

EBA BS 2014 127v1

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EBA Staff

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25-26 February 2014

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Location: London

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# EBA Board of Supervisors – Final Minutes

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The EBA Chairperson chaired the meeting.

## Agenda item 2: “Opening, Welcome & Approval of the Agenda”

1. The EBA Chairperson opened the official part of the meeting. He informed of the following changes in the composition of the Board of Supervisors: a) Jukka Vesala stepped down as BoS Member and would be replaced by: Anneli Tuominen, as BoS Member, and Marja Nykanen, as Alternate; b) BoS Member Danièle Nouy also stepped down and would be replaced by Edouard Fernandez-Bollo as BoS Member and Frederic Visnovsky would remain as Alternate; c) BoS Member Raul Malmstein would be replaced by Andres Kurgpõld as new BoS Member and Kilvar Kessler as Alternate.
2. In addition, Ray Vella would replace Karol Gabaretta as BoS Alternate. Andre Camilieri would continue as BoS Member. Further, Andrea Pilati would replace Roberto Rinaldi as Alternate.
3. The meeting agenda was approved. Regarding the minutes of the 11-12 December BoS meeting [EBA BS 2013 642] and the BoS conference call of 27 January [EBA BS 2014 028], both were approved without further changes.
4. EBA Chairperson also announced there would be two further BoS meetings to be convened by conference call related to the EU-wide 2014 stress test exercise.

## Agenda item 3: “Election for MB member and appointment of Mediation panel members”

5. The EBA Chairperson noted that Danièle Nouy has resigned from the EBA’s Management Board (also see above). Thus, a vacancy on the EBA’s Management Board had arisen, for a period of two and a half years.

6. Following a call for nominations for the open Management Board Member position, which was launched on 15th January 2014, the EBA Executive Director received two nominations for the position.
7. Both candidates were asked to introduce themselves and an election by simple majority voting was convened.
8. Regarding the composition on the EBA's Mediation Panel, it was recalled that the amended Article 41 (2) of the EBA Regulation, requires that the BoS shall convoke an independent panel consisting of the Chairperson of the Board of Supervisors and six other Members who are not representatives of the competent authorities party to the disagreement and who have neither any interest in the conflict nor direct links to the competent authorities concerned.
9. The EBA Chairperson proposed to reappoint the existing Members and Alternates of the Mediation Panel into the new Panel for the purposes of Article 19 of the EBA Regulation. For this reason, the EBA had issued on 14 February 2014 a call for nominations for four vacant positions of Alternate Members and for resubmission of interest to participate in the new Panel by the old Mediation Panel Members.

## Conclusion

10. Luigi Federico Signorini was appointed Member of the EBA Management Board with Andrea Pilati as his Alternate.
11. Helmut Ettl, David Rozumek, Fernando Vargas, Andrzej Reich, Pedro Duarte Neves and Andrew Bailey were appointed by consensus as Members of the Mediation Panel in compliance with Article 41 (2) of the EBA Regulation. Jo Swyngedouw, Ulrik Nødgaard, Andres Kurgpõld and Cyril Roux were appointed by consensus as Alternate Members of the Mediation Panel.

## Agenda item 4: “Update on Risk and Vulnerabilities”

12. The EBA Director of Oversight presented the EBA staff view on current risks and vulnerabilities in the EU banking sector. He noted that the staff views incorporated the EBA's risk dashboard data (per Q3/2013), information from the EBA's transparency exercise, and market data.
13. He highlighted the following issues: capital evolution, profitability, deleveraging, asset quality, emerging market risks, mortgages as well as IT/cyber and conduct risks. He emphasised that capital ratios had further improved, but mainly through RWA reductions, while capital levels did not increase, and some trends of increasing cash dividends were noted. The trend of declining average Returns on Equity throughout 2013 continued, as does the deleveraging process and cost-cutting, but as a result of increasing litigation costs the cost-income ratio has not decreased.
14. European banks so far appear to be resilient against emerging market turmoil. IT/cyber and conduct risks would be an issue of increasing importance going forward and will require

heightened supervisory attention. Concerns of an increased trend of credit risk were noted with reference to FX loans, high LTVs and interest only loans.

