

SINGLE RESOLUTION BOARD

2021 Resolution Planning Cycle (RPC) Booklet



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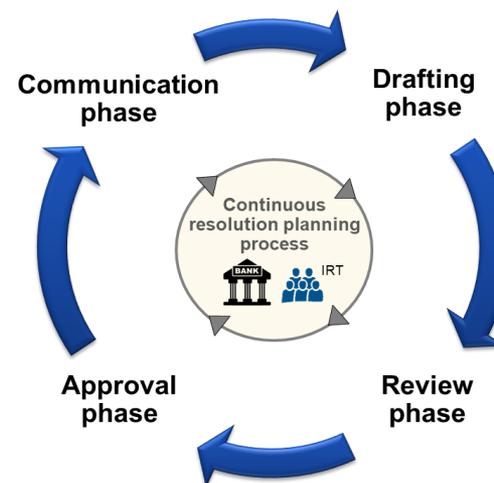
1 | PREVIOUS CYCLE: ACHIEVEMENTS AND CHALLENGES

Key achievements in the 2020 Resolution Planning Cycle (RPC):

- In 2020, the SRB successfully applied for the first time the 12-month RPC that was prepared during 2019.

The new steady state RPC

- realigns all SRB banks on the same 12-month cycle,
- starts in the beginning of the second quarter of each calendar year,
- leads to an optimised timing of SRB decision-taking and reference dates,
- supports the implementation of the Banking Package and the legal requirement to review resolution plans at least annually, and
- is aligned with the SRB's external stakeholder's processes.



1 | PREVIOUS CYCLE: ACHIEVEMENTS AND CHALLENGES

Key achievements in the 2020 RPC:

- Publication of the [SRB Expectations for Banks](#) (EfB) in April 2020 and start of their gradual phase-in by banks to become fully resolvable;
- Development, update and approval of 106 fully-fledged resolution plans for all SRB banks in the 2020 RPC;
- Implementation of the new Banking Package published mid 2019 and setting of binding intermediate and final targets of external and internal MREL under BRRD2;
- Close monitoring of the progress on the 2020 work priorities by the banks under the Internal Resolution Teams' (IRTs) steer including, for example, review of bail-in playbooks and FMI contingency plans submitted by banks;
- Despite the pandemic, IRTs, with the collaboration of banks, were able to keep the 2020 RPC on track and successfully implement the planning and preparatory work conducted in 2019.

1 | PREVIOUS CYCLE: ACHIEVEMENTS AND CHALLENGES

Covid-19 pandemic

- The SRB maintains a continuous monitoring of the banks under its remit and has granted operational relief measures in 2020 where necessary;
- Additionally, the IRTs stood ready to update – when appropriate – the intermediate MREL targets for those banks where the extraordinary support by monetary policy significantly impacted their financials;
- These temporary relief measures were chosen in a way that does not jeopardise the SRB's objective to ensure that banks become fully resolvable on all dimensions of the EfB by year-end 2023.

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2 | RESOLUTION PLANNING APPROACH IN 2021

SRB WORK PRIORITIES IN THE 2021 CYCLE

During the 2021 RPC, the IRTs will

- Update and further enhance the 105 resolution plans, covering all banking groups under the SRB's remit,
- Propose binding external and internal MREL decisions for the banks in its remit and their subsidiaries, and
- Prepare the resolvability assessment for each SRB bank.

The resolution planning cycle is led by IRTs, composed of SRB and NRA staff



For 17 banking groups with subsidiaries in non-Banking Union EU jurisdictions, the SRB cooperates closely with the relevant NRAs in **Resolution Colleges (RC)** in the drafting of a group resolution plan and the adoption of MREL decisions.

The SRB will contribute to the drafting of four (*) resolution plans for which it is not the Group Level Resolution Authority (so-called '**host cases**').

The SRB sets up **Crisis Management Groups (CMG)** for 8 G-SIBs in its remit, conducting an annual Resolvability Assessment Process (RAP), and preparing the RAP letters for the FSB.

(*) two of the resolution plans for host cases integrate six banks under SRB's remit

2 | RESOLUTION PLANNING APPROACH IN 2021

SRB WORK PRIORITIES IN THE 2021 CYCLE

In the 2021 RPC, the SRB will continue concentrating efforts on achieving resolvability of SRB banks and operationalising all resolution plans prepared by the SRB with particular focus on:

- **Liquidity and funding in resolution,**
- **Management Information Systems (MIS) capabilities for valuation data** (including self-assessment report),
- **Bail-in operationalisation:** full bail-in playbooks by the end of 2021 and MIS capabilities for bail-in data by the end of 2022.

This was communicated to banks' CEOs through the 2021 SRB priority letters, which listed the common priorities (see above) and bank-specific work objectives for the year ahead and formally requested banks to provide a multi-annual resolvability work programme 2021-2023 (deadline January 2021) and a resolvability progress report.

The SRB published guidance to support banks on the SRB's working priorities (see also slide 18).

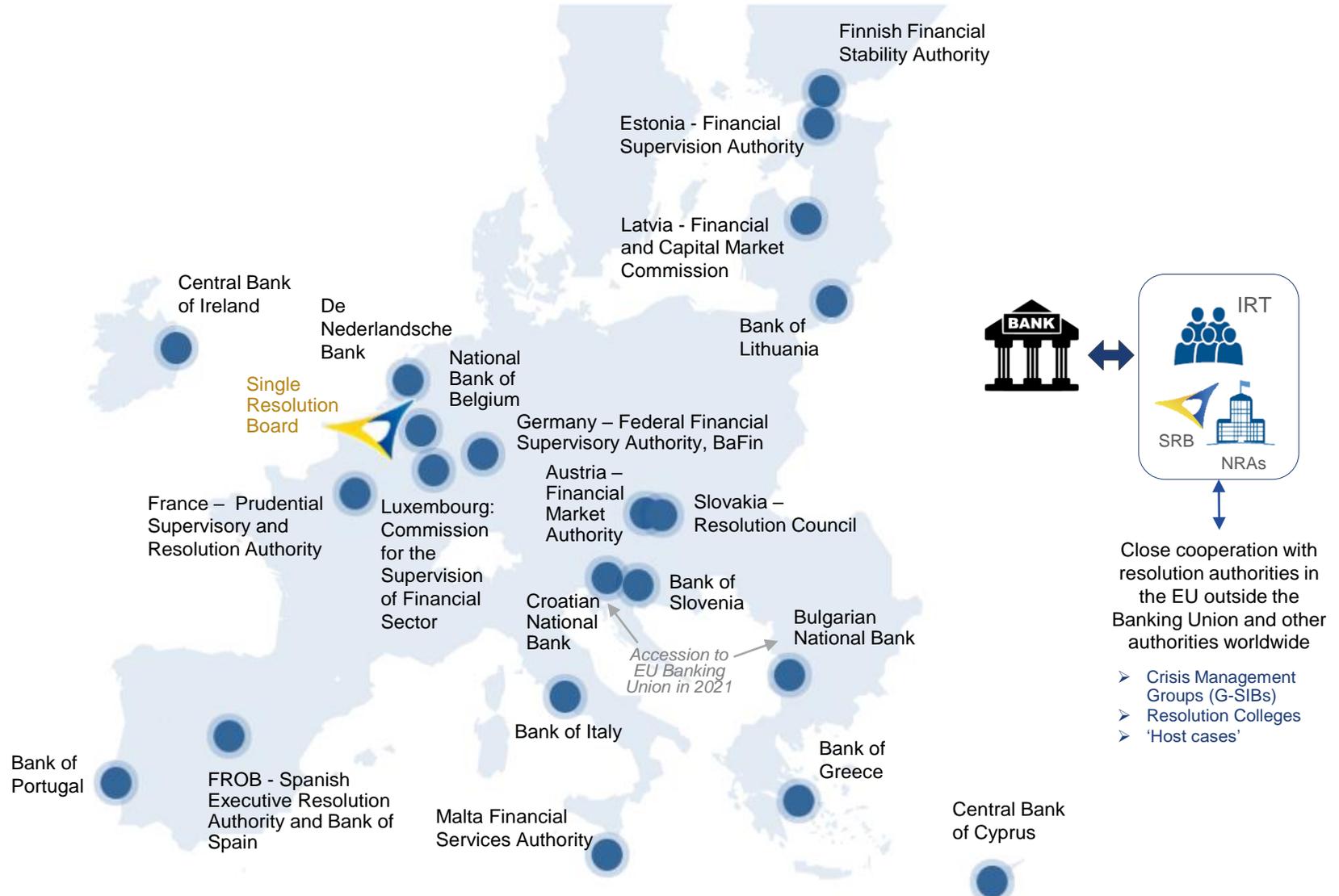
2 | RESOLUTION PLANNING APPROACH IN 2021

