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**2023**

**RESOLUTION PLANNING  
CYCLE - BOOKLET**

**SINGLE RESOLUTION BOARD**

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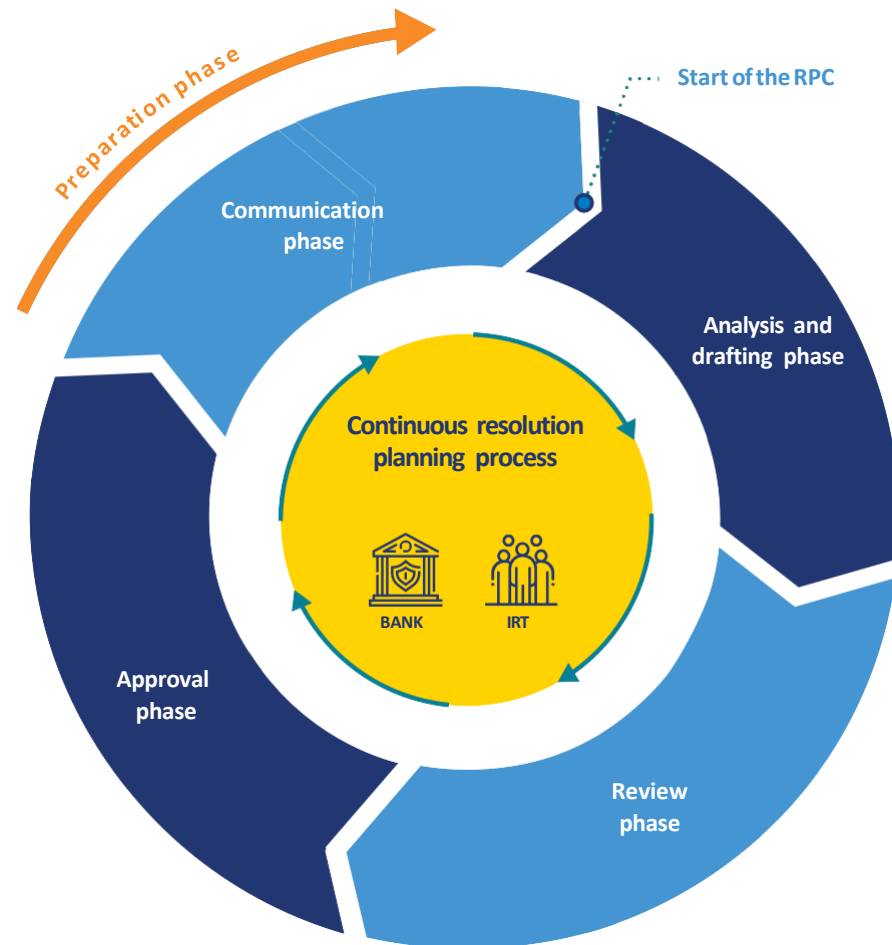
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# 1 Overview and cooperation

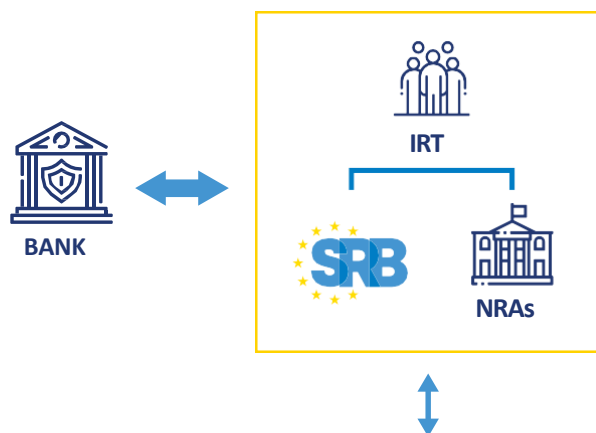
## 1.1. The resolution planning cycle

- ▶ The resolution planning cycle (RPC) is an **annual process based on four phases** leading to the approval of the updated resolution plan for each SRB bank. It includes the preferred resolution strategy, minimum requirements for own funds and eligible liabilities (MREL) and resolvability assessment.
- ▶ It implements the requirements for the resolution planning of banks under direct remit of the SRB laid down in the SRMR and BRRD, based on a 12 month's cycle.



## 1.2. Cooperation on resolution planning

The SRB is the central resolution authority within the Banking Union. Together with the national resolution authorities (NRAs) it forms the Single Resolution Mechanism (SRM).

