



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC

COURTESY TRANSLATION

Mario DRAGHI
President

Ms Paloma López Bermejo
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 25 July 2017

L/MD/17/298

Re: Your letter (QZ-059)

Honourable Member of the European Parliament, dear Ms López Bermejo,

In your letter to Ms Danièle Nouy, Chair of the ECB's Supervisory Board, which was passed on by Mr Roberto Gualtieri, Chair of the European Parliament's Committee on Economic and Monetary Affairs, with a cover letter dated 29 June 2017, you enquired about issues outside the scope of the ECB's supervisory tasks. Consequently, Ms Nouy forwarded your letter to me.

As I noted in my letter to you dated 27 February 2017¹, the ECB's role in financial assistance programmes involves acting in liaison with the European Commission. Within this role, ECB staff provide advice and technical analysis spanning a broad range of issues with a view to ensuring the proper functioning of the monetary policy transmission mechanism, contributing to financial stability and, ultimately, supporting general economic policies in the EU. The Commission, in liaison with the ECB, negotiates the details of each adjustment programme with the relevant Member State, but the decision on whether or not to grant financial assistance and under which conditions ultimately lies with the Board of Governors of the European Stability Mechanism.

In the specific case of the financial sector adjustment programme for Spain, the ECB's technical analysis related mainly to financial stability issues and the liquidity of the banking sector. As I explained in my previous letter, that did not involve the determination of bank-specific financial assistance needs.

¹ Available on the ECB's website: http://www.ecb.europa.eu/pub/pdf/other/170227letter_lopezbermejo.en.pdf

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Finally, please note that the ECB is not the competent authority to answer your question regarding estimates of the losses incurred by the Spanish financial sector. I can refer you, though, to the estimates published last year by the Banco de España.² Moreover, the Fund for Orderly Bank Restructuring (FROB), which is the competent authority in this regard, can provide up-to-date information on this. Neither is the ECB the competent authority to answer your question regarding the transparency of the accounts and operations of the FROB and the Deposit Guarantee Fund of Credit Institutions. Both of those entities are audited by the Spanish Court of Auditors, and the FROB is also subject to permanent financial oversight by the General Intervention Board of the State Administration and the Spanish Parliament. I would therefore refer you to the competent national authorities.

Yours sincerely,

[signed]

Mario Draghi

² The most recent estimate was published in September 2016 and is available on the Banco de España's website:
https://www.bde.es/f/webbde/GAP/Secciones/SalaPrensa/NotasInformativas/Briefing_notas/es/notabe060916.pdf

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