TIRANA REGIONAL CONFERENCE ON RECOVERY AND RESOLUTION PLANNING

Summary / January 2019

Pamela Lintner
(FinSAC Sr. Financial Sector Specialist)

Lira Qefalia
(FinSAC, consultant)

World Bank Group
Finance, Competitiveness & Innovation
Financial Sector Advisory Center (FinSAC)

Disclaimer: This summary is based on the presentations given by speakers during the conference. The findings, interpretations and conclusions expressed in this document are entirely those of the authors. They do not represent the direct views of the speakers and its affiliated organizations or those of the affiliated organizations of the authors. Although every effort was made to ensure that the information is correct, the authors do hereby disclaim any liability to any party for any loss, damage or disruption caused by errors or omissions, whether such errors or omissions result from negligence, accident, or any other cause.
FinSAC in cooperation with the Bank of Albania held a regional conference on bank recovery and resolution planning on November 15 in Tirana. The conference brought together around 50 senior representatives and high-level experts of the supervisory and resolution authorities of the European Union (EU), FinSAC client countries, and commercial banks operating in Albania. Speakers included representatives from the Bank of Albania, Single Resolution Board, European Central Bank, Croatian National Bank, Czech National Bank, and Bank of Italy. The focus was on recent developments in recovery and resolution planning in the EU and the implementation challenges in Europe and for small host countries.

The participating client countries have recently completed or are in the process of aligning their framework for dealing with weak and failing banks with EU standards. It provided a platform for regional authorities to share their first experiences, evaluate what has been achieved and prepare for key challenges in further enhancing the operationalization of the new framework with the objective that banks become resolvable without creating financial or broader economic instabilities.

The conference proceedings were opened by the Second Deputy Governor of the Bank of Albania, Mrs. Natasha Ahmetaj (speech published on the BIS website: https://www.bis.org/review/r181122c.htm) Mrs. Ahmetaj highlighted that the model of global integration is the economic model adopted by most transition countries, including Albania. Under this guidance, the Albanian banking market has demonstrated clear willingness and objectives for a swift harmonization with international standards and in particular with the legal framework of the EU. Although there have been no cases of bank failures in the history of the Albanian banking sector, loopholes were identified in banking legislation as they were in other European economies.
The development of hypothetical scenarios for coping with a potential exposure of the Albanian economy to the Greek sovereign debt crisis evidenced that the Bank of Albania – as the supervisory authority of the banking sector – did not have all the necessary legal instruments to manage insolvency situations in systemically-important banks. Mrs. Ahmetaj stressed that this need for a new legal framework is addressed in both national and cross-border aspects, by the Bank Recovery and Resolution Directive (BRRD) as well as the related microprudential and macroprudential regulation. For this reason, during 2015, with the support of World Bank’s FinSAC project, the Bank of Albania started the difficult but necessary work of harmonizing the European Directive into a new Albanian law, the Law ‘On the Recovery and Resolution of Banks in the Republic of Albania’, which entered into force in July 2017.

After successful implementing steps including the assessment of recovery plans, the adoption of key by-laws, and the development of internal and inter-institutional processes, Mrs. Ahmetaj stressed that some key challenges in the operationalization of the new resolution framework were still ahead for Albania and other authorities, in European and regional countries. This conference was therefore an opportunity to share experiences and evaluate what has been done. In conclusion, Mrs. Ahmetaj expressed her confidence that, among other things, new bridges would be built to coordinate efforts to achieve a sustainable financial system, within and beyond geographical boundaries.

Manjola Dyrmishi from the Bank of Albania Supervisory Department gave an overview of the history of introducing recovery planning in Albania, focusing on improvements, weaknesses, outliers, and concluding with future objectives from a supervision perspective.

The first submission of recovery plans only for systemic banks in Albania (7 out of 16 banks) took place in 2012-2013 and was based on Financial Stability Board (FSB) guidelines and recommendations. After continuous dialogue on shaping formal requirements in 2014, the Bank of Albania developed mandatory guidelines requiring banks to adopt recovery plans and submit them during 2015. Their quality and consistency varied largely among banks, while foreign banks mainly relied on support and expertise from parent banks, domestic banks made use of external expertise.

In light of new international developments and envisioned BRRD alignment, the Bank of Albania had instructed banks to consider additional requirements and guidelines from BRRD/European Banking Authority (EBA) as well as FSB. Following enactment of the new recovery and resolution law, the Bank of Albania issued a regulation on recovery planning in June 2017.

The new sublegal act, aligned with EBA technical standards, presents new standardized reporting forms and requires the submission of plans aligned with the EU’s internal capital adequacy assessment process (ICAAP), in order to assess and verify the adequacy of qualitative and quantitative recovery indicators, the impact of the proposed recovery actions on banks’ capital, liquidity, leverage, and other financial indicators, and the range of financial stress scenarios used in the plans. In March 2018, systemic banks submitted annual recovery plans in accordance with the new enhanced regulation “Guidelines on Recovery and Resolution Plans” issued by the Bank of Albania. There has been an effective and ongoing dialogue with the banks throughout this period.
Of 13 banks that submitted recovery plans, 6 banks drafted the plans for the first time, 7 banks submitted full recovery plans, and the remaining 6 submitted simplified recovery plans. Their assessment concluded that generally banks had followed the structure recommended by the regulation; scenarios and measures provided in the plan were detailed; and early warning and triggering levels were aligned with ICAAP results. Moreover, banks that had undergone stress situations during recent years had included them in the scenarios with measures tailored accordingly, communication plans were improved, and there was a better representation of tasks assigned to different units and better integration with the overall framework on risk management and monitoring.

However, there remains room for improvement and certain aspects of the recovery plans continue to require attention. In this regard, the Bank of Albania emphasizes ongoing ambiguity on the authority needed to activate, implement, and deactivate the recovery plan, referring to the Management Board vs. Supervisory Board or, ALCO vs. Crisis Management Team vs. Executives.

On a related note, even though scenarios were detailed, the combined scenario appears to be a mechanical aggregation of idiosyncratic events rather than a combined scenario of systemic events. In this aspect, banks would unrealistically forecast an increase of the net income under stress or consider the same options under all scenarios. Moreover, there was no assessment of the side effects of the options i.e. sale of performing loans without considering non-performing loan (NPL) increase, increase of interest rates during reputational crisis, transfer of liquidity between currencies without considering the foreign exchange risk, and savings from cutting employee benefits without considering effects on reputation and motivation.

