

# Regional Office in Baden-Württemberg

Organisation and tasks



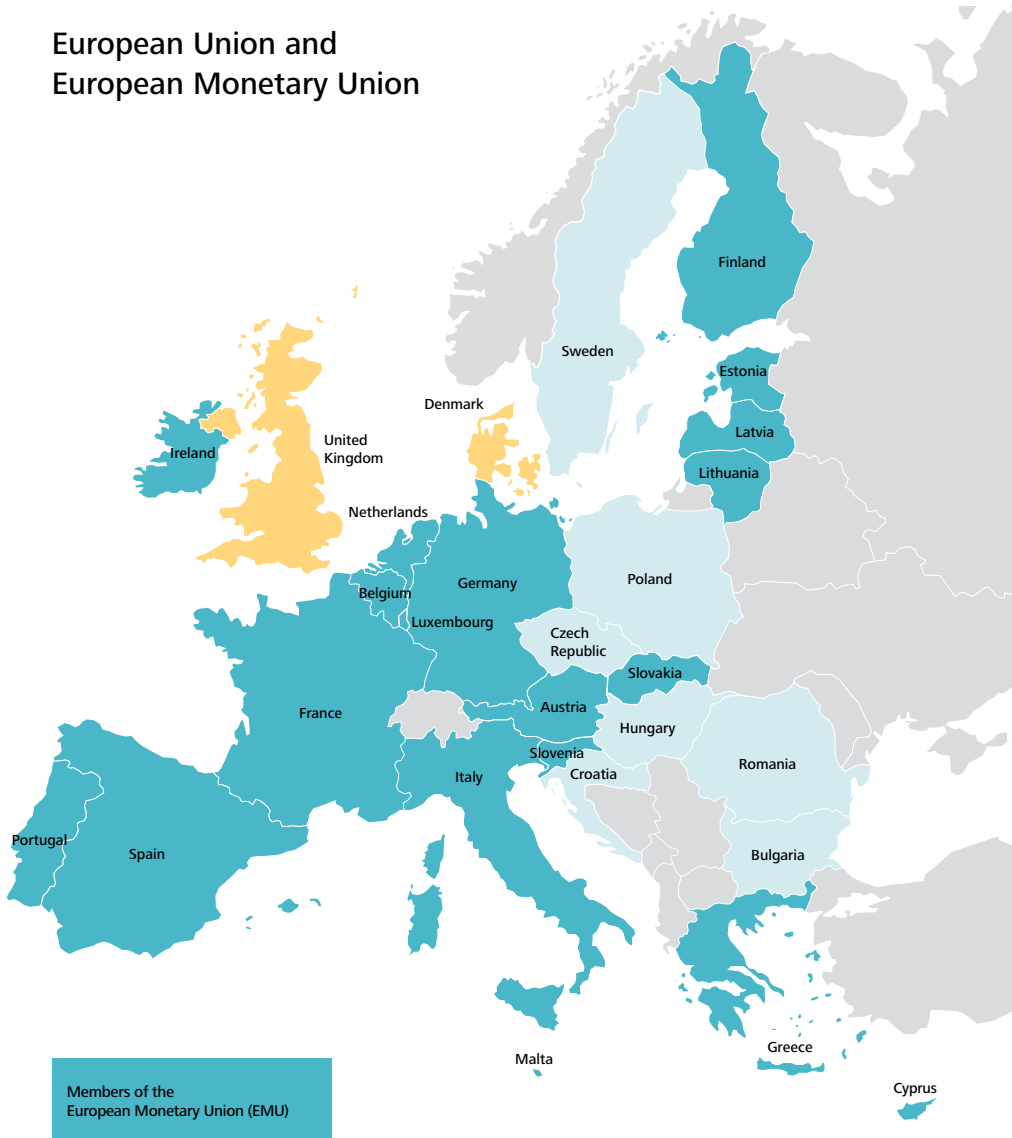


# The Deutsche Bundesbank in the Eurosystem

The **Deutsche Bundesbank** is the central bank of the Federal Republic of Germany and since the establishment of European Monetary Union (EMU) is part of the Eurosystem. Together with the other euro-area central banks and the European Central Bank, it has been responsible for safeguarding price stability. The Bundesbank is involved in the Eurosystem's monetary policy decision-making process and is responsible for implementing these decisions in Germany. In addition to the primary objective of conducting a stability-oriented monetary policy, the Bundesbank makes important contributions in four other core business areas: it helps to maintain a stable financial and monetary system, safeguards the functional viability of German credit and financial services institutions through its involvement in banking supervision, ensures the smooth execution of cashless payments, and guarantees a supply of cash to the economy.

At the beginning of the new millennium, the Bundesbank responded to its changed role within the euro area and the modified business environment by radically reforming its organisational structure and streamlining its branch network. Since 2002, the Bundesbank has been governed by a six-member Executive Board based at its Central Office in Frankfurt. In order to be able to provide central bank services nationwide, the Bundesbank has nine Regional Offices and currently 35 branches in Germany (as at February 2017). With the opening of the new Dortmund branch scheduled for the beginning of 2019, there are further changes in the pipeline.

