



This publication is not intended to create any legally binding effect and does not in any way substitute the legal requirements laid down in the relevant applicable European Union (EU) and national laws. It may not be relied upon for any legal purposes, does not establish any binding interpretation of EU or national laws and does not serve as, or substitute for, legal advice.

The SRB reserves the right to amend this publication without notice whenever it deems appropriate and it shall not be considered as predetermining the position that the SRB may take in specific cases, where the circumstances of each case will also be considered.

Publication date: May 2023

Neither the Single Resolution Board nor any person acting on behalf of the Single Resolution Board is responsible for the use that might be made of the following information.

Luxembourg: Publications Office of the European Union, 2023

© Single Resolution Board, 2023

Reproduction is authorised provided the source is acknowledged. For any use or reproduction of photos or other material that is not under the copyright of the Single Resolution Board, permission must be sought directly from the copyright holders.

Cover, © IStockphoto/NicoElNino

---

# SRB MREL DASHBOARD Q4.2022

# Contents

## SRB MREL DASHBOARD Q4.2022

---

---

<b>1. MREL monitoring Q4.2022</b>	<b>4</b>
1.1. MREL targets for resolution entities	4
1.2. MREL resources of resolution entities	6
1.3. Shortfalls of resolution entities	10
1.4. MREL targets and shortfalls of non-resolution entities	12

---

<b>2. Market activity and cost of funding</b>	<b>15</b>
2.1. Market access and MREL issuances	15
2.2. Cost of funding	17

---

<b>3. Methodological annex</b>	<b>19</b>
3.1. MREL monitoring	21
3.2. Market activity and cost of funding	22
3.3. Confidentiality criteria	22

---

<b>4. Abbreviations</b>	<b>23</b>
-------------------------	-----------

The minimum requirement for own funds and eligible liabilities (MREL) dashboards are based on bank data reported to the Single Resolution Board (SRB) and cover entities under the SRB's remit<sup>1</sup>. The first section of the dashboard focuses on the evolution of MREL targets and shortfalls for resolution entities (external MREL) and non-resolution entities (internal MREL) and the level and the composition of MREL resources of resolution entities in Q4.2022. The second section highlights recent developments in the cost of funding and provides an overview of gross issuances of MREL-eligible instruments in Q4.2022<sup>2</sup>.

*In Q4.2022, both resolution and non-resolution entities reported a significant reduction of the overall MREL shortfall (including the Combined Buffer Requirement (CBR) against their final targets. The level and composition of MREL resources of resolution entities remained broadly stable compared to Q3.2022. As for MREL gross issuances, rather elevated issuance activity was reported by SRB banks, including smaller and less frequent issuers. After improving between the last quarter of 2022 and the beginning of 2023, the cost of funding spiked in mid-March following the turmoil generated by the crises of SVB and Credit Suisse.*

---

<sup>1</sup> See methodological annex.

<sup>2</sup> This publication is based on the templates received as per the Commission Implementing Regulation (EU) 2021/763, COREP templates, the SRB proprietary database built upon quarterly reporting received from banks under the SRB remit and SRB staff computations (cf. methodological annex for further details). The data in this publication is provided for information purposes only. This document shall neither be binding nor construed as constituting a commitment by the SRB on how it will exercise its tasks and shall be without prejudice to any stance that the SRB may take with respect to the subject of this publication. The SRB shall not be held liable for any use of the data therein.

# 1. MREL monitoring

## Q4.2022

### 1.1. MREL targets for resolution entities

The annual recalibration of MREL requirements, the decrease of banks' balance sheet size and, to a minor extent, the change in the number of entities, contributed to the evolution of targets' levels in the last quarter of 2022<sup>3</sup>. Specifically, the annual recalibration led to an increase in the average MREL targets, mainly due to the phase-in of the market confidence charge<sup>4</sup>. However, the reduced banks' balance sheets compared to Q3.2022 (mostly on LRE metric and to a lower degree on TREA) largely offset the higher recalibrated MREL targets set in the course of the 2022 RPC. As a result, all MREL final targets decreased in absolute amount with respect to Q3.2022, except when including the CBR<sup>5</sup>. The average MREL final (2024) target stood at 23.5% TREA, corresponding to a total amount of EUR 1,739 bn. When considering the CBR in addition to the risk-based target, the average MREL final target reached the level of 27% TREA, for a total amount of EUR 1,992 bn.

As concerns the banks with an MREL subordination target, its average was equal to 20.2% TREA, and 21.1% TREA when considering the CBR<sup>6</sup>. Overall, the level of the subordination target varies across banks and jurisdictions and is driven by several factors, among which the risk density, the share of Pillar 1 banks and No-Creditor-Worse-Off risk (cf. Chart 1)<sup>7</sup>.

Among different categories of banks, G-SIIs registered the highest average MREL target (27.4% TREA), followed by Top Tier, Other Pillar 1 (both 26.6% TREA) and non-Pillar 1 banks (26.1% TREA, cf. Chart 2). Other Pillar 1 banks was the only category of banks for which a reduction of the average target was observed.

In line with the general increasing trend, the average MREL target for banks under all strategies and tools rose compared to Q3.2022. The average MREL target for banks under an SPE strategy, adopted for the majority of entities under the SRB remit, was equal to 26.4% TREA and 30.4% TREA for banks under an MPE strategy

<sup>3</sup> Q4.2022 Dashboard is based on the targets set (or are about to be set) under the 2022 RPC and considers the entities in scope of the 2022 RPC.

<sup>4</sup> The SRB sets the market confidence charge at CBR minus the greater of the absolute bank-specific amounts of the CCyB and 93.75 basis points in 2020 RPC, 62.5 basis points in the 2021 RPC and 31.25 in the 2022 RPC. Subsequently, the SRB will apply the formula in the legislation, equal to CBR minus the CCyB (cf. SRB MREL policy, para 29).

<sup>5</sup> The total absolute amount of the MREL final target and of the final subordination target was down by 0.7% and by 4.1%, respectively (when considering the same sample of banks, by 1% and by 4.4%, respectively). When including the CBR, the MREL final target was up by 0.7%, while the final subordination target reduced by 1.7% (when considering the same sample of banks, by 0.4% and by 2%, respectively).

<sup>6</sup> The average subordinated target was equal to 18.5% TREA (EUR 1,364 bn), and 19.2% TREA (EUR 1,420 bn) including the CBR, when calculated over the full sample.

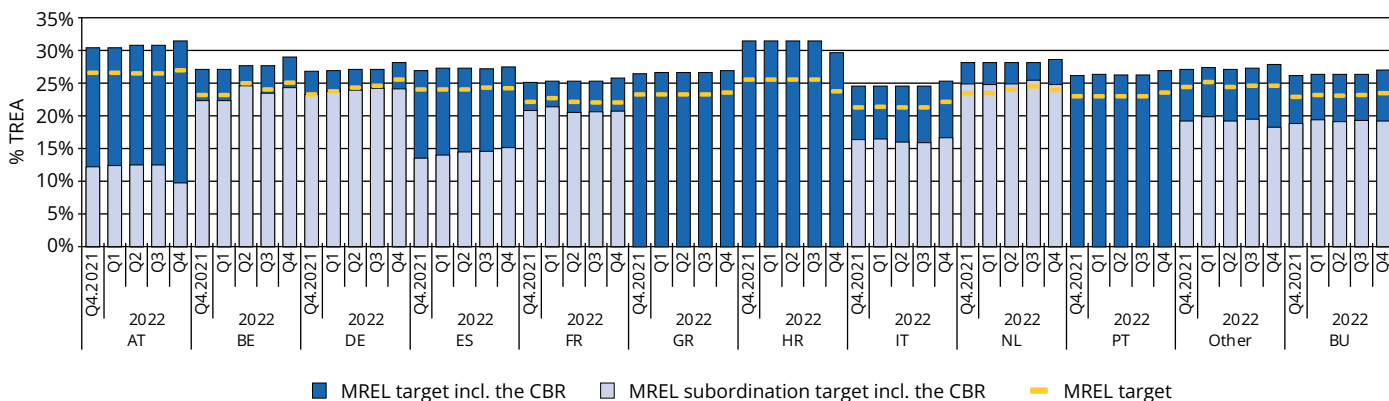
<sup>7</sup> In the following part of this report, the CBR will be considered as a part of the MREL requirement, unless otherwise specified.

(that includes an add-on to minimise financial contagion between resolution groups within the same banking group). For banks under bail-in tool, the average MREL target stood at 27.1% TREA and 23.5% TREA for banks with a transfer tool. The lower average target for banks under a transfer tool is driven by the lower estimated recapitalisation needs after resolution (cf. Chart 3).

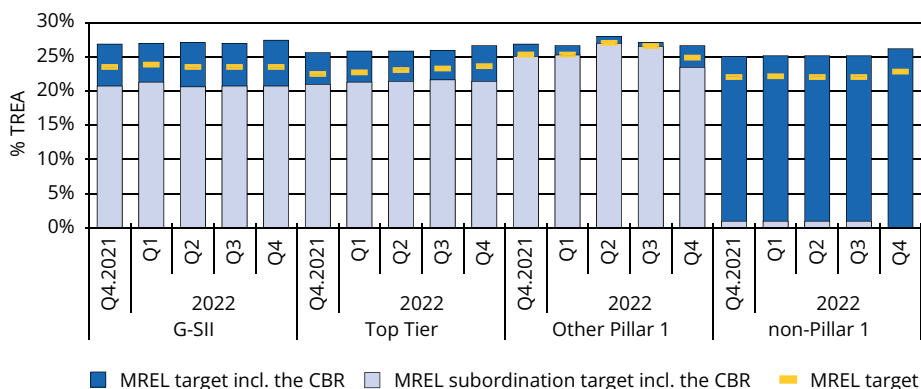
Looking at the distribution level of the MREL final targets, the requirement ranged from 20.1% to 45.2% TREA among resolution entities (the third quartile stood at 28.2% TREA, cf. Table 1).

The average MREL intermediate (2022) target<sup>8</sup> amounted to 24.7% TREA for the resolution entities, and 20.1% TREA for the banks with a compulsory subordination component<sup>9</sup>; both targets decreased compared to Q3.2022.