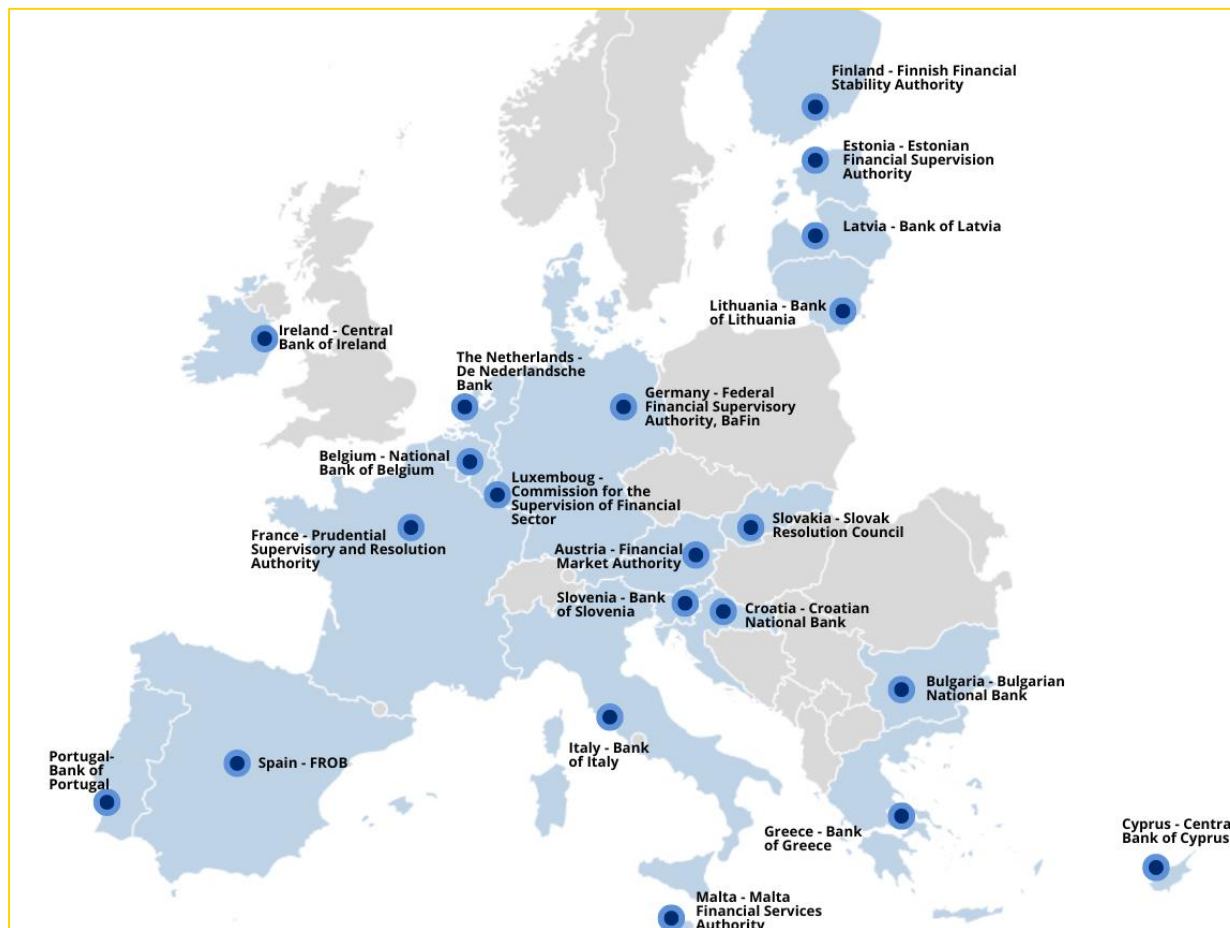


The SRB closely collaborates with the NRAs of the 20 eurozone countries and Bulgaria.

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



Contact details of the 21 NRAs in the Banking Union



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

## 1.3. Cooperation on resolution planning

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

### Resolution colleges, European resolution colleges and Crisis management groups



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



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



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

## Statistics



Number of banks under SRB remit		113
thereof	Banks with RC	17
	Banks without RC	87
	Banks with European resolution college	3
	EU hosted banks <sup>1</sup>	6 <sup>2</sup>

In addition, the SRB has established 7 CMGs for G-SIBs located in the EU Banking Union.

- Direct coverage of all systemically important and cross border institutions represents over 90% of Banking Union total assets in Q3 2022<sup>3</sup>.

	BE	BG	DE	EE	IE	EL	ES
Number of banks	7	1	22	3	6	4	10

	FR	HR <sup>4</sup>	IT	CY	LV	LT	LU
Number of banks	13	0	12	2	3	2	4

	MT	NL	AT	PT	SI	SK <sup>4</sup>	FI
Number of banks	2	6	7	3	3	0	3

<sup>1</sup> Banks for which the SRB acts as a host resolution authority and not as the group level resolution authority.

