

FINAL ANNUAL ACCOUNTS

of

Single Resolution Board

Financial Year 2016

Financial Statements

Report on Budgetary and Financial Management

Budget Implementation

SUMMARY

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INTRODUCTION

CERTIFICATION LETTER FROM THE SRB ACCOUNTANT

The annual accounts of the Single Resolution Board for the year 2016 have been prepared in accordance with the Title IX of the Financial Regulation applicable to the general budget of the European Union, the accounting rules adopted by the Commission's Accounting Officer which are to be applied by all the institutions, agencies and joint undertakings.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Single Resolution Board in accordance with Article 68 of the Financial Regulation.

I have obtained from the authorising officer, who certified its reliability, all the information necessary for the production of the accounts that show the Single Resolution Board's assets and liabilities and the budgetary implementation.

I hereby certify that based on this information, and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the Single Resolution Board.

Done in Brussels on 30 June 2017



Malvine Tomusca
SRB Accountant

I. FINANCIAL STATEMENTS 2016

1. Statement of financial position 2016

1.1. Statement of financial position 2016 – ASSETS

| HEADING | Note | 31.12.2016 | 31.12.2015 | Variation |
|--|--------------|--------------------------|----------------------|--------------------------|
| NON-CURRENT ASSETS | | 4,912,166.35 | 3,431,924.20 | 1,480,242.15 |
| Intangible assets | 7.A.1 | 1,143,422.52 | 140,983.36 | 1,002,439.16 |
| Intangible assets | | 491,269.02 | 140,983.36 | 350,285.66 |
| Intangible assets under construction | | 652,153.50 | 0.00 | 652,153.50 |
| Property, Plant and Equipment | 7.A.2 | 3,768,743.83 | 3,290,940.84 | 477,802.99 |
| Land and buildings | | 0.00 | 0.00 | 0.00 |
| Plant and equipment | | 0.00 | 0.00 | 0.00 |
| Computer hardware | | 344,209.24 | 147,176.00 | 197,033.24 |
| Furniture and vehicles | | 447,611.00 | 1,617.00 | 445,994.00 |
| Other fixtures and fittings | | 155,336.75 | 14,420.00 | 140,916.75 |
| Tangible assets under Finance | | 2,821,586.84 | 3,127,727.84 | -306,141.00 |
| Financial assets (non-current) | | 0.00 | 0.00 | 0.00 |
| Long-term receivables and recoverables | | 0.00 | 0.00 | 0.00 |
| Pre-financing (long-term) | | 0.00 | 0.00 | 0.00 |
| CURRENT ASSETS | | 10,826,285,025.13 | 12,262,048.53 | 10,814,022,976.60 |
| Financial assets (current) | | 10,826,285,025.13 | 12,262,048.53 | 10,814,022,976.60 |
| Pre-financing (short-term) | | 0.00 | 0.00 | 0.00 |
| Receivables and recoverables | 7.B. | 5,735,071.91 | 433,581.15 | 5,301,490.76 |
| Current receivables | | 1,239,561.94 | 0.00 | 1,239,561.94 |
| Sundry receivables | | 79,710.23 | 43,243.13 | 36,467.10 |
| Deferred charges | | 315,163.72 | 390,338.02 | -75,174.30 |
| Accrued interest receivable | | 4,100,636.02 | 0.00 | 4,100,636.02 |
| Cash and cash equivalents | 7.C. | 10,820,549,953.22 | 11,828,467.38 | 10,808,721,485.84 |
| TOTAL ASSETS | A | 10,831,197,191.48 | 15,693,972.73 | 10,815,503,218.75 |

1.2. Statement of financial position 2016 – LIABILITIES

| HEADING | Note | 31.12.2016 | 31.12.2015 | Variation |
|---|-------------|--------------------------|----------------------|--------------------------|
| NET ASSETS | 7.D. | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |
| Accumulated reserves | | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |
| Economic outturn of the year (Fund) | | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |
| Economic outturn of the year (admin) | | 0.00 | 0.00 | 0.00 |
| NON-CURRENT LIABILITIES | | 1,379,929,703.41 | 12,664,742.07 | 1,367,264,961.34 |
| Provisions for risks and liabilities (long-term) | | 0.00 | 0.00 | 0.00 |
| Financial liabilities (non-current) | 7.E. | 1,379,929,703.41 | 12,664,742.07 | 1,367,264,961.34 |
| Long-term liabilities from SRB specific activities | | 1,345,273,276.00 | 0.00 | 1,345,273,276.00 |
| Other long-term liabilities | | 34,656,427.41 | 12,664,742.07 | 21,991,685.34 |
| CURRENT LIABILITIES | | 16,373,949.96 | 3,029,230.66 | 13,344,719.30 |
| Provisions for risks and charges (short-term) | | 0.00 | 0.00 | 0.00 |
| Financial liabilities (current) | 7.F. | 16,373,949.96 | 3,029,230.66 | 13,344,719.30 |
| Payables | | 16,373,949.96 | 3,029,230.66 | 13,344,719.30 |
| Long-term liabilities falling due within the year | | 776,910.08 | 835,387.64 | -58,477.56 |
| Current payables | | 5,490,271.64 | 42,051.89 | 5,448,219.75 |
| Sundry payables | | 947,027.60 | 62,548.91 | 884,478.69 |
| Accrued charges | | 6,274,416.11 | 2,089,242.22 | 4,185,173.89 |
| Accrued interest payable | 7.G. | 2,327,155.53 | 0.00 | 2,327,155.53 |
| Deferred income | | 558,169.00 | 0.00 | 558,169.00 |
| TOTAL LIABILITIES and RESERVES | L | 10,831,197,191.48 | 15,693,972.73 | 10,815,503,218.75 |

2. Statement of financial performance 2016

| HEADING | Note | 2016 | 2015 | Variation |
|---|-------------|-------------------------|-----------------------|-------------------------|
| OPERATING REVENUES | 8.A. | 9,496,350,565.13 | 12,200,846.64 | 9,484,149,718.49 |
| Non-exchange revenues from Fund contributions | | 9,462,380,991.80 | 0.00 | 9,462,380,991.80 |
| Other non-exchange revenues from administrative contributions | | 33,958,659.68 | 12,193,398.34 | 21,765,261.34 |
| Other exchange operating revenue | | 10,913.65 | 7,448.30 | 3,465.35 |
| OPERATING EXPENSES | 8.B. | -33,903,299.54 | -12,193,414.09 | -21,709,885.45 |
| Operating expenses | | -3,279,444.78 | -1,466,552.64 | -1,812,892.14 |
| Administrative expenses | | -30,623,854.76 | -10,726,861.45 | -19,896,993.31 |
| SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES | | 9,462,447,265.59 | 7,432.55 | 9,462,439,833.04 |
| Financial revenue | 8.A. | 39,112.47 | 0.00 | 39,112.47 |
| Financial expenses | 8.B. | -27,592,839.95 | -7,432.55 | -27,585,407.40 |
| SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES | | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |
| Extraordinary gains | | 0.00 | 0.00 | 0.00 |
| Extraordinary losses | | 0.00 | 0.00 | 0.00 |
| SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS | | 0.00 | 0.00 | 0.00 |
| ECONOMIC RESULT OF THE YEAR | | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |

3. Cash flow statement (indirect method)

| DESCRIPTION | 2016 | 2015 |
|---|--------------------------|----------------------|
| Cash Flow from ordinary activities | | |
| Surplus/(deficit) from ordinary activities | 9,434,893,538.11 | 0.00 |
| Operating activities | | |
| <u>Adjustments</u> | | |
| • Amortization (intangible fixed assets) + | 101,037.84 | 9,918.18 |
| • Depreciation (tangible fixed assets) + | 758,924.98 | 204,947.99 |
| • Increase/(decrease) in Provisions for risks and liabilities | 0.00 | 0.00 |
| • Increase/(decrease) in Value reduction for doubtful debts | 0.00 | 0.00 |
| • (Increase)/decrease in Stock | 0.00 | 0.00 |
| • (Increase)/decrease in Long term Pre-financing | 0.00 | 0.00 |
| • (Increase)/decrease in Short term Pre-financing | 0.00 | 0.00 |
| • (Increase)/decrease in Long term Receivables | 0.00 | 0.00 |
| • (Increase)/decrease in Short term Receivables | -5,301,490.76 | -433,581.15 |
| • Increase/(decrease) in Other Long term liabilities | 21,991,685.34 | 12,664,742.07 |
| • Increase/(decrease) in Accounts payable | 13,344,719.30 | 3,029,230.66 |
| • Other non-cash movements | 402.00 | 0.00 |
| Net Cash Flow from operating activities | 9,465,788,816.81 | 15,475,257.75 |
| Cash Flow from investing activities | | |
| Increase of tangible and intangible fixed assets (-) | -2,340,606.97 | -3,646,790.37 |
| Proceeds from tangible and intangible fixed assets (+) | 0.00 | 0.00 |
| Net Cash Flow from investing activities | -2,340,606.97 | -3,646,790.37 |
| Cash Flow from SRB specific activities | | |
| Increase in Long term financial liabilities (IPC) | 1,345,273,276.00 | 0.00 |
| Net Cash Flow from investing activities | 1,345,273,276.00 | 0.00 |
| Net increase/(decrease) in cash and cash equivalents | 10,808,721,485.84 | 11,828,467.38 |
| Cash and cash equivalents at the beginning of the period | 11,828,467.38 | 0.00 |
| Cash and cash equivalents at the end of the period | 10,820,549,953.22 | 11,828,467.38 |

4. Statement of changes in net assets

| DESCRIPTION | Accumulated Surplus/Deficit | Economic result of the year | Net Assets (Total) |
|--|-----------------------------|-----------------------------|-------------------------|
| Balance as at 1 January 2015 | 0.00 | 0.00 | 0.00 |
| Allocation of the economic result of previous year | 0.00 | 0.00 | 0.00 |
| Economic result of the year | 0.00 | 0.00 | 0.00 |
| Balance as at 31 December 2015 | 0.00 | 0.00 | 0.00 |
| Changes in accounting policies | 0.00 | 0.00 | 0.00 |
| Balance as at 1 January 2016 | 0.00 | 0.00 | 0.00 |
| Allocation of the economic result of previous year | 0.00 | 0.00 | 0.00 |
| Economic result of the year (Fund) | 0.00 | 9,434,893,538.11 | 9,434,893,538.11 |
| Economic result of the year (admin) | 0.00 | 0.00 | 0.00 |
| Balance as at 31 December 2016 | 0.00 | 9,434,893,538.11 | 9,434,893,538.11 |

5. THE SINGLE RESOLUTION BOARD

5.1. Mission

The Single Resolution Board (SRB or “the Board”) is the resolution authority for the significant and cross border banking groups established within participating Member States.

In the context of the Single Resolution Mechanism (SRM), the SRB works in close cooperation with the National Resolution Authorities. In the newly created Banking Union the SRB cooperates with the European Central Bank (ECB), the European Commission (EC), as well as other European and international institutions.

In short, the SRB’s mission is to ensure an orderly resolution of failing banks with minimum impact on the real economy and on public finances of the participating Member States and beyond.

The Board was established by the Single Resolution Mechanism and has been operational as an independent EU agency as of 1 January 2015. The SRB started its work on developing resolution plans for credit institutions from January 2015 and has been fully operational, with a complete set of resolution powers, since 1 January 2016.

5.2. Governance

As set out in Article 63 of the SRM Regulation, the governance framework for implementing the budget, presenting the accounts and for the discharge procedure is as follows:

1. The Chair shall act as authorising officer and shall implement the Board's budget.
2. By 1 March of the following financial year, the Board's Accounting Officer shall send the provisional accounts, accompanied by the report on budgetary and financial management during the financial year, to the Court of Auditors for observations. By 31 March of the following financial year, the Board's Accounting Officer shall submit the report on budgetary and financial management to the members of the Board, and to the European Parliament, the Council and the Commission.
3. By 31 March each year, the Chair shall transmit to the European Parliament, the Council and the Commission the Board's provisional accounts for the preceding financial year.
4. On receipt of the Court of Auditors' observations on the Board's provisional accounts, the Chair, acting on his or her own responsibility, shall draw up the Board's final accounts and shall send them to the Board in its plenary session, for approval.

5. The Chair shall, following the approval by the Board, by 1 July each year, send the final accounts for the preceding financial year to the European Parliament, the Council, the Commission, and the Court of Auditors.

6. Where observations are received from the Court of Auditors, the Chair shall send a reply by 30 September.

7. By 15 November each year, the final accounts for the preceding financial year shall be published in the Official Journal of the European Union.

8. The Board, in its plenary session, shall give discharge to the Chair in respect of the implementation of the budget.

9. The Chair shall submit at the request of either the European Parliament or the Council, any information referred to in the Board's accounts to the requesting Union institution, subject to the requirements of professional secrecy laid down in this Regulation.

5.3. SRB budget – legal background:

The Board was established pursuant to Regulation (EU) No 806/2014 (SRM Regulation) and is entrusted with the application of the uniform provisions laid down by that Regulation and with the administration of the Single Resolution Fund. Article 58 of that Regulation provides that the Board shall have an autonomous budget which is not part of the Union budget.

- Part I of the budget on the administration of the Board

Article 65(3) of the SRM Regulation provides that the Board shall determine and raise the contributions to the administrative expenditures of the Board which are due from each entity referred to in Article 2 of that Regulation and in accordance with the Delegated Acts referred to in Article 65(5) of the SRM Regulation.

In accordance with Article 59 of the SRM Regulation, the contributions to the administrative expenditures of the Board shall constitute the revenues of Part I of the budget of the Board and shall cover the expenditures of Part I of the budget, which shall include at least staff remuneration, administrative, infrastructure, professional training and operational expenses.

Until a final solution is put into place by a new EC Delegated Regulation expected to be approved by EC in the second part of 2017 and to be implemented by 2018, a temporary solution has been foreseen by the EC Delegated Regulation (EU) No. 1310/2014 of 8 October 2014. This allows the Board to collect contributions to cover its administrative expenditures while ensuring that the calculation and collection of the contributions may be carried out with the very limited resources of the Board and within a very short timeframe. Under this system only the significant entities which are mentioned in the list

published on ECB's website on 4 September 2014 are eligible to be charged with an advance on the contributions.

Under the final system, the contributions of the entities referred to in Article 2 of Regulation (EU) No 806/2014 shall be calculated and collected according to the final rules. The contributions of significant entities covered by the provisional system would be reassessed to take into account the amounts paid by them under that provisional system. Also, any reassessment following decisions of the SRB Appeal Panel will be made only when the final system for the administrative contributions comes into place.

- Part II of the budget on the Fund

Article 67 of Regulation (EU) No 806/2014 establishes the Single Resolution Fund ("SRF" or "the Fund") and the purposes for which Single Resolution Board ("the Board") may use the Fund.

The provisions on the establishment and functioning of the SRF are applicable as of 1 January 2016.

With the exception of the notes to the Financial Statements ("Contingent assets" and "Other Contingent liabilities" – pages 30 to 33), the SRF was not included in the 2015 accounts, but it forms an integral part of the 2016 accounts.

- Budgetary management

2015 Budget

From 1 January to 9 April 2015, the EC Task Force made transactions on behalf of the SRB. Thereafter, the SRB's internal accounting function became operational and executed the budget until the end of 2015. Nevertheless, all expenditures and incomes executed by DG FISMA on behalf of the Board have been reincorporated in the SRB annual accounts of 2015.

2016 Budget

During the reporting period covered by these financial statements, from 1 January to 31 December 2016, the budget was the full responsibility of the SRB.

6. Significant accounting policies

6.1. Legal basis and accounting rules

The SRB Financial Statements have been drafted based on:

- Regulation (EU) No 806/2014 (Single Resolution Mechanism)
- SRB Financial Regulation (adopted on 25 March 2015 and as amended on 16 March 2016)
- "Accounting Guidelines" and "Accounting Rules" as provided by the Commission Accounting Officer complemented by the closing instructions for 2016
- International Public Sector Accounting Standards (IPSAS)

In accordance with articles 89-90-91 of the SRB Financial Regulation, the SRB prepares its financial statements on the basis of accrual-based accounting rules that are derived from International Public Sector Accounting Standards (IPSAS) or by default, International Financial Reporting Standards (IFRS).

These accounting rules, adopted by the Accounting Officer of the Commission, have to be applied in order to establish a uniform set of rules for accounting, valuation and presentation of the accounts with a view to harmonising the process for drawing up the financial statements. The accounts are Euro-denominated on the basis of the calendar year.

