HOW TO UNDERSTAND THE 2020 INVOICING PACKAGE?

February 2020
**INTRODUCTION**

Documents included in the invoicing package:

1. Contribution Notice

2. Annex A: Calculation details
   - Summarising overview of the calculation results
   - Details of the calculation

3. Annex B: Debit Note*
   - Debit note (and bank account confirmation statement)

Example illustrated in this presentation:

Entity (A) that:
- Acquired Entity (B) in June 2019 (acquisition of the type: A+B=A)

*In case of a repayment, the Debit Note in Annex B is replaced by a Legal Entity Form and Financial Identification Form.*
Where can the key number be found in the Contribution Notice?

CONTRIBUTION NOTICE

THE SINGLE RESOLUTION BOARD,

Having regard to Regulation (EU) No 806/2014, and in particular Article 65(3) thereof,

Having regard to Commission Delegated Regulation (EU) No 2017/2361, and in particular Article 8(1) thereof,

HAS DECIDED TO:

- determine the amount of your 2020 annual administrative contribution as provided in Annex A; and

- request the payment of the amount of €1,467.92 within 35 calendar days from the day of issuance of this Contribution Notice in accordance with the terms of payment defined in the Debit Note under Annex B.

Note: The amount shown in the Contribution Notice includes the contributions of all entities that were absorbed or acquired by the contribution debtor.
The first part of Annex A, the overview of the calculation, includes the following information:

- The names and LEI codes of all entities that were considered;
- The total amount to be refunded (negative amounts) or requested (positive amounts) to the institution following the recalculation of the previously invoiced contributions; (A)
- The administrative contribution calculated for the year 2020; (B)
- The total amount of settlements from the Provisional Period postponed in 2019 to the following financial year(s); (C)
- The amount of outstanding settlements settled in 2020; Article 10(7) of Commission Delegated Regulation (EU) No 2017/2361 states that settlements that are higher than the contributions calculated for 2020 should be postponed to the subsequent years. In this example, this « cap » does not apply as the total amount that needs to be resettled (EUR 759.78) is smaller than the contribution calculated for 2020 (EUR 1,120.23); (D)
- The final amount to be paid in 2020, which is the sum of the following: (i) the delta from the recalculation (A), (ii) the contribution calculated for the year 2020 (B) and (iii) the outstanding settlement settled in 2020 (D) (EUR -412.08 + EUR 1,120.23 + EUR 759.78 = EUR 1,467.92).

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

Note: In accordance with the obligation to balance the budget and the general principles of sound financial management, the amounts to be raised and discounted during each financial year by the SRB for the Provisional Period Settlement are limited by the constraints of Article 10(7). This results in the SRB being able to reimburse in 2020 a maximum of ca. 73.4127% of the total amount that needs to be resettled to the entities that overpaid their contributions during the Provisional Period ((d.) is negative).
Calculation details

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

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

In the second part of the calculation details (B. Annual Administrative Contributions):

d. The contribution calculated for the year 2020 for the specific entity (Entity A in this case).
e. The difference between the initially invoiced contributions and the recalculated contributions for the years 2018 and 2019. The recalculation of previously invoiced contributions are triggered by a change in scope and/or status.

Note: The calculation details sheet is provided on an individual basis (as opposed to the calculation overview), meaning that if an institution acquired another institutions it will have two individual calculation details sheets. For the purpose of this example, institution A will receive a calculation details sheet for itself (as shown in this slide) as well as a calculation sheet for institution B.
In the **third section** (C. Calculation of the Administrative Contributions) of the document, the calculation details for the 2020 calculation are shown:

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

This amount is divided into two categories:

- Category A (SIs and other cross-border groups) covers 95% of the total
  \[ 0.95 \times EUR \, 69,095,305.43 = EUR \, 65,640,540.16 \]
- Category B (LSIs) covers the remaining 5%
  \[ 0.05 \times EUR \, 69,095,305.43 = EUR \, 3,454,765.27 \]

b. The entity's **fee factors**:
   - Total Assets (TA) \[ EUR \, 990,000,000.00 \]
   - Total Risk Exposure (TRE) \[ EUR \, 800,000,000.00 \]
c. The number of months in which the entity was considered as Category A (0) and B (12);

d. The minimum fee component (MFC): $[(EUR 69,095,305.43 \times 0.05 \times 0.10)/2231] \times (12/12) = EUR 154.85$;

