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Financial Stability – new EU Agency "Single Resolution Board" holds its first Plenary Meeting in Brussels officially establishing second pillar of European Banking Union

Brussels – 25 March 2015

Today, the Single Resolution Board (SRB) held its first Plenary Meeting which was attended by the representatives of all National Resolution Authorities of the Eurozone Member States as well as the Observers of the European Commission and the European Central Bank (ECB). The SRB, next to the ECB's Single Supervisory Mechanism (SSM), is the second pillar of the Banking Union and will contribute to re-establishing a fully functioning financial market by implementing credible resolution planning and by removing obstacles to resolution. The SRB will use its powers to resolve failing banks in an orderly fashion at minimum - or ideally no - cost to the real economy and the taxpayers.

Bank investors and creditors should never be again under any illusion about their responsibility to assess the risk of their investment wisely. The SRB will cooperate closely with all relevant stakeholders on the many challenges ahead; foremost with the ECB as the banking supervisor, National Resolution Authorities, the European Commission as well as Parliaments and Governments.

"The Single Resolution Board has been created to respond to the Eurozone crisis and establishes the second pillar of the Banking Union. By avoiding bail-outs and worst-case scenarios, the SRB will put the banking sector on a sounder footing - only then, can we achieve economic growth and stability" - Elke König, Chair of the Single Resolution Board

Effective resolution restores the market economy and also addresses moral hazard. One of the SRB's key functions is to enhance discipline within the banking sector and the markets, and ascertain that there is no doubt in the market about the future unavailability of bail-outs. The SRB is committed to follow a transparent and "no-surprises" policy in order to establish a consistent and proportionate recovery and resolution regime for banks in the Eurozone and the countries that may join. "Too big to fail" is a symptom of a dysfunctional market - the SRB is committed to making it a thing of the past.

SRB Priorities for 2015

The first plenary meeting of the Single Resolution Board adopted administrative decisions and discussed its working priorities in resolution matters with the relevant National Resolution Authorities. Just as foreseen by the Single Resolution Mechanism Regulation, the SRB will:



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- establish close cooperation with key stakeholders and international partners;
- set standards for a credible and feasible resolution regime and credible resolution plans;
- cooperate closely on resolution planning on an international level with a focus on addressing and resolving obstacles to resolution;
- recruit a total of 120 highly qualified staff members by the end of 2015, building gradually up to 300 staff by 2017.

Looking ahead for 2016

The SRB will be fully empowered by 2016, with a complete set of resolution powers and responsibilities. In order for this to be accomplished, the Intergovernmental Agreement (IGA) on the transfer and mutualisation of contributions to the Single Resolution Fund (SRF) must be ratified by the participating Member States. Acting in the public interest and on an international level, the SRB will ensure consistent and effective resolution planning as it is an essential component of effective resolution as well as establish and manage the SRF. In the unlikely case of a bank failing, the SRB will decide on the most suitable course of resolution action and adopt an appropriate and proportionate resolution scheme for the banks covered within Single Supervisory Mechanism (SSM).

Single Resolution Fund

If it is decided to resolve a bank facing serious difficulties, its resolution will be managed efficiently with minimum costs to taxpayers and the real economy of the participating Member States and beyond. In extraordinary circumstances and as a last resort after shareholders and creditors have contributed, the Single Resolution Fund, financed by the banking sector itself, can be accessed. The Fund is set up under the control of the Single Resolution Board. The total target size of the Fund will equal 1% of the covered deposits of all banks in Member States participating in the Banking Union. An amount of €55 billion "firepower" built up over 8 years starting in 2016 will be made available.

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Single Resolution Board – Who is Who



Elke König – Chair

Dr Elke König had been President of the German Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht – BaFin) since 2012. After qualifying in Business Administration and obtaining a doctorate, Dr König spent many years working for companies in the financial and insurance sector. From 1980 to 1990, she worked for KPMG Deutsche Treuhandgesellschaft in Cologne auditing and advising insurance undertakings, from 1986 as a holder of a special statutory authority (“Prokuristin”) and from 1988 as a director and partner. From 1990 to 2002, as a member of senior management of the Munich Re Group, Dr König was Head of Accounting before moving to Hannover Rückversicherung AG as Chief Financial Officer. From 2010 to end-2011, Dr König was a member of the International Accounting Standards Board (IASB) in London. Dr König was also a representative of the Supervisory Board of the Single Supervisory Mechanism. She is Chair of the Resolution Steering Group of the Financial Stability Board.



