CEPS WORKING DOCUMENT

Thinking ahead for Europe

A European Deposit Insurance and Resolution Fund

Dirk Schoenmaker and Daniel Gros*

No. 364, May 2012

Abstract

The eurozone is caught in a 'diabolical loop' in which weak domestic banking systems damage sovereign fiscal positions and conversely, in which risky sovereign positions disproportionately threaten domestic banking stability. A European-level banking system could go a long way towards breaking this unfortunate loop and stabilising the eurozone. This would require a European safety net for cross-border banks.

This paper sketches the building blocks of a European Deposit Insurance Fund. We calculate that such a Fund would amount to € 55 billion for the 35 largest European banks. This Fund could be created over ten years through risk based deposit insurance premiums levied on the top 35 banks. Once fully up and running, the Fund could also deal with the resolution of one or more of these 35 banks. The Fund will then turn into a European Deposit Insurance and Resolution Fund.

The paper aims to promote debate among policy-makers, industry and academia.

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ISBN: 978-94-6138-206-1

Available for free downloading from the CEPS website (http://www.ceps.eu)

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Introduction

Cross-border banking is not stable in the current institutional setting. As national authorities focus on preserving the national parts of a cross-border bank, the integrated value of a bank is neglected in times of crisis. As Mervyn King, Governor of the Bank of England, has put it lucidly, "banks are international in life but national in death".

The internal market in the EU is built on the free movement of people, goods, services and capital. Cross-border firms supply goods and services throughout Europe. Cross-border banks facilitate the cross-border traffic by persons and firms. European banks are thus an integral part of the internal market.

European banks need a European safety net (Veron, 2011; Marzinotto et al., 2011; Schoenmaker, 2012; and ECB, 2012). The organisation of the safety net is a precondition for putting the supervisory framework on a European footing. The endgame of resolution is driving incentives for supervision (Claessens et al., 2010).

A European-level banking system can do much to stabilise the eurozone by breaking the 'diabolical loop' by which a weak domestic banking system damages the sovereign fiscal position and, in the other direction, a risky sovereign position disproportionately threatens domestic banking stability (Lane, 2012).

However, the European sharing of banking-sector risk is only feasible if (national) fiscal weaknesses do not threaten banking stability. This requires action on two fronts: to induce banks to diversify their sovereign risk (e.g. applying large exposure limits to sovereign debt) and to redouble efforts to ensure that national fiscal positions are sufficiently robust that they do not tempt national governments to indirectly seek funding or resources from their local banks (Fiscal Compact).

In this CEPS Working Document, we sketch the building blocks for a European safety net for European banks. We first outline the principles for setting up a safety net. Next, we provide a rough draft of a prospective European Deposit Insurance and Resolution Fund (EDIRF). The paper aims to promote debate among policy-makers, industry and academia on such a Fund.

Principles for a safety net

To design a safety net, it is important to have a common understanding of the underlying principles. The focus of this Policy Brief is on the resolution stage. See Schoenmaker (2012) for a discussion of the role of supervision (including prompt corrective action) and the role of lender of last resort of central banks. The three basic resolution methods for failing banks are liquidation with a deposit pay-off, a take-over with public support, and direct public support. There are seven golden principles for an appropriate safety net:

1. **Private sector solutions are preferable.** When banks get in difficulties, private sector solutions should be tried first. These private sector solutions include recapitalisation by existing shareholders and bondholders (bail-in) and a take-over by another bank without public support.
2. **Sufficient geographical reach.** To foster the stability of banks, the safety net should have the same geographical reach as the main activities of a bank. So European banks need a European safety net.
3. **Least cost principle.** The least cost procedures require the resolution authority to choose the resolution method in which the total amount of the expenditures and (contingent) liabilities incurred has the lowest cost to the deposit insurance and resolution fund. The only exception is if there are systemic risks affecting the financial system.
4. **Private funds for resolution.** The deposit insurance and resolution fund should be funded with *ex ante* levies on the insured banks. In that way, private funds are available for resolution.
5. **Fiscal backstop.** Crises affecting banks are commonly macroeconomic and general in nature, following asset market collapses and economic downturns. The deposit insurance and resolution fund can thus run out of funds. The ultimate backup of government support is needed to give the fund credibility.
6. **Swift decision-making.** Swift decision-making is a crucial ingredient of crisis management. A myriad of national funds is difficult to activate during a crisis and may give rise to conflicts. Similarly, two separate funds for deposit insurance and resolution may lead to interagency conflicts. A single fund with the necessary powers can act swiftly. More generally, there is a need to keep crisis arrangements simple.
7. **Good governance.** An appropriate system of governance should ensure that the deposit insurance and resolution authority is acting within its mandate. Moreover, the authority should be held accountable to the parliament and the executive.