**Chart 1. MREL final targets (of which subordination) for resolution entities by country, % TREA**



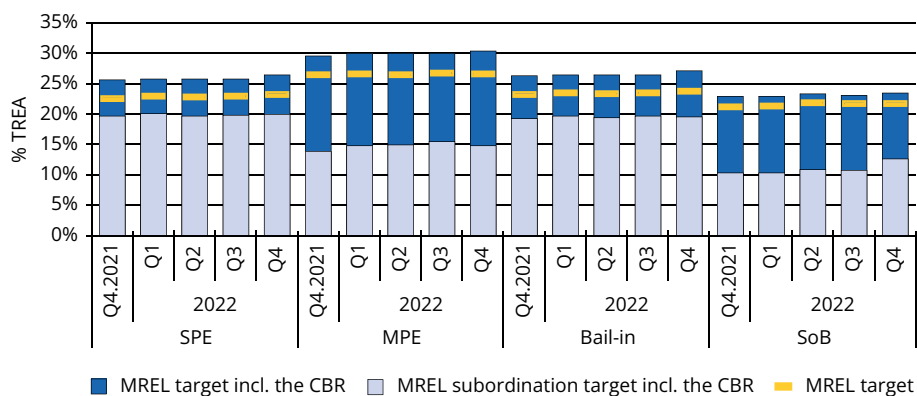
**Chart 2. MREL final targets (of which subordination) for resolution entities by bank category, % TREA**



<sup>8</sup> A reduced sample for average intermediate targets was considered.

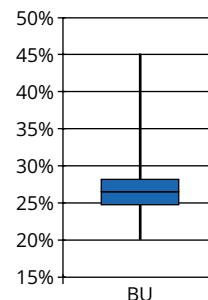
<sup>9</sup> On the whole sample, the average subordination target was equal to 17.6% TREA.

**Chart 3. MREL final targets (of which subordination) for resolution entities by preferred resolution strategy and tool, % TREA**



**Table 1. Distribution of MREL final targets (including the CBR) for resolution entities, % TREA**

Strategy/ tool	Minimum value	25th percentile	50th percentile	Average	75th percentile	Maximum value
SPE	20.1%	24.5%	26.1%	26.4%	27.8%	45.2%
MPE	25.4%	27.3%	29.4%	30.4%	33.5%	35.8%
Bail-in	22.3%	25.4%	26.9%	27.1%	28.4%	45.2%
SoB	20.1%	21.0%	22.6%	23.5%	24.6%	40.8%
<b>BU</b>	<b>20.1%</b>	<b>24.8%</b>	<b>26.5%</b>	<b>27.0%</b>	<b>28.2%</b>	<b>45.2%</b>



## 1.2. MREL resources of resolution entities

The level of own funds and eligible liabilities (MREL resources) remained broadly stable compared to the previous quarter, while slightly increasing from Q4.2021. More specifically, MREL resources reached the value of EUR 2,359 bn (corresponding to 31.9% TREA), up by EUR 21.5 bn (or 0.9%) from Q3.2022 and by EUR 84.3 bn (or 3.7%) year-on-year<sup>10</sup>. The subordinated component of the MREL resources amounted to EUR 1,984 bn (corresponding to 26.9% TREA), growing by EUR 7.4 bn (or 0.4%) from Q3.2022 and by EUR 66.4 bn (or 3.5%) year-on-year (cf. Chart 4)<sup>11</sup>. In percentage of TREA, the MREL resources for Top Tier, G-SII and non-Pillar 1 banks were equal to 33.3%, 31.4% and 25.8% TREA, respectively, while for Other Pillar 1 banks, the ratio reached the value of 40.1% TREA (cf. Chart 5).

The composition of MREL instruments among SRB banks remained broadly stable compared to Q3.2022 and overall in the year 2022. While remaining stable on average, the share of senior unsecured liabilities increased in some jurisdictions, as a result of the elevated issuance activity during the quarter (cf. Section 2.1.). Senior

<sup>10</sup> When considering the same sample of banks, the amount of MREL resources rose by 0.7% or EUR 16.9 bn from Q3.2022 and by 3.5% or EUR 79.7 bn year-on-year.

<sup>11</sup> When considering the same sample of banks, the subordinated component of the MREL resources grew by 0.2% or EUR 3.3 bn from Q3.2022 and by 3.2% or EUR 62.3 bn year-on-year.

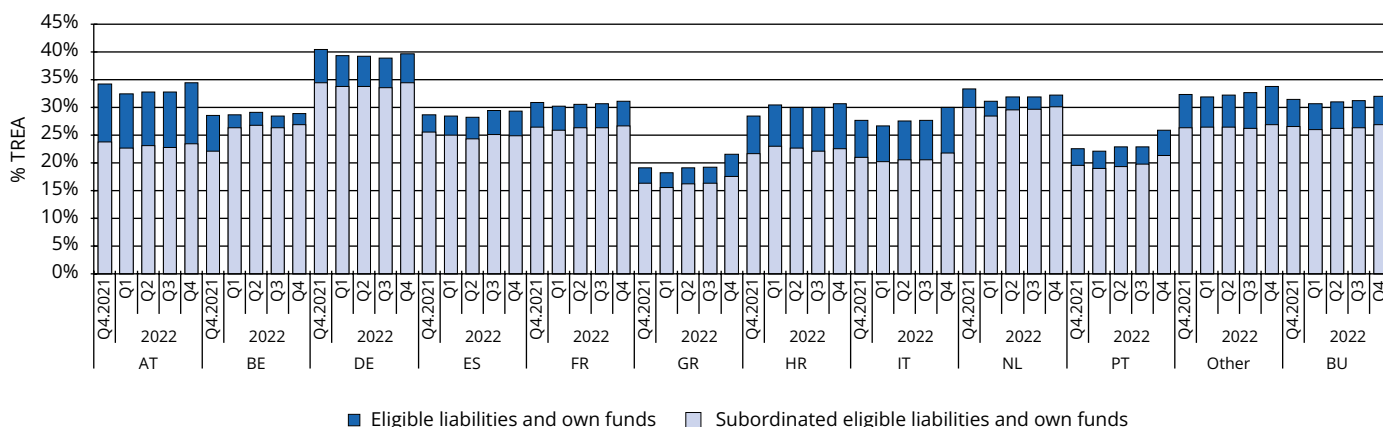


unsecured liabilities accounted for 15% of the overall MREL resources, while the share of senior non-preferred liabilities was equal to 21% of the total. On average, non-covered non-preferred deposits continued to account for less than 1% of total MREL resources for all categories of banks but non-Pillar 1, for which the share was equal to 4% (cf. Charts 6).

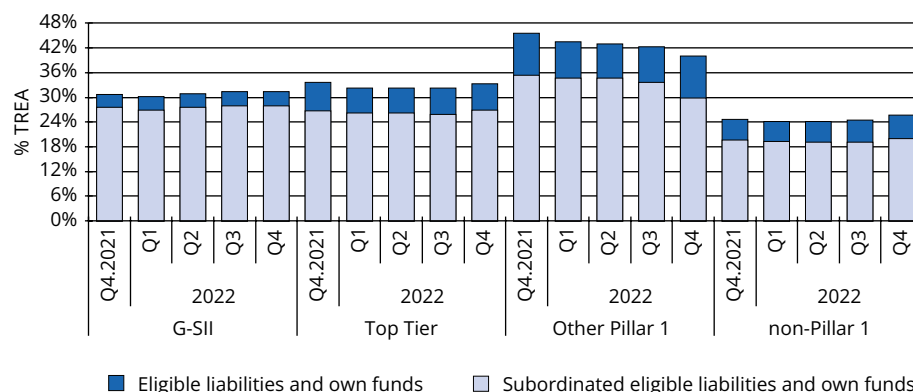
Regarding the maturity profile of MREL-eligible instruments, around 49% of the total MREL resources was of a perpetual nature, 39% with residual maturity between two and 10 years, around 6% above 10 years, and 6% maturing between one and two years. The share of short-term debt declined, on average, over the quarter for all but Other Pillar 1 banks, for which a slight increase was observed (cf. Charts 8-9).

With respect to instruments issued under non-EU law, they represented around 17.6% of the overall MREL resources, reducing marginally from Q3.2022. The composition of instruments issued under non-EU law remained almost stable, with 95% of the instruments being governed by either US or UK law and with eligible liabilities remaining predominant over Tier 2 and AT1 instruments (cf. Charts 10-11).

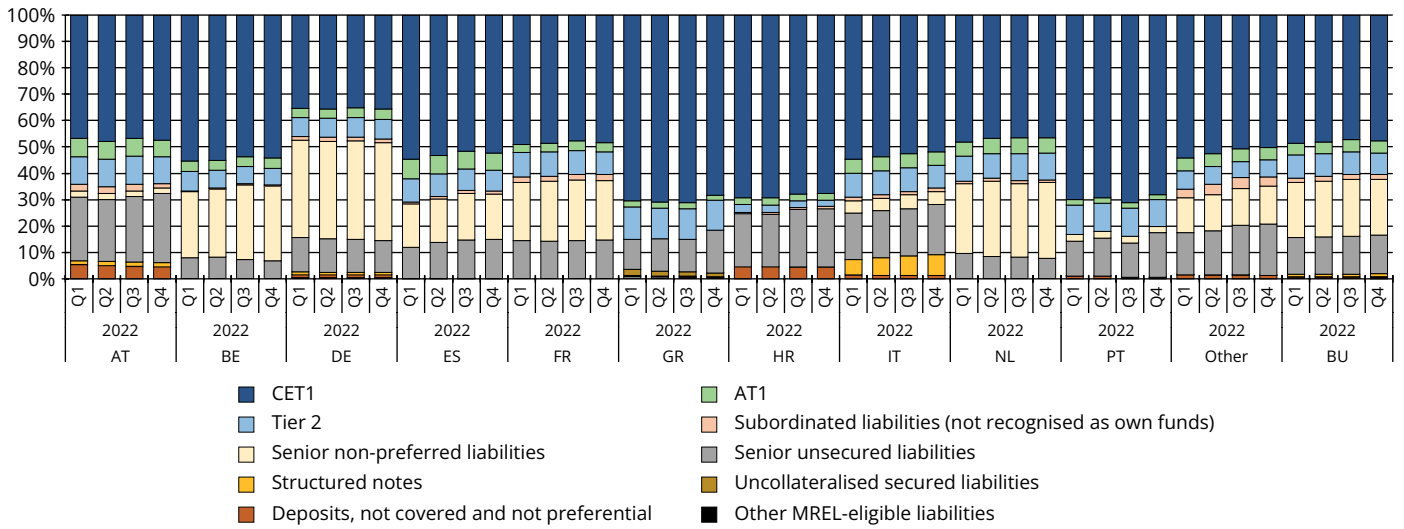
**Chart 4. MREL-eligible liabilities (of which subordinated) and own funds of resolution entities by country, % TREA**



