



EUROPEAN CENTRAL BANK

EUROSYSTEM

Mario DRAGHI

President

Mr Costas Mavrides
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 7 May 2015

L/MD/15/289

Re: Your question

Honourable Member of the European Parliament, dear Mr Mavrides,

Thank you for your question, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs.

I understand that your question refers to the statements concerning the resolution of the two large Cypriot banks that I made at the press conference following the meeting of the ECB's Governing Council on 4 April 2013. At the press conference, I said that neither Cyprus, nor any other case of bank resolution at that time, would serve as a template for future bank resolution.

I would like to remind you that, at the time, there was a lack of common ex ante EU rules for bank recovery and resolution, as the legal framework governing bank recovery and resolution in the EU was still under preparation.

This is not anymore the case, as this framework has now been agreed and adopted. The Bank Recovery and Resolution Directive¹ and the Single Resolution Mechanism Regulation² provide clarity on the rules and

¹ Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council.

² Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010.

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discretions applicable in the event of the resolution of a bank based in the euro area. Specifically, these rules exempt deposits covered by deposit guarantee schemes from a bail-in.

Regarding your question relating to the sale of Cypriot bank branches in Greece, I would like to refer you to the letter I recently sent to MEPs de Masi and Sylikiotis on this matter.³

Yours sincerely,

[signed]

Mario Draghi

³ Available on the ECB's website at http://www.ecb.europa.eu/pub/pdf/other/150420letter_de_masi_sylikiotis.en.pdf