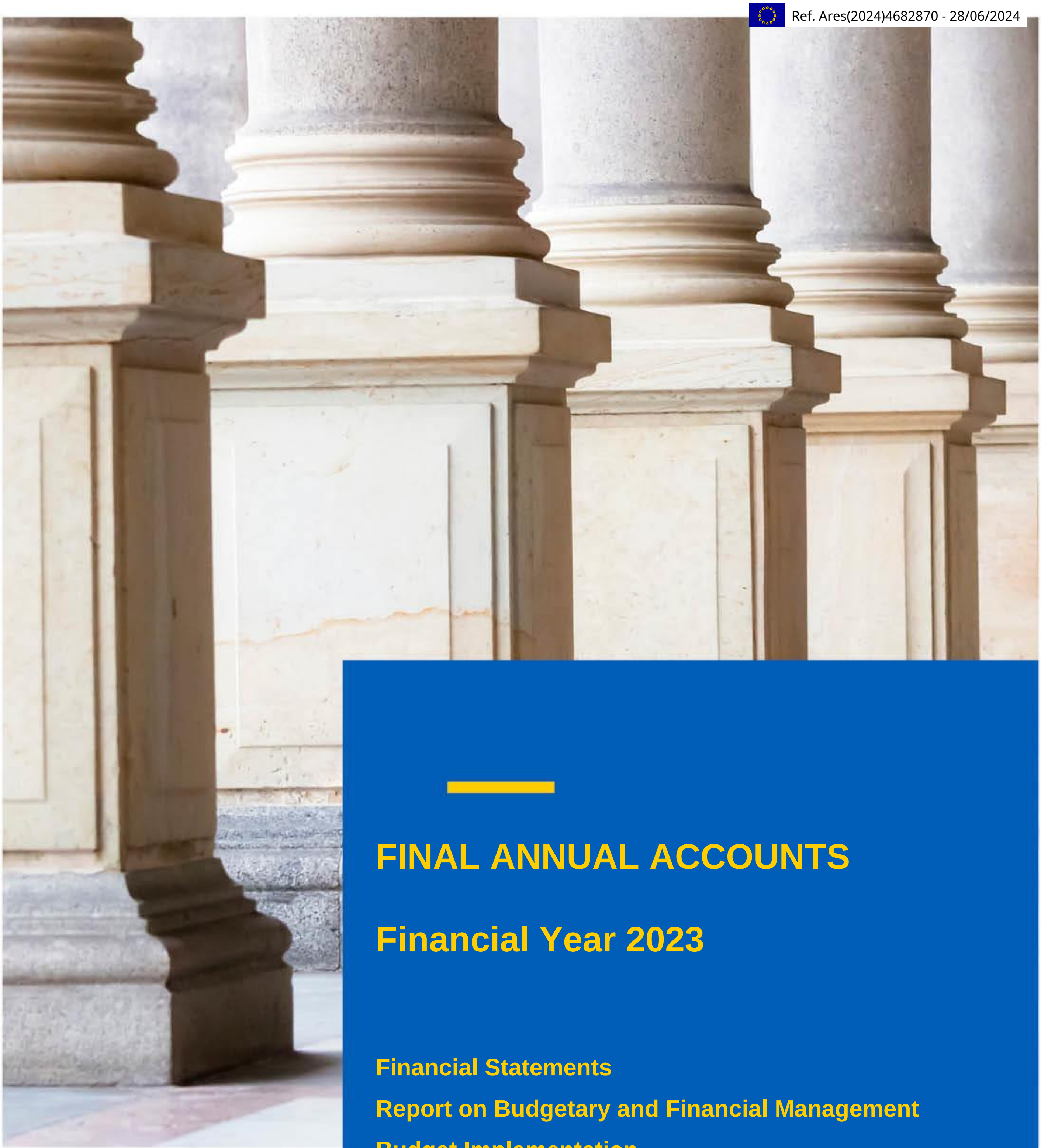

FINAL ANNUAL ACCOUNTS

Financial Year 2023

Financial Statements

Report on Budgetary and Financial Management

Budget Implementation

Single Resolution Board

srb.europa.eu

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ABBREVIATIONS

AA Annual Accounts

AFS Available for Sale

DR Delegated Regulation

EAR European Union Accounting Rule

EBA European Banking Authority

ECA European Court of Auditors

ECB European Central Bank

EC European Commission

ECL Expected Credit Loss

EU European Union

FVTNAE Fair value through net assets/equity

FVTSD Fair value through surplus or deficit

HTCS Hold to collect and sell

IPC Irrevocable Payment Commitment

IPSAS International Public Sector Accounting Standards

LGD Loss given default

MS Member State

NCB National Central Bank

NRA National Resolution Authority

OCI Other Comprehensive Income

PD Probability of default

SPPI Solely payment of principal and interest

SRB Single Resolution Board

SRF Single Resolution Fund

SRM Single Resolution Mechanism

CERTIFICATION LETTER OF THE ACCOUNTING OFFICER

The annual accounts of the Single Resolution Board for 2023 have been prepared in accordance with Title XIII of the Financial Regulation applicable to the general budget of the European Union, the EU Accounting Rules adopted by the Commission's Accounting Officer and the accounting principles and methods adopted by the SRB.

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the Single Resolution Board in accordance with Articles 49, 89, 90 and 91 of the SRB 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 budget 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 24 June 2024

Malvine TOMUSCA

Accounting Officer

Qualified electronic signature by:
MALVINE LAURA TOMUȘCĂ
Date: 2024-06-24 11:16:28 +02:00

I. FINANCIAL STATEMENTS 2023

1. Statement of financial position 2023

1.1. Statement of financial position 2023 — ASSETS

HEADING	Note	31.12.2023	31.12.2022	Variation
NON-CURRENT ASSETS		**15,562,484,459.40**	**19,460,453,640.42**	**(3,897,969,181.02)**
Intangible assets	**7.A.1**	**7,251,626.57**	**9,655,262.05**	**(2,403,635.48)**
Intangible assets		3,498,570.27	6,236,414.26	(2,737,843.99)
Intangible assets under construction		3,753,056.30	3,418,847.79	334,208.51
Property, plant and equipment	**7.A.2**	**5,109,582.40**	**3,576,258.88**	**1,533,323.52**
Building appliances		1,778,412.00	81,234.00	1,697,178.00
Building workings (WIP)		455,488.40	2,170,358.88	(1,714,870.48)
Plant and equipment		20,445.00	522.00	19,923.00
Computer hardware		2,174,216.00	731,939.00	1,442,277.00
Furniture and vehicles		414,522.00	418,340.00	(3,818.00)
Other fixtures and fittings		266,499.00	173,865.00	92,634.00
Assets under finance lease		-	-	-
Financial assets (non-current)		**15,550,123,250.43**	**19,447,222,119.49**	**(3,897,098,869.06)**
Debt instruments measured at FVTNAE	**10.3**	15,550,123,250.43	19,447,222,119.49	(3,897,098,869.06)
Pre-financing (long term)		-	-	-
Long-term receivables and recoverables		-	-	-
CURRENT ASSETS		**61,864,170,369.50**	**44,188,302,993.53**	**17,675,867,375.97**
Financial assets (current)		**61,864,170,369.50**	**44,188,302,993.53**	**17,675,867,375.97**
Debt instruments measured at FVTNAE	**10.3**	**10,102,315,272.88**	**4,546,570,589.29**	**5,555,744,683.59**
Pre-financing (short term)		**718,692.29**	**518,712.79**	**199,979.50**
Receivables and recoverables	**7.B**	**167,246,433.77**	**54,985,837.67**	**112,260,596.10**
Current receivables		104,013.02	175,982.52	(71,969.50)
Sundry receivables		47,628.63	56,213.91	(8,585.28)
Deferred charges		1,066,448.24	2,817,366.00	(1,750,917.76)
Accrued interest receivable from banks	**7.B**	166,028,343.88	51,936,275.24	114,092,068.64
Cash and cash equivalents	**7.C**	**51,593,889,970.56**	**39,586,227,853.78**	**12,007,662,116.78**
TOTAL ASSETS	**A**	**77,426,654,828.90**	**63,648,756,633.95**	**13,777,898,194.95**

1.2. Statement of financial position 2023 — LIABILITIES

HEADING	Note	31.12.2023	31.12.2022	Variation
NET ASSETS		**65,694,357,195.80**	**56,609,270,955.25**	**9,085,086,240.55**
Accumulated reserves		**67,121,352,711.10**	**58,912,328,539.06**	**8,209,024,172.04**
Results of previous periods		58,912,328,539.06	46,613,025,119.51	12,299,303,419.55
Economic result of the year (SRF)		8,209,024,172.04	12,299,303,419.55	(4,090,279,247.51)
Economic result of the year (administrative)		-	-	-
Fair value revaluation reserve (OCI)	**7.D**	**(1,428,240,702.50)**	**(2,306,296,889.96)**	**878,056,187.46**
Actuarial gains losses (OCI)		**1,245,187.20**	**3,239,306.15**	**(1,994,118.95)**
NON-CURRENT LIABILITIES		**11,461,503,602.79**	**7,019,245,215.86**	**4,442,258,386.93**
Provisions for risks and liabilities (non-current)	**7.E**	**2,767,973,921.00**	**280,000.00**	**2,767,693,921.00**
Employee benefits	**7.I**	**14,654,633.31**	**11,587,188.65**	**3,067,444.66**
Financial liabilities (non-current)	**7.F**	**8,678,875,048.48**	**7,007,378,027.21**	**1,671,497,021.27**
Long-term liabilities from SRB specific activities		8,630,765,774.68	6,955,224,234.28	1,675,541,540.40
Pre-financing received from bank institutions		48,109,273.80	52,153,792.93	(4,044,519.13)
CURRENT LIABILITIES		**270,794,030.31**	**20,240,462.84**	**250,553,567.47**
Provisions for risks and liabilities (current)	**7.E**	**6,400,937.50**	**64,200.00**	**6,336,737.50**
Financial liabilities (current)		**264,393,092.81**	**20,176,262.84**	**244,216,829.97**
Payables		**264,393,092.81**	**20,176,262.84**	**244,216,829.97**
Current payables	**7G**	238,077.30	192,785.98	45,291.32
Sundry payables		1,770,922.40	4,405,138.84	(2,634,216.44)
IPC interest payable to banks		252,034,122.75	2,637,531.22	249,396,591.53
Accrued charges	**7.H**	10,069,232.36	12,442,805.77	(2,373,573.41)
Deferred income		280,738.00	498,001.03	(217,263.03)
TOTAL LIABILITIES and RESERVES	**L**	**77,426,654,828.90**	**63,648,756,633.95**	**13,777,898,194.95**

2. Statement of financial performance 2023

HEADING	Note	2023	2022	Variation
OPERATING REVENUES	**9.A**	**9,710,849,462.26**	**12,336,466,302.30**	**(2,625,616,840.04)**
Non-exchange revenues from fund contributions		9,598,298,246.76	12,239,925,332.62	(2,641,627,085.86)
Other non-exchange revenues from administrative contributions		112,368,989.94	96,533,644.68	15,835,345.26
Other exchange operating revenues		9,659.47	7,325.00	2,334.47
Revenues from exchange administrative operations		172,566.09	-	172,566.09
OPERATING EXPENSES	**9.B**	**(112,704,589.82)**	**(95,464,020.39)**	**(17,240,569.43)**
Operating expenses		(18,700,305.03)	(13,934,912.19)	(4,765,392.84)
Administrative expenses		(94,004,284.79)	(81,529,108.20)	(12,475,176.59)
SURPLUS/(DEFICIT) FROM OPERATING ACTIVITIES		**9,598,144,872.44**	**12,241,002,281.91**	**(2,642,857,409.47)**
Financial revenues	**9.A**	1,372,260,506.73	134,502,803.49	1,237,757,703.24
Financial expenses	**9.B**	(4,742.57)	(95,170,099.00)	95,165,356.43
Expenses with provisions for risks and liabilities (legal cases)		(2,767,693,921.00)	-	(2,767,693,921.00)
Movement in Expected Credit Loss (Financial instruments FVTNAE)		7,796,396.70	20,165,345.50	(12,368,948.80)
Movement in post-employment benefits (pensions and transitional allowance)	**7.I**	(1,478,940.26)	(1,196,912.35)	(282,027.91)
SURPLUS/(DEFICIT) FROM ORDINARY ACTIVITIES		**8,209,024,172.04**	**12,299,303,419.55**	**(4,090,279,247.51)**
Extraordinary gains		-	-	-
Extraordinary losses		-	-	-
SURPLUS/(DEFICIT) FROM EXTRAORDINARY ITEMS		**-**	**-**	**-**
ECONOMIC RESULT OF THE YEAR		**8,209,024,172.04**	**12,299,303,419.55**	**(4,090,279,247.51)**

3. Cash flow statement

DESCRIPTION	2023	2022
Cash flow from ordinary activities		
Surplus/(deficit) from ordinary activities	**8,209,024,172.04**	**12,299,303,419.55**
Operating activities		
Adjustments		
• Amortisation (intangible fixed assets) (+)	2,863,459.05	2,663,004.50
• Depreciation (tangible fixed assets) (+)	1,132,884.00	864,974.90
• Adjustment for employee benefits	1,478,940.26	1,684,882.62
• Interest income on FVTNAE securities	(162,741,723.99)	(30,325,481.05)
• Increase/(decrease) in the expected credit loss	(7,796,396.70)	(20,165,345.50)
• Net realised gain/loss on sale of FVTNAE securities	-	6,727,984.31
• Increase/(decrease) in provisions for risks and liabilities	2,774,030,658.50	101,450.00
• Increase/(decrease) in value reduction for doubtful debts	-	-
• (Increase)/decrease in stock	-	-
• (Increase)/decrease in long-term pre-financing	-	-
• (Increase)/decrease in short-term pre-financing	(199,979.50)	(518,712.79)
• (Increase)/decrease in long-term receivables		-
• (Increase)/decrease in short-term receivables	(112,260,596.10)	(28,486,614.76)
• Increase/(decrease) in other long-term liabilities	(4,044,519.13)	(21,521,058.02)
• Increase/(decrease) in long-term liabilities for employee benefits	(405,614.56)	(487,970.27)
• Increase/(decrease) in accounts payable	246,825,371.79	(5,217,108.55)
• Other non-cash movements	2,069,667.71	18,578.01
Net cash flow from operating activities	**10,949,976,323.37**	**12,204,642,002.95**
Cash flow from investing activities		
Increase in tangible and intangible fixed assets (–)	(7,804,241.07)	(4,134,229.01)
Proceeds from tangible and intangible fixed assets (+)	-	-
Net cash flow from investing activities	**(7,804,241.07)**	**(4,134,229.01)**
Cash flow from SRB specific activities		
Purchase of securities	(6,805,628,430.66)	(12,710,155,066.36)
Coupon cashed during the period	277,074,027.74	270,337,814.75
Proceeds from sales during the period	-	504,704,776.15
Redemptions of bonds at maturity	5,918,502,897.00	2,383,582,000.00
Increase in long-term financial liabilities (IPCs)	1,675,541,540.40	1,442,120,704.18
Net cash flow from the SRB specific investing activities	**1,065,490,034.48**	**(8,109,409,771.28)**
Net increase/(decrease) in cash and cash equivalents	**12,007,662,116.78**	**4,091,098,002.66**
Cash and cash equivalents at the beginning of the period	**39,586,227,853.78**	**35,495,129,851.12**
Cash and cash equivalents at the end of the period	**51,593,889,970.56**	**39,586,227,853.78**

4. Statement of changes in net assets

DESCRIPTION	Other Comprehensive Income ('OCI')	Accumulated surplus/deficit	Economic result of the year	Net assets (total)
Balance as at 31 December 2021	**111,054,518.51**	**37,332,689,883.45**	**9,280,335,236.06**	**46,724,079,638.02**
Allocation of the economic result of the previous year	-	9,280,335,236.06	(9,280,335,236.06)	-
Economic result of the year (fund)	-	-	12,299,303,419.55	12,299,303,419.55
Economic result of the year (admin)	-	-	-	-
Net change in fair value of debt instruments measured at FVTNAE	(2,397,975,186.15)	-	-	(2,397,975,186.15)
Expected Credit Loss	(20,165,345.50)	-	-	(20,165,345.50)
Actuarial gains/(losses)	4,028,429.34	-	-	4,028,429.34
Balance as at 31 December 2022	**(2,303,057,583.80)**	**46,613,025,119.51**	**12,299,303,419.55**	**56,609,270,955.26**
Allocation of the economic result of the previous year	-	12,299,303,419.55	(12,299,303,419.55)	-
Economic result of the year (fund)	-	-	8,209,024,172.04	8,209,024,172.04
Economic result of the year (admin)	-	-	-	-
Net change in fair value of debt instruments measured at FVTNAE	885,852,584.16	-	-	885,852,584.16
Expected Credit Loss	(7,796,396.70)	-	-	(7,796,396.70)
Actuarial gains/(losses)	(1,994,118.96)	-	-	(1,994,118.96)
Balance as at 31 December 2023	**(1,426,995,515.30)**	**58,912,328,539.06**	**8,209,024,172.04**	**65,694,357,195.80**

5. The Single Resolution Board

5.1. Mission

The Single Resolution Board ('the SRB' or 'the Board') is the central resolution authority within the Banking Union. Together with the National Resolution Authorities (NRAs) of participating Member States (MS), it forms the Single Resolution Mechanism (SRM). The SRB works closely with the NRAs, the European Commission (EC), the European Central Bank (ECB), the European Banking Authority (EBA) and national competent authorities (NCAs).

Its mission is to ensure an orderly resolution of failing banks with minimum impact on the real economy, the financial system, and the public finances of the participating MS and beyond.

The Board was established by Regulation (EU) No 806/2014 on the Single Resolution Mechanism (SRM Regulation). The SRB was established as an independent EU Agency in January 2015 and became fully operational, with a complete set of resolution powers, on 1 January 2016.

5.2. Governance

As set out in Article 63 of the SRM Regulation, the governance framework for implementing the budget and 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 a 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 the 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 ('the SRF' or 'the Fund'). Article 58 of the SRM Regulation stipulates that the Board is to have an autonomous budget, which is not part of the Union budget.

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

Part I concerns the administrative expenditures of the Board. It must include at least staff remuneration, administration, 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. These 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 amended by Commission Delegated Regulation (EU) 2021/517 of 11 February 2021.

- Part II of the budget — the Fund

Article 67 of the SRM Regulation establishes the SRF and the purposes for which 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 prepared based on:

- the SRM Regulation No 806/2014 (OJ L 225, 30.7.2014, p. 1–90);
- the SRB Financial Regulation (adopted on 17 January 2020);
- the EU accounting guidelines and accounting rules provided by the Commission's Accounting Officer, complemented by the closing instructions for 2023; and
- International Public Sector Accounting Standards (IPSAS) and/or International Financial Reporting Standards (IFRS).

In accordance with Articles 89 to 91 of the SRB Financial Regulation, the SRB prepares its financial statements on the basis of accrual-based accounting rules that are derived from IPSAS or, by default, IFRS.

These EU Accounting Rules, adopted by the Commission's Accounting Officer, 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 accounting period of the annual accounts is the calendar year.

The SRB's accounting system consists of general accounts and budget accounts.

- The general accounts allow 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 budget accounts give a detailed picture of the implementation of the budget. They are based on the modified cash accounting principle.

The SRB, as a self-financed EU agency, is excluded from the consolidated annual accounts of the European Union.

6.2. Accounting principles

The objective of 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 1 and are the same as those described in IPSAS 1, namely, fair presentation, accrual basis, going concern basis, consistency of presentation, aggregation, offsetting and comparative information.

Fair presentation

Financial statements must 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, with additional disclosures when necessary.

Current versus non-current

According to the presentation requirements set out in EU Accounting Rule 1, a distinction should be made between 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:

- it expects to realise the asset or intends to sell or consume it in its normal operating cycle;
- it holds the asset primarily for the purpose of trading;
- it expects to realise the asset within 12 months from the reporting date; or
- 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:

- it expects to settle it in its normal operating cycle;
- it holds the liability primarily for the purpose of trading;
- it is due to be settled within 12 months from the reporting date; or
- the entity does not have an unconditional right to defer settlement of the liability for at least 12 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 using accrual-based accounting. On 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 should be assessed. The financial statements should 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 the 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 should be retained from one period to the next.

Aggregation

Each material class of similar items should be presented separately in the financial statements. Items of a dissimilar nature or function should be presented separately unless they are immaterial.

Offsetting

Assets and liabilities, and revenue and expenses, should 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 should 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 should be reclassified unless reclassification is impracticable.

According to Article 90 of the SRB Financial Regulation, the information reported in the financial statements should be relevant, reliable, understandable and comparable, including the information on the accounting policies applied (as explained in EU Accounting Rule 1 and IPSAS 1).

6.3. Basis for 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) Foreign currency 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 critical judgements and estimates

In accordance with IPSAS and generally accepted accounting principles, the financial statements necessarily include amounts based on estimates and assumptions made by management and based on the most reliable information available.

