



EUROPEAN CENTRAL BANK
BANKING SUPERVISION

Andrea ENRIA

Chair of the Supervisory Board

COURTESY TRANSLATION

Mr Frank Schäffler
Member of the German Bundestag
Platz der Republik 1
11011 Berlin

Frankfurt am Main, 21 July 2021

Re: Your letter of 18 June 2021

Honourable Member of the Bundestag, dear Mr Schäffler,

Thank you for your letter, which was passed on to me by the President of the Bundestag, the honourable Dr Schäuble, accompanied by a cover letter dated 17 June 2021.

Regarding your questions related to the content of the measures and the timelines proposed for the institutional protection scheme (IPS) of the German Savings Banks Association (DSGV) (hereinafter “IPS DSGV”), please note that I cannot comment on the outcome of individual supervisory assessments, as the European Central Bank (ECB) is subject to professional secrecy requirements under the Capital Requirements Directive. Any request for improvement to an IPS in the context of the monitoring of such schemes by the ECB is intended to safeguard the continued benefit of the IPS for member institutions, consistent with EU rules and ensuring a level playing field across the Single Supervisory Mechanism. For further information on the ECB’s IPS monitoring approach, I would refer you to my letter to you dated 21 July 2020.¹

With respect to your questions on the communication between the ECB and the German Government or the German national competent authority (NCA), let me reiterate that the IPS DSGV includes both significant institutions (SIs) directly supervised by the ECB and less significant institutions (LSIs), the supervision of which is conducted by the German Federal Financial Supervisory Authority (BaFin) and the Deutsche Bundesbank. In its oversight function, the ECB works closely with national supervisors to foster a common application of rules governing banking supervision, while also ensuring that joint supervisory standards are applied consistently across the system.

¹ [Letter of 21 July 2020 from Andrea Enria, Chair of the Supervisory Board, to Frank Schäffler, MdB.](#)

As explained in my letter of 21 July 2020, the ECB issued a Guideline² in 2016 laying down the principles for the coordination of the assessment and the monitoring of IPSs composed of both SIs and LSIs. In line with its mandate for prudential supervision, the ECB conducts regular monitoring exercises together with the NCAs. In the specific case of IPS DSGV, it did so in coordination with the German NCA. Following that approach, and as explained in my letter of 21 July 2020, this review focused on the decision-making process and broader governance structure of IPS DSGV, and any improvement requested is intended to safeguard the continued benefit of the IPS for member institutions, consistent with EU rules. Consequently, we discuss any potential issue in ongoing supervision and in close cooperation with all relevant authorities.

Yours sincerely,

[signed]

Andrea Enria

² [Guideline \(EU\) 2016/1993 of the European Central Bank of 4 November 2016 laying down the principles for the coordination of the assessment pursuant to Regulation \(EU\) No 575/2013 of the European Parliament and of the Council and the monitoring of institutional protection schemes including significant and less significant institutions \(ECB/2016/37\).](#)