Table of Contents

1. Overview and cooperation ........................................ 03
2. SRB resolution planning approach ............................. 08
3. Key elements of the 2023 resolution planning cycle ...... 17
4. Assessing bank resolvability .................................... 23
1.1. The resolution planning cycle

- The resolution planning cycle (RPC) is an annual process based on four phases leading to the approval of the updated resolution plan for each SRB bank. It includes the preferred resolution strategy, minimum requirements for own funds and eligible liabilities (MREL) and resolvability assessment.

- It implements the requirements for the resolution planning of banks under direct remit of the SRB laid down in the SRMR and BRRD, based on a 12 month’s cycle.
The SRB is the central resolution authority within the Banking Union. Together with the national resolution authorities (NRAs) it forms the Single Resolution Mechanism (SRM).

The SRB closely collaborates with the NRAs of the 20 eurozone countries and Bulgaria.

For each bank under direct SRB remit, an Internal Resolution Team (IRT) has been jointly established and is led by the SRB.

This is not an exhaustive overview, for some countries other authorities (e.g. national central bank) are also directly involved in resolution planning activities.
1.3. Cooperation on resolution planning

The SRB works in close cooperation with the resolution authorities in the EU outside the Banking Union and other resolution authorities worldwide.

Resolution colleges, European resolution colleges and Crisis management groups

**Resolution colleges**
For banking groups with subsidiaries in non-Banking Union EU jurisdictions, the SRB works jointly with the relevant RAs in Resolution colleges (RCs) in preparing and adopting the group resolution plan and MREL decisions.

**European resolution colleges**
For third-country banking groups with relevant presence in the EU, the SRB establishes European resolution colleges (ERCs) and contributes to the update and further operationalisation of the groups’ resolution planning.

**Crisis management groups**
The SRB sets up Crisis management groups (CMGs) for the global systemically important banks (G-SIBs) in its remit, conducting an annual resolvability assessment process (RAP), and preparing the RAP letters for the Financial Stability Board (FSB).
In addition, the SRB has established 7 CMGs for G-SIBs located in the EU Banking Union.

Direct coverage of all systemically important and cross border institutions represents over 90% of Banking Union total assets in Q3 2022.  

1. Banks for which the SRB acts as a host resolution authority and not as the group level resolution authority.  
2. There are three subsidiaries of one banking group classified as host case.  
4. Number 0 is due to the fact that the respective banks are subsidiaries of groups under SRB remit.
1.4. Global presence of banking groups under SRB remit*

SRB resolution planning takes into account the global footprint of the banking groups under its remit.

*This indicative map is for graphical purposes only. No fully comprehensive and exhaustive survey was performed for this purpose.
2.1. Analysis and Drafting phase

IRTs at the SRB

During the RPC, the IRTs:

► **Further update and operationalise** the resolution plans;

► **Determine** MREL;

► **Conduct the resolvability assessment** for each SRB bank.
Content of the resolution plan

Chapter 1: Management Summary
Key elements of the resolution plan and material changes to the previous resolution plan.

Chapter 2: Strategic business analysis
Overview of the group’s structure, financial position, business model and business lines, critical functions, internal and external interdependencies, critical and essential services and FMIs.

Chapter 3: Preferred resolution strategy
Assessment on whether the resolution objectives are best achieved by winding up the bank under normal insolvency proceeding or resolving it. The preferred resolution strategy is developed, including the use of appropriate resolution tools and powers and MREL is determined.

Chapter 4: Financial and operational continuity
Assessment of the financial and operational prerequisites to ensure continuity in resolution and achieve the resolution objectives.

Chapter 5: Governance, information and communication
Governance arrangements and Management Information Systems (MIS) to ensure timely, up-to-date and accurate information, communication framework and cooperation with authorities.

Chapter 6: Conclusion of the assessment of resolvability
Assessment of current group’s resolvability progress and identification of priorities for the next year. It also identifies appropriate measures to address or remove impediments where relevant.
Information used for resolution planning

The IRTs update and enrich yearly the resolution plans based on the currently available data:

► Information provided by supervisory authorities (e.g. COREP, FINREP, ICAAP, ILAAP).

► Information provided by the banks
  • SRB resolution data reports;
  • Quarterly updates from banks on the areas of closer monitoring established in the SRB priority letters;
  • Other general deliverables requested in the annual SRB priority letters;
  • Bank specific information and bank analyses requested by the IRTs.

► Information provided by other public authorities
  • The IRTs also use as input the outcome of the assessment of the recovery plans prepared by the banks and shared by the European Central Bank (ECB) with the SRB. The assessment of the IRTs is focused to identify any actions in the recovery plans which may adversely impact the resolvability of the banks.
2.2. Review phase

The review phase consists of:

- **SRB quality assurance**, and
- **ECB consultation**.

