



FINAL ANNUAL ACCOUNTS

of

Single Resolution Board

Financial Year 2018

Financial Statements

Report on Budgetary and Financial Management

Budget Implementation



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CERTIFICATION LETTER FROM THE ACCOUNTING OFFICER

The annual accounts of the Single Resolution Board for the year 2018 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 and the accounting principles and methods adopted by myself.

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 21 June 2019.

Malvine TOMUSCA

Accounting Officer



I. FINANCIAL STATEMENTS 2018

1. Statement of Financial Position 2018

1.1. Statement of Financial Position 2018 – ASSETS

HEADING	Note	31.12.2018	31.12.2017	Variation
NON-CURRENT ASSETS		6.414.795.177,58	5.016.421,09	6.409.778.756,49
Intangible assets	7.A.1	1.893.309,66	1.590.389,00	302.920,66
Intangible assets		1.550.361,66	1.590.389,00	(40.027,34)
Intangible assets under construction		342.948,00	0,00	342.948,00
Property, Plant and Equipment	7.A.2	2.014.645,40	3.426.032,09	(1.411.386,69)
Land and buildings		0,00	0,00	0,00
Plant and equipment		1.182,00	1.380,00	(198,00)
Computer hardware		316.096,99	408.862,50	(92.765,51)
Furniture and vehicles		520.436,73	567.071,00	(46.634,27)
Other fixtures and fittings		269.066,43	269.548,75	(482,32)
Assets under Finance Lease		907.863,25	2.179.169,84	(1.271.306,59)
Financial assets (non-current)		6.410.887.222,52	0,00	6.410.887.222,52
Available-for-sale financial assets	10.3.	6.410.887.222,52	0,00	6.410.887.222,52
Pre-financing (Long term)		0,00	0,00	0,00
Long term receivables and		0,00	0,00	0,00
CURRENT ASSETS		18.588.621.194,24	17.453.972.513,21	1.134.648.681,03
Financial assets (current)		18.588.621.194,24	17.453.972.513,21	1.134.648.681,03
Available-for-sale financial assets	10.3.	937.368.284,82	0,00	937.368.284,82
Pre-financing (Short term)		6.704,50	45.000,00	(38.295,50)
Receivables and recoverables	7.B.	15.996.771,82	7.667.972,39	8.328.799,43
Current receivables		5.480.601,69	9.991,51	5.470.610,18
Sundry receivables		42.222,99	59.050,67	(16.827,68)
Deferred charges		431.664,00	601.108,06	(169.444,06)
Accrued interest receivable		10.042.283,14	6.997.822,15	3.044.460,99
Cash and cash equivalents	7.C.	17.635.249.433,10	17.446.259.540,82	188.989.892,28
TOTAL ASSETS	A	25.003.416.371,82	17.458.988.934,30	7.544.427.437,52

1.2. Statement of Financial Position 2018 – LIABILITIES

HEADING	Note	31.12.2018	31.12.2017	Variation
NET ASSETS	7.D.	22.072.693.630,29	15.348.724.427,05	6.723.969.203,24
Accumulated reserves		15.348.724.427,05	9.434.893.538,11	5.913.830.888,94
Economic outturn of the year (Fund)		6.703.797.928,41	5.913.830.888,94	789.967.039,47
Economic outturn of the year (admin)		0,00	0,00	0,00
Fair Value revaluation reserve (Other Comprehensive Income)		20.171.274,83	0,00	20.171.274,83
NON-CURRENT LIABILITIES		2.913.706.454,02	2.092.723.977,40	820.982.476,62
Provisions for risks and liabilities (Long term)		0,00	0,00	0,00
Financial liabilities (non-current)	7.E.	2.913.706.454,02	2.092.723.977,40	820.982.476,62
Long term liabilities from SRB specific activities		2.819.882.321,00	2.029.688.572,45	790.193.748,55
Pre-financing received from bank institutions		93.052.443,16	61.473.581,91	31.578.861,25
Other Long term liabilities		771.689,86	1.561.823,04	(790.133,18)
CURRENT LIABILITIES		17.016.287,51	17.540.529,85	(524.242,34)
Provisions for risks and charges (Short term)		0,00	0,00	0,00
Financial liabilities (current)		17.016.287,51	17.540.529,85	(524.242,34)
Payables		17.016.287,51	17.540.529,85	(524.242,34)
Long term liabilities falling due within the year		788.027,39	823.877,18	(35.849,79)
Current payables	7.F.	5.474.701,50	22.578,83	5.452.122,67
Sundry payables		394.655,00	173.768,81	220.886,19
Accrued charges		5.453.340,20	12.108.856,76	(6.655.516,56)
Accrued interest payable	7.G.	4.426.660,42	3.892.912,27	533.748,15
Deferred income		478.903,00	518.536,00	(39.633,00)
TOTAL LIABILITIES and RESERVES	L	25.003.416.371,82	17.458.988.934,30	7.544.427.437,52

2. Statement of Financial Performance 2018

HEADING	Note	2018	2017	Variation
OPERATING REVENUES	9.A.	6.813.748.522,07	6.019.807.052,62	793.941.469,45
Non-exchange revenues from Fund contributions		6.753.926.199,99	5.965.919.312,41	788.006.887,58
Other non-exchange revenues from administrative contributions		59.789.574,53	53.885.631,77	5.903.942,76
Other exchange operating revenue		5.539,82	2.108,44	3.431,38
Revenues from exchange administrative operations		27.207,73	0,00	27.207,73
OPERATING EXPENSES	9.B.	(59.747.290,06)	(53.788.735,44)	(5.958.554,62)
Operating expenses		(8.931.052,08)	(16.509.302,33)	7.578.250,25
Administrative expenses		(50.816.237,98)	(37.279.433,11)	(13.536.804,87)
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		6.754.001.232,01	5.966.018.317,18	787.982.914,83
Financial revenue	9.A.	12.796.298,77	7.362,81	12.788.935,96
Financial expenses	9.B.	(62.999.602,37)	(52.194.791,05)	(10.804.811,32)
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		6.703.797.928,41	5.913.830.888,94	789.967.039,47
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		6.703.797.928,41	5.913.830.888,94	789.967.039,47

3. Cash flow statement (indirect method)

DESCRIPTION	2018	2017
Cash Flow from ordinary activities		
Surplus/(deficit) from ordinary activities	6.703.797.928,41	5.913.830.888,94
Operating activities		
<u>Adjustments</u>		
• Amortization (intangible fixed assets) +	510.522,19	202.829,96
• Depreciation (tangible fixed assets) +	1.634.468,69	902.151,90
• Interest income on AFS securities	(12.024.912,28)	0,00
• Net realised gain/loss on sale of AFS securities	(765.260,10)	0,00
• 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	38.295,50	(45.000,00)
• (Increase)/decrease in Long term Receivables	0,00	0,00
• (Increase)/decrease in Short term Receivables	(8.328.799,43)	(1.932.900,48)
• Increase/(decrease) in Other Long term liabilities	31.578.861,25	28.378.977,54
• Increase/(decrease) in Accounts payable	(524.242,34)	1.166.579,89
• Other non-cash movements	0,00	(430,44)
Net Cash Flow from operating activities	6.715.916.861,89	5.942.503.097,31
Cash Flow from investing activities		
Increase of tangible and intangible fixed assets (-)	(1.036.524,85)	(1.208.806,16)
Proceeds from tangible and intangible fixed assets (+)	0,00	0,00
Net Cash Flow from investing activities	(1.036.524,85)	(1.208.806,16)
Cash Flow from SRB specific activities		
Purchase of securities	(7.582.829.342,79)	0,00
Coupon cashed during the period	70.908.325,49	0,00
Proceeds from sales during the period	196.626.957,17	0,00
Increase in Long term financial liabilities (IPC)	789.403.615,37	684.415.296,45
Net Cash Flow from investing activities	(6.525.890.444,76)	684.415.296,45
Net increase/(decrease) in cash and cash equivalents	188.989.892,28	6.625.709.587,60
Cash and cash equivalents at the beginning of the period	17.446.259.540,82	10.820.549.953,22
Cash and cash equivalents at the end of the period	17.635.249.433,10	17.446.259.540,82

4. Statement of changes in net assets

DESCRIPTION	Fair Value revaluation reserve	Accumulated Surplus/Deficit	Economic result of the year	Net Assets (Total)
Balance as at 1 January 2017	0,00	0,00	9.434.893.538,11	9.434.893.538,11
Allocation of the economic result of previous year	0,00	9.434.893.538,11	(9.434.893.538,11)	0,00
Economic result of the year	0,00	0,00	5.913.830.888,94	5.913.830.888,94
Balance as at 31 December 2017	0,00	9.434.893.538,11	5.913.830.888,94	15.348.724.427,05
Changes in accounting policies	0,00	0,00	0,00	0,00
Balance as at 1 January 2018	0,00	9.434.893.538,11	5.913.830.888,94	15.348.724.427,05
Allocation of the economic result of previous year	0,00	5.913.830.888,94	(5.913.830.888,94)	0,00
Economic result of the year (Fund)	0,00	0,00	6.703.797.928,41	6.703.797.928,41
Economic result of the year (admin)	0,00	0,00	0,00	0,00
Net change in Fair Value of AFS portfolio	20.171.274,83	0,00	0,00	20.171.274,83
Balance as at 31 December 2018	20.171.274,83	15.348.724.427,05	6.703.797.928,41	22.072.693.630,29



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 Banking Union the SRB cooperates in particular 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 Regulation 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

Part I concerns administrative expenditures of the Board. It shall include at least staff, remuneration, administrative, infrastructure, professional training and operational expenses. In accordance with Article 65 of the SRM Regulation, the Board determines and raises contributions to the administrative expenditures of the Board from each entity referred to in Article 2 of that Regulation. Such administrative contributions constitute the revenues of Part I of the budget and are collected in accordance with Commission Delegated Regulation (EU) No 2361/2017 of 14 September 2017 on the final system of contributions to the administrative expenditure of the SRB.

- 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.

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 amended on 16 March 2016)
- "Accounting Guidelines" and "Accounting Rules" as provided by the Commission Accounting Officer complemented by the closing instructions for 2018
- International Public Sector Accounting Standards (IPSAS) and/or
- International Financial Reporting Standards (IFRS)

In accordance with articles 89, 90 and 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, as a self-financed EU agency, 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.

Current versus Non-current

According to presentation requirements of EU Accounting rule No 2, a distinction should be made between the current and non-current financial assets and liabilities on the face of the Statement of the financial position.

An entity should classify an asset as current when:

- (a) it expects to realise the asset or intends to sell or consume it in its normal operating cycle
- (b) it holds the asset primarily for the purpose of trading
- (c) it expects to realise the asset within twelve months after the reporting date; or
- (d) it is cash or a cash equivalent.

All other assets should be classified as non-current.

An entity should classify a liability as current when:

- (a) it expects to settle it in its normal operating cycle; or
- (b) it holds the liability primarily for the purpose of trading
- (c) it is due to be settled within twelve months of the reporting date
- (d) the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities should be classified as non-current liabilities.

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 posted 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/tangible assets and of financial instruments. 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

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 4 (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 capitalise 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.

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. 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. Assets under construction are not depreciated as these assets are not yet available for use.

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.

Financial assets and liabilities

Financial assets and financial liabilities are recognized when the SRB becomes a party to the contractual provisions of the instruments.

I) Financial assets

- Classification and measurement

Financial assets are classified into the following specified categories: “available-for-sale” (AFS), “loans and receivables”, “held-to-maturity” (HTM) investments or “financial assets at Fair Value through surplus or deficit”. The classification is determined at the time of initial recognition and it depends on the nature and purpose of the financial assets and on intentions and ability of management of holding the investments until their maturity.

Available-for-sale financial assets (AFS financial assets)

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables; (b) held-to-maturity investments or (c) financial assets at Fair Value through surplus or deficit.

In accordance with the intentions expressed by the SRB management in the Investment Plan in relation to the investment portfolio and the nature of the instruments held in the investment portfolio, the SRF investment portfolio was classified as available-for-sale until otherwise formally decided by management via the Investment decisions.

An available-for-sale financial asset is recognized in the accounts when, and only when, the SRB becomes a party to the contractual provisions of the bond based on settlement date of the transaction as opposed to trade date accounting. The accounting policy choice in relation to the settlement date accounting allows the SRB to recognize the investment on the date when the cash settlement of the transaction occurs.