ADDITIONAL MILESTONES IN 2021

- Finalisation and implementation of the 2021 SRB MREL policy;
- Operationalisation of the new SRB resolvability assessment approach that increases visibility on banks' resolvability progress and facilitates benchmarking banks' progress based on a dedicated tool, designed as a "heatmap";
- Preparation of the substantive impediments procedure for those banks which are not on track in their resolvability progress;
- Update and development of SRB policies and operational guidance documents;
- Start of the preparation of the 2022 RPC in summer 2021; banks will receive bank-specific 2022 SRB priority letters after the summer.

2 | RESOLUTION PLANNING APPROACH IN 2021

RESOLUTION AUTHORITIES IN THE BANKING UNION



2 | RESOLUTION PLANNING APPROACH IN 2021 STATISTICS

 SRM	
Number of banks	122[#]
thereof	
Banks with Resolution College (RC)	17
Banks without RC	95
Banks with European Resolution College	2
Host cases	8 [*]
In addition, the SRB has established 7 Crisis Management Groups for G-SIBs located in the EU Banking Union.	

Direct coverage of all systemically important and cross board institutions represents almost 90% of Banking Union total assets in 2019**.

FR	FI	AT	EL	LU	SK	CY	SI	BG
13	3	8	4	5	0	3	3	1
DE	IT	EE	MT	LT	LV	HR		
21	12	3	3	3	3	0		
ES	NL	BE	IE	PT				
13	7	7	6	4				

See also Annex (bank overview).

The number of resolution plans is lower than the number of banks under SRB remit since several institutions are subsidiaries of another SRB banking group under the direct remit of the SRB.

^{*)} There are eight subsidiaries of four banking groups classified as host cases

^{**)} Source: ECB Statistical Data Warehouse

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3 | KEY ELEMENTS OF THE 2021 RPC

Resolution planning is a continuous process involving regular and frequent interactions with banks.

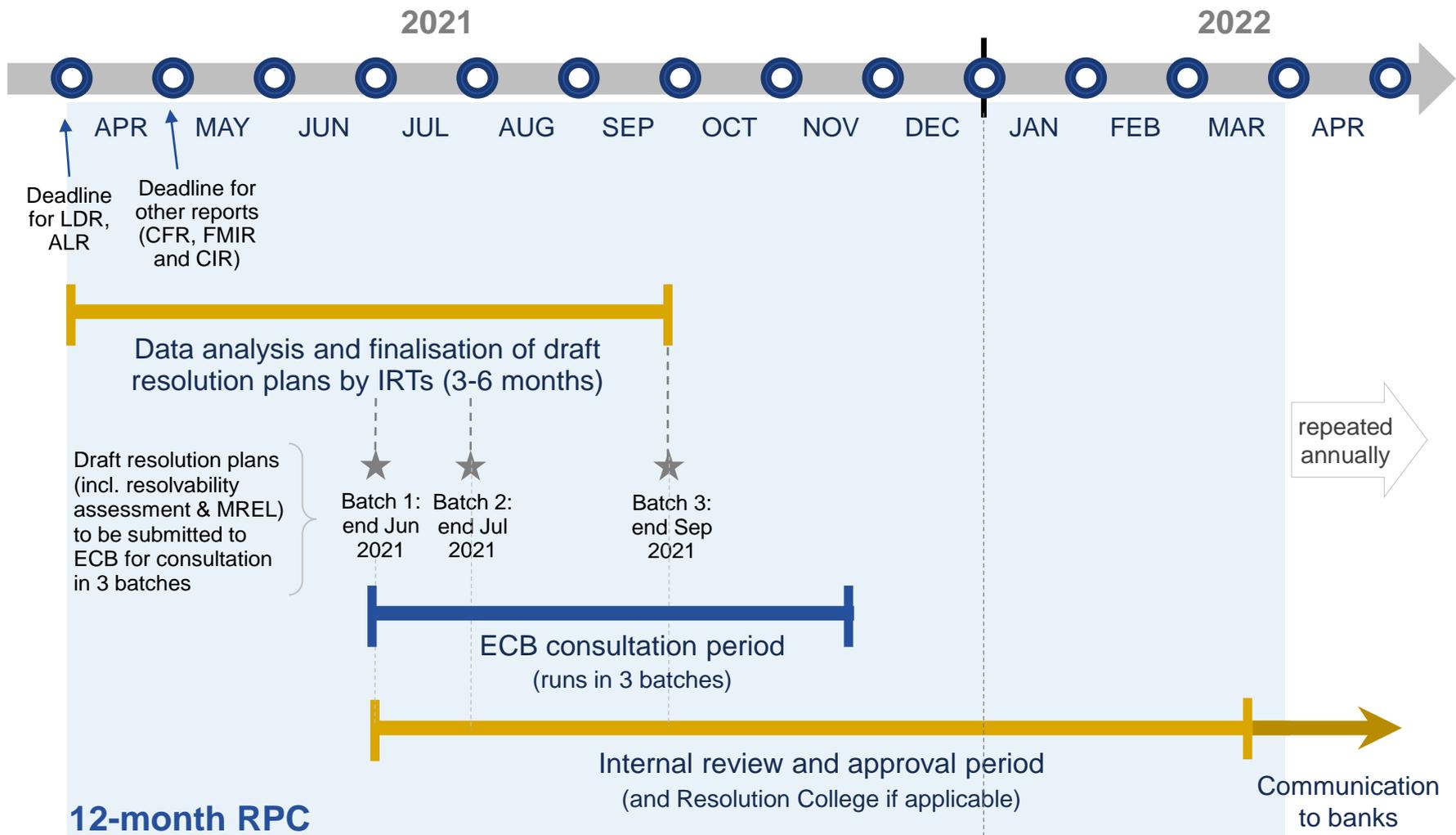
The SRB resolution planning activities are based on a 12-month RPC.