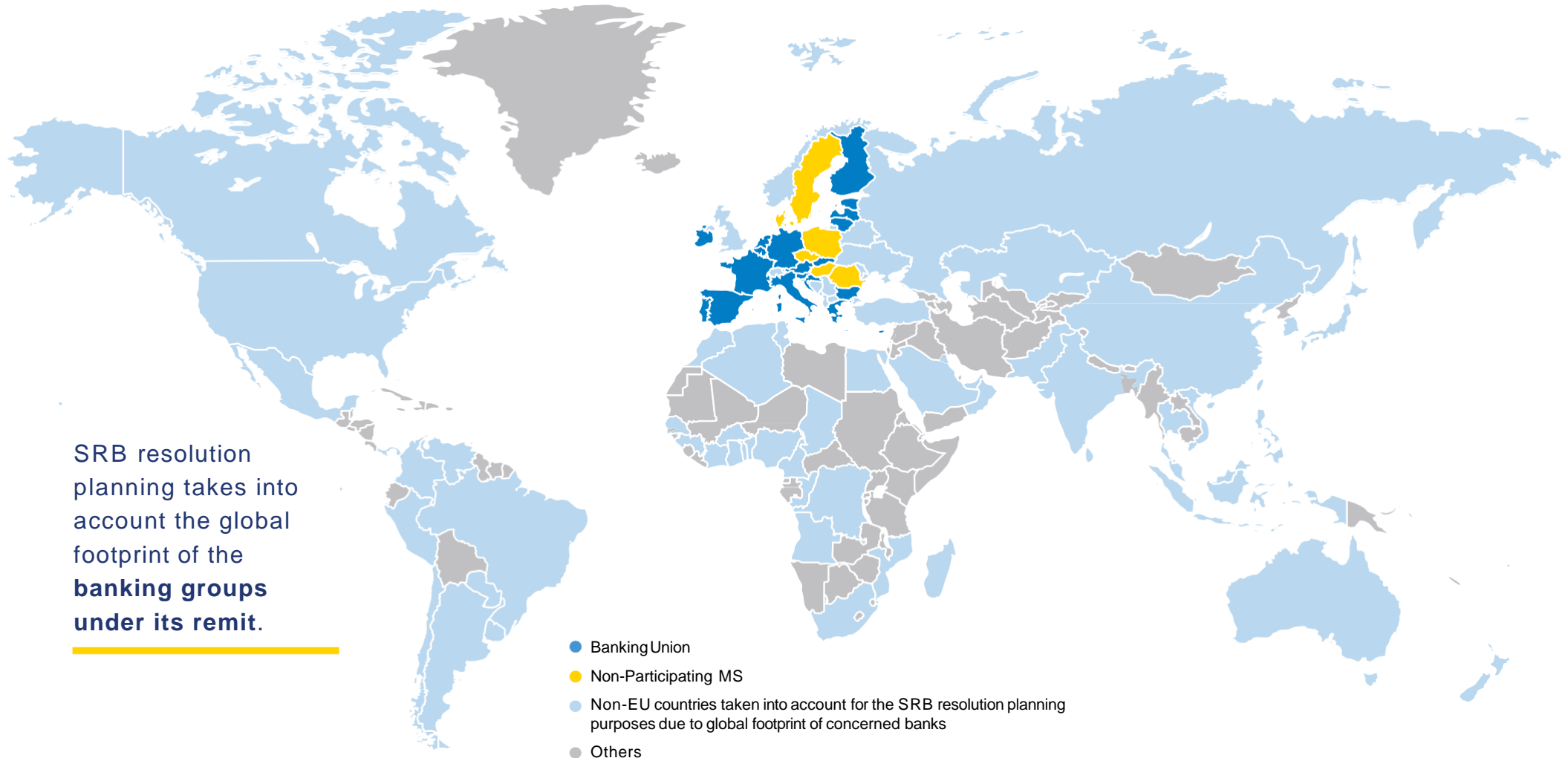
<sup>2</sup> There are three subsidiaries of one banking group classified as host case.

<sup>3</sup> Source: ECB Statistical Data Warehouse.

<sup>4</sup> Number 0 is due to the fact that the respective banks are subsidiaries of groups under SRB remit.



# 1.4. Global presence of banking groups under SRB remit\*



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

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

# 2

## SRB resolution planning approach

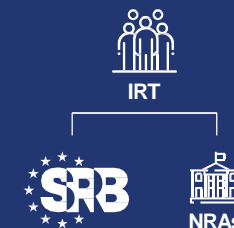
### 2.1. Analysis and Drafting phase

#### IRTs at the SRB

During the RPC, the IRTs:

- ▶ Further **update and operationalise** the resolution plans;
- ▶ **Determine MREL**;
- ▶ **Conduct the resolvability assessment** for each SRB bank.

The resolution planning cycle is led by IRTs, composed of staff from the SRB and the NRAs





## Content of the resolution plan

### Chapter 1:

#### Management Summary

Key elements of the resolution plan and material changes to the previous resolution plan.

