



2024 RESOLUTION PLANNING CYCLE

SINGLE RESOLUTION BOARD

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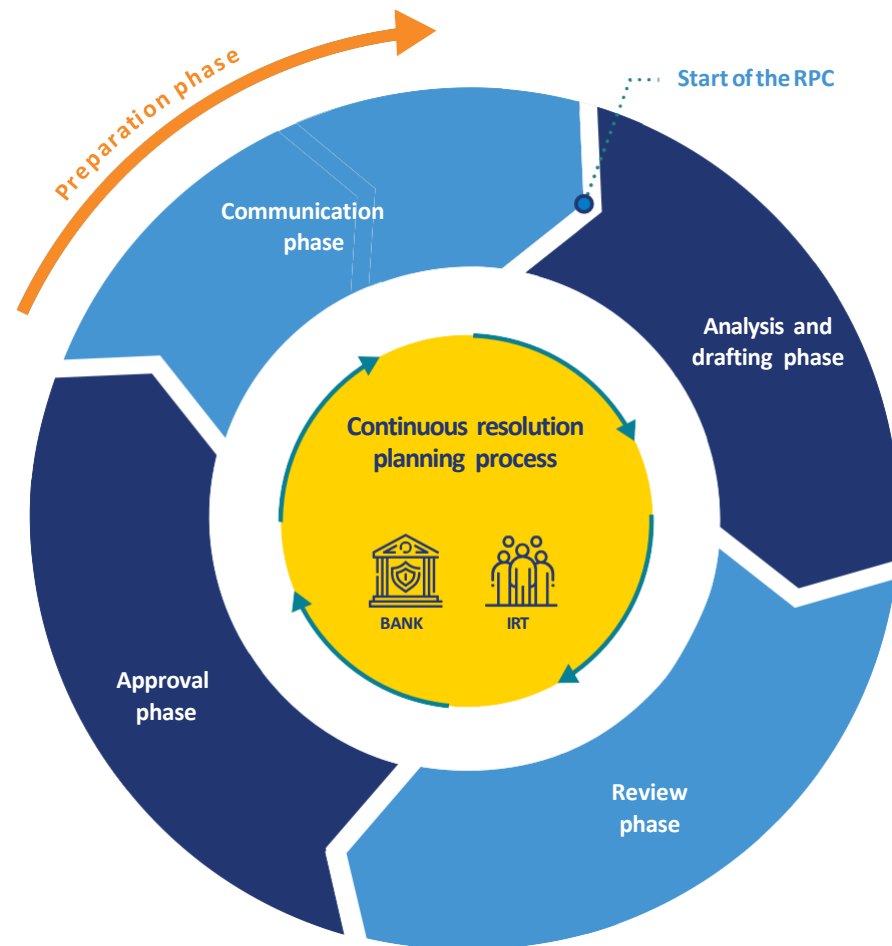


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1 Overview and cooperation

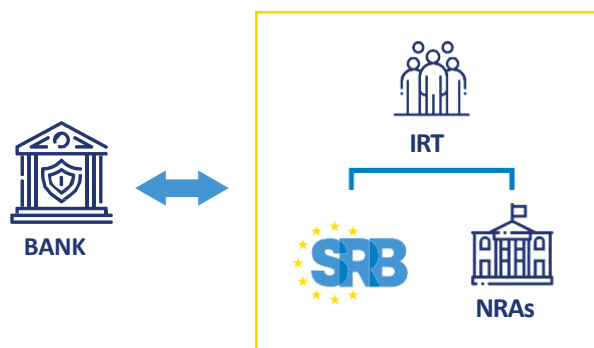
1.1. The resolution planning cycle

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



1.2. Cooperation on resolution planning

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



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

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



Contact details of the 21 NRAs in the Banking Union



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

1.3. Cooperation on resolution planning

The SRB works in close cooperation with the resolution authorities (RAs) in the EU outside the Banking Union and other resolution authorities worldwide, through a number of different structures.