Premiums paid over the maturity value and discounts received in comparison to the maturity value of securities are recognised in surplus or deficit over the expected life of the instrument through the use of the effective interest rate method.

- Subsequent measurement

Other changes in the carrying amount of available-for-sale financial assets are recognized in net assets/equity and accumulated under the heading of Fair Value revaluation reserve (Other Comprehensive Income). When the investment is disposed of or is considered impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to surplus or deficit.

- Reclassification of financial assets

If, there is a change in intention or ability regarding the investment, the investment is reclassified to held-to-maturity investments portfolio and carried at amortized cost, the Fair Value carrying amount of the investment on that date becomes its new amortized cost. Any previous gain or loss on that investment that has been recognized directly in net assets shall be amortized to surplus or deficit over the remaining life of the held-to-maturity investment using the effective interest method. Any difference between the new amortized cost and maturity amount shall also be amortized over the remaining life of the investment using the effective interest method. If the investment is subsequently impaired, any gain or loss that has been recognized directly in net assets is reclassified from equity to surplus or deficit.

- Determination of Fair Value

After initial recognition, the SRB shall measure the investments at their Fair Values, which normally correspond to the bid price for the financial asset (based on the liquid and highly rated nature of the bonds allowed by the Delegated Regulation).

More details on Fair Value are given on page 53.

- Impairment of financial assets

The SRB assesses at each Statement of Financial Position date whether there is objective evidence that a financial asset or a group of financial assets is impaired. If any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current Fair Value, less any impairment loss on that financial asset previously recognised in the surplus or deficit – is removed from equity and recognised in the surplus or deficit.

In contrast, if in a subsequent year, the Fair Value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the surplus or deficit.

- De-recognition

The SRB shall derecognise an investment when, and only when:



- the contractual rights to the cash flows from the financial asset expire or are waived; or
- the financial asset is transferred and the transfer qualifies for de-recognition.

When the investment is derecognised (sold), the following methods are allowed for application: First In, First Out (FIFO), Weighted Average Cost (WAC) and specific identification of investments.

Held-to-maturity (HTM) investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity dates that the SRB has the positive intent and ability to hold to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

If required, reclassifications of certain AFS investments from the SRF Investment portfolio into HTM investments are possible if they are formally approved by the management of the SRB at the Executive Session of the Board and will be implemented in the Investment Plan for the next calendar year.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables include receivables and cash and cash equivalents.

Cash and cash equivalents

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

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.

Pre-financing amounts

Pre-financing is a payment intended to provide the beneficiary with a cash advance. 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.

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).

II) Financial Liabilities

Financial liabilities are classified as *other financial liabilities*.

Payables

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

Accrued/deferred income and 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 transfer obligation of the period. The estimation of accrued expenses is done in accordance with detailed guidelines issued by Finance and Accounting, when assessing the open commitments for amounts to be carried-over to the next financial period.

In accordance with EC Accounting Rule No 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.

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 the 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.

So far, 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 2018 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 was 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.

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 institutions 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

Revenues

Non-exchange revenues

The 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 Commission Delegated Regulation (EU) No 2361/2017 of 14 September 2017 on the final system of contributions to the administrative expenditures of the SRB came into force at the beginning of 2018 and replaced the transitional system that had been in place since the Board started its operations.

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 and not spent have been booked as Long term pre-financing received (from contributors).

Restatements of ex-ante contributions for previous periods

According to Article 17.3 of the 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.

Financial Revenues

- Interest income

Financial revenues from investment in securities consist in accrued income recognised at effective interest rate (EIR) and from cashed coupon at coupon date.

Interest income is recognized in the surplus or deficit for all interest-bearing instruments on an accrual basis using the effective interest rate method.

- Net realised gains/losses from sales of investments

The net realised gains or losses from sales of AFS securities are accounted at the date when the proceeds from selling the securities are received (according the settlement date accounting convention). The net realised result from selling securities will be included in the financial result of the period.

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 accounted for are estimated and booked as accrued expenses.

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.

Interest expense and other financial expenses

Like interest income, the interest expense is recognized in the surplus or deficit for all negative interest-bearing instruments on accrual basis.

6.6. Contingent assets and liabilities

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.

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 01.01.2018	+	1.683.119,50	221.055,48	0,00	1.904.174,98
Additions	+	436.220,00	34.274,85	342.948,00	813.442,85
Disposals	-	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
Gross carrying amounts 31.12.2018		2.119.339,50	255.330,33	342.948,00	2.717.617,83
Accumulated amortization and impairment 01.01.2018	-	(203.766,50)	(110.019,48)	0,00	(313.785,98)
Amortization	-	(448.353,50)	(62.168,69)	0,00	(510.522,19)
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 31.12.2018		(652.120,00)	(172.188,17)	0,00	(824.308,17)
Net carrying amounts 31.12.2018		1.467.219,50	83.142,16	342.948,00	1.893.309,66

A.2. TANGIBLE ASSETS – OVERVIEW OF MOVEMENTS

Description		Plant and Equipment	Computer hardware	Furniture and vehicles	Other Fixtures and Fittings	Intangible and Tangible assets under Finance lease	Total
Gross carrying amounts 01.01.2018	+	1.578,00	667.753,10	668.299,79	352.802,56	3.601.489,15	5.291.922,60
Additions	+	0,00	77.639,25	28.325,91	117.116,84	0,00	223.082,00
Disposals	-	0,00	0,00	0,00	0,00	0,00	0,00
Transfer between headings	+/-	0,00	0,00	0,00	0,00	0,00	0,00
Other changes	+/-	0,00	0,00	0,00	0,00	0,00	0,00
Gross carrying amounts 31.12.2018		1.578,00	745.392,35	696.625,70	469.919,40	3.601.489,15	5.515.004,60
Accumulated amortization and impairment 01.01.2018	-	(198,00)	(258.890,60)	(101.228,79)	(83.253,81)	(1.422.319,31)	(1.865.890,51)
Depreciation	-	(198,00)	(170.404,76)	(74.960,18)	(117.599,16)	(1.271.306,59)	(1.634.468,69)
Write-back of depreciation	+	0,00	0,00	0,00	0,00	0,00	0,00
Disposals	+	0,00	0,00	0,00	0,00	0,00	0,00
Impairment	-	0,00	0,00	0,00	0,00	0,00	0,00
Write-back of impairment	+	0,00	0,00	0,00	0,00	0,00	0,00
Transfer between headings	+/-	0,00	0,00	0,00	0,00	0,00	0,00
Other changes	+/-	0,00	0,00	0,00	0,00	0,00	0,00
Accumulated amortization and impairment 31.12.2018		(396,00)	(429.295,36)	(176.188,97)	(200.852,97)	(2.693.625,90)	(3.500.359,20)
Net carrying amounts 31.12.2018		1.182,00	316.096,99	520.436,73	269.066,43	907.863,25	2.014.645,40

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 receivables and recoverables

Description	31.12.2018	31.12.2017
Receivables from Member States (non-exchange)	4.622,62	5.747,61
Receivables from credit institutions within the deferred settlement of administrative contributions (final system)	5.474.681,00	0,00
Receivables from late payment interest	534,43	4.243,90
Receivables from administrative contributions (2018 cycle)	763,64	0,00
Sundry receivables	42.222,99	59.050,67
Staff	38.531,19	48.951,62
Others	3.691,80	10.099,05
Deferred charges	431.664,00	601.108,06
Accrued interest receivable (IPC top-up)	10.042.283,14	6.997.822,15
TOTAL	15.996.771,82	7.667.972,39

Receivables

The receivables from Member States are related to ex-ante and administrative contributions that were calculated and invoiced, but they remained due at yearend.

In 2018, the SRB implemented the final system for collecting the administrative contributions that encompasses an enlarged scope of contributing financial institutions according to the new Commission Delegated Regulation (EU) 2017/2361. Any differences rising from the recalculation under the final system (reflected in equal receivables and payables) can be settled in the subsequent financial years (Article 10.7). At year end the amount receivable to be settled in the coming periods came to EUR 5.474.681,00.

IPC top-up

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 that will be recovered in the first part of 2019. All of the receivables above have the nature of receivables and recoverables from exchange transactions, unless specifically stated otherwise. The pending amounts receivable were assessed for recoverability and no reduction in value was considered necessary.

Deferred charges

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 31 December 2018.

C) Cash and cash equivalents

Cash and Cash equivalents	31.12.2018	31.12.2017
Unrestricted cash	96.547.353,76	70.957.368,01
Current bank accounts – commercial banks	96.547.353,76	70.957.368,01
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	17.538.702.079,34	17.375.302.172,81
Current bank accounts -National Central Banks (strategic cash)	13.048.773.628,76	15.351.949.884,22
IPC Account with a national central bank	2.810.775.297,08	2.023.352.288,59
Cash under investment mandate (tactical cash)	1.679.153.153,50	0,00
TOTAL	17.635.249.433,10	17.446.259.540,82

Regarding the unrestricted cash held at bank, the Board has bank accounts with two commercial banks 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 the IPC framework.

As a result of investment activity, SRB has opened three new bank accounts with the custodian bank. These current accounts are presented separately under "Restricted cash" as they are holding the tactical cash of the portfolio whilst being managed under the investment portfolio mandate.

D) Net assets

According to the accounting treatment of revenues from administrative operations, at yearend there is no surplus or deficit from administrative activities (accordingly net assets being zero).

With the entering into operations of the Single Resolution Fund (SRF or "the Fund") from 01 January 2016, and the yearly collection of ex-ante contributions, there is a financial result that gives rise to net assets coming from the SRF activities. Namely, those reserves which,

over time, are expected to accumulate from one financial period to the other 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.

Net assets include also the Fair Value revaluation reserve.

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 19-20.

Description	31.12.2018	31.12.2017
Opening Balance	2.029.688.572,45	1.345.273.276,00
Collected within the year	810.034.563,20	685.068.196,89
Refunds of IPC	0,00	(179.416,51)
Voluntary termination of IPC	(19.840.814,65)	(473.483,93)
Total Long term payables from SRB specific activities	2.819.882.321,00	2.029.688.572,45

The IPC closing balance includes the net effect coming from refunds to institutions and voluntary termination of IPCs.

Other Long term Liabilities

Description	31.12.2018	31.12.2017
Financial leasing (Long term portion, 1-5 years*)	771.689,86	1.561.823,04
Pre-financing (PF) received from banks (administrative contributions)	93.052.443,16	61.473.581,91
Total	93.824.133,02	63.035.404,95

* Breakdown Financial leasing	31.12.2018	31.12.2017
Plant and equipment	47.438,46	113.868,28
Furniture and vehicles	49.139,77	89.238,39
Computer Hardware	675.111,63	1.358.716,37
Total	771.689,86	1.561.823,04

- **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.

Pre-financing received from banks	31.12.2018	31.12.2017
Opening balance of the year	61.473.581,91	32.354.771,56
Funds collected within the year and not spent	45.294.072,44	47.758.370,72
Funds used within the administrative contributions cycle of the year	(13.715.211,19)	(18.639.560,37)
TOTAL	93.052.443,16	61.473.581,91

According to SRB Financial Regulation (Article 18 point 1), the Board has to use the funds representing positive budgetary results of the previous financial periods to reduce the total amount of administrative contributions invoiced to the institutions in scope. Therefore in 2018, the Board has taken the decision to use the positive budgetary result of 2016 and collect the remaining amount. In line with this decision, the pre-financing received from banks and not spent in 2016 had been completely used within the administrative contributions cycle of 2018.

F) Financial Liabilities (Current)

Short term Leasing liability < 1 year

Breakdown Financial leasing	31.12.2018	31.12.2017
Plant and equipment	48.473,59	57.997,16
Furniture and vehicles	53.752,56	39.844,11
Computer Hardware	685.801,24	726.035,91
TOTAL	788.027,39	823.877,18

Current Payables

Current payables	31.12.2018	31.12.2017
Amounts payable	5.474.701,50	22.578,83
Vendors	0,00	22.558,33
Member States	0,00	0,00
Payables to credit institutions within the deferred settlement of administrative contributions	5.474.681,00	0,00
European Commission for services delivered under various SLAs	20,50	20,50
Sundry Payables	394.655,00	173.768,81
Staff	0,00	0,00
Other (1)	394.655,00	173.768,81
TOTAL	5.869.356,50	196.347,64

(1) Other Sundry payables	31.12.2018	31.12.2017
Assets - Goods received without invoice	355.682,88	118.239,58
Payables inter-agencies related to staff mobility	3.270,72	1.832,50
Social security-related payables	18.309,94	13.696,73
Cash received by error and waiting to be returned	17.391,46	40.000,00
TOTAL	394.655,00	173.768,81

After the final system for collecting administrative contributions was implemented in 2018 (as explained above on page 25), the amounts payable to credit institutions from differences between the provisional and final calculation amounted to EUR 5.474.681,00.

