



**Mailing list Supervision/ Accounting/ Money Laundering**

Brussels, 26 November 2014  
BL/ CK

**EBA draft guidelines on methods for calculating contributions to Deposit Guarantee Schemes**

Dear Madam or Sir,

On 10 November 2014 the European Banking Authority (EBA) published a consultation on draft guidelines on methods for calculating contributions to deposit guarantee schemes.

The directive (2014/49/EU) of 16 April 2014 on deposit guarantee schemes provides that each member state will need to establish a deposit guarantee scheme which should dispose of a sum equivalent to 0.8 % of the covered deposits of its members. They should be financed by ex-ante contributions of their members (article 10 (1)). If necessary, also the payment of ex-post contributions can be requested according to article 10 (8). The determination of contributions – in consideration of a risk based approach – is mainly in the competency of the member states. The competent authority shall authorize pursuant to article 13 (2) the relevant calculation method presented by the deposit guarantee scheme. However, as foreseen in article 13 (3), EBA is mandated to develop guidelines for methods to calculate contributions to the deposit guarantee scheme.

The guidelines shall be generally addressed to the national competent authorities who shall assure the according transposition of these provisions. If there is no transposition, the national authority shall only be in the duty of explaining the reasons to EBA. Concerning the calculation of contributions, these guidelines essentially focus on the likelihood of the institution's failure.

In addition, the annual financial contributory burden of the credit institutions during the initial ten years-period shall be uniformly apportioned.

According to paragraph 23, member states with a large variety of different types of credit institutions shall be granted the opportunity to determine more detailed methods of calculation and to apply in this process a greater number of risk classes.

The relevant methods of calculation are described from paragraph 34 onwards. EBA follows the initial proposal of the European Commission to provide for a risk weight between 75 % for credit institutions with the lowest risk profile and 150 % for credit institutions with the highest risk profile. In the context of the risk weight, the following risk indicators shall be considered: the capital, liquidity and funding, asset quality, business model and management, and potential losses for the deposit guarantee scheme (paragraph 44 ff.). According to paragraph 45 member states have the possibility to exclude in the calculation of contributions certain risk indicators for specific types of credit institutions if it is justified by their legal characteristics or supervisory regime. If one of the risk indicators is lifted, another indicator shall be applied.

In a table on page 21 ff. and annex 2 of the draft, different risk indicators are described accordingly.

However, in the category "business model" there are no concrete leads to specialized credit institutions such as Bausparkassen. Paragraph 60 ff. describes the low risk sectors which are regulated in national law and which have been included at the request of EFBS in an abstract manner in article 13 (1).

EBA considers the function of the low risk sector by only taking them into account when it has been empirically proved for the relevant institutions that their likelihood of failure is rather low.

According to paragraph 64 ff. member states shall also allow lower contributions for credit institutions which are members of an institutional protection scheme.

Please find enclosed the document for consultation of EBA. The consultation period of EBA ends on 11 February 2015. We would therefore appreciate if your comments were sent to the European office at the latest on 6 February 2015. Furthermore, as EBA has announced a public hearing for 8 January 2015, we would be grateful if you could provide us with a first provisional assessment until **6 January 2015**.

If you have further questions, please contact us at any time.

Yours sincerely



Andreas J. Zehnder  
Managing Director  
European Federation of Building Societies

**Annex:**

- Draft EBA-guidelines on methods for calculating contributions to Deposit Guarantee Schemes