



HOW TO UNDERSTAND THE HARMONISED ANNEX?

May 2023

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Disclaimer and list of abbreviations

IMPORTANT NOTICE:

The information and guidance provided in this document are intended to contribute to a better understanding of the Harmonised Annex. Certain unessential aspects of the calculation methodology adopted and the mathematical operations performed in this document may slightly differ from those adopted and performed in the corresponding steps under the SRB Calculation Tool. The figures provided in this document are for illustrative purpose only and do not correspond to the relevant numbers for the 2023 contributions.

This document is intended purely as a guidance tool – only the text of the applicable EU legislation has legal force and is liable to create rights and obligations for individuals. This guidance is not intended to be relied upon for purposes other than description, nor should be regarded as creating any enforceable right or expectation. The views expressed in this guidance shall not be construed as binding the Single Resolution Board and are without prejudice to the position that it might take, or has previously taken, in other contexts. Neither the Single Resolution Board nor any person acting on behalf of the Single Resolution Board may be held accountable for the use which might be made of the information included therein. As this guidance reflects the state of the art at the time of its drafting, it should be regarded as a 'living tool' and its content may be subject to modifications without notice.

List of abbreviations:

- CIR shall be read as Council Implementing Regulation (EU) 2015/81.
- DR shall be read as Commission Delegated Regulation (EU) 2015/63.
- MD stands for 2023 Master Decision and refers to the Decision of the Single Resolution Board of 2 May 2023 on the calculation of the 2023 ex-ante contributions to the Single Resolution Fund (SRB/ES/2023/23).

Introduction: Types of Harmonised Annexes (1/2)

A. Lump sum – small institutions paying a flat-rate contribution

2023 SRF Data Reporting Form	<i>The contributions of these institutions are calculated in accordance with Articles 10(1)-(6) of Commission Delegated Regulation 2015/63 (“DR”). In case an institution qualifies for lump-sum contribution, the field 2B2 in the 2023 SRF Data Reporting Form equals “Yes”. These institutions need to fill in Tab 1 “General information” and sections A and B of Tab 2 “Basic annual contribution” .</i>
2023 Master Decision	<i>Please refer to section 6 “Calculation methodology”, sub-section 6.2.1 “Small institutions paying a flat-rate contribution” in the 2023 Master Decision (“MD”).</i>

B. Article 10(7) – institutions that have opted for the alternative calculation under Art. 10(7) DR

2023 SRF Data Reporting Form	<i>When an institution qualifies for lump-sum contribution, in accordance with Article 10(7) it can also opt for the calculation of an alternative contribution amount. In such case, the institution needs to enter “Yes” in field 2B3 in the 2023 SRF Data Reporting Form, and provide all necessary additional information in section C of Tab 2 “Basic annual contribution” and Tab 3 “Deductions”.</i>
2023 Master Decision	<i>Please refer to section 6 “Calculation methodology”, sub-section 6.2.2 “Small institutions paying other than a flat-rate contribution” in the MD.</i>

Introduction: Types of Harmonised Annexes (2/2)

C. Basic - Mortgage credit institutions financed by covered bonds and investment firms authorized to carry out only limited services and activities

2023 SRF Data Reporting Form

When an institution is a mortgage credit institution financed by covered bonds¹ or an investment firm authorized to carry out only limited services and activities² fields 1C10 or 1C8, respectively, are filled with “Yes” in the 2023 SRF Data Reporting Form. In case their size does not allow them to qualify for lump-sum contribution, a special calculation method is applied:

- For mortgage credit institutions financed by covered bonds: 50% is applied on their Basic Annual Contribution*
- For investment firm authorized to carry out only limited services and activities: the contribution amount is equal to their Basic Annual Contribution*

These institutions need to fill in only Tab 1 “General information”, Tab 2 “Basic annual contribution” and Tab 3 “Deductions”.

2023 Master Decision

- For mortgage credit institutions financed by covered bonds: please refer to section 6 “Calculation methodology”, sub-section 6.4 “Mortgage credit institutions” in the MD.*
- For investment firms authorized to carry out only limited services and activities: please refer to section 6.5 “Investment firms with limited services and activities” in the MD.*

D. Risk Adjusted and Article 8(5)– institutions paying a contribution that has been calculated applying a risk adjustment factor

2023 SRF Data Reporting Form

These institutions should complete all Tabs of the 2023 SRF Data Reporting Form.

2023 Master Decision

Please refer to section 6 “Calculation methodology”, sub-section 6.6 “Risk-adjusted institutions”. For institutions whose total assets are above EUR 1 bn, but equal to, or less than, EUR 3 bn, please refer to sub-section 6.3 “Medium size institutions paying a partial lump-sum contribution” in the MD.

