

HOW TO UNDERSTAND THE 2019 INVOICING PACKAGE?

February 2019



INTRODUCTION

Documents included in the invoicing package:

1. Contribution Notice

2. Annex A: Calculation details

- Summarising overview of the calculation results
- Details of the calculation

3. Annex B: Debit Note*

- Debit note (and bank account confirmation statement)

Example illustrated in this presentation:

Entity (A) that:

- Changed status from Category B (LSI) to Category A (SI) beginning 2018
- Acquired an entity (B) end 2018 (acquisition of the type: A+B=A)

1 | CONTRIBUTION NOTICE

Where can the key number be found in the Contribution Notice?

CONTRIBUTION NOTICE

THE SINGLE RESOLUTION BOARD,

Having regard to Regulation (EU) No 806/2014¹, and in particular Article 65(3) thereof,

Having regard to Commission Delegated Regulation (EU) No 2017/2361², and in particular Article 8(1) thereof,

HAS DECIDED TO:

- determine the **amount of your 2019 annual administrative contribution** as provided in Annex A; and
- request the payment of the amount of **€ 136,996.09** within **35 calendar days** from the **day of issuance of this Contribution Notice** in accordance with the terms of payment defined in the Debit Note under Annex B.

On the **first page** of the Contribution Notice is the amount that **needs to be paid** by the entity **or** that will be **reimbursed** to the entity in 2019.

2 | ANNEX A: CALCULATION DETAILS (1/6)

The amounts presented in this document have been rounded to two decimals

Overview of calculation

Annex A - Overview of calculation results				
SRB Administrative Contributions				
Name of the institution (LEI code)*	Total difference resulting from the recalculation	Administrative Contribution for the financial year 2019	Outstanding settlement postponed in 2018 to subsequent financial year(s)**	
a. Entity A [LEI A]	€35,224.45	€60,011.84		€700.00
Entity B [LEI B]	€39,059.80	€0.00		€2,000.00
Total:	€74,284.26	€60,011.84	c.	€2,700.00 d.
	b.	Does Article 10(7) DR apply?		No
		Outstanding settlement settled in 2019		€2,700.00 e.
		Final amount to be paid in 2019 (A + B + D)		€136,996.09
		Outstanding settlement postponed to subsequent financial year(s) (C - D)		€0.00 f.

The first part of Annex A, the overview of the calculation, includes the following information:


- The names and LEI codes of all entities that were considered;
- The total amount to be refunded (negative amounts) or requested (positive amounts) to the institution following the recalculation of the previously invoiced contributions;
- The administrative contribution calculated for the year 2019;
- The total amount of settlements from the Provisional Period postponed in 2018 to the following financial year(s);
- The amount of outstanding settlements settled in 2019; Article 10(7) of Commission Delegated Regulation (EU) No 2017/2361 states that settlements that are higher than the contributions calculated for 2019 should be postponed to the subsequent years. In this example, this « cap » does not apply as the total amount that needs to be resettled (EUR 2,700.00) is smaller than the contribution calculated for 2019 (EUR 60,011.84);
- The final amount to be paid in 2019, which is the sum of the following: (i) the delta from the recalculation, (ii) the contribution calculated for the year 2019 and (iii) the outstanding settlement settled in 2019 (EUR 74,284.26 + EUR 60,011.84 + EUR 2,700.00 = EUR 136,996.09).

Note: Each institution invoiced receives one overview that includes information about itself as well as all the institutions it merged with or acquired, if any.

Note: In accordance with the obligation to balance the budget and the general principles of sound financial management, the amounts to be raised and discounted during each financial year by the SRB for the Provisional Period Settlement are limited by the constraints of Article 10(7). This results in the SRB being able to reimburse in 2019 a maximum of ca. 96.59% of the total amount that needs to be resettled to the entities that overpaid their contributions during the Provisional Period ((d.) is negative).