With banks being responsible for becoming resolvable, the RPC allows for a yearly progress and “stock-taking” and enables IRTs to:

- annually update the resolution plan as required by law, take stock of IRTs’ continuous resolution planning activities based on year-end figures,
- take legal decisions (e.g. MREL), and
- reach formal agreements with external stakeholders.

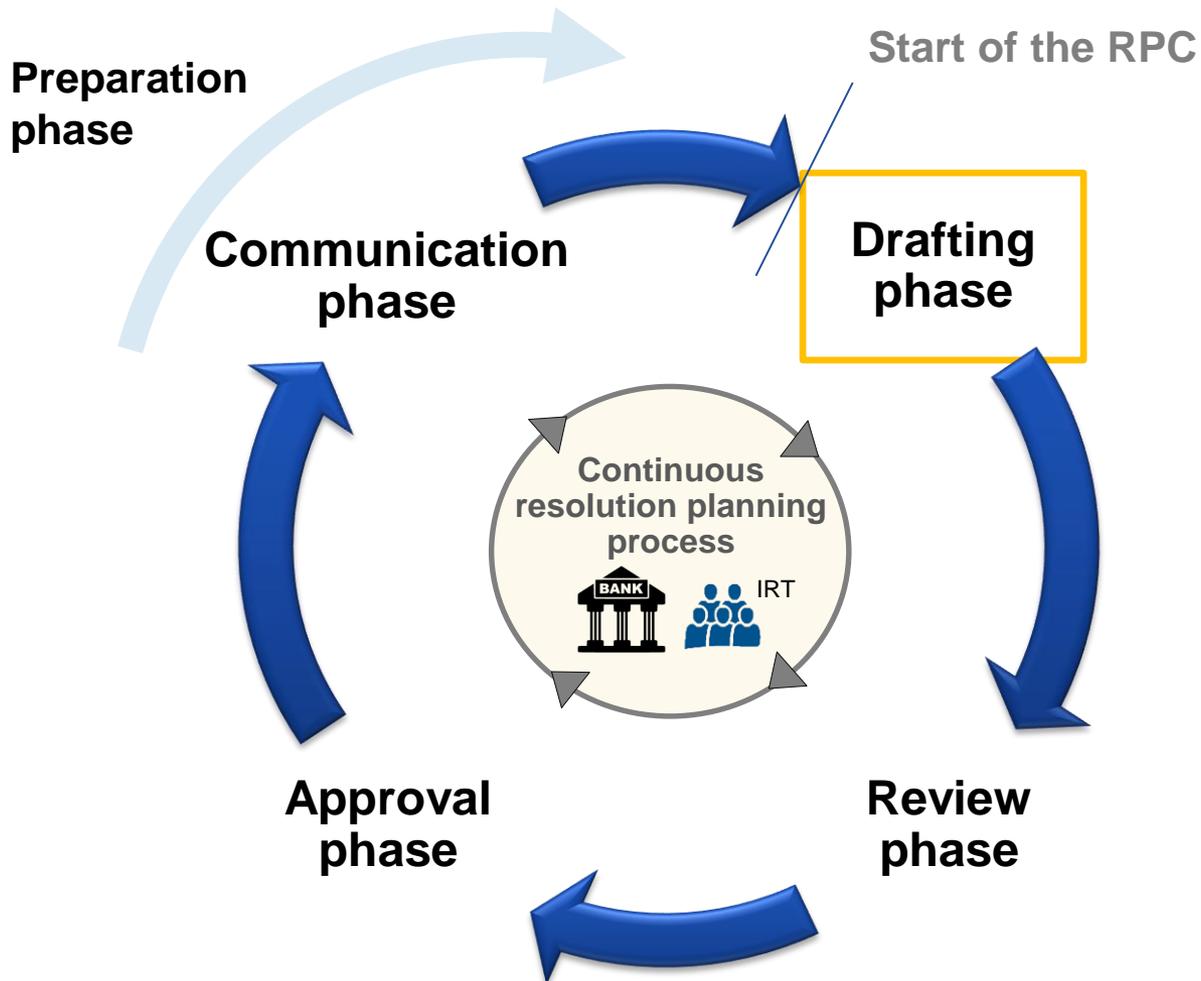
Where progress on resolvability is considered insufficient, the SRB will open procedures for removal of impediments to resolvability.

3 | KEY ELEMENTS OF THE 2021 RPC TIMELINE



3 | KEY ELEMENTS OF THE 2021 RPC

DRAFTING PHASE: OVERVIEW



3 | KEY ELEMENTS OF THE 2021 RPC

DRAFTING PHASE: CONTENT OF THE 2021 RESOLUTION PLAN

Chapter 1: Management Summary

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

Chapter 2: Strategic business analysis

Overview of the bank's structure, financial position, business model, critical functions, core business lines, internal and external interdependencies, critical systems and infrastructures.

Chapter 3: Preferred resolution strategy

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

Chapter 4: Financial and operational continuity

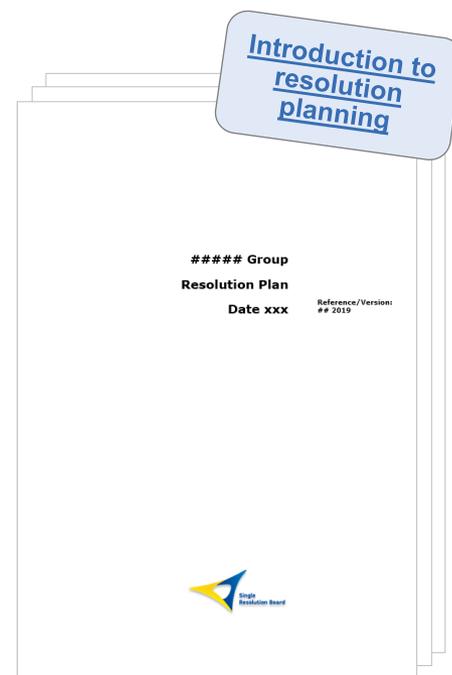
Assessment of the financial and operational prerequisites to ensure continuity in resolution and achieve the resolution objectives.

Chapter 5: Governance, information and communication

Governance arrangements, Management Information Systems to ensure timely, up-to-date and accurate information, together with the communication strategy for resolution.

