise of rights to access to the national incident databases **4)** oral answers for Infobanque services.

**b) “back-office” operations** : they comprise: **1)** instruction on household debt files **2)** representation of the Bank de France to the meetings of the Household Debt Commissions **3)** instruction on the account right **4)** management of the national incident databases **5)** processing written or by phone answers on access rights to databases and the Infobanque.

● **On-site representation**: this activity results from the combination of the experience of the Bank in its different functions representing a large spectrum of economic and financial responsibilities. It bases on the relations with administrative, economic, banking and financial local managers. In this context, the Bank offers an experience in economic, financial and conjuncture analysis of districts under the form of a particular service named ASCEL (Structural Economic Localized Conjuncture Analysis). Within the context of programmes to helping enterprises, it may also offer to district collectivities GEODE services. This is done through partnership contracts.

## **THE CONFLIT AND THE FINAL RESTRUCTURE PLAN**

The BDF government stressed the high cost resulting from maintaining a so dense network. This cost was derived not only from the general financing of activities but also by the maintenace of a large number of security service staff. For this reason, it proposed to close down the small branches or to transform these into cashier offices or information units. The trade unions rejected the closing down of branches and agencies. In January 2003, the Secretary General of the Bank Mr Barroux submitted its proposal that contained two alternative approaches:

**a)** a regional model: the network should consist of 62 permanent units (37 branches with full activities, 8 branches without cashier service, 17 cashier offices) and 51 reception and information offices.

**b)** a departmental model: the network should consist of 106 units (60 branches with full activities, 38 branches without cashier service, 8 cashier offices).

Strike movements were developed by the trade unions and manifestations in the Paris roads were organised. In the same time, unions asked and succeeded the support of local communities and some parlementarians. The Bank and the unions proceeded in hard negotiations. Finally, on 30 October 2003, the Bank took its decision to restructure the network in three years. The number of branches was diminished but economic antennas and other small units exist under the

new plan. It was about a compromise but according to some unions this plan will cost 2.300 jobs.

## **THE NEW STRUCTURE (IMPLANTATIONS ON 1er JULY 2006)**

### **► 68 branches with cashier services**

They are departmental branches (SUC) having a complete competence i.e. the management of fiduciary operations, the management of scriptural payment instruments and institutional, conventional and individual clientele operations, the economic affairs, the “front-office” operations, the “back-office” operations and on-site representation.

These branches have their seats in the following cities:

|                          |
|--------------------------|
| 1) Agen                  |
| 2) Ajaccio               |
| 3) Amiens                |
| 4) Angers                |
| 5) Angoulême             |
| 6) Annecy                |
| 7) Arras                 |
| 8) Aurillac              |
| 9) Auxerre               |
| 10) Avignon              |
| 11) Bar-le-Duc           |
| 12) Bastia               |
| 13) Beauvais             |
| 14) Besançon             |
| 15) Blois                |
| 16) Bordeaux             |
| 17) Bourges              |
| 18) Brest                |
| 19) Caen                 |
| 20) Chambéry             |
| 21) Charleville-Mézières |
| 22) Chartres             |

|                                |
|--------------------------------|
| <b>23)</b> Châteauroux         |
| <b>24)</b> Clermont-Ferrand    |
| <b>25)</b> Créteil             |
| <b>26)</b> Digne               |
| <b>27)</b> Dijon               |
| <b>28)</b> Epinal              |
| <b>29)</b> Evreux              |
| <b>30)</b> Evry                |
| <b>31)</b> Gap                 |
| <b>32)</b> Grenoble            |
| <b>33)</b> La Rochelle         |
| <b>34)</b> Le Mans             |
| <b>35)</b> Limoges             |
| <b>36)</b> Lons-le-Saunier     |
| <b>37)</b> Lyon                |
| <b>38)</b> Mâcon               |
| <b>39)</b> Marseille           |
| <b>40)</b> Mende               |
| <b>41)</b> Metz                |
| <b>42)</b> Montpellier         |
| <b>43)</b> Mulhouse            |
| <b>44)</b> Nancy               |
| <b>45)</b> Nanterre-la-Défense |
| <b>46)</b> Nantes              |
| <b>47)</b> Nevers              |
| <b>48)</b> Nice                |
| <b>49)</b> Nîmes               |
| <b>50)</b> Niort               |
| <b>51)</b> Orléans             |
| <b>52)</b> Périgueux           |
| <b>53)</b> Perpignan           |
| <b>54)</b> Reims               |
| <b>55)</b> Rennes              |
| <b>56)</b> Rodez               |

|                          |
|--------------------------|
| <b>57)</b> Rouen         |
| <b>58)</b> Saint-Brieuc  |
| <b>59)</b> Saint-Denis   |
| <b>60)</b> Saint-Lô      |
| <b>61)</b> Saint-Etienne |
| <b>62)</b> Strasbourg    |
| <b>63)</b> Tarbes        |
| <b>64)</b> Toulon        |
| <b>65)</b> Toulouse      |
| <b>66)</b> Tours         |
| <b>67)</b> Troyes        |
| <b>68)</b> Valence       |

► **28 branches without cashier services**

They carried out the total of operational functions of branches with the exception of the management of fiduciary operations.