G) Other accrued charges and deferred income

Accrued charges

According to the EC Accounting Rule No 12, apart from other accrued charges, a liability for untaken holidays (accumulating compensated absences) has been included in the Statement of Financial Position under the accrued charges.

Accrued Charges	31.12.2018	31.12.2017
Accrued charges	5.453.340,20	12.108.856,76
Untaken annual leave	496.240,00	444.723,00
Accrued charges	4.957.100,20	11.664.133,76
Accrued bank interest payable	4.426.660,42	3.892.912,27
TOTAL	9.880.000,62	16.001.769,03

At year end, it was also required to accrue for the negative interest payable for the month of December 2018 that according to existing contractual terms and conditions was debited by four NCBs only in the first days of January 2019.

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.

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.

Deferred Income	31.12.2018	31.12.2017
Deferred income from the gratuity of 3 months rent-free (at the moving into the new premises)	518.536,00	558.169,00
Corresponding portion recycled in the surplus or deficit	(39.633,00)	(39.633,00)
TOTAL	478.903,00	518.536,00

Payments for operating lease commitments still to be made for the period up to the end date of the lease contract (31 January 2031) amount to EUR 29.886.029,03.

The contractual payments are scheduled as follows:

Description	Charges paid during the year	Charges still to be paid as at 31 December 2018			TOTAL
		<1 yr	1-5 yrs	>5 years	
Operating lease Treurenberg 22 building (*)	2.473.326,54	2.473.326,54	9.893.306,16	17.519.396,33	29.886.029,03

*amounts were disclosed at the level of the last applicable indexation in line with the EUROSTAT index

8. Other significant disclosures

H) Contingent assets

Description	31.12.2018	31.12.2017
Guarantees received	0,00	1.120.000,00
Guarantees for pre-financing	0,00	0,00
Guarantees for fines pending	0,00	0,00
Performance guarantees	0,00	1.120.000,00
Other Guarantees	0,00	0,00
IPC – the contractual commitment	2.819.882.321,00	2.029.688.572,45
TOTAL	2.819.882.321,00	2.030.808.572,45

Guarantees

The performance guarantee provided by AXA in relation to the SRB building has been released at the beginning of 2018.

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 on pages 19-20.

I) 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 emphasized that as of 2016, each Member State participating in the Single Resolution Mechanism will enter into the harmonized 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 provided for participating Member States to choose:

- **Option 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.

- **Option 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 the end of 2017, all participating Member States signed a LFA and the total gross amount of the borrowing agreements reached the level of EUR 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

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

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

Summarized, the available amount under each LFA (in the absence of an approved resolution scheme outstanding at the reporting date) 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 financial means constituted by ex-ante contributions in the Member State Compartment and the mutualised financial means available in all Compartments).

From accounting point of view, LFA commitments are not in the scope of neither IPSAS 29, nor IPSAS 19 (they do not constitute a contingent asset), but they represent loan commitments.

J) Disclosure on appeals and legal cases

The SRB is exposed, directly or indirectly through NRAs, to appeals and court cases that are further described below.

At the date of issuing these final Annual Accounts, the SRB is of the view that it is not probable that an outflow of economic resources will be required to settle any of these cases. As a consequence, the related exposures are not recognised as provisions in the Statement of Financial Position.

As regards the disclosure of contingent liabilities, reference is made to the below paragraphs which provide for the assessment of the SRB at this point in time. The SRB is closely monitoring the evolution of all pending appeals and court cases (taking into account also the information reported by NRAs).

Appeals and litigation regarding ex-ante contributions

At the end of 2018, several appeals and court cases related to ex-ante contributions were pending before the NRAs and the national administrative courts. In case of successful legal actions before the national courts requiring NRAs to refund part or the entire amount of ex-ante contributions, the SRB may have to return the corresponding amounts transferred to the SRF.

In light of the complexity and the novelty of the issues arisen in the ongoing litigation, one NRA assumed that for some cases regarding ex-ante contributions pending before the National Court, the outflow of economic resources cannot be excluded beyond reasonable doubt. The total amount in dispute for these cases (EUR 40.072.267,00) is therefore disclosed as contingent liability.

At the end of 2018, 15 (fifteen) court cases related to ex-ante contributions were pending against the SRB before the General Court (of which 6 (six) new court cases were lodged in 2018). 4 (four) of the court cases pending at 31 December 2017 were decided in favour of the SRB and dismissed by the Court.² The ruling of the General Court on some of these pending court cases is expected before the end of 2019.

Similarly, in light of the complexity and the novelty of the issues arisen in the ongoing litigation, the SRB considers that for some cases regarding ex-ante contributions pending before the General Court the likelihood of outflow of economic resources cannot be considered remote. The total amount in dispute for these cases (EUR 50.456.162,00) is therefore disclosed as contingent liability.

In the interest of transparency, the SRB discloses in the following table the full amount in dispute for all the appeals and cases regarding ex-ante contributions at national and EU level.

Appeals and court cases	31.12.2018	31.12.2017
From appeals with NRAs and court cases before administrative courts of the relevant Member State	1.793.011.917,00	1.208.701.921,73
Related to ex-ante contributions (2015-2017)	1.206.181.307,00	1.208.701.921,73
Related to ex-ante contributions (2018)	586.830.610,00	0,00
From legal cases before the General Court of the EU	222.731.324,00	181.133.405,00
TOTAL³	2.015.743.241,00	1.389.835.326,73

Litigation regarding Banco Popular Español's resolution

Following the adoption of the resolution scheme in respect of Banco Popular Español S.A. (BPE) by the SRB on 7 June 2017, legal actions were brought before the General Court by former shareholders and creditors of the bank.

At the end of 2018, 106 (one hundred six) court cases related to BPE's resolution were pending against the SRB before the General Court (of which 9 (nine) court cases were lodged in 2018). No ruling of the Court on these pending court cases is expected before the end of 2019.

In the course of 2018, 2 (two) court cases were declared inadmissible by the Court. 3 (three) additional cases have been lodged with the General Court after 2018 yearend.

At this stage of the proceedings and on the basis of the information available, the SRB considers that the likelihood of outflow of economic resources as result of the pending court cases is remote.

² Only 1 (one) appeal has been lodged with the Court of Justice of the EU after 2018 year end.

³ For a complete overview of the total exposures at both national and European level, the amounts related to credit institutions that appealed in front of both national courts and the General Court of EU (2018: EUR 198 million) are presented in the table above more than once in the corresponding categories.

Litigation regarding the decisions taken with respect to ABLV Bank, AS and ABLV Luxembourg Bank S.A.

Following the decisions by the SRB concerning the assessment of the conditions for resolution with respect to ABLV Bank, AS and ABLV Luxembourg Bank S.A. on 23 February 2018, 2 (two) legal actions were brought before the General Court. No ruling of the Court on these pending court cases is expected before the end of 2019.

At this stage of the proceedings and on the basis of the information available, the SRB considers that the likelihood of outflow of economic resources as result of the pending court cases is remote.

K) 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-over to the next financial year.

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

Other Significant Disclosures	31.12.2018	31.12.2017
Total amount carried-forward from N to N+1	16.278.710,64	28.387.702,23
Amounts accrued in the year N (C1 to C8)	(4.067.491,20)	(12.108.856,76)
TOTAL RAL at yearend	12.211.219,44	16.278.845,47
Total amount carried-over from N to N+1 (R0,C4)	22.075.358.695,92	15.354.014.682,47

L) Financial Leasing

Leased assets	Present Value	Short term Liability	Long term Liability
Plant and Equipment	95.912,05	48.473,59	47.438,46
Furniture and vehicles	102.892,33	53.752,56	49.139,77
Computer software and hardware	1.360.912,87	685.801,24	675.111,63
TOTAL	1.559.717,25	788.027,39	771.689,86

The SRB has three leasing contracts: DI07030, DI 07370 and DI07210 consisting of 29 specific orders totalling EUR 3.860.569,30 (investment value). All three contracts have a duration of 5 years and are related to assets used in the Treurenberg 22 building. At the end of 2018, 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.

M) Financial Instruments

Financial instruments consist of: cash, investments in securities, 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	Loans and receivables	Amortised cost	Economic Outturn Account
Investments in securities	Available for sale	Fair Value (FV)	Fair Value reserve in Net Assets (OCI)
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	31.12.2018	31.12.2017
Financial assets		
AFS financial assets ⁴ (non-current)	6.410.887.222,52	0,00
AFS financial assets (current)	937.368.284,42	0,00
Pre-financing	6.704,50	45.000,00
Current receivables	5.480.601,69	9.991,51
Other receivables	42.222,99	59.050,67
Deferred charges and accrued interest receivable	10.473.947,14	7.598.930,21
Cash and deposits	17.635.249.433,10	17.446.259.540,82
TOTAL Financial Assets	24.999.508.416,36	17.453.972.513,21

⁴ The Investment portfolio is presented in the section 10.3.

Carrying amounts	31.12.2018	31.12.2017
Financial liabilities		
Non-current payables	(2.913.706.454,02)	(2.092.723.977,40)
Long term liabilities falling due within the year	(788.027,39)	(823.877,18)
Current payables	(5.474.701,50)	(22.578,83)
Other payables	(394.655,00)	(173.768,81)
Accrued charges and deferred income	(10.358.903,62)	(16.520.305,03)
TOTAL Financial Liabilities	(2.930.722.741,53)	(2.110.264.507,25)
TOTAL Net Financial Instruments	22.068.785.674,83	15.343.708.005,96

▪ **Financial instruments – Disclosures**

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 or the inability to sell at a prevailing market 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 two commercial banks that were selected via the EC (DG BUDG) framework contract 0686852.
- Specific guidelines were applied for the selection of these commercial banks 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- or Fitch F1). A lower level may be accepted in specific and duly justified circumstances.

The credit rating of the commercial banks where SRB holds its bank accounts is reviewed regularly.

Fund contributions

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

Since 2018, according to the Investment Plan of the year, a portion of the collected funds is invested in securities with an investment grade of at least BBB- (S&P or equivalent).

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 risks could be split into interest rate risk and currency risk.

o Interest rate risk

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

- For the bank accounts used for administrative purposes, the interest rate granted by the partner commercial banks 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.
- Investments in securities also bear an interest rate risk, which is explained in section 10.3.

The Board has put in place strict controls of the amounts charged by the banks which are checked by re-computation and immediate action is taken for solving overcharged amounts (if applicable).

o **Foreign currency risk**

Currency risk is the risk that the SRB's operations or the value of its investments 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 2018.

N) Changes in accounting policies

There have been no changes in accounting policies for the financial year 2018 that could give rise to additional disclosures or restatement adjustments.

O) 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 of SRB	AD 16	1
The other Board members of the Executive Session	AD 16	5

The transactions of the Board with the key management personnel during financial year 2018 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 and by Council Regulations 422/67/EEC of 25 July 1967 and Council Regulation 2016/300 of 29 February 2016. No loans or other amounts outside the provisions of the Staff Regulations were granted to management or staff.

P) Events after the reporting period

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

- Regarding events that concern a situation existing at 31 December 2018 being related to new facts occurred during 2019

-Ex-ante contributions restatements

By this date, the total amount of restatements for previous financial periods reached €3,99 million (2018: €20,27 million). This amount has been included in the 2019 contribution cycle. According to the accounting policy applied by SRB in recognizing non-exchange revenues, this amount has been assessed as not material for adjusting the recognised revenues from ex-ante contributions of 2018.

- Regarding events that do not concern a situation existing at 31 December 2018 being related to new facts occurred during 2019

-Investment activities

In the first part of 2019, according to the 2019 Investment Plan, a further €4,18 billion were invested. Besides holding bonds issued by governments, government-related entities and supra-national institutions, SRB started also to invest in corporate bonds.

Apart from the above, no material issue came to the attention of the Accounting Officer that would require separate disclosure under this section. The final Financial Statements and their related notes were prepared using the most updated information.

