Paul Tucker: Regimes for handling bank failures – redrawing the banking Social Contract

Remarks by Mr Paul Tucker, Deputy Governor of the Bank of England, at the British Bankers' Association Annual International Banking Conference "Restoring confidence – moving forward", London, 30 June 2009.

* * *

Thank you very much to the BBA for inviting me today. It is a real pleasure to be here when so much is being debated about the future of the financial system. I'd like to use the occasion to develop some of the emerging thoughts of the international official sector on the environment – the "rules of the game" or Social Contract – within which banks will need to operate in future.

Banks' liquidity risks and the banking Social Contract

The defining characteristic of banks lies in the liquidity services you provide to the economy, and in the consequent liquidity risks that you run. History shows that banks are inherently fragile. Banks are vulnerable to deposit runs. The current crisis has revealed, if it needed to be, that the same goes for money market funds. And it turned out that big securities dealers had effectively been turned into quasi banks by funding themselves partly from balances held by prime-brokerage hedge-fund clients; balances that could be withdrawn on demand, and in some cases were. So what I have to say is about the economic substance of banking liquidity risk, not its legal form.

While banks have also suffered capital shortfalls as this crisis progressed, at least in its early stages liquidity was at its core. As our capital markets and the trading activities of our banks expanded, the risk-management paradigm was that the liquidity of markets would be resilient. It is surprising that some big banks, not all, ran such truly massive maturity mismatches. And it is similarly surprising that many medium-sized banks in this country had liquidity portfolios comprising largely floating rate notes issued by other banks. Yes, it does of course cost more to hold gilts and other highly liquid assets; but an illusory liquidity portfolio just transfers the risk to the central bank or the government.

Some banks and building societies have not looked distress in the eye over the past year and in earlier years endeavoured to run their business safely, foregoing some of the profits of the boom. But I would urge even them to recognise that their relatively calm passage through the crisis to date owes a lot to government standing behind their peers.

The banking Social Contract

That support cannot go on forever, which underlines why the Social Contract for banks must be redrawn.

It must be redrawn to reflect the lessons from the crisis. And also to mark a credible shift in regime so that, as an industry, you can re-establish trust and stand on your own feet.

Traditionally, there have been three elements to the Social Contract for banking. In exchange for being allowed to profit from taking the risks inherent in providing liquidity, or monetary and credit, services to the economy, banks have been subject to prudential regulation; given access to liquidity insurance at the central bank; and required to finance industry-wide insurance schemes to protect depositors. All three components have needed to be redesigned.

I offered a few thoughts on the first – the regulation of banks – at the conference on the FSA's Turner Report a few weeks ago. On microprudential supervision. I wanted to add four

points. First, that supervisors must be expert, unafraid to substitute their judgment for that of management and the board where necessary, but restrain themselves from doing so except when needed. Second, that concentrated exposures, on either side of the balance sheet, must be limited. Third, that complex structures rendering a bank unsupervisable must not be permitted, as the BCCI crisis taught us nearly twenty years ago. And fourth, that regulatory requirements for capital, liquidity and so on should take into account how much risk a bank brings to the system as a whole. As one of my predecessors, George Blunden said over twenty years ago, "Supervisory standards are set with an eye to protecting [banks] from problems which could be created by wider, systemic developments. A bank may consider a course of action it wishes to take to be acceptable – as it may well be in a limited context. But the same course might, if widely copied by other banks, have unfortunate effects on the banking system as a whole. It is part of the supervisors' job to take that wider, systemic view and sometimes to curb practices which even prudent banks might, if left to themselves, regard as safe."[1] All four points are old verities.

On the second plank of the banking Social Contract, I set out the Bank's current thinking on liquidity insurance in Tokyo a few weeks ago.[2] The Bank has introduced new permanent liquidity facilities for banks, whereby we stand ready to lend to viable banks against a very wide range of collateral, on terms designed to avoid encouraging imprudent liquidity management. And this year we have effectively been acting as a Market Maker of Last Resort in certain corporate-credit markets. Given the significance of capital markets in today's financial system, central banks need to think about whether or not such operations should be a permanent part of their armoury.

Today, I want to outline our thinking on the third element of the Social Contract. Taking it to be about only deposit insurance turns out to be too narrow. It is really about what society should demand of banks to make their failures marginally more tolerable.

