

SRB WORK PROGRAMME 2023

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Foreword



The SRB's 2023 Work Programme is set against a backdrop of great uncertainty. While the start of 2022 saw economies beginning to emerge from the pandemic, 2023 will see added challenges, in part stemming from Russian aggression in Ukraine. Rising energy costs have led to double-digit inflation in many parts of the Banking Union. Now, more than ever, it is important we finalise the work on banking resolvability and ensure that all of the goals set out in the SRB's Expectations for Banks are met before the year is out. This was the initial target date and we are on track to meet it.

The coming twelve months will see the SRB's focus moving from the more general phases of drafting and fine-tuning of resolution plans towards ensuring that each plan and preferred resolution strategy for each bank is implementable at short notice. This means more testing and deeper analysis of existing resolution plans, as well as further developing sound quality control measures for resolution plans across the Banking Union. In 2022, we laid the foundations for such work with the publication of the first resolution assessment and heat-map. This assessment will become even more important in the years to come.

The SRB has proven that the EU resolution framework is fit for purpose, not least with the resolutions of Banco Popular in 2017 and of Sberbank in 2022. At the same time, crisis preparedness needs to be further strengthened to equip the SRB with all tools needed to react to a looming crisis, implement a resolution scheme and manage any necessary restructuring of the bank. This holds true for all resolution tools, be it open bank bail-in or any transfer strategies. This will then inform our work on resolvability and the focus of our testing.

Turning to the Crisis Management and Deposit Insurance framework review, we support measures to enhance and strengthen the framework, and look forward to the European Commission's proposal. It is clear that more harmonised European measures are the way forward, rather than re-nationalising and weakening European financial stability tools. Crisis management is not a zero-sum game. We can see that there is agreement on a need for a clarified and enlarged public interest assessment, and the broadened application of resolution tools in crisis management at European and national level.

Importantly, where we expand the scope of banks covered by resolution, we also need to make sure that there are effective funding options available under the existing European framework in the Banking Union. The resolutions of Banco Popular and Sberbank show that the system can work. Nevertheless, there will always be losses when a bank gets into trouble. Resolution is not a miracle fix-all solution, rather it is about attributing and sharing the losses a bank suffers as fairly as possible and primarily to those who would in good times also benefit from the banks profits. Therefore, all banks with a positive public interest assessment need to have sufficient MREL and become resolvable. Overall, fundamental changes to the framework are not needed, but instead targeted enhancements to ensure it can be effective for all banks that fail. This includes, to reiterate the SRB's constant plea, the targeted harmonisation of bank insolvency rules.

Next year we will of course continue to bolster our relations with all of our stakeholders, whether public or private, in the Banking Union or beyond. The success we have enjoyed to date not only depends on the diligent work of the SRB's staff to promote financial stability, but on the hand-in-glove cooperation we enjoy with so many other organisations. In our most recent resolution action, no public funds were used, and financial stability was protected in a total of six countries, both within the Banking Union and outside and within the European Union and outside with authorities working together harmoniously within and across the jurisdictions involved.

2023 will mark eight years since the establishment of the SRB and the focus will continue internally on beefing-up our ICT systems and digital tools, improving our internal processes, enhancing the efficiency of our resource allocation and ensuring the SRB governance continues to be fit for purpose going forward. We will continue to take steps to reduce our carbon footprint. Staff development and retention will be high on the agenda for the SRB, although these will all be issues for my successor to handle, and I wish that person every success in their new role.

By working together, we can deliver on our priorities for 2023 and ensure that taxpayers, depositors and financial stability are all protected in the months and years ahead.

Abbreviations

AMLA	Anti Money Laundering Authority
BRRD	Bank Recovery and Resolution Directive
CCP	Central Counterparty
CERT-EU	Computer Emergency Response Team for EU institutions, bodies and agencies
CBR	Combined buffer requirements
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CMDI	Crisis management and deposit insurance
CMG	Crisis Management Group
CoAg	Cooperation Agreement
Commission	European Commission
Council	Council of the European Union
DGS	Deposit Guarantee Scheme
DORA	Digital Operational Resilience Act
EBA	European Banking Authority
ECA	European Court of Auditors
ECB	European Central Bank
ECOFIN	Economic and Financial Affairs Council
ECON Committee	European Parliament Committee on Economic and Monetary Affairs
EfB	Expectations for Banks
EIOPA	European Insurance and Occupational Pensions Authority
EMAS	Environmental Management and Audit Schema
ESM	European Stability Mechanism
ESMA	European Securities and Market Authority
ESRB	European Systemic Risk Board
EU	European Union
FMI	Financial Market Infrastructures
FSB	Financial Stability Board
G-SIB	Global Systemically Important Bank
HR	Human Resources
IADI	International Association of Deposit Insurers
IGA	Intergovernmental Agreement
ICT	Information and Communications Technology
IRT	Internal Resolution Team
ITS	Implementing Technical Standards
LSI	Less Significant Institution

MIS	Management Information System
M-MDA	MREL Maximum Distributable Amount
MREL	Minimum Requirements for own funds and Eligible Liabilities
NCWO	No Creditor Worse Off
NRA	National Resolution Authority
Parliament	European Parliament
PIA	Public Interest Assessment
R4C	Ready for Crisis
RPC	Resolution Planning Cycle
RTS	Regulatory Technical Standards
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
UNIDROIT	International Institute for the Unification of Private Law

Executive summary

The year 2023 will be the last of a transitional period for the establishment of the main elements of the resolution framework in the Banking Union. All banks and credit institutions under the Single Resolution Board (SRB) remit are expected to be resolvable and compliant with the Expectations for Banks (EfB), as well as achieve the final individual banks' Minimum Requirements for Own Funds and Eligible Liabilities (MREL) targets. Less Significant Institutions (LSIs), under the remit of the National Resolution Authorities (NRAs), are also expected to become resolvable along a similar timeline (in application of SRB's EfB and resolution policies). 2023 will also mark the final year for the constitution of the Single Resolution Fund (SRF), which by the end of the year is expected to reach at least 1% of covered deposits in all participating Member States, and be fully mutualised. The SRB's work during 2023, which will proceed in close collaboration with the NRAs, will focus on completing the achievement of the above goals. Moreover, the SRB will focus on crisis preparedness and addressing crisis cases should they occur.

In terms of the **resolvability of banks** in the Banking Union, the SRB will strive to fill in the gaps and monitor that all banks under the SRB's and NRAs' remit have resolution plans that can be referred to in the case of crisis, as well as the capabilities and information they need should they be declared failing or likely to fail. In order to achieve this, the SRB will continue implementing its 12-month resolution planning cycle (RPC), monitoring the build-up of MREL by institutions, performing the annual resolvability assessments of banks under its remit, carrying out deep dives and supporting the NRAs in their LSI resolution planning and resolvability assessment via its oversight function.

Since its establishment, the SRB has developed and published the core resolution policies, constituting a **robust resolution framework**. In the last year of the phase-in of the EfB, the SRB will aim at completing and enhancing, where necessary, existing guidance and tools to ensure resolvability of banks by the end of 2023. Furthermore, the SRB will continue contributing to policy development in international and European fora and integrating into its policy work the guidance from the European Banking Authority (EBA) and the Financial Stability Board (FSB). As in past years, the SRB will closely collaborate with NRAs in policy development and dissemination.

During 2023, the SRB will also **prepare for and, if necessary, manage crisis cases**. This will be achieved by testing and guaranteeing that protocols and systems are ready to be activated in the case of crisis; reinforcing collaboration mechanisms and communication channels with all involved stakeholders; and supporting the efficient and secure use of systems to swiftly respond to crises.

The SRF was established by the SRMR and, where necessary, may be used to ensure the effective application of resolution tools. In order to **operationalise**

the SRF, the SRB will conduct one more exercise of raising *ex ante* contributions in order to meet the target established for the end of the transition period, and will continue managing the fund investments and laying down procedures for using the available and additional funds for resolution.

In terms of the **SRB as an organisation**, in 2023, the SRB will build on the work and achievements of past years to continue managing its resources in the most efficient and effective manner possible. In order to do this, various SRB teams will provide support to the policy and resolution functions, and will further strengthen and improve internal processes. Besides the regular management of resources and accountability and transparency processes, the SRB will focus on the digitalisation and standardisation of functions, the reinforcement of data collection and management, and the consolidation of cybersecurity culture and practice in the organisation. With an almost fulfilled establishment plan, the SRB will continue implementing its human resources (HR) strategy. In 2023, The SRB will also focus on the efficient management of litigation cases, based on the experience of previous years.



Introduction

A blurred photograph of several business professionals in a modern office hallway with large glass windows. The people are in motion, creating a sense of activity and movement. The background is a bright, clean environment with a polished floor reflecting the light.

The SRB was established by Regulation (EU) No 806/2014 of the European 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 Single Resolution Mechanism and a Single Resolution Fund (SRMR). The organisation began operating as an independent European Union 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 European Parliament, the Council of the European Union and the European Commission.

Mission statement

The SRB is the central resolution authority within the Banking Union. Together with the 21 NRAs¹ of the participating Member States, it forms the Single Resolution Mechanism (SRM). Its mission is to ensure an orderly resolution of failing banks with a minimum impact on the real economy, the financial system and the public finances of the Banking Union's member states and beyond.

The role of the SRB is proactive: rather than waiting for resolution cases to manage, the SRB focuses on resolution planning and enhancing resolvability in close cooperation with the NRAs. The SRB drafts and adopts resolution plans for the banks under its remit and regularly updates these plans. The resolution plans determine the preferred resolution strategy for a bank. In turn, this preferred strategy determines the resolution tools and powers to be applied in the event of resolution and sets the banks' MREL. The bank's resolvability is assessed annually. Should a bank within the SRB's remit be failing or likely to fail, and fulfil the other criteria for resolution², the SRB will draft and adopt a resolution scheme and the relevant NRA will implement this scheme accordingly.

In addition to resolution planning and taking decisions for significant institutions, the SRB also performs an oversight function with regard to LSIs and is in charge of the industry-funded SRF, which was established to provide ancillary financing to ensure the effective application of resolution schemes.

The SRB's values support the achievement of its mandate: the Board strives to be a trusted and respected resolution authority with a strong resolution capacity in the SRM, thus avoiding future bail-outs. The SRB aims to be a centre of expertise in bank resolution. Its three values are excellence in resolution, integrity and an EU spirit.

¹ See Annex II.

² In accordance with Article 18(1) Single Resolution Mechanism Regulation (SRMR). Full document available here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32014R0806>

General policy context

The year 2023 will mark the end of a transitional period, during which the SRB has been building the crucial elements to establish the Banking Union's resolution framework. In terms of resolvability of banks, 2023 is the last year of the Efb phase-in period, and is also the deadline for the achievement of the final banks' MREL targets. Thus, in principle, all banks and credit institutions under the SRB's remit are expected to be resolvable and compliant with the Efb and all connected guidance that has been issued in the past years. LSIs, under the remit of the NRAs, are also expected to become resolvable. Collaboration with the NRAs in the context of the SRM will, as always, be crucial in 2023 to ensure the resolvability of significant institutions and LSIs. 2023 will also mark the eighth year for the constitution of the SRF, which by the end of the year is expected to reach at least 1% of covered deposits in all participating Member States and be fully mutualised. The SRB's work in the next 12 months, building on what has been achieved, will be geared towards two main objectives: closing the gaps, and assessing the resolvability of the banks under its remit on an ongoing basis. Moreover, the SRB will focus on crisis preparedness and, should they occur, will address crisis cases.

The economic and political context in 2023 is expected to remain uncertain. The downside risks to growth caused by the invasion of Ukraine and the rising inflation outlook may have consequences on the financial sector. This will increase the need for SRB to monitor closely the situation and respond to the situation in close coordination with the Single Supervisory Mechanism (SSM) and the national authorities.

The SRB continues working to complete its multi-annual objectives in 2023, and it will also contribute to some key external regulatory topics that directly affect its mandate. One of the main areas of work will be the Crisis Management and Deposit Insurance (CMDI) framework review, of key importance for the resolution framework in the Banking Union. Other priorities will be the progress in operationalising the Digital Operational Resilience Act (DORA), and the establishment of the European Anti Money Laundering Authority (AMLA), as both areas of work are increasingly important for financial stability.