9. Notes to the Statement of Financial Performance

A) Revenues

Operating Revenues	2018	2017
Revenues from non-exchange transactions	6.813.715.774,52	6.019.804.944,18
Revenues from ex-ante contributions to the SRF	6.753.926.199,99	5.965.919.312,41
Revenue from administrative contributions	59.789.574,53	53.885.631,77
Other operating revenues (exchange)	5.539,82	2.108,44
Exchange rate gains	5.539,82	2.108,44
Revenue from administrative operations (exchange)	27.207,73	0,00
Fixed assets related revenue (exchange)	0,00	0,00
Other miscellaneous administrative revenues (exchange)	27.207,73	0,00
TOTAL	6.813.748.522,07	6.019.807.052,62

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

In 2018, SRB received ex-ante contributions to the SRF and administrative contributions.

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

The total revenues corresponding to 2018 incorporates the effect of the following:

- negative impact from restatements pertaining to previous periods amounting to EUR 20.214.700,73 (Article 17.3 - Commission Delegated Regulation (EU) No 2015/63 of 21 October 2014)
- positive impact of voluntary termination of IPCs that are generating additional ex-ante contributions (EUR 19.841.365,44) recognised as revenues within the year when they are invoiced.

- **Revenues from administrative contributions**

The Commission Delegated Regulation (EU) No 2361/2017 of 14 September 2017 on the final system of contributions to the administrative expenditures of the SRB came into force at the beginning of 2018 and replaced the transitional system that had been in place since the Board started its operations.

Under the final system and its enlarged scope (all credit institutions established in the Banking Union need to contribute) it is stipulated that, for institutions that already paid by way of instalments under the provisional system, they will have their contributions recalculated. Any difference between the instalments paid and the recalculated contributions can be settled by increasing or decreasing the contributions due from these entities in the following years.

Pursuant to the Decision of the Executive Session of the Board of 15 February 2018 determining the 2015 to 2018 contributions, the final amount to be invoiced was increased by EUR 3.539.409,04 that covered the one-off payments to be reimbursed to those entities that either fell out of scope or paid installments at least three times higher than the contributions due for the financial year 2018.

Description	2018	2017
Administrative contributions – as per voted administrative budget	104.136.000,00	99.738.000,00
Less: Positive Result of previous years (budgetary cash based)	(12.767.564,35)	(16.733.557,88)
Add: Additional amount collected on account of the deferred settlement cycle	3.539.409,04	0,00
Total amount invoiced to the institutions	94.907.844,69	83.004.442,12
Less: reimbursement towards institutions falling out of scope	(213.531,49)	0,00
Less: reimbursement towards institutions that changed status (LSI instead of SI)	(3.325.877,55)	0,00
Total amount invoiced for the period	91.368.435,65	83.004.442,12
Add: pre-financing received in previous periods (accrual based)	13.715.211,19	18.639.560,37
Less: amount not spent during the year after covering all administrative and operational expenditure (LT liability)	(45.294.072,44)	(47.758.370,72)
TOTAL	59.789.574,53	53.885.631,77

According to the applicable accounting policy regarding the recognition of revenues from administrative contributions, the amounts invoiced to the banks in scope are recognised as income only up to the level of the yearly total expenses.

Financial Revenues

Description	2018	2017
Interest income on late payment of administrative contributions	6.106,54	7.362,81
Interest income from cash and cash equivalents	19,89	0,00
Financial revenues from investments in AFS securities	12.790.172,34	0,00
Interest income on AFS financial assets	12.024.912,24	0,00
Net realised gains/losses on sales of AFS financial assets	765.260,10	0,00
TOTAL	12.796.298,77	7.362,81

B) Expenditure

Operating Expenses

Description	2018	2017
Administrative Expenses	50.816.237,98	37.279.433,11
Staff expenses	33.137.124,94	24.044.906,10
Other expenses	17.679.113,04	13.234.527,01
Administrative expenses	2.359.145,45	1.445.765,69
IT expenses	7.487.930,05	2.571.993,90
Other services non-IT	1.055.202,80	3.984.700,03
Land and Buildings	4.631.843,85	4.127.085,53
Fixed Assets Expenses	2.144.990,89	1.104.981,86
Operational Expenses	8.931.052,08	16.509.302,33
Other operational expenses	8.919.714,77	16.504.727,32
Exchange rate losses	11.337,31	4.575,01
TOTAL	59.747.290,06	53.788.735,44

In 2018, 66% (2017:65%) of SRB administrative expenses were linked to staff while 24% (2017: 18%) were related to other significant administrative expenses (rent and IT support).

While in 2017 the operational expenses represented 30% from total costs, in 2018 they registered an important decrease to 15% of the total costs. This variation is attributed to the steep reduction in expenses related to costs for studies and consultancy (like financial valuation) for potential resolution and legal cases.

Financial Expenses

Description	2018	2017
Interest expenses	62.994.471,52	52.190.510,39
Interest on financial liabilities at amortized cost	0,00	0,00
Interest charges on cash and cash equivalents	62.913.909,32	52.084.518,27
Late payment interest expense	0,00	10.253,95
Interest expense on finance lease	80.562,20	95.738,17
Other financial expenses (bank charges)	5.130,85	4.280,66
TOTAL	62.999.602,37	52.194.791,05

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 previously explained, 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 for capital or liquidity support only to the extent necessary to ensure the effective application of the resolution tools. In accordance with Article 76 SRMR the Fund may be used for the following purposes:

1. To guarantee the assets or the liabilities of the institution under resolution, its subsidiaries, a bridge institution or an asset management vehicle;
2. To make loans to the institution under resolution, its subsidiaries, a bridge institution or an asset management vehicle;
3. To purchase assets of the institution under resolution;
4. To make contributions to a bridge institution and an asset management vehicle;
5. 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;
6. 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 directly of an institution or to recapitalize 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 2018 financial year, there was no usage of the Fund.



- **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 2017 ex-ante contributions**

As of 30 June 2017, the Single Resolution Board (SRB) collected EUR 6,6 billion from 3.512 institutions in annual contributions to the Single Resolution Fund (SRF).

- **The 2018 ex-ante contributions**

As of 30 June 2018, the Single Resolution Board (SRB) collected EUR 7,5 billion from 3.315 institutions in annual contributions to the Single Resolution Fund (SRF).

In the same time, starting in 2017, a number of institutions initiated the procedure of voluntary termination of IPC.

- **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 the applicable regulation.

All IPC agreements 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 19-20.

- **Fund Analytical Accounts as at 31 December 2018**

To give a detailed view on the Fund transactions as reflected in the SRB accounts, a separate Statement of Financial Performance and Statement of Financial Performance including only the SRF transactions were prepared as follows:

ANALYTICAL FINANCIAL STATEMENTS 2018 SRF

10.1. Statement of Financial Position 2018 for SRF

10.1.1. Statement of Financial Position 2018 – SRF ASSETS

HEADING	31.12.2018	31.12.2017	Variation
NON-CURRENT ASSETS	6.410.887.222,52	00,0	6.410.887.222,52
Intangible assets	0,00	0,00	0,00
Property, Plant and Equipment	0,00	0,00	0,00
Financial assets (non-current)	6.410.887.222,52	00,0	6.410.887.222,52
Available-for-sale financial assets (non-current)	6.410.887.222,52	00,0	6.410.887.222,52
Pre-financing (Long term)	0,00	0,00	0,00
Long term receivables and recoverables	0,00	0,00	0,00
CURRENT ASSETS	18.486.117.427,17	17.382.306.218,90	1.103.811.208,27
Financial assets (current)	947.415.347,83	7.004.046,09	940.411.301,74
Available-for-sale financial assets (current)	937.368.284,82	0,00	937.368.284,82
Pre-financing (Short term)	0,00	0,00	0,00
Receivables and recoverables	10.047.063,01	7.004.046,09	3.043.016,92
Current receivables (ex-ante and IPC invoices)	4.622,62	5.749,61	1.127,32
Current receivables (IPS discrepancy)	0,00	0,00	0,00
Sundry receivables	157,25	474,33	316,75
Deferred charges	0,00	0,00	0,00
Accrued interest receivable (IPC top-up)	10.042.283,14	6.997.822,15	3.044.460,99
Cash and cash equivalents	17.538.702.079,34	17.375.302.172,81	163.399.906,53
TOTAL ASSETS	24.897.004.649,69	17.382.306.218,90	7.514.698.430,79

10.1.2. Statement of Financial Position 2018 – SRF LIABILITIES

HEADING	31.12.2018	31.12.2017	Variation
NET ASSETS	22.072.693.630,29	15.348.724.427,05	6.723.969.203,24
Accumulated reserves	22.052.522.355,46	15.348.724.427,05	6.703.797.928,41
Results of previous periods	15.348.724.427,05	9.434.893.538,11	5.913.830.888,94
Economic outturn of the year (Fund)	6.703.797.928,41	5.913.830.888,94	789.967.039,47
Fair Value revaluation reserve (Other Comprehensive Income)	20.171.274,83	0,00	20.171.274,83
NON-CURRENT LIABILITIES	2.819.882.321,00	2.029.688.572,45	790.193.748,55
Provisions for risks and liabilities (Long term)	0,00	0,00	0,00
Financial liabilities (non-current)	2.819.882.321,00	2.029.688.572,45	790.193.748,55
Long term liabilities from IPC	2.819.882.321,00	2.029.688.572,45	790.193.748,55
Other Long term liabilities	0,00	0,00	0,00
CURRENT LIABILITIES	4.428.698,41	3.893.219,40	535.479,01
Provisions for risks and charges (Short term)	0,00	0,00	0,00
Financial liabilities (current)	4.428.698,41	3.893.219,40	535.479,01
Payables	4.428.698,41	3.893.219,40	535.479,01
Long term liabilities falling due within the year	0,00	0,00	0,00
Current payables (IPS discrepancy)	0,00	0,00	0,00
Sundry payables	1.745,38	150,33	1.595,06
Accrued charges	0,00	0,00	0,00
Accrued interest payable	4.426.953,02	3.893.069,07	533.883,95
Deferred income	0,00	0,00	0,00
TOTAL LIABILITIES AND RESERVES	24.897.004.649,69	17.382.306.218,90	7.514.698.430,79

10.2. Statement of Financial Performance 2018 for the SRF

HEADING	2018	2017	Variation
OPERATING REVENUES	6.753.926.199,99	5.965.919.312,41	788.006.887,58
Non-exchange revenues from Fund contributions	6.753.926.199,99	5.965.919.312,41	788.006.887,58
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	0,00	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	6.753.926.199,99	5.965.919.312,41	788.006.887,58
Financial revenue	12.790.172,34	0,00	12.790.172,34
Financial expenses (negative bank interest and bank fees)	(62.918.443,92)	(52.088.423,47)	(10.830.020,45)
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES	6.703.797.928,41	5.913.830.888,94	789.967.039,47
Extraordinary gains	0,00	0,00	0,00
Extraordinary losses	0,00	0,00	0,00
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS	6.703.797.928,41	5.913.830.888,94	789.967.039,47
ECONOMIC RESULT OF THE YEAR	6.703.797.928,41	5.913.830.888,94	789.967.039,47

10.3. Investment Portfolio of the SRF

In May 2018 the implementation of the SRB's Investment Policy commenced with a total of EUR 9 billion invested in two mandates in the course of 2018. Such mandates were made based on the strategic asset allocation set out in the SRB's 2018 Investment Plan which operationalizes the SRB's Investment Strategy, as referred to in Regulation (EU) 806/2014 article 75 and Delegated Regulation (EU) 2016/451. The mandates include securities investments as well as a cash position.

The currency of the investments is EUR.

The SRM Regulation 806/2014 allows SRB to make investments of the financial means collected and held in current accounts taking into account both the financial capacity of the Fund and the expected disbursements.

The investment objective is to satisfy the liquidity needs and to protect the capital of the SRF in order to support the efficient application of resolution tools. Satisfying the liquidity means that the SRF must be able to provide the required amount of liquidity at any time on short notice. To this end, the amounts held in the SRF can be invested in liquid assets of high creditworthiness.

Although the SRB has in principle the intention to hold securities until maturity, the ability to do so is constrained by the purpose of the SRF, i.e. to have amounts available on short notice to support resolution needs.

