

EBA BS 2011 208

12 December 2011

Minutes of the EBA Board of Supervisors Teleconference

1 December 2011: 12.10hrs–14.00hrs

1. The Chair debriefed the Board on the 25 November meeting of the ESRB Steering Committee and the previous day's ECOFIN breakfast. He explained that...¹
2. ...
3. Following further discussion, there was support for the Chair's proposal to write to the Presidents of the ECOFIN Council and the ESRB explaining how the EBA, as an independent authority, intends to interpret the need to avoid excessive deleveraging in this context. The Chair would also set out the intention to have a final QM vote on the recap package at next week's Board meeting on 7 December, prior to which views/concerns of the ECOFIN and ESRB would be welcome. He undertook to draft the letter that day, circulate it for comments and send it the following day, on 2 December.
4. There followed a short discussion on the transparency around NSAs' chosen transitional floors and it was agreed that the applicable approach should be clearly disclosed in order to build trust and promote transparency.
5. It was also noted that although the EBA was promoting and keen to coordinate the review and discussion of capital plans within colleges, these are not part of the joint decision process and will be for the consolidating supervisor to agree. However, it will be particularly important to consider the geographical impact of proposed deleveraging within colleges.

¹ 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.

6. Various points were made on the BCCS term sheet. In particular, one member asked whether the EBA Staff were considering whether a minimum amount of 2% RWAs for BCCS should be issued (to ensure that the BCCS conversion brings the bank up to the 9% CT1 ratio) and dropping the right to any regulatory call. Another suggested also dropping the mandatory coupon cancellation. Following the discussion the Chair indicated that these suggestions should not be accommodated.
7. The Chair confirmed that that a revised version of the draft Recommendation with a revised point 3(c) would be circulated for comments that evening.

Andrea Enria
Chair