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Report of the President's meeting with Mr Anshu Jain, CEO of Deutsche Bank

Monday 3 December 2012

President Barroso received Mr Anshu Jain, one of the two co-CEOs of Deutsche Bank, for an exchange of views on the international consistency of banking regulation, financial integration in the euro area, and the wider global economic situation. Mr Jain was accompanied by Andrew Procter and Ansgar Tietmeyer.

The discussion focused on the following issues:

- **Implementation of Basel III:** Mr Jain agreed with the objectives and substance of the Basel III accord on capital requirements, but warned against the EU implementing the rules by the initial deadlines, given the US decision to delay its implementation. While underlining that Deutsche Bank will implement Basel III by the end of the first quarter 2013, Mr Jain argued that asymmetric implementation would leave European banks without a level playing field vis-à-vis US banks. Mr Jain moreover argued that Asian countries will follow the US' lead and called for a globally synchronised (even if delayed) implementation. The President acknowledged Mr Jain's concerns regarding the need to maintain a level playing field, while underlining the EU's commitment to Basel III. The EU will address the issue at forthcoming meetings of the Financial Stability Board.
- **Report of the High Level Expert Group on reforming the structure of the EU banking sector (Liikanen report):** Mr Jain strongly argued against a mandatory separation of retail and investment banking, as recommended by the report. Mr Jain argued that European banks are attached to the universal banking model and would lose competitiveness vis-à-vis US banks, given that the US did not envisage equivalent measures. The President explained that the Expert Group provided an independent opinion and that the Commission is still considering its position and will take into account the reactions of all stakeholders to the recent public consultation.
- **Banking Union:** Mr Jain confirmed Deutsche Bank's support for the proposed Single Supervisory Mechanism and reiterated that its scope should extend also to smaller banks. Mr Jain cautioned against the mutualisation of deposit guarantee schemes. The President recalled the need to swiftly agree on the creation of the Single Supervisory Mechanism, which would pave the way for the direct recapitalisation of banks by the ESM. As regards deposit guarantee schemes, the President underlined that the Commission's priority is the adoption of its existing proposal, obliging each Member State to create a national scheme.

- **Global economic situation:** The President and Mr Jain exchanged views on the situation in the euro area, prospects for EU-US and EU-India free trade agreements, as well as growth developments in China and emerging markets.

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