¹ Mortgage credit institution financed by covered bonds¹ means institutions referred to in Article 45(3) of Directive 2014/59/EU.

² Investment firm authorized to carry out only limited services and activities² means investment firms as defined in point (2) of Article 4(1) of Regulation (EU) No 575/2013 that is subject to the initial capital requirement laid down in Article 28(2) of Directive 2013/36/EU, which fall within the definition of Article 96(1)(a) or (b) of Regulation (EU) No 575/2013 or which carry out activity 8 of Annex I Section A of Directive 2004/39/EC but which do not carry out activities 3 or 6 of Annex I Section A of that Directive. This investment firm shall also be covered by the consolidated supervision of the parent undertaking carried out by the ECB in accordance with Article 4(1)(g) of Regulation (EU) No 1024/2013.

A. Lump-sum

Example A.1: 2023 ex-ante contribution calculated for small institutions paying a lump-sum contribution

Determination of size of the institution (field codes refer to the 2020 SRF reporting form)

Total liabilities	2A1	310,000,000.0000
- Own funds	2A2	50,000,000.0000
- Covered deposits	2A3	200,000,000.0000
Total		60,000,000.0000

Calculation of final amount to be paid

Gross contribution	2,000.00
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When is an institution eligible for lump-sum?

- Total Assets < **€1bn**; and
- Base (total liabilities – own funds – covered deposits) of an institution ≤ **€300m**

How is the gross contribution determined?

Base of institution	Gross contribution
base ≤ €50m	1,000 €
€50m < base ≤ €100m	2,000 €
€100m < base ≤ €150m	7,000 €
€150m < base ≤ €200m	15,000 €
€200m < base ≤ €250m	26,000 €
€250m < base ≤ €300m	50,000 €

Note:

Since certain investment firms, which are authorized to carry out only limited services and activities, are not subject to, or may be exempted from, certain capital and liquidity requirements, the Commission Delegated Regulation (EU) 2015/63 does not apply to them. Nevertheless, in order to be able to calculate the required contribution for these institutions, the SRB uses the following approach: For those investment firms, whose total liabilities less own funds less covered deposits are less than or equal to EUR 300,000,000, the lump-sum methodology of Article 10 of the Commission Delegated Regulation (EU) 2015/63 is used, without, however, applying the maximum amount (EUR 1,000,000,000) on the total assets. For other investment firms, the contribution amount is equal to the Basic Annual Contribution (see slide 7).

B. Article 10(7)*

Example B.1: 2023 ex-ante contribution calculated for lump-sum institution that opted for the alternative calculation

Calculation of gross contribution		SRMR (100%)
STEP 1	Lump sum amount	50,000.00
	Relevant target (as above)	7,100,000,000.0000
	BAC numerator (as above)	252,000,000.0000
	BAC denominator (as above)	37,000,000,000,000.0000
STEP 2	Outcome of alternative calculation	48,356.76
STEP 3	Lower of the two amounts	48,356.76
	2023 contribution	48,356.76

How is the 2023 contribution calculated?

For lump-sum institutions that have opted for an alternative calculation, the 2023 ex-ante contribution is determined by comparing the lump sum amount to the alternative calculation (sub-section 6.2.2 paragraphs (108-112) of MD).

STEP 1: determine the **lump-sum amount** based on institution's base (i.e. total liabilities – own funds – covered deposits)

STEP 2: calculate the **alternative amount** :

$$target \times \frac{B_n}{\sum_{p=1}^N B_p}$$

Ex:

- $7,100,000,000 \times 252,000,000 / 37,000,000,000,000 = 48,356.76$

STEP 3: choose the **lower of the two amounts** (i.e. lump sum or alternative)

Ex:

- $\min[50,000.00 ; 48,356.76] \rightarrow 48,356.76$

Legend:

- B_n is the BAC numerator
- $\sum_{p=1}^N B_p$ is the BAC denominator
- *target* is the original target excluding the lump-sum contributions

* Institutions that have opted for the alternative calculation under Article 10(7) DR

C. Basic (1/2)

Example C.1: 2023 ex-ante contribution calculated for investment firms with limited services and activities

Calculation of gross contribution	
	SRMR (100%)
Relevant target (as above)	6,100,000,000.0000
BAC numerator (as above)	750,000,000.0000
BAC denominator (as above)	15,000,000,000,000.0000
STEP 1 Outcome calculation	305,000.00
2023 contribution	305,000.00

How is the 2023 contribution calculated?