Apart from cash, the following asset classes are invested in as part of the Investment Plan of 2018:

- Government bonds from Member States of the Eurozone and four non-participating Member States of the Eurozone (with rating not less than BBB-);
- Supranational bonds (multilateral development banks and international organisations);
- Government-related bonds (Agency bonds, Regional and Local Authority Bonds, Government-Development Banks Bonds and Sovereign Bonds from countries of the European Union).

All securities bought need to have a yield above the ECB deposit facility rate at time of purchase.

- **Presentation of the Investment portfolio of the SRF**

Based on the presentation requirements applied by the SRB (EU Accounting rule No 2), a distinction has been made between the 'current' and 'non-current' portion of the portfolio with the purpose of giving information on the timing when the cash flows from securities will be realized.

Fair Value Hierarchy	CURRENT vs NON-CURRENT PRESENTATION	31.12.2018	31.12.2017
AFS securities with remaining maturity > 1 year	NON-CURRENT	6.410.887.222,52	0,00
AFS securities with remaining maturity < 1year	CURRENT	222.961.197,72	0,00
AFS securities expected to be sold within the following year (*)	CURRENT	714.407.087,10	0,00
TOTAL		7.348.255.507,34	0,00

* In view of implementing the Investment Plan of 2019, it was decided that securities with a remaining maturity of more than 8 years would be removed by selling them in the first months of 2019. Therefore the total Fair Value of these securities was presented in the 'current' portion of the investment portfolio.

- **Determination of Fair Value**

After initial recognition, the SRB shall measure the investments at their Fair Values, which normally correspond to the bid price for the financial asset (based on the liquid and highly rated nature of the bonds allowed by the Delegated Regulation).

Fair Value Hierarchy

For financial instruments traded in active markets, the determination of Fair Values for financial assets and financial liabilities is based on quoted market prices or dealer price quotations.

A financial instrument is considered to be trading in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Where the Fair Values of financial instruments cannot be derived from active markets, they are determined using valuation techniques that include the use of mathematical models. The chosen valuation techniques incorporate factors that market participants would take into account in pricing a transaction and are based whenever possible on observable market data. If such data is not available, a degree of judgement is required in establishing Fair Values.

Fair Value Hierarchy	Active market - Quoted market price	No active market – Valuation techniques	TOTAL
AFS securities	7.348.255.507,34	0,00	7.348.255.507,34
TOTAL	7.348.255.507,34	0,00	7.348.255.507,34

- **Impairment of bonds**

At yearend, no impairment has been recognised by the SRB on the existing Investment portfolio.

Risk management and governance of investment process

As per Article 67 SRMR the owner of the Fund is the Board. The Board in its Plenary Session has adopted a Governance Framework as part of the Investment Strategy, detailing the division of tasks and responsibilities between the Board in its Plenary Session and its Executive Session. One of the elements of the Governance Framework is that the Board in its Executive Session approves an internal governance structure for investments. The Board in its Executive Session has adopted a risk governance following the three lines of defence model.

1. First line of defence Risk Management – Single Resolution Fund Unit (SRF-Unit)

The SRF-Unit is responsible for the development and implementation of the Investment Policy of the SRB. As the portfolio management activities, in particular securities selection and transactions execution is outsourced to a portfolio manager service provider, the main role of the Unit is to advise the Board in its Executive Session on the Investment Policy, on the implementation of this policy as well as the selection and monitoring of outsourcing partners. The SRF-Unit reports to the Vice-Chair.

2. Second line of defence Risk Management – Investment Risk Manager

The responsibility of the second line risk manager is to ensure that all risks are adequately identified, measured, assessed and managed by the SRF-Unit as well as ensuring compliance with risk processes. The second line Risk Manager operates outside the SRF-Unit, providing an independent judgement. The Investment Risk Manager reports to the Vice Chair.

3. Third line Risk Management – Internal audit

The third line of defence is the internal audit function. The role of internal audit is to provide independent assurance on the quality and effectiveness of the investment processes including risk management. The internal auditor reports to the SRB Board in its Executive Session and upon request to its Plenary Session.

A Fund Committee in its Investment Composition (FCIC) prepares decisions to be taken by the Board in its Plenary Session pertaining the Investments. The FCIC is composed of experts from the 19 NRAs, the EC, EBA and ECB.

An Investment Committee advises the Board in its Executive Session on all investment related topics and is composed of one Board Member and the Vice-Chair as Members as well as representatives of the SRF-Unit, the Investment Risk Manager and the Head of Unit of the Contributions and Financing Unit as regular attendants.

Risks overview

Financial risks represent the risks linked to the investments of ex-ante contributions in the financial markets. They could be further divided into:

- Market risk
- Credit risk
- Liquidity risk

In relation to the current investments held by the SRB, the above types of financial risks are accepted to a certain extent. Other financial risk types, like counterparty or currency risk are not currently accepted.

Financial risks are defined in terms of quantitative or qualitative limits and guidelines in the SRB Risk Management Framework, which is updated on an annual basis and annexed to the SRB Investment Plan.

Market Risk

Market risk is the risk of loss arising from changes in the value of financial assets due to fluctuations in interest rates, foreign exchange rates, and other factors affecting the price of securities. In the case of the investment portfolio held by the SRB, the main market risk is the interest rate risk as long as the currency risk is not relevant.

The interest rate risk can be expressed based on the modified duration of the securities that gives the measurable change in the value of a security in response to a change in interest rates. The modified duration follows the concept that interest rates and bond prices move in opposite directions.

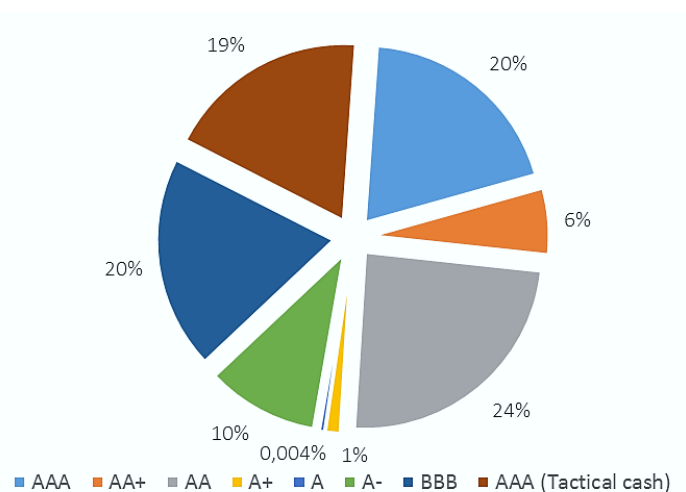
Remaining maturity	FV Amount in portfolio (including tactical cash)	Contribution to modified duration	%
0 - 3 years	3.439.420.774,71	0,34	9,59%
3 - 5 years	2.593.623.491,64	1,07	30,26%
5 - 7 years	1.829.903.145,04	1,13	32,01%
7 - 10 years	1.164.461.249,45	1,00	28,14%
TOTAL	9.027.408.660,84	3,54	100%

Credit risk

Credit risk is the risk of loss arising from the inability of a counterparty, issuer or other obligor to fulfil its contractual obligations for full value when due. The information below gives a breakdown of the portfolio by second best rating (presented based on the rating scale used by S&P/Fitch), by counter-party type and by geographical coverage.

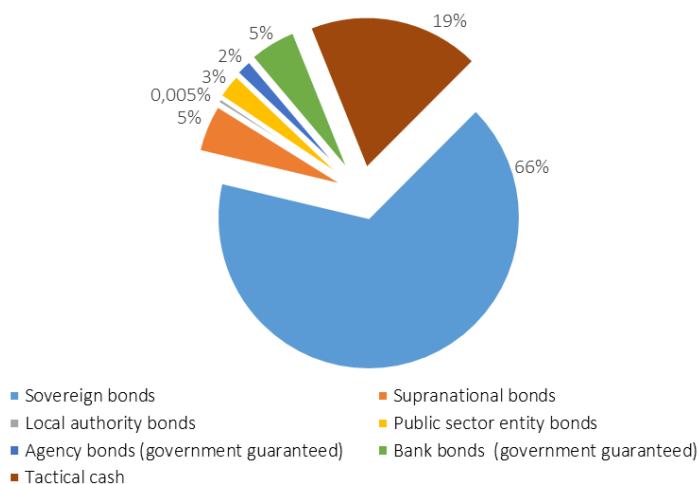
Exposure by credit rating

Credit rating	2018	2017
AAA	1.763.420.463,53	0,00
AA+	547.183.920,76	0,00
AA	2.191.562.124,88	0,00
A+	117.756.202,33	0,00
A	41.510.927,94	0,00
A-	923.113.028,79	0,00
BBB	1.763.708.839,11	0,00
TOTAL Portfolio	7.348.255.507,34	0,00
AAA (Tactical cash)	1.679.153.153,50	0,00
TOTAL	9.027.408.660,84	0,00



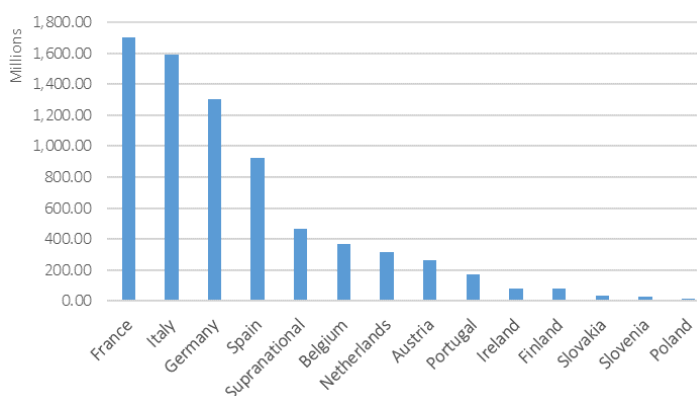
Exposure by counterparty type

Description	2018	2017
Sovereign bonds	5.976.543.863,60	0,00
Supranational bonds	464.492.835,60	0,00
Local authority bonds	48.326.258,59	0,00
Public sector entity bonds	242.242.680,33	0,00
Agency bonds (government guaranteed)	157.650.876,36	0,00
Bank bonds (government guaranteed)	458.998.992,86	0,00
Impaired financial investments	0,00	0,00
TOTAL Portfolio	7.348.255.507,34	0,00
Tactical cash	1.679.153.153,50	0,00
TOTAL	9.027.408.660,84	0,00



Exposure by geographical region

Country	2018	2017
Austria	265.910.606,88	0,00
Belgium	369.483.843,25	0,00
Germany	1.306.238.033,60	0,00
Spain	923.113.028,79	0,00
Finland	80.487.366,94	0,00
France	1.699.540.045,50	0,00
Ireland	81.219.762,03	0,00
Italy	1.592.068.463,00	0,00
Netherlands	316.013.777,39	0,00
Portugal	171.640.376,11	0,00
Poland	13.198.734,88	0,00
Slovenia	28.312.193,06	0,00
Slovakia	36.536.440,30	0,00
Supranational	464.492.835,60	0,00
TOTAL Portfolio	7.348.255.507,34	0,00
Tactical cash	1.679.153.153,50	0,00
TOTAL	9.027.408.660,84	0,00



Liquidity Risk

Liquidity risk is the risk of loss arising from a position that cannot be liquidated in due time without a significant impact on its market price.

The tables below analyze the SRB's financial assets by contractual maturity at issuance and by remaining maturity that takes into account the period remaining between the reporting date and the contractual maturity date.

Contractual Maturity	<3 months	3 months to 1 year	1 to 5 years	>5 years	TOTAL
AFS securities	0,00	0,00	837.225.706,93	6.511.029.800,41	7.348.255.507,34
Tactical cash	1.679.153.153,50	0,00	0,00	0,00	1.679.153.153,50
TOTAL	1.679.153.153,50	0,00	837.225.706,93	6.511.029.800,41	9.027.408.660,84

Remaining Maturity	<3 months	3 months to 1 year	1 to 5 years	>5 years	TOTAL
AFS securities	0,00	222.961.197,72	4.130.929.915,13	2.994.364.394,49	7.348.255.507,34
Tactical cash	1.679.153.153,50	0,00	0,00	0,00	1.679.153.153,50
TOTAL	1.679.153.153,50	222.961.197,72	4.130.929.915,13	2.994.364.394,49	9.027.408.660,84

The market liquidity risk is minimized by investing in high credit quality liquid assets and by adopting adequate measurements that allow the timely detection of deteriorations in the liquidity of the portfolio.