Critical judgements are those related to: business model assessment on investments, significant increase in credit risk identification, capitalisation of software costs and others.

Critical estimates are those estimates used in calculation of impairment on intangible and tangible assets and of financial instruments, discount rate used to determine the carrying amount of the defined benefit obligation, probability of legal cases. Other significant estimates include also provisions, financial risk, valuation of accounts receivable, accrued income and charges, contingent assets and liabilities.

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 the SRB follows the structure of the European Commission's chart of accounts.

6.4. Statement of financial position

Intangible assets

Acquired intangible assets (such as 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 under the EU Accounting Rules are met. The capitalisable costs 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 when incurred. Intangible assets (developed in-house or not) have a finite useful life and are amortised in 4 years.

AMORTISATION RATES	
Type of asset	**Straight-line depreciation rate**
Software	25%
Internally generated software	25%

As required by EU Accounting Rule 6, 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 EUR 1 million.

Until a project is finished, the deliverables are formally accepted by the project owner, the development costs are classified as 'Intangible assets under construction' and gradually accumulate the eligible costs incurred. Only when the resulting intangible asset enters into production as intended, that is when its useful life starts and the amortisation is charged.

Property, plant and equipment

All property, plant and equipment are reported at their 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 the service potential associated with the item will flow to the 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 the decrease in value over their estimated useful lives, as shown in the table below.

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 receipt at the SRB premises because 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 for which the SRB holds substantially all the risks and rewards of ownership are classified as fixed assets under financial lease.

An operating lease is a lease other than a finance lease, i.e., a lease where the lessor retains substantially all the risks and rewards incidental to ownership of an asset. When entering an operating lease as a lessee, the operating lease payments are recognised as an expense in the statement of financial performance on a straight-line basis over the lease term with neither a leased asset nor a leasing liability presented in the balance sheet.

Financial instruments accounting policies in accordance with EU Accounting Rule 11 and IPSAS 41

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through surplus or deficit) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through surplus or deficit are recognised immediately in surplus or deficit.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either their amortised cost or fair value, depending on the classification of the financial assets.

- Classification and measurement

All SRB's investment in debt securities meet the following conditions, and are subsequently measured at FVTNAE:

- they are held within a management model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

The SRB performs regular reviews of the contractual terms of acquired financial assets in the investment portfolio to check whether the cash flows are solely payments of principal and interest on the outstanding principal amount.

The SRB does not measure any of its investment in debt securities through surplus or deficit or at amortised cost.

Debt instruments classified as at FVTNAE

Debt instruments held by the SRB in the investment portfolio are classified as at FVTNAE. Fair value is determined by the reference to the quoted market price. The listed debt instruments are initially measured at fair value plus transaction costs.

Subsequently, changes in the carrying amount of these debt instruments as a result of impairment gains or losses, and interest income calculated using the effective interest method are recognised in surplus or deficit. The amounts that are recognised in surplus or deficit are the same as the amounts that would have been recognised in surplus or deficit, if these debt instruments had been measured at amortised cost. All other changes in the carrying amount of these debt instruments are recognised in other comprehensive income and accumulated under the heading of Net change in fair value of debt instruments measured at fair value through net assets/equity.

When these debt instruments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to surplus or deficit.

- Impairment of financial assets

The SRB recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at FVTNAE. The amount of expected credit losses is updated at each reporting date to reflect changes in the credit risk since the initial recognition of the respective financial instruments.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, a 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months of the reporting date.

For these financial instruments, the SRB recognises a lifetime ECL when there has been a significant increase in credit risk since the initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the SRB measures the loss allowance for that financial instrument at an amount equal to a 12-month ECL. The assessment of whether the lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since the initial recognition, instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

The SRB considers a financial asset to have low credit risk when it has an external credit rating of 'investment grade' as per globally understood definition.

The SRB regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying any significant increase in credit risk before the amount becomes past due.

The Risk Management developed and maintains a list of indicators of significant increase in credit risk that is followed up on reporting dates. The primary indicator assessed is credit status of the issuer, in particular, the external credit rating.

The Risk Management concludes that the movement of the external credit rating within the credit rating scale from AAA/AA/A/BBB to the non-investment grade range (lower than BBB-) constitutes a significant increase in credit risk.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss, if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above.

Probability of default (PD)

The probability of default (PD) is a risk measure in credit risk management that estimates the probability that a borrower will not be able to make scheduled repayments. Following EU Accounting Rule 11 (IPSAS 41), the PD is calculated in a forward-looking and point-in-time manner.

The models used for establishing the PD are retrieved from external sources and are based on market assumptions. The results based on these models give a PD on different time periods, i.e., 1 year, 2 years, etc. The PD is retrieved either for a 1-year horizon (if in stage 1) or for a longer horizon (if in stage 2) matching the maturity period of the bond.

Loss given default (LGD)

LGD represents the percentage of the Exposure at Default (EaD) which the SRB expects to lose if a counterparty goes into default. The SRB applies the Basel approach risk weight of 45% LGD to all the exposures, unless they are subordinated (75% risk weight). The latter is not foreseen in the investment policy of the SRB.

As for the exposure at default, for debt instruments, this is represented by the assets' gross carrying amount at the reporting date.

For debt instruments, the expected credit loss is estimated as the difference between all the contractual cash flows that are due to the SRB in accordance with the contract, and all the cash flows that the SRB expects to receive, discounted at the original effective interest rate.

If the SRB has measured the loss allowance for a financial instrument at an amount equal to a lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for a lifetime ECL no longer exist, the SRB measures the loss allowance at an amount equal to a 12-month ECL at the current reporting date.

The SRB recognises an impairment gain or loss in surplus or deficit for all financial instruments with a corresponding adjustment to other comprehensive income and accumulates it in the investment revaluation reserve. It does not reduce the carrying amount of the financial asset in the statement of financial position.

- Derecognition

The SRB will 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 derecognition.

When the investment is derecognised (sold), the following methods may be applied: first in, first out (FIFO), weighted average cost (WAC), and specific identification of investments.

Debt instruments at amortised cost

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These instruments 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 in hand and deposits held at call with banks.

- Receivables

Receivables from exchange and non-exchange transactions are financial assets carried at amortised cost less the write-down for impairment.

Under EU Accounting Rule 11 (IPSAS 41), impairment is determined in order to apply lifetime expected credit losses. The amount of the write-down is the difference between the assets' carrying amount and all the cash flows that the SRB expects to receive over the life term of the receivables.

The amount of the write-down is recognised in the statement of financial performance.

Provisions

A provision is recognised when: (i) the SRB has a present legal or constructive obligation towards a third party as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation and (iii) the amount can be reliably estimated. Provisions are not recognised for future operating losses. The amount of the provision is the best estimate of 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).

Financial liabilities

Financial liabilities are measured at amortised cost.

Payables

Payables arising from the purchase of goods and services are recognised on receipt of the invoice 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

In accordance with EU Accounting Rule 10 complemented by IPSAS 19 ('Provisions, contingent liabilities and contingent assets'), accruals are made to recognise the amounts to be paid for goods or services that have been received or supplied but have not been paid for, invoiced or formally agreed with the supplier. As 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.

Irrevocable payment commitments

An irrevocable payment commitment (IPC) represents an alternative to a cash payment in the context of the ex-ante contributions to the Single Resolution Fund (SRF). An IPC can be defined as an obligation taken by a credit institution towards the SRB to pay its contribution in the future.

Legal basis

Pursuant to Article 70(3) of the SRM Regulation, 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 that the collateral is at the free disposal of and earmarked for exclusive use by the SRB for the purposes specified in Article 76(1) of the SRM Regulation.

So far, the only type of collateral accepted by the SRB in relation to IPCs has been cash collateral. The amounts received are deposited in one dedicated bank account with a national central bank (NCB).

Article 7 of the Council Implementing Regulation 2015/81, provides that the 'recourse to IPCs shall in no manner affect the financial capacity and liquidity of the Fund'. In addition, when an IPC is called in by the SRB under the terms of the IPC agreement (partially or in full), the institution is obliged to transfer the called amount on the banking day following the call notice.

Article 8(3) of the Council Implementing Regulation 2015/81 states that during the Initial Period, under normal circumstances, the Board shall allow the use of IPCs upon request from an institution. The Board shall allocate the use of IPCs evenly among those institutions requesting it. For the 2023 ex-ante contributions cycle, the Board decided to limit the IPCs at 22.5% of their total payment obligation. 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 in accordance with Article 70 of the SRM Regulation.

In all IPC agreements signed with institutions, it is provided that in case the interest that was accrued on the collateral over the course of the year is negative, the institutions have to replenish it to the SRB (upon a request of the SRB). In case the interest accrued is positive, the positive interest balance has to be returned to the institution. The interest accrued shall be settled in the beginning of the following financial year.

IPC interest rate settlement

As explained above, according to the existing IPC agreements, the credit institutions have to replenish the amounts transferred as cash collateral for their IPC obligations in order to compensate for the monthly outflow of negative interest payable to the NCB where the IPC-related amounts are held, or they will be reimbursed by any positive interest amount accrued on their IPC collateral in accordance with the remuneration of the respective NCB bank account. For the financial year 2023, there was a positive balance of the IPC interest to be settled with institutions. This settlement will occur in the first part of 2024.

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 for the commitment, which as explained above is the cash collateral received by the 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 a contractual arrangement such as an IPC could not be recognised as a receivable (or revenue) because, while the IPC is **certain** and of a **fixed amount**, it does not meet the criterion 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, 'Provisions, contingent liabilities and contingent assets');

2. on the other hand, based on the specific nature of the collateral accepted by the SRB (cash collateral only), the cash received has to be recognised in the statement of the financial position as an asset; in the same time, a related liability should also be recognised in this respect.

If an IPC is called and once payment is received (new cash inflow from the credit institution to the SRB), the SRB will return the corresponding collateral (cash outflow from the SRB decreasing the SRB's 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.

Liabilities related to post-employment employee benefits

The SRB must provide its members of the Board with a transitional allowance and a retirement pension. The transitional allowance is paid from the first day of the month following that in which the public office holder ceases to hold office. The pension is due at the date of retirement which must be in line with the expected retirement age. The amount of these benefits depends on several factors, including the basic salary and the period of service. They are classified as 'Post-Employment Employee Benefits'.

These benefits qualify as defined benefit obligations (DBO) of the EU and are calculated at each reporting date by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount. No plan assets are attached to this obligation. The defined benefit obligation is calculated by actuaries using the projected unit credit method. The present value of the DBO is determined by discounting the estimated future cash outflows using interest rates of government bonds that are denominated in the currency in which the benefits will be paid (euro), and that have terms to maturity based on the estimation of the period of service.

Current service cost is the increase in the present value of the DBO resulting from employee service in the current period. Net interest on the net defined benefit liability is the change during the period in the net defined benefit liability that arises from the passage of time. The SRB recognises the net interest expense and other expenses related to the defined benefit plans in the statement of financial performance within a separate line called 'Movements in post-employment benefits' in the surplus or deficit.

Re-measurements of the net defined benefit liability comprise actuarial gains and losses, which are recognised in the net assets/equity (other comprehensive income).

6.5. Statement of financial performance

Revenues

Revenues from non-exchange transactions

The *ex-ante* contributions collected via the 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 21 Member States participating in the Banking Union. The SRF ensures that the financial industry, as a whole, finances the stabilisation of the financial system. The SRF was gradually built up during its first 8 years (2016-2023) and must 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 administrative contributions collected by the SRB from the banks are also classified as non-exchange revenues. The determination and raising of Administrative Contributions are based on the Commission Delegated Regulation (EU) 2017/2361 of 14 September 2017 on the final system of contributions to the administrative expenditures of the Single Resolution Board, which came into force on 8 January 2018 and was amended by Commission Delegated Regulation (EU) 2021/517 of 11 February 2021. In line with the European Commission's accounting guidelines, the advance instalments are recognised as revenues up to the level of the total expenditure for the year. The outstanding amount of funds received and not spent are booked as long-term pre-financing received (from contributors).

<u>Restatements of *ex-ante* contributions for previous periods</u>

According to Article 17(3) of 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 the 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, the SRB makes an assessment of the resulting amount from restatements concerning previous periods that had to be included in the contributions cycle for the year N + 1. If the amount is material (in relation to the non-exchange revenues from *ex-ante* contributions of year N), then these revenues for year N are adjusted for the final annual accounts.

Revenue from exchange transactions

Revenues from the sale of goods and services are recognised when the significant risk and rewards of ownership of the goods are transferred to the purchaser. Revenues associated with a transaction involving the provision of services are 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 of accrued interest income recognised in the surplus or deficit for all interest-bearing instruments on an accrual basis using the effective interest rate method rate (EIR) and from cashed coupons at coupon date.

- Net realised gains/losses from sales of investments

The net realised gains or losses from sales of debt instruments measured at net assets/equity under EU Accounting Rule 11 (IPSAS 41) are accounted at the date when the proceeds from selling the securities are received (in accordance with the settlement date accounting convention). The net realised result from selling securities will be included in the financial results for 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 to 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

As with interest income, interest expense is recognised in the surplus or deficit for all negative interest-bearing instruments on an accrual basis (transaction costs included).

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 the 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, 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 the SRB. Or it may be 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 because the amount of the obligation cannot be measured with sufficient reliability.

According to EU Accounting Rule 10 'Provision, Contingent Liabilities and Contingent Assets' (and IPSAS 19) as implemented by the SRB, the level of probability will drive an important difference in the accounting treatment, as follows:

- 'Probable' if the probability of an unsuccessful outcome is above 50%, which entails recording a provision for litigation;
- 'Possible' if the probability of an unsuccessful outcome is between 10% and 50%, which entails disclosure as contingent liabilities; and
- 'Remote' if the probability of an unsuccessful outcome is below 10%, which entails disclosure on a voluntary basis.

Moreover, according to the same EU Accounting Rule 10 §4.5.(2), in the extremely rare case where no reliable estimate can be made, and a liability exists that cannot be recognised, this liability is disclosed as a contingent liability.

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	Intangibles under financial lease	TOTAL
Gross carrying amounts 1.1.2023	+	**14,024,505.26**	**347,270.79**	**3,418,847.79**	**762,437.39**	**18,553,061.23**
Additions	+	1,431,361.93	-	1,093,675.63	-	2,525,037.56
Disposals	–	-	-	-	-	-
Transfer between headings	+/–	759,467.12	-	(759,467.12)	-	-
Other changes	+/–	-	-	-	0	-
Impairment		(5,963,532.64)	-	-	0	(5,963,532.64)
Gross carrying amounts 31.12.2023		**10,251,801.67**	**347,270.79**	**3,753,056.30**	**762,437.39**	**15,114,566.15**
Accumulated amortisation and impairment 1.1.2023	–	**(7,793,083.27)**	**(342,278.51)**	**-**	**-762,437.39**	**(8,897,799.17)**
Amortisation	–	(2,859,962.77)	(3,496.28)	-	-	(2,863,459.05)
Write-back of amortisation	+	-	-	-	-	-
Disposals	+	-	-	-	-	-
Impairment	–	3,898,318.64	-	-	-	3,898,318.64
Write-back of impairment	+	-	-	-	-	-
Transfer between headings	+/–	-	-	-	-	-
Other changes	+/–	-	-	-	-	-
Accumulated amortisation and impairment 31.12.2023		**(6,754,727.40)**	**(345,774.79)**	**-**	**-762,437.39**	**(7,862,939.58)**
Net carrying amounts 31.12.2023		**3,497,074.27**	**1,496.00**	**3,753,056.30**	**-**	**7,251,626.57**

A.2) Tangible assets – Overview of movements

Description		Building appliances	Building works (WIP)	Plant and equipmen t	Computer hardware	Furniture and vehicles	Other fixtures and fittings	Tangible assets under finance lease	Total
Gross carrying amounts 1.1.2023	**+**	**131,786.57**	**2,170,358.88**	**2,088.00**	**3,865,962.62**	**838,973.69**	**1,153,768.91**	**2,839,051.76**	**11,001,990.43**
Additions	+		150,984.16	21,567.32	2,102,398.14	100,321.82	296,655.25	-	**2,671,926.69**
Disposals	–	-		-	(119,841.82)	-	(89,082.82)	-	**(208,924.64)**
Transfer between headings	+/–	1,865,854.64	(1,865,854.64)	-			-	-	**-**
Other changes	+/–	-	-	-	-	(5,719.17)	-	-	**(5,719.17)**
Gross carrying amounts 31.12.2023		**1,997,641.21**	**455,488.40**	**23,655.32**	**5,848,518.94**	**933,576.34**	**1,361,341.34**	**2,839,051.76**	**13,459,273.31**
Accumulated amortisation and impairment 1.1.2023	**–**	**(50,552.57)**	**-**	**(1,566.00)**	**(3,134,023.62)**	**(420,633.69)**	**(979,903.91)**	**(2,839,051.76)**	**(7,425,731.55)**
Depreciation	–	(168,676.64)		(1,644.32)	(660,121.14)	(98,420.65)	(204,021.25)	-	**(1,132,884.00)**
Write-back of depreciation	+	-	-	-	-	-	-	-	**-**
Disposals	+	-	-	-	119,841.82	-	89,082.82	-	**208,924.64**
Impairment	–	-	-	-	-	-	-	-	**-**
Write-back of impairment	+	-	-	-	-	-	-	-	**-**
Transfer between headings	+/–	-	-	-	-	-	-	-	**-**
Other changes	+/–	-	-	-	-	-	-	-	**-**
Accumulated amortisation and impairment 31.12.2023		**(219,229.21)**	**-**	**(3,210.32)**	**(3,674,302.94)**	**(519,054.34)**	**(1,094,842.34)**	**(2,839,051.76)**	**(8,349,690.91)**
Net carrying amounts 31.12.2023		**1,778,412.00**	**455,488.40**	**20,445.00**	**2,174,216.00**	**414,522.00**	**266,499.00**	**-**	**5,109,582.40**

In conformity with EU Accounting Rule 7, amortisation and depreciation charges have been recorded on a monthly basis via an automated calculation routine based on the date of receipt of the assets. The amortisation/depreciation of each item starts in the month of acquisition.

B) Current receivables and recoverables

Description	31.12.2023	31.12.2022
Current receivables (non-exchange)	**104,013.02**	**175,982.52**
Receivables from Member States	-	-
Receivables from administrative contributions and other customers	104,013.02	175,982.52
Sundry receivables (exchange)	**47,628.63**	**56,213.91**
Staff	38,365.51	44,099.48
Others	9,263.12	12,114.43
Deferred charges	**1,066,448.24**	**2,817,366.00**
Accrued interest receivable from banks	**166,028,343.88**	**51,936,275.24**
TOTAL	**167,246,433.77**	**54,985,837.67**

Receivables

The SRB calculates the contribution amounts for the current financial year. Additionally, it (re)calculates the previously invoiced contributions of institutions that changed scope, status or other data in the past year(s) and for which those changes were reported by the ECB in the current contribution cycle. Any differences arising from the recalculation under the final system (reflected in equal receivables and payables) can be settled in subsequent financial years (DR 2017/2361 Article 10(7)).

Since 1 January 2022, the amended Commission DR (EU) 2021/517 entered into force. Under the new system, the administrative contributions will be paid in two instalments at two different points in the year.

Deferred charges

The deferred charges mostly represent pre-paid expenses for software licences and other maintenance, insurance and service contracts that are associated with the delivery of services for periods ending after 31 December 2023.

C) Cash and cash equivalents

Regarding the unrestricted cash held at banks, the Board has bank accounts with four commercial banks for the cash management of the administrative budget and expenditure.

Description	31.12.2023	31.12.2022
Unrestricted cash	**68,401,481.22**	**67,961,002.89**
Current bank accounts — commercial banks	30,401,910.55	58,961,432.22
Imprest accounts	-	-
Cash in hand (‘caisses’)	-	-
Transfers (cash in transit)	-	-
Short-term deposits and other cash equivalents < 3 months (commercial banks)	37,999,570.67	8,999,570.67
Restricted cash (Fund usage) and cash collateral	**51,525,488,489.34**	**39,518,266,850.89**
Current bank accounts — national central banks (strategic cash)	42,109,318,491.80	31,181,755,871.55
IPC account with a national central bank	8,850,230,357.63	6,948,499,517.30
Cash under investment mandate (tactical cash)	565,939,639.91	1,388,011,462.04
TOTAL	**51,593,889,970.56**	**39,586,227,853.78**

The cash collected from ex-ante contributions for the SRF is deposited in bank accounts with National Central Banks (NCBs) in Eurozone Member States. These funds may be used under strict rules when there is a resolution case requiring the use of the SRF and for the coverage of certain eligible expenditures of the Fund (e.g., negative bank interest and bank fees).

The SRF funds are held in a total of 19 bank accounts opened with 12 NCBs.

The cash collateral backing up the IPC agreements is held in one dedicated bank account with one NCB from the euro area. The purpose of the cash collateral is to secure the full and punctual payment of IPCs when called in by the SRB. If an institution fails to pay the full amount when an IPC is called in, the SRB is entitled to seize and apply the cash collateral in discharge of the commitment undertaken under the IPC agreement.

