



ANNUAL REPORT 2023

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ANNUAL REPORT 2023

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Foreword



Dominique Laboureix,
SRB Chair

As the SRB Chair, I have the honour to present the SRB's Annual Report for 2023.

2023 was an important year for the SRB and the SRM as we achieved key milestones in our short history: the Single Resolution Fund reached its target level of EUR 78 bn and most of the banks under SRB's remit met their MREL requirements. The 2023 Resolvability Assessment results also demonstrated significant progress and stressed the development of banks' capabilities to support the successful execution of a resolution action in all areas of the Expectations for Banks.

Building on the achievements of its first eight years, the SRB has now become a mature organisation. It is time to write a new chapter in the SRB's life, or more precisely in the SRM's life, since the SRB works day after day with all of the National Resolution Authorities across the Banking Union. For this reason, at the beginning of 2023, I launched a strategic review to define the SRM priorities for the five coming years. After in-depth consultation with NRAs, SRB staff and the industry, the SRB developed, adopted and finally published in February 2024 its strategy: "the SRM Vision 2028". This strategy aims to enhance our crisis preparedness, to improve our governance and efficiency and to develop further our human resources.

Last year, we were also confronted with banking turmoil in the US and Switzerland. The Banking Union was largely unscathed, which can be seen as a dividend of the regulatory, supervisory and resolution planning work of the last decade. However, we should not be complacent and slow down the work on resolution planning and preparedness. The events of early 2023 is a reminder that we must remain vigilant as new threats emerge – from heightened geopolitical risks to the rapidity of today's digital banking world. The SRB remains vigilant and ready to deal with ever evolving threats. One of the main objectives of our strategic review is to enhance our readiness and responsiveness towards these threats and towards new risks.

In 2023, the SRB also followed closely the legislative developments on the Crisis Management and Deposit Insurance proposal (CMDI). CMDI contains several pragmatic improvements to the crisis management framework and would complement the SRB's toolkit. It will be a good step forward for the Banking Union and the SRB, and we hope the co-legislators will find a compromise on this file soon.

As in previous years, we can be proud of the work achieved during 2023. I would like to thank once again the SRB staff members and those of the National Resolution Authorities for their commitment and professionalism to contribute to the stability of our financial system.

Abbreviations

BRRD	Bank Recovery and Resolution Directive
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CMDI	Crisis management and deposit insurance
Commission	European Commission
Council	Council of the European Union
CPMU	Crisis Preparedness and Management Unit
DORA	Digital Operational Resilience Act
EBA	European Banking Authority
ECB	European Central Bank
ECON Committee	European Parliament Committee on Economic and Monetary Affairs
EfB	Expectations for Banks
EIOPA	European Insurance and Occupational Pensions Authority
ESM	European Stability Mechanism
ESRB	European Systemic Risk Board
EU	European Union
FMI	Financial market infrastructure
FSB	Financial Stability Board
G-SIB	Global systemically important bank
G-SII	Global systemically important institution
HR	Human resources
ICT	Information and communications technology
IRT	Internal Resolution Team
LSI	Less significant institution
MoU	Memorandum of understanding
MREL	Minimum requirements for own funds and eligible liabilities
NRA	National resolution authority
Parliament	European Parliament
PIA	Public interest assessment
R4C	Ready for Crisis
RMCC	Risk Management, Control and Compliance
RPC	Resolution Planning Cycle
RTS	Regulatory Technical Standard
SRB	Single Resolution Board
SRF	Single Resolution Fund
SRM	Single Resolution Mechanism
SRMR	Single Resolution Mechanism Regulation

SSM	Single Supervisory Mechanism
TLAC	Total loss-absorbing capacity
TPLE	Trilateral Principle Level Exercise
TREA	Total risk exposure amount



SRB Board Members

Executive summary

After eight years of building up, it was time for the Single Resolution Board (SRB) to launch in 2023 a strategic review to define its long-term goals and to set the direction for the coming five years. This new strategy (SRM Vision 2028) is built around three chapters: (i) Core Business, (ii) Governance, organisation and tools, and (iii) Human Resources (HR).

While this strategy was prepared in a staggered way all along 2023, and will be implemented along the five coming years, the SRB continued its usual operation in 2023 and achieved good results in the areas of work described below.

In terms of **strengthening the resolvability of banks**, the SRB completed its third 12-month Resolution Planning Cycle (RPC) covering all banks under the SRB remit. All the banks with targets by 1 January 2024 reached their final Minimum requirements for own funds and eligible liabilities (MREL). The percentage of Less Significant Institutions (LSIs) covered by resolution plans increased during 2023.

The SRB published its second resolvability assessment confirming that banks have made material progress in all areas of the Expectations for Banks (EfB), and that the smaller banks are reducing the gap with the largest ones. In parallel, and to enhance the approach to quality control, the SRB initiated a pilot peer review exercise on top of the regular quality review process in 2023 to better understand the heat map progress scores and to identify possible improvements for the SRB resolvability assessment methodology.

Regarding the SRB's objective of **fostering a robust resolution framework** the SRB focused on fine-tuning existing guidance, and improving and operationalising existing tools. As such, the SRB integrated and updated existing policies and complemented them with guidance and internal tools to continue improving resolution plans and bank resolvability. With liquidity in resolution being one priority in 2023, the SRB published an operational guidance note on the measurement and reporting of the liquidity situation in resolution and performed for the first time

a joint European Central Bank (ECB)-SRB liquidity exercise which will be used to perform their banks' resolvability assessment in early 2024.

The SRB engaged closely with the European Parliament (Parliament), the Council of the European Union (Council) and the European Commission (Commission) to contribute to the progress of relevant regulatory and policy files. The SRB also maintained regular coordination and collaboration with the Single Supervisory Mechanism (SSM), the ECB in particular, the European Banking Authority (EBA) and European Systemic Risk Board (ESRB) and strengthened its collaboration with European Insurance and Occupational Pensions Authority (EIOPA) and European Securities and Markets Authority (ESMA).

In light of this year's continuous and uncertain geopolitical developments, international cooperation continued to be essential for the SRB. In 2023, the SRB concluded four bilateral cooperation agreements bringing the total number to 18. This confirms the strong commitment of the SRB and third-country authorities to strengthening resolvability by enhancing communication and international cooperation. In addition, the SRB maintained bilateral relations and participated in various multilateral fora, workshops, seminars and technical meetings with National Resolution Authorities (NRAs). The SRB also continued to contribute to the work of the Financial Stability Board (FSB).

In 2023, the SRB enhanced its **crisis preparedness and management** through the establishment of a dedicated Crisis Preparedness and Management Unit (CPMU). It continued supporting the work on developing National Handbooks by NRAs, updating and reviewing existing tools and procedures to set the ground for planning more activities to ensure efficient operationalisation of resolution in each country. It also conducted preparatory work for a renewed bail-in calculator, and supported a joint testing exercise involving SRB and NRAs to retrieve lessons learned and foster the definition of further improvement measures. In addition, there was one LSI crisis, in which the SRB collaborated closely with the responsible NRA.

The Single Resolution Fund (SRF) continued raising contributions. 2023 marked the end of the so-called 'initial period' for building up the SRF equal to the target of at least 1 % of the total amount of covered deposits by the concerned institutions in all of the participating Member States, meaning the SRB had a fully mutualised fund.

The final priority area for the SRB is the consolidation of **SRB as an organisation**. In 2023, the budget execution slightly decreased compared to 2022 and the overall staffing level increased reaching almost the Establishment Plan. Daily work continued, now fully adapted to hybrid modalities. The SRB organised two key events during the year, including its second legal conference.

The SRB established a dedicated risk management, control and compliance (RMCC) unit to strengthen further an effective and efficient internal control and risk management system.

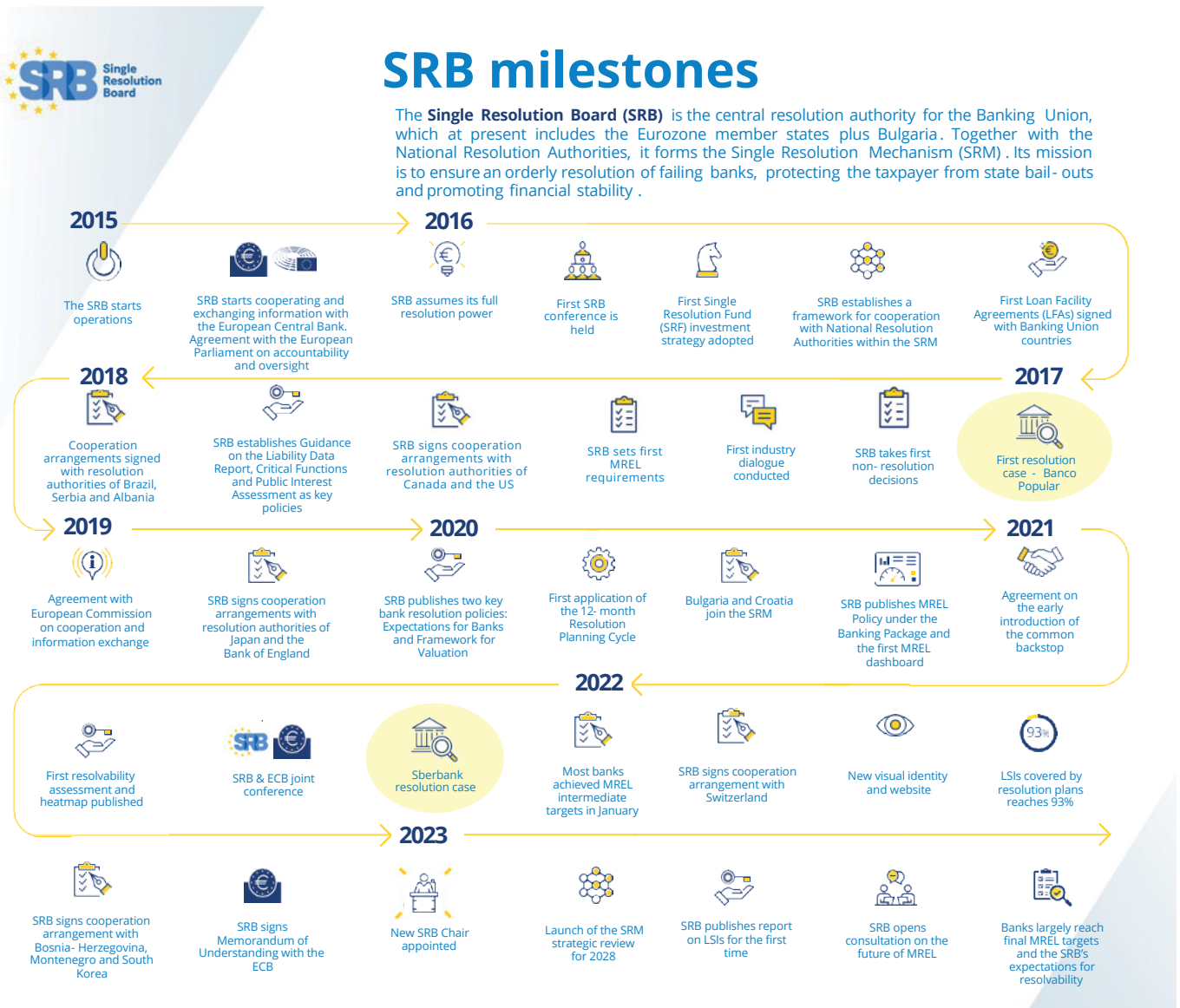
SRB Legal Service represented the organisation in over 250 pending litigation cases, as well as in the Appeal Panel.



Achievements in 2023

1.1. SRB milestones in 2023

Figure 1. Single Resolution Board milestones



1.2. Strategic review 2023

The SRB has reached a maturity by establishing its core policies, building the SRF target, and putting much efforts in defining feasible resolution strategies for the banks. Organisation-wise, the SRB experienced considerable staff increase and progressively enhanced its governance structure. After reaching the end of the phase-in period, the SRB initiated early 2023 a strategic review to define its long-term goals and strengthening further the collaboration with NRAs and other stakeholders to deliver on the Single Resolution Mechanism (SRM). As such, the SRB, together with its main stakeholders, embarked on a strategic review which aimed to set the direction for the SRM over the next five years and beyond.

The strategic review followed an intense participatory approach including a series of consultations (i.e. a comprehensive staff survey, requests for feedback from NRAs and the industry) and drafted in close collaboration with dedicated SRM staff the content of the strategic objectives which resulted in the SRM Vision 2028¹. This document consists of three main areas:

- ▶ On the core business, the strategic review stresses the need to keep improving the crisis preparedness by refocusing the work on the operational aspects and on testing resolution-related capabilities, through various testing methods (e.g. fire-drills), deep-dives and on-site inspections.
- ▶ On governance and organisational matters, the SRB will strive to simplify its processes and to enhance its transparency, in particular towards the industry. The SRB will also reinforce its integration with national resolution authorities and build a common culture within the SRM.
- ▶ Lastly, on human resources, the SRM Vision 2028 aims to harness the potential of our pool of talent by ensuring better training, more mobility and career development opportunities. The SRB will also work on improving gender balance, diversity and inclusion and drive further initiatives that will increase staff motivation and foster a cooperative, lean and transparent work environment.

The strategy provides the strategic direction and priorities and will guide the SRM's work in the coming five years. It represents a complex endeavour for the SRB and the NRAs, and its successful implementation will build on the continuous and fruitful collaboration between the SRB and NRAs. Its implementation and detailed activities will be outlined in the multiannual plan and annual work programmes and progress reported on, as in previous years, in the annual reports.

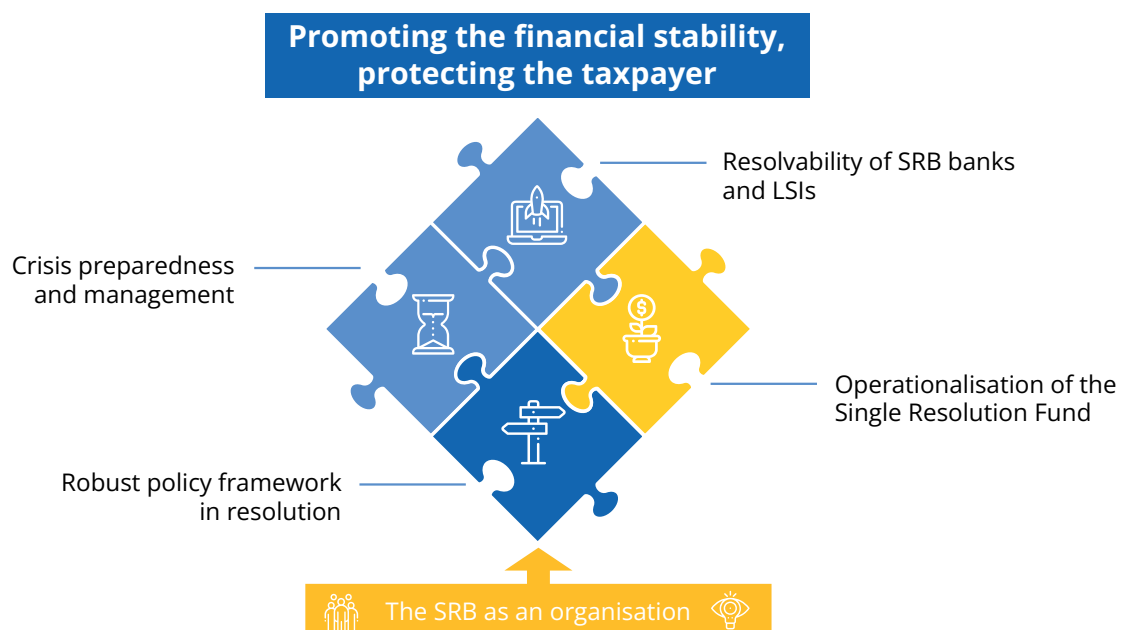
¹ The SRM Vision 2028 was published in February 2024. Find the full document here: <https://srm-vision-2028.srb.europa.eu/assets/files/SRM-2028-strategy.pdf>

1.3. Progress on SRB programmatic priorities

The SRB was established by the Regulation (EU) No 806/2014 of the 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 SRM and a SRF – the Single Resolution Mechanism Regulation (SRMR). The organisation began operating as an independent European Union (EU) agency on 1 January 2015 and assumed its full legal mandate for resolution planning and adopting all decisions relating to resolution on 1 January 2016. The SRMR set up a substantive and robust accountability framework for the SRB's activities vis-à-vis the Parliament, the Council and the Commission.

The mandate of the SRB is proactive: rather than waiting for banks to fail, the SRB focuses on resolution planning and enhancing resolvability. Should a bank within the SRB's remit be failing or likely to fail and fulfil the criteria for resolution, the SRB will carry out the resolution through the application of resolution tools. The SRB is also in charge of the industry-funded SRF, established to provide ancillary financing to ensure the effective application of the resolution tools under strict conditions. In addition, the SRB oversees the consistent functioning of the SRM as a whole. In accordance with Article 50 of the SRMR, this document presents the SRB Annual Report 2023, describing the organisation's activities and performance during the year, which aim to achieve the SRB's mission, mandate and vision.

Figure 2. The SRB'S mandate and areas of work



As established in the SRB's Multi-annual Programme 2021-2023, the organisation's priorities until the end of the reporting year were:

- ▶ strengthening the resolvability of SRB banks and LSIs;
- ▶ fostering a robust resolution framework;
- ▶ preparing and carrying out crisis management;
- ▶ operationalising the SRF;
- ▶ establishing and strengthening the SRB as an organisation.

After nine years, the resolution framework is strong and tested and banks are substantially more resolvable. Table 1 sets out the overall achievements in 2023, taking into consideration two dimensions: first, the progress achieved in 2023 compared to the annual deliverables set in the Work Programme 2023², and second, progress in the context of the overall expected progress under the multiannual work plan 2021-2023³ and the timeline for the implementation of the EfB⁴. More details in the activities and progress under each of the SRB's areas of work can be found in the following sections and in Part II of this report, as well as in the Annex III, which includes the key performance indicators for the reporting year.

Table 1. Progress towards the achievement of programmatic priorities

Strategic area of operation	Main activities contributing into areas of operation			
Strengthening the resolvability of SRB banks and less significant institutions	●	Resolution Planning Cycle and progress on implementation of EfB		
	●	Minimum Requirements for own funds and Eligible Liabilities	●	Resolvability assessment and heat map
	●	Deep dives and on-site inspections	●	Less significant institutions resolution planning

Assessment: The resolution planning cycle was completed as planned. Most banks continued to make steady progress towards building their resolvability capabilities in a number of areas. Banks were still expected to close the main remaining gaps to support resolvability, notably to meet their final MREL target and demonstrate that they have covered any outstanding material gaps. Most of the banks reached their final MREL target by the end of 2023. The SRB published its second resolvability assessment with overall progress of banks being positive, and with enough information to support the monitoring of entities. As the phase-in of the expectations approached its end the SRB increased its focus on more structured resolvability testing by banks. While the implementation of fully-fledged on-site inspections is yet to be realised, the implementation of deep-dives is well advanced. LSI coverage with resolution plans increased in 2023 approaching completion (99.5 % coverage).











Fostering a robust resolution framework	●	Development and dissemination of SRB policies	●	Quality assurance of resolution plans
	●	Contributions to external policy and regulatory activity	●	Cooperation and international relations

Assessment: The majority of the policy related work focused on the completion of guidance to implement the last expectations for banks to enter into force in RPCs 2022 and 2023, developing tools and enhancing data analysis. The quality of resolution plans has improved with each RPC supported by the internal quality control. This work will continue in 2024, incorporating the lessons learned from RPC 2023. The SRB worked on back-up options for its resolution strategies, such as further analysis on transfer strategies for larger banks and the combination of tools. The SRB actively contributed to ongoing important regulatory files, such as the CMDI framework review and continued expanding its coordination with EU agencies and institutions and third-country authorities.

² Full document available here: https://www.srb.europa.eu/system/files/media/document/2022.3702_Work%20Programme%202023_Final%20version_web_0.pdf

³ Full document available here: <https://www.srb.europa.eu/system/files/media/document/2020-11-30%20SRB%20Multi-Annual%20Work%20Programme%202021-2023.pdf>

⁴ Full document available here: https://www.srb.europa.eu/system/files/media/document/efb_main_doc_final_web_0_0.pdf

Strategic area of operation		Main activities contributing into areas of operation			
Preparing and carrying out crisis management		Crisis preparedness		Crisis response	
	<p>Assessment: Throughout the year, the SRB continued strengthening its crisis preparedness with protocols, tools, training of staff and third parties, as well as the organisation of dry runs and successfully carried out two dry-runs. Furthermore, at the beginning of the year, the SRB created a unit specifically dedicated to crisis preparedness and management (CPMU), which reinforced the work in this area. The SRB closely monitored developments relating to Credit Suisse, in discussion with the relevant authorities.</p>				
Operationalising the Single Resolution Fund		Contributions		Investment	 Funding
	<p>Assessment: The SRB continued building up the SRF throughout the year, according to the eight-year plan for the constitution of the SRF, and adapted its investment plan to the volatility of the markets. The SRF reached 1 % of covered deposits – marking the end of the SRF build-up phase. While the internal work on the Common Backstop is completed, the mechanism is not yet in place, as it is pending approval by one Member State at the time of writing of this report.</p>				
Legend ⁵					
	Achieved	Partially achieved	Ongoing	Some progress needed	Substantial progress needed

⁵ The areas of work are classified with the following criteria:

- **Achieved:** activities were carried out according to the work plan in 2023. Given SRB progress, external factors and other considerations, the Multi-annual Programme 2021-2023 and the transition period's objectives are already completed or expected to be completed ahead of time.
- **Partially achieved:** activities were carried out according to work plan in 2023, or suffered minor delays. Given SRB progress and future plans, external factors and other considerations, the achievement of the Multi-annual Programme 2021-2023 and the transition period's objectives are on track or expected without major delays.
- **Ongoing:** activities were carried out according to the plan in 2023, or suffered minor delays. Given SRB progress, future objectives and dependence on external factors dependencies, substantial work is still planned.
- **Some progress needed:** activities were either not carried out according to work plan in 2023, or if completed, they might suffer from delays that have accumulated in previous years. Given SRB progress, future planned work and external factors, the SRB will need to pay special attention to this area.
- **Substantial progress needed:** activities were not carried out according to work plan in 2023, and cumulated delays or uncompleted deliverables from previous years, dependence on external or other factors will negatively affect the achievement of the Multi-annual Programme 2021-2023 and the transition period's objectives.