Also, assumptions on capital increase, both in terms of timing as well as amounts, appear overly optimistic in most cases. It should be noted that some options considered have never been tested by banks. In the same vein, an enhanced approach on indicators is warranted: trigger levels in some cases are at or lower than, minimum regulatory limits, there are narrow intervals between early warning and trigger levels, and some indicators have not been considered or have been combined into a single one. Regarding the identification of business lines and critical functions, some systemic banks assume that they do not provide any critical function and could provide more details on their business lines.

While looking forward to enhancing the effective and continuous dialogue with banks, the Bank of Albania aims to ensure stronger alignment with the ICAAP/internal framework, strengthen the review on indicators and requirements based on lessons learned, and constantly encourage banks to consider more scenarios, more recovery options, and adequately test the feasibility of the latter.

The presentation from BBVA gave an overview of BBVA’s approach to recovery and resolution planning as a global banking institution based on a multiple points of entry (MPE) resolution approach. Being an MPE bank means that if any of the groups’ subsidiaries have solvency, liquidity, or operational prob-
lems, the resolution authority could liquidate the subsidiary without affecting the rest of the group. BBVA advised that a MPE group should be based on a decentralized business model where subsidiaries are substantially self-sufficient in terms of: funding & capital, legal structure, governance, and operations. On defining resolution groups, BBVA follows preliminary criteria according to which: i) resolution groups comply with self-sufficiency and separability; ii) resolution groups are aligned with the prudential perimeter and with resolution regimes and jurisdictions; iii) each entity belongs to a resolution group; iv) the responsibility to define the ultimate perimeter of the resolution group lies with the resolution college and the internal resolution team.

BBVA’s MPE assessment highlights that each BBVA subsidiary/resolution group issues its own regulatory capital and funding instruments and that BBVA has a limited number of financial interconnections. Also, in terms of liquidity, the subsidiaries are self-sufficient and responsible for managing their liquidity without group internal fund transfers (taking deposits or accessing the market with their own rating) and where the parent company basically sets liquidity and risk policies. Each point of entry has its own company bylaws and separate and independent corporate bodies.

BBVA’s operational subsidiaries have signed service level agreements (SLA) to provide services for up to a further 24 months if they leave the group due to BBVA SA’s resolution. Regarding other channels that impact viability, most BBVA entities have a Net Promoter Score above their peers, which could minimize the impact of separation from the Group, as well as a Standard and Poor’s long-term rating of BBB+ which enables them to access the market in standalone.

Assuming that BBVA’s high level resolution strategy is MPE, its internal resolution team (IRT) has identified 11 points of entry. Depending on the regulatory framework, drafting responsibility for recovery and resolution is either with the entity or the authority. Considering BBVA’s regulatory & institutional framework, the ongoing recovery and resolution plan development in BBVA group is structured as follows:

<table>
<thead>
<tr>
<th>Development of recovery plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regulatory requirement:</td>
</tr>
<tr>
<td>Corporate procedure:</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Development of resolution plans</th>
</tr>
</thead>
<tbody>
<tr>
<td>Resolution authority:</td>
</tr>
<tr>
<td>Entity:</td>
</tr>
</tbody>
</table>

Relationships with authorities are maintained through day-to-day conversations and workshops (workshops with IRT: 2 – 3 times per resolution cycle and workshops with JST: once a year). More formally annual resolution college and supervisory college meetings take place.
The toolkit below illustrates how BBVA integrate recovery planning as part of the banks’ risk management process.

BBVA strongly supports the development of a culture of resolution and recovery & resolution governance. It stresses the need for understanding of regulatory requirements, the trade-off between resolvability and MREL, as well as the integration of recovery & resolution planning into business as usual and the enhancement of BAU functioning by working on resolvability, as the main components in this integration. BBVA underlines the need for the involvement of top management in the development of recovery plans. Its recovery & resolution governance is strongly driven by the designation of a top management member responsible for enhancing its resolvability and a person dealing with the resolvability program on day-to-day basis and serving as the main point of contact.

BBVA has additionally set up an internal multidisciplinary team coordinated by the Internal Resolution Planning Office to deal with daily resolution topics & as a point of contact with the resolution authorities. The recovery working group also coordinates closely with the resolution working group. Work on recovery & resolution planning also includes feedback from authorities and regulatory developments as well as the development of an internal vision of resolvability.
Recognizing the importance of ensuring operational continuity, BBVA has developed a group-wide methodology for granting operational continuity. This starts with the identification of critical shared services (CSS) and their mapping of critical functions and core business lines. It continues with a classification of providers and their mapping to CSSs; the running of an operational continuity analysis. It concludes with a repository of contracts and main characteristics. BBVA has included resolution proof clauses as standard in contracts with both internal and external providers that inter alia: regulate the prohibition of early termination due to the taking of resolution actions; allow for the transferability of contracts to a third party without the agreement of the provider; require the possible continuation of service provision for up to 2 years after transfer of a business or entity while stressing that criticality of a service is dependent on the resolution authority’s assessment at the point of taking resolution action.

BBVA’s is a banking group with a global footprint and robust governance framework that allows it to maintain the simplest structure for each country with oversight committees and procedures. As a general rule it holds only one type of entity (bank, etc.) in each country (except for Spain). In responds to regulatory requirements it has a reduced the number of intermediate holding companies that are not leveraged and contribute to orderly restructuring of the group. BBVA can immediately produce the current legal structure of the group, list all subsidiaries, its ownership and governance structure, as well as the key metrics of each subsidiary. BBVA manages a group structure rationalization and simplification plan; it promotes a continuous rationalization plan to simplify and rationalize its structure but with adequate balance with business needs. Simplification of the corporate structure of the group’s
subsidiaries to facilitate a potential orderly and rapid resolution (under an MPE resolution strategy) is for example achieved by minimizing the equity relationships between resolution groups and concentrating, as far as possible, on ownership.

Summarizing, BBVA holds the position of a global bank which is globally resolvable through MPE because, although it is a large bank it maintains a simple structure and the different resolution groups are self-sufficient and separable, and operational services and information systems are prepared for resolution. BBVA has developed a resolvability culture comprising several components: (i) resolvability is now a driver of strategic planning; (ii) the board and senior management have internalized the need to be resolvable; (iii) an Internal Resolution Planning Office engages with all departments and jurisdictions. In conclusion, BBVA emphasizes the importance of working closely with the authorities to understand their approach and concerns, to explain the business model and structure, and to meet expectations that the bank is making efforts to enhance resolvability, which should be reflected in the MREL calibration.