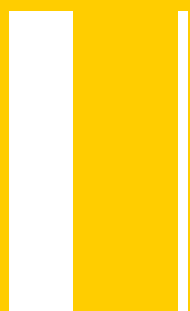
In 2023, the SRB expects to increase its level of engagement with international partners and stakeholders, as the European Commission (Commission)-led Regulatory Dialogues resume in person. The SRB will build on the bilateral work it has carried out in previous years, and carry on working with international bodies such as the FSB.

During the year, the SRB will build on the work and achievements of previous years to continue managing its resources in the most efficient and effective manner, and completing the consolidation of the SRB as an organisation as planned in the Multi-Annual Programme 2021-2023³. In order to do this, various SRB teams will provide support to the vertical functions, policy and resolution, and will further strengthen

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>

and improve internal processes. In addition to regular work, some focus areas in 2023 will be the digitalisation and standardisation of functions, reinforcement of data collection and management; and the consolidation of cybersecurity culture and practice within the organisation.

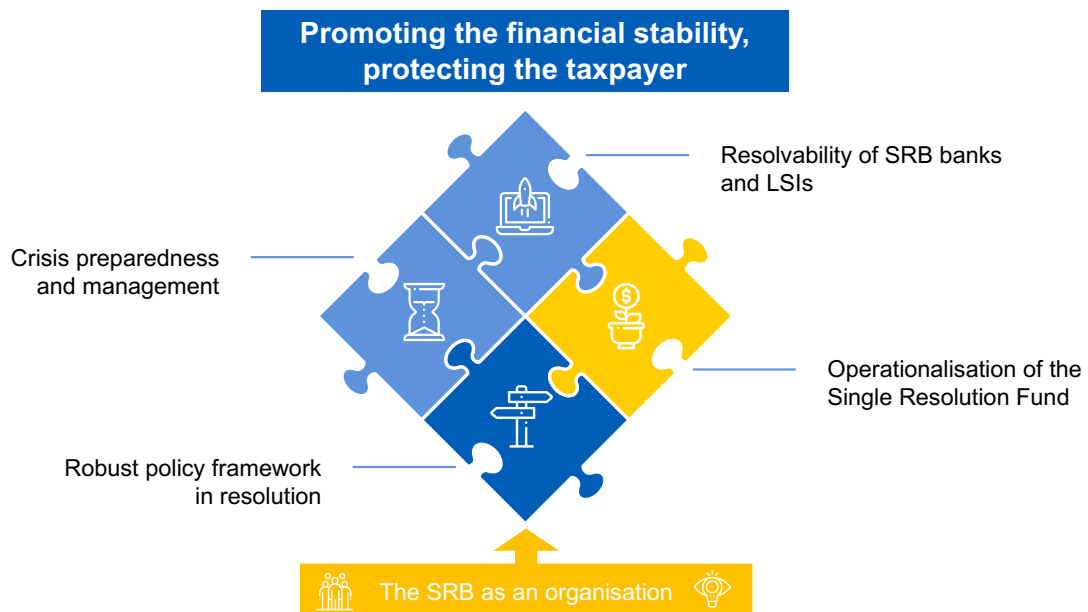




Operational activities

In order to achieve its mission of ensuring an orderly resolution of failing banks with a minimum impact on the real economy, the financial system and the public finances of the Banking Union's member states and beyond, the Multi-Annual Programme 2021-2023⁴ established five priority areas for the SRB, described in the figure below and the following paragraphs.

Figure 1. The SRB's mandate and main areas of work



1. Achieving resolvability of SRB banks and LSIs, which, responding to the SRB's core mandate, reflects the requirement that banking institutions have updated resolution plans, the tools, capacities and data available to proceed should they be declared failing or likely to fail.
2. Fostering a robust resolution framework, which provides the guidelines for preparing feasible and credible resolution plans, taking into account the diversity in the industry, the regulatory changes and the international standards in resolution.
3. Preparing for and carrying out effective crisis management, so, should an institution be declared failing or likely to fail, the SRB and the national authorities can react swiftly to minimise the impact of the crisis.
4. Operationalising the SRF, to ensure additional funding to any prevent negative impacts of a financial institution crisis.

The following sections contain details of the planned activities in each area of work. The fifth priority, establishing the SRB as an organisation, is described in Part II of this work programme.

⁴ Full document here: <https://www.srb.europa.eu/system/files/media/document/2020-11-30%20SRB%20Multi-Annual%20Work%20Programme%202021-2023.pdf>

1.1. Achieving resolvability of SRB banks and Less Significant Institutions

The resolvability of banks in the Banking Union remains at the core of SRB's mandate and represents the majority of its work. Building on the achievements of previous years, in 2023 the SRB will strive to fill in the gaps to ensure that all banks under the SRB's and NRAs' remit have resolution plans that can be referred to in the case of crisis, in order to avoid any negative effects on the real economy, taxpayers or the financial stability of the Banking Union. In order to achieve this, the SRB will continue implementing its 12-month RPC, monitoring the build-up of MREL by institutions, performing the annual resolvability assessments of banks under its remit, carrying out deep dives and supporting the NRAs in their LSI resolution planning and resolvability assessment via its oversight function. The table below shows the main indicators that reflect these objectives.








Table 1. Indicators for “achieving resolvability of SRB banks and Less Significant Institutions”

Area of work	Indicator	Baseline (date)	Target 2023
Resolution planning cycle (RPC) and progress in implementation of Expectations for Banks (EfB)	Number of plans approved within the cycle in RPC 2022 and 2023	108 planned (2022) 99 planned (2023)	As planned within the cycle
Minimum requirements for own funds and eligible liabilities (MREL)	Number of quarterly MREL dashboards published	4 (2021)	4
Resolvability assessments	Number of banks assessed for resolvability and included in heat map as percentage of all banks under SRB remit	100% (2021)	100%
Deep dives and on-site inspections	Number of deep dives/ On-site inspections completed	13 deep dives (2021)	15 deep dives
Less Significant Institutions (LSI) resolution planning	Number of LSIs covered with resolution plans as percentage of the expected total	93% (2021)	98%

1.1.1. Resolution Planning

Resolution planning is an iterative process, by which the SRB, every year, revises, updates, and further operationalises the resolution plans based on the banks' progress against the EfB⁵. The EfB set the end of 2023 as the final deadline for banks to demonstrate that they fully comply with the expectations set for each of the seven dimensions of resolvability. As such, the resolution planning work in 2023 will be focused on this deadline, and monitoring whether all banks have made sufficient progress in these seven dimensions.

Figure 2. Expectations for banks phase in timeline over 2020-2023

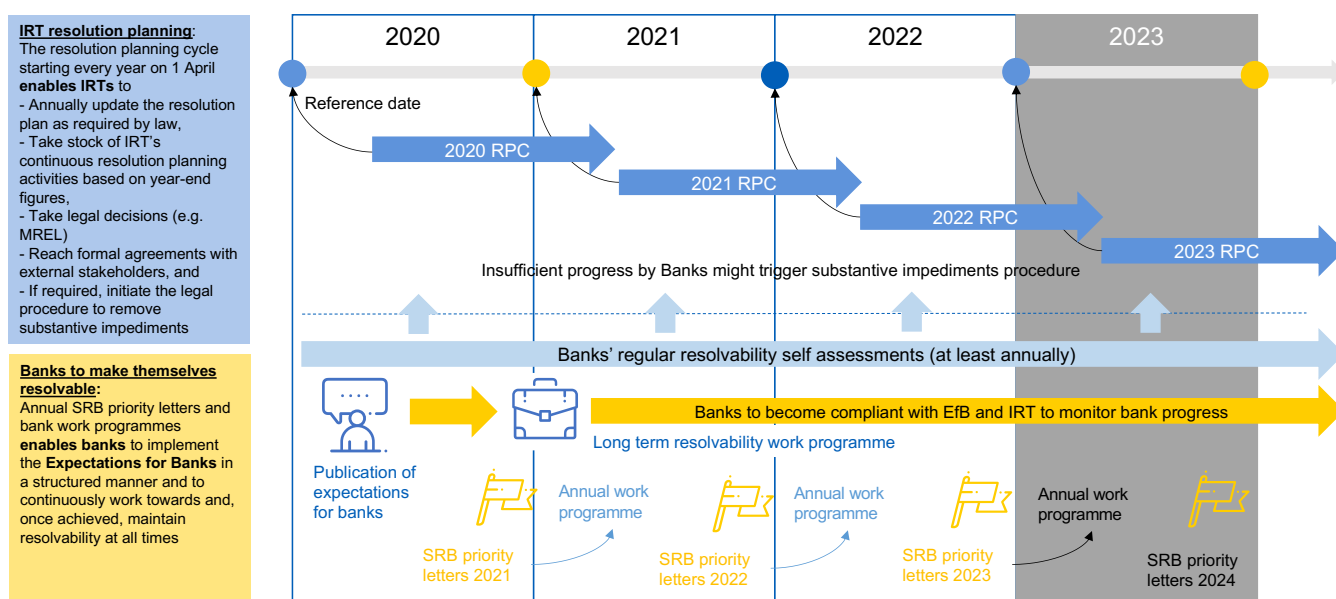
Resolvability Conditions	2020	2021	2022	2023
 Governance	1.1 Management body and senior management involvement, 1.2 Governance of resolution activities, 1.3 Quality assurance and internal audit,			1.4 testing/dry-runs
 Bail-in execution				
 Liquidity and funding in resolution		3.1 Liquidity needs in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

⁵ Full document available here: https://www.srb.europa.eu/system/files/media/document/efb_main_doc_final_web_0_0.pdf

Since 2020, resolution planning is organised in 12-month cycles, known as the RPC, which starts in April of each year. The preparation, implementation and completion of the 12-month RPC has become a standard procedure, and in 2023 the SRB will implement progressive adjustments to its timing, such as different time allocations to various steps in the process depending on the complexity of the resolution plan, and provisions to enhance internal and external coordination. This will increase the efficiency of the process and further align the RPC with stakeholders’ timelines.

As in previous years, during 2023, the SRB will engage in three RPCs, in different execution phases: the 2022 RPC will close; the 2023 RPC will start in April 2023 to be completed in the following year; and the SRB will start preparations for the 2024 RPC.

Figure 3. Interaction between Expectations for Banks (EfB) and the resolution planning cycle during the period of the Multi-Annual programme

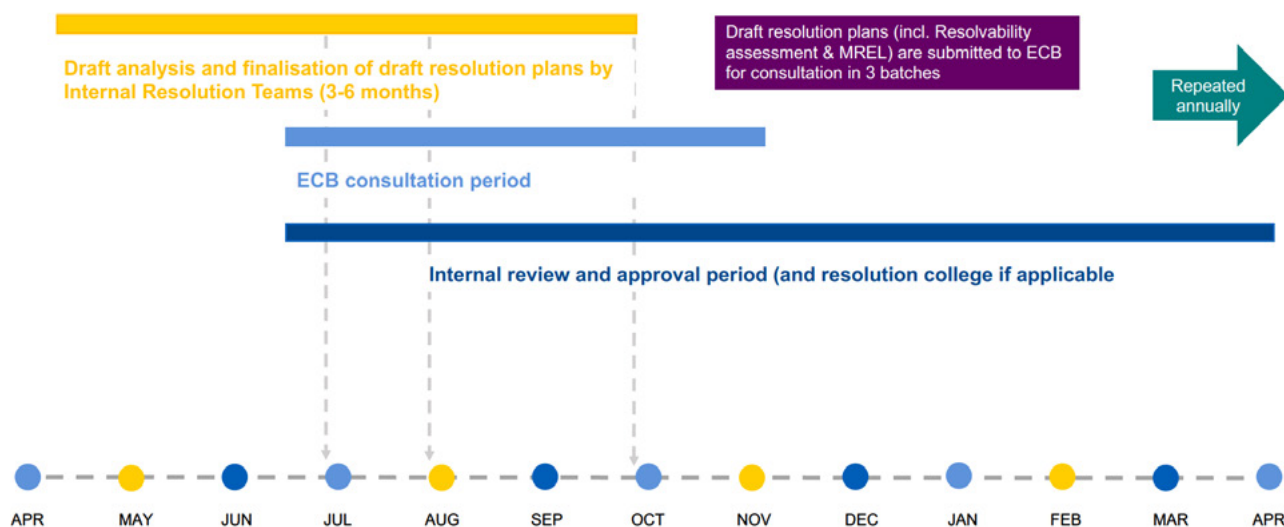


Completion of the 2022 Resolution Planning Cycle

During the first few months of 2023, the SRB will proceed to approve the plans not already approved before the end of December 2022, as planned, following the usual staggered approach in three batches⁶. The summary of the key elements of the plans approved (during the last months of 2022 or in 2023), and the corresponding MREL decisions, will be communicated to banks during the first months of the year.