II. REPORT ON BUDGETARY AND FINANCIAL MANAGEMENT 2018

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 Article 58 of 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 2018 amounts to EUR 104,136,000.00 for Part I (EUR 99.738.000,00 in 2017). The Plenary of the Board adopted one (1) amending budget in 2018.

The amending budget was adopted to introduce in the budget 2018 the positive result of the previous year, for the amount of EUR 30.371.897,59. In accordance with Article 18 of the SRB Financial Regulation, a positive budget result shall be entered in the SRB budget for the following year as revenue. In practice, this means that the budget always has to be amended when the budget of the previous year has not been spent completely.

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, in 2018, for the first time, the “final” system was applied. Under this system, every year the significant entities (SI) and less significant entities (LSI) are notified to SRB by the European Central Bank.

The Delegated Act for the final system was adopted in 2017 and was applicable as from the 2018 exercise. The advance contributions paid under the provisional system were reassessed and then offset against the contributions calculated under the final system. In comparison to 2017 (103 institutions in scope in the provisional system), in 2018 there were 2.727 significant and less significant entities in scope under the final system.

The initial voted budget for 2018 was EUR 104.136.000,00. However, the total amount of contributions invoiced amounted to EUR 91.368.435,65 due to the positive budget result

from 2016 of EUR 12.767.564,35. In addition, other minor income was collected and registered for EUR 59.887,42 representing recovery of administrative expenses, miscellaneous income and interest gained for late payment of administrative contributions.

Part II - Fund

The collected ex-ante contributions and termination of irrevocable payment commitments from Member States as well as the returns from investments for the 2018 financial period amounted to EUR 6.779.460.876,05 and were inscribed in the budget as commitment appropriations.

After covering the yearly negative bank interest of EUR 58.162.030,62 and bank charges of EUR 4.149,80 the assigned revenue at the end of 2018 reached EUR 22.075.308.623,10.

Expenditure

Part I - Administration

- Title I – Staff

The implementation rate of Title I budget was 86,42% (EUR 36.812.315,48) of the available appropriations (EUR 42.595.912,00). Of the amount committed, EUR 3.6.146.677,90 were paid, EUR 706.967,27 (including C4) were carried over to 2019 and EUR 5.783.596,52 were cancelled. The cancelled appropriations will be taken into account in the budget result of the year and will increase it accordingly.

The main area of expenditure was related to the SRB staff in active employment, EUR 33.750.000,00 were spent on the payroll (basic salaries, family allowances, expatriation, installation and foreign residence allowances, insurances, pension rights, etc). EUR 786.000,00 were spent on interim services and EUR 400.000,00 on training.

- Title II – Building, equipment and miscellaneous operating expenditure

The implementation rate of Title II budget was 87,61% (EUR 11.528.922,92) of the available appropriations (EUR 13.160.088,00). Of the amount committed, EUR 9.091.009,63 were paid, EUR 2.446.656,42 (including C4) were carried over to 2019 and EUR 1.631.165,08 were cancelled.

The main areas of expenditure were the rental of the premises (EUR 3 million), ICT infrastructure (EUR 3,3 million) and security and maintenance of the building (EUR 1,7 million).

- Title III – Operating Expenditure

The implementation rate of Title 3 budget was 39,35% (EUR 19.038 395,83) of the available appropriations (EUR 48.380.000,00). Out of the amount committed, EUR 5.863.236,06 were paid, EUR 13.175.159,77 were carried over to 2019 and EUR 29.341.604,17 were cancelled.

The amount carried over of EUR 13.175.159,77 is divided in two chapters:

- SRB operations: approximately EUR 6,9 million
- SRB contingencies: approximately EUR 6,2 million

The high carry over in SRB operations is due to the purchase of the datacentre equipment in November/December. The invoices for this will be paid in the first months of 2019.

The other area where the budget was under-implemented was the Fund, for which an amount of EUR 1.388.915,00 was committed out of the EUR 7.575.000,00, resulting in an implementation rate of 18,34%. The main reason behind the low implementation was due to the outsourcing contracts for Investments that were initially budgeted for one year for EUR 6 million but finally signed for a lower amount than estimated.

Other areas of lower than expected budget implementation are the operational missions expenses for the amount of EUR 850.402,00 (52% of the EUR 1.625.000,00 budgeted). and communication for the amount of EUR 1,06 million (49% of the EUR 2,1 million budgeted).

The lower budget implementation in SRB contingencies was due to low expenditure in consultancy (approximately EUR 10,6 million not committed) as the SRB was expecting to manage more potential resolution cases and litigation. The nature of the contingencies activities are such that the implementation is unforeseeable and, therefore, there is no annual target.

Part II – Fund

The Fund expenditure was a total amount of EUR 58.166.185,42 consisting of payments for the negative bank interest charges and for the bank charges incurred in depositing the collected amounts with the SRB central banks accounts and the accounts of investments.

Budget outturn

The budget outturn for 2018 is EUR 50.4 million (EUR 30.4 million in 2017) and will be entered in the budget after approval by the Board in its Plenary Session in September 2019.

Financial management

In year 2018, the main achievements in financial management were:

- 2016 budget discharge granted by the Board
- Successful invoicing and collection of 2018 administrative budget from the 2,727 institutions in scope in 2018 under the final system (103 institutions in 2017)
- Design and documentation of the investments, budget and finance processes and procedures
- 98,67% of payments were made on time, exceeding the 2018 key performance indicator “Timely payment of invoices target 90%”
- Amendment of the budget: the budget was amended once in 2018 in order to inscribe the budget surplus accumulated in 2017, which was EUR 30.371.897,59
- Correct closure of the 2018 accounts

III. REPORT ON BUDGET IMPLEMENTATION 2018

a. Budget outturn result 2018 (adapted DG BUDGET format)

REVENUES	2018	2017
Administrative contributions from banks	91.367.672,13	83.004.442,12
Positive budgetary result of previous years	12.767.564,35	16.733.557,88
Single Resolution Fund contributions	6.753.929.031,55	5.961.860.262,41
Income from investments	25.531.844,50	0,00
Other income	59.887,42	72.607,09
TOTAL REVENUE (a)	6.883.655.999,95	6.061.670.869,50
EXPENDITURE		
Title I: Staff		
Payments	36.146.677,90	25.928.493,58
Appropriations carried over	706.967,27	1.105.984,99
Title II: Administrative Expenses		
Payments	9.091.009,63	7.959.271,14
Appropriations carried over	2.446.656,42	2.958.466,75
Title III: Operating Expenditure		
Payments	5.863.236,06	8.350.430,33
Appropriations carried over	13.175.159,77	24.324.000,49
Title IV: Single Resolution Fund		
Payments	58.166.185,42	50.021.383,63
Appropriations carried over	22.075.308.623,10	15.354.013.932,47
TOTAL EXPENDITURE (b)	22.200.904.515,57	15.474.661.963,38
OUTTURN FOR THE FINANCIAL YEAR (a-b)	(15.317.248.515,62)	(9.412.991.093,88)
Cancellation of unused payment appropriations carried over from previous year	13.658.279,20	1.190.309,99
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	15.354.013.932,47	9.442.175.148,05
Exchange differences for the year (gain +/-loss -)	(5.797,48)	(2.466,57)
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	50.417.898,57	30.371.897,59
Balance year N-1	43.139.461,94	29.501.122,23
Positive balance from previous years reimbursed in year N to the contributors	(12.767.564,35)	(16.733.557,88)
Result used for determining amounts in general accounting	80.789.796,16	43.139.461,94

b. Budget implementation 2018 – Summary

Revenue¹ – Part I and Part II of SRB Budget

2018 Budget	Budget Item	Type of revenue	Initial Voted Budget	Amending Budgets	Final Voted Budget	Entitlements established (invoiced and including refunds)	Revenue received (cash)
Part I	1000	Contribution from the credit institutions (administrative contributions)	104.136.000,00	0,00	104.136.000,00	91.368.435,78	91.367.672,13
	3000	Revenue from bank Interest	0,00	0,00	0,00	19,89	19,89
	3001	Miscellaneous revenue	0,00	0,00	0,00	10.329,92	9.794,71
	3002	Miscellaneous recoveries	0,00	0,00	0,00	50.072,82	50.072,82
Part II	4000	Ex-ante contributions	6.805.602.338,00	0,00	6.805.602.338,00	6.753.928.156,55	6.753.929.031,55
	4006	Return on investments – cashed coupon	0,00	0,00	0,00	24.842.074,79	24.842.074,79
		Return on investments – realised gains	0,00	0,00	0,00	689.769,71	689.769,71
TOTAL SRB REVENUE 2018			6.909.738.338,00	0,00	6.909.738.338,00	6.870.888.859,46	6,870,888,435.60

Expenditure – GLOBAL OVERVIEW PER TITLE Part I of SRB Budget

BL	Budget Line Description	Voted Budget	Amending Budget	Transfers	Commitments Appropriations Transaction Amount (1)	Executed Committed Amount (2)	Com % (2)/(1)	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancelled Amount (1)-(2)
Title I	STAFF	42.975.150,00	0,00	-379.238,00	42.595.912,00	36.812.315,48	86,42%	42.595.912,00	36.146.677,90	84,86%	665.637,58	5.783.596,52
Title II	BUILDING EQUIPMENT AND MISC OPERATING EXPENDITURE	12.780.850,00	0,00	379.238,00	13.160.088,00	11.528.922,92	87,61%	13.160.088,00	9.091.009,63	69,08%	2.437.913,29	1.631.165,08
Title III	OPERATING EXPENDITURE	48.380.000,00	0,00	0,00	48.380.000,00	19.038.395,83	39,35%	48.380.000,00	5.863.236,06	12,12%	13.175.159,77	29.341.604,17
TOTAL SRB BUDGET PART I		104.136.000,00	0,00	0,00	104.136.000,00	67.379.634,23	64,70%	104.136.000,00	51.100.923,59	49,07%	16.278.710,64	36.756.365,77

¹ It is important to mention that the budgetary reserve from the remaining positive budgetary result of 2017 (EUR 30,371,897.59) was inscribed in the technical budget

Part II SRB Budget (Title IV)

BL	Budget Lines	Voted Budget	Amending Budget	Transfers	Commitments Appropriations Transaction Amount (1)	Executed Commitments Amount (2)	% Committed	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	Paid % (4)-(3)	Carried over commitment appropriations (1)-(2)	Carried over payments appropriations (3)-(4)
B4010	Investments	6.719.807.596,00	0,00	- 75.759.960,06	22.026.895.764,81	0,00	0,00%	22.026.895.764,81	0,00	0,00%	22.026.895.764,81	22.026.895.764,81
B4011	Investment returns	75.758.582,00	0,00	75.757.250,96	106.574.429,31	67.427.197,70	63,27%	106.574.429,31	58.162.030,62	54,57%	39.147.231,61	48.412.398,69
B4031	Bank fees and charges	6.916,00	0,00	2.704,10	4.609,40	4.609,40	100,00%	4.609,40	4.149,80	90,03%	0,00	459,60
B4032	Commitment fees on bridge financing arrangements	10.032.244,00	0,00	0,00	0,00	0,00	0,00%	0,00	0,00	0,00%	0,00	0,00
TOTAL SRB BUDGET PART II		6.805.605.338,00	0,00	-5,00	22.133.474.808,52	67.431.812,10	0,30%	22.133.474.808,52	58.166.185,42	0,26%	22.066.042.996,42	22.075.308.623,10

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

	SRB Decision	Date of adoption	Description	Impact on Commitment Appropriations	Impact on Payment Appropriations
1 st	SRB.PS.2018.10	28.09.2018	In accordance with Article 18 of the SRB Financial Regulation, a positive budget result shall be entered in the SRB budget for the following year as revenue. In practice, this means that the budget always has to be amended when the budget of the previous year has not been spent completely. The 2017 budget surplus amounting to EUR 30,371,897.59 has been inscribed in the budget reserve and it will be used to reduce the administrative contributions to be collected in 2019.	30.371.897,59	30.371.897,59

c. Budget implementation 2018 – Detailed – PART I

All Titles – All Credit Types

Appendix 1 - Budget Execution / Fund source C1 - Current year appropriations – 2018

