

# SRB – BANKING INDUSTRY DIALOGUE MEETING

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## Single Resolution Fund

Presenter: **Jan Reinder De Carpentier**

Monday, 14 June 2021



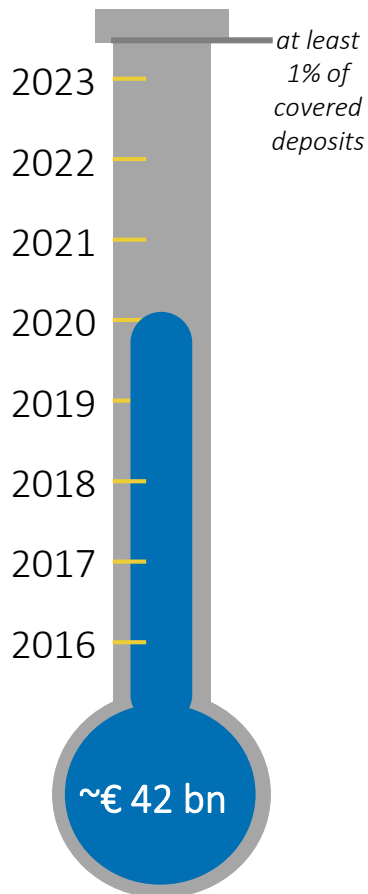
# AGENDA



1. **Update 2021 cycle**
2. **Outlook**
3. **Litigation**
4. **Common Backstop**
5. **Q&A**