2 | ANNEX A: CALCULATION DETAILS (2/6)

Calculation details



Annex A - Calculation details

SRB Administrative Contributions

21/02/2019
A. Identification of institution

Name of the Contribution Debtor	Entity A	
LEI code	LEI A	
Eligibility period	01/11/2014	31/12/2019

B. Annual Administrative Contributions

Contribution for the year 2019	€ 60,011.84
- Difference in Administrative Contributions for the year 2018	€ 35,224.45
- Difference in Administrative Contributions for the year 2017	€ -
Total difference resulting from the recalculation	€ 35,224.45

In the **first part** of the calculation details (A.):

- a. The date of issuance of the document, note that this date is the same for all the documents of the invoicing package.
- b. The name of the institution and its LEI code
- c. The eligibility period - the period under which the institution is subject to administrative contributions; part of this period's contributions have already been determined in the previous contributions cycle.

In the **second part** of the calculation details (B.):

- d. The contribution calculated for the year 2019 for the specific entity (Entity A in this case).
- e. The difference between the initially invoiced contributions and the recalculated contributions for the years 2017 and 2018. The recalculation of previously invoiced contributions are triggered by a change in scope and/or status.

Note: The calculation details sheet is provided on an individual basis (as opposed to the calculation overview), meaning that if an institution acquired another institutions it will have two individual calculation details sheets. For the purpose of this example, institution A will receive a calculation details sheet for itself (as shown in this slide) as well as a calculation sheet for institution B.

2 | ANNEX A: CALCULATION DETAILS (3/6)

Calculation details

C. Calculation of the Administrative Contributions		
Calculation for the year 2019		
Total Amount of the Administrative Contributions	€ 88,830,004.51	
	Category A	Category B
Share of Total Amount for each category	95%	5%
Total Amount for each category	€ 84,388,504.28	€ 4,441,500.23
Fee factors	Weight	
Total Assets (as of 31 December 2017)	50%	€ 4,000,000,000.00
Total Risk Exposure (as of 31 December 2017)	50%	€ 3,000,000,000.00

a.

b.

In the **third section (C.)** of the document, the calculation details for the 2019 calculation are shown:

- a. The **total amount of the administrative contributions (TAR)** to be raised by the SRB in the respective year.

This amount is divided into two categories:

- Category A (SIs and other cross-border groups) covers 95% of the total
[$0.95 * EUR 88,830,004.51 = EUR 84,388,504.28$]
- Category B (LSIs) covers the remaining 5%
[$0.05 * EUR 88,830,004.51 = EUR 4,441,500.23$]

- a. The entity's **fee factors**:

- Total Assets (TA) [$EUR 4,000,000,000.00$]
- Total Risk Exposure (TRE) [$EUR 3,000,000,000.00$]

2 | ANNEX A: CALCULATION DETAILS (4/6)

Calculation details

	Category A	Category B
Number of months	12	0
Minimum fee component	€ 34,027.62	€ -
Variable fee component	€ 25,984.22	€ -
Total amount	€ 60,011.84	€ -
Administrative Contribution for the year 2019	€ 60,011.84	

Average annual numbers 2019	
	Category A
N [TA < €10bn]	124 [28]
TA (in €)*	19,114,705,595,346.00
TRE (in €)*	6,430,757,321,201.09

- c. The **number of months** in which the entity was considered as Category A (12) and B (0);
- d. The **minimum fee component (MFC)**: $[(EUR\ 88,830,004.51 * 0.95 * 0.10)/124] * (12/12) = EUR\ 68,055.25$;
Given the entity's TA is < EUR 10bn => $EUR\ 68,055.25 / 2 = EUR\ 34,027.62$

c.
d.
e.
f.

