



OPERATIONAL GUIDANCE FOR BANKS ON RESOLVABILITY SELF-ASSESSMENT

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Abbreviations

AT1	Additional Tier 1
BaU	Business as usual
BRP	Business reorganisation plan
BRRD	Bank Recovery and Resolution Directive
BU	Banking union
CBL	Core business line
CBR	Combined buffer requirement
CB	Central bank
CF	Critical function
CET1	Common Equity Tier 1
CSD	Central securities depository
EBA	European Banking Authority
ECB	European Central Bank
EfB	Expectations for Banks
EU	European Union
FMI	Financial market infrastructure
FMIR	FMI report
FOLTF	Failing or likely to fail
GL	Guidelines
ICSD	International central securities depository
IRT	Internal resolution team
IT	Information technology
KLE	Key liquidity entity
MIS	Management information systems

MLE	Material legal entity
MPE	Multiple point of entry
MRC	Maximum reorganisation capacity
MREL	Minimum requirement for own funds and eligible liabilities
NRA	National resolution authority
OCIR	Operational continuity in resolution
PoE	Point of entry
PRS	Preferred resolution strategy
SAR	Separability and transferability analysis report
SNP	Senior non-preferred
SPE	Single point of entry
SRB	Single Resolution Board
SRM	Single Resolution Mechanism
SRMR	Single Resolution Mechanism Regulation
SWD	Solvent wind-down
TLAC	Total loss-absorbing capacity
VRS	Variant resolution strategy

1. Introduction

1.1. Background

In April 2020, the Single Resolution Board (SRB) published its 'Expectations for Banks (EfB)', outlining the SRB's expectations regarding the minimum level of capabilities (including resources, data, process and procedures) banks are expected to have in place in order to demonstrate that they are resolvable and are prepared for crisis management. While the expectations are general in nature, their application has been tailored to each bank, taking into account the proportionality principle, and based on a continuous dialogue between each bank and its internal resolution team (IRT). The EfB have been phased in over the past years, allowing banks to gradually build up their capabilities by the end of 2023. They are in line² with the European Banking Authority (EBA) Guidelines on improving resolvability³.

The Single Resolution Mechanism (SRM) Vision 2028⁴ focuses on crisis readiness, placing resolvability and the operationalisation of resolution plans at the core of the SRM's work. There will be an increased focus on banks conducting self-assessments and regularly testing their ability to be resolved, in accordance with a multi-annual testing programme⁵. This also means that banks are expected to take an even bigger role in assessing and ensuring they are resolvable.

This operational guidance aims to support the enhanced operationalisation of resolution strategies by providing more detailed guidance on the resolvability assessment process and the capabilities relevant for each resolvability dimension, thereby also promoting convergence of practices.

1.2. Objectives

The primary objective of this document is to guide banks under the SRB's direct remit⁶ in their resolvability self-assessments.

The self-assessment report is a key supporting document in the SRB's resolution planning, which has been requested since 2021 in a format agreed between each

¹ Unless otherwise specified, the terms used and defined in the EfB have the same meaning in this document.

² See the EBA Guidelines compliance table: <https://www.eba.europa.eu/activities/single-rulebook/regulatory-activities/recovery-resolution-and-dgs/guidelines?version=2022#activity-versions>

³ EBA/GL/2022/01, as amended by EBA/GL/2023/05 (*Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing*).

⁴ SRM Vision 2028: https://www.srb.europa.eu/system/files/media/document/SRM%20Vision%202028%20strategy_FINAL.pdf

⁵ The testing of the capabilities set out in the EfB is not covered by this operational guidance.

⁶ The entities and groups that currently fall under the direct responsibility of the SRB: i) entities and groups directly supervised by the European Central Bank (ECB); and ii) other cross-border groups, hereinafter referred to as 'banks'.

bank and its IRT⁷. In line with the EBA Guidelines on improving resolvability⁸, the SRB has developed a harmonised resolvability self-assessment report in order to further foster convergence across the banking union (BU). With this publication, the SRB aims to provide a set of criteria for banks to assess whether they meet the resolvability capabilities outlined in the EfB, but also to support the multi-annual testing programme that will start from 2026 onwards. The resolvability self-assessment report presented in this guidance consists of two parts, the executive summary and the self-assessment template, the context of which is detailed further below.

⁷ Paragraph 4.2.3. Update on progress ('Resolvability Progress Report') of the EfB.

⁸ Paragraph 129 of EBA/GL/2022/01, as amended by EBA/GL/2023/05 (*'Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing'*).

2. Link with resolvability testing and identification of impediments

As part of the yearly resolution planning process, the SRB is responsible for assessing the extent to which banks are resolvable. To this end, the IRTs carry out a resolvability assessment⁹ based on the legal framework and taking into account the EfB, the self-assessment report, any underlying evidence provided by the bank¹⁰, and their holistic knowledge and the specific characteristics of the bank.

- ▶ The IRTs determine the testing that banks need to conduct to validate/confirm the functioning of the declared capability.
- ▶ The IRTs assess the extent to which the bank meets every resolvability capability and any impact of 'failing to do so' on the chosen resolution strategy or strategies. Depending on the circumstances of the case, the IRT considers the appropriate course of action.

Implementation assessment

The bank's self-assessment report and any underlying evidence will be the starting point of the resolvability assessment, informing the IRT on how well the bank has implemented the resolvability capabilities. In addition, these documents will guide the calibration of the multi-annual testing programme performed by the IRT. Finally, the self-assessment report and any underlying evidence provided by the bank, including outcomes of testing and deep-dives or on-site inspections, will confirm whether the bank's capabilities are in place and are operating effectively. Based on this information, the IRT will assess the extent to which each bank meets the resolvability capabilities and will reflect the results of this assessment in the Heatmap.

Impact assessment

The resolvability assessment also considers the impact of each resolvability capability on the successful execution of the chosen resolution strategy(-ies); (low, medium, high). This assessment applies proportionality by taking into consideration the business model characteristics of banks, as well as their specific resolution strategies and tools. Resolvability capabilities assessed as having a medium to high impact on the feasibility of the chosen resolution strategy(-ies) receive particular attention by the IRT during resolution planning and the resolvability assessment.

⁹ SRB resolvability assessment approach: <https://www.srb.europa.eu/en/content/srbs-new-heatmap-approach-enhances-resolvability-assessment>

¹⁰ Additional evidence reported by banks will be particularly relevant during the years when banks are not requested to submit the self-assessment report.

Identification of impediments and follow-up actions

The combined assessment of the extent to which the capability is met and the impact level will:

- ▶ show, in a consistent way, whether a bank's resolvability capabilities operate effectively in the areas that are the most critical for the successful execution of the chosen resolution strategy(-ies);
- ▶ help to identify impediments to resolvability and to define follow-up actions, where needed, in a consistent way.

Depending on the circumstances of the case (e.g. significance of the impediments), the SRB may, for instance, ask the bank to address them through appropriate follow-up actions within a short timeframe to be monitored by the IRT, or, if appropriate, initiate a formal procedure for addressing substantive impediments to resolvability, pursuant to Article 10 of the Single Resolution Mechanism Regulation (SRMR)¹¹.

Where the SRB, after consulting the competent authorities, including the ECB, determines that there are substantive impediments to the resolvability of the bank, it shall prepare a report addressed to the bank and make a recommendation on any proportionate and targeted measures that, in the SRB Board's view, are necessary or appropriate to remove those impediments.

¹¹ Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010.

3. Definitions, scope and processes

3.1. Resolvability self-assessment report

To ensure that banks structure and perform their self-assessment in a consistent way, Annex II of this operational guidance sets out the self-assessment template, which has been developed taking into account the EBA's Guidelines on improving resolvability¹². The self-assessment template takes the form of a structured questionnaire covering each of the seven resolvability dimensions set out in the EfB. These dimensions are:

- ▶ Governance;
- ▶ Loss absorption and recapitalisation capacity;
- ▶ Liquidity and funding in resolution;
- ▶ Operational continuity in resolution (OCIR) and access to financial market infrastructure (FMI) services;
- ▶ Information systems and data requirements;
- ▶ Communication; and
- ▶ Separability, transferability and restructuring.

The self-assessment template breaks down these seven dimensions of the EfB into principles, which are further substantiated by a set of capabilities that banks are expected to meet in order to demonstrate resolvability (as set out in Annexes III and IV). Capabilities are grouped in three levels, where capabilities between levels 1 and 3 represent the core capabilities necessary to support the execution of a bank's resolution strategy(-ies). An additional list of more 'advanced' capabilities is introduced beyond those already outlined in the previous levels.

Indeed, some banks have developed capabilities that go beyond those covered by the three levels in the self-assessment template. These 'advanced' capabilities may help to support the overall resolvability of banks, depending on their size, complexity, business model or resolution strategy(-ies), without in principle triggering the identification of substantive impediments if a given capability is not fully met.

The SRB reserves the right to assess the extent to which any of these capabilities are necessary to support the overall resolvability of a bank. Before asking the bank to implement any advanced capabilities at the resolution planning stage, the SRB will seek to ensure that they are both necessary and proportionate to support the resolvability of the bank concerned. Furthermore, the IRT may introduce any additional bank-specific capabilities deemed necessary to support the resolvability

¹² Paragraph 124 of EBA/GL/2022/01, as amended by EBA/GL/2023/05 ('Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing').

of the bank. The IRT will inform the bank about any advanced or additional capabilities relevant to the self-assessment.

Through the assessment of the set of capabilities, the self-assessment report completed by the banks aims to provide a holistic overview of the elements listed in paragraphs 8, 124 and 125 of the EBA Guidelines on improving resolvability¹³, notably:

- ▶ the bank's understanding of its role in the execution of the resolution strategy(-ies);
- ▶ how well resolution planning is integrated into the bank's 'business as usual' (BaU) and its interplay with recovery planning;
- ▶ the quality assurance and testing frameworks in place to ensure resolvability capabilities are adequately maintained over time.

When filling in the self-assessment template, the bank is expected to assess to what degree each capability is met and to provide a justification (including measures already conducted by the bank to fulfil that capability). A justification is also necessary should one or more capabilities not apply to the bank. For each capability that is still not fully met, the bank is expected to specify the actions it intends to undertake within a corresponding deadline. Chapter 4 sets out the methodology to be followed by the bank when completing the self-assessment template.

In line with the EBA Guidelines on improving resolvability¹⁴, the self-assessment template should be accompanied by an executive summary describing the main conclusions of the self-assessment for each of the seven resolvability dimensions mentioned above (Annex I).

3.2. Scope of application and roles

In a similar way to the EfB, this operational guidance applies to banks under the SRB's direct remit that are earmarked for resolution¹⁵. Each resolution entity within the BU as the entity heading the resolution group is requested to carry out the resolvability assessment at the resolution group level. For banks under a multiple point of entry (MPE) strategy specifically, the self-assessment should be conducted at the level of each resolution group within the BU.

While recognising that this operational guidance primarily focuses on resolution entities, it is essential to ensure readiness to support the execution of the group resolution strategy(-ies) at the level of non-resolution entities, particularly those outside of the home jurisdiction. Against this background, while carrying out the self-assessment, a resolution entity should reflect how the resolution group as a whole,

¹³ EBA/GL/2022/01, as amended by EBA/GL/2023/05 (*'Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing'*).

¹⁴ Paragraph 125 of EBA/GL/2022/01, as amended by EBA/GL/2023/05 (*'Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing'*).

¹⁵ This operational guidance does not cover banks referred to in Article 2(1), point 83aa, of Directive 2014/59/EU.

including non-resolution entities, meets the EfB. The assessment related to non-resolution entities should therefore also cover all seven resolvability dimensions, to the extent relevant to the execution of the strategy(-ies). The relevance of the specific resolvability dimension for non-resolution entities should be defined in agreement with the IRT.

The resolution group as a whole, rather than individual banks within the same group, is expected to complete and submit the self-assessment report to the SRB, as outlined in Annexes I and II. In light of this, and in order to ensure consistency across the resolution group, the resolution entity in each group is expected to coordinate the overall process. As a result, the resolution entity may request the necessary assessments from non-resolution entities, in particular cross-border ones, in order to ensure that the resolvability assessment for the resolution group is conducted in a holistic manner.

It is also acknowledged that the host resolution authority of a non-BU subsidiary of the bank under the SRB’s direct remit may request an individual self-assessment from that subsidiary. In this case, the host resolution authority will set the applicable reporting format. The results of the self-assessment by the local subsidiary must be considered by the BU resolution entity in the group resolvability self-assessment.

Figures 1 and 2 below illustrate the scope of application for the BU groups under both single point of entry (SPE) and MPE strategies.

Figure 1. Scope of application and roles: a BU group under an SPE strategy

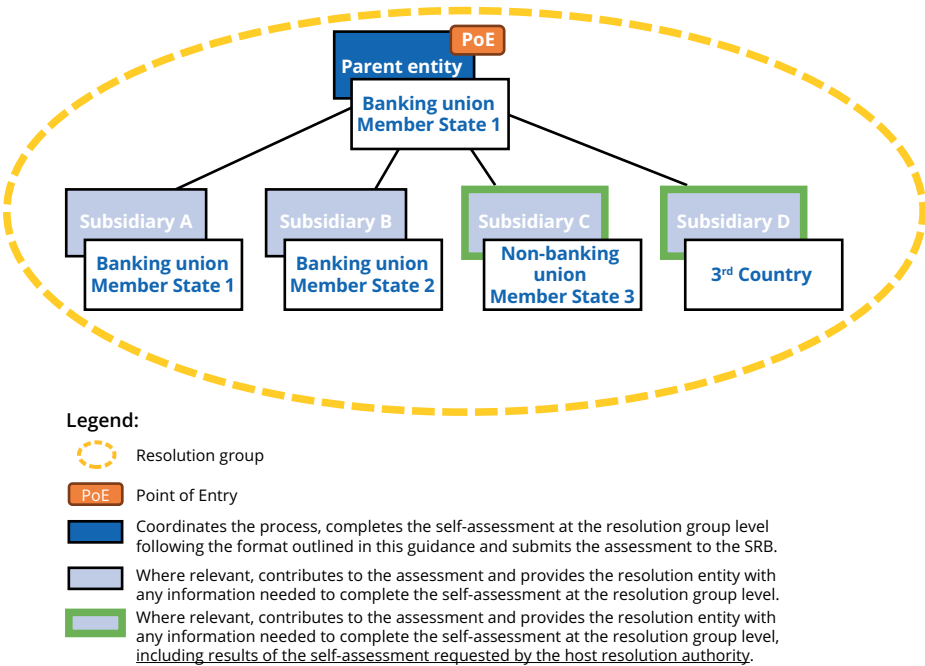
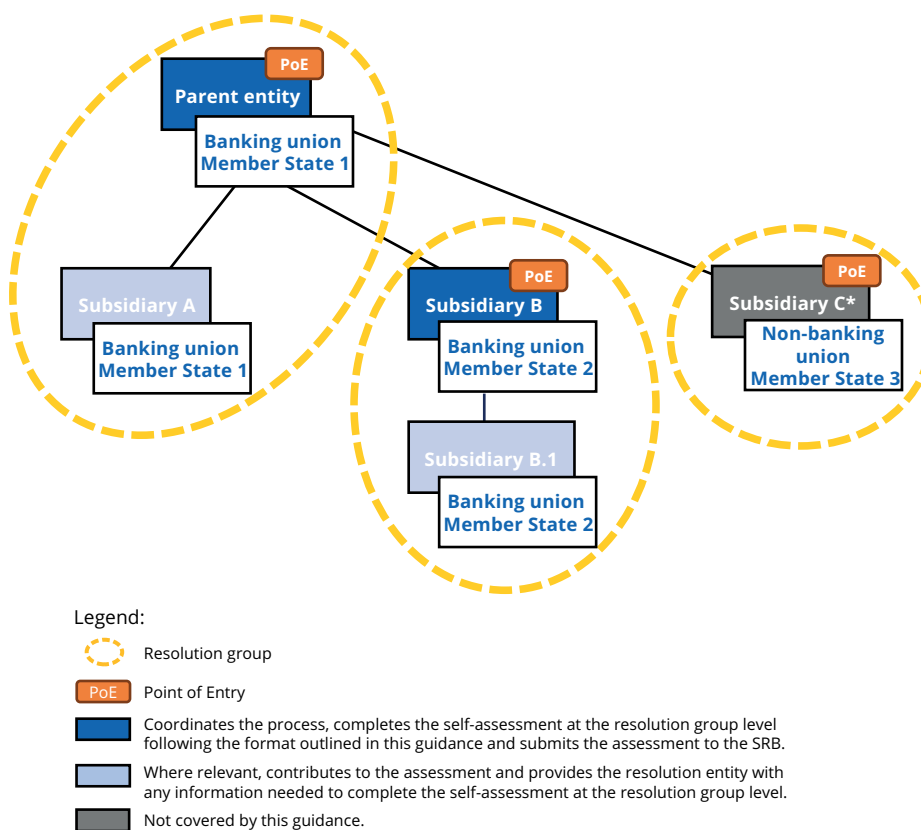


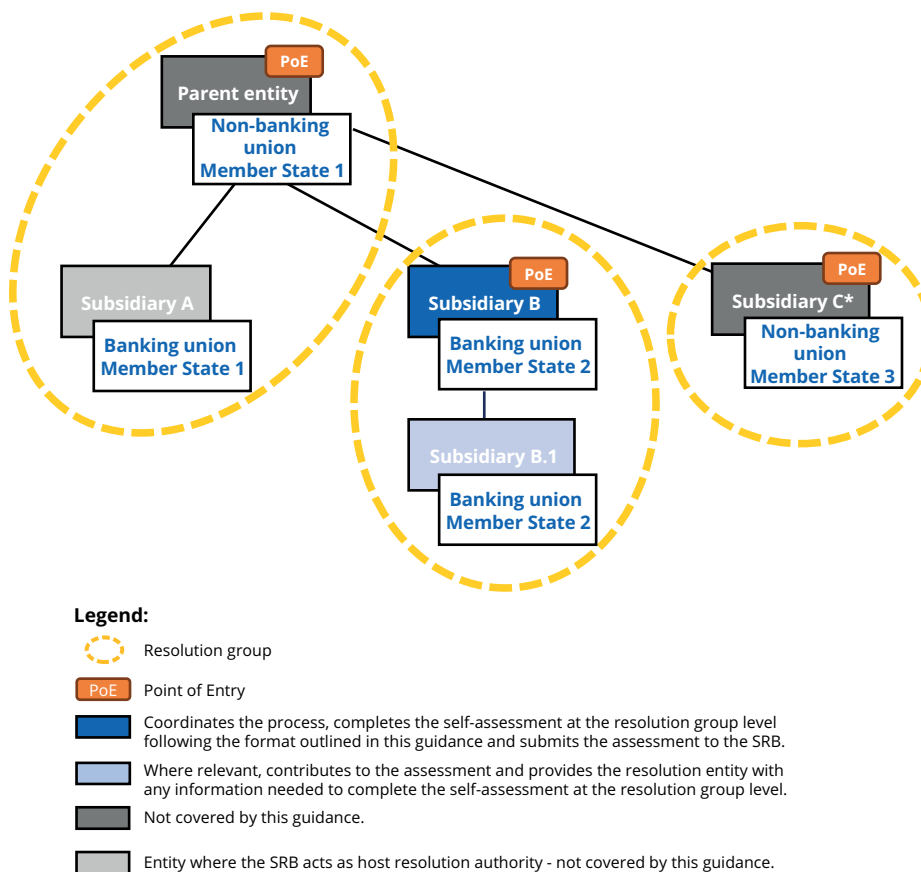
Figure 2. Scope of application and roles: a BU group under an MPE strategy