A European Deposit Insurance and Resolution Fund

Deposit insurance and resolution are in principle separate functions. In the US they have been combined. The Dodd-Frank Act assigns resolution powers for large banks to the Federal Deposit Insurance Corporation (FDIC), in addition to the existing FDIC powers for smaller banks. By analogy, Allen et al. (2011) and Gerhardt & Lannoo (2011) suggest combining the two functions within some kind of European equivalent of the FDIC. The EU would then also get a deposit insurance fund with resolution powers.[1] The combination allows for swift decision-making. Moreover, the least cost principle (choosing between liquidation with deposit pay-offs or public support) can then internally be applied in each case. That would also contribute to swift crisis management.

A prospective European Deposit Insurance and Resolution Fund should be part of a wider European banking regime, as illustrated by Figure 1. In this new regime, the European Banking Authority would have direct supervisory powers over the large banks in Europe.

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[1] The current bank resolution debate in the EU is uneven. The European Commission continues to work on the home country approach. This will lead to legal problems, and leave EU banks lagging in competitiveness behind US banks. By contrast, the ECB (2012) stresses the need for a euro area Resolution Authority, to be broadened to an integral EU resolution framework on a full EU-wide basis in the longer term.

The European Central Bank provides lender of last resort support to these banks, if needed.[2] On the geographical reach, it is an open question whether the new banking regime starts with the euro area banks or straightaway with all large EU banks. The political dynamics suggest that the feasibility of euro area arrangements is currently higher. At a later stage, arrangements can be extended in order to preserve the internal market in banking, which has an EU-wide coverage.

Figure 1. The European banking regime

Source: Schoenmaker (2012).

The EDIRF would be fed through regular risk-based deposit insurance premiums from the banks whose customers benefit from its protection, i.e. the largest banks in Europe, the so-called 'EBA banks' (see below for the number of EBA banks).

Any new deposit insurance scheme has to face the problem of the transition to the new steady state. This has two aspects – a general and a specific one:

- General: There is the 'traditional' transitional issue for deposit insurance. How to get the fund ready at the same time as the guarantee kicks in. Since the European Deposit Insurance scheme proposed here would substitute for existing national schemes, it could in principle obtain its initial funding from the existing national funds, which will have a much lower financing need given that the EBA banks account for a large share of deposits. A simple transfer of funds from national deposit insurance funds to a new European Deposit Insurance Fund will be troublesome, because not all countries have pre-funded schemes. But this problem may be not that severe in practice, since most pre-funded schemes are currently more or less exhausted as a result of pay-outs during the on-going financial crisis.[3] Moreover, a consensus is emerging for pre-funded deposit insurance with risk-based premiums.
- Specific: Ideally the creation of a safety net should take place under a 'veil of ignorance', i.e. everybody should be interested in participating since *a priori* it is not known where the losses will arise. Unfortunately, this is not the case in Europe at present. Given the financial and macroeconomic stress in the Southern part of the euro area, it is clear that this is where most of the losses are to be expected. A precondition for establishing any European Deposit Insurance scheme is thus that the banking system in the countries under financial distress is first put on a sound footing by a combination of balance sheet cleansing and recapitalisation.

The establishment of a viable fund is important. A suggestion is to start off with a European Deposit Insurance Fund funded by deposit insurance premiums. Once the Fund reaches a certain size, it can also be used for resolution, turning it into a fully fledged EDIRF. In that way, private sector funds are available for resolution in crisis management. To ensure that

[2] Officially, the ECB only provides liquidity to euro area banks. But most major banks outside the eurozone have an affiliate (branch or subsidiary) in the euro area and have thus access to the ECB.

