

EBA Staff

EBA BS 2012 95

24 May 2012

## **Minutes of the EBA Board of Supervisors Teleconference<sup>1</sup>**

22<sup>nd</sup> May 2012 - 12:00hrs – 13:00hrs CET

Location: Telco

1. The Chairperson introduced the call and presented the note prepared by the EBA staff on the follow-up to the Recapitalisation exercise. He noted that the call would be focused on the interaction between the definition of capital used in the 2011 Recapitalisation Recommendation and the transition to the CRD4/CRR definition.
2. This topic had been discussed at the MB meeting that took place on 16 May. The MB agreed to keep the buffer calculated according to the current rules, using the same definition of capital and consequently, the 2011 Recommendation should remain in force until it is rescinded.
3. The position of the EBA staff was to continue to apply the Recommendation based on an unchanged definition of capital. The Recommendation should remain in force until external conditions have improved to such an extent that the Board of Supervisors reviews the Recommendation and rescinds it.
4. The Chairperson opened the floor for comments. Several Members argued for dropping the Recommendation by 31/12/2012 on the basis that it would be confusing for banks to operate within two different frameworks and with two different types of capital targets. They argued in favour of a monitoring exercise based on banks' capital plans for reaching CRD4/CRR targets over time.

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*Please note that these minutes include information which the EBA cannot disclose under its Access to Documents regime due to (i) the public interest as regards the financial, monetary & economic policy of the EU; and (ii) its own, and the Council's, internal consultations and deliberations in order to safeguard their ability to carry out their tasks.*

5. Conversely other Members favoured maintaining the Recommendation until the next stress test given the market conditions and argued that it would be too risky to rescind or change the Recommendation at an earlier stage.
6. There was a general agreement that supervisors should not allow banks to deplete their current absolute levels of capital.
7. One Member indicated that, if the Recommendation is maintained, current definitions should be kept not only for capital but also for the calculation of RWAs.
8. The Chairperson proposed that the *sovereign buffer* should operate in a parallel track, and therefore, it should stay in place until the situation improves taking into account that it can always be reconsidered and reviewed.
9. As far as the *definition of capital* is concerned, from today's discussion it was drawn that the majority is in favour of conserving capital at this stage and preventing them from releasing capital
10. The results of today's discussion will be fleshed out in a paper to be presented at a later BoS meeting.

Andrea Enria  
Chairperson



## Participants at the meeting of the Board of Supervisors Teleconference

London, 22 May 2012

Chairperson                      Andrea Enria

Alternate Chairperson        Matthew Elderfield

<b><u>Country</u></b>	<b><u>Voting member/alternate Representative NCB</u></b>	<b><u>Accompanying Person</u></b>
Austria	Helmut Ettl	
Belgium	Mathias Dewatripont	
Bulgaria	Nelly Kordovska	
Cyprus		
Czech Republic	David Rozumek	
Denmark	Ulrik Nodgaard	
Estonia		
Finland	Jukka Vesala	Kimmo Virolainen

France	Danièle Nouy	
Germany	Raimund Röseler	
Greece	Ioannis Gousios	
Hungary		Laszlo Seregdi
Ireland	Matthew Elderfield	
Italy	Giovanni Carosio	
Latvia		
Lithuania		
Luxembourg	Claude Simon	
Malta	Andre Camilleri	
Netherlands	Jan Sijbrand	
Poland	Andrzej Reich	
Portugal		Adelaide Cavaleiro
Romania		
Slovakia		Tatiana Dubinova
Slovenia	Stanislava Zadavec Capriolo	

Spain	Fernando Vargas
Sweden	Uldis Cerps
UK	Andrew Bailey

**Country**

**Observers**

Norway	Morten Baltzersen
Iceland	
Lichtenstein	Rolf Brueggemann
Croatia	

**Institutions**

**Representatives**

European Commission	Dominique Thienpont
European Central Bank	Mauro Grande
ESRB	
EIOPA	
ESMA	Verena Ross

**Others**

EBA Executive Director Adam Farkas

EBA Director Oversight Piers Haben

EBA Director Regulation Isabelle Vaillant

EBA Staff, Joseph Mifsud and Patricia Juanes