For the purpose of investment activity, the SRB holds five dedicated bank accounts with the custodian bank. These current accounts are presented separately under 'Restricted cash' as they hold the tactical cash of the portfolio while being managed under the investment portfolio mandate.

D) Net assets

According to the accounting recognition of revenues from administrative contributions up to the level of administrative costs, at year-end there is no surplus or deficit from administrative activities (accordingly, the net assets from administrative operations are kept at zero).

With the entry into operations of the Single Resolution Fund (SRF or 'the Fund') from 1 January 2016, and the yearly collection of ex-ante contributions, there is a financial result giving rise to net assets from the SRF activities. Those reserves, over time, are expected to accumulate from one financial period to another and they 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 resolution powers conferred on the SRB by the SRM Regulation.

Net assets include also the Fair Value revaluation reserve as well as actuarial gains/losses from post-employment benefits.

The Fair value revaluation reserve represents the unrealised cumulative gains and losses arising from the revaluation of investments in debt instruments HTSC classified as at Fair Value through Net Assets. It also includes the result of expected credit loss revaluation at yearend and the actuarial gains/losses.

Movements in Fair Value revaluation reserve	2023	2022
FV reserve on 31.12	**(2,306,296,889.96)**	**111,843,641.69**
Revaluation	885,852,584.16	(2,391,247,201.84)
Sale	-	(6,727,984.31)
ECL 31 December	(7,796,396.70)	(20,165,345.50)
TOTAL Fair Value reserve (OCI) as at 31 December	**(1,428,240,702.50)**	**(2,306,296,889.96)**
Actuarial gains/losses post-employment benefits (OCI)	**1,245,187.20**	**3,239,306.15**
TOTAL Other Comprehensive Income	**(1,426,995,515.30)**	**(2,303,057,583.81)**

E) Provisions for risks and liabilities

Non-current provisions for risks and liabilities

Description	31.12.2023	31.12.2022
Opening Balance	**280,000.00**	**-**
(1) Additional Provisions – legal cases	2,767,693,921.00	-
(2) Additional Provisions – Marquis building restoration	-	280,000.00
Release of unused amounts	-	-
Amounts used	-	-
Present value adjustments	-	-
TOTAL	**2,767,973,921.00**	**280,000.00**

(1) As a result of the judgment of the General Court of 10 April 2024 in case T-411/22 (Dexia versus SRB), based on the prudence principle of accounting and due to the amounts at stake, the Board has provisioned the sum of the difference between the amounts received and the potential revised amounts for all cases in the 2020, 2022 and 2023 cycles where the 12.5% plea has been raised. It was taken into account only the potential exposure in relation to 12.5% pleas (i.e., in isolation from any other pleas that may have been raised in these cases).[1] This provisioning was applied as a purely precautionary measure and notwithstanding the fact that the judgment is not final and the SRB sees strong grounds that it will be overturned in an appeal before the Court of Justice.

(2) Due to the leasing of office space in a second building (Marquis), which must be returned to owner in the original status at the end of lease, a long-term provision was recognised in the accounts in line with the estimated costs of necessary workings of restoration.

Current provisions for risks and liabilities

At year end, the provision for risks and liabilities was adjusted in line with the developments in the court proceedings (please see section L ‘Disclosure on appeals and legal cases’) and also, with the usage/non-usage of the provisioned amounts according to agreements with counterparts.

In the same section, more details could be found on the topic of contingent legal costs.

Description	31.12.2023	31.12.2022
Opening Balance	**64,200.00**	**242,750.00**
Additional Provisions – legal fees	6,400,937.50	-
Release of unused amounts	(64,200.00)	(178,550.00)
Amounts used	-	-
Other	-	-
Present value adjustments	-	-
TOTAL	**6,400,937.50**	**64,200.00**

F) Financial liabilities (non-current)

Applying the provisions of the EU Accounting Rule 11, the financial liabilities of the Board consist 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 subsection O, ‘Financial instruments.

Long-term payables from SRB specific activities (Irrevocable Payment Commitments)

This item represents the counterpart of the cash collateral received by the SRB as an alternative to ex-ante contributions under the established IPC framework.

Description	31.12.2023	31.12.2022
Opening balance	**6,955,224,234.28**	**5,513,103,530.10**
Collected within the year	1,686,769,143.39	1,442,749,629.59
Voluntary termination of IPCs	(10,808,697.10)	(628,925.41)
Seizing of IPC	(418,905.89)	-
Total long-term payables from SRB specific activities	**8,630,765,774.68**	**6,955,224,234.28**

[1] In the 2021 cycle, 12.5% pleas were only brought at the rejoinder stage and therefore declared inadmissible by the General Court.

Other long-term liabilities

Pre-financing received from banks

Description	31.12.2023	31.12.2022
Opening Balance	**52,153,792.93**	**73,674,850.95**
Funds collected within the year and not spent	39,221,767.32	8,887,506.48
Funds used within the administrative contributions cycle for the previous periods (assessed on accrual basis)	(43,266,286.45)	(30,408,564.50)
TOTAL	**48,109,273.80**	**52,153,792.93**

The amount outstanding for long-term pre-financing received from banks (for administrative contributions) is the cumulative total of the amount of funds collected within a year and not spent by the end of that year.

According to Article 18(1) of the SRB Financial Regulation, the Board has to use the funds representing positive budgetary results for previous financial periods to reduce the total amount of administrative contributions invoiced to the institutions in scope. As a result, in 2023 the Board took the decision to use the positive budgetary result of 2021 and collect the remaining amount.

G) Current payables

Description	31.12.2023	31.12.2022
Amounts payable	**238,077.30**	**192,785.98**
Vendors	238,077.30	192,785.98
Member States	-	
Sundry payables	**1,770,922.40**	**4,405,138.84**
Staff	43,097.26	283.49
Other **(1)**	1,727,825.14	4,404,855.35
TOTAL	**2,008,999.70**	**4,597,924.82**

(1) Other sundry payables	31.12.2023	31.12.2022
Assets — goods received without invoice (including Marquis building WIP)	1,703,400.94	4,311,942.77
Inter-agency payables related to staff mobility	3,346.07	14,553.86
Social security-related payables	12,803.13	547.60
Amounts to be reimbursed to banks (difference from administrative contributions related to previous cycles)	-	64,249.00
Other sundry payables	8,275.00	13,562.12
TOTAL	**1,727,825.14**	**4,404,855.35**

IPC interest

In 2023, due to positive bank interest rates, an outstanding accrued interest payable to banks was accumulated for the entire year. This interest income received by the SRB in the dedicated NCB account of IPC collateral will not be retained by the Board, but at the beginning of 2024 shall be reimbursed to the banks holding IPCs with the SRB.

Description	31.12.2023	31.12.2022
IPC interest payable back to banks	252,034,122.75	2,637,531.22
TOTAL	**252,034,122.75**	**2,637,531.22**

H) Accrued charges and deferred income

Accrued charges

According to EU Accounting Rule 12, in addition to other accrued charges, a liability for untaken holidays (accumulating compensated absences) has been included in the statement of financial position under accrued charges.

Description	31.12.2023	31.12.2022
Accrued charges		
Untaken annual leave	947,360.19	907,655.50
Other accrued charges	9,121,650.22	11,534,630.27
Accrued bank charges	221.95	520.00
TOTAL	**10,069,232.36**	**12,442,805.77**

Other accrued charges could be further detailed as follows:

Description	31.12.2023	31.12.2022
IT costs	2,148,910.03	2,696,061.34
Consulting and advisory services	4,726,367.10	5,513,545.85
Portfolio management and custody	638,030.98	828,658.00
HR costs	558,208.79	944,012.64
Communication and translation services	259,411.25	631,819.79
Other	1,121.06	490,825.36
Building management	789,601.01	429,707.29
TOTAL	**9,121,650.22**	**11,534,630.27**

Deferred income

The SRB moved on 1 February 2016 into a building located at Treurenberg 22, Brussels. The convention for usufruct provided for a term of lease of 15 years and for a rent-free period of 3 months at the beginning of the occupancy 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 paid the landlord's costs for work done to re-design the physical space of the office building in line with the SRB's needs. These costs were paid according to a well-determined reimbursement schedule, which forms an integral part of the convention for usufruct.

Description	31.12.2023	31.12.2022
Deferred income from the gratuity of 3 months' rent free (on moving into the new premises)	320,371.00	360,004.00
Corresponding portion recycled in the surplus or deficit	(39,633.00)	(39,633.00)
Total deferred income Treurenberg building (1)	**280,738.00**	**320,371.00**
Amounts received by the SRB to cover the various incurred costs with resolution case	1,100,021.19	1,100,021.19
Consumption during the year 2022	(922,391.16)	(922,391.16)
Consumption during 2023	(177,630.03)	-
Total deferred income resolution case (2)	**-**	**177,630.03**
TOTAL DEFERRED INCOME (1+2)	**280,738.00**	**498,001.03**

Due to valuation services provided in 2023, the deferred income from amounts received in advance by the SRB in order to cover its various costs incurred in relation to the Sberbank resolution case has been totally consumed.

Operating lease commitments

The payments related to the operating lease commitments still to be made for the period up to the end date of the lease contract (31 January 2031) for the Treurenberg 22 building amount to EUR 28 346 582.16 as shown in the schedule below:

Treurenberg 22 building (*)	Charges paid during the year	Charges still to be paid as at 31 December 2023			TOTAL to be paid
		< 1 year	1-5 years	> 5 years	
Operating lease	**3,248,045.87**	**3,543,322.77**	**14,173,291.08**	**7,381,922.44**	**28,346,582.16**

(*) The amounts have been disclosed at the level of the last applicable indexation in line with the Eurostat index.

In December 2021, the SRB signed a lease contract for additional office space (Marquis building). The actual date of the lease commencement is 1 March 2023. The payments related to the operating lease commitments for the period up to the end date of the lease contract (in 12 years) for the second building amount to EUR 7 633 151.89 as shown in the schedule below:

Marquis building (**)	Charges paid during the year	Charges still to be paid as at 31 December 2023			TOTAL to be paid
		< 1 year	1-5 years	> 5 years	
Operating lease	**552,632.03**	**501,969.86**	**2,511,810.00**	**4,066,740.00**	**7,633,151.89**

I) Post-employment benefits

Background

In accordance with the EU Council Regulation 2016/300 of 29 February 2016 determining the emoluments of EU high-level public office holders (for those public office holders who entered the SRB after 2015), the permanent members of the Board of the SRB are entitled to a retirement pension and transitional allowance.

At 31 December 2023, 13 persons were in scope of transitional allowance and retirement pension plan.

The defined benefit obligation (DBO) related to these benefits was assessed based on a number of assumptions summarised below and on the rules of the EU Council Regulation 2016/300. This valuation was carried out in accordance with the methodology of IPSAS 39 (and therefore, with EU Accounting Rule 12).

Summary of actuarial assumptions

Valuation date	31.12.2023	31.12.2022
Discount rate	3.15%	3.85%
Inflation rate	2.20%	2.20%
Salary increase	2.20%	2.20%
Mortality tables	Prospective IA/BE tables, with -1-year correction	Prospective IA/BE tables, with -1-year correction
Turnover rate before retirement	8.33%/year	8.33%/year
Retirement age	65 years in case of pension rules **before** 2015	65 years in case of pension rules **before** 2015
	66 years in case of pension rules **after** 2015	66 years in case of pension rules **after** 2015
Disability	N/A	N/A
Term of orphan annuity in case of death	25 years	25 years

Movement in present value of employee benefits (DBO)

The present value of the DBO is the discounted expected future payments required to settle the obligation resulting from employee service in the current and prior periods. An analysis of the movement in DBO (in both current and previous years) is shown below:

Description	Retirement pension	Transitional allowance
Defined Benefit Obligation / Net Defined Benefit Liability at 1 January 2023	**10,656,609.71**	**930,578.94**
	(I)	**(II)**
Defined Benefit Obligation / Net Defined Benefit Liability at 1 January 2023 (I)+(II)		**11,587,188.65**
Components of Defined Benefit Cost		
Defined Benefit Cost recognized in surplus or deficit		
Current service cost	921,869.89	118,130.01
Interest expense (revenue)	407,937.07	31,003.29
Total Defined Benefit Cost	**1,329,806.96**	**149,133.30**
	(1)	**(2)**
Total movement in post-employment benefits costs (Statement of financial performance) (1+2)		**1,478,940.26**
Re-measurements recognized in net assets/equity (OCI)		
Actuarial (gains)/losses arising from:		
Changes in demographic assumptions	-	-
Changes in financial assumptions	1,486,460.48	10,277.47
Experience adjustments	261,022.96	236,358.05
Total	**1,747,483.44**	**246,635.52**
	(3)	**(4)**
Total Actuarial (gains)/losses in Net Assets (Other Comprehensive Income) (3+4)		**1,994,118.96**
Total Defined Benefit Cost	**13,733,900.11**	**1,326,347.76**
Cash Flows		
Direct Benefit payments	(69,595.71)	(336,018.85)
Defined Benefit Obligation / Net Defined Benefit Liability at 31 December 2023	**13,664,304.40**	**990,328.91**
	(5)	**(6)**
Total Net Defined Benefit Liability at 31 December 2023 (5+6)		**14,654,633.31**

The expected expenses of post-employment benefits for the following year amount to EUR 1 766 609.92.

Sensitivity

The SRB should also disclose the sensitivity of each significant actuarial assumption in order to present details on how the DBO would have been affected by changes that were reasonably possible at the reporting date.

Sensitivity analysis on DBO	31.12.2023	31.12.2022
Discount rate plus 25 basis points (bp)	14,091,809.76	11,157,299.00
Discount rate minus 25 bp	15,251,806.10	12,042,688.00
Inflation plus 50 bp	15,965,391.62	12,745,208.00
Inflation minus 50 bp	13,483,939.40	10,597,130.00
Life expectancy plus 1 year	14,248,961.94	11,278,718.00
Life expectancy minus1 year	15,058,810.34	11,893,373.00

8. Other significant disclosures

J) Contingent assets

Irrevocable payment commitments

Any commitment entered into under the IPC contractual arrangements is disclosed as a contingent asset that is highly dependent on the probability of a future event. This future event is the calling in of IPCs in the event of specific circumstances. Details of the accounting treatment of IPCs are provided on page 18-18.

Description	31.12.2023	31.12.2022
IPCs — the contractual commitment	8,630,765,774.68	6,955,224,234.28
TOTAL	**8,630,765,774.68**	**6,955,224,234.28**

K) Borrowing agreements signed

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

On 8 December 2015, the Economic and Financial Affairs Council endorsed a harmonised loan facility agreement (LFA) that was signed by the 21 participating Member States (19 Euro Area Member States and BG and HR upon their entry into the Banking Union).

The LFAs expired at the end of the Initial Period i.e., at 31 December 2023. At this date, no financial liabilities were recognised.

L) Disclosure on appeals and legal cases

The SRB is, directly or indirectly through NRAs, financially exposed as a result of the administrative and judicial appeals against its decisions, as further described below.

At the date of issuing these final annual accounts, the SRB is of the view that it is probable that an outflow of economic resources will be required to settle a number of pending cases. Consequently, the exposures related to these pending cases will be recognised as provision in the statement of financial position (pages 26-27) and expense in the statement of financial performance (page 6).

As regards the disclosure of contingent liabilities, reference is made to the following paragraphs (here in section L) which provide the assessment of the SRB at the date of preparation of final financial statements. The SRB is closely monitoring the evolution of all pending appeals and court cases against the SRB. The SRB also obtains information from the NRAs about the status of the national judicial and administrative proceedings against the national authorities.

Appeals and litigation regarding ex-ante contributions

At the end of 2023, 126 court cases related to ex-ante contributions were pending against the SRB before the General Court, of which 48 were lodged in 2023.

In September 2020, three cases were decided by the General Court in favour of the applicants. The SRB appealed those three judgments before the Court of Justice. The Commission also brought one appeal. In July 2021, the Court of Justice decided on two of those appeals, confirming the infringement of the duty to state reasons but quashing the decision of the General Court insofar as it found the Delegated Regulation 2015/63 to be partially unlawful and the decision not to be appropriately authenticated. On 4 March 2022, the Court decided on the remaining two appeals with a similar outcome.

Subsequently, in order to address the findings of the Court of Justice as regards the standard of reasoning, the SRB re-adopted its decisions for cases pending before the General Court with respect to the 2016-2020 ex-ante contribution cycles, thus enabling the General Court to rule on the merits of these cases.

In addition, on 20 January 2021, the General Court handed down a judgment in case T-758/18 – ABLV v. SRB, that rejected the applicant's case. On 30 March 2021, the applicant lodged an appeal against the General Court's judgment before the Court of Justice which the Court of Justice dismissed on 29 September 2022.

On 20 December 2023, 24 January 2024, 20 March 2024, 8 May 2024 and 29 May 2024 the General Court handed down its judgments in 18 cases concerning the 2021 ex-ante contribution period. The General Court annulled the SRB decision on the calculation of the 2021 ex-ante contributions vis-à-vis the applicants on account of an infringement of the obligation to state reasons in relation to the determination of the annual target level. All other pleas brought by the applicants against the 2021 contribution decision and/or the legal framework were assessed on the merits and rejected.

On 21 February 2024, the General Court handed down its judgment in case T-466/16 RENV - NRW.Bank v. SRB concerning the 2016 ex-ante contribution period. The General Court upheld the SRB decision on the calculation of the 2016 ex-ante contributions vis-à-vis the applicant. Among others, the General Court found that the SRB was entitled to withdraw and re-adopt retroactively the 2016 ex-ante decision and to base its re-adopted decision on the information available and the assumptions made at the time of the original decision (in April 2016). Moreover, the General Court found that the SRB had sufficiently reasoned the contested decision, including in relation to the 2016 target level.

On 10 April 2024, the General Court delivered its first judgment concerning the 2022 ex-ante contribution period in case T-411/22 – Dexia v. SRB. With its judgment, the General Court annulled the 2022 ex-ante contribution decision in relation to Dexia arguing that the SRB should have limited itself to levying 12,5 % of the estimated final target level. Importantly, the General Court maintained the effects of the 2022 ex-ante contribution decision for a period not exceeding six months from the day on which the judgment in case T-411/22 becomes final.

The amounts impacted by this judgment were provisioned as explained at pages 26-27.

On 29 May 2024, the General Court handed down its second judgment concerning the 2022 ex-ante contribution period in case T-395/22 - Hypo Vorarlberg Bank v. SRB. As in the case of Dexia above, the General Court annulled the 2022 ex-ante contribution decision in relation to Hypo Vorarlberg Bank arguing that the SRB should have limited itself to levying 12,5 % of the estimated final target level. Furthermore, the General Court declared Article 70(7) of the SRMR unlawful and inapplicable, and consequently also the Council Implementing Regulation (EU) 2015/81 which was adopted by the Council on the basis of this provision and on which the 2022 ex-ante decision is based. In addition, the General Court declared Article 8(1)(g) CIR unlawful and inapplicable because the Council exceeded the implementing powers granted to it by Art. 70(7) of the SRMR in conjunction with Art. 291(2) TFEU. Importantly, the General Court maintained the effects of the 2022 ex-ante contribution decision for a period not exceeding twelve months from the day on which the judgment in case T-395/22 becomes final.

Due to the complexity of this judgement and because the SRB is ultimately depending on actions to be taken by the legislator, at this moment the SRB is not in the position to quantify its financial effect.

Other cases, including cases brought against the decision determining the ex-ante contributions calculated for 2023, alleging a breach of rules, may affect the calculation of those contributions. Given that some of those allegations have a probability of success of over 10%, the likelihood of an outflow of economic resources in those cases should be classified as possible.

A new methodology is in place for the calculation of the estimated difference in contributions between the original ex-ante contribution decision and a potential revised decision (calculating "deltas"). The SRB applied this methodology for the first time in 2022 (in the context of the 2021 annual accounts).

For only a few of the legal cases related to ex-ante contributions, the SRB could not reliably assess the difference between the amounts received and the potential revised amounts ("deltas"). This is because one or more pleas in such cases relate to components of the calculation methodology where the SRB is unable to calculate deltas due to the absence of necessary data points. Given that the calculation methodology relies on a distribution system, such absence of data points implies that the amounts at risk could not be reliably assessed.

The large decrease in value of the contingent liabilities is mainly due to the provisioning of amounts which in the previous year were disclosed as contingent liabilities, but now are included in the EUR 2.77 billion non-current provision for risks and liabilities (see pages 26-27).

With regard to appeals and court cases pending before the NRAs and national administrative courts, the SRB notes that the Court of Justice has clarified that EU courts have exclusive competence for reviewing the legality of the SRB's calculation of ex-ante contributions and related matters (see judgment of the Court – Grand Chamber – of 3 December 2019, Case C-414/18, Iccrea v Banca d'Italia, preliminary ruling, EU:C:2019:1036). It follows that national courts do not have the competence to annul these decisions and, hence, the risk of an outflow of economic resources stemming from cases against ex-ante contributions at national level is remote. Therefore, the SRB is not disclosing any contingent liability in relation to such cases.

