



***THE OPTIMALITY AND THE REALITIES OF THE CURRENT  
FINANCIAL CRISIS MANAGEMENT FRAMEWORK  
(REGULATION, RESOLUTION, DEPOSIT INSURANCE AND  
OTHER POLICY INTERVENTIONS) IN LIGHT OF RECENT  
STRESS EVENTS***

Financial Stability Conference

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Panel discussion

# PANELLISTS



Name	Position	Role in the Panel
Krisztina Földényiné Láhm	Director, Resolution Directorate of MNB	Moderator
Dominique Laboureix	Chair of the Single Resolution Board	Keynote speaker, Panellist
Thorsten Beck	Director, Florence School of Banking and Finance	Panellist
Ruth Walters	Senior Advisor at the Financial Stability Institute, Bank for International Settlements	Panellist

# EVOLUTION OF THE RESOLUTION FRAMEWORK IN THE EU



## 2014-2016

- Development of the resolution framework (BRRD, SRM)
- Setting up the institutional pillars (national resolution authorities, the Single Resolution Mechanism, resolution funds, resolution colleges)

## 2017-2018

- Annual resolvability planning cycles began
- First joint decisions, including MREL-requirements (gradual build-up)
- Bail-in – preferred resolution tool

## 2019-2021

- Review of BRRD, more detailed rules on MREL-requirements in cross-border context
- COVID'19 – banks stayed resilient
- Operationalisation of bail-in

## 2022-2024

- Enhanced improvement of resolvability via EBA GLs
- Complex resolution toolbox (elaboration of variant strategies)
- CMDI (access to DGS to facilitate transfer strategies, review of creditor hierarchy)
- **01.01.2024:** Complying with the fully-fledged MREL-requirements

## **Institutional, regulatory arrangements**

- The Central Bank of Hungary as designated resolution authority since 2013
- Among the firsts transposing BRRD in 2014
- Establishment of the resolution fund (RF) in 2014
- First resolution college in the EU (2015)

## **Resolution planning**

- 41 institutions (resolution strategy for 16, simplified obligations for 25)
- Extensive cross-border cooperation: GLRA in 1, host member in 9 resolution colleges
- International best practices, continuous scrutiny of SRB's approaches (host in 7 SRB-led colleges)
- Institutions' resolvability significantly improved (incl. sound data availability, resolution-proof contracts) and tested by partial dry-runs
- No MREL-shortfall for banks to be complied with the requirement by 01.01.2024

## **Resolution execution and funding**

- Experience in applying sale of business and asset management tools using RF contribution
- Successful operation of resolution asset management vehicle with return, RF was fully reimbursed
- Calculation of annual contribution to RF, target level to be reached till 2028 (well-uploaded, already reached the 0,8 per cent of covered deposits)
- Permanent participation in the boards of the Hungarian DGS and RF

# ROAD AHEAD – CHALLENGES



**Variant strategies to address new types of emerging risks (climate change, cyber-attacks, war)**

**Strengthening the ability for cross-border resolution**

**Completing the operationalisation of resolution tools**

**Extension of resolution strategies to small and mid-sized institutions**

**Improving funding in resolution (liquidity needs, access to DGS)**

**Shifting from resolution planning to testing**

**THANK YOU FOR YOUR  
ATTENTION!**

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