### Chapter 2:

#### Strategic business analysis

Overview of the group's structure, financial position, business model and business lines, critical functions, internal and external interdependencies, critical and essential services and FMIs.

### Chapter 3:

#### Preferred resolution strategy

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

### Chapter 4:

#### Financial and operational continuity

Assessment of the financial and operational prerequisites to ensure continuity in resolution and achieve the resolution objectives.

### Chapter 5:

#### Governance, information and communication

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

### Chapter 6:

#### Conclusion of the assessment of resolvability

Assessment of current group's resolvability progress and identification of priorities for the next year. It also identifies appropriate measures to address or remove impediments where relevant.

## Introduction to resolution planning



Download the Introduction  
to Resolution Planning



### Information used for resolution planning

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

- ▶ **Information provided by supervisory authorities** (e.g. COREP, FINREP, ICAAP, ILAAP).
- ▶ **Information provided by the banks**
  - SRB resolution data reports;
  - Quarterly updates from banks on the areas of closer monitoring established in the SRB priority letters;
  - Other general deliverables requested in the annual SRB priority letters;
  - Bank specific information and bank analyses requested by the IRTs.
- ▶ **Information provided by other public authorities**
  - The IRTs also use as input the outcome of the assessment of the recovery plans prepared by the banks and shared by the European Central Bank (ECB) with the SRB. The assessment of the IRTs is focused to identify any actions in the recovery plans which may adversely impact the resolvability of the banks.

## 2.2. Review phase

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The review phase consists of:

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

### **SRB quality assurance:**

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

### **ECB consultation:**

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

## 2.3. Approval phase

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

### **Where there is no RC:**

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

### **For banks with a RC:**

a joint decision should be sought in the RC within 4 months. This involves preparing joint decision timetables and written arrangements to ensure smooth and efficient functioning of the RC.



#### For MREL:

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

The **approval phase** includes:

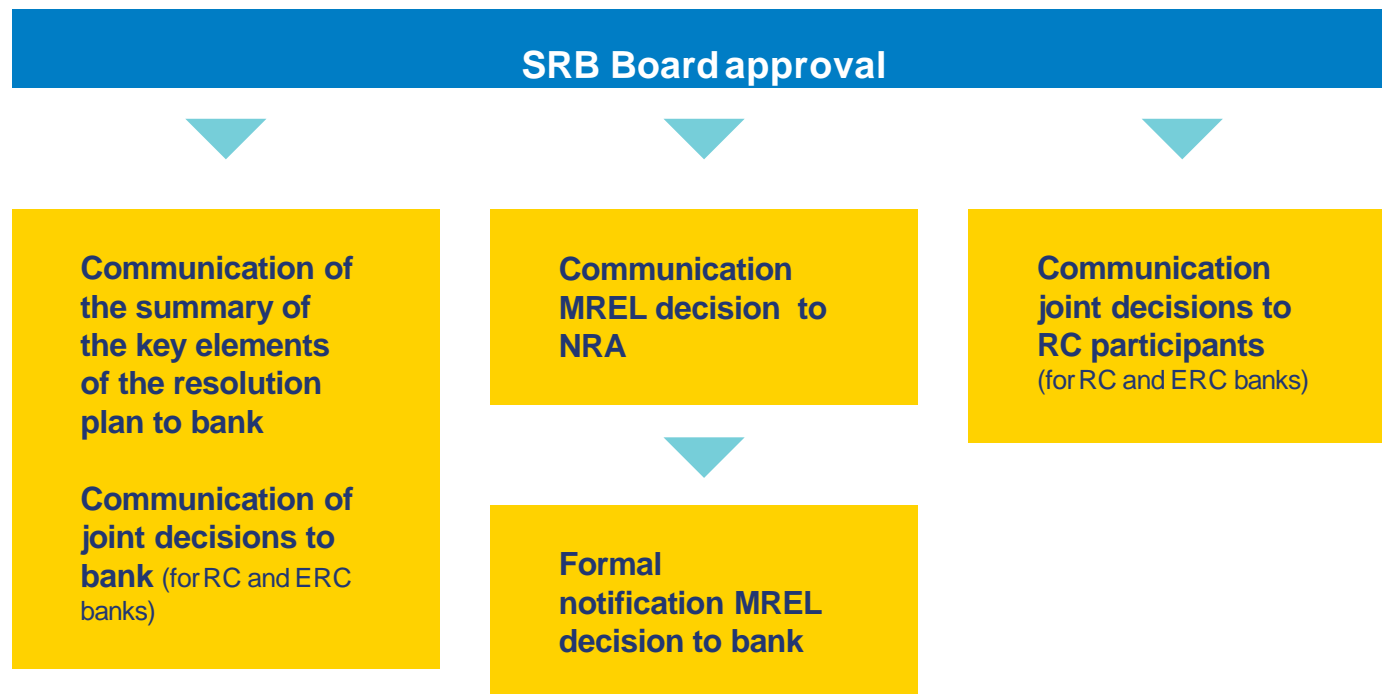
- ▶ concluding joint decisions of **RCs** (if applicable);
- ▶ the final approval of the resolution plans and MREL decisions by the **SRB Board in its ExExS**, composed of the Chair and Vice-Chair and four full-time Board Members, as well as the representatives of the relevant NRA(s) for each specific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

