



SRB-Banking Industry Dialogue meeting

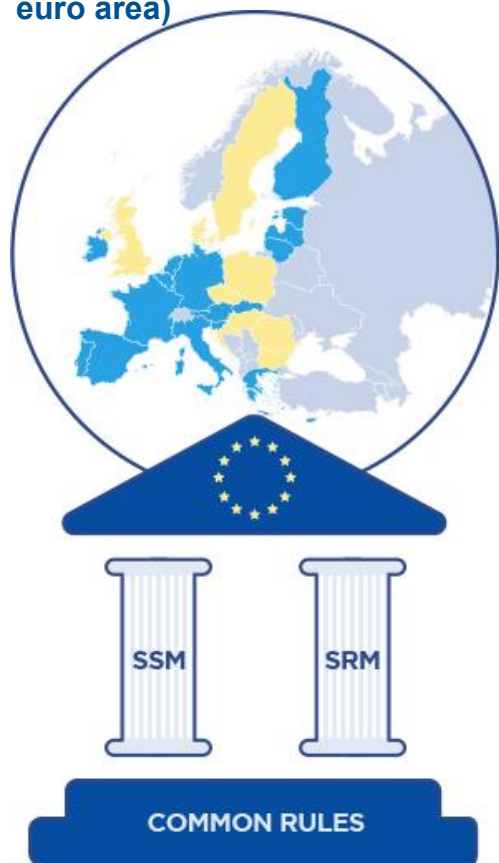
Resolution planning in the context of the Banking Union

**Single Resolution Board**

# SRB Key Tasks & Resolution Priorities

**Mission:** to ensure an orderly resolution of failing banks with minimum impact on the real economy and public finances of the participating Member States and beyond

- Participating Member State (euro area)
- Non-participating Member State (non-euro area)



- Establish **uniform rules and procedures for the resolution of entities**
- Establish a **credible and feasible resolution regime**
- **Remove obstacles** to resolution in order to make the banking system in Europe safer
- **Ensure unified decision-making process** for resolution within the Banking Union to foster market confidence
- **Minimise the cost of resolution and avoid destruction of value** unless necessary to achieve the resolution objectives
- **Provide key benefits** for taxpayers, banks, deposit-holders and contribute to financial and economic stability in the entire EU

# State of progress of setting up the SRB

Q1 2015: setting up SRB, recruitment, installation, rules



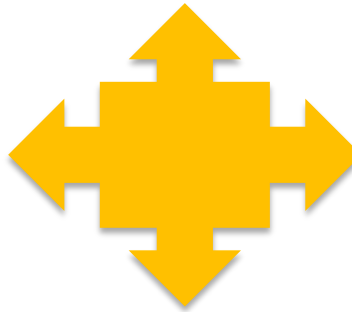
Q2 2015: 4 committees created, with participation of NRAs