The presentation on “Topical developments in recovery planning in the EU” given by Kathrin M. Zander, Supervisor, DGMS1 – Microprudential Supervision, provided an overview on recovery planning assessment in the EU/European Central Bank (ECB), elaborating how resolution planning affects recovery planning. Recovery plan assessments have become part of the single supervisory mechanism’s (SSM) annual supervisory examination program. More specifically, the recovery plan contains the following information:

Recovery plans are assessed by the supervisor against their completeness, quality, usability, and overall credibility. In addition, the usability of the recovery plan is key to ensure that actions can be taken in a timely fashion. The ECB recently published a report based on recovery plan assessments highlighting key observations. The report provides a system-wide view, aiming to help euro area banks to improve their own recovery plans, with regards to recovery options, overall recovery capacity and indicators, and the development of playbooks and dry-runs.

Selecting the right set of indicators (and thresholds) is key for effective recovery. As best practice, indicators should aim to: i) capture key factors of banks’ business and risks and consider forward looking aspects (e.g. asset encumbrance indicators); ii) include regulatory requirements; iii) include the MREL indicator, at the latest when the MREL becomes binding and applicable; iv) ensure indicator thresholds are calibrated to allow adequate time and capacity to react (e.g. additional buffers for liquidity indicators); v) ensure recovery indicators are part of and aligned with the risk management framework; and

---

vi) ensure that management/supervisors are informed without delay (max. 24h). Adequate coverage of group entities has become an important focus point over time, up until end-2017 banks were struggling with the adequate coverage of material legal entities in a group recovery plan. EBA responded by publishing a set of recommendations, providing clarity on the level of detail required.

To understand how resolution planning affects recovery planning, first we need to explain the different resolution strategy concepts under MPE and single point of entry (SPE) resolution strategies. Under an MPE resolution strategy, a bank should have sufficient external loss absorbing capacity at individual subsidiary levels, be based on a de-centralized business model and stand-alone viable subsidiaries, have strong individual corporate governance and individual decision-making, as well as local implementation of policies. Under an SPE resolution strategy, sufficient external loss absorbing capacity for all subsidiaries is held at parent level, the bank is based on a centralized business model (e.g. parent providing capital and funding, high interconnectedness) and also decision-making processes are concentrated at parent level.

In addition to a bank’s organization and legal set-up, “soft” factors may guide the resolution authority’s decision on the preferred resolution approach. For example, differences in legal regimes may hinder a cross border SPE; previous good experience between resolution and supervisory authorities of discussing and solving critical cases and a credible commitment of cooperation between authorities in times of stress would favor an SPE. Potential non-cooperation of authorities becomes more relevant for larger and material entities. Hybrid approaches are also possible (e.g. SPE for EU subsidiaries, MPE for non-EU subsidiaries).

As regards potential effects of the resolution strategy on going-concern supervision, the preferred resolution approach might be inconsistent with current supervisory approaches and have possible effects on group recovery planning. Under an MPE resolution approach, the question arises if group entities should be supervised in a more autonomous way and vice versa, whether under SPE strategy supervisors should foster further integration of the group, also from a supervisory perspective. In terms of resolution strategy effects on group level recovery plans, under an SPE approach group plans reflect the integrated business model and the movement of funds across the group in a crisis situation. Under an MPE strategy group recovery plans are still deemed appropriate, however they should at a minimum provide more evidence of the stand-alone recoverability of material legal entities that are resolution points of entry.

In this regard, individual liquidity options are key and where possible, external sources for capital funding should be investigated but MPE does not automatically forbid accessing group resources in a crisis: group entities can still assist each other, as long as this financial support does not spread contagion across the group. Therefore, considering MPE in recovery planning influences a bank’s stand-alone recoverability. In order to spot a looming crisis, adequately designed monitoring and escalation mechanisms have to be performed not only at a consolidated but also at a local level. Groups should install a regular feedback loop to ensure that issues are not entirely dealt with single-handedly. Moreover, recovery indicators have to be applicable to the local level and a sufficient number of credible options
must be available to the local subsidiaries e.g. with regards to financial capacity, human resources, and system capacity. Testing the group recovery plan ("dry-run") should adequately involve subsidiaries / respective points of entry, not necessarily through the drafting of an individual plan for each subsidiary but by including subsidiaries in the analysis, especially under MPE.

While “Dealing with a crisis” the question if available recovery options are robust enough to cope with a shock is addressed. Also, a stand-alone recoverability approach does not prevent drawing support from other group entities as long as contagion is not spread. Questions regarding what determines a credible recovery option on group and local level, are raised. Well analysed recovery options do not leave you behind with a question mark in your mind, as they contain:

- Information essential for bank management to take an informed decision in a stress situation
- Details on the financial/operational impact (current and projected) and success rate of recovery options
- Information on mutual exclusivity and dependencies of options

Resolution impacts the supervisory approach considerably. It is important for supervisory and resolution authorities (units) to agree on a framework for information exchange without limiting the areas of exchange too much. Exchange should include supervision information on internal capital adequacy assessment process (ICAAP) and internal liquidity adequacy assessment process (ILAAP) documentation, detailed supervisory review and evaluation process (SREP) scores and narratives, supervisory regulatory data, business plans and updates, as well as onsite-reports and follow up. If a bank’s conditions are deteriorating the following should additionally be shared: detailed documentation on which SREP is based, the bank’s plan to restore compliance with supervisory requirements, early intervention decisions including valuation/assessment of assets and liabilities as well as an update on banks after applying early intervention measures.

Aside from recovery planning, ECB advice is not to forget that the preferred resolution strategy might impact other areas as well, including but not limited to: waiver requests and decisions, booking models and internal models, supervisory approach – for MPE there may be a need to ensure stand-alone solvency and viability for sub-groups/subsidiaries, loss-absorbing and recapitalization capacity (for example whether MREL is likely to be higher in total under MPE, given the assumption that MREL surpluses will not be moved between entities, and likely to be lower in total under SPE given assumptions of intra-group support in a crisis), bank management decisions, for example liability issuances or group steering and management.

