

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)

1 | CONTRIBUTION NOTICE

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

CONTRIBUTION NOTICE

THE SINGLE RESOLUTION BOARD,

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

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

HAS DECIDED TO:

- determine the **amount of your 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.

On the **first page** of the Contribution Notice is the amount that **needs to be paid** by the entity **or** that will be **reimbursed** to the entity in 2020.

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

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

Overview of calculation

Annex A - Overview of calculation results			
SRB Administrative Contributions			
Name of the institution (LEI code)*	Total difference resulting from the recalculation	Administrative Contribution for the financial year 2020	Outstanding settlement postponed in 2019 to subsequent financial year(s)**
Entity A (LEI A)	€0.00	€1,120.23	€759.78
Entity B (LEI B)	-€412.08	€0.00	€0.00
Total:	-€412.08 (A)	€1,120.23 (B)	€759.78 (C)
Does Article 10(7) DR apply?			No
Outstanding settlement settled in 2020			€759.78 (D)
Final amount to be paid in 2020 (A + B + D)			€1,467.92
Outstanding settlement postponed in 2020 to subsequent financial year(s) (C - D)			€0.00

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).

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

Calculation details



Annex A - Calculation details

SRB Administrative Contributions

28/02/2020 **a.**

A. Identification of institution

Name of the Contribution Debtor: Entity A **b.**

LEI code: LEI A **b.**

Eligibility period: 01/11/2014 to 31/12/2020 **c.**

B. Annual Administrative Contributions

Contribution for the year 2020: € 1,120.23 **d.**

- Difference in Administrative Contributions for the year 2019: € - **e.**

- Difference in Administrative Contributions for the year 2018: € - **e.**

Total difference resulting from the recalculation: € - **e.**

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

- The date of issuance of the document, note that this date is the same for all the documents of the invoicing package.
- The name of the institution and its LEI code
- 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):

- The contribution calculated for the year 2020 for the specific entity (Entity A in this case).
- 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.

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

Calculation details

C. Calculation of the Administrative Contributions		
Calculation for the year 2020		
Total Amount of the Administrative Contributions		€ 69,095,305.43
Share of Total Amount for each category		
Total Amount for each category		
	Category A	Category B
	95%	5%
	€ 65,640,540.16	€ 3,454,765.27
Fee factors	Weight	
Total Assets (as of 31 December 2018)	50%	
Total Risk Exposure (as of 31 December 2018)	50%	
		€ 990,000,000.00
		€ 800,000,000.00

a.

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
[$0.95 * EUR 69,095,305.43 = EUR 65,640,540.16$]
- Category B (LSIs) covers the remaining 5%
[$0.05 * EUR 69,095,305.43 = EUR 3,454,765.27$]

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

- Total Assets (TA) [$EUR 990,000,000.00$]
- Total Risk Exposure (TRE) [$EUR 800,000,000.00$]

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

Calculation details

	Category A	Category B
Number of months	0	12
Minimum fee component	€ -	€ 77.43
Variable fee component	€ -	€ 1,042.80
Total amount	€ -	€ 1,120.23
Administrative Contribution for the year 2020		€ 1,120.23

c.
d.
e.
f.

Annual average aggregated fee factor values (in EUR):

	Year 2020 (ref. date 31/12/2018)
Category A	
Total Assets	19,480,789,349,281.60
Total Risk Exposure	6,603,627,199,532.24
Category B	
Total Assets	3,903,289,465,994.73
Total Risk Exposure	2,025,380,793,514.73

Annual average number of contribution debtors:

	Year 2020
Category A [Category A with TA < €10bn]	123 [26]
Category B [Category B with TA < €1bn]	2231 [1371]

- c. The **number of months** in which the entity was considered as Category A (0) and B (12);
- d. The **minimum fee component (MFC)**: $[(EUR\ 69,095,305.43 * 0.05 * 0.10)/2231] * (12/12) = EUR\ 154.85$;
Given the entity's TA is < EUR 1bn => $EUR\ 154.85 / 2 = EUR\ 77.43$

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

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

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

Note: in case institution's TA ≤ €1 bn, the MFC is halved

- e. The **variable fee component (VFC)**:
 $(EUR\ 69,095,305.43 * 0.05 - (1371 * EUR\ 77.43 + (2231 - 1371) * EUR\ 154.85)) * (0.5 * (EUR\ 990,000,000.00 / EUR\ 3,903,289,465,994.73) + 0.5 * (EUR\ 800,000,000.00 / EUR\ 2,025,380,793,514.73)) * (12/12) = EUR\ 1,042.80$

Cat A

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

Cat B

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

- f. The **administrative contribution for the year 2020**:
Contribution Cat A (MFC Cat A + VFC Cat A) + Contribution Cat B (MFC Cat B + VFC Cat B) = $EUR\ 77.43 + EUR\ 1,042.80 = EUR\ 1,120.23$