At the time of issuing these final annual accounts, the SRB considers that it is also possible that an outflow of economic resources will be required to settle the legal costs of the opposing party's legal representation in those cases with a probability of success between 10% and 50%.

In addition to the estimated legal costs for pending ex-ante cases, the SRB is involved in taxation proceedings aimed at determining the level of legal costs to be paid by the SRB for closed cases, in which the SRB was ordered to bear the legal costs of the opposing party. Further to these legal costs for the main proceedings, the taxation proceedings as such will only lead to a negligible (additional) outflow of economic resources consisting of the legal costs for the taxation proceedings, if at all.

Please see below the total amounts recognised as contingent liabilities regarding legal cases on ex-ante contributions at EU level:

	31.12.2023	31.12.2022
Contingent liabilities from legal cases (ex-ante contributions)	158,250,224.50	1,887,073,416.21
Contingent liabilities from legal fees	1,242,812.50	4,557,000.00
Total	**159,493,036.00**	**1,891,630,416.21**

Litigation on Banco Popular Español 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.

From the 103 court cases related to BPE's resolution currently pending against the SRB before the General Court and the Court of Justice at 31 December 2023 [2], 97 legal cases are still suspended.

In its five rulings of 1 June 2022, the General Court confirmed the legality of the SRB's decision to resolve BPE and the European Commission's endorsement of that resolution scheme. In addition, the claim for damages examined in one of those cases was also dismissed. The applicants were therefore ordered to pay the costs. Five appeals were brought against four of those rulings. One of those appeals has been withdrawn in September 2023. In light of the General Court's rulings of 1 June 2022 and the pleas submitted by the appellants, the SRB considers that, for those new cases, the likelihood of a negative outcome can be considered as remote[3].

On 18 June 2024, the Court of Justice rendered its judgment in the appeal brought by the European Commission against the judgment of the General Court in case T-481/17. The Court of Justice found that an action concerning only the SRB's act adopting of the resolution scheme is inadmissible. The Court of Justice concludes that the challengeable act is the Commission's endorsement of that resolution scheme. As a consequence of this judgment, it can be expected that all pending actions against a resolution scheme adopted by the SRB are to be dismissed as inadmissible.

In addition to the cases referred to above, following the adoption on 17 March 2020 of the decision determining whether compensation needs to be granted to former shareholders and creditors of BPE (Valuation 3 decision), seven legal actions were brought before the General Court against the SRB.

On 17 November 2020, one of those legal actions was dismissed by order of the General Court, and the Court of Justice has confirmed that judgment. On 22 November 2022, the General Court dismissed the other six cases against the Valuation 3 decision concerning Banco Popular Español and those judgments have not been appealed before the Court of Justice.

At the end of 2023, several court proceedings related to the resolution of BPE were pending at national level. If there is a successful outcome for the appellants before the national courts resulting in damages to be repaid by the local NRA, the SRB may have to return the corresponding amounts in total or in part (according to Article 87(4) Regulation (EU) No 806/2014). Although the SRB´s resolution decision has been found to be in accordance with the applicable legal framework by the General Court, at this stage, it is difficult to reasonably predict the outcome of this litigation and to estimate its potential financial effects due to the complex, specific and unprecedented legal system created by the new resolution legal framework. In this context, the SRB is disclosing the nature of the contingent liabilities associated with this litigation, but it is not in a position to quantify the financial effect.

Nevertheless, given that national courts are bound by European General courts' rulings and that the decision of the local NRA was limited to implement the SRB´s resolution decision, which has been found to be in accordance with the applicable legal framework by the General Court, it seems to be highly

[2] This figure includes as per 31 December 2023, 93 suspended legal actions brought against the resolution decision, four stand-alone legal actions for damages, and one legal action concerning access to documents, all before the General Court. In addition, five appeals before the Court of Justice were lodged against the judgments of the General Court in the pilot cases. Of those, one appeal has been withdrawn and four are still pending.

[3] The European Commission has brought one of the appeals against the judgment of the General Court in case T-481/17. In light of the object of that appeal and the absence of legal costs given the inter-institutional nature of that appeal, even a negative outcome in that case would have no financial consequences for the SRB.

unlikely or remote that national courts may issue a ruling against the local NRA, declaring its decision unlawful.

Litigation on Sberbank resolution

Following the adoption of the resolution schemes by the SRB in respect of Sberbank d.d and Sberbank Banka, as well as of the decision on the assessment of the conditions for the resolution of Sberbank Europe on 1 March 2022, six legal actions were brought before the General Court by former shareholders of the banks against the resolution decisions and the decision not to resolve Sberbank Europe. In addition, two appeals were brought against the SRB's decisions on deduction of expenses. In June 2023, two legal actions against refusals to grant access to documents relating to the Sberbank resolutions were also introduced before the General Court.

On 10 October 2023, the General Court declared inadmissible the three cases lodged by the shareholder of Sberbank Europe. Those orders have been appealed before the Court of Justice. At this stage of the proceedings and on the basis of the information available, including the numerous rulings rendered by EU Courts on similar resolution-related matters, the SRB considers that the likelihood of an outflow of economic resources as result of the pending court cases is remote.

On 19 October 2023, the General Court rejected, by orders, the applications to intervene of the shareholder of Sberbank Europe in the cases lodged by that bank. Those orders have been also appealed before the Court of Justice. On 22 March 2024, those appeals were dismissed by order of the Vice-President of the Court of Justice.

At the end of 2023, several court proceedings related to the resolution of Sberbank entities were pending at national level. In case of successful outcome for the appellants before the national courts resulting in damages to be repaid by the local NRA, the SRB may have to return totally or partially the corresponding amounts (according to Article 87(4) Regulation (EU) No 806/2014). At this stage, it is difficult to reasonably predict the outcome of this litigation and to estimate its potential financial effects due to the characteristics of the resolution legal framework and the specific circumstances of the resolution action taken in relation to those entities. In this context, the SRB is disclosing the nature of contingent liabilities associated with this litigation, but is not in a position to quantify the financial effect.

Litigation on decisions taken in relation to ABLV Bank, AS and ABLV Luxembourg Bank S.A.

Following the SRB decisions on the assessment of the conditions for the resolution of ABLV Bank, AS and ABLV Luxembourg Bank S.A. on 23 February 2018, two legal actions were brought before the General Court.

On 14 May 2020, one of these legal actions was dismissed as inadmissible by order of the General Court. That order of the General Court was appealed before the Court of Justice which dismissed the appeal on 24 February 2022. Therefore, there is no risk of any economic outflow.

On 6 July 2022, the other legal action was dismissed by a judgment of the General Court. That judgment of the General Court has been appealed before the Court of Justice. At this stage of the proceedings and on the basis of the information available, the SRB considers that the likelihood of an outflow of economic resources as result of this pending court case is remote.

On 12 February 2023, ABLV Bank AS brought an action for damages before the General Court against the European Central Bank and the SRB, seeking compensation for the damage allegedly suffered as a result of the discontinuation and liquidation of its business and that of its Luxembourgish subsidiary.

Given that the factual and legal elements presented in the action are closely related to those in the appeal proceedings pending before the Court of Justice described above, the General Court has decided to stay the proceedings until the decision closing the appeal before the Court of Justice. The SRB considers that the likelihood of an outflow of economic resources as result of this pending court case is remote.

In July 2023, one legal action against the refusal to grant access to documents relating to the non-resolution of ABLV Bank, AS and ABLV Luxembourg Bank S.A. was also introduced before the General Court. The SRB considers that the likelihood of an outflow of economic resources as result of this pending court case is remote.

Litigation on the decision taken in relation to PNB Banka

Following the SRB decision on the assessment of the conditions for the resolution of PNB Banka on 15 August 2019, one legal action was brought before the General Court.

On 15 November 2023, the General Court dismissed the action. That judgment of the General Court has been appealed before the Court of Justice. At this stage of the proceedings and on the basis of the information available, the SRB considers that the likelihood of an outflow of economic resources as result of this pending court case is remote.

MREL cases

Following the agreement reached on 4 November 2021 within the resolution college on the joint decisions on the resolution plan and MREL with respect to the BNP Paribas group, one legal action by that bank was brought before the General Court. At this stage of the proceedings and on the basis of the information available, the SRB considers that the likelihood of an outflow of economic resources as result of this pending court cases is remote.

Following the adoption of the decision of the SRB Appeal Panel in case 3/21 on 8 June 2022, one legal action was brought by France before the General Court against that decision. At this stage of the proceedings and on the basis of the information available, the SRB considers that the likelihood of an outflow of economic resources as result of this pending court case is remote.

Finally, two legal actions have been lodged in August 2023 and April 2024 against a joint decision on MREL. That joint decision has been the object of a parallel appeal before the Appeal Panel of the SRB, which dismissed the appeal on 15 December 2023. At this stage of the proceedings and on the basis of the information available, the SRB considers that the likelihood of an outflow of economic resources as result of those pending court cases is remote.

Litigation in relation to human resources cases

Two legal actions concerning human resources matters are currently pending against the SRB.

On 20 September 2023, the General Court dismissed one of those actions. The judgment has been appealed before the Court of Justice.

At this stage of the proceedings and on the basis of the information available, the SRB considers that the likelihood of an outflow of economic resources resulting from those two pending cases is remote.

N) Open commitments at year-end

The budgetary RAL ("reste à liquider") represents the total open commitments for which payments and/or decommitments have not yet been made. The accounting RAL as presented below is the part of the budgetary commitments that has not been consumed (expended) during the year by an invoice or other form of claim, or through year-end accrued charges (cut-off adjustments).

Other significant disclosures	31.12.2023	31.12.2022
Total amount of commitment appropriations carried over from year N to year N+1 (C8 funds)	5,876,099.94	5,703,983.37
Portion not spent that corresponds to commitments with differentiated appropriations (not carried over)	22,621,332.19	7,564,420.59
Amount accrued in year N	(9,121,650.22)	(12,442,805.77)
TOTAL RAL at year-end	**19,375,781.91**	**825,598.19**
Total amount carried over from year N to year N+1 (R0 and C4 funds)	70,591,770,956.85	59,579,483,554.67

O) Financial instruments disclosures (other than Investment portfolio)

Financial instruments consist of cash, investments in securities, current receivables and recoverables, and 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. Financial instruments are valued according to EU Accounting Rule 11 and IPSAS 41.

An overview of their classification and measurement, and the treatment of changes to the carrying amount is presented below.

31/12/2023 Financial instrument	Category	Measurement	Change in carrying amount
Cash and cash equivalents	Financial assets measured at amortised cost	Amortised cost	Economic result account
Investments in securities	Financial assets measured at FVTNAE	Fair value	Fair value reserve in net assets (Other Comprehensive Income)
Investments in securities	Financial assets measured at FVTNAE – Impairment	Fair value	Economic result account
Receivables	Financial assets measured at amortised cost	Amortised cost	Economic result account
Deferred charges and accrued income	Financial assets measured at amortised cost	Amortised cost	Economic result account
Payables	Financial liabilities measured at amortised cost	Amortised cost	Economic result account
Accrued charges and deferred income	Financial liabilities measured at amortised cost	Amortised cost	Economic result account
Other liabilities	Financial liabilities measured at amortised cost	Amortised cost	Economic result account

The carrying amounts of the SRB's financial instruments are as follows:

Carrying amounts	31.12.2023	31.12.2022
Financial assets		
Financial assets measured at FVTNAE (non-current)	15,550,123,250.43	19,447,222,119.49
Financial assets measured at FVTNAE (current)	10,102,315,272.88	4,546,570,589.29
Pre-financing	718,692.29	518,712.79
Current receivables	104,013.02	175,982.52
Other receivables	47,628.63	56,213.91
Deferred charges and accrued interest receivable	167,094,792.12	54,753,641.24
Cash and deposits	51,593,889,970.56	39,586,227,853.78
TOTAL financial assets (1)	**77,414,293,619.93**	**63,635,525,113.02**

Carrying amounts	31.12.2023	31.12.2022
Financial liabilities		
IPC Liability	8,630,765,774.68	6,955,224,234.28
Pre-financing received from bank institutions	48,109,273.80	52,153,792.93
Current payables	238,077.30	192,785.98
Other payables	1,770,922.40	4,405,138.84
IPC interest payable to banks	252,034,122.75	2,637,531.22
Accrued charges and deferred income	10,349,970.36	12,940,806.80
TOTAL financial liabilities (2)	**8,943,268,141.29**	**7,027,554,290.05**
TOTAL net financial instruments (1-2)	**68,471,025,478.64**	**56,607,970,822.97**

Financial instruments

Financial instruments give rise to financial risks, specifically to liquidity, credit and market risk. Financial risks linked to the investment of *ex-ante* contributions in the financial markets are further detailed and quantified in the risks overview of section 10.3 'Investment portfolio'.

Liquidity risk

Liquidity risk refers to the inability to repay obligations when they fall due or the inability to sell at a prevailing market price.

The EU budgetary principles require that the overall cash resources for a given year to be always sufficient for the execution of all payments.
The following measures are in place at the SRB to manage liquidity risk:

- For the moment, the funds are placed as cash-at-bank in current and in savings accounts. Therefore, the cash available on demand could easily be used to cover short and long-term liabilities and also those of unpredictable maturity. However, when using the funds, the Board must comply 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 (with the bank accounts being completely separated and earmarked for administrative purposes, Fund resources and IPCs).
- 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 the segregation of duties in line with the SRB Financial Regulation, 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 receivable (either the principal or interest or both) or other failure to meet a contractual obligation. Default events could include a delay in repayments, restructuring of borrower repayments and bankruptcy.
The most important financial assets are the cash held at banks and receivables. The credit risk related to the bonds in the investment portfolio is presented at page 54-53. The paragraphs below explain the measures in place to manage the credit risk.

<u>Administrative contributions</u>

Administrative resources are kept with four commercial banks for which specific credit risk conditions were applied at the moment of procuring bank services. The credit ratings of the commercial banks where the SRB holds its bank accounts are regularly reviewed.

<u>Fund contributions</u>

The *ex-ante* contributions collected for the Fund, together with the cash collateral from IPCs, are held in NCB accounts in twelve countries in the Eurozone.
According to the investment plan for the year, a portion of the collected funds was invested in securities with an investment grade of at least S&P BBB– or equivalent.

<u>Receivables</u>

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 in doubt and the debtor may not be able to repay its debt to the SRB.

Market risk

Market risk can be split into interest rate risk and currency risk.

Interest rate risk

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

Since September 2022, the bank interest rate became is positive and it is directly credited into the SRB's NCB accounts in the first week of the next month for the current month. Investments in securities also carry an interest rate risk, which is explained in section 10.3.
The Board has put in place strict controls on the interest amounts collected from banks, which are checked by recalculation; immediate action is taken to reclaim under-credited amounts.

Foreign currency risk

Foreign currency risk is the risk that the SRB operations will be affected by changes in exchange rates. Foreign currency risk (or foreign exchange risk) arises on financial instruments that are denominated in a foreign currency, i.e., in a currency other than the functional currency in which they are measured.
As all the SRB's financial assets and liabilities are euro-denominated, the SRB was not exposed to foreign currency risk in 2023.

P) Changes in accounting policies

There were no changes in accounting policies for the financial year 2023 that could give rise to additional disclosures or restatement adjustments.

Q) 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 Board and are entrusted with significant authority to execute their mandate.

Highest grade description	Grade	Number of persons on this grade
The Chair of the SRB	AD 16	1
The Vice-Chair of the SRB	AD 16	1
The other members of the Executive Session of the Board	AD 16	4

The transactions of the Board with the key management personnel during the financial year 2023 consisted only of remuneration, allowances and other entitlements, as determined for grade AD 16 in the Staff Regulation of the Officials of the European Communities and by Council Regulation No 422/67/EEC of 25 July 1967 and Council Regulation (EU) 2016/300 of 29 February 2016. No loans or other amounts outside the provisions of the Staff Regulation were granted to management or staff.

R) Events after the reporting period

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

1. Regarding events that concern a situation existing at 31 December 2023

1.1. The end of Initial Period of the SRF and the target level verification exercise

After the completion of the target level verification exercise at the beginning of 2024, the SRB confirms that the financial means available in the Single Resolution Fund (SRF) at 31 December 2023 represented EUR 78 billion and therefore reached the target level of at least 1% of covered deposits held in the Member States participating in the Single Resolution Mechanism as set by Article 69(1) of Regulation (EU) No 806/2014 (SRMR). This amount includes the substantial positive economic return obtained on cash accounts and investments during 2023.

As such, no regular annual contributions will be collected in 2024 from the institutions falling in scope of the SRF, and contributions would only be collected in the event of specific circumstances or resolution actions involving the use of the SRF.

1.2. Ex-ante contributions restatements

Article 14(5) of the Commission Delegated Regulation (EU) 2015/63, governing the calculation of ex-ante contributions, requires that *"[w]here the information or data submitted to the resolution authorities is subject to updates or corrections, such updates or correction shall be submitted to the resolution authorities without undue delay*". This provision establishes a right for the institutions and the SRB to correct misstated data. The regulation does not set any time limit to provide such restatement.

The SRB has received a total of 236 restatements from 16 different Member States. Based on preliminary calculations, the overall impact on the SRF is an inflow of kEUR 31.79 (2022: EUR 107.95 million). According to the accounting policy applied by SRB in recognising non-exchange revenues, this amount has been assessed as not material for adjusting the recognised revenues from ex-ante contributions of 2023.

1.3. General Court ("GC") judgements

- GC judgement 10 April 2024 (adjusting event)

On 10 April 2024, the General Court delivered its first judgment concerning the 2022 ex-ante contribution period in case T-411/22 – Dexia v. SRB. With its judgment, the General Court annulled the 2022 ex-ante contribution decision in relation to Dexia arguing that the SRB should have limited itself to levying 12,5 % of the estimated final target level. Importantly, the General Court maintained the effects of the 2022 ex-ante contribution decision for a period not exceeding six months from the day on which the judgment in case T-411/22 becomes final. As a result of this judgement, the Board have booked a provision for risks and liabilities of EUR 2.77 billion (pages 26-27).

- GC judgement 29 May 2024 (non-adjusting event)

On 29 May 2024, the General Court handed down its second judgment concerning the 2022 ex-ante contribution period in case T-395/22 - Hypo Vorarlberg Bank v. SRB. As in the case of Dexia above, the General Court annulled the 2022 ex-ante contribution decision in relation to Hypo Vorarlberg Bank arguing that the SRB should have limited itself to levying 12,5 % of the estimated final target level. More details on this judgement could be found at page 33 in section L “Disclosure on appeals and legal cases”.

- GC judgement 18 June 2024 (non-adjusting event)

On 18 June 2024, the Court of Justice rendered its judgment in the appeal brought by the European Commission against the judgment of the General Court in case T-481/17. The Court of Justice found that an action concerning only the SRB’s act adopting of the resolution scheme is inadmissible. The Court of Justice concludes that the challengeable act is the Commission’s endorsement of that resolution scheme. As a consequence of this judgment, it can be expected that all pending actions against a resolution scheme adopted by the SRB are to be dismissed as inadmissible.

Below events represent non-adjusting events in terms of EU Accounting Rule 19 (IPSAS 14), which do not require any adjustments to the figures reported in these final annual accounts.

2.1. Macro-economic outlook in the first months of 2024

The macroeconomic outlook for the EA economy indicates gradual expansion amid high geopolitical risks. Following a mild technical recession in the second half of 2023, the Euro area (EA) economy returned to growth in the first quarter of 2024 when it grew by 0.3 %. The high frequency economic indicators such as the purchasing managers indices (PMIs) now indicate a positive short-term outlook for the EA economy, pointing to continued expansion in services (the services PMI came in at 53.3 in May 2024). In manufacturing activity continued contraction is expected albeit at a slower pace (the PMI came at 47.4).

According to the latest forecasts (Spring 2024) by the European Commission (EC), the EA growth will accelerate to 0.8% by the end of 2024, further strengthening to 1.4% in 2025. While the projected growth remains robust, it is marginally lower than in the previous forecast (Winter 2024). The volatile geopolitical situation characterised by conflicts in Israel and Ukraine and political and economic uncertainty related to China presents the main downside risk to this outlook.

The disinflation in many EA countries is paving the way for interest rate reductions. After peaking at 10.6 % in October 2022, inflation has been gradually declining in the EA. By the end of 2023 the annual HICP inflation fell to 5.4% which was partly a result of the falling energy prices. The latest inflation reading (April 2024) has shown a 2.4% annual inflation in the EA. This year food and non-energy industrial goods are expected to be the main drivers stabilizing inflation, but prices in services are gradually expected to slow down too. In 2024 the inflation is expected to reach 2.5 %, further falling to 2.1 % in 2025.

Given the relatively weak economic growth and the gradual normalisation of inflation rate, the ECB is expected to start cutting interest rates this June. By the end of the year the market expects ECB to cut rates by 75bps with more cuts to follow in 2025. The market expects the US rate cuts to start only in September 2024, creating a likely monetary policy divergence between the FED and the ECB which could lead to a weakening of euro against its global peers.