For investment firms with limited services and activities that do not qualify for a lump sum, the contribution is equal to their Basic Annual Contribution (sub-section 6.6 of MD):

$$target \times \frac{B_n}{\sum_{p=1}^N B_p}$$

STEP 1: Calculate the **basic annual contribution** in SRMR and BRRD:

$$Ex: 6,100,000,000 \times 750,000,000 / 15,000,000,000,000 = \mathbf{305,000.00}$$

C. Basic (2/2)

Example C.2: 2023 ex-ante contribution calculated for mortgage credit institutions financed by covered bonds

Calculation of gross contribution	
	SRMR (100%)
Relevant target (as above)	6,100,000,000.0000
BAC numerator (as above)	750,000,000.0000
BAC denominator (as above)	15,000,000,000,000.0000
Outcome calculation	152,500.00
2023 contribution	152,500.00

STEP 1

How is the 2023 contribution calculated?

For mortgage credit institutions financed by covered bonds that do not qualify for a lump sum, the contribution is calculated using only 50% of their Basic Annual Contribution (sub-section 6.4 of MD):

$$target \times \frac{B_n}{\sum_{p=1}^N B_p} \times \frac{1}{2}$$

STEP 1: calculate the **basic annual contribution** in SRMR and BRRD:

Ex:

- $6,100,000,000 \times 750,000,000 / 15,000,000,000,000 \times \frac{1}{2} =$
152,500.00

Note:

Repeat STEP 1 as for investment firms with limited services and activities, but note that for mortgage credit institutions financed by covered bonds, in order to calculate the “Outcome calculation” 50% of the Basic Annual Contribution is taken into account.

D. Risk Adjusted and Article 8(5)*

Example D.1: Calculation of the Risk Adjustment Factor (1/2)

		STEP 1	STEP 2			
Risk-adjustment factor (field codes refer to the 2023 SRF reporting template)						
		Weight	SRMR			
			Number of bin (DR, Annex I, Step 2)	Bin number (DR, Annex I, Step 2)	Sign (DR, Annex I, Step 4.1)	Score of bin (TRI) (DR, Annex I, Step 4.2)
PILLAR I: Risk exposure		50.00%				
Leverage ratio		33.33%	21	18	-	850.1500
CET1 ratio (CET1 capital / Total Risk Exposure)		33.33%	20	12	-	579.3684
Total Risk Exposure / Total Assets		33.33%	14	10	+	308.3846
PILLAR II: Stability and variety of sources of funding		20.00%				
Liquidity Coverage Ratio		50%	21	3	-	100.9000
Net Stable funding Ratio		50%	20	2	+	53.5789
PILLAR III: Importance of an institution to the stability of the financial system or economy		10.00%				
Share of interbank loans and deposits in the EU		100%	19	19	+	1.0000
PILLAR IV: Additional risk indicators		20.00%				
Risk weighted assets for market risk divided by Total Assets		5%	19	19	+	1.0000
Risk weighted assets for market risk divided by CET1		5%	19	19	+	1.0000
Risk weighted assets for market risk divided by total risk exposure		5%	19	19	+	1.0000
Off-balance sheet nominal amount divided by Total Assets		5%	19	18	+	56.5000
Off-balance sheet nominal amount divided by CET1		5%	18	16	+	118.5294
Off-balance sheet nominal amount divided by total risk exposure		5%	19	17	+	112.0000
Derivatives exposure divided by Total Assets		5%	19	15	+	223.0000
Derivatives exposure divided by CET1		5%	18	14	+	236.0588
Derivatives exposure divided by total risk exposure		5%	19	14	+	278.5000
Membership in an Institutional Protection Scheme	104	Yes	45%		-	555.5556
IPS bin		1				
Multiplier factor for the IPS indicator		555.5556				
Extent of previous extraordinary public financial support	4017	No	10%		+	1,000.0000
Calculation of SRMR risk-adjustment factor						
Pillar I - Composite Indicator (DR, Annex I, Step 5)		579.3010				
Pillar II - Composite Indicator (DR, Annex I, Step 5)		77.2395				
Pillar III - Composite Indicator (DR, Annex I, Step 5)		1.0000				
Pillar IV - Composite Indicator (DR, Annex I, Step 5)		401.3794				
Composite Indicator (DR, Annex I, Step 5)		190.4281				
Final Composite Indicator (FCI) (DR, Annex I, Step 5)		809.571904829358			Minimum FCI	111.622536033727
					Maximum FCI	964.536791727066
Risk Adjustment Factor (DR, Annex I, Step 6)		1.372817906250				

How is the Risk Adjustment Factor calculated?

For risk-adjusted institutions, the basic annual contributions of the institutions are further adjusted in proportion to their risk profile (sub-section 6.6 of MD).

STEP 1: following the “Discretization of the Indicators” in Annex I Step 2 of the DR, a number of bins per indicator is determined and institutions are assigned to one of these bins according to the value taken by their risk indicator. Institutions with the lowest value of the raw indicators are assigned to the first bins and institutions with the highest value to the last bin.

