



**To the members of the
European Federation of Building Societies**

Brussels, 16 February 2012

AG

Recast of the Deposit Guarantee Schemes' Directive: Plenary Vote on the report of the European Parliament

Dear Member,

The European Parliament has voted on the 16 February 2012 in its Plenary Session on the report concerning the European Commission's proposal of the recast of a directive on Deposit Guarantee Schemes which was adopted in Committee on Economic and Monetary Affairs (ECON) on the 24 May 2011.

With a clear majority of 571 votes the European Parliamentarians underlined the demand to guarantee deposits until 100,000 €. Parliamentarians also recommended that target level means 1,5% of covered deposits for which a Deposit Guarantee Scheme is responsible and which should be provided within 15 (instead of 10) years.

Due to the extensive intervention of the Bausparkassen it has been achieved that the European Parliament followed with Recital 24 and Article 11 para. 1 Bausparkassen' requests for a certain consideration of low risk models. With Article 11 para. 3, Member States are allowed to deviate from the standard approach of which provides a risk-spreading of 75 % up to 200 % of the contributions of an average bank which is foreseen in Article 11 para. 1 and 2. It is also possible now to deviate from the risk calculation which is provided in Annex I and II. Further to that, a specification was introduced saying that national methods of risk calculation have to take the commercial risk of the respective institute into adequate and proportionate consideration.

In addition, Parliamentarians voted a formulation in Article 4 para. 1 after which deposits which serve to fulfill certain obligations the depositor has towards the credit institute or towards third parties, are excluded.

The payout delay should be reduced to a period of five working days (instead of 20 at the moment).

As opposed to the European Commission's proposal voluntary Deposit Guarantee Schemes for more than 100,000 Euro will continue to be possible.

Next steps

After the Plenary Vote the Council has to communicate the so called 'Council Common Position'. Within three months the European Parliament can approve, reject or propose amendments.

Apart from the ordinary legislative procedure, the Second Reading, the dialogue with the Danish Presidency will continue in order to go for an agreement until presumably summer 2012.

For any further request, please do not hesitate to contact the European Office.

Yours sincerely,



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Managing Director
European Federation of Building Societies