⁶ For full details on progress of RPC 2022 consult the SRB Annual Report 2022.

Figure 4. 12-month Resolution Planning Cycle



Implementation of the 2023 Resolution Planning Cycle

The 2023 RPC will run from April 2023, and, for the vast majority of banks, will be the last covering the phase-in period of the Efb. The main priority for the 2023 RPC will be liquidity and funding in resolution, and in concrete terms, the measurement, reporting and forecasting of liquidity in resolution⁷. This priority, common to all banks under the SRB's remit, was reflected in the priority letters sent to banks in 2022. In addition, the SRB's priority letters also pointed out specific priorities to individual banks on needs for testing via dry-runs, continuation of the work on separability and solvent wind-down, as well as areas where insufficient progress had been noted during the previous RPC.

As in previous cycles, the RPC will be launched once all banks have submitted their Liability Data Reports. In parallel, the SRB will publish any necessary updates to policies and bank guidance for the 2023 RPC (for more details see section 1.2.1), in line with the timeline set out in the Efb. If necessary, will update the RPC booklet to include any information relevant to the 2023 RPC. Internally, and in collaboration with the NRAs, training will be provided on specific topics.

The RPC will follow what has become the standard process for the updating of resolution plans: the drafting, review, approval and communication phases. In the drafting phase, the SRB will update and further operationalise the resolution plans, as well as determine, confirm, or update MREL targets for each bank. During this phase, the Internal Resolution Teams (IRTs) will also perform the resolvability assessment, in consideration of the bank's resolvability work programmes and resolvability progress reports (for more details see section 1.1.3). On this basis, the IRTs will assess the banks' progress towards resolvability, and identify and monitor any potential and/or substantive impediments. Depending on how significant these impediments are, the SRB may request the relevant bank to address them through concrete corrective actions under close monitoring by the IRT, or may start the

⁷ Principle 3.2 of Expectations for Banks. Full document available here: <https://www.srb.europa.eu/en/content/expectations-banks>

formal procedure for addressing substantive impediments. On a case-by-case basis, IRTs may also participate in deep dives or on-site inspections for the banks under their responsibility (for more details see section 1.1.4).

As a next step in the resolution planning process, the SRB will perform internal quality control and send the plans for consultation with the European Central Bank (ECB). Once the revision is finalised, the resolution plan is approved and communicated, following different processes depending on the existence of a Resolution College or a European Resolution College.

The table below provides an overview of the number of SRB banks for which the SRB expects to adopt resolution plans as part of the 2023 RPC.

Table 2. Overview of resolution plan figures

Member State	Number of banking groups under the SRB's remit as at 1 July 2022	Number of resolution plans expected for the 2023 RPC	
		Total	Of which with resolution colleges ⁸
Belgium	6	6	1
Bulgaria	0 ⁹	0	0
Germany	21	21	3
Estonia	1	1	0
Ireland	6	5	0
Greece	4	4	1
Spain	10	10	2
France	12	10	3
Croatia	0 ¹⁰	0	0
Italy	12	12	2
Cyprus	3	2	0
Latvia	1	1	0
Lithuania	1	1	0
Luxembourg	4	4	0
Malta	3	3	0
Netherlands	7	5	1
Austria	8	7	2
Portugal	3	3	1
Slovenia	3	2	0
Slovakia	0 ¹¹	0	0
Finland	3	2	1
Total	108	99	17

⁸ Not counting European Resolution Colleges

⁹ Banks are subsidiaries of groups under the SRB's remit

¹⁰ Banks are subsidiaries of groups under the SRB's remit

¹¹ Banks are subsidiaries of groups under the SRB's remit

Member State	Number of host cases	Resolution plans expected to be adopted during the 2023 RPC
Sweden	4	2
Belgium	1	1
Bulgaria	1	1
Total	6	4

In parallel with the preparation of the resolution plans, the IRTs will also receive the recovery plans of the banks they are responsible for, and will provide feedback to the ECB. This step reinforces the integration of supervision and resolution activities, contributing to the overall goal of protecting the financial stability of the Banking Union.

Also in parallel with the RPC, IRTs will handle prior permission applications and assess any notifications submitted by banks on the impracticability to include bail-in clauses in certain contracts for certain bail-in-able liabilities that are governed by third country law, in order to support effective write-down and conversion of the related liabilities. If, after assessment, the SRB disagrees with the bank, it may require the inclusion of the bail-in clauses.

Preparation of the 2024 Resolution Planning Cycle

The preparation of the subsequent 12-month cycle, which will take place from April 2024, will start in 2023, with the preparation of priority letters for banks under the SRB's remit, as well as the completion of policy updates necessary for that cycle.

1.1.2. Minimum requirements for own funds and eligible liabilities

The final MREL targets of the Bank Recovery and Resolution Directive (BRRD2) will become binding from 1 January 2024. Hence, during 2023, the SRB will be closely monitoring the adherence of the SRB banks to their individual final targets and urge the banks to have a forward-looking funding plan to prevent any breaches of MREL targets from occurring. If breaches are detected, the legislative framework provides the SRB with two formal tools for addressing them: the imposition of restrictions relating to the MREL Minimum Distributable Amount (M-MDA) or, in situations where the shortfall impedes the resolvability of the institution, the triggering of the substantive impediments procedure with all the possible measures listed in the BRRD.

In the interest of transparency, the SRB will continue to produce quarterly MREL dashboards, which are aimed at presenting the evolution of MREL targets, outstanding stock and shortfalls of entities under the SRB's remit, and at providing an overview of gross issuances of MREL instruments and recent developments in the cost of funding.

1.1.3. Resolvability assessments

In July 2022, the SRB published its Resolvability Assessment of Banking Union banks for 2021¹². The assessment leverages the resolvability heat-map tool introduced in the 2021 RPC to assess progress made by banks against the priorities set out in the EfB.

This publication marked a milestone in the SRB's efforts to foster a more transparent assessment of banks' resolvability and to promote further convergence and comparability with authorities' resolvability monitoring outside the EU. The resolvability assessment will be performed on a yearly basis, and the main results will be published on the SRB website. In 2023, the SRB will continue to closely monitor the fulfilment of the EfB principles. This will include assessing banks' progress in the resolvability conditions phased in in 2022 via the heat-map tool and communicating the main results in the Resolvability Assessment of Banking Union banks for 2022.

The resolvability assessment outcomes will also indicate the need for carrying out deep dives and on-site inspections, and will determine aspects to test during banks' or the SRB's dry-runs.

Going forward, the SRB will incorporate features in the resolvability assessment policy in parallel with the full phase-in of the EfB. After the implementation period of the EfBs at the end of 2023, the SRB will move from an approach that monitors banks' *implementation* of the resolvability capabilities set out in the EfB, to an approach that monitors banks' *maintenance* of such capabilities so that they remain operational at all times. To this end, the SRB will conduct comprehensive testing of banks' resolvability capabilities in accordance with a multiannual testing plan, starting in 2024. This approach is in line with the EBA requirements for banks to demonstrate compliance with the EBA Guidelines on improving resolvability¹³ as they become applicable on 1 January 2024.

The SRB's resolvability assessment is based on a set of harmonised criteria and aims to classify the banks according to each resolvability condition and the impact each condition has in the feasibility of the banks' resolution strategy. The consolidation of all criteria provides a rank for each bank, which can be used by the bank to improve the aspects of resolvability that require additional work, and to benchmark.

Where insufficient progress shows that the bank is not likely to achieve resolvability in line with the SRB's expectations, the SRB will initiate the procedure for removal of substantive impediments, as foreseen by the legal framework.

¹² Full document available here: https://www.srb.europa.eu/system/files/media/document/2022-07-13_SRB-Resolvability-Assessment.pdf

¹³ Guidelines on improving resolvability for institutions and resolution authorities under Articles 15 and 16 BRRD (Resolvability Guidelines), EBA/GL/2022/01, 13 January 2022.

1.1.4. Deep dives and on-site inspections

The deep dives are carried out by the SRB and NRAs as part of the resolution activities, under the IRTs regular off-site activities. Missions started in 2021, with a series of pilot deep dives, and continued in 2022, being an effective tool used by the IRTs to enhance resolvability of the banks, and to check the progress achieved by the banks in line with the SRB EfB. The first missions focused on governance, loss absorption and recapitalisation, reporting and operational continuity. The lessons learned from the pilots informed the SRM on-site inspections guidance and further development of the SRM on-site capabilities.

In 2023, the SRB will carry out further deep dive missions to test the compliance of the different resolvability dimensions, taking into account the phased-in conditions of the EfB. In parallel, during the year, the SRB will consolidate the on-site inspection guidance, with on-site inspections expected to start the following year.

Deep dives versus on-site inspections

- ▶ **On-site inspections are in-depth investigations to assess whether banks meet the conditions of the EfB that will ensure their resolvability in the event of failure.**
 - **Based on Article 36 SRMR.**
- ▶ **Deep dives are an extension of the IRT resolution planning activity, usually taking place at the banks' premises. More generally, deep dives are considered to be a way of obtaining additional information for resolution planning purposes.**
 - **Based on Article 11 BRRD and Article 34 SRMR.**

1.1.5. Less Significant Institutions oversight

While the SRB is directly responsible for resolvability of significant institutions and cross-border groups (SRB banks), the NRAs are responsible for the LSIs. The SRB performs an oversight function, which ensures consistent application of standards across the Banking Union. The NRAs submit to the SRB the draft resolution measures they intend to adopt for the LSIs under their responsibility, and the SRB performs its assessment, providing suggestions on potential improvements to the NRA.

The number of LSIs for which resolution plans are expected is included in the table below. The number of resolution plans submitted has been increasing steadily since 2017, and in 2021, the number of plans approved (in 2021 or previous years) reached 93% of LSIs for which a resolution plan is required. A further increase in coverage in 2023 is expected and the SRB will assess all draft LSI plans received.

The SRB will continue to concentrate on enhancing the consistent application of resolution standards among the LSIs and across countries. For this purpose, and to address cross-cutting matters, the SRB will keep on cooperating closely with

the NRAs, bilaterally or multilaterally, in order to discuss SRB policy stances to be included in the plans, alignment to the SRB LSI guidelines and coherence among the NRA's application of the policies, while maintaining proportionality.

The SRB also coordinates with the NRAs for LSIs requiring closer monitoring, as laid down in the Cooperation Framework¹⁴. This procedure contributes to the SRB's LSI risk management and strengthens crisis preparedness. In particular, it allows the SRB to prepare in a timely manner when the first signs of financial deterioration of an LSI emerge and provide prompt feedback to the relevant NRA in the case of crisis, when the SRB will have to assess the draft resolution measure to be adopted by the NRA. The SRB maintains intensive dialogue with the NRAs concerned as well as with the SSM about any LSIs requiring closer monitoring.

Table 3. Overview of Less Significant Institutions and Less Significant Institution groups by Member State

Member State	Number of LSIs or LSI groups for which resolution plans are required, as of 30 June 2022	Total number of LSIs or LSI groups covered by resolution plans in the 2021 RPC
Belgium	14	13
Bulgaria	13	13
Germany	1 257	1 126
Estonia	6	6
Ireland	8	9
Greece	11	10
Spain	54	52
France	73	70
Croatia	14	14
Italy	117	112
Cyprus	5	5
Latvia	9	9
Lithuania	10	5
Luxembourg	48	48
Malta	14	14
Netherlands	22	16
Austria	368	368
Portugal	24	23
Slovenia	5	5
Slovakia	5	5
Finland	9	9
TOTAL	2 086	1 932

¹⁴ Full document available here: https://www.srb.europa.eu/system/files/media/document/decision_of_the_srb_on_cofra.pdf

1.2. Fostering a robust resolution framework

Since its establishment, the SRB has developed and published the core resolution policies, and in the last year of the phase-in of the EfB, will aim at completing and enhancing, where necessary, existing guidance and tools to ensure resolvability of banks by the end of 2023. In addition, the SRB will continue to contribute to policy development in international and European fora and integrate into its policy work the guidance from the FSB and the EBA. As in previous years, policy development and dissemination will be conducted in close cooperation with the NRAs. The following table contains indicator on the main areas of work.

