

# SRB – BANKING INDUSTRY DIALOGUE MEETING

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## Resolution Planning Cycle 2021:

Current state of play and preparation of the next cycle

Presenter: **Boštjan JAZBEC**, SRB Board Member

Monday, 14 December 2020



# AGENDA



1. Resolution Planning Cycle 2020:  
Current state of play
2. Preparation for the 2021 RPC
3. Concluding remarks

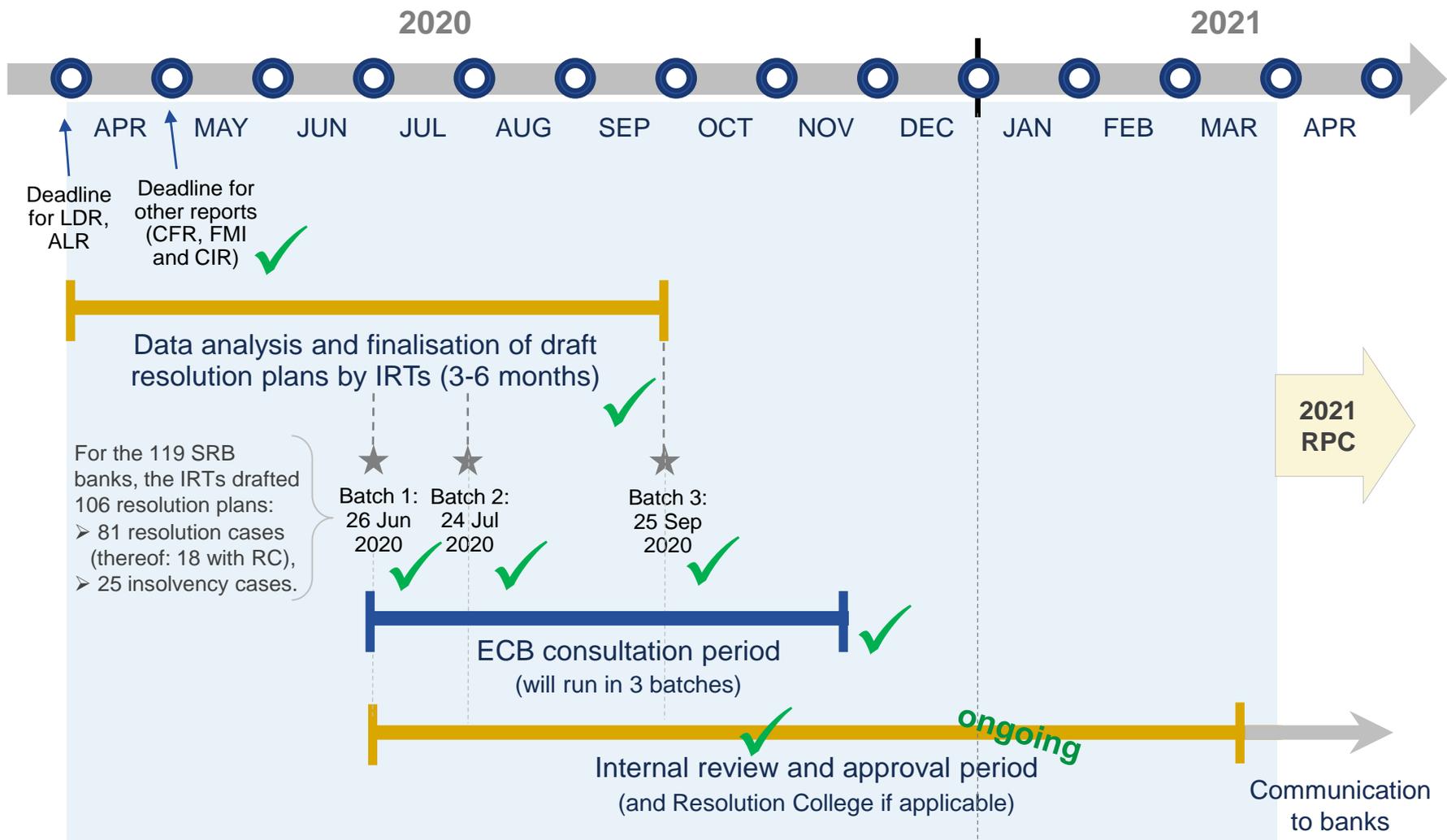
# 1. RESOLUTION PLANNING CYCLE 2020

## CURRENT STATE OF PLAY

- In spite of the current exceptional circumstances, the 2020 Resolution Planning Cycle (RPC) was formally launched on 1 April 2020; since then, all milestones have been accomplished.
- First-time application of the newly developed RPC that
  - Aligns all SRB banks on the same 12-month cycle and, thereby, ensures clarity to the industry,
  - Provides the SRM's framework to guide resolution planning activities and steer banks towards achieving full resolvability, and
  - Constitutes the basis for the phase-in of the Expectation for Banks (EfB) and implementation the SRB Multiannual Work Programme 2021-2023.
- The experiences made throughout the 2020 RPC provide useful input to further strengthen the SRB resolution planning approach.

# 1. RESOLUTION PLANNING CYCLE 2020

## CURRENT STATE OF PLAY: PROCESS OVERVIEW



# 1. RESOLUTION PLANNING CYCLE 2020

## COVID-19 PANDEMIC & SRB RELIEF MEASURES

- The SRB – in cooperation with other authorities – stands ready to react in the current exceptional circumstances.
- The SRB is applying a reasonable approach to provide banks sufficient operational relief while considering the implementation of the EU Banking Package and achievement of its mandate.
  - ❖ For instance, as part of the relief measures package, the SRB granted leeway to the deadlines of the other resolution data reports – such as the MREL quarterly reports for Q1-2020 that we postponed until 19 June 2020
  - ❖ In Q3/2020, the SRB collected additional core data from banks in order to assess the evolution of the key balance sheet metrics and MREL as of end June 2020
- SRB recognizes the efforts made by the banking industry even with the current challenges as almost all SRB banks have submitted in due course the key data for the 2020 RPC; this enables the SRB to remain on track with the 2020 RPC.