[3] Some national deposit insurance funds even have a liability. That liability should be resolved at the national level and cannot be transferred to the European level.

sufficient private funds are built up, the cap on the size of the fund should not be too small (as is currently the case with some deposit insurance funds).

National deposit insurance funds have an implicit or explicit fiscal backstop of the national government. With the European Stability Mechanism (ESM) up and running, a fiscal backstop can be easily implemented for a euro area-based EDIRF.[4] All one would need for an EU-wide system would be a burden-sharing mechanism between the ESM and the other member countries (Goodhart & Schoenmaker, 2009). In the case of the rescue package for Ireland in 2010, the non-eurozone countries (UK, Denmark and Sweden) joined in the burden-sharing following the ECB capital key, as UK banks were exposed to Ireland and would thus also benefit from enhanced financial stability in Ireland. That shows that burden-sharing can be widened if and when needed.

A prospective European Deposit Insurance and Resolution Authority (EDIRA) could be established by a EU Regulation, akin to the establishment of the European Banking Authority. The chair would accordingly be accountable to the European Parliament. Moreover, the chair would need a working relationship with the European Council and the European Commission for general banking policies, including the arrangements for the fiscal backstop. But the European Deposit Insurance and Resolution Authority would be fully independent in individual cases.

A further question is where to place the new European Deposit Insurance and Resolution Authority in the institutional architecture? Beck et al. (2012) suggest that a stand-alone deposit insurer will be tougher on interventions to protect depositors. Supervisors may be more lenient in case of regulatory capture by banks. Using an incomplete contracts approach, Repullo (2000) concludes that deposit insurance should be separate from lender of last resort, while lender of last resort and supervision may be combined. Following this analysis, we suggest that the European Deposit Insurance and Resolution Authority should be independent from the European Central Bank and the European Banking Authority.

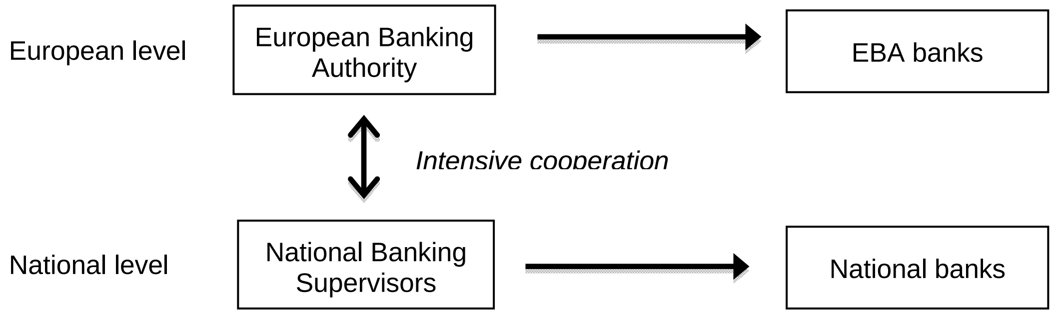
Reach of European deposit insurance

What should be the reach of a European Deposit Insurance (and Resolution) Fund: only the large banks or all EU banks? The guiding principle is that end-responsibility for deposit insurance (including fiscal backstop) and supervision are organised at the same level. This would ensure that supervision is incentive-compatible. Broadly speaking, there are two systems for supervision and deposit insurance.

The first system is the largest European banks supervised by EBA and insured by EDIRA. All other EU banks are then supervised by the national supervisors and insured by the national deposit insurance fund. Figure 2 illustrates the dual approach. The advantage is that there is a clear line of authority at European and at national level. It is also in line with the principle of subsidiarity: large banks give rise to cross-border externalities and need therefore to be supervised at the European level, while smaller banks are more domestically-oriented. The disadvantage is that depositors in national banks in countries with a weak fiscal backstop may migrate to EBA banks.

[4] Article 15 of the ESM Treaty explicitly allows for financial assistance for the re-capitalisation of financial institutions of an ESM member.