Table 4. Indicators for “fostering a robust resolution framework”

Area of work	Indicator	Baseline (date)	Target 2023
Development and dissemination of SRB policies	Number of expected policies published according to plan (as a percentage of the planned total)	100% (2021)	100%
Quality assurance of resolution plans	Number of draft resolution plans reviewed for quality assurance (as a percentage of the total) within the RPC	100% (2021)	100%
Contributions to external policy and regulatory activity	Number of position statements on external policy and regulatory files produced by the SRB	3 (2021)	2
Cooperation and international relations	Number of engagements with third-country authorities (beyond the FSB and TPLE)	9 (2021)	9
Cooperation arrangements	Number of new bilateral Cooperation Agreements (CoAg) for which negotiations have been concluded	1 (2021)	3

1.2.1. Development and dissemination of SRB policies

Policy development

Being the final year of the phase in of the EfBs, policy work in 2023 will focus on the operationalisation of existing policies, completion of guides, carrying out necessary updates based on regulatory changes, and strengthening training.

Table 5. Planned areas of work for SRB policies in 2021-2023

SRB policies planned for 2021-2023	2021	2022	2023			
SRB MREL policy (update)	✓	●	●			
MREL: implementation/application/contribution to EBA Regulatory Technical Standards on eligible liabilities, permission to reduce eligible liabilities instruments, EBA Implementing Technical Standards on MREL / TLAC reporting and disclosure, reporting of MREL decisions to the EBA, and relevant EBA reports on MREL.	✓					
MREL: EBA Regulatory Technical Standards on setting the MREL in relation to the Pillar 2 Requirement (P2R) and CBR for groups where the resolution perimeter differs from the prudential one; and on internal MREL and implementation of the resolution strategy ¹⁵	✓					
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	✓	●				
Public Interest Assessment (PIA) policy ¹⁶	✓	●				
Liquidity: operational guidance on assessing funding needs in resolution ¹⁷	✓	●				
Liquidity: operational guidance identification and mobilisation of collateral during and after resolution ¹⁸	✓	●				
Liquidity: operational guidance on measurement and reporting of the liquidity situation in resolution ¹⁹		●	●			
Solvent wind-down	✓	●				
Methodology for resolvability assessment, including separability analysis and restructuring, resolution tools specifics, updated of the heat-map policy for application as of 1 January 2024, in line with the relevant EBA work in this area	✓	●	●			
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: 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	●	Planned	✓	Delivered as planned	✘	Not delivered as planned

¹⁵ This policy item refers to the SRB work completed in 2020/21 on: i) the participation in the drafting team of the EBA RTS on daisy chains, which has instead been transformed by the Commission into a legislative 'quick fix' proposal; and ii) the expansion of the scope of internal MREL, in the 2021 MREL policy, covering intermediate entities in a daisy chain

¹⁶ SRB also took part in the PIA related work with the EBA, including a survey in PIA good practices.

¹⁷ Reformulation of item in comparison with the SRB Multi-Annual Programme 2021-2023 for the sake of precision.

¹⁸ Reformulation of item in comparison with the SRB Multi-Annual Programme 2021-2023 for the sake of precision.

¹⁹ New item, not included in the original table in the Multi-Annual Programme 2021-2023.

Minimum Requirements for Own Funds and Eligible Liabilities update

The SRB foresees a few areas where the policy will be reviewed in 2023 through the implementation of the latest Capital Requirements Regulation (CRR)²⁰ legislative changes, enhancing further the no creditor worse off (NCWO) methodology by assessing the possibility of considering discretionary exclusions, reviewing the methodology for calculation of internal MREL, and strengthening the monitoring of the eligibility of MREL instruments. Looking forward, once banks have met their final target levels (as of 1 January 2024), the SRB envisages a revaluation of the MREL policy for the medium term, using the experience of past years to reflect on potential changes or clarifications, in consultation with the industry.

Single Point of Entry

Following on from the work undertaken in 2022 to operationalise the Single Point of Entry approach, the focus will shift in 2023 to implement the key findings on:

- ▶ resolution powers optimal for the successful execution of the Single Point of Entry in a cross-border group;
- ▶ ways to overcome the potential legal and practical obstacles to the transfer of funds from the resolution entity to the subsidiaries in the resolution group;
- ▶ the use of contractual arrangements to ensure support for subsidiaries in a crisis scenario;
- ▶ adaptation to regulatory changes.

Liquidity and funding in resolution

Building on the work on liquidity and funding in resolution completed in previous years, the SRB will phase in EFB principle 3.2²¹, and assess banks' capabilities for measuring and reporting on the liquidity situation in resolution in 2023. The IRTs will assess banks' reports and ask the institutions to focus on putting in place the necessary internal framework, governance and Management Information Systems (MIS) to meet the expectations set by the SRB. To support the resolution plan assessment, banks will be requested:

- ▶ to produce a note on their capabilities to measure and report the liquidity situation in resolution;
- ▶ to deliver a standardised set of data points on their liquidity position and funding sources during resolution, as well as a gap analysis on any deficiencies in their capabilities to provide these data points.

The SRB will continue to enhance its analytical tools to access banks' liquidity needs in resolution. Liquidity scenario models will be developed to support IRTs in their assessment of the banks capabilities with regards to the expectations relating to liquidity and funding in resolution. The SRB will conduct horizontal analysis of banks

²⁰ Full document available here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex-%3A32013R0575>

²¹ Measurement and reporting of the liquidity situation in resolution: banks have established processes and developed capabilities to measure and report their liquidity and funding needs in the case of resolution, as well as the liquidity sources that are available, at the level of the resolution group and at the level of material legal entities in the perimeter of the resolution group.

liquidity situation in the run up to, during and after resolution to better understand the dynamics concerning banks' liquidity and funding situation in resolution.

Public Interest Assessment

During 2023, the SRB will extend its Public Interest Assessment (PIA) methodology by refining the SRB policy, and strengthening its data- and model-driven analysis, in particular the analysis of the impact on financial stability with respect to the criticality of banks' functions and in the case of use of the Deposit Guarantee Scheme (DGS). The SRB will closely cooperate with the NRAs to carry out this work.

The SRB plans to further strengthen its models relating to direct and indirect contagion, specifically to cooperative banks and host cases. The SRB network models will incorporate new comprehensive data sources to which the SRB expects to obtain access in 2023. The models will also take into account sources of contagion outside the financial system, as well as the impact of bank failures outside of the banking sector. In addition, the SRB will develop models to assess market effects due to bank failures for specific financial market segments relevant for SRB banks.'

Financial stability analysis also guides the SRB's work in other areas, including the selection of the preferred resolution strategy and resolution tools, and the assessment of feasibility and credibility under different scenarios, including system-wide events.

During the year, the SRB will start analysing the impact of crypto assets and decentralised finance on the resolvability of banks, in line with EU regulatory developments in this area. The SRB will also start exploring crypto finance and decentralised finances as a potential source of direct and/or indirect contagion in the event of a bank failure, with the aim of reflecting these channels of contagion in resolution planning and execution in the future. The SRB also expects to start exploring how climate risks can impact risks in the banking sector and the potential impact on bank resolvability in the short, medium and long term.

In line with the ongoing work in digitalisation (for more details see section 2.1.2), in 2023, the SRB will continue to increase data-sharing with national authorities and other EU bodies such as the ECB and the European Supervisory Authorities, with regards to obtaining access to relevant parts of databases²², for example.

Variant Strategies

In 2023, the SRB will continue the work initiated during the previous RPC to complement preferred resolution strategies with operational and credible variant strategies. For this purpose, the SRB will engage with NRAs and banks in order to enhance preparedness at a resolution planning stage.

²² Namely the Security Holdings Statistics, Centralised Securities Database and AnaCredit data, which contain data that facilitate assessment of interconnectedness of banks in the Banking Union and beyond and allow the evaluation of contagion and the effect of systemic events.

Policy dissemination

In 2023 the SRB will maintain its close cooperation with the banking industry on a bilateral basis and via public events such as the 'Industry Dialogues'. Such events facilitate the dissemination of information on latest policy developments, and enable the SRB to gather key feedback from the industry on resolution, fostering transparency of the SRB's work. The 'Industry Dialogues' provide representatives of the banking sector the opportunity to ask questions, seek clarifications and provide views on the resolution related policies. Continuous cooperation and discussion with the industry is an important element for improving the resolvability of the banking sector within the Banking Union, as well as increasing the transparency of the SRB's work (for more details, see section 2.4).

1.2.2. Quality assurance of resolution planning

A systematic quality review of the resolution plans is key to ensure consistency and high standards, and will continue to be carried out in 2023, in close relation with the resolvability assessment and the resolvability heat-map (for more details, see section 1.1.3). Both assessments allow systematic benchmarking of plans against policy stances. On one hand, this leads to the year-on-year improvement of the quality of the plans and their compliance with the evolving Single Rulebook. On the other hand, the quality control work informs the SRB about any need to update or fine-tune SRB policies, and provide clarifications and/or address new circumstances and specific situations identified during resolution planning, which will contribute towards the improvement of the policy framework.

1.2.3. Contributions to external policy and regulatory activity

In 2023, the SRB will continue to engage closely with the Commission, the European Parliament (Parliament), the Council of the European Union (Council), the ECB and the EBA on relevant regulatory and policy issues. The priority topics for 2023 in terms of external policy and regulatory activity will include:

- ▶ The review of the CMDI framework and of the State aid communications for banks in crisis, which started in 2022 and will proceed in 2023, and to which the SRB will contribute in order to strengthen the framework and promote policy coherence within the EU and with international resolution standards.
- ▶ Following the provisional agreement reached by the Council and the Parliament on DORA in May 2022, the SRB will work on its implementation, coordinating where necessary with the relevant stakeholders.
- ▶ The progress achieved in the EU's anti-money laundering and countering the financing of terrorism package, which the SRB is following closely, especially the creation of a new EU authority to fight money laundering, the AMLA.

The SRB will provide its technical expertise to legislators on the above matters and monitor the progress in any other matters that might have an impact on the SRB's mandate.

Furthermore, the SRB will continue to engage in dialogues and exchanges with EU non-Banking Union Member States.

1.2.4. Cooperation and international relations

Cooperation with EU institutions and agencies

In addition to the collaboration on regulatory matters, the SRB will also maintain cooperation with the EU institutions, participating in regular hearings before the European Parliament's Economic and Monetary Affairs Committee (ECON), and in meetings of the Economic and Financial Affairs Council (ECOFIN) and the Eurogroup, as invited. SRB representatives will participate in relevant meetings of the Council and Commission groups. In parallel, the SRB will continue to collaborate with the EU institutions and agencies to strengthen the resolution framework.

The SRB will remain a non-voting member of the European Systemic Risk Board (ESRB), and will participate in the General Board and the Advisory Technical Committee meetings, as well in relevant working groups and workstreams, with the objective of supporting the SRB's position and providing dedicated contributions. The SRB will also continue to contribute to the Expert Group on Clearing²³, focusing on resolution-relevant financial stability aspects concerning Central Counterparties (CCPs). In the light of the recent but increasingly serious challenges at global and EU level in a number of ESRB key policy areas (e.g. FinTech, cyber threats, climate change and crypto asset decentralised finance), the SRB is set to strengthen its contribution to the ESRB and to support policy and analytical work on risk analysis and the related policy proposal. In this context, the SRB will focus on the resolution relevant issues, including interactions between prudential frameworks and resolution policies.

In August 2022, the provisions of the CCP Recovery and Resolution Regulation²⁴ with respect to resolution and resolution colleges came into force. The SRB is a member of the ESMA CCP Resolution Committee and a voting member in CCP resolution colleges as the resolution authority of clearing members with the largest contributions to the CCP's default fund. In 2023, the SRB will contribute to the resolution planning for CCPs, in accordance with its mandate under the EU CCP Recovery and Resolution Regulation.

The SRB will also continue to play an active role in various EBA committees, especially the Resolution Committee, chaired by the SRB representative, and its sub-groups at technical level, as well as in the Standing Committee on Regulation and Policy. In addition, the SRB is involved in the European Securities and Markets Authority's (ESMA) CCP Recovery and Resolution Regulation Task Force, contributing to the discussions and consultations on guidelines and Regulatory Technical Standards (RTS).

