



EUROPEAN CENTRAL BANK

EUROSYSTEM

*COURTESY TRANSLATION*

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

Frankfurt, 19 December 2011

L/MD/11/123

**Re.: Your letter**

Dear Mr Melo,

Thank you for your letter passed on to me by Sharon Bowles, Chair of the Economic and Monetary Affairs Committee, and accompanied by a cover letter dated 20 October 2011.

As regards your questions about recent developments with Dexia Bank and the European Banking Authority's (EBA) stress tests, let me begin by clarifying a few issues. Contrary to what you suggest, the European Central Bank (ECB) did not order these stress tests. The stress tests were carried out by the EBA as one of its primary tools to fulfil its mandate. The ECB contributed by providing the macro economic scenario and participating in the peer review process that followed the tests. Besides these activities on European level, the direct responsibility for prudential supervision remains with the national supervisory authorities.

The EBA has provided a detailed disclosure of the methodology used in the stress test and its results, as well as bank-by-bank information on various exposures to enable the market to make its own judgement<sup>1</sup>. For further enquiries on the stress tests, you may wish to consult the EBA.

Let me assure you that the ECB will continue to be a strong advocate for increasing the resilience and transparency of the financial system, which remains a prerequisite for the smooth functioning of the Single Market.

Yours sincerely,

[signed]

Mario Draghi

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<sup>1</sup> For more information about the stress-test methodology and 2011 results see also: <http://www.eba.europa.eu/EU-wide-stress-testing.aspx>