These branches have their seats in the following cities:

|                             |
|-----------------------------|
| <b>1)</b> Albi              |
| <b>2)</b> Alençon           |
| <b>3)</b> Auch              |
| <b>4)</b> Belfort           |
| <b>5)</b> Bourg-en-Bresse   |
| <b>6)</b> Cahors            |
| <b>7)</b> Carcassonne       |
| <b>8)</b> Chaumont          |
| <b>9)</b> Foix              |
| <b>10)</b> Guéret           |
| <b>11)</b> La Roche-sur-Yon |
| <b>12)</b> Laon             |
| <b>13)</b> Laval            |
| <b>14)</b> Le Puy-en-Velay  |
| <b>15)</b> Lille            |
| <b>16)</b> Melun            |

|                    |
|--------------------|
| 17) Montauban      |
| 18) Mont-de-Marsan |
| 19) Moulins        |
| 20) Paris-Raspail  |
| 21) Pau            |
| 22) Poitiers       |
| 23) Pontoise       |
| 24) Privas         |
| 25) Tulle          |
| 26) Vannes         |
| 27) Versailles     |
| 28) Vesoul         |

► **17 economic antennas without cashier services**

The economic antennas cover only the economic affairs, the “front-office” operations, the “back-office” operations and the Bank on-site representation.

The antennas have their seat in the following cities:

|                        |
|------------------------|
| 1) Boulogne-sur-Mer    |
| 2) Castres             |
| 3) Chalon-sur-Saône    |
| 4) Chalon-en Champagne |
| 5) Cholet              |
| 6) Cluses              |
| 7) Colmar              |
| 8) Compiègne           |
| 9) Dunkerque           |
| 10) Montrouge          |
| 11) Pantin             |
| 12) Paris-Bastille     |
| 13) Quimper            |
| 14) Roanne             |
| 15) Sarreguemines      |



|                  |
|------------------|
| 16) Valenciennes |
|------------------|

|            |
|------------|
| 17) Vienne |
|------------|

► **4 economic antennas with cashier services**

These antennas exercise the economic antennas activities and manage also an institutional cashier office, which assures the fiduciary functions.

These antennas have their seat in the following cities:

|            |
|------------|
| 1) Bayonne |
|------------|

|            |
|------------|
| 2) Beziers |
|------------|

|             |
|-------------|
| 3) Le Havre |
|-------------|

|                    |
|--------------------|
| 4) Marne-la-Vallée |
|--------------------|

► **7 centres for the treatment of household debt**

In the following towns the Bank maintains a centre for treatment of household debt that assures the front and back office operations:

|              |
|--------------|
| 1) Cherbourg |
|--------------|

|           |
|-----------|
| 2) Dieppe |
|-----------|

|          |
|----------|
| 3) Douai |
|----------|

|         |
|---------|
| 4) Lens |
|---------|

|             |
|-------------|
| 5) Maubeuge |
|-------------|

|               |
|---------------|
| 6) Remiremont |
|---------------|

|                  |
|------------------|
| 7) Saint-Quentin |
|------------------|

► **4 centres for the treatment of fiduciary money**

They assure the management of fiduciary operations but only with the institutional clientele and do not receive the in-the-street clientele. They have their seat at:

|                       |
|-----------------------|
| 1) Brive-la Caillarde |
|-----------------------|

|           |
|-----------|
| 2) Calais |
|-----------|

|            |
|------------|
| 3) Lorient |
|------------|

|                      |
|----------------------|
| 4) Roubaix-Tourcoing |
|----------------------|

► **81 reception and information offices**

The Bank has established, within all the communities where was represented in 2003 and according to the Plan would not have a branch or an economic antenna, a reception and information office which will carry out the “front-office” operations (1. information on processing individual persons household debt and submission to the Bank counters of relevant files 2. information on the exercise of the right to an account 3. the exercise of access rights to the national incident databases 4. oral answers regarding Infobanque services).

The seats of these offices are the following:

|                          |
|--------------------------|
| 1) Abbeville             |
| 2) Aix-en-Provence       |
| 3) Alès                  |
| 4) Annonay               |
| 5) Arcachon              |
| 6) Argenteuil            |
| 7) Arles                 |
| 8) Armentières           |
| 9) Asnières              |
| 10) Autun                |
| 11) Beaumont-sur-Oise    |
| 12) Beaune               |
| 13) Bergerac             |
| 14) Bernay               |
| 15) Bethune              |
| 16) Boulogne-Billancourt |
| 17) Briey                |
| 18) Cambrai              |
| 19) Cannes               |
| 20) Carpentras           |
| 21) Cognac               |
| 22) Dax                  |
| 23) Dinan                |
| 24) Draguignat           |
| 25) Dreux                |