Committee on  
Resolution Planning

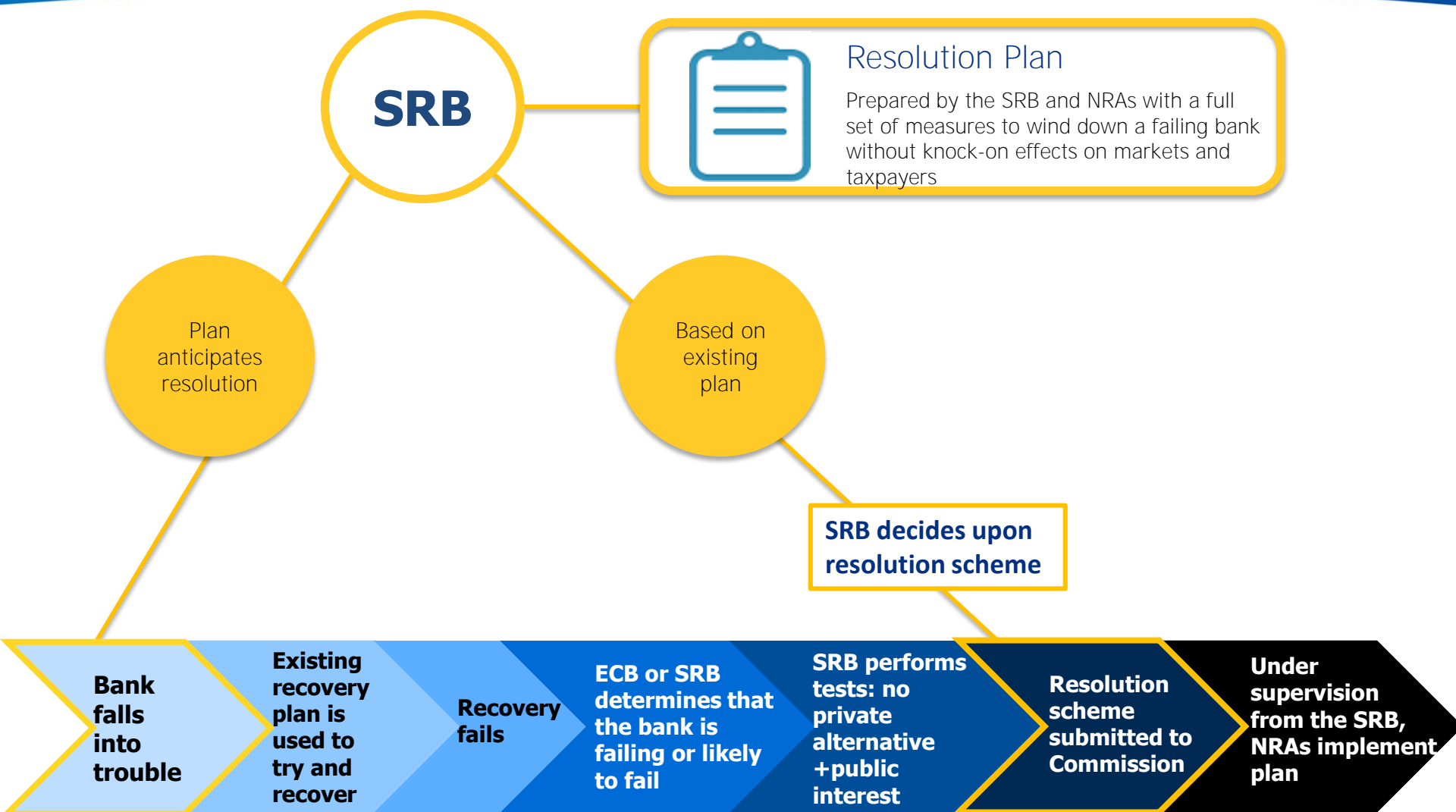
Committee on  
Crisis Management

Committee on  
Cooperation with NRAs

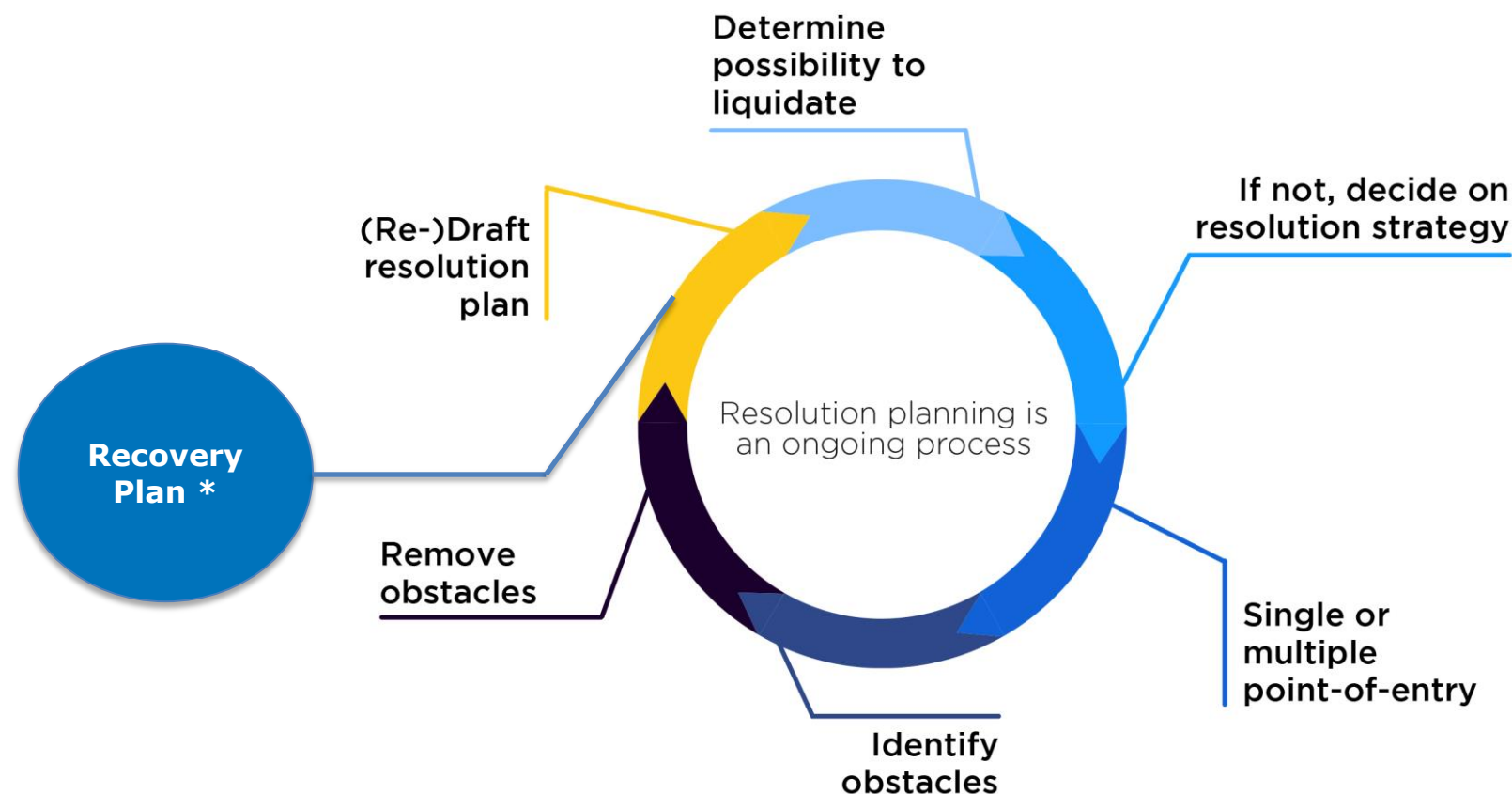
Committee on  
Contributions



# Resolution: planning and action



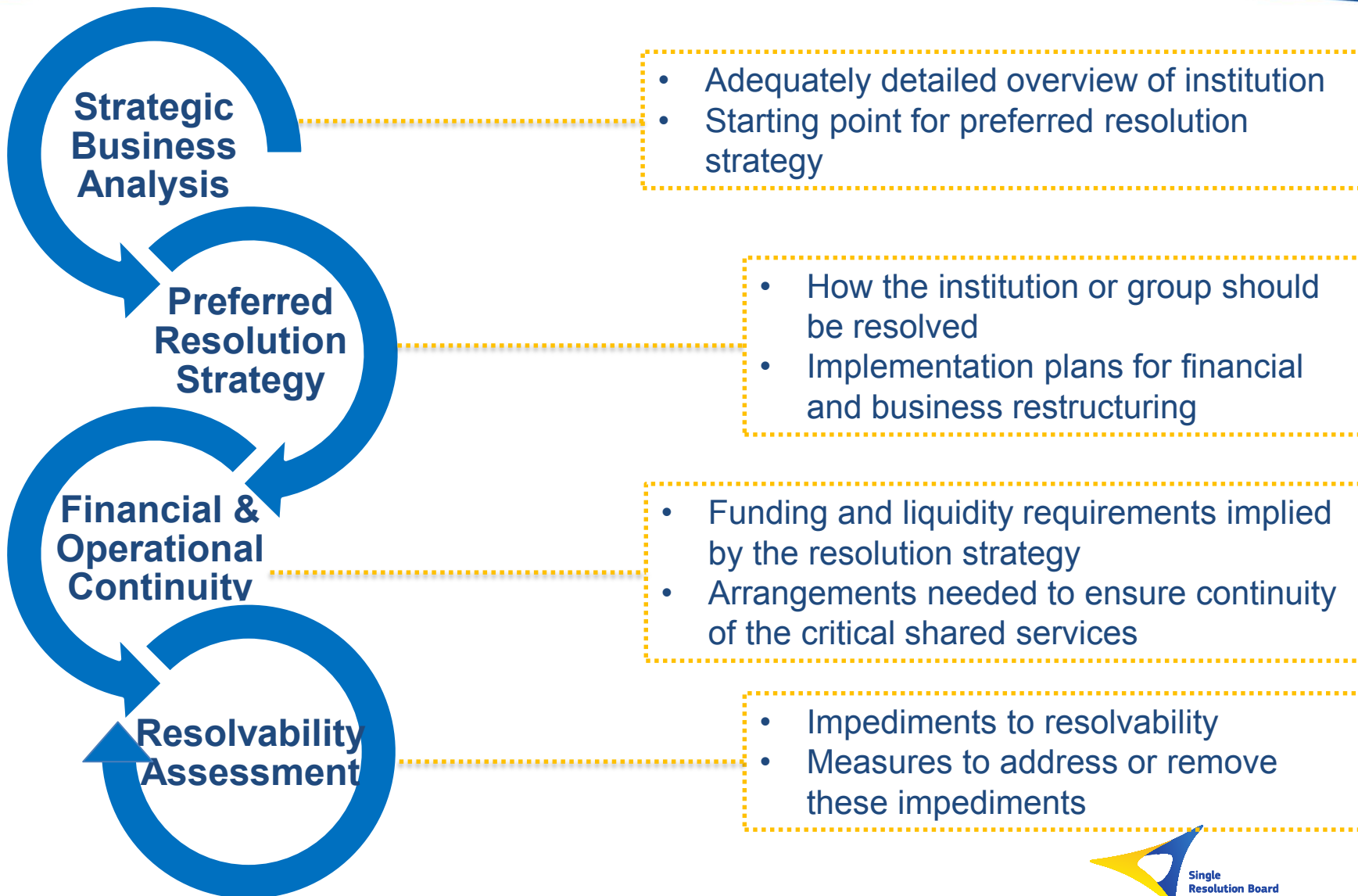
# Resolution planning process



**Resolution plans will be drawn up and updated at least annually**

\* The SRB shall identify any actions in the recovery plan which may adversely impact resolvability

# Resolution planning: Building Blocks



# Resolution Planning: Overview

## Main Components of Resolution Plan

- 1 Management Summary
- 2 Strategic Business Analysis
- 3 Preferred Resolution Strategy
- 4 Financial and Operational Continuity
- 5 Information and Communication Plan
- 6 Conclusion of the Resolvability Assessment
- 7 Opinion of the Institution

# Interplay between “Information requirements” and “Assessment framework”

## Resolution plan

... must provide all information necessary to identify the preferred resolution strategy and for the removal of impediments to resolvability.