**The same approach is applied to subsidiaries in third countries.*

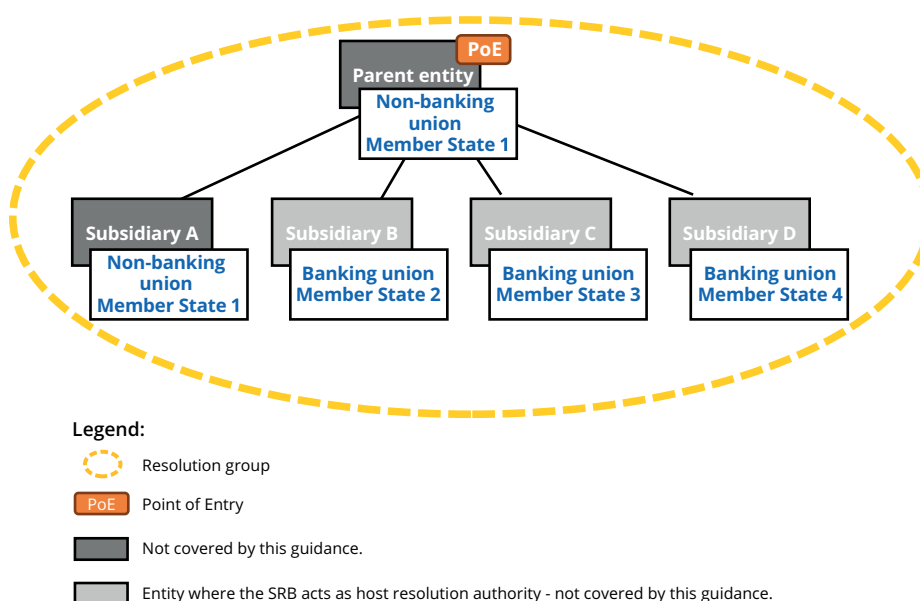
For banks under an MPE strategy with the ultimate parent entity outside of the BU, the self-assessment report should be completed at the level of each resolution group located in the BU, following the format and the reporting requirements established by this guidance (see Figure 3).

Figure 3. Scope of application: a non-BU group under an MPE strategy with a BU subsidiary



This operational guidance does not cover non-resolution entities where the SRB acts as host resolution authority. In these cases, the SRB will rely on the assessment performed by the home resolution authority and the underlying self-assessment conducted by the bank (see Figure 4).

Figure 4. Scope of application: a non-BU group under an SPE strategy with a BU subsidiary



3.3. Reporting requirements

Unless indicated otherwise by the IRT¹⁶, the resolution entity is expected to submit its self-assessment report to the SRB at least every two years, reflecting the situation as it stands on 31 December of the preceding year. That said, the bank may still submit the self-assessment report annually, particularly in cases where there are material changes to report compared to the previous assessment. For banks under an MPE strategy, each resolution entity within the BU should submit its self-assessment report to the SRB individually. The deadline for submission is set at 31 January at the latest¹⁷.

The first self-assessment report under the format established by this guidance should reflect the resolvability self-assessment as at 31 December 2025 and is expected to be submitted by 31 January 2026 at the latest. Until then, banks are expected to continue reporting their self-assessment in the format agreed with the IRTs, as per previous iterations.

The self-assessment report should include:

- ▶ the self-assessment report, which comprises the executive summary and the self-assessment template (as set out in Annexes I and II). The self-assessment report should be signed by the senior executive responsible for resolution planning;
- ▶ any accompanying documents which substantiate the self-assessment (not yet provided to the IRT).

¹⁶ On a case-by-case basis, the IRT may request an interim self-assessment report, when it is necessary to assess progress made in the relevant resolution planning cycle.

¹⁷ If this date is not a business day, the information must be provided on the following business day.

3.4. Resolvability assessment process and resolution planning cycle

The self-assessment aims to increase banks' direct involvement in the resolution planning process and to provide the resolution authorities with an additional perspective, being also a valuable source of information for the purpose of assessing the extent to which banks are resolvable. As such, the self-assessment report and any additional underlying evidence provided by the bank will feed into the IRT's assessment of the bank's resolvability and the resolution planning process.

As the starting point of the yearly resolvability assessment, the IRT assesses the bank's self-assessment report and/or any additional underlying evidence provided by the bank¹⁸ and identifies: i) shortcomings and/or areas that still need improvement; ii) inconsistencies between the IRT's and the bank's assessments. The results of the IRT's assessment are formalised into the SRB's resolvability assessment (Heatmap), and formally communicated to each bank in the summary of the resolution plan.

Considering the findings from the resolvability assessment conducted by the IRT, as well as discussions with the bank, the IRT formulates bank-specific priorities and targeted actions to address identified shortcomings for the upcoming calendar year. These priorities and actions are communicated to the bank in the yearly priority letter.

If the host resolution authority of a non-BU subsidiary of the bank under the SRB's direct remit identifies specific measures relating to a cross-border non-resolution entity, those measures will be discussed (for example, in resolution colleges) and coordinated with the SRB as the resolution authority responsible for the resolution group.

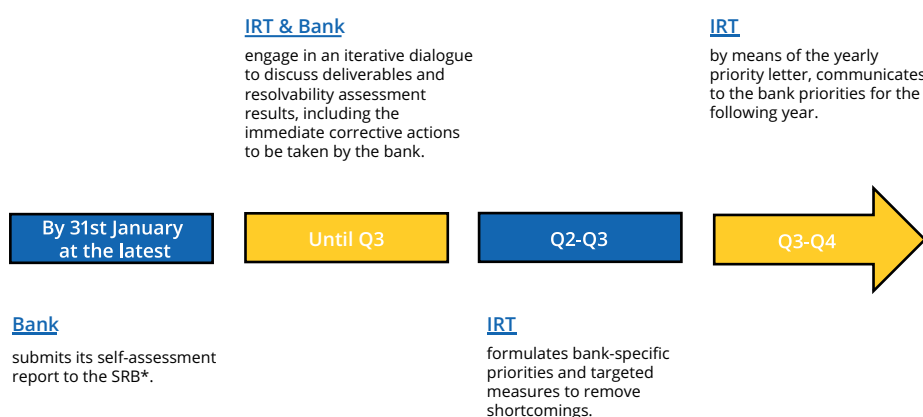
Finally, leveraging on the bank's self-assessment report and any other additional underlying evidence provided by the bank, and the resolvability assessment conducted by the IRT, the IRT either confirms or revises the multi-annual resolvability testing programme for the bank. The annual testing work programme for each bank is communicated in the yearly priority letter, along with the aforementioned priorities.

As a result of this iterative process, in its self-assessment the bank is expected to reflect areas in which work was conducted in accordance with the common and bank-specific priorities, including testing and any changes deemed material for the execution of the strategy(-ies). Figure 5 below illustrates the simplified timeline of this process.

However, should any significant shortcomings be identified by the IRT while performing the resolvability assessment, the IRT will swiftly liaise with the bank, requesting the appropriate follow-up actions to address them within a short timeframe, monitored by the IRT¹⁹.

¹⁸ The underlying evidence reported by the bank will be particularly relevant during a year when the bank is not requested to submit the self-assessment report.

¹⁹ This is without prejudice to the possibility for the SRB to trigger a substantive impediment procedure, if the relevant conditions are met.

Figure 5. Simplified resolvability assessment process and timeline

**This step occurs every two years unless agreed otherwise with the IRT.*

3.5. Proportionality

The EfB take into account proportionality by applying resolvability principles and capabilities to each bank in a tailored manner, allowing for bank-specific characteristics. Proportionality considerations are also taken into account when the IRT assesses a bank's status in meeting the EfB. This includes, among others, the relative impact of the specific principles and capabilities on the feasibility of the chosen resolution strategy(-ies) and on the effective application of the resolution tool or tools.

Therefore, proportionality considerations should also be taken into account when the bank conducts its self-assessment and evaluates the applicability of specific principles or capabilities. As further detailed in Chapter 4, the bank is exempted from assessing any principles and capabilities that the bank identified as not applicable.

3.6. Transitional arrangements

In some specific cases, transitional arrangements may apply²⁰.

- ▶ **Switch bank:** for a bank whose resolution strategy has changed from liquidation to resolution, the self-assessment report should be submitted as soon as possible and no later than one year after the communication of the change of strategy.
- ▶ **Newly authorised bank:** for a newly authorised bank that is earmarked for resolution, the self-assessment report should be submitted as soon as possible and no later than one year after the communication of the decision adopting the first resolution plan.

²⁰ Paragraph 33 of EBA/GLEBA/GL/2022/01, as amended by EBA/GLEBA/GL/2023/05 ('Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing').

- ▶ **Bank changing remit²¹**: for a bank that has moved from the NRA's to the SRB's remit after the publication of this guidance, the self-assessment report should be submitted as soon as possible and no later than one year after the change of the remit.

Switch banks and newly authorised banks are expected to work towards resolvability taking into account the principles set out in the EfB. However, the expectations are subject to a gradual phase-in tailored by the IRT. In particular, banks are expected to build their EfB capabilities fully as soon as possible and no later than three years after the date of approval of the resolution plan including the (new) resolution strategy. The resolvability assessment conducted by both the bank and the IRT should be performed against all principles applicable to the bank, reflecting the resolvability status of the bank. Nevertheless, targeted measures to address shortcomings will be formulated by the IRT only with respect to principles for which the phase-in started in previous years. The bank's individual priorities for the upcoming year, and targeted measures to address shortcomings, will be reflected in the yearly priority letter communicated to the bank. As further detailed in Chapter 4, proportionality considerations are applied to switch banks and newly authorised banks when completing the self-assessment report, allowing for simplified reporting for principles for which the phase-in has not yet started.

3.7. Requests for information and information sharing

The SRB works proactively on resolution planning to ensure that banks are resolvable and thus to avoid any potential negative impact of their failure on the economy and financial stability. In this context and given the evolving nature of risks that the banks face, the SRB will continue engaging with banks on further operationalisation of resolution strategies and tools, ensuring enough flexibility to respond to any crisis scenario. To this end, the IRT may request information on specific topics and may request that further measures are taken in addition to those described in the EfB, when deemed necessary to improve the resolvability of the bank.

²¹ This applies only to cases where the NRA has applied a different template for a less significant institution.

4. Methodology for banks' resolvability self-assessment template

4.1. Four-point self-assessment grading scale

Unless otherwise specified, the methodology for assessing to what degree a capability is met is based on a four-point grading scale (compliant, largely compliant, materially non-compliant, non-compliant).

- ▶ **Compliant:** the bank should assess itself as compliant when the capability is fully met.
- ▶ **Largely compliant:** the bank should assess itself as largely compliant with the capability whenever shortcomings identified are limited and have a low impact on the practical implementation of the capability.
- ▶ **Materially non-compliant:** the bank should assess itself as materially non-compliant with the capability where the practical implementation of the capability is still weak, including when shortcomings identified have a medium to high impact on the practical implementation of the capability. While this grade acknowledges the bank's initial steps towards meeting the capability, it should still be considered to be closer to the non-compliant grade. Consequently, the gap between 'largely compliant' and 'materially non-compliant' is wider, with the aim of differentiating between capabilities where substantial work remains to be done and those where it does not.
- ▶ **Non-compliant:** the bank should assess itself as non-compliant with the capability whenever there are substantial implementation issues or the capability is not implemented.

Box 1. Example of four-point self-assessment grading scale

Capability 5.3.2.1: Data for bail-in execution. *The bank demonstrates the ability to provide bail-in data (in line with the SRB instructions, and complemented by the country-specific amendments when applicable) covering information on own funds, other subordinated liabilities, senior non-preferred (SNP) debt, senior preferred debt securities and other liabilities enabling it to meet minimum requirement for own funds and eligible liabilities (MREL), including the combined buffer requirement (CBR) considered in addition to the risk-based requirement, with a sufficient level of quality (completeness and accuracy) to ensure successful bail-in implementation during the resolution weekend.*

- ▶ **Compliant:** the bank demonstrates this capability for own funds items, SNP liabilities, other subordinated liabilities (not recognised as own funds), senior preferred securities and other liabilities enabling it to meet MREL requirements including the CBR considered in addition to the risk-based requirement. Data quality (completeness and accuracy) is considered appropriate to ensure successful bail-in implementation during a resolution weekend (within 24 hours in a crisis scenario).
- ▶ **Largely compliant:** the bank demonstrates this capability for own funds items, other subordinated liabilities, SNP liabilities, senior preferred securities and other liabilities enabling it to meet MREL requirements including the CBR considered in addition to the risk-based requirement. Data quality (completeness and accuracy) is considered generally adequate. However, there is still margin for improvement to reach the 'Compliant' sub-level (within 24 hours in a crisis scenario).
- ▶ **Materially non-compliant:** the bank demonstrates this capability only for own funds instruments and other subordinated liabilities, or data quality (completeness and accuracy) is considered inadequate.
- ▶ **Non-compliant:** the bank is not able to provide bail-in data for any instrument or liability.

For some capabilities, as outlined in the self-assessment template, the assessment may only warrant a binary response (either the capability is met or not). In this case, the assessment grade is limited to 'compliant' or 'non-compliant'.

Following the grading scale methodology presented above, the bank is requested to specify *in the 'Assessment' column* the degree to which each capability is met. The bank should apply a qualitative approach in its assessments, considering the data gathered and analyses carried out for resolution planning, including where relevant the analyses carried out by non-resolution entities in the respective resolution group. The latter is important in view of the expectation that, while carrying out the self-assessment, a resolution entity should reflect how the resolution group as a whole, including non-resolution entities, meets the EfB.

By default, the self-assessment template suggests that all principles and capabilities are applicable to the bank. However, the bank may mark a specific capability as **'Not applicable'** *in the 'Assessment' column* taking into account bank-specific characteristics, such as:

- ▶ **resolution strategy:** as an example, capabilities related to banks under an MPE strategy should be marked as not applicable for banks with an SPE strategy (some capabilities in Principle 7.1);
- ▶ **resolution tool:** for instance, capabilities related to business reorganisation can be marked as not applicable for banks where the resolution plan does not envisage the implementation of an open-bank bail-in under the preferred resolution strategy (PRS) or the variant resolution strategy (VRS) (Principle 7.3);

- ▶ **business model of the bank and complexity:** for instance, capabilities related to internal loss transfer and recapitalisation should be marked as not applicable for banks without subsidiaries subject to internal MREL (Principle 2.6). In addition, banks without significant trading activities could mark capabilities related to solvent wind-down (SWD) as not applicable (some capabilities in Dimension 7).

This approach derives from the general nature of the EfB, which applies a common approach that should be tailored further, where necessary, to each bank by the IRT.

For switch and newly authorised banks, the self-assessment columns described below should only be completed for:

- ▶ any capability for which the phase-in for the implementation of the EfB started in previous years (regardless of the grading assigned, including those marked as 'Not applicable');
- ▶ any other capability which was graded by the bank as either compliant or largely compliant or marked as 'Not applicable'.

4.2. Reasoning for assigning specific scoring and gap analysis

In the 'Reasoning' column, the bank should justify, briefly, the grading given for each capability or specify why the capability was marked as 'Not applicable'.

- ▶ *Justification of the grading:*
 - The justification should be based on, among others, measures taken by the bank to fulfil the requirement, tests performed (for example, if testing, deep-dives or on-site inspections were conducted)²², other analyses performed or deliverables provided by the bank, feedback from the IRT in previous resolution planning cycles (for example, feedback on the self-assessment or any other deliverables requested for resolution planning purposes, or feedback received after deep-dives or on-site inspections), or internal audit and independent third-party verification results (for example, a legal opinion).
 - Nevertheless, the self-assessment template is not expected to duplicate or simply aggregate all the information available in other operational documents/deliverables requested by the SRB over the years. Hence, where applicable, the reasoning should be completed by cross-referencing supporting documents submitted by the bank. When cross-referencing a document, banks are invited to specify the name of the document, paragraphs or pages²³.

²² For the purpose of the 'Reasoning' column, this should include the type (whether initiated independently by the bank or requested by the resolution authority) and the method(s) used (for example, desktop exercise, walkthrough, fire drill, dry run, management simulation). Further details on tests should be provided in the 'Test(s) performed' column.

²³ Unless otherwise specified by the bank, the IRT will consider the most recent version of the document provided.

- The bank may still provide additional information where it deems that the details in other operational documents or deliverables do not fully substantiate the assigned grading.
- ▶ *Justification of non-applicability*: the justification should be based on the bank's understanding of its resolution strategy/tool as identified by the resolution authority or any other bank-specific characteristics (as mentioned in subchapter 4.1 above). For all capabilities marked as **'Not applicable'**, *the columns that follow should be left blank*.

In the 'Test(s) performed' column, the bank should, *at the level of each Efb principle*, further detail any tests mentioned *in the 'Reasoning' column* when justifying its assessment. Specifically, by cross-referencing the submitted supporting documents (specifying the name of the document, paragraphs or pages²⁴), the bank is expected to indicate the following:

- ▶ where applicable, the scope, which is defined as coverage of the total tested universe. For example, % of total assets, % of loss-absorbing capacity, % of bail-in data points, % of valuation data points, % of contracts etc;
- ▶ presence of the IRT or any other internal/external independent observer;
- ▶ date;
- ▶ main findings.

For the implementation of each capability that is still not fully met, *in the 'Measures to be taken' column*, the bank is expected either to provide a cross-reference to specific measures included in the bank's work plan, or to specify any measures not reflected in the work plan but that the bank intends to implement to ensure the capability is fully met, together with the timeframe for this. The measures to be implemented should not be considered to be a justification for the assigned grading.

Documents provided to support the assessment (either along with the self-assessment for the given reference date or previously shared with the IRT) which were not cross-referenced in previous columns should be listed *in the 'Accompanying documents' column*. Otherwise, the column may be left blank. While listing the documents, the bank should specify the name of the document, paragraphs or pages²⁵.

²⁴ Unless otherwise specified by the bank, the IRT will consider the most recent version of the document provided.