|                                 |
|---------------------------------|
| <b>26)</b> Epernay              |
| <b>27)</b> Etampes              |
| <b>28)</b> Flers-de-l' Orne     |
| <b>29)</b> Fontainebleau        |
| <b>30)</b> Fontenay-le-Comte    |
| <b>31)</b> Fougères             |
| <b>32)</b> Granville            |
| <b>33)</b> Haguenau             |
| <b>34)</b> Hyères               |
| <b>35)</b> Ivry-sur-Seine       |
| <b>36)</b> Les Sables-d' Olonne |
| <b>37)</b> Libourne             |
| <b>38)</b> Lisieux              |
| <b>39)</b> Longwy               |
| <b>40)</b> Lunéville            |
| <b>41)</b> Mantes-la-Jolie      |
| <b>42)</b> Marmande             |
| <b>43)</b> Meaux                |
| <b>44)</b> Millau               |
| <b>45)</b> Montargis            |
| <b>46)</b> Montbéliard          |
| <b>47)</b> Montélimar           |
| <b>48)</b> Montluçon            |
| <b>49)</b> Morlaix              |
| <b>50)</b> Narbonne             |
| <b>51)</b> Neuilly-Levallois    |
| <b>52)</b> Orange               |
| <b>53)</b> Oyonnax              |
| <b>54)</b> Pontarlier           |
| <b>55)</b> Pontivy              |
| <b>56)</b> Rochefort-sur-Mer    |
| <b>57)</b> Romans               |
| <b>58)</b> Saint-Claude         |
| <b>59)</b> Saintes              |

|                            |
|----------------------------|
| 60) Saint-Germain-en-Laye  |
| 61) Salon-Etang de Berre   |
| 62) Saumur                 |
| 63) Sélestat               |
| 64) Senlis                 |
| 65) Sens                   |
| 66) Sète                   |
| 67) Soissons               |
| 68) Saint-Dié-des-Vosges   |
| 69) Saint-Gaudens          |
| 70) Saint-Malo             |
| 71) Saint-Nazaire          |
| 72) Saint-Omer             |
| 73) Thiers                 |
| 74) Thionville             |
| 75) Thonon-les-Bains       |
| 76) Verdun                 |
| 77) Vernon                 |
| 78) Vichy                  |
| 79) Villefranche-sur-Saône |
| 80) Vincennes              |
| 81) Voiron                 |

## THE HIERARCHICAL STRUCTURE

- When a branch is established in the capital city of a region, its head is nominated “regional director” acting as a proxy of the Secretary General of the Bank of France. The regional director, in order to exercise its special competences, disposes of a service for regional issues and he presides over the regional bodies representing the staff.

The 22 regional directions of the Banque de France are the following:

| REGIONAL DIRECTIONS  | SEAT                 |
|----------------------|----------------------|
| 1) Ile-de-France     | Paris-Raspail        |
| 2) Champagne-Ardenne | Châlons-en-Champagne |
| 3) Picardie          | Amiens               |

|                                 |                  |
|---------------------------------|------------------|
| <b>4)</b> Haute-Normandie       | Rouen            |
| <b>5)</b> Centre                | Orléans          |
| <b>6)</b> Basse-Normandie       | Caen             |
| <b>7)</b> Bourgogne             | Dijon            |
| <b>8)</b> Nord-Pas-de-Calais    | Lille            |
| <b>9)</b> Lorraine              | Metz             |
| <b>10)</b> Alsace               | Strasbourg       |
| <b>11)</b> Franche-Comté        | Besançon         |
| <b>12)</b> Pays de la Loire     | Nantes           |
| <b>13)</b> Bretagne             | Rennes           |
| <b>14)</b> Poitou-Charentes     | Poitiers         |
| <b>15)</b> Aquitaine            | Bordeau          |
| <b>16)</b> Midi-Pyrénées        | Toulouse         |
| <b>17)</b> Limousin             | Limoges          |
| <b>18)</b> Rhône-Alpes          | Lyon             |
| <b>19)</b> Auvergne             | Clermont-Ferrand |
| <b>20)</b> Languedoc-Roussillon | Montpellier      |
| <b>21)</b> Paca                 | Marseille        |
| <b>22)</b> Corse                | Ajaccio          |

- The surveillance of a branch is entrusted in a “departmental director” acting as a proxy of the regional director.
- The surveillance of an economic antenna (AE) is entrusted in a “delegate director” acting as a proxy of the departmental director.
- A centre for the treatment of household debt is administered by an executive subject to the surveillance of a departmental director.
- Agents charged with operating a reception and information office (BAI) are subject to the surveillance of the departmental branch or the centre for the treatment of household debt which assures its back-office and will be responsible to manage this office. The seat of a reception and information office and its opening hours (in principle limited to some hours or half days weekly) are defined by the regional director.
- A centre for the treatment of fiduciary money (CTMF) is administered by an executive subject hierarchically to the surveillance of the departmental director.

