



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Danièle NOUY

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Dominique Martin
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 19 December 2018

Re: Your letter (QZ078)

Honourable Member of the European Parliament, dear Mr Martin,

Thank you for your letter on bank resolution and job protection, 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 4 December 2018.

The resolution regime of the European Union (EU) was established as a response to the financial crisis, which revealed that there was a lack of tools to deal with failing banks while avoiding negative effects on financial stability and the sustainability of public finances. In order to prepare for possible resolution actions, the new EU regime requires the resolution authorities to draw up resolution plans which set out how a bank can be resolved in a way that achieves specific resolution objectives. Resolution plans are the responsibility of the resolution authorities. In this regard, questions related to bank resolution in the banking union should be addressed to the Single Resolution Board.

In accordance with the Single Resolution Mechanism Regulation¹, ECB Banking Supervision supports the work of the resolution authorities by sharing relevant supervisory information and providing feedback from a microprudential perspective when consulted in the context of resolution planning.

The role of the ECB as banking supervisor does not encompass the assessment of resolution plans' impact on employment. The only contribution that banking supervision can make to broader objectives is indirect, by striving to ensure a healthy and sound banking system.

Yours sincerely,

[signed]

Danièle Nouy

¹ Regulation (EU) No 806/2014 of 15 July 2014.