The accounting system of SRB consists of general accounts and budget accounts:

- The budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.
- The general accounts allow for the preparation of the Financial Statements as they show all charges and income for the financial year and are designed to establish the financial position in the form of a Balance Sheet as at 31 December.

The Single Resolution Board is excluded from the consolidated annual accounts of the European Union.

6.2. Accounting principles

The objective of the financial statements is to provide information about the financial position, performance and cash flows of an entity that is useful to a wide range of users.

The overall considerations (or accounting principles) to be followed when preparing the Financial Statements are laid down in EU accounting rule No.2 and are the same as those described in IPSAS 1, that is: fair presentation, accrual basis, going concern, consistency of presentation, aggregation, off-setting and comparative information.

Preparation of the financial statements in accordance with the above-mentioned rules and principles requires management to make estimates that affect the reported amounts of certain items in the statement of financial position and statement of financial performance, as well as the disclosures of contingent assets and liabilities.

Fair presentation

Financial statements shall present fairly the financial position, financial performance and cash flows of an entity. Fair presentation requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, revenue and expenses set out in the EU Accounting rules. The application of EU Accounting rules, with additional disclosures when necessary, is presumed to result in Financial Statements that achieve a fair presentation.

Accrual Basis

In order to meet their objectives, Financial Statements are prepared on the accrual basis of accounting. Under this basis, the effects of transactions and other events are recognised when they occur (and not when cash or its equivalent is received or paid) and they are recorded in the accounting records and reported in the Financial Statements of the period to which they relate.

Going concern basis

When preparing Financial Statements, the entity's ability to continue as a going concern shall be assessed. The Financial Statements shall be prepared on a going concern basis unless there is an intention to liquidate the entity or to cease its operations or if there is no realistic alternative but to do so. These Financial Statements have been prepared in accordance with the going concern principle, which means that SRB is deemed to have been established for an indefinite duration.

Consistency of presentation

According to this principle, the presentation and classification of items in the Financial Statements shall be retained from one period to the next.

Aggregation

Each material class of similar items shall be presented separately in the Financial Statements. Items of a dissimilar nature or function shall be presented separately unless they are immaterial.

Offsetting

Assets and liabilities, and revenue and expenses, shall not be offset unless required or permitted by an EU Accounting rule.

Comparative Information

Except when an EU Accounting rule permits or requires otherwise, comparative information shall be disclosed in respect of the previous period for all amounts reported in the Financial Statements. When the presentation or classification of items in the Financial Statements is amended, comparative amounts shall be reclassified unless the reclassification is impracticable.

According to article 90 of SRB Financial Regulation, the information reported in the Financial Statements should be relevant, reliable, understandable and comparable including the information on accounting policies applied (as also explained in EU Accounting rule No 2 and IPSAS No 1).

6.3. Basis of preparation

a) Currency and basis for conversion

The financial statements are presented in euros, the Euro being the European Union's functional and reporting currency.

b) Transactions and balances

Foreign currency transactions are translated into euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance.

c) Use of estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited, to: provisions, financial risk accounts receivables, accrued income and charges, contingent assets and liabilities, and degree of impairment of intangible assets and property, plant and equipment. Actual results could differ from

those estimates. Changes in estimates are reflected in the period in which they become known.

d) Chart of Accounts

The Chart of Accounts used by SRB follows the structure of the Chart of Accounts of the European Commission (PCUE).

6.4. Statement of financial position

a) Intangible assets

Acquired computer software licences are stated at historical cost, less accumulated amortisation and impairment losses. The assets are amortised on a straight-line basis over their estimated useful lives. Internally developed intangible assets (or Internally Generated Software) are capitalised when the relevant criteria of the EU accounting rules are met. The costs capitalisable include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management. Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses as incurred. Intangible assets (developed in-house or not) have a finite useful life and are amortised in four years.

| DEPRECIATION RATES | |
|--------------------|---------------------------------|
| Type of asset | Straight line depreciation rate |
| Software | 25% |

As requested by the EC Accounting Rule No 6, the Internally Generated Software items are capitalised if their eligible development costs are above a locally established capitalisation threshold. The Board decided to implement an accounting policy of taking into account for capitalisation only the eligible development costs related to IT projects with a total value above 1 million euro.

Until the project is finished, deliverables are formally accepted by the project owner and the resulting intangible asset enters into operation as intended, the intangible assets are recognised as “under construction” by gradually accumulating the eligible development costs incurred. Only when ready for use, the useful life starts and therefore amortisation charge could be recognised.

b) Property, Plant and equipment

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to SRB and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Land and works of art are not depreciated as they are deemed to have an indefinite useful life. Assets under construction are not depreciated as these assets are not yet available for use. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

| DEPRECIATION RATES | |
|--------------------------------|---------------------------------|
| Type of asset | Straight line depreciation rate |
| Buildings | 4% |
| Plant, machinery and equipment | 10% to 25% |
| Furniture | 10% to 25% |
| Fixtures and fittings | 10% to 25% |
| Vehicles | 25% |
| Computer hardware | 25% |
| Other tangible assets | 10% to 25% |

Tangible assets are shown as "under construction" if they are not yet in operation after the moment of reception at SRB premises as they require further installation and/or configuration. Until the asset is available for its intended use, the item is recognised as a tangible asset "under construction", but there is no depreciation charge posted.

The lease of fixed assets where the SRB holds substantially all the risks and rewards of ownership are classified as fixed assets under financial lease.

c) Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance, i.e. a float. It may be split into a number of payments over a period defined in the particular pre-financing agreement. The float or advance is repaid or used for the purpose for which it was provided during the period defined in the agreement. If the beneficiary does not incur eligible expenditures, it has the obligation to return the pre-financing advance to SRB. The amount of the pre-financing is reduced (wholly or partially) by the acceptance of fixed assets, eligible costs and amounts returned, and this amount is recognised as an expense.

d) Receivables

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that SRB

will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance. A general write-down, based on past experience, is also made for outstanding recovery orders not already subject to a specific write-down.

e) Cash and cash equivalent

Cash and cash equivalents are financial instruments and defined as current assets. They include cash at hand and deposits held at call with banks.

f) Provisions

Provisions are recognised when SRB has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of the expenditures expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities (the "expected value" method).

g) Payables

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the SRB.

h) Accrued and deferred income and charges

According to the European Union accounting rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the transfer obligation of the period. The calculation of accrued expenses is done in accordance with detailed operational and practical guidelines issued by the Accounting Officer which aim at ensuring that the financial statements reflect a true and fair view.

Revenue is also accounted for in the period to which it relates. At year-end, if an invoice is not yet issued but the service has been rendered, the supplies have been delivered by SRB or a contractual agreement exists, an accrued income will be recognised in the financial statements.

In addition, at year-end, if an invoice is issued but the services have not yet been rendered or the goods supplied have not yet been delivered, the revenue will be deferred and recognised in the subsequent accounting period.

i) Leases

Leases where the lessor retains a significant portion of the risks and rewards inherent in the ownership are classified as operating leases. Payments made under operating leases are charged to the Statement of financial performance for the portion accrued during the financial year. This is the case for rent paid.

j) Irrevocable Payment Commitments

The Irrevocable Payment Commitments (IPC) represent an alternative to cash payments in the context of the ex-ante funding for the Single Resolution Fund (SRF).

The IPC can be defined as an obligation taken by the credit institutions towards SRB to pay their contributions in the future.

Legal Basis

Pursuant to Article 70(3) of SRMR, the available financial means of the SRF may include IPCs which are fully backed by collateral of low-risk assets unencumbered by any third-party rights, provided the collateral is at the free disposal of and ear-marked for the exclusive use by the SRB for the purposes specified in article 76(1) of the SRMR.

In 2016, the only type of collateral accepted by the SRB in relation with IPC was cash collateral. The amounts received are deposited in one dedicated bank account with a National Central Bank ("NCB").

Article 7(3) of Council Implementing Regulation 2016/81 ("CIR") provides that during the initial period, under normal circumstances, the Board shall allow the use of IPCs upon request from institutions. The use of IPCs shall be evenly allocated among those institutions requesting it. The SRB decided to cap the IPCs that institutions can provide for the 2016 contributions cycle at 15% of their total payment obligation according to the decision of the Executive Session of the Board (SRB/ES/SRF/2015/6 of 14 December 2015).

Further on, it is stated that when calculating the annual contributions of each institution, the Board shall ensure that, in any given year, the sum of those IPCs does not exceed 30% of the total amount of annual contributions raised from all institutions.

The recourse to IPCs shall in no manner affect the financial capacity and liquidity of the Fund.

In all IPC Agreements signed with institutions it is provided that, in the month after year end, institutions are asked to replenish the interest that has accrued on the collateral over the course of the year due to the current negative interest rate environment.

Accounting treatment

The IPCs consist of two essential components:

1. the obligation (commitment) itself which is unconditional, but at the same time depends on the probability of the IPC being paid out in the event of a specific set of circumstances arising.
2. the back-up of the commitment which as explained above is the cash collateral received by SRB for a specifically determined portion.

Therefore, the accounting treatment of IPCs has to take into account these two separate aspects as follows:

1. The commitment component of such a contractual arrangement as an IPC could not be recognised as receivable (respectively revenues) because whilst the IPC is certain and of a fixed amount, it doesn't meet the criteria of being due. Therefore, being dependent on the occurrence of future events, this commitment has to be recognised and disclosed as a Contingent asset in the SRB Financial statements (in line with IPSAS 19 on "*Provisions, Contingent Liabilities and Contingent Assets*").
2. On the other side, based on the specific nature of the collateral accepted by SRB (only cash collateral), the cash received has to be recognised in the Statement of Financial Position as an asset whereas a related liability should also be recognised in this respect.

This accounting treatment is in line with the existing IPC contracts:

When IPCs are called by the SRB under the terms of the IPC Agreement (partially or in full) the institutions are obliged to transfer the called amount on the Banking Day following the call notice. Once payments are received (new cash inflows from the credit institution towards the SRB) the SRB will return the corresponding collateral (cash outflows from the SRB decreasing the SRB liability concerning the cash collateral held). If an institution fails to pay the full amount, the SRB is entitled to take possession of the cash collateral to discharge the commitment undertaken by the institution.

6.5. Statement of financial performance

a) Revenues

- Non exchange revenues

The SRF ex-ante contributions collected via the National Resolution Authorities ("NRAs") from the credit institutions represent non-exchange revenues. Non-exchange revenues

are defined as those revenues from transactions in which an entity receives value from other entities without directly giving approximately equal value in exchange.

The SRF is composed of contributions from credit institutions and certain investment firms from the 19 participating Member States within the Banking Union. The SRF ensures that the financial industry, as a whole, finances the stabilisation of the financial system. The SRF will be gradually built up during the first eight years (2016-2023) and shall reach the target level of at least 1% of the amount of covered deposits of all credit institutions within the Banking Union by 31 December 2023.

SRB administrative contributions collected from the banks are also classified as non-exchange revenues. The Board has been authorized by a Commission Delegated Regulation to collect advance instalments on administrative contributions which shall be exclusively used to cover its administrative expenditures during the provisional period (Art.2 of CDR). In line with the EC accounting guidelines, these advance instalments have been recognised as revenues up to the level of the expenditures of the year. The outstanding amount of advance instalments received have been booked as Long Term pre-financing received (from contributors).

Restatements of ex-ante contributions for previous periods

According regulation (Article 17.3 - Commission Delegated Regulation (EU) 2015/63 of 21 October 2014) *"the information submitted by the institutions to the resolution authority is subject to restatements or revisions"* and SRB *"shall adjust the annual contribution in accordance with the updated information upon the calculation of the annual contribution of that institution for the following contribution period "*. Each year at 1 June, SRB is making an assessment of the resulting amount from restatements concerning previous periods that had to be included in the contribution cycle of the year N+1. If the amount is material (in relation with the non-exchange revenues from ex-ante contributions of year N), then these revenues of year N are adjusted for the final annual accounts.

- Exchange revenues

Revenue from the sale of goods and services is recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenue associated with a transaction involving the provision of services is recognised by reference to the stage of completion of the transaction at the reporting date.

b) Expenditure

Exchange expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the SRB. They are valued at original invoice cost.

When a request for payment or cost claim is received and meets the recognition criteria, it is recognised as an expense for the eligible amount. At year-end, incurred eligible

expenses due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

6.6. Contingent assets and liabilities

1) Contingent assets

A contingent asset is a possible asset that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of SRB. A contingent asset is disclosed when an inflow of economic benefits or service potential is probable.

2) Contingent liabilities

A contingent liability is a possible obligation that arises from past events and of which the existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of SRB, or a present obligation that arises from past events but is not recognised because: it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

7. Notes to the statement of financial position

A. Tangible and Intangible Fixed assets

A.1. INTANGIBLE ASSETS – OVERVIEW OF MOVEMENTS

| Description | | Internally generated Computer Software | Other Computer Software | Intangibles under construction | Total |
|--|-----|--|-------------------------|--------------------------------|--------------|
| Gross carrying amounts 01.01.2016 | + | 0.00 | 150,901.54 | 0.00 | 150,901.54 |
| Additions | + | 381,600.00 | 69,723.50 | 652,153.50 | 1,103,477.00 |
| Disposals | - | 0.00 | | 0.00 | 0.00 |
| Transfer between headings | +/- | 0.00 | 0.00 | 0.00 | 0.00 |
| Other changes (2) | +/- | 0.00 | | 0.00 | 0.00 |
| Gross carrying amounts 31.12.2016 | | 381,600.00 | 220,625.04 | 652,153.50 | 1,254,378.54 |
| Accumulated amortization and impairment 01.01.2016 | - | 0.00 | -9,918.18 | 0.00 | -9,918.18 |
| Amortization | - | -55,650.00 | -45,387.84 | 0.00 | -101,037.84 |
| Write-back of amortization | + | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposals | + | 0.00 | 0.00 | 0.00 | 0.00 |
| Impairment (2) | - | 0.00 | 0.00 | 0.00 | 0.00 |
| Write-back of impairment | + | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfer between headings | +/- | 0.00 | 0.00 | 0.00 | 0.00 |
| Other changes (2) | +/- | 0.00 | 0.00 | 0.00 | 0.00 |
| Accumulated amortization and impairment 31.12.2016 | | -55,650.00 | -55,306.02 | 0.00 | -110,956.02 |
| Net carrying amounts 31.12.2016 | | 325,950.00 | 165,319.02 | 652,153.50 | 1,143,422.52 |

A.2. TANGIBLE ASSETS – OVERVIEW OF MOVEMENTS

| Description | | Computer hardware | Furniture and vehicles | Other Fixtures and Fittings | Tangible assets under Finance lease | Total |
|---|-----|--------------------|------------------------|-----------------------------|-------------------------------------|---------------------|
| Gross carrying amounts 01.01.2016 | + | 175,847.48 | 1,725.00 | 16,477.20 | 3,301,839.15 | 3,495,888.83 |
| Additions | + | 289,444.86 | 487,508.91 | 160,526.20 | 299,650.00 | 1,237,129.97 |
| Disposals | - | -536.36 | 0.00 | 0.00 | 0.00 | -536.36 |
| Transfer between headings | +/- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other changes | +/- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Gross carrying amounts 31.12.2016 | | 464,755.98 | 489,233.91 | 177,003.40 | 3,601,489.15 | 4,732,482.44 |
| | | | | | | |
| Accumulated amortization and impairment 01.01.2016 | - | -28,671.48 | -108.00 | -2,057.20 | -174,111.31 | -204,947.99 |
| Depreciation | - | -92,009.62 | -41,514.91 | -19,609.45 | -605,791.00 | -758,924.98 |
| Write-back of depreciation | + | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Disposals | + | 134.36 | 0.00 | 0.00 | 0.00 | 134.36 |
| Impairment | - | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Write-back of impairment | + | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Transfer between headings | +/- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Other changes | +/- | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accumulated amortization and impairment 31.12.2016 | | -120,546.74 | -41,622.91 | -21,666.65 | -779,902.31 | -963,738.61 |
| Net carrying amounts 31.12.2016 | | 344,209.24 | 447,611.00 | 155,336.75 | 2,821,586.84 | 3,768,743.83 |

In conformity with the EC Accounting Rule No 7, amortisation and depreciation charges have been recorded on a monthly basis in SAP via an automated calculation routine based on the date of reception of the assets. The amortisation/depreciation of each item starts in the month of acquisition.