#### The SRB:

1. Develops a detailed planning of the approval steps for each resolution plan, MREL determination and resolvability assessment;
2. Prepares harmonised decision templates to ensure consistency and level playing field across banking groups in the SRB's remit;
3. Ensures transparency vis-a-vis other authorities that act as observers in the approval process.

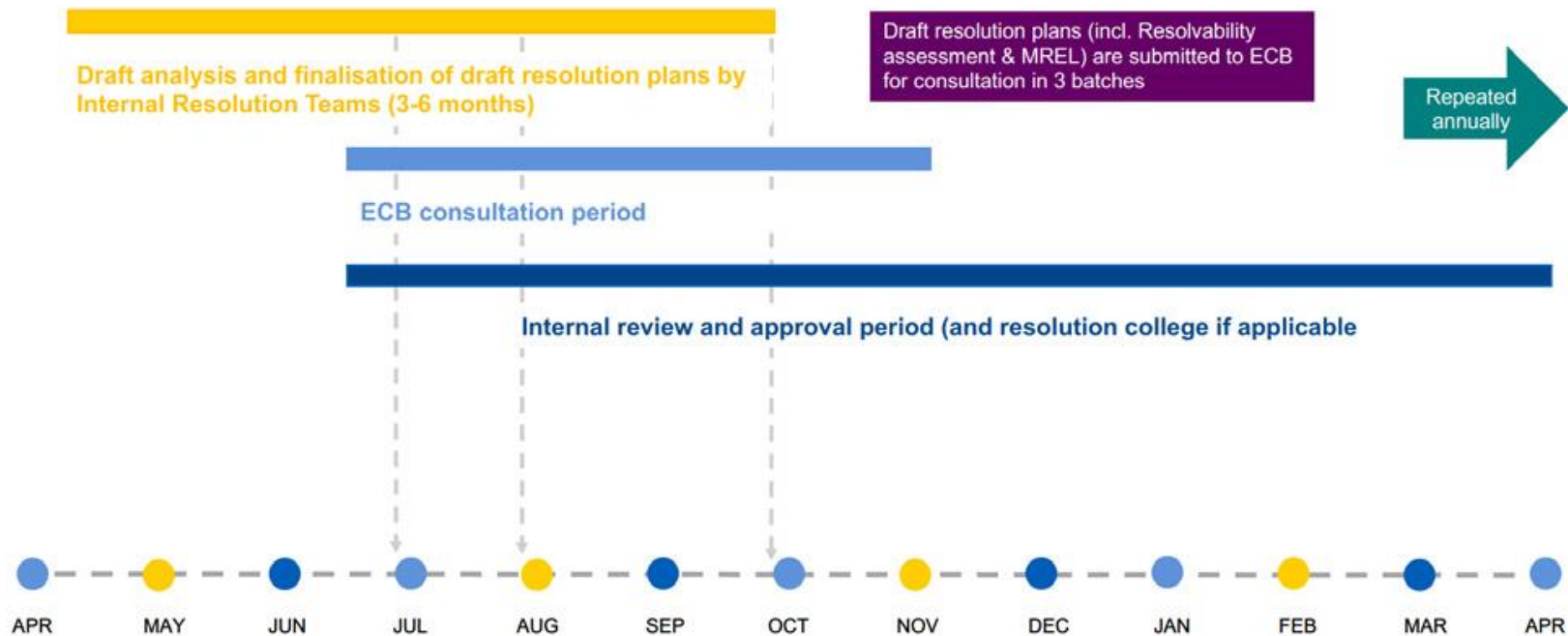
## 2.4. Communication phase

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





## 2.5. Timeline



## 2.6. Main highlights of the 2022 RPC

- ▶ Starting from April 2022, the SRB updated, further operationalised and approved **102 resolution plans**<sup>5</sup>.
- ▶ The IRTs continued to monitor progress on **MREL build-up**, in view of banks' compliance with the final targets as of 1 January 2024.