Ex. In Pillar I, indicator “Leverage ratio”, there are 21 bins. Based on the value of the leverage ratio raw indicator, the institution was placed in bin 18.

STEP 2: rescaling of indicators (including the assigned sign) is performed by applying the following formulas:

$$(1000 - 1) \cdot \frac{I_{k,n} - \min_n I_{k,n}}{\max_n I_{k,n} - \min_n I_{k,n}} + 1 \quad \text{if sign} = '-'$$

$$1001 - ((1000 - 1) \cdot \frac{I_{k,n} - \min_n I_{k,n}}{\max_n I_{k,n} - \min_n I_{k,n}} + 1) \quad \text{if sign} = '+'$$

Ex: In Pillar I:

- “CET1 ratio” with negative sign: $(1000 - 1) \times (12-1)/(20-1) + 1 = 999 \times 11/19 + 1 = 579.3684$
- “TRE/TA” with positive sign: $1001 - ((1000 - 1) \times (10-1)/(14-1) + 1) = 1001 - (999 \times 9/13 + 1) = 1001 - 692.6154 = 308.3846$

D. Risk Adjusted and Article 8(5)*

Example D.1: Calculation of the Risk Adjustment Factor (2/2)

			STEP 1	STEP 2		
Risk-adjustment factor (field codes refer to the 2023 SRF reporting template)			SRMR			
	Weight		Number of bin (DR, Annex I, Step 2)	Bin number (DR, Annex I, Step 2)	Sign (DR, Annex I, Step 4.1)	Score of bin (TRI) (DR, Annex I, Step 4.2)
PILLAR I: Risk exposure			50.00%			
Leverage ratio	33.33%		21	18	-	850.1500
CET1 ratio (CET1 capital / Total Risk Exposure)	33.33%		20	12	-	579.3684
Total Risk Exposure / Total Assets	33.33%		14	10	+	308.3846
PILLAR II: Stability and variety of sources of funding			20.00%			
Liquidity Coverage Ratio	50%		21	3	-	100.9000
Net Stable funding Ratio	50%		20	2	+	53.5789
PILLAR III: Importance of an institution to the stability of the financial system or economy			10.00%			
Share of interbank loans and deposits in the EU	100%		19	19	+	1.0000
PILLAR IV: Additional risk indicators			20.00%			
Risk weighted assets for market risk divided by Total Assets	5%		19	19	+	1.0000
Risk weighted assets for market risk divided by CET1	5%		19	19	+	1.0000
Risk weighted assets for market risk divided by total risk exposure	5%		19	19	+	1.0000
Off-balance sheet nominal amount divided by Total Assets	5%		19	18	+	56.5000
Off-balance sheet nominal amount divided by CET1	5%		18	16	+	118.5294
Off-balance sheet nominal amount divided by total risk exposure	5%		19	17	+	112.0000
Derivatives exposure divided by Total Assets	5%		19	15	+	223.0000
Derivatives exposure divided by CET1	5%		18	14	+	236.0588
Derivatives exposure divided by total risk exposure	5%		19	14	+	278.5000
Membership in an Institutional Protection Scheme	104	Yes	45%		-	555.5556
IPS bin						1
Multiplier factor for the IPS indicator		555.5556				
Extent of previous extraordinary public financial support	4017	No	10%		+	1,000.0000
Calculation of SRMR risk-adjustment factor						
Pillar I - Composite Indicator (DR, Annex I, Step 5)		579.3010				
Pillar II - Composite Indicator (DR, Annex I, Step 5)		77.2395				
Pillar III - Composite Indicator (DR, Annex I, Step 5)		1.0000				
Pillar IV - Composite Indicator (DR, Annex I, Step 5)		401.3794				
Composite Indicator (DR, Annex I, Step 5)		190.4281			Minimum FCI	111.622536033727
Final Composite Indicator (FCI) (DR, Annex I, Step 5)		809.571904829358			Maximum FCI	964.536791727066
Risk Adjustment Factor (DR, Annex I, Step 6)		1.372817906250				

How is the Risk Adjustment Factor calculated?

STEP 3: aggregate the indicators within each pillar through a weighted arithmetic average to calculate the Composite Indicator.