B) Current assets

Receivables are carried at original amount less write-down for impairment. A write-down for impairment of receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of receivables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the Statement of Financial Performance.

| Current receivables and recoverables | 31.12.2016 | 31.12.2015 |
|--|---------------------|-------------------|
| Receivables from Member States (non-exchange) | 1,232,631.94 | 0.00 |
| Current customer receivables | 6,930.00 | 0.00 |
| Sundry receivables | 79,710.23 | 43,243.13 |
| Staff | 70,023.89 | 19,934.82 |
| Others | 9,686.34 | 23,308.31 |
| Deferred charges | 315,163.72 | 390,338.02 |
| Accrued interest receivable (IPC top-up) | 4,100,636.02 | 0.00 |
| TOTAL | 5,735,071.91 | 433,581.15 |

Under receivables from Member States, related to IPS discrepancy differences (explained below at page 39), an exact amount of €1,228,882 was outstanding corresponding to the countries that underpaid their 2016 ex-ante contributions and didn't settle the difference before year end.

As explained above, according to the existing IPC Agreements, the credit institutions have to replenish the amounts transferred as cash collateral concerning their IPC obligation in order to compensate for the monthly outflow of negative interest payable to the NCB where the IPC-related amounts are held. Therefore, at year end, there was an outstanding accrued interest receivable for the IPC top-up which will be recovered in the first part of 2017.

All of the receivables above have the nature of receivables and recoverables from exchange transactions, unless specifically stated otherwise.

The deferred charges mostly represent prepaid expenses for software licenses and other maintenance, insurance and service contracts that are associated with deliveries of services for periods that are ending after the 31st of December 2016.

C) Cash and cash equivalents

Applying the EU Accounting Rule No 11, cash and cash equivalents are classified in the category of financial instruments "Available for sale". Further disclosures are presented below in section M "Financial Instruments".

As at the end of 2016, cash and cash equivalents are represented only by cash in current bank accounts as no other type of investments have been made.

| Cash and Cash equivalents | 31.12.2016 | 31.12.2015 |
|---|--------------------------|----------------------|
| Unrestricted cash | 38,102,687.54 | 11,828,467.38 |
| Current bank accounts – commercial banks | 38,102,687.54 | 11,828,467.38 |
| Imprest accounts | 0.00 | 0.00 |
| Cash in hand ("Caisses") | 0.00 | 0.00 |
| Transfers (Cash in transit *) | 0.00 | 0.00 |
| Short-term deposits and other cash equivalents < 3 months | 0.00 | 0.00 |
| Restricted cash (Fund usage) and cash collateral | 10,782,447,265.68 | 0.00 |
| Current bank accounts - Central Banks | 9,440,813,115.65 | 0.00 |
| IPC Account with a national central bank | 1,341,634,150.03 | 0.00 |
| TOTAL | 10,820,549,953.22 | 11,828,467.38 |

Regarding the unrestricted cash held at bank, the Board has one bank account with a commercial bank for the cash management of administrative budget and expenditure.

The cash collected from ex-ante contributions for the SRF is deposited in 5 (five) bank accounts with NCBs from Eurozone countries. These funds could be used under strict rules when there is a resolution case requiring the usage of the SRF and for the coverage of certain eligible expenditure of the Fund (like the negative bank interest).

The cash collateral backing-up the IPC agreements is held in one dedicated bank account with a NCB from Eurozone. The purpose of the cash collateral is to secure the full and punctual payment of the contribution when called by the SRB. In case an institution fails to pay the full amount when IPC is called, the SRB is entitled to seize and apply the cash collateral in discharge of the commitment undertaken under IPC framework.

D) Net assets

The SRB net assets were non existing at the end of 2015 since the administrative contribution received from the banks has been cleared up to the level of the expenses incurred by SRB in 2015 (the economic outturn result being therefore zero – please see page 6).

During 2016 the same accounting treatment was maintained for the administrative side of the budget and its related administrative expenditure. Therefore, no net assets have arisen from this side of the SRB activities.

However, with the entering into operations of the Single Resolution Fund (SRF or “the Fund”) from 01 January 2016, with the non-exchange revenues represented by the ex-ante contributions collected in 2016 (for 2015 and 2016) and the associated eligible expenditure of maintaining these funds in the NCBs’ accounts, the financial result of the year 2016 gave rise to net assets attributable to SRB. Namely, those reserves which are expected to accumulate from one financial period to the other over time represent resources entrusted to the SRB to be safeguarded and used where necessary to ensure the efficient application of resolution tools and the exercise of the resolution powers conferred to the SRB by the SRM Regulation

E) Financial liabilities (Non-current)

Applying the provisions of the EU Accounting rule No 11, the financial liabilities of the Board consists of its payables. They are classified as current liabilities except where the liabilities have maturities of more than 12 months after the balance sheet date. Payables (including accrued charges, deferred income and other liabilities) are classified in the category of financial instruments “Other financial liabilities”. Further disclosures are presented below in section M “Financial Instruments”.

Long term payables from SRB specific activities (IPC)

This item represents the counter-part of the cash collateral received by SRB as an alternative for ex-ante contributions under the established framework of IPCs. Details on the accounting treatment applied by SRB could be found at pages 18-19.

| Description | 31.12.2016 | 31.12.2015 |
|---|-------------------------|-------------|
| Long-term payables from SRB specific activities (IPC) | 1,345,273,276.00 | 0.00 |
| Total | 1,345,273,276.00 | 0.00 |

Other Long-Term Liabilities

| Description | 31.12.2016 | 31.12.2015 |
|---|----------------------|----------------------|
| Finance lease (Long-term portion) | 2,301,655.85 | 3,025,181.70 |
| Pre-financing (PF) received from banks (administrative contributions) | 32,354,771.56 | 9,639,560.37 |
| Total | 34,656,427.41 | 12,664,742.07 |

- **Finance lease**

The Long-term Finance Lease liability (1-5 years) is composed of:

| Breakdown Finance Leasing | 31.12.2016 | 31.12.2015 |
|---|---------------------|---------------------|
| Plant and equipment | 125,843.09 | 162,299.10 |
| Furniture and vehicles | 167,153.10 | 224,918.30 |
| Computer Hardware | 2,008,659.66 | 2,637,964.30 |
| TOTAL FINANCE LEASING – LT PORTION | 2,301,655.85 | 3,025,181.70 |

- **Pre-financing received from banks**

The amount outstanding for long term pre-financing received from banks (regarding the administrative contributions) is the cumulative total of the amount of funds collected within one year and not spent by the respective year end. The remaining portion is calculated as funds received less the costs incurred within the respective financial period (estimated on accrual-basis). More details could be found at page 37.

| Pre-financing received from banks | 31.12.2016 | 31.12.2015 |
|--|----------------------|---------------------|
| Corresponding to 2015 | 9,639,560.37 | 9,639,560.37 |
| Corresponding to 2016 | 22,715,211.19 | 0.00 |
| TOTAL | 32,354,771.56 | 9,639,560.37 |

F) Financial Liabilities (Current)

Short-term Lease liability

The Short-term payable portion from Finance Leasing (1-5 years) is composed of:

| Breakdown Finance Leasing | 31.12.2016 | 31.12.2015 |
|---|-------------------|-------------------|
| Plant and equipment | 59,644.30 | 40,574.79 |
| Furniture and vehicles | 90,700.11 | 68,453.39 |
| Computer Hardware | 626,565.67 | 726,359.46 |
| TOTAL FINANCE LEASING – ST PORTION | 776,910.08 | 835,387.64 |

Current Payables

Payables arising from the purchase of goods and services are recognized at invoice reception for the original amount. The corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the Board.

The payables of the SRB are related to the purchase of goods or services. Upon verification and acceptance of the eligible costs, the payables are valued at the accepted and eligible amount.

An overview of major items under the current and sundry payables is presented below:

| Current payables | 31.12.2016 | 31.12.2015 |
|---|---------------------|-------------------|
| Amounts payable | 5,490,271.64 | 42.051,89 |
| Vendors | 203,719.14 | 17.250,89 |
| Member States | 5,286,532.00 | 0.00 |
| European Commission for services delivered under various SLAs | 20.50 | 24.801,00 |
| Sundry Payables | 947,027.60 | 62.548,91 |
| Staff | 7,232.86 | 234,23 |
| Other (1) | 939,794.74 | 62.314,68 |
| TOTAL | 6,437,299.24 | 104,600.80 |

| (1) Other Sundry payables | 31.12.2016 | 31.12.2015 |
|---|-------------------|------------------|
| Assets - Goods received without invoice | 931,747.45 | 42,655.01 |
| Payables inter-agencies related to staff mobility | 6,824.74 | 10,963.82 |
| Social security-related payables | 1,222.55 | 8,695.85 |
| TOTAL | 939,794.74 | 62,314.68 |

Under payables to Members States, related to IPS discrepancy differences (explained below at page 39), an amount of €5,286,532 was pending at year end and corresponds to the countries that overpaid their 2016 ex-ante contributions and haven't settled the difference before year end.

G) Other accrued charges and deferred income

Accrued charges

According to the EU Accounting rules, transactions and events are recognised in the financial statements in the period to which they relate. At the end of the accounting period, accrued expenses are recognised based on an estimated amount of the obligation of the period.

In accordance with EC Accounting Rule N°. 10 complemented by chapter 19 under IPSAS 19 (Provisions, contingent liabilities and contingent assets) accruals are made

to recognize the amounts to be paid for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees (for example, amounts relating to accrued vacation pay). The accruals are determined based on estimates (assessed based on the part of the carry-overs to be applied to 2016 - 2017).

In accordance with EC Accounting Rule No 12 a liability for untaken holidays (accumulating compensated absences) at year-end has been included in the statement of financial position under the accrued charges.

| Accrued Charges | 31.12.2016 | 31.12.2015 |
|-------------------------------|---------------------|---------------------|
| Untaken annual leave | 269,492.00 | 109,655.46 |
| Accrued charges | 6,004,924.11 | 1,979,586.76 |
| Accrued bank interest payable | 2,327,155.53 | 0.00 |
| TOTAL | 8,601,571.64 | 2,089,242.22 |

At year end, it was also required to accrue for the negative interest payable for the month of December 2016 which according to existing contractual terms and conditions was debited by four NCBs only in the first days of January 2017.

Deferred Income

The SRB moved from 1 February 2016 into a new building located in Treurenberg 22, Brussels. The Convention for usufruct provided for a term of lease of 15 years and also for a rent-free period of 3 months at the beginning of the occupying period.

The amount representing the gratuity was initially recorded as deferred income and is recognised in the Statement of Financial Performance over the full term of the lease of 15 years.

On top of the rent charges, the Board also has to finance the costs incurred by the landlord on the works performed to shape the physical space of the office building in line with the SRB's needs. These costs are paid according to a well-determined reimbursement schedule which form an integral part of the Convention for usufruct. The amount paid for 2016 was equal to: €434,505.44.

| Deferred Income | 31.12.2016 | 31.12.2015 |
|---|-------------------|-------------|
| Deferred income from the gratuity of 3 months rent-free (at the moving into the new premises) | 594,500.00 | 0.00 |
| Corresponding portion recycled in the SoFP 2016 | -36,331.00 | 0.00 |
| TOTAL | 558,169.00 | 0.00 |

Payments for operating lease commitments still to be made at 31 December 2016 for the period up to 31st of January 2031, the end date of the lease contract, amount to €33,490,167.67.

The contractual payments are scheduled as follows:

| Description | Charges paid during the year | Charges still to be paid as at 31/12/2016 | | | TOTAL |
|---|------------------------------|---|---------------------|----------------------|----------------------|
| | | <1 yr | 1-5 yrs | >5 years | |
| Operating lease - Treurenberg 22 building (*) | 1,585,333.33 | 2,378,000.00 | 9,512,000.00 | 21,600,167.67 | 33,490,167.67 |
| TOTAL | 1,585,333.33 | 2,378,000.00 | 9,512,000.00 | 21,600,167.67 | 33,490,167.67 |

*amounts were disclosed net of the annual applicable indexation according EUROSTAT index.

8. Other significant disclosures

H) Contingent assets

| Description | 31.12.2016 | 31.12.2015 |
|---|--|-------------------------|
| Guarantees received | 1,120,000.00 | 1,120,000.00 |
| Guarantees for pre-financing | 0.00 | 0.00 |
| Guarantees for fines pending | 0.00 | 0.00 |
| Performance guarantees | 1,120,000.00 | 1,120,000.00 |
| Other Guarantees | 0.00 | 0.00 |
| Borrowing agreements signed (LFA model 1 and LFA model 2) | Please see more details on valuation in the following page | 0.00 |
| Fund contributions of 2015 | 0.00 | 4,333,393,385.00 |
| IPC – the contractual commitment | 1,345,273,276.00 | 0.00 |
| TOTAL | 1,346,393,276.00 | 4,334,513,385.00 |

Guarantees

The performance guarantee has been provided by AXA after the selection of the new SRB building. The amount remained unchanged.

Borrowing agreements signed

Recital 13 of the Intergovernmental Agreement (IGA) acknowledges that situations may exist where the means available in the SRF are not sufficient to undertake a particular resolution action, and where the ex-post contributions that should be raised in order to cover the necessary additional amounts are not immediately accessible.

On 8 December 2015, ECOFIN Ministers endorsed a harmonised Loan Facility Agreement (LFA). ECOFIN ministers emphasised that as of 2016, each Member State participating in

the Single Resolution Mechanism will enter into the harmonised LFA with the SRB in order to provide a national individual credit line to the SRB to back its national compartment following resolution cases.

By individually signing the LFAs, credit lines are provided by each participating Member State to the SRB to ensure the availability of an amount equal to each national compartment's estimated final size¹ during the transitional period.

Two options were provide for participating Member States to choose:²

- **Model 1 (National approval / staggered payment):**

If a Member State chooses to introduce a national approval/staggered payments provision, the Member State would commit to initiating internal procedures to obtain the required national approval of the competent bodies upon receipt of the utilisation request. For the staggered payments, Member States have to make a disbursement of at least 50% of the Fixed Individual Amount for the first disbursement to be made available and can make up to three additional disbursements of 1/6 of the Fixed Individual Amount. Exceptions to these procedures may be made in case of "Exceptional Circumstances", i.e. in order to avert the immediate default of this entity under resolution.

- **Model 2 (no national approval):**

In this case, a Member State would commit to making funds to the SRB available after receipt of a notification by the SRB without further internal budgetary process.

Functioning of LFAs and valuation considerations

By 31 December 2016, all but three agreements were signed and the total amount covered was €49.98 billion. In the meantime, all participating Member States signed an LFA and the total amount of the borrowing agreements reached the level of €55 billion.

However, the individual nominal amount fixed in the Loan Facility Agreements does not constitute the actual available amount in case of activation but the maximum amount of each Member State's engagement.

The Loan Facility Agreements (LFAs) ensure the full availability of each national compartment's estimated size ("target level") throughout the transitional period. They are concluded between participating Member States and the SRB and provide national credit lines as last resort to the respective SRF's compartments when financial means and other sources are not available. In such capacity, the LFAs are covering the gap

¹ Which equals the fixed individual amount under the LFA, subject to changes in accordance with Clause 24 of the LFA.

² Terms in capital letters in the followings bullet points refer to defections provided in the LFA.

between the estimated compartment size (Fixed Individual Amount) and the available means from contributions and borrowings.

Summarized, the available amount under each LFA is being calculated, with reference to any point in time, as the Fixed Individual Amount provided by each LFA, minus the current available funding capacity (including the available national means and the mutualized means available for a resolution case in the respective Member State).

Fund contributions

The 2015 contributions had to be transferred by the NRAs to the Fund by 31 January 2016. The amount of Fund contributions of 2015 had to be disclosed as contingent assets as they did not meet the conditions of being included in the Balance Sheet at the time of issuing the 2015 Financial Statements.

For the purpose of this year's Financial Statements, they form an integral part of the accounts of 2016 (more details could be found in the Annex dedicated to the Fund transactions).

IPC

The commitment entered into under the IPC contractual arrangements is disclosed as a contingent asset, highly dependent on the probability of a future event. This future event is the calling of IPC in case specific circumstances would arise. More details on the accounting treatment are presented above at pages 18-19.

