



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Danièle NOUY

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Mario Borghezio
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 25 May 2016

Re: Your letter (QZ055)

Honourable Member of the European Parliament, dear Mr Borghezio,

In your letter passed on by Mr Roberto Gualtieri, Chair of the European Parliament's Committee on Economic and Monetary Affairs, to Mr Mario Draghi, President of the ECB, with a cover letter of 29 April 2016, you raised questions relating to the ECB in its supervisory capacity. The President has therefore forwarded your letter to me. I would like to kindly ask you to address such questions to me in the future, in line with the SSM Regulation and the Interinstitutional Agreement between the European Parliament and the ECB.

Supervisory experience shows that the valuation of non-performing loans is a complex matter requiring detailed case-by-case assessment. In the case mentioned in your letter, the ECB was not the competent supervisory authority and was therefore not involved in the assessment to determine the values of those loans.

It should, however, be noted that the ECB is currently working on a set of consistent supervisory tools related to the management and workout of non-performing loans applicable to significant institutions, i.e. those banks which are directly supervised by the ECB. These tools will also aim at enhancing transparency regarding the values of such loans. An extension of the scope of the exercise to the less significant institutions supervised by the national competent authorities will be discussed with the relevant authorities at a later stage.

Yours sincerely,

[signed]

Danièle Nouy