In 2023, the SRB will also continue to strengthen its collaboration with the European Insurance and Occupational Pensions Authority (EIOPA).

With the revised Memorandum of Understanding expected to be adopted by the ECB and the SRB in 2022, collaboration between the two entities will further foster the efficiency and effectiveness of the recovery and resolution frameworks via enhanced availability of data.

²³ Previously called Task Force on Central Counterparties.

²⁴ As per the Regulation (EU) 2021/23 of the European Parliament and of the Council of 16 December 2020 on a framework for the recovery and resolution of central counterparties. Full document available here: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021R0023>

Cooperation arrangements

The SRB has signed bilateral cooperation arrangements with 13 third-country authorities in order to facilitate resolution planning, the implementation of resolution decisions for cross-border entities and the exchange of information. Technical negotiations for other cooperation arrangements are ongoing, with the objective of further expanding the SRB's reach and cover all jurisdictions in which the SRB banks have a material presence.

Moreover, the SRB has concluded multilateral bank-specific cooperation arrangements (COAGs) underpinning the functioning of Crisis Management Groups (CMGs) in respect of global systemically important banks (G-SIBs). The SRB has also concluded multilateral COAGs underpinning the functioning of CMGs in respect of CCPs that are systemically important in more than one jurisdiction, as the resolution authority of major clearing members. In reference to the latter, in 2023 the SRB will maintain its engagement with third-country home authorities of CCPs for its accession into additional COAGs of relevance to its activities.

International cooperation

The SRB will strive to increase its engagement with other international stakeholders in order to promote coherence and collaboration between various resolution authorities, and share its expertise in resolution planning and crisis preparedness. As such, the SRB will continue to contribute actively to the various workstreams of the FSB, paying special attention to the work on enhancing resolvability for CCPs, funding in resolution, bail-in execution and unallocated Total Loss-Absorbing Capacity (TLAC), as well as other technical matters.

In addition, the SRB will further engage with other international organisations, such as the World Bank, the International Monetary Fund and the International Association of Deposit Insurers (IADI). The SRB will (also) maintain its collaboration with the International Institute for the Unification of Private Law (UNIDROIT) to promote the harmonisation of bank insolvency.

The SRB will collaborate with resolution authorities in the UK and USA via the Trilateral Principal Level Exercise, with the aim of ensuring operational preparedness for cross-border resolution and cooperation between the three parties. Furthermore, the SRB will keep on engaging in dialogues and forums with other key international partners and resolution authorities.

1.3. Preparing and carrying out effective crisis management

During 2023, the SRB will fulfil the core of its mandate, that is, the orderly resolution of failing or likely to fail financial institutions, by ensuring that, not only the banks are resolvable, but also that protocols and systems are fully ready to be activated and effectively used in the case of crisis. The table below contains indicators that show progress on the achievement of this key priority.

Table 6. Indicators for “preparing and carrying out effective crisis management”

Area of work	Indicator	Baseline (date)	Target 2023
Crisis preparedness	Number of centrally coordinated dry-runs carried out	2 (2021)	2
Crisis response	Number of lessons learnt from crisis cases and dry runs that are addressed (as a percentage of the total) on an annual basis	N/A	70% ²⁵

1.3.1. Crisis preparedness

The SRB will maintain its work on enhancing crisis preparedness through its dedicated team in charge of coordinating crisis management at horizontal level, the Resolution Tactical Team, as well as the involvement of experts from other SRB units, including Resolution Units, Legal Services, Communications and the SRF.

Building on the progress achieved in previous years, the SRB will further strengthen protocols and capacities of the SRM to address potential crisis cases. In 2023, the priorities will include:

- ▶ To continue to support the NRAs in the development of their National Handbooks, ensuring the implementation of the resolution strategy and the SRB resolution scheme at national level. This will entail work on the operationalisation of resolution tools (in particular the bail-in tool and transfer strategies) and national insolvency proceedings, and the drafting of detailed procedural steps and templates for national decisions/acts.

²⁵ 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 annual work plan, and therefore can only be fully addressed in following years; it is estimated that around 70% of the recommendations can be addressed within the months following to their formulation. The corresponding SRB annual report will contain details on the progress of this implementation.

- ▶ To strengthen the operationalisation of the bail-in tool with the support of the NRAs in identifying the issues involved in the external execution as part of the development of their National Handbooks. Bail-in preparedness would further benefit from the outcome of the work on the operationalisation of the Single Point of Entry approach, together with a possible further harmonisation of the insolvency laws across the Banking Union in the future. The SRB will continue to perform horizontal analyses of banks' bail-in playbooks and incorporate best practices in its guidance and crisis materials, including the bail-in calculator.
- ▶ To update and enhance internal procedures and crisis materials based on lessons learned from previous crisis cases and dry-run exercises as well as regulatory and policy developments. In particular, based on recent crisis cases, the SRB intends to keep on working on the development of the operational preparedness for transfer strategies; to initiate a dialogue with the Commission on the possibility of extending the length of the moratorium tool; and to improve further the cooperation and timely exchange of information with key stakeholders. Overall, the SRB intends to enhance the management of the crisis process, starting with the on-going preparedness, activities relating to actual management of the crisis, and the post-resolution activities.
- ▶ To carry out dry-runs to test specific areas in resolution and crisis management. During 2023, the SRB will organise at least one fully-fledged simulation exercise and one technical exercise.
- ▶ To proceed on the development of the ICT tool to support crisis management, Ready for Crisis (R4C), ensuring that authorities in the Banking Union have access and can use it during crisis and technical simulation exercises.

Figure 5. Main phases in the resolution process



1.3.2. Crisis response

Throughout 2023, the SRB will manage crisis cases, should they occur, in close coordination with all stakeholders, and using already tested protocols to ensure swift action, according to the scheme in the figure below. Should a bank under the SRB's remit enter a critical situation, the SRB will assess and decide on the use or not of resolution, and in the case of resolution, will monitor the implementation of the decision by the respective NRA. In the case of banks under the NRAs remit, the SRB will provide support to the respective NRA in the adoption of the decision. The SRB will perform lessons learned exercises from all crisis cases in order to identify aspects to further improve crisis management protocols and procedures in the future.

During 2023, the SRB will monitor Banking Union banks in close collaboration with the NRAs and the SSM.

1.4. Operationalising the Single Resolution Fund

The SRF was established by the SRMR and, where necessary, may be used to ensure the effective application of resolution tools. During 2023, the SRB will conduct one more exercise of raising *ex ante* contributions in order to meet the target established for the end of the transition period, and will continue to manage the fund investments and lay down procedures for using the available and additional funds for resolution. The following table reflects the indicators that will demonstrate progress in these areas:

Table 7. Indicators for “operationalising the Single Resolution Fund”

Area of work	Indicator	Baseline (date)	Target 2023
Contributions	Increasing transparency: number of queries received during consultation that are replied to as a percentage of the total received	100% (2021)	100%
Investment	Liquidity of the SRF: number of days to liquidate the SRB portfolio	N/A	5 days ²⁶
Funding	Number of dry-runs organised to test the SRF and additional funding procedures	2 (2021)	2 (1 internal, 1 external)

1.4.1. Contributions

Credit institutions and certain investment firms in the participating Member States pay *ex-ante* contributions to the SRF. The SRF has been gradually built-up over a transitional period which started in 2016 and concludes in 2023, by the end of which the Fund must reach at least 1% of the amount of covered deposits of all credit institutions authorised in the participating Member States. At the date of closure of this document, this was expected to amount to around EUR 80 billion.

As in previous exercises, the calculation of contributions for 2023 will start in November 2022, with the data collection, and conclude in February 2023, after which in-scope institutions will be consulted on the SRB's preliminary calculations before the adoption of final decision. The compulsory levies from approximately 2 900²⁷ entities in scope will be collected in Q2. During the 2023 exercise, the

²⁶ 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.

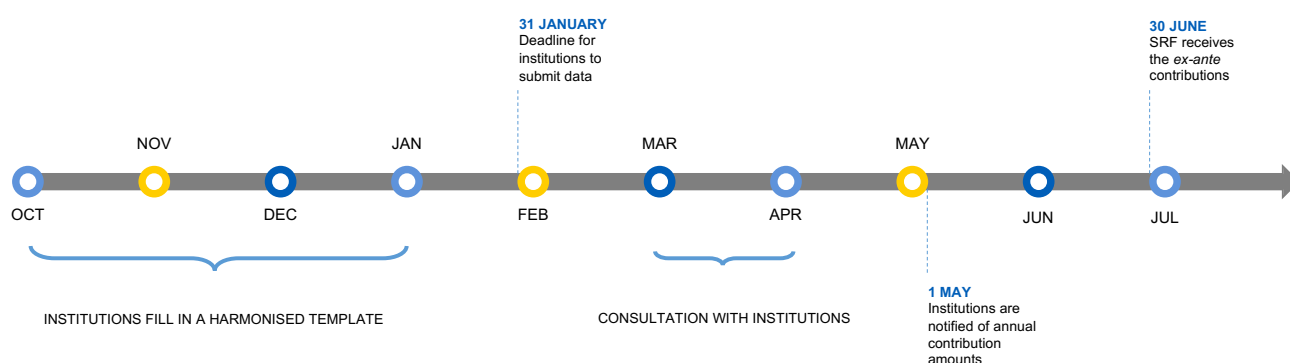
²⁷ As of July 2022

SRB will further reinforce the communication on the contributions calculation process to the industry, following the introduction of the consultation in 2021. This consultation further enhances transparency and makes the decision-making process more robust from a procedural point of view, by providing institutions with the possibility of commenting on the main elements of the *ex-ante* calculation decision. In 2022, the consultation phase also included the preliminary calculation decisions on restatements of data used in previous contribution cycles, and this feature will also be included in the 2023 consultation.

For the 2023 cycle, and based on a separate assessment, the SRB will adopt also a decision on the level of irrevocable payment commitments and the related collateral.

During the year, the SRB will prepare to proceed, early 2024, with the assessment on whether the final target level for the SRF was reached at the end of the initial period in accordance with article 69(1) SRMR or not, and with any further collection of *ex ante* contributions if necessary.

Figure 6. Ex-ante contributions cycle

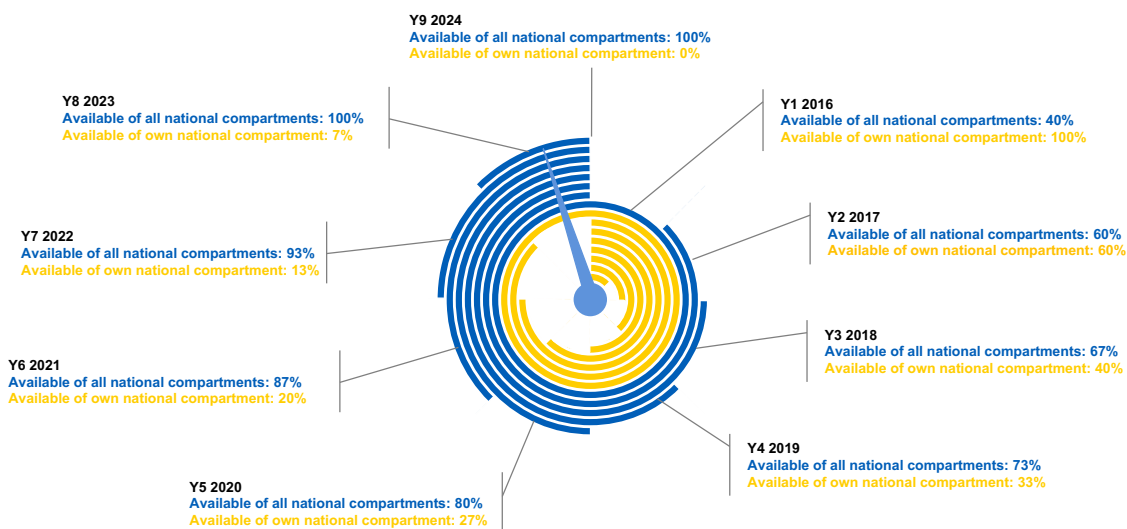


In addition, to meet the target in terms of volume of funds, and after a process of sequential mutualisation since the establishment of the SRF, by the end of 2023 the SRF will be fully mutualised. Until then, it will still be divided into national compartments. Article 5 of the Intergovernmental Agreement (IGA)²⁸ governs the use of the SRF through a waterfall, which dictates the order of the use of the national compartments and the mutualised means²⁹.