I) Other Contingent Liabilities

The amounts included under other contingent liabilities are the following:

- The amounts in dispute in relation with the Fund contributions of 2015 and 2016 from appeals with NRAs and court cases before administrative courts of the relevant Member State. These amounts were presented as a contingent liability because in case of successful legal actions before the national courts concerning the ex-ante contributions, the SRB will have to return the corresponding amounts transferred to the SRF according to decision of Executive Session of the Board (SRB/ES/SRF/2016/18 of 24 June 2016).
- The amounts in dispute from the 9 (nine) legal cases (including a request for interim measures) pending at year end before the General Court of the European Union. The exposures corresponding to these cases (which concern the calculation of 2016 ex-ante contributions) were cumulated and disclosed below.

| Contingent liabilities from amounts in dispute | 31.12.2016 | 31.12.2015 |
|--|-----------------------|-----------------------|
| -From appeals with NRAs and court cases before administrative courts of the relevant Member State | 800,791,513.00 | 437,125,143.56 |
| Related to 2015 ex-ante contributions | 84,149,051.00 | 437,125,143.56 |
| Related to 2016 ex-ante contributions | 716,642,462.00 | 0.00 |
| -From legal cases before the General Court of the EU | 41,113,701.00 | 0.00 |
| TOTAL | 841,905,214.00 | 437,125,143.56 |

At the time of issuing these Financial Statements:

- no estimation could be reasonably drawn on the development of the proceedings and therefore on the outcome of the existing legal cases. The ruling of the Court on these cases seems unlikely to occur sooner than the end of 2017.
- two more litigation cases were opened after year end (corresponding exposures being in amount of € 60,495,792).
- the interim measures request which was pending on 31 December 2016 has been dismissed by the General Court.

J) Open commitments at year end (RAL: "Reste à liquider")

The budgetary RAL represents the total of open commitments for which payments and/or de-commitments have not yet been made, the outstanding amounts being carried-forward and carried-over to the next financial year.

The accounting RAL as presented below is the part of the budgetary commitments which has not been yet consumed (expensed) via "invoice" or other form of claim or via the cut-off adjustments (year-end accruals).

| Other Significant Disclosures | 31.12.2016 | 31.12.2015 |
|---|-------------------------|---------------------|
| Total amount carried-forward from N to N+1 | 9,031,211.57 | 4,685,869.32 |
| Total amount carried-over from N to N+1 (R0) | 9,442,174,948.05 | 0.00 |
| Amounts accrued in the year N | -8,139,453.09 | -2,089,242.22 |
| TOTAL | 9,443,066,706.53 | 2,596,627.10 |

K) Financial Leasing

| Leased assets | Present Value | Short Term Liability | Long Term Liability |
|------------------------------|---------------------|----------------------|---------------------|
| PM & equipment | 185,487.39 | 59,644.30 | 125,843.09 |
| Furniture & vehicles | 257,853.21 | 90,700.11 | 167,153.10 |
| Computer Software & Hardware | 2,635,225.33 | 626,565.67 | 2,008,659.66 |
| TOTAL | 3,078,565.93 | 776,910.08 | 2,301,655.85 |

The SRB has three leasing contracts: DI07030, DI 07370 and DI07210 consisting of 29 specific orders totalling €3.860.569,30 (investment value). All three contracts have a duration of 5 years and are related to assets to be used in the new building Treurenberg 22. The most important group is the computer category which represents 66% of the total investment. At the end of 2016, not all due leasing instalments had been invoiced by the suppliers.

The minimum lease payments at the end of the reporting period correspond to their present value.

L) Financial Instruments

Financial instruments consist of: cash, current receivables and recoverables, current long-term and short-term payables including accruals and deferrals.

Valuation of Financial Instruments

All the financial assets and liabilities of the SRB are valued at Fair value or Amortised cost.

An overview of their classification, measurement and treatment of changes in carrying amount is presented below:

| Financial Instrument | Category | Measurement | Change in carrying amount |
|--|-----------------------------|-----------------|---------------------------|
| Cash and cash equivalents | Available for sale | Fair value (FV) | FV reserve in Net Assets |
| Receivables | Loans and receivables | Amortised cost | Economic Outturn Account |
| Deferred charges and accrued income | Loans and receivables | Amortised cost | Economic Outturn Account |
| Payables | Other financial liabilities | Amortised cost | Economic Outturn Account |
| Accrued charges and deferred income | Other financial liabilities | Amortised cost | Economic Outturn Account |
| Other liabilities | Other financial liabilities | Amortised cost | Economic Outturn Account |

The carrying amounts of the SRB's Financial Instruments are as follows:

| Carrying amounts | 31.12.2016 | 31.12.2015 |
|---|--------------------------|----------------------|
| Financial assets | | |
| Current receivables | 1,239,561.94 | 0.00 |
| Other receivables | 79,710.23 | 43,243.13 |
| Deferred charges and accrued income | 4,415,799.74 | 390,338.02 |
| Cash and deposits | 10,820,549,953.22 | 11,828,467.38 |
| TOTAL Financial Assets | 10,826,285,025.13 | 12,262,048.53 |
| Financial liabilities | | |
| Non-current payables | 1,379,929,703.41 | 12,664,742.07 |
| Long term liabilities falling due within the year | 776,910.08 | 835,387.64 |
| Current payables | 5,490,271.64 | 42,051.89 |
| Other payables | 947,027.60 | 62,548.91 |
| Accrued charges and deferred income | 9,159,740.64 | 2,089,242.22 |
| TOTAL Financial Liabilities | 1,396,303,653.37 | 15,693,972.73 |
| TOTAL net financial instruments | 9,429,981,371.76 | -3,431,924.20 |

▪ Financial instruments - Disclosure requirements

Financial instruments give rise to liquidity, credit and market risks. The information on how those risks are managed is set out below.

○ Liquidity risk

The liquidity risk is the inability to repay obligations when they fall due at a reasonable price.

EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments.

The following measures are in place at SRB to manage the liquidity risk:

- For the moment, the funds are placed as cash-at-bank in current accounts. Therefore the cash available on demand could be easily used to cover short/long term liabilities and also those of unpredictable maturity. However when using the funds, the Board is complying with strict rules even if it has an undisputable liquidity surplus.
- The funds for administrative purposes are kept and used completely separately from the Fund contributions and IPC means (the bank accounts being completely separated and earmarked for administrative purpose, Fund resources and IPCs).

- To cover the administrative expenditure, the invoices for administrative contributions are issued once early in the year in order to meet all current and future obligations within the financial period.
- The treasury and payment operations are highly automated and rely on sound information systems. Specific procedures are applied to guarantee system security and to ensure segregation of duties in line with the Financial Regulation, the internal control standards, and audit principles.
 - **Credit risk**

Credit risk is the risk of loss due to a debtor /borrower non-payment of a loan or other line of credit (either the principal or interest or both) or other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

The most important financial asset being the cash held at banks, the following measures are in place to manage the credit risk:

Administrative contributions

- Administrative resources are kept with one commercial bank.
- Specific guidelines were applied for the selection of this commercial bank in order to minimise counterparty risk to which the Board is exposed.

All commercial banks are selected by call for tenders. The minimum short-term credit rating required for admission to the tendering procedures is Moody's P-1 or equivalent (S&P A-1 or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.

The credit rating of the commercial bank where SRB has the bank account is reviewed regularly.

Fund contributions

- The collected ex-ante contributions for the Fund together with the cash collateral from IPC are held in NCBs accounts of five countries from Eurozone.

All the other receivables are constantly monitored for prompt recovery and timely action is taken for write-off based on formal evidence when there are reasons to believe that the full recoverability of the debt is under doubt and the debtor could not repay its debt to SRB.

- **Market risks**

The market risk could be split into interest rate risk and currency risk.

- **Interest rate risk**

The interest rate for cash held in current bank accounts is governed by the terms and conditions of the framework contracts signed with the banks.

- For the bank account used for administrative purposes, the interest rate granted by the partner commercial bank is linked to the market interest rate (EONIA+0.30 spread) with the related possible daily fluctuation. In case the resulting interest rate to be applied is below zero, the bank cannot charge negative interest as the interest rate is floored at 0%.
- For the Central Bank accounts, according to the existing terms and conditions, the interest rate applied is the ECB deposit facility interest rate. If negative, the bank interest charge is taken by direct debit in the first days of the next month for the previous month.
- The Board put in place strict controls of the amounts charged which are checked by re-computation and immediate action is taken for solving overcharged amounts (if applicable).

- **Foreign currency risk**

Currency risk is the risk that the SRB's operations or its investments' value will be affected by changes in exchange rates. This risk arises from the change in price of one currency against another.

As all the SRB's financial assets and liabilities are euro-denominated, the SRB was not exposed to foreign currency risk in 2016.

M) CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies for the financial year 2016 which could give rise to additional disclosures or restatement adjustments.

N) RELATED PARTY DISCLOSURE

The related parties of SRB are the key management personnel who hold positions of responsibility within the Board. They are responsible for the strategic direction and operational management of the entity and are entrusted with significant authority to execute their mandate.

| Highest grade description | Grade | Number of persons of this grade |
|--|-------|---------------------------------|
| The Chair and the other Board members of the Executive session | AD 16 | 6 |

The transactions of the Board with the key management personnel during financial year 2016 consist only of the remuneration, allowances and other entitlements as determined for grade AD 16 by the Staff Regulations of the Officials of the European Communities. No loans or other amounts outside the provisions of the Staff Regulations were granted to management or staff.

Therefore, no other specific disclosure requirements are necessary for these transactions in accordance with the EU Accounting rules.

O) Events after the reporting period

At the issuance of these Financial Statements, the following should be mentioned:

- event that does not concern a situation existing at 31 December 2016 being related to new facts occurred during 2017
 - On 7 June 2017, the SRB in its Executive Session decided to adopt a resolution scheme (the "Decision") with respect to an entity falling under its direct remit, addressed to the national resolution authority, responsible for its implementation. The Decision did not require any use of the SRF. The European Commission confirmed the resolution scheme as proposed by SRB on 7 June 2017.
- event that concerns a situation existing at 31 December 2016
 - By this date, the total amount that had to be included in the 2017 contribution cycle as derived from the restatements for 2015 and 2016 financial periods, could be assessed. In the light of this assessment and according the accounting policy applied by SRB in recognizing non-exchange revenues, no adjustment was posted in this respect as the resulting amount is not material (€24,73 million) in relation with the recognised revenues of the year from ex-ante contributions.

Apart from the above, no material issue came to the attention of the SRB Accountant or were reported to her that would require separate disclosure under this section. The Final Annual Accounts and related notes were prepared using the most updated information and this is reflected in the notes presented above.

9. Notes to the statement of financial performance

A) Revenues

| Operating Revenues | 2016 | 2015 |
|--|-------------------------|----------------------|
| Operating Revenues non-exchange transactions | 9,496,339,651.48 | 12,189,550.84 |
| Revenues from ex-ante contributions to the Fund | 9,462,380,991.80 | 0.00 |
| Revenue from administrative contributions | 33,958,659.68 | 12,189,550.84 |
| Revenue from administrative operations (exchange) | 10,913.65 | 11,295.80 |
| Fixed assets related revenue (exchange) | 0.00 | 3,847.50 |
| Other operating revenues (exchange) | 10,913.65 | 7,448.30 |
| Miscellaneous administrative revenue | 9,281.87 | 0.00 |
| Exchange rate gains | 1,631.78 | 7,448.30 |
| TOTAL | 9,496,350,565.13 | 12,200,846.64 |

The major portion of 2016 SRB operating revenues consists of **non-exchange revenues**.

In 2016, SRB received ex-ante contributions to the Fund and administrative contributions. As usual for this type of revenues, they are recognised when the underlying exchange transaction has occurred and the resources are available.

- **Revenues from ex-ante contributions to the Fund**

IPS discrepancy

The ex-ante contributions of 2016 were affected by the IPS discrepancy which was derived from the mistreatment of the risk pillar IV when applying the IPS membership sub-indicator and impacted the invoiced amounts to institutions belonging to Institutional Protection Schemes (IPS). The noted discrepancies concerned most of the institutions within the SRF scope.

By the end of the year, some countries have already settled the detected differences for the banks affected, however others have chosen to settle the respective amounts at the moment of transferring the 2017 ex-ante contributions as approved via a decision of the Executive Session of the SRB.

Being equivalent with a mathematical miscalculation occurring inside the same financial period in which the revenues were collected, an adjustment in the amount of €4,057,650 was posted in the 2016 accounts (in line with IPSAS provisions for this type of error).

Consistent with IPSAS 3.47 applicable to material prior period errors, correcting a current period error requires to adjust the revenues in the Financial Statements as if the error had never been made.

- **Revenues from administrative contributions**

According to the applicable accounting policy regarding the revenue recognition, the administrative contributions of the banks have been recognised as income up to the level of the 2016 respectively 2015 total expenses.

| Description | 2016 | 2015 |
|---|----------------------|----------------------|
| Administrative contributions – total invoiced to institutions (corresponding to annual budget part I) | 57,000,000.00 | 22,000,000.00 |
| Less: cancelled claim | -326,129.13 | 0.00 |
| Less; restatement difference not invoiced | 0.00 | -170,888.79 |
| Total collected during the period | 56,673,870.87 | 21,829,111.21 |
| Less: amount not spent during the year after covering all administrative and operational expenditure (LT liability) | -22,715,211.19 | -9,639,560.37 |
| TOTAL | 33,958,659.68 | 12,189,550.84 |

Financial Revenues:

| Description | 2016 | 2015 |
|---|------------------|-------------|
| Interest income on late payment of administrative contributions | 24,935.99 | 0.00 |
| Interest income from cash and cash equivalents | 14,176.48 | 0.00 |
| TOTAL | 39,112.47 | 0.00 |

B) Expenditure

Operating:

| Description | 2016 | 2015 |
|--------------------------------|----------------------|----------------------|
| Administrative Expenses | 30,623,854.76 | 10,726,861.45 |
| Staff expenses | 16,377,298.06 | 6,603,933.38 |
| Other administrative expenses | 1,923,377.87 | 861,818.57 |
| IT expenses | 5,328,673.06 | 1,810,498.06 |
| Other services non-IT | 1,450,885.30 | 459,119.72 |
| Land and Buildings | 4,683,322.04 | 776,771.97 |
| Fixed Assets Expenses | 860,298.43 | 214,719.75 |
| Operational Expenses | 3,279,444.78 | 1,466,552.64 |
| Other operational expenses | 3,276,240.37 | 1,465,589.26 |
| Exchange rate losses | 3,204.41 | 963.38 |
| TOTAL | 33,903,299.54 | 12,193,414.09 |

Financial Expenses:

| Description | 2016 | 2015 |
|---|----------------------|-----------------|
| Interest expenses | 27,577,879.89 | 7,178.45 |
| Interest on financial liabilities at amortized cost | 0.00 | 0.00 |
| Interest charges on cash and cash equivalents | 27,473,006.59 | 0.00 |
| Late payment interest expense | 1,989.03 | 0.00 |
| Interest expense on finance lease | 102,884.27 | 7,178.45 |
| Present value Adjustments - expenses | 0.00 | 0.00 |
| Other financial expenses (bank charges) | 14,960.06 | 254.10 |
| TOTAL | 27,592,839.95 | 7,432.55 |

In 2016, 48% (2015:54%) of SRB costs were linked to staff while 52% (2015:32%) were related to other administrative expenses (rent, IT support and others).

10. Annex - Single Resolution Fund

The Single Resolution Fund (the Fund)

The Single Resolution Fund (SRF) has been established by Regulation (EU) No 806/2014 (SRM Regulation) being composed of contributions from credit institutions and certain investment firms in the 19 participating Member States within the Banking Union.

The SRF ensures that the financial industry, as a whole, finances the stabilisation of the financial system.

As explained above, the SRF will be gradually built up during the first eight years (2016-2023) and shall reach the target level of at least 1% of the amount of covered deposits of all credit institutions within the Banking Union by 31 December 2023.

• The purpose of the Fund - Using the Single Resolution Fund in resolution

Within the resolution scheme, the SRF may be used only to the extent necessary to ensure the effective application of the resolution tools, as last resort, in particular:

1. To guarantee the assets or the liabilities of the institution under resolution;
2. To make loans to or to purchase assets of the institution under resolution;
3. To make contributions to a bridge institution and an asset management vehicle;
4. To make a contribution to the institution under resolution in lieu of the write-down or conversion of liabilities of certain creditors under specific conditions;
5. To pay compensation to shareholders or creditors who incurred greater losses than under normal insolvency proceedings.

The SRF shall not be used to absorb the losses of an institution or to recapitalise an institution.

