



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Press release

4 December 2019

ECB will directly supervise 117 banks in 2020

- ECB started directly supervising subsidiaries of UBS, J.P. Morgan, Morgan Stanley and Goldman Sachs in 2019 following Brexit relocations
- ECB to directly supervise Akcinė bendrovė Šiaulių bankas as third largest credit institution in Lithuania
- Other changes result from group reorganisations, regulatory changes, a licence withdrawal and other developments

[The number of banks](#) that will be directly supervised by the European Central Bank (ECB) from 1 January 2020 has decreased to 117 from 119 a year earlier following the annual review of significance and ad hoc assessments. The changes are the result of new group structures, a licence withdrawal, business relocations in view of Brexit, regulatory changes and other developments. While the number of significant institutions has fallen, banks directly supervised by the ECB are generally becoming larger and more complex as banking groups consolidate or relocate activities from the United Kingdom to the euro area.

One bank, Akcinė bendrovė Šiaulių bankas, was classified as significant after it became the third largest credit institution in Lithuania. The ECB will directly supervise the bank from 1 January 2020.

Owing to Brexit, four banks were expected to significantly increase their business activities and were therefore placed under the ECB's direct supervision: UBS Europe SE, J.P. Morgan AG, Morgan Stanley Europe Holding SE and Goldman Sachs Bank Europe SE.

A new banking group led by Cassa Centrale Banca - Credito Cooperativo Italiano S.p.A. was classified as significant because its assets exceeded €30 billion. The group was formed after a law was introduced in Italy on the consolidation of cooperative banks.

The ECB also took over the supervision of AS "PNB Banka" at the request of the Latvian Financial and Capital Market Commission. The ECB later declared the bank "failing or likely to fail".

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Meanwhile, nine banks were removed from the list of ECB supervised banks. Of these, five became branches of significant institutions and were thus removed from the list while still being supervised as part of the group: Luminor Bank AB, Luminor Bank AS and branches of Barclays Bank plc in Germany, France and Italy. The ECB stopped directly supervising three banks following an amendment of the Capital Requirements Directive that excluded development banks from the ECB's supervisory remit: Landeskreditbank Baden-Württemberg-Förderbank, Landwirtschaftliche Rentenbank and NRW.BANK. Another bank, ABLV Bank Luxembourg, S.A., had its licence withdrawn.

The list takes into account all developments up to and including 1 November 2019.

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Note:

The ECB reviews whether a credit institution or a group fulfils any of the significance criteria according to the Single Supervisory Mechanism (SSM) Regulation on at least an annual basis. This annual assessment includes credit institutions, financial holding companies and mixed financial holding companies established in the euro area, as well as branches established in the euro area by credit institutions based in other EU Member States. In addition, the ECB may, at any time, conduct ad hoc significance assessments following any changes, after which banks are classified as either significant or less significant. Significant credit institutions are directly supervised by the ECB, whereas less significant credit institutions are supervised by their national competent authorities, subject to the oversight of the ECB. The ECB regularly publishes the complete list of significant and less significant institutions to reflect the results of the annual significance assessment, ad hoc significance assessments that are conducted throughout the year, and changes in the group structures of supervised banking groups. The specific grounds for classifying a given entity as significant are indicated in the published list.