Chapter 6: Conclusion of the assessment of resolvability

Analysis whether impediments exist to the winding up under normal insolvency or the resolution of a bank. Identification of appropriate measures to address such impediments if required.



3 | KEY ELEMENTS OF THE 2021 RPC

DRAFTING PHASE: INFORMATION BASIS

The IRTs draft yearly resolution plans which include a resolvability assessment and the setting of MREL targets based on the following information:

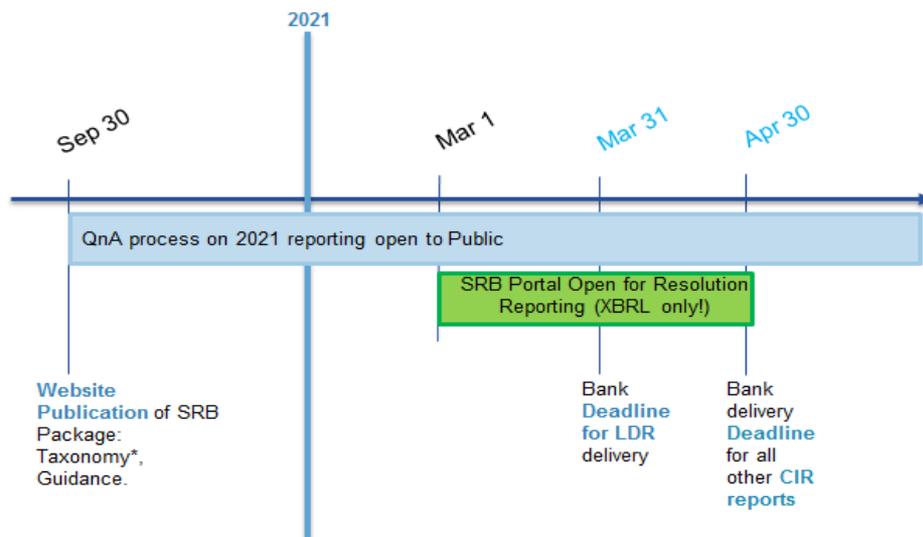
- Information provided by supervisory authorities (e.g. COREP, FINREP)
- Bank information:
 - SRB resolution data reports
 - General deliverables requested in the annual SRB priority letter
 - Bank specific information requested by the IRT
- Information provided by other public authorities

3 | KEY ELEMENTS OF THE 2021 RPC

DRAFTING PHASE: 2021 RESOLUTION REPORTING

- The cycle starts with the banks submission of the SRB resolution data reports;
- The deadlines for the submission of the resolution data templates are:

Resolution Data Report	Reporting deadline
Liability Data Report	31 March 2021
Additional Liability Data Collection	31 March 2021
Critical Functions Report	30 April 2021
Financial Markets Infrastructure Report	30 April 2021
CIR Template*	30 April 2021



- Guidance documents and the Q&A tool are available on the [SRB website](#)
- The SRB continues collecting the MREL quarterly report through the RPC. There is a new EBA Reporting on MREL and TLAC to be submitted in XBRL, with first reference data 30 June 2021.

*) Commission Implementing Regulation 2018/1624 minimum requirements

3 | KEY ELEMENTS OF THE 2021 RPC

DRAFTING PHASE: KEY POLICIES AND GUIDANCE DOCUMENTS

- 2021 MREL policy (to be published in April)
- [Framework for Valuation](#)
- [Guidance on Bail-in operationalisation](#)
- Guidance on Liquidity and Funding in Resolution (to be published in April)

The **‘Expectations for Banks’** [document](#) sets out the capabilities the SRB expects banks to demonstrate that they are resolvable.

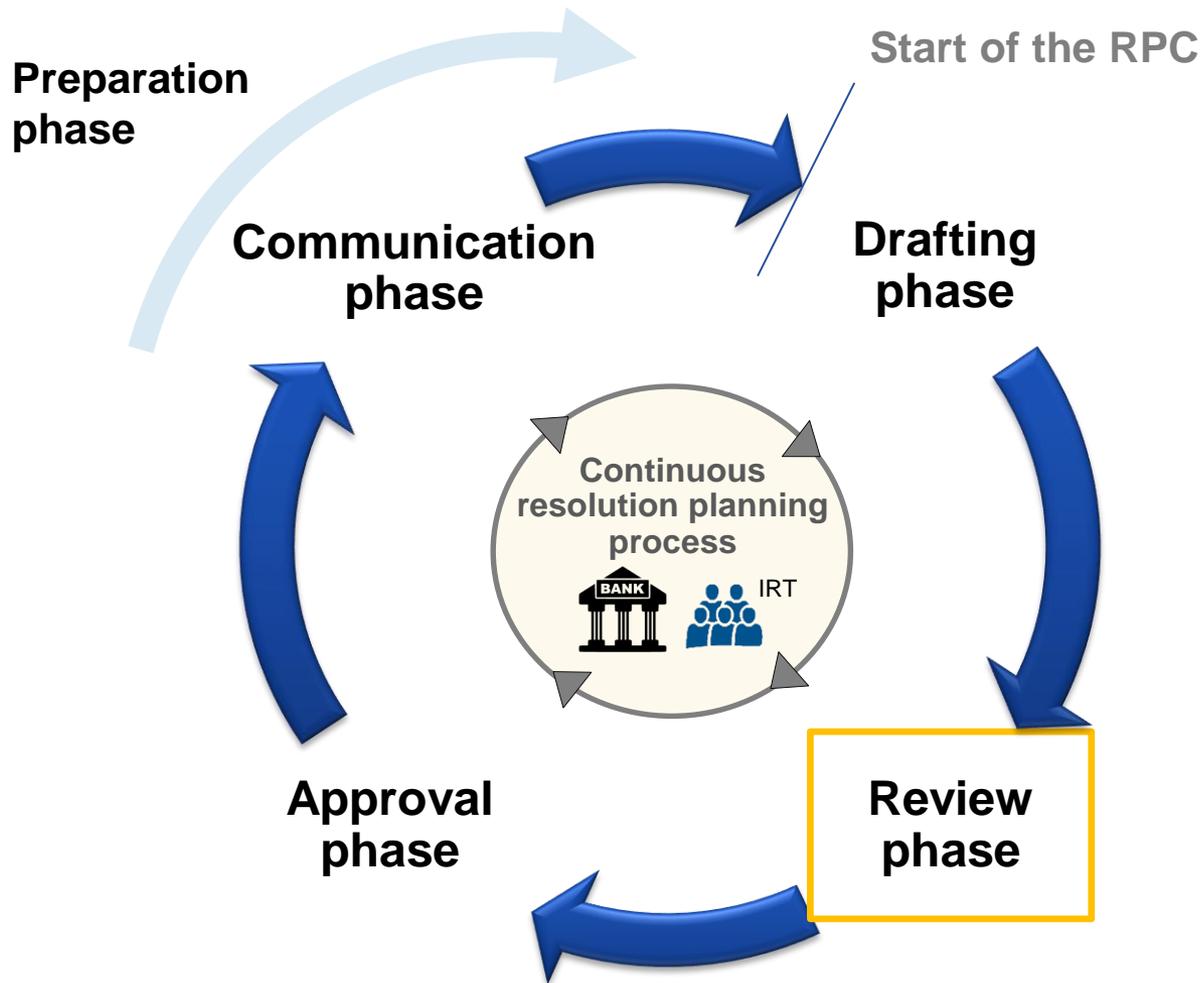
The ‘Expectations for Banks’ will be phased in gradually. Banks are expected to have built up their capabilities on all aspects by the end of 2023, except where indicated otherwise.