²⁵ Unless otherwise specified by the bank, the IRT will consider the most recent version of the document provided.

ANNEX I – Executive summary of the resolvability self-assessment report

Executive summary of the resolvability self-assessment report²⁶

1. Banking group name

[Group / Point of entry name]

2. Banking group legal entity identifier

[Group / Point of entry legal entity identifier]

3. Summary of self-assessment and material changes compared to the previous assessment

The bank is expected to summarise the results of the resolvability assessment for the PRS on each of the seven resolvability dimensions:

- ▶ Governance;
- ▶ Loss absorption and recapitalisation capacity;
- ▶ Liquidity and funding in resolution;
- ▶ OCIR and access to FMI services;
- ▶ Information systems and data requirements;
- ▶ Communication; and
- ▶ Separability, transferability and restructuring.

For the assessment of the VRS, the bank is expected to summarise the results of the resolvability assessment, covering selected resolvability dimensions listed in the self-assessment template.

²⁶ Pursuant to paragraph 125 of EBA/GL/2022/01, as amended by EBA/GL/2023/05 (*Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing*). Please note that bank's understanding of the resolution strategy and the testing and assurance framework descriptions are assessed in the self-assessment template developed by the SRB (see Annex II).

The summary of the assessment for each resolvability dimension should be based on the outcome observed for each principle in the respective resolvability dimension. When describing the main conclusions of the self-assessment, the bank should assess whether the resolvability objective defined for each principle in the EfB is met, taking account of any identified shortcomings. This should also include any steps taken to address the identified shortcoming and the feedback provided by the IRT. The summary is also expected to reflect any material changes compared to the previous assessment.

[Max 10-page Word document]

The executive summary of the resolvability self-assessment report should be signed by the senior executive responsible for resolution planning.

ANNEX II – Self-assessment template

Please refer to the separate Excel file.

ANNEX III – Set of capabilities included in the self-assessment template for the PRS

Dimension 1 – Governance

ID	Principle 1.1 – Active involvement of management body and senior management
Level 1	
1.1.1.1	The bank has appointed a member of the management body responsible for the work on resolution planning and the implementation of the resolvability work programme.
1.1.1.2	The bank has appointed a senior-level executive responsible for managing and coordinating resolution planning and the resolvability work programme.
1.1.1.3	If applicable, the member of the management body regularly keeps the supervisory board updated on the main aspects related to resolution planning, including the status of resolution planning activities and the resolvability of the bank. <i>This capability should be marked as 'N/A' if the bank does not have a dual board.</i>
Level 2	
1.1.2.1	The bank has demonstrated through its relevant internal documentation that the management body and a senior-level executive have clear responsibilities in exercising their role in the operationalisation of the bank's resolution strategy and/or crisis management processes.
Level 3	
1.1.3.1	The bank demonstrates active involvement and steering of the member of the management body and a senior-level executive in line with the respective responsibilities, pursuant to EfB Principle 1.1 (e.g. quality and timeliness of recurrent and ad hoc deliverables, approval of the main deliverables by the appointed member of the management body, sufficient staffing of the team working on resolution-related topics, quality of workshop preparation, etc.).

ID	Principle 1.2 – Governance for resolution activities
Level 1	
1.2.1.1	The bank: <ul style="list-style-type: none"> a) has established a dedicated resolution team; b) has established clear lines of responsibility, including reporting lines and escalation procedures up to and including board members and approval processes, for both resolution planning and crisis management (e.g. implementation of the resolution decision, communication with relevant stakeholder groups, etc.), all of which is documented in dedicated policies and procedure documents.

ID	Principle 1.2 – Governance for resolution activities
1.2.1.2	The bank communicates to the relevant resolution authorities, without undue delay, any material changes and strategic decisions (e.g. mergers and acquisitions activities, legal entity restructuring, changes to the booking model, use of intra-group guarantees). This communication includes an assessment of the impact on resolution planning activities or implementation of the preferred resolution strategy and resolvability. This also includes changes to elements such as business model, structure, operational set-up (e.g. changes to the information technology (IT) environment) and governance at the level of the parent entity and its subsidiaries.
Level 2	
1.2.2.1	The bank has established processes for data collection and aggregation and for the timely delivery of data across the different areas of the bank and group entities (including, bail-in, MREL, liquidity, FMI, OCIR, valuation and overall management information systems (MIS)). These processes are formalised in up-to-date documentation describing how MIS capabilities can be relied upon to satisfy EfB principles 5.1 – 5.3. The documentation describes the source systems used to produce the data, the controls in place and the stakeholders involved in the preparation and validation of the data.
Level 3	
1.2.3.1	The bank has a process in place to periodically assess the staffing needs of the resolution team.
Advanced capabilities	
	The bank has established a resolution steering committee(s), or similar body(-ies) to assist with resolution planning oversight and delivery.

ID	Principle 1.3 – Quality assurance and internal audit
Level 1	
1.3.1.1	The bank has established a quality assurance process (based on a three lines of defence model or an equivalent robust internal control system) for resolution-related information and has established arrangements that ensure the completeness and accuracy of resolution planning related data and information, beyond MIS reporting.
Level 2	
1.3.2.1	The bank demonstrates that its internal audit work programme covers resolution planning activities.
Level 3	
1.3.3.1	The bank ensures that internal audit findings and recommendations on resolution planning activities are timely addressed.

ID	Principle 1.4 – Testing ²⁷ and operationalisation of the strategy ²⁸
Level 1	
1.4.1.1	<p>The bank has approved an internal resolvability testing framework that clearly outlines:</p> <ul style="list-style-type: none"> a) responsibilities and reporting lines and procedures, including the approval of an internal testing plan; b) the involvement of the board members, senior management and all internal stakeholders that would operationalise capabilities in case of resolution; c) procedures for the preparation, implementation and follow-up of testing exercises. <p>The internal testing framework is expected to be approved by the member of the management body responsible for resolution planning.</p>
1.4.1.2	<p>The bank has developed an internal resolvability testing plan:</p> <ul style="list-style-type: none"> a) that reflects the multi-annual testing programme as agreed with the resolution authority; b) that is approved (either as a standalone document or as a part of the annual resolvability work programme) by the member of the management body responsible for resolution planning. It is updated each time the multi-annual testing programme shared by the resolution authority is revised; <p>The senior-level executive responsible for resolution planning and the internal resolution planning function oversees the implementation of the internal resolvability testing plan.</p>
Level 2	
1.4.2.1	<p>The bank updates and maintains the descriptions of operational aspects for execution of the resolution strategy or strategies in playbooks, based on the outcome of testing exercises and taking into account updates to the MIS relevant for playbooks. A summary of these updates is communicated to the IRT. Moreover, individual playbooks are validated by the bank's senior-level executive responsible for resolution planning.</p>
1.4.2.2	<p>The bank demonstrates that the senior-level executive responsible for resolution planning is effectively involved in the operational aspects of executing the resolution strategy(-ies), in particular, implementing the multi-annual testing programme and identifying corrective actions to address the identified shortcomings. The member of the management body or the senior-level executive responsible for resolution planning monitors resolvability testing activities and regularly debriefs the management body about testing activities (this means at least at the end of each year, unless findings from tests indicate an impact on resolvability and there is a need for an immediate follow-up action).</p>
Level 3	
1.4.3.1	<p>The bank has performed all internal tests for a given year in accordance with the multi-annual testing programme as agreed with the resolution authority.</p>
1.4.3.2	<p>The bank has MIS and, where necessary, testing environments that allow the bank to perform simulations for the purposes of resolvability testing.</p>
Advanced capabilities	
	<p>The internal audit function (or any other independent function) participates as an independent observer in the execution of testing exercises and makes observations on the exercise's compliance with the procedures and documentation expected by the resolution authority.</p>

²⁷ In 2025 the SRB will publish its approach to bank resolvability testing, outlining its expectations for testing (governance, testing environments, testing methods and deliverables). This will inform the multi-annual testing programme prepared by the SRB covering a three-year time period, in line with EBA/GL/2022/01, as amended by EBA/GL/2023/05 ('Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing').

²⁸ Until implementation of the multi-annual testing programme starts (i.e. in 2026), this principle should not be assessed, with the exception of capability 1.4.2.1, which refers to the update of the playbooks.

Dimension 2 – Loss absorption and recapitalisation capacity

Dimension 2.1–Bail-in

ID	Principle 2.1 – Sufficient level of loss absorption and recapitalisation capacity
Level 1	
2.1.1.1	<p>The bank is able to identify the liabilities that are mandatorily excluded from bail-in under Article 44(2) BRRD / Article 27(3) SRMR.</p> <p><i>This capability should be marked as 'N/A' if the bank does not have liabilities on its balance sheet that would benefit from a mandatory exclusion under Article 27(3) SRMR.</i></p>
2.1.1.2	<p>The bank documents the procedure that the bank would follow to identify mandatory exclusions under Article 44(2) BRRD / Article 27(3) SRMR in the bail-in playbook.</p> <p><i>This capability should be marked as 'N/A' if the bank does not have liabilities on its balance sheet that would benefit from a mandatory exclusion under Article 27(3) SRMR.</i></p>
2.1.1.3	The bank is able to identify the relevant creditor hierarchy for all liabilities.
Level 2	
2.1.2.1	The bank is able to report accurate and complete information, for implementation of the bail-in tool, about capital instruments, bail-inable subordinated liabilities and senior preferred debt securities.
2.1.2.2	The bank is able to identify categories of liabilities that may meet at least one of the conditions of Article 27(5) SRMR on discretionary exclusions from bail-in, and documents those categories and the rationale for a discretionary exclusion in the bail-in playbook.
Level 3	
2.1.3.1	In addition to the capabilities set out in 2.1.2.1, the bank is able to report accurately the information about all bail-inable liabilities.
2.1.3.2	For liabilities that are likely to be excluded discretionarily from bail-in, in accordance with Article 27(5) SRMR, the bank is able to provide information that would allow the IRT to identify, quantify and minimise liabilities (particularly those that are not possible to bail-in within a reasonable time), providing a detailed legal assessment with references to Delegated Regulation (EU) 2016/860.

ID	Principle 2.2 – Cross-border recognition of resolution actions
Level 1	
2.2.1.1	BRRD Article 55. The bank has identified all contracts/agreements under third-country law, creating a bail-inable liability, which require introduction of bail-in recognition clauses and it has presented a plan to introduce such clauses to ensure bail-in ability of these instruments, except where impracticability has been demonstrated.
2.2.1.2	BRRD Article 71a. The bank has identified all financial contracts governed by third-country law which require amendments to include terms by which the parties recognise that the financial contract may be subject to the exercise of powers by the resolution authority to suspend or restrict rights and obligations under Articles 33a, 69, 70, and 71, and recognise that they are bound by the requirements of Article 68.
Level 2	
2.2.2.1	BRRD Article 55. The bank has included the bail-in clause in (i) all the debt securities governed by third-country law (including those that are not MREL-eligible), and (ii) most contracts/agreements under third-country law that create a bail-inable liability, which require a bail-in recognition clause, except where impracticability has been demonstrated.
2.2.2.2	BRRD Article 69-71a. The bank adheres to available market standards (e.g. International Swaps and Derivatives Association Resolution Stay Protocols) to ensure resolution stay recognition for existing contracts identified in Level 1 that are under the scope of such standards.

ID	Principle 2.2 – Cross-border recognition of resolution actions
Level 3	
2.2.3.1	BRRD Article 55. The bank has introduced the bail-in clause in all contracts/agreements under third-country law that create a bail-inable liability as identified under Level 1, except where impracticability has been demonstrated.
2.2.3.2	BRRD Article 69-71a. The bank has amended the relevant financial contracts identified in Level 1 in accordance with BRRD Article 71a, by adhering to available market standards (e.g. International Swaps and Derivatives Association Resolution Stay Protocols) or by other agreements.
Advanced capabilities	
	Legal recognition of resolution action. Even where the bank's contracts contain recognition clauses as per Article 55 and 69-71a BRRD, the SRB may still seek legal recognition of the resolution proceedings in the third country. Legal recognition may be obtained by judicial or administrative processes. Successfully obtaining recognition, especially in jurisdictions where legal recognition relies on a judicial route, may require actions by the bank itself. In such cases, the bank is able to demonstrate an understanding of how to support this process, on or shortly after the date of the resolution decision in relevant jurisdictions, especially where recognition is done through judicial rather than administrative means ²⁹ and the amount issued under that third-country law is material (>10% MREL capacity).

ID	Principle 2.3 – Operationalisation of write-down and conversion
Level 1	
2.3.1.1	Internal execution. The bank is able to execute the write-down and conversion of Common Equity Tier 1 (CET1) items, as well as of Additional Tier 1 (AT1) and Tier 2 instruments. In addition, in its playbook, the bank describes the processes for executing the write-down and conversion, including a sequence of steps detailing the responsibilities, timelines, necessary manual interventions per type of instrument and potential challenges in the execution of each step.
2.3.1.2	<p>External execution (Part I). The bank is able to carry out the external execution of the write-down and conversion of CET1 items, as well as of AT1 and Tier 2 instruments.</p> <p>In its playbook, the bank provides a detailed description of the necessary write-down and conversion processes involving external stakeholders, considering:</p> <ul style="list-style-type: none"> a) the instruments/liabilities admitted for trading on a regulated market or equivalent held through the domestic central securities depository (CSD); b) the instruments/liabilities where the primary CSD of issuance is one of the international central securities depositories (ICSD) (i.e. limited to Eurobonds); c) any other instrument/liability issued in any EU CSD or admitted to trading in any EU regulated market.
2.3.1.3	External execution (Part II) of bail-in of instruments under third-country law/regime (only applicable to banks which are issuing in non-EU CSDs or with instruments/liabilities admitted for trading in non-EU trading venues, or issued to non-EU investors where foreign security laws would apply, if not covered under capability 2.3.1.2). The bank is able to support the external execution of the bail-in of CET1 items, as well as of AT1 and Tier 2 instruments. In its playbook, the bank provides a detailed description of the processes for executing the bail-in of these instruments/liabilities.
Level 2	
2.3.2.1	Internal execution. The bank is able to execute the write-down and conversion of SNPs, other subordinated liabilities, senior preferred debt securities and other liabilities enabling it to meet MREL requirements, including the CBR considered in addition to the risk-based requirement. In its playbook, the bank provides the process descriptions to execute the write-down and conversion and describes a sequence of steps detailing the responsibilities, timelines, necessary manual steps per type of instrument and potential challenges in the execution of each step.

²⁹ Where legal recognition has to be obtained in a jurisdiction with administrative (rather than judicial) recognition, there may be little or nothing for the bank itself to do. In those cases, this capability might not be relevant.

ID	Principle 2.3 – Operationalisation of write-down and conversion
2.3.2.2	<p>External execution (Part I). The bank is able to support the external execution of the write-down and conversion of SNPs, other subordinated liabilities, senior preferred debt securities and other liabilities enabling it to meet MREL requirements, including the CBR considered in addition to the risk-based requirement.</p> <p>In its playbook, the bank provides a detailed description of the necessary write-down and conversion processes involving external stakeholders, considering:</p> <ul style="list-style-type: none"> a) the instruments/liabilities admitted for trading on a regulated market or equivalent and/or held through the domestic CSD; b) the instruments/liabilities where the primary CSD of issuance is one of the ICSDs (i.e. limited to Eurobonds); c) any other instrument/liability issued in any EU CSD or admitted to trading in any EU regulated market.
2.3.2.3	<p>External execution (Part II) of the bail-in of instruments under third-country law/regime (only applicable to banks which are issuing in non-EU venues or with instruments/liabilities admitted for trading in non-EU markets, or issued to non-EU investors where foreign security laws would apply, if not covered under capability 2.3.2.2). The bank is able to support the external execution of the bail-in of SNPs, other subordinated liabilities, senior preferred debt securities, and other liabilities enabling it to meet MREL requirements, including the CBR considered in addition to the risk-based requirement. In its playbook, the bank provides a detailed description of the processes for executing the bail-in of these instruments/liabilities.</p>
Level 3	
2.3.3.1	<p>Internal execution. The bank is able to execute the write-down and conversion of all liabilities ranking <i>pari passu</i> with liabilities enabling compliance with MREL requirements, including the CBR considered in addition to the risk-based requirement. In its playbook, the bank provides process descriptions for executing the write-down and conversion and describes a sequence of steps detailing the responsibilities, timelines, necessary manual steps per type of instrument and potential challenges in the execution of each step.</p>
2.3.3.2	<p>External execution (Part I). The bank is able to support the external execution of the write-down and conversion of all liabilities ranking <i>pari passu</i> with liabilities enabling compliance with MREL requirements, including the CBR considered in addition to the risk-based requirement. In its playbook, the bank provides a detailed description of the necessary write-down and conversion processes involving external stakeholders, considering:</p> <ul style="list-style-type: none"> a) the instruments/liabilities admitted for trading on a regulated market or equivalent and/or held through the domestic CSD; b) the instruments/liabilities where the primary CSD of issuance is one of the ICSDs (i.e. limited to Eurobonds); c) any other instrument/liability issued in any EU CSD or admitted to trading in any EU regulated market.
2.3.3.3	<p>External execution (Part II) of bail-in of instruments under third-country law/regime (only applicable to banks which are issuing in non-EU CSDs or with instruments/liabilities admitted for trading in non-EU markets, or issued to non-EU investors where foreign security laws would apply, if not covered under capability 2.3.3.2). The bank is able to support the external execution of the bail-in of all liabilities ranking <i>pari passu</i> with liabilities enabling compliance with MREL requirements, including the CBR considered in addition to the risk-based requirement. In its playbook, the bank provides a detailed description of the processes for executing the bail-in of these instruments/liabilities.</p>
Advanced capabilities	
	<p>Bail-in execution. The requirements set in Level 3 are met for all liabilities within the scope of bail-in. In its playbook, the bank covers all requirements of the SRB's Operational guidance on bail-in playbooks and any additional national guidance from the national resolution authority (NRA) (where applicable).</p>

Dimension 2.2 – MREL

ID	Principles 2.4 & 2.5 – Sufficient level of instruments eligible for the MREL & high quality of eligible instruments
Level 1	
2.4.1.1	External MREL requirements. For the resolution entity, the bank maintains a sufficient level of own funds and eligible liabilities to meet its MREL requirements (including the subordination requirement and external total loss-absorbing capacity (TLAC) when applicable) set for the resolution entity in the currently binding MREL decision, without considering the CBR in addition to the risk-based requirement(s).
2.4.1.2	Internal MREL requirements. For an operating bank that is a direct subsidiary of a holding company identified as a resolution entity, a sufficient level of own funds and eligible liabilities is maintained to meet the MREL requirements set in the currently binding MREL decision (including internal TLAC when applicable), without considering the CBR in addition to the risk-based requirement(s).
Level 2	
2.4.2.1	External MREL requirements. For the resolution entity, the bank maintains a sufficient level of own funds and eligible liabilities to meet its MREL requirements (including the subordination requirement and external TLAC when applicable) set for the resolution entity in the currently binding MREL decision and the CBR considered in addition to the risk-based requirement(s).
2.4.2.2	Internal MREL requirements. For all non-resolution entities in the resolution group, for which MREL requirements have been set, a sufficient level of own funds and eligible liabilities is maintained to meet the MREL requirements set in the currently binding MREL decision (including internal TLAC when applicable) and the CBR considered in addition to the risk-based requirement(s).
2.4.2.3	The CBR shortfall in addition to the MREL risk-based requirement(s). Where the bank was in shortfall of the CBR in addition to MREL risk-based requirements during the reporting period (i.e. in the situation under Article 10a (1) SRMR), it managed to close the shortfall within a reasonable time. <i>This capability should be marked as 'N/A' when capabilities 2.4.2.1 and 2.4.2.2 are deemed to be 'compliant'.</i>
Level 3	
2.4.3.1	Funding plans. At least once a year, or when deemed necessary to address a relevant change in circumstances, the bank provides a credible funding plan to reach the MREL requirements (for newly authorised or switch banks) or to maintain sufficient MREL capacity.
2.4.3.2	Management buffer. The bank has put in place a management buffer, which it maintains and monitors regularly to ensure that the MREL requirements (both total MREL and the subordination requirements) including the CBR considered in addition to the MREL risk-based requirement(s) are met at all times.
2.4.3.3	The bank actively manages maturity concentration risk by ensuring the appropriate distribution of maturity (legal maturity or (first) call date if earlier) dates of MREL eligible liabilities and own funds (other than CET1).
Advanced capabilities	
	<u>MREL qualitative considerations³⁰:</u> Third-country issuances. The bank does not have a significant concentration of MREL eligible liabilities and own funds issued under third-country law in jurisdictions without an international agreement as referred to in Article 93(1) of Directive 2014/59/ EU.
	Retail. The bank does not have a significant concentration of MREL eligible liabilities and own funds (other than CET1) issued to retail investors and has taken preventive measures (e.g. new issuances are mainly dedicated to institutional investors and/ or with high minimum denomination per unit).
	Subordination. The bank meets MREL (including the CBR considered in addition to the MREL risk-based requirements) with own funds and subordinated eligible liabilities.