TITLE I: STAFF EXPENDITURE

BL	Budget Line Description	Commitments Appropriations Transaction Amount (1)	Executed Committed Amount (2)	Com % (2)/(1)	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancelled (1)-(2)
A-1100	Basic salaries	23.953.912,00	21.876.956,50	91,33%	23.953.912,00	21.876.956,50	91,33%	0,00	2.076.955,50
A-1101	Family allowances	2.400.000,00	1.707.891,68	71,16%	2.400.000,00	1.707.891,68	71,16%	0,00	692.108,32
A-1102	Expatriation and foreign residence allowances	3.100.000,00	2.750.633,77	88,73%	3.100.000,00	2.750.633,77	88,73%	0,00	349.366,23
A-1111	Seconded national experts	1.260.000,00	919.570,41	72,98%	1.260.000,00	919.570,41	72,98%	0,00	340.429,59
A-1112	Trainees	150.000,00	125.920,81	83,95%	150.000,00	125.920,81	83,95%	0,00	24.079,19
A-1130	Insurance against sickness	840.000,00	743.798,45	88,55%	840.000,00	743.798,45	88,55%	0,00	96.201,55
A-1131	Insurance against accidents and occupational disease	123.000,00	83.623,16	67,99%	123.000,00	83.623,16	67,99%	0,00	39.376,84
A-1132	Unemployment insurance	320.000,00	252.829,66	79,01%	320.000,00	252.829,66	79,01%	0,00	67.170,34
A-1133	Constitution or maintenance of pension rights	4.600.000,00	4.015.685,70	87,30%	4.600.000,00	4.015.685,70	87,30%	0,00	584.314,30
A-1140	Childbirth grants and death allowances	6.000,00	1.189,86	19,83%	6.000,00	1.189,86	19,83%	0,00	4.810,14
A-1141	Travel expenses for annual leave	400.000,00	331.243,39	82,81%	400.000,00	331.243,39	82,81%	0,00	68.756,61
A-1142	Shiftwork and standby duty	40.000,00	24.836,84	62,09%	40.000,00	24.836,84	62,09%	0,00	15.163,16
A-1149	Other allowances and grants	37.000,00	16.744,77	45,26%	37.000,00	16.744,77	45,26%	0,00	20.255,23
A-1150	Overtime	60.000,00	0,00	0,00%	60.000,00	0,00	0,00%	0,00	60.000,00
A-1200	Recruitment expenses	270.000,00	192.126,98	71,16%	270.000,00	151.395,71	56,07%	40.731,27	77.873,02
A-1201	Installation resettlement daily subsistence allowances	1.534.000,00	900.311,19	58,69%	1.534.000,00	900.311,19	58,69%	0,00	633.688,81
A-1300	Missions duty travel expenses and ancillary expend	40.000,00	9.463,91	23,66%	40.000,00	7.662,11	19,16%	1.801,80	30.536,09
A-1400	Restaurants and canteens	25.000,00	3.079,98	12,32%	25.000,00	2.071,40	8,29%	1.008,58	21.920,02
A-1410	Medical service	150.000,00	44.922,00	29,95%	150.000,00	26.174,00	17,45%	18.748,00	105.078,00
A-1420	Social contacts between staff	25.000,00	16.398,76	65,60%	25.000,00	15.754,70	63,02%	644,06	8.601,24
A-1421	Special allowances for disability	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
A-1422	Early childhood centers and schooling	860.000,00	689.337,96	80,16%	860.000,00	558.684,60	64,96%	130.653,36	170.662,04

BL	Budget Line Description	Commitments Appropriations Transaction Amount (1)	Executed Committed Amount (2)	Com % (2)/(1)	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancelled (1)-(2)
A-1500	Further training and language courses	632.000,00	503.245,61	79,63%	632.000,00	400.719,32	63,40%	102.526,29	128.754,39
A-1600	Administrative assistance from EC	551.000,00	547.504,09	99,37%	551.000,00	446.433,20	81,02%	101.070,89	3.495,91
A-1601	Interim services	1.204.000,00	1.054.000,00	87,54%	1.204.000,00	786.085,57	65,29%	267.914,43	150.000,00
A-1700	Representation expenses	15.000,00	1.000,00	6,67%	15.000,00	461,10	3,07%	538,90	14.000,00
	TOTAL TITLE I	42.595.912,00	36.812.315,48	86,42%	42.595.912,00	36.146.677,90	84,86%	665.637,58	5.783.596,52

TITLE II: ADMINISTRATIVE EXPENDITURE

BL	Budget Line Description	Commitments Appropriations Transaction Amount (1)	Executed Committed Amount (2)	Com % (2)/(1)	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancelled (1)-(2)
A-2000	Rental costs	3.059.812,58	3.041.802,88	99,41%	3.059.812,58	3.016.802,88	98,59%	25.000,00	18.009,70
A-2010	Insurance	7.000,00	5.547,32	79,25%	7.000,00	4.437,86	63,40%	1.109,46	1.452,68
A-2020	Maintenance and cleaning	500.000,00	483.666,85	96,73%	500.000,00	387.884,86	77,58%	95.781,99	16.333,15
A-2030	Water gas electricity heating	200.000,00	168.146,97	84,07%	200.000,00	140.807,07	70,40%	27.339,90	31.853,03
A-2040	Fitting out premises	350.000,00	214.987,72	61,43%	350.000,00	64.563,79	18,45%	150.423,93	135.012,28
A-2050	Security and surveillance of the building	1.100.000,00	901.339,42	81,94%	1.100.000,00	859.412,05	78,13%	41.927,37	198.660,58
A-2100	ICT equipment	2.036.850,00	1.751.530,17	85,99%	2.036.850,00	1.636.418,70	80,34%	115.111,47	285.319,83
A-2101	ICT maintenance	1.391.000,00	1.319.740,04	94,88%	1.391.000,00	860.668,03	61,87%	459.072,01	71.259,96
A-2103	Analysis programming	1.187.400,00	1.175.474,03	99,00%	1.187.400,00	708.610,62	59,68%	466.863,41	11.925,97
A-2104	Telecommunication equipment	594.000,00	339.879,21	57,22%	594.000,00	93.044,27	15,66%	246.834,94	254.120,79
A-2200	Technical equipment	88.916,65	88.916,65	100,00%	88.916,65	1.471,93	1,66%	87.444,72	0,00
A-2210	Furniture	200.000,00	86.988,30	43,49%	200.000,00	75.199,50	37,60%	11.788,80	113.011,70
A-2250	Documentation and library expenditure	618.000,00	486.956,25	78,80%	618.000,00	415.671,57	67,26%	71.284,68	131.043,75
A-2300	Stationary and office supplies	70.000,00	38.885,14	55,55%	70.000,00	31.108,11	44,44%	7.777,03	31.114,86
A-2320	Bank and other financial charges	2.000,00	893,61	44,68%	2.000,00	393,61	19,68%	500,00	1.106,39
A-2330	Legal expenses	0,00	0,00	0,00%	0,00	0,00	0,00%	0,00	0,00
A-2350	Miscellaneous insurance	7.000,00	703,12	10,04%	7.000,00	703,12	10,04%	0,00	6.296,88
A-2351	Administrative translations	50.000,00	21.242,00	42,48%	50.000,00	19.520,00	39,04%	1.722,00	28.758,00
A-2352	Transportation and removal expenses	55.000,00	32.882,41	59,79%	55.000,00	32.532,41	59,15%	350,00	22.117,59
A-2353	Business consultancy	1.237.216,77	1.197.999,77	96,83%	1.237.216,77	641.731,00	51,87%	556.268,77	39.217,00
A-2354	General meetings expenditure	20.000,00	2.995,17	14,98%	20.000,00	2.995,17	14,98%	0,00	17.004,83

BL	Budget Line Description	Commitments Appropriations Transaction Amount (1)	Executed Committed Amount (2)	Com % (2)/(1)	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancelled (1)-(2)
A-2355	Publications	50.000,00	500,00	1,00%	50.000,00	0,00	0,00%	500,00	49.500,00
A-2356	Other administrative expenditure	20.000,00	15.441,59	77,21%	20.000,00	14.441,59	72,21%	1.000,00	4.558,41
A-2400	Postage and delivery charges	60.000,00	30.030,50	50,05%	60.000,00	23.024,40	38,37%	7.006,10	29.969,50
A-2410	Telecommunication charges	255.892,00	122.373,80	47,82%	255.892,00	59.567,09	23,28%	62.806,71	133.518,20
	TOTAL TITLE II	13.160.088,00	11.528.922,92	87,61%	13.160.088,00	9.091.009,63	69,08%	2.437.913,29	1.631.165,08

TITLE III: OPERATIONAL EXPENDITURE

BL	Budget Line Description	Commitments Appropriations Transaction Amount (1)	Executed Committed Amount (2)	Com % (2).(1)	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4).(3)	Carried over RAL (C8) (2)-(4)	Cancelled (1)-(2)
B3-100	Governance	340.000,00	117.923,35	34,68%	340.000,00	104.475,72	30,73%	13.447,63	222.076,65
B3-101	Support activities to the Fund	7.575.000,00	1.388.915,70	18,34%	7.575.000,00	781.915,70	10,32%	607.000,00	6.186.084,30
B3-102	Resolution Readiness	1.150.000,00	850.000,00	73,91%	1.150.000,00	0,00	0,00%	850.000,00	300.000,00
B3-103	Resolution Framework	210.000,00	0,00	0,00%	210.000,00	0,00	0,00%	0,00	210.000,00
B3-111	Communication	2.175.000,00	1.065.983,12	49,01%	2.175.000,00	749.551,15	34,46%	316.431,97	1.109.016,88
B3-112	Missions	1.625.000,00	850.402,12	52,33%	1.625.000,00	732.462,76	45,07%	117.939,36	774.597,88
B3-113	Operational ICT	8.730.000,00	7.445.995,96	85,29%	8.730.000,00	2.417.564,57	27,69%	5.028.431,39	1.284.004,04
B3-200	Appeal Panel	1.000.000,00	428.742,25	42,87%	1.000.000,00	322.829,63	32,28%	105.912,62	571.257,75
B3-201	Communications during crisis	2.250.000,00	0,00	0,00%	2.250.000,00	0,00	0,00%	0,00	2.250.000,00
B3-202	Contingency for the Fund	3.000.000,00	0,00	0,00%	3.000.000,00	0,00	0,00%	0,00	3.000.000,00
B3-203	Legal and Litigation	5.000.000,00	2.447.383,33	48,95%	5.000.000,00	510.796,67	10,22%	1.936.586,66	2.552.616,67
B3-204	Consultancy and advice	15.000.000,00	4.393.050,00	29,29%	15.000.000,00	242.835,00	1,62%	4.150.215,00	10.606.950,00
B3-205	Crisis contingency	325.000,00	50.000,00	15,38%	325.000,00	804,86	0,25%	49.195,14	275.000,00
	TOTAL TITLE III	48.380.000,00	19.038.395,83	39,35%	48.380.000,00	5.863.236,06	12,12%	13.175.159,77	29.341.604,17

TOTAL SRB BUDGET PART I 2018

	Commitments Appropriations Transaction Amount (1)	Executed Committed Amount (2)	Com % (2).(1)	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4).(3)	Carried over RAL (C8) (2)-(4)	Cancelled (1)-(2)
TOTAL SRB BUDGET PART I 2018	104.136.000,00	67.379.634,23	64,70%	104.136.000,00	51.100.923,59	49,07%	16.278.710,64	36.756.365,77

Appendix 2 - Budget Execution / Fund source C8 - Appropriations carried forward – 2018

TITLE I: STAFF EXPENDITURE

BL	Budget Line Description	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay %	Cancelled
A-1200	Recruitment expenses	94.050,04	75.731,10	80,52%	94.050,04	75.731,10	80,52%	18.318,94
A-1300	Missions duty travel expenses	1.773,50	550,18	31,02%	1.773,50	550,18	31,02%	1.223,32
A-1400	Restaurants and canteens	1.000,00	1.000,00	100,00%	1.000,00	0,00	0,00%	1.000,00
A-1410	Medical service	30.540,42	24.871,60	81,44%	30.540,42	24.871,60	81,44%	5.668,82
A-1420	Social contacts between staff	828,65	0,00	0,00%	828,65	0,00	0,00%	828,65
A-1422	Early childhood centers and schooling	436.007,18	135.744,59	31,13%	436.007,18	135.744,59	31,13%	300.262,59
A-1500	Further training and language courses	77.703,47	50.472,78	64,96%	77.703,47	50.472,78	64,96%	27.230,69
A-1600	Admin assistance from EC	116.133,26	69.689,77	60,01%	116.133,26	69.689,77	60,01%	46.443,49
A-1601	Interim services	347.505,40	157.588,13	45,35%	347.505,40	157.588,13	45,35%	189.917,27
A-1700	Representation expenses	443,07	443,07	100,00%	443,07	0,00	0,00%	443,07
	TOTAL C8 TITLE I	1.105.984,99	516.091,22	46,66%	1.105.984,99	514.648,15	46,53%	591.336,84