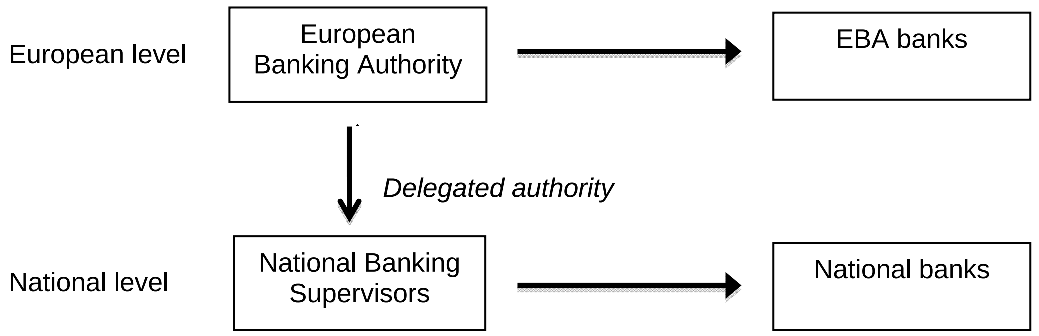
Figure 2. Dual approach for supervising European banks



The second system would place all EU banks under the authority of EBA. EBA directly supervises the large European banks and delegates supervision of all other EU banks to the national supervisors (but keeps final responsibility). Figure 3 illustrates the integrated approach. All EU banks would then be insured by EDIRA. This is the case in the US, where the FDIC insures all banks, both nationally and state-chartered banks. Before the establishment of the US-wide FDIC in the 1930s, it appeared that state-level deposit insurance funds were not stable due to undiversified, mainly agricultural, risks in the 1920s (FDIC, 1998). But there is one major difference with the US. In Europe the most important taxing powers are at national level, whereas in the US, they reside at the federal level.

The advantage is that a pan-European Deposit Insurance Fund would establish equally strong deposit insurance across the EU. But the delegation of supervisory powers of the smaller banks to national supervisors would still allow for the possibility of national champions cherished by national supervisors, while costs are off-loaded to European deposit insurance. The challenge is to get the EBA and national supervisors to adopt a European ethos.

Figure 3. Integrated approach for supervising European banks



A mix of both regimes may be preferable. Putting banking supervision and deposit insurance at the European level is politically sensitive. Large EBA banks, however, need to be supervised at the European level because of cross-border externalities (subsidiarity principle). The choice can be left to member states to join with the remainder of their banking system in the new European banking regime, or not.

McCahery et al. (2010) develop an interesting approach from a political economy perspective. They propose a choice-based approach, under which countries can opt-in to transfer supervisory powers to the European level. It is important that the country transfers all national banks at the same time. If the choice is left to the banks, the stronger national banks may opt for the European supervisory and deposit insurance regime. This would leave the national deposit insurance fund with the weaker banks. US history indicates that the viability of such state-level deposit insurance funds is very limited.

To ensure the integrity of EBA supervision and the strength of the European Deposit Insurance and Resolution Fund (EDIRF), the EBA should be able to refuse weak banks from countries that choose to opt-in. The EBA should conduct a tough, market-based test (checking both book and market values of equity as well as liquid assets) before granting banks access to the European Fund. Weaker banks may thus be required to wind down their operations, or to raise extra capital and/or liquidity before entering the Fund. This way would prevent potential problems with weak banks from being off-loaded to the European Fund, for that would not be acceptable to other members.

The EDIRF should operate as a source of strength for the European banking system. In the ongoing supervision, EBA should also adopt prompt corrective action to minimise deposit insurance losses by mandating supervisory action as capital declines (Nieto & Wall, 2006). As swift action may be needed, in particular before the bank becomes balance-sheet insolvent, a special resolution mechanism (akin to the recently adopted Special Resolution Regime in the UK) is necessary for the EDIRF.

This mixed approach would follow the US model where banks can choose between a national (i.e. federal) license from the Office of the Comptroller of the Currency (OCC) or a state license from the relevant state banking supervisor. Nevertheless, there is one important difference. In the choice-based approach of McCahery et al. (2010), the choice is for the countries to make and not the banks.