Download the EfB

- ▶ Banks continued their gradual phasing-in of the SRB **Expectations for Banks (EfB)**<sup>\*</sup> in order to reach resolvability by the final target end 2023, among others, through three common priorities for the 2022 RPC:
  - **Liquidity and funding in resolution**: banks had to ensure capabilities to mobilise collateral for liquidity purposes in resolution.
  - **Separability and reorganisation plans**: banks had to provide dedicated reports on the potential drafting of the reorganisation plans (required in an open bank bail-in) and on the transferability of parts of their business.
  - **Information systems and MIS capabilities for bail-in and valuation data**: relevant banks were expected to conduct (1) the first Banking Union wide bail-in dry-run on bail-in playbooks (with emphasis on MIS capabilities) and (2) the self-testing exercise on MIS valuation by end 2022.

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

<sup>5</sup>The number of resolution plans is lower than the number of banks under SRB remit (slide 6) since some institutions might have bundled resolution plans, simplified obligations regime or foreseen integration with another banking group.

# 3

## Key elements of the 2023 resolution planning cycle

### 3.1. Key elements of the 2023 RPC

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- ▶ The SRB will ask the banks to continue with **phasing-in the EfB** by end-2023, as the final year.
- ▶ The SRB has set the **2023 general policy implementation milestones** and accompanied them with concrete **work priorities in the 2023 RPC**.
- ▶ As a new element, the SRB has launched a **strategic review** to develop a new vision for the SRM from 2024 to 2028.

## 3.2. Resolution planning approach in 2023

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### General policy implementation milestones in 2023

- ▶ Updating the **SRB polices and operational guidance documents**, among others, taking into account the experience gained (see next page).
- ▶ Conducting **close monitoring of resolvability** and preparation of the **substantive impediments** procedure for those banks which show insufficient progress towards achieving resolvability in line with the EfB.
- ▶ Conducting ongoing **MREL monitoring** to ensure build-up towards the final targets by the 1 January 2024 general deadline, as well as monitoring the 2022 binding intermediate targets and taking note of the 2023 intermediate targets which are of informative nature.
- ▶ To further develop **deep-dive assessments**, and approach for **on-site inspections**.
- ▶ Start of the **preparation of the 2024 RPC**, taking into account that 2023 is the final year for all SRB banks to implement the EfB principles; banks will receive bank-specific 2024 SRB priority letters in 2023.



For the strategic review starting from 2023, see chapter 3.5



## SRB work priorities in the 2023 RPC

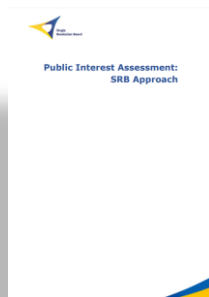
- ▶ In the 2023 RPC, the SRB will focus its work with banks under its remit on:
  - **A common priority for all resolution banks on liquidity and funding in resolution:** the SRB will assess banks' processes and capabilities to measure and report liquidity and funding needs in resolution.
  - **Targeted priorities for certain cluster of banks (with shared similarities, e.g. preferred resolution strategy) on:**
    - Bail-in operationalisation (including a more extensive dry-run on bail-in playbooks) and analysis of the internal loss-transfer mechanisms;
    - Continuation of the work on separability;
    - Solvent wind down;
    - Continuation of the work on business reorganisation plan.
- ▶ The SRB communicated these priorities, together with bank-specific priorities, to the banks through the **SRB priority letters** in September/October 2022.
- ▶ For those areas of resolvability where banks did not show sufficient progress in line with the EfB, the IRTs **initiated closer monitoring** based on dedicated reporting by the bank on a quarterly basis.

# 3.3. Key policies and guidance documents of the 2023 RPC \*

## KEY POLICIES



- **Expectations for Banks**



- **Public Interest Assessment**  
(published June 2019)
- **Addendum**  
(from May 2021)
- **Addendum**  
(from May 2022)



- **2023 MREL Policy**  
(Published May 2023)

## OPERATIONAL GUIDANCE



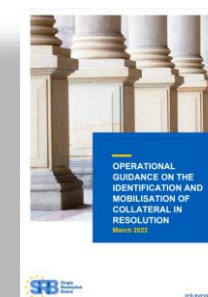
- **Valuation framework**  
(published June 2021)



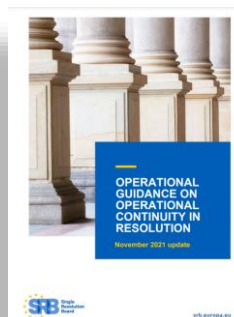
- **Guidance on liquidity and funding in resolution**  
(Principle 3.1. EfB)



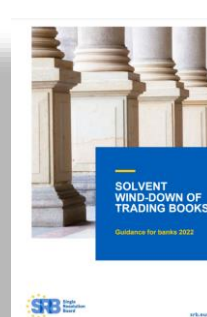
- **Operational guidance for banks on liquidity: measurement and reporting of the liquidity situation in resolution**  
(Principle 3.2. EfB)  
(published June 2023)



- **Guidance on liquidity: identification and mobilisation of collateral in resolution**  
(Principle 3.3. EfB)  
(published March 2022)



