



Single Rulebook Q&A

Question ID	2013_19
Status	Final Q&A
Legal act	Regulation (EU) No 575/2013 (CRR)
Topic	Own funds
Article	92
Paragraph	-
Subparagraph	-
COM Delegated or Implementing Acts/RTS/ITS/GLs/Recommendations	Not applicable
Article/Paragraph	N/A
Date of submission	03/07/2013
Disclose name of institution / entity	No
Type of submitter	Competent authority
Subject matter	Recognition of Additional Tier 1 and Tier 2
Question	<p>Article 92 of Regulation (EU) No 575/2013 introduces minimum ratios for CET 1 (4,5 %), Tier 1 (6%) and total capital (8 %). Setting aside any buffer requirements, this means that an institution that holds a total capital ratio of 8% can have at most: - 18,75 % of AT 1 capital, and - 25% of Tier 2 capital, as a percentage of its total regulatory own funds. Are these percentages a cap for the recognition of AT 1 and Tier 2 in regulatory capital that may not be exceeded at any time regardless of the capital ratio the institution actually holds (similar to what is currently set out in Article 66 of Directive 2006/48/EC (Capital Requirements Directive)) or does the Regulation (EU) No 575/2013 repeal the gearing limits used in Directive 2006/48/EC (Capital</p>

	Requirements Directive), giving institutions freedom to decide on the composition of their regulatory capital as long as they meet the minimum requirements mentioned in Article 92?
Background on the question	Not given
EBA answer	Additional Tier 1 instruments and Tier 2 instruments can be taken into account in total own funds without limits under Regulation (EU) No 575/2013
Link	https://www.eba.europa.eu/single-rule-book-qa/-/qna/view/publicId/2013_19

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