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

Calculation details

D. Recalculation of the Administrative Contributions following changes in the institution's scope, status or other data			
Recalculation for the year 2019			
Total Amount of the Administrative Contributions		€	88,827,793.16
	Category A		
Share of Total Amount for each category	95%		
Total Amount for each category	€	84,386,403.50	€
	Category B		
	5%		
	€	4,441,389.66	
Fee factors	Weight		
Total Assets (as of 31 December 2017)	50%	€	500,000,000.00
Total Risk Exposure (as of 31 December 2017)	50%	€	300,000,000.00

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
 $[0.95 * EUR 88,827,793.16 = EUR 84,386,403.50]$
 - Category B (LSIs) covers the remaining 5%
 $[0.05 * EUR 88,827,793.16 = EUR 4,441,389.66]$
- b. The entity's **fee factors**:
- Total Assets (TA) [EUR 500,000,000.00]
 - Total Risk Exposure (TRE) [EUR 300,000,000.00]

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

Calculation details

Number of months	c.	0	5
Minimum fee component	d.	€ -	€ 73.46
Variable fee component	e.	€ -	€ 220.88
Total amount	f.	€ -	€ 294.34
Recalculated Administrative Contributions	f.	€	294.34
Administrative contributions paid	g.	€	706.42
Difference in Administrative Contributions for the year 2019	g.	-€	412.08

	Category A	Category B
c.	0	5
d.	€ -	€ 73.46
e.	€ -	€ 220.88
f.	€ -	€ 294.34
f.	€	294.34
g.	€	706.42
g.	-€	412.08

Cat A

$$MFC_n = \frac{TAR * 0,95 * 0,10}{N_{Cat A}}$$

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

$$VFC_n = (TAR * 0,95 - \sum_{i=1}^N MFC_i) * (0,5 * \frac{TA}{\sum_{i=1}^N TA}) + 0,5 * \frac{TRE_n}{\sum_{i=1}^N TRE_i}$$

Cat B

$$MFC_n = \frac{TAR * 0,05 * 0,10}{N_{Cat B}}$$

Note: in case institution's TA ≤ €1 bn, the MFC is halved

$$VFC_n = (TAR * 0,05 - \sum_{i=1}^N MFC_i) * (0,5 * \frac{TA}{\sum_{i=1}^N TA}) + 0,5 * \frac{TRE_n}{\sum_{i=1}^N TRE_i}$$

Annual average aggregated fee factor values (in EUR):

	Year 2019 (ref. date 31/12/2017)
Category A	
Total Assets	19,114,305,086,347.00
Total Risk	
Exposure	6,430,274,395,593.09
Category B	
Total Assets	4,102,470,865,604.58
Total Risk	
Exposure	2,092,804,609,609.11

Annual average number of contribution debtors:

	Year 2019
Category A	124
[Category A with TA < €10bn]	[28]
Category B	2519
[Category B with TA < €1bn]	N/A

- c. The **number of months** in which the entity was considered as Category A (0) and B respectively (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]: $((0.05 * EUR 88,827,793.16 * 0.10)/2,519) = EUR 176.32$, given the entity is only five months Cat B: $EUR 176.32 * (5/12) = EUR 73.46$
- e. The **variable fee component** (VFC):
- January – May [Cat B]: $(0.05 * EUR 88,827,793.16 - 2,519 * EUR 176.32) * (0.5 * (EUR 500,000,000.00 / EUR 4,102,470,865,604.58)) + 0.5 * (EUR 300,000,000.00 / EUR 2,092,804,609,609.11) = EUR 530.09$, given the entity is only five months Cat B: $EUR 530.09 * (5/12) = EUR 220.88$
- f. The recalculated **contribution for the year 2019**:
Contribution Cat A (MFC Cat A + VFC Cat A) + Contribution Cat B (MFC Cat B + VFC Cat B) = $EUR 73,46 + EUR 220,88 = EUR 294.34$
- g. The difference between the recalculated and the initially invoiced contribution for 2019: $EUR 706,42 - EUR 294,34 = EUR -412,08$

3 | ANNEX B: DEBIT NOTE

Key information in the debit note

Expiry Date	Exclusively by banker's order to the account	Reference to be quoted	Currency	Amount
03/04/2020 a.	Nr 310-1960371-87 of the Single Resolution Board ING Belgium nv/sa 24 Avenue Marnix B-1000 Brussels-Belgique IBAN Code: BE67 3101 9603 7187 SWIFT BIC Code: BBRUBEBB100	123456789 b.	EUR	1,467.92 c.

The debit note contains the following key information:

- The payment's due date (issuance date of the Contribution Notice + 35 calendar days);
- The reference that **needs** to be quoted by the entity when making the payment;
- The amount that needs to be paid by the entity in 2020.

THANK YOU!