3 | KEY ELEMENTS OF THE 2021 RPC

DRAFTING PHASE: TIME PLANNING & COOPERATION WITH ECB/SSM

- The finalisation of the draft resolution plans is organised based on three batches with the deadlines of end-June, end-July and end-September;
- Thereafter, the draft resolution plans (incl. resolvability assessment & MREL) are submitted to the ECB (or the NCA) for consultation as part of the cooperation between the SRB and SSM;
- The ECB (or the NCA) consults the SRB on the recovery plans prepared by the banks;
- During the RPC, a regular contact between the IRTs and JSTs ensures a permanent dialogue.

3 | KEY ELEMENTS OF THE 2021 RPC REVIEW PHASE: OVERVIEW



3 | KEY ELEMENTS OF THE 2021 RPC REVIEW PHASE

The review phase consists of the:

- SRB Quality Assurance and
- ECB consultation phase.

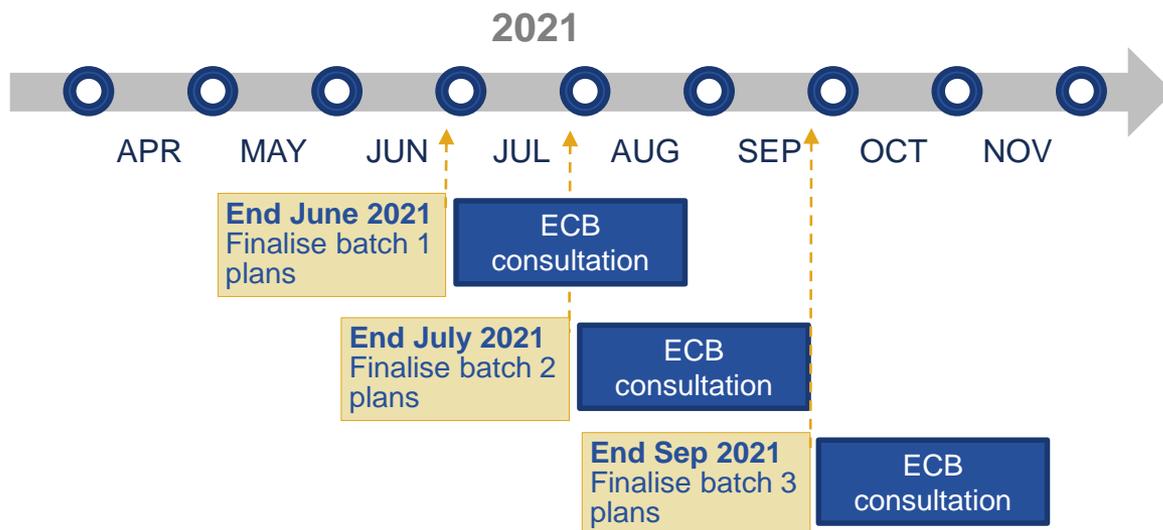
SRB Quality Assurance:

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

A consistency check is already performed during the drafting phase in advance of the start of the ECB/NCA consultation.

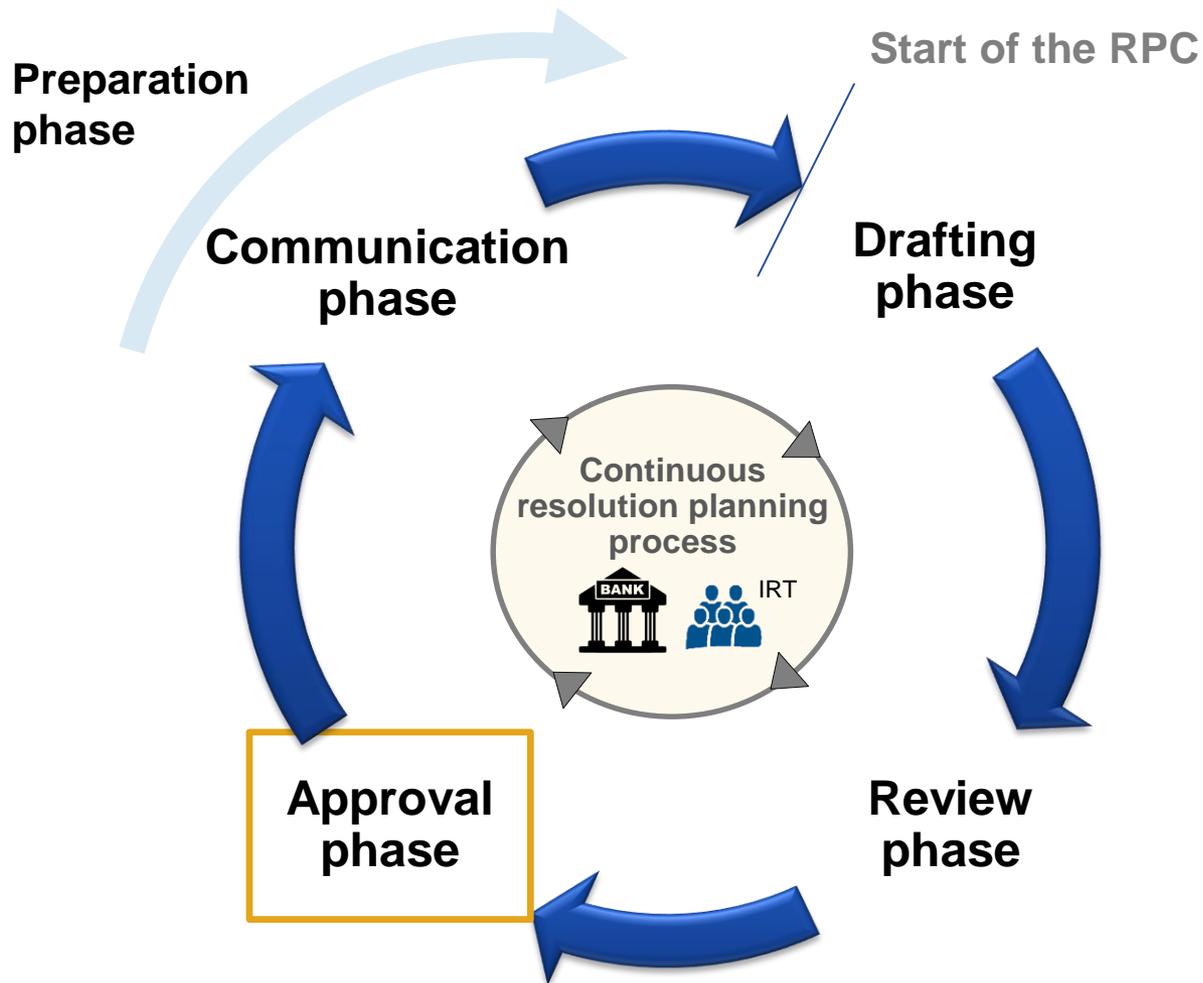
3 | KEY ELEMENTS OF THE 2021 RPC REVIEW PHASE

ECB consultation runs in 3 batches with the last submission in September 2021



The consistency of the SRB resolution planning is further supported by a central SRB function that permanently monitors IRTs' resolution planning activities, manages the RPC and promotes high-quality resolution planning across SRB banks.

