

DECISIONS

COUNCIL IMPLEMENTING DECISION

of 22 January 2013

amending Implementing Decision 2011/77/EU on granting Union financial assistance to Ireland

(2013/48/EU)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EU) No 407/2010 of 11 May 2010 establishing a European financial stabilisation mechanism ⁽¹⁾, and in particular Article 3(2) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) Upon a request by Ireland, the Council granted financial assistance to it by means of Implementing Decision 2011/77/EU ⁽²⁾ in support of a strong economic and financial reform programme aiming at restoring confidence, enabling the economy to return to sustainable growth, and safeguarding financial stability in Ireland, the euro area and the Union.

(2) In line with Article 3(9) of Implementing Decision 2011/77/EU, the European Commission, together with the International Monetary Fund (IMF) and in liaison with the European Central Bank (ECB), has conducted the eighth review of the Irish authorities' progress on the implementation of the agreed measures as well as of the effectiveness and economic and social impact of those measures.

(3) Significant progress has been made towards the programme's bank deleveraging objectives. Specifically, two domestic banks have either already met or are well on their way towards meeting the 122,5 % loan-to-deposit ratio (LDR) target, originally envisaged to be met by the end of 2013. The remaining domestic bank has completed some non-core asset disposals and its programme deleveraging requirements will be reassessed following a decision on its restructuring plan by the European Commission.

(4) In view of that significant progress, a modification of the programme's monitoring framework for banks'

deleveraging towards nominal non-core asset disposal targets and advanced monitoring designed to ensure that banks improve their net stable funding ratios (NSFRs) and their liquidity coverage ratios (LCRs) would contribute to avoiding any undue distortion in banks' deposit pricing and prepare banks for compliance with Basel III liquidity requirements.

(5) In light of those developments and considerations, Implementing Decision 2011/77/EU should be amended,

HAS ADOPTED THIS DECISION:

Article 1

Article 3 of Implementing Decision 2011/77/EU is amended as follows:

(1) in paragraph 8, point (c) is replaced by the following:

'(c) the deleveraging of the domestic banks towards the nominal targets for non-core asset disposals and amortisation established under the 2011 PLAR, unless otherwise agreed with the European Commission in the context of ongoing assessments of banks' restructuring plans, and the monitoring of banks' progress towards the relevant Basel III liquidity and net-stable-funding ratio requirements in line with the advanced monitoring framework agreed under the programme;'

(2) paragraph 10 is replaced by the following:

'10. Ireland shall during 2013, in line with specifications in the Memorandum of Understanding:

(a) complete bank stress tests, aligned to the European Banking Authority (EBA) exercise, building on the outcomes from PCAR 2011 and the Financial Measures Programme 2012. The stress test shall be rigorous and continue to be based on robust loan-loss forecasts and a high level of transparency. The publication of the results shall be aligned with the timing of the next EBA exercise.

⁽¹⁾ OJ L 118, 12.5.2010, p. 1.

⁽²⁾ OJ L 30, 4.2.2011, p. 34.

- (b) deleverage the domestic banks towards the end-2013 nominal targets for non-core asset disposals and amortisation established under the 2011 PLAR, unless otherwise agreed with the European Commission in the context of ongoing assessments of banks' restructuring plans, and monitor banks' progress towards the relevant Basel III liquidity and net-stable-funding ratio requirements in line with the advanced monitoring framework agreed under the programme.'

Article 2

This Decision is addressed to Ireland.

Done at Brussels, 22 January 2013.

For the Council
The President
M. NOONAN