1.4. Strengthening the resolvability of SRB banks and less significant institutions

In order to organise the resolution planning activities and achieve resolvability of SRB banks and LSIs, the SRB performs an annual RPC for SRB banks consisting of updating the resolution plans, issuing relevant MREL decisions and assessing the resolvability of institutions; and oversees the LSIs, all in close collaboration with NRAs.

1.4.1. Resolution Planning Cycle

The RPC is an annual process based on four phases leading to the approval of the updated resolution plan for each SRB bank. It implements the requirements for the resolution planning of banks under direct remit of the SRB as laid down in the SRMR and Bank Recovery and Resolution Directive (BRRD), based on a 12-month cycle. The resolution plans of banks under SRB remit are updated at least annually based on the same reference date and take into account changes in the market and of banks themselves to reflect the banks' resolution readiness, unless they are under simplified obligations regime, which are updated every two years. This aims to ensure crisis preparedness and improve bank resolvability. In 2023, the SRB continued implementing the 12-month RPC introduced in 2020. Consequently, during the reporting year, the SRB completed the RPC 2022, implemented a substantial part of the RPC 2023 and prepared for the RPC 2024.

Figure 3. Resolution Planning Cycle

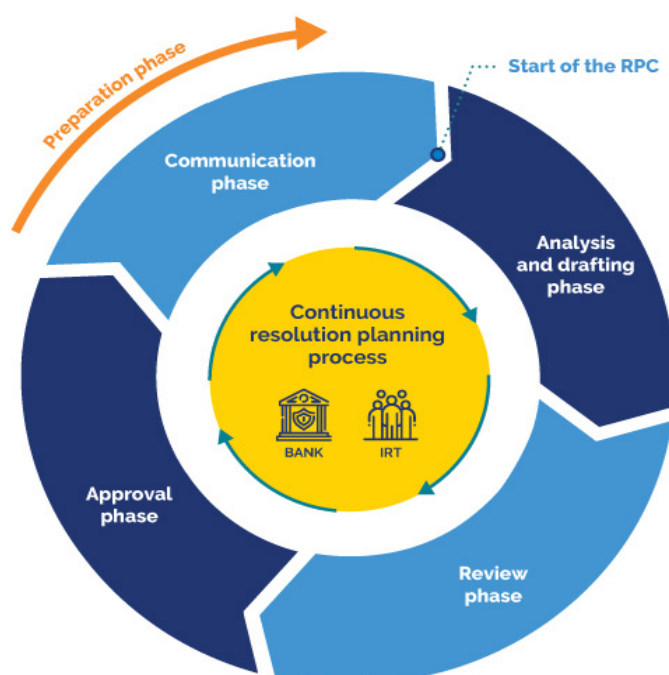


Table 2. Overview of resolution plan figures for 2022 and 2023 Resolution Planning Cycles

Member State ⁶	Number of resolution plans expected to be adopted during RPC 2022 ⁷	Number of resolution plans adopted for the 2022 RPC ⁸	Number of SRB banks at 1 January 2023	Number of SRB banks at 31 December 2023	Number of resolution plans expected to be adopted during RPC 2023 ⁹	Adjusted number of resolution plans expected to be adopted during RPC 2023 ¹⁰	Number of resolution plans of RPC 2023 already adopted as of 31 December 2023 ¹¹
Belgium	6	6	7	7	6	6	3
Bulgaria	0	0	1	1	0	0	0
Germany	21	20 ¹²	22	23	21	21	10
Estonia	1	1	3	3	1	2 ¹³	1
Ireland	6	6	6	6	5	5	0
Greece	4	4	4	4	4	4	3
Spain	10	10	10	10	10	10	4
France	11	11	13	12	10	10	5
Croatia	0	0	0	0	0	0	0
Italy	12	12	12	12	12	12	8
Cyprus	3	2 ¹⁴	2	2	2	2	2
Latvia	1	1	3	3	1	1	0
Lithuania	1	1	2	2	1	1	1
Luxembourg	4	4	4	4	4	3 ¹⁵	3
Malta	3	2 ¹⁶	2	2	3	2	2 ¹⁷
Netherlands	7	6 ¹⁸	7	7	5	5	4
Austria	8	7 ¹⁹	7	7	7	7	3
Portugal	4	3 ²⁰	3	3	3	3	1
Slovenia	3	2 ²¹	3	3	2	2	2
Slovakia	0	0	0	0	0	0	0
Finland	3	3	3	3	2	2	0
Total	108	101	115	114	99	98	52

⁶ Number of Banks and/or resolution plans are displayed according to the country of the banking group parent (or the highest entity in the Banking Union)

⁷ Resolution plans expected as per work plan 2022, which computed expected plans with as of mid-2021.

⁸ Resolution plans actually adopted in the RPC 2022. See table 3 for details per batch.

⁹ Resolution plans expected as per work plan 2023, which computed expected plans with as of mid-2022.

¹⁰ Resolution plans expected as per 31 December 2023. See table 4 for details per batch.

¹¹ Resolution plans adopted by SRB before 31 December. See table 4 for more details per batch.

¹² One resolution plan not needed due to a litigation case.

¹³ Additional resolution plan following a bank's on-boarding.

¹⁴ One resolution plan not needed due to a bank's license withdrawal.

¹⁵ One resolution plan not needed due to bank expected to be off-boarded.

¹⁶ One resolution plan no longer needed following an acquisition.

¹⁷ One resolution plan no longer needed as institution acquired by another group in the SRB's remit.

¹⁸ One resolution plan no longer needed following an acquisition.

¹⁹ One resolution plan not needed due to bank off-boarded after crisis case.

²⁰ One resolution plan not needed due to bank off-boarded.

²¹ One resolution plan not adopted at group level following the acquisition of the bank by another group in the EU.

Completion of the 2022 Resolution Planning Cycle

The SRB completed the 2022 RPC in June 2023, with 101 plans adopted and communicated to banks (see details in Table 3); 51 % of them had already been adopted before the end of the previous year.

Table 3. Adoption of plans during the 2022 Resolution Planning Cycle

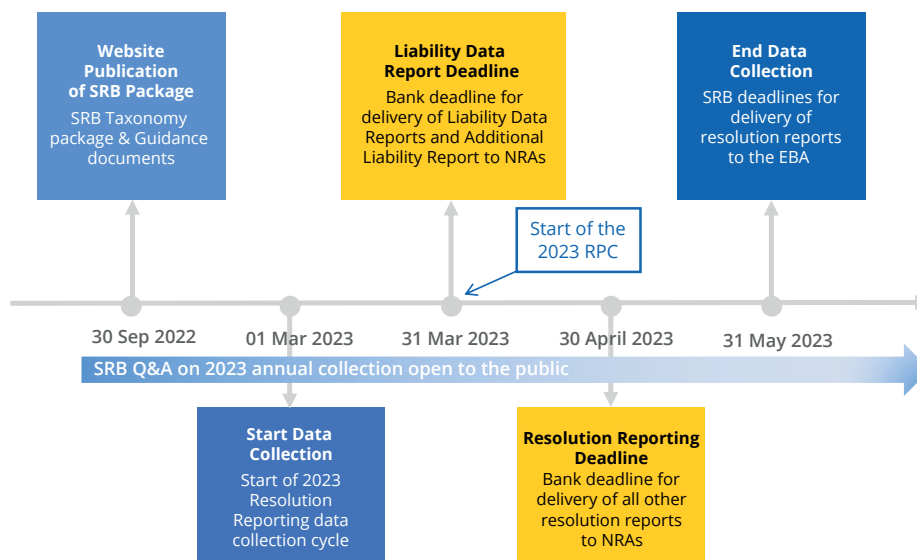
Batch	Total expected resolution plans	Resolution plans adopted before 31 December 2022	Resolution plans adopted in 2023
Batch 1	17	17	100 %
Batch 2	38	34	89 %
Batch 3	46	1	2 %
Total	101	52	51 %

Implementation of the 2023 Resolution Planning Cycle

The SRB launched the RPC 2023 in April 2023, once all banks under the SRB’s remit had submitted their Liability Data Reports in the context of the annual SRB resolution reporting exercise. The common priority for the 2023 RPC, in line with the phase-in of the Efb, was liquidity in resolution (see section 1.5.1 for details).

Additionally, the SRB had priorities on bail-in operationalisation, separability, the business reorganisation plan and on solvent wind-down for specific groups of banks. Common and bank-specific priorities for the 2023 RPC were communicated to SRB banks through SRB Priority Letters issued in September and October 2022.

Figure 4. Resolution reporting for banks in 2023



As of 31 December 2023, 52 plans have been adopted in the 2023 RPC and 33 summaries of those plans have been communicated to banks, according to schedule. The remaining plans of the RPC will be adopted as per schedule in 2024.

The end of 2023 marked the deadline for banks to comply with the SRB's EfBs and the steady-state MREL targets. In this vein, the 2023 RPC paved the way forward to the post-Expectations phase-in where banks need to further evidence and maintain their resolvability.

Table 4. Adoption of plans during the 2023 Resolution Planning Cycle

Batch	Expected plans ²²	Draft plans submitted for ECB consultation before 31 December 2023		Resolution plans adopted before 31 December 2023		Resolution plans on track to be adopted in 2024	
		Number	%	Number	%	Number	%
Batch 1	18	18	100 %	17	94 %	1	6 %
Batch 2	35	35	100 %	33	91 %	3	9 %
Batch 3	43	43	100 %	2	5 %	41	95 %
Total	96²³	96	100 %	52	53 %	45	47 %

Preparation of the 2024 Resolution Planning Cycle

The preparation for the upcoming cycle started in the second quarter of 2023, with the SRB defining the 2024 working priorities and then communicating those to all banks under the SRB remit through the 2024 priority letters sent to banks' CEOs in October 2023. In line with the shifting focus from resolution planning to the operationalisation of resolution strategies and testing of banks' resolvability after the phase-in of the SRB EfBs by end 2023, the SRB has set common priorities on valuation testing and liquidity reporting for 2024. Additionally, in line with the previous SRB priority letters, the SRB defined certain clusters of banks that received priorities on bail-in operationalisation, separability and solvent wind-down as well as further bank-specific focus areas.

1.4.2 Minimum requirements for own funds and eligible liabilities

The majority of banks under the SRB remit have resolution plans in which bail-in is the preferred resolution strategy. Among other things, successful implementation of bail-in in case of bank failure relies on the institution having sufficient MREL capacity, allowing them to absorb losses and/or recapitalise in a crisis situation. The BRRD sets two MREL targets for the European banks to meet: the intermediate targets, to be met by 1 January 2022 and the final targets, to be met by 1 January 2024. The SRB has also set internal MREL targets for most of the banking groups'

²² As of 31 December 2023.

²³ The total number of resolution plans has been reduced in this table as there are two entities with a joint resolution plan.

subsidiaries and is in progress of completing the enlargement of the scope of non-resolution entities subject to the MREL requirements.

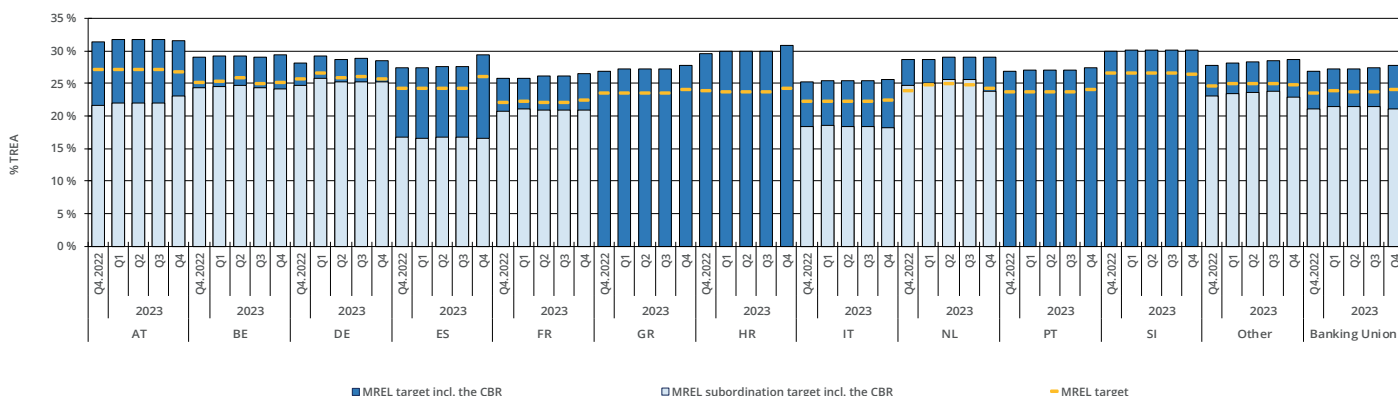
In 2023, the SRB kept the MREL policy stable to the previous year and proceeded only with limited changes. In December 2023, the SRB launched a public consultation with all relevant stakeholders on future MREL considerations. This was the first of a series of public consultations in different areas which will continue in the coming years.

The SRB monitors banks' compliance with their MREL targets, as well as the compliance of Global Systemically Important Institutions (G-SIIs) and material subsidiaries of non-EU GIIs with Total Loss-absorbing Capacity (TLAC), the international equivalent to MREL, and internal TLAC requirements. The results of this monitoring are published in quarterly MREL dashboards, based on bank data reported to the SRB and available within two quarters of the reference date on the SRB external website.

Targets

As of Q4 2023, the average final MREL target including the combined buffer requirement for resolution entities under the SRB's remit stood at 27.7 % of the Total Risk Exposure Amount (TREA). All entities, both resolution and non-resolution, which had to comply with their final targets as of 1st January 2024 met their obligations.

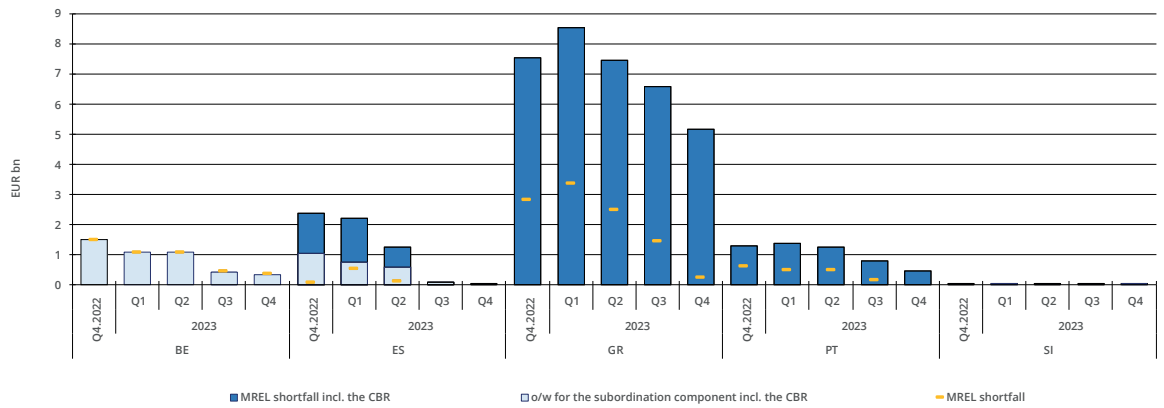
Figure 5. Final MREL target



Shortfalls

As of Q4 2023, the MREL shortfall against final 2024 targets (including the combined buffer requirement) was equal to EUR 6 billion (0.08 % TREA). The external MREL shortfall is attributed to 8 entities with extended transitional periods to comply with their requirements.

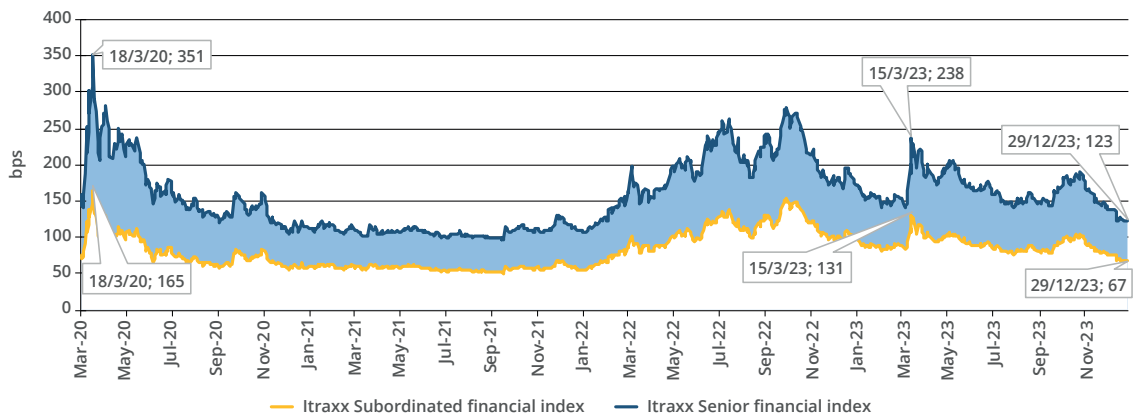
Figure 6. MREL shortfalls



Issuances and cost of funding

At the beginning of July 2023, funding costs returned to levels close to the period preceding the Silicon Valley Bank and Credit Suisse crises, showing a return in market confidence. MREL-eligible bonds continued to attract investors and funding costs continued their descending trend throughout the final months of 2023, providing favourable issuance conditions.

Figure 7. Cost of funding



1.4.3 Resolvability assessments

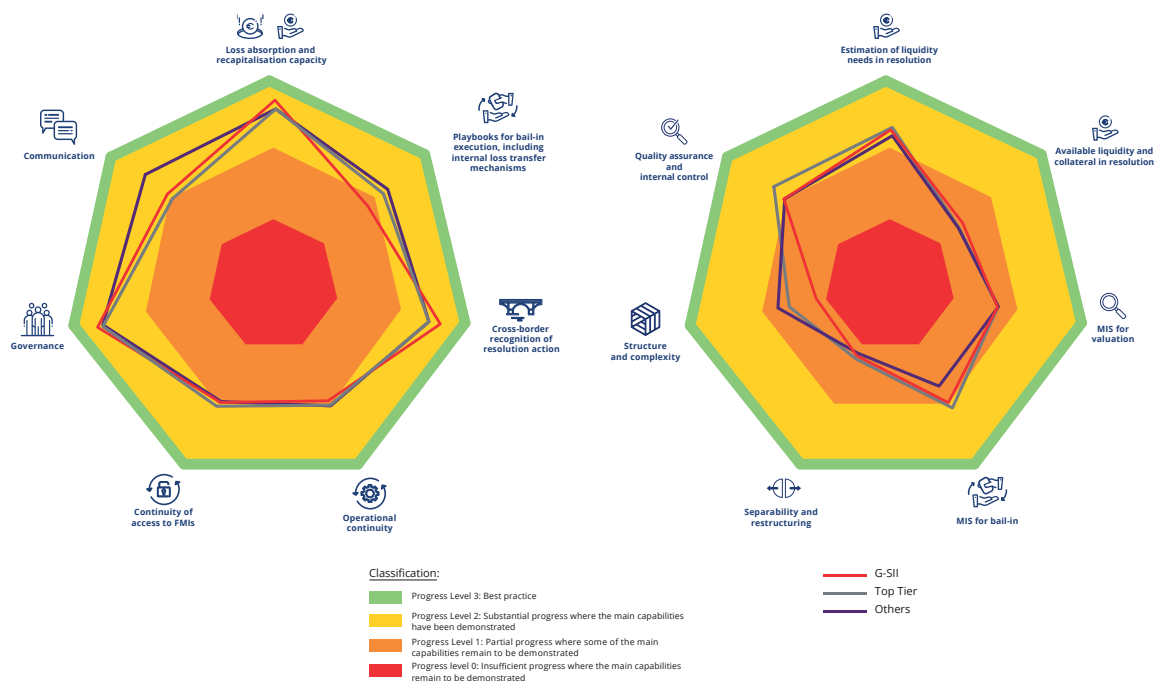
Continuous resolvability assessment measures the credibility and feasibility of the resolution plan adopted. The resolvability assessment is a consistent process for monitoring and evaluating how well banks have implemented the resolvability conditions set up in the EfBs. The assessment is performed on a yearly basis. The results of the resolvability assessment are summarised in a heat map tool²⁴.

²⁴ Full document available here: <https://www.srb.europa.eu/en/content/srbs-new-heat-map-approach-enhances-resolvability-assessment>

In September 2023, the SRB published for the second time its assessment of banks' resolvability in an anonymised and aggregated format²⁵. The 2022 resolvability assessment took stock of the work undertaken by banks to build up the capabilities that had to be implemented by the end of December 2022, in accordance with the timeline set by the EfBs and the 2022 MREL policy.

The results of the 2022 heat map assessment showed that overall banks had demonstrated the expected level of progress set by the SRB. Until the end of 2022, two-thirds of the banks already reached their final MREL target for 2024, including the combined buffer requirement. Banks had continued to enhance their preparedness to operationalise bail-in, an area in which smaller and less complex banks have caught-up with the larger banks compared to the previous resolvability assessment publication. In parallel, banks developed capabilities in three new priorities introduced by the SRB, related to liquidity in resolution, separability and Management Information Systems.