It is not often a central banker can speak openly about bank failures. Indeed, most of the time, central bankers avoid public remarks on issues like Too Big To Fail; Emergency Liquidity Assistance; flaws in insolvency regimes; burden sharing between national authorities, and so on. But surrounded as we are by failed banks, it is not only possible to talk about bank failures without scaring the horses; it would be irresponsible not to do so. And as central bankers and regulators free themselves from that mental strait-jacket, new and perhaps far reaching ideas are emerging.

They amount to redrawing the third element of the Social Contract between the authorities and the banks.

To recap, the third element has been that the banking system should bear the cost of insuring retail depositors with banks against loss. The lessons go, narrowly, to the construction of such insurance; but also to a broader reformulation in which deposit insurance is just one component of the overall package.

Deposit insurance: risk-based premia and pre-funding

For most of the past thirty years, deposit insurance in the UK applied to modest amounts, and provided less than 100% cover of the insured amount. The element of "co-insurance" was intended to leave retail depositors with an incentive to take care where they deposited

---

1 Blunden G, "Supervision and Central Banking", Bank of England Quarterly Bulletin, August 1987. Since the Turner Report was published, Adair Turner has himself added this point to the FSA's list of conclusions.

2 "The Repertoire of Official Sector Inventions in the Financial System: Last Resort Lending, Market-Making, and Capital", speech by Paul Tucker given at the Bank of Japan's 2009 International Conference in Tokyo on 28 May 2009. Also see, "The Development of the Bank of England's Market Operations", a consultative paper by the Bank of England, October 2008.

their savings. It turned out to be naïve on two fronts. First, it proved unrealistic to expect households generally to take such care. And second, it brought politics into bank rescues, because of the hardship that could still be suffered by regular depositors when their bank failed. Nearly a decade ago I became convinced of the need for 100% insurance of a meaningful amount in order, as I put it in internal exchanges, "to take politics out of crisis management".

In the wake of Northern Rock and Bradford and Bingley, the FSA moved to 100% insurance of £50K. That means that nearly all regular households in this country are completely protected; and when today I refer, rather approximately, to "100% insurance", that is what I mean.[3]

The Bank's view has been that in such a system, the banking system's contribution to the insurance scheme should be risk-based and pre-funded. The industry has been more doubtful about the idea of pre-funding and so I want to explain our thinking.

A system of 100% insurance of a meaningful amount changes the landscape.

First, it alters the purposes of bank regulation. It is no longer really about protecting depositors, as the vast majority are wholly protected by the insurance scheme. From a micro perspective, it is essentially about minimising risks to, and losses at, the deposit insurer, the UK Financial Services Compensation Scheme.

Second, it also potentially alters the dynamics of the market place. It makes it easier for banks to pay up for deposits; the signal that a bank will take greater risk than otherwise, as it would have to, does not matter to the depositors. They are covered, and so simply enjoy the higher returns on their deposits. If the bank succeeds, the rewards are reaped by shareholders and management; if it fails, retail creditors get repaid in full. This doesn't feel like a stable regime. And it is worth remembering that President Roosevelt seriously hesitated before introducing the equivalent FDIC scheme in the US in the 1930s for precisely that reason.

One way of addressing these risks – and the approach eventually being tried in the US – would be to make such risk-taking banks pay a higher levy into the insurance scheme. Risk-based premia would help to offset the incentives otherwise created. And, of course, any such insurance scheme must be pre-funded; it is no good trying to collect levies from riskier banks after they have gone bust. That is why the Bank has advocated this course.

Another route would be to seek to address banks' perverse incentives via idiosyncratic, risk-based capital requirements; ie active use of Pillar II of the Capital Accord, which is desirable in any case.