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



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



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

Banks under SRB remit

		 SRM
Number of banks under SRB remit		115
thereof	Banks with resolution college	16
	Banks without resolution college	90
	Banks with European resolution college	2
	EU hosted banks¹	7²

In addition, the SRB has established 6 CMGs for G-SIBs located in the EU Banking Union.

- Direct coverage of all systemically important and cross-border institutions represents around 85% of Banking Union total assets in Q3 2023³.

	 BE	 BG	 DE	 EE	 IE	 EL	 ES
Number of banks	7	1	25	3	5	4	10

	 FR	 HR ⁴	 IT	 CY	 LV	 LT	 LU
Number of banks	12	0	12	2	3	3	3

	 MT	 NL	 AT	 PT	 SI	 SK ⁴	 FI
Number of banks	2	7	7	3	3	0	3

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

² There are three subsidiaries of one banking group classified as host case.

³ Source: ECB Statistical Data Warehouse.

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

2

SRB resolution planning approach

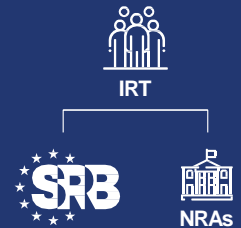
2.1. Analysis and Drafting phase

IRTs at the SRB

During the RPC, the IRTs:

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

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



Content of the resolution plan

Chapter 1:

Management Summary

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

Chapter 2:

Strategic business analysis

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

Chapter 3:

Preferred/variant resolution strategy

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

Chapter 4:

Financial and operational continuity

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

Chapter 5:

Governance, information and communication

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

Chapter 6:

Conclusion of the assessment of resolvability

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

Introduction to resolution planning



Download the Introduction
to Resolution Planning



Information used for resolution planning

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

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

2.2. Review phase

The review phase consists of:

- ▶ **SRB quality assurance**
- ▶ **ECB consultation**

SRB quality assurance:

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

ECB consultation:

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

2.3. Approval phase



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

Where there is no RC:

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

For banks with a RC:

a joint decision should be sought in the RC within 4 months.

This involves preparing joint decision timetables and written arrangements to ensure smooth and efficient functioning of the RC.



For MREL:

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

The **approval phase** includes:

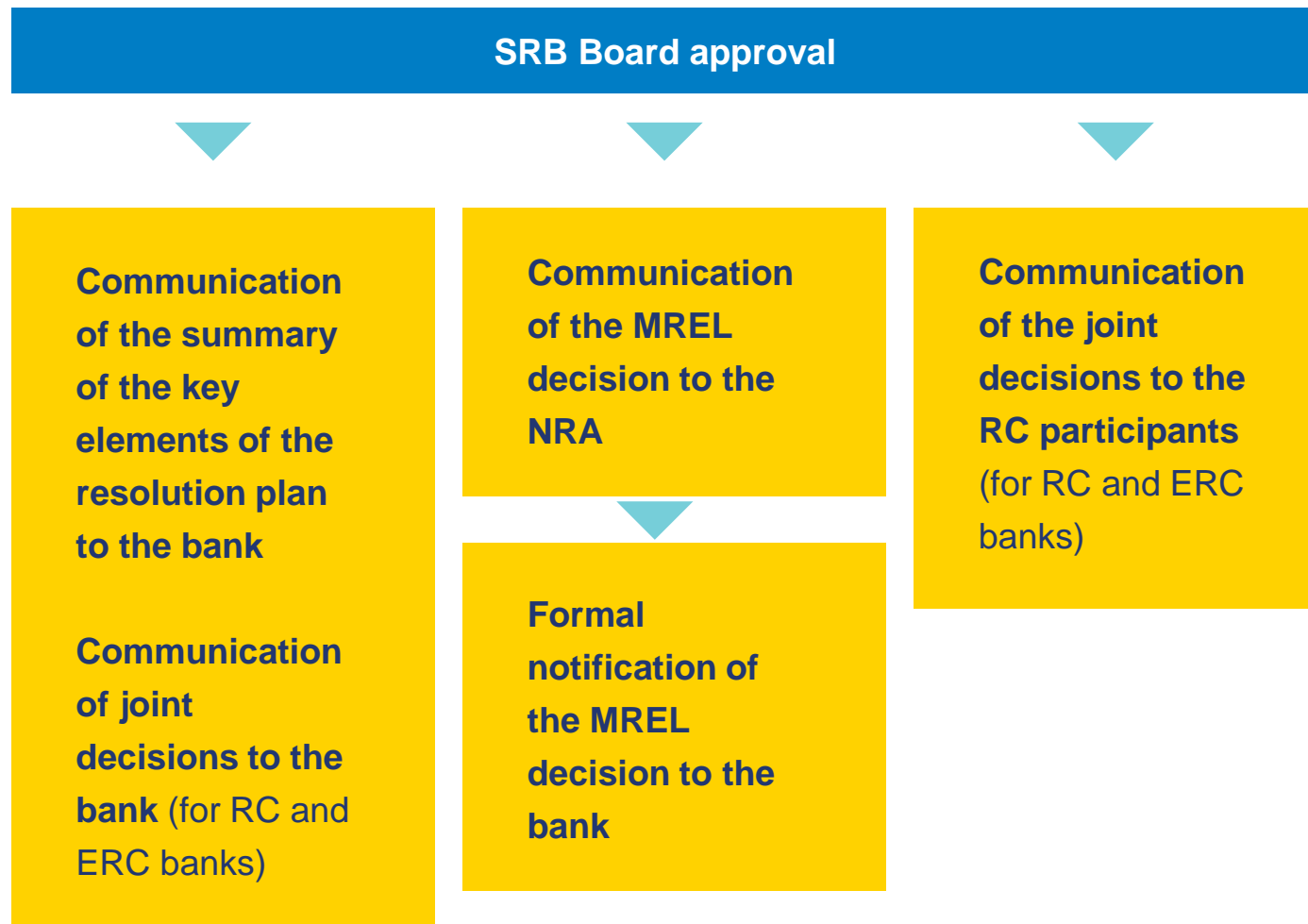
- ▶ concluding joint decisions of **RCs** (if applicable);
- ▶ the final approval of the resolution plans and MREL decisions by the **SRB Board in its ExExS**, composed of the Chair and Vice-Chair and four full-time Board Members, as well as the representatives of the relevant NRA(s) for the relevant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

The SRB:

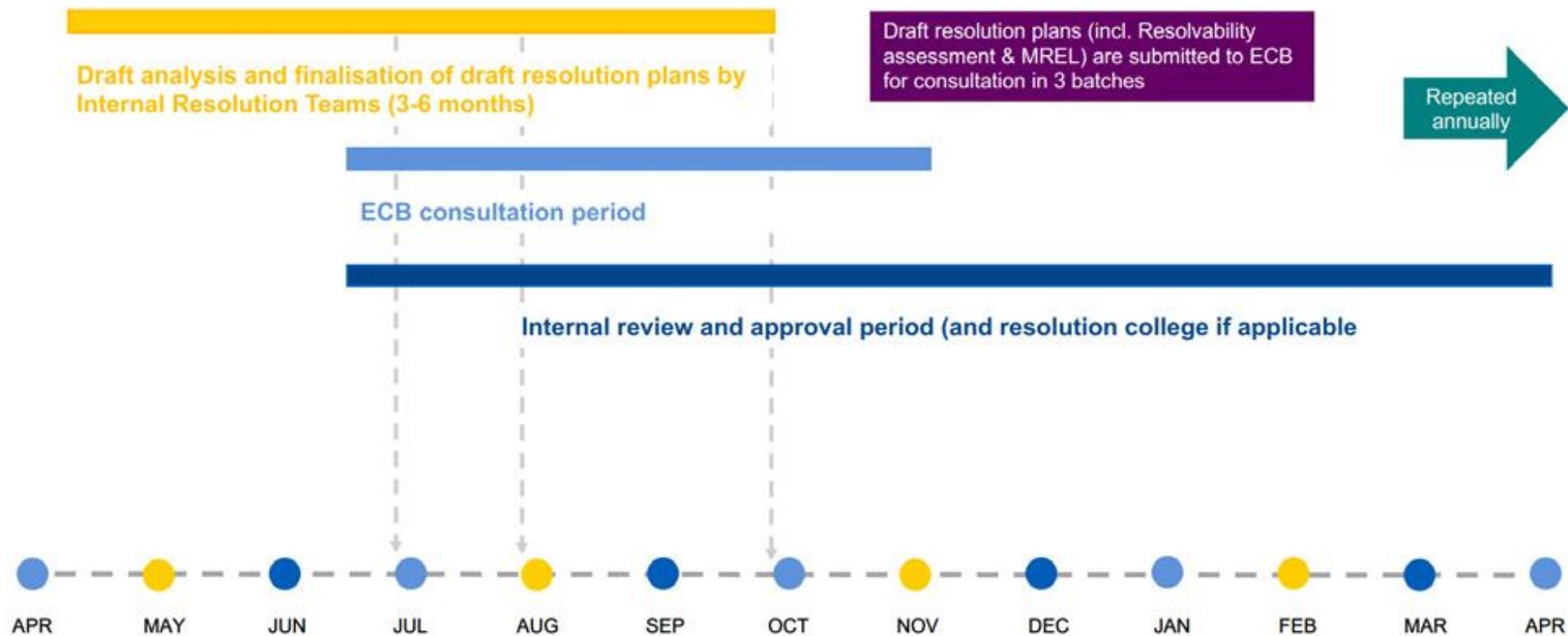
1. Develops a detailed planning of the approval steps for each resolution plan, MREL determination and resolvability assessment;
2. Prepares harmonised decision templates to ensure consistency and level playing field across banking groups in the SRB's remit;
3. Ensures transparency vis-a-vis other authorities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