Given the entity’s TA is < EUR 1bn => EUR 154.85 / 2 = EUR 77.43

e. The variable fee component (VFC):

$[(EUR 69,095,305.43 \times 0.05 - 1371 \times EUR 77.43 + (2231-1371) \times EUR 154.85) \times (0.5{(EUR 990,000,000.00/EUR 3,903,289,465,994.73)} + 0.5{(EUR 800,000,000.00/EUR 2,025,380,793,514.73)} \times (12/12)) = EUR 1,042.80$

f. The administrative contribution for the year 2020:

Contribution Cat A (MFC Cat A + VFC Cat A) + Contribution Cat B (MFC Cat B + VFC Cat B) = EUR 77.43 + EUR 1,042.80 = EUR 1,120.23
Calculation details

In the **fourth section** (D. Recalculation of the Administrative Contributions) of the document, the details for the 2019 recalculation are shown (extract from calculation details of entity B which was absorbed by entity A in June 2019):

a. The **total amount of the administrative contributions** (TAR) to be raised by the SRB in the respective year. This amount is divided into two categories:
   - Category A (SIs and other cross-border groups) covers 95% of the total
     \[ 0.95 \times EUR \, 88,827,793.16 = EUR \, 84,386,403.50 \]
   - Category B (LSIs) covers the remaining 5%
     \[ 0.05 \times EUR \, 88,827,793.16 = EUR \, 4,441,389.66 \]

b. The entity’s **fee factors**:
   - Total Assets (TA) [EUR \, 500,000,000.00]
   - Total Risk Exposure (TRE) [EUR \, 300,000,000.00]
c. The number of months in which the entity was considered as Category A (0) and B (5); In the initial calculation, this entity was considered as Category A (0) and B (12).

d. The minimum fee component (MFC):

- January – May [Cat B]: \((0.05 \times \text{EUR} \, 88,827,793.16 \times 0.10)/2,519 = \text{EUR} \, 176.32\), given the entity is only five months Cat B: \(\text{EUR} \, 176.32 \times (5/12) = \text{EUR} \, 73.46\)


e. The variable fee component (VFC):

- January – May [Cat B]: \((0.05 \times \text{EUR} \, 88,827,793.16 - 2,519 \times \text{EUR} \, 176.32) \times (0.5 \times (\text{EUR} \, 500,000,000.00/\text{EUR} \, 4,102,470,865,604.58) + 0.5 \times (\text{EUR} \, 300,000,000.00/\text{EUR} \, 2,092,804,609,609.11)) = \text{EUR} \, 530.09\), given the entity is only five months Cat B: \(\text{EUR} \, 530.09 \times (5/12) = \text{EUR} \, 220.88\)

f. The recalculated contribution for the year 2019:

\[
\text{Contribution} \, \text{Cat A} \, (\text{MFC Cat A} + \text{VFC Cat A}) + \text{Contribution} \, \text{Cat B} \, (\text{MFC Cat B} + \text{VFC Cat B}) = \text{EUR} \, 73.46 + \text{EUR} \, 220.88 = \text{EUR} \, 294.34
\]

g. The difference between the recalculated and the initially invoiced contribution for 2019: \(\text{EUR} \, 706.42 - \text{EUR} \, 294.34 = \text{EUR} \, 412.08\)

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

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

Key information in the debit note

<table>
<thead>
<tr>
<th>Expiry Date</th>
<th>Exclusively by banker’s order to the account</th>
<th>Reference to be quoted</th>
<th>Currency</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>03/04/2020</td>
<td>Nr 310-1960371-87 of the Single Resolution Board</td>
<td>123456789</td>
<td>EUR</td>
<td>1,467.92</td>
</tr>
<tr>
<td></td>
<td>ING Belgium nv/sa</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>24 Avenue Marnix</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>B-1000 Brussels-Belgique</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>IBAN Code: BE67 3101 9603 7187</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SWIFT BIC Code: BBIBEBBB100</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The debit note contains the following key information:

a. The payment’s due date (issuance date of the Contribution Notice + 35 calendar days);

b. The reference that **needs** to be quoted by the entity when making the payment;

c. The amount that needs to be paid by the entity in 2020.
THANK YOU!