Ex: Pillar I Composite Indicator is calculated as follows:

$$(1/3 \times 850.1500) + (1/3 \times 579.3684) + (1/3 \times 308.3846) = \mathbf{579.3010}$$

STEP 4: compute the Composite Indicator by aggregating the pillars through a weighted geometric average (weight of Pillar I - 5/10, Pillar II - 2/10, Pillar III - 1/10 and Pillar IV - 2/10).

$$\text{Ex: } 579.3010^{(5/10)} \times 77.2395^{(2/10)} \times 1.0000^{(1/10)} \times 401.3794^{(2/10)} = \mathbf{190.4281}$$

STEP 5: define the Final Composite Indicator as FCI=1000-CI so that institutions with higher risk profiles get a higher FCI (i.e. closer to 1000).

$$\text{Ex: } 1000 - 190.4281 = \mathbf{809.571904829358}$$

STEP 6: rescale the Final Composite Indicator over the range [0.8;1.5] by applying the following formula:

$$\tilde{R}_n = (1.5 - 0.8) \cdot \frac{FCI_n - \min FCI_n}{\max_k FCI_k - \min FCI_n} + 0.8$$

$$\text{Ex: } (1.5 - 0.8) \times (809.571904829358 - 111.622536033727) / (964.536791727066 - 111.622536033727) + 0.8 = 0.7 \times 697.949368795631 / 852.914255693339 + 0.8 = \mathbf{1.372817906250}$$

D. Risk Adjusted

Example D.2: 2023 ex-ante contribution calculated for risk-adjusted institution that does not qualify for Art. 8(5) of CIR

STEP 1

Calculation of gross contribution (DR, Annex I, Step 6)		SRMR (100%)
(a) Relevant target (as above)		11,587,101,463.6342
(b) BAC numerator (B _n , as above)		900,000,000.0000
(c) BAC denominator*		16,452,977,921,141.4000
(d) Risk Adjustment Factor (R̃ _n , as above)		1.372817906250
(e) Sum of risk adjusted BACs**		21,886,763,685,456.5000
Outcome calculation***		654,106.86
2023 contribution		654,106.86

How is the 2023 contribution calculated?

The 2023 contribution of risk-adjusted institutions depends on the relevant target, relative size of its basic annual contribution and its risk:

$$Target * \frac{\frac{B_n}{\sum_{p=1}^N B_p} * \tilde{R}_n}{\sum_{p=1}^N \left(\frac{B_p}{\sum_{q=1}^N B_q} * \tilde{R}_p \right)} = (a) * \frac{\frac{(b)}{(c)} * (d)}{\frac{(e)}{(c)}}$$

STEP 1: calculate the **contribution amount** in SRMR and BRRD.

Ex: 11,587,101,463.6342 x (900,000,000/16,452,977,921,141.4000) x 1.372817906250 / (21,886,763,685,456.5000/16,452,977,921,141.4000) = **654,106.86**

What is the sum of risk adjusted BACs?

The sum of risk adjusted BACs can be expressed in the following formula:

$$\sum_{p=1}^N B_p * \tilde{R}_p$$

Ex: hypothetical environment with only three institutions → The sum of risk adjusted BACS:

810 + 675 + 1,125 = 2,610

	BAC	RAF	BAC x RAF
Bank A	900	0.9	810
Bank B	500	1.35	675
Bank C	750	1.5	1,125
SUM	2,150		2,610

D. Article 8.5

Example D.3: 2023 ex-ante contribution calculated for risk-adjusted institution that qualifies for Art. 8(5) of CIR

Basic Annual Contribution (BAC): numerator (field codes refer to the 2023 SRF reporting template)		
Total liabilities	2A1	2,000,000,000.0000
- Own funds	2A2	200,000,000.0000
- Covered deposits	2A3	800,000,000.0000
Sub total		1,000,000,000.0000
+ Derivative adjustment (If applicable; see last page)		65,000,000.0000
- Deductions (If applicable; see last page)		15,000,000.0000
- Liabilities treated according to Art. 8(5) CIR		300,000,000.0000
BAC Numerator		750,000,000.0000
Calculation of gross contribution (DR, Annex I, Step 6)		
		SRMR (100%)
(a) Relevant target (as above)		11,587,101,463.6342
(b) BAC numerator (B _n , as above)		750,000,000.0000
(c) BAC denominator*		16,452,977,921,141.4000
(d) Risk Adjustment Factor (R̄ _n , as above)		1.372817906250
(e) Sum of risk adjusted BACs**		21,886,763,685,456.5000
Outcome calculation***		595,089.05
Of which: EUR 50.000 for liabilities treated in accordance with Article 8(5) CIR		
2023 contribution		595,089.05

STEP 1

STEP 2

How is the 2023 contribution calculated?

In accordance with Art. 8(5) of Council Implementing Regulation (EU) 2015/81, the 2023 contribution of institutions whose total assets are above €1 bn, but equal to, or less than, €3 bn pay a lump-sum of €50,000 for the first €300 m of total liabilities excluding own funds and covered deposits. For the remaining total liabilities, institutions contribute in accordance with the risk-adjusted regime of the DR.

STEP 1: calculate the **BAC numerator*** by excluding liabilities treated in accordance with Art. 8(5).