One can argue that the two routes could be equivalent for the banking system as a whole. In a system of risk-based premia, the *ex ante* levies on "safe and sound" banks would obviously be lower than those on their riskier peers. In a system of variable capital requirements, the burden on the FSCS and so the *ex post* levies on the surviving "safe and sound" banks should crystallise less frequently, and perhaps also be smaller, the greater the amount of capital a riskier, failed bank had to carry. But it is not so straightforward. Unlike the US, the UK does not have a regime of "depositor preference", which means that the FSCS ranks alongside (rather than ahead of) ordinary wholesale creditors and so shares losses with them. The risk-reducing benefits of extra risk-based capital would, therefore, be spread over

[3] The FSA Consultation Paper, "Financial Services Compensation Scheme: Review of limits" (CP08/15), estimated that (based on BBA data for two large banks) the share of accounts covered by the increase in deposit insurance from £35,000 to £50,000 would rise from 96% to 98%, while the share of the overall value of deposits insured would rise from 52% to 60%. Using data from the building society sector, the coverage of individuals was similar to those with accounts at a bank, but the share of total balances insured was somewhat greater, at around 77%.

creditors generally, not just insured depositors and the FSCS. Risk-based premia protect the FSCS, and so the wider banking system, in a more targeted way. The two approaches could probably be made equivalent by making Pillar II/risk-based capital add-ons sensitive to the total scale of a bank's unsecured funding – wholesale as well as retail. For this purpose, the maturity of the unsecured wholesale funding is irrelevant, so this would not be the same thing as saying that capital requirements should take into account a bank's wholesale liquidity risk, and might take us beyond anything being contemplated by regulators at present.

Even without risk-based premia, pre-funding ensures that failed banks do make a contribution. And it has other advantages. First, it avoids the potentially pro-cyclical effects of collecting contributions on a pay-as-you-go basis, ie just when the banking system is weak, Pre-funding may be a useful step in reducing the financial system's pro-cyclical tendencies.

Second, subject to appropriate constraints, the insurance fund could be available for use in resolutions that avoid liquidation and payout under the deposit-insurance scheme. That is the approach in the US. And it brings me to the broader elaboration of the banking Social Contract.

Resolving bank distress: information needs

As the 2007 Northern Rock disaster demonstrated and as the Governor explained at the Treasury Select Committee in September of that year, each country needs a Special Resolution Regime for banks, enabling economically essential banking functions and so confidence to be preserved in the event of distress. The UK now has such a regime.

But delivering effective resolutions is not just a matter of the official sector introducing legislation and equipping an authority, in the UK's case the Bank, with resources to use it.

It also, crucially, requires banks to structure themselves so as to permit orderly resolution. That, it can now been seen, is the better version of the third element of the banking Social Contract.

What does it mean?

In the first place, it entails banks maintaining up-to-date information on their retail deposits in a way that facilitates rapid payout under the FSCS. Rapid payout is necessary to maintain the confidence of depositors in other banks. It's all very well most retail depositors being 100% protected, but not so comforting if they had to wait ages to receive repayment from the deposit insurer after their bank had failed. In the UK, the FSCS will be working hard to address this issue.[4] Until rapid payout is feasible, where a buyer for the whole bank for some other solution cannot be found it is more likely than otherwise that distressed banks will be resolved via the SRR, with deposit books transferred where possible to other banks.

But I stress "where possible", because this general approach depends on there being bidders for deposit books. That cannot be guaranteed. So banks must invest in the information systems to be able to provide the FSCS pretty well instantly with what they need for rapid payout. EU directives specify a target for payout within 20 days. Something like a week would probably be more reassuring. Speeding up the process will require banks to keep information on, for example, all the deposits a person has with a banking group which are

[4] This has been the subject of two recent FSA consultation papers: "Financial Services Compensation Scheme reform: Fast payout for depositors and raising consumer awareness", (CP 09/3), January 2009 and "Financial Services Compensation Scheme: Verification of the single customer view and changes to deposit compensation", (CP 09/16), June 2009. The latter expands on the some of the proposals in the earlier CP, as well as providing feedback from that consultation. It notes that: "Final rules have not yet been made regarding fast payout generally and no decision has been made as to whether to proceed with the single customer view (SCV) proposals". The CP remains open for comment.

eligible for deposit insurance; and the closing balance, including interest due, each day on eligible deposits. Banks would also need to be able to transmit all that information, on demand, to the FSCS. Getting to that point will require time. There is a case for debating whether it should be a regulatory requirement.

The information I outlined is not needed just when a bank does actually go into liquidation and the FSCS makes a payout to depositors. It is also needed by the Bank of England to assess whether any of the Special Resolution Regime (SRR) tools could meet the statutory objectives of the 2009 Act more effectively than liquidation. Indeed, that is why the Bank has a clear interest in the information provided to the FSCS.