Figure 8. Progress made by type of bank on the resolvability conditions prioritised by the SRB



After the completion of the transition phase by the end of 2023, banks will need to provide evidence that they keep their resolvability capabilities operational at all times to effectively support resolution action, if need be. To this end, banks will be requested to systematically test their resolvability capabilities every year, according to a multiannual work programme in line with EBA guidelines²⁶.

²⁵ Full document available here: https://www.srb.europa.eu/system/files/media/document/2023-09-10_SRB-Resolvability-Assessment-2022.pdf

²⁶ Guidelines EBA/GL/2023/05 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) and in particular amendments.

1.4.4. Deep dives and on-site inspections

In 2023, the SRB ran 16 deep dives, bringing the total number to 45 during the three-year period 2021-2023. As a whole, 257 SRM staff participated in these exercises. The SRB on-site analyses are fully integrated with the usual resolution planning activity and represent a material value added. The on-site presence allowed the Internal Resolution Teams (IRTs) to collect and assess very granular information, which may test and integrate the resolution planning settings. The outcome of these exercises facilitates in depth discussions with the banks and IRTs, ensuring a common understanding of the framework and resolvability needs.

As a general conclusion, the banks showed different level of maturity depending on the topic. On the one hand, the implementation of the banks' MREL arrangements is the most advanced resolution-related topic. On the other hand, operational continuity in resolution is still falling behind.

The deep dives showed the importance of the on-site analyses and strengthened the investigative skills of SRM staff. In 2023, the SRB also continued preparatory work on the guidance and framework to carry out on-site inspections. In 2024, the SRB will continue to run its deep dives and increase focus on testing and the implementation of first on-site inspections.

1.4.5. Less Significant Institutions Oversight Function

In 2023, the LSI oversight focused on the resolvability of LSIs and LSI crisis preparedness and management. The year started with a dedicated LSI crisis preparedness workshop in February which allowed to discuss with all NRAs the practical aspects of resolving LSIs. The conclusions of the workshop allowed the SRB to identify priorities for LSI crisis preparedness for the remaining of 2023 and served as a basis for the LSI Dry Run. Since 2019, upon completion of each RPC, the SRB prepared annual LSI RPC reports which were presented at the SRB Executive and Plenary Sessions of June.

As in previous years, the SRB carried out the LSI Assessment Days in 2023, which is a series of staff-level bilateral calls and meeting with all NRAs in the middle of the RPC to discuss the status of LSI resolution planning. The outcomes of the Assessment Days 2023 provided input for the 2023 LSI RPC Intermediate Report.

The focus of LSI oversight in 2023 progressively shifted to operationalisation, testing and crisis preparedness. This message was also delivered in a dedicated report²⁷, which was published for the first time on the SRB website in October 2023. The report examined key developments in the LSI sector, gave account of NRAs' resolution planning and crisis management activities in 2022 & 2023 and explained the SRB's role on LSIs in the Banking Union. It was based on the information made available to the SRB up until March 2023 and concerned a total of approximately 2 000 LSIs.

²⁷ "Small and medium-sized banks: Resolution planning and crisis management report for less significant institutions in 2022 and 2023". Full document is available here: <https://www.srb.europa.eu/en/content/srb-publishes-report-smaller-banks-banking-union-first-time>

The NRAs and the SRB are jointly enhancing LSI crisis preparedness and management through discussion of the NRAs' best practices and enhancing SRB procedures. The SRB ensured a smooth cooperation between NRAs and the SRB in a timely manner with one crisis case in 2023, for which the respective NRA prepared a negative public interest assessment (PIA) leading to liquidation under national insolvency proceedings. Prior dialogue with the respective NRA was critical to prepare the necessary documents for the Extended Executive Session.

The experience gained, as well as the collaboration with the NRAs and the ECB on the potential crisis cases, has proven effective in ensuring smooth crisis management.

The first SRB-led LSI Dry Run exercise was initiated in autumn 2023 and successfully completed in the first quarter of 2024. The exercise simulated a failure of an LSI earmarked for resolution, with the adoption of a fictitious resolution scheme proposed by an NRA, which scheme included access to the SRF in order to e.g. set up a bridge institution or organise a sale of business. The LSI Dry Run involved NRAs, concerned SRB units and services, the Commission and the ECB.

Table 5. Detailed overview of LSI resolution planning in the 2023 Resolution Planning Cycle²⁸

Member State	Number of LSI resolution plans required in the RPC 2023	Plans prepared in the RPC 2023	Plans under simplified obligations adopted in previous RPCs and remaining in force for the RPC 2023	Total number of LSI resolution plans in the RPC 2023
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D=B+C</i>
Belgium	12	1	10	11
Bulgaria	13	13	-	13
Germany	1 145	511	634	1 145
Estonia	5	4	1	5
Ireland	8	5	3	8
Greece	9	5	4	9
Spain	57	38	19	57
France	72	35	37	72
Croatia	14	3	11	14
Italy	116 ²⁹	46	67	113
Cyprus	5	5	-	5
Latvia	6	5	1	6
Lithuania	10	6	3	9
Luxembourg	43	34	8	42
Malta	14	12	2	14
Netherlands	23	19	3	22

²⁸ Numbers presented as per 1 April 2024.

²⁹ For Italy, the number of LSIs has decreased by one at the end of 2023 as a result of M&A transaction.

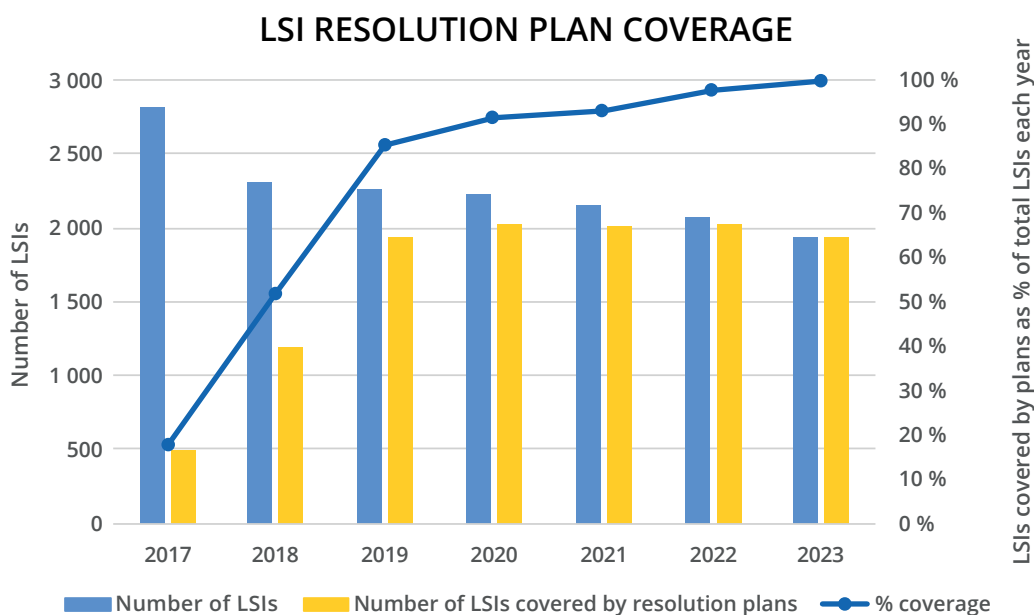
Member State	Number of LSI resolution plans required in the RPC 2023	Plans prepared in the RPC 2023	Plans under simplified obligations adopted in previous RPCs and remaining in force for the RPC 2023	Total number of LSI resolution plans in the RPC 2023
Austria	345	20	325	345
Portugal	23	18	4	22
Slovenia	5	-	4	4
Slovakia	5	4	1	5
Finland	9	6	3	9
TOTAL	1 939	790	1 140	1 930

Less significant institutions

The aggregated LSI total assets amount to over EUR 4.4 trillion (around 14 % of the entire banking sector) in the whole Banking Union, or almost one-third of the combined gross domestic product of the 21 Member States.

LSIs' resolution planning coverage has made significant progress, and, as of RPC 2023, is at 99.5 % of the total number of individual or group LSIs. A very limited number of plans were exceptionally not prepared due to reasons such as corporate restructuring. Those LSIs earmarked for resolution have continued building up their capacities in terms of MREL. Out of the whole population of LSIs, only 70 (3.6 %) have resolution as the preferred strategy, whereas the rest foresee liquidation under normal insolvency procedures.

Figure 9. Progress LSIs covered by resolution plans



1.5. Fostering a robust resolution framework

The SRB promotes a robust resolution framework in the Banking Union by developing policies for resolution; contributing to the policy debate to upgrade the existing framework and the legislation that may affect it; and adopting and publishing guidance that operationalise the legislation. As the leading resolution authority for the financial sector in the Banking Union, the SRB closely collaborates with the ECB, the EBA, ESRB, ESMA, EIOPA and others. The SRB also cooperated with international partners and third countries to ensure that resolution standards beyond the Banking Union support the SRB's mandate and objectives.

1.5.1. Development and dissemination of SRB policies

Over the past few years, the SRB has established and published its core policies, and as the end of the transitional period is approaching, the SRB is more focused on fine-tuning existing guidance, improving and operationalising existing tools. As such, in 2023, the SRB integrated and updated existing policies and complemented them with guidance and internal tools to continue improving resolution plans and, hence, bank resolvability.

Development of resolution policies

The SRB produced and updated policies and guidance in the following topics:

MREL policy

After substantial additions to the MREL policy in previous cycles, the MREL policy update in 2023, published in May, included only small changes necessary to accommodate phase-in elements of existing policies, such as the enlarged scope of internal MREL entities, as well as new developments, such as the implementation of the forthcoming Commission 'Capital Requirements Regulation (CRR) quick fix' proposal³⁰.

At the end of 2023, the SRB opened a public consultation on the future of MREL policy. The consultation was part of the SRB's strategic review to ensure the SRB remains optimally equipped for the future, building on lessons learned from recent crises in the United States and Switzerland, together with past SRB resolution cases. The consultation focused on the following topics: i) preferred resolution strategies relying on a combination of resolution tools; ii) market confidence charge buffer; iii) the monitoring of MREL eligibility; iv) discretionary exclusions; and v) long-term policy considerations. The consultation ran until 13 February 2024.

³⁰ In September 2022, the Parliament adopted the review of the CRR known as the 'CRR quick fix' (full document available here: https://www.europarl.europa.eu/doceo/document/TA-9-2022-0307_EN.pdf).

Liquidity

The recent crises have confirmed that liquidity is a key element for a successful resolution. Beyond the bank's capabilities, the SRB's liquidity toolbox is strong but not yet fully complete. The SRB supports the ratification of the European Stability Mechanism (ESM) treaty, which will further strengthen its financial firepower.

Liquidity has been identified as a priority for the 2023 and 2024 RPCs. In 2023, the SRB published an operational guidance note on the measurement and reporting of the liquidity situation in resolution, for phasing-in the last liquidity principle of the EfB, i.e. principle 3.2. The reporting is based on a template jointly developed by the SRB and the ECB to be used for banks' liquidity reporting in a crisis.

This template is based on the SSM liquidity template and is reported to the SRB and the ECB using the existing ECB liquidity reporting infrastructure. Thereby banks avoid double reporting and can rely on the existing reporting infrastructure. Furthermore, in the last quarter of 2023 the ECB and SRB performed, for the first time, a joint ECB-SRB Liquidity Exercise during which banks under the SRB's and ECB's remit submitted the joint liquidity template on a daily basis for five subsequent days. 207 entities participated in the exercise and the outcome will form part of the resolvability assessment in early 2024 for banks' capabilities related to liquidity and funding in resolution.

Public interest assessment

The PIA is key to determine whether a bank should be resolved or undergo national insolvency proceedings in case of failure. In the previous years the SRB has introduced enhancements to its PIA policies. In 2023, the SRB introduced no new PIA policies and existing policies continued to apply in the RPC 2023.

The SRB continued the development of bank-specific PIA dashboards for the RPC 2023 to support horizontally consistent quantitative assessment. New PIA dashboards introduced as of the 2023 RPC include insurance contagion, the deposit guarantee scheme simulator and the impact on real economy. Three pilot dashboards were introduced to assess the contagion within Institutional Protection Schemes, the indirect contagion via the market channel and contagion to occupational pension funds. Furthermore, two new dashboards supporting the assessment of current performance of banks were developed. The main objective of these tools is to provide horizontally consistent information that allow easy benchmarking of bank performance while further supporting the quantitative analyses in resolution plans.

Improving access to data at the SRB

Efficient access to data is a core requirement for the SRB to properly assess the resolvability of banks under its remit. In 2023, SRB has signed a Memorandum of Understanding (MoU) with the ECB to share statistical information on security holdings statistics and Analytical Credit Datasets. This will enable the SRB to incorporate these crucial datasets into its financial stability models and resolution work. This integration of data will continue in 2024 to ensure that the SRB has access to the latest possible information on securities holdings and commercial loans, therefore, improve work in crisis cases and make its resolvability assessments more precise.

The MoU replaces the existing *ad hoc* statistical data exchange and it provides for a general framework agreement for sharing confidential statistical data collected by the Eurosystem. The access to these statistical data will support several key SRB tasks, including valuation and the public interest assessment. The MoU also allows for further sharing of confidential statistical information (e.g. analytical results from dashboards) internally as well as with external users like NRAs, the Council and Commission and external valuers (subject to the signing of confidentiality undertakings by them).

The SRB has also developed significant number of data dissemination tools to ensure that SRB staff (in accordance with data protection rules) have access to all data necessary to conduct their work. This includes automatic data generation tools as well as dashboards to efficiently analyse bank data reported as per current regulatory requirements.

Variant strategies

As the recent banking crisis cases have demonstrated, there is a need for further flexibility and optionality when it comes to the banking resolution. With this in mind, in 2023 the SRB continued working on introducing and improving the variant resolution strategies within its resolution plans. This work aims to provide the SRB with more options at the time of resolution to cater for various circumstances leading to the bank failure and would improve the overall resolvability of the banking sector. Considering the efforts necessary from both the banks and the authorities to operationalise additional resolution strategies for wider set of scenarios, this work will continue in the following resolution planning cycles.

Dissemination of resolution policies

In 2023, the SRB continued its work towards wider transparency and predictability of its policies. As one step in this direction, in 2023 the SRB committed to publish the list with all public consultations and regular requests to banks under its remit planned for 2024³¹. This disclosure marks an important milestone in the SRB's efforts to cater to the industry's wish for more predictability and transparency. It will also allow banks to better allocate resources and anticipate workload throughout the year.

³¹ The actual publication took place on February 7, 2024: Single Resolution Board publishes the list of consultations and requests to the industry for the first time | Single Resolution Board (europa.eu)

Table 6. Progress against planned SRB policies in 2021-2023

SRB policies planned for 2021-2023 ³²	2021	2022	2023
SRB MREL Policy (update)	✓	✓	✓
MREL: Implementation/application/contribution to EBA Regulatory Technical Standards (RTS) on eligible liabilities, on permission to reduce eligible liabilities instruments, EBA Implementing Technical Standards on MREL / TLAC reporting and disclosure, on reporting of MREL decisions to the EBA, relevant EBA reports on MREL.	✓		
MREL: EBA Regulatory Technical Standards on setting the MREL in relation to Pillar 2 Requirement (P2R) and CBR for groups not subject to P2R under Capital Requirements Directive IV; and on internal MREL and implementation of the resolution strategy ³³	✓		
MREL: EBA RTS 3.0 on ITS on reporting (BRRD2)	✓	✓	✓
Reporting: EBA RTS 2.10 and ITS on resolution templates	✓	✓	✓
Resolution scenarios to be considered for resolution planning	✓	✓	
PIA policy	✓	✓	✓
Liquidity: Operational guidance on assessing funding needs in resolution ³⁴	✓	✓	
Liquidity: Operational guidance identification and mobilisation of collateral during and after resolution ³⁵	✓	✓	
Solvent wind-down	✓	✓	
Methodology for resolvability assessment (Heat map)	✓	✓	
Bail-in: use of ancillary powers (Article 64 BRRD) and use of moratorium powers	✓		
Bail-in: EBA RTSs on Article 55 and on contractual terms for resolution stay powers	✓	✓	
FMI (Financial Market Infrastructure): FSB templates of information that banks and resolution authorities need from FMIs for resolution planning and execution; FSB paper on approaches to promote information exchange and communication protocols between FMIs, resolution authorities and banks	✓	✓	
Legend	✓ Delivered as planned	✗ Not delivered as planned	

1.5.2. Quality assurance of resolution planning and benchmarking

A crucial aspect of the annual resolution planning and resolvability assessment processes involves a robust quality review. This review aims to ensure compliance with SRB policies and promotes a level playing field. To enhance the approach to quality control after the implementation phase of the EfBs the SRB initiated a 'peer review' exercise on top of the regular quality review process in 2023 on 11 banks by a joint team composed of vertical and horizontal functions. As a result, the peer review confirmed that more constraining methodologies (i.e. operational guidance and heat map) combined with regular peer reviews in the context of the quality review can help safeguarding consistency and level playing field. Peer reviews allow for more comprehensive examination of the evidence underlying resolvability

³² As planned in the Multi-Annual Programme 2021-2023.

³³ This policy item refers to the SRB work completed in 2020/21 on: i) the participation to the drafting team of the EBA RTS on daisy chains, which has been instead transformed by the European Commission into a legislative 'quick fix' proposal, and ii) the expansion of the scope of iMREL, in the 2021 MREL policy, covering intermediate entities in a daisy chain.

³⁴ Reformulation of item compared to SRB Multi Annual Programme 2021-2023 for sake of precision.

³⁵ Reformulation of item compared to SRB Multi Annual Programme 2021-2023 for sake of precision. Policy item to be completed in Q1 2023.

assessment outcomes and the exchange of best practices among IRTs, thereby fostering convergence. Building on the positive outcomes of this exercise, peer reviews are set to become the primary quality control mechanism for evaluating resolvability assessment outcomes, now that the implementation of the EfBs has reached a mature stage.

1.5.3. Monitoring of and contributions to external policy and regulatory activity

Through 2023, the SRB engaged closely with the Parliament, the Council and the Commission to contribute to the progress of relevant regulatory and policy themes. In addition, the SRB maintained regular coordination and collaboration with the SSM, the EBA, the ESRB and strengthened its collaboration with EIOPA and ESMA on relevant topics.

Regulatory files

Digital Operational Resilience Act (DORA)

DORA is an EU regulation effective from 16 January 2023 and will apply from 17 January 2025. It aims to bolster IT security for financial entities like banks, insurance companies, and investment firms, ensuring Europe's financial sector remains resilient against operational disruptions. It mandates guidelines on Information and Communication Technology (ICT) governance, security, incident management, penetration testing, and third-party risk management. It also covers critical function definitions, contractual recognition, and mandates Regulatory Authorities to exchange information on significant ICT incidents and conduct cross-sector crisis simulations. Most of the provisions relevant to the SRB will apply in 2025 and the SRB has started its exploratory work to be able to implement those provisions. A preliminary analysis showed that several parts of the amendments are already covered by the EBA guidelines and the SRB EfBs on operational continuity in resolution. Furthermore in 2023, the SRB acted as an observer on the Joint ESAs Committee Sub-Committee on Digital Operational Resilience for Level 2 mandates under DORA which are relevant to the SRB. Particularly those concerning the major ICT-related incident reports which will be shared with the SRB when DORA becomes applicable in early 2025.

Crisis management and Deposit Insurance proposal (CMDI)

The SRB welcomed the European Commission's proposed legislative changes to the European bank crisis management and deposit insurance framework which were tabled in April 2023. CMDI is key to strengthen the crisis management toolset, particularly with the aim of improving the crisis management framework for small and medium sized entities and enhance the use of the transfer strategies. The United States crises have shown once again that if depositors start fearing for their savings, financial stability may be in danger. CMDI provides for enhanced tools to deal with banks failures and shield deposits where necessary.

The SRB engaged closely with the European Commission ahead of the tabling of the proposal, and later on with the co-legislators (Council and Parliament), often

in cooperation with the ECB. The first results of the legislative process were the finalisation of the daisy-chain amendments by legislators at the end of 2023, which amendments broadly aligned to the SRB positions.

The SRB worked to quantify the main impacts of the rest of the CMDI package, presenting its findings to the Council Working Party meetings upon requests and sharing them also with the Parliament Rapporteurs' offices. The SRB also organised, jointly with the ECB, a high-level seminar on CMDI in October 2023 to present and discuss publicly the main impact and benefits of the CMDI proposals. Subsequently, the SRB published a staff working paper³⁶ on CMDI on 15th December 2023.

The SRB's position on the Crisis Management and Deposit Insurance proposal

The European Commission brought forward a set of proposals, known as the CMDI review, in April 2023. The core of the reform aims to ensure that the resolution toolkit can be applied to any bank, enabling its orderly exit from the market, where this is needed to preserve financial stability, protect taxpayers' money and shield the real economy.

Analysis in a recent SRB staff working paper showed that the CMDI proposals achieve a good balance between ensuring banks can be resolved without use of public money and limiting the additional burden for industry-funded means. Only a limited number of relevant banks currently earmarked for liquidation would be likely to change strategy to resolution, and the assessment of resolution vs liquidation remains a discretionary decision taken on a case-by-case basis.

Proposed changes to the creditor hierarchy, and the use of DGS funds as a bridge to the 8% minimum bail-in requirement to access the SRF (where necessary after the use of MREL resources), would support resolution sales of ailing banks without bailing-in deposits. This would be important in cases where the protection of deposits would be necessary to avoid financial stability and contagion effects. At the same time, only marginal increases are expected for the costs that the industry would bear (through DGS) following the liquidation of banks under national insolvency proceedings.