2.4. Communication phase

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



2.5. Timeline



2.6. Main highlights of the 2023 RPC

- ▶ Starting from April 2023, the SRB updated, further operationalised and approved **96 resolution plans**⁵.
- ▶ The IRTs continued to monitor progress on **MREL build-up**, in view of banks' compliance with the final targets as of 1 January 2024.



Download the EfB

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

⁵ The number of resolution plans is lower than the number of banks under SRB remit (slide 6) since some institutions might have foreseen integration with another banking group or IRTs have bundled resolution plans.

- ▶ Banks continued their gradual phasing-in of the SRB **Expectations for Banks (EfB)*** in order to reach resolvability by the final target end 2023, among others, through the following priorities for the 2023 RPC:
 - **A common priority on liquidity and funding in resolution for all banks with resolution strategy:** to assess banks' processes and capabilities to measure and report liquidity and funding needs in resolution.
 - **Targeted priorities for certain cluster of banks (with shared similarities) on:**
 - Bail-in operationalisation (including a more extensive dry-run on bail-in playbooks) and analysis of the internal loss-transfer mechanisms;
 - Continuation of the work on separability;
 - Solvent wind-down of trading activities;
 - Continuation of the work on business reorganisation plan as part of the open bail-in strategy.
- ▶ The SRB communicated these priorities, together with bank-specific priorities, to the banks through the SRB priority letters in September/October 2022.
- ▶ For those areas of resolvability where banks did not show sufficient progress in line with the EfB, the IRTs **ensured closer monitoring**.

3

Key elements of the 2024 resolution planning cycle

3.1. Key elements of the 2024 RPC

- ▶ The SRB will **monitor the banks' compliance with the EfB** which were phased-in by end 2023.
- ▶ The SRB has set the **2024 policy milestones** and accompanied them with concrete **work priorities in the 2024 RPC** communicated to banks in 2023.
- ▶ As a new element, the SRB has launched **SRM Vision 2028** to implement a new strategy for the SRM from 2024 to 2028. In this context, the SRB will focus its resolution planning activities on **testing banks' resolvability** and the **operationalisation of the resolution strategies** defined in the resolution plans. This will be integrated into the annual RPC without changing its overall timelines and key elements .