In fact, even more information is needed when we employ the SRR instead of liquidation. Using the new Act, the Bank, working the FSA and HMT, can split up a bank or building society into a number of pieces: deposits going to one buyer; some assets possibly to another; parts going into administration. Effective execution of an operation of this kind is very information intensive. For example, it requires banks to have up-to-date, coherent management accounts for all parts of the business. One might think that would be a good idea anyway. It should certainly be a requirement now.

Execution also requires detailed information on how the business is run. Just a few examples. First, on the services that different parts of the group provide to each other, because if split up they may have to agree so-called Transitional Service Agreements. Second, on which essential services have been outsourced. Third, on details of netting and derivative contracts, so that the Bank can apply various statutory safeguards for creditors. That is a formidable task, and it is striking that, in the US, the FDIC has introduced a requirement that troubled banks must be able to demonstrate that, if necessary, they could report each day the details of so-called Qualifying Financial Contracts, which are essentially derivatives. We may need to contemplate something along those lines in the UK.

All of that is needed after buyers for the business have been found. Potential bidders for all or part of an ailing bank will themselves need the kinds of information typically offered to bidders in a “friendly” M&A transaction. So there is a case for banks routinely maintaining such a Data Room as part of their crisis contingency plans. In delivering its resolution responsibilities under the 2009 Banking Act, the Bank is ready to work with banks and the FSA in helping to specify in more detail what is needed in practice. If the information can be ready almost routinely the execution of resolutions would be aided.

In summary, as a consequence of its new statutory role, the Bank can have a need for a lot of information about banks getting into distress. That might usefully be seen alongside the information needed before a bank reaches the point of being unviable, when it might apply to draw on the Bank’s public liquidity insurance facilities, notably the Discount Window. And beyond that, a bank might seek Emergency Liquidity Assistance, where the Bank acts under the Tripartite MoU.[5] In either circumstance, the Bank will need information on the bank’s liquidity position and planning, and a lot of detailed information on the collateral it would be offering. I therefore urge the BBA’s members to send the Bank (as well as, of course, the FSA) your Contingency Funding Plans; and, secondly, to pre-position collateral with us for the DWF.

Overall, we need to engage together constructively on what information the authorities need in order to handle incipient or actual distress.

---

[5] Paragraph 14 of the Memorandum of Understanding between HM Treasury, the Bank of England and the Financial Services Authority says: "In exceptional circumstances, there may be a need for an operation which goes beyond the Bank's published framework for operations in the money market. Such a support operation is expected to happen very rarely and would normally only be undertaken in the case of a genuine threat to the stability of the financial system to avoid a serious disturbance in the UK economy."

Orderly wind down: writing "wills"

There is a broader issue lurking in the background here, and in today's environment we can and must address it openly.

Last Friday, in the Bank's latest *Financial Stability Report*, we emphasised the importance going forward of enhancing market discipline, notably through much better disclosures. But proposals for greater market discipline are not going to gain traction in the real world – the only world that matters – so long as wholesale creditors and others believe and act on the basis that some firms can be Too Big To Fail. And, of course, it is not just TBTF. It can be Too Interconnected To Fail too. And it is not just a problem with so-called LCFIs. As demonstrated by the UK's Secondary Banking Crisis in the 1970s, contagious distress amongst smaller banks can threaten stability more widely when they are afflicted by shared underlying problems: Too Similar To Fail, as one international colleague put it. And thinking of the place of some banks or building societies in their local communities, we can also confront Too Popular To Fail.[6] Putting aside that last notion, the solid point is that whether or not one firm's distress has systemic consequences will, as a general matter, depend on the circumstances; but, very awkwardly, there are some firms, and some financial-infrastructure providers, whose distress would currently be systemic in almost any imaginable circumstances.

We need to sort all that out one way or another. It is part of a wider debate about the future structure of the industry. The Bank is contributing to that debate, and a number of options were discussed in our *Financial Stability Report* last week, including as the Governor said at the Mansion House a fortnight ago, whether or not banks' activities should be regulated more heavily or even in the extreme restricted. That debate is obviously difficult, with no easy answers. But it is important, and cannot be ducked. As the Governor proposed at the Mansion House, it would help greatly if your banks could write a "will" for how they could be wound down in an orderly way in the face of distress. Indeed, that now has to be part of the banking Social Contract.

It must surely entail a radical simplification of some group structures. Moving from, say, two thousand legal entities to one thousand would, somehow, miss the point.