²⁸ Full document available here: <https://data.consilium.europa.eu/doc/document/ST%208457%2014%20INIT/EN/pdf>

²⁹ At the date of compilation of this plan, in July 2022, the level of mutualisation in the SRF was above 90% of the collected *ex-ante* contributions in all national compartments. After the 2022 *ex-ante* contributions collection, the SRF holds EUR 66 billion. Therefore, approximately EUR 60 billion of the resources in the SRF are mutualised, which is by far more than any final compartment size of an individual Member State.

Figure 7. Single Resolution Fund construction



1.4.1. Investment

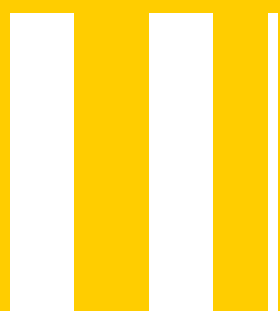
The SRB is responsible for managing the funds held in the SRF. The SRB has adopted an outsourcing model with two investment managers underpinned by a single custodian. A key SRB priority in 2023 will be the monitoring of the implementation of the 2023 investment plan by the two external investment managers. The SRB will also review the investment strategy and prepare the annual investment plan for the following year.

1.4.2. Funding

The SRB is responsible for the operationalisation of the SRF, including when the amounts raised through *ex-ante* contributions and *ex-post* contributions are not immediately accessible or do not cover the expenses incurred by the use of the SRF in relation to resolution actions.

In this area, 2023 priorities comprise the following:

- ▶ further development of the operationalisation of the SRF by integrating:
 - the SRB collateral policy;
 - the operational steps foreseen in the Common Backstop agreement in the case of activation of the European Stability Mechanism (ESM) credit line;
 - the rules for the replenishment of the SRF and the collection of *ex-post* contributions.
- ▶ finalising the framework for the Repayment Capacity Assessment envisaged by the Common Backstop Agreement, including the relevant documentation to describe the methodology used and the assessment process.



The SRB as an organisation

During 2023, the SRB will build on the work and achievements of previous years to continue managing its resources in the most efficient and effective manner possible. In order to do this, various SRB teams will provide support to the vertical functions, policy and resolution, further strengthening and improving internal processes. In addition to the regular management of resources, and the implementation of accountability and transparency processes, some additional focus areas will be the digitalisation and standardisation of functions, reinforcement of data collection and management; as well as the consolidation of cybersecurity culture and practice in the organisation. With an almost fulfilled establishment plan, the SRB will further implement its HR strategy. In 2023, The SRB will also focus on efficient management of litigation cases, based on the experience of last years.

Table 8. Indicators for “the SRB as an organisation”

Area of work	Indicator	Baseline (date)	Target 2023
Information and Communications Technology	Ratio between external and internal resources	1,56 (2021)	1,45
Communications	Audience outreach with social media activities	324 725 ³⁰ (2021)	>5%
Human resources	Number of staff positions in the establishment plan filled or covered by selection procedures (as a percentage of the total)	99% (2021)	>99%
Budgetary and financial management	Budget execution rate (in commitment appropriations and excluding Chapter 32, ‘contingencies’)	88% (2021)	95%
	Payment of invoices within the deadlines	97.40% (2021)	97%
Legal services	Number of legal advice requests replied to within time (as a percentage of the total number received)	90.92% (2021)	>90%

³⁰ Calculation estimated from website visits and social media followers. Press audience not included.

2.1. Information and Communications Technology and digital SRB

2.1.1. Information and Communications Technology

In 2023, the SRB Information and Communications Technology (ICT) unit will strive to further improve the services provided to internal users and devise efficient solutions for business processes, while continuing to implement the ICT strategy 2022-2024 and leveraging SRM resources via the ICT network. During the year, the SRB will aim to improve the quality of its ICT deliverables by reducing its dependence on external consultants. This will allow, among others, the maintenance of the know-how inside the organisation and increase responsiveness to changes. The SRB ICT unit will further improve the quality and timeliness of communication with internal users.

In 2023, the SRB will implement and continuously improve a new ICT service for access rights management. The ICT operations team will support the staff working remotely on a daily basis, and further improve user experience for hybrid work. The SRB will deploy a solution to use personal devices to connect to the SRB ICT infrastructure from the internet and continuously improve its ICT solutions to further industrialise, centralise, and automate the deployment of applications as well as provide end-to-end system monitoring for data and system owners.

The SRB will continue to implement its plan for increasing the level of cyber-awareness of the staff (including the management and the Board Members), and perform simulations of security breaches and attacks. The SRB will progressively implement the measures defined in the new Cyber Security and Information Security regulations. The SRB will further reinforce its collaboration with the Computer Emergency Response Team for the EU institutions, bodies and agencies (CERT-EU) to strengthen its level of cyber resilience.

2.1.2. Digital SRB

During 2023, the SRB will further improve the governance, organisation and management of data within the SRB following the approval of its Data Management Framework. The SRB will implement this framework via a dedicated Data-based Process Management team, which as from 2023 will coordinate the business requirements, building on the progress achieved in 2021 and 2022 in terms of data governance and internal processes.

Closely related to the above, in 2023, the SRB will continue to work on its Enterprise Architecture framework based on independent modules at all levels

(model of the processes, software design, API oriented and middleware layout). The SRB will proactively participate in the EBA integration report initiative to define harmonised principles and will integrate these standards in the SRB Enterprise Architecture.

In terms of progress on specific projects, the SRB will further improve the functions and the performance of its ICT services with new releases for the Data Warehouse, Electronic Documents and Records Management System, Investment Analytics Database, Data Certification Gateway, Administrative Contribution, R4C, Resolution Reporting, and the SRF. Moreover, the SRB will start the implementation of a new ICT service for Resolution Planning and will progressively integrate it in a single platform – from the user perspective – together with R4C, used for crisis management, and FORA, used to support decision making. Furthermore, the SRB will implement an e-recruitment ICT tool. The SRB will implement these services according to the plans defined and monitored by an internal Steering Committee.

2.2. 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. The Secretariat is also responsible for key matters relating to organisational governance.

The Secretariat oversees and advises on Board decision-making and governance processes, including the SRB RPC, crisis management work and SRF matters. The Secretariat continuously reviews principles and processes to ensure SRB decision-making is efficient and effective and incorporates EU best practices. As the contact point for interpretation and application of the Rules of Procedure of the Board and internal rules of procedure, the Secretariat contributes to sound decisions across the organisation. In 2023, the Secretariat will continue its work in developing and implementing ICT-based management tools (FORA, for more details, see section 2.1.2) and information systems to facilitate decision-making and information sharing during regular operations, in crisis management situations and to cater for the expected entry into force of the SRB Common Backstop.

In relation to organisational governance, the Secretariat is responsible for developing and maintaining structures and processes that help ensure sound public administration. In 2023, the activities of the Internal Control Office (for more details, see section 2.10), Document Management Office, ICT Security Risk Management Function, Business Continuity Function and Access to Documents Team will continue. The priorities for the year include the strengthening of SRB document management and retention practices; full implementation of the ICT Security Risk Management Function established in 2022; and continuous assessment of the Business Continuity plan, as well as the need for adjustments in the light of external and internal developments. The SRB Secretariat will also keep on handling initial applications under the public access to the documents regime and advise on organisational governance as required.

2.3. Facilities

Following the establishment of the new premises, the SRB will continue to improve the management of the two buildings. Similar to the ICT services, the SRB facilities team will also strengthen the quality and timeliness of their communication with internal users.

Moreover, in 2023, the SRB plans to start its path towards certification under the Eco-Management and Audit Schema (EMAS) to optimise its internal processes, reduce its environmental impact, and use its resources more efficiently.

2.4. Communications

The SRB Communications Team supports the achievement of the organisation's strategic goals through consistent, high-quality communication using a diverse range of channels, which improves the understanding and awareness of the SRB's role and work. Its ultimate goal is to provide clear and reliable information both in 'peace times' and during resolution cases, to build and safeguard the SRB's reputation and to develop trust in the resolution framework, as well as facilitating good internal communication.

The main drivers for 2023 will be:

- ▶ raising awareness of the SRB's mission and work and supporting its objectives, building on its improved approach to stakeholder communication and updated communication methods and tools.
- ▶ positioning the SRB as an authority, leading conversations and debates around resolution matters, through events, blogs and podcasts, among others.
- ▶ continuing to partner with NRAs and other actors to increase the transparency and understanding of the SRM among a more general public, together with the SRM Communications Forum group.
- ▶ preparing for and managing effective crisis communications, putting in place and coordinating relevant processes with major stakeholders, including the Commission, ECB, and international partners.

2.5. SRB Legal Service

The role of the SRB Legal Service is dual: represent the SRB in any legal proceedings, and provide centralised legal guidance to SRB units, while ensuring the consistent application of the resolution framework across the agency.

In view of the increasing number of litigation proceedings, in 2023, the litigation team of the SRB Legal Service aims to maintain the current practice of the direct involvement of its lawyers in cases involving the SRB. This regards in particular the representation of the SRB before the European Court of Justice, and further fostering such practice by appointing agents in every case. In 2023, the SRB Legal Services will represent the SRB in appeals to the Appeal Panel, which are also expected to increase.

In 2023, the SRB Legal Service will carry on providing advice to the SRB units with regard to the interpretation of complex legal issues concerning resolution cases and of a horizontal issues.

Similarly, during 2023, the SRB Legal Service will continue to coordinate the SRM Legal Network, which provides a forum for the discussion of highly technical legal resolution matters, thus promoting cooperation among SRB lawyers and lawyers of other EU bodies and Member States authorities.

2.6. Compliance

In 2023, the SRB Compliance Office will develop, implement and manage ethics and compliance issues at the SRB. The key focus will be to keep on implementing of the new SRB Antifraud Strategy 2022-2024, with its various objectives for mitigating fraud risks and preventing the occurrence of fraud. During the year, the Compliance Office will continue to develop, implement, and manage the Agency's ethics-and-compliance framework. The adequate management of potential and perceived conflicts of interest will also remain a priority in 2023.

In addition, with the goal of ensuring a culture of integrity and ethical conduct within the organisation, in 2023, SRB Compliance plans to implement campaigns:

- ▶ on 'tone at the top' with middle management;
- ▶ on respect and dignity at work (in cooperation with the anti-harassment function);
- ▶ with a view to updating the implementation of the anti-fraud strategy and work on the revolving doors topic.

2.7. Data Protection Office

In 2023, the SRB Data Protection Office will keep on providing advice to SRB staff and units to ensure the agency's compliance with EU data protection legislation and contribute to the protection of the rights and freedoms of individuals whose personal data are processed by the SRB.

The main priorities for the year will be developing and updating privacy statements and records of processing activities. The Data Protection Office will also work towards the centralised register for records, which will be available on the SRB website. This will imply assessing various issues concerning the SRB's processing of personal data, as well as identifying suitable legal, organisational and, where applicable, technical solutions; delivering internal training sessions; creating awareness-raising material aimed at SRB staff; and enhancing the SRB protocol on personal data breaches with relevant updated guidance from the European Data Protection Supervisor.

2.8. Human Resources

In 2023, the SRB HR will further strengthen SRB performance through its staff by engaging and retaining the best and diverse talents and further developing their competencies through diverse learning and career opportunities.

To achieve this, SRB HR works on a daily basis to ensure that the fundamental HR processes run in a timely manner and in line with the legal basis, including:

- ▶ the selection and on boarding of Temporary Agents, Seconded National Experts, trainees and interims to meet the SRB's needs;
- ▶ management of payroll, entitlements and allowances, time management and management of the plan and the underlying posts;
- ▶ coordination of performance management, including probationary periods, appraisal and reclassification exercises, and management and delivery of training sessions and events.

