



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Mario DRAGHI

President

Ms Niki Tzavela
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 31 July 2013

L/MD/13/488

Re: Your letter

Dear Ms Tzavela,

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 2 May 2013.

Regarding your question on how the European Central Bank (ECB) plans to react in the event of bank collapses, let me first mention that the tasks of the ECB/Eurosystem are laid down in the Treaty on the Functioning of the European Union, including the ECB/Eurosystem's contributions in the fields of prudential supervision of credit institutions and the stability of the financial system. The recovery and resolution of banks falls under the responsibility of the Member States. As you will be aware, a proposal for a directive establishing a framework for the recovery and resolution of credit institutions and investment firms is currently under consideration by the European Parliament and the Council.

The protection of depositors in the European Union (EU) is laid down in Directive 94/19/EC on Deposit Guarantee Schemes. This directive is currently under review, with the aim of further harmonising and improving the protection of insured depositors in the EU. Although the protection of depositors does not fall under the remit of the ECB/Eurosystem, the ECB's policy measures aimed at price stability and financial stability may indirectly also benefit depositors.

Yours sincerely,

[signed]

Mario Draghi