Financial stability outlook remains fragile. The expectations of near-term loosening on monetary policy have supported assets prices and boosted investor demand for risky assets since October 2023. The volatility on financial markets has been compressed and credit spreads have narrowed. Given the high levels of geopolitical uncertainty and high asset prices there is a risk that an unexpected shock could lead to an abrupt asset selloff.

SRB banks continue to be resilient, but they face headwinds from weaker asset quality, lower revenues and higher cost of funding. Following a period of strong performance, especially in 2023, the short-term outlook for SRB banks is less favourable. The non-performing loan ratio remains very low at about 2 %, but it is expected to increase, especially for banks with high exposure to commercial real estate (CRE). This sector is expected to continue underperforming in the wake of higher funding costs and structurally lower post-pandemic demand for office space.

9. Notes to the Statement of financial performance

A) Revenues

Operating revenues	2023	2022
Revenues from non-exchange transactions	**9,710,667,236.70**	**12,336,458,977.30**
Revenues from *ex-ante* contributions to the SRF	9,598,298,246.76	12,239,925,332.62
Bad debt allowance	-	-
Revenues from administrative contributions	112,368,989.94	96,533,644.68
Revenues from fixed assets (donations)	**1,265.00**	-
Other operating revenues (exchange)	**9,659.47**	**7,325.00**
Exchange rate gains	9,659.47	7,325.00
Revenues from administrative operations (exchange)	**171,301.09**	**-**
Recovery of operating expenses	168,803.00	-
Other miscellaneous administrative revenues	2,498.09	-
TOTAL	**9,710,849,462.26**	**12,336,466,302.30**

The major portion of the SRB's operating revenues consists of **non-exchange revenues**. In 2023, the SRB collected *ex-ante* contributions to the SRF and administrative contributions.

Revenues from *ex-ante* contributions to the Fund

The total revenue for 2023 incorporates the effect of the following:

- positive impact from the restatements pertaining to previous periods and newly supervised entities amounting to EUR 107 952 441.33 (2022: EUR -42 582 589.48);
- positive impact from the voluntary termination of IPCs that generated additional *ex-ante* contributions amounting to EUR 5 316 267.19 (2022: EUR 7 308 660.03) and recognised as revenues within the year when they are invoiced and collected.
- negative impact from returns of contributions amounting to EUR -4 213 894.05.

Revenues from administrative contributions

The determination and raising of Administrative Contributions are based on the Commission Delegated Regulation (EU) 2017/2361 of 14 September 2017 on the final system of contributions to the administrative expenditures of the Single Resolution Board, which came into force on 8 January 2018 and was amended by Commission Delegated Regulation (EU) 2021/517 of 11 February 2021.

As from 2022, with the entering into force of the amended Commission Delegated Regulation (EU) 2017/2361, the timeline for the contributions collection changed to Q1 and Q3 each year. A new system was introduced whereby an advance payment is collected from significant institutions at the beginning of each financial year in Q1 and a final contribution is invoiced and collected from all institutions in scope in Q3.

Description	2023	2022
Administrative contributions — voted budget	**145,075,000.00**	**120,400,000.00**
Less: positive result of previous years (budgetary cash based)	(36,822,987.56)	(45,387,679.98)
Add: additional amount collected on account of the deferred settlement cycle	58,056.17	225,035.87
Add: Other adjustments from calculation	(2.02)	1.02
Total amount invoiced to the institutions	**108,310,066.59**	**75,237,356.91**
Less: reimbursement towards institutions falling out of scope	(12,635.68)	(531.25)
Less: reimbursement towards institutions that changed status (less significant rather than significant entities)	-	(159,990.00)
Less: reimbursement towards institutions due to merger	(37,209.10)	-
Add: amount not yet reimbursed by 31 December 2023	64,249.00	(64,249.00)
Total amount available for the year	**108,324,470.81**	**75,012,586.66**
Add: pre-financing received in previous periods (accrual based)	43,266,286.45	30,408,564.50
Less: amount not spent during the year after covering all administrative and operational expenditure (long-term liability)	(39,221,767.32)	(8,887,506.48)
TOTAL	**112,368,989.94**	**96,533,644.68**

In accordance with the applicable accounting policy on the recognition of revenue 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 of the SRB.

Financial revenues

Description		2023	2022
Interest income on late payment of administrative contributions		**6,537.96**	**4,858.00**
Interest income from cash and cash equivalents (commercial banks)		**1,625,178.17**	**172,405.79**
Interest income from cash and cash equivalents (NCBs)	**1**	**1,207,886,770.51**	**110,722,721.35**
Financial revenues **from financial assets measured at FVTNAE (HTSC)**		**162,741,724.62**	**23,597,496.74**
Interest income on financial assets **measured at FVTNAE (HTSC)**	**2**	162,741,723.99	30,325,481.05
Income received at modification of a financial asset		-	-
Net realised gains/(losses) on sales of financial assets **measured at FVTNAE**		0.63	(6,727,984.31)
Other financial income		**295.47**	**5,321.61**
TOTAL		**1,372,260,506.73**	**134,502,803.49**

Interest and interest income from investments

(*) Reconciliation between budgetary and accounting amounts	2023	2022
Total income from investments inscribed in year N budget	**1,409,226,257.85**	**298,581,316.67**
Less: realised losses inscribed in budget as expenses of year N (title IV)		-
Total NET revenues recognised in year N budget	**1,409,226,257.85**	**298,581,316.67**
Less: amounts inscribed in budget year N but cashed in year N-1 (timing difference)	(87,018,765.16)	(35,429,830.74)
Add: amounts cashed in year N, but inscribed in budget year N+1 (accrued)	146,110,182.27	86,948,223.67
Add: accrual adjustment of interest income (EIR method)	(97,677,451.57)	(209,046,184.97)
Add: other accounting adjustments	(11,728.89)	(5,322.23)
TOTAL income from interest income and investments (1+2)	**1,370,628,494.50**	**141,048,202.40**

B) Expenditure

Operating expenses

Description	2023	2022
Administrative expenses	**94,004,284.79**	**81,529,108.20**
Staff expenses	61,129,009.18	54,780,682.11
Other expenses	**32,875,275.61**	**26,748,426.09**
Administrative expenses	4,735,569.31	3,730,753.94
IT expenses	11,915,959.51	8,926,823.35
Other services (non-IT)	2,417,328.98	4,271,801.23
Land and buildings	7,744,860.76	6,291,068.17
Fixed assets expenses	6,061,557.05	3,527,979.40
Operational expenses	**18,700,305.03**	**13,934,912.19**
Other operational expenses	18,668,885.32	13,914,170.65
Exchange rate losses	31,419.71	20,741.54
TOTAL	**112,704,589.82**	**95,464,020.39**

In 2023, 65% (2022: 67%) of SRB administrative expenses was linked to staff, while 21% (2022: 19%) was related to other significant administrative expenses (rent and IT support).

The operational expenses increased in 2023 and represent 17% of the total expenses (2022: 15%).

Financial expenses

Description	2023	2022
Financial expenses	**1,017.65**	**95,157,858.45**
Interest on financial liabilities at amortised cost	-	-
Interest charges on cash and cash equivalents	-	95,157,858.45
Late payment interest expense	1,017.65	-
Other financial expenses (bank charges)	**3,724.92**	**12,240.55**
TOTAL	**4,742.57**	**95,170,099.00**

During 2023, the interest charges on cash and cash equivalents were nil due to the positive bank interest rates. Therefore, the cash held at NCBs and commercial banks in current or savings accounts generated interest income.

10. Annex — The Single Resolution Fund ('SRF')

The SRF was established by the SRM Regulation and is composed of contributions from credit institutions and certain investment firms in the 21 Eurozone Member States participating in 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 was gradually built up during its first 8 years (2016-2023) in order to reach the target level of at least 1% of the amount of covered deposits of all credit institutions in the Banking Union by 31 December 2023.

Therefore, 31 December 2023 marked the end of the Initial Period and the collection of regular ex-ante contributions.

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. The Fund may be used for the following purposes (Article 76 of the SRM Regulation):

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 must not be used to absorb the losses of an institution directly, or to recapitalise an institution.

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

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

During 2023, there was no use of the Fund.

Ex-ante **contributions to the Fund**

Contributions are raised annually from institutions within the scope of each of the 21 member states of the Banking Union. The NRAs are responsible for the collection of contributions and their transfer to the SRF.

Cycle 2018: EUR 6.73 billion from 3 512 institutions
Cycle 2019: EUR 7.01 billion from 3 315 institutions
Cycle 2020: EUR 9.31 billion from 3 066 institutions
Cycle 2021: EUR 10.4 billion from 3 018 institutions
Cycle 2022: EUR 13.6 billion from 2 896 institutions
Cycle 2023: EUR 11.3 billion from 2 777 institutions

Irrevocable payment commitments

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 can be transferred under the IPC agreements is defined based on strict criteria, which take into account the limits stated by the applicable regulation.

All IPC agreements contain a provision that states 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. On the contrary, in case of positive interest rates, the Board will return the interest income to those banking institutions holding IPC with the SRB, which will happen in 2024 for 2023.

More details on the accounting treatment applied by the SRB in relation to the IPCs and a brief account of the IPC mechanism can be found on page 18-18.

The end of initial 8 years period

The Initial Period for the constitution of the Single Resolution Fund ended on 31 December 2023.

The available financial means in the Single Resolution Fund (“SRF”) at 31 December 2023 reached the target level referred to under Article 69(1) of Regulation (EU) No 806/2014.

After reaching the target level for the first time at the end of the Initial Period, the SRB will continue to verify on an annual basis whether the available financial means have diminished below the target level in the relevant contribution period. Should the means in the SRF diminish below the target level which is set at least 1 % of covered deposits in the Banking Union (because of a sharp increase in covered deposits and/or a depletion of the available financial means), contributions to the SRF may restart.

The National compartments built within the Single Resolution Fund during the Initial Period, are now fully merged in accordance with the Intergovernmental Agreement (IGA). Consequently, National compartments have effectively ceased to exist at the end of the Initial Period.

In accordance with the IGA waterfall, the available financial means in the SRF are now fully mutualised.

Fund analytical accounts as at 31 December 2023

To give a detailed view of the Fund transactions as reflected in the SRB accounts, a separate Statement of financial position and Statement of financial performance, including only the Fund transactions, are presented below.

ANALYTICAL FINANCIAL STATEMENTS 2023 – only SRF

10.1 Statement of financial position 2023 for the SRF

10.1.1 Statement of financial position 2023 — the SRF ASSETS

HEADING	31.12.2023	31.12.2022	Variation
NON-CURRENT ASSETS	**15,550,123,250.43**	**19,447,222,119.49**	**(3,897,098,869.06)**
Intangible assets	**-**	**-**	**-**
Property, plant and equipment	**-**	**-**	**-**
Financial assets (non-current)	**15,550,123,250.43**	**19,447,222,119.49**	**(3,897,098,869.06)**
Debt instruments measured at FVTNAE (non-current)	15,550,123,250.43	19,447,222,119.49	(3,897,098,869.06)
Pre-financing (long term)	-	-	-
Long-term receivables and recoverables	-	-	-
CURRENT ASSETS	**61,793,559,431.79**	**44,116,679,770.17**	**17,676,879,661.62**
Financial assets (current)	**61,793,559,431.79**	**44,116,679,770.17**	**17,676,879,661.62**
Debt instruments measured at FVTNAE (current)	**10,102,315,272.88**	**4,546,570,589.29**	**5,555,744,683.59**
Pre-financing (short term)	-	-	**-**
Receivables and recoverables	**165,755,669.57**	**51,842,329.99**	**113,913,339.58**
Current receivables (*ex-ante* and IPC invoices)	8,173.68	-	8,173.68
Sundry receivables		-	-
Deferred charges		-	-
Accrued bank interest receivable	165,747,495.89	51,842,329.99	113,905,165.90
Cash and cash equivalents	**51,525,488,489.34**	**39,518,266,850.89**	**12,007,221,638.45**
TOTAL ASSETS	**77,343,682,682.22**	**63,563,901,889.66**	**13,779,780,792.56**

10.1.2. Statement of financial position 2023 — the SRF LIABILITIES

HEADING	31.12.2023	31.12.2022	Variation
NET ASSETS	**65,693,112,008.60**	**56,606,031,649.10**	**9,087,080,359.50**
Accumulated reserves	**67,121,352,711.10**	**58,912,328,539.06**	**8,209,024,172.04**
Results of previous periods	58,912,328,539.06	46,613,025,119.51	12,299,303,419.55
Economic result of the year (SRF)	8,209,024,172.04	12,299,303,419.55	(4,090,279,247.51)
Fair value revaluation reserve (OCI)	**(1,428,240,702.50)**	**(2,306,296,889.96)**	**878,056,187.46**
Actuarial gains/losses (OCI)	**-**	-	**-**
NON-CURRENT LIABILITIES	**11,398,459,695.68**	**6,955,224,234.28**	**4,443,235,461.40**
Provisions for risks and liabilities (non-current)	**2,767,693,921.00**	**-**	**2,767,693,921.00**
Employee benefits	-	-	-
Financial liabilities (non-current)	**8,630,765,774.68**	**6,955,224,234.28**	**1,675,541,540.40**
Long-term liabilities from IPCs	8,630,765,774.68	6,955,224,234.28	1,675,541,540.40
Other long-term liabilities	-	-	-
CURRENT LIABILITIES	**252,110,977.94**	**2,646,006.28**	**249,464,971.66**
Provisions for risks and liabilities (current)	**-**	**-**	-
Financial liabilities (current)	**252,110,977.94**	**2,646,006.28**	**249,464,971.66**
Long-term liabilities falling due within the year	-	-	-
Current payables	-	-	-
Sundry payables	76,633.24	7,955.06	68,678.18
Accrued charges	221.95	520.00	(298.05)
Accrued interest payable to banks (2023: IPC-related)	252,034,122.75	2,637,531.22	249,396,591.53
TOTAL LIABILITIES & RESERVES	**77,343,682,682.22**	**63,563,901,889.66**	**13,779,780,792.56**

10.2 Statement of financial performance 2023 for the SRF

HEADING	2023	2022	Variation
OPERATING REVENUES	**9,598,298,246.76**	**12,239,925,332.62**	**(2,641,627,085.86)**
Non-exchange revenues from fund contributions	9,598,298,246.76	12,239,925,332.62	(2,641,627,085.86)
Other non-exchange revenues from administrative contributions	-	-	-
Other exchange operating revenues	-	-	-
OPERATING EXPENSES		-	
Operating expenses	-	-	-
Administrative expenses	-	-	-
Surplus/(Deficit) from Operating Activities	**9,598,298,246.76**	**12,239,925,332.62**	**(2,641,627,085.86)**
Financial revenues	1,370,628,790.60	141,053,524.01	1,229,575,266.59
Financial expenses (negative bank interest and bank fees)	(5,341.02)	(101,840,782.58)	101,835,441.56
Expenses with provisions for risks and liabilities (legal cases)	(2,767,693,921.00)	-	(2,767,693,921.00)
Movement in Expected Credit Loss (Financial instruments FVTNAE)	7,796,396.70	20,165,345.50	(12,368,948.80)
Movement in post-employment benefits (pensions and transitional allowance)	-	-	-
Surplus/(Deficit) from Ordinary Activities	**8,209,024,172.04**	**12,299,303,419.55**	**(4,090,279,247.51)**
Extraordinary gains	-	-	-
Extraordinary losses	-	-	-
Surplus/(Deficit) from Extraordinary Items	-	-	-
Economic Result of the year	**8,209,024,172.04**	**12,299,303,419.55**	**(4,090,279,247.51)**

10.3. Investment portfolio of the SRF

The implementation of the SRB's investment policy commenced in 2018 with a total of EUR 9 billion invested in two mandates. In 2019, an additional EUR 6.4 billion was invested across three mandates, bringing the total amount invested to EUR 15.4 billion at the end of 2019. At the end of 2023, the total amount invested across three mandates was EUR 27.4 billion after additional transfers from 2020 to 2023. The mandates are based on the Strategic Asset Allocation defined in the SRB's 2023 Investment Plan, which operationalises the SRB's investment strategy, as referred to in Article 75 of the Regulation (EU) No 806/2014 and in Delegated Regulation (EU) 2016/451. The mandates include securities as well as cash positions.

The currency of the investments is euro.

The SRB is allowed to make investments with the financial means collected and hold these in current accounts, while taking into account both the financial capacity of the Fund and the expected disbursements.

The investment objectives in place are to satisfy liquidity requirements and protect the value of the SRF in order to support the efficient application of resolution tools. Satisfying liquidity needs means that the SRF must be able to provide the required amount of liquidity at any time at short notice. To this end, the amounts held in the SRF can be invested in liquid assets of high credit quality.

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

In addition to cash, the following asset classes were invested in as part of the 2023 Investment Plan:

- government bonds from Member States in the Banking Union (with ratings not lower than BBB–);
- government Treasury Bills from selected Member States;
- supranational bonds (multilateral development banks and international organisations);
- government-related bonds (agency bonds, regional and local authority bonds, government development bank bonds and sovereign bonds from European Union Member States); and
- corporate bonds issued by non-financial institutions with a minimum rating of BBB- from Eurozone country and with a minimum rating of A- from selected countries outside the Eurozone.

All securities bought, at the time of purchase, must have a yield above the risk-free rate, which is defined as the rate applicable to deposits held in current accounts.

Market outlook

2023 was characterised by rising interest rates amidst concerns over inflation and fears over a potential economic downturn. In addition to the ongoing Russian invasion of Ukraine, unexpected events such as the turmoil caused by the failure of Silicon Valley Bank and Credit Suisse and the escalation of the conflict between Hamas and Israel impacted global financial markets. Short-term interest rates rose substantially as central banks hiked their policy rates rapidly during the first three quarters of 2023 to bring inflation closer to its long-term target. Such moves had an impact on the income on the cash and securities contained in the SRB Portfolio.

In an effort to ease inflation the ECB continued its tightening cycle, the euro short-term rate ("€STR") increased by 2% between January and October 2023. While the cap of 0% remuneration on Government deposits was not reintroduced as some market participants had expected, the ECB decreased the remuneration to €STR minus 20 bps as of May 2023. This meant that for the entirety of the year, the

SRB's cash balances were remunerated at a positive rate. This was beneficial to the income of cash balances.

Regarding the securities portion, the intrinsic or economic value of securities was positively impacted by the increase in yield as new purchases were made at higher yields. This income, the change in the amortised cost value, is realised in the SRB's accounts. From a fair or market value perspective, as yield curves inverted the market value of securities with longer maturities increased while for shorter maturities the higher carry offset the negative valuation impact of rising yields. Differences between the amortised cost value and the prevailing market value are captured in the fair value revaluation reserve, part of Other Comprehensive Income, which reverts to zero at the maturity of the security if it is not sold. This amount is not realised in the SRB's accounts unless sales of securities take place.

Presentation of the investment portfolio of the SRF

Based on the presentation requirements applied by the SRB (EU Accounting Rule 1), a distinction has to be made between the current and non-current portions of the portfolio with the purpose of giving information on when the cash flows from the securities will be realised.

Fair value hierarchy	Current or non-current	31.12.2023	31.12.2022
Financial assets (non-current)		**15,550,123,250.43**	**19,447,222,120.02**
Financial assets measured at FVTNAE with remaining maturity > 1 year	**NON-CURRENT**	15,550,123,250.43	19,447,222,120.02
Financial assets (current)		**10,102,315,272.88**	**4,546,570,589.29**
Financial assets measured at FVTNAE with remaining maturity < 1 year	**CURRENT**	10,075,378,508.29	4,546,570,589.29
Financial assets measured at FVTNAE expected to be sold within the following year	**CURRENT**	26,936,764.59	-
TOTAL		**25,652,438,523.31**	**23,993,792,709.31**

Determination of fair value

After initial recognition, the SRB subsequently measures the investments at their fair value, which normally corresponds to the bid price for the financial asset (based on the liquid and highly-rated nature of the bonds in which Delegated Regulation (EU) 2016/451 allows the SRB to invest).

Fair value hierarchy

For financial instruments traded in active markets, the determination of the fair value of 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 are not available, a degree of judgement is required in establishing fair values.

Fair value hierarchy 2023	Active market *quoted market price*	No active market *valuation techniques*	TOTAL
Financial assets measured at FVTNAE	25,652,438,523.31	-	25,652,438,523.31
TOTAL	**25,652,438,523.31**	**-**	**25,652,438,523.31**

ECL of bonds

The SRB calculated the expected credit loss on 31 December 2023, which was EUR 18 579 327.48. The loss allowance equals the 12-months ECL. The impact in the statement of performance was EUR 7 796 396.70.

Risk management and governance of the investment process

According to Article 67 of the SRM Regulation, the owner of the Fund is the SRB. 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 in 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 management process following the three lines of defence model.