Ex. $\max(2,000,000,000 - 200,000,000 - 800,000,000 + 65,000,000 - 15,000,000 - 300,000,000; 0) = 750,000,000$

STEP 2: calculate the **contribution amounts** in SRMR.

$$Target * \frac{\frac{B_n}{\sum_{p=1}^N B_p} * \bar{R}_n}{\sum_{p=1}^N \left(\frac{B_p}{\sum_{q=1}^N B_q} * \bar{R}_p \right)} = (a) * \frac{(b)}{(c)} * (d)$$

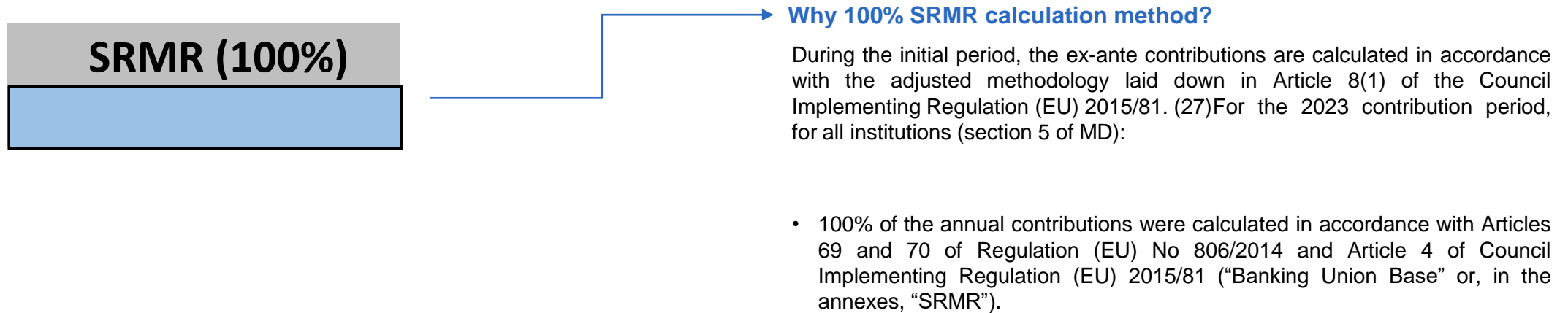
Ex:

- In SRMR:
 - For the first 300 m: 50,000
 - For the remaining 750 m: $11,587,101,463.6342 \times (750,000,000 / 16,452,977,921,141.4000) \times 1.372817906250 / (21,886,763,685,456.5000 / 16,452,977,921,141.4000) = 545,089.05$
 - Total: $50,000 + 545,089.05 = 595,089.05$

*In the calculation, the BAC numerator cannot be valued below zero in order to avoid obtaining negative amounts.

E. SRM and BRRD calculation details

Example E.1: SRM and BRRD calculation details



F. Basic Annual Contribution (1/2)

Example F.1: How are the intermediate steps for Basic Annual Contributions calculated?

Applicable for 10.7, Basic, Risk Adjusted institutions, and Article 8.5

Input values used in the calculation (field codes refer to the 2020 SRF data reporting form) in addition to the ones mentioned above to identify the BAC

Adjustment of liabilities arising from derivative contracts (excluding credit derivatives)		
2C1	Liabilities arising from all derivative contracts (excluding credit derivatives) valued in accordance with the	60,000,000.0000
2C2	Accounting value of liabilities arising from all derivative contracts (excluding credit derivatives) booked on-	45,000,000.0000
2C3	Accounting value of liabilities arising from all derivative contracts (excluding credit derivatives) held off-balance	5,000,000.0000
Derivative adjustment (-2C2+max(2C1;0.75*(2C2+2C3))		15,000,000.0000

Deductions according to Article 5(1) of Delegated Regulation 2015/63		
3A8	Total deductible amount of qualifying liabilities related to clearing activities	0.0000
3B8	Total deductible amount of qualifying liabilities related to CSD activities	0.0000
3C8	Total deductible amount of qualifying liabilities that arise by virtue of holding client assets or client money	0.0000
3D8	Total deductible amount of qualifying liabilities that arise from promotional loans	0.0000
3E11	Total deductible amount of assets and liabilities arising from qualifying IPS liabilities	50,000.0000
3F11	Total deductible amount of assets and liabilities arising from qualifying intragroup liabilities	100,000.0000
Total deductions		150,000.0000

How is the derivative adjustment calculated?

Derivative adjustment is calculated by taking fields 2C1, 2C2 and 2C3 in the 2023 SRF Data Reporting Form and applying the following formula (sub-section 5.1 of MD):

$$- \text{ONBS} + \max[\text{LR}; 0.75 \times (\text{ONBS} + \text{OFFBS})]$$

which means that accounting value of liabilities arising from derivative contracts booked on balance sheet is deducted (- ONBS) and replaced with the highest of either on- and off-balance sheet liabilities arising from derivative contracts valued in accordance with the leverage ratio methodology or 75% of the sum of on- and off- balance sheet accounting value of liabilities arising from derivative contracts (+ max[LR; 0.75 x (ONBS + OFFBS)]).

$$\text{Ex: } - 45,000,000 + \max[60,000,000 ; 37,500,000] = \mathbf{15,000,000}$$

How is the total deduction amount calculated?