³⁰ Only instruments included as a part of the MREL capacity in the planning phase should be considered.

ID	Principles 2.4 & 2.5 – Sufficient level of instruments eligible for the MREL & high quality of eligible instruments
	<p>Contagion risk. The bank does not rely on MREL eligible liabilities subscribed by other banks for MREL compliance (including the CBR considered in addition to the MREL risk-based requirements).</p> <p><i>For the purpose of this capability, reliance means that the exclusion of MREL eligible liabilities subscribed by other banks from the MREL capacity would result in the bank's MREL non-compliance (including the CBR considered in addition to the MREL risk-based requirements).</i></p>

ID	Principle 2.6 – Effective internal loss transfer and recapitalisation mechanism
	<i>This principle should be marked as 'N/A' if the bank does not have non-resolution entities with an internal MREL.</i>
Level 1	
2.6.1.1	The bank has not identified any material issues to the internal loss transfer up to the level of internal MREL.
Level 2	
2.6.2.1	The bail-in playbook describes the necessary internal processes for executing write-down and conversion in line with Article 21 SRMR for all subsidiaries with an internal MREL, including entities waived from having an internal MREL.
Level 3	
2.6.3.1	The bank is able to execute internal loss transfer and recapitalisation mechanism, including considerations of existing indirect issuances (i.e. 'daisy-chains').
Advanced capabilities	
	In its playbook, the bank has mapped and described how existing financial support arrangements function and has concluded whether, and if so how, these could be used where resolution action is taken, in line with paragraph 46 of the SRB's Operational guidance on bail-in playbooks. The bank demonstrates that financial support arrangements are operational.

Dimension 3 – Liquidity and funding in resolution

ID	Principle 3.1 – Estimation of liquidity and funding needs in resolution
Level 1	
3.1.1.1	<p>The bank is able to estimate liquidity needs in resolution, considering:</p> <ul style="list-style-type: none"> a) identification of the list of entities (key liquidity entities (KLEs); b) key liquidity drivers; c) material currencies in scope. <p>These elements are documented accordingly.</p>
3.1.1.2	The bank is able to estimate and forecast its liquidity needs and liquidity position in resolution at different phases (run-up, point of failing or likely to fail (FOLTF) and for resolution strategies other than transfer tools, at least six months after resolution), in particular taking into account the FOLTF estimation, resolution triggers, the resolution strategy and based on different scenarios (at minimum a slow-moving and a fast-moving scenario), involving a mix of solvency and liquidity depletion where liquidity indicators are severely deteriorated at the FOLTF determination, and considering credible and feasible recovery options for the resolution strategy. These elements are documented accordingly.

ID	Principle 3.1 – Estimation of liquidity and funding needs in resolution
Level 2	
3.1.2.1	<p>In addition to the capabilities set out in Level 1, the bank is able to estimate liquidity needs in resolution, taking into account:</p> <ul style="list-style-type: none"> a) counterparties' behaviour resulting in outflows (e.g. FMIs, funding providers, depositors, etc.), in particular assumptions on deposit outflows and on availability of wholesale short-term funding; b) legal, regulatory and operational obstacles to the transferability of liquidity between group entities; c) implications of rating downgrades on the liquidity position (e.g. additional requirements from counterparties, FMI service providers etc.); d) financial obligations related to operational continuity and access to critical FMIs under stress. <p>These elements are documented accordingly.</p>
3.1.2.2	<p>The bank is able to provide a description of the group funding set up in resolution, covering the expected key differences between their 'business as usual' (BaU) and the resolution funding set up, including the changes to the links and dependencies (e.g. intragroup funding arrangements) between the KLEs expected to take place in resolution (especially for cross-border groups).</p> <p><i>Where the bank has only one KLE, the assessment should be limited to 'compliant' or 'non-compliant'.</i></p>
Level 3	
3.1.3.1	<p>In addition to the capabilities set out in Level 2, the bank is able to estimate liquidity needs in resolution, considering:</p> <ul style="list-style-type: none"> a) legal and operational obstacles to pledging available collateral in a timely manner; b) potential liquidity needs arising from the contractual suspension or termination rights that counterparts may exercise. <p>These elements are documented accordingly.</p>
3.1.3.2	<p>The bank is able to estimate key intraday liquidity metrics in the different phases of resolution at an aggregated level and at material currency level.</p>
Advanced capabilities	
	<p>The bank can recalibrate existing model parameters and assumptions underpinning the liquidity estimations within the day and reflect in its estimations rapidly changing market conditions.</p>

ID	Principle 3.2 – Measurement and reporting of the liquidity situation in resolution
Level 1	
3.2.1.1	<p>The bank is able to report a predefined set of data points to measure and report its liquidity situation at resolution group level on short notice in a standardised format, as per the operational guidance.</p>
3.2.1.2	<p>The bank is able to:</p> <ul style="list-style-type: none"> a) forecast and report its net liquidity position (cash inflows and outflows and the counterbalancing capacity) across time periods as specified in the operational guidance; b) report its liquidity sources that are available as specified in the operational guidance.
Level 2	
3.2.2.1	<p>The bank demonstrates the capabilities set out in capability 3.2.1.1 at resolution group level and, where relevant, for:</p> <ul style="list-style-type: none"> a) KLEs, as agreed with the IRT; b) material currency level, as agreed with the IRT.
3.2.2.2	<p>The bank is able to report the predefined set of data points to measure and report its liquidity situation within a standard timeframe requested by the IRT.</p>

ID	Principle 3.2 – Measurement and reporting of the liquidity situation in resolution
Level 3	
3.2.3.1	The bank is able to detail the assumptions (e.g. haircuts, rollover rates and run-off rates) applied to forecast the evolution of the liquidity value of the counterbalancing capacity/liabilities as specified in the operational guidance.
Advanced capabilities	
	The bank is able to report, in a standardised format, updated daily data for all data points requested.
	The bank ensures consistency with the data reported as part of other supervisory or resolution reporting.

ID	Principle 3.3 – Identification and mobilisation of collateral during and after resolution
Level 1	
3.3.1.1	The bank is able to provide information, where applicable, on the sources of funding that can be mobilised in resolution at the level of the resolution group, KLEs and at the level of material currencies, covering: <ul style="list-style-type: none"> a) intragroup funding; b) private markets; c) facilities from third parties; d) cross-border funding arrangements.
3.3.1.2	The bank is able to provide an analysis on legal, operational and regulatory challenges to mobilising assets (central bank (CB) eligible and not CB eligible).
3.3.1.3	The bank is able to provide information on the estimated value (estimation of their liquidity value post-haircut), availability and location of assets within the group that would be expected to qualify as collateral for CB ordinary facilities.
Level 2	
3.3.2.1	The bank is able to provide information on marketable assets deemed not eligible for CB (ordinary monetary operations) but that can be used as collateral to obtain funding during and – for strategies other than sale of business – after resolution. The bank is also able to provide an estimation of their liquidity value. This information is provided for the resolution group, KLEs and each material currency and is documented accordingly.
3.3.2.2	In addition to the capabilities set out in capability 3.3.2.1, the bank is able to provide information and mobilise sources of funding in resolution including: (i) an assessment of the bank's capabilities in generating marketable assets that could become eligible for CB collateral and, if applicable, in identifying remedial actions to implement; and (ii) an identification of non-marketable assets deemed not eligible for CB (ordinary monetary policy operations) with relevant information that could facilitate its valuation. This information is provided for the resolution group, KLEs and each material currency and is documented accordingly.
3.3.2.3	The bank is able to provide information on the operational steps and the timing necessary to mobilise assets: <ul style="list-style-type: none"> a) that are eligible for CB ordinary facilities; b) that are not eligible for CB ordinary facilities.
Level 3	
3.3.3.1	In addition to the capabilities set out in Level 2, for assets that are non-eligible for CB ordinary facilities, the bank is able to provide information on the possibility of using securitisation to obtain eligible funding, for example, with the Single Resolution Fund or with ordinary monetary policy operations. The bank is able to provide an estimate of their asset value. This information is provided for the resolution group, KLEs and each material currency and is documented accordingly.
3.3.3.2	The bank is able to provide information on assets for which eligibility for CB funding is unknown and the bank has implemented actions to minimise the amount of these assets.
3.3.3.3	The bank has addressed the legal, operational and regulatory challenges to mobilising its assets.

Dimension 4 – OCIR and access to FMI services

Dimension 4.1 – OCIR

ID	Principle 4.1 – Identification and mapping of interconnectedness for operational continuity and Principle 4.2 – Assessment of operational continuity risk
Level 1	
4.1.1.1	The bank has developed its own service taxonomy in order to identify and map critical and essential services, operational assets and staff.
Level 2	
4.1.2.1	The bank has identified critical and essential services, operational assets and staff by performing the criticality assessment and classifying them in accordance with its own taxonomy. <i>If a bank has no critical functions (CFs), the capabilities only apply to core business lines (CBLs) mutatis mutandis.</i>
4.1.2.2	The bank maintains a mapping of critical and essential services to: <ul style="list-style-type: none"> a) CFs; b) CBLs supporting the resolution strategy and any restructuring; c) legal entities (providing and receiving the services); d) third-party service suppliers.
Level 3	
4.1.3.1	The bank maintains a mapping of critical and essential services to: <ul style="list-style-type: none"> a) operational assets; b) staff/roles which support their provision; c) related contractual arrangements.
4.1.3.2	The bank has carried out a comprehensive assessment of risks to operational continuity in resolution.
Advanced capabilities	
	The bank has also assessed the risks to operational continuity in resolution deriving from digitalising its activities, in particular considering risks revealed as a result of major information and communication technology incidents and tests conducted under the Digital Operational Resilience Act (DORA) (Regulation (EU) 2022/2554).

ID	Principle 4.3 – Actions to mitigate risks to operational continuity and measures to improve preparedness for resolution
Level 1	
4.3.1.1	Resolution-resilient contracts. The bank has assessed its contractual arrangements and has defined a work plan with a concrete timeline to ensure that both EU and third-country contracts are resolution-resilient and well documented.
Level 2	
4.3.2.1	Resolution-resilient contracts. The bank has resolution-resilient contracts in place for critical and essential services and assets. Where the bank demonstrates that such contracts could not be made resolution-resilient, the bank has alternative mitigating actions in place.
4.3.2.2	Documentation. The bank has adequately documented contracts in place for critical and essential services and assets, or, in the case of intra-entity services and assets, is able to quickly draw up transitional service agreements in resolution.

Level 3	
4.3.3.1	<p>Financial resilience. In the case of third-party services, the bank has undertaken adequate due diligence of the financial resilience of the third-party provider(s), in line with the approach in the 'EBA Guidelines on outsourcing arrangements'.</p> <p><i>This capability should be marked as 'N/A' if the bank has no critical or essential third-party service providers.</i></p>
4.3.3.2	<p>Financial resilience. For critical and essential services provided by an unregulated intra-group provider, the bank ensures that the service provider has liquid resources – at least equal to 20% of its annual fixed overheads – which are segregated from other group assets.</p> <p><i>This capability should be marked as 'N/A' if the bank has no critical or essential unregulated intra-group service providers.</i></p>
Advanced capabilities	
	<p>Resolution-resilience of contracts. Where the bank's strategy is open bank bail-in, for contracts governed by EU law, the bank has resolution-resilient contracts in place for critical and essential services and assets, which also cover implementation of the business reorganisation plan. Where the bank demonstrates that such contracts could not be made resolution-resilient, the bank has alternative mitigating actions in place.</p>
	<p>Staffing. The bank has succession plans in place for addressing the loss of critical and essential staff in resolution, and retention plans detailing measures that the bank can take at short notice in the run-up to and during resolution to mitigate against staff in critical and essential roles resigning.</p>
	<p>Financial resilience. For critical and essential services provided by an unregulated intra-group provider, the bank ensures that the service provider has liquid resources – equivalent to 50% of its annual fixed overheads – which are segregated from other group assets.</p>
	<p>Arm's length charging structures. The bank has cost and pricing structures in place for critical and essential services which they receive. These structures are transparent, predictable and set at an arm's length basis.</p>

Dimension 4.2 – Access to FMI services

ID	Principle 4.4 – Identifying, mapping and assessing dependencies on FMI service providers
Level 1	
4.4.1.1	The bank has a process in place to maintain an up-to-date and complete list of FMI service providers, including all the qualitative and quantitative information covered by the FMI report (FMIR).
Level 2	
4.4.2.1	The bank has developed an objective approach to determine which FMI service providers are critical or essential. The approach takes into account the potential impact of discontinued or degraded access to their CFs and CBLs. The objective approach makes use of the key metrics provided in the FMIR.
Level 3	
4.4.3.1	The process for identifying, mapping and assessing FMI dependencies (financial, operational etc.) is formalised.

ID	Principle 4.5 – Understanding the requirements for continued access
Level 1	
4.5.1.1	The bank demonstrates in its FMI contingency planning methodology that it has a thorough understanding of the FMI rulebooks it has adhered to or the contractual arrangements it has entered into with intermediaries. This includes any defensive actions or risk management measures (e.g. increased margin requirements, reductions in outstanding credit lines) that the FMI service providers (including intermediaries) and third-party services or other providers that are necessary to maintain access to FMIs may take in the run-up to or during resolution. The bank has assessed the impact of these of potentially heightened requirements.
Level 2	
4.5.2.1	The bank is able to report information on the positions and value of transactions for the reported FMI service providers. The bank complements this with information on the pending relevant time-critical obligations (type of obligation, values) and the timeframes in which these would need to be executed.
Level 3	
4.5.3.1	The bank is able to provide information on the currency and form in which liquidity or collateral requirements would be expected to materialise (e.g. increased margin, intraday margin calls, additional default fund contributions, pre-funding, requests to provide collateral of higher quality such as government bonds with a minimum rating), as well as the assumptions and models underpinning the calculation of the estimated liquidity needs under stress, including any assumptions related to the expected volume of business activity.
Advanced capabilities	
	The requirements for continued access, including the amount and impact of heightened requirements for all FMIs at the same time, have been factored into the bank's internal risk assessment framework and other relevant internal processes.

ID	Principle 4.6 – FMI contingency plan and measures to ensure continuity in access to FMI services
Level 1	
4.6.1.1	The FMI contingency plan(s) describes the: <ul style="list-style-type: none"> a) governance arrangements supporting resolution planning duties on continuity of access to FMIs; b) governance framework for monitoring and managing the risks related to the bank's relationship with FMI service providers; c) extent to which the bank's MIS supports the preparation of the information in the FMIR and the contingency plans; d) list of FMI service providers covered by the contingency plan(s); e) legal entities in the group which act as intermediaries delivering critical FMI services to other firms within and outside of the group, if applicable.
Level 2	
4.6.2.1	The bank assesses whether the FMI contingency plan(s) contain(s) a description of: <ul style="list-style-type: none"> a) infrastructure, processes and operational arrangements (key systems, staff, etc.) to maintain access in resolution; b) financial arrangements to maintain access in resolution.
4.6.2.2	Portability. The bank demonstrates a thorough understanding of the requirements to support customer portability and describes the procedures and their operationalisation in the FMI contingency plan(s). If the bank acts as an intermediary providing FMI access to other parties, it has procedures in place to either: i) ensure that this function can be continued in resolution or ii) be migrated to other intermediaries in an orderly fashion.
4.6.2.3	Resolution-resilient clauses. The bank includes resolution-resilient clauses in contracts including alternative mitigating actions, where relevant, as referred to in the SRB's Operational guidance on operational continuity in resolution.
4.6.2.4	Substitutability. In order to inform the substitutability analysis, the bank provides a granular outline of the products and services each FMI service provider offers directly or via an intermediary. The bank identifies when an alternative venue or provider for a specific product or service exists and clarifies whether a connection with this alternative is already in place.

