



Yale SCHOOL OF MANAGEMENT
Program on Financial Stability

EliScholar – A Digital Platform for Scholarly Publishing at Yale

YPFS Resource Library

10-10-2008

State aid: Overview of national rescue measures and deposit guarantee schemes

European Union: European Commission

<https://elischolar.library.yale.edu/ypfs-documents/7896>

This resource is brought to you for free and open access by the Yale Program on Financial Stability and [EliScholar](#), a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact ypfs@yale.edu.

Brussels, 10th October 2008

State aid: Overview of national rescue measures and deposit guarantee schemes

(See table attached in annex)

This information is compiled from a range of sources and is provided for information only. The European Commission cannot confirm the completeness or accuracy of the information.

Overview of national rescue measures and deposit guarantee schemes

Country	Type of commitment (political/legal)	Material scope	Eligibility	Time	Source of financing (State / financial sector)
EU	Agreement of EU finance ministers (7/10/08).	Increase of the guarantee for customers' bank savings accounts from EUR20,000 to at least EUR50,000. Agreement to support systemic financial institutions.			
Austria <i>Guarantee deposit scheme</i>	Government approved a detailed deposit guarantee plan (8/10/08); Measure to be passed by Parliament on 28/10/08.	Unlimited deposit guarantee for private customers.		Entry into force (retroactively) on 1/10/08.	
Austria <i>other</i>	Plans approved by government (8/10/08); No legislative proposals yet.	Ideas: - create liquidity clearing point; possible state guarantee for clearing point to borrow on markets; - create legal basis for state guarantees for longer-term liquidity needs of banks; - create legal basis for state to intervene in case needed with capital or to guarantee non-valuable assets.			
Belgium <i>Guarantee deposit scheme</i>		Bank deposit guarantee of up to EUR100,000			
Belgium <i>other</i>	Announcement by Belgian PM (9/10/08)	State guarantees all new bank loans of "systemic" Belgian banks, i.e. inter-bank deposits, bonds and institutional investments. (Guarantees on same terms as Dexia guarantee: banks will have to pay a fee for the guarantee "that will be equal to the advantage the entities get").		Until 31/10/2009.	

Bulgaria	Government decision on 9/10/08. Amendment to the existing law will be proposed.	Increase of bank deposit guarantee to EUR50,000.			
Cyprus <i>Guarantee deposit scheme + other</i>	Government announcement; Legislation will be prepared.	Guarantee for all bank deposits up to EUR100,000. Government has EUR2bn in reserve to bail out the banking sector if need be.			
Czech Republic <i>Guarantee deposit scheme</i>	Government decision on 9/10/08. Amendment to the law to be proposed.	Deposit guarantee will be doubled to EUR 50,000. Customers of bankrupt banks will be compensated for 100% of their savings (instead of so far 90%).			
Denmark <i>Guarantee deposit scheme</i>	Bill to be passed on 10 October 08	Unlimited state guarantee (ceiling on savings deposit guarantees removed) for all domestic and foreign claims by depositors, debt holders (senior debt) and other simple creditors in banks and savings banks in Denmark.		5/10/08 to 30/09/2010.	Co-funded by the taxpayer and Danish banks (who will contribute to a specific fund of EUR4.4 bn))
Denmark <i>other</i>	Scheme notified to the Commission on 08/10/08. Legislation is planned (Financial Stability Act).	Guarantee scheme for banks comprising - guarantee on deposits and senior debt to enable Danish banks to get again access to the interbank lending market and obtain liquidity; - controlled winding-up of insolvent banks to protect depositors and other creditors.	All solvent banks in DK are eligible to participate (including foreign branches of Danish banks and Danish branches of foreign banks).	2 years (with prolongation being possible if need be).	The Scheme is an agreement between the Danish Private Contingency Association DPB and the State. Participation is voluntary.
Estonia					
Finland <i>Guarantee deposit scheme</i>		Increase of deposit guarantee from EUR25,000 to EUR50,000 (08/10/08)		Until end 2009.	
France <i>other</i>	Announcement by PM (8/10/08) Amendment to finance law to be proposed.	"Legal structure" to intervene financially (including through participations) if a bank is in difficulty.			
Germany <i>Guarantee deposit scheme</i>	Political declaration (no legislation planned)	Guarantees all private German bank accounts (100% of current and future savings & current accounts)		Not mentioned.	