Proper resolution planning takes years, not months. Since banks cannot be assessed and changed overnight, the development of action plans could prove useful. These plans should be pre-discussed and agreed between all involved parties. Resolution planning is a touchy issue – to avoid misinterpretation regular meetings with your counterparts are crucial. Exchange on work programs will facilitate the internal planning of all parties involved.
Mrs Denada Prifti from the Single Resolution Board (SRB) gave a presentation on “Recent developments in resolution planning in the EU”. She talked about resolution objectives and main tasks; the SRB’s resolution planning approach; and recent developments, highlighting the resolvability work program and the MREL approach. Regarding resolution objectives, the following were highlighted: (i) ensure continuity of critical functions; (ii) safeguard financial stability at Member State or higher level; (iii) protect taxpayers from potential bail-outs; and (iv) protect depositors, investors, client funds, and client assets. The main goal of resolution planning activities remains to “make banks resolvable!”.

Resolution planning is an ongoing process and resolution plans are to be drafted and updated annually. This circular resolution planning process is shown in the below diagram:

Sources of input for resolution planning require close collaboration with the supervisor as well as the bank. This collaboration includes meetings and workshops, as well as providing information on, for example the LTD of critical functions and completing financial market infrastructures (FMI) reporting templates and other EBA templates. In the EU, the SSM and the single resolution mechanism (SRM) have regular meetings and provide each other with feedback and consultation on recovery plans and resolution plans (including minimum requirements for own funds and eligible liabilities - MREL). Participation in high-level meetings is also a requirement.

Resolution planning needs to become an everyday part of doing business for banks, in particular by: (i) dedicating sufficient management time; (ii) reducing complexity; (iii) updating information sys-
tems; (iv) having internal valuation systems generate bank asset values in resolution; and (v) capturing internal and external interconnectedness. Cooperation of banks is crucial for successful resolution planning and addressing impediments to resolvability.

Assessing a bank’s resolvability is a mandatory part of the resolution plan. A resolvability assessment reflects the possibility to liquidate or resolve a bank with limited impact on financial stability or critical functions and without resorting to public financial support. Before starting an assessment, it is important to gather information and develop a view on the adequacy of the information available. A resolvability assessment not only assesses the likely impact of potential impediments on the resolution strategy but also the likelihood of potential impediments persisting, assuming the bank would fail in the short to medium term. Authorities should come to a reasoned conclusion and recommend any follow-up actions, e.g. the removal of the identified impediment and requiring banks to prepare progress reports related to all relevant resolvability conditions. The following examples of potential impediments to resolution were given:

- **The bank’s loss-absorbing and recapitalization capacity is insufficient.**

- **Loss transfer mechanisms are not sufficiently robust.**

- **Arrangements to ensure funding and liquidity throughout resolution prove insufficient.**

- **The bank is not able to monitor and quantify its liquidity needs, including intra-day, by legal entity and by currency in both the run-up to and throughout resolution.**

- **Insufficient cross-border recognition of resolution actions, e.g. due to a lack of resolution proof clauses in financial contracts.**

- **The bank does not have adequate systems and processes in place to be able to provide data and information required for resolution (planning) purposes, e.g. for valuation purposes.**
In addition to direct interaction with individual banks, the SRB formally communicates its ‘minimum expectations’ to all banks under its remit. Banks must i) ensure that legal and funding structures of the group facilitate the implementation of the preferred resolution strategy; ii) develop the technological and operational capability to provide relevant information to support implementation of resolution measures; iii) ensure operational continuity in resolution; iv) maintain access to FMIs and FMI intermediaries ahead of and during resolution; v) facilitate communication with authorities and key counter parties ahead of and during resolution; vi) ensure liquidity in resolution. Taking this into account, the SRB expects that banks under its direct remit establish comprehensive ‘resolvability work programs’ to ensure that all potential impediments to resolution are identified and appropriately addressed.

The SRB (in very close cooperation with national resolution authorities is revising its MREL policy in order to complement the SRB MREL framework in new key areas and update the previous guidance on MREL on those aspects where Article 45 BRRD leaves room for flexibility. To ensure a more tailor made MREL calculation, the approach intends to consider the choice of resolution tools and bank specific elements in the MREL target calculation. A hybrid approach for own funds and eligible liabilities is intended to enhance credibility of the resolution strategy, i.e. external MREL capacity might be assessed at the individual point of entry level for the resolution group’s consolidated target.

Expectations for the individual and internal MREL approach should be clear: Individual MREL might ensure the ability of the subsidiaries to absorb losses on an individual basis. While Internal MREL might ensure that losses are adequately up streamed directly or indirectly from the subsidiaries to the point of entry without affecting the subsidiaries’ shareholding. Under the new policy (with a view to aligning with the total loss-absorbing capacity - TLAC), subordination may be established to improve resolvability and consideration may be given to the “no creditor worse off” principle when bail-inable instruments rank pari-passu with any liabilities excluded from bail-in.

MREL FROM A HOST-PERSPECTIVE
The MREL target aims to ensure effective resolution of a banking group. Losses are expected to be centralized at the point of entry and absorbed through externally issued MREL eligible instruments. If there are losses in a subsidiary, individual and internal MREL might ensure that the group has sufficient internally issued and prepositioned MREL eligible instruments to ensure a smooth down streaming of capital (upstreaming of losses) ensuring an unchanged shareholding. This will be part of the future MREL policy.

Mrs Vasilika Kota, Director of Resolution at the Bank of Albania shared the current experience of undertaking the first round of resolution planning in Albania. She first gave a general overview of the Albanian banking system and its main characteristics. Albania is a small open economy growing at a nominal rate of 4.3% by the end of half-year 2018.

Financial system assets account for 107.7% of gross domestic product (GDP) with the banking sector having the largest share of 97.1% of GDP. The banking sector is well capitalized with a capital adequacy ratio of 18.2%, well above the regulatory framework of 12%, profitability rates continue to improve on account of lower provision expenses. Low loan-to-deposit ratios indicate low funding risks and ample funding sources to support the main banking activity, namely providing loans.

Albania’s recovery and resolution law, Law 133/2016 “On the recovery and resolution of banks in Albania”, is a transposition of the BRRD. The Bank of Albania is designated as resolution authority for banks and branches of foreign banks operating in Albania and it exercises resolution powers separately from its other tasks. Resolution powers are not subject to any notification according to other laws. Albania also introduced a resolution fund which is fully operational. Its target funding level is 0.5% of total liabilities, calculated as the difference between assets and capital of all banks, to be reached by 2027 financed by ex-ante contributions of the banks. If need be, ex post contributions can be raised, through borrowing from the government, to make up any shortfalls.

