



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Press release

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ECB announces organisational changes to strengthen banking supervision

- ECB aims to strengthen cooperation between bank-specific and thematic supervisory teams
- New structure reinforces supervisory strategy and risk function, ensuring consistency of supervisory outcomes
- Reorganisation to foster transparency and predictability of supervisory actions

The European Central Bank (ECB) announced today changes to the organisational structure of its supervisory arm to ensure continued effective and efficient supervision of banks in the euro area and beyond.

The organisational changes will include the creation of two additional business areas in the ECB's banking supervision arm – bringing the total to seven – and the redistribution of tasks across business areas. Bank-specific supervision will be organised according to banks' business models and will be supported by teams of risk or subject matter experts. Activities such as supervisory strategy and risk, on-site supervision, and governance and operations will have dedicated business areas. The changes will be headcount-neutral and cost-neutral.

The reorganisation builds on six years of experience in European banking supervision and shifts the focus towards more risk-focused supervision. It will reinforce the supervisory strategy and risk function – our second line of defence – and facilitate closer cooperation between bank-specific and thematic supervisory teams, ensuring greater consistency in the treatment of banks and thus fostering the transparency and predictability of supervisory actions.

“Building on six years of experience, we are adapting our operating model so we can sharpen our risk-focused supervision, increase collaboration across business areas and simplify internal processes,” said Andrea Enria, Chair of the ECB's Supervisory Board. “The new structure will strengthen the ECB's role as a prudent, efficient and transparent supervisor for the benefit of all – customers, banks and investors.”

European Central Bank

Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, email: media@ecb.europa.eu, website: www.bankingsupervision.europa.eu

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More specifically, the reorganisation aims to establish:

- **bank-specific supervision** in three directorates general structured according to the business models of supervised banks to create more synergies and allow a better comparison of common risks and challenges: Systemic and International Banks (DG/SIB), Universal and Diversified Institutions (DG/UDI) and Specialised Institutions and Less Significant Institutions (DG/SPL);
- dedicated **horizontal supervision** in the Directorate General Horizontal Line Supervision (DG/HOL) to strengthen risk expertise in the supervision of banks, to conduct benchmarking and industry-wide assessments, such as thematic reviews, and to develop policy stances and maintain supervisory methodologies;
- a **supervisory risk function** (second line of defence) in the Directorate Supervisory Strategy and Risk (D/SSR) to conduct strategic planning, propose supervisory priorities and ensure consistent treatment of all banks;
- a structurally independent **on-site supervision** function: the Directorate General On-site and Internal Model Inspections (DG/OMI);
- a stronger **governance and operations** function in the Directorate General SSM Governance and Operations (DG/SGO) to support decision-making; it will also be responsible for authorisations (such as fit and proper assessments and qualifying holding procedures) and innovation.

The changes are expected to be completed in the fourth quarter of 2020.

The previous structure was set up in 2013 when the ECB took over the microprudential supervision of the largest banks in the euro area. During this start-up phase, ECB Banking Supervision established banking supervision on the European level by successfully building on the best practices and supervisory cultures of the national competent authorities of the 19 euro area countries.

The senior managers to head the respective business areas are:

- Patrick Amis, Specialised Institutions and Less Significant Institutions
- Korbinian Ibel, Universal and Diversified Institutions
- Ramón Quintana, Systemic and International Banks
- Pedro Teixeira, SSM Governance and Operations
- Stefan Walter, Horizontal Line Supervision

The positions for the senior managers to head the On-site and Internal Model Inspections business area and the Supervisory Strategy and Risk business area will be filled and announced at a later stage.

For media queries, please contact [François Peyratout](#), tel.: +49 172 8632 119.

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