The total deduction amount is calculated by taking fields 3A8, 3B8, 3C8, 3D8, 3E11 and 3F11 in the 2023 SRF Data Reporting Form and summing up all amounts.

$$\text{Ex: } 50,000 + 100,000 = \mathbf{150,000}$$

F. Basic Annual Contribution (2/2)

Example F.2: What is taken into account when calculating Basic Annual Contributions?

Applicable for 10.7, Basic, Risk Adjusted institutions, and Article 8.5

Calculation method & relevant target level

Target relevant for the calculation method	SRMR	11,587,101,463.6342
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What is the relevant target level?

The target level relevant for the calculation method is determined in accordance with Annex I, Step 6 of DR, which means that the amount referred in these fields will be different depending if the institution:

- Qualifies for a lump-sum treatment, but opted for an alternative calculation in accordance with Art. 10(7) of DR;
- Identified itself as mortgage credit institutions financed by covered bonds or investment firm authorized to carry out only limited services and activities;
- Qualifies for a risk adjusted contribution calculation.

Basic Annual Contribution (BAC): numerator (field codes refer to the 2023 SRF reporting template)

Total liabilities	2A1	4,000,000,000.0000
- Own funds	2A2	400,000,000.0000
- Covered deposits	2A3	1,600,000,000.0000
Sub total		2,000,000,000.0000
+ Derivative adjustment (If applicable; see last page)		15,000,000.0000
- Deductions (If applicable; see last page)		150,000.0000
BAC Numerator		2,014,850,000.0000

How is the BAC numerator calculated?

The institution's BAC numerator (sub-section 6.1.3 of MD) takes into account data provided in Tabs 2 & 3 of the 2023 SRF Data Reporting Form. The BAC numerator is calculated by applying the following adjustments (if applicable) to institution's **total liabilities**:

- subtracting **own funds**
- subtracting **covered deposits**
- adding **derivative adjustment**
- subtracting **deductions** (exclusions described in Article 5(1) of DR)

Ex: $4,000,000,000 - 400,000,000 - 1,600,000,000 + 15,000,000 - 150,000 = 2,014,850,000$

Basic Annual Contribution (BAC): denominator

Sum of the relevant BACs	SRMR	15,000,000,000,000.0000	BRRD	2,000,000,000,000.0000
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What is the sum of the relevant BACs? $\sum_{p=1}^N B_p$

The sum of relevant BACs for the calculation method will be different depending on whether the institution:

- Qualifies for a lump-sum treatment, but opted for an alternative calculation in accordance with Art. 10(7) of DR;
- Identified itself as mortgage credit institutions financed by covered bonds or as investment firm authorized to carry out only limited services and activities;
- Qualifies for a risk adjusted contribution calculation.

H. Other input values used in the calculation

Example H.1: What are the additional input values used to perform the calculations?

Applicable for Risk Adjusted institutions and Article 8.5

Other input values used in the calculation		
1D1	Start date of supervision (only filled if in the course of 2022)	
1E1	Reference date for reporting form	31/12/2021
4A7	Leverage ratio	0.0600
4A14	CET1 capital	200,000,000.0000
4A15	Total Risk Exposure	10,000,000,000.0000
4A16	CET1 ratio (CET1 capital / Total Risk Exposure)	0.0200
4A17	Total assets	30,000,000,000.0000
4A18	Total Risk Exposure / Total Assets	0.3333
4B6	Liquidity Coverage Ratio	1.0000
4B12	Net Stable funding Ratio	1.0000
4C6	Interbank loans	3,000,000,000.0000
4C7	Interbank deposits	7,000,000,000.0000
4C8	Share of interbank loans and deposits in the EU	10,000,000,000.0000
4D1	Risk exposure amount for market risk on traded debt instruments and equity (Trading activities)	50,000,000.0000
4D4	Risk weighted assets for market risk divided by Total Assets	0.0170
4D3	Risk weighted assets for market risk divided by CET1	0.2500
4D2	Risk weighted assets for market risk divided by total risk exposure	0.0050
4D5	Total off-balance sheet nominal amount	4,000,000,000.0000
4D8	Off-balance sheet nominal amount divided by Total Assets	0.1333
4D7	Off-balance sheet nominal amount divided by CET1	20.0000
4D6	Off-balance sheet nominal amount divided by total risk exposure	0.5727
4D9	Total derivative exposure	80,000,000.0000
4D10	Of which: derivatives cleared through a central counterparty (CCP)	0.0000
4D13	Derivatives exposure divided by Total Assets	0.0027
4D12	Derivatives exposure divided by CET1	0.4000
4D11	Derivatives exposure divided by total risk exposure	0.0080
4D17	Does the institution meet the three conditions of 'public financial support'?	No

What are the additional input values used to perform the calculations?