## European Union and European Monetary Union



Members of the  
European Monetary Union (EMU)

Accession to the EMU once  
convergence criteria are met

Countries with special status:  
voluntary accession to the EMU  
once convergence criteria are met

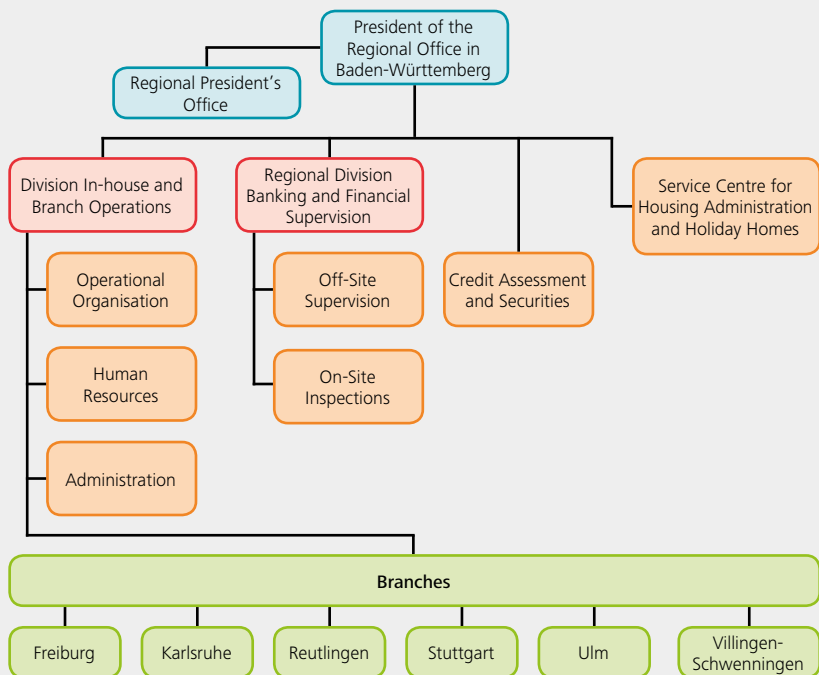
# Regional Office in Baden-Württemberg: regional mainstay of the Deutsche Bundesbank

The Deutsche Bundesbank's **Regional Office** in Baden-Württemberg, which is located in Stuttgart, has a total of **six branches** in Freiburg, Karlsruhe, Reutlingen, Stuttgart, Ulm und Villingen-Schwenningen. Both the Regional Office and the branches maintain diverse relationships with business partners – financial institutions, public administrations and companies – in Baden-Württemberg. The Regional Office is headed by a **President**, who acts as a contact partner for the above-mentioned institutions and is also responsible for the Bundesbank's press and public relations work in Baden-Württemberg. The President receives support from his or her **staff**. The Regional Office regularly organises public lectures, some of which are aimed at experts and others at the general public under the motto "Forum Bundesbank". The Regional President's Office is also responsible for economic education in Baden-Württemberg. In addition to seminars for teachers, there are also lectures for school parties and events for university students – particularly on aspects of monetary policy.