### Information requirements

Wide range of information and analyses will be required for the preparation of the resolution plan

To be accumulated by institutions and Resolution Authorities

&

### Assessment framework

Provided information and analyses must be validated and evaluated by Resolution Authorities

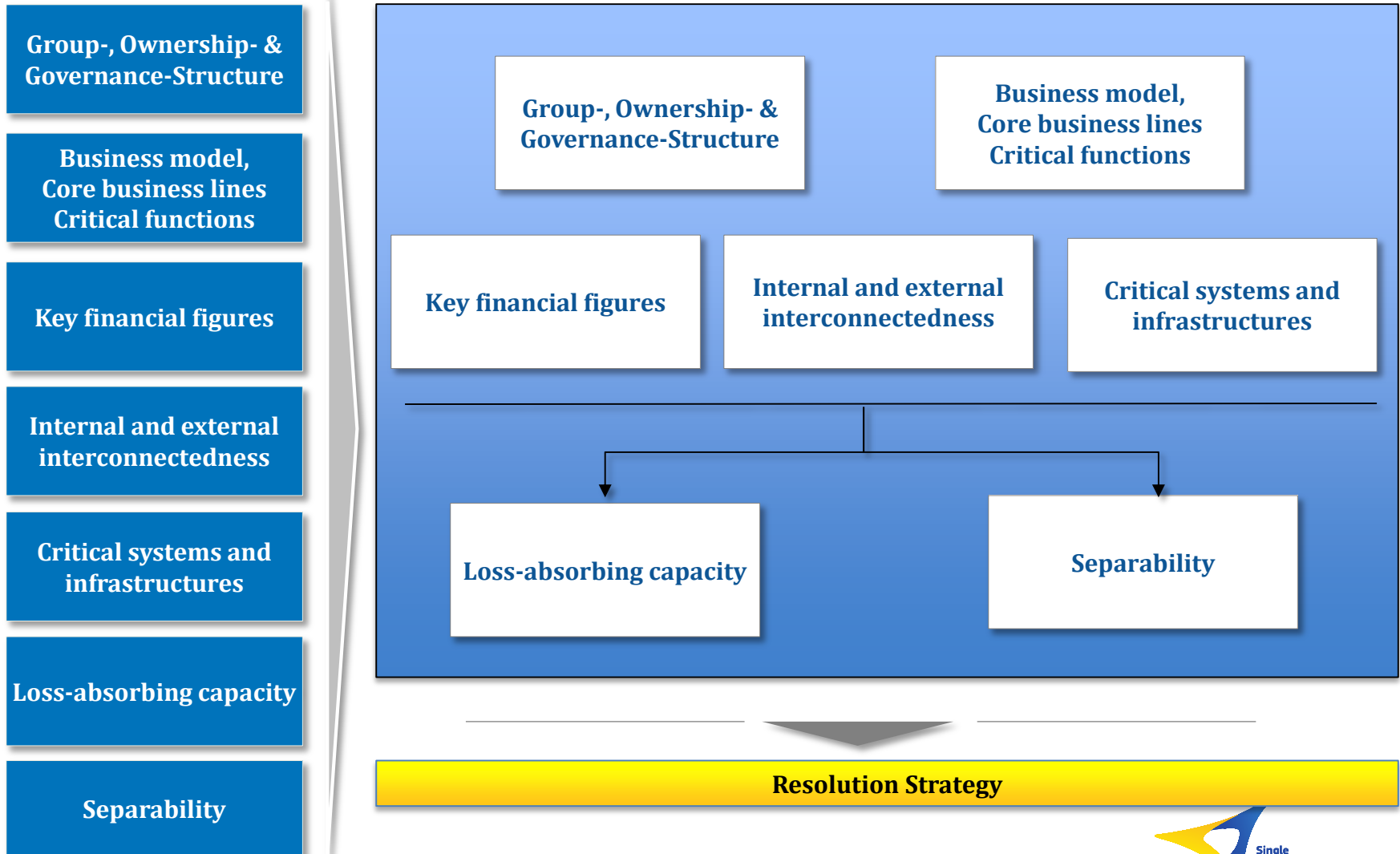


# Resolution Planning: Overview

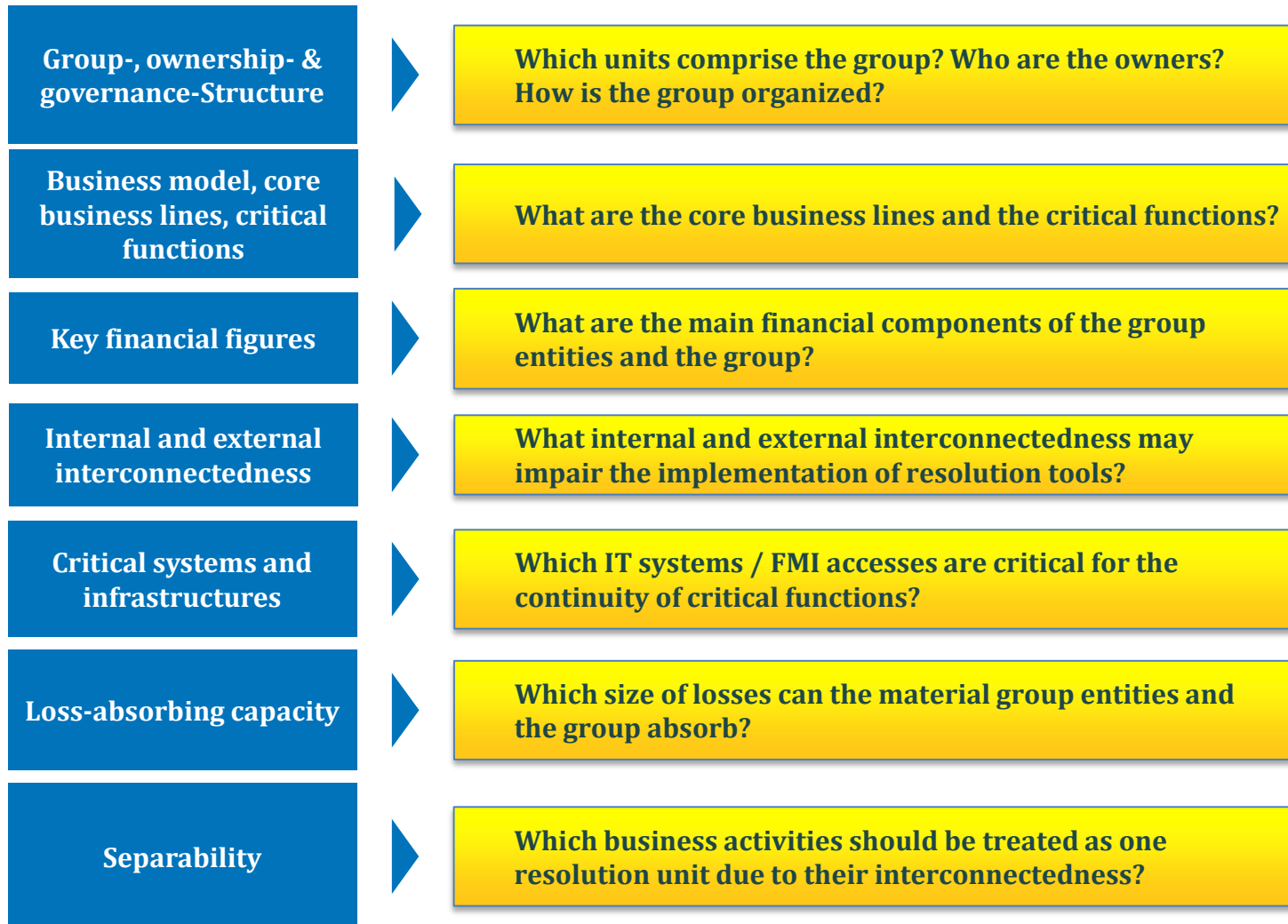
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# Strategic Business Analysis