## **13) BANK OF SLOVENIA**

### **(Banka Slovenije)**

**Staff number: 387**

- The Bank of Slovenia (B.S.) was established on 25 June 1991 as an independent institution. The Bank is directly responsible to the Parliament. Its primary task is to maintain price stability. It is the supervisor of the banking system. It has no branches, no printing works. The B.S. conducts no corporate business and none with natural persons.
- According to the Bank of Slovenia Act, the Bank is managed by the Governor, the Deputy Governor and up to four Vice-Governors. The executive bodies of the Bank are the Governor and the Governing Board. The Governing Board consists of the Governor, who is the President of the body, the Deputy Governor, the Vice-Governors and up to four external independent experts. All of them are nominated by the President of the Republic and appointed by the National Assembly for a six-year term.
- As from 1.1.2007 the Bank of Slovenia joined the Eurosystem and delegated the Central Bank of Luxembourg to manage its quota of the ECB foreign exchange reserves.

### **ACTIVITIES OF THE B.S**

#### **Core activities**

- 1) Implementation of the Eurosystem monetary policy.
- 2) Management of its own foreign exchange and euro reserves. According to a contract, the national quota of the ECB foreign exchange reserves is managed by the Central Bank of Luxembourg.
- 3) Supervision of banks, saving banks and other financial entities.
- 4) Issue money and withdraw it from circulation.
- 5) Oversight of payment systems. In mid-October 2004, the Bank of Slovenia entered the TARGET1 system through an indirect remote link with the Deutsche Bundesbank system RTGSplus. As from 1<sup>st</sup> January 2006, The Bank of Slovenia also enabled Slovenian banks to participate via a single entry point in the pan-European low value cross border euro payments system STEP 2 which belongs to the Euro Banking

Association. As from 19 November 2007, the B.S participates in the single shared platform of the system TARGET2.

6) Bank of banks.

### **Other activities**

1) Budget funds accounts of the Republic of Slovenia should maintained by the B.S. However, government accounts were held with the governmental Agency for Payments, which has 61 branches. All payments of the government were executed via this Agency. These activities are gradually transferred to the central bank.

2) Cashier activities: banknotes circulation, counting and sorting. The B.S. also decides when to put coins into circulation and perform technical tasks at their issuing.

3) Economic researches and financial statistics.

## **ORGANISATION CHART OF THE BANK OF SLOVENIA**

| <b>GOVERNING BOARD</b> |
|------------------------|
| ● Governor             |
| ● Deputy Governor      |
| ● Vice Governors       |
| ● External members     |

### **Governor**

- Governor's Office
- Advisors to the Governor
- Internal Audit

### **Secretary General**

- Legal Department
- Secretariat
- Banking Services Department

### **Vice Governor**

- Accounting Department
- Financial Statistics Department

### **Vice Governor**

- Banking Operations Department

- Payment and Settlements Systems Department
- Organisation and Personnel Department

**Vice Governor**

- Analysis and Research Centre

**Member of the Governing Board**

- Information Technology Department
- Banknote Department

**Member of the Governing Board**

- Financial Stability Department
- Banking Supervision Department



## **14) CENTRAL BANK OF CYPRUS**

(Κεντρική Τράπεζα Κύπρου)

**Staff number: 332**

- The Central Bank of Cyprus (CBC) was established in 1963. It is an independent institution and its primary objective is to ensure price stability. Its initial capital is 15.000.000 Cyprian pounds owned by the State. The CBC carries out banking supervision, it has the issue right but has not an own printing works or mint. Cyprus' banknote and coins are produced abroad following tender operations. The CBC has no branches. The CBC is responsible for the operation of the Central Information Registry for Issuers of Dishonoured Cheques.
- The Bank is managed by the Board of Directors consisting of the Governor, the Deputy Governor (vacant position) and five Directors. The President of the Republic appoints the Governor and the Deputy Governor for a term of office of five years, which is renewable and the Directors by the Council of Ministers also for a term of office of five years.
- The Monetary Policy Committee implements the Eurosystem monetary policy and policy matters regarding foreign exchange rate policy and payment and settlement systems. It consists of the Governor of the CBC as chairman, the Deputy Governor and five members; two of whom are appointed by the Governor of the CBC and usually are high executives of the CBC and three are external personalities appointed by the Council of Ministers on a recommendation of Minister of Finance following consultations between the Minister and the Governor.

### **ACTIVITIES OF THE CBC**

#### **Core activities**

- 1) Issue of euro banknotes and coins, which are produced abroad.
- 2) Implementation of the Eurosystem monetary and foreign exchange policies. As from 29 April 2005 the Cyprus pound was included in the Exchange Rate Mechanism II (ERM II). The central rate of the Cyprus pound was set at 1 euro = 0,585274 pound with a standard fluctuation band of plus or minus 15 percent. On 2 May 2005, the ECB communicated the compulsory intervention points set as follows: a) upper rate 0,673065 b) lower rate 0,497483. As from 1.1.2008 Cyprus adopted the euro and ceased to participate in ERM II.