For SRM Vision 2028, see
chapter 3.5

3.2. Resolution planning approach in 2024

General milestones in 2024

- ▶ **Policy work** in 2024 will focus on lessons learned from the application of the existing policies, specific areas (e.g. revision of the resolvability assessment methodology) and activities linked to the strategic review.
- ▶ Conducting **close monitoring of resolvability** and preparation of the **substantive impediments** procedure for those banks which show insufficient progress towards achieving resolvability.
- ▶ Conducting close **monitoring** of the final **MREL** targets, which became binding as of 1 January 2024.
- ▶ Update the **deep-dive guidance, build the on-site inspection guidance** and conduct more deep dives and **on-site inspections**.
- ▶ Start of the **preparation of the 2025 RPC**: banks will receive the bank-specific 2025 SRB priority letters in 2024.



SRB work priorities in the 2024 RPC

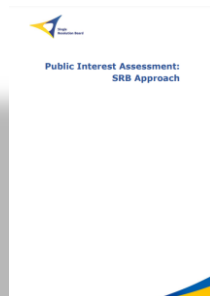
- ▶ The SRB has set two common working priorities for 2024 for all banks under its remit:
 - conduct the **first testing of their capabilities for the timely provision of high quality valuation data**, using the SRB Valuation Data Set (referred to as 2024 valuation testing);
 - **conduct a liquidity exercise** based on the scope agreed by the IRTs by means of reporting the Joint SRB/ECB Liquidity Template to strengthen the reporting capabilities of the liquidity situation during and after resolution, while taking into account the SRB's feedback on the exercise conducted in October 2023.
- ▶ **Targeted priorities for certain cluster of banks (with shared similarities, e.g. preferred resolution strategy)** on:
 - testing of bail-in readiness through a dry-run focussing on MIS capabilities, internal execution and communication depending on the bank's progress;
 - separability;
 - solvent wind-down of trading activities.
- ▶ The SRB communicated these priorities, together with bank-specific priorities, to the banks through the **SRB 2024 priority letters** in September/October 2023.

3.3. Key policies and guidance documents of the 2024 RPC *

KEY POLICIES



• **Expectations for Banks**
(published April 2020)



• **Public Interest Assessment**
(published June 2019)



• **2024 MREL Policy**
(Published May 2024)

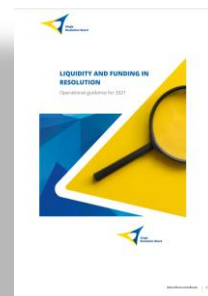
• **Addendum**
(from May 2021)

• **Addendum**
(from May 2022)

OPERATIONAL GUIDANCE



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



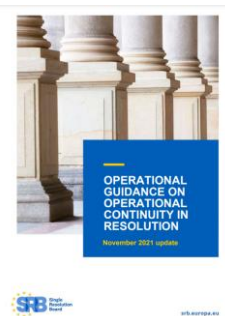
• **Guidance on liquidity and funding in resolution**
(Principle 3.1. EfB)
(published April 2021)



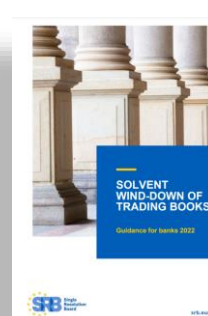
• **Operational guidance for banks on liquidity: measurement and reporting of the liquidity situation in resolution**
(Principle 3.2. EfB)
(published June 2023)



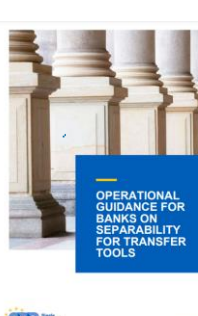
• **Guidance on liquidity: identification and mobilisation of collateral in resolution**
(Principle 3.3. EfB)
(published March 2022)