15. The EBA Chairperson noted some reluctance of banks to issue additional Tier 1 instruments, despite the currently favourable market environment.

16. The Chair of the EBA Standing Committee on Oversight and Practices (SCOP) added to the presentation of the EBA Director of Oversight the following observations, in line with his communicated letter [EBA BS 2014 047]:

- **Asset quality** - The Asset Quality Reviews were helping to instil confidence about the banks to investors. Nevertheless, unwelcome news or apprehension for the results may lead investors to realise 2013 gains and there may be a loss of sentiment.
- **Funding environment** - The current funding environment had allowed some banks to anticipate the completion of their medium and long term funding plans for the year. Supervisors should engage in dialogue on funding and capital plans and consider whether it is a sound move to take advantage of the current environment.
- **Bail-in regulation** - Uncertainty over bail-in-able instruments could lead to mis-pricing of senior debt from institutional investors.
- **Operational, reputational and legal risks** - The banking sector continued to suffer from news stories detailing fines and settlements at substantial cost, related to customer mis-selling as well as collusion. Misconduct may be an indication that the control framework is inadequate. Moreover, the current environment is putting renewed pressure on banks' IT systems.
- **Emerging risks** - Recent developments in the US on the debt ceiling debate and government shutdown, as well as renewed concerns over the shadow banking sector in China have raised concerns. Supervisors and banks should be aware of the size and impact of immediate contagion channels and try to mitigate them whenever possible.

17. BoS Members largely agreed with the views presented. Other BoS Members added to these observations and also referred to developments in the United States which might also impact European banks. Further, disorderly corrections by markets with regards to interest yield curves were noted as another risk.

## Conclusion

18. The BoS took note of the views expressed regarding risks and vulnerabilities. Further, the EBA would aim to take into account conclusions in the design of the scenarios to be used in the upcoming 2014 EU-wide stress test.

## Agenda item 5: “Leverage: Preliminary analysis of data resulting from the voluntary exercise”

19. The EBA Chairperson explained that the report provided a policy analysis and quantitative impact assessment of aligning the current CRR definition of the leverage ratio exposure measure to the Basel III standard published by the Basel Committee on 12 January 2014. It was noted that this report was an own initiative work by the EBA aiming to inform the EU Commission in view of its delegated act on the definitions for the leverage ratio as per Article 456 (1) (j) of the CRR, by which the capital measure and total exposure measure can be amended before the start of public disclosure in 2015.
20. The EBA Chairperson noted that it seemed that alignment with Basel would, on the whole, be preferable.
21. It was noted in particular that for Secured Financing Transactions (SFTs), two alternative interpretations of the CRR text were approximated in this report, as the CRR leaves room for interpretation. One interpretation views that Article 429 (9) CRR determines leverage ratio exposure for SFT positions, whereas the second interpretation views that Article 429 (9) CRR does not replace the SFT accounting exposure but serves as an add-on to it.
22. BoS Members agreed with the general message of the report as well as its timeliness and noted the usefulness of a leverage ratio also with regards to comparability of different banks.

## Conclusion

23. The BoS approved the report, the general conclusion highlighted in paragraph 9 of the cover note and communication to the EU Commission. In case the treatment of SFTs would not be modified by the forthcoming delegated act, BoS Members agreed that the second CRR interpretation would be preferable.