3 | KEY ELEMENTS OF THE 2021 RPC APPROVAL PHASE: OVERVIEW



3 | KEY ELEMENTS OF THE 2021 RPC

APPROVAL PHASE: OVERVIEW

The approval phase includes the organisation of **Resolution Colleges** (if applicable), the **Right To Be Heard** (RTBH) process for MREL with banks, and the final approval of the resolution plans and MREL decisions by the **SRB Extended Executive Sessions** composed of the Chair and Vice-Chair of the SRB and the four full-time SRB Board Members, as well as the Board Member of the relevant NRA for each specific SRB bank.

The SRB:

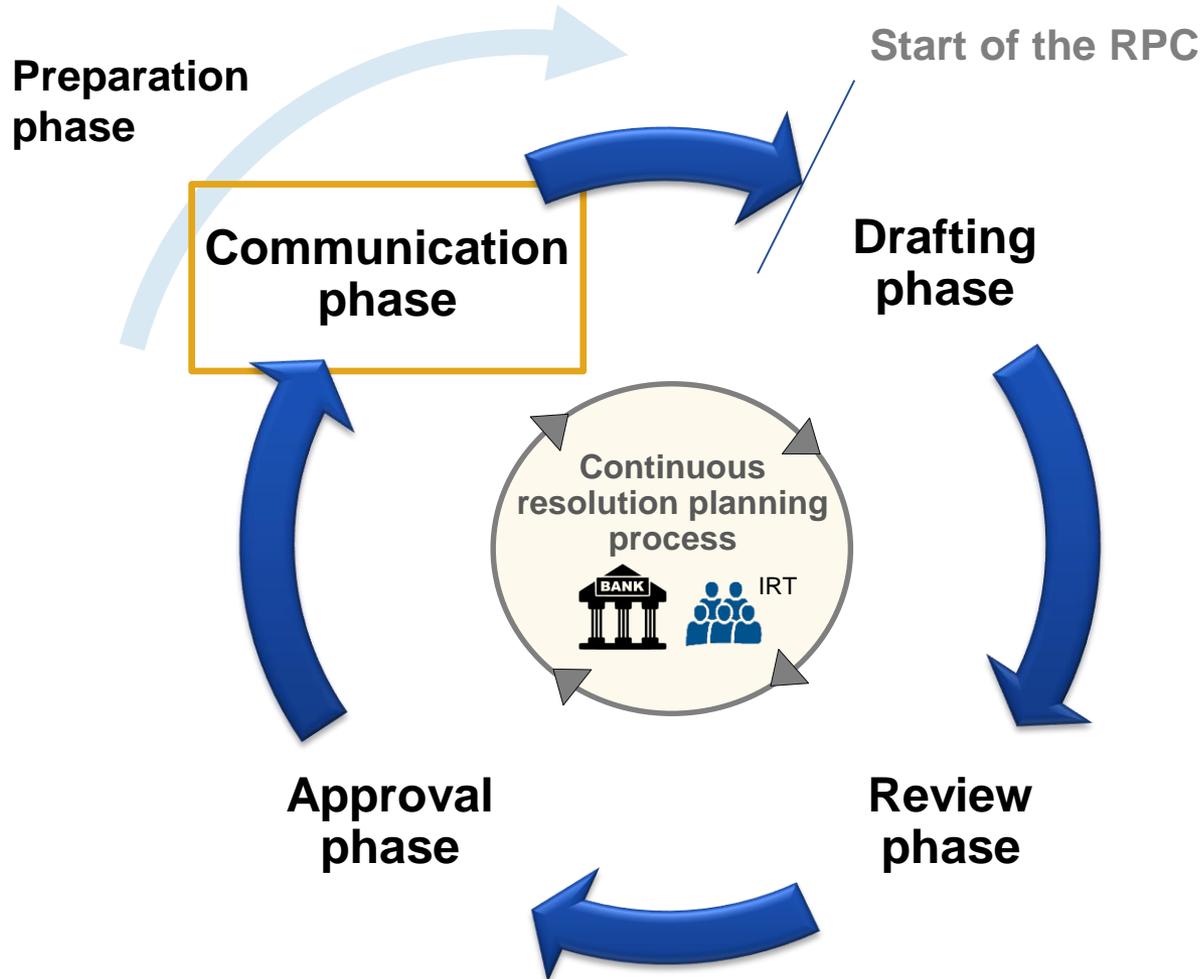
- Develops a detailed planning of the approval steps for each resolution plan;
- Prepares harmonised decision templates to ensure consistency and level playing field across banks in the SRB's remit;
- Undertakes a sound and transparent decision making process with the approval of resolution plans and MREL decisions by the SRB Extended Executive Session.

3 | KEY ELEMENTS OF THE 2021 RPC APPROVAL PHASE: BACKGROUND

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 Resolution College is established.

- **Where there is no requirement for a Resolution College:** after review phase the resolution plan goes for approval from the SRB in its Extended Executive Session.
- **For banks with a Resolution College:** a joint decision should be sought within the Resolution College before the Extended Executive Session approval, wherever possible. This involves preparing joint decision timetables and written arrangements to ensure smooth and efficient functioning of the Resolution College, as prescribed in the Delegated Regulation 2016/1075 on, inter alia, the functioning of Resolution Colleges.

3 | KEY ELEMENTS OF THE 2021 RPC COMMUNICATION PHASE: OVERVIEW



3 | KEY ELEMENTS OF THE 2021 RPC COMMUNICATION PHASE: OVERVIEW

Once the resolution plans and MREL decisions are approved by the SRB Extended Executive Session (ExExS), the SRB shares the executive summary of the plan with the bank and communicates the MREL decision to the NRA, which will implement it vis-à-vis the bank. For Resolution College banks, the SRB communicates the Joint Decisions to the Resolution College.