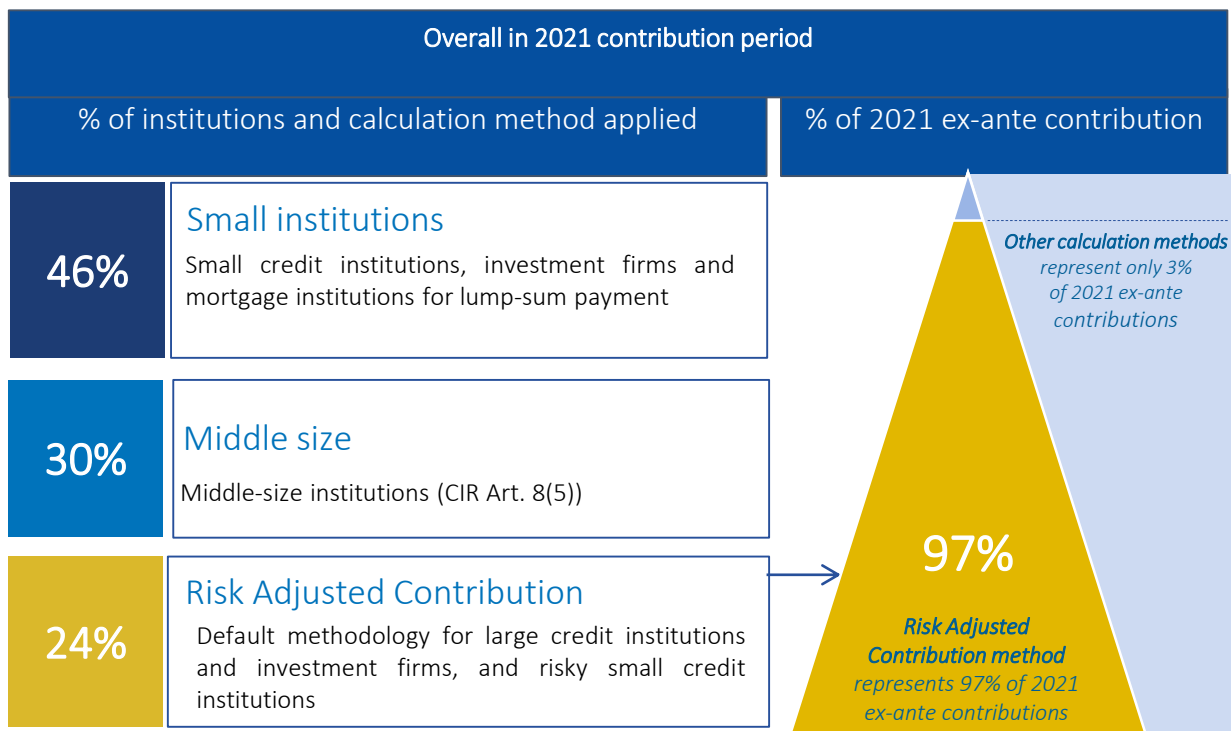
# 1 | UPDATE 2021 CYCLE

By 31 December 2023, the available financial means of the Fund shall reach **at least 1 % of the amount of covered deposits** of all credit institutions authorised in all of the participating Member States.



- In 2016, the National Resolution Authorities ('NRAs') transferred to the Fund € **10.8bn** of **2015** and **2016 ex-ante contributions**;
- In 2017, the NRAs transferred to the Fund € **6.6bn** of **2017 ex-ante contributions** (after deductions and adjustments);
- By June 2018, the SRB received additional € **7.5bn** in **2018 ex-ante contributions** (after deductions and adjustments);
- By June 2019, the SRB received € **7.8bn** in **2019 ex-ante contributions** (after deductions and adjustments);
- By June 2020, the SRB received € **9.2bn** in **2020 ex-ante contributions** (after deductions and adjustments)
- *By June 2021, the SRB expects to receive € **10.4bn** in **2021 ex-ante contributions** (after deductions and adjustments), after which the Fund will hold **~€52bn**.*

# 1 | UPDATE 2021 CYCLE



## Amount to be collected

The amount of 2021 contributions to be transferred to the SRF amounts to €10.4bn (after restatements and taking into account 2015 deductions).

## Scope

In 2021, 3018 institutions fell within the scope of the SRF (compared to 3066 institutions in 2020). For the first time, institutions in Bulgaria and Croatia were included in the process.

## Process

The SRB finalized the process within the legal deadlines despite of introducing an extensive consultation phase with institutions which enhanced the transparency towards them.

# 1 | UPDATE 2021 CYCLE

## Consultation with institutions

### Process

- The SRB provided Institutions with a possibility to review the preliminary 2021 decision on ex-ante calculation before its adoption and to comment on key aspects of the calculation exercise.
- In order to address potential constraints of the challenging timeline established under the applicable regulatory framework, and also potential high number of submissions, a dedicated consultation platform (via EU Survey Tool) was made available to Institutions to facilitate the review of the documents.

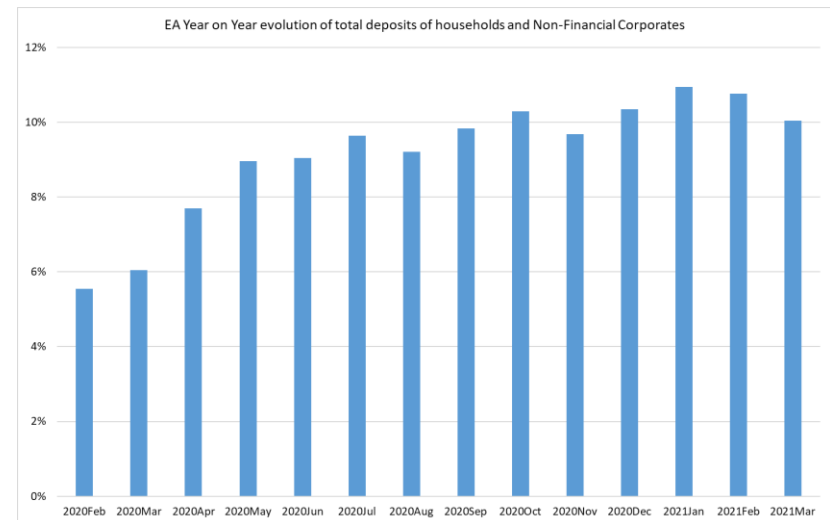
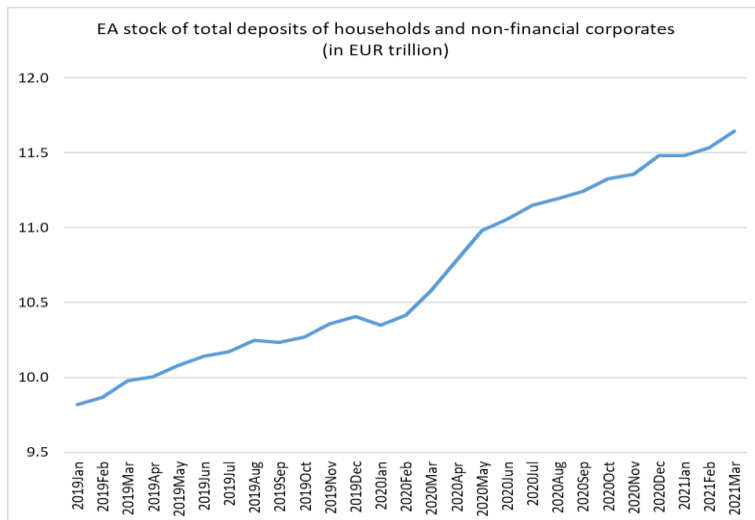
### Feedback