Greece <i>Guarantee deposit scheme</i>	Political commitment, proposal submitted to the Parliament (9/10/08)	Increase of deposit guarantee for accounts of individuals to EUR100,000. Political commitment to cover also deposits of legal persons.		3 years.	
Hungary <i>Guarantee deposit scheme</i>	Announcement (8/10/08); legislative action will follow.	Increase of deposit guarantee from HUF6m to HUF13m. Political declaration by Prime Minister for full guarantee of deposits.			
Ireland <i>Guarantee deposit scheme</i>	Government Decision (30/09/08) & Bill (Credit Institutions Financial Support Act N° 18 of 2008)	Guarantee scheme for all deposits (retail, commercial, institutional and interbank), bonds and debts.	Initially six main Irish banks – Press release of 09/10/08 announcing eligibility of foreign banks' subsidiaries.	2 years (+ review clause from time to time)	State funds. Possibly also private funds (premium paid by banks goes to a Fund - objective to make the scheme self financing)
Italy <i>Guarantee deposit scheme +other</i>	Government decree approved (8/10/08).	Two instruments to protect systemic stability: - Government will be able to intervene through recapitalisation or purchase of assets if a private bank is in trouble. It was decided to create a special EUR20bn fund as an emergency credit line. - second grade guarantee fund for all bank deposits up to EUR103,000.		Entry into force upon publication in the Gazzetta Ufficiale.	
Latvia					
Lithuania <i>Guarantee deposit scheme</i>	Government is currently seeking Parliamentary approval for the proposal (emergency bill).	Increase of deposit guarantee from EUR22,000 to EUR100,000.		1 year (until October 2009)	
Netherlands <i>Guarantee deposit scheme</i>		Bank deposit guarantee of up to EUR100,000.			
Netherland <i>Other</i>	Announcement at press conference on 9/10/08.	Dutch government reserves EUR20bn for the financial sector. Funds will be directly available for fundamentally sound and viable banks that run into problem for liquidity and capital. Not clear yet how the capital will be provided. Fund could be extended if need be.	Fundamentally sound and viable financial undertakings of all sizes.		

Poland					
Portugal					
Romania <i>Guarantee deposit scheme</i>		Government will guarantee bank deposits of up to 50,000 Euro similar to the other EU MS (now the guarantee is up to 20 000).			
Slovak Republic <i>Guarantee deposit scheme</i>	Government decision (8/10/08). To be approved by Parliament in the coming days.	Unlimited guarantee of deposits of physical persons and some categories of legal persons.			
Slovenia <i>Guarantee deposit scheme</i>	Announcement in press conference (8/10/08); banking act to be changed.	Introduction of an unlimited guarantee on deposits (so far EUR 22,000).	Applies to banks operating on Slovenian territory.	Temporary measure (until the end of the financial crisis)	
Spain <i>Guarantee deposit scheme</i>	Announcement by the Prime Minister (7/10/08)	Increase the cap of the deposit guarantee from EUR 20,000 to EUR100,000.			
Spain <i>other</i>	Announcement by the Prime Minister (7/10/08)	Creation of a fund of up to EUR50bn to buy non-toxic assets from banks and other financial institutions.		"temporary"	State
Sweden <i>Guarantee deposit scheme</i>	Proposal to Parliament (will apply as from 6 October 2008 if the bill passes)	This concerns changes to the Swedish implementation of the deposit guarantee directive 94/19/EC Measure A) Bank deposit guarantee (all types of accounts of private and legal persons) to be increased from SEK250 000 to SEK500 000 (EUR25.000 to EUR50.000 EUR). Measure B) For Swedish branches of foreign banks (EEA or third country) for which deposits are covered by a guarantee scheme in the banks <i>home</i> country, the Government may, if the home country guarantee fails to perform AND this failure is deemed to disturb the Swedish financial system, step in and compensate the depositors on the terms of the home country scheme.	Measure A: Applies to banks and branches in accordance with Directive 94/19/EC. Measure B) Concerns branches of non-Swedish bank (EEA or third country)	Not mentioned.	Measure A) Financed by a fund into which all Swedish banks are required by law to contribute. Measure B) If the normal fee cannot be charged to the bank, the guarantee will be paid from state funds. The Swedish state will then take over any claims of the depositor towards the guarantee scheme in the home country of the foreign bank.

UK <i>Guarantee deposit scheme</i>	Political statement at this stage.	UK is to increase its cap on the amount it will guarantee to savers from 35,000 to 50,000 pounds, starting on 7/10/08.			Taxpayer-funded.
UK <i>other</i>	Announcement by the UK government.	<p>Rescue package for the banking system worth £500bn. Extra capital will be made available to eight of UK's largest banks and building societies in exchange for preference shares.</p> <p>Other section of the scheme: £200bn will be made available from the Bank of England and £250bn in loan guarantees will be made available at commercial rates to encourage banks to lend to each other.</p>	Eight of UK's largest banks are covered, but other banks and building societies can also apply.		State