# AGENDA

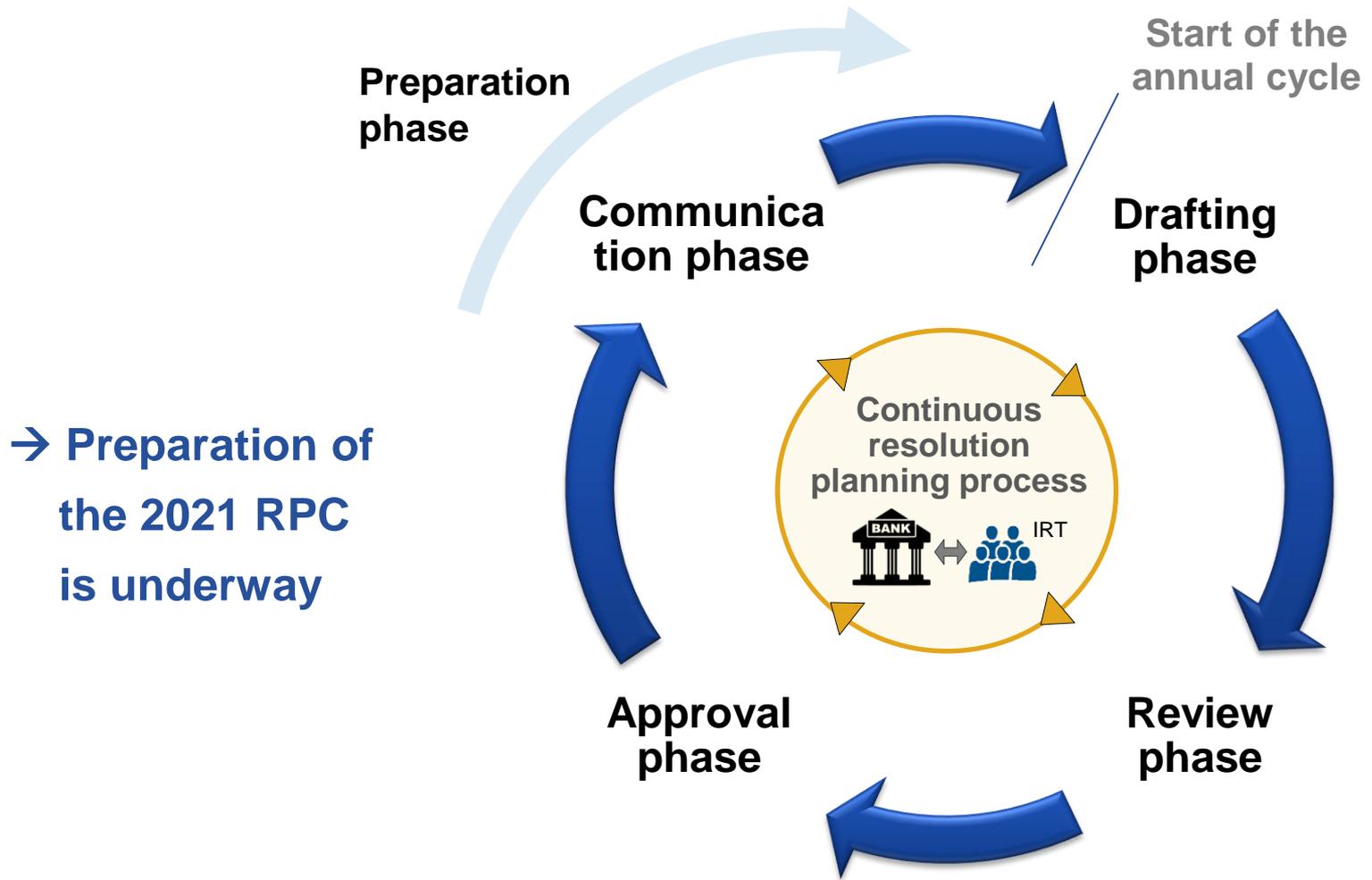


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## 2. PREPARATION FOR THE 2021 RPC OVERVIEW