ID	Principle 4.6 – FMI contingency plan and measures to ensure continuity in access to FMI services
Level 3	
4.6.3.1	<p>Portability. In addition to 4.6.2.2, the bank has the resources and systems in place to maintain information for central counterparties on:</p> <ul style="list-style-type: none"> a) individual clients for each omnibus account; b) client positions; and c) client margins and assets received as collateral; <p>and for CSDs on:</p> <ul style="list-style-type: none"> a) clients for each omnibus account; and b) individual client assets held at the CSD.
4.6.3.2	<p>Substitutability. In cases where the bank identifies a substitute provider or venue for a specific product, the bank provides information on the processes, costs and timeline to execute the switch.</p>

Dimension 5 – Information systems and data requirements

ID	Principle 5.1 – MIS capabilities to produce information necessary for resolution planning
Level 1	
5.1.1.1	The bank is able to report the resolution planning standard forms and templates requested as part of the SRB Resolution Reporting Requirements for the year covered by the assessment in a timely, accurate and complete manner in line with the published reporting deadlines, validation rules and guidance.
5.1.1.2	MIS for liquidity. The bank has MIS in place allowing for the automated measurement and reporting of liquidity in resolution.
Level 2	
5.1.2.1	MIS for OCIR. The bank has MIS in place that support its operational continuity arrangements, such as the service catalogue and a repository of contracts for critical services.
5.1.2.2	MIS for FMI. The bank demonstrates the adequacy of its MIS to promptly (at best within less than one business day, but no more than three business days) produce the FMI-related information.
Level 3	
5.1.3.1	MIS for OCIR. The bank has set up MIS to support its operational continuity arrangements such as (i) a service catalogue for relevant services, operational assets and staff/roles, (ii) a repository of contracts, (iii) an inventory of operational assets and (iv) a database of staff.
5.1.3.2	<p>For banks with significant trading activities preparing the SWD plan. The bank has adequate MIS capabilities in place and can refresh the SWD plan within the timeframe laid out in the SWD guidance.</p> <p><i>This capability is relevant only for banks with significant trading activities preparing the SWD plan. Otherwise, it should be marked as 'N/A'.</i></p>

ID	Principle 5.2 – MIS capabilities to produce the necessary information for valuation
Level 1	
5.2.1.1	The bank has MIS capabilities in place to produce information to support a valuation based on the scope defined by the IRT.
Level 2	
5.2.2.1	In line with the SRB Expectations on Valuation Capabilities, the bank has set up a permanent data repository for resolution.

ID	Principle 5.2 – MIS capabilities to produce the necessary information for valuation
5.2.2.2	In line with the SRB Expectations on Valuation Capabilities, the bank has completed the collection of the unstructured data requested in the valuation data index information for the resolution entity.
5.2.2.3	In line with the SRB Expectations on Valuation Capabilities, MIS capabilities and the related governance arrangements are documented in the valuation playbook.
Level 3	
5.2.3.1	In line with the SRB Expectations on Valuation Capabilities, the bank has completed the collection of the unstructured data requested in the valuation data index information for all relevant legal entities in scope.
5.2.3.2	In line with the SRB Expectations on Valuation Capabilities, the bank has in place the MIS capabilities to produce the new Valuation Data Set for all entities in scope.
Advanced capabilities	
	Overall, the bank has MIS capabilities in place to produce information that is up to date and complete, to ensure a fair, prudent and realistic valuation.

ID	Principle 5.3 – MIS capabilities to produce the information for the implementation of the resolution tools
Level 1	
5.3.1.1	The bank describes its MIS capabilities in its bail-in playbook.
5.3.1.2	<p>Where transfer tools are envisaged as the PRS. The bank demonstrates the ability to give easy and swift access to all relevant stakeholders, e.g. through the set-up of a data repository for resolution or equivalent way of access.</p> <p><i>This capability is relevant only for banks where transfer tools are envisaged as the PRS. Otherwise, it should be marked as 'N/A'.</i></p>
Level 2	
5.3.2.1	<p>Data for bail-in execution. The bank demonstrates the ability to provide bail-in data (in line with the SRB instructions, and complemented by the country-specific amendments when applicable) covering information on own funds, other subordinated liabilities, SNP debt, senior preferred debt securities and other liabilities enabling it to meet MREL requirements, including the CBR considered in addition to the risk-based requirement, with a sufficient level of quality (completeness and accuracy) to ensure successful bail-in implementation during the resolution weekend.</p>
5.3.2.2	If applicable, data for write-down and conversion execution at the level of non-resolution entities. The group demonstrates the ability to provide write-down and conversion data (in line with the SRB instructions, and complemented by the country-specific amendments when applicable) covering the all the information requested for non-resolution entities in line with the scope and data quality requirement defined by the SRB guidance.
5.3.2.3	<p>Where transfer tools are envisaged as the PRS. The bank demonstrates the ability to produce information required for the material assets, rights, liabilities or shares or other instruments of ownership to be transferred, taking into account safeguards referred to in Articles 76-80 BRRD and the related Delegated Regulation (EU) 2017-867, to support the effective execution of the transfer tool and the minimum list of data and documents to be delivered through the chosen solution (e.g. a data repository for resolution or equivalent way of access).</p> <p><i>This capability is relevant only for banks where transfer tools are envisaged as the PRS. Otherwise, it should be marked as 'N/A'.</i></p>
Level 3	
5.3.3.1	<p>Data for bail-in execution. The bank demonstrates the ability to provide the bail-in data (in line with the SRB instructions, and complemented by the country-specific amendments when applicable) covering all the information related to all bail-inable liabilities ranking <i>pari passu</i> with liabilities enabling compliance with MREL requirements, including the CBR considered in addition to the risk-based requirement, with a sufficient level of quality (completeness and accuracy) to ensure successful bail-in implementation during the resolution weekend.</p>

ID	Principle 5.3 – MIS capabilities to produce the information for the implementation of the resolution tools
5.3.3.2	<p>Where transfer tools are envisaged as the PRS. The bank demonstrates capabilities:</p> <ul style="list-style-type: none"> a) to deliver the required information (e.g. through a data repository for resolution or equivalent way of access): <ul style="list-style-type: none"> i) with all the necessary elements, including information regarding the transfer perimeter(s), and ii) to update the required information in case of perimeter shifts; b) to give swift access to all relevant stakeholders at short notice; c) to implement the transfer in the banks' IT systems. <p><i>This capability is relevant only for banks where transfer tools are envisaged as the PRS. Otherwise, it should be marked as 'N/A'.</i></p>
5.3.3.3	<p>Financial contracts. Where applicable, the bank demonstrates that it maintains detailed records of financial contracts, in accordance with Commission Delegated Regulation (EU) 2016/1712.</p>
Advanced capabilities	
	<p>Data for bail-in execution. The bank demonstrates the ability to provide the bail-in data (in line with the SRB instructions, and complemented by the country-specific amendments when applicable) covering all bail-inable liabilities with a sufficient level of quality (completeness and accuracy) to ensure successful bail-in implementation during a resolution weekend.</p>

Dimension 6 – Communication

ID	Principle 6.1 – Communication plan
Level 1	
6.1.1.1	<p>For the set of minimum critical stakeholder groups as per Article 22(6) of Delegated Regulation 2016/1075, the communication plan:</p> <ul style="list-style-type: none"> a) includes the objective of the communication per critical stakeholder group; b) identifies and describes the role and the responsibility of the owner of the communication process, together with a list of key personnel, per critical stakeholder group; c) includes contact details of the owner of the communication process and of the key personnel in the institution/group, per critical stakeholder group; d) includes the communication channels to be used, per critical stakeholder group.
6.1.1.2	The communication plan describes the specific arrangements put in place to prevent and address information leaks.
6.1.1.3	The communication plan includes a comprehensive strategy and corresponding operationalised procedures to manage any potential negative market reaction.
Level 2	
6.1.2.1	<p>In addition to the minimum set of critical stakeholders set out in 6.1.1.1, the communication plan identifies, where relevant, all other critical (external and internal) stakeholders at a granularity that allows for the development of a targeted communication strategy. For all critical (external and internal) stakeholders identified, the communication plan:</p> <ul style="list-style-type: none"> a) includes the objective of the communication per critical stakeholder; b) identifies and describes the role and the responsibility of the owner of the communication process, together with a list of key personnel, per critical stakeholder; c) includes contact details of the owner of the communication process and of the key personnel in the institution/group, per critical stakeholder; d) includes the communication channels to be used, per critical stakeholder.

ID	Principle 6.1 – Communication plan
6.1.2.2	<p>The communication plan describes the information that can be communicated to each critical stakeholder identified, including a chronological timeline of the communication steps ahead of, during and after resolution, also taking into account:</p> <ul style="list-style-type: none"> a) legal restrictions and requirements; b) market reactions; c) potential threats to financial stability or successful resolution.
6.1.2.3	<p>The communication plan describes the infrastructure and resources that are available to communicate effectively with critical stakeholders, which would be used in case of resolution.</p>
Level 3	
6.1.3.1	<p>The communication plan includes pre-defined key messages during and after resolution, which are accurate, consistent and easily understandable and tailored to:</p> <ul style="list-style-type: none"> a) the resolution strategy (SPE or MPE), including the resolution tool(s); b) each critical stakeholder and their specificities (e.g. requiring different timelines/information to be provided in local languages, disclosure requirements and time differences).
6.1.3.2	<p>The bank maps, either in the communication plan or in the relevant plan or playbook, the potential communication and disclosure requirements linked to the application of the tool (both internal and with third parties and relevant authorities) at the level of the resolution entity(-ies) and of material legal entities (MLEs) that are credit institutions or investment firms.</p>
6.1.3.3	<p>The communication plan provides an assessment of potential barriers to communication or coordination, with the corresponding credible mitigation actions, where appropriate.</p>
Advanced capabilities	
	<p>The communication plan includes pre-populated template documents of messages and emails, frequently asked questions and other tools to be used through the resolution process. Pre-populated documents have been approved by the bank's legal department. The structure of the pre-populated messages and emails to critical stakeholders should be that of: a) a general statement, communicating the resolution action(s) expected to be taken in a resolution event, and b) information about the consequences of the resolution for the respective critical stakeholder.</p>
	<p>The communication plan includes flowcharts and diagrams which clearly show:</p> <ul style="list-style-type: none"> a) the governance structure for activating and executing the communication plan; b) the interaction between the various stakeholders (critical or otherwise), departments and committees that will be involved before, during and after resolution.
	<p>The communication plan includes process descriptions on how the bank will tailor its communication messaging to the actual crisis leading to a resolution event (in particular, where the speed of the crisis leads to a short-runway to FOLTF, even mid-week failure).</p>
	<p>The communication plan is consistent with the bank's other plans (for example, institution's/group's recovery plan) and playbooks, and includes references to these should there be communication sections in those other documents (or, vice versa, the other plans/playbooks should refer to the communication plan).</p>
	<p>The communication plan includes comprehensive process descriptions for the activities/actions embedded in the communication plan (for example, identification of critical stakeholders, development of the key messages per critical stakeholder, identification of barriers to communication and respective mitigation actions etc.) required to complete and update it.</p>

ID	Principle 6.2 – Communication governance
Level 1	
6.2.1.1	<p>The bank demonstrates that:</p> <ul style="list-style-type: none"> a) members of staff involved in communication with identified critical stakeholders – including consulting staff and, where applicable, social partners – are aware of their roles, processes and procedures in resolution and have access to the appropriate level of information; b) the different management bodies of the group entities are coordinated (through, for example, the approval processes that cover all actions and decisions foreseen in its communication plan).
6.2.1.2	The bank is able to monitor the execution of its communication plan.
6.2.1.3	<p>The bank demonstrates that:</p> <ul style="list-style-type: none"> a) the confidentiality and disclosure requirements applicable under relevant national law(s) (i.e. where the bank has MLEs that are credit institutions or investment firms) are fully met and, where relevant, the SRB is informed about cases where disclosure requirements may unduly impact the implementation of the resolution strategy; b) staff involved in resolution maintain confidentiality and exchange information in a secure manner.
Level 2	
6.2.2.1	The bank is able to promptly mobilise infrastructure (including a call centre) and resources to effectively communicate with the identified stakeholders.
6.2.2.2	The bank is able to promptly adjust the communication plan and related documents (e.g. frequently asked questions) to the specificities of the applicable resolution action per critical stakeholder, ensuring also a necessary alignment with resolution authorities.
Level 3	
6.2.3.1	Where relevant, the bank demonstrates that a consistent, efficient and effective execution of the communication plan in different jurisdictions can be ensured, taking into account, inter alia, local language, disclosure requirements and time differences.
6.2.3.2	The bank is able to monitor media and social media (particularly with regard to misinformation) ahead, during and after resolution and to implement communication strategies to mitigate any communication risks.
6.2.3.3	The bank is able to disseminate reliable information under urgent circumstances (e.g. extremely short timeframes, such as a mid-week failure).

Dimension 7 – Separability, transferability and restructuring

ID	Principle 7.1 – Structure, complexity and interdependencies
Level 1	
7.1.1.1	<p>For banks that perform trading and hedging activities. The bank has provided the SRB with an analysis on sources of structure complexity, covering the characteristics of its trading book, including:</p> <ul style="list-style-type: none"> a) size, complexity and funding of its trading book; b) practices related to how trading or hedging operations are marketed, booked (their location within the group), funded and risk-managed. <p><i>This capability should be marked as 'N/A' if the bank does not perform trading and hedging activities which are material enough to impact resolvability.</i></p>

ID	Principle 7.1 – Structure, complexity and interdependencies
7.1.1.2	<p>The bank has provided the SRB with an analysis of sources of structural complexity, covering the complexity of the entity or entities, business lines or portfolios, including:</p> <ul style="list-style-type: none"> a) complex entities, business lines or portfolios, structured in a way that impairs the use of resolution tools, or may circumvent their application; b) entities, business lines or portfolios which have a complexity that may impede an adequate valuation; c) activities which could impede the separability and transferability of the bank.
7.1.1.3	<p>The bank has provided the SRB with an analysis of sources of structural complexity, covering the internal and external interlinkages and contagion risks, including:</p> <ul style="list-style-type: none"> a) activities in special purpose entities; b) the use of intra-group guarantees or back-to-back booking transactions (if any) and whether contagion risk is increased; c) intra-group funding arrangements and their impact on the implementation of the resolution strategy; d) analysis of how a disruption in and/or a discontinuation of banking activities could affect third parties (including through non-banking activities).
7.1.1.4	<p>For banks with third-country activities or instruments ruled by third-country law. The bank has provided the SRB with an analysis of sources of structure complexity, covering the complexity relating to third-country activities, including:</p> <ul style="list-style-type: none"> a) activities in third countries with an insufficient resolution regime; b) products governed by third-country law. <p><i>This capability should be marked as 'N/A' if the bank does not deal with third-country activities or instruments ruled by third-country law.</i></p>
7.1.1.5	<p>For cooperatives. The bank has provided the SRB with an analysis of the source of complexity driven by the inverted-pyramid structure and by the operational and legal peculiarities of the cooperative group.</p> <p><i>This capability should be marked as 'N/A' if the bank is not characterised by the inverted-pyramid structure.</i></p>
7.1.1.6	<p>Where requested by the IRT following the assessment under the points above, the bank has provided the SRB with a plan to reduce sources of identified undue complexity, with timelines for implementing remedial actions.</p> <p><i>This capability should be marked as 'N/A' if the bank was not requested by the IRT to design such a plan.</i></p>
Level 2	
7.1.2.1	<p>Where requested by the IRT, the bank has implemented the most important measures in line with the approved work plan (as referred to above in Level 1 – see capability 7.1.1.6).</p> <p><i>The 'work plan' refers the one mentioned in Level 1 (as per capability 7.1.1.6). This will apply to banks who were requested by the IRT to prepare such a plan. If not, the capability should be marked as 'N/A'.</i></p>
7.1.2.2	<p>The bank has performed an internal assessment of interconnections between legal entities, and is capable of updating and communicating the outcome of this assessment to the IRT in a timely manner.</p>
7.1.2.3	<p>Where relevant for the execution of the resolution strategy, the bank demonstrates the necessary alignment in the legal and corporate structures of the group with CFs and CBLs to implement the resolution strategy.</p> <p><i>This capability is applicable only if notified by the IRT. Otherwise, it should be marked as 'N/A'.</i></p>
7.1.2.4	<p>For banks under an MPE strategy. The bank has provided the SRB with an analysis of the separability of entities (or sub-groups) belonging to a banking group.</p> <p><i>This capability is applicable if the bank is under an MPE strategy. Otherwise, it should be marked as 'N/A'.</i></p>
7.1.2.5	<p>For cooperatives. The bank has provided the SRB with a clear and approved work plan on how to address issues deriving from the inverted-pyramid structure.</p> <p><i>This capability should be marked as 'N/A' if the bank is not characterised by the inverted-pyramid structure.</i></p>

ID	Principle 7.1 – Structure, complexity and interdependencies
Level 3	
7.1.3.1	<p>For banks that perform material non-banking operations. The bank has demonstrated the independence and resilience of its material non-banking operations in resolution and, as applicable, has adopted and provided the necessary arrangements to this effect.</p> <p><i>This capability should be marked as 'N/A' if the bank does not perform non-banking activities which are material enough to impact resolvability.</i></p>
7.1.3.2	<p>The bank has identified and documented the cost/value drivers of entities, business lines or portfolios to be used to:</p> <ul style="list-style-type: none"> a) evaluate in resolution the viability of banks post-resolution or viability of the bridge institution to give continuous access to CFs; b) draft a credible business reorganisation plan (BRP) for banks and be in a position to assess them for authorities; c) raise market interest and maximise pricing as much as possible.
7.1.3.3	<p>For cooperatives. The bank has addressed issues deriving from the inverted-pyramid structure.</p> <p><i>This capability should be marked as 'N/A' if the bank is not characterised by the inverted-pyramid structure.</i></p>
Advanced capabilities	
	Non-performing exposures, if any, can be handled by a dedicated and adequately staffed entity or unit that has all the necessary information at hand (subject to compatibility with supervisory requirements).
	The bank is capable of carving out assets, rights and/or liabilities and placing them under specialised legal entities such as special purpose vehicles.
	The bank has performed an internal assessment of interconnections between business lines and legal entities and is capable of updating and communicating the outcome of this assessment to the IRT in a timely manner.
	If applicable, the bank has provided the SRB with a legal assessment of the effect that the application of resolution action(s) in the domestic jurisdiction may have on its activities in foreign jurisdictions.
	In case requested by the IRT, the bank has implemented measures to arrive at operationally independent MLEs, to support the effective execution of the resolution strategy.

ID	Principle 7.2 – Separability and transferability analyses for transfer tools
Level 1	
7.2.1.1	<p>Separability and transferability analysis report (SAR) (Part I). The bank has completed the following elements of the SAR, covering:</p> <ul style="list-style-type: none"> a) a description of the transfer perimeter(s) considered for transfer (assets, rights and/or liabilities), having regard to achieving the resolution objectives (including the continuity of CFs and CBLs), resolution principles, compliance with resolution tool's purpose and other regulatory obligations and also considering relevant recovery options, if applicable; b) an assessment of the financial, operational, legal and business interconnections of the transfer perimeter(s) – in its SAR, the bank has performed an assessment of the potential obstacles to the separability and transferability of the transfer perimeter(s) and has proposed a list of credible and feasible mitigating actions with a credible timeline.
7.2.1.2	<p>SAR (Part II). In addition to the elements set out in capability 7.2.1.1, the bank has completed in the SAR the following elements of a marketability assessment for the transfer perimeter(s) considered for transfer:</p> <ul style="list-style-type: none"> a) an assessment of market capacity of potential purchasers for the different components of the transfer perimeter(s), in accordance with the relevant SRB's operational guidance; b) an assessment of market interest of potential purchasers for the different components of the transfer perimeter(s), in accordance with the relevant SRB's operational guidance.