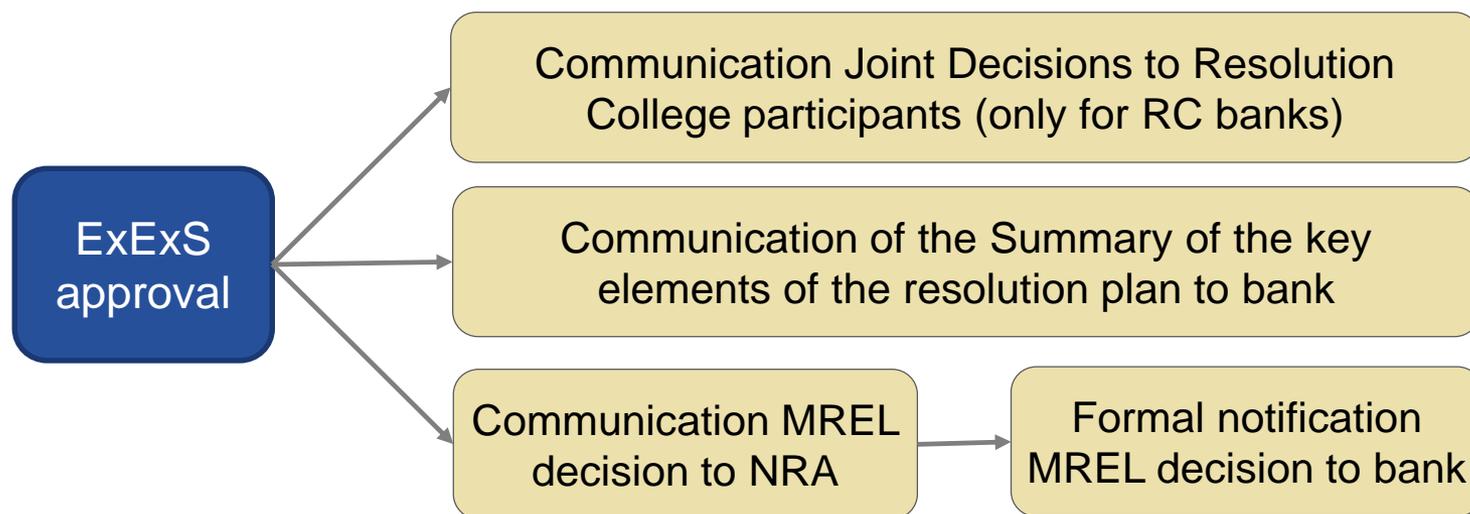


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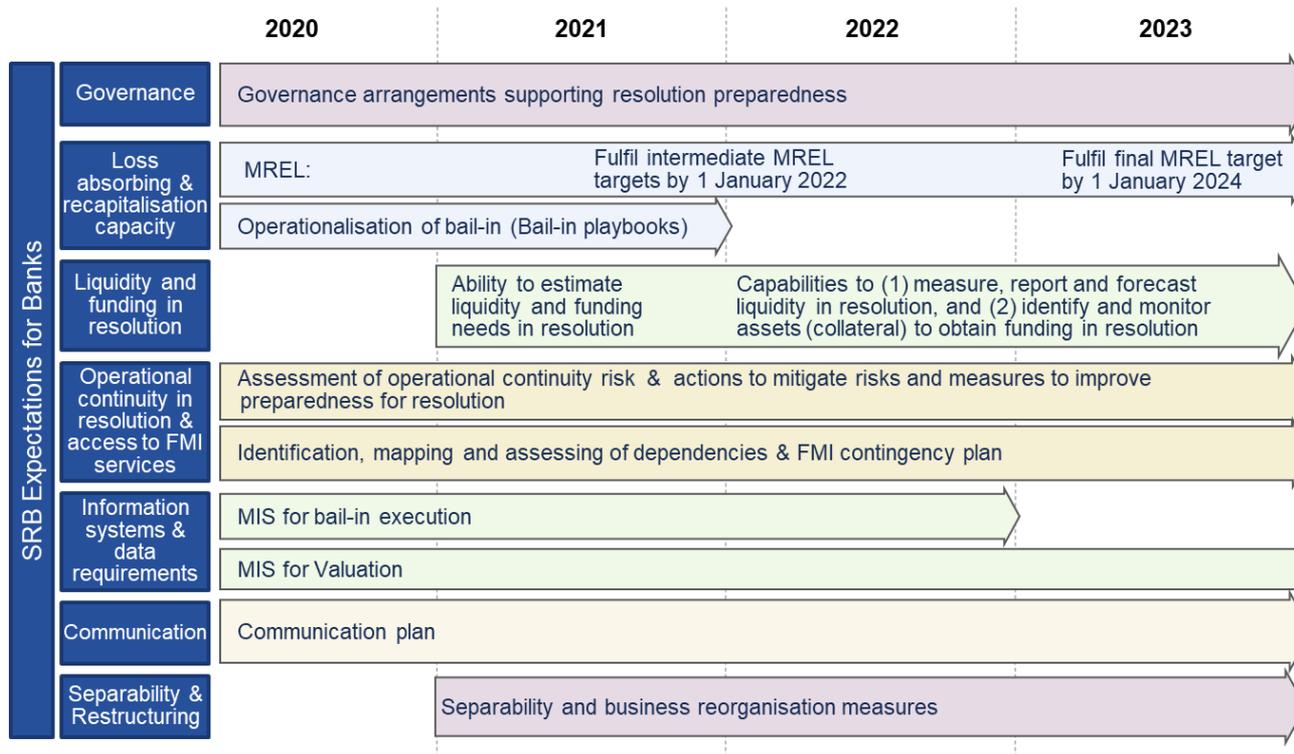
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4 | BANKS' RESOLVABILITY: STATE OF PLAY

The SRB [Multi-annual Work Programme 2021-2023](#) (MAP) sets out the SRB's roadmap for achieving banks' resolvability over the next three years with the expectation that all SRB banks are fully resolvable by end 2023 at the latest.

The MAP illustrates the expected build up of banks' capabilities through the 2021-2023 RPCs taking into account the [SRB Expectations for Banks](#) (EfB) phase-in across the RPCs.



4 | BANKS' RESOLVABILITY: STATE OF PLAY

Resolvability monitoring:

- A close resolvability monitoring is an integral part of resolution planning;
- IRTs base their monitoring, amongst others, on a target/performance comparison of banks' multi-annual resolvability work programme and annual resolvability progress reports with the EfB and the annual SRB priority letter;
- The multiannual phase-in of the EfB gives banks the opportunity to carry out the required work in a structured manner;
- Banks progress on resolvability is documented in the resolvability assessment;
- The SRB will benchmark banks' resolvability progress based on a dedicated tool ('heatmap');
- The existing framework enables the SRB to identify banks that are not on track and to intervene. If required, the SRB will initiate the legal procedure to remove substantive impediments. In the 2021 priority letter to banks' CEOs, the SRB already identified pending issues that banks have to address in 2021.

