

EUROSYSTEM

COURTESY TRANSLATION

Mario DRAGHI

President

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

Frankfurt, 26 May 2014

L/MD/14/235

Re: Your letter

Dear Mr Melo.

Thank you for your letter, which was passed on to me by Ms Sharon Bowles, Chairwoman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 11 April 2014.

First of all, I would like to remind you that until the operational start of the SSM in November 2014, the ECB and the Eurosystem do not exercise any direct supervisory responsibilities over financial institutions. The points you refer to and the specific questions you raise in your letter relate to the competence of the relevant national authorities and are therefore not within the remit of the decision-making bodies of the ECB.

You enquire about the actions undertaken by Mr Constâncio as the then Governor of the Banco de Portugal regarding irregularities that took place within the Banco Português de Negócios (BPN). As you are aware, Mr Constâncio has recently clarified the matter during a press briefing which was held on the fringes of the informal ECOFIN meeting on 1 April 2014 in Athens. On this occasion, he explained that there was no new information to be had from the recent interview given by Mr Barroso to the newspaper "Expresso" that had not already been made public, notably in the context of the parliamentary inquiry into the BPN which was concluded in 2009.

More specifically, Mr Constâncio clarified that the Banco de Portugal had carried out numerous inspections within the BPN and had imposed concrete measures, such as capital increases beyond minimum requirements and requirements for additional provisions. Mr Constâncio also confirmed that concerns about

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the BPN were shared in conversations with the Portuguese Government in the context of discussions on the overall situation of the banking system, although there was no meeting on this bank in particular. However, it was only in 2008 that concrete information about fraudulent behaviour was unveiled through an anonymous letter which led to the uncovering of a parallel accounting system in the bank.

For further information, please refer to the report adopted in 2009 by the relevant committee of inquiry of the Portuguese Parliament which contains all relevant information and is publicly available.

Yours sincerely,

[signed]

Mario Draghi