3) Management of FX and euro reserves. According to a contract, the CBC delegated the Bank of Greece to manage its ECB FX reserves quota.

4) Banking supervision: it licenses deposit-taking institutions such as domestic banks, international banking units and other financial institutions and carries out on site and off-site inspections. It supervises also the money laundering activities.

5) Oversight of payment systems. The CBC was the owner and operated from its premises a) the Large-Value Credit Transfer System (LVCTS). As from 19 November 2007 it manages the national component of the single shared platform of the system TARGET2 b) the Cyprus Clearing House for cheques (CCH) which clears cheques, postal drafts and vouchers of agent's claim.

The other systems of the country are the following: a) the Retail Credit Transfer System (JCCTransfer) managed by JCC Payment Systems Ltd b) the Payment Cards Clearing and Settlement System, operated also by JCC Payment Systems Ltd c) the Central Depository – Central Registry operated by the Cyprus Stock Exchange.

6) Bank of banks: opening current accounts, providing and absorbing liquidity and acting as a settlement agent.

### **Other activities**

1) Bank of the government: opening and managing current accounts on behalf of the government and public entities. Within the framework of Cyprus government policy, the CBC is the administrator of public debt, i.e. assumes the issue of government securities and is responsible for the redemption of Government Domestic Debt Instruments such development stocks, saving certificates, saving bonds and treasury bills. The CBC maintains also the register of holders of government securities.

2) Counting, sorting and circulation of fiduciary money.

3) Economic researches and statistics. It publishes the quarterly economic review, the Cyprus offshore news and other ad hoc business reviews.

#### **4) Central Information Registry**

The Central Bank of Cyprus is responsible for the maintenance and operation of the Central Information Registry for Issuers of Dishonoured Cheques and Other Related Matters. However, the banks and the Co-operative societies are responsible for the correct and timely insertion in

the Registry of the required information on the issuers of dishonoured cheques and the dishonoured cheques themselves.

5) The Governor and the head of the Banking Supervision and Regulation Division of the CBC are Chairman and Vice-Chairman respectively of the Deposit Protection Scheme.

|  |
|--|
| <b>Some important activities of the Central Bank of Cyprus</b> |
| 1) Banking Supervision   |
| 2) Central Information Registry                                |
| 3) Management of public debt                                   |

## ORGANISATION CHART OF THE CENTRAL BANK OF CYPRUS

|                            |
|----------------------------|
| <b>Board of Directors</b>  |
| • Governor                 |
| • Deputy Governor (vacant) |
| • 5 Directors              |

|                                  |
|----------------------------------|
| <b>Monetary Policy Committee</b> |
| • Governor                       |
| • Deputy Governor (vacant)       |
| • 5 members                      |

### **Governor**

- Internal Audit Department
- European Affairs Unit
  - Library
- Legal Services Unit

### **1) BANKING SUPERVISION AND REGULATION DIVISION**

#### **1a) Licensing and Financial Stability Department**

- Licensing Section
- Financial Stability Section

#### **1b) Bank Supervision and Regulation Department**

- Bank Regulation and Monitoring Section

- Bank Examination Section

## **2) DOMESTIC BANKING OPERATIONS AND ACCOUNTING SERVICES DIVISION**

### **2a) Domestic Banking Operations Department**

- Cash Section
- Issue Section

### **2b) Payment Systems and Accounting Services Department**

- Payment Systems Policy and Operations Section
- Payment Systems Oversight Section
- Accounting Services and Budgeting Section

### **2c) Numismatic Museum Section**

## **3) ECONOMIC RESEARCH AND STATISTICS DIVISION**

### **3a) Economic Research Department**

- Monetary Policy and Research Section
- Domestic Economy Section

### **3b) Statistics Department**

- Balance of Payments Section
- General Economic Statistics Section
- Money and Banking Statistics and Financial Accounts Section

## **4) MANAGEMENT SERVICES DIVISION**

### **4a) Information Technology Department**

- Systems Development Section
- Infrastructure Administration and Support Section
- Information Systems Security Section