1. First line of defence for risk management — Investment team, SRF Unit

The SRF Unit is responsible for the development and implementation of the SRB's investment policy. As the portfolio management activities, in particular securities selection and transactions execution, are outsourced to two portfolio management service providers, 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 and on the selection and monitoring of outsourcing partners. The SRF Unit reports to the Vice-Chair.

2. Second line of defence for risk management — Investment Risk Manager, RMCC Unit

The responsibility of the second line Investment Risk Manager is to ensure that all risks are adequately identified, measured, assessed and managed by the Risk Management, Control and Compliance (RMCC) Unit, including ensuring compliance with risk processes. The second line risk manager operates outside the SRF Unit, providing independent judgement. The RMCC unit reports to the Chair.

3. Third line of defence for risk management — Internal audit

The third line of defence is the internal audit function. The role of the 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 Plenary Session.

The Fund Committee in its Investment Composition (FCIC) advises on decisions to be taken by the Board in its Plenary Session pertaining to investments. The FCIC is composed of experts from the 21 NRAs, the European Commission, the European Banking Authority and the ECB.

The 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, the Head of the SRF, representatives of the SRF, the Head of Unit RMCC and the Investment Risk Manager as regular attendees.

Risks overview

Financial risks are the risks linked to the investment of *ex-ante* contributions in the financial markets. The most relevant risks could be further grouped into:

- market risk,
- credit risk,
- concentration risk and
- liquidity risk.

In relation to the current investments held by the SRB, the above types of financial risks and the counter-party risk are accepted to a certain extent. Other risks such as currency risk, are not currently accepted. The quantitative and qualitative limits of the financial risks are defined by the SRB on an annual basis and are annexed to the SRB investment plan. In addition, they are also included in the SRB risk management framework, which is communicated in the form of guidelines to the investment portfolio managers.

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, as is the case at present).
The interest rate risk can be expressed based on the modified duration of the securities, which gives the change in the value of a security in response to a change in interest rates.

Remaining maturity	Fair value amount in portfolio (including tactical cash)	Contribution to modified duration	%
0-3 years	17,922,308,786.75	0.69	0.30
3-5 years	4,511,191,021.66	0.67	0.29
5-7 years	2,081,935,973.14	0.47	0.20
7-10 years	1,702,942,381.67	0.47	0.20
TOTAL	**26,218,378,163.22**	**2.29**	**1.00**

Stress testing results

As part of risk management of the investment portfolio, the SRB requests its outsourcing partners to perform stress tests on the SRF portfolio with the purpose of getting a view of the potential financial impacts on the SRB investments portfolio against future financial situations.

The stress tests are performed on an annual basis. The latest stress tests were applied to the portfolio as of 31 December 2023 invested in government bonds, supra-nationals, government related bonds and corporates.

The key features of stress test scenarios 1, 2 and 3 are summarized in the following table:

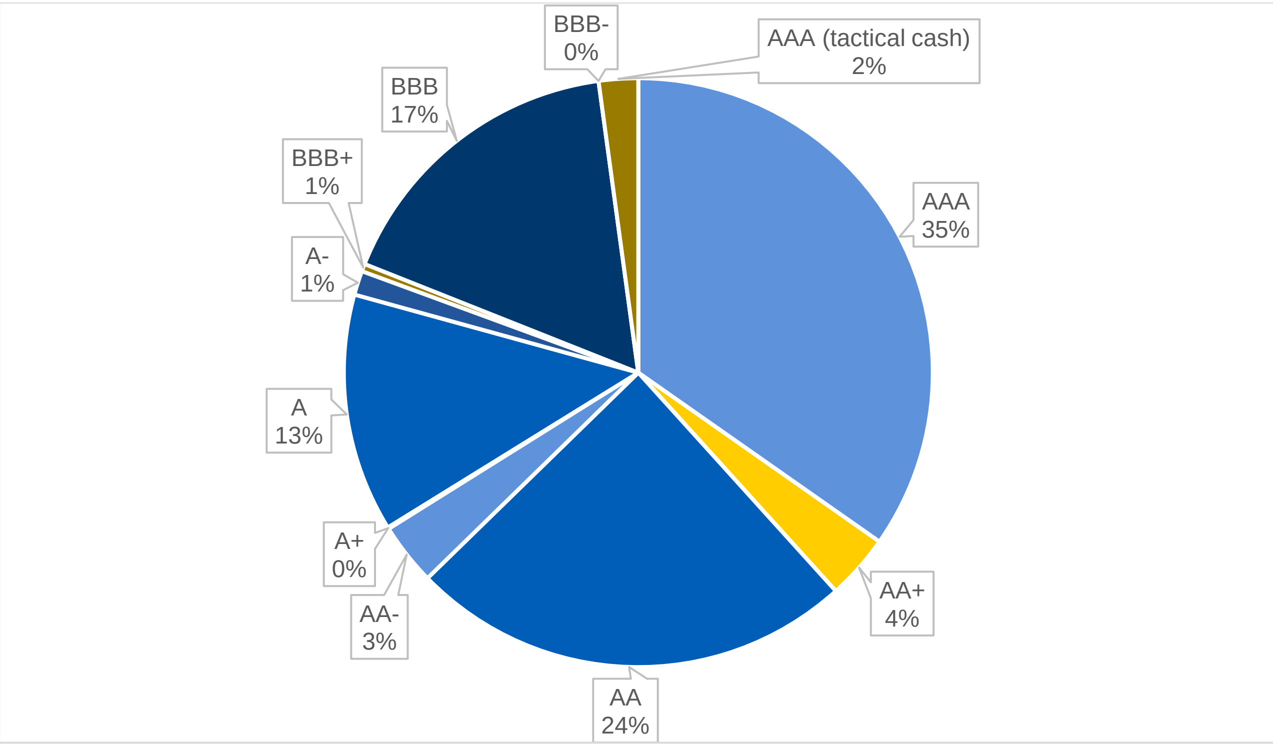
Scenario	Description of the impact on the valuation of the investment portfolio	Assumptions – impact on market interest rates			Impact on the net assets/equity	
		2 years	5 years	10 years	Impact in Million EUR	% of securities value
Scenario 1	ECB tightening of monetary policy	+ 100bp	+75bp	+50bp	-511	-2.0%
Scenario 2	Spike in sovereign risk The market differentiates between countries according to their creditworthiness and classification as core, semi-core or non-core Eurozone issuers.	-50bp to +650bp (depending on whether the issuer is core, semi-core or non-core)	-50bp to +650bp	-50bp to +650bp	-1,284	-5.0%
Scenario 3	Resolution of a systemic European bank involving the use of the SRF	The liquidation cost is measured for each holding in the portfolio and the total impact on the portfolio is the sum of cash values of successive daily sales compared to the initial value of the portfolio.			-833	-3.2%
Scenario 4	European Systemic Risk Board scenario	Customized by ESRB scenario of adverse economic and financial market developments			-729	-2.8%

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 tables and figures below give a breakdown of the portfolio by second-best rating (based on the rating scales used by S&P/Fitch/Moody's/DBRS) by counterparty type and by geographical coverage.

Exposure by credit rating

Description	31.12.2023	31.12.2022
AAA	9,105,682,275.54	8,548,974,363.55
AA+	935,714,724.15	808,351,715.06
AA	6,397,798,428.20	6,551,941,212.82
AA-	892,411,039.10	320,816,387.65
A+	22,120,724.00	104,973,935.50
A	3,430,696,455.84	3,071,371,002.40
A-	348,314,211.48	232,562,639.45
BBB+	108,549,113.94	627,633,210.73
BBB	4,411,151,551.06	3,727,168,242.15
BBB-	-	-
TOTAL portfolio	**25,652,438,523.31**	**23,993,792,709.31**
AAA (tactical cash)	565,939,639.91	1,388,011,462.04
TOTAL	**26,218,378,163.22**	**25,381,804,171.35**

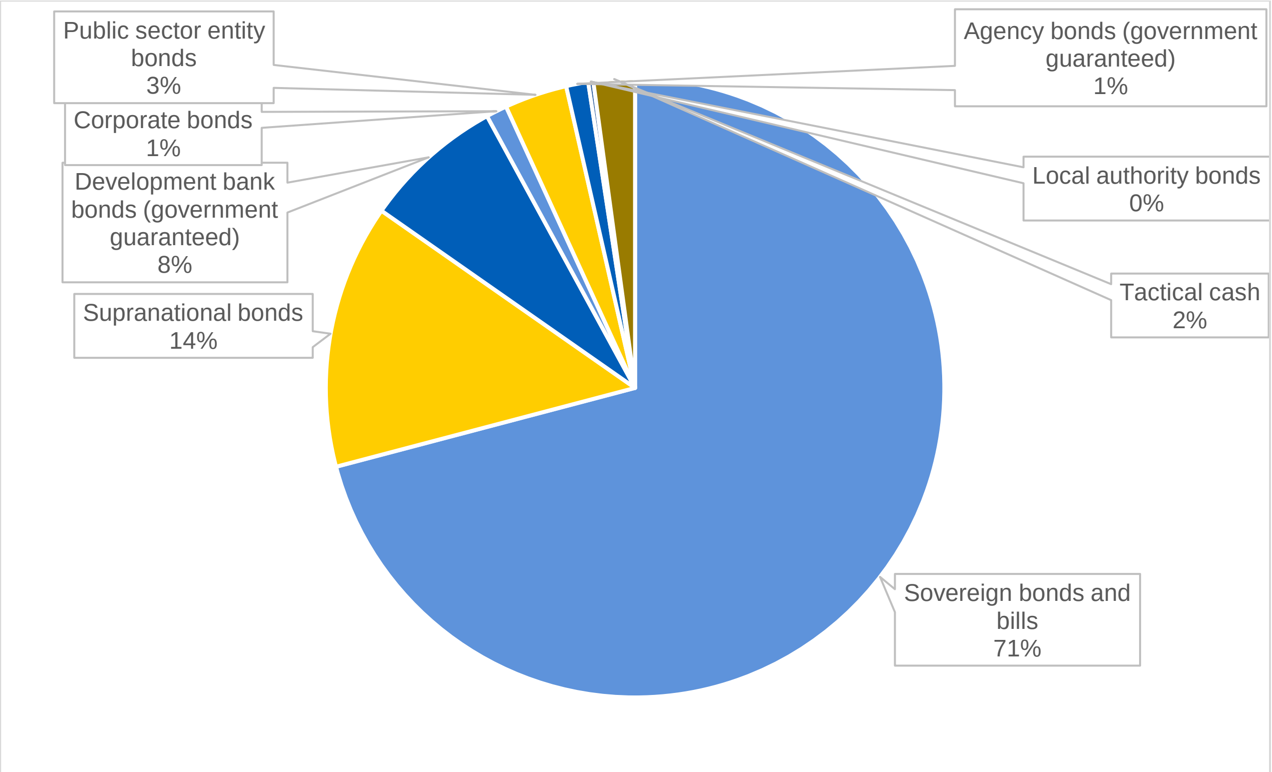


Concentration risk

Concentration risk is the risk of uneven distribution of exposures by sector, country, counterparty or asset class. The tables and figures below give a breakdown of the portfolio by counterparty type and by geographical coverage.

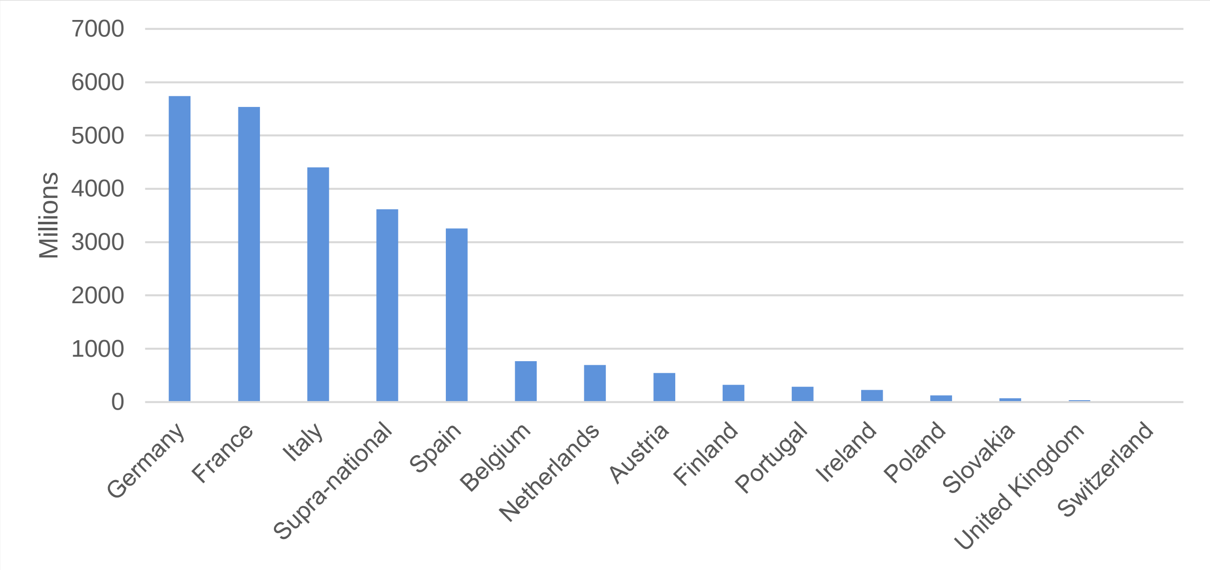
Exposure by counterparty type

Description	31.12.2023	31.12.2022
Sovereign bonds and bills	18,589,189,003.85	16,732,733,470.12
Supranational bonds	3,617,828,195.76	3,349,543,382.39
Development bank bonds (government guaranteed)	1,928,714,381.77	2,067,736,280.46
Corporate bonds	286,841,113.58	511,938,472.88
Public sector entity bonds	857,879,696.11	683,016,002.70
Agency bonds (government guaranteed)	302,945,663.80	565,369,336.63
Local authority bonds	69,040,468.44	83,455,764.14
Impaired financial investments	-	-
TOTAL portfolio	**25,652,438,523.31**	**23,993,792,709.31**
Tactical cash	565,939,639.91	1,388,011,462.04
TOTAL	**26,218,378,163.22**	**25,381,804,171.35**



Exposure by geographical region

Country	31.12.2023	31.12.2022
Germany	5,740,461,303.99	5,499,633,495.86
France	5,535,559,257.15	5,045,254,515.43
Italy	4,405,445,699.48	3,703,948,102.91
Supra-national	3,617,828,195.76	2,490,794,290.10
Spain	3,259,071,617.17	3,029,930,192.25
Belgium	766,680,195.04	716,006,417.43
Netherlands	697,489,864.83	931,075,736.41
Austria	543,290,543.84	526,334,978.92
Finland	323,383,711.87	221,060,889.77
Portugal	288,397,170.19	440,210,317.27
Ireland	225,290,474.85	279,717,871.74
Poland	125,039,388.23	127,368,889.20
Slovakia	71,505,869.98	61,729,602.25
United Kingdom	38,489,482.79	28,454,742.43
Switzerland	14,505,748.14	-
Luxembourg		865,820,402.64
United States		15,971,039.59
Sweden		10,481,225.12
TOTAL portfolio	**25,652,438,523.31**	**23,993,792,709.31**
Tactical cash	565,939,639.91	1,388,011,462.04
TOTAL	**26,218,378,163.22**	**25,381,804,171.35**



Impairment analysis

The following table shows the movement in ECL that has been recognised for bonds in the investment portfolio in accordance with the general approach set out in IPSAS 41.

	12month	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Amount is written off	Total
Balance at 1 January 2023	**26,375,724.19**	**-**	**-**	**-**	**26,375,724.19**
Net remeasurement of loss allowance	(5,660,695.58)	-	-	-	**(5,660,695.58)**
Amounts written off	-	-	-	-	**-**
Amounts recovered	-	-	-	-	**-**
Change in loss allowance due to new bonds purchased net of those derecognised due to settlement or sale	(2,135,701.13)	-	-	-	**(2,135,701.13)**
Changes in credit risk parameters	-	-	-	-	**-**
Balance at 31 December 2023	**18,579,327.48**	**-**	**-**	**-**	**18,579,327.48**

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 present an analysis of the SRB's financial investments by contractual maturity at issuance and by remaining maturity, taking into account the period remaining between the reporting date and the contractual maturity date.

Contractual maturity	< 1 year	1-5 years	>5-10 years	>=10 years	TOTAL
Financial assets measured at FVTNAE	3,101,478,775.61	3,113,358,076.16	7,039,171,476.53	12,398,430,195.01	25,652,438,523.31
Tactical cash	565,939,639.91				565,939,639.91
TOTAL	**3,667,418,415.52**	**3,113,358,076.16**	**7,039,171,476.53**	**12,398,430,195.01**	**26,218,378,163.22**

Remaining maturity	0-3 months	3 months-1year	>1year-5 years	>5years	TOTAL
Financial assets measured at FVTNAE	2,321,836,220.24	7,780,479,053.03	11,765,244,895.62	3,784,878,354.81	25,652,438,523.31
Tactical cash	565,939,639.91				565,939,639.91
TOTAL	**2,887,775,860.15**	**7,780,479,053.03**	**11,765,244,895.62**	**3,784,878,354.81**	**26,218,378,163.22**

Market liquidity risk is minimised by investing in high credit quality liquid assets and by using appropriate measurements to ensure the timely detection of deteriorations in the liquidity of the portfolio.

II. Report on Budgetary and Financial Management 2023

Introduction

As stated in Article 89 of the SRB Financial Regulation, the accounts are to 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, the budget of the SRB comprises 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, while Part II is financed through a variety of sources described in Article 60 of the SRM Regulation.

The initial adopted budget for 2023 amounted to EUR 143,000,000.00 for Part I (EUR 120,400,000.00 in 2022). The Plenary Session of the Board adopted three amending budgets, on 9 March 2023, 24 March 2023 and 28 September 2023:

- The first amending budget was adopted for the increase of the commitment and payment appropriations by EUR 2,075,000.00 million in the budget line 2040 ‘Fitting out of premises’.
- The second amending budget was adopted to amend the 2023 Establishment Plan and had no budgetary impact.
- The third amending budget was adopted to introduce the positive result of the previous year for the amount of EUR 24,724,277.99 in the 2023 budget. In accordance with Article 16 of the SRB Financial Regulation, a positive budget result is to 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 in full.

Revenue

1) Part I — Administration

The SRB budget is expenditure driven and the total revenue in a budget year is the same amount as the estimated expenditure for that year. In accordance to Article 65 of the Regulation (EU) No 806/2014 on the Single Resolution Mechanism, in order to cover its administrative expenditures, the SRB shall raise contributions from all institutions that fall within the scope of the SRM Regulation.

The Commission Delegated Regulation (EU) No 2017/2361 on the final system of contributions to the administrative expenditures of the SRB, forms the legal basis for the calculation of administrative contributions since 2018.

As from 2022, the SRB adapted its process to the amended Commission Delegated Regulation (EU) 2017/2361[4]. The timeline for the contributions collection changed to Q1 and Q3 each year. Additionally, a new system was introduced whereby an advance payment is collected from significant institutions at the beginning of each financial year in Q1 and a final contribution in Q3.

Advance instalments

Article 4.a.(1) of the Delegated Regulation empowers the Board to raise advance instalments to cover the expenditures it expects to incur in the period prior to the raising of annual contributions:

- Taking into account the projected cash flows for the first 8 months of 2023 (EUR 56.3 million) and the need to allow for an additional financial buffer to safeguard the SRB position in financial terms, the Board decided to raise EUR 60 million by way of advance instalments in 2023 (56.51% of the total amount referred to under Article 3(1)).
- The contributors to the advance instalments are the institutions under the SRB direct remit (112 entities and groups).
- Advance instalments were calculated as a proportion of the institutions' 2022 individual contributions: In 2023, institutions were requested to pay 85.01% of their 2022 individual contributions as advance instalments.
- The advance instalments paid were deducted from the institutions' individual annual contributions raised in Q3 2023.

The total amount of the advance instalments for the 2023 administrative contributions (EUR 59,959,657.55 million) was successfully collected by 14 April 2023.

Annual contributions

In accordance with Articles 3 and 7(7) of the Delegated Regulation, the total amount of annual contributions to be raised for a given financial year is calculated on the basis of part I of the Budget adopted for that financial year, adjusted by the result of the Budget of the latest financial year, for which the final accounts have been published, and by the aggregate surplus or deficit resulting from the recalculation of contributions for the previous financial year(s), taking into account the need to balance the Budget.