Other improvements to the CMDI framework are also proposed including the harmonisation of the criteria for preventative and alternative measures and improving exchanges of information and disclosures.

To conclude, the SRB's analysis and experience shows that the CMDI proposals have the potential to be a clear improvement to our framework. As a resolution authority, it would allow us to better protect depositors and taxpayers at the same time, as well as safeguarding financial stability.

Markets in crypto-assets Regulation (MiCAR)

The Markets in Crypto-Assets (MiCA) Regulation, fully applicable as of 30 December 2024, mandates a rigorous regulatory framework for banks engaging with crypto-assets, adhering to the Basel Committee on Banking Supervision's standards. MiCAR covers electronic-money-tokens (EMT) and asset-referenced-tokens (ART), notably granting ART investors the ability to redeem their tokens at any moment. Crucially, when the issuer of ART or EMT is a bank, the MiCAR competent authority is required

³⁶ Full document available here: https://www.srb.europa.eu/system/files/media/document/2023-12-15_Working-paper-series-3-CMDI_December-2023_0.pdf

to inform the resolution and prudential supervisory authority about the redemption plan. This enables the resolution authority and SRB to review the plan and suggest any necessary amendments to the resolution plan or the resolution strategy. The MiCAR level 1 text will be supported by level 2 and level 3 measures, the work on which is currently on-going. The SRB's involvement extends to contributing to the EBA Guidelines on redemption plans, incorporating the resolution perspective into the framework.

Agreement on Basel III

On 29 June 2023, the co-legislators and the Commission struck a provisional agreement on changes to the CRR and Capital Requirements Directive (CRD). At the end of the year, the final texts were published. Revisions to the CRR will enter into force on 1 January 2025, while for the CRD Member States have time until August 2025 to transpose the revisions into national law. The SRB continued to monitor the implementation of this important file, given that revisions to the capital requirements set for the banks have direct links with the requirements set in the resolution context, in particular as regards MREL.

Digital euro

On 28 June 2023, the Commission proposed a legislative package on the Digital Euro aiming at fostering competition and innovation within the EU's financial sector.

The digital euro regulation proposes several key features, including legal tender status, free accounts and transactions for individuals. The Commission's legislative package reflects the ECB's commitment to manage the potential impacts on monetary policy and financial stability, emphasizing that with careful design, these challenges are manageable.

From the SRB perspective, the impact on a bank's balance sheets will depend on the success of the digital euro and users' behaviour. Additionally, consumer interest in the Digital Euro is expected to vary across Member States, potentially complicating its implementation.

Other files

Anti-Money Laundering and Countering the Financing of Terrorism Authority (AMLA)

In July 2021, the European Commission launched a legislative package to strengthen EU anti-money laundering (AML) and counter-terrorism financing (CFT) measures. Harmonizing standards on those measures across the EU is central to this legislation. This marks a significant shift in the EU's approach, endowing it with both direct and indirect supervisory powers, set to commence in 2026. This includes the authority to directly oversee certain high-risk credit and financial institutions, notably those dealing with crypto assets. AMLA will exchange information with financial authorities, including the SRB.

Central Counterparties Resolution (CCP)

In the EU, the 2021 CCP Recovery and Resolution Regulation aims to provide CCP national resolution authorities with adequate tools to manage crises and handle events involving the potential failure of a CCP, building on the principles of the bank recovery and resolution framework. Most CCP Resolution Authorities have now been appointed in Europe. There are currently 14 ESMA authorised European CCPs.

Collaboration with other EU institutions and agencies

Council of the European Union, European Commission and European Parliament

Throughout 2023, the SRB participated in various meetings of the European Parliament Economic and Financial Committee and Financial Services (ECON) Committee, providing input in particular on resolvability, MREL, and lessons learned from the banking turmoil in the United States and Switzerland of March 2023. The SRB also took part in relevant Eurogroup meetings in 2023.

The SRB Chair appeared before the ECON Committee three times in 2023.

EU legislative developments and cooperation with the Commission

The SRB, in its engagement on EU legislative developments, focused on making sure that the different parts of the framework continue to form a coherent whole. In particular, the EU CMDI proposal (see above), which provides a flexible toolkit to manage EU bank failures, should be implemented in a manner consistent with the design of the overall frameworks. The SRB has engaged with the Commission at both senior management and technical level to discuss relevant policy matters.

European Central Bank

On 4th of August, ECB-SRB signed a MoU to share confidential data on the exchange of certain types of statistical information.

Throughout 2023, the SRB and ECB engaged in regular information exchanges related to the 2023 bank stress-test results. Moreover, in September 2023, the ECB presented the thematic stress test on cyber-resilience to the SRB planned for 2024. In this stress test, banks are expected to report how they would respond and recover from a successful cyber-attack, based on a scenario involving a theoretical breach of the financial system's cyber defences.

The ECB and SRB continued to cooperate closely on the topic of the monitoring and reporting of liquidity and have regular exchanges on operational level to discuss questions from banks and prepare for the upcoming liquidity exercise. Furthermore, the ECB and SRB met for the second joint ECB-SRB Connect event, which provided an opportunity to discuss topics of common interest and foster further cooperation.

European Banking Authority

In 2023, the SRB continued providing considerable contributions to the work of the EBA on resolution matters. Throughout the year, the SRB participated in the various EBA Committees to ensure convergence of timelines and priorities.

The SRB sits as an observer in the meetings of the EBA Board of Supervisors. In 2023, the SRB contributed to the EBAs review of the implementing technical standards on resolution reporting.

In addition, the SRB chaired the Resolution Committee in 2023 and participated as a member in this permanent committee dealing with decisions related to the tasks conferred on resolution authorities by the BRRD. Throughout the year the main topics handled were: 1) Regulatory Technical Standards on Own Funds and Eligible Liabilities; 2) integrated system for reporting of supervisory, resolution and statistical regulatory reporting data; 3) EBA response to call for advice from the Commission on the DGS coverage level; and 4) regular update on risks and vulnerabilities in the EU banking sector.

European Systemic Risk Board

The SRB also participated in the ESRB's main configurations, such as the General Board, the Advisory Technical Committee and the related technical working groups, such as the Analysis Working Group and the Instruments Working Group. As in other fora, a substantial part of the discussions at strategic level was around the high inflation and interest rates as well as Russia's continued invasion of Ukraine, which has led to high uncertainty and a perceptible increase in financial stability risk in the EU, including in connection with cyber incidents. Other topics discussed in which the SRB has a stakeholder interest were the EBA stress test scenario for 2023, vulnerabilities in the non-bank financial sector, climate risk and digital finance.

European Insurance and Occupational Pensions Authority

The SRB is also working with EIOPA on assessing cross-sectoral contagion from the failure of a bank to the European insurance sector. The SRB continued the work with EIOPA to enhance the methodology by expanding the assessment to occupational pension funds.

Cooperation and international relations

In light of this year's geopolitical developments international cooperation has become even more important for the achievement of the SRB goals.

With regard to relations with third countries and international organisations the SRB successfully enhanced its international relations, ensuring relevant resolution topics were discussed at financial dialogues organised by the Commission (with the United States, Canada, United Kingdom and Japan). The SRB provided support to countries that more and more look at the SRB as a point of reference when building their resolution framework, e.g. to Georgia, together with the World Bank, but also for Malaysia, the Republic of Korea, Central and Eastern African countries.

Cooperation agreements

In 2023, the SRB concluded cooperation arrangements with its counterparts in Australia (APRA), Argentina (BCRA), Malaysia (PIDM) and New Zealand. The arrangements covered information exchange and cooperation on bank resolution planning and how to implement this for banks with cross-border operations.

Figure 10. SRB cooperation arrangements



So far, 18 bilateral cooperation arrangements have been concluded with the authorities of 16 countries: Albania, Argentina, Australia, Bosnia and Herzegovina (two authorities), Brazil, Canada, Japan (two authorities), Korea, Mexico, Malaysia, Montenegro, New Zealand, Serbia, Switzerland, the United Kingdom and the United States, to facilitate resolution planning for cross-border entities.

International cooperation

In 2022, the SRB strived to further strengthen its interaction and cooperation with third countries, covering a wide range of collaboration topics. In order to achieve this, the SRB maintains bilateral relations and participates in various multilateral fora.

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Bilateral relations

The SRB further enhanced its international relations and discussed relevant developments (also in the context of the events of March 2023) through its participation to financial dialogues organised by the Commission (DG FISMA). The SRB provided support to several countries through dedicated workshops and other *ad hoc* exchanges and meetings. The SRB also contributed to conferences and seminars organised by third countries such as Malaysia (PIDM national resolution

symposium) or the High-Level Meeting of Arab Central Banks & Monetary Authorities.

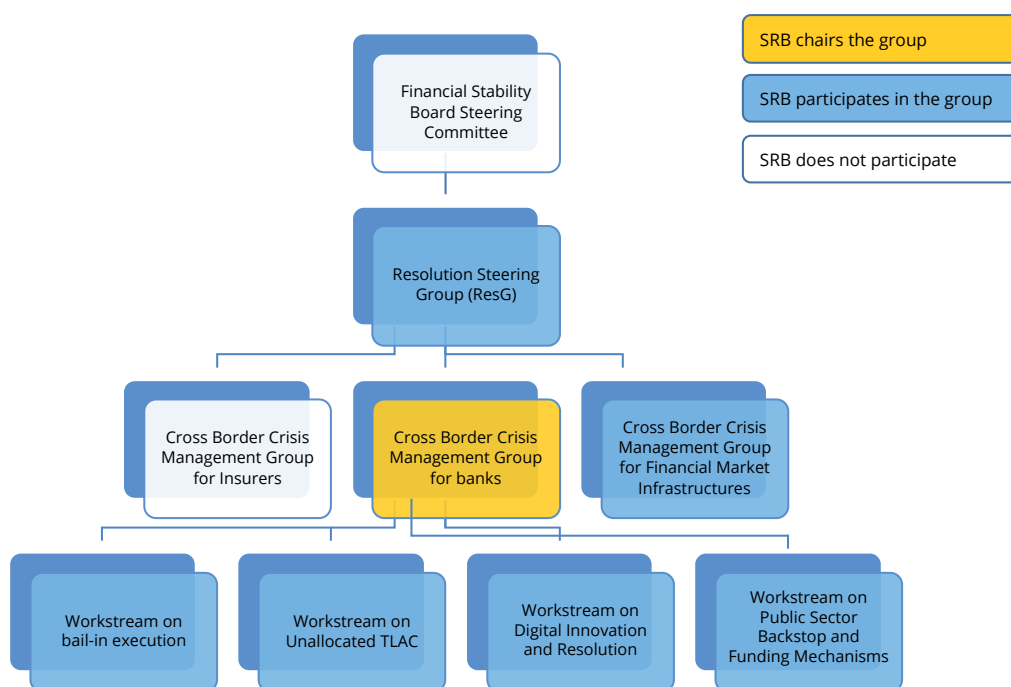
Multilateral relations

Financial Stability Board

The SRB continued to contribute proactively to the FSB work. It participated in four Resolution Steering Group meetings throughout the year which covered CCP financial resources, bail-in execution, and planned work on Funding in Resolution. Discussions were in particular held on the bank failures of early 2023, as part of the FSB's work to draw initial lessons learned.

The SRB chaired the Banking Cross Border Crisis Management Group during the year, collaborating in the different work streams under this Group, the SRB contributed to the completion of the document on Considerations for CMGs on deployment of unallocated TLAC which has now been published; to the ongoing work on digital financial innovation and potential implications for the FSB's guidance on operational continuity, as well as possible challenges arising from social media and fast payments; to the ongoing work on funding in resolution, which will now focus on public sector funding backstop mechanisms; and to a workshop on bail-in execution and cross-border recognition of bail-in. The SRB also participated actively in the Cross-Border Crisis Management Group for FMIs.

Figure 11. Financial Stability Board and SRB involvement



Trilateral Principal Level Exercise (TPLE)

The SRB actively participated in the operational strengthening of coordination for cross-border resolution with the US and UK authorities through the TPLE to enhance the understanding of one another's resolution regimes for global systemically important banks (G-SIBs), focusing on information sharing (particularly on communication), capital and TLAC, and funding in resolution. The TPLE also develops jurisdictional playbooks and conducts regular dry-runs, on which work continued in 2023 and is expected to increase in the future. TPLE authorities also carried out preparatory work for the 2024 TPLE Principals Level Exercise that took place in April 2024.

In April, the SRB attended the in-person principal-level annual meeting in the context of the TPLE in Washington DC. The exercise brought together top regulators from the Banking Union, UK and the US to discuss and prepare for potential future cross-border crisis cases. In Q4, the progress on updating the TPLE playbooks and preparing for the 2023 Senior Staff exercise was presented to the TPLE senior staff. Communications is a major aspect being tested thus templates and key messages are being exchanged between authorities for further alignment and preparation.

Other international organisations

In July 2023, the SRB joined the Network for Greening the Financial System as an observer, as part of its development of a responsible investment framework for the SRF to support the SRB in contributing to the EU's policies for mitigating climate change. The global network consists of 127 central banks and financial supervisors that aims to accelerate the scaling up of green finance and developing recommendations for central banks' and public investors' roles for climate change. The move will allow the SRB to take account of best practices and anticipate upcoming developments in the area.



1.6. Preparing and carrying out crisis management

In 2023, the SRB continued developing procedures, tools, templates and specific ICT solutions for crises, and enhancing internal and external crises management processes. Furthermore, it organised dry-run exercises and collected key lessons learnt from the recent crises such as flexibility that resolution authorities need in the choice of which resolution tool to use depending upon the situation.

Figure 12. Main phases in the resolution process



1.6.1. Crisis preparedness and management

The SRB activities in crisis preparedness are coordinated by the Crisis Preparedness and Management Unit. The unit works in cooperation with experts of all SRB resolution units and was newly established in 2023 in order to strengthen further the SRB's crisis readiness capabilities in a coordinated and centralised manner.

Its role is key in the support of crisis teams, organisation of simulation exercises and the implementation of resolution tools and National Handbooks thanks to the cooperation with NRAs and other stakeholders (e.g. the ECB, the Commission). It also supports the development of tools for crisis management (e.g. bail-in calculator or crisis management platform for securely sharing up-to-date information called Ready for Crisis R4C).

Procedures, tools and templates

The work on finalising National Handbooks by the NRAs continued in 2023. National Handbooks concern the national procedures and operational features for the implementation of SRB crisis decisions. During the year, the CPMU prepared a stock taking exercise of all National Handbooks with the creation of jurisdictional working groups involving SRB teams and NRA representatives. A mapping of procedures at the SRB and NRAs was conducted, including aspects of the implementation phase and post-resolution activities, where relevant. This activity set the ground for planning more activities to ensure efficient operationalisation of resolution in each country.

Following the feedback from the dry-run exercise described below, the CPMU conducted the preparatory work for a renewed version of the current prototype of a bail-in calculator.

Dry runs

The CPMU worked closely with a resolution unit on a joint testing exercise involving the SRB, NRAs and a large financial institution. The exercise entailed the participation of Banking Union NRAs as well as non-Banking Union NRAs. The exercise was aimed at enhancing SRB's and NRA's readiness to execute a resolution action, and assessing bank's crisis readiness and quality assurance procedures. The exercise tested the Management Information System (MIS) for bail-in, the MIS for valuation, the bail-in playbook, internal loss transfer and recapitalisation mechanism operational playbook, as well as the execution of valuation and the development of a simplified resolution scheme. The R4C crisis platform was used to exchange information. Through a survey, a better understanding of the respective valuation frameworks between the home and the host authorities was sought. The dry-run succeeded in its goal to improve crisis readiness by delivering enhanced SRB crisis templates, clearer bank quality assurance procedures and a better understanding of valuation frameworks between home and host authorities.

Together with NRAs, the SRB also organised a testing exercise concerning a failing LSI requiring the use of the SRF (see section 1.4.5).

Ready for Crisis (R4C)

R4C is the ICT platform used by the SRB in crises and dry-runs since 2019. A major release with new features for crisis teams was launched in July 2023, following a series of testing with SRB staff and representatives from NRAs. In the last quarter

of 2023, the CPMU launched the first internal certification to assess the knowledge of R4C for SRB staff. The exercise was well received by the SRB community since it combined training with acknowledgment of skills. With 123 newly certified users, the SRB is now better prepared to use the application in case of crisis.

1.6.2. Crisis responses

In 2023, the SRB also continued to closely monitor the impact of the instability following Russia's invasion of Ukraine in the financial sector, as well as other turbulent developments in the financial sector stemming from the banking turmoil in the United States and Switzerland. The SRB, in collaboration with other authorities, monitored potential developments to ensure it was ready to take action if the situation arose. Following the March 2023 cases, the SRB undertook analysis on the lessons learnt, and any potential implications for the SRB's own approach to crisis management. In 2023, no bank under SRB direct remit was resolved. There was one LSI crisis, in which the SRB collaborated closely with the responsible NRA.

Credit Suisse case

The SRB, the EBA and ECB Banking Supervision globally welcomed the comprehensive set of actions taken by the Swiss authorities in order to ensure financial stability. They noted that the European banking sector was resilient, with robust levels of capital and liquidity.

The resolution framework implementing in the European Union the reforms recommended by the Financial Stability Board after the Great Financial Crisis has established, among others, the order according to which shareholders and creditors of a troubled bank should bear losses.

In particular, common equity instruments are the first ones to absorb losses, and only after their full use would Additional Tier 1 be required to be written down. This approach has been consistently applied in past cases and will continue to guide the actions of the SRB and ECB banking supervision in crisis interventions. Additional Tier 1 is and will remain an important component of the capital structure of European banks.

³⁷ Press release available here: <https://www.srb.europa.eu/en/content/srb-eba-and-ecb-banking-supervision-statement-announcement-19-march-2023-swiss-authorities>

1.7. Operationalising the Single Resolution Fund

Credit institutions and certain investment firms in the 21 participating Member States of the Banking Union contribute to the SRF. The end of 2023 marked the end of the so-called “initial period”, the period of eight years given by the SRM Regulation for building up the SRF to reach at least 1% of the total amount of covered deposits by the concerned institutions in all of the participating Member States. The end of the initial period meant that the SRF is a fully mutualised fund and all national compartments have been merged.

1.7.1. Contributions

The growth rate of covered deposits in 2023 was around 1% (based on 2023 year-end values reported by the deposit guarantee scheme early 2024). Based on this growth, 1% of covered deposits in the Banking Union amount to EUR 75 billion³⁸. In 2023, the SRB focused on its priorities as stipulated in this year’s work plan such as further reinforcing the communication on the contributions calculation process to the industry and introducing improvements to the consultation process.

Calculation and collection of contributions

At the start of the year, the team focused on the collection of data from institutions and from deposit guarantee schemes in order to be able to calculate the 2023 *ex ante* contributions to the SRF. In addition, it performed the calculation of the restatements for previous cycles. In May, the Executive Session of the Board approved the 2023 *ex ante* contributions amounts to be transferred to the SRF and the calculation results were communicated to the NRAs. A total of EUR 11.3 billion were raised from 2 777 banks and investment firms in the Banking Union, including cash and Irrevocable Payment Commitments (IPC). In parallel, the SRF team started the preparations for the 2024 cycle. In September 2023, SRB notified NRAs with the institution’s kick-off letter and with the decision on the 2024 data reporting form and on the additional assurance requirements.

Data verification and consultation process

In February, an intense data verification phase took place. The SRB carried out the consultation phase with institutions in the decision-making process for the determination of *ex ante* contributions to the SRF. The consultation phase lasted 10 business days and was concluded with the institutions and with ECB, NRAs

³⁸ The SRF holds at the end of December 2023 an amount of circa EUR 78 billion.

and national competent authorities by 5 April. The preliminary recalculations of previous *ex ante* contributions (via so-called 'restatements') were also included in the consultation phase. This further reinforced transparency and institutions' involvement in the SRB process. The SRB took into account the 235 comments on the calculation of the 2023 *ex ante* contributions. The outcome of this consultation phase was reflected in the decision documents by adding an extensive document titled 'Evaluation of the submissions made in the consultation on the 2023 *ex ante* contributions to the Single Resolution Fund'.

Furthermore, in the context of the 2023 *ex ante* contributions to the SRF, the Board adopted a decision allowing to settle the payment for 22.5% in irrevocable payment commitments, fully backed by cash collateral.

Court of Justice rulings: 2021 *ex ante* decision

The SRB achieved to make progress in the further handling of the litigations linked to the 2021 *ex ante* cases. On 20 December 2023 and 24 January 2024, the EU General Court delivered judgments in a number of cases, namely, cases T-383/21 (Banque Postale), T-384/21 (credit Mutuel), T-385/21 (BPCE), T-387/21 (SocGen), T-388/21 (Credit Agricole) and T-397/21 (BNP Paribas)³⁹. The Court did not find any flaws affecting the substance of the 2021 decision in these cases; however, it considered that the SRB did not provide sufficient reasons in setting the annual target level for *ex ante* contributions to the SRF. Among others, the Court also confirmed that for the 2021 contribution cycle, the SRB correctly set IPCs at 15% and rightly requested institutions back IPCs with cash collateral. The pleas lodged in these cases, in so far as they were submitted against the legal framework and the structure of the calculation methodology, were rejected on the merits. Other *ex ante* litigation cases are ongoing and further judgments are expected to be received in the course of 2024⁴⁰.

1.7.2. Investments

Investment Plan

The 2023 Investment Plan was endorsed by the Board in November 2022 and covered the period from 1 January to 31 December 2023. It defined the Strategic Asset Allocation, including its main risk and return characteristics and the way it was to be implemented. Due to changes in market conditions in 2023, the Executive Session of the Board decided in June 2023 to make some modifications to the 2023 Investment Plan, in particular to further postpone the investment of the additional amount raised as *ex ante* contributions at least until 2024 and to reduce the

³⁹ On the 24th January 2024, the EU General Court delivered judgments in Cases T-347/21 (HVB), T-348/21 (Volkskreditbank), T-347/21 (Hypo Vorarlberg Bank), and T-405/21 (Dexia).

