

# REPLY'S RECOVERY AND RESOLUTION SERVICE OFFERING

## OVERVIEW OF OUR SERVICES

AREA	RECOVERY	RESOLUTION
<b>PREPARATION</b>	Assist in the preparation or critical review of recovery plans in line with EBA requirements.	Assist in the preparation of the required information for resolution planning. ("resolution plan notes").
<b>STRATEGY</b>	Recoverability analysis and integration of recovery in the risk management framework, stress testing and identification of recovery options and risk dashboard calibration.	Resolvability analysis and assist in the definition of the adequate resolution strategy, and the implications for the bank, its clients and the market.
<b>OPERATIONALISATION</b>	Update of recovery plans and alignment with ICAAP and resolution plan notes.	Operational delivery of LDT, FMI and Critical functions template.
<b>ICT</b>	Integration of recovery plan stress testing in the bank's ICT reporting framework.	Integration of resolution reporting requirements in the bank's ICT reporting framework.

## FORMAT OF OUR SERVICE

Our service offering can be tailored to your needs, from ad-hoc Q&A support to full-time support.

For instance, we have assisted clients as follows:

<b>AD-HOC</b>	Ad-hoc support, through a question and answer format where clients can ask us: <ul style="list-style-type: none"> <li>■ To clarify the request of competent or resolution authorities;</li> <li>■ To clarify regulatory requirements; and</li> <li>■ To assess the impact of strategic choices (e.g. resolution planning).</li> </ul>
<b>ON-SITE</b>	Ranging from part-time to full time roles, we have assisted clients with: <ul style="list-style-type: none"> <li>■ Preparation and presentation, ensuring participation by all stakeholders within the bank;</li> <li>■ Preparation of decisions to the board; and</li> <li>■ Preparation of sections of the plans.</li> </ul>
<b>QUALITY ASSURANCE</b>	Review and challenge recovery plans, before submission to the competent authorities.
<b>INTEGRATION</b>	Integration of recovery plans in the risk management framework, integrating for instance the indicator dashboard and thresholds in the escalation processes.
<b>INFORMATION</b>	Business requirements for the integration of requirements for resolution planning (e.g. Liability data template) in the existing ICT infrastructure, or integration in existing projects.

# CREDENTIALS

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## RESOLUTION PROCESS

Reply assists the European resolution authority of the Banking Union (the Single Resolution Board) in its Resolution Readiness project, which has the objective to increase readiness and resolution awareness across the organisation.

## RESOLUTION PLAN NOTES

Assisting a private bank with the preparation of resolution plan notes, which will enable the Single Resolution and the Internal Resolution Team to prepare the institution's resolution plan.

The preparation process included:

- A review of the bank's core business lines and critical functions;
- An understanding of the bank's operating model and financial structure, and its implications on the bank's resolvability;
- An assessment of the implication of resolution or liquidation on the bank's clients, and identification of insolvency proceedings in Belgium and Luxembourg;
- An assessment of the capacity of the bank's information system to provide the required information, in times of crisis; and
- An assessment of the alignment required between resolution plan notes and the bank's recovery plan.

## RECOVERY PLANS

Reply has been involved in the preparation of recovery plans since the early stages of the Bank and Recovery Resolution Directive. Reply assisted significant institutions in aligning their recovery plans with the EBA guidelines and technical requirements, and assisted banks in the preparation of their first recovery plan.

Drawing on existing documents (e.g. ICAAP, ILAAP, BCP and contingency funding plan), where these are available, the preparation of recovery plans is an iterative process that requires a thorough understanding of the bank's business model, its balance sheet and of course the regulation. The preparation of a recovery plan also has implications on resolution planning and the related minimum requirements for eligible liabilities ("MREL"), all of which must be taken into account.

We have assisted custodian, retail and private banks in Belgium, Luxembourg, France and the United Kingdom.

## PRACTICE LEADERS

### ■ **Dean Mitchell, Partner, Reply UK** **([d.mitchell@reply.com](mailto:d.mitchell@reply.com))**

Dean has been active in risk management activities in financial services for over 25 years and as a consultant for 5 years. He has obtained board level experience across a wide range of risk related topics, including Recovery & Resolution.

### ■ **Jonathan Van Mallegheem, Manager, Reply Belgium** **([j.vanmallegheem@reply.com](mailto:j.vanmallegheem@reply.com))**

Jonathan specialises in Risk Management and Reporting, Recovery and Resolution. He has assisted financial institutions in preparing their Recovery Plan and in the preparation of Resolution Plan notes.