**Banking supervision** constitutes one of the most important tasks for the Regional Office. The financial and sovereign debt crisis has highlighted the enormous fallout that excessive risk in the banking and financial sector can have for entire economies. At the end of 2012, the governments of the euro-area countries therefore decided to transfer extensive supervisory powers to the European Central Bank (ECB). Since November 2014, under the Single Supervisory Mechanism (SSM), the ECB has been responsible for the direct supervision of the 126 largest systemically important banks in the euro area. In Germany, the regime covers 21 banks and/or banking groups, two of which are domiciled in Baden-Württemberg. In order to fulfil this task, the ECB also works together with staff from the national supervisory authorities. Experts from the national authorities work together with ECB staff in joint supervisory teams.

The remaining – non-systemically important – credit, financial services and payment institutions are still supervised by the national authorities. Within the framework of the Cooperation Agreement between the German Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank, the Regional Offices are responsible for the ongoing monitoring of these institutions. The regional presence of the Regional Office ensures local and effective supervision.

### Organisational chart of the Deutsche Bundesbank's Regional Office in Baden-Württemberg



Staff members working in the **Regional Division Banking and Financial Supervision** analyse a wide range of information such as audit reports compiled by external auditors and various reports and notices, some of which are requested from the institutions on an ad hoc basis. During individual supervisory meetings, they discuss the business situation, profitability, risk situation and current problems with the management boards of the institutions. In addition, onsite inspections are conducted at the institutions to assess the adequacy of both the business organisation and capital, with particular emphasis on risk control procedures used and appropriate and effective risk management methods. Based on these findings, the banking supervisors draw up risk profiles for the institutions, which serve as a basis for ongoing supervision by the Bundesbank and BaFin.

Given the high density of financial institutions, the Regional Office in Baden-Württemberg makes a particularly substantial contribution towards safeguarding financial stability in Germany. The south-west is home to almost one in seven of the financial institutions in the German financial sector that are subject to supervisory oversight. The banking supervisors of the Regional Office in Stuttgart monitor 459 of the around 3,400 institutions under supervision in Germany, 290 of which are credit institutions, 165 financial services institutions and four payment institutions (as at the end of 2016).

Further areas of responsibility held by the Regional Office are the credit assessment of enterprises and the Bundesbank's function as the government's fiscal agent. Within the framework of Eurosystem monetary policy operations, credit institutions may submit credit claims as collateral for refinancing operations with the Bundesbank. For this to happen, the enterprises and self-employed persons involved as debtors must be deemed "eligible". This is checked by staff in **Credit Assessment** and Securities. Interested enterprises can also have the Bundesbank conduct a credit assessment free of charge without actually submitting a credit claim. Nearly 4,000 balance sheets were evaluated by the Regional Office in Baden-Württemberg in 2016. As Germany's "fiscal agent", the

Bundesbank also participates in the price and market management of Federal securities. The Regional Section Credit Assessment and **Securities** settles the securities transactions required for this purpose at the Stuttgart stock exchange, the leading trading floor in Germany. Acting on behalf of the Baden-Württemberg Ministry of Finance and Economics, it is also responsible for investing and managing the state's civil servants' pension fund, into which funds from the state's budget are channelled to finance the pension scheme for federal state civil servants.

The **Division In-house and Branch Operations** consists of three Regional Sections: Operational Organisation, Human Resources and Administration. These ensure, in particular, that all task forces are provided with the latest operating resources and qualified staff and that all workflows are continually optimised. This enables the Bundesbank to consistently offer its business partners an appropriate and attractive range of services.