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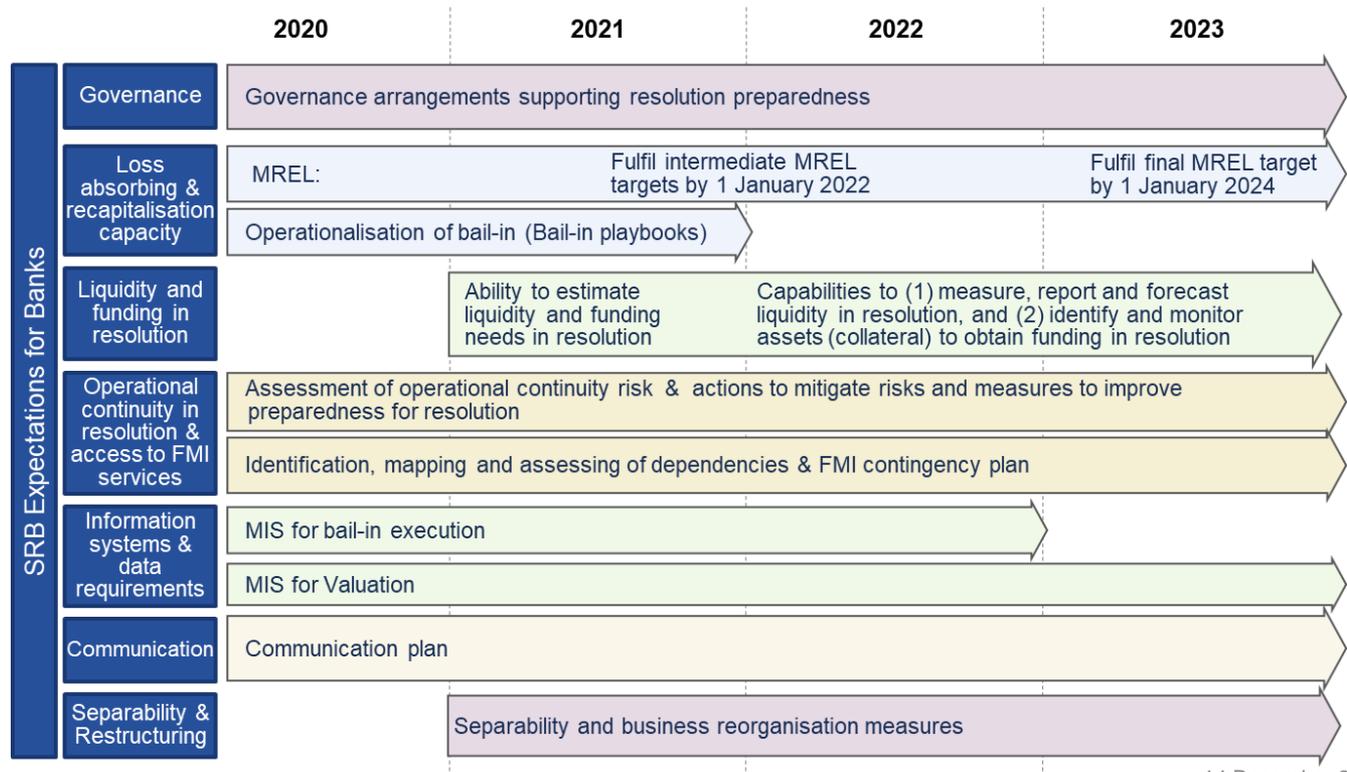
### OVERVIEW

- **SRB 2021 priority letters** were sent to the relevant banks in November 2020. The letters include bank specific priorities and the following common priorities in line with the phase-in of the EfB:
  - Liquidity in resolution;
  - MIS capabilities for valuation data;
  - Bail-in implementation (Bail-in playbooks & data availability).
  
- Banks are asked to provide **two key deliverables**:
  - Fully developed and budgeted resolvability work programme for 2021 and beyond, for becoming compliant with the EfB (including a detailed 2021 work programme);
  - Resolvability progress report.
  
- **Refined resolvability assessment methodology** in the form of a heatmap benchmarking banks' progress on each dimension of the EfB.