⁴⁰ With regard to the 2016 *ex ante* decision, on 21 February 2024, the General Court delivered a judgment in Case T-466/16 RENV (NRW.Bank), endorsed the SRB's 2016 *ex ante* decision and its retroactive nature. With regard to the 2022 *ex ante* decision, on 10 April 2024, the General Court has delivered a judgment in Case T-411/22 (Dexia), the first of the 2022 *ex ante* cases to be adjudicated. The General Court found no breach of essential procedural requirements, but found the decision to have been adopted in breach of Article 70(2) SRMR. The SRB decided to lodge an appeal with the European Court of Justice against this judgement.

maximum maturity of new securities purchased. These changes, with the prevailing positive interest rate environment as well as positive remuneration on the SRB's overnight cash deposits with Eurosystem National Central Banks, served to enhance the return and reduce the risk of the Fund.

The SRB's Board in its Plenary Session adopted the 2024 Investment Strategy in November 2023 and its Executive Session subsequently endorsed the 2024 Investment Plan in December 2023.

Outsourced services

In 2023, the SRB completed the process to select an investment manager and custodian as the contracts with the existing provider expired during the year. This resulted in a change of custodian and the SRB successfully transferred EUR 26 billion of securities together with all custody-related operations to the new custodian with no operational incidents.

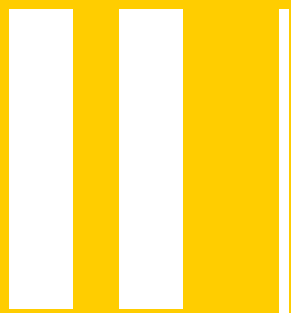
The asset management activities of the SRB continued to be carried out by two investment managers and a single custodian.

1.7.3. Funding

In October, the SRB presented the annual communication provided to the Member States on the Available Funding Capacity. At the reference date (September 2023) of the calculations, the level of mutualisation in the third quarter of 2023 was 98.33%.

Common Backstop

The ESM treaty revision is not yet ratified and therefore the Common Backstop is not yet in place but, with the objective to be fully operational, the Joint ESM-SRB team organized in 2023 a successful dry-run for testing the operationalisation of the Common Backstop, which was completed in January 2024. The dry-run, which the Commission and the ECB attended as observers, aimed at increasing operationalisation by testing the repayment capacity methodology under a request for a liquidity loan. Further improvements to the existing methodological framework took place following suggestions received in previous dry-runs. Furthermore, a user-friendly fit to purpose analytical tool was jointly developed in order to support the decision-making process.



Management



2.1. Introduction

In 2023, support activities such as budget and financial management returned closely to pre-COVID times. Working modalities and activities were supported by a fully established hybrid mode.

The SRB continued implementing initiatives to respond to the evolving needs of the SRB and SRM. The SRB ICT team provided regular support to staff, continued developing applications, managed its data centres and focused on cybersecurity. The SRB also continued to strengthen the SRB governance and decision-making processes, in particular by optimising its processes for adoption of decisions of various bodies.

External visibility of the SRB increased throughout the year thanks to the proactive reach out in terms of the communications. The two major events organised, the SRB Legal Conference and the joint SRB-ECB seminar on CMDI, gathered audiences from a wide variety of backgrounds and promoted interesting discussions on resolution-related topics.

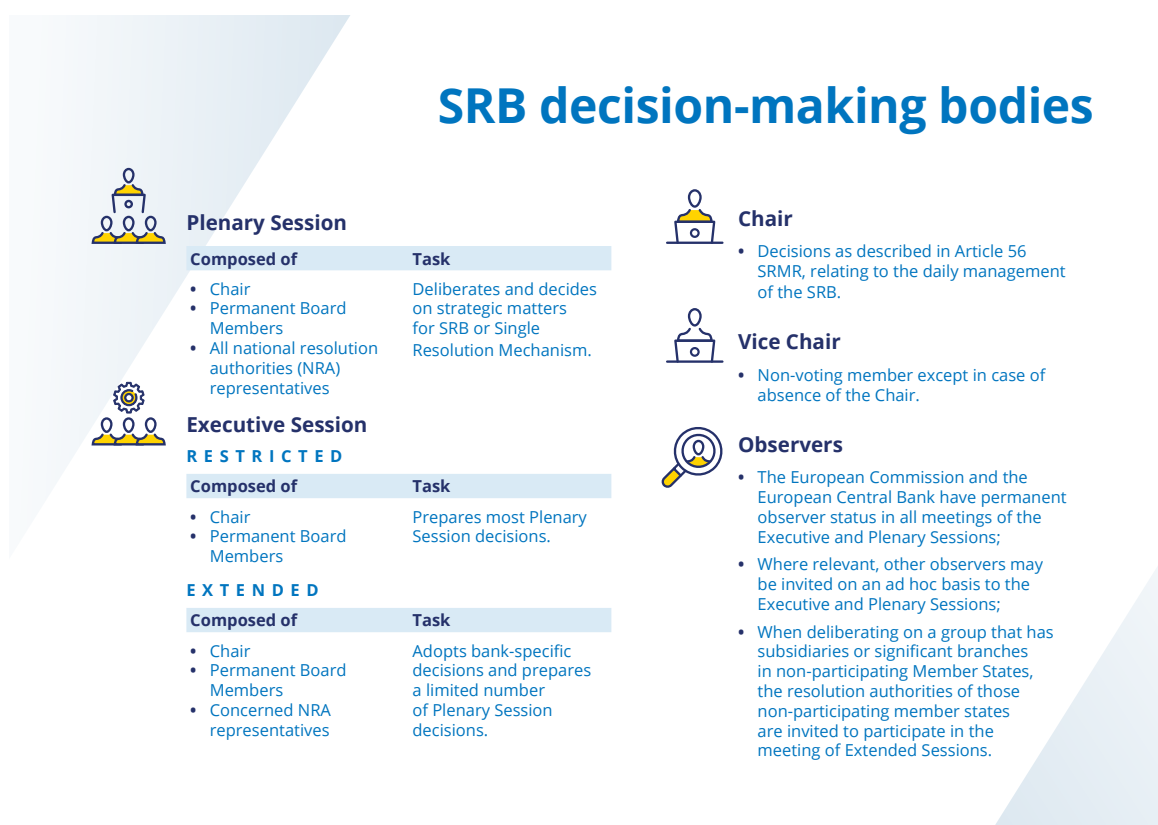
In terms of litigation proceedings, the SRB saw various important judgements during the year, such as upholding the SRB decision not to resolve a failing bank, confirming the lawfulness of the main aspects of this type of decision as well as confirming the legality of the SRB's decision not to compensate shareholders and creditors affected by the 2017 resolution of Banco Popular. The SRB also received a judgement from the Court of Justice regarding the 2021 *ex ante* contributions to the SRF. The number of cases brought to the Appeal Panel remained stable as in the previous year (see section 2.3.5).

Overall execution of budget decreased to 87% (excluding contingencies). Human Resources continued efforts to recruit highly qualified staff, almost fulfilling the SRB's establishment plan, and with a notably lower vacancy rate to previous year.

2.2. Decision-making

The SRB decision-making bodies met and decided on their respective areas of responsibility throughout the year. In 2023, the SRB held five meetings of the Board in its Plenary Session, eight meetings of the Board in its Restricted Executive Session and 11 in-person meetings of the Board in its Extended Executive Session (24 in total), of which nine related to the RPC. More than 300 written procedures were launched, including 17 written procedures that were organised with the Plenary Session, 39 written procedures with the Restricted Executive Session and 255 written procedures of the Extended Executive Session, mainly relating to the 2022 and 2023 RPCs. All written procedures, except for one, were supported by the FORA online platform, designed to optimise the decision-making process.

Figure 13. SRB decision-making



2.3. Major developments

The following subsections present the major milestones achieved by the SRB horizontal functions in 2023.

2.3.1. SRB Secretariat

The SRB secretariat is responsible for the sound decision-making of the SRB Board in all its formations (Executive Session, Extended Executive Session, and Plenary Session) and with regard to all tasks assigned to them ensuring consistency, efficiency and regularity of the SRB's decisions in accordance with the procedural requirements and standards.

In 2023, the SRB Secretariat continued to strengthen the SRB governance and decision-making processes, in particular by optimising its processes for adoption of decisions of various bodies. It also managed the decision-making process for the finalisation of the 2022 RPC and the initiation of the 2023 RPC and provided guidance and advice on RPC related matters during regular operations and in crisis management situations.

The **Document Management Office** performed its regular tasks, maintained SRB staff access rights and throughout the year, worked on the planning, development and implementation of the SRB's Electronic Documents and Records Management System 2.0 project enhancing the management and recording of documents in a more user-friendly environment with advanced features. The team also contributed to the development of the SRB's information management policies and activated a new feature in their library services to make eBooks available to all SRB staff.

In 2023, the **Business Continuity Office** updated the Business Continuity Management programme based on a Business Continuity Management Action Plan and a clear and achievable roadmap making sure all documentation is streamlined and that SRB staff are provided with clear training material in order to act accordingly should the business continuity plan be triggered.

2.3.2. Information and communications technology

The SRB continued implementing initiatives to respond to the evolving needs of the SRB and SRM. In 2023, the SRB ICT team provided regular support to staff, continued developing applications, managed its data centres and focused on cybersecurity.

Internal support

ICT provided essential services for the running of the SRB, ensuring complete availability of ICT services, which was close to 100% throughout the year.

In 2023, the SRB:

- ▶ Managed 1 125 accounts and 1 283 e-mailboxes;
- ▶ Shared 299 GB of documents with third parties via 118 collaboration spaces;
- ▶ Hosted about 2 200 remote meetings per month for a total duration of about 100 000 minutes/month;
- ▶ Managed 230 000 shared folders (inside EDRMS) occupying 2.82 TB of disk space;
- ▶ Managed 545 000 shared folders (outside EDRMS) occupying 5.47 TB of disk space;
- ▶ Processed the information from circa 120 banking groups at 3 reporting levels (solo, consolidated, resolution groups) representing more than 900 institutions that are under the SRB direct remit.

Digitalisation: tools and platforms

In 2023, the SRB continued the development of various applications and platforms and started developing of new ones. The main application developments during the year were:

- ▶ The **Reference Data Factory** release 6: an in-house SRB application managing financial institutions master data for the SRB internal usage;
- ▶ The **Master Data Exchange** release 1: an in-house SRB application (linked to RDF) receiving master data inputs from the ECB and NRAs and interacting with the EBA EUCLID platform configuring the corresponding banks submission obligations;
- ▶ The **Resolution Reporting** release 5: a standard product enabling the collection of Resolution data allowing the SRB to compute the MREL target and to build the resolution plans in line with the EBA Reporting Framework;
- ▶ The **Data Certification Gateway** release 3: an in-house SRB application ensuring quality of the data managed in the RPC to support the 2023-2024 data collection cycle;
- ▶ The **SRF** release 8: a standard product enabling the data collection cycle for *ex ante* contributions 2024 cycle;
- ▶ The **Electronic Documents and Records Management System** release 2: an in-house SRB application enabling the repository of the documents;
- ▶ The **Administrative contribution application** release 3: an in-house SRB application allowing to collect and validate data, to compute the contributions from the banks to the SRB administrative budget;
- ▶ The **Integrated Resolution Information System** release 1: an in-house SRB platform that will manage the key annual resolution planning activities and business processes for SIs and LSIs. The system will support the implementation of the 2024 RPC in a unique platform used by all the stakeholders (e.g., NRAs, SSM and banks). The SRB deployed in November 2023 its first release;
- ▶ The **R4C** release 3: an in-house SRB platform that supports the operational process and management of crisis cases by the SRM, enables efficient and fast staff members onboarding in a crisis case and is the single common platform for sharing up-to-date information in a secure way.

The SRB firmly believes that high-quality data provision, robust data management capabilities and adequate data governance are essential to ensure efficiency throughout the SRB and towards its external stakeholders.

ICT security and cybersecurity

During the year, the SRB has reviewed its Cybersecurity Framework ensuring an adequate level of cybersecurity in the development, operation, use and disposal of ICT systems. The Cybersecurity Framework adopted consists of a policy, standards, guidelines, and procedures that help the SRB develop and maintain an overall Cybersecurity posture in a logical and coherent way complying with the SRB business requirements.

The SRB also carried out several ICT security trainings and awareness campaigns that covered all staff. Furthermore, the SRB staff underwent four phishing exercises in 2023.

2.3.3. Facilities

In 2023, the SRB:

- ▶ Handled 321 badge requests;
- ▶ Managed 1 252 support requests ('tickets' requested by SRB staff);
- ▶ Moved 80 offices in order to accommodate the move to the second building;
- ▶ Supported the organisation and catering of 734 events.

The Facilities team is a dedicated group that oversees a wide range of essential functions critical to the SRB's seamless functioning. With a comprehensive portfolio spanning Health, Safety, and Security; Environmental Sustainability; Facilities Management; Logistics Support; and Contract Management, the Facilities Team is effective in fostering a positive and efficient work environment, safeguarding the working conditions of SRB personnel, driving excellence and innovation across all aspects of facility management while enhancing organisational resilience and mitigating operational risks.

2.3.4. SRB Legal Service

The SRB Legal Service plays a pivotal role in the SRB by encompassing two key horizontal functions. Firstly, it serves as the SRB's single representative in litigation and, secondly, it provides independent centralised legal and strategic advice to the SRB's Board, all the SRB's decision making bodies and all SRB units and services. It ensures the consistent application of the resolution framework across the Agency and in the Banking Union.

To meet the constantly evolving demands, the SRB Legal Service has evolved into three specialised teams, namely the Legal Advice Team, the Litigation Team, and the Resolution Financing Team. The SRB Legal Service is continuously evolving and embracing a dynamic, creative, and solution-oriented approach to inform decision-making processes for senior management, to facilitate the work of other units, and to help them meet their business needs. It is committed to finding solutions and upholding the principles of the rule of law.

Legal advice

In 2023, the SRB Legal Service continued to provide legal advice related to EU law with particular focus on the Banking Union law, the EU resolution framework in the areas of, amongst others, resolution planning and resolvability assessment, MREL determination, crisis preparedness and resolution actions, as well as on matters regarding the SRF. The provision of legal advice across the various levels of the organisation ensured the consistent implementation of the legal framework and the further development of SRB policies. A total of 96% of the advice requests were addressed in a timely manner.

Throughout the year, the Legal Service prepared and coordinated the work of the Legal Network, a forum of legal experts from the NRAs promoting further cooperation and exchange. This Network includes the SRB, the NRAs, the Commission, the ECB and the EBA representatives contributes to foster further the common understanding of the legal issues that affect the functioning of the SRM and strives towards applying the EU resolution framework in a consistent manner within the Banking Union

Furthermore, the Legal Service organised the second SRB Legal Conference themed around 'EU and banking union law in a European & Global context'. The topics of the conference panels were of relevance to the activities of the SRB and, more generally, to the SRM and the speakers represented a cross-section of EU Institutions, including the European Courts, national regulatory authorities, international organisations and academia from across a broad geographical spread. The SRB Legal Conference has raised awareness of the SRB's mission, objectives and the resolution framework.

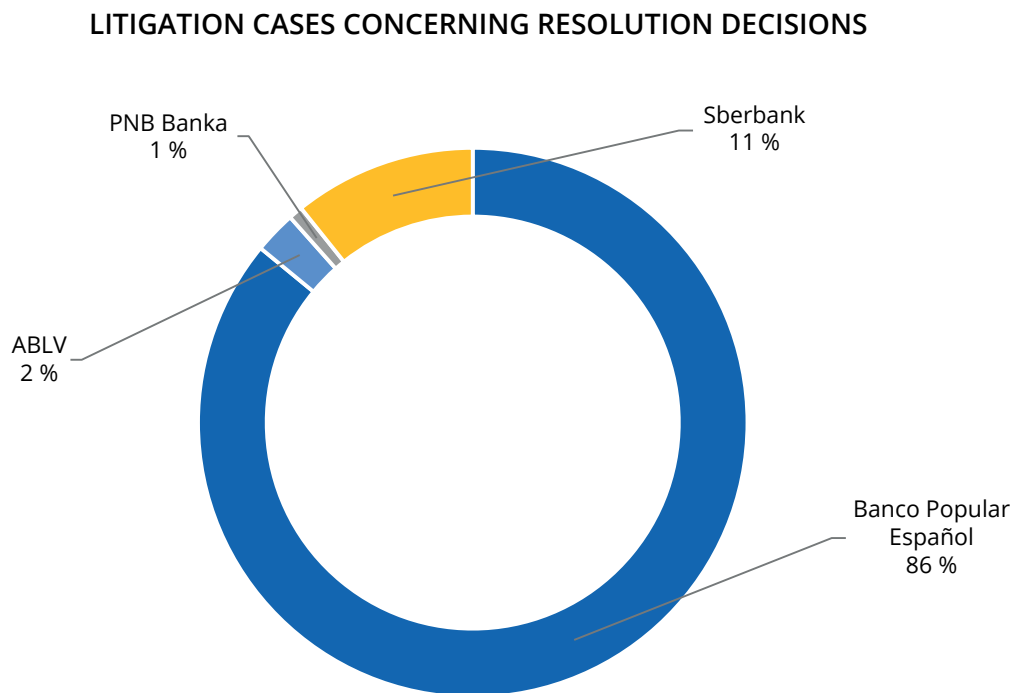
Litigation proceedings

The SRB Legal Service is the service representing the SRB before the Appeal Panel, the General Court and the Court of Justice. The SRB also cooperates with external counsel in litigation, where necessary. In its role of representative of the SRB in legal proceedings, the SRB Legal Service prepares all documentation required by either the Appeal Panel, or by the Court of Justice.

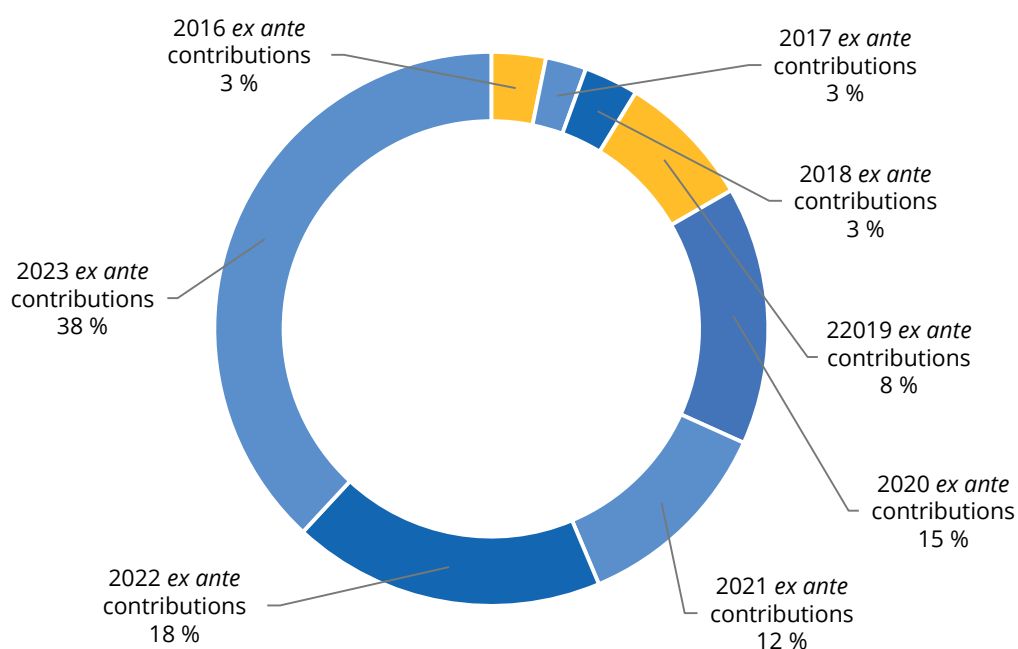
As regards litigation pending before the General Court and the Court of Justice in 2023, there were 250 pending cases on the 31st December 2023 and, in addition, 24 cases closed during that year. Among those cases, 121 concerned SRB decisions taken in the context of the exercising of the resolution powers by the SRB in relation to Banco Popular Español (104), ABLV (3), PNB Banka (1) and Sberbank (13). A total of 126 legal actions concerned the decisions taken in the context of *ex ante* contributions to the SRF for 2016 to 2023. Three cases concerned the setting of MREL.

- ▶ On 15 November 2023, the General Court upheld the SRB's Decision not to resolve a failing bank. This is the second time that the General Court has ruled on the legality of the SRB's decisions not to resolve a failing bank and confirmed the lawfulness of the main aspects of this type of decision. Those include the SRB's competence to take non-resolution decisions, as well as the substantive and procedural steps followed by the SRB to assess the conditions for resolution. It confirms, in particular, that the SRB is entitled to rely on the ECB's assessments and procedure when carrying out its own examination of the conditions for resolution, and when deciding the way in which its resolution procedure is designed and implemented. This judgment thus contributes to the development and consolidation of an ever-increasing number of judicial decisions that have positively assessed the SRB's performance during the resolution weekend;
- ▶ On 22 November 2023, the General Court of the European Union confirmed the legality of the SRB's decision not to compensate shareholders and creditors affected by the 2017 resolution of Banco Popular. The General Court found that the shareholders and creditors affected by the resolution of Banco Popular were not entitled to compensation from the SRB, confirming the legality of the post-resolution decision, known as the 'Valuation 3 Decision'. This decision assessed whether shareholders and creditors affected by the resolution of Banco Popular would have received better treatment had the bank entered normal insolvency. The Court dismissed the actions, in particular in relation to the valuer's independence and the right to be heard process.