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



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

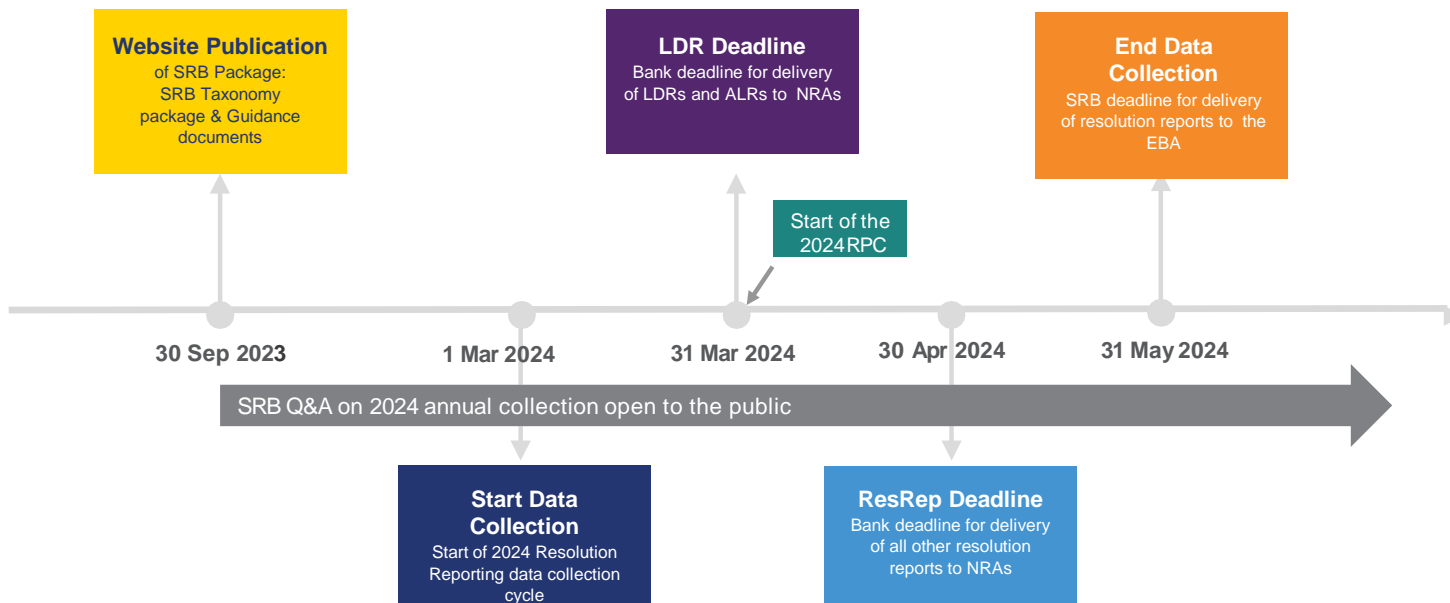


• **Operational guidance for banks on separability for transfer tools**
(published October 2021)



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

3.4. 2024 Resolution Reporting for banks



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

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

3.5. Vision 2028 – new plan to take the SRM to 2028



- In 2024, the **SRB entered into a new phase** of work moving its main focus from resolution planning to crisis readiness.
- The past achievements such as banks building up capabilities to comply with the EfB and steady-state MREL targets, the drafting of fully-fledged resolution plans, the development of policies and operational guidance as well as the establishment of a structured RPC process laid the ground for this new phase of the SRB's, and, more broadly, the SRM's, work.
- The increased focus on the operationalisation of resolution strategies and resolvability testing represents a cornerstone of the **SRM Vision 2028** and the **SRB Multi-annual Work programme 2024-2028** recently published.
- The new strategy will leverage on the work launched in cooperation with the industry and other stakeholders in previous years.

3.5. SRM Vision 2028 – new plan to take the SRB to 2028

General foundation for resolution planning implemented through the annual RPCs

Key areas for resolution planning	Less emphasis on the review/ update of the resolution plan	Relevant SRB milestones in 2024
<ul style="list-style-type: none">▶ Operationalisation of bank-specific resolution strategies: (e.g. enhancements of banks' playbooks for the execution of the resolution tools).▶ Testing of resolvability capabilities by banks: Testing exercises will be requested from banks on a larger scale based on a holistic multi-annual testing approach.	<ul style="list-style-type: none">▶ As part of the RPC, banks will be requested to perform more testing exercises (including lessons learnt and follow-up work, if needed), while reducing the input for the annual review/update of the resolution plan.▶ This will be accompanied by dedicated measures to simplify the resolution planning process to keep the overall efforts and resources allocated by the industry at a reasonable level.	<ul style="list-style-type: none">▶ 2024 MREL Policy (published in May 2024)▶ Publish the Minimum Bail-in Data Template (MBDT) as a standardised data collection format for bail-in execution.▶ Revisit its resolvability assessment methodology in 2024.▶ Publish holistic bank guidance on resolvability testing by banks for upcoming RPCs.