This will not be easy. We do understand that. But it is important to bring about the kind of regime shift necessary to restore confidence and trust in the industry without a government prop.

The degree to which banking groups cannot deliver on this should be reflected over time in capital and liquidity requirements. As well as making distress itself less likely, that would also help to shift incentives in a healthy direction.

I have talked throughout about banks. But the authorities will need to consider how far this approach should extend. The Treasury already has power to put bank holding companies into Temporary Public Ownership, but none of the regular SRR toolkit is available. And the Treasury is also consulting on how investment banking distress should be handled in the light of the problems with the Lehmans insolvency and administration since last autumn.[7]

Cross-border resolutions

There is also a vital cross-border element to all of this, which absolutely must be recognised and tackled if we are to establish sounder foundations for a world of free, global capital markets.

---

6 I owe that expression to my colleague Paul Fisher.

7 See, HM Treasury (2009), "Developing effective resolution arrangements for investment banks", May 2009.

Around thirty-five years ago the founding document of the rules of the game for international banking was issued: the Basel Concordat for the supervision of internationally active banks. Although updated in the early 1980s to embrace consolidated supervision in the wake of Banco Ambrosiano's collapse, its essential precepts have remained unchanged.[8] Home supervisors carry the responsibility for consolidated supervision. Broadly, hosts carry little or no responsibility for branches, other than for liquidity, although it is not easy to pin down what that means; but hosts carry somewhat greater responsibility for the soundness of subsidiaries. (Within well-defined regional areas, variants can operate: eg passporting within the EU.)

The point of rehearsing all that familiar stuff is that the division of labour for supervision of banks during peacetime absolutely must be consistent with the insolvency and other regimes that would operate in the event of failure or distress. Bluntly, it is no good assuming that an internationally active bank can be regulated as a single unit if, when distress comes, differences in the insolvency or resolution regimes of the various countries in which it operates effectively split the bank into a series of de facto distinct, local entities.

The extra complications are legion, revolving around banking practice as well as resolution regimes.

For example, if a group employs central liquidity management, as has been not uncommon, host supervisors and creditors may wake up the morning after a failure to find that all the group's surplus liquidity is in another jurisdiction, available first to creditors there. This kind of thing can unhelpfully alter the incentives for home regulators to be full and frank in their exchanges with host supervisors. We should not overlook that when extolling the merits of colleges of supervisors. But those problems should, given sufficient will and common commitment, be trackable.

Even more difficult are the entanglements and conflicts between home and host insolvency and resolution laws. There is, for example, a first-order difference between single-entity insolvency regimes and separate-entity regimes.[9] The latter, for example in the US for foreign banks, have the effect of de facto ring-fencing local assets for local depositors. And even in countries that basically operate a single-entity regime, some (including the UK) would have the option of putting a branch into liquidation pre-emptively to de facto ring fence it before the home authorities had established a whole-bank insolvency procedure.

These issues are not new. In the aftermath of the BCCI closure, which affected many countries, the BCBS produced a paper in 1992 on the difficulties confronted.[10] Arguably, the authorities pulled their punches slightly. But, in any case, so far as I can tell, nothing was done outside of Europe, where insolvency law for banks <u>was</u> adapted. In particular, the EU

---

8 George Blunden chaired the Basel Committee when the original document was produced; and Peter Cooke did so in the 1980s.

9 In a single-entity insolvency regime, the home country authorities would seek to apply a single main insolvency proceeding to a bank incorporated in their jurisdiction and to all its branches in other countries. This is sometimes referred to as a universal approach to cross-border insolvency. This contrasts with a separate-entity insolvency regime, in which separate insolvency proceedings may be applied to the parent bank (by the home country) and its branches in other countries (by host countries); this constitutes a territorial approach to cross-border insolvency.

10 Basel Committee on Banking Supervision (1992). "The insolvency liquidation of a multinational bank", Bank for International Settlements. Its key conclusions were: 1) when closing a multinational bank, supervisors should pay attention to the nature and timing of communications among themselves and of their communications with creditors, shareholders and management; 2) the nature of liquidation rules may be relevant to the manner in which multinational banks are supervised; 3) differences in liquidation rules across jurisdictions in a winding-up can affect returns to depositors and other creditors and the operations of deposit protection schemes; and 4) coordination and cooperation between liquidators can affect the returns to creditors in a liquidation and can be affected by the role of supervisors in a liquidation.

adopted the Credit Institutions Reorganisation and Winding-Up Directive, albeit after quite a delay in 2001, under which a single-entity regime was introduced for the resolution of any bank incorporated in the EEA, applying to the parent bank and also to all its branches throughout the EEA.

