Single Resolution Board

# Minimum Requirement for Own Funds and Eligible Liabilities

## What is MREL?

MREL is the minimum amount of equity and unsecured debt a bank must hold to help:

- carry out an effective resolution;
- recapitalise a bank;
- absorb losses.

## Who sets MREL?

Resolution authorities set MREL to ensure that a bank maintains sufficient eligible instruments at all times to implement the preferred resolution strategy.

In the Banking Union, the SRB sets MREL.

The SRB is responsible for setting MREL for Significant Institutions (SIs) and Less Significant Institutions (LSIs).

## Why MREL?

MREL serves to prevent a bank's resolution from depending on public financial support. It helps to ensure that a bank maintains sufficient own funds and eligible liabilities at all times to implement the resolution strategy.

MREL was introduced after the financial crisis and is aligned to international standards and Total Loss-Absorbing Capacity (TLAC).



MREL is for the EU, TLAC is global