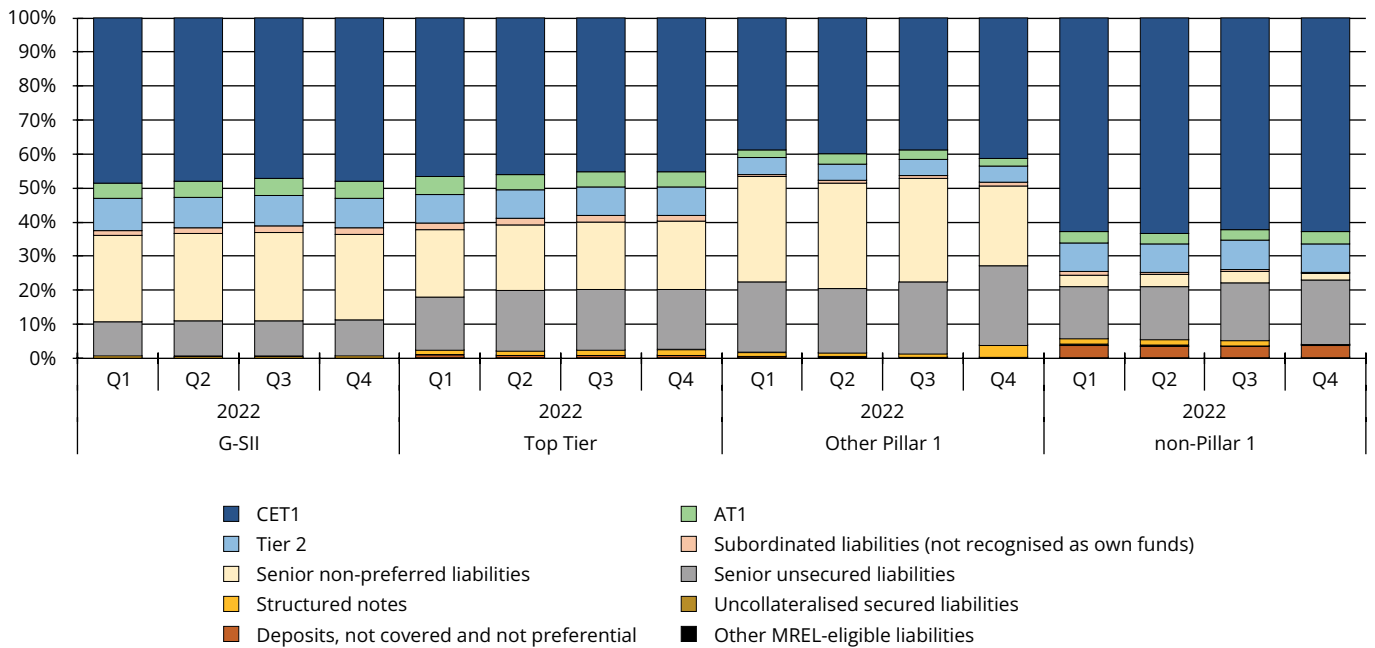
**Chart 5. MREL-eligible liabilities (of which subordinated) and own funds by bank category, % TREA**



**Chart 6. MREL composition by country<sup>12,13</sup>**



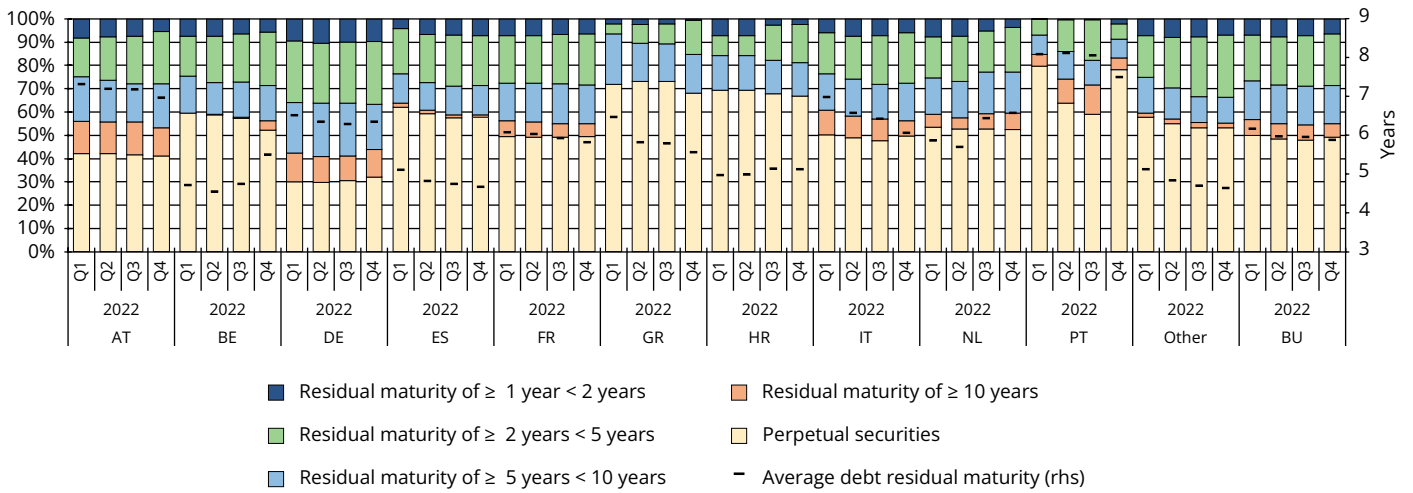
**Chart 7. MREL composition by bank category**



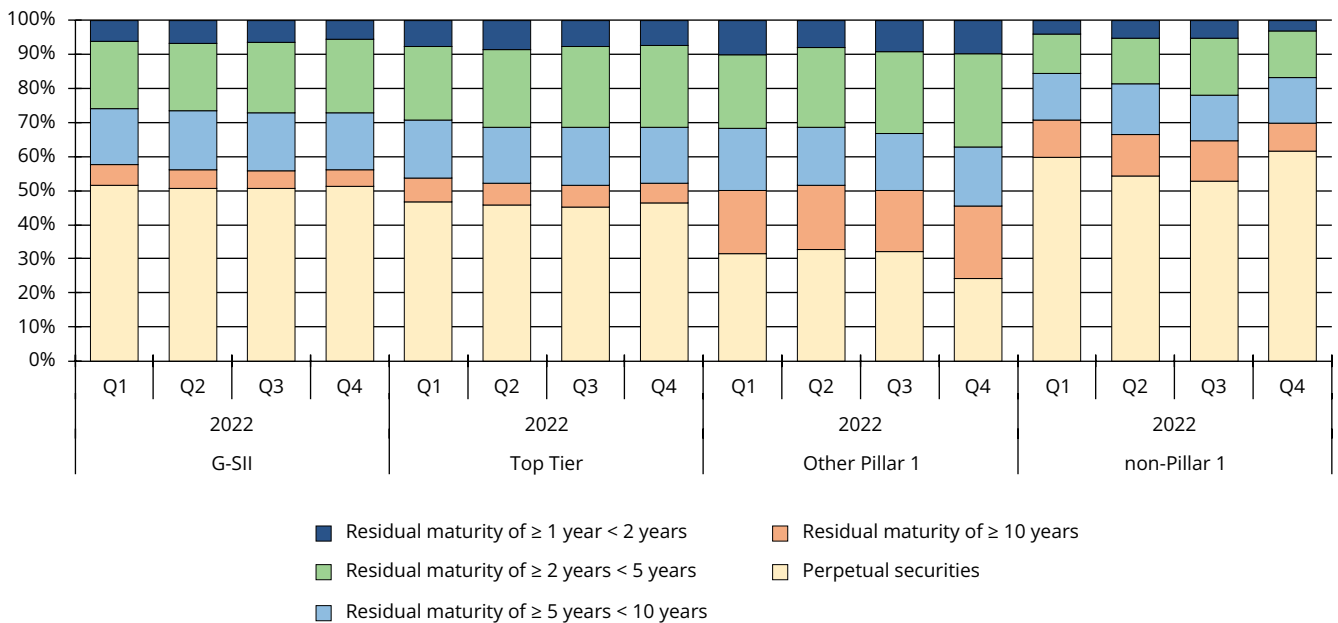
<sup>12</sup> Uncollateralised secured liabilities can be recognised as MREL-eligible (i) for, and limited to, the amount exceeding the value of the collateral by which it is secured (i.e. the uncovered amount of the secured liabilities) and (ii) providing they meet all the other conditions defined in both the CRR Articles 72a to 72c and the SRMR Article 12c (1-3).

<sup>13</sup> Some MREL-eligible liabilities are structurally subordinated because they are issued by a resolution entity that is a clean holding company. As a result, for some holding companies – for instance those in BE and NL – senior debt instruments are considered as senior non-preferred instruments.