**SRB quality assurance:**

Centralised internal process conducting a systematic quality review of resolution plans combining vertical and horizontal checks. This fosters harmonised practices for SRB banks and allows systematic benchmarking.

**ECB consultation:**

The SRB consults and cooperates with the ECB in the process of drawing up resolution plans, in particular also as regards the determination of MREL, the assessment of resolvability and substantive impediments.
2.3. Approval phase

The decision-making process for resolution plans is different for banks without subsidiaries or significant branches in non-participating Member States compared to those with subsidiaries or significant branches in non-participating Member States, for which a RC is established.

**Where there is no RC:**

After the review phase, the resolution plan, MREL determination and resolvability assessment are submitted for approval by the SRB Board in its Extended Executive Session (ExExS).

**For banks with a RC:**

A joint decision should be sought in the RC within 4 months. This involves preparing joint decision timetables and written arrangements to ensure smooth and efficient functioning of the RC.
The approval phase includes:

- concluding joint decisions of RCs (if applicable);
- the final approval of the resolution plans and MREL decisions by the SRB Board in its ExExS, composed of the Chair and Vice-Chair and four full-time Board Members, as well as the representatives of the relevant NRA(s) for each specific SRB banking group.

For MREL:

- The right to be heard process (RTBH) with banks

The SRB:

1. Develops a detailed planning of the approval steps for each resolution plan, MREL determination and resolvability assessment;

2. Prepares harmonised decision templates to ensure consistency and level playing field across banking groups in the SRB’s remit;

3. Ensures transparency vis-a-vis other authorities that act as observers in the approval process.
2.4. Communication phase

Once the resolution plans and MREL decisions are approved by the SRB ExExS, the SRB shares a summary of key elements of the plan with the bank and communicates the MREL decision to the NRA, which will implement it vis-à-vis the bank. For RC banks, the SRB communicates the joint decisions to the RC.
2.5. Timeline

Draft analysis and finalisation of draft resolution plans by Internal Resolution Teams (3-6 months)

Draft resolution plans (incl. Resolvability assessment & MREL) are submitted to ECB for consultation in 3 batches

ECB consultation period

Internal review and approval period (and resolution college if applicable)

Repeated annually
2.6. Main highlights of the 2022 RPC

Starting from April 2022, the SRB updated, further operationalised and approved 102 resolution plans⁵.

The IRTs continued to monitor progress on MREL build-up, in view of banks’ compliance with the final targets as of 1 January 2024.

Banks continued their gradual phasing-in of the SRB Expectations for Banks (EfB)* in order to reach resolvability by the final target end 2023, among others, through three common priorities for the 2022 RPC:

- **Liquidity and funding in resolution**: banks had to ensure capabilities to mobilise collateral for liquidity purposes in resolution.

- **Separability and reorganisation plans**: banks had to provide dedicated reports on the potential drafting of the reorganisation plans (required in an open bank bail-in) and on the transferability of parts of their business.

- **Information systems and MIS capabilities for bail-in and valuation data**: relevant banks were expected to conduct (1) the first Banking Union wide bail-in dry-run on bail-in playbooks (with emphasis on MIS capabilities) and (2) the self-testing exercise on MIS valuation by end 2022.

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*The EfB sets out the capabilities the SRB expects banks to demonstrate that they are resolvable. The EfB are phased-in gradually and banks are expected to have built up their capabilities on all aspects by the end of 2023, except where indicated otherwise.

⁵ The number of resolution plans is lower than the number of banks under SRB remit (slide 6) since some institutions might have bundled resolution plans, simplified obligations regime or foreseen integration with another banking group.
The SRB will ask the banks to continue with *phasing-in the EfB* by end-2023, as the final year.

The SRB has set the *2023 general policy implementation milestones* and accompanied them with concrete *work priorities in the 2023 RPC*.

As a new element, the SRB has launched a *strategic review* to develop a new vision for the SRM from 2024 to 2028.
3.2. Resolution planning approach in 2023

General policy implementation milestones in 2023

► Updating the SRB polices and operational guidance documents, among others, taking into account the experience gained (see next page).

► Conducting close monitoring of resolvability and preparation of the substantive impediments procedure for those banks which show insufficient progress towards achieving resolvability in line with the EfB.

► Conducting ongoing MREL monitoring to ensure build-up towards the final targets by the 1 January 2024 general deadline, as well as monitoring the 2022 binding intermediate targets and taking note of the 2023 intermediate targets which are of informative nature.

► To further develop deep-dive assessments, and approach for on-site inspections.

► Start of the preparation of the 2024 RPC, taking into account that 2023 is the final year for all SRB banks to implement the EfB principles; banks will receive bank-specific 2024 SRB priority letters in 2023.

