

FINAL EBA Staff

EBA BS 2011 159

24 October 2011

## **Minutes of the EBA Board of Supervisors Teleconference**

20 October 2011: 16:10hrs–17.40hrs

1. The Chair opened the call and welcomed participants. He explained that common haircuts had now been applied to the 'held to maturity' and 'loans to receivables' portfolios; it had also been decided that for the purposes of the buffer these figures should be gross rather than net of taxes.
2. In its open discussion of the issues<sup>1</sup> the Board noted that it might be appropriate for the EBA to reconsider its position on buy-backs, where current CEBS Guidelines require institutions which want to buy-back hybrid instruments to replace these with capital of the same or better quality. During the call widespread agreement was expressed for this suggestion.
3. The point was made that, even if the EBA only comes out publicly with an aggregate figure, without coordination, individual approaches towards publication are likely to be very divergent. The Chair agreed that it would be desirable for the Board to agree, if possible, a coordinated approach to disclosure.
4. The Chair confirmed that for the programme countries his proposal was that they should use their overall programme figures and not apply the EBA's proposed treatment, asking for confirmation that the authorities concerned are content with this.
5. In summing up, the Chair noted the following:

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<sup>1</sup> 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.

- that the majority of the Board had expressed a preference for a dynamic buffer – albeit on a ‘mixed’ basis whereby some fixed target for fresh capital could be set on a case by case basis by NSAs when reviewing banks’ plans;
- that the idea that there should be some incentive to undertake buy-backs had been supported and would be reviewed by EBA Staff;
- that the issue of whether certain hybrid instruments from the private sector should be included was finely balanced and should therefore be the subject of an urgent written procedure, to take place during Friday 21 October 2011. *Written procedure on the inclusion of certain hybrid instruments from the private sector in the proposed capital buffer subsequently completed with a simple a majority in favour*

Andrea Enria

Chair