<p>Cat A</p> $MFC_n = \frac{TAR * 0.95 * 0.10}{N_{Cat\ A}}$ <p><small>Note: in case institution's TA ≤ €10 bn, the MFC is halved</small></p>	<p>Cat B</p> $MFC_n = \frac{TAR * 0.05 * 0.10}{N_{Cat\ B}}$
--	---

- e. The **variable fee component (VFC)**:
 $(EUR\ 88,830,004.51 * 0.95 - (28 * EUR\ 34,027.62 + (124-28) * EUR\ 68,055.25)) * (0.5 * (EUR\ 4,000,000,000.00 / EUR\ 19,114,705,595,346.00) + 0.5 * (EUR\ 3,000,000,000.00 / EUR\ 6,430,757,321,201.09)) * (12/12) = EUR\ 25,984.22$

<p>Cat A</p> $VFC_n = (TAR * 0.95 - \sum_{i=1}^N MFC_i) * (0.5 * \frac{TA_n}{\sum_{i=1}^N TA_i} + 0.5 * \frac{TRE_n}{\sum_{i=1}^N TRE_i})$	<p>Cat B</p> $VFC_n = (TAR * 0.05 - \sum_{i=1}^N MFC_i) * (0.5 * \frac{TA_n}{\sum_{i=1}^N TA_i} + 0.5 * \frac{TRE_n}{\sum_{i=1}^N TRE_i})$
--	--

- f. The **administrative contribution for the year 2019**:
 Contribution Cat A (MFC Cat A + VFC Cat A) + Contribution Cat B (MFC Cat B + VFC Cat B) = $EUR\ 34,027.62 + EUR\ 25,984.22 = EUR\ 60,011.84$

Note: The annual average number of institutions and sum of the fee factors can be found on the SRB website.

* For the purpose of this example, the TA and TRE of entities were modified. Hence, the sum of the fee factors do not correspond to the ones used for the actual calculation as presented on the SRB website.

2 | ANNEX A: CALCULATION DETAILS (5/6)

Calculation details

D. Recalculation of the Administrative Contributions following changes in the institution's scope, status or other data				
Recalculation for the year 2018				
Total Amount of the Administrative Contributions		€	91,368,435.65	a.
	Category A			
Share of Total Amount for each category	95%			
Total Amount for each category	€	86,800,013.87	€	4,568,421.78
Fee factors	Weight			
Total Assets (as of 31 December 2016)	50%	€	900,000,000.00	b.
Total Risk Exposure (as of 31 December 2016)	50%	€	500,000,000.00	

In the **fourth section (D.)** of the document, the details for the 2018 recalculation are shown:

- a. The **total amount of the administrative contributions (TAR)** to be raised by the SRB in the respective year. This amount is divided into two categories:
- Category A (SIs and other cross-border groups) covers 95% of the total
 $[0.95 * EUR 91,368,435.65 = EUR 86,800,013.87]$
 - Category B (LSIs) covers the remaining 5%
 $[0.05 * EUR 91,368,435.65 = EUR 4,568,421.78]$
- b. The entity's **fee factors**:
- Total Assets (TA) [EUR 900,000,000.00]
 - Total Risk Exposure (TRE) [EUR 500,000,000.00]

2 | ANNEX A: CALCULATION DETAILS (6/6)

Calculation details

	Category A	Category B
c. Number of months	11	1
d. Minimum fee component	€ 31,826.67	€ 14.61
e. Variable fee component	€ 4,437.52	€ 79.90
f. Total amount	€ 36,264.19	€ 94.51
g. Recalculated Administrative Contributions	€ 36,358.70	
Administrative contributions paid	€ 1,134.25	
Difference in Administrative Contributions for the year 2018	€ 35,224.45	

Cat A

$$MFC_n = \frac{TAR \cdot 0.95 \cdot 0.10}{N_{Cat A}}$$

Note: in case institution's TA ≤ €10 bn, the MFC is halved

$$VFC_n = (TAR \cdot 0.95 - \sum_{i=1}^N MFC_i) \cdot (0.5 \cdot \frac{TA}{\sum_{i=1}^N TA}) + 0.5 \cdot \frac{TRE_n}{\sum_{i=1}^N TRE_i}$$