The Bank of Albania is in the process of drafting resolution plans that aim to enable it to ensure a rapid and well-structured application of resolution tools. By facilitating the effective use of resolution powers, the resolution plans support the continuation of critical functions by making the resolution of any bank feasible without severe disruption and without exposing taxpayers to loss. The plans also identify impediments to resolution which need to be removed and more generally ensure discussion of difficult issues in good times and prior to any distress.

The Bank of Albania adopted a bylaw on resolution planning in April 2018 and published information templates and data requests plus accompanying guidance (based on SRB and EBA templates) in May 2018. Work on the resolution planning process started with the identification of critical functions taking into account its assessment on recovery plans. The adoption of a sublegal act on MREL and work on a MREL policy is currently on-going as part of its first round of resolution planning.
The resolution objective lays in defining the resolution perimeter. Among key components of the strategic business analysis the Bank of Albania highlights:

- **Maintaining appropriate IT support systems and platforms with a clear mapping of critical functions.**
- **Separability evaluation to identify sets of closely interrelated activities to be treated as one unit in case of resolution.**
- **Identifying material group entities.**
- **Discussing capital planning and liquidity management with a view to supporting the assessment of critical functions and core business lines.**
- **Defining the preferred resolution strategy and evaluating the credibility and feasibility of winding up under normal insolvency proceeding.**
- **Calculating the loss-absorbing capacity and the appropriate target for MREL.**

Focusing on the current work of identifying critical economic functions, the Bank of Albania uses a two-step approach to evaluate the criticality of economic functions performed by the banks. The first step analyses the impact of the sudden discontinuance of the function (“impact assessment”) followed by an evaluation of the market for that function (“supply side analysis”) assessing if a function and its role can easily be substituted from other market participants—including new entrants—of comparable size and quality at an acceptable cost and within a reasonable period of time. To perform
In this analysis, the Bank of Albania analyses the results of a bottom up review based on banks’ self-assessment of criticality as included in the recovery plan, and a top down critical review performed by the authority based on the two-step approach. In its top down critical review the Bank of Albania makes use of data provided by banks in the recovery planning framework and develops a detailed database to design a two-step analysis from the top–down perspective to ensure a quantitative and qualitative assessment for each individual sub-function and economic function (as presented below in the graphic). This approach aims to support the design of an appropriate resolution strategy ensuring the maintenance of critical functions while supporting the assessment of recovery plans on the self-identification of critical functions by banks.

Overall, the main outcomes from recovery plans assessed this year, display cases of no critical functions identified by large banks vs critical functions identified by small banks. There is insufficient supporting data and analysis on the criticality assessment and no mapping of critical functions with core business lines and appropriate units in charge. The Bank of Albania stresses the need for stronger coordination and coherence with reporting for recovery and resolution purposes.

The Bank of Albania is in the process of drafting a sublegal act on MREL definition based latest proposal of BRRD2. Key issues to be considered include loss stacking order, treatment of breach (maximum distributable amount - MDA), and the composition of eligible instruments (capital vs debt). As regards MREL, the amount must be sufficient to first absorb losses and to second restore capital ratios to maintain authorization and sustain market confidence. Exclusions should be clearly defined by the resolution plan. Areas that still need to be developed in more detail include the issue of requesting mandatory vs discretionary subordination and the question of internal vs. external MREL depending on
the groups SPE/MPE strategy. Key challenges for Albania remain and focus around i) building up MREL for banks which operate on a deposit-based financing model in an underdeveloped capital market; ii) the treatment of domestic vs subsidiaries of foreign banks in light of internal MREL; iii) constraints in market depth - contagion effects; and iv) phase-in period vs. risk to resolvability.

The experience of Croatia in operationalizing recovery and resolution planning was presented by Mr Roman Šubić, Vice Governor of the Croatian National Bank. From a resolution perspective, the Croatian National Bank considers other systemically institutions (O-Slls), as well as some small(er) banks to be eligible for resolution.

7 banking groups are considered O-Slls (including 3 building societies), out of which one group is state-owned, the rest are subsidiaries of EU groups. The individual assets of these banks are more than €2.5 billion and total assets of these banks represent 92% of total banking assets (around €48.1 billion). The preferred resolution tool for these banks is, in principle, open bank bail-in through MREL. Small banks are also considered eligible for resolution. There are 14 entities in this category (13 banks and 1 building society) with individual assets less than €1.5 billion.

Total assets of this group of banks represent €4.4 billion that is around 8% of total banking assets. Even if no critical functions are provided by such a bank the public interest might be identified at the moment of FOLT through achieving resolution objectives. The preferred resolution tool for such small banks is, in principle, expected to be the sale of business tool and asset separation. In practice, for very small banks normal insolvency proceedings is the preferred option. The European Council approved a resolution scheme for banks below €1.5 billion under the state aid regime and conditioned with significant mandatory scope of bail-in (all equity and all liabilities excluding deposits eligible for deposit guarantee scheme (DGS) coverage). The scheme was approved for only 6 months and can be extended.

In Croatia, both the Croatian National Bank and the State Agency for Deposit Insurance and Bank Resolution are responsible for bank resolution. The role of the National Bank is primarily in planning resolution actions before the process of resolution is opened and is responsible for early interventions, identification of banks failing or likely to fail, and for establishing whether the public interest requirement for resolution actions is fulfilled.

The State Agency for Deposit Insurance and Bank Resolution is the resolution authority for all institutions in the process of resolution execution and for management of the resolution fund, while also managing the deposit insurance system and deposit insurance fund. It was established in 1994 and since then has made more than €600 million of payouts for insured deposits in 28 banks and savings institutions (more than 208,000 clients). The deposit insurance fund target level of 2.5% of total insured deposits has been reached (total insured deposits >€24 billion, and the resolution fund target level of 1% of insured deposits should be reached by 2024.
The Resolution Department of the Croatian National Bank became fully operational as of January 1st, 2015 and is organized as an independent department under the Vice Governor. It started with 4 employees and has grown to around 10 full time employees, consisting of 5 economists, 2 legal experts, 1 intern, a secretary and the director. As mandated by the BRRD, there is strict separation between the supervisory area in charge of recovery planning and the resolution unit within the Croatian National Bank („Chinese wall“) which adds to this complexity.

