

Determining MREL : the National Resolution Authority perspective



Capital requirements and the MREL determination criteria
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Roadmap

- 1 Where do we stand
- 2 What are we aiming at
- 3 How to achieve it

Where do we stand

What is going on

- Intense activity is ongoing
- Resolution planning
- MREL Data collection

The Authorities' focus

- SRB= SI+ cross border banks
- NRA = LSI

The starting point

- Same set of rules and principles
- Significant number of different institutions
- MREL is part of the bail-inable liabilities



What are we aiming at

Identifying the policy objectives that MREL should achieve

- Ensure resolvability and credibility of resolution planning
- Avoid/Minimize risks to financial stability and disruption to critical functions

Identifying the desired output

- Define the (suitable) resolution strategies
- Calibrate a (sustainable) MREL for all banks



What are aiming at

Identifying different types of institutions

- How
- Which criteria

Principles

- Consistent application of the available set of rules
- Proportional application of the available set of rules

Defining MREL for (different types of) institutions

- Which ones?



How to achieve it

Which questions?

- **Public interest test**
 - Yes = Resolution \Rightarrow MREL > 0
 - No = Liquidation \Rightarrow MREL = 0 or > 0

Which rules?

- BRRD Level 1 and Level 2 regulation

How to achieve it



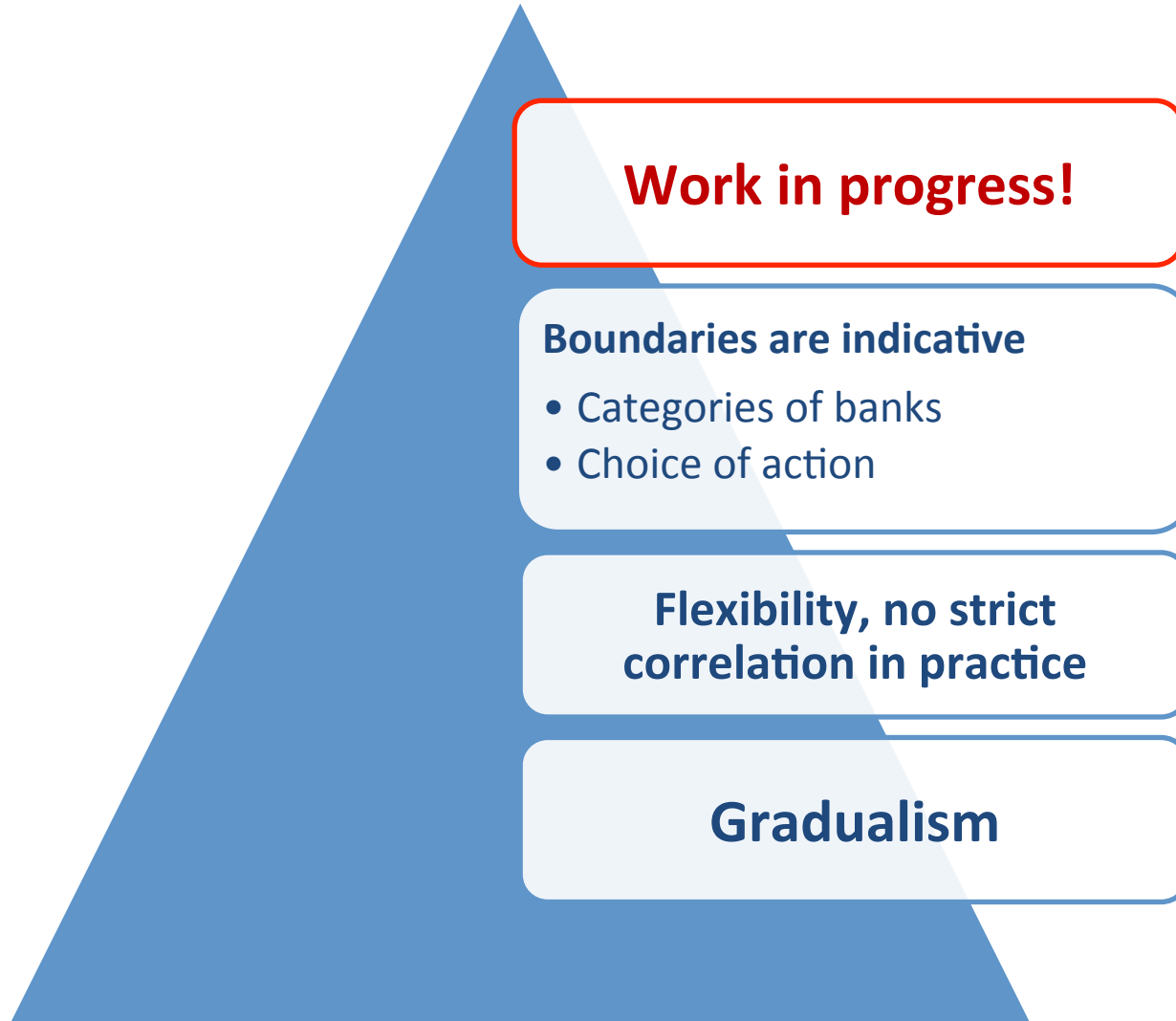
Which problems?

- Exclusions
- Subordination
- Possible Resolution Fund intervention and DGS role

Clarity

- Creditors should know ex ante their treatment and understand it
- Issuance information should be clear, unequivocal and consistent with the placement target

Conclusions



Thank you!