- **Operational guidance for operational continuity in resolution**  
(published November 2021)



- **Guidance on solvent wind-down**  
(published December 2021)



- **Operational guidance for banks on separability for transfer tools**  
(published October 2021)

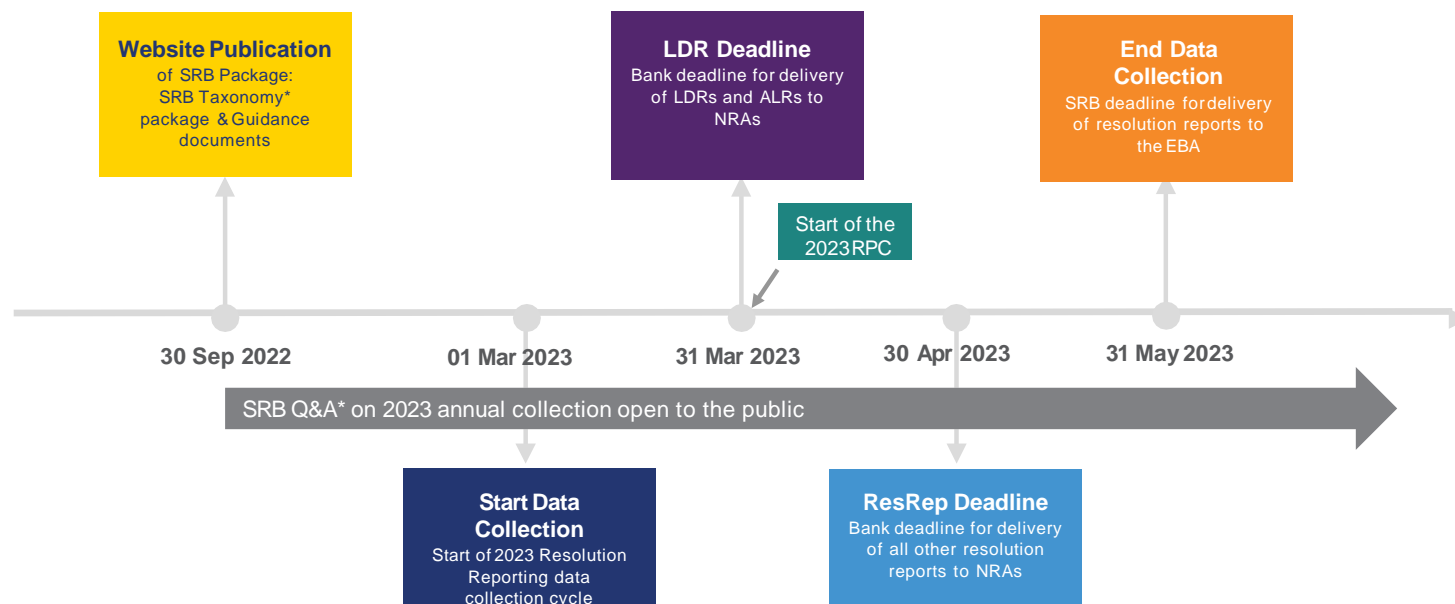


- **Operational guidance on bail-in playbooks**  
(published in June 2022)

(\*non-exhaustive)



## 3.4. 2023 Resolution Reporting for banks



\*Q&A organised by SRB will be limited to questions on SRB-originated reports (LDR, CFR, FMIR). Questions on other CIR reporting requirements should be raised with the EBA.

Resolution data reports	
LDR	Liability Data Report
ALR	Additional Liability Data Report
CFR	Critical Functions Report
CIR	Reporting pursuant to Commission Implementing Regulation 2018/1624
FMIR	Financial Market Infrastructures Report

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

## 3.5. SRM strategic review – new plan to take the SRB from 2024 to 2028

- ▶ On top of pursuing the 2023 RPC priorities, the SRB will shift further its focus to make sure that resolution plans can be put into practice effectively. For this purpose, the SRB will increase testing resolvability of banks and strengthen its crisis readiness also in light of the new external threats.
- ▶ These shifts in the SRB priorities and strategic objectives will be reflected in refining the resolution planning approach going forward, when developing the new overall SRB strategic approach.
- ▶ This will better-equip the SRB to deal with the various challenges, to ensure banks are resolvable and that the SRB adapts to any relevant external (e.g. legislative and market) developments.
- ▶ Further information on the SRM strategic review can be found in the recent Chair's blog post ["Why the SRB needs a new vision"](#). Further updates and information will follow.