Figure 14. Percentage of ongoing litigation cases by topic



LITIGATION CASES CONCERNING *EX ANTE* CONTRIBUTIONS



2.3.5 Appeal Panel

The Appeal Panel is established by the Board in accordance with Article 85(1) of the SRMR for the purpose of deciding on appeals that can be brought by any natural or legal person against certain decisions of the Board.

Pursuant to Article 85(3) of the SRMR, some of the decisions that can be contested in front of the SRB Appeal Panel are referring to the areas of MREL determination, impediments to resolution, simplified obligations for some institutions, requests for public access to documents, as well as the contributions by the credit institutions to the SRB's administrative expenditure.

In the course of 2023, six appeals were filed with the Appeal Panel, four contesting the respective SRB decision regarding the determination of the MREL and two appeals contesting a decision taken by the SRB denying access to the Board's documents. Four appeals were dismissed, while the remaining two were pending on 31 December 2023. The aforementioned decisions concerned appeals in the context of MREL requirements and access to documents.

In the first half of 2023, the Appeal Panel delivered its final decisions in the following cases filed in 2022: 1/2022, 3/2022, 4/2022, 5/2022, 6/2022 and 7/2022 and in the second part of the year, the Appeal Panel delivered its decisions in the following appeals received in the course of the year, namely: case 4/2023, case 6/2023 and joined cases 2/2023 and 3/2023.

All Appeal Panel's decisions are published in an anonymised version on the Appeal Panel's thematic register on the SRB's website.

In December 2023, the Appeal Panel adopted its revised Rules of Procedures, envisaged to enter into force in early 2024⁴¹.

During the year, the Appeal Panel actively participated to the (virtual) network meetings and annual meeting of the Inter-Agency Appeal Proceedings Network.

2.3.6. Communications

In 2023, the SRB continued to raise awareness and explain the work of the SRB and its key tasks, as well as investing in crisis communications readiness both internally, with the NRAs and with global authorities. Notably, the organisation issued a joint communication with the ECB and EBA to clarify the creditor hierarchy in the wake of the 2023 bank failures in the US and Switzerland, as well as a regular series of media releases and press events.

2023 SRB communication key figures

- ▶ Website visits ↗ 72% compared to 2022
- ▶ LinkedIn followers ↗ 11% compared to 2022
- ▶ Twitter followers ↗ 5% increase in followers compared to 2022
- ▶ 11 000 pages translated
- ▶ 140 staff trained on communication topics

The SRB organised a number of public events, including the above-mentioned SRB Legal Conference in April; and the joint SRB-ECB seminar on the CMDI proposals in October, which attracted 1 000 participants. The SRB Chair and Board Members also carried out a high number of public engagements, including a series of 12 country visits to Banking Union Member States.

SRB Communications continued to use a number of tools and channels to engage with its audiences, including the SRB website and social media. Engaging content, including blog posts, podcasts and digital storytelling saw visits to the website increase by 72% in 2023.

The SRM Communications Forum continued to build capacity and share learning and good practices. The network met twice, focusing on the experience and lessons learned in crisis and in peace times, as well as briefings on resolution topics.

Internally, the team launched a new newsletter, increased the production of internal news on the SRB intranet by a third, organised a series of internal events, including an all-staff away day and town halls with senior management, and trained 140 staff members in communication areas.

⁴¹ Full document available here: <https://www.srb.europa.eu/en/about/srb-appeal-panel/procedure>

2.4. Budgetary and financial management

Overall, the budget implementation rate on commitment appropriations (including contingencies) in 2023 improved with 2 % increase in Part I compared to 2022. The consumption of Part I excluding Chapter 32 for contingencies decreased from 95 % to 87 % mainly due to an increase in the staff vacancy rate and postponed ICT projects. The number of payment and commitment transactions increased compared to 2022, while the number of recovery orders remained at a similar level. The SRB budget management reflects effective and efficient systems, with approximately 98 % invoices paid on time in comparison to 96 % in 2022. Furthermore, 11 budget transfers⁴² for a total amount of approximately EUR 3.7 million were executed in 2023, to cater for projects that had not been initially planned and other unforeseen events.

2.4.1. Income

Since 2022 the timeline for the contributions collection has changed and in 2023 the SRB raised the administrative contributions in two cycles: advanced instalments in Q1 and annual contributions in Q3.

Advance instalments

The 2023 advance instalments process started in December 2022 and was followed by the consultation phase in January. The SRB decided to raise EUR 60 million in advance instalments in 2023, to be collected from the institutions under the SRB direct remit (112 entities and groups). The advance instalments paid by these entities and groups were afterwards deducted from their individual annual contributions calculated for 2023. The total amount of the advance instalments was successfully collected by mid-April 2023.

Annual contributions

The total amount of annual contributions raised in 2023 amounted to EUR 108.8 million and was collected from 2 128 entities and groups. At the end of December 2023, only five institutions had not paid their contributions due to insolvency cases, mergers or other special cases.

⁴² The initial adopted budget for 2023 totalled EUR 143 million for part I (compared to EUR 120.4 million in 2022). The Plenary Session of the Board adopted three amending budgets during the year. Budget amendments were made to increase commitment and payment appropriations for budget line 2040 (fitting out premises), amend the 2023 Establishment plan without impacting the budget, and integrate the positive result from the previous year into the 2023 budget, in accordance with Article 16 of the SRB Financial Regulation.

2.4.2. Expenditures

Budget expenditure includes payments made using appropriations from the current year and appropriations carried over from the previous financial year.

In 2023, the SRB established 629 budgetary commitments amounting to EUR 133.9 million in Part I of the budget, and EUR 0.03 million in Part II of the budget, and processed 2 442 payments amounting to a total EUR 104.2 million in Part I of the budget and EUR 0.02 million in Part II of the budget.

The 2023 budget implementation rate stood at 87 % for commitment appropriations and 82 % for payment appropriations without the Chapter 32, for contingencies. In addition, 333 payments, amounting to EUR 4.5 million, were processed in 2023 using appropriations carried over from 2022. The amount of 2023 appropriations carried over to 2024 is equivalent to EUR 5.8 million. The following paragraphs summarise implementation of appropriations and on the budget implementation by titles. More details are available in Annex V.

Title 1: Staff expenditure				
Final budget after transfers EUR	Committed		Used in payment appropriations	
	EUR	% of final budget	EUR	% of total committed
71.2 million	64.1 million	90.0 %	63.5 million	99.0 %

For Title 1, the commitment and payment levels were lower compared to 2022 mainly due to a stable evolution in the staffing level and the unusual indexation resulting in increased payroll costs in 2022. The main area of expenditure related to SRB staff in active employment: EUR 59.1 million corresponds to payroll; EUR 1.8 million to early childhood centres and schooling, EUR 0.9 million for interims services and EUR 0.6 million to administrative assistance from EU institutions.

Title 2: Infrastructure expenditure				
Final budget after transfers EUR	Committed		Used in payment appropriations	
	EUR	% of final budget	EUR	% of total committed
24.1 million	19.9 million	82.2 %	15.1 million	75.9 %

In Title 2, the main areas of expenditure were the rental cost of the two SRB premises, at EUR 4.1 million, ICT administrative costs, at EUR 5.8 million, costs for fitting out the newly rented premises, at EUR 1.2 million and security and surveillance of the building, at EUR 1.0 million. The decrease of the commitment appropriations from 93.9 % in 2022 to 82.2 % in 2023 can be explained by non-executed budget due to postponed projects or much lower costs than anticipated for some of the Facilities budget lines as well as less than expected demand under an ICT framework contract.

Title 3: Operational expenditure				
Final budget after transfers EUR	Committed		Used in payment appropriations	
	EUR	% of final budget	EUR	% of total committed
71.8 million	50.0 million	69.7 %	25.7 million	51.3 %

Title 3 is exclusively for operational expenditure related to the implementation of the SRMR, and includes Chapter 31, for SRB operations, and Chapter 32, for contingencies. Regarding Chapter 31, the execution of activities in 2023 (85.2 % committed) remained at a similar level in comparison to 2022 (86.0 % committed). Regarding Chapter 32, which serves as a contingency budget to cover unforeseeable expenditure related to the SRB's core mission, most of the planned budget, which was for potential resolution cases, remained uncommitted. The committed amount for 2023 represented 57.4 % in chapter 32. This budget line remains instrumental for the achievement of the SRB mandate in case multiple resolutions take place. The total title implementation rate in title 3 was 69.7 %; however, excluding Chapter 32, which corresponds to contingencies, the implementation rate of the payment appropriations amounts to 87.3 %.

2.4.3. Budget outturn

The budget outturn for 2023 is estimated to be EUR 37.4 million (compared to EUR 24.7 million in 2022) and will be entered in the 2024 budget after approval by the Board in its Plenary Session in November 2024. The budget outturn will be deducted from the administrative contributions to be collected in 2025.

2.4.4. Procurement

In 2023, the SRB launched 52 procurement procedures, and awarded 47 contracts following successful completion of the procurement procedure, mainly special negotiated and very low value procedures as well as the re-opening of framework contracts. See more details in Annex VIII.

2.5. Human resources

2.5.1. Engagement and retention

The SRB continued efforts to recruit highly qualified staff to provide a solid basis for its work. The overall number of filled posts increased by 2.8 % in 2023, completing the year with 436 of the 457 temporary agent posts in the Establishment Plan 2023 occupied. Another 10 employees were on unpaid leave for personal reasons at the same time, temporarily not filling any posts. The vacancy rate during the year was 6.7 %. Nearly 67 % of all recruitments in 2023 were for resolution profiles (experts and senior experts).

Table 7. Number of staff per category versus Establishment Plan

Category	Number of staff end 2021	Number of staff end 2022	Number of staff end 2023 ⁴³	Establishment Plan 2023
Temporary Agents	371	425	436	457
Seconded National Experts	22	20	22	35
Trainees	7	10	8	10
Consultants	35	43	62	N/A
<i>Interimaires</i>	23	15	8	N/A
TOTAL	458	513	536	502

2.5.3. Learning and development

In 2023, the SRB continued providing a high number of training events, with 229 internal and 68 external training sessions, including amongst others trainings on resolution topics and tools, legal topics and ICT tools as well as trainings to integrate newcomers.

2.5.4. HR transformation

In 2023, HR continued the implementation of the HR transformation roadmap, delivering several initiatives under three areas of work.

- ▶ **Staff growth opportunities:** The first phase of the new framework for job titles was implemented and the external mobility project with the ECB was launched;
- ▶ **Working smart together:** An e-Recruitment tool was selected and the implementation kick-off started in 2023; and
- ▶ **Other initiatives:** A project to identify avenues to rebrand the SRB as an employer was completed, and the first steps of a career guidance service were defined (both to be implemented in 2024).

⁴³ See Annex VI for further breakdown (incl. by nationality and gender)

2.6. Assessment of audit recommendations during the reporting year

2.6.1. Internal audit

The mission of Internal Audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. In line with its mission, the primary objective of Internal Audit is to provide the SRB with assurance concerning the effectiveness and efficiency of the risk management, control and governance processes. Since its effective start in October 2016 and until end of 2023, Internal Audit finalised 28 audit engagements consisting of 24 assurance audits and four consulting engagements, in line with its annual risk-based audit plans. The scope of assurance audits covered the governance and organisation of the audited areas, including relevant risk management and control processes. The audits assessed the design and effectiveness of controls, and, where relevant, the legality and regularity of transactions. In the consulting engagements, internal audit advised SRB management on governance and organisational issues.

During the first quarter of 2023, Internal Audit finalised two audit engagement reports from the 2022 audit plan: they were related to HR Performance/Talent Management and Business Continuity Management.

During the year, Internal Audit focused on four assurance engagements:

- ▶ Operationalisation of resolution strategies (bail-in)
- ▶ SRB oversight on LSIs
- ▶ Ethics and Compliance
- ▶ SRF – *ex ante* Contributions

Final audit reports have been issued for the first three engagements and the corresponding draft report has been issued for the audit engagement on the SRF – *ex ante* Contributions. Audit reports included findings and recommendations aiming to improve the policies, guidelines, processes and controls in place related to the areas highlighted above. Subsequently, the audited departments prepared action plans, which Internal Audit followed up on in the future.

In 2023, Internal Audit followed up on seven assurance audits on ICT security, contract management, bridge processes, R4C, legal and litigation management, recruitment and ICT change management.

Furthermore, in 2023, Internal Audit carried out an onsite visit to a National Central Bank of the Eurosystem in order to follow-up on an observation issued by the

European Court of Auditors in 2020. This was regarding the assessment by the SRB of a potential conflict of interest arising from the fact that the same NCB assumes the roles of both Investment Manager and Custodian. Based on the review, Internal Audit assessed that the National Central Bank of the Eurosystem has adequate and effective organisational and administrative arrangements in place in order to mitigate a potential conflict of interest arising from assuming the roles of both Investment Manager and Custodian.

Status of Internal audit findings

As of 31 December 2023, 64 audit findings remained open. Of these: one is critical (the critical finding was raised in the 2021 ICT Security audit), 17 are high, 37 are medium and nine are low.

At the same time, 13 findings were closed as a result of follow-up engagements completed on previous audit engagements.

The main critical and high-priority findings outline the need for further improvement in the areas of ICT Security, business continuity management, ethics and compliance function, oversight of LSIs and the operationalisation of resolution strategies (bail-in).

2.6.2. External audit

The SRB is audited every year by the external auditor, the European Court of Auditors (ECA). The audit provides a Statement of Assurance regarding the reliability of the accounts of the Board and the legality and regularity of the transactions underlying them⁴⁴. ECA also conducted a separate audit on any contingent liabilities arising as a result of the performance by the SRB, Council or the Commission of their tasks under the Article 92(4) Regulation (EU) N° 806/2014 for the 2022 financial year⁴⁵. In addition, an independent external auditor verifies the income, expenditure and financial position of the SRB. The ECA audit over the financial year 2023 accounts started in October 2023 and the final report is expected to be received in October 2024.

⁴⁴ Full document available here: https://www.eca.europa.eu/ECAPublications/SAR-AGENCIES-2022/SAR-AGENCIES-2022_EN.pdf

⁴⁵ Full document available here: https://www.eca.europa.eu/ECAPublications/SAR-SRM-2022-contingent-liabilities/SRB-contingent-liabilities-FY2022_EN.pdf

2.7. Environmental management

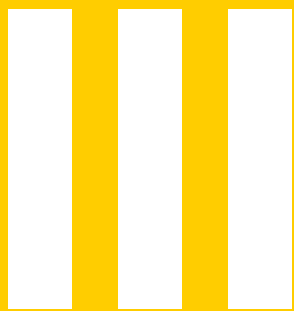
The SRB is committed in ensuring its environmental performances in the everyday business. Therefore, in 2023 the SRB endorsed the ambition to become Environmental Management Audit Schema (EMAS) certified within the next five years.

As a first step, during the course of 2023, the SRB performed an EMAS preliminary activity to identify the actions to be performed and the effort required to achieve the intended certification. On the basis of this, in 2024 SRB will continue with the preparatory work to address all EMAS requirements (i.e. environmental policy, procedures, and guidelines).





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Board



Assessment of the effectiveness of internal control systems

3.1. Effectiveness of internal control systems

Internal control are the measures that management and all staff take to ensure that:

- ▶ operational activities are effective and efficient;
- ▶ legal and regulatory requirements are met;
- ▶ financial and other management reporting is reliable; and,
- ▶ assets and information are safeguarded.

Therefore, effective and efficient internal control is essential to any organisation as it is the process to ensure that objectives set by the organisation, which are reflected in the annual work programme, will be achieved. The potential risks linked to not realising those objectives are identified and managed.

The monitoring cycle of SRB's internal control system is based on ongoing activities and specific periodical assessments. The deficiencies identified in the context of the monitoring activities are important elements taken into account in the overall assessment of the presence and functioning of the internal control system. All the components and principles should be present and functioning, and the components should function well together.

Risk management

During 2023, the SRB included risk management at unit level via the unit plans, followed up on action plans developed to mitigate existing risks and updated the corporate risk register via a participatory approach with senior and middle management of the organisation. During the year, the SRB also established a dedicated unit on Risk management, compliance and control (RMCC), reinforcing the SRB's risk management capacities and strengthening a more centralised and coordinated approach to risk management in close collaboration with all relevant business units.

3.2. Conclusion of assessment of internal controls

This section includes the assessment of the elements described in the sections 2.6.2 (external audit) and 3.1 (effectiveness of internal control systems) as well as other aspects mentioned across this report. The information reported stems from the results of monitoring by management and auditors, based on a systemic analysis of evidence available.

The assessment of the effectiveness of the SRB's internal control system was performed using the methodology described in the relevant decision with some exceptions as regards the use of the internal control monitoring criteria. The assessment builds on the knowledge and experience of staff and management and on the results of the continuous monitoring of the controls embedded in the procedures. The assessment was organised by the Internal Control Office on the basis of the following three elements:

- ▶ Exceptions to rules and procedures, including non-compliance events: scrutiny of the reports that could point to control deficiencies;
- ▶ Audit observations of the SRB Internal Audit function, the European Court of Auditors and the external independent audit firm: analysis of the results of the audits and audit follow-up work to assess their impact on the internal control system;
- ▶ Results of the internal desk review of the Internal Control Office including contributions of the key staff supporting important elements of the set-up and functioning of the internal controls.

The conclusion of the assessment of internal controls is positive, as the internal control system is effective and provides reasonable assurance⁴⁶ to the senior management of the SRB that the components and principles of the Internal Control Framework are present and functioning and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the SRB's transactions. While the assessment detected some deficiencies, these are considered minor/moderate and hence do not put the overall conclusion into question, as measures to improve the controls have already been taken.

In 2023, the SRB allocated approximately 33 full-time equivalents for control activities (0.02% of the SRB's 2023 total budget).

⁴⁶ Even an effective internal control system, no matter how well designed and operated, has inherent limitations including the possibility of the circumvention or overriding of controls and therefore can provide only reasonable assurance to management regarding the achievement of the business objectives and not absolute assurance.



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Board



IV | Management
assurance

4.1. Review of the elements supporting assurance

The SRB conducts its operations in compliance with the applicable laws and regulation, working in a transparent manner, and meeting a high level of professional and ethical standards. The SRB adopted its Internal Control Framework, based on the Commission equivalent and on international best practice, aimed to ensure the achievement of its objective and mandate.

Some of the elements supporting assurance can be found in previous sections, such as audit management in section 2.6, financial and human resources management in sections 2.4 and 2.5 respectively, governance aspects in section 2.2, as well as Part III, on internal controls. In addition, throughout 2023, the SRB various horizontal teams performed regular functions that supported the achievement of the SRB objective in the most effective, efficient and economic manner. Amongst others, the following activities supported assurance during 2023:

Planning and programming

The SRB enhanced further its internal planning processes in 2023, with standardised unit planning designed to contribute to other institutional processes, such as the annual report, risk management and appraisal, hence aiming to reduce process-related workload for teams across the SRB. The SRB completed the unit planning exercise for 2023 in the first quarter of the reporting year which included an updated template for all units and was based on the SRB annual work programme 2023. Due to the strategic review throughout the reporting year, the SRB delayed the launch of the 2024 unit planning exercise to January 2024 in order to ensure full alignment with the outcome of the strategic review.

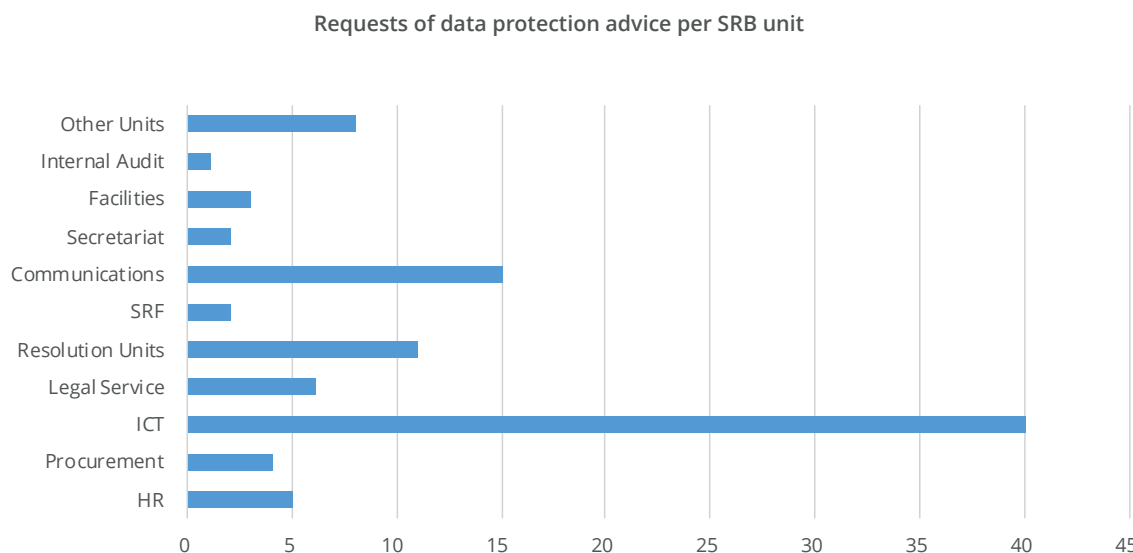
During the year, the resource allocation exercise continued with mapping most of the support function business processes in line with a defined methodology. The initiative started in early September 2022, and will continue in 2024 in order to fit into future corporate planning exercises. The business process mapping will provide a basis for resource allocation as well as quality management, process benchmarking and continued improvement.

Data protection

In 2023, the Data Protection Office continued to liaise closely with other EU institutions, bodies and agencies particularly in matters involving or related to the processing of personal data, but also to ensure the exchange of good practices, common experiences and tailored approaches to specific data protection challenges.