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5 | CONTACTS AND ADDITIONAL INFORMATION

SRB DOCUMENTS

- [2021 Work Programme & Multi-Annual Work Programme 2021-2023](#);
- [2019 Annual Report](#) (2020 Annual Report under preparation);
- [SRB Conference 2020 - Banking resolution: firm foundations for stability](#);

... and much more on <https://srb.europa.eu/>

5 | CONTACTS AND ADDITIONAL INFORMATION

SRB CALENDAR

- SRB Industry Dialogues
- [SRB Annual Conference](#): 14 October 2021
- See public engagements on SRB website: srb.europa.eu

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ANNEX I | BANKS UNDER THE REMIT OF THE SRB

AUSTRIA	GERMANY (cont.)	GREECE	MALTA
Addiko Bank AG	Norddeutsche Landesbank-Girozentrale	Alpha Bank AE	Bank of Valletta plc
Bausparkasse Wüstenrot Aktiengesellschaft	State Street Europe Holdings Germany	Eurobank Ergasias S.A.	HSBC Bank Malta p.l.c.
BAWAG Group AG	UBS Europe SE	National Bank of Greece S.A.	MDB Group Limited
Erste Group Bank AG	Volkswagen Bank GmbH	Piraeus Financial Holdings S.A.	NETHERLANDS
Raiffeisenbankengruppe OÖ Verbund eGen	ESTONIA	IRELAND	ABN AMRO Bank N.V.
Raiffeisen Bank International AG	AS SEB Pank	AIB Group plc	BNG Bank N.V.
Sberbank AG	Luminor	Bank of America Merrill Lynch International DAC	Coöperatieve Rabobank U.A.
Volksbank Wien AG	Swedbank AS	Bank of Ireland Group plc	de Volksbank N.V.
BELGIUM	SPAIN	Barclays Bank Ireland PLC	ING Groep N.V.
Argenta Spaarbank NV	ABANCA Corporacion Bancaria S.A.	Citibank Holdings Ireland Limited	LP Group B.V.
Axa Bank Belgium SA/NV	Allfunds Bank, S.A.U.	Ulster Bank Ireland DAC	Nederlandse Waterschapsbank N.V.
Banque Degroof Petercam SA	Banco Bilbao Vizcaya Argentaria, S.A.	ITALY	PORTUGAL
Belfius Bank NV	Banco de Crédito Social Cooperativo, S.A.	Intesa Sanpaolo S.p.A.	Banco Comercial Português, SA
Delen Private Bank SA	Banco de Sabadell, S.A.	UniCredit S.p.A.	Banco Finantia, SA
KBC Group NV	Banco Santander, S.A.	Banca Carige S.p.A.	Caixa Geral de Depósitos, SA
The Bank of New York Mellon SA	Bankinter, S.A.	Banca Mediolanum S.p.A.	LSF Nani Investments S.à.r.l.
BULGARIA	BFA Tenedora De Acciones S.A.U.	BANCA MONTE DEI PASCHI DI SIENA S.p.A.	SLOVENIA
DSK Bank AD	CaixaBank S.A.	Banca Popolare di Sondrio	Agri Europe Cyprus Limited
CYPRUS	Ibercaja Banco, S.A.	Banco BPM S.p.A.	Biser Topco S.à.r.l.
Bank of Cyprus Holdings Public Ltd Company	Kutxabank, S.A.	BPER Banca S.p.A.	Nova Ljubljanska Banka d.d. Ljubljana
Hellenic Bank Public Limited Company	Liberbank, S.A.	Cassa Centrale Banca	SLOVAKIA
RCB Bank LTD	Unicaja Banco, S.A.	Credito Emiliano Holding S.p.A.	N/A
GERMANY	FINLAND	Iccrea Banca S.p.A.	CROATIA
Aareal Bank AG	Kuntarahoitus Oyj	Mediobanca	N/A
Bayerische Landesbank	Nordea Bank Abp	LITHUANIA	
COMMERZBANK AG	OP Osuuskunta	AB SEB bankas	
DekaBank Deutsche Girozentrale	FRANCE	AB Šiaulių bankas	
Deutsche Apotheke- und Ärztebank eG	BNP Paribas S.A.	"Swedbank", AB	
Deutsche Bank AG	BPCE S.A.	LUXEMBOURG	
Deutsche Pfandbriefbank AG	Bpifrance S.A.	Banque et Caisse d'Épargne de l'Etat	
DZ BANK AG	Confédération Nationale du Crédit Mutuel	Banque Internationale à Luxembourg S.A.	
Erwerbsgesellschaft der S-Finanzgruppe mbH & Co. KG	Crédit Agricole S.A.	J.P. Morgan Bank Luxembourg S.A.	
Goldman Sachs Bank Europe SE	C.R.H. - Caisse de Refinancement de l'Habitat	Precision Capital S.A.	
Hamburg Commercial Bank AG	Dexia Crédit Local	RBC Investor Services Bank S.A.	
HASPA Finanzholding	HSBC Continental Europe	LATVIA	
J.P. Morgan AG	La Banque Postale	AS "Citadele banka"	
Landesbank Baden-Württemberg	Oddo-BHF SCA	AS "SEB banka"	
Landesbank Hessen-Thüringen Girozentrale	RCI Banque SA	"Swedbank" AS	
Morgan Stanley Europe Holding SE	SFIL S.A.		
Münchener Hypothekenbank eG	Société Générale S.A.		

Notes: names used might deviate from the corporate legal names. The following Slovak banks are subsidiaries of groups under SRB remit: Slovenská sporiteľňa, a.s.; Tatra banka, a.s. and Všeobecná úverová banka. The following Croatian banks are subsidiaries of groups under SRB remit: Zagrebačka banka d.d., Privredna banka Zagreb d.d, PBZ stambena štedionica, Erste & Steiermärkische Bank d.d., Raiffeisenbank Austria d.d., Raiffeisen stambena štedionica d.d., Sberbank d.d., Wüstenrot stambena šted and Addiko Bank d.d..

ANNEX II | ABBREVIATIONS

ALR	Additional Liability Report	GRLA	Group Level Resolution Authority
BRRD	Bank Recovery and Resolution Directive	G-SIBs	Global Systematically Important Banks
CEO	Chief Executive Officer	IRT	Internal Resolution Team
CFR	Critical Functions Report	JST	Joint Supervisory Team
CIR	Commission Implementing Regulation 2018/1624	LDR	Liability Data Report
CMG	Crisis Management Group	MAP	SRB Multi-annual Work Programme 2021-2023
COREP	Common Reporting Framework	MIS	Management Information Systems
EBA	European Banking Authority	MREL	Minimum Requirements for own funds and Eligible Liabilities
ECB	European Central Bank	NCA	National Competent Authority
EfB	SRB Expectations for Banks	NRA	National Resolution Authority
EU	European Union	RAP	Resolvability Assessment Process
ExExS	SRB Extended Executive Session	RC	Resolution College
FINREP	Financial Reporting Framework	RPC	Resolution Planning Cycle
FMI	Financial Market Infrastructure	RTBH	Right To Be Heard
FMIR	Financial Market Infrastructure Report	SSM	Single Supervisory Mechanism
FSB	Financial Stability Board	TLAC	Total Loss-Absorbing Capacity

THANK YOU!

For more information, please contact:
SRB-INFO@srb.europa.eu

The SRB's role is to protect the public interest and act as a safety net to ensure that the price to pay when a bank fails does not fall first on the taxpayer.

