



Press Release

## **“10 years after the crisis: are banks now resolvable?”**

### **Single Resolution Board holds its third annual conference in Brussels**

Brussels – 15 October 2018

**Today, the Single Resolution Board (SRB) is holding its third conference in Brussels, which will look into whether banks are now resolvable and will consider what still needs to be done in order to ensure financial stability. The SRB Conference is an opportunity to assess the progress made and focus on key issues.**

The failure of Lehman Brothers on 15 September 2008 had a ripple effect throughout the financial world. Extraordinary events in the financial industry meant that taxpayers, through their governments, were left to foot the bill for banks and institutions deemed ‘too big to fail’.

Ten years on, the forceful, swift European response saw in particular two pieces put in place: the Bank Recovery and Resolution Directive and the Single Resolution Mechanism Regulation. This was done to incorporate the international principles into European law and build a single mechanism to manage bank failure within the Banking Union. The first two pillars of the Banking Union, the Single Supervisory Mechanism and the Single Resolution Mechanism are in place and operational. In 2017, the first case of resolution for the SRB demonstrated that the framework is fit for purpose. But much remains to be done. Resolvability needs to be built together; it is a multi-year project. The third pillar of the Banking Union, the European Deposit Insurance Scheme (EDIS), and harmonisation of insolvency laws are still missing.

The conference features opening addresses and keynote speeches from:

**Valdis Dombrovskis**, Vice-President of the European Commission responsible for the Euro and Social Dialogue, also in charge of Financial Stability, Financial Services and the Capital Markets Union, speaking on the future of resolution and the Banking Union: *“The Single Resolution Board is essential for turning the letter of the law of our Banking Union into improved financial stability on the ground. In*



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*a resolution, their work is supported by the bank-financed Single Resolution Fund. But to manage a crisis with minimum impact on financial stability and taxpayers, this fund needs a common backstop. The Commission strongly supports the ongoing work in the Council for a backstop that can act with swiftness and with certainty”.*

**Elke König**, Chair of the Single Resolution Board: *“A recurring question these days is whether we would be able to withstand a similar crisis to the one we experienced in 2008? I suppose the truth is that nobody knows. But we do know that much of the architecture of the Banking Union is in place, even if not complete. At some point, we may have another crisis, but we have put solid measures in place to deal with failing banks. The SRB together with its partners at national and international level is committed to that work going forward”.*

**Jelena McWilliams**, Chairman of the Federal Deposit Insurance Corporation: *“ Given the cross-border activities of our G-SIBs, resolution preparedness requires international coordination based on strong working relationships...The work we do together gives us more confidence in the resolution process. The FDIC places enormous value on these relationships and I look forward to continuing this work in the years ahead”.*

**Burkhard Balz**, Member of the Executive Board - Deutsche Bundesbank: *“The previous resolution cases underpin that each case is different. Thus we cannot generalize easily. Small loopholes may suffice to maintain former deficiencies. Therefore, only if all components of the new regime are working properly and are credible, we can speak of a success”.*

The Conference features panel discussions with industry officials, regulators and supervisors focused on the completion of the Banking Union, loss absorbing capacity, funding in resolution, and critical functions & impediments to resolution.

**ENDS**



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### Further Information

To follow the event through the live web-stream, download the agenda, or learn more, go to the [SRB Conference homepage](#). You can also follow the online conversation on Twitter through #SRBResolution2018.

A summary of the Single Resolution Board's third conference will be available as a report to be published in due course.

### About the Single Resolution Board

*The Single Resolution Board (SRB) is the central resolution authority within the Banking Union (BU). Together with the national resolution authorities of participating Member States it forms the Single Resolution Mechanism (SRM). The SRB works closely with the European Commission (EC), the European Central Bank (ECB), the European Banking Authority (EBA) and national competent authorities (NCAs). Its mission is to ensure an orderly resolution of failing banks with minimum impact on the real economy and public finances of the participating Member States and beyond.*

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