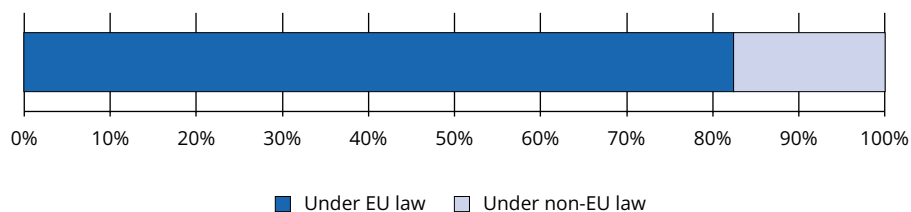
**Chart 8. Maturity concentration of MREL-eligible instruments by country**



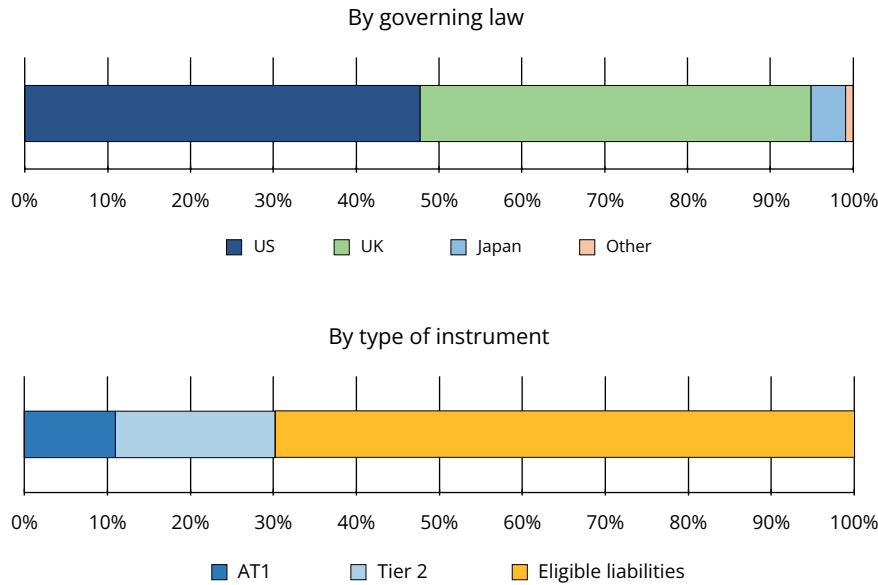
**Chart 9. Maturity concentration of MREL-eligible instruments by bank category**



**Chart 10. MREL composition - instruments under EU law vs instruments under non-EU law as of 31 December 2022**



**Chart 11. Composition of MREL instruments governed by third country law as of 31 December 2022**



### 1.3. Shortfalls of resolution entities

The overall shortfall against the final (2024) targets<sup>14</sup> reduced significantly in the last quarter of 2022. Specifically, the MREL shortfall reached EUR 8.8 bn (corresponding to 0.1% TREA), halving from the previous quarter as well as year-on-year (or by EUR 9.4 bn and EUR 7.3 bn, respectively<sup>15</sup>). When considering the CBR, the MREL shortfall was equal to EUR 21.5 bn (corresponding to 0.3% TREA); down by EUR 8.8 bn compared to Q3.2022 and by EUR 10.4 bn year-on-year<sup>16</sup>. Such reduction was mainly driven by the high issuance activity over the quarter from those banks (cf. Section 2.1). The shortfall for the subordination component (including the CBR) amounted to EUR 6.5 bn (corresponding to 0.1% TREA), in reduction by EUR 4 bn from the previous quarter<sup>17</sup> (cf. Charts 12-13 and Table 2).

Around 18% of the entities in scope (corresponding to 14 banks) were in shortfall against their final targets, and about 38% (30 banks) when considering the CBR. However, ten out of the 14 banks and 15 out of the 30 banks have a longer transitional period to meet their final target, ending, in most cases, in 2024-2025. Other Pillar 1 banks was the only category that registered an increase in the shortfall, solely driven by an expansion of the population of banks in this category. The shortfall reported by non-Pillar 1, Top Tier and Other Pillar 1 banks constituted respectively 59.3%, 30.1% and 10.6% of the overall shortfall (including the CBR). In percentage of TREA, non-Pillar 1 banks registered the highest shortfall (including

<sup>14</sup> For some entities, the transitional period ends after 1 January 2024, as per Article 12k (1) and (4) SRMR.

<sup>15</sup> When considering the same sample of banks, the MREL shortfall decreased by EUR 10.9 bn from Q3.2022 and by EUR 8.8 bn year-on-year.

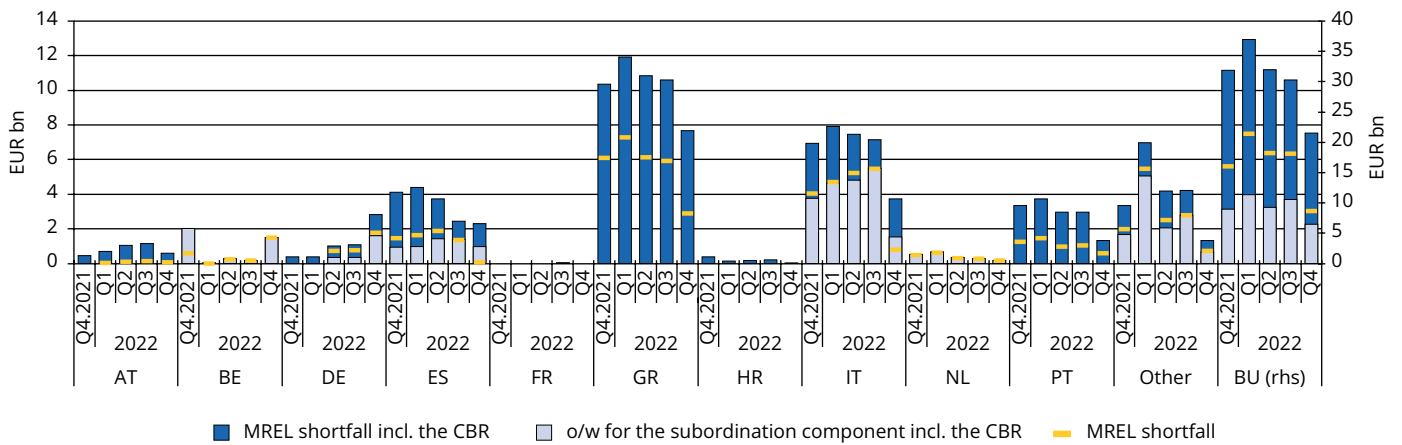
<sup>16</sup> When considering the same sample of banks, the MREL shortfall decreased by EUR 10.3 bn from Q3.2022 and by around EUR 11.9 bn year-on-year.

<sup>17</sup> When considering the same sample of banks, the MREL shortfall decreased by EUR 5.5 bn from Q3.2022.

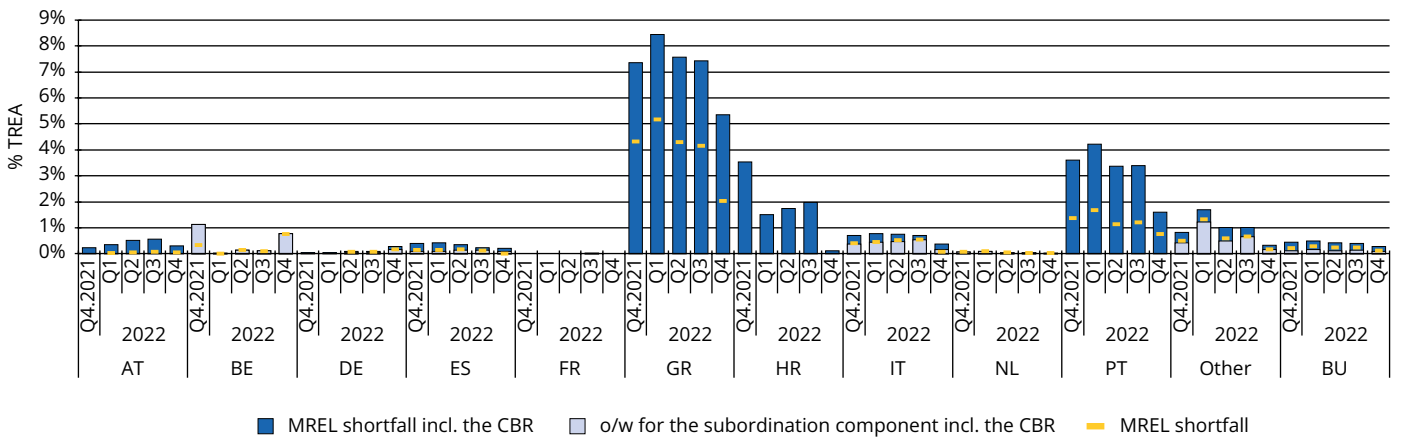
the CBR) equal to 2% TREA, followed by Other Pillar 1 and Top Tier banks (1.2% and 0.2% TREA, respectively, cf. Chart 14).

With respect to the MREL intermediate (2022) target, all resolution and non-resolution entities were compliant in December 2022.