The Part I of the 2023 Budget that was adopted on 28 September 2023 was amended on 9 March 2023 ("first amending Budget 2023"). Taking into account the first amending Budget 2023, the total amount of annual contributions to be raised for financial year 2023 is determined in the amount of EUR 108,791,839.31, as follows:

Financial year	Part I of the 2023 budget, adopted on 28/09/2022 and amended on 09/03 2023 [in EUR]	The 2021 budget surplus [in EUR; to be deducted]	Aggregate deficit from recalculations [in EUR; to be added]	Total amount of annual Contributions under Article 3(1) [in EUR]
2023	**145,075,000.00**	**(36,822,987.56)**	**539,826.87**	**108,791,839.31**

[4] Commission Delegated Regulation (EU) 2017/2361 of 14 September 2017 on the final system of contributions to the administrative expenditures of the Single Resolution Board, OJ L 337, 19.12.2017, p. 6, amended by Commission Delegated Regulation (EU) 2021/517 of 11 February 2021 amending Delegated Regulation (EU) 2017/2361 as regards the arrangements for the payment of contributions to the administrative expenditures of the Single Resolution Board, OJ L 104, 25.3.2021, p. 30-33.

On 31 December 2023, EUR 48,330,391.27 was successfully collected for the total amount of the annual instalments of the 2023 administrative contributions. The open amount (not cashed) was EUR 20,018.77.

- The contributors to the annual instalments are the institutions under the SRB direct remit (2128 entities and groups).
- 2128 institutions were requested to pay their contributions.
- 18 institutions were entitled to the repayment due to the recalculation of the contributions of 2021 and 2022 cycles.
- 2000 institutions paid their annual contribution by the payment deadline date on 18 October 2023.
- At the end of December 2023 only 5 institutions didn’t pay their contributions either because of insolvency cases, mergers or other special cases.

2) Other revenues

In addition, due to the positive interest environment in 2023, EUR 1,275,112,00 was collected from the administrative cash accounts. EUR 6,537.96 represent interest due from some late payment of administrative contributions and EUR 171,301.09 are recoveries of expenditures or litigation cases.

3) Part II — Fund

The income for 2023 was estimated at approximately EUR 13.47 billion. The actual total calculated ex-ante contributions for 2023 amounted to EUR 11.28 billion (including paid-in amount of EUR 9.6 billion and IPC cash collateral of EUR 1.67 billion). The target size of the SRF is set at 1% of covered deposits by the end of 2023.

All these revenues were inscribed in the budget as commitment appropriations. The Fund will end up at above EUR 77.51 billion (EUR 68,87 paid-in and EUR 8,63 IPC cash collateral), taking into account the current annual growth in covered deposits. The SRF can be used to support the effective resolution of a failing bank, if needed

The revenues from invested funds (cashed coupons) are valued at EUR 287,991,731.19 and EUR 1,121,234,526.66 for the positive interests generated from the central bank accounts.

After covering the charges related to investment portfolio management and bank charges of EUR 17,647.55 the assigned revenue at the end of 2023 reached a total of EUR 70,591,770,956.85 (excluding IPC).

Expenditure

Part I — Administration

Title I — Staff

The implementation rate of the Title I budget was 90.04% (EUR 64,107,436.61) of the available commitment appropriations (EUR 71,200,000.00). Of the amount committed, EUR 63,488,135.88 was paid, which corresponds to an implementation rate of 99.03 % of the total committed amount. EUR 619,300.73 was carried over to 2024 and EUR 7,092,563.39 was cancelled. The cancelled appropriations will be taken into account in the budget result for the year.

The main area of expenditure was related to the SRB staff in active employment: EUR 59,117,713.89 was spent on the payroll (basic salaries, family allowances, expatriation, installation and foreign residence allowances, insurances, pension rights, etc.). EUR 1,784,522.21 was spent for early childhood centres and schooling, EUR 854,032.12 for interims services and EUR 612,803.19 for administrative assistance from community institutions.

Title II — Building, equipment and miscellaneous operating expenditure

The implementation rate of the Title II budget was 82.19% (EUR 19,868,900.01) of the available commitment appropriations (EUR 24,175,000.00). Of the amount committed, EUR 15,086,866.66 was paid, which corresponds to an implementation rate of 75.93% of the total committed amount. EUR 4,782,033.35 was carried over to 2024 and EUR 4,306,099.99 was cancelled. The cancelled appropriations will be taken into account in the budget result for the year.

The main areas of expenditure were the rental cost of the two premises (EUR 4,119,654.03), ICT administrative costs in chapter 21 (EUR 5,787,938.39), budget line 2040 ‘Fitting out’ of the newly rented premises (EUR 1,273,641.59) and security and surveillance of the building (EUR 1,064,061.99).

Title III — Operating expenditure

The implementation rate of the Title III budget was 69.66% (EUR 50,002,425.30) of the available commitment appropriations (EUR 71,780,000.00). The final amount paid was EUR 25,658,825.34, which corresponds to 51.63% of the total planned payment appropriations under Title III. Excluding Chapter 32 “SRB Contingencies”, the implementation rate of the payment appropriations amounts to 77.27%.

Due to the differentiated appropriations, only the payment appropriations of the non-differentiated budget lines in Title III (EUR 472,267.77) have been carried over to 2024. The payment appropriations of the budget 2024 must cover not only the proportion of payments arising from 2024, but also the payments outstanding from 2021, 2022 and 2023 commitments.

The overall budget implementation in Chapter 31 “SRB operations” was 85.17% in commitment appropriations. The variable fees of the outsourcing of investments have impacted the budget implementation. The ICT expenditure in title 3 was implemented with a budget execution rate of 78.64% in commitment appropriations.

As the nature of the activities under Chapter 32 “SRB Contingencies” is such that implementation is more difficult to forecast than the other expenditure items, the overall budget implementation under this Chapter ended as well lower than planned. The low budget implementation is due to low expenditure in professional consultancy and expert advice services as the SRB had to manage fewer potential resolution and litigation cases than anticipated.

The main areas of expenditure under the Title III are related to legal services and litigation, ICT development and maintenance of operational IT solutions, in particular to support resolution planning and decision activities, and the outsourcing costs of investments.

Part II — Fund

The Fund expenditure was a total amount of EUR 17,647.55, consisting of payments for charges related to investment portfolio management and for bank charges incurred in depositing the collected amounts with the SRB's NCB accounts and investment accounts.

Budget outturn

The budget outturn for 2023 is EUR 37,447,376.93 (EUR 24,724,277.99 in 2022) and will be entered in the 2024 budget after approval by the Board in its Plenary Session in October 2024. The budget outturn will be deducted from the administrative contributions to be collected in year N+2.

Financial management

In 2023, the main developments in financial management were as follows:

- Updating the SRB's financial circuits which aimed to strengthen the role of operational actors;
- In part I of the budget, the budget implementation rate on commitment appropriations improved with 2% increase compared to 2022.
- Excluding the Chapter 32 'Contingencies', the consumption decreased from 95% to 88% mainly due to an increase in the vacancy rate and the postponement of some recruitment and ICT projects to 2024;
- 98.36% of payments were made on time (96.80% in 2022), above the internal target of key performance indicator 'Timely payment of invoices' (the target being set at 97%);
- The annual accounts of 2022 have received an unqualified audit opinion from the SRB's external auditors.

III. BUDGET IMPLEMENTATION

a. Budget outturn result 2023 (adapted DG Budget format)

REVENUES	2023	2022
Administrative contributions from banks	108,240,203.04	74,975,965.08
Positive budgetary result of previous years	36,822,987.56	45,387,679.98
Single Resolution Fund contributions	9,603,078,791.88	12,233,245,598.00
Income from investments	1,409,226,257.85	298,581,316.67
Other income	1,452,951.05	15,825.85
TOTAL REVENUE (a)	**11,158,821,191.38**	**12,652,206,385.58**
EXPENDITURE	**2023**	**2022**
Title I: Staff		
Payments	63,488,135.88	56,709,290.84
Appropriations carried over	621,798.82	844,876.23
Title II: Administrative expenses		
Payments	15,086,866.66	12,448,741.45
Appropriations carried over	4,782,033.35	4,385,728.71
Title III: Operating expenditure		
Payments	25,828,343.34	23,767,700.84
Appropriations carried over	472,267.77	473,378.43
Title IV: Single Resolution Fund		
Payments	17,647.55	128,059,113.12
Appropriations carried over	70,591,770,956.85	59,579,483,554.67
TOTAL EXPENDITURE (b)	**70,702,068,050.22**	**59,806,172,384.29**
OUTTURN FOR THE FINANCIAL YEAR (a-b)	**(59,543,246,858.84)**	**(47,153,965,998.71)**
Cancellation of unused payment appropriations carried over from previous year	1,232,441.34	2,987,940.12
Adjustment for carry-over from the previous year of appropriations available at 31.12 arising from assigned revenue	59,579,483,554.67	47,175,715,753.12
Exchange differences for the year (gain +/loss –)	(21,760.24)	(13,416.54)
BALANCE OF THE OUTTURN ACCOUNT FOR THE FINANCIAL YEAR	**37,447,376.93**	**24,724,277.99**
Balance year N – 1	61,547,265.55	82,210,667.54
Positive balance from previous years reimbursed in year N to the contributors	(36,822,987.56)	(45,387,679.98)
Result used for determining amounts in general accounting	**62,171,654.92**	**61,547,265.55**

b. Budget implementation 2023 — summary

Revenue (*) — Part I and Part II of the SRB budget

2023 Budget	Budget Item	Type of revenue	Initial Voted Budget (based on payments appropriations)	Amending Budget	Final Voted Budget	Entitlements established (invoiced and including refunds)	Revenue received (cashed)	Outstanding at the end of the year
Part I	1000	Contribution from the credit institutions	143,000,000.00	2,075,000.00	145,075,000.00	108,310,066.59	108,290,047.82	20,018.77
	1000	Contribution from the credit institutions (accelerated payments)	-	-	-	(58,056.17)	(49,844.78)	(8,211.39)
	3000	Revenue from bank interest	-	-	-	1,275,112.00	1,275,112.00	-
	3001	Miscellaneous revenue	-	-	-	6,537.96	6,537.96	-
	3002	Miscellaneous recoveries	-	-	-	171,301.09	171,301.09	-
Part II	4000	Ex-ante contributions	13,468,000,000.00	-	13,468,000,000.00	9,607,301,568.93	9,607,292,685.93	8,883.00
	4000	Ex-ante contributions (return)	-	-	-	(4,213,894.05)	(4,213,894.05)	-
	4006	Return on investments - cashed coupon	-	-	-	287,991,731.19	287,991,731.19	-
	4006	Return on investments - realised gains	-	-	-	1,121,234,526.66	1,121,234,526.66	-
		TOTAL SRB REVENUE 2022	**13,611,000,000.00**	**2,075,000.00**	**13,613,075,000.00**	**11,122,018,894.20**	**11,121,998,203.82**	**20,690.38**

(*) The budgetary reserve from the remaining positive budgetary result of 2022 (EUR 24,724,277.99) was entered in the technical budget line B-9000 under Title IX.

Expenditure — GLOBAL OVERVIEW BY TITLE

Part I of the SRB budget

Title	Budget Title Description	Voted Budget (based on commitment appropriations)	Voted Budget (based on payment appropriations)	First Amending Budget (commitment appropriations)	Transfers	Final Commitment Appropriations Transaction Amount (1)	Executed Committed Amount (2)	Com% (2)/(1)	Final Payment Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4)/(3)	Carried over RAL(C8) (2)-(4)	Cancelled Commitment Appropriations (1)-(2)	Cancelled Payment Appropriations (3)-(4)-(carried over)
Title I	STAFF	71,200,000.00	71,200,000.00	-	-	71,200,000.00	64,107,436.61	90.04%	71,200,000.00	63,488,135.88	89.17%	619,300.73	7,092,563.39	7,092,563.39
Title II	BUILDING EQUIPMENT AND MISCELLANEOUS OPERATING EXPENDITURE	22,100,000.00	22,100,000.00	2,075,000.00	-	24,175,000.00	19,868,900.01	82.19%	24,175,000.00	15,086,866.66	62.41%	4,782,033.35	4,306,099.99	4,306,099.99
Title III	OPERATING EXPENDITURE	71,780,000.00	49,700,000.00	-	-	71,780,000.00	50,002,425.30	69.66%	49,700,000.00	25,658,825.34	51.63%	472,267.77	21,777,574.70	23,568,906.89
	Total Part I	**165,080,000.00**	**143,000,000.00**	**2,075,000.00**	**-**	**167,155,000.00**	**133,978,761.92**	**80.15%**	**145,075,000.00**	**104,233,827.88**	**71.85%**	**5,873,601.85**	**33,176,238.08**	**34,967,570.27**

Part II of the SRB budget (Title IV)

BL	Budget Lines	Voted Budget	Amending Budget	Transfers	Commitments Appropriations Transaction Amount (1)	Executed Commitments Amount (2)	% Committed (2)/(1)	Payments Appropriations Transaction Amount (3)	Executed Payments Amount (4)	Paid % (4)/(3)	Carried over commitment appropriations (1)-(2)	Carried over payments appropriations (3)-(4)
B4000	Usage of the Fund within resolution schemes	-	-	-	-	-	-	1.00	-	-	-	1.00
B4010	Investments	13,467,424,000.00	-	(4314.6)	69,832,081,181.50	-	-	69,832,081,181.50	-	-	69,832,081,181.50	69,832,081,181.50
B4011	Investment returns	-	-	0.00	759,699,257.90	25,767.43	-	759,699,257.90	13,057.35	-	759,673,490.47	759,686,200.55
B4031	Bank fees and charges	6,000.00	-	4,314.60	8,164.00	6,636.00	81.28%	8,164.00	4,590.20	56.22%	1,528.00	3,573.80
B4032	Commitment fees on bridge financing arrangements	570,000.00	-	-	-	-	-	-	-	-	-	-
B4901	Refunds	-	-	-	-	-	-	-	-	-	-	-
	TOTAL SRB BUDGET PART II	**13,468,000,000.00**	**-**	**-**	**70,591,788,603.40**	**32,403.43**	**-**	**70,591,788,604.40**	**17,647.55**	**-**	**70,591,756,199.97**	**70,591,770,956.85**

Amending budget adopted by the Plenary Session of the Board

Amending budget	SRB Decision	Date of adoption	Description	Impact on commitment appropriations	Impact on payment appropriations
1st	SRB/PS/2023/01	09/03/2023	Pursuant to the SRB's Financial Regulation Article 31 and 32, any amending budget shall be adopted by the same procedure as the initial budget. - Increase of commitment and payment appropriations in Budget Line 2040-Fitting out of premises	EUR 2,075,000.00	EUR 2,075,000.00
2nd	SRB/PS/2023/05	22/03/2023	The amendment concerns the 2023 establishment plan. It has no budgetary impact.	None	None
3rd	SRB/PS/2023/14	27/09/2023	In accordance with Article 16 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 2022 budget surplus amounts to EUR 24,724,277.99 has been inscribed in the budget reserve and it will be used to reduce the administrative contributions to be collected in 2024.	EUR 24,724,277.99	EUR 24,724,277.99

c. Budget implementation 2023 – detailed – PART I

All titles — all credit types
Appendix 1 — budget execution / fund source C1 — current year appropriations — 2023

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 Commitment Appropriations (1)-(2)
A-1100	Basic salaries	42,022,208.76	38,692,622.69	92.08%	42,022,208.76	38,692,622.69	92.08%	-	3,329,586.07
A-1101	Family allowances	4,000,000.00	3,449,053.78	86.23%	4,000,000.00	3,449,053.78	86.23%	-	550,946.22
A-1102	Expatriation and foreign residence allowances	5,500,000.00	5,041,808.16	91.67%	5,500,000.00	5,041,808.16	91.67%	-	458,191.84
A-1111	Seconded national experts	1,600,000.00	1,417,031.07	88.56%	1,600,000.00	1,417,031.07	88.56%	-	182,968.93
A-1112	Trainees	180,000.00	147,183.46	81.77%	180,000.00	64,342.56	35.75%	82,840.90	32,816.54
A-1130	Insurance against sickness	1,450,000.00	1,309,863.97	90.34%	1,450,000.00	1,309,863.97	90.34%	-	140,136.03
A-1131	Insurance against accidents and occupational disease	165,000.00	146,714.39	88.92%	165,000.00	146,714.39	88.92%	-	18,285.61
A-1132	Unemployment insurance	515,000.00	467,043.05	90.69%	515,000.00	467,043.05	90.69%	-	47,956.95
A-1133	Constitution or maintenance of pension rights	8,160,000.00	7,784,352.21	95.40%	8,160,000.00	7,784,352.21	95.40%	-	375,647.79
A-1140	Childbirth grants and death allowances	31,791.24	30,170.96	94.90%	31,791.24	30,170.96	94.90%	-	1,620.28
A-1141	Travel expenses for annual leave	815,000.00	661,030.53	81.11%	815,000.00	661,030.53	81.11%	-	153,969.47
A-1142	Shift work and standby duty	67,000.00	53,680.52	80.12%	67,000.00	53,680.52	80.12%	-	13,319.48
A-1149	Other allowances and grants	20,000.00	0.00	0.00%	20,000.00	0.00	0.00%	-	20,000.00
A-1200	Recruitment expenses	140,000.00	34,135.10	24.38%	140,000.00	24,135.10	17.24%	10,000.00	105,864.90
A-1201	Installation resettlement daily subsistence allowances, removal and travel expenses	1,200,000.00	635,913.74	52.99%	1,200,000.00	635,913.74	52.99%	-	564,086.26
A-1300	Missions duty travel expenses and ancillary expenditure	10,000.00	5,653.31	56.53%	10,000.00	5,153.31	51.53%	500.00	4,346.69
A-1400	Restaurants and canteens	175,000.00	151,643.50	86.65%	175,000.00	47,700.03	27.26%	103,943.47	23,356.50
A-1410	Medical service	130,000.00	47,099.00	36.23%	130,000.00	27,099.00	20.85%	20,000.00	82,901.00
A-1420	Social contacts between staff	55,000.00	5,458.40	9.92%	55,000.00	3,008.40	5.47%	2,450.00	49,541.60
A-1422	Early childhood centres and schooling	2,200,000.00	1,919,004.08	87.23%	2,200,000.00	1,784,522.21	81.11%	134,481.87	280,995.92
A-1500	Further training and language courses for staff	675,000.00	479,319.46	71.01%	675,000.00	375,054.89	55.56%	104,264.57	195,680.54
A-1600	Administrative assistance from Community institutions	788,000.00	649,278.20	82.40%	788,000.00	612,803.19	77.77%	36,475.01	138,721.80

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 Commitment Appropriations (1)-(2)
A-1601	Interim services	1,300,000.00	978,377.03	75.26%	1,300,000.00	854,032.12	65.69%	124,344.91	321,622.97
A-1700	Representation expenses	1,000.00	1,000.00	100.00%	1,000.00	1,000.00	100.00%	-	-
	TOTAL TITLE I	**71,200,000.00**	**64,107,436.61**	**90.04%**	**71,200,000.00**	**63,488,135.88**	**89.17%**	**619,300.73**	**7,092,563.39**

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 Commitment Appropriations (1)-(2)
A-2000	Rental costs	4,250,000.00	4,229,963.03	99.53%	4,250,000.00	4,119,654.03	96.93%	110,309.00	20,036.97
A-2010	Insurance	55,000.00	55,000.00	100.00%	55,000.00	54,162.03	98.48%	837.97	-
A-2020	Maintenance and cleaning	1,100,000.00	938,844.43	85.35%	1,100,000.00	780,907.90	70.99%	157,936.53	161,155.57
A-2030	Water gas electricity heating	850,000.00	594,814.48	69.98%	850,000.00	381,717.36	44.91%	213,097.12	255,185.52
A-2040	Fitting out premises	2,325,000.00	2,043,698.18	87.90%	2,325,000.00	1,273,641.59	54.78%	770,056.59	281,301.82
A-2050	Security and surveillance of the building	2,195,000.00	1,481,580.11	67.50%	2,195,000.00	1,064,061.99	48.48%	417,518.12	713,419.89
A-2100	ICT equipment – Hardware and software	3,492,585.00	3,075,953.44	88.07%	3,492,585.00	2,945,197.57	84.33%	130,755.87	416,631.56
A-2101	ICT maintenance	3,157,021.00	1,827,696.38	57.89%	3,157,021.00	1,495,448.80	47.37%	332,247.58	1,329,324.62
A-2103	Analysis, programming, technical assistance and other external services for the administration of the Agency	2,532,979.00	2,385,780.33	94.19%	2,532,979.00	993,103.50	39.21%	1,392,676.83	147,198.67
A-2104	Telecommunication equipment	700,000.00	622,366.06	88.91%	700,000.00	354,188.52	50.60%	268,177.54	77,633.94
A-2200	Technical equipment and installations	200,000.00	86,027.37	43.01%	200,000.00	35,167.87	17.58%	50,859.50	113,972.63
A-2210	Furniture	330,000.00	79,230.19	24.01%	330,000.00	79,230.19	24.01%	0.00	250,769.81
A-2250	Documentation and library expenditure	1,055,000.00	1,046,759.13	99.22%	1,055,000.00	634,763.11	60.17%	411,996.02	8,240.87
A-2300	Stationery and office supplies	100,000.00	20,118.05	20.12%	100,000.00	8,237.06	8.24%	11,880.99	79,881.95
A-2320	Bank and other financial charges	200,000.00	3,000.00	1.50%	200,000.00	0.00	0.00%	3,000.00	197,000.00
A-2330	Legal expenses	50,000.00	39,500.00	79.00%	50,000.00	10,167.92	20.34%	29,332.08	10,500.00
A-2350	Miscellaneous insurance	15,000.00	1,000.00	6.67%	15,000.00	854.11	5.69%	145.89	14,000.00
A-2351	Administrative translations and interpretation costs	300,000.00	294,536.00	98.18%	300,000.00	274,197.50	91.40%	20,338.50	5,464.00
A-2352	Transportation and removal expenses	100,000.00	27,779.96	27.78%	100,000.00	27,779.96	27.78%	-	72,220.04
A-2353	Business consultancy	600,000.00	506,450.07	84.41%	600,000.00	194,875.42	32.48%	311,574.65	93,549.93
A-2354	General meetings expenditure	5,000.00	5,000.00	100.00%	5,000.00	821.82	16.44%	4,178.18	0.00
A-2355	Publications	15,000.00	2,000.00	13.33%	15,000.00	-	-	2,000.00	13,000.00
A-2356	Other administrative expenditure	10,000.00	8,837.00	88.37%	10,000.00	3,666.65	36.67%	5,170.35	1,163.00
A-2400	Postage and delivery charges	50,000.00	50,000.00	100.00%	50,000.00	43,272.56	86.55%	6,727.44	-