In exceptional circumstances, where an eligible liability or class of liabilities is excluded or partially excluded from the write-down or conversion powers, a contribution from the SRF may be made to the institution under resolution under two key conditions, namely:

- Bail-in of at least 8%: losses totaling not less than 8% of the total liabilities including own funds of the institution under resolution have already been absorbed by shareholders after counting for incurred losses, the holders of relevant capital instruments and other eligible liabilities through write-down, conversion or otherwise;
- Contribution from the SRF of maximum 5%: the SRF contribution does not exceed 5% of the total liabilities including own funds of the institution under resolution.

During the 2016 financial year, there was no usage of the Fund for resolution cases.

- **The Ex-Ante Contributions to the Fund**

Contributions are raised annually from institutions in scope in each of the 19 Member States within the Banking Union. The NRAs are responsible for the collection of contributions and the transfer to the SRF.

The SRF has collected ex-ante contributions related to the 2015 and 2016 cycles, which amounts were raised by the NRAs. However, there is an important distinction to be made between the first year of collection of ex-ante contributions in 2015 and collections of ex-ante contributions from 2016 on.

- **The 2015- ex-ante contributions**

By 31 January 2016, the Member States had to transfer ex-ante contributions raised in 2015 under Directive 2014/59/EU (BRRD) to the SRF, the Fund becoming operational as at 1 January 2016.³ Hence, the calculation of the amounts due was not performed by the SRB but by the competent national authority.

- **The 2016 ex-ante contributions**

From 2016 on, the SRB is responsible for the calculation of ex-ante contributions.

For this purpose, the SRB applies the methodology set out in the Commission Delegated Regulation (EU) No 2015/63 and the Council Implementing Regulation (EU) No 2015/81, which guarantees a level playing field among participating Member States.

As part of such methodology, the SRB has developed uniform data definitions, a uniform template and guidelines for all institutions.

The calculation of individual contributions largely derives from the target level of at least 1% of covered deposits, which is to be reached by the end of the initial period, and from the size and the risk of each individual institution.

- **The Irrevocable Payment Commitments (IPC)**

According to Council Implementing Regulation (EU) 2015/81, credit institutions are allowed to use IPCs to pay a part of their contribution as an alternative to cash payments of ex-ante contributions. The amount that could be transferred under the IPC agreements is defined based on strict criteria which are taking into account the limits stated by applicable regulation.

³ Any amount disbursed before 1 January 2016 by the resolution financing arrangement of a participating Member State in respect of resolution actions within its territory was deducted from those contributions to be transferred towards the Fund. In such a case, the Member States in question remain bound to transfer towards the Fund an amount equivalent to that which would have been necessary to achieve the target level of its resolution financing arrangement, in accordance with Article 102 of the BRRD.

All IPC agreements signed with institutions contain a provision that state that in a negative interest rate environment, institutions will be asked to replenish the interest that has accrued on the collateral over the course of the year.

More details on the accounting treatment applied by SRB in relation with the IPCs and a brief presentation of IPC “mechanism” can be found at pages 18-19.

- **Fund Analytical Accounts as at 31 December 2016**

To give a detailed view on the Fund transactions as reflected in the SRB accounts, a separate Balance Sheet and Statement of Performance including only the SRF transactions occurred in 2016 was prepared as follows:

As the transactions regarding the Fund inherently gave rise to Financial Instruments, all the relevant disclosures corresponding to them are included in the respective notes on Financial Instruments of these final SRB Financial statements.

ANALYTICAL FINANCIAL STATEMENTS 2016 SRF

10.1. Statement of financial position 2016 for SRF

10.1.1. Statement of financial position 2016 – SRF ASSETS

| HEADING | Note | 31.12.2016 | 31.12.2015 | Variation |
|---|--------------|-------------------|------------|-------------------|
| NON-CURRENT ASSETS | | 0.00 | 0.00 | 0.00 |
| Intangible assets | <u>7.A.1</u> | 0.00 | 0.00 | 0.00 |
| Intangible assets | | 0.00 | 0.00 | 0.00 |
| Intangible assets under construction | | 0.00 | 0.00 | 0.00 |
| Property, Plant and Equipment | <u>7.A.2</u> | 0.00 | 0.00 | 0.00 |
| Land and buildings | | 0.00 | 0.00 | 0.00 |
| Plant and equipment | | 0.00 | 0.00 | 0.00 |
| Computer hardware | | 0.00 | 0.00 | 0.00 |
| Furniture and vehicles | | 0.00 | 0.00 | 0.00 |
| Other fixtures and fittings | | 0.00 | 0.00 | 0.00 |
| Tangible assets under Finance Lease | | 0.00 | 0.00 | 0.00 |
| Financial assets (non-current) | | 0.00 | 0.00 | 0.00 |
| Long-term receivables and recoverables | | 0.00 | 0.00 | 0.00 |
| Pre-financing (long-term) | | 0.00 | 0.00 | 0.00 |
| CURRENT ASSETS | | 10,787,780,533.64 | 0.00 | 10,787,780,533.64 |
| Financial assets (current) | | 10,787,780,533.64 | 0.00 | 10,787,780,533.64 |
| Pre-financing (short-term) | | 0.00 | 0.00 | 0.00 |
| Receivables and recoverables | 7.B. | 5,333,267.96 | 0.00 | 5,333,267.96 |
| Current receivables (IPS discrepancy) | | 1,232,631.94 | 0.00 | 1,232,631.94 |
| Sundry receivables | | 0.00 | 0.00 | 0.00 |
| Deferred charges | | 0.00 | 0.00 | 0.00 |
| Accrued interest receivable (IPC top-up) | | 4,100,636.02 | 0.00 | 4,100,636.02 |
| Cash and cash equivalents | 7.C. | 10,782,447,265.68 | 0.00 | 10,782,447,265.68 |
| TOTAL ASSETS | A | 10,787,780,533.64 | 0.00 | 10,787,780,533.64 |

10.1.2. Statement of financial position 2016 – SRF LIABILITIES

| HEADING | Note | 31.12.2016 | 31.12.2015 | Variation |
|---|------|-------------------|------------|-------------------|
| NET ASSETS | 7.D. | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |
| Accumulated reserves | | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |
| Economic outturn of the year (Fund) | | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |
| NON-CURRENT LIABILITIES | | 1,345,273,276.00 | 0.00 | 1,345,273,276.00 |
| Provisions for risks and liabilities (long-term) | | 0.00 | 0.00 | 0.00 |
| Financial liabilities (non-current) | 7.E. | 1,345,273,276.00 | 0.00 | 1,345,273,276.00 |
| Long-term liabilities from IPC | | 1,345,273,276.00 | 0.00 | 1,345,273,276.00 |
| Other long-term liabilities | | 0.00 | 0.00 | 0.00 |
| CURRENT LIABILITIES | | 7,613,719.53 | 0.00 | 7,613,719.53 |
| Provisions for risks and charges (short-term) | | 0.00 | 0.00 | 0.00 |
| Financial liabilities (current) | 7.F. | 7,613,719.53 | 0.00 | 7,613,719.53 |
| Payables | | 7,613,719.53 | 0.00 | 7,613,719.53 |
| Long-term liabilities falling due within the year | | 0.00 | 0.00 | 0.00 |
| Current payables (IPS discrepancy) | | 5,286,532.00 | 0.00 | 5,286,532.00 |
| Sundry payables | | 32.00 | 0.00 | 32.00 |
| Accrued charges | | 0.00 | 0.00 | 0.00 |
| Accrued interest payable | 7.G. | 2,327,155.53 | 0.00 | 2,327,155.53 |
| Deferred income | | 0.00 | 0.00 | 0.00 |
| TOTAL LIABILITIES and RESERVES | L | 10,787,780,533.64 | 0.00 | 10,787,780,533.64 |

10.2. Statement of financial performance 2016 for SRF

| HEADING | Note | 2016 | 2015 | Variation |
|---|------|------------------|------|------------------|
| OPERATING REVENUES | 8.A. | 9,462,380,991.80 | 0.00 | 9,462,380,991.80 |
| Non-exchange revenues from Fund contributions | | 9,462,380,991.80 | 0.00 | 9,462,380,991.80 |
| Other non-exchange revenues from administrative contributions | | 0.00 | 0.00 | 0.00 |
| Other exchange operating revenue | | 0.00 | 0.00 | 0.00 |
| OPERATING EXPENSES | 8.B. | 0.00 | 0.00 | |
| Operating expenses | | 0.00 | 0.00 | 0.00 |
| Administrative expenses | | 0.00 | 0.00 | 0.00 |
| SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES | | 9,462,380,991.80 | 0.00 | 9,462,380,991.80 |
| Financial revenue | 8.A. | 0.00 | 0.00 | 0.00 |
| Financial expenses (negative bank interest and bank fees) | 8.B. | -27,487,453.69 | 0.00 | -27,487,453.69 |
| SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES | | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |
| Extraordinary gains | | 0.00 | 0.00 | 0.00 |
| Extraordinary losses | | 0.00 | 0.00 | 0.00 |
| SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS | | 0.00 | 0.00 | 0.00 |
| ECONOMIC RESULT OF THE YEAR | | 9,434,893,538.11 | 0.00 | 9,434,893,538.11 |

• **Fund Reconciliations as at 31 December 2016**

It was considered important to present a reconciliation of the collected contributions during 2016 with the budgetary result of the year (the corresponding R0 Payment Appropriations carried forward to 2017) and secondly, with the amounts held in the Central Bank accounts as at 31 December 2016. This reconciliation should be interpreted as a designated tool which enabled to connect the movements of the cash funds with their reflection into the accounts of the SRB (prepared under the accrual accounting convention and by applying the EU Accounting rules) as well as with the budgetary transactions (under the SRB Financial Regulation).

**PART I – Fund Positions (accrual based)
versus the Budgetary Payment Appropriations carried over to 2017**

| | Description | Budget | Non_budgetary | | Total |
|--------------------|---|--|----------------------|-------------------------|-----------------------|
| | | Ex-ante contributions | IPC | | |
| 2015 | Invoiced amounts ex-ante contributions 2015 | 3,712,082,688 | 0 | 622,295,701 | 4,334,378,389 |
| | Refunds 2015 | -29,277 | 0 | 0 | -29,277 |
| | Late recoveries 2015 (voluntary payments) | 51,444,686 | 0 | 0 | 51,444,686 |
| I | TOTAL FUNDS COLLECTED 2015 | 3,763,498,097 | 0 | 622,295,701 | 4,385,793,798 |
| 2016 | Invoiced amounts ex-ante contribution 2016 | 5,703,132,600 | 0 | 722,977,575 | 6,426,110,175 |
| | Refunds 2016 | -213,335 | 0 | 0 | -213,335 |
| II | TOTAL FUNDS COLLECTED 2016 | 5,702,919,265 | 0 | 722,977,575 | 6,425,896,840 |
| III | IPS DISCREPANCY | 0 | -4,057,650 | 0 | -4,057,650 |
| IV | Adjustment accounting | 0 | 21,280 | 0 | 21,280 |
| I+II+III+IV | TOTAL REVENUE AFTER ADJUSTMENTS | 9,466,417,362 | -4,036,370 | 1,345,273,276 | 10,807,654,268 |
| | Revenue from non-exchange transactions FUND | | 9,462,380,992 | IPC LT liability | |
| FUND EXP | Bank interest charges | -24,228,088 | -3,244,919 | 0 | -27,473,007 |
| FUND EXP | Other charges | -14,326 | -121 | 0 | -14,447 |
| | | PAYMENT APPROPRIATIONS CARRIED-OVER TO | | | |
| | TOTAL ECONOMIC OUTTURN RESULT + IPC | 9,442,174,948 | -7,281,410 | 1,345,273,276 | 10,780,166,814 |
| | ECONOMIC OUTTURN RESULT 2016 SRF | | 9,434,893,538 | IPC LT liability | |

**PART II –Fund Economic Outturn Result of the year (accrual based)
versus Cash Available in Central Bank Accounts @ 31.12.2016**

| | | OUTTURN RESULT 2016 | IPC | |
|-------------|--|------------------------|----------------------|-----------------------|
| 1 | TOTAL FUNDS REPRESENTING EOR and IPC | 9,434,893,538 | 1,345,273,276 | 10,780,166,814 |
| 2 | IPS ADJUSTMENT (NON-CASH) | 4,057,650 | 0 | 4,057,650 |
| 3 | IPC INTEREST TO BE TOPPED-UP IN 2017 (CASH portion accum up to 31.12.16) | 0 | -3,638,517 | -3,638,517 |
| 4 | BANK INTEREST (CASH OUTFLOWS of 2016 occurred in Jan 2017) | 1,865,037 | 0 | 1,865,037 |
| 5 | Outstanding RECEIVABLE with MS at yearend (NON- CASH) | -3,750 | 0 | -3,750 |
| 6 | Bank fees IPC account + other | 631 | -599 | 32 |
| 1+2+3+4+5+6 | TOTAL FUNDS AVAILABLE after ADJUSTMENTS | 9,440,813,106 | 1,341,634,160 | 10,782,447,266 |
| | TOTAL CASH IN CENTRAL BANK ACCOUNTS | 9,440,813,106 | 1,341,634,160 | 10,782,447,266 |
| 1+2+3+4+5+6 | <i>ADJUSTMENTS MADE TO ALIGN THE REVENUES ACCOUNTED FOR UNDER ACCRUAL CONVENTION WITH THE CASH MOVEMENTS</i> | | | |

II. REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2016

As stated in Article 87 of the SRB Financial Regulation, the accounts shall be accompanied by a Report on Budgetary and Financial Management for the financial year. The report is drawn up under the responsibility of the Chair, and the relevant part will be included also in the Annual Activity Report.

Budget

In accordance with the SRM Regulation (No 806/2014) the budget of the SRB shall comprise two parts: Part I for the administration of the Board, and Part II for the Fund.

The SRB has an autonomous budget which is not part of the general budget of the Union. Part I of its budget is financed through contributions paid by the banking industry, whilst Part II is financed through a variety of sources described in the SRMR Article 60.

The initial adopted budget for 2016 amounts to €57,000,000.00 for Part I (€22,000,000.00 in 2015). The Plenary of the Board adopted three amending budgets in 2016.

- a) The 1st amending budget was adopted to introduce the €11,799,919,625.00 for Part II.
- b) The 2nd amending budget was adopted to remove the 6 Contract Agents FTEs that would not be filled in, and to increase the number of positions available for SNEs by 10. The budget appropriations were reflected accordingly.
- c) The 3rd amending budget was adopted to introduce in the budget the positive result of the previous year, for the amount of €7,733,557.88.

Revenue

Part I - Administration

The SRB budget is expenditure driven and the total revenue is the same amount as the estimated expenditure. The annual contributions are governed by the Commission Delegated Act, and for the second consecutive year the “provisional” system was applied. Under this system only the significant entities which are mentioned in the list published on ECB’s website on 4 September 2014 are eligible for being charged with an advance on the contributions.

The final system is expected to be adopted within 2017, and to be applicable as from 2018. Once it is adopted the advance contributions paid under the provisional system will be reassessed, and then will be offset with the contributions calculated under the new system.

For 2016 the total amount of contributions invoiced amounted to €57,000,000. One entity lodged an appeal claiming they no longer qualify as significant entity, and requested the cancellation of the claim, amounting to €326,129.13.

Therefore, the amount actually collected from administrative contributions amounted to €56,673,870.87. In addition to this, other minor income such as interest gained, was collected and registered for the amount of €39,112.47.

Part II - Fund

During 2016, €9,466,659,973.67 were inscribed as commitment appropriations amount representing the collected ex-ante contributions from Member States for the two financial periods of 2015 and 2016.

By the end of 2016, there were 4 (four) refunds made to Member states (€242,611.91). After covering the negative bank interest (€24,228,087.41) and bank charges (€14,326.30), a total amount of €9,442,174,948.05 was carried-over as assigned revenues R0 funds to 2017.

The difference of €2,333 million between the budgeted amount (€11,800 million) of the Fund revenues and the total amount actually invoiced (€9,467 million) comes from:

1. the building up of 2016 budget (impact €988 million)

The revenues of the Fund are mainly composed by the collection of ex-ante contributions. When collecting ex-ante contributions the annual target level is defined according to Article 69 SRMR and it is based on the amount of covered deposits of all credit institutions authorised in all the participating Member States.