Summing up, the mixed approach requires that i) large cross-border EBA banks are obliged to be supervised by the new European banking regime and ii) member states can choose to opt-in their national banks into the new European banking regime. In the European banking regime, the EBA chair should overcome the national interests in supervision and crisis resolution by adopting a European perspective.

Some numbers

The proposal would be to require all banks above a certain size to apply for authorisation at the EBA. In 2009, there were nearly 8,400 banks in the EU. These banks can be segmented into three groups (De Haan et al., 2012):

- The first, very large, group of banks consists of small banks operating in a region of a country. In particular, Germany and Austria have many small savings and cooperative banks, most of which have assets of less than €2 billion.
- The second group consists of medium-sized banks with assets ranging from €2 to €100 billion. These banks often operate on a countrywide scale.
- The third group comprises the large banks having assets up to €2,000 billion. There are currently about 50 banks across the EU with assets over €100 billion (see Table A.1).

It appears that the upper part of the group of large group conduct (a significant) part of their business abroad. These are the banks with assets over €200 billion. The lower part with assets between €100 and €200 billion are more domestically-oriented. Following the subsidiarity principle, the banks with assets of €200 billion or more would be subject to EBA supervision. There are currently 35 banks across the EU with assets over €200 billion.

Next, we calculate the size of the EDIRF for two scenarios: 1) the base scenario with only the 35 EBA banks and 2) the extended scenario with all EU banks (all member states opt-in). The Deposit Guarantee Schemes Directive (94/19/EC as amended by 2009/14/EC) provides a harmonised cover of €100,000 throughout the EU. Taking an EU-wide approach, Table 1 reports the covered deposits under both scenarios. Covered deposits in the EBA banks amount to €3,653 billion and in all EU banks to €7,136 billion, using 2010 figures.

The European Commission (2010b) proposes to build an ex-ante Deposit Insurance Fund of 1.5% of covered deposits over a period of ten years.[5] The fund would be fed by annual risk-based deposit premiums levied on the participating banks. That would amount to a fund of €55 billion for EBA banks and €107 billion for all EU banks (requiring contributions of €5.5 billion and €10.7 billion per year, respectively, for the first ten years).

By comparison, the Dodd-Frank Act requires a minimum size of the US Deposit Insurance Fund of 1.35% of covered deposits. If there is a shortfall, the FDIC must adopt a restoration plan that provides that the Fund will return to 1.35% within 8 years. If the Fund exceeds 1.5% of deposits, the FDIC must pay dividends to the Fund member banks.

Finally, the Commission proposes that banks pay ex-post levies of up to 0.5% of covered deposits, if necessary. Ex-ante funds will thus cover 75% of the financing of the Deposit Insurance Fund and ex-post contributions of 25%. But the collection of this ex-post levy will be uncertain in times of crisis.

To put the numbers in perspective, the EDIRF would amount to €55 billion of private funds accumulated from contributions by the EBA banks as a first line of defence for deposit insurance and resolution, while the ESM (scheduled to start in July 2012) amounts to €500 billion of public funds underwritten by the euro area members as a fiscal backstop for sovereign countries as well as financial institutions. An interesting question is whether the EDIRF could cope with the failure of one or more EBA banks. Dermine (2000) takes the book value of equity as a yardstick for the potential costs of a rescue package.

Table A.1 in the Annex reports the Tier 1 capital of the 35 EBA banks. Excluding HSBC being a global rather than a European bank, capital ranges from about €10 to €70 billion. Once fully up and running, the EDIRF could resolve one of the largest EBA banks or two to three mid-size EBA banks. This shows the benefits of pooling. The current national deposit insurance funds are generally not capable of dealing with the failure of one or more of their largest banks.

Table 1. Target size of deposit insurance fund (€ billion)

	Total EU assets	Covered deposits	Target size of fund
35 EBA banks	21,576	3,653	55
All EU banks	42,144	7,136	107

Note: Total EU assets of the EBA banks are taken from Table A.1 (79% of total assets are within the EU). Total EU assets of all EU banks are from EU Banking Structures, ECB, 2010. Covered deposits are based on Table A.2 (covered deposits are 41% of total EU deposits; total EU deposits are in turn 41% of total EU assets). The target size of the deposit insurance fund is set at 1.5% of covered deposits. All figures are rebased to 2010.