TITLE II: ADMINISTRATIVE EXPENDITURE

BL	Budget Line Description	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay %	Cancelled
A-2010	Insurance	557,40	557,40	100,00%	557,40	366,92	65,83%	190,48
A-2020	Maintenance and cleaning	79.382,08	79.382,08	100,00%	79.382,08	79.382,08	100,00%	0,00
A-2030	Water gas electricity heating	14.934,25	14.934,25	100,00%	14.934,25	6.350,91	42,53%	8.583,34
A-2040	Fitting out premises	78.355,63	78.355,63	100,00%	78.355,63	69.027,24	88,09%	9.328,39
A-2050	Security and surveillance building	354.062,60	354.062,60	100,00%	354.062,60	272.794,88	77,05%	81.267,72
A-2100	ICT equipment – Hardware/software	316.773,90	313.583,90	98,99%	313.583,90	311.915,93	98,47%	4.857,97
A-2101	ICT maintenance	450.554,16	450.554,16	100,00%	450.554,16	438.394,89	97,30%	12.159,27
A-2103	Analysis programming	998.474,80	933.154,35	93,46%	933.154,35	866.547,69	86,79%	131.927,11
A-2104	Telecommunication equipment	1.011,21	1.011,21	100,00%	1.011,21	0,00	0,00%	1.011,21
A-2200	Technical equipment and installations	87.823,82	87.823,82	100,00%	87.823,82	21.542,16	24,53%	66.281,66
A-2210	Furniture	88.639,01	88.639,01	100,00%	88.639,01	85.183,79	96,10%	3.455,22
A-2250	Documentation and library expenditure	25.845,13	25.845,13	100,00%	25.845,13	24.069,64	93,13%	1.775,49
A-2300	Stationary and office supplies	4.483,22	4.483,22	100,00%	4.483,22	4.483,22	100,00%	0,00
A-2320	Bank and other financial charges	637,02	637,02	100,00%	637,02	0,00	0,00%	637,02
A-2351	Administrative translations	2.325,00	2.325,00	100,00%	2.325,00	1.860,00	80,00%	465,00
A-2352	Transportation and removal expenses	19.767,25	19.767,25	100,00%	19.767,25	8.935,00	45,20%	10.832,25
A-2353	Business consultancy	319.708,00	319.708,00	100,00%	319.708,00	319.708,00	100,00%	0,00
A-2354	General meetings expenditure	812,06	812,06	100,00%	812,06	0,00	0,00%	812,06
A-2355	Publications	5.278,01	5.278,01	100,00%	5.278,01	0,00	0,00%	5.278,01
A-2356	Other administrative expenditure	1.395,28	1.395,28	100,00%	1.395,28	333,95	23,93%	1.061,33

BL	Budget Line Description	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay %	Cancelled
A-2400	Postage and delivery charges	9.405,08	9.405,08	100,00%	9.405,08	3.078,20	32,73%	6.326,88
A-2410	Telecommunication charges	98.241,84	98.241,84	100,00%	98.241,84	68.076,28	69,29%	30.165,56
	TOTAL C8 TITLE I	2.958.466,75	2.889.956,30	97,68%	2.889.956,30	2.582.050,78	87,28%	376.415,97

TITLE III: OPERATIONAL EXPENDITURE

BL	Budget Line Description	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay %	Cancelled
B-3000	Plenary and Executive Sessions of the Board	12.925,19	12.925,19	100,00%	12.925,19	11.662,40	90,23%	1.262,79
B-3001	Appeal panel	487.470,88	487.470,88	100,00%	487.470,88	103.480,00	21,23%	383.990,88
B-3002	Communication publication translation	149.014,26	149.014,26	100,00%	149.014,26	144.620,07	97,05%	4.394,19
B-3010	Operational mission expenses	169.225,57	169.225,57	100,00%	169.225,57	56.655,89	33,48%	112.569,68
B-3011	Operational meeting expenses	12.562,38	12.562,38	100,00%	12.562,38	10.261,80	81,69%	2.300,58
B-3020	IT Tools	1.653.756,43	1.650.253,33	99,79%	1.650.253,33	1.642.695,08	99,33%	11.061,35
B-3030	Support activities to the Fund	169.910,00	169.910,00	100,00%	169.910,00	169.910,00	100,00%	0,00
B-3031	Studies and consultancy	21.666.105,72	18.366.105,72	84,77%	18.366.105,72	9.493.438,86	43,82%	12.172.666,86
B-3041	Crisis contingency	2.280,06	2.280,06	100,00%	2.280,06	0,00	0,00%	2.280,06
	TOTAL C8 TITLE III	24.323.250,49	21.019.747,39	86,42%	21.019.747,39	11.632.724,10	47,83%	12.690.526,39

TOTAL C8 Funds 2018	28.387.702,23	24.425.791,91	86,04%	24.415.791,91	14.729.423,03	51,89%	13.658.279,20
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Appendix 3 - Budget Execution / Fund source C4 & C5 Internal Assigned revenue 2018

BL	Budget Line Description	Commitments Appropriations	Committed Established	Com %	Payments Appropriations	Payments Executed	% Paid	Carried over commitment appropriations	Carried over payment appropriations
A-1112	Trainees	14.121,96	0,00	0,00%	0,00%	0,00	0,00%	14.121,96	14.121,96
A-1300	Missions duty travel expenses	27.207,73	0,00	0,00%	0,00%	0,00	0,00%	27.207,73	27.207,73
A-2030	Water gas electricity heating	8.743,13	0,00	0,00%	0,00%	0,00	0,00%	8.743,13	8.743,13
B-3002	Communication publication translation	750,00	0,00	0,00%	0,00%	0,00	0,00%	0,00	0,00
	TOTAL C4 & C5 FUNDS 2018	50.822,82	0,00	0,00%	0,00%	0,00	0,00%	50.072,82	50.072,82

d. Budget implementation 2018 – Detailed – PART II

SINGLE RESOLUTION FUND

Budget Execution / Fund source R0 - Assigned revenue – 2018

Title IV: SINGLE RESOLUTION FUND

BL	Budget available at 01.01.2018	Final Appropriations (1)	Committed before 2018	Total committed in 2018	Total Committed (2)	% Committed Appropriations (2)/(1)	Total Paid (3)	% Paid on Appropriations (3)/(1)	Carry Over Commitment Appropriations (1)-(2)	Carry Over Payment Appropriations (3)-(4)
B4000 Usage of the Fund	0,00	5,00	0,00	5,00	5,00	100,00%	5,00	100,00%	0,00	0,00
B4010 Investments	15.348.726.693,32	22.026.895.764,81	0,00	0,00	0,00	0,00	0,00	0,00	22.026.895.764,81	22.026.895.764,81
B4011 Investment returns	1.331,04	106.574.429,31	5.284.002,81	62.143.194,89	67.427.197,70	63,27%	58.162.030,62	54,57%	39.147.231,61	48.412.398,69
B4031 Bank fees	1.211,90	4.609,40	693,40	3.916,00	4.609,40	100,00%	4.149,80	90,03%	0,00	459,60
B4032 Fees on bridge financing arrangements	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
TOTAL SRB BUDGET PART II	15.348.729.236,26	22.133.474.808,52	5.284.696,21	62.147.115,89	67.431.812,10	0,30%	58.166.185,42	0,26%	22.066.042.996,42	22.075.308.623,10

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

BL	Commitments Appropriations	Commitments Established	Com %	Payments Appropriations	Payments Executed	Pay%	Carried over commitment appropriations	Carried over payment appropriations
B9000 -Balancing from the reserve	30.371.897,59	0,00	0%	30.371.897,59	0,00	70%	30.371.897,59	30.371.897,59

e. Budget Transfers 2018

TITLE I: STAFF EXPENDITURE					
Budget Line Description	Initial Budget	Transfers	After Transfer	Variance	
A-1100 Basic salaries	24.835.150,00	- 881.238,00	23.953.912,00	-3,55%	
A-1142 Shiftwork and standby	0,00	40.000,00	40.000,00	100,00%	
A-1149 Other allowances and grants	0,00	37.000,00	37.000,00	100,00%	
A-1500 Training for staff	557.000,00	75.000,00	632.000,00	13,46%	
A-1601 Interim services	854.000,00	350.000,00	1.204.000,00	40,98%	
TOTAL	26.246.150,00	- 379.238,00	25.866.912,00	-1,44%	
TITLE II: ADMINISTRATIVE EXPENDITURE					
Budget Line Description	Initial Budget	Transfers	After Transfer	Variance	
A-2000 Rental costs	3.125.000,00	- 65.187,42	3.059.812,58	-1,26%	
A-2101 ICT maintenance	791.000,00	600.000,00	1.391.000,00	75,85%	
A-2103 Analysis programming	1.325.000,00	- 137.600,00	1.187.400,00	-10,38%	
A-2104 Telecommunication equipment	1.294.000,00	- 700.000,00	594.000,00	-54,10%	
A-2200 Technical equipment	50.000,00	38.916,65	88.916,65	77,83%	
A-2330 Legal expenses	100.000,00	- 100.000,00	-	-100,00%	
A-2353 Business consultancy	300.000,00	937.216,77	1.237.216,77	279,20%	
A-2410 Telecommunication charges	450.000,00	- 194.108,00	255.892,00	-43,14%	
TOTAL	7.435.000,00	379.238,00	7.814.238,00	5,10%	
TITLE III: OPERATIONAL EXPENDITURE					
Budget Line Description	Initial Budget	Transfers	After Transfer	Variance	
B3-101 Support activities to the Fund	7.925.000,00	- 350.000,00	7.575.000,00	-4,42%	
B3-102 Resolution Readiness	800.000,00	350.000,00	1.150.000,00	43,75%	
TOTAL	8.725.000,00	0,00	8.725.000,00	0%	

f. 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 (profit or loss) of the year	+/-	6.703.797.928,41
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 31.12.2017)	-	(17.904.123,00)
B	Adjustments for Accrual Cut-off (cut- off 31.12.2018)	+	15.328.451,20
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)	+	195.265,31
E	Depreciation of intangible and tangible fixed assets	+	2.144.990,88
F	Provisions	+/-	0,00
G	Value reductions	+	0,00
H	Recovery Orders issued in 2018 in class 7 and not yet cashed	-	(1.638,64)
la	Pre-financing given in previous year and cleared in the year	+	45.000,00
lb	Pre-financing received in previous year and cleared in the year	-	(947.646,84)
J	Payments made from carry-over of payment appropriations	+	14.729.423,03
K	Other – manual adjustments without budgetary impact (deferred charges and income, etc)	+/-	13.224.052,18
Adjustment for budgetary items <i>(item included in the budgetary result but not in the economic result)</i>			
M	Asset acquisitions (less unpaid amounts)	-	(693.576,85)
N	New pre-financing paid in the year 2018 and remaining open as at 31.12.2018	-	(6.704,50)
O	New pre-financing received in the year 2018 and remaining open as at 31.12.2018	+	45.294.072,44
P	Budgetary recovery orders issued before 2018 and cashed in the year	+	5.108,61
Q	Budgetary recovery orders issued in 2018 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)	-	(801.417,16)
S	Payment appropriations carried over to 2019	-	(22.091.637.406,56)
T	Cancellation of unused carried over payment appropriations from previous year	+	13.658.279,20
U	Adjustment for carry-over from the previous year of appropriations available at 31.12.2018 arising from assigned revenue	+	15.354.013.932,47
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	+/-	(24.308,33)
	Total		50.419.681,85
	Budgetary result (+ for surplus) (2)		50.417.898,57
	Delta not explained		(1.783,28)



IV. SRB Establishment Plan

Statutory positions

	Staff employed		Authorized	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Temporary AD	250	200	278	278
Temporary AST	65	55	72	72
TOTAL	315	255	350	350

Non-statutory positions

	Staff employed		Authorized	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Seconded National Experts	19	15	35	25

As concerns the statutory posts, the occupation rate by 31 December 2018 with 315 posts filled is 90% (2017:73%) against the total target of 350 authorised posts (same as in 2017).

* FTE = Full Time Employee.