Cat B

$$MFC_n = \frac{TAR \cdot 0.05 \cdot 0.10}{N_{Cat B}}$$

$$VFC_n = (TAR \cdot 0.05 - \sum_{i=1}^N MFC_i) \cdot (0.5 \cdot \frac{TA}{\sum_{i=1}^N TA}) + 0.5 \cdot \frac{TRE_n}{\sum_{i=1}^N TRE_i}$$

Average annual numbers 2018

	Category A used in the original calculation	Category A used in the recalculation	Category B
N [TA < €10bn]	124 [26]	124 +1 [26 +1]	2,605
TA (in €)*	9,554,180,392,603.70	19,554,180,392,603.70 + 900,000,000.00	4,056,460,466,867.56
TRE (in €)*	6,540,379,881,972.20	6,540,379,881,972.20 + 500,000,000.00	2,044,994,145,828.63

- c. The **number of months** in which the entity was considered as Category A (11) and B respectively (1); In the initial calculation, this entity was considered as Category A (0) and B (12).
- d. The **minimum fee component (MFC)**:
- January [Cat B]: $((0.05 \cdot EUR 91,368,435.65 \cdot 0.10)/2,605) = EUR 175.37$, given the entity is only one month Cat B: $EUR 175.37 \cdot (1/12) = EUR 14.61$
 - February - December [Cat A]: $((0.95 \cdot EUR 91,368,435.65 \cdot 0.10)/125) = EUR 69,440.01$; given the entity's TA is < EUR 10bn => $EUR 69,440.01/2 = EUR 34,720.01$; given the entity is only 11 months Cat A: $EUR 34,720.01 \cdot (11/12) = EUR 31,826.67$
- e. The **variable fee component (VFC)**:
- January [Cat B]: $(0.05 \cdot EUR 91,368,435.65 - 2,605 \cdot EUR 175.37) \cdot (0.5 \cdot (EUR 900,000,000.00/EUR 4,056,460,466,867.56) + 0.5 \cdot (EUR 500,000,000.00/EUR 2,044,994,145,828.63)) = EUR 958.75$, given the entity is only one month Cat B: $EUR 958.75 \cdot (1/12) = EUR 79.90$
 - February - December [Cat A]: $(0.95 \cdot EUR 91,368,435.65 - (27 \cdot EUR 34,720.01 + (125-27) \cdot EUR 69,440.01)) \cdot (0.5 \cdot (EUR 900,000,000.00/EUR 19,555,080,392,603.70) + 0.5 \cdot (EUR 500,000,000.00/EUR 6,540,879,881,972.20)) = EUR 4,840.93$ given the entity is only 11 months Cat A: $EUR 4,840.93 \cdot (11/12) = EUR 4,437.52$
- f. The recalculated **contribution for the year 2018**:
Contribution Cat A (MFC Cat A + VFC Cat A) + Contribution Cat B (MFC Cat B + VFC Cat B) = $EUR 31,826.67 + EUR 4,437.52 + EUR 14.61 + EUR 79.90 = EUR 36,358.70$
- g. The difference between the recalculated and the initially invoiced contribution for 2018: $EUR 36,358.70 - EUR 1,134.25 = EUR 35,224.45$

3 | ANNEX B: DEBIT NOTE

Key information in the debit note

Expiry Date	Exclusively by banker's order to the account	Reference to be quoted	Currency	Amount
28/03/2019 a.	Nr 310-1960371-87 of the Single Resolution Board Ing Belgium nv/sa 24 Avenue Marnix B-1000 Brussels-BELGIQUE IBAN Code: BE67 3101 9603 7187 SWIFT BIC Code: BBRUBEBB100	44400002 b.	EUR	136,996.09 c.

The debit note contains the following key information:

- a. The payment's due date (issuance date of the Contribution Notice + 35 calendar days);
- b. The reference that **needs** to be quoted by the entity when making the payment;
- c. The amount that needs to be paid by the entity in 2019.

THANK YOU!