The Data Protection Office has made substantial progress over the past year to enhance the processes, tools and controls needed to strengthen data protection compliance within the SRB and was regularly consulted by other SRB Units. It provided advice to five requests and supported the SRB in data protection matters and challenges, such as those deriving from the use of new technologies and measures to mitigate identified risks. Main cases the Data Protection Office advised on were: development, publication and update of privacy statements such as in the context of SRB events and trainings, data transfers from the SRB to other EU Institutions, processing of biometric data in the context of physical security purposes for the new SRB building, use of new ICT tools, review of contractual agreements with new providers, etc. The Data Protection Office worked closely with other SRB units to find effective and compliant solutions that ensure the protection of personal data.

Figure 15. Data protection internal requests for advice in 2023



In 2023, the Data Protection Office also issued five guidance documents for the SRB and assessed the risks to the fundamental rights and freedoms of individuals of new and ongoing SRB processing activities by reviewing four Data Protection Impact Assessments which were conducted by the SRB ICT service on the use of different tools and new modalities of teleconferencing services. The Data Protection Office also advised units on how to conduct threshold assessments. Throughout the reporting year, the Data Protection Office delivered training sessions tailored to the needs and expertise of the participants to ensure that SRB staff, in particular newcomers, were adequately informed of their duties and rights.

Finally, efforts to comprehensively map the processing of personal data across the SRB continued in 2023 and the public register of records was updated to reflect the internal organisational changes that took place during 2023. The document is available on the SRB public website⁴⁷.

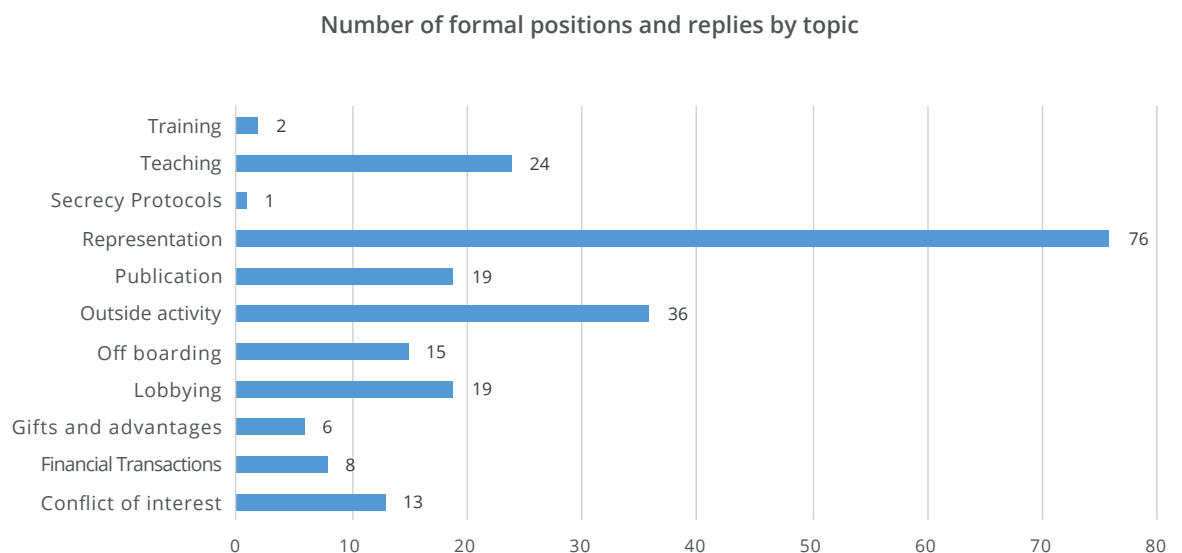
⁴⁷ Full document available here: https://www.srb.europa.eu/system/files/media/document/2023-11-15_SRB-Public-Register-of-Records.pdf

Ethics and compliance

In 2023, SRB Compliance registered a 46 % increase in the number of compliance positions issued and dealt with 365 ethics and compliance matters. This includes the adoption of formal SRB Compliance positions and issuing formal replies; carrying out fact-finding exercises; dealing with *ad hoc* matters; and processing of declarations. During 2023, SRB Compliance also refreshed a number of templates for staff declarations.

On average, SRB Compliance issued its formal compliance positions or replied to *ad hoc* questions and requests for advice within 8.5 days, surpassing its internal target of replying within two weeks. Following this, SRB Compliance issued 219 formal compliance positions and formal replies on issues (of which 52 required an actual decision by the Appointing Authority).

Figure 16. SRB Compliance formal positions and replies in 2023



During the course of 2023, SRB Compliance also dealt with 102 *ad hoc* ethics and compliance matters which concerned mostly SRB administrative matters, secrecy protocol matters, potential conflicts of interest, outside activities and European Court of Audit/Internal Control/Internal Audit and general compliance matters.

In addition, SRB Compliance reviewed and/or assessed 44 declarations from SRB Staff Members, of which 70 % concerned on-boarding of staff. The remaining concerned off-boarding cases, of which 7 % were finalised with a formal compliance position and Appointing Authority approval.

In December 2023, SRB Compliance launched the third edition of this Housekeeping Exercise. This exercise was established to maintain up-to-date reporting and enhance SRB's Compliance monitoring capabilities and its risk assessments.

SRB Compliance has also continued to manage and advise on SRB Secrecy Protocols with the R4C tool and supported four secrecy protocols. Furthermore, the team

contributed to the formulation of SRB guidance, procedures and policies covering matters such as SRB staff members seeking a career break and guidance on private financial transactions while employed at the SRB.

Work environment

In 2023, the work environment continued to be high on the agenda of the organisation. SRB Compliance devoted significant resources to awareness raising and training of SRB staff members, and held its third edition of Tone at the Top with SRB managers. The purpose of the session was to build on the 2022 session. In November and December 2023, SRB Compliance rolled out its fourth edition of 'SRB Ethics Week' to increase awareness amongst the staff. The workshop was well attended, with 402 colleagues participating.

4.2. Reservations

Not applicable



Single
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Board



V

Declaration
of assurance


5.1. Statement of managers in charge of risk management and internal controls

Statement of the responsible for the risk management and internal control function

I declare that in accordance with the SRB's internal control framework, I have reported my advice and recommendations on the overall state of internal control in the SRB to the Chair.

I hereby certify that the information provided regarding the state of internal control in the present Annual Report and in its Annexes is, to the best of my knowledge, accurate and complete.

Brussels, 10 June 2024



Eva Widmer

Head of Risk Management, Control and Compliance

Statement of the responsible for completeness and reliability of management reporting on results and on the achievement of objectives

I hereby certify that the information provided regarding performance reporting in the present Annual Report and in its Annexes is, to the best of my knowledge, accurate and complete.

Brussels, 10 June 2024



Vincent Decroocq

Head of Cabinet

5.2. Declaration of assurance by the Chair

I, the undersigned, Dominique Laboureix, Chair of the Board and Manager of the Single Resolution Board, in my capacity as authorising officer:

Declare that the information contained in this report gives a true and fair view.

State that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principles of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal, such as the results of the self-assessment and ex post control verifications performed during the year.

Confirm that I am not aware of anything not reported here that could harm the interests of the Single Resolution Board.

Brussels, 11 June 2024

A handwritten signature in black ink, reading 'D. Laboureix', with a long horizontal flourish underneath.

Dominique Laboureix

Chair of the Single Resolution Board



Single
Resolution
Board



Annexes

Annex I — Organisation chart

As of end 31 December 2023



SRB Organisation Chart

Chair



Dominique LABOUREIX

Vice-Chair



Jan Reinder DE CARPENTIER

Director of Single Resolution Fund, Legal & Corporate Services

Members of the Board



Sebastiano LAVIOLA

Director of Resolution Policy & Cooperation



Jesús SAURINA SALAS

Director of Resolution Planning & Decisions



Tuija TAOS

Director of Resolution Planning & Decisions



Pedro MACHADO

Director of Resolution Planning & Decisions

Chair's Directorate

- Chair's Cabinet
 - Communications
 - Strategy and Institutional Relations
- Risk Management, Control and Compliance
 - Internal Control Office
 - Investment Risk Management
 - ICT Security Risk Management
 - Appeal Panel Secretariat
 - Data Protection Office, Ethics and Compliance Office
- Crisis Preparedness and Management
- *Internal Audit Team*
- *Accounting Team*

Directorate E

- Single Resolution Fund
 - Contributions
 - Investments
- Resources
 - Human Resources
 - Finance and Procurement
- Corporate Services and Information and Communication Technologies (ICT)
 - ICT
 - Facilities
- Legal Service
 - Litigation
 - Legal Advice
- SRB Secretariat

Directorate A

- Resolution Policy, Processes and Methodology
- Cooperation with Stakeholders
- Financial Stability and Economic Analysis
- International Relations and Negotiations

Directorate B

- Austria
Croatia
Finland
- Cyprus
France
Greece
- On-Site Inspections Team
- Bulgaria
France
Luxembourg
Slovenia
- Data and Business Process Management Team

Directorate C

- Italy
Slovakia
- Germany
Estonia
Germany
Latvia
Lithuania
Malta
Portugal
- *Resolution Planning Office*

Directorate D

- Belgium
Spain
CCPs
- Germany
Ireland
Luxembourg
- Spain
Netherlands

Annex II — Members of the Plenary Session

As of end 31 December 2023

Role	Name	Authority
Chair	Dominique LABOUREIX	SRB
Vice-Chair	Jan Reinder DE CARPENTIER	SRB
Full-time board member	Sebastiano LAVIOLA	SRB
Full-time board member	Jesús SAURINA SALAS	SRB
Full-time board member	Tuija TAOS	SRB
Full-time board member	Pedro MACHADO	SRB
Member appointed by participating Member State representing the NRA	Paula CONTHE	Spain — FROB (Spanish Executive Resolution Authority)
Member appointed by participating Member State representing the NRA	Géraldine THIRY	Belgium — National Bank of Belgium
Member appointed by participating Member State representing the NRA	Michalis STYLIANOU	Cyprus — Central Bank of Cyprus
Member appointed by participating Member State representing the NRA	Mark CASSIDY	Ireland — Central Bank of Ireland
Member appointed by participating Member State representing the NRA	Jokūbas MARKEVIČIUS	Lithuania — Bank of Lithuania
Member appointed by participating Member State representing the NRA	Vassilis SPILIOPOULOS	Greece — Bank of Greece
Member appointed by participating Member State representing the NRA	Roberto CERCONE	Italy — Banca d'Italia — Resolution Unit
Member appointed by participating Member State representing the NRA	Ilze POSUMA	Latvia — Latvijas Banka
Member appointed by participating Member State representing the NRA	Romain STROCK	Luxembourg — Commission de Surveillance du Secteur Financier
Member appointed by participating Member State representing the NRA	Nicole STOLK-LUYTEN	Netherlands — De Nederlandsche Bank
Member appointed by participating Member State representing the NRA	Júlia ČILLÍKOVÁ	Slovakia — Slovak Resolution Council
Member appointed by participating Member State representing the NRA	Christian BUTTIGIEG	Malta — Malta Financial Services Authority
Member appointed by participating Member State representing the NRA	Riin HEINASTE	Estonia — Finantsinspeksioon (Estonian Financial Supervision and Resolution Authority) Authority
Member appointed by participating Member State representing the NRA	Andrey GUROV	Bulgaria — Bulgarian National Bank
Member appointed by participating Member State representing the NRA	Eduard MÜLLER	Austria — Austrian Financial Market

Role	Name	Authority
Member appointed by participating Member State representing the NRA	Reima LETTO (<i>ad interim</i>)	Finland — Finnish Financial Stability Authority
Member appointed by participating Member State representing the NRA	Roman ŠUBIĆ	Croatia — Croatian National Bank
Member appointed by participating Member State representing the NRA	Birgit RODOLPHE	Germany — Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin)
Member appointed by participating Member State representing the NRA	Luís Augusto Máximo DOS SANTOS	Portugal — Banco de Portugal
Member appointed by participating Member State representing the NRA	Marko PAHOR	Slovenia — Banka Slovenije
Member appointed by participating Member State representing the NRA	Frédéric VISNOVSKY	France — Autorité de contrôle prudentiel et de résolution
Observer in accordance with Article 1.6 of RoP of Plenary Session	Petar DZELEPOV	Bulgaria — Financial Supervision Commission (FSC)
Observer in accordance with Article 1.6 of RoP of Plenary Session	Angel ESTRADA	Spain — Banco de España — (Spanish Preventive Resolution Authority)
Observer in accordance with Article 1.4 of RoP of Plenary Session	Anneli TUOMINEN	European Central Bank
Observer in accordance with Article 1.4 of RoP of Plenary Session	John BERRIGAN	European Commission — DG Financial Stability, Financial Services and Capital Markets Union
Observer in accordance with Article 1.7 of RoP of Plenary Session	Francesco MAURO	European Banking Authority

Annex III – Key performance indicators covering the 2023 cycle

#	Priority area / indicator description	Target	Value 2023	
Achieving resolvability of SRB banks and less significant institutions				
1	Number of plans approved within the cycle in RPC 2022 and 2023	108 planned (2022) 99 planned (2023)	101 (2022) ⁴⁸ 52 (2023) ⁴⁹	●
2	Number of quarterly MREL dashboards published	4	5	●
3	Number of banks assessed for resolvability and included in heat map as percentage of all banks under SRB remit	100 %	100 %	●
4	Number of deep dives/On-site inspections completed	15 deep dives	16 deep dives	●
5	Number of LSIs covered with resolution plans as percentage of the expected total	98 %	99.5 %	●
Fostering a robust resolution framework				
6	Number of expected policies published according to plan (as a percentage of the planned total)	100 %	100 %	●
7	Number of draft resolution plans reviewed for quality assurance (as a percentage of the total) within the RPC	100 %	100 % ⁵⁰	●
8	Number of position statements on external policy and regulatory files produced by the SRB	2	4	●
9	Number of engagements with third-country authorities (beyond the FSB and TPLE)	9	25	●
10	Number of new bilateral Cooperation Agreements (CoAg) for which negotiations have been concluded	3	4	●
Carrying out effective crisis management				
11	Number of centrally coordinated dry-runs carried out	2	2	●
12	Number of lessons learnt from crisis cases and dry runs that are addressed (as a percentage of the total) on an annual basis	70 %	70 % ⁵¹	●

⁴⁸ The majority of resolution plans adopted as per the planned schedule.

⁴⁹ Number of resolution plans of RPC 2023 already adopted as of 31 December 2023.

⁵⁰ This indicator measures the coverage of resolution plan quality controls not the overall quality results of the plans. For a full assessment of this area of work, see section 1.5.2 and table 1.

⁵¹ The SRB intends to address all lessons learnt issuing from crisis cases or dry runs. Nonetheless, some recommendations have an implementation horizon that goes beyond the reporting year, and therefore can only be fully addressed in following years; hence it was estimated that around 70 % of the recommendations were addressed within 2023.

#	Priority area / indicator description	Target	Value 2023			
Operationalising the SRF						
13	Increasing transparency: number of queries received during consultation that are replied to as a percentage of the total received	100 %	100 %	●		
14	Liquidity of the SRF: number of days to liquidate the SRB portfolio	5 days ⁵²	5	●		
15	Number of dry-runs organised to test the SRF and additional funding procedures	2 (1 internal, 1 external)	2	●		
SRB as an organisation						
16	Ratio between external and internal resources dedicated to specific ICT activities	1.45	1.82	●		
17	Audience outreach with social media activities	>5 %	10 %	●		
18	Number of staff positions in the establishment plan filled or covered by selection procedures (as a percentage of the total)	>99 %	99.7 %	●		
19	Budget execution rate (in commitment appropriations and excluding Chapter 32, 'contingencies')	95 %	87 % ⁵³	●		
20	Payment of invoices within the deadlines	97 %	98 %	●		
21	Number of legal advice requests replied to within time (as a percentage of the total number received)	>90 %	95.9 %	●		
Legend⁵⁴	●	●	●	●	●	●
	Overachieved	Achieved	Partially achieved	Ongoing	Some progress needed	Substantial progress needed

⁵² Approximately 99 % of the SRB Portfolio will be liquidated over a 5-day horizon split as follows: day 1: 59 % (50 % cash and 9 % securities), day 2: 10 % securities, day 3: 10 % securities, day 4: 10 % securities, day 5: 10 % securities. Timelines given are indicative following discussions with investment managers and actual timelines achieved may be faster or slower depending on prevailing market conditions.

⁵³ Overall, budget execution in commitment appropriations for all titles improved by 2 % compared to 2022, but decreased in commitment appropriations excluding contingencies, mainly due to Chapter 11 on salaries and ICT expenditures.

⁵⁴ Overachieved: >100 %; Achieved: 100-95%; Partially achieved: 95-75 %; Ongoing: 75-50 %; Some progress needed: 50-25 %; Substantial progress needed: <25 %.

Annex IV — Annual report on public access to documents in 2023

The SRB received 12 initial applications, and 7 confirmatory applications, concerning SRB documents. Several requests were related to the SRB's decisions concerning the resolution of Banco Popular and Sberbank as well as on internal organisation and HR matters.

In the majority of the cases, the SRB granted partial access to the documents requested, considering that full disclosure would have undermined the interests protected under Article 4 of the Transparency Regulation.

The SRB based its decisions on partial access and/or refusals mainly on the following exceptions to the disclosure of documents foreseen in the Regulation 1049/2001:

- ▶ Protection of the public interest as regards the financial, monetary or economic policy of the Union or a Member State (Article 4(1)(a), fourth indent of Regulation 1049/2001);
- ▶ Protection of the privacy and integrity of the individual (Article 4(1)(b) Regulation 1049/2001);
- ▶ Protection of the commercial interests of a natural or legal person, including intellectual property (Article 4(2), first indent of Regulation 1049/2001);
- ▶ Protection of court proceedings and legal advice (Article 4(2)(2) Regulation 1049/2001).

Annex V — 2023 budget implementation

TITLE I: STAFF EXPENDITURE

Budget line	Budget line description	Commitment appropriations transaction amount (1)	Executed committed amount (2)	Committed % (2)/(1)	Payment appropriations transaction amount (3)	Executed payments amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancel amount (1)-(2)
A-1100	Basic salaries	42 022 208.76	38 692 622.69	92.08 %	42 022 208.76	38 692 622.69	92.08 %	0.00	3 329 586.07
A-1101	Family allowances	4 000 000.00	3 449 053.78	86.23 %	4 000 000.00	3 449 053.78	86.23 %	0.00	550 946.22
A-1102	Expatriation and foreign residence allowances	5 500 000.00	5 041 808.16	91.67 %	5 500 000.00	5 041 808.16	91.67 %	0.00	458 191.84
A-1111	Seconded national experts	1 600 000.00	1 417 031.07	88.56 %	1 600 000.00	1 417 031.07	88.56 %	0.00	182 968.93
A-1112	Trainees	180 000.00	147 183.46	81.77 %	180 000.00	64 342.56	35.75 %	82 840.90	32 816.54
A-1130	Insurance against sickness	1 450 000.00	1 309 863.97	90.34 %	1 450 000.00	1 309 863.97	90.34 %	0.00	140 136.03
A-1131	Insurance against accidents and occupational disease	165 000.00	146 714.39	88.92 %	165 000.00	146 714.39	88.92 %	0.00	18 285.61
A-1132	Unemployment insurance	515 000.00	467 043.05	90.69 %	515 000.00	467 043.05	90.69 %	0.00	47 956.95
A-1133	Constitution or maintenance of pension rights	8 160 000.00	7 784 352.21	95.40 %	8 160 000.00	7 784 352.21	95.40 %	0.00	375 647.79
A-1140	Childbirth grants and death allowances	31 791.24	30 170.96	94.90 %	31 791.24	30 170.96	94.90 %	0.00	1 620.28
A-1141	Travel expenses for annual leave	815 000.00	661 030.53	81.11 %	815 000.00	661 030.53	81.11 %	0.00	153 969.47
A-1142	Shift work and standby duty	67 000.00	53 680.52	80.12 %	67 000.00	53 680.52	80.12 %	0.00	13 319.48
A-1149	Other allowances and grants	20 000.00	0.00	0.00 %	20 000.00	0.00	0.00 %	0.00	20 000.00
A-1200	Recruitment expenses	140 000.00	34 135.10	24.38 %	140 000.00	24 135.10	17.24 %	10 000.00	105 864.90
A-1201	Installation resettlement daily subsistence allowances, removal and travel expenses	1 200 000.00	635 913.74	52.99 %	1 200 000.00	635 913.74	52.99 %	0.00	564 086.26
A-1300	Missions and duty travel expenses and ancillary expenditure	10 000.00	5 653.31	56.53 %	10 000.00	5 153.31	51.53 %	500.00	4 346.69

Budget line	Budget line description	Commitment appropriations transaction amount (1)	Executed committed amount (2)	Committed % (2)/(1)	Payment appropriations transaction amount (3)	Executed payments amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancel amount (1)-(2)
A-1400	Restaurants and canteens	175 000.00	151 643.50	86.65 %	175 000.00	47 700.03	27.26 %	103 943.47	23 356.50
A-1410	Medical service	130 000.00	47 099.00	36.23 %	130 000.00	27 099.00	20.85 %	20 000.00	82 901.00
A-1420	Social contacts between staff	55 000.00	5 458.40	9.92 %	55 000.00	3 008.40	5.47 %	2 450.00	49 541.60
A-1422	Early childhood centres and schooling	2 200 000.00	1 919 004.08	87.23 %	2 200 000.00	1 784 522.21	81.11 %	134 481.87	280 995.92
A-1500	Further training and language courses for staff	675 000.00	479 319.46	71.01 %	675 000.00	375 054.89	55.56 %	104 264.57	195 680.54
A-1600	Administrative assistance from Community institutions	788 000.00	649 278.20	82.40 %	788 000.00	612 803.19	77.77 %	36 475.01	138 721.80
A-1601	Interim services	1 300 000.00	978 377.03	75.26 %	1 300 000.00	854 032.12	65.69 %	124 344.91	321 622.97
A-1700	Representation expenses	1 000.00	1 000.00	100.00 %	1 000.00	1 000.00	100.00 %	0.00	0.00
TOTAL TITLE I		71 200 000.00	64 107 436.61	90.04 %	58 609 000.00	63 488 135.88	89.17 %	619 300.73	7 092 563.39