A little less than a decade after the BCBS's report on the lessons from BCCI, the FSF/G10/BCBS produced a joint report on the orderly wind down of large and complex financial institutions. It was a good report. It called for a range of things, including Factbooks on key firms; contingency funding plans; wider crisis management plans; and so on. Perhaps most important, it underlined that, at that time, no one really knew how to wind down an LCFI. Quite a conclusion. A good one. It is a pity that the report wasn't published. So far as I can see, nothing much was done, internationally.

We now have another chance. A new round of work is now underway in the BCBS to identify impediments or complications arising from national insolvency laws, resolution regimes, or supervisory practices. I would be amazed if that group does not identify some material issues, for the reasons I have discussed. If so, they should not be dismissed by the Top Brass, left to worry only middle-ranking technocrats, as seems to have happened nearly twenty years ago.

Perhaps most important, in April, the Financial Stability Forum (now renamed the Financial Stability Board) issued Principles for Cross-Border Co-operation on Crisis Management. But what really matters is that they were endorsed by the G20 Heads of Government at their subsequent Summit. Which means that there is political endorsement for national authorities to dilute their narrow attachment to local interests, recognising that in globalised markets their interests will often best be served through co-operative solutions. Either that, or the structure of international banking may have to change.

Given the starting point, the Principles are demanding. For each of the most important global banks, the aim is that home and host authorities (regulators and central banks) should work together to identify obstacles to effective management of crises. To that end, home authorities are charged with ensuring that firms are capable of supplying the information needed to manage a crisis. And firms are strongly encouraged to maintain contingency plans to wind themselves down – as I have already said today, the Bank would like there to be consideration of whether that could be a requirement for operating in the UK. And, as I also made clear earlier, we do realise that all of that will be formidable, best approached with an international consensus.

Similarly demanding is the requirement in the Principles that countries "strive" to find internationally co-ordinated solutions, sharing information as freely as practicable. That is not something which one could say has always been apparent over the past two years, although it worked well on market operations. As the Principles recognise, the drive for greater openness between authorities should not be permitted to jeopardise effective resolution through leaks or pre-emptive action to ring-fence local interests.

I am reporting this because the FSB Principles have not got as much coverage as they warrant. Yet it is very important that the banking world appreciates that, alongside other issues and initiatives I have outlined this morning, they have the potential – indeed, are intended – to bring about material changes in the way you structure your businesses, in how you interact with the authorities, and in the wider environment in which you operate.

I hope that the Financial Stability Board Working Group on the Crisis Management Principles will not hesitate to report back to the FSB, and through it to alert G20 Ministers, if implementation is or looks to be stalling – whether because it is meeting with resistance from the authorities or the industry, or blockages in national laws and practices.

Concluding comment

This crisis has reminded a generation of some old truths. Banks can fail. But they matter enormously to our economies, and so the authorities cannot afford to stand back and allow disorderly systemic failure. Going forward, we cannot have a regime where the upside for risk-taking goes to shareholders and management, but the downside falls to the general taxpayer.

All three elements of the Social Contract for banking need to be reformed. Better regulation and supervision, including a macroprudential element. Better arrangements for liquidity insurance, which the Bank has tried to introduce alongside our international peers. And, my main topic today, a new regime for resolving bank distress. In particular, banks must structure and run themselves to permit orderly wind down. And they must invest to provide the authorities with the information they need to do so.

This will not be easy. And it will not be cheap. Together with higher capital and liquidity requirements – lower leverage and reduced maturity transformations – over time it may well mean a lower headline return on equity for some banks. But, of course, it would also entail lower risk for bank equity and bond investors, and surely it is risk-adjusted returns that matter. And it would also deliver lower risk to society more generally, which matters hugely.

To be clear, we want banks and the financial sector more generally to thrive. The institution I come from believes in a market economy, in capitalism. The financial sector has played an enormous role in the development of modern economies. But a regime in which banks can thrive standing on your own feet would be a better market – for all of us.