[5] The proposal for a new Deposit Guarantee Scheme Directive (European Commission, 2010b) is entirely blocked. The European Parliament (EP) and the EU Council have no agreement. The Council did not want to go further than 0.5% funding. The EP wants to keep the Commission figure of 1.5%. The EP, seeing the Council did not want to move, adopted its report in first reading in February 2012. It is the only measure so far of the post-crisis measures not adopted in single reading.

Concluding remarks

If policy-makers seek to enhance global banking, then the international community must provide a higher and better-coordinated level of fiscal support than it has in the past (Obstfeld, 2011). The safety net, comprising deposit insurance and resolution, implies a credit risk that ultimately must be lodged somewhere.

The same point applies to the European framework. If policy-makers want to preserve the internal market in banking, then the institutional framework must be improved along the following lines:

- *Supervision*. Cross-border banks must be placed under the supervision of the European Banking Authority. Supervision would then move from a national mandate (with loose coordination) to a European mandate.
- *Lender of last resort.* The European Central Bank is already operating as the lender of last resort for the European banking system.
- *Resolution and deposit insurance.* A European Deposit Insurance and Resolution Authority should be established to stabilise the retail deposit base and resolve troubled cross-border banks. The European Deposit Insurance and Resolution Fund would be fed through regular risk-based deposit insurance premiums with a fiscal backstop of the European Stability Mechanism.

However, the European Commission and the EU Council are still seeking solutions at the national level, with improved deposit insurance and resolution mechanisms based on the home country principle. The financial trilemma (Schoenmaker, 2011) shows that policy-makers have to choose 2 out of 3 objectives: 1) financial stability, 2) cross-border banking or 3) national policies. By choosing national policies, either cross-border banking or financial stability will suffer. Currently, both are suffering: there is no financial stability in Europe; moreover, national supervisors are progressively dismantling cross-border banks by ring-fencing the local operations.

A European banking policy is needed to preserve cross-border banking as well as financial stability. It is no surprise that the ECB (2012) is supporting this call for a European banking policy in its latest Financial Integration Report.

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Annex - Tables

Table A.1 Ranking of large banks in the EU according to assets (€ billion, 2010 figures)

	Banking groups	Total assets	Tier 1 capital
1	BNP Paribas (France)	2,027	70
2	Deutsche Bank (Germany)	1,934	43
3	HSBC (UK)	1,863	101
4	Barclays (UK)	1,769	64
5	Crédit Agricole (France)	1,756	59
6	RBS (UK)	1,726	71
7	ING Bank (Netherlands)	1,265	40
8	Banco Santander (Spain)	1,235	61
9	Lloyds Banking Group (UK)	1,178	56
10	Société Générale (France)	1,149	36
11	Groupe BPCE (France)	1,064	42
12	UniCredit (Italy)	943	44
13	Commerzbank (Germany)	765	32
14	Banca Intesa (Italy)	668	32
15	Rabobank Group (Netherlands)	662	35
16	Credit Mutuel (France)	600	28
17	Nordea Group (Sweden)	589	21
18	Dexia (Belgium)	575	19
19	BBVA (Spain)	561	33
20	Danske Bank (Denmark)	435	17
21	Standard Chartered (UK)	392	26
22	Deutsche Zentral-Genossenschaftsbank (Germany)	389	9
23	ABN Amro Group (Netherlands)	385	15
24	Landesbank Baden-Württemberg (Germany)	380	14
25	Banco Financiero y de Ahorros Group (Spain)	333	18
26	Hypo Real Estate Holding (Germany)	333	7
27	KBC Group (Belgium)	326	17
28	Bayerische Landesbank (Germany)	321	14
29	la Caixa (Spain)	290	16
30	Banca Monte dei Paschi di Siena (Italy)	248	9
31	Skandinaviska Enskilda Banken (Sweden)	247	11
32	Svenska Handelsbanken (Sweden)	244	10
33	Nord/LB Norddeutsche Landesbank (Germany)	232	8
34	Deutsche Postbank (Germany)	218	5