When drafting the SRB 2016 Budget there was no covered deposit data available for the participating Member States and the SRB 2016 Budget was based on the estimated 2015 BRRD contributions provided by the European Commission on 27 November 2014 in its "*Commission Services' Non-Paper on the Estimated Aggregate Contributions to the Single Resolution Board for 2015 Contributions*". The European Commission indicated at that time clearly that, while the estimations were based on the best information available and should provide a robust idea of the trends, the results could vary for methodology reasons.

In addition, in collecting the 2015 ex-ante contributions, there were a few cases of Member States which dealt with resolution cases and therefore contributed with lower amounts than anticipated.

2. the budgetary treatment applied for the IPC (impact €1,345 million)

Due to the particularities of the obligation under IPCs, the funds collected as back-up of obligation taken under IPCs in total amount of €1,345,273,276.00 have not been recognized as revenues and therefore, they have been accounted for outside the budget.

Expenditure

Part I - Administration

- Title 1 – Staff

When comparing the actual committed against the budgeted expenditure, the expenditure of Title 1 was 72.63% (€18,329,195.18) of the available appropriations (€25,237,151.87). Of the amount committed, €17,730,003.81 was paid, €596,885.75 was carried forward in 2017 and €2,306.42 was cancelled. The cancelled appropriations will be taken into account in the budget result of the year, and will increase it accordingly.

The main reasons behind the low budget implementation are the partial implementation of the recruitment plan, the entry into to the payroll of several newcomers later than planned, the recruitment of several internal candidates as well as of candidates who were already residing in Brussels at the time of recruitment, and the reduced expenses that are ancillary to the staff number, such as training, school and crèche, and medical expenses.

- Title 2 – Building, equipment and miscellaneous operating expenditure

The implementation rate of the Title 2 budget was at the rate of 70.69% (€9,048,487.56) of the available appropriations (€12,801,000). Out of the amount committed, €5,920,796.82 was paid and €3,127,690.74 was carried forward in 2017. No credits were cancelled.

The main areas of under-implementation of the budget are the building and its ancillary expenditure, such as electricity, cleaning, physical security, etc., as well as the area of administrative ICT and in particular the expenses related to the acquisition and maintenance of hardware, software and licenses. Part of the ICT expenditure is postponed to 2017. Another area with a significant surplus is the current administrative expenditure, with the most notable underspending in the items of office supplies, administrative legal expenses and administrative business consultancy.

- Title 3 – Operating Expenditure

The operational Title 3 is characterised by the strong presence of contingencies, the non-usage of which impacts the final implementation rate. The implementation rate is at 42.32% (€8,025,605.50) of the available appropriations (€18,964,200.00). Out of the

amount committed, €2,718,970.42 was paid and €5,306,635.08 was carried forward in 2017. No credits were cancelled.

Apart from the contingencies, the most notable area where the budget was under-implemented was the Fund, for which an amount of €369,081.30 was spent out of €5,773,000 available resulting in an implementation rate of 6.39%. As the Delegated Regulation on the investment strategy became effective only as of April 2016 and its implementation has been postponed to 2017, the decision on the outsourcing of Fund investment activities has been deferred to next year and consequently the related budget could not be consumed in 2016.

Other areas of lower than expected budget implementation are the operational mission expenses for the amount of €597,000 (71.50% of the € 835,000 budgeted), and the operational ICT for the amount of €3,899,597.53 (91.24% of the €4,273,819.89 available, after the transfer of €26,180.11 to Communications).

Out of the total amount spent, €2,500,283.68 was committed from the contingencies for legal advice, and €170,019 for the Appeal Panel.

Part II – Fund

The Fund expenditure was a total amount of €24,242,413.71 consisting of payments for the negative bank interest charges and for the bank charges incurred in depositing the collected amounts with the five NCBs.

At the same time, the Fund had to cover refunds to Member States of no more than €242,611.91 for amounts raised by NRAs which were not in scope for transfer to the SRB and to settle differences arising from the calculation of the ex-ante contribution.

Financial management

In year 2016, the main achievements in financial management were:

- Prudent budget and liquidity management;
- Successful invoicing and collection of the administrative contributions;
- Successful invoicing and collection of the ex-ante contributions;
- Rigorous expenditure management; and
- Correct closure of the 2016 accounts.

III. REPORTS ON BUDGET IMPLEMENTATION 2016

a. Budget outturn result 2016 (DG BUDGET format)

| REVENUES | 2016 | 2015 |
|---|-------------------------|----------------------|
| Administrative contributions from banks | 56,673,870.87 | 21,829,111.21 |
| Single Resolution Fund contributions | 9,466,659,973.67 | 0.00 |
| Fee income | 0.00 | 0.00 |
| Other income | 41,542.14 | 0.00 |
| TOTAL REVENUE (a) | 9,523,375,386.68 | 21,829,111.21 |
| EXPENDITURE | | |
| Title I: Staff | | |
| Payments | 17,730,003.81 | 7,074,242.46 |
| Appropriations carried over | 596,885.75 | 438,657.12 |
| Title II: Administrative Expenses | | |
| Payments | 5,920,796.82 | 1,515,827.58 |
| Appropriations carried over | 3,127,690.74 | 3,606,043.19 |
| Title III: Operating Expenditure | | |
| Payments | 2,718,970.42 | 948,542.65 |
| Appropriations carried over | 5,306,635.08 | 641,169.01 |
| Title IV: Single Resolution Fund | | |
| Payments | 24,485,025.62 | 0.00 |
| Appropriations carried over | 9,442,174,948.05 | 0.00 |
| TOTAL EXPENDITURE (b) | 9,502,060,956.29 | 14,224,482.01 |
| OUTTURN FOR THE FINANCIAL YEAR (a-b) | 21,314,430.39 | 7,604,629.20 |
| Cancellation of unused payment appropriations carried over from previous year | 454,706.59 | 122,443.76 |
| Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue | 0.00 | 0.00 |
| Exchange differences for the year (gain +/-loss -) | -1,572.63 | 6,484.92 |
| BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR | 21,767,564.35 | 7,733,557.88 |
| Balance year N-1 | 7,733,557.88 | 0.00 |
| Positive balance from year N-1 reimbursed in year N to the contributors | 0.00 | 0.00 |
| Result used for determining amounts in general accounting | 29,501,122.23 | 7,733,557.88 |

b. Budget implementation 2016 – Summary

Revenue – Part I and Part II of SRB Budget

| 2016 Budget | Budget Item | Type of revenue | Initial Voted Budget | Amending Budgets | Final Voted Budget | Entitlements established (invoiced) | Revenue received (cash) |
|-------------|-------------|--|----------------------|--------------------------|--------------------------|-------------------------------------|-------------------------|
| Part I | 1000 | Contribution from the credit institutions (administrative contributions) | 57,000,000.00 | 0.00 | 57,000,000.00 | 56,673,870.87 | 56,673,870.87 |
| | 3000 | Revenue from bank Interest | 0.00 | 0.00 | 0.00 | 10,769.05 | 14,176.48 |
| | 3001 | Miscellaneous revenue | 0.00 | 0.00 | 0.00 | 24,935.99 | 24,935.99 |
| | 3002 | Miscellaneous recoveries | 0.00 | 0.00 | 0.00 | 4,621.85 | 2,429.67 |
| Part II | 4000 | Ex-ante contributions | 0.00 | 11,799,919,625.00 | 11,799,919,625.00 | 9,466,659,973.67 | 9,466,659,973.67 |
| | | Total | 57,000,000.00 | 11,799,919,625.00 | 11,856,919,625.00 | 9,523,374,171.43 | 9,523,375,386.68 |

More details on Part I and Part II revenues are explained above in the Report on Budgetary and Financial Management.

Expenditure – GLOBAL OVERVIEW PER TITLE

Part I of SRB Budget

| BL | Budget Line Description | Voted Budget | Amending budgets | Transfers | Commitment Appropriation Transaction Amount (1) | Executed Commitment Amount (2) | % Committed (2)/(1) | Payment Appropriation Transaction Amount (3) | Executed Payment Amount (4) | % Paid (4)/(3) | Carried over RAL (C8) (2)-(4) | Cancelled (1)-(2) |
|---------|---|----------------------|------------------|-------------|---|--------------------------------|---------------------|--|-----------------------------|----------------|-------------------------------|----------------------|
| Title 1 | STAFF | 25,235,000.00 | 0.00 | 0.00 | 25,235,000.00 | 18,327,044.11 | 72.63% | 25,235,000.00 | 17,727,851.94 | 70.25% | 596,885.75 | 6,907,955.89 |
| Title 2 | BUILDING, EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE | 12,801,000.00 | 0.00 | 0.00 | 12,801,000.00 | 9,048,487.56 | 70.69% | 12,801,000.00 | 5,920,796.82 | 46.25% | 3,127,690.74 | 3,752,512.44 |
| Title 3 | OPERATING EXPENDITURE | 18,964,000.00 | 0.00 | 0.00 | 18,964,000.00 | 8,025,405.50 | 42.32% | 18,964,000.00 | 2,718,970.42 | 14.34% | 5,306,435.08 | 10,938,594.50 |
| | Total Part I | 57,000,000.00 | 0.00 | 0.00 | 57,000,000.00 | 35,400,937.17 | 62.11% | 57,000,000.00 | 26,367,619.18 | 46.26% | 9,031,011.57 | 21,599,062.83 |

Part II SRB Budget (Title IV)

| BL | Budget Line Description | Voted Budget | Amending budgets | Transfers | Commitment Appropriation Transaction Amount (1) | Executed Commitment Amount (2) | % Committed (2)/(1) | Payment Appropriation Transaction Amount (3) | Executed Payment Amount (4) | % Paid (4)/(3) | Carried over Commitment Appropriations (1)-(2) | Carried over Payment Appropriations (3)-(4) |
|------|----------------------------------|--------------|--------------------------|----------------|---|--------------------------------|---------------------|--|-----------------------------|----------------|--|---|
| 4010 | Investments | 0.00 | 11,799,919,625.00 | -27,489,547.02 | 9,439,170,426.65 | 242,611.91 | 0.00% | 9,439,170,426.65 | 242,611.91 | 0.00% | 9,438,927,814.74 | 9,438,927,814.74 |
| 4011 | Investment returns | 0.00 | 0.00 | 27,469,567.02 | 27,469,567.02 | 27,469,567.02 | 100.00% | 27,469,567.02 | 24,228,087.41 | 88.20% | 0.00 | 3,241,479.61 |
| 4031 | Bank and other financial charges | 0.00 | 0.00 | 19,980.00 | 19,980.00 | 14,326.30 | 71.70% | 19,980.00 | 14,326.30 | 71.70% | 5,653.70 | 5,653.70 |
| | Total Part II | 0.00 | 11,799,919,625.00 | 0.00 | 9,466,659,973.67 | 27,726,505.23 | 0.29% | 9,466,659,973.67 | 24,485,025.62 | 0.26% | 9,438,933,468.44 | 9,442,174,948.05 |

List of amending budgets adopted by the Plenary Session of the Board

| | Date of adoption | Description | Impact on Commitment Appropriations | Impact on Payment Appropriations |
|-----------------|------------------|--|-------------------------------------|----------------------------------|
| 1 st | 25.11.2015 | Total amount regarding the part II of SRB Budget (Fund) | 11,799,919,625.00 | 11,799,919,625.00 |
| 2 nd | 16.03.2016 | Budget transfer between budget lines to increase the expenses with SNEs (€ 830,000 being the total amount transferred) | 0.00 | 0.00 |
| 3 rd | 15.09.2016. | Inscription of Budgetary Result of 2015 | 7,733,557.88 | 7,733,557.88 |

c. Budget implementation 2016 – Detailed – PART I

All Titles – All Credit Types

Appendix 1 - Budget Execution / Fund source C1 - Current year appropriations - 2016

TITLE I: STAFF EXPENDITURE

| | Budget Line Description | Commitment Appropriation Transaction Amount (1) | Executed Commitment Amount (2) | % Committed (2)/(1) | Payment Appropriation Transaction Amount (3) | Executed Payment Amount (4) | % Paid (4)/(3) | Carried over RAL (C8) (2)-(4) | Cancelled (1)-(2) |
|--------------|--|---|--------------------------------|---------------------|--|-----------------------------|----------------|-------------------------------|---------------------|
| A01100 | Basic salaries | 12,965,000.00 | 10,811,891.13 | 83.39% | 12,965,000.00 | 10,811,891.13 | 83.39% | 0.00 | 2,153,108.87 |
| A01101 | Family allowances | 1,137,000.00 | 909,799.40 | 80.02% | 1,137,000.00 | 909,799.40 | 80.02% | 0.00 | 227,200.60 |
| A01102 | Expatriation and foreign residence allowances | 1,580,000.00 | 1,242,352.31 | 78.63% | 1,580,000.00 | 1,242,352.31 | 78.63% | 0.00 | 337,647.69 |
| A-110 | Sum: | 15,682,000.00 | 12,964,042.84 | 82.67% | 15,682,000.00 | 12,964,042.84 | 82.67% | 0.00 | 2,717,957.16 |
| A01110 | Contract agents | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 | 0.00% | 0.00 | 0.00 |
| A01111 | Seconded national experts | 1,330,000.00 | 666,682.14 | 50.13% | 1,330,000.00 | 666,682.14 | 50.13% | 0.00 | 663,317.86 |
| A-111 | Sum: | 1,330,000.00 | 666,682.14 | 50.13% | 1,330,000.00 | 666,682.14 | 50.13% | 0.00 | 663,317.86 |
| A01130 | Insurance against sickness | 465,000.00 | 361,687.06 | 77.78% | 465,000.00 | 361,687.06 | 77.78% | 0.00 | 103,312.94 |
| A01131 | Insurance against accidents and occupational disease | 68,000.00 | 53,486.60 | 78.66% | 68,000.00 | 53,486.60 | 78.66% | 0.00 | 14,513.40 |
| A01132 | Unemployment insurance | 193,000.00 | 114,557.58 | 59.36% | 193,000.00 | 114,557.58 | 59.36% | 0.00 | 78,442.42 |
| A01133 | Constitution or maintenance of pension rights | 2,465,000.00 | 1,808,309.68 | 73.36% | 2,465,000.00 | 1,808,309.68 | 73.36% | 0.00 | 656,690.32 |
| A-113 | Sum: | 3,191,000.00 | 2,338,040.92 | 73.27% | 3,191,000.00 | 2,338,040.92 | 73.27% | 0.00 | 852,959.08 |
| A01140 | Childbirth grants and death allowances | 5,000.00 | 1,983.10 | 39.66% | 5,000.00 | 1,983.10 | 39.66% | 0.00 | 3,016.90 |
| A01141 | Travel expenses for annual leave | 130,000.00 | 114,824.95 | 88.33% | 130,000.00 | 114,824.95 | 88.33% | 0.00 | 15,175.05 |
| A-114 | Sum: | 135,000.00 | 116,808.05 | 86.52% | 135,000.00 | 116,808.05 | 86.52% | 0.00 | 18,191.95 |
| A01150 | Overtime | 20,000.00 | 20,000.00 | 100.00% | 20,000.00 | 17,693.58 | 88.47% | 0.00 | 0.00 |
| A-115 | Sum: | 20,000.00 | 20,000.00 | 100.00% | 20,000.00 | 17,693.58 | 88.47% | 0.00 | 0.00 |