Employees in the resolution unit can access all relevant supervisory data, but in practice data for resolution planning is mostly gathered on an ad hoc basis from the banks because resolution planning requires qualitative and quantitative data not available through supervisory reporting. Data from recovery plans can be useful but their completeness and accuracy is still a matter of concern. Also, resolution authorities need to validate all the data received from banks because they are responsible for the quality of resolution plans. Information exchange between the supervisory area and the resolution unit within the Croatian National Bank is defined through internal procedures in line with applicable national law provisions and several EBA Guidelines that cover specific topics of information exchange between supervisory and resolution authorities.

Inter- and intra- institutional cooperation and information exchange between the Croatian National Bank and Ministry of Finance and State Agency for Deposit Insurance and Bank Resolution for all resolution issues is defined by the national Resolution Law. Additionally, there are separate agreements concluded with the Croatian Financial Services Supervisory Agency and the State Agency for Deposit Insurance and Bank Resolution for cooperation and information exchange on a technical level. High level coordination is achieved through the Financial Stability Council (also defined by a special national law).
According to the BRRD, resolution authorities can only assess recovery plans from a very narrow perspective of potential impediments to resolution. Supervisory authorities are not required to compare recovery with resolution plans. Therefore, at the moment there is no real integrated perspective between recovery and resolution planning. The issue of interplay between recovery and resolution plans and the role of resolution authorities in the assessment of recovery plans is one of priorities for 2019 for the EU resolution community.

According to the BRRD, resolution rather than insolvency is possible only for institutions where public interest exists. In Croatia public interest is mostly determined through the existence of critical functions and impact on financial stability. The Croatian National Bank has developed a methodology for the assessment of critical functions and only O-SII institutions (7 banking groups) have one or more critical functions. The assessment of impact on financial stability is assessed with support of the Financial Stability Department and is done on a case by case basis. Resolution plans for small banks are very simple because they anticipate normal insolvency proceedings in case of failing. It is planned that all O-SIls in Croatia would be resolved in case of failure, bank resolution plans have been adopted for all but one. For now, the bail-in tool is the preferred resolution option and alternative tool needs to be defined.

There has been only one resolution case in Croatia since 2015, of a medium sized regionally important bank. The resolution process lasted for 3 years and it was operationally executed in line with the European Commission (EC) approved resolution scheme for smaller institutions in Croatia. Resolution actions (3 resolution tools: bail-in, sale-of-business and asset separation) were all done in full conformity with the BRRD and EC decisions which reduced all operational and legal risks. The resolution of Jadranska banka d.d. was deemed to be in the public interest because it provided critical functions in one Croatian coastal county where its market shares for customer loans and deposits were between 20% and 40%. Additionally, there were more than €250 million of insured deposits which would put pressure on the deposit insurance fund. The bank fell under the state aid resolution scheme for small banks. Bail-in was greater than 8% and the resolution fund stepped in to cover some of the resolution costs as well. The DGS also contributed the amount by which covered deposits would have been written down had they been included within the scope of the bail-in. A state asset management company was established to purchase NPLs. The purchaser was not allowed to use the license, name, brand, or logo of Jadranska banka. The resolution process officially ended in June 2018 when the state-owned O-SII acquired shares of Jadranska banka. The acquisition was made through an open market bidding process and the acquirer offered the best price for the bank’s shares.

Mr Radek Urban, Head of Resolution in the Czech National Bank addressed the approach of the Czech National Bank to resolution strategies, elaborating on resolution planning, categorizing banks, and developing resolution strategies and resolution tools. Resolution framework of failing banks was justified because banks provide critical functions. They may have exclusivity in some functions (deposit taking,
payments) and a very strong market position in some other functions (lending, capital markets). There may be public interest case in continuous provision of critical functions to other agents in the national economy. The public interest is tested to verify the presence and importance of critical functions which are defined not only by market share; other aspects, including substitutability, are also important elements to analyze.

A strong central bank is defined by political, budgetary, and personal independence and respective accountability mechanisms. Elaborating on the different functions a central bank can perform, it was stressed that while the central bank is always the monetary policy authority, it might simultaneously also be the supervision authority (prudential and conduct), the macroprudential/financial stability authority, and/or the resolution authority. The decision of which authorities to locate within the central bank is always political and reflects regulatory preference. In other policy areas of the central bank (beyond monetary policy) co-operation is critical. Co-operation of macro-prudential stability, supervision and resolution authorities positively influences the stability of banks and of the financial sector. Co-operation is also positively viewed by rating agencies.

The Czech Republic is a member of the EU but does not participate in the banking union. Therefore, CRR/CRD and BRRD are applicable, but SRMR is not. The Czech financial market is dominated by banks. The Czech National Bank is a member of supervisory colleges chaired by ECB/SSM, and resolution colleges chaired by SRB. This reflects the ownership structure of Czech banks, where the five largest Czech banks are owned by euro area parent banks.

Bank resolution aims to ensure that banks are not too-big-to-fail and that tax payers should not share the burden of resolution. Yet, there may be instances of systemic crisis when the resolution authority could not solve the crisis alone. Co-operation between the resolution authority and the government (fiscal authority) is therefore necessary, a memorandum of understanding can be a suitable tool for this and it is good practice to build common understanding and improve working relationships through simulation exercises involving a failing bank.

Given the prohibition of monetary financing, the central bank cannot solve everything, and financial stability is a joint responsibility. Fiscal authorities play a key role in preventive recapitalization, the provision of various fiscal backstops, state aid (not only in liquidation) and the application of government stabilization tools. The DGS is invoked in a bank failure in two circumstances. Under liquidation, which usually applies to small banks with no critical functions identified, i.e. there is no public interest in continuing their operation, deposit insurance is triggered (dependent on sufficient funds). In resolution of medium-sized banks and large / systemic banks with many critical functions, the deposit insurance fund may contribute, but its size is limited.

Identifying resolution strategies and resolution tools depends on whether the bank is cross-border or a domestic bank, and on discussions in the college and with the group level resolution authority including the general definition of an SPE versus an MPE strategy.
The choice of resolution tools depends on whether a bank is considered to provide critical functions, as presented in the following table.