TITLE II: ADMINISTRATIVE EXPENDITURE

Budget line	Budget line description	Commitment appropriations transaction amount (1)	Executed committed amount (2)	Committed % (2)/(1)	Payment appropriations transaction amount (3)	Executed payments amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancel amount (1)-(2)
A-2000	Rental costs	4 250 000.00	4 229 963.03	99.53 %	4 250 000.00	4 119 654.03	96.93 %	110 309.00	20 036.97
A-2010	Insurance	55 000.00	55 000.00	100.00 %	55 000.00	54 162.03	98.48 %	837.97	0.00
A-2020	Maintenance and cleaning	1 100 000.00	938 844.43	85.35 %	1 100 000.00	780 907.90	70.99 %	157 936.53	161 155.57
A-2030	Water, gas, electricity, heating	850 000.00	594 814.48	69.98 %	850 000.00	381 717.36	44.91 %	213 097.12	255 185.52
A-2040	Fitting out premises	2 325 000.00	2 043 698.18	87.90 %	2 325 000.00	1 273 641.59	54.78 %	770 056.59	281 301.82
A-2050	Security and surveillance of the building	2 195 000.00	1 481 580.11	67.50 %	2 195 000.00	1 064 061.99	48.48 %	417 518.12	713 419.89
A-2100	ICT equipment - Hardware and software	3 492 585.00	3 075 953.44	88.07 %	3 492 585.00	2 945 197.57	84.33 %	130 755.87	416 631.56
A-2101	ICT maintenance	3 157 021.00	1 827 696.38	57.89 %	3 157 021.00	1 495 448.80	47.37 %	332 247.58	1 329 324.62
A-2103	Analysis, programming, technical assistance and other external services for the administration of the Agency	2 532 979.00	2 385 780.33	94.19 %	2 532 979.00	993 103.50	39.21 %	1 392 676.83	147 198.67
A-2104	Telecommunication equipment	700 000.00	622 366.06	88.91 %	700 000.00	354 188.52	50.60 %	268 177.54	77 633.94
A-2200	Technical equipment and installations	200 000.00	86 027.37	43.01 %	200 000.00	35 167.87	17.58 %	50 859.50	113 972.63
A-2210	Furniture	330 000.00	79 230.19	24.01 %	330 000.00	79 230.19	24.01 %	0.00	250 769.81
A-2250	Documentation and library expenditure	1 055 000.00	1 046 759.13	99.22 %	1 055 000.00	634 763.11	60.17 %	411 996.02	8 240.87
A-2300	Stationery and office supplies	100 000.00	20 118.05	20.12 %	100 000.00	8 237.06	8.24 %	11 880.99	79 881.95
A-2320	Bank and other financial charges	200 000.00	3 000.00	1.50 %	200 000.00	0.00	0.00 %	3 000.00	197 000.00
A-2330	Legal expenses	50 000.00	39 500.00	79.00 %	50 000.00	10 167.92	20.34 %	29 332.08	10 500.00
A-2350	Miscellaneous insurance	15 000.00	1 000.00	6.67 %	15 000.00	854.11	5.69 %	145.89	14 000.00
A-2351	Administrative translations and interpretation costs	300 000.00	294 536.00	98.18 %	300 000.00	274 197.50	91.40 %	20 338.50	5 464.00
A-2352	Transportation and removal expenses	100 000.00	27 779.96	27.78 %	100 000.00	27 779.96	27.78 %	0.00	72 220.04
A-2353	Business consultancy	600 000.00	506 450.07	84.41 %	600 000.00	194 875.42	32.48 %	311 574.65	93 549.93

Budget line	Budget line description	Commitment appropriations transaction amount (1)	Executed committed amount (2)	Committed % (2)/(1)	Payment appropriations transaction amount (3)	Executed payments amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancel amount (1)-(2)
A-2354	General meetings expenditure	5 000.00	5 000.00	100.00 %	5 000.00	821.82	16.44 %	4 178.18	0.00
A-2355	Publications	15 000.00	2 000.00	13.33 %	15 000.00	0.00	0.00 %	2 000.00	13 000.00
A-2356	Other administrative expenditure	10 000.00	8 837.00	88.37 %	10 000.00	3 666.65	36.67 %	5 170.35	1 163.00
A-2400	Postage and delivery charges	50 000.00	50 000.00	100.00 %	50 000.00	43 272.56	86.55 %	6 727.44	0.00
A-2410	Telecommunication charges	487 415.00	442 965.80	90.88 %	487 415.00	311 749.20	63.96 %	131 216.60	44 449.20
TOTAL TITLE I		24 175 000.00	19 868 900.01	82.19 %	24 175 000.00	15 086 866.66	62.41 %	4 782 033.35	4 306 099.99

TITLE III: OPERATIONAL EXPENDITURE

Budget line	Budget line description	Commitments appropriations transaction amount (1)	Executed committed amount (2)	Committed % (2)/(1)	Payments appropriations transaction amount (3)	Executed payments amount (4)	% Paid (4)/(3)	Carried over RAL of non-differentiated appropriations* (C8) (2)-(4)	Cancel amount commitment appropriations (1)-(2)	Cancel amount payment appropriations (3)-(4)-(carried over)*
B3-100	Governance	75 000.00	74 174.42	98.90 %	75 000.00	54 678.82	72.91 %	19 495.60	825.58	825.58
B3-101	Support activities to the Fund	15 875 000.00	14 226 261.67	89.61 %	5 060 000.00	3 889 482.52	76.87 %	0.00	1 648 738.33	1 170 517.48
B3-102	Resolution Readiness	1 250 000.00	1 250 000.00	100.00 %	770 000.00	510 532.50	66.30 %	0.00	0.00	259 467.50
B3-103	Resolution Framework	650 000.00	443 528.19	68.24 %	800 000.00	229 103.15	28.64 %	0.00	206 471.81	570 896.85
B3-111	Communication	1 900 000.00	1 520 584.14	80.03 %	1 500 000.00	1 011 665.35	67.44 %	0.00	379 415.86	488 334.65
B3-112	Missions	1 300 000.00	1 110 504.90	85.42 %	1 300 000.00	1 010 504.90	77.73 %	100 000.00	189 495.10	189 495.10
B3-113	Software package and information systems	4 200 000.00	3 068 532.83	73.06 %	3 990 000.00	3 262 481.68	81.77 %	0.00	1 131 467.17	727 518.32
B3-114	Computing and telecommunications machinery equipment	6 480 000.00	5 330 575.33	82.26 %	6 155 000.00	5 214 664.20	84.72 %	0.00	1 149 424.67	940 335.80
B3-115	IT services: consulting software development and support	1 000 000.00	765 570.23	76.56 %	1 000 000.00	424 570.23	42.46 %	341 000.00	234 429.77	234 429.77
B3-200	Appeal Panel	1 000 000.00	0.00	0.00 %	1 000 000.00	0.00	0.00 %	0.00	1 000 000.00	1 000 000.00
B3-201	Communications during crisis	3 000 000.00	0.00	0.00 %	3 000 000.00	0.00	0.00 %	0.00	3 000 000.00	3 000 000.00
B3-202	Contingency for the Fund	10 000 000.00	8 122 972.59	81.23 %	10 000 000.00	4 978 370.88	49.78 %	0.00	1 877 027.41	5 021 629.12
B3-203	Legal and Litigation	25 000 000.00	14 077 721.00	56.31 %	15 000 000.00	5 072 543.28	33.82 %	0.00	10 922 279.00	9 927 456.72
B3-204	Consultancy and advice	50 000.00	12 000.00	24.00 %	50 000.00	227.83	0.46 %	11 772.17	38 000.00	38 000.00
B3-205	Crisis contingency	75 000.00	74 174.42	98.90 %	75 000.00	54 678.82	72.91 %	19 495.60	825.58	825.58
TOTAL TITLE III		71 780 000.00	50 002 425.30	69.66 %	49 700 000.00	25 658 825.34	51.63 %	472 267.77	21 777 574.70	23 568 906.89

**Non-Differentiated budget lines are on 3100,3112,3200 & 3205

TOTAL SRB BUDGET PART I 2023

Budget line	Budget line description	Commitments appropriations transaction amount (1)	Executed committed amount (2)	Committed % (2)/(1)	Payments appropriations transaction amount (3)	Executed payments amount (4)	% Paid (4)	Carried over RAL of non-differentiated appropriations (C8) (2)-(4)	Cancel amount commitment appropriations (1)-(2)	Cancel amount payments appropriations (3)-(4)
	TOTAL SRB BUDGET PART I	167 155 000.00	133 978 761.92	80.15 %	145 075 000.00	104 233 827.88	71.85 %	5 873 601.85	33 176 238.08	34 967 570.27

**BUDGET IMPLEMENTATION 2023 – PART II – SINGLE RESOLUTION FUND
BUDGET EXECUTION AND SOURCE R0-ASSIGNED REVENUE – 2023**

Budget Lines	Budget available at 01/01/2023 in commitment appropriations	Budget available at 01/01/2023 in payment appropriations	Final appropriations in commitment appropriations	Final appropriations in payment appropriations	Committed before 2023	Total committed in 2023(3)	% committed (3)/(1)	Total paid (4)	% paid (4)/(2)	Carry-over commitment appropriation (1)-(3)	Carry-over payment appropriation (2)-(4)
B4-000 Usage of the Fund within Resolution schemes	0.00	1.00	0	1	0	0	0%	0	0%	0	1
B4-010 Investments	59 107 772 177.56	59 107 772 177.56	69 832 081 181.50	69 832 081 181.50	0	0	0%	0	0%	69 832 081 181.50	69 832 081 181.50
B4-011 Investment returns	367 299 388.81	471 707 526.71	759 699 257.90	759 699 257.90	104 408 137.90	25 767.43	0.00%	13 057.35	0.00%	759 673 490.47	759 686 200.55
B4-031 Bank fees and charges	1 685.40	3 849.40	8 164.00	8 164.00	2 164.00	6 636.00	81.28%	4 590.20	56.22%	1 528.00	3 573.80
B4-032 Commitment fees on bridge financing arrangements	0.00	0.00	0.00	0.00	0.00	0.00	0.00%	0.00	0%	0.00	0.00
TOTAL SRB BUDGET PART II	47 146 077 040.60	59 579 483 554.67	70 591 788 603.40	70 591 788 604.40	104 410 301.90	32 403.43	0.00%	17 647.55	0.00%	70 591 756 199.97	70 591 770 956.85

INSCRIPTION TITLE IX-BUDGETARY RESULT OF YEAR N-1(ARTICLE 16 OF SRB FINANCIAL REGULATION)

BL	Budget Lines	Commitments appropriations	Commitments established	% Committed	Payments appropriations	Payments executed	Paid %	Carried over commitment appropriations	Carried forward payments appropriations
B9-000	Balancing from the reserve	24 724 277.99	0.00	0.00%	24 724 277.99	0.00	0.00%	24 724 277.99	24 724 277.99

Annex VI — 2023

Establishment plan and additional information on human resources management

2023 ESTABLISHMENT PLAN

Category and grade	2022		2023	
	Establishment Plan in voted EU budget	Actual staff at year-end	Establishment Plan in voted EU budget	Actual staff at year-end
AD16	0	0	0	0
AD15	0	0	0	0
AD14	0	0	1	0
AD13	6	2	3	3
AD12	9	5	8	6
AD11	13	8	11	6
AD10	19	11	20	23
AD9	57	45	59	45
AD8	75	62	80	67
AD7	71	60	76	66
AD6	78	89	87	75
AD5	47	72	38	75
Total AD	375	354	383	366
AST11	0	0	0	0
AST10	0	0	0	0
AST9	0	0	0	0
AST8	0	0	0	0
AST7	0	0	2	0
AST6	3	2	7	4
AST5	10	11	16	12
AST4	25	21	20	19
AST3	9	15	6	15
AST2	4	1	0	0
AST1	0	0	0	0
Total AST	51	50	51	50

Category and grade	2022		2023	
	Establishment Plan in voted EU budget	Actual staff at year-end	Establishment Plan in voted EU budget	Actual staff at year-end
AST/SC6	0	0	0	0
AST/SC5	0	0	0	0
AST/SC4	0	0	2	0
AST/SC3	12	2	10	5
AST/SC2	9	14	10	7
AST/SC1	3	5	1	8
Total AST/SC	24	21	23	20
Grand total	450	425	457	436
SNE	35	20	35	22

STAFF NUMBERS BY NATIONALITY AT THE END OF 2023

Nationality	Number	Percentage of total
Belgium	44	10.14 %
Bulgaria	15	3.44 %
Czechia	2	0.46 %
Denmark	1	0.23 %
Germany	31	7.11 %
Estonia	1	0.23 %
Ireland	9	2.06 %
Greece	56	12.84 %
Spain	51	11.70 %
France	38	8.72 %
Croatia	6	1.38 %
Italy	75	17.20 %
Cyprus	6	1.38 %
Latvia	3	0.69 %
Lithuania	3	0.69 %
Luxembourg	1	0.23 %
Hungary	4	0.92 %
Malta	2	0.46 %
Netherlands	3	0.69 %
Austria	4	0.92 %
Poland	21	4.82 %
Portugal	7	1.61 %
Romania	35	8.03 %
Slovenia	6	1.38 %
Slovakia	4	0.92 %

Nationality	Number	Percentage of total
Finland	2	0.46 %
Sweden	2	0.46 %
United Kingdom	4	0.92 %
Total	436	100 %

STAFF NUMBERS BY GENDER AT THE END OF 2023

Gender	Number	Percentage of total
Female	194	44.50 %
Male	242	55.50 %
Total	436	100 %

Function Group	Male	Female
AST/SC	4	16
AST	17	33
AD	221	145
Total	242	194

Annex VII — Provisional annual accounts

STATEMENT OF FINANCIAL POSITION 31 DECEMBER 2023 (EUR)⁵⁵

Description	31/12/2023	31/12/2022	Variation
NON-CURRENT ASSETS	15 581 357 331.14	19 460 453 640.42	-3 879 096 309.28
Intangible Fixed assets	7 251 626.57	9 655 262.05	-2 403 635.48
Tangible Fixed assets	5 109 582.40	3 576 258.88	1 533 323.52
Debt instruments measured at fair value through net assets/equity (non-current)	15 568 996 122.17	19 447 222 119.49	-3 878 225 997.32
Long-term pre-financing	0.00	0.00	0.00
Long-term receivables	0.00	0.00	0.00
CURRENT ASSETS	61 845 297 497.76	44 188 302 993.53	17 656 994 504.23
Debt instruments measured at fair value through net assets/equity (current)	10 083 442 401.14	4 546 570 589.29	5 536 871 811.85
Short-term pre-financing	718 692 29	518 712.79	199 979.50
Short-term receivables	167 246 433.77	54 985 837.67	112 260 596.10
Cash and Cash equivalents	51 593 889 970.56	39 586 227 853.78	12 007 662 116.78
TOTAL ASSETS	77 426 654 828.90	63 648 756 633.95	13 777 898 194.95
NET ASSETS	68 462 051 116.80	56 609 270 955.25	11 852 780 161.55
Accumulated Reserves	58 912 328 539.06	46 613 025 119.51	12 299 303 419.55
Economic outturn of the year (Fund)	10 976 718 093.04	12 299 303 419.55	-1 322 585 326.51
Economic outturn of the year (administrative)	0.00	0.00	0.00
Fair Value revaluation reserve	-1 428 240 702.50	-2 306 296 889.96	878 056 187.46
Net assets from actuarial gains/losses	1 245 187.20	3 239 306.16	-1 994 118.96
NON-CURRENT LIABILITIES	8 698 557 806.79	7 019 245 215.86	1 679 312 590.93
Provisions for risks and charges	280 000.00	280 000.00	0.00
Employee benefits	14 654 633.31	11 587 188.65	3 067 444.66
Long-term liabilities from SRB specific activities (IPC)	8 630 765 774.68	6 955 224 234.28	1 675 541 540.40

⁵⁵ Provisional Annual Accounts are sent to the European Court of Auditors and an external audit firm who carry out financial audits. Hence, they are subject to change.

Description	31/12/2023	31/12/2022	Variation
Other long-term liabilities	52 857 398.80	52 153 792.93	703 605.87
CURRENT LIABILITIES	266 045 905.31	20 240 462.84	245 805 442.47
Provisions for risks and charges (short-term)	1 652 812.50	64 200.00	1 588 612.50
Payables	264 393 092.81	20 176 262.84	244 216 829.97
TOTAL RESERVES AND LIABILITIES	77 426 654 828.90	63 648 756 633.95	13 777 898 194.95

STATEMENT OF FINANCIAL PERFORMANCE (EUR)

Heading	2023	2022	Variation
OPERATING REVENUES	9 706 101 337.26	12 336 466 302.30	-2 630 364 965.04
Non-exchange revenues from fund contributions	9 598 298 246.76	12 239 925 332.62	-2 641 627 085.86
Other non-exchange revenues from administrative contributions	107 620 864.94	96 533 644.68	11 087 220.26
Other exchange operating revenues	9 659.47	7 325.00	2 334.47
Revenues from exchange administrative operations	172 566.09	0.00	172 566.09
OPERATING EXPENSES	-107 956 464.82	-95 464 020.39	-12 492 444.43
Operating expenses	-13 952 180.03	-13 934 912.19	-17 267.84
Administrative expenses	-94 004 284.79	-81 529 108.20	-12 475 176.59
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES	9 598 144 872.44	12 241 002 281.91	-2 642 857 409.47
Financial revenues	1 372 260 506.73	134 502 803.49	1 237 757 703.24
Financial expenses	-4 742.57	-95 170 099.00	95 165 356.43
Movement in Expected Credit Loss (Financial Instrument FVTNAE)	7 796 396.70	20 165 345.50	-12 368 948.80
Movement in post-employment benefits (pensions and transitional allowance)	-1 478 940.26	-1 196 912.35	-282 027.91
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	10 976 718 093.04	12 299 303 419.55	-1 322 585 326.51
Extraordinary gains	0.00	0.00	0.00
Extraordinary losses	0.00	0.00	0.00
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	0.00	0.00	0.00
ECONOMIC RESULT OF THE YEAR	10 976 718 093.04	12 299 303 419.55	-1 322 585 326.51

Annex VIII — Procurement procedures launched in 2023

Types of procurement procedures launched in 2021	Number
Very low-value negotiated procedure (1 000.01-15 000.00)	23
Low-value and middle value negotiated procedure (15 000.01 < 139 000.00)	3
Open procedure (>=139 000.00)	3
Restricted procedure (>=139 000.00)	-
Special Negotiated Procedure	17
Competitive Procedure with Negotiation	-
Re-opening of Competition under SRB & Inter-Institutional Framework Contracts	6
Derogation from procurement procedure	-

OPEN PROCEDURE (>=139 000 00)

Contract number	Subject	Status	Awarded ceiling
OP/1/2023	Provision of Strategic Consultancy, Advice on Investment Banking and Corporate Finance	Awarded	30 000 000
OP/2/2023	Provision of Analysis of financial statements and accounting advice	In progress	-
OP/3/2023	Provision of training services in resolution related topics	In progress	-

SPECIAL NEGOTIATED PROCEDURES (ART 11)

Contract number	Subject	Legal basis	Status	Awarded ceiling
SRB/NEG/05/2023	Provision of professional legal services in the context of prelitigation legal advice with regard to a human resource related matter	Annex I, point 11.1.h	Awarded	15 000.00
SRB/NEG/13/2023	Provision of professional legal services for litigation	Annex I, point 11.1.h	Awarded	100 000.00
SRB/NEG/15/2023	RIPE IP Services	Annex I, point 11.1.b(ii)	Awarded	16 000.00
SRB/NEG/17/2023	Summer event 2023 – Catering	Annex I point 11.1.(b)(ii)	Awarded	38 439.00
SRB/NEG/23/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	900 000.00
SRB/NEG/24/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	990 000.00
SRB/NEG/25/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	650 000.00
SRB/NEG/26/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Cancelled	-
SRB/NEG/28/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	100 000.00
SRB/NEG/31/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	80 000.00
SRB/NEG/37/2023	Provision of advice and assistance on economic and financial valuation services (V3)	Annex I, point 11.1.b(ii)	Awarded	240 000.00
SRB/NEG/38/2023	Provision of legal advice	Annex I, point 11.1.b(ii)	Awarded	2 680 000.00
SRB/NEG/39/2023	Provision of advice and assistance on economic and financial valuation services	Annex I, point 11.1.b(ii)	Awarded	4 100 000.00
SRB/NEG/41/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	320 000.00
SRB/NEG/42/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	800 000.00
SRB/NEG/43/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	240 000.00
SRB/NEG/46/2023	Provision of legal services for litigation	Annex I, point 11.1.h	Awarded	100 000.00

LOW & MIDDLE VALUE NEGOTIATED PROCEDURES (15000.01 ≤ 139 000.00)

Contract number	Subject	Status	Awarded ceiling
SRB/NEG/06/2023	Supply of operational budget audit services for 2023	Cancelled	-
SRB/NEG/19/2023	Catering Services for SRB Away Day	Awarded	28 426.94
SRB/NEG/22/2023	Provision of legal services in Belgian Law	In progress	-

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