# 4








## Assessing bank resolvability

### 4.1. Banks' resolvability: state of play

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- ▶ The SRB [Multi-annual Work Programme 2021- 2023 \(MAP\)](#) sets out the SRB's roadmap for achieving banks' resolvability with the expectation that all SRB banks are fully resolvable by end 2023 at the latest.
- ▶ The MAP illustrates the expected build up of banks' capabilities through the 2021-2023 RPCs taking into account the SRB EfB' phase-in across the RPCs (*see next page*).
- ▶ The [SRB Work Programme 2023](#) is part of MAP and lays out the shift of SRB's focus from the more general phases of drafting and fine-tuning of resolution plans towards ensuring that each plan and preferred resolution strategy can be implementable at short notice.

# SRB EfB' phase-in across the RPCs

Resolvability Conditions	2020	2021	2022	2023
 <p><b>Governance</b></p>	1.1 Management body and senior management involvement, 1.2 Governance of resolution activities, 1.3 Quality assurance and internal audit,			1.4 testing/dry-runs
 <p><b>Bail-in execution</b></p>	2.1 Loss absorbing and recapitalisation capacity, 2.2 Cross-border aspects, 2.3 Bail-in playbooks (incl. internal loss transfer mechanisms)			
 <p><b>Liquidity and funding in resolution</b></p>		3.1 Liquidity needs in resolution 3.2 Measurement & reporting	3.3 Collateral & funding sources	
 <p><b>Operational continuity &amp; FMI access</b></p>	4.1/ 4.4 Identification & mapping 4.2/ 4.5 Risk assessment 4.3/ 4.6 Mitigation measures and contingency planning			
 <p><b>Information systems and data requirements</b></p>	5.0 Governance for MIS 5.1 Information for resolution planning	5.2 MIS for valuation 5.3 MIS for bail-in execution		
 <p><b>Communication</b></p>	6.1 Communication planning 6.2 Governance aspects			
 <p><b>Separability and reorganisation</b></p>	7.1 Structure 7.2 Separability for banks where the preferred strategy envisages a transfer tool		Separability for banks where the variant strategy envisages a transfer tool 7.3 Reorganisation capabilities	



## 4.2. Resolvability monitoring, testing and substantive impediments

- ▶ Resolvability monitoring is an integral part of resolution planning. The SRB EfB set out the operational capabilities banks are expected to demonstrate to show they are resolvable and are being **gradually phased-in**. These expectations determine best practice and benchmarks for assessing resolvability according to common criteria across the Banking Union.
- ▶ IRTs base their resolvability assessment, among others, on a target/performance **comparison** of banks' multi-annual resolvability work programme and annual resolvability progress reports with the EfB and the annual SRB priority letter.
- ▶ In the **2023 priority letter to banks' CEOs**, the SRB identified areas of closer monitoring where banks did not demonstrate sufficient progress through the phase-in of the SRB EfB. Banks have to report on a quarterly basis on those.
- ▶ In the next years, after the end of the phase-in of the EfB, the SRB will assess the bank's progress in resolvability in course of 2023 and will move to **testing banks' resolvability capabilities** in the next years.





- ▶ Banks' progress on resolvability is documented in the **resolvability assessment** and included in the resolution plans.
- ▶ The SRB is benchmarking banks' resolvability progress in a **heatmap**, which is a dedicated tool based on the **resolvability assessment exercise**.
- ▶ The SRB published for the first time its **assessment of banks resolvability and heatmap** in 2022.
- ▶ Depending on how significant the impediments are, the SRB will ask banks to address them:
  - Through dedicated corrective actions, under **close monitoring** by the IRTs, or
  - By starting the **formal procedure for addressing substantive impediments** to resolvability.



# Abbreviations

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**ALR** Additional Liability Data Report

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**BRRD** Bank Recovery and Resolution Directive

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**CEO** Chief Executive Officer

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**CFR** Critical Functions Report

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**CIR** Commission Implementing Regulation  
2018/1624

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**CMG** Crisis Management Group

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**COREP** Common Reporting Framework

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**EBA** European Banking Authority

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**ECB** European Central Bank

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**EfB** SRB Expectations for Banks

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**EU** European Union

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**ExExS** SRB Extended Executive Session

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**FINREP** Financial Reporting Framework

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**FMI** Financial Market Infrastructure

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**FMIR** Financial Market Infrastructure Report

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**FSB** Financial Stability Board

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**GLRA** Group Level Resolution Authority

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**G-SIBs** Global Systematically Important Banks

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**IRT** Internal Resolution Team

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**JST** Joint Supervisory Team

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**LDR** Liability Data Report

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**MAP** SRB Multi-annual Work Programme 2021-2023

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**MIS** Management Information Systems

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**MREL** Minimum Requirements for own funds  
and Eligible Liabilities

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**NCA** National Competent Authority

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**NRA** National Resolution Authority

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**RAP** Resolvability Assessment Process

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**RC** Resolution College

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**RPC** Resolution Planning Cycle

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**RTBH** Right To Be Heard

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**SSM** Single Supervisory Mechanism

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**TLAC** Total Loss-Absorbing Capacity

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