<table>
<thead>
<tr>
<th>Function</th>
<th>Description</th>
<th>Subfunctions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deposit Taking</td>
<td>acceptance of deposits from non-financial counterparties</td>
<td>households; non-financial corporations - SMEs; non-financial corporations - non-SMEs; general governments</td>
</tr>
<tr>
<td>Lending and Loan Servicing</td>
<td>provision of funds to non-financial counterparties (retail, corporate, etc.)</td>
<td>households - house purchase; households - other lending; non-financial corporations - SMEs; non-financial corporations - non-SMEs; general governments</td>
</tr>
<tr>
<td>Capital Markets &amp; Investment Activities</td>
<td>issuance and trading of securities, related services (market making, asset management); principal investments</td>
<td>secondary markets / trading – derivatives; asset management; GovBonds: primary market / secondary market; PRIBOR</td>
</tr>
<tr>
<td>Payments, clearing, custody and settlement</td>
<td>provision of payments, clearing and settlement services as an intermediary between own clients or client-FMIs</td>
<td>payment services to MFIs; payment services to non-MFIs; cash services; securities settlement services; CCP clearing services; custody services</td>
</tr>
<tr>
<td>Wholesale Funding Markets</td>
<td>lending &amp; borrowing to and from financial counterparties (ex intra-group)</td>
<td>borrowing; lending; securities financing transactions (repo)</td>
</tr>
</tbody>
</table>

Depending on the identification of critical functions, banks are categorized for resolution planning purposes. Small and systemically insignificant institutions not identified as significant providers of critical functions, and where no public interest in taking resolution action can be established, will be liquidated under normal insolvency proceedings if credible and feasible. For such banks simplified obligations can be applied for resolution planning. In the second category are institutions which are identified as significant providers of one or a very limited number of critical functions, especially in deposit taking and making related payments. This is the case in principle for banks that have transaction accounts > 50,000 – 70,000; covered deposits > Czech Koruna (CZK) 30 – 40 billion and total assets < CZK 150 – 200 billion.

For this category the public interest in taking resolution action is anticipated, mainly because of the critical functions identified and because liquidation is not credible. Simplified obligations cannot be applied. Complex and systemically important institutions identified as significant providers of a large number of critical functions and whose potential failure would lead to a serious threat to or disruption of financial stability are treated under a third category. For these banks which have a total asset > CZK 150 – 200 billion, the public interest in taking resolution action is anticipated, mainly because of the large number or complex nature of critical functions provided and the high risk of financial stability threatened or disrupted in the event of default. Liquidation is not considered credible and simplified obligations cannot be applied.

To summarize, depending on a banks complexity (and the provision of critical functions) it will 1) either be liquidated and insured deposits paid out; 2) put under resolution by applying the sale of business tool or alternatively a bridge institution possibly in combination the creation of an asset management vehicle; or 3) put under resolution while keeping the bank open after the resolution weekend by applying the bail-in tool for the most complex banks.
In order to prevent the use of taxpayers’ money, banks shall be resolvable. One key aspect of resolvability is the need for banks to build up MREL. Depending on the envisaged resolution tools, MREL consists of the loss absorption + recapitalisation + market confidence amounts. MREL can be seen as „theory of everything “, or a „blended approach“ of resolution, supervision, & stability policies (subject to flexibility).

$$MREL = 2 \times (P1 + P2 + \text{CBR/MCB})$$

Other resolution tools cannot be planned for due to moral hazard and their activation only in case of a systemic crisis. This are temporary public ownership and government stabilization tools (not to be confused with liquidation aid).

Ms Sabrina Bellacci, Head of Resolution 1 Division, from Banca d’Italia presented on the recent banking crises in Italy with a focus on the case of two Venetian banks. The BRRD has designed a complex and comprehensive framework where resolution and its tools stand together with national insolvency frameworks, with the objective of preserving financial stability in the EU and its Member States. State aid rules ensure that in case of public support competition is respected. Striking a balance between all these different issues is challenging. The framework is new, and the experience gained so far is limited to only a few banks across the EU, each with its own specific features. From the Italian perspective, different banking crises were experienced in recent years, due both to mismanagement and to the extremely difficult conditions of the real economy.
In Italy resolution competences are attributed to Banca d’Italia. Its Resolution and Crisis Management Unit is directly responsible to the Governing Board. It is subdivided into three sections: resolution of significant institutions (under the ECBs/SRBs remit); resolution of less significant institutions (LSIs); and bank liquidation and the management of funds.

Four cooperative banks (Banca Marche, Banca Popolare dell’Etruria, Cassa di Risparmio di Ferrara, Cassa di Risparmio di Chieti; total assets of €27 billion) were resolved in November 2015 after a long period of special administration. The resolution took place immediately after the BRRD implementation in Italy but before the entry into force of the bail-in rule in January 2016. Almost the entire resolution toolkit was used (write-down, asset separation, bridge bank). Due to a lack of private market solutions and unable to rely on DGS support intervention (because of state aid impediments), burden sharing was applied. State aid compliance was required as the resolution scheme involved the intervention of the national resolution fund for both the bridge bank and the asset management vehicle. The bridge banks were sold only in the second quarter of 2017, at a price of €1 and with a significant capital contribution from the national resolution fund.

In the case of the two Venetian banks, Banca Popolare di Vicenza (BPV) and Veneto Banca (VB), tools were applied outside the BRRD framework. Together the banks had total overall assets of €54 billion, a common geographical footprint, with a strong presence in the northern regions of Italy and were focused on traditional banking business. In January 2016, both banks transformed from a cooperative into a joint stock company. The crisis of the two banks was the result of the serious and prolonged economic recession in Italy coupled with misconduct by managers and administrators, which mainly emerged in the last 4 years. In 2017, after negative results in the stress test, the two banks applied for a precautionary recap; in the meantime, the situation got worse. Eventually the ECB and the EC did not recognize the solvency condition for the banks, due to the lack of sufficient private resources to cover the losses they were likely to incur in the near future. After the declaration of failing or likely to fail by the ECB, the SRB did not recognize the public interest, given the limited impact on the financial stability in Europe and Italy. Nevertheless, the Italian Government had serious concerns about the spill-over
effects of a piecemeal liquidation from the economic and social standpoint, as Veneto was one of the most important industrial regions in Italy. The national tool of compulsory administrative liquidation, coupled with a sale of assets and liabilities with direct state support, was applied consistent with the EU framework. Intesa Sanpaolo (ISP) acquired the assets and liabilities of the two banks, excluding the NPLs, some participation and – on the liability side – capital and subordinated debt.

