

July 2014

Dear Sir / Madam,

2014/15 FSCS levy for major banking failures of 2008/09

Enclosed is an invoice to cover your portion of the levy for the costs relating to the major banking failures of 2008/09 of £845m. This is as announced in the April issue of Outlook. The invoice comprises of three elements:

- Loan interest of £446m
- Capital repayments of £299m
- Dunfermline contribution of £100m

The second instalment of the capital repayments of FSCS's loans for the major banking failures of 2008/09 totals £299m. This sum represents one third of the expected capital shortfall on FSCS's loans, excluding Bradford & Bingley, at 31 March 2016 when the loan terms expire. In 2013/14 the first instalment of £363m was levied, but as a result of an increase in recovery expectations the amount being levied in 2014/15 has reduced to £299m.

This is the first year that the levy includes an installment of the costs for Dunfermline Building Society of £100m. This represents an interim payment to HM Treasury on account of FSCS' contribution to the costs of resolution.

The invoice is payable by 1 September 2014 to enable the loan interest to be paid to HM Treasury by 1 October 2014.

If you have any questions about the calculation of this invoice please contact the FCA's Customer Contact Centre on 0845 6069966 or email the fees helpline on fcafees@fca.gov.uk. If you have any questions about the allocation of the levy, please contact the FSCS's Initial Contact Team on 0800 678 1100 or 020 7741 4100 or by email at enquiries@fscs.org.uk.

Yours faithfully,



Mark Neale
Chief Executive