For the strategic review starting from 2023, see chapter 3.5
SRB work priorities in the 2023 RPC

In the 2023 RPC, the SRB will focus its work with banks under its remit on:

- **A common priority for all resolution banks on liquidity and funding in resolution**: the SRB will assess banks’ processes and capabilities to measure and report liquidity and funding needs in resolution.

- **Targeted priorities for certain cluster of banks (with shared similarities, e.g. preferred resolution strategy)** on:
  - Bail-in operationalisation (including a more extensive dry-run on bail-in playbooks) and analysis of the internal loss-transfer mechanisms;
  - Continuation of the work on separability;
  - Solvent wind down;
  - Continuation of the work on business reorganisation plan.

The SRB communicated these priorities, together with bank-specific priorities, to the banks through the **SRB priority letters** in September/October 2022.

For those areas of resolvability where banks did not show sufficient progress in line with the EfB, the IRTs **initiated closer monitoring** based on dedicated reporting by the bank on a quarterly basis.
3.3. Key policies and guidance documents of the 2023 RPC *

**KEY POLICIES**

- Expectations for Banks (published June 2019)
- Addendum (from May 2021)
- Addendum (from May 2022)
- 2023 MREL Policy (Published May 2023)

**OPERATIONAL GUIDANCE**

- Valuation framework (published June 2021)
- Guidance on liquidity and funding in resolution (Principle 3.1, EiB)
- Operational guidance for banks on liquidity: measurement and reporting of the liquidity situation in resolution (Principle 3.2, EiB) (published June 2023)
- Guidance on liquidity: identification and mobilisation of collateral in resolution (Principle 3.3, EiB) (published March 2022)
- Operational guidance for operational continuity in resolution (published November 2021)
- Guidance on solvent wind-down (published December 2021)
- Operational guidance for banks on separability for transfer tools (published October 2021)
- Operational guidance on bail-in playbooks (published in June 2022)

(*non-exhaustive)
3.4. 2023 Resolution Reporting for banks

- The analysis and drafting phase formally starts with the submission by the banks of the SRB resolution data reports;
- The deadlines for the submission of the resolution data templates are indicated in the figure;
- Guidance documents and the Q&A tool are available on the SRB website;
- The SRB continues collecting the MREL/TLAC quarterly report throughout the RPC.

<table>
<thead>
<tr>
<th>Resolution data reports</th>
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<tbody>
<tr>
<td>LDR</td>
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<td>ALR</td>
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<td>CFR</td>
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<td>CIR</td>
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<td>FMIR</td>
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*Q&A organised by SRB will be limited to questions on SRB-originated reports (LDR, CFR, FMIR). Questions on other CIR reporting requirements should be raised with the EBA.
3.5. **SRM strategic review – new plan to take the SRB from 2024 to 2028**

▶ On top of pursuing the 2023 RPC priorities, the SRB will shift further its focus to make sure that resolution plans can be put into practice effectively. For this purpose, the SRB will increase testing resolvability of banks and strengthen its crisis readiness also in light of the new external threats.

▶ These shifts in the SRB priorities and strategic objectives will be reflected in refining the resolution planning approach going forward, when developing the new overall SRB strategic approach.

▶ This will better-equip the SRB to deal with the various challenges, to ensure banks are resolvable and that the SRB adapts to any relevant external (e.g. legislative and market) developments.

▶ Further information on the SRM strategic review can be found in the recent Chair’s blog post "Why the SRB needs a new vision". Further updates and information will follow.
4.1. Banks’ resolvability: state of play

► The SRB Multi-annual Work Programme 2021-2023 (MAP) sets out the SRB’s roadmap for achieving banks’ resolvability with the expectation that all SRB banks are fully resolvable by end 2023 at the latest.

► The MAP illustrates the expected build up of banks’ capabilities through the 2021-2023 RPCs taking into account the SRB EfB’ phase-in across the RPCs (see next page).

► The SRB Work Programme 2023 is part of MAP and lays out the shift of SRB’s focus from the more general phases of drafting and fine-tuning of resolution plans towards ensuring that each plan and preferred resolution strategy can be implementable at short notice.
### SRB EfB’ phase-in across the RPCs