**Chart 12. MREL shortfalls (of which subordination) against final targets of resolution entities by country, EUR bn**

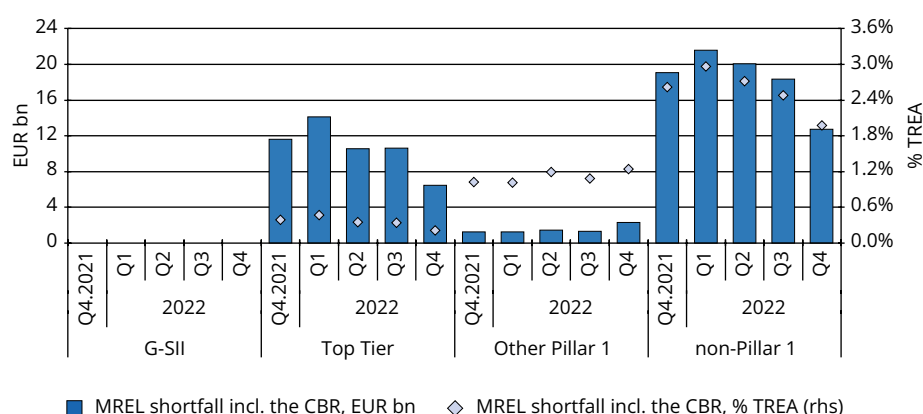


**Chart 13. MREL shortfalls (of which subordination) against final targets of resolution entities by country, % TREA**



**Table 2. Q4.2022 key MREL metrics for resolution entities<sup>18</sup>**

Country	Total TREA		MREL final target incl. the CBR		MREL final subordination target incl. the CBR		MREL resources		MREL gross issuances		MREL net issuances (net quarterly change in the MREL resources)		MREL shortfall incl. the CBR against final targets			
	EUR mn	%TREA	%TREA	%TREA	EUR mn	%TREA	EUR mn	%TREA	EUR mn	%TREA	EUR mn	%TREA	EUR mn	%TREA	o/w for the subordination component	
															EUR mn	%TREA
AT	200,692	31.4%	9.7%	9.7%	69,054	34.4%	2,941	1.5%	2,088	1.0%	596	0.3%	0	0.0%		
BE	194,987	29.0%	24.3%	24.3%	56,286	28.9%	1,715	0.9%	1,197	0.6%	1,510	0.8%	1,510	0.8%		
DE	1,020,890	28.2%	24.1%	24.1%	404,999	39.7%	8,470	0.8%	-4,887	-0.5%	2,819	0.3%	1,615	0.2%		
ES	1,069,442	27.5%	15.2%	15.2%	313,462	29.3%	5,338	0.5%	4,185	0.4%	2,318	0.2%	973	0.1%		
FR	2,567,279	25.8%	20.7%	20.7%	799,420	31.1%	22,675	0.9%	419	0.0%	0	0.0%	0	0.0%		
GR	143,222	26.9%	0.0%	0.0%	30,898	21.6%	2,359	1.6%	3,388	2.4%	7,669	5.4%	0	0.0%		
HR	10,416	29.7%	0.0%	0.0%	3,198	30.7%	65	0.6%	56	0.5%	13	0.1%	0	0.0%		
IT	968,324	25.3%	16.7%	16.7%	290,289	30.0%	16,565	1.7%	10,843	1.1%	3,724	0.4%	1,552	0.2%		
NL	715,796	28.6%	24.7%	24.7%	230,538	32.2%	6,817	1.0%	-4,485	-0.6%	181	0.03%	181	0.03%		
PT	82,528	27.0%	0.0%	0.0%	21,374	25.9%	1,121	1.4%	1,343	1.6%	1,324	1.6%	0	0.0%		
Other	414,004	27.9%	18.2%	18.2%	139,928	33.8%	4,452	1.1%	2,760	0.7%	1,331	0.3%	673	0.2%		
<b>BU</b>	<b>7,387,581</b>	<b>27.0%</b>	<b>19.2%</b>	<b>19.2%</b>	<b>2,359,447</b>	<b>31.9%</b>	<b>72,518</b>	<b>1.0%</b>	<b>16,906</b>	<b>0.2%</b>	<b>21,485</b>	<b>0.3%</b>	<b>6,503</b>	<b>0.1%</b>		

**Chart 14. MREL shortfalls against final targets of resolution entities by bank category****1.4. MREL targets and shortfalls of non-resolution entities**

When considering the CBR, the average MREL final target (2024) for non-resolution entities amounted to 24.1% TREA (EUR 548 bn), while the average MREL intermediate target (2022) was equal to 21.6% TREA (EUR 451 bn)<sup>19</sup>. Both targets remained almost stable over the quarter (cf. Chart 15). The overall MREL shortfall against final

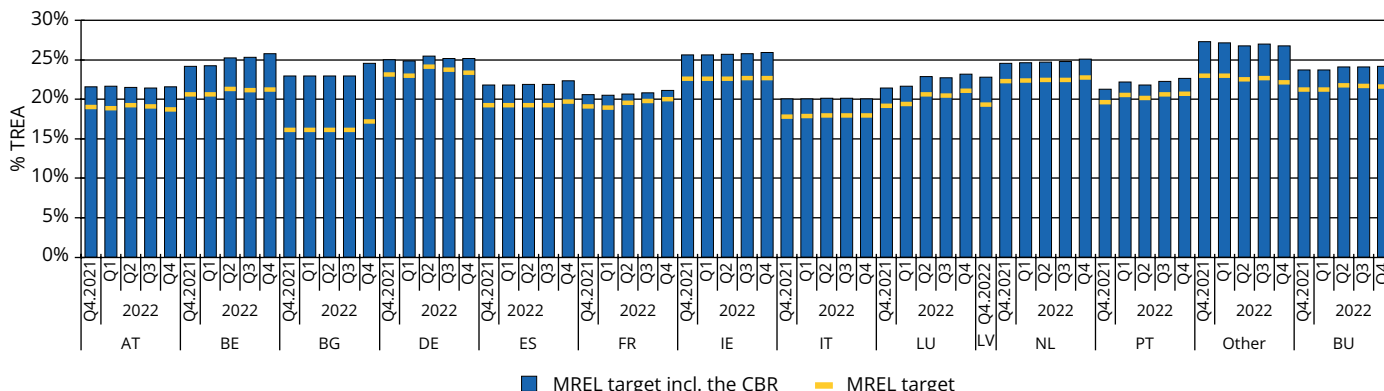
<sup>18</sup> MREL net issuances are calculated as the difference between the outstanding amount of the MREL resources in Q4.2022 and Q3.2022 considering the same sample of banks.

<sup>19</sup> A reduced sample for average intermediate target was considered.

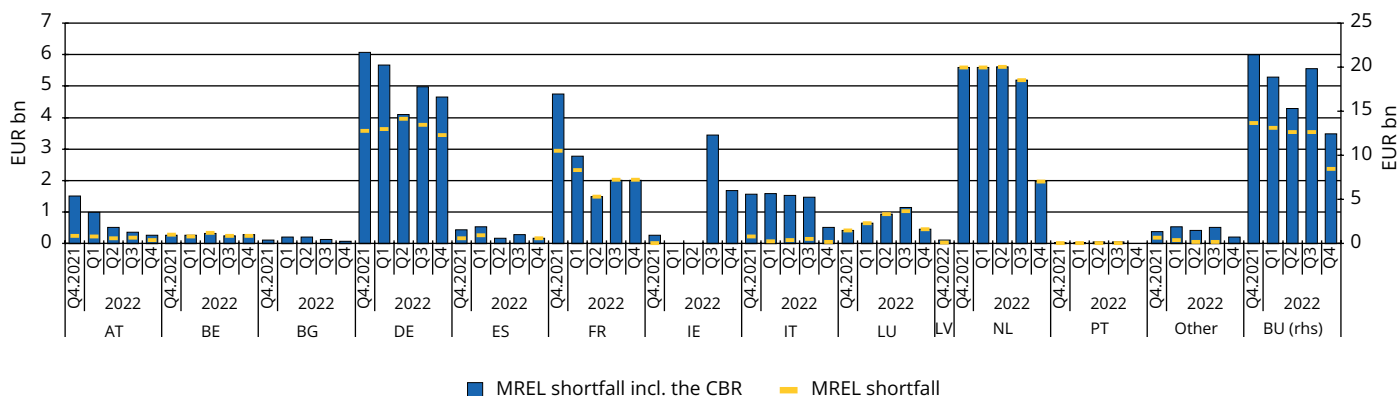
targets amounted to EUR 8.5 bn (corresponding to 0.4% TREA), decreasing from the previous quarter (by EUR 4.1 bn)<sup>20</sup>. When considering the CBR, the MREL shortfall also reduced in comparison to Q3.2022 (by EUR 7.4 bn)<sup>21</sup> reaching the value of EUR 12.4 bn (corresponding to 0.5% TREA). Year-on-year, both shortfalls followed the same trend, decreasing markedly in absolute amount (cf. Charts 16-17).

Around 17% of the entities in scope (corresponding to 24 banks) reported a shortfall against their final MREL targets, and about 24% (33 banks) when including the CBR. A substantial degree of variation among the shortfall levels reported by banks remained. Specifically, three out of the 33 banks registered a shortfall above EUR 1 bn, which in total accounted for around half of the overall shortfall including the CBR; seven banks (including the above-mentioned three banks), for which the shortfall exceeded EUR 500 mn, accounted for around 70% of the total amount.

**Chart 15. MREL final targets for non-resolution entities by country, % TREA<sup>22</sup>**



**Chart 16. MREL shortfalls against final targets of non-resolution entities by country, EUR bn**

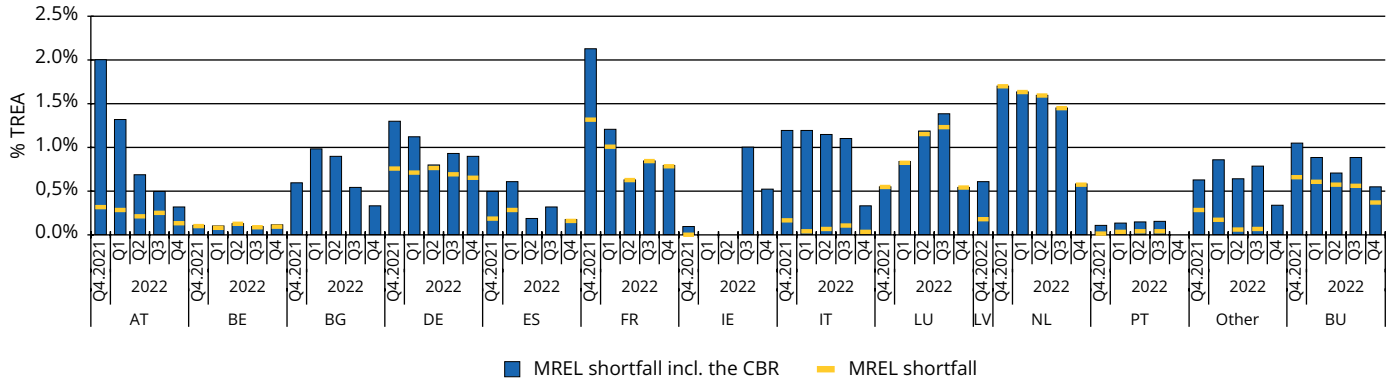


<sup>20</sup> When considering the same sample of banks, the MREL shortfall decreased by EUR 6.1 bn from Q3.2022.

<sup>21</sup> When considering the same sample of banks, the MREL shortfall decreased by EUR 9.5 bn from Q3.2022.

<sup>22</sup> As a result of the evolution of scope of non-resolution entities in the 2022 RPC, LV is now represented by three institutions. Consequently, starting from Q4.2022, figures for the country are presented on charts in Section 1.4. For the previous quarters, the country was grouped as "Other".

**Chart 17. MREL shortfalls against final targets of non-resolution entities by country, % TREA**





## 2. Market activity and cost of funding

### 2.1. Market access and MREL issuances

Improved market conditions observed between end-October and November 2022 gave opportunities for less frequent issuers to issue unsecured bonds on top of large banks that are frequent issuers. As a result, the second week of November saw the highest issuance levels since the heightened activity after the summer break. While there was minimal activity during the whole month of December, the year 2023 started with record issuances, with investors taking advantage of declining costs in unsecured primary markets. Issuances peaked in the second week of January, surpassing the levels of the same period of 2021-2022. Issuances continued to be at high levels between February and the beginning of March, above the levels of the same period in the previous years. After limited activity observed towards the end of the first quarter of 2023, amid elevated uncertainty following the turmoil generated by the crises of Silicon Valley Bank (SVB) and Credit Suisse, issuance resumed actively in mid-April, due to the improved market conditions (cf. Chart 18).