ID	Principle 7.2 – Separability and transferability analyses for transfer tools
Level 2	
7.2.2.1	<p>SAR. In addition to the elements set out in Level 1, the SAR includes the following elements:</p> <ul style="list-style-type: none"> a) a detailed description of the transfer perimeter(s) considered for transfer (assets, rights and/or liabilities) and an assessment of the consequences for liability holders, in accordance with the relevant SRB's operational guidance; b) a description, when relevant (i.e. when the transfer perimeter includes clearing, payment and settlement activities), of where the perimeter of clearing, payment and settlement activities is located; c) a description of the IT systems and licences, staff and critical and essential services that are necessary to support the transfer perimeter; d) a description of the process for transitioning the (critical and essential) services provided under service level agreements to third parties in the event of the separation of CFs and CBLs (if required); e) an assessment of the continuity of the bank's MIS in case of separation; f) an assessment of the impact of separation and transfer on the relevant contracts (e.g. joint-ventures, relevant external providers, FMIs, etc.); g) an assessment of tax and legal matters.
7.2.2.2	<p>Transfer playbook. The bank has completed the elements of a transfer playbook, covering:</p> <ul style="list-style-type: none"> a) governance: the responsible organisational unit(s) or committee(s), identity and position of senior management responsible for overseeing execution of the separability and transferability option, tasks to be conducted; b) timeline for implementation; c) steps and timeline to implement credible/feasible mitigation strategies, if any, for barriers and potential obstacles to execution as identified in the bank's SAR, its analysis of interconnections and other separability and transferability aspects, as well as preparatory measures, including intra-resolution-group transfers, when relevant; d) communication with internal, external and regulatory stakeholders (or part of the bank's communication plan in EfB principle 6.1). The bank has investigated the requirements relating to, inter alia: <ul style="list-style-type: none"> i. disclosures; ii. notification; iii. licensing; and iv. authorisation.
Level 3	
7.2.3.1	<p>SAR. The bank has submitted the SAR, including, in addition to the elements set out in Levels 1 and 2:</p> <ul style="list-style-type: none"> a) an assessment before and after implementation of recovery options; b) an assessment of whether assets, rights and liabilities which are not directly related to critical or essential services, but are earmarked for a transfer perimeter, can be transferred; c) a legal assessment of employees and pensions; d) a historical financial analysis of the transfer perimeter(s) as part of a draft business plan, with the relevant costs in accordance with the relevant SRB's operational guidance; e) granular, separation-specific data allowing compliance with BRRD legal safeguards and application of discretionary powers set out in Commission Delegated Regulation (EU) 2017/867; f) a list of the most suitable potential purchasers based on: <ul style="list-style-type: none"> i. their financial strength and hence capacity to absorb the transfer perimeter given their available capital (solvency capacity) and liquidity (liquidity capacity) for a transaction. This assessment considers current capital and liquidity requirements, as well as their capacity to raise both capital and liquidity, using publicly available information; ii. an assessment of legal and regulatory requirements related to the transfer (e.g. need for licenses or authorisation); iii. a business assessment of the strategic fit with regard to the business model, relevant markets, geographic footprint, products, customer base, distribution channels and risk appetite of the potential purchasers, drawing from past and recent corporate activities, using publicly available information. g) an assessment of credible alternative transfer perimeter(s), e.g. asset carve-outs, with no material obstacles.

ID	Principle 7.2 – Separability and transferability analyses for transfer tools
7.2.3.2	<p>Transfer playbook (Part I). The bank has submitted a complete transfer playbook, including, in addition to the elements set out in Level 2:</p> <ul style="list-style-type: none"> a) quality assurance processes; b) considerations about alternative transfer perimeter(s); c) the operational arrangements to ensure the application of transfer powers on third-country governed instruments (if applicable); d) the descriptions and steps for implementing preparatory measures, including intra-resolution-group transfers, prior to the transfer, steps for ensuring continuity between the first and last transfer (when relevant) or between the transfer and the liquidation of the residual entity (transitional period); e) the data production processes and a preliminary list of elements to be communicated to authorities, potential purchasers and third parties; f) the identification of risks for each step and risk-mitigants, if any; g) the identification of steps that could be shortened or skipped if there is a need to accelerate the process; h) the steps for producing new financials and potentially a post-resolution balance sheet when relevant (e.g. when there is a remaining entity).
7.2.3.3	<p>Transfer playbook (Part II). The transfer playbook is able to foresee back-transfers and their underlying processes.</p>
Advanced capabilities	
	<p>SAR. The bank's SAR is granular enough to identify the components of the transfer perimeter(s) that would offer full flexibility for the application of resolution tools.</p>

ID	Principle 7.3.1 – BRP after open bank bail-in
Level 1	
7.3.1.1.1	<p>Governance for producing, approving and submitting a BRP. The bank has a process in place for producing a BRP covering the following elements (ordered from more elementary to more advanced):</p> <ul style="list-style-type: none"> a) the responsible units or committees; b) the timeline; c) the outputs that are to be produced; d) the steps/tasks to be conducted (including but not limited to reporting lines and validation steps by the management body); e) the flow of information between internal and external stakeholders (e.g. authorities, external advisors). <p>This process is documented in the BRP Analysis Report.</p>
7.3.1.1.2	<p>Core bank perimeter. The bank has submitted a strategic analysis and definition of the 'core bank' (i.e. the minimum set of activities and business lines that are likely to be performed and safeguarded in the new entity following the use of open bank bail-in tool at the end of the reorganisation period).</p> <p>The following features of the core bank should be described:</p> <ul style="list-style-type: none"> a) business lines, CFs and strategic markets; b) number and location of subsidiaries and branches; c) service delivery model; d) legal form (mostly relevant for i) cooperatives or ii) (partially) state owned banks).
7.3.1.1.3	<p>Identification of business reorganisation measures. The bank has identified and assessed business reorganisation measures that would either facilitate the establishment of the core bank or enhance the long-term viability thereof. These measures are the result of the bank assessing the credibility and feasibility of implementing recovery options during or post resolution, and the need for complementary reorganisation measures (including cost-cutting measures) that include the entities, business lines and/or portfolios of assets, rights and/or liabilities that could potentially be:</p> <ul style="list-style-type: none"> a) immediately discontinued; b) sold; c) wound down in an orderly manner; or d) reorganised post-resolution.

ID	Principle 7.3.1 – BRP after open bank bail-in
Level 2	
7.3.1.2.1	<p>Impact assessment of the recovery options:</p> <ul style="list-style-type: none"> a) the bank has conducted an individual assessment of all recovery options (under the assumption that none of the recovery options have been implemented ahead of resolution) that could potentially lead to reaching the core bank perimeter or that would enhance the long-term viability of the bank in a restructuring context post open bank bail-in, including the assessment of the impact of the reorganisation measure on CFs; b) the assessment includes a description of the combined impact of the selected recovery options in terms of profitability (i.e. return on equity and cost to income), solvency (i.e. CET 1, total capital ratio and risk-weighted assets) and liquidity (i.e. liquidity coverage ratio); c) the assessment includes the estimated timeline for the preparation and implementation of the selected recovery options, as well as the timeline for the expected benefits to materialise; d) the assessment includes a description of the bank's readiness to execute each selected recovery option, detailing: <ul style="list-style-type: none"> i. the internal and external stakeholders involved, the operational steps/tasks, the flow of information; ii. the existence (or not) of potential obstacles and the corresponding mitigation measure proposals from the bank.
7.3.1.2.2	<p>Impact assessment of the complementary reorganisation measures:</p> <ul style="list-style-type: none"> a) the bank has conducted an individual assessment of all complementary reorganisation measures that could lead to reaching the core bank perimeter or that would enhance the long-term viability of the bank in a restructuring context post open bank bail-in, including the assessment of the impact of the reorganisation measure on CFs; b) the assessment includes a description of the overall impact of the complementary reorganisation measures in terms of profitability (i.e. return on equity and cost to income), solvency (i.e. CET 1, total capital ratio and risk-weighted assets) and liquidity (i.e. liquidity coverage ratio); c) the assessment includes the estimated timeline for preparation and implementation of the complementary reorganisation measures, as well as the timeline for the expected benefits to materialise; d) the assessment includes a description of the bank's readiness to execute each complementary reorganisation measure, detailing: <ul style="list-style-type: none"> i. the internal and external stakeholders involved, the operational steps/tasks, the flow of information; ii. the existence (or not) of potential obstacles and the corresponding mitigation measure proposal from the bank. <p><i>This capability should be marked as 'N/A' if the bank has concluded that there is no need for complementary reorganisation measures. Please see capability 7.3.1.1.3.</i></p>
Level 3	
7.3.1.3.1	<p>Maximum reorganisation capacity (MRC). In addition to the capabilities set out in Level 2, the bank has performed its analysis on the MRC and:</p> <ul style="list-style-type: none"> a) assessed the compatibility/redundancy of the identified business reorganisation measures (e.g. through a matrix); b) suggested the optimal combination thereof; c) indicated the likely order/roadmap for the execution of the business reorganisation measures in their optimal combination.
7.3.1.3.2	<p>The bank has analysed the annual effect of the optimal combination of reorganisation measures in their sequential order of implementation on a selected number of key financial metrics related in particular in terms of profitability (i.e. return on equity and cost to income), solvency (i.e. CET 1, total capital ratio and risk-weighted assets) and liquidity (i.e. liquidity coverage ratio).</p>

ID	Principle 7.3.1 – BRP after open bank bail-in
7.3.1.3.3	<p>The bank has demonstrated its viability at the end of the reorganisation period (with a maximum duration of five years).</p> <p>Viability is defined as the bank generating:</p> <ul style="list-style-type: none"> a) the return on equity above [8%-10%]³¹; b) the cost to income below [50%-60%]³²; and c) compliance with regulatory requirements (i.e. CET1, total capital ratio, liquidity coverage ratio).
Advanced capabilities	
	<p>Sensitivity analysis. The bank has provided the largest incremental effect of business reorganisation measures (notably cost cutting measures) in order to identify the maximum capacity in terms of both return on equity and cost to income indicators. The reorganisation measures to be considered for the sensitivity analysis may be either a) reorganisation measures not included in the optimal combination of measures and/or b) reorganisation measures included in the optimal combination, both of them stressed to the maximum extent possible in order to produce the maximum impact on both relevant profitability metrics. For instance, the bank may consider for the sensitivity analysis the closure of additional X branches when it demonstrates that it represents the most impactful number for such a measure in terms of both relevant profitability indicators.</p>
	<p>MRC. The bank presents its MRC as the sum of the effect of the measures to restore long term viability (i.e. optimal combination of reorganisation measures in their sequential order) and the measures considered for the sensitivity analysis to get the maximum positive effect in return on equity and cost to income metrics at the end of the reorganisation period.</p>

ID	Principle 7.3.2 – SWD of trading books (for banks with significant trading activities only)
Level 1	
7.3.2.1.1	The bank is able to provide a SWD plan that includes a detailed description of trading desks or the relevant segmentation of activities and corresponding books and counterparty type.
Level 2	
7.3.2.2.1	<p>The bank is able provide a SWD plan that:</p> <ul style="list-style-type: none"> a) details credible exit options at granular level; b) includes assumptions that are in line with the scenario provided in the guidance³³ (passive vs active period, etc.); c) includes a detailed and credible description of the rump portfolio.
Level 3	
7.3.2.3.1	The bank is able to provide a description of trading activities, including details on their external and internal interdependencies.
7.3.2.3.2	<p>The bank is able to provide a SWD plan, along with supporting quantitative information and metrics, in line with the SRB's Operational guidance for banks on the SWD of trading books. This includes:</p> <ul style="list-style-type: none"> a) a detailed forecast of the key financial metrics (capital, market, counterparty credit and operational risk-weighted assets, liquidity etc.); b) a description of how the rump portfolio and trading business would be maintained post-execution (including costs and other resources needed); c) a detailed and comprehensive playbook (clear procedures/escalation protocols and decision-making processes, systems and infrastructure).

³¹ As per the exchange with the EU Commission on the restructuring commitments applied for past State Aid cases. The thresholds may be adapted upward or downward for the purposes of drafting an actual BRP considering the existing market conditions as well as the size, business model, national specificities and/or other concrete features of the bank. Any deviation would need to be discussed and justified in agreement with the IRT.

³² Idem.

³³ Solvent wind-down of trading books, Guidance for Banks, 2021.

ID	Principle 7.3.2 – SWD of trading books (for banks with significant trading activities only)
7.3.2.3.3	<p>If the bank shows significant trading activities (transfer strategy). The SWD plan and playbook can effectively support the transfer and/or wind-down of the trading assets;</p> <p>If the bank shows significant trading activities (an open bank bail-in, BRP). The BRP reflects the SWD of trading activities in line with the corresponding SWD plan and playbook.</p>
Advanced capabilities	
	The bank is able to provide a SWD plan that includes mitigation options to address external and internal interdependency risks.
	The bank demonstrates that the execution of the SWD plan would lead to a credible and substantial reduction of risk-weighted assets (market, counterparty credit and operational) and leverage exposure associated with trading activities.

ANNEX IV – Set of capabilities included in the self-assessment template for the VRS

Dimension 1 – Governance

ID ³⁴	Principle 1.4 – Testing ³⁵ and operationalisation of the strategy ³⁶
Level 2	
1.4.2.1	The bank updates and maintains the descriptions of operational aspects for execution of the resolution strategy or strategies in playbooks, based on the outcome of testing exercises and taking into account updates to the MIS relevant for playbooks. A summary of these updates is communicated to the IRT. Moreover, individual playbooks are validated by the bank's senior-level executive responsible for resolution planning.
Level 3	
1.4.3.1	The bank has performed all internal tests for a given year in accordance with the multi-annual testing programme as agreed with the resolution authority.

Dimension 5 – Information systems and data requirements

ID	Principle 5.3 – MIS capabilities to produce the information for the implementation of the resolution tools
Level 1	
5.3.1.2	<p>Where transfer tools are envisaged as the VRS. The bank demonstrates the ability to give easy and swift access to all relevant stakeholders, e.g. through the set-up of a data repository for resolution or equivalent way of access.</p> <p><i>This capability is relevant only for banks where transfer tools are envisaged as the VRS. Otherwise, it should be marked as 'N/A'.</i></p>

³⁴ The ID corresponds to the same capability as for assessing the PRS (as outlined in Annex III of this guidance).

³⁵ In 2025 the SRB will publish its approach to bank resolvability testing, outlining its expectations for testing (governance, testing environments, testing methods and deliverables). This will inform the multi-annual testing programme prepared by the SRB covering a three-year time period, in line with EBA/GL/2022/01, as amended by EBA/GL/2023/05 ('Guidelines amending Guidelines EBA/GL/2022/01 on improving resolvability for institutions and resolution authorities under articles 15 and 16 of Directive 2014/59/EU (Resolvability Guidelines) to introduce a new section on resolvability testing').

³⁶ Until implementation of the multi-annual testing programme starts (i.e. in 2026), this principle should not be assessed, with the exception of capability 1.4.2.1, which refers to the update of the playbooks.

ID	Principle 5.3 – MIS capabilities to produce the information for the implementation of the resolution tools
Level 2	
5.3.2.3	<p>Where transfer tools are envisaged as the VRS. The bank demonstrates the ability to produce information required for the material assets, rights, liabilities or shares or other instruments of ownership to be transferred, taking into account safeguards referred to in Articles 76-80 BRRD and the related Delegated Regulation (EU) 2017-867, to support the effective execution of the transfer tool and the minimum list of data and documents to be delivered through the chosen solution (e.g. a data repository for resolution or equivalent way of access).</p> <p><i>This capability is relevant only for banks where transfer tools are envisaged as the VRS. Otherwise, it should be marked as 'N/A'.</i></p>
Level 3	
5.3.3.2	<p>Where transfer tools are envisaged as the VRS. The bank demonstrates capabilities:</p> <ul style="list-style-type: none"> a) to deliver the required information (e.g. through a data repository for resolution or equivalent way of access): <ul style="list-style-type: none"> i) with all the necessary elements, including information regarding the transfer perimeter(s), and ii) to update the required information in case of perimeter shifts; b) to give swift access to all relevant stakeholders at short notice; c) to implement the transfer in the banks' IT systems. <p><i>This capability is relevant only for banks where transfer tools are envisaged as the VRS. Otherwise, it should be marked as 'N/A'.</i></p>

Dimension 6 – Communication

ID	Principle 6.1 – Communication plan
Level 1	
6.1.1.1	<p>For the set of minimum critical stakeholder groups as per Article 22(6) of Delegated Regulation 2016/1075, the communication plan:</p> <ul style="list-style-type: none"> a) includes the objective of the communication per critical stakeholder group; b) identifies and describes the role and the responsibility of the owner of the communication process, together with a list of key personnel, per critical stakeholder group; c) includes contact details of the owner of the communication process and of the key personnel in the institution/group, per critical stakeholder group; d) includes the communication channels to be used, per critical stakeholder group.
6.1.1.3	<p>The communication plan includes a comprehensive strategy and corresponding operationalised procedures to manage any potential negative market reaction.</p>
Level 2	
6.1.2.1	<p>In addition to the minimum set of critical stakeholders set out in 6.1.1.1, the communication plan identifies, where relevant, all other critical (external and internal) stakeholders at a granularity that allows for the development of a targeted communication strategy. For all critical (external and internal) stakeholders identified, the communication plan:</p> <ul style="list-style-type: none"> a) includes the objective of the communication per critical stakeholder; b) identifies and describes the role and the responsibility of the owner of the communication process, together with a list of key personnel, per critical stakeholder; c) includes contact details of the owner of the communication process and of the key personnel in the institution/group, per critical stakeholder; d) includes the communication channels to be used, per critical stakeholder.