<table>
<thead>
<tr>
<th>Resolvability Conditions</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
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</thead>
<tbody>
<tr>
<td>Governance</td>
<td>1.1 Management body and senior management involvement,</td>
<td>1.2 Governance of resolution activities,</td>
<td>1.3 Quality assurance and internal audit,</td>
<td>1.4 testing/dry-runs</td>
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<tr>
<td>Bail-in execution</td>
<td>2.1 Loss absorbing and recapitalisation capacity,</td>
<td>2.2 Cross-border aspects,</td>
<td>2.3 Bail-in playbooks (incl. internal loss transfer mechanisms)</td>
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<td>Liquidity and</td>
<td>3.1 Liquidity needs in resolution</td>
<td></td>
<td>3.2 Measurement &amp; reporting</td>
<td>3.3 Collateral &amp; funding sources</td>
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<td>funding in resolution</td>
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<td>Operational continuity &amp;</td>
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<tr>
<td>FMI access</td>
<td>4.1/4.4 Identification &amp; mapping</td>
<td>4.2/4.5 Risk assessment</td>
<td>4.3/4.6 Mitigation measures and contingency planning</td>
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<td>Information systems and</td>
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<td>data requirements</td>
<td>5.0 Governance for MIS</td>
<td>5.1 Information for resolution planning</td>
<td>5.2 MIS for valuation</td>
<td>5.3 MIS for bail-in execution</td>
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<td>Communication</td>
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<td>6.1 Communication planning</td>
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<td>Separability and</td>
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<tr>
<td>reorganisation</td>
<td>7.1 Structure</td>
<td>7.2 Separability for banks where the preferred strategy envisages a</td>
<td>7.3 Reorganisation capabilities</td>
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<td></td>
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<td>transfer tool</td>
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Resolvability monitoring, testing and substantive impediments

Resolvability monitoring is an integral part of resolution planning. The SRB EfB set out the operational capabilities banks are expected to demonstrate to show they are resolvable and are being gradually phased-in. These expectations determine best practice and benchmarks for assessing resolvability according to common criteria across the Banking Union.

IRTs base their resolvability assessment, among others, on a target/performance comparison of banks’ multi-annual resolvability work programme and annual resolvability progress reports with the EfB and the annual SRB priority letter.

In the 2023 priority letter to banks’ CEOs, the SRB identified areas of closer monitoring where banks did not demonstrate sufficient progress through the phase-in of the SRB EfB. Banks have to report on a quarterly basis on those.

In the next years, after the end of the phase-in of the EfB, the SRB will assess the bank’s progress in resolvability in course of 2023 and will move to testing banks’ resolvability capabilities in the next years.
Banks’ progress on resolvability is documented in the resolvability assessment and included in the resolution plans.

The SRB is benchmarking banks’ resolvability progress in a heatmap, which is a dedicated tool based on the resolvability assessment exercise.

The SRB published for the first time its assessment of banks resolvability and heatmap in 2022.

Depending on how significant the impediments are, the SRB will ask banks to address them:

- Through dedicated corrective actions, under close monitoring by the IRTs, or
- By starting the formal procedure for addressing substantive impediments to resolvability.
## Abbreviations

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>ALR</td>
<td>Additional Liability Data Report</td>
</tr>
<tr>
<td>BRRD</td>
<td>Bank Recovery and Resolution Directive</td>
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<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
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<tr>
<td>CFR</td>
<td>Critical Functions Report</td>
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<tr>
<td>CIR</td>
<td>Commission Implementing Regulation 2018/1624</td>
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<td>CMG</td>
<td>Crisis Management Group</td>
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<td>COREP</td>
<td>Common Reporting Framework</td>
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<td>EBA</td>
<td>European Banking Authority</td>
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<td>ECB</td>
<td>European Central Bank</td>
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<td>EfB</td>
<td>SRB Expectations for Banks</td>
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<td>EU</td>
<td>European Union</td>
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<td>ExExS</td>
<td>SRB Extended Executive Session</td>
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<td>FINREP</td>
<td>Financial Reporting Framework</td>
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<tr>
<td>FMI</td>
<td>Financial Market Infrastructure</td>
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<tr>
<td>FMIR</td>
<td>Financial Market Infrastructure Report</td>
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<tr>
<td>GLRA</td>
<td>Group Level Resolution Authority</td>
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<td>G-SIBs</td>
<td>Global Systemically Important Banks</td>
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<tr>
<td>Acronym</td>
<td>Description</td>
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<tr>
<td>IRT</td>
<td>Internal Resolution Team</td>
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<td>JST</td>
<td>Joint Supervisory Team</td>
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<td>LDR</td>
<td>Liability Data Report</td>
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<td>MAP</td>
<td>SRB Multi-annual Work Programme 2021-2023</td>
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<tr>
<td>MIS</td>
<td>Management Information Systems</td>
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<tr>
<td>MREL</td>
<td>Minimum Requirements for own funds and Eligible Liabilities</td>
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<td>NCA</td>
<td>National Competent Authority</td>
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<td>NRA</td>
<td>National Resolution Authority</td>
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<td>RAP</td>
<td>Resolvability Assessment Process</td>
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<td>RC</td>
<td>Resolution College</td>
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<td>RPC</td>
<td>Resolution Planning Cycle</td>
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<td>RTBH</td>
<td>Right To Be Heard</td>
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<tr>
<td>SSM</td>
<td>Single Supervisory Mechanism</td>
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<tr>
<td>TLAC</td>
<td>Total Loss-Absorbing Capacity</td>
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