In addition to these essential day-to-day activities, SRB HR will continue to implement its strategy, building on the achievements of previous years. The strategy contains three initiatives:

- ▶ growth opportunities for staff, which in 2023 will focus on the implementation of the competency framework developed in 2022 and an enhanced internal policy for mobility, as well as on developing possibilities for the external mobility of staff;
- ▶ improvement of internal processes relating to HR, with a focus on the implementation of an e-recruitment tool in 2023;
- ▶ navigating the new normal, which in 2023 will continue to focus on fostering the well-being of staff, establishing hybrid work arrangements and supporting a 'culture of recognition' in the context of hybrid and remote work.

In the context of the Multi-Annual Programme 2021-2023, the SRB Plenary approved an establishment plan of 450 staff for the SRB³¹. After the recruitment and on-boarding campaigns in 2021 and 2022, it is expected that staff numbers will stabilise in 2023. More details are provided in Annex III.

³¹ In addition, the SRB may recruit up to 35 Seconded National Experts (SNEs). See full document here: <https://www.srb.europa.eu/system/files/media/document/2020-11-30%20SRB%20Multi-Annual%20Work%20Programme%202021-2023.pdf>

Staff population	Actual as of 31 December 2019	Budget 2020	Actual as of 31 December 2020	Budget 2021	Actual as of 31 December 2021	Budget 2022	Budget 2023
Temporary Agents	350	400	372	450	371	450	450
Seconded National Experts	22	35	19	35	22	35	35
Total	372	435	391	485	393	485	485

2.9. Budgetary and financial management

In 2023, the SRB Finance and Procurement team will continue to ensure the efficient planning and follow-up of the implementation of the SRB's budget and procurement plan in line with the Financial Regulation. It does this on a daily basis through:

- ▶ managing the annual budget planning and reporting cycle;
- ▶ supporting SRB services for procurement procedures;
- ▶ the day-to-day implementation of budget and contracts through financial operations;
- ▶ supporting the administrative contribution collection process;
- ▶ managing missions.

In addition to these tasks underlying every expenditure, the SRB Finance and Procurement team will focus on the following priorities during 2023.

- ▶ establishment of the multi-annual budget for 2024 onwards within the Multi-Annual Programme.
- ▶ continuously increasing the quality of planning and implementation of the budget and procurement plan 2023 e.g. by maximising the use of e-invoices and e-procurement, harmonising the 'contract lifecycle management' tool and the use of qualified digital signatures as well as the use of a standard EU budget reporting tool.
- ▶ providing regular training sessions on contract management, expenditure-life cycle, missions management and other budget or finance-related training courses.
- ▶ safeguarding the financial regulation by enhancing the quality assurance and internal processes with:
 - further monitoring of the policies, procedures and work instructions;
 - efficient support to audit missions (internal or external) and the *ex post* verification exercise;
 - timely identification and recording of non-compliance events and exception notifications together with the implementation of their corrective measures.

2.10. Internal controls

In 2023, the SRB will continue to apply its revised Internal Control Framework, assess areas for improvement and provide reasonable assurance to the Chair regarding the achievement of the resolution objectives set out in the SRMR and the SRB Financial Regulation relating to the SRB's sound budget implementation. Work will further focus on the achievement of effectiveness, efficiency and economy of operations; reliability of reporting; safeguarding of assets and information; prevention, detection, correction and follow-up of fraud and irregularities; and adequate management of risks relating to the legality and regularity of the underlying transactions. The SRB strives for full compliance with its internal control principles and the Internal Control Office will carry on performing regular assessments to measure the effectiveness and further improve the efficiency of its internal control system.

Based on the SRB's risk assessments, the SRB Internal Control Office will identify possible internal control deficiencies and issues that could affect the SRB's activities and the achievement of its objectives, assess them and recommend necessary improvements.

2.11. Internal audit

In line with the annual audit cycle, Internal Audit will:

- ▶ in January 2023 present its annual audit plan for the approval of the Board, including the planned audits and consulting engagements as well as the key performance indicators for the internal audit function. It will report to the Board on audit findings and on its performance in relation to the 2022 audit plan;
- ▶ throughout 2023, conduct audit engagements and follow up on recommendations from previous audits in accordance with the 2022 audit plan;
- ▶ in the second half of 2023, conduct its annual risk assessment and planning exercise in view of the 2023 audit plan.

2.12. Appeal Panel

The SRB Appeal Panel is the independent body before which stakeholders can contest some of the SRB decisions, according to Article 85(3) SRMR³²: decisions

³² According to Article 85(1) SRMR, the SRB established an Appeal Panel in 2015 to decide on appeals submitted against certain decisions issued by the SRB. The Appeal Panel became operational on 1 January 2016 and is composed of five members and two alternates, who are

referring to MREL determination, impediments to resolution, simplified obligations for some institutions, requests for public access of documents and contributions by institutions to the administrative expenditures of the SRB. Throughout 2023, will deal with possible appeals triggered by resolution cases from 2022 and may receive an increasing number of complex MREL appeals.

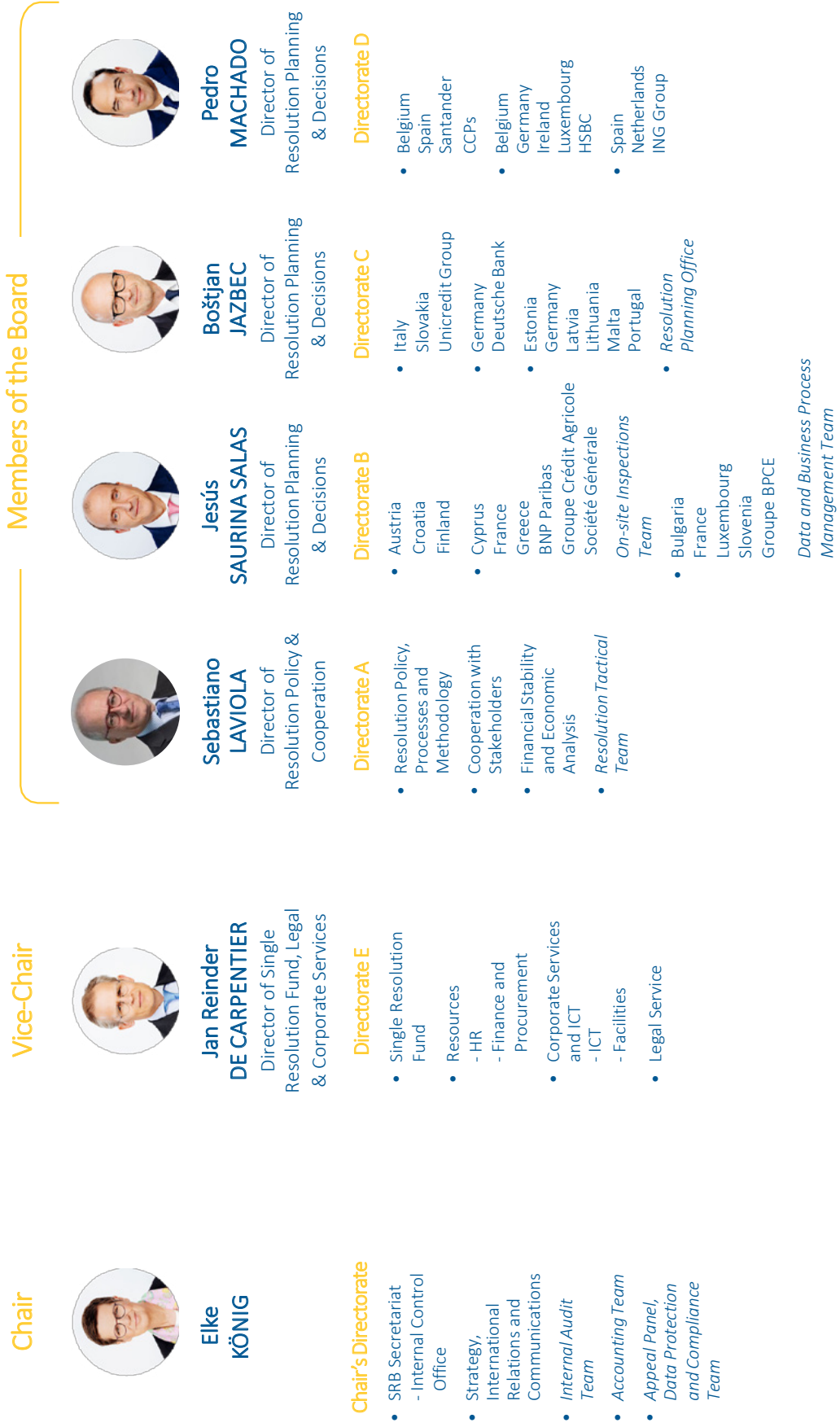
As a member of the Inter-Agency Appeal Proceedings Network, the Panel will contribute to the Network's activities, such as the working group striving to define and create the European Appeal Case-Law Identifier; the quality management of appeals and the measurement of decision-making quality; and the aim to develop a unified terminology to be used by the Boards of Appeal.

fully independent in relation to the Board. The term of the members and alternates of the Panel is 5 years, which may be extended once (Article 85(2) SRMR). A Secretariat supports the activity of the Appeal Panel, and also performs independent tasks as the Data Protection Office of the SRB. The Secretariat has various tasks from case management to operational support of the members.



Annexes

Annex I. Organisation Chart



Annex II. Members of the Plenary Session

As of 20 September 2022

Role	Name	Authority
Chair	Elke KÖNIG	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	Boštjan JAZBEC	SRB
Full-time board member	Pedro MACHADO	SRB
Member appointed by participating Member State representing the NRA	Milan Martin CVIKL	Slovenia — Banka Slovenije
Member appointed by participating Member State representing the NRA	Frédéric VISNOVSKY	France — Autorité de contrôle prudentiel et de résolution
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	Steven VANACKERE	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	Vasileios MADOUROS	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 SPILIOTOPOULOS	Greece — Bank of Greece

Role	Name	Authority
Member appointed by participating Member State representing the NRA	Enzo SERATA	Italy — Banca d'Italia — Resolution Unit
Member appointed by participating Member State representing the NRA	Jelena LEBEDEVA	Latvia — Financial and Capital Market Commission
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 — Finantsinspektsioon (Estonian Financial Supervision and Resolution Authority) Authority
Member appointed by participating Member State representing the NRA	Kalin HRISTOV	Bulgaria — Bulgarian National Bank
Member appointed by participating Member State representing the NRA	Eduard MÜLLER	Austria — Austrian Financial Market
Member appointed by participating Member State representing the NRA	Tuija TAOS	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
Observer in accordance with Article 1.6 of RoP of Plenary Session	Petar DZELEPOV	Bulgaria — Financial Supervision Commission (FSC)

Role	Name	Authority
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. Resource allocation per activity

Strategic area	Administrators/ Assistants	Seconded national experts	Total
1. Resolvability	176	14	190
2. Resolution framework	45	4	49
3. Crisis management	43	3	46
4. Single Resolution Fund	25	2	27
5. SRB as organisation	161	13	174
TOTAL	450	35	485

Year	Outlook resources	Strategic area of operation						
		1. Resolvability	2. Resolution framework	3. Crisis preparedness	4. The SRF	5. SRB as an organisation	TOTAL	
2023	Budget	Title 1	27 847 111	7 120 000	6 803 556	3 955 556	25 473 778	71 200 000
		Title 2	8 643 556	2 210 000	2 111 778	1 227 778	7 906 889	22 100 000
		Title 3	19 438 222	4 970 000	4 749 111	2 761 111	17 781 556	49 700 000
		Chapter 31	7 685 333	1 965 000	1 877 667	1 091 667	7 030 333	19 650 000
		Chapter 32	11 752 889	3 005 000	2 871 444	1 669 444	10 751 222	30 050 000
		Total	55 928 889	14 300 000	13 664 444	7 944 444	51 162 222	143 000 000
	Staff	Number	176	45	43	25	161	450
Estimated vacancy rate of 4%	Number	169	43	41	24	155	432	

Annex IV. Financial resources

SRB strategic area of operation	Consultancy		Meetings and events Board/ committees/stakeholders		Translations and publications		Missions	
	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations
1. Resolvability	37 000 000	27 000 000	0	0	1 300 000	1 000 000	1 100 000	1 100 000
2. Resolution framework	800 000	770 000	0	0	0	0	0	0
3. Crisis management	1 000 000	1 000 000	0	0	0	0	0	0
4. The SRF	19 175 000	8 060 000	0	0	0	0	0	0
5. The SRB organisation	0	0	125 000	125 000	0	0	0	0
Total	57 975 000	36 830 000	125 000	125 000	1 300 000	1 000 000	1 100 000	1 100 000

SRB strategic area of operation	ICT*		Other contracts		Total	
	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations	Commitment appropriations	Payment appropriations
1. Resolvability	4 177 067	3 967 822	0	0	43 577 067	33 067 822
2. Resolution framework	1 068 000	1 014 500	0	0	1 868 000	1 784 500
3. Crisis management	1 020 533	969 411	0	0	2 020 533	1 969 411
4. The SRF	593 333	563 611	0	0	19 768 333	8 623 611
5. The SRB organisation	3 821 067	3 629 656	600 000	500 000	4 546 067	4 254 656
Total	10 680 000	10 145 000	600 000	500 000	71 780 000	49 700 000

* Of which EUR 6 480 000 and EUR 6 155 000 for ICT consultancy in commitment appropriations and payment appropriations respectively.