3.6. IRIS

IRIS (Integrated Resolution Information System) is a new SRB platform where SRB and external stakeholders carry out resolution planning and oversight activities for the banks under SRB's remit.

Single collaborative environment for an efficient interaction between SRB and external stakeholders

Secured platform to store, share and co-author documents between SRB and external stakeholders



Used by more than 2000 users from SRB, NRAs, NCAs, ECB, members of RCs, CMGs and banks

Composed of bank-specific workflows with tasks for each milestone of key resolution planning processes, e.g. the 2024 RPC

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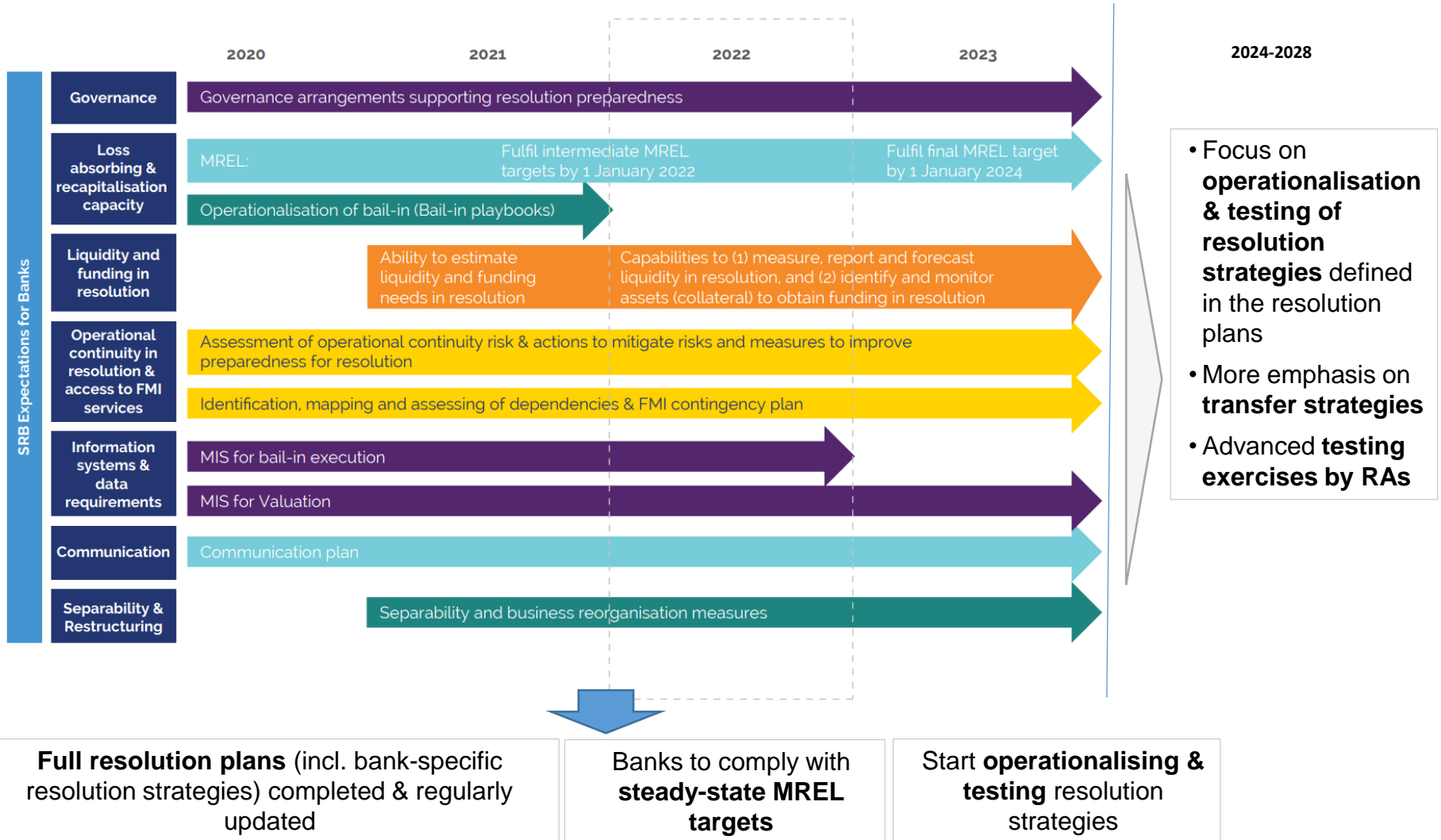
Assessing bank resolvability