### **4b) Human Resources, Organisation and Methods Department**

- Human Resources Section
- Organisation and Methods Section

## **5) FINANCIAL MARKETS AND PUBLIC DEBT MANAGEMENT DIVISION**

### **5a) Financial Markets Department**

- Management of Reserves Section

- Risk Management Section
- Exchange Operations and Settlements Section

**5b) Public Debt Management Department**

- Public Debt Strategy, Planning and Operations Section
- Securities Section

**6) SECURITY AND TECHNICAL SUPPORT DIVISION**

**6a) Security and Technical Support Department**

## **15) CENTRAL BANK OF MALTA**

**(Bank Centrali Ta' Malta)**

**Staff number: 322**

- The Central Bank of Malta (CBM) was established on 11.11.1967 and started its operations on 17.4.1968. The CBM' key objective is to maintain price stability. The Bank is fully independent. It implements the Eurosystem' monetary policy and foreign exchange policy. It has not a printing work or Mint. The banknotes are printed in the banknote printing works of the English company De La Rue established in Malta. As from 1st January 2002 lost the banking supervision which is transferred to the Malta Financial Services Centre (MFSC) that now supervises and regulates credit and financial institutions. The CBM has not branches.
- The CBM is governed by the Board of Directors which is responsible for the policy and the general administration of the Bank' activities. It consists of the Governor, the Deputy Governor and three Directors. The Governor is in charge of the day-to-day management and operations of the Bank in accordance with the policy of the Board of Directors.
- The Executive Management Committee of the CBM is the body responsible for advising the government of the Bank on matters related with the internal management and administration. It consists of the Governor, the Deputy Governor and five Directors.
- The Investment Policy Committee takes decisions on the Bank' operations in domestic and foreign exchange markets. It consists of the Governor, the Deputy Governor, two Directors, two Senior Managers and two Managers.
- The Governor and the Deputy Governor are appointed by the President of Malta, acting on the advice of the Prime Minister. They have a 5-year term of office but are eligible for re-appointment. The Prime Minister appoints the Directors of the Bank also for a 5-year term.

### **ACTIVITIES OF CBM**

#### **Core activities**

- 1) Implementation of the Eurosystem' monetary policy.
- 4) Management of the country's foreign exchange reserves and the euro reserves of the Bank.

3) Payment systems: promotion, oversight and regulation of payment and settlement systems. It runs the Malta Clearing House, through which cheques are settled. The CBM functioned the MaRIS system but as from 19 November 2007 it is the national component of the single shared platform of the system TARGET2.

4) Bank of banks: keeping accounts for local and foreign currency deposit facilities and settlement of interbank transactions. The Bank also maintains accounts for the Malta Stock Exchange.

### **Other activities**

1) Cashier activities: providing and promoting efficient currency services, counting and sorting fiduciary money and preventing counterfeiting.

2) Contributing to the stability of the financial system.

3) Banker to the public sector: keeping free of charge accounts for the Treasury, other government departments and to public sector entities. Foreign exchange services to public sector entities such as the sale of foreign exchange and travellers' cheques, documentary letters of credit and bills for collection, transfers and guarantees. Payments related to the servicing of the government's external debt.

4) Economic researches and statistics. Balance of payments statistics.

5) Purchase, sale, discount and rediscount government treasury bills, commercial and financial instruments, instruments bearing the Bank's name.

6) Advising the Government of the country on financial and economic matters.

### **ORGANISATION CHART OF THE CENTRAL BANK OF MALTA**

|                           |
|---------------------------|
| <b>Board of Directors</b> |
| • Governor-Chairman       |
| • Deputy Governor         |
| • 3 Directors             |

|                                       |
|---------------------------------------|
| <b>Executive Management Committee</b> |
| • Governor                            |
| • Deputy Governor                     |

|               |
|---------------|
| • 5 Directors |
|---------------|

|                                     |
|-------------------------------------|
| <b>Investments Policy Committee</b> |
|-------------------------------------|

|            |
|------------|
| • Governor |
|------------|

|                   |
|-------------------|
| • Deputy Governor |
|-------------------|

|                 |
|-----------------|
| • Two Directors |
|-----------------|

|                       |
|-----------------------|
| • Two Senior Managers |
|-----------------------|

|                |
|----------------|
| • Two Managers |
|----------------|

□ Legal Office

## **DIVISIONS**

### **A) FINANCIAL STABILITY**

#### **Aa) Financial Stability Department**

- Financial Stability Office

#### **Ab) Internal Audit and Risk Assessment Department**

- Risk Assessment Office
- Internal Audit Office

### **B) ECONOMICS AND EXTERNAL RELATIONS**

#### **Ba) Economic Research Department**

- Economic Analysis Office
- Research Office
- Statistics Office

#### **Bb) Library and External Relations Department**

- Library
- External Relations Office
- Governors' Secretariat

### **C) FINANCE AND BANKING**

#### **Ca) Banking and Issues Department**

- Retail Banking Office
- Payment Systems Office
- Currency Issue Office

#### **Cb) Financial Control Department**

- Finance Office

### **D) FINANCIAL MARKETS**



**Da) Domestic Markets Department**

- . ● Monetary Operations and Collateral Management Office
- . ● Money and Capital Markets Office
- . ● Government Debt Analysis Office

**Db) Reserve Management Department**

- . ● Investments and Reserves Office
- . ● FX Market Analysis Office
- . ● Middle Office

**E) RESOURCE MANAGEMENT**

**Ea) Resources Department**

- . ● Human Resources Office
- . ● Administration Office
- . ● Security Office

**Eb) Information Systems Department**

- . ● IT Service Office
- . ● Software Development Office
- . ● Records Management Services Office

## **16) NATIONAL BANK OF SLOVAKIA**

(Národná Banka Slovenska)

**Staff number: 1.200**

**(In the Eurosystem as from 1.1.2009)**

- The National Bank of Slovakia (NBS) was established on 1<sup>st</sup> January 1993 and its statutory capital goes up to 466.667.000 slovak crowns (13.166.913 euros). Its primary objectif is to maintain price stability. It formulates and implements the monetary policy, issue banknotes and coins but has not a printing works. The Bank supervises the banking and insurance sector and the pension funds and other entities (see below) and has 9 sub-branches.