35	Erste Group (Austria)	209	12
36	WestLB (Germany)	194	6
37	Swedbank (Sweden)	194	9
38	Nykredit (Denmark)	177	8
39	Bank of Ireland (Ireland)	170	8
40	Heleba Landesbank Hessen-Thuringen (Germany)	169	6
41	HSH Nordbank (Germany)	153	6
42	Allied Irish Banks (Ireland)	147	4
43	Banco Popolare (Italy)	137	7
44	Landesbank Berlin Holding (Germany)	133	3
45	Raiffeisen Bank International (Austria)	133	9
46	UBI Banca (Italy)	132	7
47	DekaBank Group (Germany)	132	3
48	Banco Popular Espanol (Spain)	132	9
49	Banco Base (Spain)	131	5
50	Caixa Geral de Depositos (Portugal)	128	7
51	National Bank of Greece (Greece)	122	9
52	Bank Nederlandse Gemeenten (Netherlands)	120	2
53	EFG Group (Luxembourg)	105	5
54	Millennium bcp (Portugal)	101	6
	Top 35 (assets of more than EUR 200 billion)	**27,311**	**1,097**
	Top 54 (assets of more than EUR 100 billion)	**30,025**	**1,218**

Source: Top 1000 World Banks, *The Banker*, July 2011.

Table A.2 Total amount of deposits in EU member states (€ billion, 2007 figures)

Countries	Total deposits	Eligible deposits	Covered deposits
Austria	286	211	159
Belgium	418	234	176
Bulgaria	20	17	12
Cyprus	66	59	44
Czech Republic	82	76	57
Denmark	206	195	146
Estonia	9	7	5
Finland	97	94	71
France	1,872	1,766	1,324
Germany	3,245	2,366	1,774
Greece	231	163	122
Hungary	60	44	33
Ireland	367	203	152
Italy	2,107	574	431
Latvia	15	12	9
Lithuania	20	15	11
Luxembourg	688	104	78
Malta	33	7	5
Netherlands	587	446	334
Poland	139	105	78
Portugal	184	121	91
Romania	58	27	20
Slovakia	35	18	14
Slovenia	20	15	12
Spain	1,257	816	612
Sweden	388	259	195
United Kingdom	4,311	1,320	990
EU27	**16,798**	**9,272**	**6,954**

Notes: The original 2007 data were calculated with lower and differing levels of deposit insurance cover. The insurance cover is now harmonised at €100,000 across the EU. Based on the experience of Italy (which had deposit insurance of about €100,000 in 2007), the covered deposits are recalculated.

Source: European Commission, JCR Report, 2010; authors' own calculations.

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Founded in Brussels in 1983, the Centre for European Policy Studies (CEPS) is widely recognised as the most experienced and authoritative think tank operating in the European Union today. CEPS acts as a leading forum for debate on EU affairs, distinguished by its strong in-house research capacity, complemented by an extensive network of partner institutes throughout the world.

Goals

- Carry out state-of-the-art policy research leading to innovative solutions to the challenges facing Europe today,
- Maintain the highest standards of academic excellence and unqualified independence
- Act as a forum for discussion among all stakeholders in the European policy process, and
- Provide a regular flow of authoritative publications offering policy analysis and recommendations,

Assets

- Multidisciplinary, multinational & multicultural research team of knowledgeable analysts,
- Participation in several research networks, comprising other highly reputable research institutes from throughout Europe, to complement and consolidate CEPS' research expertise and to extend its outreach,
- An extensive membership base of some 132 Corporate Members and 118 Institutional Members, which provide expertise and practical experience and act as a sounding board for the feasibility of CEPS policy proposals.

Programme Structure

In-house Research Programmes

Economic and Social Welfare Policies
Financial Institutions and Markets
Energy and Climate Change
EU Foreign, Security and Neighbourhood Policy
Justice and Home Affairs
Politics and Institutions
Regulatory Affairs
Agricultural and Rural Policy

Independent Research Institutes managed by CEPS

European Capital Markets Institute (ECMI)
European Credit Research Institute (ECRI)

Research Networks organised by CEPS

European Climate Platform (ECP)
European Network for Better Regulation (ENBR)
European Network of Economic Policy
Research Institutes (ENEPRI)
European Policy Institutes Network (EPIN)