## Agenda item 6: “High Quality Securitisations”

24. EBA staff explained that following the publication by the European Commission of its Green Paper on the long-term financing of the European economy, the EBA had been requested to provide advice (deadline: 15 May 2014) about the appropriateness of promoting a safe and stable securitisation market via the identification of ‘high quality’ securitisation products.
25. In particular, the EBA was asked to advice on whether there is merit in the idea of granting a different prudential treatment to different segments of the securitisation market with a view of promoting the use of ‘high quality’ securitisations.
26. EBA staff explained that distinct securitisation products have performed rather differently during the financial turmoil of 2007-2009. New regulation has been put in place in the EU to address relevant shortcomings, among others: i) retention rules; ii) transparency rules; iii) stricter regulation of CRAs.
27. It was noted that a working group co-led by the Basel Committee and IOSCO was going to be created (February 2014) in order to work on, among other aspects, criteria for the develop-

ment of a simple, transparent and high quality securitisation. Furthermore, the Joint Committee was establishing a joint ESAs Task Force on securitisation, for which ESMA was drafting a mandate, which might engage in further work on this topic.

28. It was noted by EBA staff that EIOPA had already proposed classifying securitisation products into two categories within Solvency II, subject to different capital charges, based on a set of proposed criteria including some related to structural features of the transaction, transparency, listing, the underlying asset class type or underwriting, in response to an earlier call for advice it has received on the prudential treatment of long-term investments, in the context of Solvency II.
29. BoS Members provided their preliminary views with a view to promoting further analysis and work on this within the EBA and the proposed Joint Committee Task Force. Generally, BoS Members were rather sceptical as to whether prudential regulation should be used for promoting a particular market segment, at this stage, unless a securitisation is justified from a risk perspective. It was acknowledged that there also should not be any unjustified obstacles for such markets.
30. Further, doubts were raised whether it was possible to clearly differentiate between high quality securitisations and those that are not. Also, the importance of the transparency and simplicity of securitisation was noted by some BoS Members.
31. The immediate deadline was noted and that generally EBA should avoid diverging from the treatment in the Basel framework. Overall, there was a preference to participate in the BCBS/IOSCO working group in order to ensure international consistency.

## Conclusion

32. The BoS agreed to give a mandate to EBA staff to continue its work on the subject and it was agreed to await developments in the Joint Committee Working Group and international work carried out in the BCBS/IOSCO Working Group. On that basis, a coordinated European view should be brought to the global table by EBA staff.

## Agenda item 7: “Market Infrastructures: Draft CP on the RTS (EMIR) to determine margining standards for non-centrally cleared derivatives”

33. EBA staff mentioned that the current version of the paper had not been subject to a full EBA staff legal review. That meant that the Consultation Paper could still be subject to drafting changes, despite considering it a near-final version.
34. It was noted that the EMIR lacks a framework for the approval of margin models for margins for non-centrally cleared OTC derivatives. Whilst the ESAs had no mandate under EMIR, the

ESAs may provide, in the form of an opinion or guidelines, their views on a robust and reliable framework.

35. It was explained that the draft RTS included a full ban of re-use and re-hypothecation which is more stringent than international standards.

36. BoS Members agreed to the approach proposed by EBA staff. BoS Members supported adding an additional question in the Consultation Paper whether all UCITS-compliant covered bond programmes (and not only those that fulfil the conditions for a preferential treatment in the CRR) should be exempted from posting collateral in order to ascertain whether this is a relevant issue across Member States.

### Conclusion

37. After a long discussion BoS Members did not take a decision in the meeting as not all open/technical issues could be addressed to the full satisfaction of BoS members. A new approval process was sought via written procedure ahead of going public for consultation.

## Agenda item 8: “Market Risk: Draft CP on the final RTS on prudent valuation”

38. The EBA Chairperson explained that the draft Consultation Paper had been developed further to the EBA Discussion Paper and analysis of a comprehensive QIS exercise. The main controversial issue remaining was the combination of approaches on a consolidated basis, for which three options were presented:

- Option 1 – as used in the CP: only institutions above the EUR 15bn threshold would be required to implement the core approach, whereas institutions below the threshold have the option to either implement the core approach or the simplified approach.
- Option 2 enabled consolidated groups to apply the simplified approach for the positions of their smaller subsidiaries, while the group applied the core approach to the remaining consolidated positions. An additional condition would need to be fulfilled: the sum of the absolute value of all fair valued assets and liabilities calculated using the ‘simplified approach’ by all subsidiaries within the group cannot exceed an overall threshold of EUR 15bn.
- Option 3, the “middle ground option”, requiring all entities of a group that breaches the threshold at consolidated level to apply the core approach. Subsidiaries of such a group would no longer have the option to apply the simplified approach.

39. In the discussion most BoS Members supported Option 3, as included in the final draft of the RTS.

### Conclusion

40. The BoS endorsed by qualified majority the final draft RTS, including the middle-ground option, and to proceed with the submission of these draft RTS to the Commission.

## Agenda item 9: “Preparation of the 2014 EU-wide stress test”

41. The EBA Chairperson asked the BoS to discuss the detailed methodology and templates of the 2014 EU-wide stress test. He explained that the methodology tried to address key lessons learned from the 2011 exercise, particularly on the role of the EBA and aimed at clarifying what an EU-wide stress test can and cannot deliver.

42. The EBA Director of Oversight mentioned as particular issues how the funding methodology could practically be enacted, particularly with regards to constraints on Net Interest Income (NII) and LTRO; exceptions from the static balance sheet assumptions; the treatment of old defaulted assets; and sovereign risk double counting of impacts, which was also linked to the application of prudential filters.

43. Regarding the stress scenarios it was discussed whether to consider a tightening of monetary policy by central banks and how this could best be translated into meaningful shocks.

44. Regarding templates, BoS Members did not provide comments.

### Conclusion

45. The BoS agreed that the draft methodology and templates could be shared with the industry for an informal round of discussion after minor amendments proposed during the meeting. The final endorsement would happen subsequently in order to publish the final methodology and templates by the end of April 2014.

46. On the prudential filters, the EBA Chairperson concluded that a sentence could be added in the methodology mentioning that the EBA, in cooperation with the SSM, will investigate whether there are conditions for applying a single approach across the entire EU (for instance, a 60% phasing out of filters by 2016 as per the CRR/CRD rules). Also, further exemptions from the static balance sheet assumption would not be allowed and capital increases after the reference date (December 2013) would not be considered in the computation of the shortfall, but will be considered as mitigating measure by competent authorities in their supervisory reaction function. As regards old defaulted assets, it was agreed that the stock of provisions should cover the expected losses at the end of the stress test horizon.

## Agenda item 10: “European Supervisors Platform (ESP) progress report”

47. The EBA Director of Oversight explained the importance of the project given both the EU institutional level and the BoS Members having agreed to a truly harmonised European supervisory reporting framework. It was noted that the EBA is required to collect supervisory data under CRR/CRD IV provisions from national competent authorities from around 200 credit institu-

tions in the EU. With access to this data, the scope and accuracy of EBA's assessment of main risks and developments affecting the EU's banking system would be significantly widened.

48. It was recalled that the goal of the project was to implement a new reporting platform, able to cope with new EBA reporting requirements, envisaged under the implementation of CRD IV, and supporting the core process chain of data acquisition, data production and data warehousing.

49. Further, the EBA staff will be expecting close cooperation from NCAs, namely on testing of the platform, transmission channels, data quality assurance and high-level features of the reporting institutions needed to setup the technical framework.

50. The EBA's response ability and routines would need to be adapted and enlarged, bringing closely together IT and business units in charge of data collection, management and analysis. The development and implementation stages were set to begin very soon.

### Conclusion

51. The BoS noted the progress report.

## Agenda item 11: "Proposal for change of approval process for XBRL reporting formats"

52. The EBA Chairperson explained that the EBA is responsible for the Data Point Model and the XBRL taxonomy, which supports the EBA's proposed ITS on Common Reporting under the CRR/CRD IV. The XBRL Subgroup (under the EBA's IT Sounding Board), which is composed of subject matter experts from NCAs, would review and endorse the taxonomy before its submission to BoS approval.

53. In order to increase efficiency and reduce the burden on the BoS, it was proposed to delegate the approval of the XBRL taxonomy to the XBRL Subgroup, given that it does not require BoS approval, as it was not part of the ITS.

54. The Management Board would be included in the decision-making process where budgetary implications for either the EBA or national competent authorities could result from any decisions of the XBRL Subgroup.

### Conclusion

55. The BoS approved the proposal by simple majority voting.

## Agenda item 12: "EBA Office Solution" (verbal update)

56. The EBA Executive Director explained that the EBA's Evaluation Committee had concluded the selection and proposed space in One Canada Square in Canary Wharf as the EBA's new office



premises. Further, the MB had also supported this proposal. The move of offices was expected for December 2014. Whilst the EBA had submitted this proposal to the Council and the Parliament on 3 February 2014, at this juncture the Council had discussed the EBA's proposal at its Budget Committee [COM BUD] meeting on 19 February 2014 and had no objection to the proposal, the Parliament had yet to revert, but it was noted that the COBU meeting at the Parliament was scheduled for 4 March 2014, at which the topic is due to be tabled.

## Conclusion

57.The BoS supported the presented approach.

## Agenda item 13: “Final draft technical standard on additional liquidity outflows from derivatives contracts”

58.BoS approval was sought for the final draft RTS on the determination of “an additional outflow corresponding to collateral needs that would result from the impact of an adverse market scenario on the institution's derivatives transactions, financing transactions and other contracts if material” under Article 423 (3) of the CRR.

59.The draft RTS are to be submitted to the EU Commission by 31 March 2014. It was recalled that the EBA had conducted a three month public consultation of the draft RTS which ended on 14 August 2013 [EBA CP 2013 19].

60.EBA staff explained that the draft RTS included three methods to determine additional collateral outflows, namely the Simplified Method, the Advanced Method for Additional Outflows (AMAO) and the Historical Look Back Approach. Institutions would use either the Simplified Method or the Internal Model Method, subject to meeting specified conditions, with the Historical Look Back Approach acting as an obligatory floor. The Standard Method, which was the main method proposed in the Consultation Paper, had been removed as it was deemed too complex.

61.BoS Members expressed various views regarding whether the Simplified Method should or should not be kept in the final draft RTS. While some BoS Members were in favour of removing the Simplified Method from the final draft RTS before sending these to the Commission, others insisted on keeping this method in.

62.Some BoS Members also noted the need for further impact studies on the different approaches in order to be better able to gauge the economic consequences of these. Others highlighted the need for further legal certainty regarding the different approaches.

63.Regarding the materiality threshold, some BoS Members expressed their preference for a simple solution in order to ensure proportionality and honour the mandate set out in Article 423(3).

## Conclusion

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64. The proposed final draft RTS were not approved for submission to the European Commission. Accordingly, further refinement was viewed needed, before a revised proposal could be submitted to the BoS for approval by written procedure in March.

## Agenda item 14: “Report on capital preservation recommendation data collection”

65. The EBA Director of Oversight informed the BoS on the evolution of capital and RWAs in the context of the EBA Recommendation on the preservation of core Tier 1 capital during the transition to the CRR/CRD IV framework [EBA REC 2013 03]. For this purpose, a report was prepared based upon data submitted by national competent authorities to the EBA [EBA BS 2014 056].

66. The actions that banks put in place for meeting the recommendation were discussed. In most of the countries the level of core tier 1 capital remains steady or increases, while RWAs figures decrease in many of them. The EBA Director of Oversight highlighted that there have been many actions on the asset side while capital increases have been limited, particularly after June 2012. The EBA proposed to publish a revised version of the report for external accountability. For this purpose, the EBA staff would prepare a specific report for publication that will be circulated to the BoS for comments and decision by written procedure.

67. With regards to waiver requests submitted for a number of institutions, the EBA Chairperson noted that 13 waiver requests had been received, which the MB had assessed. Moreover, some requests had been received from some NCAs in respect of some credit institutions where core tier 1 capital levels were above the recommended level, to which the MB was of the view that the waiver request was not warranted, with which BoS Members concurred.

68. Some BoS Members questioned whether the report should be published and also noted minor comments with regards to the presentation of particular Member States’ positions. Further, it was noted that the discussion of capital preservation measures in some supervisory colleges seemed to be delayed sometimes.

69. BoS Members noted the time limited nature of the Recommendation given CRR/CRD IV implementation and viewed that the monitoring of the Recommendation should continue, until further assessment by the BoS. A BoS member proposed that the assessment took place by the end of 2014.

## Conclusion

70. The BoS agreed to publish a revised version of the results of the analysis. Going forward, EBA staff was asked to incorporate the results of this kind of analyses in other EBA publications. A proposal would be submitted to BoS Members for approval by written procedure.

## Agenda item 15: “Recovery Plans”

71. BoS Members were updated regarding the fulfilment of the January 2013 EBA Recommendation on the development of recovery plans, and were presented with the outcome of the EBA staff exercise that compared 20 recovery plans of major cross-border European banking groups.
72. In its Recommendation on the development of recovery plans, the EBA had requested national competent authorities responsible for the supervision of 39 banking groups to require these entities to develop group recovery plans and present them by the end of 2013. The Recommendation also required colleges of supervisors to engage in the discussion following receipt of the recovery plans.
73. It was noted that the Recommendation encouraged a number of NCAs to advance the timetable for requiring recovery plans. The EBA had evidence that 36 banks presented their recovery plans to the respective competent authorities. The EBA noted the engagement of colleges in the assessment or at least the discussions on the recovery plans. The EBA observed that 25 out of 39 colleges of supervisors have been kept informed about the development of recovery plans by the consolidating supervisors.
74. The comparison exercise of recovery plans undertaken by the EBA staff focused on four key areas: governance arrangements, recovery indicators, scenarios and recovery options and has demonstrated the significant progress that has been made by major European banking groups in the preparation of recovery plans.
75. BoS Members encouraged EBA staff to continue its work in developing expertise and building a comprehensive library of best practices feeding also into the work on the development of the module of the Single Supervisory Handbook, as well as providing direct feedback and guidance to the competent authorities.
76. BoS Members agreed that the use of reverse stress testing should be promoted by the competent authorities for the purposes of recovery planning.
77. The BoS Members noted that the recovery plans are being constantly developed and are presented to the EBA and colleges in different stages of their development, and cannot be easily compared. It was therefore suggested that authorities should be encouraged to share the recovery plans and updates of recovery plans as soon as available with the EBA.
78. BoS Members agreed that more work should be done by the EBA in the area of consideration and assessment of systematic impacts of the simultaneous execution of identical recovery measures both by the banking groups and competent authorities. However, the work should not lead into formal guidelines at this early stage of the development of the recovery plans. Furthermore, BoS Members noted that recovery plans should also entail a systemic dimension, and where relevant, competent authorities may seek views of the ESRB in assessing whether in a systemic crisis situation recovery plans by banks would entail conflicting actions or overlapping ones, which would not be practicable under such circumstances.

## Conclusion

79. The BoS Members endorsed the policy directions mentioned in the Note on the fulfilment of the EBA Recommendation on development of recovery plans and follow up work [EBA BS 2014 039].

## Agenda item 16: “Internal Impact Study Group (ISG) Reports on Basel III QIS monitoring exercise (Public Report and Annex for Internal Use) and Basel II capital requirements monitoring exercise”

80. The EBA Chairperson introduced the public Basel III Monitoring Exercise Report and noted the continuing trend of convergence towards Basel III Pillar 1 thresholds and objectives.

81. The Impact Study Group (ISG) Co-Chair presented the main findings of the report. He noted that compared to the previous exercise, the capital results show an increase in Group 1 banks' average CET1 ratio of 0.8 percentage points, assuming full implementation of the Basel III framework; the corresponding shortfall with respect to the 7% target level (also considering capital surcharge for G-SIBs) decreased from EUR 70.4bn to EUR 36.3bn, i.e. by 48.4%. Regarding liquidity, he noted that the average LCR is 104% and 132% for Group 1 and Group 2 banks, respectively. Further, two-thirds of all the banks already meet the final 100% LCR requirement, while 14% are still below 60% (transitional floor for 2015). Regarding leverage, it was explained that the average leverage ratios have not change significantly since the last report.

82. The ISG Co-Chair proposed that the NSFR should not be published, as the limited data availability due to the anticipated revised NSFR framework does not allow to draw conclusions on the evolution of NSFR.

83. The ISG Co-Chair highlighted several operational issues with regards to producing the monitoring exercise reports in the future. It was envisaged that the capital and RWA data for the exercise would be derived from the ITS on common reporting under the CRR/CRD IV, once implemented.

## Conclusion

84. The BoS approved the content of the public Basel III monitoring exercise report. Further, the BoS approved that a note on the way forward on the information needs would be shared at the May BoS meeting.

## Agenda item 17: “Possible delay of implementation of ITS on asset encumbrance reporting”

85. The EBA Chairperson explained that a significant concern had arisen regarding the asset burden put on institutions. At SCARA level requests had been initiated to delay the asset encumbrance reporting. Several national competent authorities had already expressed a preference

for delaying the first reporting date for data to be reported under the ITS on asset encumbrance.

86. According to the CRR, the EBA had to develop an ITS on reporting of all forms of asset encumbrance by 1 November 2013. In addition to that, the EBA was requested by the ESRB to develop guidelines on harmonised templates and definitions in order to facilitate the monitoring of asset encumbrance and report to the ESRB how it intends to fulfil the ESRB recommendation by 31 December 2013<sup>1</sup>. The ESRB Recommendation additionally required the EBA to deliver a first monitoring report to the ESRB on asset encumbrance by 30 September 2014 (this deadline had already been extended to 31 March 2015). The EBA submitted the whole ITS package to the European Commission on 31 October 2013.

87. BoS Members noted a number of procedural issues that a delay might cause, which were raised by the EBA Chairperson. These might make it difficult for the EBA to fulfil an ESRB request on time and, that given the BoS had prior approved the draft Final ITS, it would now be difficult for the EBA to duly justify a delay.

88. The BoS discussed whether to amend or resubmit the whole ITS package to the European Commission, also noting that the Commission was still in the process of adopting the ITS. BoS Members suggested to ask the Commission to postpone the reporting date in the final ITS.

## Conclusion

89. BoS Members decided to propose an amendment to the draft ITS, delaying the first reporting date, from 30 June 2014 to 31 December 2014 for large banks. The EBA Chairperson would send a letter to the European Commission to that effect. Furthermore, the ESRB would be informed about the intended delay.

## Agenda item 18: “Reports from Committees”

90. Several Reports from the EBA’s Standing Committees were submitted to the BoS for information.

91. The EBA Chairperson noted the SCARA Progress Report [EBA BS 2014 044] and in particular highlighted an issue raised during the last SCARA meeting regarding whether to continue conducting the yearly assessment of Pillar 3 disclosures due to resources and timing of release issues. While the EBA generally should continue its work regarding transparency. It was suggested to go a step beyond what the EBA has done so far by starting work on disclosure harmonisation. Under this circumstance, the EBA would put the Pillar 3 assessment on hold for this year and focus its efforts on the Guidelines and harmonisation.

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<sup>1</sup> See ESRB Recommendations on funding of credit institutions [ESRB/2012/2].

## **Conclusion**

92. The BoS noted the Reports from Committees and agreed to the suggested way forward raised by SCARA in [EBA BS 2014 044].

## **Agenda item 19: AoB**

93. There was no other business.

*[signed]*

**Andrea Enria**

**Chairperson**

## Participants at the Board of Supervisors Meeting

London, 25-26 February 2014

Chairperson: Andrea Enria

| Country        | Voting Member or Alternate                     | Representative NCB                         |
|----------------|--|--|
| Austria        | Helmut Ettl                                    | Andreas Ittner, Ingeborg Stuhlbacher       |
| Belgium        | Jo Swyngedouw, Rudi Bonte                      | Veerle De Vuyst                            |
| Bulgaria       | Tzvetan Gounev                                 |  |
| Croatia        | Damir Odak                                     |  |
| Cyprus         | Argyro Procopiou                               |  |
| Czech Republic | David Rozumek                                  | Marek Sokol                                |
| Denmark        | Ulrik Nødgaard                                 | Martin Olof Holmberg, Sean Hove            |
| Estonia        | Andres Kurgpõld                                |  |
| Finland        | Anneli Tuominen                                | Kimmo Virolainen                           |
| France         | Edouard Fernandez-Bollo,<br>Frederic Visnovsky | Philippe Richard                           |
| Germany        | Peter Lutz                                     | Erich Loeper, Julia Blunck                 |
| Greece         | Kyriaki Flesiopoulou                           |  |
| Hungary        | Péter Gábor                                    | Judit Matusek                              |
| Ireland        | Mary Burke                                     |  |
| Italy          | Luigi Federico Signorini, Andrea Pilati        | Maurizio Trapanese                         |
| Latvia         | Kristaps Zakulis                               | Vita Pilsuma                               |
| Lithuania      | Aldona Jociene                                 |  |
| Luxembourg     | Claude Simon                                   | Norbert Goffinet                           |
| Malta          | Andre Camilleri                                | Alexander Demarco                          |
| Netherlands    | Jan Sijbrand, Anthony Kruizinga                | Olena Loboiko                              |
| Poland         | Andrzej Reich                                  | Maciej Brzozowski, Izabella Szaniawska     |
| Portugal       | Pedro Duarte Neves                             | Adelaide Cavaleiro                         |
| Romania        |  |  |
| Slovakia       | Tatiana Dubinova                               |  |
| Slovenia       | Matej Krumberger                               |  |
| Spain          | Fernando Vargas, Cristina Iglesias-Sarria      |  |
| Sweden         | Uldis Cerps                                    | Olof Sandstedt                             |
| UK             | Andrew Bailey, Katharine Braddick              | Fiona Mann, Lisa Robinson, Duncan McKinnon |

**Country****Observer**


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|               |                    |                  |
|---------------|--------------------|------------------|
| Iceland       | Jon Thor Sturluson | Jonas Thordarson |
| Liechtenstein | Rolf Brüggemann    |                  |
| Norway        | Morten Baltzersen  | Sindre Weme      |

**Institutions****Representative**


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|                       |                                  |
|-----------------------|----------------------------------|
| European Commission   | Niall Bohan, Dominique Thienpont |
| European Central Bank | Ignazio Angeloni, Jukka Vesala   |
| ESRB                  | Francesco Mazzaferro             |
| EIOPA                 | Justin Wray                      |
| ESMA                  | Verena Ross                      |

**Others**


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|                        |               |
|------------------------|---------------|
| Executive Director     | Adam Farkas   |
| Director of Oversight  | Piers Haben   |
| Director of Operations | Peter Mihalik |

EBA staff: Slavka Eley, Corinne Kaufman, Lars Overby, Mario Quagliariello, Delphine Reymondon, Stefan Andresen, Pilar Gutierrez, Lampros Kalyvas, Gerbert van der Kamp, Christian Moor.