ID	Principle 6.1 – Communication plan
6.1.2.2	<p>The communication plan describes the information that can be communicated to each critical stakeholder identified, including a chronological timeline of the communication steps ahead of, during and after resolution, also taking into account:</p> <ul style="list-style-type: none"> a) legal restrictions and requirements; b) market reactions; c) potential threats to financial stability or successful resolution.
6.1.2.3	<p>The communication plan describes the infrastructure and resources that are available to communicate effectively with critical stakeholders, which would be used in case of resolution.</p>
Level 3	
6.1.3.1	<p>The communication plan includes pre-defined key messages during and after resolution, which are accurate, consistent and easily understandable and tailored to:</p> <ul style="list-style-type: none"> a) the resolution strategy (SPE or MPE), including the resolution tool(s); b) each critical stakeholder and their specificities (e.g. requiring different timelines/information to be provided in local languages, disclosure requirements and time differences).
6.1.3.2	<p>The bank maps, either in the communication plan or in the relevant plan or playbook, the potential communication and disclosure requirements linked to the application of the tool (both internal and with third parties and relevant authorities) at the level of the resolution entity(-ies) and of MLEs that are credit institutions or investment firms.</p>
6.1.3.3	<p>The communication plan provides an assessment of potential barriers to communication or coordination, with the corresponding credible mitigation actions, where appropriate.</p>
Advanced capabilities	
	<p>The communication plan includes pre-populated template documents of messages and emails, frequently asked questions and other tools to be used through the resolution process. Pre-populated documents have been approved by the bank's legal department. The structure of the pre-populated messages and emails to critical stakeholders should be that of: a) a general statement, communicating the resolution action(s) expected to be taken in a resolution event, and b) information about the consequences of the resolution for the respective critical stakeholder.</p>
	<p>The communication plan includes flowcharts and diagrams which clearly show:</p> <ul style="list-style-type: none"> a) the governance structure for activating and executing the communication plan; b) the interaction between the various stakeholders (critical or otherwise), departments and committees that will be involved before, during and after resolution.
	<p>The communication plan includes process descriptions on how the bank will tailor its communication messaging to the actual crisis leading to a resolution event (in particular, where the speed of the crisis leads to a short-runway to FOLTF, even mid-week failure).</p>
	<p>The communication plan is consistent with the bank's other plans (for example, institution's/group's recovery plan) and playbooks, and includes references to these should there be communication sections in those other documents (or, vice versa, the other plans/playbooks should refer to the communication plan).</p>

Dimension 7 – Separability, transferability and restructuring

ID	Principle 7.2 – Separability and transferability analyses for transfer tools
Level 1	
7.2.1.1	<p>SAR (Part I). The bank has completed the following elements of the SAR, covering:</p> <ul style="list-style-type: none"> a) a description of the transfer perimeter(s) considered for transfer (assets, rights and/or liabilities), having regard to achieving the resolution objectives (including the continuity of CFs and CBLs), resolution principles, compliance with resolution tool's purpose and other regulatory obligations and also considering relevant recovery options, if applicable; b) an assessment of the financial, operational, legal and business interconnections of the transfer perimeter(s) – in its SAR, the bank has performed an assessment of the potential obstacles to the separability and transferability of the transfer perimeter(s) and has proposed a list of credible and feasible mitigating actions with a credible timeline.
7.2.1.2	<p>SAR (Part II). In addition to the elements set out in capability 7.2.1.1, the bank has completed in the SAR the following elements of a marketability assessment for the transfer perimeter(s) considered for transfer:</p> <ul style="list-style-type: none"> a) an assessment of market capacity of potential purchasers for the different components of the transfer perimeter(s), in accordance with the relevant SRB's operational guidance; b) an assessment of market interest of potential purchasers for the different components of the transfer perimeter(s), in accordance with the relevant SRB's operational guidance.
Level 2	
7.2.2.1	<p>SAR. In addition to the elements set out in Level 1, the SAR includes the following elements:</p> <ul style="list-style-type: none"> a) a detailed description of the transfer perimeter(s) considered for transfer (assets, rights and/or liabilities) and an assessment of the consequences for liability holders, in accordance with the relevant SRB's operational guidance; b) a description, when relevant (i.e. when the transfer perimeter includes clearing, payment and settlement activities), of where the perimeter of clearing, payment and settlement activities is located; c) a description of the IT systems and licences, staff and critical and essential services that are necessary to support the transfer perimeter; d) a description of the process for transitioning the (critical and essential) services provided under service level agreements to third parties in the event of the separation of CFs and CBLs (if required); e) an assessment of the continuity of the bank's MIS in case of separation; f) an assessment of the impact of separation and transfer on the relevant contracts (e.g. joint-ventures, relevant external providers, FMIs, etc.); g) an assessment of tax and legal matters.
7.2.2.2	<p>Transfer playbook. The bank has completed the elements of a transfer playbook, covering:</p> <ul style="list-style-type: none"> a) governance: the responsible organisational unit(s) or committee(s), identity and position of senior management responsible for overseeing execution of the separability and transferability option, tasks to be conducted; b) timeline for implementation; c) steps and timeline to implement credible/feasible mitigation strategies, if any, for barriers and potential obstacles to execution as identified in the bank's SAR, its analysis of interconnections and other separability and transferability aspects, as well as preparatory measures, including intra-resolution-group transfers, when relevant; d) communication with internal, external and regulatory stakeholders (or part of the bank's communication plan in EfB principle 6.1). The bank has investigated the requirements relating to, inter alia: <ul style="list-style-type: none"> i. disclosures; ii. notification; iii. licensing; and iv. authorisation.

ID	Principle 7.2 – Separability and transferability analyses for transfer tools
Level 3	
7.2.3.1	<p>SAR. The bank has submitted the SAR, including, in addition to the elements set out in Levels 1 and 2:</p> <ul style="list-style-type: none"> a) an assessment before and after implementation of recovery options; b) an assessment of whether assets, rights and liabilities which are not directly related to critical or essential services, but are earmarked for a transfer perimeter, can be transferred; c) a legal assessment of employees and pensions; d) a historical financial analysis of the transfer perimeter(s) as part of a draft business plan, with the relevant costs in accordance with the relevant SRB's operational guidance; e) granular, separation-specific data allowing compliance with BRRD legal safeguards and application of discretionary powers set out in Commission Delegated Regulation (EU) 2017/867; f) a list of the most suitable potential purchasers based on: <ul style="list-style-type: none"> i. their financial strength and hence capacity to absorb the transfer perimeter given their available capital (solvency capacity) and liquidity (liquidity capacity) for a transaction. This assessment considers current capital and liquidity requirements, as well as their capacity to raise both capital and liquidity, using publicly available information; ii. an assessment of legal and regulatory requirements related to the transfer (e.g. need for licenses or authorisation); iii. a business assessment of the strategic fit with regard to the business model, relevant markets, geographic footprint, products, customer base, distribution channels and risk appetite of the potential purchasers, drawing from past and recent corporate activities, using publicly available information. g) an assessment of credible alternative transfer perimeter(s), e.g. asset carve-outs, with no material obstacles.
7.2.3.2	<p>Transfer playbook (Part I). The bank has submitted a complete transfer playbook, including, in addition to the elements set out in Level 2:</p> <ul style="list-style-type: none"> a) quality assurance processes; b) considerations about alternative transfer perimeter(s); c) the operational arrangements to ensure the application of transfer powers on third-country governed instruments (if applicable); d) the descriptions and steps for implementing preparatory measures, including intra-resolution-group transfers, prior to the transfer, steps for ensuring continuity between the first and last transfer (when relevant) or between the transfer and the liquidation of the residual entity (transitional period); e) the data production processes and a preliminary list of elements to be communicated to authorities, potential purchasers and third parties; f) the identification of risks for each step and risk-mitigants, if any; g) the identification of steps that could be shortened or skipped if there is a need to accelerate the process; h) the steps for producing new financials and potentially a post-resolution balance sheet when relevant (e.g. when there is a remaining entity).
7.2.3.3	<p>Transfer playbook (Part II). The transfer playbook is able to foresee back-transfers and their underlying processes.</p>
Advanced capabilities	
	<p>SAR. The bank's SAR is granular enough to identify the components of the transfer perimeter(s) that would offer full flexibility for the application of resolution tools.</p>

ID	Principle 7.3.1 – BRP after open bank bail-in
Level 1	
7.3.1.1.1	<p>Governance for producing, approving and submitting a BRP. The bank has a process in place for producing a BRP covering the following elements (ordered from more elementary to more advanced):</p> <ul style="list-style-type: none"> a) the responsible units or committees; b) the timeline; c) the outputs that are to be produced; d) the steps/tasks to be conducted (including but not limited to reporting lines and validation steps by the management body); e) the flow of information between internal and external stakeholders (e.g. authorities, external advisors). <p>This process is documented in the BRP Analysis Report.</p>
7.3.1.1.2	<p>Core bank perimeter. The bank has submitted a strategic analysis and definition of the ‘core bank’ (i.e. the minimum set of activities and business lines that are likely to be performed and safeguarded in the new entity following the use of open bank bail-in tool at the end of the reorganisation period).</p> <p>The following features of the core bank should be described:</p> <ul style="list-style-type: none"> a) business lines, CFs and strategic markets; b) number and location of subsidiaries and branches; c) service delivery model; d) legal form (mostly relevant for i) cooperatives or ii) (partially) state owned banks).
7.3.1.1.3	<p>Identification of business reorganisation measures. The bank has identified and assessed business reorganisation measures that would either facilitate the establishment of the core bank or enhance the long-term viability thereof. These measures are the result of the bank assessing the credibility and feasibility of implementing recovery options during or post resolution, and the need for complementary reorganisation measures (including cost-cutting measures) that include the entities, business lines and/or portfolios of assets, rights and/or liabilities that could potentially be:</p> <ul style="list-style-type: none"> a) immediately discontinued; b) sold; c) wound down in an orderly manner; or d) reorganised post-resolution.
Level 2	
7.3.1.2.1	<p>Impact assessment of the recovery options:</p> <ul style="list-style-type: none"> a) the bank has conducted an individual assessment of all recovery options (under the assumption that none of the recovery options have been implemented ahead of resolution) that could potentially lead to reaching the core bank perimeter or that would enhance the long-term viability of the bank in a restructuring context post open bank bail-in, including the assessment of the impact of the reorganisation measure on CFs; b) the assessment includes a description of the combined impact of the selected recovery options in terms of profitability (i.e. return on equity and cost to income), solvency (i.e. CET 1, total capital ratio and risk-weighted assets) and liquidity (i.e. liquidity coverage ratio); c) the assessment includes the estimated timeline for the preparation and implementation of the selected recovery options, as well as the timeline for the expected benefits to materialise; d) the assessment includes a description of the bank’s readiness to execute each selected recovery option, detailing: <ul style="list-style-type: none"> i. the internal and external stakeholders involved, the operational steps/tasks, the flow of information; ii. the existence (or not) of potential obstacles and the corresponding mitigation measure proposals from the bank.

ID	Principle 7.3.1 – BRP after open bank bail-in
7.3.1.2.2	<p>Impact assessment of the complementary reorganisation measures:</p> <ul style="list-style-type: none"> a) the bank has conducted an individual assessment of all complementary reorganisation measures that could lead to reaching the core bank perimeter or that would enhance the long-term viability of the bank in a restructuring context post open bank bail-in, including the assessment of the impact of the reorganisation measure on CFs; b) the assessment includes a description of the overall impact of the complementary reorganisation measures in terms of profitability (i.e. return on equity and cost to income), solvency (i.e. CET 1, total capital ratio and risk-weighted assets) and liquidity (i.e. liquidity coverage ratio); c) the assessment includes the estimated timeline for preparation and implementation of the complementary reorganisation measures, as well as the timeline for the expected benefits to materialise; d) the assessment includes a description of the bank's readiness to execute each complementary reorganisation measure, detailing: <ul style="list-style-type: none"> i. the internal and external stakeholders involved, the operational steps/tasks, the flow of information; ii. the existence (or not) of potential obstacles and the corresponding mitigation measure proposal from the bank. <p><i>This capability should be marked as 'N/A' if the bank has concluded that there is no need for complementary reorganisation measures. Please see capability 7.3.1.1.3.</i></p>
Level 3	
7.3.1.3.1	<p>MRC. In addition to the capabilities set out in Level 2, the bank has performed its analysis on the MRC and:</p> <ul style="list-style-type: none"> a) assessed the compatibility/redundancy of the identified business reorganisation measures (e.g. through a matrix); b) suggested the optimal combination thereof; c) indicated the likely order/roadmap for the execution of the business reorganisation measures in their optimal combination.
7.3.1.3.2	The bank has analysed the annual effect of the optimal combination of reorganisation measures in their sequential order of implementation on a selected number of key financial metrics related in particular in terms of profitability (i.e. return on equity and cost to income), solvency (i.e. CET 1, total capital ratio and risk-weighted assets) and liquidity (i.e. liquidity coverage ratio).
7.3.1.3.3	<p>The bank has demonstrated its viability at the end of the reorganisation period (with a maximum duration of five years). Viability is defined as the bank generating:</p> <ul style="list-style-type: none"> a) the return on equity above [8%-10%]³⁷; b) the cost to income below [50%-60%]³⁸; and c) compliance with regulatory requirements (i.e. CET1, total capital ratio, liquidity coverage ratio).
Advanced capabilities	
	<p>Sensitivity analysis. The bank has provided the largest incremental effect of business reorganisation measures (notably cost cutting measures) in order to identify the maximum capacity in terms of both return on equity and cost to income indicators. The reorganisation measures to be considered for the sensitivity analysis may be either a) reorganisation measures not included in the optimal combination of measures and/or b) reorganisation measures included in the optimal combination, both of them stressed to the maximum extent possible in order to produce the maximum impact on both relevant profitability metrics. For instance, the bank may consider for the sensitivity analysis the closure of additional X branches when it demonstrates that it represents the most impactful number for such a measure in terms of both relevant profitability indicators.</p>
	<p>MRC. The bank presents its MRC as the sum of the effect of the measures to restore long term viability (i.e. optimal combination of reorganisation measures in their sequential order) and the measures considered for the sensitivity analysis to get the maximum positive effect in return on equity and cost to income metrics at the end of the reorganisation period.</p>

³⁷ As per the exchange with the EU Commission on the restructuring commitments applied for past State Aid cases. The thresholds may be adapted upward or downward for the purposes of drafting an actual BRP considering the existing market conditions as well as the size, business model, national specificities and/or other concrete features of the bank. Any deviation would need to be discussed and justified in agreement with the IRT.

³⁸ Idem.

ID	Principle 7.3.2 – SWD of trading books (for banks with significant trading activities only)
Level 3	
7.3.2.3.3	<p>If the bank shows significant trading activities (transfer strategy). The SWD plan and playbook can effectively support the transfer and/or wind-down of the trading assets;</p> <p>If the bank shows significant trading activities (an open bank bail-in, BRP). The BRP reflects the SWD of trading activities in line with the corresponding SWD plan and playbook.</p>

Glossary³⁹

Asset separation tool	As defined in Article 3(32) SRMR.
Arrangement	Any agreement, contract, policy, procedure, guideline or practice governing the provision of a service.
Back-to-back booking transaction	A pair of legally separate transactions, but with the same terms of trade and involving three parties. One party is the intermediary, as the buyer in one transaction and the seller in the second transaction. This allows institutions to book the transaction in a different place to the original business.
Bail-in	As defined in Article 3(33) SRMR.
Bail-in playbook	An operational document owned by the bank. It supports the execution of the write-down and conversion of capital instruments and eligible liabilities in accordance with Article 21 SRMR and the execution of the bail-in tool in resolution. The bail-in playbook is expected to address all internal and external actions that must be undertaken by or on behalf of the banks to effectively apply the bail-in tool.
Banking Union	The Banking Union was established at the Euro Area Summit of 29 June 2012, as a reaction to the financial crisis in 2008. Its rationale is to establish a 'Europeanised bank safety net'. The Banking Union consists of the Single Resolution Mechanism, the Single Supervisory Mechanism and the Single Deposit Guarantee Scheme. Today, the Banking Union consists of two pillars: a Single Supervisory Mechanism and a Single Resolution Mechanism. Both contribute to financial stability and a level-playing field for banks in the Eurozone.
Bank recovery plan	In accordance with Articles 5 and 6 of the BRRD, Union parent undertakings and institutions (which are not part of a group subject to consolidated supervision pursuant to Articles 111 and 112 of Directive 2013/36/EU) should draw up and maintain recovery plans providing for measures to be taken to restore their financial position following a significant deterioration. The content of recovery plans is regulated in the Commission Delegated (EU) 2016/1075, enacting the EBA final draft Regulatory Technical Standards on the content of recovery plans. Along with strategic information on the institutions' structure and governance, plans should include a minimum set of recovery plan indicators and a range of scenarios to test recovery options. Recovery plan indicators aim at identifying the points at which the escalation process in the bank should be activated and, where needed, any appropriate actions referred to in the recovery options taken. The EBA has recently proposed a revised list of recovery plan indicators (the EBA Guidelines on recovery plan indicators) which now includes a new MREL indicator.
Bridge institution	As defined in Article 3(31) SRMR.
Business lines	A structured set of activities, processes and operations that is developed by the institution for third parties to achieve the organisation's goals ⁴⁰ .

³⁹ Various sources, including online resources.

⁴⁰ Commission Delegated Regulation (EU) 2016/778 of 2 February 2016 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to the circumstances and conditions under which the payment of extraordinary ex-post contributions may be partially or entirely deferred, and on the criteria for the determination of the activities, services and operations with regard to critical functions, and for the determination of the business lines and associated services with regard to core business lines, OJ L131, 20.5.2016, 41.

Business reorganisation measure	Either a recovery option or a complementary measure that, when implemented, would contribute to reaching the core bank perimeter or to enhancing the viability of the institution in a reorganisation context post an open bank bail-in, while preserving compliance with the prudential requirements of the bank.
Business reorganisation plan	The restructuring post bail-in should be achieved through the implementation of a business reorganisation plan. Where applicable, such plans should be compatible with the restructuring plan that the entity is required to submit to the Commission under the Union State aid framework. In particular, in addition to measures aiming at restoring the long-term viability of the entity, the plan should include measures limiting the aid to the minimum burden sharing, and measures limiting distortions of competition in accordance with Article 27(16) SRMR and Article 52(12), (13) BRRD.
Business reorganisation plan analysis report	With the draft of a Business Reorganisation Plan, the bank shows that it is capable of ensuring its financial soundness and long-term viability. The analysis of such capabilities is demonstrated by the bank in a so-called Business Reorganisation Plan Analysis Report. The bank is required to establish proper governance arrangements and provide an analysis of the main components of the Business Reorganisation Plan.
Central securities depository	An entity that: 1) enables securities transactions to be processed and settled by book entry; 2) provides custodial services (e.g. the administration of corporate actions and redemptions); and 3) plays an active role in ensuring the integrity of securities issues ⁴¹ .
Clearing	The process of transmitting, reconciling and, in some cases, confirming transfer orders prior to settlement, potentially including the netting of orders and the establishment of final positions for settlement. Sometimes this term is also used (imprecisely) to cover settlement. For the clearing of futures and options, this term also refers to the daily balancing of profits and losses and the daily calculation of collateral requirements ⁴² .
Collateral in resolution	An item of value that a lender can claim from a borrower if they fail to repay a loan according to the agreed terms.
Combined buffer requirement	Total CET1 capital required to meet the requirements for the capital conservation buffer extended by the following, as applicable: (a) an institution-specific countercyclical capital buffer; (b) global systemically important institutions buffer; (c) other systemically important institutions buffer; (d) a systemic risk buffer ⁴³ .
Complementary reorganisation measures	Reorganisation action not identified in the recovery plan to either reach the core bank perimeter or demonstrate viability within the five-year timeframe.
Contractual arrangement	Contract for service provision, master service agreement and service level agreement with other group legal entities, software licence agreement, property lease.
Core bank perimeter	The minimum set of activities and business lines that are likely to be performed and safeguarded in the new entity following the use of the open bank bail-in tool and at the end of the reorganisation period.
Core business lines	Business lines and associated services that represent material sources of revenue, profit or franchise value for an institution, or for a group of which an institution is a part ⁴⁴ .