Timo Löyttyniemi – Vice Chair

Dr Timo Löyttyniemi had been Managing Director of the Finnish government’s State Pension Fund since 2003. Before joining the fund he had worked in various roles in banks and in investment banking. From 1996 to 1999, he was Managing Director of Norvestia Plc and from 1999 to 2003 was Head of Capital Markets of Mandatum & Co. Ltd. (Sampo Bank). He has led and participated in corporate finance, restructuring, recapitalization, capital structure and capital raising projects in international investment banking environments. He holds a Doctor of Science in Economics and has a strong understanding of academic research in both economics and in corporate finance.



Mauro Grande - Board Member - Director of Strategy and Policy Coordination

Mr Mauro Grande had been Adviser to the Executive Board of the European Central Bank (ECB) since 2012. After obtaining a degree in Economics, Mr Grande started his professional career in finance and banking. From 1983 to 1990, he worked for the Banca d’Italia (Banking Supervision Department), was seconded to the European Commission (Securities

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Markets Unit) and then to the European Monetary Institute (Banking Supervisory Sub-Committee). He has worked for the ECB in the area of prudential supervision and financial stability as Head of Division, Director and then Director General, including participation in international bodies (Financial Stability Board, Basel Committee on Banking Supervision) and in the EU Financial Services Committee and European Banking Authority.



Antonio Carrascosa – Board Member - Director of Resolution Planning and Decisions

Mr Antonio Carrascosa worked as Director General of the Fund for Orderly Bank Restructuring (the Spanish national Resolution Authority) since July 2012. An economist with a degree in Public Administration, Mr Carrascosa started as Deputy Director General for the Spanish Treasury in 1993, then spent five years in Japan working as Economic Counsellor in the Spanish Embassy. Other positions in the public sector included being Deputy Director General of International Financial System Issues (Ministry of Economy) from 2003 to 2004 and Director General for Financial Intermediaries in the Spanish Securities and Exchange Commission (CNMV) from 2005 to 2007. He also worked for over three years in financial consultancy with PricewaterhouseCoopers Spain (2008-2011).



Joanne Kellermann – Board Member - Director of Resolution Planning and Decisions

Ms Joanne Kellermann was from 2007 until recently Executive Director of the Netherlands Central Bank (DNB), responsible for supervision. After a Master's degree in Civil Law (1984), she started her career as a lawyer in the Netherlands' largest law firm, NautaDutilh. Having become a partner in 1992, she specialised in banking regulation and cross-border financial transactions and then headed the firm's financial practice in London (2001-2005). After that she worked for De Nederlandsche Bank (DNB), initially as General Counsel. In 2007 she became a member of the Governing Board and was actively involved in all major crisis interventions in the Dutch financial sector. She chaired the Financial Expertise Centre, the body coordinating the fight against fraud and financial crime in the Netherlands, and was a member of the Board of Supervisors of EIOPA.

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Dominique Laboureix – Board Member - Director of Resolution Planning and Decisions

Mr Dominique Laboureix was Deputy Director General in charge of the Directorate of Resolution within the ACPR (Autorité de contrôle prudentiel et de résolution, France) and was notably responsible for the French banking institutions' resolution planning. He has also been involved in several international committees, in particular with the Financial Stability Board and the European Banking Authority. From 2011 to 2013, he was Director of the Finance and Management Control Directorate within the French Central Bank. Previously, between 2007 and 2011, he had been Director of the Research and Policy Directorate of the ACPR, benefiting from over 10 years' experience of banking supervision with the Off-Site Directorate of the prudential authority. Mr Laboureix is a graduate of the Institut d'Études Politiques de Paris and has a masters in commercial law from Paris II University.

Background info:

- **Watch video:** [Interview with Elke König, Chair of the Single Resolution Board](#)
- **European Commission Press Release 19 December 2014 - EU Banking Union Fit for Service: Council appoints permanent members of the Single Resolution Board and adopts the methodology for banks' contributions to the resolutions funds**
- **European Commission Memo 19 December 2014 - Single Resolution Board top management posts: FAQ**
- **European Commission - EU Bank Recovery and Resolution Directive (BRRD): Frequently Asked Questions**
- **DIRECTIVE** 2014/59/EU OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council
- **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 and amending Regulation (EU) No 1093/2010

About the SRB

The [Single Resolution Board](#) (SRB) is the European resolution authority within the Banking Union and the second pillar of the newly created [Banking Union](#) and its "[Single Resolution Mechanism](#)" (SRM). It works in close cooperation with the national resolution authorities of participating Member States, the European Commission and the European Central Bank in particular. Its mission is to ensure an orderly resolution of failing banks with minimum impact on the real economy and on public finances of the participating Member States and beyond.

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What's more - Resolution process infographics