| | Budget Line Description | Commitment Appropriation Transaction Amount (1) | Executed Commitment Amount (2) | % Committed (2)/(1) | Payment Appropriation Transaction Amount (3) | Executed Payment Amount (4) | % Paid (4)/(3) | Carried over RAL (C8) (2)-(4) | Cancelled (1)-(2) |
|--------------|---|---|--------------------------------|---------------------|--|-----------------------------|----------------|-------------------------------|---------------------|
| A01200 | Recruitment expenses | 345,000.00 | 124,000.00 | 35.94% | 345,000.00 | 77,128.31 | 22.36% | 46,871.69 | 221,000.00 |
| A01201 | Installation resettlement and daily subsistence al | 1,944,000.00 | 642,302.32 | 33.04% | 1,944,000.00 | 642,302.32 | 33.04% | 0.00 | 1,301,697.68 |
| A-120 | Sum: | 2,289,000.00 | 766,302.32 | 33.48% | 2,289,000.00 | 719,430.63 | 31.43% | 46,871.69 | 1,522,697.68 |
| A01300 | Missions expenses duty travel expenses and ancillary expenses | 45,000.00 | 1,017.12 | 2.26% | 45,000.00 | 130.00 | 0.29% | 887.12 | 43,982.88 |
| A-130 | Sum: | 45,000.00 | 1,017.12 | 2.26% | 45,000.00 | 130.00 | 0.29% | 887.12 | 43,982.88 |
| A01400 | Restaurants and canteens | 1,000.00 | 0.00 | 0.00% | 1,000.00 | 0.00 | 0.00% | 0.00 | 1,000.00 |
| A-140 | Sum: | 1,000.00 | 0.00 | 0.00% | 1,000.00 | 0.00 | 0.00% | 0.00 | 1,000.00 |
| A01410 | Medical service | 40,000.00 | 25,000.00 | 62.50% | 40,000.00 | 14,595.08 | 36.49% | 10,404.92 | 15,000.00 |
| A-141 | Sum: | 40,000.00 | 25,000.00 | 62.50% | 40,000.00 | 14,595.08 | 36.49% | 10,404.92 | 15,000.00 |
| A01420 | Social contacts between staff | 4,000.00 | 2,500.00 | 62.50% | 4,000.00 | 532.94 | 13.32% | 1,967.06 | 1,500.00 |
| A01421 | Special allowances for disabled and assistance grants | 5,000.00 | 0.00 | 0.00% | 5,000.00 | 0.00 | 0.00% | | 5,000.00 |
| A01422 | Early childhood centers and schooling | 800,000.00 | 275,478.19 | 34.43% | 800,000.00 | 187,380.42 | 23.42% | 88,097.77 | 524,521.81 |
| A-142 | Sum: | 809,000.00 | 277,978.19 | 34.36% | 809,000.00 | 187,913.36 | 23.23% | 90,064.83 | 531,021.81 |
| A01500 | Training and language courses | 410,000.00 | 147,780.90 | 36.04% | 410,000.00 | 77,765.50 | 18.97% | 70,015.40 | 262,219.10 |
| A-150 | Sum: | 410,000.00 | 147,780.90 | 36.04% | 410,000.00 | 77,765.50 | 18.97% | 70,015.40 | 262,219.10 |
| A01600 | Administrative assistance from Community institution | 473,000.00 | 429,941.67 | 90.90% | 473,000.00 | 293,347.07 | 62.02% | 136,594.60 | 43,058.33 |
| A01601 | Interim services | 798,000.00 | 573,230.76 | 71.83% | 798,000.00 | 331,183.57 | 41.50% | 242,047.19 | 224,769.24 |
| A-160 | Sum: | 1,271,000.00 | 1,003,172.43 | 78.93% | 1,271,000.00 | 624,530.64 | 49.14% | 378,641.79 | 267,827.57 |
| A01700 | Entertainment and representation expenses | 12,000.00 | 219.20 | 1.83% | 12,000.00 | 219.20 | 1.83% | 0.00 | 11,780.80 |
| A-170 | Sum: | 12,000.00 | 219.20 | 1.83% | 12,000.00 | 219.20 | 1.83% | 0.00 | 11,780.80 |
| | TOTAL TITLE I | 25,235,000.00 | 18,327,044.11 | 72.63% | 25,235,000.00 | 17,727,851.94 | 70.25% | 596,885.75 | 6,907,955.89 |

TITLE II: ADMINISTRATIVE EXPENDITURE

| BL | Budget Line Description | Commitment Appropriation Transaction Amount (1) | Executed Commitment Amount (2) | % Committed (2)/(1) | Payment Appropriation Transaction Amount (3) | Executed Payment Amount (4) | % Paid (4)/(3) | Carried over RAL (C8) (2)-(4) | Cancelled (1)-(2) |
|--------------|---|---|--------------------------------|---------------------|--|-----------------------------|----------------|-------------------------------|---------------------|
| A02000 | Rental costs | 3,199,200.00 | 2,876,269.24 | 89.91% | 3,199,200.00 | 2,870,053.24 | 89.71% | 6,216.00 | 322,930.76 |
| A-200 | Sum | 3,199,200.00 | 2,876,269.24 | 89.91% | 3,199,200.00 | 2,870,053.24 | 89.71% | 6,216.00 | 322,930.76 |
| A02010 | Insurance | 5,000.00 | 4,374.87 | 87.50% | 5,000.00 | 4,000.00 | 80.00% | 374.87 | 625.13 |
| A-201 | Sum | 5,000.00 | 4,374.87 | 87.50% | 5,000.00 | 4,000.00 | 80.00% | 374.87 | 625.13 |
| A02020 | Maintenance and cleaning | 535,000.00 | 490,024.86 | 91.59% | 535,000.00 | 329,122.60 | 61.52% | 160,902.26 | 44,975.14 |
| A-202 | Sum | 535,000.00 | 490,024.86 | 91.59% | 535,000.00 | 329,122.60 | 61.52% | 160,902.26 | 44,975.14 |
| A02030 | Water gas electricity heating | 150,000.00 | 146,198.80 | 97.47% | 150,000.00 | 80,000.00 | 53.33% | 66,198.80 | 3,801.20 |
| A-203 | Sum | 150,000.00 | 146,198.80 | 97.47% | 150,000.00 | 80,000.00 | 53.33% | 66,198.80 | 3,801.20 |
| A02040 | Fitting out premises | 60,000.00 | 59,000.00 | 98.33% | 60,000.00 | 8,000.00 | 13.33% | 51,000.00 | 1,000.00 |
| A-204 | Sum | 60,000.00 | 59,000.00 | 98.33% | 60,000.00 | 8,000.00 | 13.33% | 51,000.00 | 1,000.00 |
| A02050 | Security and surveillance of the building | 1,038,000.00 | 662,480.00 | 63.82% | 1,038,000.00 | 13,433.22 | 1.29% | 649,046.78 | 375,520.00 |
| A-205 | Sum | 1,038,000.00 | 662,480.00 | 63.82% | 1,038,000.00 | 13,433.22 | 1.29% | 649,046.78 | 375,520.00 |
| A02100 | ICT equipment - Hardware and software | 2,295,800.00 | 1,360,306.24 | 59.25% | 2,295,800.00 | 783,995.32 | 34.15% | 576,310.92 | 935,493.76 |
| A02101 | ICT maintenance | 891,000.00 | 361,261.35 | 40.55% | 891,000.00 | 12,444.45 | 1.40% | 348,816.90 | 529,738.65 |
| A02103 | Analysis programming technical assistance and others | 1,834,000.00 | 1,732,330.42 | 94.46% | 1,834,000.00 | 760,780.59 | 41.48% | 971,549.83 | 101,669.58 |
| A02104 | Telecommunication equipment | 395,000.00 | 157,204.80 | 39.80% | 395,000.00 | 134,982.25 | 34.17% | 22,222.55 | 237,795.20 |
| A-210 | Sum | 5,415,800.00 | 3,611,102.81 | 66.68% | 5,415,800.00 | 1,692,202.61 | 31.25% | 1,918,900.20 | 1,804,697.19 |
| A02200 | Purchase / lease / maintenance of technical equipment | 401,000.00 | 324,857.57 | 81.01% | 401,000.00 | 276,474.52 | 68.95% | 48,383.05 | 76,142.43 |
| A-220 | Sum | 401,000.00 | 324,857.57 | 81.01% | 401,000.00 | 276,474.52 | 68.95% | 48,383.05 | 76,142.43 |
| A02210 | Purchase / lease / maintenance of furniture | 401,000.00 | 329,951.01 | 82.28% | 401,000.00 | 328,951.01 | 82.03% | 1,000.00 | 71,048.99 |
| A-221 | Sum | 401,000.00 | 329,951.01 | 82.28% | 401,000.00 | 328,951.01 | 82.03% | 1,000.00 | 71,048.99 |

| BL | Budget Line Description | Commitment Appropriation Transaction Amount (1) | Executed Commitment Amount (2) | % Committed (2)/(1) | Payment Appropriation Transaction Amount (3) | Executed Payment Amount (4) | % Paid (4)/(3) | Carried over RAL (C8) (2)-(4) | Cancelled (1)-(2) |
|--------------|---|---|--------------------------------|---------------------|--|-----------------------------|----------------|-------------------------------|---------------------|
| A02250 | Documentation and library expenditure | 283,000.00 | 126,130.04 | 44.57% | 283,000.00 | 119,578.99 | 42.25% | 6,551.05 | 156,869.96 |
| A-225 | Sum: | 283,000.00 | 126,130.04 | 44.57% | 283,000.00 | 119,578.99 | 42.25% | 6,551.05 | 156,869.96 |
| A02300 | Stationery and office supplies | 150,000.00 | 40,000.00 | 26.67% | 150,000.00 | 36,000.00 | 24.00% | 4,000.00 | 110,000.00 |
| A-230 | Sum: | 150,000.00 | 40,000.00 | 26.67% | 150,000.00 | 36,000.00 | 24.00% | 4,000.00 | 110,000.00 |
| A02320 | Bank and financial charges | 1,000.00 | 310.00 | 31.00% | 1,000.00 | 210.48 | 21.05% | 99.52 | 690.00 |
| A-232 | Sum: | 1,000.00 | 310.00 | 31.00% | 1,000.00 | 210.48 | 21.05% | 99.52 | 690.00 |
| A02330 | Legal expenses | 450,000.00 | 75,000.00 | 16.67% | 450,000.00 | 73,238.00 | 16.28% | 1,762.00 | 375,000.00 |
| A-233 | Sum: | 450,000.00 | 75,000.00 | 16.67% | 450,000.00 | 73,238.00 | 16.28% | 1,762.00 | 375,000.00 |
| A02350 | Miscellaneous insurance | 1,000.00 | 1,000.00 | 100.00% | 1,000.00 | 343.10 | 34.31% | 656.90 | 0.00 |
| A02351 | Administrative translations and interpretations | 8,900.00 | 890.00 | 10.00% | 8,900.00 | 0.00 | 0.00% | 890.00 | 8,010.00 |
| A02352 | Transportation and removal expenses | 138,100.00 | 11,177.47 | 8.09% | 138,100.00 | 9,000.00 | 6.52% | 2,177.47 | 126,922.53 |
| A02353 | Business consultancy | 110,000.00 | 31,959.00 | 29.05% | 110,000.00 | 0.00 | 0.00% | 31,959.00 | 78,041.00 |
| A02354 | General meeting expenditures | 5,000.00 | 480.39 | 9.61% | 5,000.00 | 480.39 | 9.61% | 0.00 | 4,519.61 |
| A02355 | Publications | 4,000.00 | 0.00 | 0.00% | 4,000.00 | 0.00 | 0.00% | 0.00 | 4,000.00 |
| A02356 | Other administrative expenditure | 5,000.00 | 969.43 | 19.39% | 5,000.00 | 540.00 | 10.80% | 429.43 | 4,030.57 |
| A-235 | Sum: | 272,000.00 | 46,476.29 | 17.09% | 272,000.00 | 10,363.49 | 3.81% | 36,112.80 | 225,523.71 |
| A02400 | Postage and delivery charges | 40,000.00 | 37,597.50 | 93.99% | 40,000.00 | 18,000.00 | 45.00% | 19,597.50 | 2,402.50 |
| A-240 | Sum: | 40,000.00 | 37,597.50 | 93.99% | 40,000.00 | 18,000.00 | 45.00% | 19,597.50 | 2,402.50 |
| A02410 | Telecommunication charges | 400,000.00 | 218,714.57 | 54.68% | 400,000.00 | 61,168.66 | 15.29% | 157,545.91 | 181,285.43 |
| A-241 | Sum: | 400,000.00 | 218,714.57 | 54.68% | 400,000.00 | 61,168.66 | 15.29% | 157,545.91 | 181,285.43 |
| | TOTAL TITLE II | 12,801,000.00 | 9,048,487.56 | 70.69% | 12,801,000.00 | 5,920,796.82 | 46.25% | 3,127,690.74 | 3,752,512.44 |

TITLE III: OPERATIONAL EXPENDITURE

| BL | Budget Line Description | Commitment Appropriation Transaction Amount (1) | Executed Commitment Amount (2) | % Committed (2)/(1) | Payment Appropriation Transaction Amount (3) | Executed Payment Amount (4) | % Paid (4)/(3) | Carried over RAL (C8) (2)-(4) | Cancelled (1)-(2) |
|--------------|---|---|--------------------------------|---------------------|--|-----------------------------|----------------|-------------------------------|----------------------|
| B03000 | Plenary and executive sessions of the Board | 36,000.00 | 23,304.80 | 64.74% | 36,000.00 | 21,487.88 | 59.69% | 1,816.92 | 12,695.20 |
| B03001 | Appeal panel | 255,000.00 | 170,019.00 | 66.67% | 255,000.00 | 34,401.93 | 13.49% | 135,617.07 | 84,981.00 |
| B03002 | Communication publication translation | 526,180.11 | 491,119.19 | 93.34% | 526,180.11 | 346,837.07 | 65.92% | 144,282.12 | 35,060.92 |
| B3-00 | Sum: | 817,180.11 | 684,442.99 | 83.76% | 817,180.11 | 402,726.88 | 49.28% | 281,716.11 | 132,737.12 |
| B03010 | Operational mission expenses | 835,000.00 | 597,000.00 | 71.50% | 835,000.00 | 575,024.11 | 68.87% | 21,975.89 | 238,000.00 |
| B03011 | Operational meeting expenses | 65,000.00 | 65,000.00 | 100.00% | 65,000.00 | 46,867.27 | 72.10% | 18,132.73 | 0.00 |
| B3-01 | Sum: | 900,000.00 | 662,000.00 | 73.56% | 900,000.00 | 621,891.38 | 69.10% | 40,108.62 | 238,000.00 |
| B03020 | IT Tools | 4,273,819.89 | 3,899,597.53 | 91.24% | 4,273,819.89 | 725,967.50 | 16.99% | 3,173,630.03 | 374,222.36 |
| B3-02 | Sum: | 4,273,819.89 | 3,899,597.53 | 91.24% | 4,273,819.89 | 725,967.50 | 16.99% | 3,173,630.03 | 374,222.36 |
| B03030 | Support activities to the Fund | 5,773,000.00 | 369,081.30 | 6.39% | 5,773,000.00 | 315,000.00 | 5.46% | 54,081.30 | 5,403,918.70 |
| B03031 | Studies and consultancy | 6,700,000.00 | 2,410,283.68 | 35.97% | 6,700,000.00 | 653,384.66 | 9.75% | 1,756,899.02 | 4,289,716.32 |
| B3-03 | Sum: | 12,473,000.00 | 2,779,364.98 | 22.28% | 12,473,000.00 | 968,384.66 | 7.76% | 1,810,980.32 | 9,693,635.02 |
| B03040 | Other operating expenditures | 500,000.00 | 0.00 | 0.00% | 500,000.00 | 0.00 | 0.00% | | 500,000.00 |
| B3-04 | Sum: | 500,000.00 | 0.00 | 0.00% | 500,000.00 | 0.00 | 0.00% | | 500,000.00 |
| | TOTAL TITLE III | 18,964,000.00 | 8,025,405.50 | 42.32% | 18,964,000.00 | 2,718,970.42 | 14.34% | 5,306,435.08 | 10,938,594.50 |

| BL | Budget Line Description | Commitment Appropriation Transaction Amount (1) | Executed Commitment Amount (2) | % Committed (2)/(1) | Payment Appropriation Transaction Amount (3) | Executed Payment Amount (4) | % Paid (4)/(3) | Carried over RAL (C8) (2)-(4) | Cancelled (1)-(2) |
|----|-------------------------------------|---|--------------------------------|---------------------|--|-----------------------------|----------------|-------------------------------|----------------------|
| | TOTAL SRB BUDGET PART I 2016 | 57,000,000.00 | 35,400,937.17 | 62.11% | 57,000,000.00 | 26,367,619.18 | 46.26% | 9,031,011.57 | 21,599,062.83 |