## Cash supply by the branches

The key task of the **Bundesbank branches** is to safeguard the supply of cash to the economy. The six branches subordinated to the Regional Office in Baden-Württemberg ensure that the commercial banks in Baden-Württemberg are supplied with a sufficient amount of cash at all times and in any desired denomination. In turn, the credit institutions pass on this cash to the retail sector, enterprises and households. The cash cycle continues when consumers and especially retailers pay the cash in again at the banks. The credit institutions retain some of this cash for their cash balances and return any surplus amounts to the Bundesbank via its branches, thus completing the cash cycle. Cash used in trade can also be paid in at the Bundesbank directly.

Any soiled and damaged cash is filtered out by the branches, then destroyed and replaced with new banknotes and coins. In a similar fashion, counterfeits are retained and withdrawn from circulation. The Bundesbank's branches in Baden-Württemberg process an annual volume of around two billion banknotes and handle thousands of tonnes of coins.

As representatives of the Bundesbank, the branch managers maintain close contact with the banks, business community and public authorities in their respective region. As part of the Bundesbank's public relations work, the branches are also involved in holding training courses on counterfeit recognition – for vocational schools, in particular, but also for staff from credit institutions and in the retail trade – and providing economic education in schools.

## Customer service team at the Stuttgart branch

At the beginning of 2013, customer service in the area of cashless payments was concentrated on one branch per Regional Office. Since then, all cashless payment operations in Baden-Württemberg have been conducted by the **Stuttgart branch**.

Account management responsibility for public authorities and commercial banks in Baden-Württemberg has also been transferred to the Stuttgart branch. These accounts give the credit institutions access to the payment systems of the Bundesbank. Moreover, they are used to settle the Eurosystem's monetary policy refinancing operations.



- Regional Office and Stuttgart branch
- Further branches in Baden-Württemberg

## Service Centre for Housing Administration and Holiday Homes

The Bundesbank has a total of ten service centres at various Regional Offices nationwide, where tasks are performed for the Bank as a whole. The Regional Office in Baden Württemberg houses the **Service Centre for Housing Administration and Holiday Homes**. It commenced its work in 2003 as one of the Bank's first service centres.

The Service Centre for Housing Administration and Holiday Homes performs the key tasks associated with the Bundesbank's housing stock, which include rental agreement management, rent adjustments, rent collection and ancillary cost calculations. The Bundesbank's housing stock comprised around 2,000 properties at the end of 2016. Furthermore, the service centre manages the Bundesbank's holiday homes: Abwinkl in Bad Wiessee, Tannenhof in Grafenhausen and Wyk auf Föhr.

**Locations with apartments**

- fewer than 10
- 10 – 100
- 101 – 500
- more than 500
- Areas with a difficult housing market

■ Holiday homes

Location with Regional Office



**Regional Office  
in Baden-Württemberg**

Marshallstrasse 3  
70173 Stuttgart  
+49 711 9440

**Freiburg branch**

Leopoldring 9  
79098 Freiburg  
+49 761 319120  
filiale-freiburg@bundesbank.de

**Karlsruhe branch**

Südenndstrasse 46  
76135 Karlsruhe  
+49 721 160070  
filiale-karlsruhe@bundesbank.de

**Reutlingen branch**

Schulstrasse 12  
72764 Reutlingen  
+49 7121 37420  
filiale-reutlingen@bundesbank.de

**Stuttgart branch**

Theodor-Heuss-Strasse 20  
70174 Stuttgart  
+49 711 9440  
filiale-stuttgart@bundesbank.de

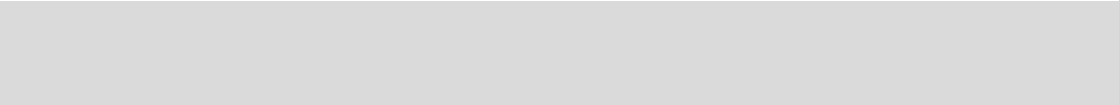
**Ulm branch**

Olgastrasse 77  
89073 Ulm  
+49 731 96560  
filiale-ulm@bundesbank.de

**Villingen-Schwenningen branch**

Am Hoptbühl 4  
78006 Villingen-Schwenningen  
+49 7721 88550  
filiale-villingen-schwenningen  
@bundesbank.de





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