

## THE CHAIRPERSON

John Berrigan  
Director General  
Directorate-General for Financial Stability  
Financial Services and Capital Markets Union (FISMA)  
European Commission  
Rue de Spa 21000 Brussels  
Belgium

21 October 2021

**Subject: Call for advice to the European Banking Authority (EBA) regarding funding in resolution and insolvency as part of the review of the crisis management and deposit insurance framework**

Dear Mr Berrigan,

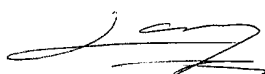
I am pleased to attach the EBA's response to the European Commissions' call for advice on funding in resolution and insolvency as part of the review of the crisis management and deposit insurance framework.

The EBA response provides a descriptive analysis on banks' capacity to access resolution financing arrangements (RFA) based on banks' balance sheets and their business models, as well as an analysis based on a modelling approach to simulate crisis scenario. It also provides an assessment of the reported difficulty of small and mid-sized banks to issue MREL eligible instruments.

In light of the simplifying assumptions and data sample limitation, the findings of this analysis should be read with caution. Still, while it does not provide policy advice, the response does provide strong quantitative basis and evidence to inform the Commission's work.

We stand ready to provide any additional support on this very important topic.

Yours sincerely,



José Manuel Campa



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**EBA-2021-D-3678**

CC: Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs European Parliament  
Claudia Lindemann, Head of ECON Secretariat  
Andrej Šircelj, Slovenian Minister of Finance, President of the Rotating Council of the EU  
Tuomas Saarenheimo, Chair of Economic and Finance Committee, Council of the European Union  
Jeppe Tranholm-Mikkelsen, Secretary General of the General Secretariat, Council of the European Union  
Martin Merlin, Director Dir D, Regulation and prudential supervision of financial Institutions, DG FISMA  
Almoro Rubin De Cervin, Head of Unit D1, Bank Regulation and Supervision, DG FISMA  
Dominique Thienpont, Legal Counsellor to Dir D, DG FISMA  
Marie Donnay, Director, Unit D3, Resolution and Deposit Insurance, DG FISMA  
Heinrich Wollny, Acting Deputy Head of Unit D3, Resolution and Deposit Insurance, DG FISMA  
Tommy de Temmerman, Member of Cabinet of Commissioner McGuinness, EC

Encl: EBA Report - Call for advice regarding funding in resolution and insolvency - part of the review of the crisis management and deposit insurance framework