Appendix 2 - Budget Execution / Fund source C8 - Appropriations carried over - 2016

| BL | Description | CD/ CND | Commitments Appropriations | Commitments Established | Com % | Payments Appropriations | Payments Executed | Pay% | Cancelled |
|--------|--|------------|-------------------------------|----------------------------|----------------|----------------------------|----------------------|---------------|-------------------|
| A01200 | Recruitment expenses | CND | 130,713.20 | 130,713.20 | 100.00% | 130,713.20 | 114,396.13 | 87.52% | 16,317.07 |
| A01201 | Installation resettlement and daily subsistence al | CND | 5,589.58 | 5,589.58 | 100.00% | 5,589.58 | 0.00 | 0.00% | 5,589.58 |
| A01300 | Missions expenses duty travel expenses and ancillary | CND | 1,481.58 | 1,481.58 | 100.00% | 1,481.58 | 277.10 | 18.70% | 1,204.48 |
| A01410 | Medical service | CND | 4,694.40 | 4,694.40 | 100.00% | 4,694.40 | 4,694.40 | 100.00% | 0.00 |
| A01422 | Early childhood centres and schooling | CND | 141,400.68 | 141,400.68 | 100.00% | 141,400.68 | 98,183.65 | 69.44% | 43,217.03 |
| A01500 | Training and language courses | CND | 76,778.89 | 76,778.89 | 100.00% | 76,778.89 | 47,260.86 | 61.55% | 29,518.03 |
| A01600 | Administrative assistance from Community institution | CND | 33,384.56 | 33,384.56 | 100.00% | 33,384.56 | 27,154.36 | 81.34% | 6,230.20 |
| A01601 | Interim services | CND | 44,614.23 | 44,614.23 | 100.00% | 44,614.23 | 30,925.97 | 69.32% | 13,688.26 |
| | TOTAL C8 TITLE I | | 438,657.12 | 438,657.12 | 100.00% | 438,657.12 | 322,892.47 | 73.61% | 115,764.65 |

| BL | Description | CD/ CND | Commitments Appropriations | Commitments Established | Com % | Payments Appropriations | Payments Executed | Pay% | Cancelled |
|--------|---|------------|-------------------------------|----------------------------|---------|----------------------------|----------------------|---------|------------|
| A02000 | Rental costs | CND | 77,092.13 | 77,092.13 | 100.00% | 77,092.13 | 52,458.68 | 68.05% | 24,633.45 |
| A02050 | Security and surveillance of the building | CND | 3,047.26 | 3,047.26 | 100.00% | 3,047.26 | 2,151.38 | 70.60% | 895.88 |
| A02100 | ICT equipment - Hardware and software | CND | 527,382.71 | 527,382.71 | 100.00% | 527,382.71 | 479,212.25 | 90.87% | 48,170.46 |
| A02101 | ICT maintenance | CND | 550,637.10 | 550,637.10 | 100.00% | 550,637.10 | 540,922.99 | 98.24% | 9,714.11 |
| A02103 | Analysis programming technical assistance and others | CND | 1,610,073.74 | 1,610,073.74 | 100.00% | 1,610,073.74 | 1,417,563.09 | 88.04% | 192,510.65 |
| A02104 | Telecommunication equipment | CND | 10,957.58 | 10,957.58 | 100.00% | 10,957.58 | 10,957.58 | 100.00% | 0.00 |
| A02200 | Purchase / lease / maintenance of technical equipment | CND | 180,835.77 | 180,835.77 | 100.00% | 180,835.77 | 180,465.76 | 99.80% | 370.01 |
| A02210 | Purchase / lease / maintenance of furniture | CND | 462,169.40 | 462,169.40 | 100.00% | 462,169.40 | 462,169.40 | 100.00% | 0.00 |
| A02300 | Stationery and office supplies | CND | 29,068.94 | 29,068.94 | 100.00% | 29,068.94 | 26,680.24 | 91.78% | 2,388.70 |
| A02350 | Miscellaneous insurance | CND | 263.20 | 263.20 | 100.00% | 263.20 | 263.20 | 100.00% | 0.00 |
| A02353 | Business consultancy | CND | 14,906.25 | 14,906.25 | 100.00% | 14,906.25 | 14,906.25 | 100.00% | 0.00 |
| A02355 | Publications | CND | 980.00 | 980.00 | 100.00% | 980.00 | 980.00 | 100.00% | 0.00 |

| BL | Description | CD/ CND | Commitments Appropriations | Commitments Established | Com % | Payments Appropriations | Payments Executed | Pay% | Cancelled |
|--------|------------------------------|------------|-------------------------------|----------------------------|----------------|----------------------------|----------------------|---------------|-------------------|
| A02400 | Postage and delivery charges | CND | 4,918.45 | 4,918.45 | 100.00% | 4,918.45 | 0.00 | 0.00% | 4,918.45 |
| A02410 | Telecommunication charges | CND | 133,710.66 | 133,710.66 | 100.00% | 133,710.66 | 103,071.06 | 77.09% | 30,639.60 |
| | TOTAL C8 TITLE II | | 3,606,043.19 | 3,606,043.19 | 100.00% | 3,606,043.19 | 3,291,801.88 | 91.29% | 314,241.31 |

| BL | Description | CD/ CND | Commitments Appropriations | Commitments Established | Com % | Payments Appropriations | Payments Executed | Pay% | Cancelled |
|--------|---|------------|-------------------------------|----------------------------|----------------|----------------------------|----------------------|---------------|------------------|
| B03000 | Plenary and executive sessions of the Board | CND | 23,190.08 | 23,190.08 | 100.00% | 23,190.08 | 22,611.11 | 97.50% | 578.97 |
| B03001 | Appeal panel | CND | 17,104.00 | 17,104.00 | 100.00% | 17,104.00 | 10,101.95 | 59.06% | 7,002.05 |
| B03002 | Communication publication translation | CND | 20,084.00 | 20,084.00 | 100.00% | 20,084.00 | 17,458.75 | 86.93% | 2,625.25 |
| B03010 | Operational mission expenses | CND | 93,163.26 | 93,163.26 | 100.00% | 93,163.26 | 81,986.18 | 88.00% | 11,177.08 |
| B03011 | Operational meeting expenses | CND | 4,311.92 | 4,311.92 | 100.00% | 4,311.92 | 4,311.92 | 100.00% | 0.00 |
| B03030 | Support activities to the Fund | CND | 66,500.00 | 66,500.00 | 100.00% | 66,500.00 | 66,500.00 | 100.00% | 0.00 |
| B03031 | Studies and consultancy | CND | 407,831.75 | 407,831.75 | 100.00% | 407,831.75 | 407,666.75 | 99.96% | 165.00 |
| B03040 | Other operating expenditures | CND | 8,984.00 | 8,984.00 | 100.00% | 8,984.00 | 5,831.72 | 64.91% | 3,152.28 |
| | TOTAL C8 TITLE III | | 641,169.01 | 641,169.01 | 100.00% | 641,169.01 | 616,468.38 | 96.15% | 24,700.63 |

| | | | | | | | | | |
|--|-----------------------------|--|---------------------|---------------------|----------------|---------------------|---------------------|---------------|-------------------|
| | TOTAL C8 FUNDS 2016: | | 4,685,869.32 | 4,685,869.32 | 100.00% | 4,685,869.32 | 4,231,162.73 | 90.30% | 454,706.59 |
|--|-----------------------------|--|---------------------|---------------------|----------------|---------------------|---------------------|---------------|-------------------|

Appendix 3 - Budget Execution / Fund source C4, C5 Internal Assigned revenue 2016

| BL | Description | CD/ CND | Commitments Appropriations | Commitments Established | Com % | Payments Appropriations | Payments Executed | Pay% | Carried over commit ment appropriations | Carried over payment appropriations |
|--------|---------------------------------------|------------|-------------------------------|----------------------------|----------------|----------------------------|----------------------|---------------|---|--|
| A01111 | Seconded national experts | CND | 2,151.87 | 2,151.87 | 100.00% | 2,151.87 | 2,151.87 | 100.00% | 0.00 | 0.00 |
| B03002 | Communication publication translation | CND | 200.00 | 200.00 | 100.00% | 200.00 | 0.00 | 0.00% | 0.00 | 200.00 |
| | TOTAL C4, C5 FUNDS 2016: | | 2,351.87 | 2,351.87 | 100.00% | 2,351.87 | 2,151.87 | 91.50% | 0.00 | 200.00 |

d. Budget implementation 2016 – Detailed – PART II

SINGLE RESOLUTION FUND

Budget Execution / Fund source R0 - Assigned revenue – 2016

Title IV: SINGLE RESOLUTION FUND

| BL | Description | CD/ CND | Commitments Appropriations | Commitments Established | Com % | Payments Appropriations | Payments Executed | Pay% | Carried over commitment appropriations | Carried over payment appropriations |
|--------|----------------------------------|------------|-------------------------------|----------------------------|--------------|----------------------------|----------------------|--------------|--|---|
| B04010 | Investments | CND | 9,439,170,426.65 | 242,611.91 | 0.00% | 9,439,170,426.65 | 242,611.91 | 0.00% | 9,438,927,814.74 | 9,438,927,814.74 |
| B04011 | Investment returns | CND | 27,469,567.02 | 27,469,567.02 | 100.00% | 27,469,567.02 | 24,228,087.41 | 88.20% | 0.00 | 3,241,479.61 |
| B04031 | Bank and other financial charges | CND | 19,980.00 | 14,326.30 | 71.70% | 19,980.00 | 14,326.30 | 71.70% | 5,653.70 | 5,653.70 |
| | Total SRB BUDGET PART II | | 9,466,659,973.67 | 27,726,505.23 | 0.29% | 9,466,659,973.67 | 24,485,025.62 | 0.26% | 9,438,933,468.44 | 9,442,174,948.05 |

INSCRIPTION TITLE IX – BUDGETARY RESULT OF YEAR N (SRB Financial Regulation article 18)

| BL | Description | CD/ CND | Commitments Appropriations | Commitments Established | Com % | Payments Appropriations | Payments Executed | Pay% | Carried over commitment appropriations | Carried over payment appropriations |
|--------|----------------------------|------------|-------------------------------|----------------------------|-------|----------------------------|----------------------|-------|--|---|
| B09000 | Balancing from the reserve | CND | 7,733,557.88 | 0.00 | 0.00% | 7,733,557.88 | 0.00 | 0.00% | 7,733,557.88 | 7,733,557.88 |

Reconciliation of the accrual based result with the budgetary outturn result

The economic result of the year is calculated on the basis of accrual accounting principles. However, the budget result is based on modified cash accounting rules, in accordance with the Financial Regulation. As the economic result and the budget result both cover the same underlying operational transactions, it is a useful control to ensure that they are reconcilable.

| | Economic result (loss) of the year | +/- | 9,434,893,538.11 |
|--|--|-----|----------------------|
| Adjustment for accrual items <i>(items not in the budgetary result but included in the economic result)</i> | | | |
| A | Adjustments for Accrual Cut-off (reversal 31.12.2015) | - | -2,089,242.22 |
| B | Adjustments for Accrual Cut-off (cut- off 31.12.2016) | + | 8,139,453.09 |
| C | Amount from liaison account with Commission booked in the Statement of Financial Performance | - | 0.00 |
| D | Unpaid invoices at year end but booked in charges (class 6) | + | 3,719.14 |
| E | Depreciation of intangible and tangible fixed assets | + | 860,364.82 |
| F | Provisions | +/- | 0.00 |
| G | Value reductions | + | 0.00 |
| H | Recovery Orders issued in 2016 in class 7 and not yet cashed | - | -12,872.02 |
| la | Pre-financing given in previous year and cleared in the year | + | 0.00 |
| lb | Pre-financing received in previous year and cleared in the year | - | 0.00 |
| J | Payments made from carry-over of payment appropriations | + | 4,233,314.60 |
| K | Other(*) – manual adjustments without budgetary impact (deferred charges and income, etc) | +/- | 6,298,712.47 |
| Adjustment for budgetary items <i>(item included in the budgetary result but not in the economic result)</i> | | | |
| M | Asset acquisitions (less unpaid amounts) | - | -1,701,881.47 |
| N | New pre-financing paid in the year 2016 and remaining open as at 31.12.2016 | - | 0.00 |
| O | New pre-financing received in the year 2016 and remaining open as at 31.12.2016 | + | 22,715,211.19 |
| P | Budgetary recovery orders issued before 2016 and cashed in the year | + | 0.00 |
| Q | Budgetary recovery orders issued in 2016 on balance sheet accounts (not 7 or 6 accounts) and cashed | + | 0.00 |
| R | Capital payments on financial leasing (they are budgetary payments but not in the economic result) | - | -782,003.41 |
| S | Payment appropriations carried over to 2016 | - | -9,451,206,159.62 |
| T | Cancellation of unused carried over payment appropriations from previous year | + | 454,706.59 |
| U | Adjustment for carry-over from the previous year of appropriations available at 31.12.2016 arising from assigned revenue | + | 0.00 |
| V | Payments for pensions (they are budgetary payments but booked against provisions) | - | 0.00 |
| W | Payments for stocks of leave and supplementary hours (they are budgetary payments but booked against provisions) | - | 0.00 |
| X | Other(**) | +/- | -21,280.04 |
| | Total | | 21,785,581.23 |
| | Budgetary result (+ for surplus) (2) | | 21,767,564.35 |
| | Delta not explained | | -18,016.88 |

e. Budget Transfers 2016

| TITLE I: STAFF EXPENDITURE | | | | |
|----------------------------|--|----------------------|---------------|----------------------|
| BL | Description | Initial Budget | Transfers | After Transfer |
| A-1100 | Basic salaries | 13,755,000.00 | -790,000.00 | 12,965,000.00 |
| A-1101 | Family allowances | 367,000.00 | 770,000.00 | 1,137,000.00 |
| A-1110 | Contract agents | 80,000.00 | -80,000.00 | 0.00 |
| A-1111 | Seconded national experts | 500,000.00 | 830,000.00 | 1,330,000.00 |
| A-1150 | Overtime | 0.00 | 20,000.00 | 20,000.00 |
| A-1201 | Installation, resettlement, and daily subsistence allowances and removal and travel expenses | 1,960,000.00 | -16,000.00 | 1,944,000.00 |
| A-1422 | Early childhood centers and schooling | 2,220,000.00 | -1,420,000.00 | 800,000.00 |
| A-1601 | Interim services | 112,000.00 | 686,000.00 | 798,000.00 |
| TITLE I | TOTAL | 18,994,000.00 | 0.00 | 18,994,000.00 |

| TITLE II: ADMINISTRATIVE EXPENDITURE | | | | |
|--------------------------------------|---|-------------------|-------------|-------------------|
| BL | Description | Initial Budget | Transfers | After Transfer |
| A-2351 | Administrative translation and interpretation costs | 1,000.00 | 7,900.00 | 8,900.00 |
| A-2352 | Transportation and removal expenses | 146,000.00 | -7,900.00 | 138,100.00 |
| TITLE II | TOTAL | 147,000.00 | 0.00 | 147,000.00 |

| TITLE III: OPERATIONAL EXPENDITURE | | | | |
|------------------------------------|---|---------------------|-------------|---------------------|
| BL | Description | Initial Budget | Transfers | After Transfer |
| B-3002 | Communication, publication, translation | 500,000.00 | 26,180.11 | 526,180.11 |
| B-3010 | Operational mission expenses | 850,000.00 | -15,000.00 | 835,000.00 |
| B-3011 | Operational meeting expenses | 50,000.00 | 15,000.00 | 65,000.00 |
| B-3020 | IT Tools | 4,300,000.00 | -26,180.11 | 4,273,819.89 |
| TITLE III | TOTAL | 5,700,000.00 | 0.00 | 5,700,000.00 |

| TITLE IV: SINGLE RESOLUTION FUND | | | | |
|----------------------------------|-----------------------|----------------|--------------------------|--------------------------|
| BL | Description | Initial Budget | Transfers | After Transfer |
| B- 4010 | Investments | 0.00 | 11,772,430,077.98 | 11,772,430,077.98 |
| B- 4011 | Investment returns | 0.00 | 27,469,567.02 | 27,469,567.02 |
| B- 4031 | Bank fees and charges | 0.00 | 19,980.00 | 19,980.00 |
| TITLE IV | TOTAL | 0.00 | 11,799,919,625.00 | 11,799,919,625.00 |

SRB Establishment Plan

Statutory positions

| | Staff employed | | Authorised | |
|---------------|----------------|------------|------------|------------|
| | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 |
| Temporary AD | 137 | 79 | 200 | 83 |
| Temporary AST | 27 | 28 | 55 | 39 |
| TOTAL | 164 | 107 | 255 | 122 |

Non-statutory positions

| | Staff employed | | Authorised | |
|----------------------------------|----------------|--------------|------------|------------|
| | 31.12.2016 | 31.12.2015 | 31.12.2016 | 31.12.2015 |
| Seconded National Experts | 12 | 6.6 * | 25 | 8 |

As concerns the statutory posts, the occupation rate by 31 December 2016 with 164 posts filled is 64% (2015:88%) against the total target of 255 authorised posts (2015:122).

* FTE = Full Time Employee.