⁴¹ Glossary of terms related to payment, clearing and settlement systems, ECB, December 2009.

⁴² Ibid.

⁴³ Article 128(6) Directive 2013/36/EU.

⁴⁴ Article 2(1), (36) BRRD.

Critical functions	Activities, services or operations the discontinuance of which is likely in one or more Member States, to lead to the disruption of services that are essential to the real economy or to disrupt financial stability due to the size, market share, external and internal interconnectedness, complexity or cross-border activities of an institution or group, with particular regard to the substitutability of those activities, services or operations ⁴⁵ .
Critical services	Services that are necessary for one or more critical functions, that are performed for group business units or entities and whose discontinuity would seriously impede or prevent the performance of those critical functions ⁴⁶ .
Critical FMI services	Clearing, payment, securities settlement or custody activities, functions or services, provided by an FMI or by an FMI intermediary, the discontinuation of which could lead to the collapse of (or present a serious impediment to the performance of) one or more of the firm's critical functions ⁴⁷ .
Cross-border group	A group having group entities established in more than one Member State ⁴⁸ .
Digital Operational Resilience Act	The Digital Operational Resilience Act is established by the European Commission and serves to consolidate and upgrade information and communications technology risk requirements throughout the financial sector. This act aims to ensure that all participants in the financial system have the necessary safeguards in place to relieve cyber-attacks and other risks. The legislation requires firms to ensure that they can withstand all types of information and communications technology-related disruptions and threats.
Dual board	Corporate governance structure where the management body is completely separate from the supervisory board. In a dual board structure (supervisory board and management board), the supervisory board has no management power; it has only a supervisory function and an ex-post control function ⁴⁹ .
Eurobonds	International securities issued outside the country in whose currency their value is stated. Eurobonds are usually identifiable by an international securities identification number starting by 'XS' rather than the standard 2-digit country code used for securities issued via a local CSD. In contrast to Euro medium-term note, for example, which can also be issued outside the country in whose currency its value is stated, Eurobonds are issued all at once and not under a programme.
Essential services	Services associated with core business lines, whose continuity is necessary for the effective implementation of the resolution strategy and any consequent restructuring ⁵⁰ .
Essential FMI services	Payment, clearing, settlement or custody services, provided by an FMI or by an intermediary, which are necessary for the continuity of one or several core business lines.
EU contract	A contract to which the law and jurisdiction of an EU Member State applies.
Financial market infrastructures	Used for the clearing, settlement, and recording of monetary and other financial transactions. FMIs include payment systems, central securities depositories and central counterparties. Access to FMIs can be vital for the continuity of a bank's critical functions. Access to FMI services builds one of the seven dimensions of resolvability.

⁴⁵ Article 2(1), (35) BRRD. The SRB's approach to critical functions can be found under <https://www.srb.europa.eu/en/content/critical-functions>

⁴⁶ Recital 8 and Article 6 Commission Delegated Regulation (EU) 2016/778/EU.

⁴⁷ Financial Stability Board Guidance on Continuity of Access to Financial Market Infrastructures (FMIs) for a Firm in Resolution (July 2017).

⁴⁸ Article 2(27) BRRD.

⁴⁹ [Response to consultation on revised EBA Guidelines on internal governance](#).

⁵⁰ Article 7 of Delegated Regulation (EU) 2016/778/EU.

FMI intermediaries	FMI service providers other than FMIs. More often than not, these will be other institutions offering payment, clearing and settlement services, including by way of facilitating indirect access to an FMI.
Group entities	Each legal entity that is part of the group.
Indirect holding	In accordance with the Article 1(114) of the Capital Requirements Regulation.
Institution	A credit institution or an investment firm ⁵¹ .
International central securities depository	A central securities depository which was originally set up to settle Eurobond trades and is now active in the settlement of internationally traded securities from various domestic markets, typically across currency areas.
Intra-group provider	In relation to a serviced entity: 1) a legal entity within the same group that provides relevant services to it; or 2) the entity itself if services are provided inhouse by one of its divisions/business units.
Internal resolution team	A team that is responsible for preparing resolution plans for banks under the SRB's remit. The Internal Resolution Team consist of experts from the SRB as well as relevant NRAs.
Inverted-pyramid structure	While in a standard ownership model subsidiaries are fully (or partially) owned and consolidated by the parent entity in a 'parent-subsidiary' relationship, where control is exercised by shareholdings, under the 'inverted pyramid structure' typical of the cooperative banks, the network entities hold a stake in the central institution, therefore they are owners of the central institution.
Key liquidity entity	In principle, for an entity or organisational form to be classified as a key liquidity entity, at least one of the three situations below should be expected in resolution: 1) the entity/organisational form is expected to provide liquidity to other resolution group entities in order for them to perform their activities; 2) the entity/organisational form is expected to depend on liquidity received from other resolution group entities to perform its activities; or 3) the entity/organisational form performs liquidity management functions for one or more entities of the resolution group.
Key messages	The main points to be included in the communication to achieve the defined objective.
Liquidity coverage ratio	A short-term liquidity requirement which aims to ensure that credit institutions hold sufficient high-quality liquid assets to withstand an acute stress scenario lasting 30 days. It has been implemented in Europe via the Commission Delegated Regulation (EU) 2015/61. The liquidity coverage ratio is calculated in accordance with the following formula: $\text{liquidity buffer} \div \text{net liquidity outflows over a 30-calendar-day stress period} = \text{liquidity coverage ratio \%}$. Credit institutions must maintain a liquidity coverage ratio of at least 100% ⁵² .
Liquidity	Refers to the efficiency or ease with which an asset or security can be converted into ready cash without affecting its market price. The most liquid asset of all is cash itself.
Material legal entities	A subset of group entities. The parent institution must always be included. Material group entities are the most significant entities within the group, whether that be due to the provision of critical funds or through generating a significant portion of the institution's revenue.

⁵¹ Article 2(1), (23) BRRD.

⁵² ECB Glossary.

Management body	An institution's body or bodies, which are appointed in accordance with national law, which are empowered to set the institution's strategy, objectives and overall direction, and which oversee and monitor management decision-making, and include the persons who effectively direct the business of the institution' ⁵³ . See also Single rulebook Q&A clarifying that 'the definition of the senior management does not exclude that a member of the management body would belong to the senior management and vice-versa' ⁵⁴ .
Management information systems	Computer-based systems and procedures to gather process and present information supporting the activities of a company. Management information systems are one of the aspects in the SRB's Expectations for Banks. They refer to the back-office systems of an entity. Well-managed MIS ensure the delivery of timely, up-to-date and accurate information for the relevant valuations of an entity performed during resolution, and its communication framework and cooperation with authorities.
Maximum reorganisation capacity	The maximum effect that can be derived from the implementation of a set of compatible reorganisation measures in terms of return on equity and cost to income metrics, in order to ensure the bank's long-term viability at the end of the reorganisation period.
Minimum requirement for own funds and eligible liabilities	The minimum amount of equity and unsecured debt a bank must set aside based on the amount of risk it takes, and which would be used to bail the bank in if it is to be resolved. MREL is set to help: 1) carry out an effective resolution; 2) recapitalise a bank; 3) absorb losses. MREL serves to prevent a bank's resolution from depending on public financial support. It helps to ensure a bank maintains sufficient own funds and eligible liabilities at all times to implement the resolution strategy. In the Banking Union, the SRB sets MREL for SIs.
Multiple point of entry resolution strategy	An approach in resolution planning in which resolution powers are applied by two or more resolution authorities to different parts of the group. Under an MPE approach, parts of the group could be separated in resolution and losses are absorbed by the relevant subsidiaries.
Non-resolution entity	An entity in respect of which the resolution plan provides no resolution action but which is classified as part of a Banking Union resolution group, or as a subsidiary (in the meaning of Article 4(1)(16) of the Capital Requirements Regulation) of a parent undertaking established in a third country.
Open bank bail-in	In accordance with Article 27(1)(a) SRMR.
Operational asset	An asset that is not a financial asset and that is required to perform relevant services, such as real estate; intellectual property including trademarks, patents and software; hardware; IT systems and applications; and data warehouses. Operational assets are critical/essential where access to them is required in order to perform a critical/essential service.
Operational continuity in resolution	The ability to effectively implement, from an operational point of view, the resolution strategy and, consequently, to stabilise and restructure the bank.
Pari passu	The situation where two or more assets, securities, creditors, or obligations are treated equally and managed without preference.

⁵³ Article 3(7) Directive 2013/36/EU.

⁵⁴ [Single Rulebook Q&A](#).

Portability	The transfer of client positions and assets at central counterparties, following the default of a clearing member, to another clearing member designated by the client, upon the client's request and without the need for the consent of the defaulting clearing member ⁵⁵ . By extension, the capability to transfer client positions and assets at central counterparties or central securities depositories upon a resolution event.
Preferred resolution strategy	As defined in Article 2(3) of Delegated Regulation (EU) 2016/1075.
Pre-populated template documents	Actual drafts of the message/communication that will be disseminated, after any adjustments are based to cater for the actual circumstances in the particular resolution scenario.
Recovery option	Action considered in the recovery plan to maintain or restore financial soundness in a situation of financial stress.
Regulated market	As defined in Article 4(21) of Directive 2014/65/EU.
Relevant contract/contractual arrangement	A contract or contractual arrangement governing the provision of relevant services or operational assets.
Relevant services	Services which underpin: 1) the bank's critical functions to the economy (critical services), and; 2) core business lines (essential services) for which continuity is necessary for the effective implementation of the resolution strategy. These categories may overlap. This applies analogously to operational assets and staff.
Relevant staff	Employees of the parent or any group legal entity covering relevant roles.
Reorganisation period	The time span starting from the so-called resolution week end and ending at the moment the bank is considered viable, within a maximum duration of five years.
Resolution colleges	For banks headquartered in the Banking Union and with one or more subsidiaries or significant branches in one or EU countries outside the Banking Union, or vice-versa, resolution colleges bring the SRB and the relevant resolution authorities together to discuss and agree on resolution planning and other resolution matters. Depending on where the bank is headquartered, the SRB or the resolution authority of a country outside the Banking Union is the so-called group-level resolution authority. The way in which resolution colleges are expected to work and the interaction among the members of the resolution colleges is defined in the Commission Delegated Regulation 2016/1075.
Resolution entity	An entity established in the Union, which has been identified by the resolution authority as an entity in respect of which the resolution plan provides for resolution action.
Resolution group	A resolution entity and its subsidiaries that are not: 1) resolution entities themselves, or 2) subsidiaries of other resolution entities, or 3) entities established in a third country that are not included in the resolution group in accordance with the resolution plan and their subsidiaries ⁵⁶ .
Resolution planning cycle	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 and resolvability assessment. Resolution planning cycle implements the requirements for the resolution planning of banks under direct remit of the SRB laid down in the SRMR and BRRD

⁵⁵ Articles 39 and 48 of the European Market Infrastructures Regulation.

⁵⁶ Article 2(1)(83b)(a) BRRD, Article 23(1)(24b)(a) SRMR.

Resolution-resilient features	Resolution-resilient features include the following: 1) non-termination, suspension or modification. Service providers may not terminate, suspend or amend terms and conditions of service provision on the grounds of resolution/restructuring, provided that the substantive obligations under the contract continue to be performed; 2) transferability of the service provision. Services can be transferred or assigned to a new recipient by the service recipient or the resolution authority because of resolution/restructuring; 3) support in transfer or termination. In the case of transfer of service provision because of resolution/restructuring, the current provider should ensure the orderly transition of service provision to a new provider or to a new recipient, provided that the substantive obligations under the contract continue to be performed. Where required, including in the case of termination during resolution/restructuring, the provider should ensure continuity of service provision on the same terms and conditions for a reasonable period, e.g. 24 months; 4) continued service provision to a divested group entity. Services can continue to be provided by the current intra-group provider to entities divested from the group as part of resolution/restructuring. Service provision should continue for a reasonable period following the divestment of the group entity, e.g. 24 months, provided that the substantive obligations under the contract continue to be performed.
Resolution weekend	The second activity of the crisis management phase, which is subdivided into three phases, namely 1) the preparation for resolution; 2) the 'resolution weekend' and the implementation of the resolution scheme; and 3) the closing of the resolution. The 'resolution weekend' starts with the determination that an entity is failing or is likely to fail. While this phase refers to a weekend, this phase could start any time and covers all processes needed for the adoption of the scheme. The decision to adopt a resolution scheme must be implemented by the competent NRA. The weekend ends the next business day when relevant markets open. Depending on the tool(s) used, the possible business restructuring phase only starts thereafter.
Resolution tools	If a bank meets the relevant conditions, the SRB places the bank under resolution. This is achieved by the adoption of a resolution scheme, which determines which resolution tools are to be applied to the bank and, if necessary, whether the Single Resolution Fund is to be used to support the resolution action. Before any resolution action is taken, the capital instruments of the bank must be written down or converted. The resolution tools are: 1) the sale of business tool; 2) the bridge institution tool; 3) the asset separation tool; and 4) the bail-in tool. The relevant NRAs take the necessary steps to implement the resolution scheme.
Retention plan	A plan setting out how the bank would be able to retain staff in key roles during resolution.
Sale of business	As defined in Article 3(1)(30) SRMR.
Senior-level executive	Those natural persons who exercise executive functions within an institution and who are responsible, and accountable to the management body, for the day-to-day management of the institution ⁵⁷ . See also the EBA Q&A clarifying that 'the definition of the senior management does not exclude that a member of the management body would belong to the senior management and vice-versa' ⁵⁸ .
Separability	A bank's ability to implement a transfer of 1) legal entities, 2) business lines, or 3) portfolios of assets and liabilities at short notice to a third party. Separability allows the SRB to execute, together with the national resolution authorities, a market transaction within a reasonable amount of time, in order to ensure the resolution objectives through the bank's transfer, in due course, to a private owner or through an orderly wind-down.

⁵⁷ Article 3(9) Directive 2013/36/EU.

⁵⁸ [Single Rulebook Q&A](#).

Separability analysis report	An analytical document intended for the resolution authority and for potential investors. It should describe and assess all relevant aspects (financial, legal, operational, business) of the transaction proposed, including a self-assessment of its information capabilities and a high-level business plan for the proposed transfer perimeter in order to easily populate (e.g. through a data repository for resolution or equivalent way of access) for due diligence purposes. This separability analysis will underpin the SRB's own analysis and conclusion on resolvability and any subsequent steps or follow-up.
Single point of entry	An approach in resolution planning which implies the application of resolution powers at the parent level by a single resolution authority. Under an SPE approach, the bank is resolved as a group and the parent absorbs group losses. The SPE strategy is more suitable for centrally structured and operational banks. Under an SPE approach, only the resolution entity, i.e. the parent company, will be the direct target of resolution powers, and operational subsidiaries are preserved and would not themselves be subject to resolution.
Significant institution	In accordance with Article 6(4) or Article 6(5)(b) of Regulation (EU) No 1024/2013.
Solvent wind-down	For certain banks, the size and complexity of their trading books could impede the credible and feasible implementation of their resolution strategies. Solvent wind-down is an approach that can be used for exiting trading activities in an orderly manner and avoiding posing risks to financial stability. The lack of a credible solvent wind-down plan could jeopardise the credibility and feasibility of the resolution strategy of any bank with material trading books.
Substantive impediment procedure	The procedure as defined in Article 10 SRMR.
Succession plan	A plan setting out how to have other employees with the right skills, information and expertise ready to take on key job roles left vacant, for example if the incumbent staff member were to leave or be removed in resolution.
Supervisory Board	Management body in its supervisory function' means the management body acting in its role of overseeing and monitoring management decision-making ⁵⁹ .
Third country	A non-EU country.
Third-country contract	A contract that is not an EU contract.
Total loss absorbing capacity	An international standard, finalised by the Financial Stability Board in November 2015, intended to ensure that global systemically important banks have enough equity and bail-in debt to pass losses to investors and minimise the risk of a government bailout.
Transfer playbook	Operational document listing the processes needed, organisational units involved and concrete operational steps required in order i) to identify the transfer perimeter, ii) to produce the relevant documents required (e.g. through a data repository for resolution or equivalent way of access), as well as iii) to effectively implement the resolution transaction, both in the bank's IT systems and in legal terms. The bank should base the transfer playbook on the proposed transfer perimeter with its identified interconnections (included, removed, mitigated), identified barriers and potential impediments as well as lessons learnt, as per the separability analysis report. The transfer playbook should be aligned and updated together with the separability analysis report.
Transitional service agreement	An agreement that determines the scope (and other aspects) of services one company should provide to another when there is a change of ownership.

⁵⁹ Article 3(8) of Directive 2013/36/EU.

Unregulated intra-group provider	Dedicated intra-group service companies which provide services to another entity within their group, and are not operating institution entities subject to prudential regulation regarding capital/liquidity on an individual basis, including where prudential requirements are waived.
Valuation 1	The valuation required under Article 20(5)(a) SRMR to assess whether the conditions for resolution, or for write-down or conversion of capital instruments, are met.
Valuation 2	The valuation that informs the decision on the appropriate resolution action to be taken and, depending on that action, the decisions on the extent of the cancellation or dilution of instruments of ownership; the extent of the write-down or conversion of relevant capital instruments and eligible liabilities; the assets, rights, liabilities or instruments of ownership to be transferred; and the value of any consideration to be paid. It further ensures that any losses on the assets of the entity are fully recognised. Valuation 2 should include an estimate of the treatment that each class of shareholder and creditor would have been expected to receive if an entity were wound up under normal insolvency proceedings.
Valuation 3	The valuation that aims at determining whether or not shareholders and creditors would have received better treatment if the institution under resolution had been wound up under normal insolvency proceedings. In other words, Valuation 3 aims at assessing any possible breach of the No creditor worse off principle.
Variant resolution strategy	Variants of the resolution strategy are necessary to address scenarios or circumstances where the resolution strategy cannot be feasibly and credibly implemented ⁶⁰ .

⁶⁰ Article 25 (4) Commission Delegated Regulation (EU) 2016/1075.

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