- The supreme governing body of the N.B.S. is the Bank Board, which formulates by the end of 2008 the monetary policy and applies appropriate instruments and rules for its implementation. It consists of a) the Governor and two Deputy-Governors who are appointed by the President of Slovak Republic upon the recommendation of the Government of the country and with the approval of the National Council of the Republic b) two Executive Directors of the NBS and three external members who are appointed by the Government of the country upon reccommendation of the Governor of the NBS. All the members of the Bank Board have a five-year term, which is renewable only once.

### **ACTIVITIES OF THE NATIONAL BANK OF SLOVAKIA**

#### **Core activities**

1) Formulation and implementation of monetary policy. As from 1.1.2009 the National Bank of Slovakia is a member of the Eurosystem and the monetary policy is entrusted to the ECB.

2) Implementation of foreign exchange policy based on an inflation targeting under the conditions of ERM II. In fact, the Slovakian koruna participates as from 28.11.2005 in the Exchange Rate Mechanism (ERM II) while as from 19.3.2007 a new central parity against the euro is in force as follows: central parity 1 euro = 35,4424 Slovakian koruna, superior limit of obligatory intervention 40,7588 Slovakian koruna, inferior limit of obligatory intervention 30,1260 Slovakian koruna. As from 1.1.2009 the National Bank of Slovakia is a member of the Eurosystem. Consequently it ceases to participate to ERM II.

■ As from 1<sup>st</sup> January 2009, Slovakia adopts the euro. Consequently, the formulation of monetary and foreign exchange policy is transferred to the Governing Council of the European Central Bank.

3) Management of foreign exchange and domestic reserves of the Bank.

4) Issue of banknotes and coins.

5) Prudential surveillance and supervision of banks, insurance undertakings, pension funds, collective investment companies and the Deposit Protection Fund. The N.B.S. exercises all these tasks through on-site and off-site inspections.

6) Payment systems: The N.B.S oversees the integrity and effectiveness of all payment systems and instruments.

By the end of 2002, all interbank payment transactions were carried out electronically by the SIPS (Slovak Interbank Payment System) belonging to the Slovak National Clearing Centre (SNCC), which was an independent company, not related with the central bank. As from 1<sup>st</sup> January 2003 the NBS took over the SIPS, which was incorporated into the central bank. The SIPS is the only RTGS system of the Slovakia and was modernised in order to face the requirements of the European Union. The N.B.S. co-ordinates payments and settlements among banks and ensure the efficient and economical performance of these operations.

As from 2006, the N.B.S began preparing a new concept of SIPS aiming to join the system TARGET2. It established also the SIPS RETAIL for processing payments for which immediate finality is not required. It is about a retail payment net system.

■ Before the entrance of Slovakia in the Eurozone (1.1.2009), the National Bank of Slovakia will join the single shared platform of the TARGET2 system.

7) Register of banks and representative offices and of bank loans and guarantees and other «bank of banks» activities such granting 3 and 6 months maturity loans against securities.

### **Other activities**

1) Cashier activities: control of money circulation, provision for printing banknotes and minting coins by third parties, administration of money in stock, replacement and destruction of worn money.

2) Bank of the State: maintenance of the revenue and expenditure accounts of the State budget and of the records of State financial assets and liabilities and of State funds. Redemption of government bonds.

- 3) Issue of securities denominated in foreign currency.
- 4) Banking operations with legal persons and central bank' employees. Opening banking accounts in favour of central bank employees.
- 5) Balance of payment statistics.
- 6) Monetary and financial studies and banking and general statistics.
- 7) Management of its Institute of Banking Education. It has been providing its services focusing on training and professional growth of bankers since 1991. The Institute is a member of the European Banking Training Network and it is certified for the European System of Quality Standard EN ISO 9001. The Ministry of Education of the Slovak Republic accredits Selected Institute training programs. The contents and structure of the Institute program is designed to suit current and future needs of practicing bankers.

### **Sub-branches of the N.B.S.**

- 1) Bratislava
- 2) Nové Zámky
- 3) Trenčín
- 4) Banská Bystrica
- 5) Lučenec
- 6) Žilina
- 7) Košice
- 8) Humenné
- 9) Poprad

### **Activities of Sub-branches**

- Currency circulation.
- Counting and sorting of fiduciary money.
- Clearing.
- Banking operations.