- In their submissions the Institutions welcomed the consultation process. It was seen by the Institutions as a positive step to provide more transparency in the ex-ante decision-making process.
- 94 institutions in total provided comments. The majority of the submissions came from France, Germany and Italy. The large majority of comments were submitted in English – around 70%. All the comments received were carefully considered by the SRB and were comprehensively addressed in the 2021 ex-ante calculation decision.

## 2 | OUTLOOK. 2022 CYCLE

SRB started already to prepare the next cycle, focusing on the following elements, in line with the comments received from the industry during the 2021 consultation phase:

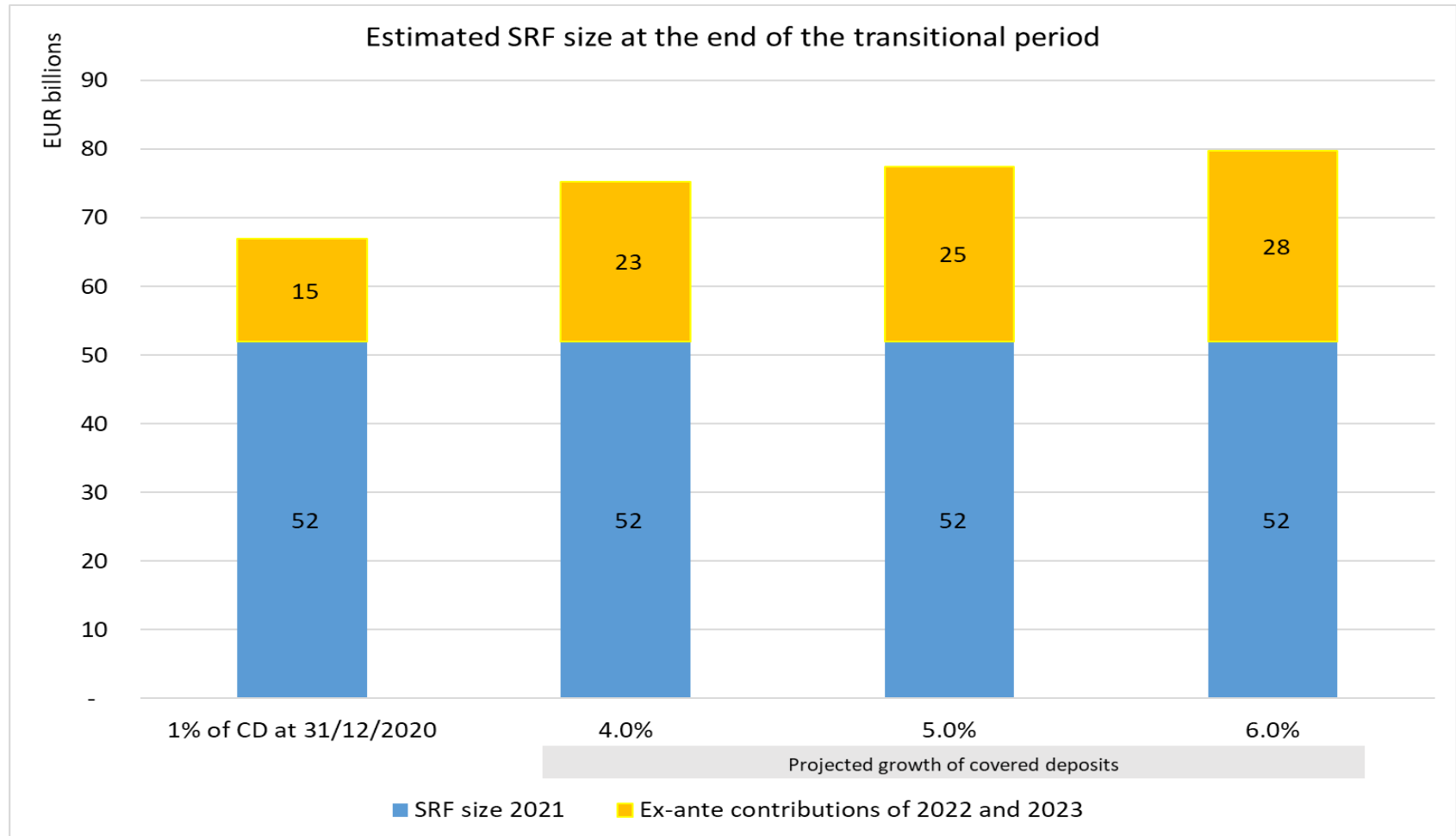
- **Timeline & key steps** will be communicated, together with the data reporting form and the guidance in October;
- **Target level:** monitoring the evolution of total deposits as proxy for covered deposits



