



EUROPEAN CENTRAL BANK  
BANKING SUPERVISION

Danièle NOUY

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Nuno Melo  
Member of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt am Main, 02 May 2016

**Re: Your letter (QZ042)**

Honourable Member of the European Parliament, dear Mr Melo,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 12 April 2016.

As already explained in my letter of 3 March 2016, Banco Internacional do Funchal S.A. (Banif) was classified as a “less significant institution” in accordance with Article 6(4) of the SSM Regulation<sup>1</sup> and, as such, remained under the direct supervision of the relevant national competent authority, i.e. the Banco de Portugal. The Banco de Portugal remained in the lead in the supervision process, with the ECB Banking Supervision being involved in its supervisory oversight capacity. ECB Banking Supervision maintained regular contact with the Banco de Portugal with regard to the financial position of Banif (as well as that of the Portuguese banking sector as a whole), but the responsibility for taking decisions rested with the Banco de Portugal at all times.

As stipulated in Article 6(5)(b) of the SSM Regulation, the ECB has the power to take over direct supervision of an entity if this is required to ensure consistent application of high supervisory standards, after consulting with national competent authorities. However, I would like to underline that assuming the responsibility for direct supervision is very much seen as an exceptional response – a measure of last resort which should be considered only when all other appropriate supervisory measures have been unsuccessful.

Yours sincerely,

[signed]

Danièle Nouy

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<sup>1</sup> Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions