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COVER NOTE

From:	Mr Francesco Mazzaferro, Head of ESRB Secretariat
date of receipt:	15 March 2017
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
Subject:	Follow-up to the ESRB Recommendation on funding of credit institutions (ESRB/2012/2)

In line with Article 17(2) of the European Systemic Risk Board (ESRB) Regulation (EU) No. 1092/2010, delegations will find attached information regarding the Follow-up to the ESRB Recommendation on funding of credit institutions (ESRB/2012/2).

As indicated in the attached letter, two sets of documents were transmitted by the ESRB to the Council:

- 1) the responses provided by the addressees to the aforementioned Recommendations;
- 2) the follow-up assessment reports of the aforementioned Recommendations

Whereas the documents referred to under point 1 above may be distributed only upon request, the follow-up assessment reports referred to under point 2 are made available as addenda to this note:

- “Follow-up Report on Funding Plans (sub-recommendations A(1), A(2) and A(3)) – Recommendation ESRB_2012_2 (ADD 2 - LIMITE)”,
- “Follow-up Report on Funding Plans (sub-recommendation A(4)) –Recommendation ESRB_2012_2 (ADD 3 - LIMITE)”,
- “Follow-up Report on Asset Encumbrance (sub-recommendations B, C(1), C(2), C(4), D(1), E(4)) –Recommendation ESRB_2012_2 (ADD 4 - LIMITE)”,
- “Follow-up Report on Asset Encumbrance (sub-recommendations B, C(3), D) – Recommendation ESRB_2012_2 (ADD 5 - LIMITE)”,
- “Follow-up Report on Asset Encumbrance (sub-recommendations B, D(1), E(4)) – Recommendation ESRB_2012_2 (ADD 6 - LIMITE)”,
- “Follow-up Report on Asset Encumbrance (Sub-recommendation C(1), C(2), C(4), E(2), E(3)) – Recommendation ESRB_2012_2 (ADD 7 - LIMITE)”,
- “Follow-up Report on Covered Bonds (sub-recommendations E(1), E(2), E(4)) - Recommendation ESRB_2012_2 (ADD 8 - LIMITE)”.

Synthesised policy report showing the conclusions drawn up from the assessments

- “ESRB Recommendation on the funding of credit institutions (ESRB/2012/2) - Summary Compliance Report (ADD 1 - PUBLIC)”.

~~E-MAIL / FAX~~



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Frankfurt, 14 March 2017
ESRB/2017/0026

Follow-up to the ESRB Recommendation on funding of credit institutions (ESRB/2012/2)

Dear Mr Tranholm-Mikkelsen,

This is to inform you of the follow-up to the public Recommendation ESRB/2012/2¹ on funding of credit institutions which was addressed to competent authorities, authorities with a macroprudential mandate and the European Banking Authority (EBA). An assessment of the implementation was carried out under the auspices of the ATC of the ESRB and was based on the responses provided by the addressees. The results of this assessment are depicted in seven follow-up assessment reports and a final Summary Compliance Report. The reports, as well as the assessment documentation of this Recommendation, are being transmitted to the Council. However, it should be noted that the assessment of the implementation of sub-recommendation A(5) of the Recommendation will be conducted only after the publication of this report when the deadline for the EBA's input falls due on 31 March 2015.

Following the previously established practice, between the ESRB and the European Council, you can find a copy of all of the responses provided by the addressees enclosed to this letter. Addressees have to communicate the actions taken in response to the ESRB recommendations to both the ESRB and the Council. The ESRB is also submitting all of these responses to the Council. The responses can be found in the attached zip files named "Responses by the addressees".

Moreover, the ESRB is providing the follow-up assessment reports of the abovementioned Recommendation. These follow-up reports have been approved by the General Board of the ESRB. They are included in the following files:

Reports showing the implementation of each sub-recommendation by each addressee

- (i) "Follow-up Report on Funding Plans (sub-recommendations A(1), A(2) and A(3)) – Recommendation ESRB_2012_2 (limite)",



- (ii) "Follow-up Report on Funding Plans (sub-recommendation A(4)) – Recommendation ESRB_2012_2 (limite)",
- (iii) "Follow-up Report on Asset Encumbrance (sub-recommendations B, C(1), C(2), C(4), D(1), E(4)) – Recommendation ESRB_2012_2 (limite)",
- (iv) "Follow-up Report on Asset Encumbrance (sub-recommendations B, C(3), D) – Recommendation ESRB_2012_2 (limite)",
- (v) "Follow-up Report on Asset Encumbrance (sub-recommendations B, D(1), E(4)) – Recommendation ESRB_2012_2 (limite)",
- (vi) "Follow-up Report on Asset Encumbrance (Sub-recommendation C(1), C(2), C(4), E(2), E(3)) – Recommendation ESRB_2012_2 (limite)",
- (vii) "Follow-up Report on Covered Bonds (sub-recommendations E(1), E(2), E(4)) - Recommendation ESRB_2012_2 (limite)".

Synthesised policy report showing the conclusions drawn up from the assessments

- (i) "ESRB Recommendation on the funding of credit institutions (ESRB/2012/2) - Summary Compliance Report (public)".²

We would kindly request you to transmit these ESRB assessment reports to the representatives of the assessed Member States.

Only the Summary Compliance Report is published on the ESRB website.

All the non-public documentation provided should be treated in a confidential manner. Therefore, "limite" labelling has been applied to all the non-public documentation.

I remain at your disposal should you need any clarification on the above.

Yours sincerely,


Francesco Mazzeferro

² Summary Compliance Report, ESRB Recommendation on funding of credit institutions ESRB/2012/2, March 2017, <https://www.esrb.europa.eu/home/html/index.en.html>



Attachments enclosed

For information:

- 1) "Input from addressees (30-06-2014) (limite)"
- 2) "Input from addressees (31-12-2014) (limite)"
- 3) "Input from addressees (30-06-2015) (limite)"
- 4) "Input from addressees (30-09-2015) (limite)"
- 5) "Input from addressees (31-12-2015) (limite)"
- 6) "Input from addressees (31-03-2016) (limite)"
- 7) "Input from addressees (30-06-2016) (limite)"
- 8) "Input from addressees (31-07-2016) (limite)"
- 9) "Input from addressees (30-09-2016) (limite)".

For transmission to the assessed Member States:

- 10) "Follow-up Report on sub-recommendations A(1), A(2) and A(3)) – ESRB_2012_2 (limite)"
- 11) "Follow-up Report on sub-recommendation A(4)) – ESRB_2012_2 (limite)"
- 12) "Follow-up Report on sub-recommendations B, C(1), C(2), C(4), D(1), E(4)) – ESRB_2012_2 (limite)"
- 13) "Follow-up Report on sub-recommendations B, C(3), D) – ESRB_2012_2 (limite)"
- 14) "Follow-up Report on sub-recommendations B, D(1), E(4)) – ESRB_2012_2 (limite)"
- 15) "Follow-up Report on sub-recommendation C(1), C(2), C(4), E(2), E(3)) – ESRB_2012_2 (limite)"
- 16) "Follow-up Report on sub-recommendations E(1), E(2), E(4)) - ESRB_2012_2 (limite)"
- 17) "Summary Compliance Report - overall assessment_Recommendation ESRB_2012_2 (public)".