

Annex III _ Draft proposals on hybrids

Table on the limits to the inclusion of hybrids in original own funds as disclosed in the June report 2007)

Country	Supervisory limit on innovative instruments (hybrids with an incentive to redeem, e.g. a step-up)	Supervisory limit on hybrids excluding non cumulative preference shares (includes the limit of the first column unless otherwise stated)	Limit on perpetual non cumulative preference shares defined under National Law (in % of ordinary shares)	Maximum supervisory limit on hybrids (innovative instruments, non innovative instruments, non cumulative perpetual pref. shares; including the limits of all the preceding columns, unless otherwise stated)
AT	15%	30%	33%	30%
BE	15%	33%	33% (1)	33%
BG	Not eligible as original own funds		Does not exist in the legislation	
CY	15%	15%	No limit	15%(9)
CZ	Not eligible as original own funds		Does not exist in the legislation	
DE	15%	50%	does not exist(8)	50%
DK	15%	15%	No limit	15%(9)
EE	Not eligible as original own funds		No limit	Not eligible
EL	10%(7)	25%(7)	No limit (1)	25%(9)
ES	15%	30%	50%	30%
FI	15%	15%	No limit	15% (11)
FR	15%	25%	25% (1) (2)	50%
HU	Not eligible as original own funds	15%	No limit	
IC	15%	33%	No defined	33%
IE	15%	49%	No limit	49%
IT	15%	20%(3)	50%	20% (4)
LI	Not eligible as original own funds		Does not exist(8)	Not eligible
LT	Not eligible as own funds		33% (5)	No limit (5)
LU	15%	15%	Does not exist	15%
LV	Not eligible as original own funds		No limit(1)	Not eligible
MT	15%	Not eligible as original own funds	No limit(10)	15%(9)
NL	15%	50%	No limit	50%
NO	15%	15% (1)	No limit (1)	15%
PL	Not eligible as original own funds		Does not exist in the legislation	
PT	20%	20%	50%(6)	20% (4)
RO	Not eligible as original own funds			
SK	Does not exist in the legislation			
SL	15%	15%	No limit	49%
SW	15%	15%	No limit(6)	15%(9)
UK	15%	15%	No limit	50 %

(1) No issuance

(2) For publicly listed companies.

(3) This limit is valid as of 1 January 2007. Until 31 December 2006, the limit was 15%.

(4) This limit does not take into account the limit on non cumulative preference shares indicated in the third column.

(5) The New Regulations which come into force in 2008 foresee a limit on perpetual non cumulative preference shares of 15% of original own funds.

(6) Issuance is unusual.

- (7) Limits valid for new issues of hybrids as of 1 January 2006. Until 31/12/05, the limits were respectively 15% and 30%.
- (8) Preference shares can only be cumulative and therefore only eligible as additional own funds
- (9) Does not cover non cumulative preference shares as they are not hybrids in the law
- (10) No limit so far. In the near future this position is going to be analysed in detail to check if there is any need to include a limit.
- (11) Finnish FSA recommendation (not legally binding)