



Press Release

Banking Union – Single Resolution Board completes signature of Loan Facility Agreements with all 19 participating Member States

Brussels – 8 February 2017

The Single Resolution Board (SRB) finalised the signing of the Loan Facility Agreements (LFAs) with 19 participating Member States of the Banking Union. Through the LFAs, each participating Member State provides a bridge financing in the form of a national credit line to the SRB for the respective national compartment within the Single Resolution Fund (SRF) during the transitional period, until the SRF is fully mutualised by 1 January 2024.

"The Loan Facility Agreements safeguard the public bridge financing arrangement agreed by the Member States in 2013 to make the Single Resolution Fund fully operational, also during its build-up phase. This contributes directly and effectively to the SRB's resolvability objectives." – Elke König, Chair of the Single Resolution Board.

Why Loan Facility Agreements (LFAs) matter

- The LFAs make the SRF's capacity fully available in the build-up phase of its existence.
- As a measure of last resort, the LFAs shall provide bilateral bridge-financing with respect to the national compartment(s) within the SRF for the duration of the transitional period, until the SRF is fully mutualised by 1 January 2024.
- The LFA bridge-financing will ultimately be covered by the raising and transfer of extraordinary ex-post contributions collected from the institutions in the territories of the affected Member States.

Background:

Please refer to the SRB's previous Press Release: [Banking Union – ECOFIN endorsement of Public Bridge Financing Arrangement fundamental for credible start of the Single Resolution Mechanism in 2016](#)



Press Release

More information:

- Press release: [Intergovernmental Agreement signature](#)
- [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
- [Agreement](#) on the transfer and mutualisation of contributions to the Single Resolution fund

About the SRB

*The **Single Resolution Board (SRB)** is the resolution authority for the significant and cross border banking groups established within participating Member States. In the context of the Single Resolution Mechanism it works in close cooperation with the national resolution authorities. In the newly created Banking Union the SRB cooperates with the European Central Bank, the European Commission, as well as other European and international institutions. 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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