| <b>Sub-branches of the NBS, which closed down in the past</b>  |   |
|--|---|
| <ul style="list-style-type: none"> <li>▪ <u>Under the Bratislava Branch</u></li> <li>1) Levice</li> <li>2) Nitra</li> <li>3) Trnava</li> </ul> | <ul style="list-style-type: none"> <li>▪ <u>Under the Banská Bystrica Branch</u></li> <li>1) Liptovský Mikuláš</li> <li>2) Prievidza</li> <li>▪ <u>Under the Košice Branch</u></li> <li>1) Prešov</li> <li>2) Bystrina Nový Smokovec</li> </ul> |

|   |
|---|
| <b>List of some important activities of National Bank of Slovakia</b> |
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|---|
| ❑ Supervision of banks, insurance undertakings, pension funds, collective investment companies and the Deposit Protection Fund. |
|---|

|  |
|--|
| ❑ Issue of securities denominated in foreign currency, maintenance of the revenue and expenditure accounts of the State budget and redemption of government bonds. |
|--|

|   |
|---|
| ❑ Management of the Institute of Banking Education. |
|---|

## ORGANISATION CHART OF THE NATIONAL BANK OF SLOVAKIA

|                                    |
|------------------------------------|
| <b>Bank Board</b>                  |
| • Governor                         |
| • Deputy Governors                 |
| • 2 Executive Directors of the NBS |
| • 3 external members               |

### Under the Governor

- Office of the Governor
- Governor's Secretariat Section
- Legal Services Department
  - Legislative Section
  - Approximation Law Section
  - Legal Section
- Internal Audit Department
  - Financial Audit Section
  - Operation and IT Audit Section

### Under the Deputy Governor

- Financial Management Department
  - Controlling and Budgetary Section
  - Methodology and Accounting Section
  - Operational Activities Accounting Section
  - Taxes and Fees Management Section
- Human Resources Department

- Personnel and Employees Welfare Section
- Compensation and Payroll Section
- International Relations and Communication Department
  - Communication Section
  - International Relations Section

**Under the other Deputy Governor (Financial Market Supervision Unit)**

- Licensing and Enforcement Department
  - Licensing Section
  - Cross-border Cooperation Section
  - Enforcement Section
  - Clients' Protection Section
- Regulatory and Risk Management Methodology Department
  - Insurance Regulatory Section
  - Pension Savings Regulatory Section
  - Collective Investment Regulatory Section
  - Markets Regulation Section
  - Banking Sector and Securities Dealers Regulatory Section
  - Financial Market Risk Analysis Section
  - Risk Measurement Regulatory Models Section
- Supervisory Department
  - Quantitativy Analysis Section
  - Banking Groups Supervisory Section 1
  - Banking Groups Supervisory Section 2
  - Insurance Groups Supervisory Section
  - Capital Market Entities Supervisory Section
  - Insurance and Reinsurance Mediation and Foreign Exchange Supervisory Section
- Sub-branch Košice
- Sub-branch Humenné
- Sub-branch Poprad

## **Under of the member of the Bank Board and Executive Director for Monetary Area**

- Monetary Policy Department

- Public Finance Analyses Section
- Macroeconomic Analyses Section
- Balance of Payments Section
- Section of Forecasting, Modelling and International Economy Analyses

- Statistics Department

- Non-banks Statistics Section
- Money and Banking Statistics Section
- Financial Accounts Statistics and Information Systems Support Section
- Insurance Companies and Capital Market Statistics Section

## **Under of the member of the Bank Board and Executive Director for Payment System and Currency Circulation**

- Payment Systems Department

- Payments System Section
- Payments Systems Policy Section
- Interbank Payment Systems Section

- Banknotes and Coins Department

- Currency Preparation and Analyses Section
- Cash Handling Section

- Currency Circulation Management Department

- Currency Circulation Section

- Sub-branch Bratislava
- Sub-branch Nové Zámky
- Sub-branch Trenčín
- Sub-branch Banská Bystrica
- Sub-branch Lučenec
- Sub-branch Žilina

## **Under of the member of the Bank Board and Executive Director for Financial Market Operations**

- Risk Management Department
  - Risk Management and Investment Strategy Section
  - Risk Management of Monetary Policy Operations Section
  - Information Technology Support Section
- Banking Transactions Department
  - Open Market Operations Section
  - Foreign Exchange Reserves Management Section
- Settlement Department
  - Domestic and Foreign Currency Settlement Section
  - Accounts, Receivables and Debts Management Section

## **Under of the member of the Bank Board and Executive Director for Financial Education and Information Technology**

- Institute of Banking Education Department
  - Education Projects and Activities Section
  - Training Realisation Section
- Information Technology Department
  - Information Technology Architecture Section
  - Information Technology Processes Administration Section
  - Information System and Information Technology Development Section
  - Information System and PC Operation Section

## **Under of the member of the Bank Board and Executive Director for Security and Premises**

- Security Management Department
  - Security Management Section
  - Classified Materials and Special Activities Section
- Premises Department
  - Technical Services Section
  - Central Purchase Section
  - NBS Archives and Central Library Section
- ◎ Museum of Coins and Medals, Kremnica



- Secretariat
  - Museum Activity Section
  - Operation Section
- ⊙ Bystrina

**Under of the member of the Bank Board and Executive Director for  
Research**

- Research Department