EUR 71 780 000 (total of commitment appropriations) represents the operational expenditures of the budget (Title 3), which require a financing decision.

Annex V. Indicative procurement plan for 2022

SRB strategic area of operations and activities	Subject / Title of project	Contract type	Duration of contract	Estimated multi-annual value (EUR)	Estimated value for 2023 (EUR)	Indicative quarter for launching the procedure	Indicative quarter for signing contract
1	Fostering a robust resolution network	Service contract	5+ years	100 000	20 000	Q1 2023	Q2 2023
	<p>Comments: the objective of RIPE is to ensure the necessary administrative and technical coordination to allow the operation and expansion of a pan-European IP network. RIPE acts as a forum for the exchange of technical information and the creation of expertise on IP networking. ICT would like to be a member of RIPE and to provide its own public IP addresses to the SRB.</p>						
2	The SRB as an organisation	Service contract	4 yrs	300 000	70 000	Q1 2023	Q2 2023
	<p>Comments: as part of its commitment, the SRB wishes to lead by example in the SRM by becoming EMAS-registered, reducing the environmental impact and carbon footprint of its activities as well as integrating environmental factors and risks in its core activities. The objective would be to promote continuous improvements in the environmental performance of the SRB by the establishment and implementation of an environmental management system; the evaluation of the performance of such a system; the provision of information on environmental performance; the conduction of an open dialogue with the SRB stakeholders; and active involvement of all employees.</p>						
3	SRB strategic area of operations and activities	Contract type	Duration of contract	Estimated multi-annual value (EUR)	Estimated value for 2023 (EUR)	Indicative quarter for launching the procedure	Indicative quarter for signing Contract
	Establishment of a lean and efficient organisation	Service contract(s)	4 years	800 000	200 000	Q4 2023	Q2 2024
<p>Comments: current contracts with commercial banks end in Sept 2024. It is proposed that working on new ones will start in Q4 2023.</p>							
4	Establishment of a lean and efficient organisation	Service contract(s)	TBD*	5 130 000	TBD	Q1 - Q4 2023	Q1 - Q4 2023
	<p>Comments: this includes contracts to be concluded under negotiated procedures, while contracts under the framework contract have not been included.</p>						
5	Strengthening resolvability for SRB entities and LSIs	Framework contract	4 years	30 000 000	2 000 000	Q1 2023	Q3 2023
	<p>Comments: the current FWC SRB/OP/1/2018 expires in August 2023 and needs to be relaunched.</p>						
6	Operationalising the SRF	Framework contract	4 years	400 000	TBD	Q1-Q2 2023	Q2-Q3 2023
	<p>Comments: the SRB is investigating the possibility of covering this service under the existing framework contracts as a means of acquiring additional data for the SRB.</p>						

SRB strategic area of operations and activities	Subject / Title of project	Contract type	Duration of contract	Estimated multi-annual value (EUR)	Estimated value for 2023 (EUR)	Indicative quarter for launching the procedure	Indicative quarter for signing contract
7	Provision of analysis of financial statements and accounting advice.	Framework contract	4 years	24 000 000	-	Q2 2023	Q4 2023 - Q1 2024
Comments: the current framework contract SRB/OP/2/2019 expires in May of 2024 and needs to be relaunched.							
	Establishment of a lean and efficient organisation	FWC	4 years	2 000 000	-	Q2 - Q4 2023	Q2 - Q4 2023
8	Comments: in terms of training, the existing framework contracts with DG-HR are not resolution-oriented, and the trainers do not have the necessary expertise in this field. In 2018, the SRB had a framework contract for 140K. Deloitte, PwC, BlackRock and EY had participated in the tender for the provision of professional services for training/workshops in resolution-related fields. The contract was awarded to Deloitte and the feedback we received was very positive. However, the budget was consumed within less than 12 months. It is proposed that such a tender to be relaunched, but Project Officer and a confirmation from the Business that such a proposal is acceptable is needed.						
TOTAL				62 730 000	2 290 000		

* To be determined

The foreseen operational expenditure (Title 3) not covered by the procurement plan, amounting to EUR 69 490 000 for 2023 (total of the commitment appropriations minus the estimated amount of the procurement in 2023), is implemented using framework contracts already signed by the SRB or framework contracts managed by the Commission, to which the SRB is also a contracting party, and through a collaboration agreement with the ECB.

Annex VI. Summary of Key Performance Indicators

Achieving resolvability of SRB banks and LSIs			
Area of work	Indicator	Baseline (date)	Target 2023
Resolution planning cycle (RPC) and progress in implementation of Expectations for Banks (EfB)	Number of plans approved within the cycle in RPC 2022 and 2023	108 planned (2022) 99 planned (2023)	As planned within the cycle
Minimum requirements for own funds and eligible liabilities (MREL)	Number of quarterly MREL dashboards published	4 (2021)	4
Resolvability assessments	Number of banks assessed for resolvability and included in heat map as percentage of all banks under SRB remit	100% (2021)	100%
Deep dives and on-site inspections	Number of deep dives/ On-site inspections completed	13 deep dives (2021)	15 deep dives
Less Significant Institutions (LSI) resolution planning	Number of LSIs covered with resolution plans as percentage of the expected total	93% (2021)	98%
Fostering a robust resolution framework			
Area of work	Indicator	Baseline (date)	Target 2023
Development and dissemination of SRB policies	Number of expected policies published according to plan (as percentage of planned)	100% (2021)	100%
Quality assurance of resolution plans	Number of draft resolution plans reviewed for quality assurance (as percentage of total) within the RPC	100% (2021)	100%
Contributions to external policy and regulatory activity	Number of position statements on external policy and regulatory files produced by SRB	3 (2021)	2

Cooperation and international relations	Number of engagements with third country authorities (beyond FSB and TPLE)	9 (2021)	9
Cooperation arrangements	Number of new bilateral Cooperation Agreements (CoAg) for which negotiations are concluded	1 (2021)	3
Preparing and carrying out crisis management			
Area of work	Indicator	Baseline (date)	Target 2023
Crisis readiness	Number of centrally coordinated dry runs carried out	2 (2021)	2
Crisis response	Number of lessons learnt from crisis cases and dry runs that are addressed (as percentage of total) in an annual basis	N/A	70% ³³
Operationalising the Single Resolution Fund			
Area of work	Indicator	Baseline (date)	Target 2023
Contributions	Increasing transparency: number of queries received during consultation that are replied to as a percentage of the total received	100% (2021)	100%
Investment	Liquidity of the SRF: number of days to liquidate the SRB portfolio	N/A	5 days ³⁴
Funding	Number of dry-runs organised to test the SRF and additional funding procedures	2 (2021)	2 (1 internal, 1 external)

³³ 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 annual work plan, and therefore can only be fully addressed in following years; it is estimated that around 70% of the recommendations can be addressed within the months following to their formulation. The corresponding SRB annual report will contain details on the progress of this implementation.

³⁴ 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.

The SRB as an organisation			
Area of work	Indicator	Baseline (date)	Target 2023 (date)
Information and Communications Technology	Ratio between external and internal resources	1,56 (2021)	1,45
Communications	Audience outreach with social media activities	324 725 ³⁵ (2021)	>5%
Human Resources	Number of staff positions from Establishment Plan filled or covered by selection procedures (as percentage of total)	99% (2021)	>99%
Budgetary and financial management	Budget execution rate (in commitment appropriations and excluding Chapter 32, 'contingencies')	88% (2021)	95%
	Payment of invoices within deadlines	97.40% (2021)	97%
Legal services	Number of legal advice requests responded within time (as percentage of total received)	90.92% (2021)	>90%

³⁵ Calculation estimated from website visits and social media followers. Press audience not included.

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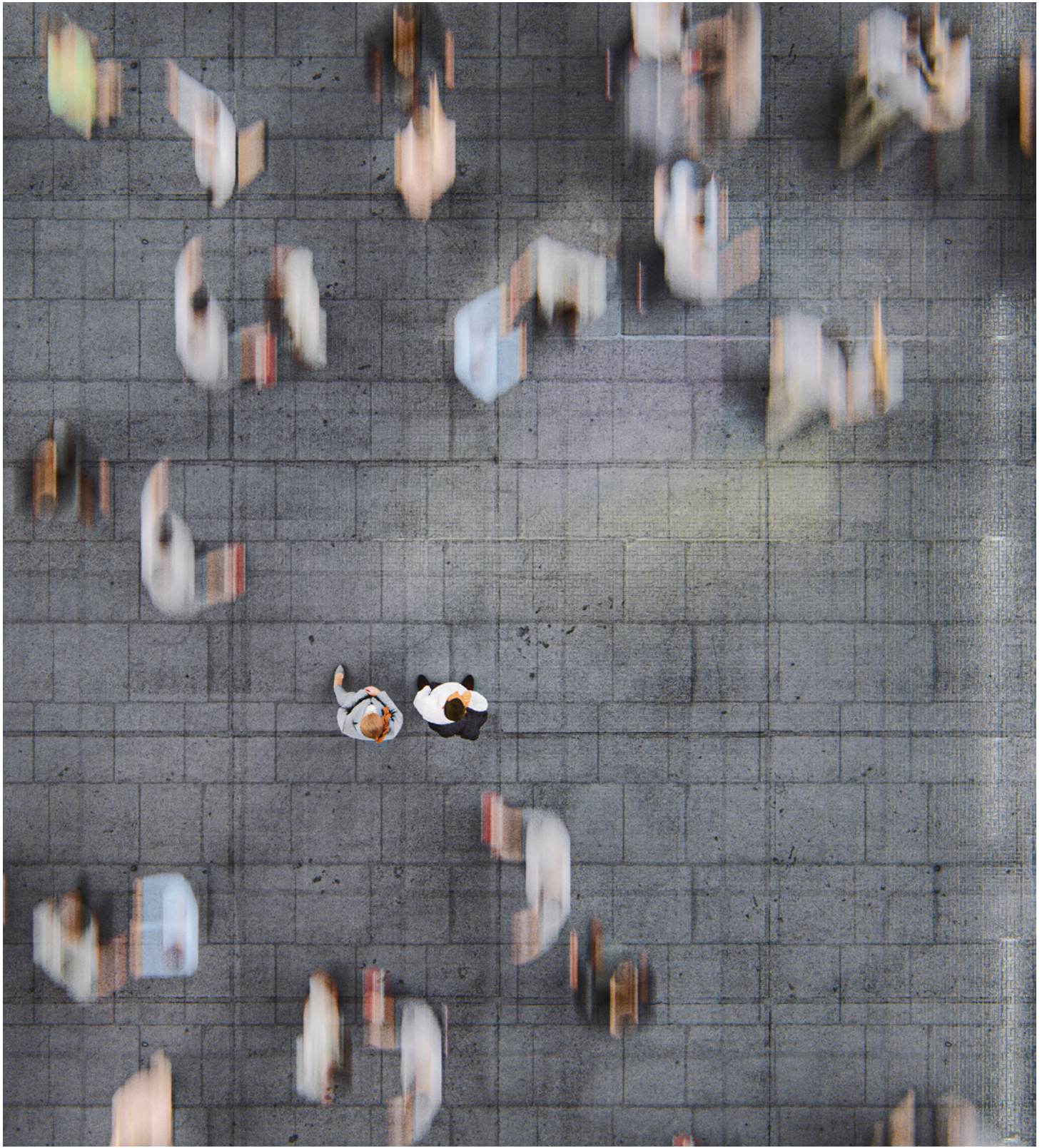
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