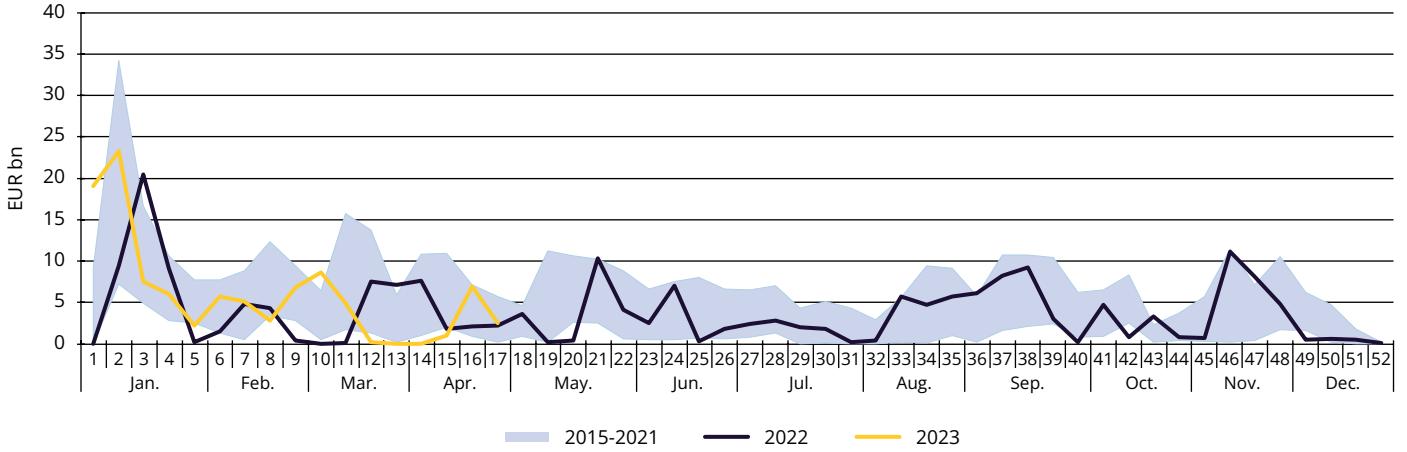
In Q4.2022, SRB banks, including less frequent issuers, issued in total EUR 72.5 bn (corresponding to 1% TREA) of MREL-eligible instruments (cf. Charts 19-20). While remaining broadly in line with the issuance volume reported in Q3.2022 (down by 3% or EUR 2.5 bn), the issuance level was significantly above levels reported during the same period of 2020-2021.

Looking at the MREL issuances by different categories of banks, Top Tier and G-SII banks constituted the bulk of the overall issuances (with shares equal to 51% and 33% of the total, respectively), although their issuance volumes reduced compared to the previous quarter (down by 5% and 13%, respectively). Issuances from banks with total assets below EUR 100 bn (i.e. Other Pillar 1 and non-Pillar 1 banks) accounted for 16% of the total issuances (compared to the share of 11% in Q3.2022), with many recording in the quarter the highest issuance activity over the year 2022 (cf. Charts 21-22).

Across all categories of banks, on average, issuances were dominated by senior bonds, accounting for half of total issuances (compared to the share of 40% in Q3.2022). Senior non-preferred issuances accounted for only a quarter of total issuances, recording the lowest levels since Q3.2021. This was mostly driven by G-SIIs' lower activity on this market segment. The levels of AT1 and Tier 2 issuances declined compared to Q3.2022, accounting respectively for 3% and 7% of the total.

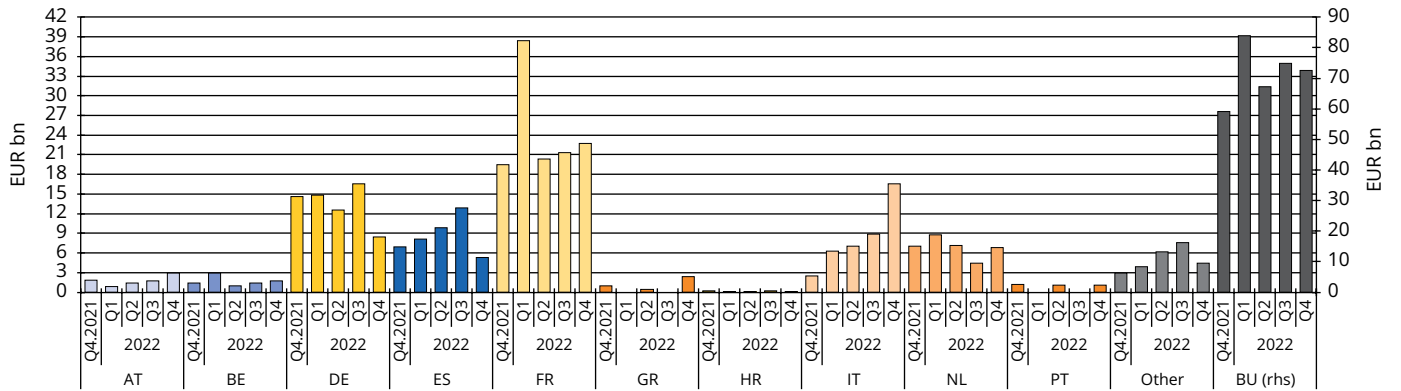
On a yearly perspective, the total issuance amount in the year 2022 was equal to EUR 298.8 bn, increasing with respect to the previous years (by 21% from the year 2021 and by 9% from the year 2020). Around 42% of total issuances registered over the year were composed by senior bonds, followed by senior non-preferred (33%) and Tier 2 (9%).

**Chart 18. Gross bond issuances volume of BU banks (weeks start on Wednesdays and end on Tuesdays)**

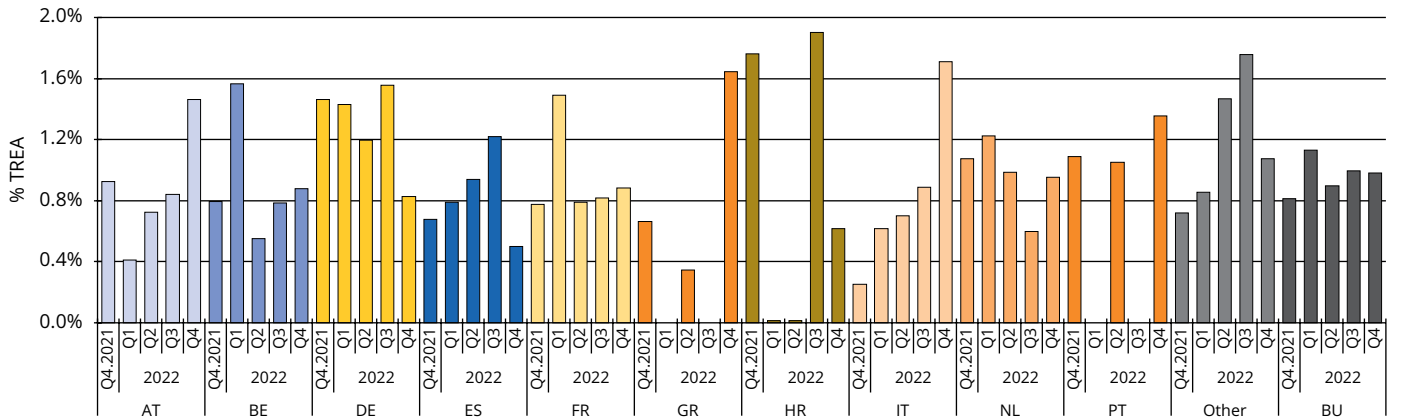


Source: Dealogic, SRB computations

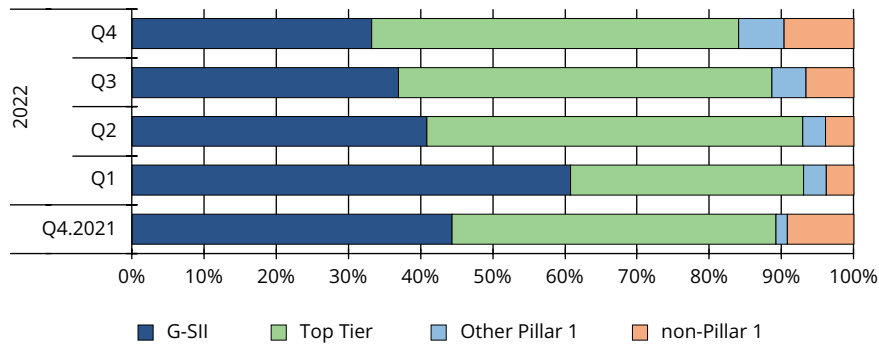
**Chart 19. MREL gross issuances by country, EUR bn**



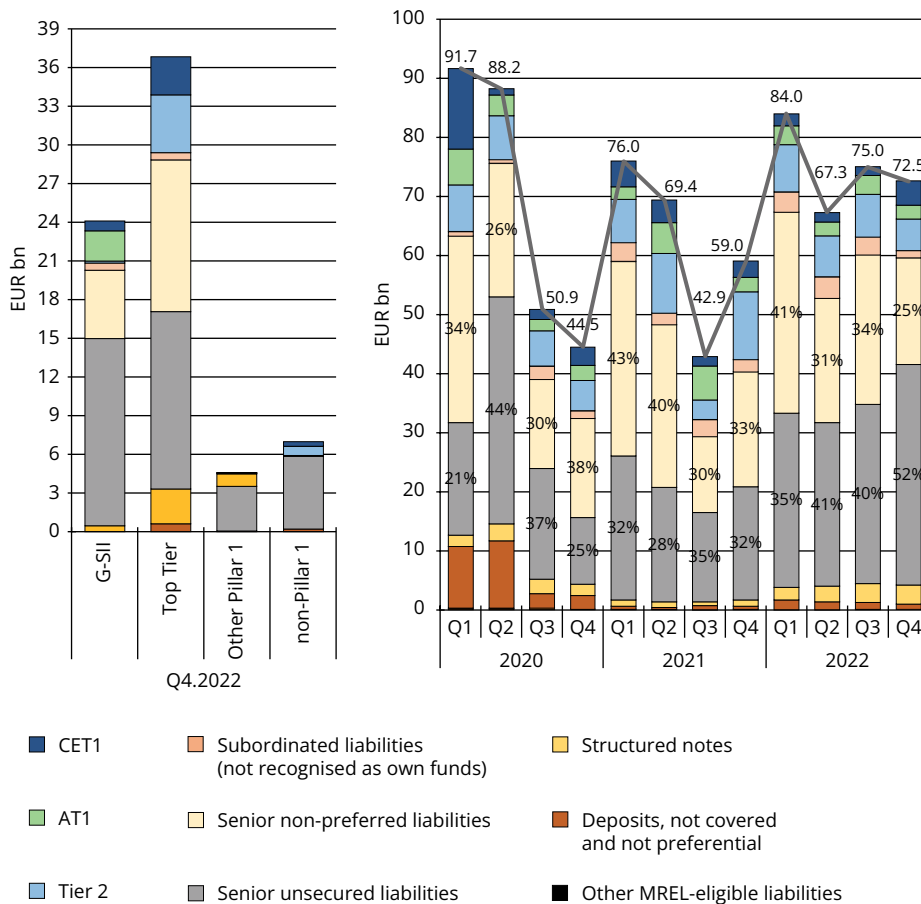
**Chart 20. MREL gross issuances by country, % TREA**