# Strategic Business Analysis

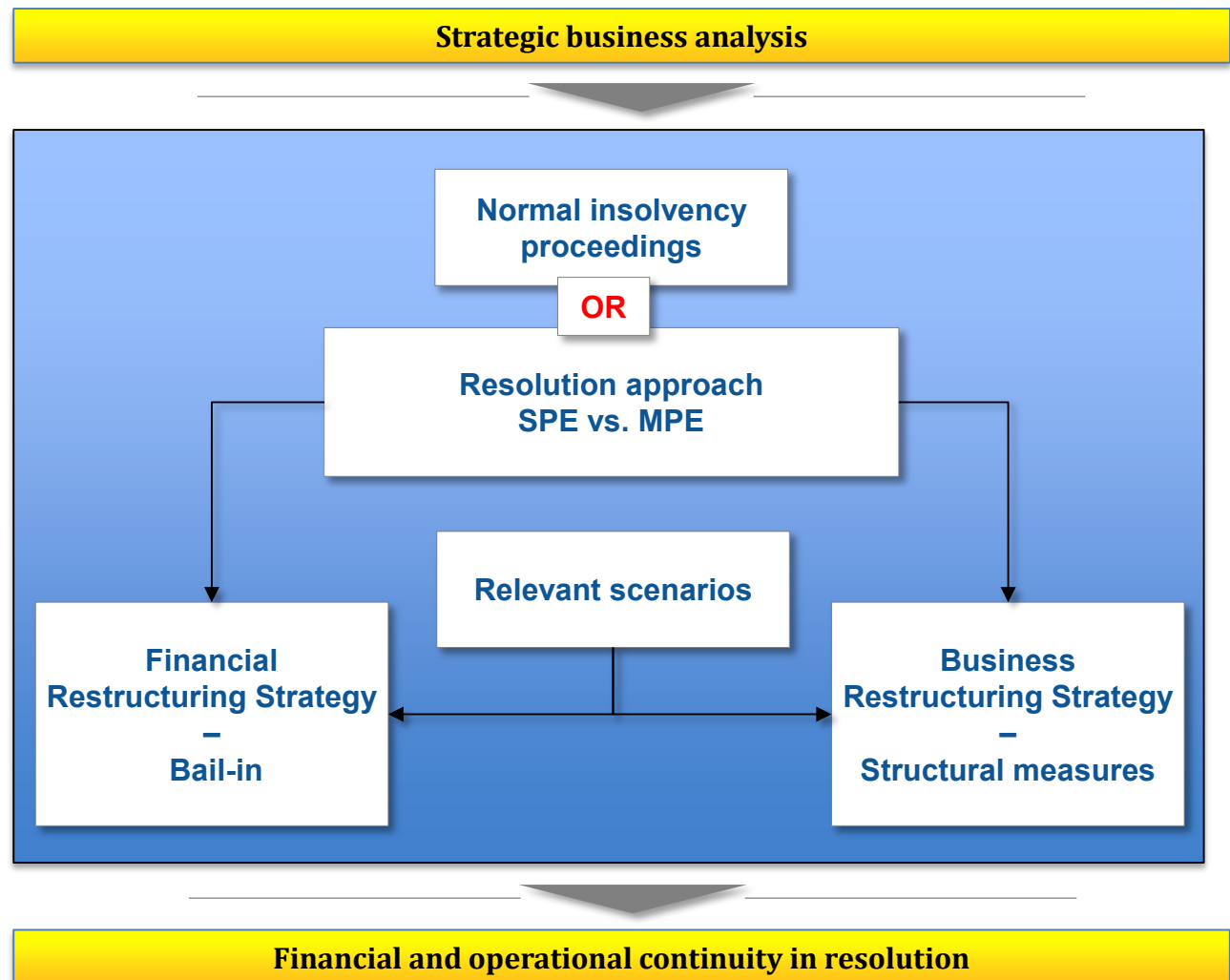


# Resolution Planning: Overview

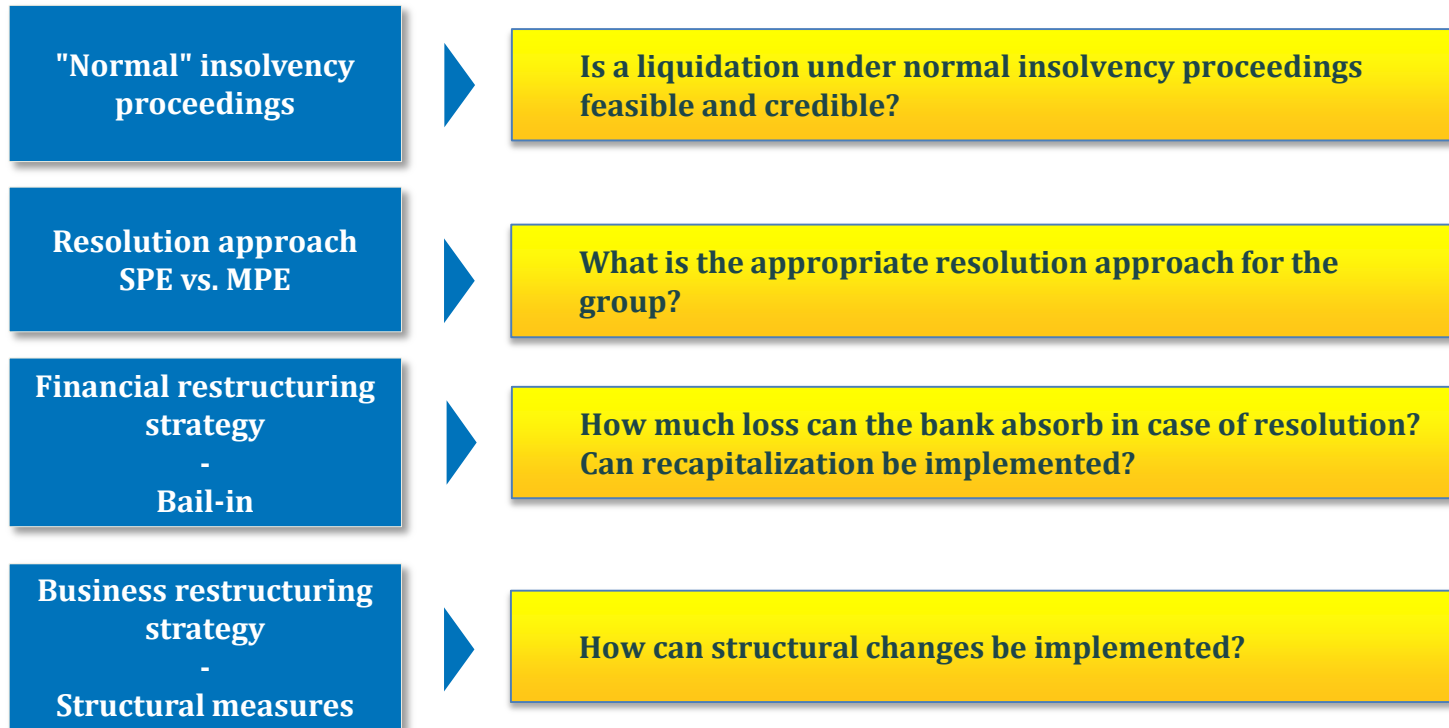
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# Preferred Resolution Strategy



# Preferred Resolution Strategy



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# Financial and Operational Continuity

**Financial continuity  
(funding and liquidity  
sources)**



**Are there sufficient liquidity and funding sources to implement the resolution strategy?**

**Operational continuity**



**Can the institution maintain the critical shared services to ensure critical functions are provided in resolution?**

**Access to FMIs**



**Can the institution keep access to critical FMIs, both on its own account and for clients?**



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# Information and Communication Plan

Governance of  
information provision

Can the resolution authority obtain information efficiently from the institution or other authorities?