## 2. PREPARATION FOR THE 2021 RPC

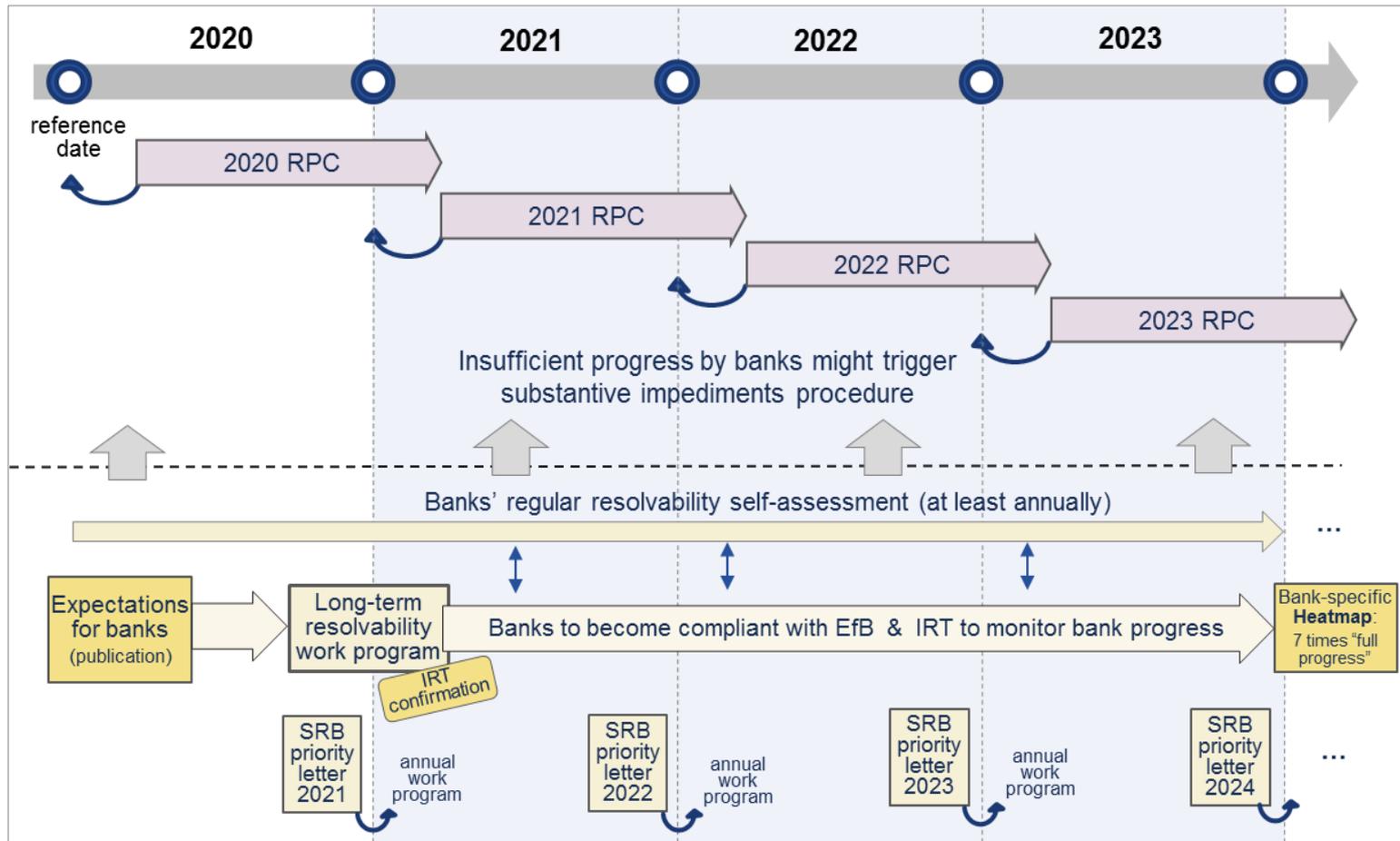
### MULTI ANNUAL WORK PROGRAMME 2021-2023

- In the 2021 RPC, the SRB will start implementing the recently published SRB Multi-annual Work Programme 2021-2023 (MAP). From a resolution planning perspective, the MAP defines the planning and objectives for the next three years.
- The MAP illustrates the interaction between the RPCs and EfB phase-in during 2021-2023.



## 2. PREPARATION FOR THE 2021 RPC

### MULTI ANNUAL WORK PROGRAMME 2021-2023



→ Operationalise resolution plans via annual RPC

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### 3. CONCLUDING REMARKS

- The ultimate effect of the COVID-19 outbreak on the global economy and financial markets is still uncertain;
- SRB will continue monitoring the situation of the banks and stands ready to take the necessary steps/measures to support the EU banking sector to cope with the current challenges;
- However, the SRB will not lose sight of its strategic objectives and invites banks to continue to put all the efforts in order to become fully resolvable;
- The EfB defines the SRB's policy stance as regards resolvability and will be implemented based on the annual RPC using a step-by-step approach towards achieving this objective.

**THANK YOU!**