- **Data collection phase**
  - SRB will keep excel reporting in place until the 2022 cycle
- **Consultation phase**

## 2 | OUTLOOK. END OF TRANSITIONAL PERIOD

At year-end 2020, the stock of covered deposits for institutions in scope of the SRF already reached ~ EUR 6 689 billion.



## 3 | LITIGATION

### MAIN FACTS

- In September 2020, the General Court annulled SRB decision determining the 2017 ex-ante contributions. The Court also declared Commission Delegated Regulation 2015/63 unlawful in part.
- The SRB carefully assessed the judgment and its impact for the 2021 ex-ante contribution cycle. The SRB and the European Commission appealed the judgment and requested their appeals to be assessed by the European Court of Justice under a fast-track procedure which was granted by the Court (cases C-584/20 P and C-621/20 P).
- Already in April 2021, the Advocate-General rendered its opinion. Even though the Advocate General Opinion is non-binding, it sends positive signals as to the soundness of our current legal framework. The SRB awaits for the final judgment and stands ready to implement it.



## 4 COMMON BACKSTOP TO THE SRF

### Mutualisation of ex-post contributions

The Eurogroup agreed to amend **the Intergovernmental Agreement (IGA) on the Single Resolution Fund** in November 2020 , to bring forward the mutualisation of ex-post contributions (to repay the Common backstop) in line with the mutualisation of ex-ante contributions (to build the SRF)

### Collateral required if the COMMON BACKSTOP is used for liquidity purposes

The SRB is expected to provide liquidity to banks on a **fully collateralised basis *where available and practical*** (*Article 7.5 Draft Guideline, ESM reform package*)

Loan collateralisation will enhance the SRB repayment capacity

#### KEY PRINCIPLES:

- **Flexibility:** SRB collateral policy adapts to different circumstances
- **Wide eligibility:** no asset class excluded “a priori”.
- **Existing infrastructure:** whenever possible, the SRB CP will rely on the existing infrastructure
- **Proportionality:** SRB aims collecting as much collateral as possible

**THANK YOU!**