**Chart 21. MREL gross issuances by bank category**



**Chart 22. MREL gross issuances by type of instrument, EUR bn**

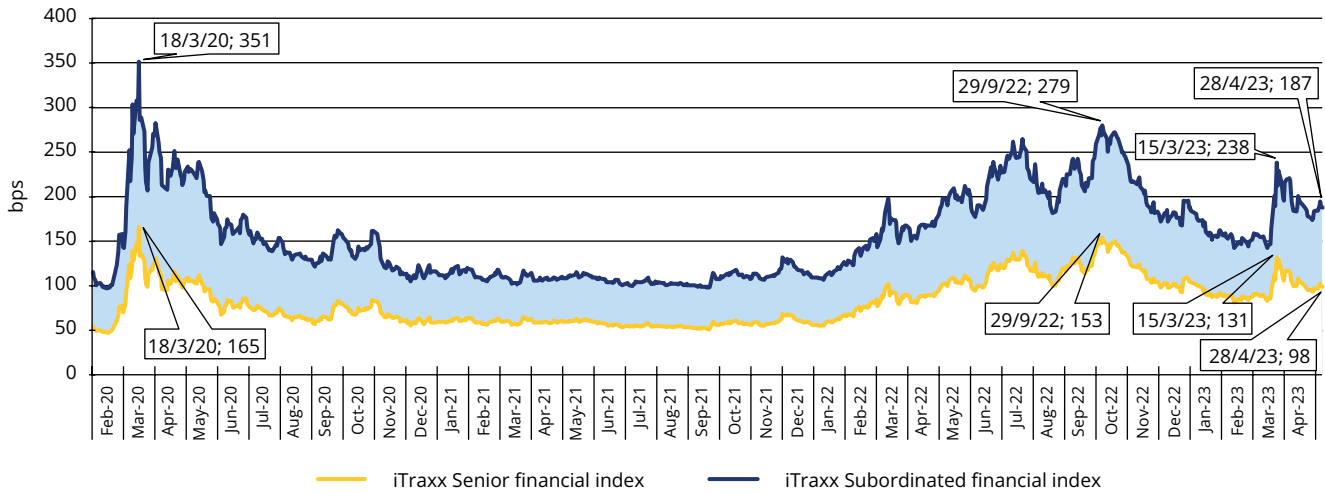


**2.2. Cost of funding**

From October to December 2022, funding costs improved reaching the lowest levels since mid-August 2022. While these levels were still higher than those prevailing at the beginning of February 2020 before the pandemic, they resulted in heightened issuance activity at the beginning of January 2023. The year 2023 started positively for the banking sector supported by receding inflation and improved profitability from higher rates, although in mid-March spreads experienced a violent spike, due

to the SVB and Credit Suisse crises. Towards the end of the first quarter of 2023 confidence resumed, which helped spreads relaxing. At the end of April, iTraxx indexes on subordinated and senior financial debt stood respectively at 187 bps and 98 bps (cf. Chart 23).

**Chart 23. Cost of funding (iTraxx Europe Financials)**



Source: Bloomberg Finance L.P., SRB computations

## 3. Methodological annex

Sub-Section	Sample	Reference Date	Data Source
<b>1.1 MREL targets for resolution entities</b>  <b>1.3 Shortfalls of resolution entities</b>	Resolution groups under the SRB remit for which an external MREL target was set (or is about to be set) under the 2022 RPC, excluding groups whose preferred strategy is liquidation.	Q4.2021 – Q4.2022	SRB MREL quarterly data collection, COREP and Commission Implementing Regulation (EU) 2021/763: template M 01.00 –Key metrics for MREL and TLAC (KM2)
<b>1.2. MREL resources of resolution entities</b> (Charts 4-5)	Resolution groups under the SRB remit for which an external MREL target was set (or is about to be set) under the 2022 RPC, excluding groups whose preferred strategy is liquidation.	Q4.2021 – Q4.2022	SRB MREL quarterly data collection and Commission Implementing Regulation (EU) 2021/763: template M 01.00 –Key metrics for MREL and TLAC (KM2)
<b>1.2. MREL resources of resolution entities</b> (Charts 6-7)		Q1-Q4.2022	Commission Implementing Regulation (EU) 2021/763: templates: i) M 02.00 – MREL and TLAC capacity and composition (resolution groups and entities) (TLAC1) and, ii) M 04.00 – Funding structure of eligible liabilities (LIAB-MREL)
<b>1.2. MREL resources of resolution entities</b> (Charts 8-9)		Q1-Q4.2022	Commission Implementing Regulation (EU) 2021/763: template M 06.00 – Creditor ranking (resolution entity) (RANK)
<b>1.2. MREL resources of resolution entities</b> (Charts 10-11)		Q4.2022	Commission Implementing Regulation (EU) 2021/763: template M 07.00 – Instruments governed by third country law (MTCI)
<b>1.4. MREL targets and shortfalls of non-resolution entities</b>	Non-resolution entities under the SRB remit for which an internal MREL target was set (or is about to be set) under the 2022 RPC, excluding entities earmarked for liquidation. The sample of non-resolution entities for a country consists of subsidiaries of national and foreign banking groups domiciled in the country.	Q4.2021 – Q4.2022	COREP and Commission Implementing Regulation (EU) 2021/763: template M 03.00 – Internal MREL and Internal TLAC (ILAC)
<b>2.1. Market access and MREL issuances</b> (Chart 18)	—	Until April 2023	Dealogic
<b>2.1. Market access and MREL issuances</b> (Charts 19-22)	<b>MREL gross issuances:</b> resolution groups under the SRB remit at each reference date (according to the applicable legislation), excluding groups, whose preferred strategy is liquidation.	Q1.2020– Q4.2022	SRB MREL quarterly data collection Commission Implementing Regulation (EU) 2021/763: template M 01.00 –Key metrics for MREL and TLAC (KM2)
<b>2.2. Cost of funding</b>	—	February 2020– April 2023	Bloomberg Finance L.P.

Country	Number of resolution groups		Number of non-resolution entities		
	Q4.2021 - Q3.2022	Q4.2022	Q4.2021	Q1-Q3.2022	Q4.2022
AT	6	6	14	14	15
BE	3	4	6	6	8
BG	—	—	4	4	4
CY	2	2	2	2	2
DE	12	12	15	15	17
EE	1	1	2	2	2
ES	10	10	3	3	5
FI	2	2	2	2	2
FR	6	6	8	8	9
GR	4	4	—	—	—
HR	3	3	2	2	2
IE	2	2	11	11	11
IT	11	12	16	16	36
LT	1	1	2	2	2
LU	2	2	5	5	6
LV	1	1	2	2	3
MT	1	1	1	1	1
NL	4	4	3	3	3
PT	3	3	4	5	6
SI	2	2	2	2	2
SK	2	2	2	2	2
<b>BU</b>	<b>78</b>	<b>80</b>	<b>106</b>	<b>107</b>	<b>138</b>

Resolution groups in the analysis were divided into four BRRD2/SRMR2 categories:

- 1. G-SIIs**, as identified by the Financial Stability Board.
- 2. Top Tier**, banks with total assets exceeding EUR 100 bn, consolidated at the level of the resolution group.
- 3. Other Pillar 1**, banks chosen by the respective NRA, which are not Top Tier Banks but are assessed as likely to pose a systemic risk in the event of failure.
- 4. Non-Pillar 1**, banks not pertaining to any of the previous categories.

The bank category, the preferred resolution strategy and tool considered in the analysis across different sections refer to the 2021 (for metrics with reference date Q4.2021- Q3.2022) and 2022 RPCs (for metrics with reference date from Q4.2022 onwards) as per resolution plans.

Reference date	Category				Strategy		Tool	
	G-SII	Top Tier	Other Pillar 1	non-Pillar 1	SPE	MPE	Bail-in	Transfer tool
Q4.2021- Q3.2022	8	26	8	36	65	13	62	16
Q4.2022	8	27	10	35	67	13	64	16

### 3.1. MREL monitoring

For metrics with reference date Q4.2021- Q3.2022, the targets considered in the analysis are external (for resolution entities) and internal (for non-resolution entities) final and intermediate MREL targets (expressed as % TREA and % LRE) set by the SRB under the 2021 RPC as per official decisions. For metrics with Q4.2022 reference date, the targets considered in the analysis are external (for resolution entities) and internal (for non-resolution entities) final and intermediate MREL targets (expressed as % TREA and % LRE) set (or are about to be set) by the SRB under the 2022 RPC. For resolution entities that fell in 2021 or in 2022 within the scope of subordination requirements (as per Article 12d (4) or (5) SRMR), the analysis considers the MREL targets applicable after the three years period as per Article 12k (4) SRMR. For metrics with reference date Q2.2022- Q3.2022, for resolution entities that applied for the ECB leverage relief measure and where any change in the LRE due to its discontinuation materially impacted their external MREL target, the analysis considers the notional targets that would have applied in the absence of the LRE relief measure under the 2021 RPC, as per press release ([link](#)).