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 Commitment Appropriations (1)-(2)
A-2410	Telecommunication charges	487,415.00	442,965.80	90.88%	487,415.00	311,749.20	63.96%	131,216.60	44,449.20
	TOTAL TITLE II	**24,175,000.00**	**19,868,900.01**	**82.19%**	**24,175,000.00**	**15,086,866.66**	**62.41%**	**4,782,033.35**	**4,306,099.99**

TITLE III: OPERATIONAL EXPENDITURE (*Non-Differentiated budget lines: BL3100, BL3112, BL3200, BL3205)

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 Commitment Appropriations (1)-(2)	Cancelled Payments appropriations (3)-(4)-(carried over)*
B3-100	Governance	75,000.00	74,174.42	98.90%	75,000.00	54,678.82	72.91%	19,495.60	825.58	825.58
B3-101	Support activities to the Fund	15,875,000.00	14,226,261.67	89.61%	5,060,000.00	3,889,482.52	76.87%	-	1,648,738.33	1,170,517.48
B3-102	Resolution Readiness	1,250,000.00	1,250,000.00	100.00%	770,000.00	510,532.50	66.30%	-	0.00	259,467.50
B3-103	Resolution Framework	650,000.00	443,528.19	68.24%	800,000.00	229,103.15	28.64%	-	206,471.81	570,896.85
B3-111	Communication	1,900,000.00	1,520,584.14	80.03%	1,500,000.00	1,011,665.35	67.44%	-	379,415.86	488,334.65
B3-112	Missions	1,300,000.00	1,110,504.90	85.42%	1,300,000.00	1,010,504.90	77.73%	100,000.00	189,495.10	189,495.10
B3-113	Software package and information systems	4,200,000.00	3,068,532.83	73.06%	3,990,000.00	3,262,481.68	81.77%	-	1,131,467.17	727,518.32
B3-115	IT services: consulting software development and support	6,480,000.00	5,330,575.33	82.26%	6,155,000.00	5,214,664.20	84.72%	-	1,149,424.67	940,335.80
B3-200	Appeal Panel	1,000,000.00	765,570.23	76.56%	1,000,000.00	424,570.23	42.46%	341,000.00	234,429.77	234,429.77
B3-201	Communications during crisis	1,000,000.00	-	-	1,000,000.00	-	0.00%	-	1,000,000.00	1,000,000.00
B3-202	Contingency for the Fund	3,000,000.00	-	-	3,000,000.00	-	0.00%	-	3,000,000.00	3,000,000.00
B3-203	Legal and Litigation	10,000,000.00	8,122,972.59	81.23%	10,000,000.00	4,978,370.88	49.78%	-	1,877,027.41	5,021,629.12
B3-204	Consultancy and advice	25,000,000.00	14,077,721.00	56.31%	15,000,000.00	5,072,543.28	33.82%	-	10,922,279.00	9,927,456.72
B3-205	Crisis contingency	50,000.00	12,000.00	24.00%	50,000.00	227.83	0.46%	11,772.17	38,000.00	38,000.00
	TOTAL TITLE III	**71,780,000.00**	**50,002,425.30**	**69.66%**	**49,700,000.00**	**25,658,825.34**	**51.63%**	**472,267.77**	**21,777,574.70**	**23,568,906.89**

TOTAL SRB BUDGET IMPLEMENTATION PART I 2023

	Commitment Appropriations Transaction Amount (1)	Executed Committed Amount (2)	% Com (2)/(1)	Payment Appropriations Transaction Amount (3)	Executed Payments Amount (4)	% Paid (4)/(3)	Carried over RAL (C8) (2)-(4)	Cancelled Commitment appropriations (1)-(2)	Cancelled Payment appropriations (3)-(4)-(carried over)
TOTAL PART I 2023	**167,155,000.00**	**133,978,761.92**	**80.15%**	**145,075,000.00**	**104,233,827.88**	**71.85%**	**5,873,601.85**	**33,176,238.08**	**34,967,570.27**

Appendix 2 — budget execution / fund source C8 — appropriations carried over in 2024

TITLE I: STAFF EXPENDITURE

BL	Budget Line Description	Commitments Appropriations	Committed Established	Com %	Payments Appropriations	Payments Executed	% Paid	Cancelled
A01200	Recruitment expenses	30,327.51	20,936.20	69.03%	30,327.51	20,936.20	69.03%	9,391.31
A01400	Restaurants and canteens	1,000.00	-	-	1,000.00	-	-	1,000.00
A01410	Medical service	94,912.86	25,204.92	26.56%	94,912.86	25,204.92	26.56%	69,707.94
A01420	Social contacts between staff	14,481.13	14,085.00	97.26%	14,481.13	14,085.00	97.26%	396.13
A01422	Early childhood centres and schooling	162,602.56	19,744.68	12.14%	162,602.56	19,744.68	12.14%	142,857.88
A01500	Further training and language courses for staff	200,557.47	24,084.05	12.01%	200,557.47	24,084.05	12.01%	176,473.42
A01600	Administrative assistance from Community institutions	151,761.33	126,763.74	83.53%	151,761.33	41,746.01	27.51%	110,015.32
A01601	Interim services	448,779.41	189,292.75	42.18%	448,779.41	189,292.75	42.18%	259,486.66
A01700	Representation expenses	1,000.00	1,000.00	100.00%	1,000.00	-	-	1,000.00
	TOTAL C8 TITLE I	**1,105,422.27**	**421,111.34**	**38.10%**	**1,105,422.27**	**335,093.61**	**30.31%**	**770,328.66**

TITLE II: ADMINISTRATIVE EXPENDITURE

BL	Budget Line Description	Commitments Appropriations	Committed Established	Com %	Payments Appropriations	Payments Executed	% Paid	Cancelled
A-2000	Rental costs	4,251.56	1,005.08	23.64%	4,251.56	1,005.08	23.64%	3,246.48
A-2010	Insurance	11,400.00	2,727.23	23.92%	11,400.00	2,727.23	23.92%	8,672.77
A-2020	Maintenance and cleaning	89,400.15	35,575.91	39.79%	89,400.15	35,575.91	39.79%	53,824.24
A-2030	Water gas electricity heating	436,000.00	349,216.69	80.10%	436,000.00	349,216.69	80.10%	86,783.31
A-2040	Fitting out premises	32,911.75	10,782.50	32.76%	32,911.75	10,782.50	32.76%	22,129.25
A-2050	Security and surveillance of the building	127,455.99	83,944.48	65.86%	127,455.99	83,944.48	65.86%	43,511.51

BL	Budget Line Description	Commitments Appropriations	Committed Established	Com %	Payments Appropriations	Payments Executed	% Paid	Cancelled
A-2100	ICT equipment - Hardware and software	827,318.32	822,318.32	99.40%	827,318.32	822,318.32	99.40%	5,000.00
A-2101	ICT maintenance	65,394.82	59,144.71	90.44%	65,394.82	59,144.71	90.44%	6,250.11
A-2103	Analysis, programming, technical assistance and other external services for the administration of the Agency	920,571.52	849,877.40	92.32%	920,571.52	849,877.40	92.32%	70,694.12
A-2104	Telecommunication equipment	990,910.96	990,910.96	100.00%	990,910.96	990,910.96	100.00%	-
A-2200	Technical equipment and installations	49,081.15	48,526.72	98.87%	49,081.15	48,526.72	98.87%	554.43
A-2210	Furniture	7,005.90	7,005.90	100.00%	7,005.90	7,005.90	100.00%	0.00
A-2250	Documentation and library expenditure	380,908.34	336,408.95	88.32%	380,908.34	333,053.14	87.44%	47,855.20
A-2300	Stationery and office supplies	25,000.00	20,389.56	81.56%	25,000.00	20,389.56	81.56%	4,610.44
A-2320	Bank and other financial charges	5,000.00	762.90	15.26%	5,000.00	762.90	15.26%	4,237.10
A-2330	Legal expenses	12,500.00	9,160.67	73.29%	12,500.00	9,160.67	73.29%	3,339.33
A-2350	Miscellaneous insurance	787.65	422.94	53.70%	787.65	422.94	53.70%	364.71
A-2351	Administrative translations and interpretations costs	6,302.50	-	-	6,302.50	-	-	6,302.50
A-2352	Transportation and removal expenses	33,725.00	6,975.00	20.68%	33,725.00	6,975.00	20.68%	26,750.00
A-2353	Business consultancy	88,968.00	88,968.00	100.00%	88,968.00	88,968.00	100.00%	-
A-2354	General meetings expenditure	2,292.93	2,292.93	100.00%	2,292.93	-	-	2,292.93
A-2355	Publications	1,000.00	1,000.00	100.00%	1,000.00	-	-	1,000.00
A-2356	Other administrative expenditure	6,387.64	5,357.82	83.88%	6,387.64	1,580.47	24.74%	4,807.17
A-2400	Postage and delivery charges	58,600.00	49,866.35	85.10%	58,600.00	49,866.35	85.10%	8,733.65
A-2410	Telecommunication charges	247,053.82	176,651.52	71.50%	247,053.82	176,651.52	71.50%	70,402.30
	TOTAL C8 TITLE II	**4,430,228.00**	**3,959,292.54**	**89.37%**	**4,430,228.00**	**3,948,866.45**	**89.13%**	**481,361.55**

TITLE III: OPERATIONAL EXPENDITURE (Payments executed only non-differentiated appropriations)

BL	Budget Line Description	Commitments Appropriations	Committed Established	Com %	Payments Appropriations	Payments Executed	% Paid	Cancelled
B-3100	Governance	51,042.05	13,475.10	26.40%	51,042.05	13,475.10	26.40%	37,566.95
B-3101	Support activities to the Fund	3,121,209.44	3,116,162.71	99.84%	-	-	-	3,121,209.44
B-3102	Resolution Readiness	696,340.00	676,872.50	97.20%	-	-	-	696,340.00
B-3103	Resolution Framework	231,400.00	231,400.00	100.00%	-	-	-	231,400.00
B-3111	Communication	305,093.76	93,309.34	30.58%	-	-	-	305,093.76
B-3112	Missions	59,526.78	28,361.36	47.64%	59,526.78	28,361.36	47.64%	31,165.42
B-3113	Software package and information systems	1,273,803.13	1,271,713.13	99.84%	-	-	-	1,273,803.13
B-3115	IT services: consulting software development	2,734,719.90	2,618,848.54	95.76%	-	-	-	2,734,719.90
B-3200	Appeal Panel	351,500.00	144,809.98	41.20%	351,500.00	144,809.98	41.20%	206,690.02
B-3203	Legal and Litigation	16,331,567.28	15,491,493.98	94.86%	-	-	-	16,331,567.28
B-3204	Consultancy and advice	6,388,533.37	4,514,319.00	70.66%	-	-	-	6,388,533.37
B-3205	Crisis contingency	10,594.60	-	-	10,594.60	-	-	10,594.60
	TOTAL C8 TITLE III	**31,555,330.31**	**28,200,765.64**	**89.37%**	**472,663.43**	**186,646.44**	**39.49%**	**31,368,683.87**

TOTAL C8 Funds 2023	**37,090,980.58**	**32,581,169.52**	**87.84%**	**6,008,313.70**	**4,470,606.50**	**74.41%**	**32,620,374.08**

Appendix 3 — budget execution / fund sources C4 and C5 — internal assigned revenue — 2023

BL	Fund source	Budget Line Description	Commitments Appropriations	Committed Established	Com %	Payments Appropriations	Payments Executed	% Paid	Carried over commitment appropriations	Carried forward payment appropriations
A-1111	C4	Seconded national experts	2,498.09	-	-	2,498.09	-	-	2,498.09	2,498.09
A-1422	C5	Early childhood centres and schooling	220.53	-	-	220.53	-	-	-	-
B-3203	C4	Legal and litigation	168,803.00	168,803.00	100.00%	168,803.00	168,803.00	100.00%	-	-
B-3203	C5	Legal and litigation	715.00	715.00	100.00%	715.00	715.00	100.00%	-	-
		TOTAL C4, C5 FUNDS 2023	**172,236.62**	**169,518.00**	**98.42%**	**172,236.62**	**169,518.00**	**98.42%**	**2,498.09**	**2,498.09**

d. Budget implementation 2023 — detailed — PART II

Budget execution / fund source R0 — assigned revenue — 2023
Title IV: SINGLE RESOLUTION FUND

Budget Lines	Budget available at 01/01/2023 in COM APPROPRIATION	Budget available at 01/01/2023 in PAY APPROPRIATION	Final Appropriations (1) in COM APPROPRIATION	Final Appropriations (2) in PAY APPROPRIATION	Committed before 2023	Total committed in 2023 (3)	% Committed on Appropriations (3)/(1)	Total Paid (4)	% Paid on Appropriations (4)/(2)	CARRY OVER COM APPROPRIATION (1)-(3)	CARRY OVER PAY APPROPRIATION (2)-(4)
B4-000 Usage of the Fund within Resolution schemes	-	1.00	-	1.00	-	-	-	-	-	-	1.00
B4-010 Investments	59,107,772,177.56	59,107,772,177.56	69,832,081,181.50	69,832,081,181.50	-	-	-	-	-	69,832,081,181.50	69,832,081,181.50
B4-011 Investment returns	367,299,388.81	471,707,526.71	759,699,257.90	759,699,257.90	104,408,137.90	25,767.43	-	13,057.35	-	759,673,490.47	759,686,200.55
B4-031 Bank fees and charges	1,685.40	3,849.40	8,164.00	8,164.00	2,164.00	6,636.00	81.28%	4,590.20	56.22%	1,528.00	3,573.80
B4-032 Commitment fees on bridge financing arrangements	-	-	-	-	-	-	-	-	-	-	-
TOTAL SRB BUDGEET PART II	**59,475,073,251.77**	**59,579,483,554.67**	**70,591,788,603.40**	**70,591,788,604.40**	**104,410,301.90**	**32,403.43**	**0.00%**	**17,647.55**	**0.00%**	**70,591,756,199.97**	**70,591,770,956.85**

INSCRIPTION TITLE IX — BUDGETARY RESULT OF YEAR N-1 (SRB Financial Regulation, Article 16)

BL	Commitment appropriations	Commitments established	Com %	Payment appropriations	Payments executed	% paid	Carried over commitment appropriations	Carried over payment appropriations
B-9000 Balancing from the reserve	24,724,277.99	-	-	24,724,277.99	-	-	24,724,277.99	24,724,277.99

e. Budget transfers 2023

Budget Line Description	Initial Budget	Transfers	After Transfer	Variance
TITLE I: STAFF EXPENDITURE				
A-1100 Basic salaries	42,800,000.00	(777,791.24)	42,022,208.76	(1.82%)
A-1140 Childbirth and death allowance	4,000.00	27,791.24	31,791.24	694.78%
A-1400-Restaurants and canteens	25,000.00	150,000.00	175,000.00	600.00%
A-1422 Early childhood centres and schooling	1,900,000.00	300,000.00	2,200,000.00	15.79%
A-1601 Interim services	1,000,000.00	300,000.00	1,300,000.00	30.00%
TOTAL TITLE I	**45,729,000.00**	**0.00**	**45,729,000.00**	**0.00%**
TITLE II: ADMINISTRATIVE EXPENDITURE				
A-2000 Rental Costs	4,550,000.00	(300,000.00)	4,250,000.00	(6.59%)
A-2010 Insurance	30,000.00	25,000.00	55,000.00	83.33%
A-2050 Security and surveillance of the building	2,220,000.00	(25,000.00)	2,195,000.00	(1.13%)
A-2100 ICT equipment – Hardware and software	3,040,000.00	452,585.00	3,492,585.00	14.89%
A-2101 ICT maintenance	1,610,000.00	1,547,021.00	3,157,021.00	96.09%
A-2103 Analysis, programming, technical assistance, and other external services	4,080,000.00	(1,547,021.00)	2,532,979.00	(37.92%)
A-2353 Business consultancy	300,000.00	300,000.00	600,000.00	100.00%
A-2410 Telecommunication charges	940,000.00	(452,585.00)	487,415.00	(48.15%)
TOTAL TITLE II	**16,770,000.00**	**0.00**	**16,770,000.00**	**0.00%**
TITLE III: OPERATIONAL EXPENDITURE – Transfer of Commitment Appropriations				
B-3101 Support activities to the Fund	16,175,000.00	(300,000.00)	15,875,000.00	(1.85%)
B-3102 Resolution readiness	800,000.00	450,000.00	1,250,000.00	56.25%
B-3103 Resolution Framework	1,000,000.00	(350,000.00)	650,000.00	(35.00%)
B-3112 Missions	1,100,000.00	200,000.00	1,300,000.00	18.18%
TOTAL TITLE III Transfer of Commitment Appropriations	**19,075,000.00**	**0.00**	**19,075,000.00**	**0.00%**
TITLE III: OPERATIONAL EXPENDITURE – Transfer of Payment Appropriations				
Budget Line Description	**Initial Budget**	**Transfers**	**After Transfers**	**Variance**
B-3103 Resolution Framework	1,000,000.00	(200,000.00)	800,000.00	(20.00%)
B-3112 Missions	1,100,000.00	200,000.00	1,300,000.00	18.18%
TOTAL TITLE III Transfer of Payment Appropriations	**2,100,000.00**	**0.00**	**2,100,000.00**	**0.00%**

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 SRB Financial Regulation. As the economic result and the budget result both cover the same underlying operational transactions, it is a useful safeguard to ensure that they are reconcilable.

	Economic result (profit or loss) of the year	**+/–**	**8,209,024,172.04**
A	Adjustments for Accrual Cut-off (reversal 31.12.N-1)	**+/–**	(12,442,805.77)
B	Adjustments for Accrual Cut-off (cut-off 31.12.N)	**+**	10,071,820.42
C	Accrued bank interest at 31.12.2023	**–**	(66,411,151.63)
D	Unpaid invoices at year-end but booked in charges (class 6)	**+**	835,080.46
E	Depreciation of intangible and tangible assets	**+**	3,996,343.05
F	Provisions	**+/–**	2,774,030,658.50
G	Value reductions	**+**	-
H	Recovery Orders issued in 2023 in class 7 and not yet cashed	**–**	(28,901.77)
Ia	Pre-financing given in the previous year and cleared in the year	**+**	-
Ib	Pre-financing received in the previous year and cleared in the year	**+/–**	(6,443,298.89)
J	Payments made from carry-over of payment appropriations	**+**	4,471,321.50
K	Other	**+/–**	106,636,868.90
L	Exchange rate differences		-
M	Asset acquisitions (less unpaid amounts)	**–**	(7,804,241.07)
N	New pre-financing paid in the year 2023 and remaining open as at 31.12.2023	**–**	(199,979.50)
O	New pre-financing received in the year 2023 and remaining open as at 31.12.2023	**+**	39,221,767.32
P	Budgetary recovery orders issued before 2023 and cashed in the year	**+**	-
Q	Budgetary recovery orders issued in 2023 on balance sheet accounts (not 7 or 6 accounts) and cashed	**+**	-
R	Capital payments on financial leasing (they are budgetary payments but not in the economic result)	**–**	-
S	Payment appropriations carried over to 2024	**–**	(70,597,647,056.79)
T	Cancellation of unused carried over payment appropriations from previous year	**+**	1,232,441.34
U	Adjustment for carry-over from the previous year of appropriations available at 31.12.2023 arising from assigned revenue	**+**	59,579,483,554.67
V	Payments for pensions and temporary allowances (they are budgetary payments but booked against provisions)	**–**	(405,614.56)
W	Payments for stocks of leave and supplementary hours (budgetary payments but booked against provisions)	**–**	-
X	Other: budgetary items	**+/–**	(192,513.74)
	Total		**37,428,464.48**
	Budgetary result (+ for surplus)		**37,447,376.93**
	Delta not explained		18,912.45