There were supervisory implications – in particular related to VB’s foreign presence – following the acquisition of the subsidiaries’ majority shareholding. The EU/Italian Authorities (both supervision and resolution sides) liaised with local authorities (in Albania, Moldova, Romania, and Croatia) both before and after the liquidation. Foreign authorities received detailed information throughout the whole process; with formal and informal exchanges put in place. Dialogue mainly focused on the process of acquisition, qualifying holdings, and NPLs retreat, in order to ensure a smooth transition, in compliance with the local legal framework.

At the time of liquidation, the parent companies’ NPLs were left in the residual entity, whereas ISP provisionally took over the NPLs of the banks’ subsidiaries (both Italian and foreign). All NPLs have been handed over to a special purpose vehicle (SPV) after a due diligence process and following the procedures in accordance with the local legal frameworks. The SPV does not directly manage the servicing of acquired loans. A third-party servicer has been appointed.

Liquidation was carried out in such a way as to achieve the operational continuity of existing business relationships and limit the effects of the crisis on the productive economy. State support amounted to a €4.8 billion cash contribution to ISP - to cover the capital absorption of the assets and the restructuring costs – and about €12 billion of guarantees (of which maximum €6.4 billion to guarantee the unbalance between A and L purchased by ISP). The state could recover, at least partially, the disbursed funds through the sale of the liquidated banks’ assets (NPLs and other assets). The costs of a standard compulsory administrative liquidation with no sale and purchase (‘atomistic liquidation’), the only available alternative, would have been much higher for customers (100,00 small and medium sized enterprises, €26 billion of credits), the banking system (€10 billion of protected deposits to be reimbursed by the DGS), and even the state. No bail-in was used, which would have included senior bondholders as well as uninsured deposits and the state itself (given the €8 billion guarantees granted to support the liquidity situation). Shareholders and junior bondholders participated in the losses; provision has also been made to compensate some retail junior bondholders.

While fully subscribing to the final objectives of the new resolution framework it was stressed that the BRRD implementation would have required the fulfilment of some pre-conditions. These conditions have to be carefully considered in light of the different situations of the jurisdictions/banking systems as well as an adequate transitional period. In the case of Italy, it is important to highlight the following:

- **extremely tough macroeconomic conditions affecting the economic environment (about 10% of GDP and a quarter of industrial production were lost due to the prolonged economic crisis);**
• virtually frozen market for bank assets (significant regulatory changes, with higher capital requirements; high NPL ratios, low profitability). Having willing buyers is a key element for the successful implementation of any crisis resolution strategy;

• significant legacy issues: a) “de facto” changes in the contractual conditions for subordinated debt; b) large amount of unsecured bonds in the hands of retail customers due to the former favorable tax regime of bank bonds;

• difficulties implementing the “one-size-fits-all” approach embedded in the BRRD.

Drawing on the Italian experience the following considerations were made:

• The BRRD resolution framework is effective for idiosyncratic crises, but in case of tough financial and/or macro-economic conditions? The BRRD considers the case of a systemic crisis with use of government stabilization tools, but only after resolution. Is this the best way to address systemic weaknesses?

• To operationalize bail-in there needs to be effective implementation of a TLAC/MREL framework, with an appropriate transitional period.

• Since liquidation is the alternative to resolution and resolution seems to be for the few (not for the many), an effective and possibly harmonized insolvency framework is necessary. A comprehensive overview of the overall crisis management system is needed, not limited to resolution and including national proceedings, also to avoid differences between levels of protection depending on the proceedings to be applied.

• Especially when market conditions are negative and there is no market for banking assets, external support is necessary to ensure the effective and smooth transfer of assets and liabilities in liquidation. An explicit acknowledgment in the European framework of the alternative measures of the DGS can play an important role in minimizing the impact of liquidation.
AGENDA

09:00 – 09:20  Opening remarks by Natasha AHMETAJ, Second Deputy Governor, Bank of Albania
09:20 – 09:30  Group Photo (all speakers and moderators)
09:30 – 10:30  Panel 1: Recovering planning: History and issues to be addressed
                Moderator: Denada PRIFTI, Head of Unit C3, Bank Resolution, Planning & Decisions, Single Resolution Board
                First experience of Bank Recovery planning under the new Resolution Law
                Manjola MANÇE, Head of Supervision of Individual Institutions Section, Supervision Department, Bank of Albania
10:00 – 10:30  Recovery and resolution planning from a banks perspective
                Eduardo Ávila ZARAGOZA, Head of Global Supervisory Relations, Banco Bilbao Vizcaya Argentaria Bank (BBVA)
                Elsa MARTINEZ, Head of Resolution Planning Office, BBVA
10:30 – 11:00  Coffee break
11:00 – 12:00  Panel 2: Recovery and Resolution Planning in EU: Developments and Cooperation Framework
                Moderator: Juan ORTIZ, Senior Financial Sector Specialist, FinSAC, World Bank
                Topical development in recovery planning in the EU
                Wolfgang Johann GERKEN, Head of Section DGMS1 – Microprudential Supervision, European Central Bank
                Kathrin ZANDER, Supervisor DGMS1 – Microprudential Supervision, European Central Bank
11:30 – 12:00  Recent developments in resolution planning in the EU
                Denada PRIFTI, Head of Unit C3, Bank Resolution, Planning & Decisions, Single Resolution Board
12:00 – 13:30  Lunch
13:30 – 14:30  Panel 3: Resolution planning: Challenges ahead for small host countries
                Moderator: Deniz DERALLA, Director, Supervision Department, Bank of Albania
                The first round of resolution planning in Albania
                Vasilika KOTA, Director, Resolution Department, Bank of Albania
14:00 – 14:30  The experience of Croatia in operationalizing RRP
                Roman ŠUBIĆ, Vice Governor, Croatian National Bank
14:30 – 15:00  Coffee break
15:00 – 16:00  Panel 4: Resolution strategies and executions: lessons learned so far
                Moderator: Vasilika KOTA, Director, Resolution Department, Bank of Albania
                Defining resolution strategies
                Radek URBAN, Executive Director, Resolution Department, Czech National Bank
15:30 – 16:00  Lessons learned from recent bank resolution cases in Italy
                Sabrina BELLACCI, Head of Resolution 1 Division, Italian Resolution Authority, Bank of Italy
16:00 – 16:30  Closing remarks, BoA, FinSAC