In order to maintain the consistent sample for all the graphs and calculations, the subordination target takes the value of zero for the entities with no subordination requirement. To obtain targets in EUR amounts, the targets set in the MREL decisions are multiplied by TREA and LRE at the respective reference date. The most stringent targets in EUR amounts are then expressed as percentages of TREA. Aggregated external MREL targets (% TREA) are the weighted average of targets of resolution entities in the same country. Aggregated internal MREL targets (% TREA) are the weighted average of targets of non-resolution entities in the same country. The CBR used in addition to the risk-based MREL is the CBR reported at respective reference date.

To monitor the level of MREL from Q1.2022 onwards of banks granted a permission to reduce eligible liabilities instruments (as per Article 78a(1) CRR), the analysis considers the amount of MREL-eligible liabilities and own funds as per Commission Implementing Regulation (EU) 2021/763 reduced by the amount of the unused predetermined amount of the General prior permission.

The level of the MREL resources is calculated over the sample of banks (resolution entities) described in the table above.

For resolution entities, MREL and subordination shortfalls are calculated with respect to the most stringent between the TREA-based target (excluding and including the CBR on top) and the LRE-based target. The amount of the MREL shortfall presented is the highest between MREL and subordination shortfalls (as defined above). MREL and subordination shortfalls (% TREA) are the weighted average of shortfalls of resolution entities in the same country. The average MREL shortfall (excluding and

including the CBR on top) is calculated as the ratio between the aggregated shortfall and the aggregated TREA of all the resolution entities in scope. The results may be subject to changes in case of banks' resubmission of relevant reports.

For non-resolution entities, MREL shortfalls are calculated with respect to the most stringent between the TREA-based target (excluding and including the CBR on top, when applicable) and the LRE-based target. MREL shortfalls (% TREA) are the weighted average of shortfalls of non-resolution entities in the same country. The average MREL shortfall (excluding and including the CBR) is calculated as the ratio between the aggregated shortfall and the aggregated TREA of all the non-resolution entities in scope. The results may be subject to changes in case of banks' resubmission of relevant reports.

The MREL net issuances (net quarterly change in the MREL resources) presented in Table 2 are calculated as the difference between the outstanding amount of the MREL resources in Q4.2022 and Q3.2022 considering the same sample of banks.

Average residual maturities are the weighted average of MREL resources of resolution entities in the same country for each cluster. For the determination of the weights, the mid-point value for each cluster is considered, i.e. 1.5 years for amounts with residual maturity of  $\geq 1$  year  $< 2$  years, 3.5 years for amounts with residual maturity of  $\geq 2$  year  $< 5$  years and 7.5 years for amounts with residual maturity of  $\geq 5$  years  $< 10$  years. For MREL resources with a residual maturity of  $\geq 10$  years a weight of 15 years is considered. Perpetual securities are excluded from the calculation.

The CBR used in addition to the risk-based MREL is the CBR reported at respective reference date.

### 3.2. Market activity and cost of funding

Between Q1.2020 and Q4.2020, MREL gross issuances are reported under BRRD1 framework, while from Q1.2021, data is reported under BRRD2 framework. Due to the evolution of scope of entities under the SRB remit, the sample of bank may vary across reporting quarters. Therefore, the comparison of MREL gross issuance levels across quarters should be taken as indicative due to the different reporting framework and the different samples. The results may be subject to changes in case of banks' resubmission of relevant reports.

The chart on cost of funding plots the iTraxx subordinated financial index (ticker ITRXEUE Curncy, 5y daily) and the iTraxx senior financial index (ticker ITRXESE Curncy, 5y daily), from Bloomberg. The iTraxx financials indexes are standardised credit derivatives used to hedge credit risk. Each index is composed of 25 investment-grade entities from the European financial sector.

### 3.3. Confidentiality criteria

Country data is presented only when there are at least three institutions in the same country. Countries that do not meet this criterion have been grouped and labelled in the charts and the table as "Other".



## 4. Abbreviations

<b>AT1</b>	Additional Tier 1
<b>BRRD</b>	Bank Recovery and Resolution Directive
<b>BU</b>	Banking Union
<b>CBR</b>	Combined Buffer Requirement
<b>CET1</b>	Common Equity Tier 1
<b>CRR</b>	Capital Requirements Regulation
<b>G-SIIs</b>	Globally Systematic Important Institutions
<b>ECB</b>	European Central Bank
<b>LRE</b>	Leverage Ratio Exposure Measure
<b>MPE</b>	Multiple Point of Entry
<b>MREL</b>	Minimum Requirement for Own Funds and Eligible Liabilities
<b>NRA</b>	National Resolution Authority
<b>RPC</b>	Resolution Planning Cycle
<b>SoB</b>	Sale of Business
<b>SPE</b>	Single Point of Entry
<b>SRB</b>	Single Resolution Board
<b>SRMR</b>	Single Resolution Mechanism Regulation
<b>TREA</b>	Total Risk Exposure Amount



## Getting in touch with the EU

### In person

All over the European Union there are hundreds of Europe Direct centres. You can find the address of the centre nearest you online: ([european-union.europa.eu/contact-eu/meet-us\\_en](https://european-union.europa.eu/contact-eu/meet-us_en))

### On the phone or in writing

Europe Direct is a service that answers your questions about the European Union. You can contact this service:

- by freephone: 00 800 6 7 8 9 10 11 (certain operators may charge for these calls),
- at the following standard number: +32 22999696,
- via the following form: [european-union.europa.eu/contact-eu/write-us\\_en](https://european-union.europa.eu/contact-eu/write-us_en).

## Finding information about the EU

### Online

Information about the European Union in all the official languages of the EU is available on the Europa website ([european-union.europa.eu](https://european-union.europa.eu))

### EU publications

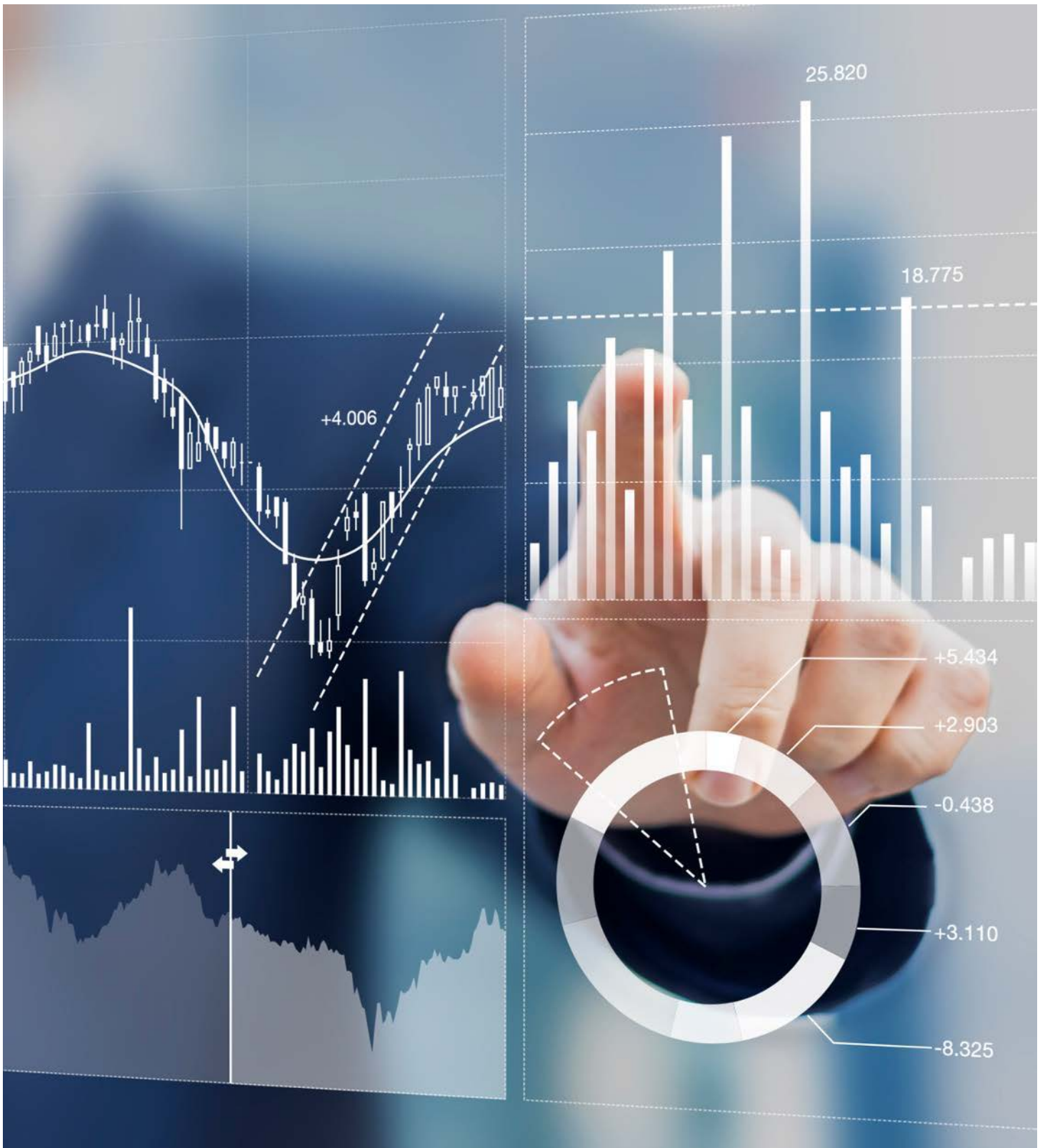
You can view or order EU publications at [op.europa.eu/en/publications](https://op.europa.eu/en/publications). Multiple copies of free publications can be obtained by contacting Europe Direct or your local documentation centre ([european-union.europa.eu/contact-eu/meet-us\\_en](https://european-union.europa.eu/contact-eu/meet-us_en)).

### EU law and related documents

For access to legal information from the EU, including all EU law since 1951 in all the official language versions, go to EUR-Lex ([eur-lex.europa.eu](https://eur-lex.europa.eu)).

### EU open data

The portal [data.europa.eu](https://data.europa.eu) provides access to open datasets from the EU institutions, bodies and agencies. These can be downloaded and reused for free, for both commercial and non-commercial purposes. The portal also provides access to a wealth of datasets from European countries.



## SINGLE RESOLUTION BOARD

Treurenberg 22, 1049 Brussels  
<https://srb.europa.eu>



Publications Office  
of the European Union