



EUROPEAN COMMISSION
DIRECTORATE-GENERAL FOR FINANCIAL STABILITY, FINANCIAL SERVICES AND CAPITAL
MARKETS UNION

The Director-General

Brussels
FISMA.D.3/AG ARES(2021)2754534

Mr Jose Manuel CAMPA
Chairperson
European Banking Authority

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Sent by email

Subject: Data request to the European Banking Authority (EBA) regarding deposits as part of the review of the crisis management and deposit insurance framework

Dear José Manuel,

The Commission is reviewing the bank crisis management and deposit insurance (CMDI) framework with the aim of increasing its efficiency, proportionality and overall coherence to manage bank crises in the EU irrespective of the banks' sizes and business models and enhancing the level of depositor protection. The Commission services are currently preparing for the upcoming co-legislation process on the CMDI legislative proposals.

Recent events in the banking sectors of the United States and Switzerland are a stark reminder that bank failures can still occur despite the implementation of the internationally agreed global regulatory reform agenda. In the United States, the US authorities extended the deposit guarantee to all depositors of the banks concerned to prevent system-wide contagion and repercussions on the regional economy. In the aftermath of these events, several jurisdictions (US, UK) announced their intention to enhance depositor protection and reconsider the relevance of the coverage level. The FSB also considers revisiting the priorities of its work agenda on bank resolution in light of these recent events. We expect this recent turmoil and ongoing policy reflections at international level to have an impact on the negotiation of the CMDI package.

To duly inform the co-legislation process, the Commission services are seeking:

- targeted data on deposits, which is collected by the EBA as part of its resolution planning process to inform the discussion concerning the adaptation of the current creditor hierarchy, and

- targeted data on deposits, based on the information in the SCV files, that DGSs collect as part of meeting the requirements outlined in the EBA Guidelines on the stress testing of DGSs.

More specifically, concerning the data from the resolution planning templates, the following anonymised and aggregated data would be needed:

- At EU level, the total amount in EUR of covered deposits, deposits not covered but preferential, deposits not covered and not preferential for each bank size category and deposits' maturity with the breakdown per type of counterparty;
- At Member State level, for a subset of Member States where there is a sufficient number of banks in each category to comply with anonymisation requirements (and aggregating the rest of Member States in an "others" row), the total amount in EUR of covered deposits, deposits not covered but preferential, deposits not covered and not preferential for each bank size category and deposits' maturity with the breakdown per type of counterparty;
- At Member State level, for a subset of Member States where there is a sufficient number of banks in each category to comply with anonymisation requirements (and aggregating the rest of Member States in an "others" row), the total amount in EUR of covered deposits, deposits not covered but preferential, deposits not covered and not preferential for each bank size category (using only two buckets: 'equal or above 30 bn' and 'below 30 bn') and deposits' maturity with the breakdown per type of counterparty;
- At Member State level, the relative distribution of covered deposits (item 0110), deposits not covered but preferential (items 0311, 0312, 0313 and 0314) and deposits not covered and not preferential (items 0321, 0322, 0323 and 0324) for each bank size category and deposits' maturity with the breakdown per type of counterparty; for this indicator, the relative amounts shall be expressed as percentage of total deposits;
- At Member State level, the relative distribution of covered deposits (item 0110), deposits not covered but preferential (items 0311, 0312, 0313 and 0314) and deposits not covered and not preferential (items 0321, 0322, 0323 and 0324) for each bank size category and deposits' maturity with the breakdown per type of counterparty; for this indicator, the relative amounts shall be expressed as percentage of total liabilities and own funds.

Figures mentioned above should cover the situation for end-2020 and end-2021.

Concerning the data from the SCV files, for each DGS, the following anonymised and aggregated data would be needed:

- the proportion of fully covered deposits by natural persons and legal persons,
- the proportion of fully covered depositors by natural persons and legal persons,
- the proportion of public authorities' deposits.

Figures mentioned above should be as recent as possible, and relate to the current coverage level of EUR 100,000, and a situation where the coverage level was EUR 150,000, EUR and EUR 250,000. Separately, it should also provide more detailed analysis of a targeted coverage level for legal persons of EUR 1,000,000.

My services stand ready to support the EBA in fulfilling this data request as efficiently as possible. The invaluable input from the EBA will be instrumental in informing the co-legislators' decision on the CMDI package.

In terms of timeline, the Commission staff will greatly appreciate interim results of the analysis of the resolution planning data by 5 July 2023, and the interim analysis concerning the SCV data by 27 September 2023, with the final response to the CfA later in 2023.

Thank you in advance for your cooperation.

Yours sincerely,

(e-signed)
John BERRIGAN

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