Information  
requirements and  
availability

What are the various information sources and their availability before / during resolution?

**KEY:** Accurate and efficient MIS at the institution is essential at all times, and particularly at point of resolution, for proper execution of resolution tools (e.g. for valuation)

Communication  
framework

What measures are needed to ensure that all communications are timely, coordinated and consistent ?

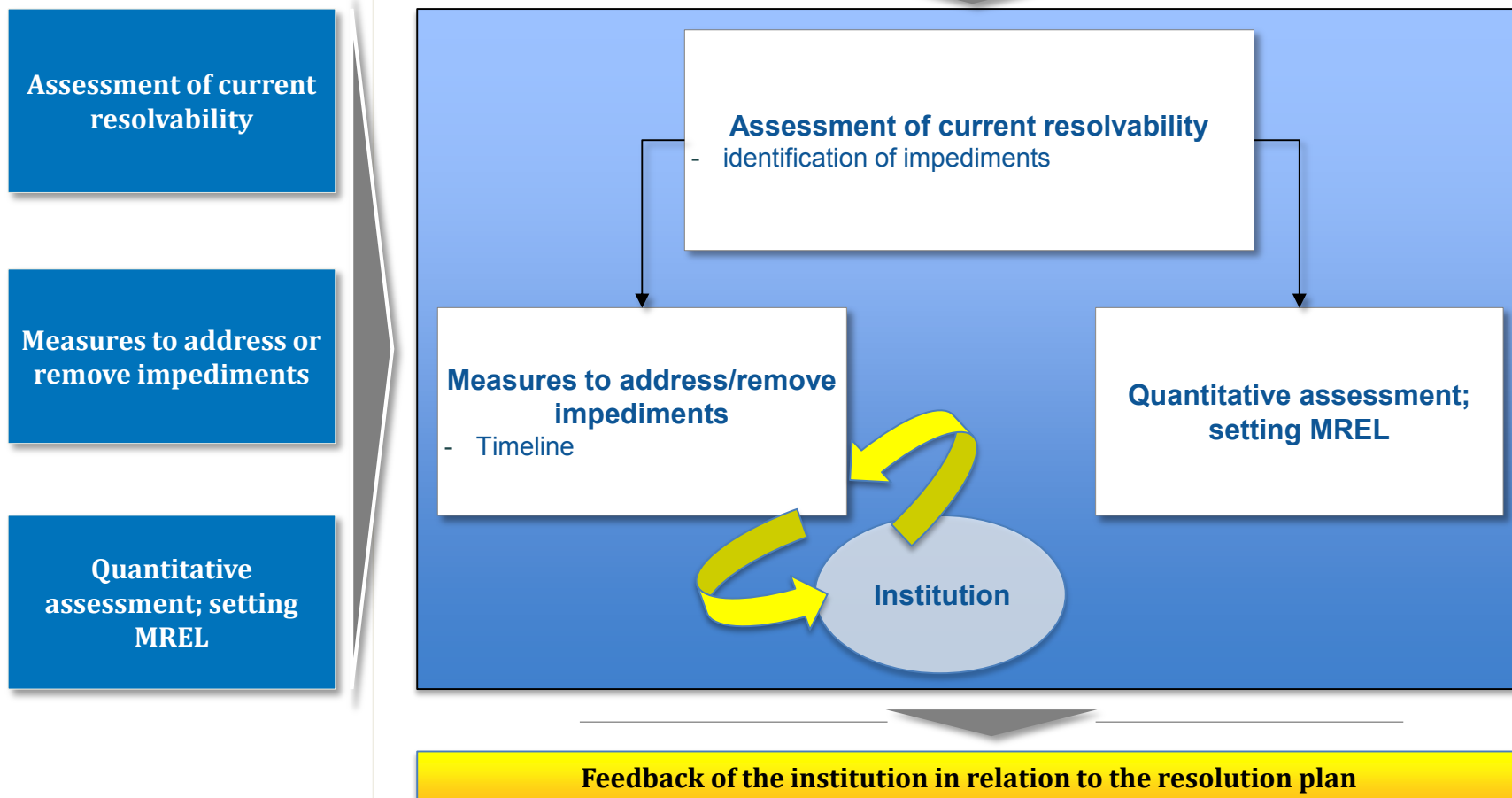
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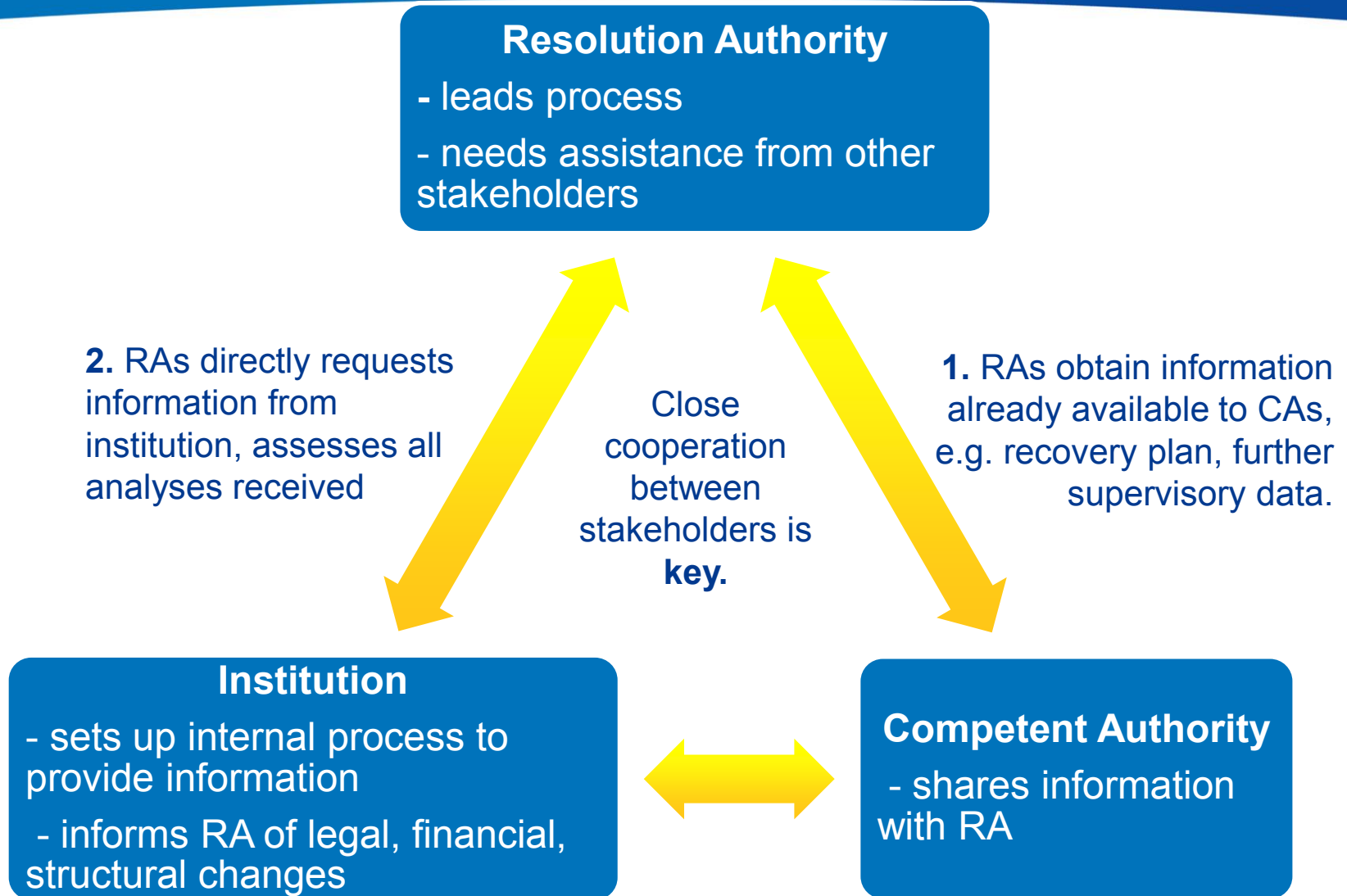
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# Conclusion of the Assessment of Resolvability

Assessments conducted in Strategic business analysis, Preferred resolution strategy, Financial and operational continuity & Information and communication plan



# Involvement of banks in resolution planning



# Resolution planning process for Resolution Colleges

## European Union: Banks under Resolution College scheme, with SRB as Group-Level Resolution Authority (GLRA)



- IRT (Internal Resolution team with SRB & NRA) drafts resolution plan

- Formal communication to ECB.
- Potential amendments following IRT discussions

- Communication to the Resolution College (RC) members & observers
- Potential amendments following the comments received

- SRB Executive Session for draft approval. The draft approval becomes definitive in case of approval without changes by the RC.

- Formal communication to the members and observers of the RC.

- RC joint decision; approval /amendments.

- Potential EBA mediation
- Potential New SRB Executive Session to approve the resolution plan after RC amendments
- Final RC joint decision


# Way forward



## • **Q4 2015**

- Work Programme 2015 and Work Programme 2016
- Publication of SRF templates

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- **1st January 2016** SRB **assumes full power** for resolution decisions

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- **Q1 2016** publication on parts of **Resolution Planning Manual**
  - **Q1 2016** public consultation on information templates
  - The next industry dialogue is planned for March/April 2016



**Thank you!**