4.1. Banks' resolvability: state of play

- ▶ The SRB [2024 Work Programme](#) sets out the SRB's roadmap for the shift from resolution planning to operationalisation, resolution testing and crisis readiness, ensuring that each plan and preferred resolution strategy can be implemented and at short notice.
- ▶ The SRB EfB will remain the general reference for banks' resolvability capabilities and IRTs' resolvability assessment. SRB plans to [revisit its resolvability assessment methodology](#) and provide a [resolvability self-assessment template](#) (public consultation in Q3 2024).
- ▶ The SRB will start a review of the quality control process, also in light of the work on simplification of the RPC and the resolution plans.

4.2. Key achievements

SRB Efb phase-in across the RPCs in previous years





4.3. Resolvability monitoring, testing and substantive impediments

- ▶ Resolvability monitoring is an integral part of resolution planning. The SRB EfB set out the operational capabilities banks are expected to demonstrate to show they are resolvable. These capabilities were **gradually phased-in** for most banks by end 2023. These expectations determine best practice and benchmarks for assessing resolvability according to common criteria across the BU.
- ▶ Banks' progress on resolvability is documented in the **resolvability assessment** and included in the resolution plans.
- ▶ IRTs base their resolvability assessment, among others, on a target/performance **comparison** of banks' annual resolvability work programme and annual resolvability self-assessment reports with the EfB and the annual SRB priority letter.
- ▶ As set out in its 2024 Work Programme, the SRB will organise **testing of banks' resolvability capabilities** in accordance with a multi-annual testing programme aligned with the EBA Guidelines on improving resolvability.



- ▶ The SRB is benchmarking banks' resolvability progress in a **heatmap**, which is a dedicated tool based on the **resolvability assessment exercise**.
- ▶ The SRB published for the first time its **assessment of banks resolvability and heatmap** in 2022. In 2024, the SRB will publish its third assessment of banks' resolvability.
- ▶ If impediments are identified, depending on how significant these are, the SRB will ask banks to address them:
 - Through dedicated corrective actions, under **close monitoring** by the IRTs, or
 - By starting the **formal procedure for addressing substantive impediments** to resolvability.

Abbreviations

ALR Additional Liability Data Report

BRRD Bank Recovery and Resolution Directive

CEO Chief Executive Officer

CFR Critical Functions Report

CIR Commission Implementing Regulation
2018/1624

CMG Crisis Management Group

COREP Common Reporting Framework

EBA European Banking Authority

ECB European Central Bank

EfB SRB Expectations for Banks

EU European Union

ExExS SRB Extended Executive Session

FINREP Financial Report Framework

FMI Financial Market Infrastructure

FMIR Financial Market Infrastructure Report

FSB Financial Stability Board

GLRA Group Level Resolution Authority

G-SIBs Global Systematically Important Banks

IRT Internal Resolution Team

JST Joint Supervisory Team

LDR Liability Data Report

MIS Management Information Systems

MREL Minimum Requirements for own funds
and Eligible Liabilities

NCA National Competent Authority

NRA National Resolution Authority

RAP Resolvability Assessment Process

RC Resolution College

RPC Resolution Planning Cycle

RTBH Right To Be Heard

SSM Single Supervisory Mechanism

TLAC Total Loss-Absorbing Capacity