Each Harmonised Annex includes input data used in the calculation. In the case of risk adjusted and Article 8.5 institutions, all data points used to determine the institutions' risk adjustment factor, including the raw values but also the calculated ratios used to assign the institution to its bin (Annex I DR Step 2), are presented at the end of the Harmonised Annex.

H. Calculation of final amount to be paid

Example H.1: How to get to the “Final amount to be paid”? Applicable to all institutions

Calculation of final amount to be paid	
2023 contribution	2,000,000.00
- Deduction of 2015 contribution	250,000.00
+ Adjustment due to 2015 restatement	50,000.00
+ Adjustment due to 2016 restatement	150,000.00
+ Adjustment due to 2017 restatement	-50,000.00
+ Adjustment due to 2018 restatement	-20,000.00
+ Adjustment due to 2019 restatement	10,000.00
+ Adjustment due to 2020 restatement	N/A
+ Adjustment due to 2021 restatement	N/A
+ Adjustment due to 2022 restatement	N/A
+ Adjustment for newly supervised	N/A
Final amount to be paid	1,890,000.00

How to get to the final amount to be paid?

The final amount to be paid is determined by taking 2023 ex-ante contribution calculated (section 10 of MD) and applying the following adjustments (if applicable):

- subtracting part of 2015 contribution paid by the institution (section 7 of MD)
- adding adjustment related to data restatements (section 9 of MD)

Ex: $2,000,000 - 250,000 + 50,000 + 150,000 - 50,000 - 20,000 + 100,000 = 1,890,000$

Example H.2: How is the “Adjustment for newly supervised” determined? Applicable to all institutions

Calculation of final amount to be paid	
2023 contribution	2,000,000.00
+ Adjustment for newly supervised	1,000,000.00
Final amount to be paid	3,000,000.00

How is the adjustment for newly supervised determined?

In accordance with Article 12(1) DR, the partial contributions for 2023 (of institutions that are newly supervised in the year 2022) are determined by considering the amount of 2023 ex-ante contributions by reference to the number of full months of the contribution period for which the institution was supervised.

Ex: if the start date of supervision is 5 June 2022, the institution was supervised for 6 full months → $2,000,000 * (6/12) = 1,000,000$

Input values used in the calculation (field codes refer to the 2023 SRF data reporting form) in addition to the ones mentioned above to identify the BAC

Other input values used in the calculation		
1D1	Start date of supervision (only filled if in the course of 2022)	05/06/2022

Example H.3: How is the “Possible IPC amount” determined? Applicable to all institutions

Calculation of final amount to be paid	
2023 contribution	2,000,000.00
Deduction of 2015 contribution	250,000.00
Final amount to be paid	1,750,000.00
Possible IPC amount	393,750.00

How is the IPC amount determined?

Pursuant to section 11 of the MD, such amount was calculated as **22.5% of the total payment obligation** of each institution.

Ex: $1,750,000 \times 0.225 = 393,750$

I. Harmonised Annex Restatement

Example I.1: How is the adjustment resulting from the data restatement calculated?

Applicable for restatements only

Calculation of the adjustment resulting from the data restatement

2016 recalculated contribution (incl. adjustment for newly supervised)	50,000.00
- Difference due to 2016 restatements in 2017 cycle	-19,000.00
- Difference due to 2016 restatements in 2018 cycle	N/A
- Difference due to 2016 restatements in 2019 cycle	8,000.00
- Difference due to 2016 restatements in 2020 cycle	N/A
- 2016 original calculated contribution (incl. adjustment for newly supervised)	26,000.00
Difference due to 2016 restatements (solo level)	35,000.00

How is the data adjustment calculated on solo level?

The data adjustment on solo level is calculated starting from the recalculated contribution (including adjustment for newly supervised) and subtracting the amounts previously invoiced for the given cycle (2016 in this example). The amounts previously invoiced consist out of the (2016) original calculated contributions (including adjustment for newly supervised) and the previous data adjustments, if any (contribution cycles 2016, 2017, 2018, 2019, 2020, 2021 and 2022).

$$35,000.00 = 50,000.00 - (-19,000.00) - 8,000.00 - 26,000.00$$

How is the data adjustment calculated in the 2023 Harmonised Annex?

The data adjustment (e.g. 2016 cycle) provided in the 2023 Harmonised Annex is the sum of the data adjustment on solo level of the institutions that were acquired or merged into the entity in scope for the 2023 contribution cycle.