

DECISION OF THE SINGLE RESOLUTION BOARD

Date	02/05/2023
Title	Decision on the calculation of the 2023 ex-ante contributions to the Single Resolution Fund
Reference	(SRB/ES/2023/23) (Only the EN text is authentic)

TABLE OF CONTENT

TABLE OF CONTENT	2
1. PROCEDURE.....	4
2. SCOPE OF THE CALCULATION	6
3. REPORTING REQUIREMENTS	7
4. DATA REPRESENTATION, VERIFICATION AND ADDITIONAL ASSURANCE.....	11
5. ANNUAL TARGET LEVEL	13
5.1. Evolution of the total amount of covered deposits	13
5.2. Projected evolution of covered deposits	14
5.3. Setting the annual target level - Available financial means	15
5.4. Setting the annual target level - Analysis of the phase of the business cycle and the impact that pro-cyclical contributions may have on the financial position of contributing institutions	16
5.5. Setting the annual target level and ensuring reaching the target level of the initial period.....	21
6. CALCULATION METHODOLOGY	22
6.1. Description of the calculation process.....	22
6.1.1. Steps of the calculation process	22
6.1.2. Specific adjustments in the initial period	25
6.1.3. Calculation of the basic annual contribution numerator	25
6.2. Contributions of small institutions.....	27
6.2.1. Small institutions paying a flat-rate contribution.....	27
6.2.2. Small institutions paying other than a flat-rate contribution	27
6.2.3. Small institutions with a risk profile disproportionate to their size	29
6.3. Medium size institutions paying a partial lump-sum contribution.....	29
6.4. Mortgage credit institutions	29
6.5. Investment firms with limited services and activities	30
6.6. Risk-adjusted institutions	31
6.6.1. Balancing principles of confidentiality and transparency	32
6.6.2. Calculation methodology for risk-adjusted institutions	33
7. PARTIAL DEDUCTION OF THE 2015 CONTRIBUTION	46
8. NEWLY SUPERVISED INSTITUTIONS	46
9. RESTATEMENTS AND REVISIONS	46
9.1 Assessment of the restated data.....	47
9.2 Recalculated amount and data adjustments on individual level	47
9.3 Restatements of out-of-scope institutions	50
10. CALCULATION RESULTS.....	51

11. IRREVOCABLE PAYMENT COMMITMENTS	51
11.1 Share of IPC to be accepted	51
11.2 Collateral to be accepted	53
12. COMMUNICATION	55

THE SINGLE RESOLUTION BOARD,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014, establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010¹, and in particular Article 70(2) thereof,

Having regard to Council Implementing Regulation (EU) 2015/81 of 19 December 2014 specifying uniform conditions of application of Regulation (EU) No 806/2014 of the European Parliament and of the Council with regard to ex-ante contributions to the Single Resolution Fund² and in particular Article 5(1) thereof,

Having regard to Commission Delegated Regulation (EU) 2015/63 of 21 October 2014 supplementing Directive 2014/59/EU of the European Parliament and of the Council with regard to ex-ante contributions to resolution financing arrangements³ and in particular Article 13(3) thereof, also as amended by the Commission Delegated Regulation (EU) 2023/662⁴,

Having regard to Commission Delegated Regulation (EU) 2017/747 of 17 December 2015 supplementing Regulation (EU) No 806/2014 of the European Parliament and the Council with regard to the criteria relating to the calculation of ex-ante contributions, and on the circumstances and conditions under which the payment of extraordinary ex post contributions may be partially or entirely deferred⁵, and

Having consulted the European Central Bank and national competent authorities, and in close cooperation with the relevant national resolution authorities,

WHEREAS:

1. PROCEDURE

1. Each year, pursuant to Article 70(2) of the Regulation (EU) No 806/2014, the Single Resolution Board ("**Board**") calculates and determines the annual ex-ante contributions that shall be raised from entities referred to in Article 2 of Regulation (EU) No 806/2014 ("**institutions**") by the National Resolution Authorities ("**NRAs**") and transferred to the Single Resolution Fund ("**Fund**").
2. In accordance with Article 4 of Commission Delegated Regulation (EU) 2015/63, the calculation of the ex-ante contributions is based on the data provided by the institutions pursuant to Article 14 of that Delegated Regulation.
3. Each NRA provided the Board with a list of institutions from their respective jurisdictions, which have been assessed to be within the scope of the obligation to pay ex-ante contributions to the Fund for the 2023 contribution period.

¹ OJ L 225, 30.7.2014, p.1.

² OJ L 15, 22.01.2015, p. 1.

³ OJ L 11, 17.1.2015, p. 44.

⁴ OJ L 83, 22.3.2023, p. 58–64.

⁵ OJ L 113, 29.4.2017, p. 2.

4. The Board set out the data formats and representations to be used by the institutions to report the information required for the purpose of calculating the annual contributions in the Data Reporting Form⁶ (“**DRF**”) for the 2023 cycle, adopted on 19 October 2022 pursuant to Article 6 of Council Implementing Regulation (EU) 2015/81. The DRF contains all the definitions and instructions concerning the data to be used for the calculation of ex-ante contributions. With specific regard to the derivatives adjustment under Article 5(3) of Commission Delegated Regulation (EU) 2015/63, the instructions provided within the DRF were based on the legal framework and the methodology that would be applicable at the time of the adoption of the Decision on the 2023 ex-ante contributions, as opposed to those applicable at the time of the adoption of the DRF. This was required as at the time of the adoption of the DRF, the European Commission was in the process of amending Article 5(3) of Commission Delegated Regulation (EU) 2015/63 in relation to the derivatives adjustment methodology.
5. By letter of 19 October 2022, the Board provided the institutions with the DRF, via the NRAs. Together with the DRF, the Board provided institutions with additional general guidance on the structure of the DRF, the calculation of the basic annual contributions (“**BAC**”), deductions and risk adjustments, as well as additional specific guidance concerning intragroup deductions, IPS deductions and derivatives adjustments. Additionally, further instructions on the reporting of data points relating to derivatives were set forth in a separate guidance document provided to the institutions. With the same letter, the Board also transmitted to the institutions, via the NRAs, the decision on additional assurance requirements, additionally informed the institutions about the overall timeline of the 2023 contributions cycle and provided further details regarding some key elements of the 2023 contributions cycle, such as the expected dates of the consultation as part of the decision-making process for the 2023 contribution cycle.
6. In January 2023, the Board received from the Deposit Guarantee Schemes (“**DGSs**”) the information concerning the amounts of covered deposits that each credit institution held in the previous year, at the end of each quarter (as well as the average thereof), as well as information concerning the use of extraordinary public financial support from the European Commission’s Directorate-General for Competition.
7. The institutions were required to provide the NRAs with the input information necessary under Annex II to Commission Delegated Regulation (EU) 2015/63, as identified within the DRF. Subsequently, the NRAs provided to the Board the information they received from an overall number of 2 778 institutions.
8. In February and March 2023, the Board performed preliminary checks on the data received and, where necessary, addressed specific remarks to the concerned institutions via the relevant NRA in order to definitively identify the correct data set to rely on for the purpose of this decision. The Board also received some comments and remarks from certain institutions and, where appropriate, asked for additional information.
9. Based on the above data, the Board performed a preliminary calculation for the determination of the 2023 ex-ante contributions. In particular, the Board preliminarily identified the intermediate results concerning all the common data points established equally for all institutions in the calculation process, including the target level and the thresholds of the bins for each risk indicator.

⁶ Decision of the Single Resolution Board of 19 October 2022 on Data formats, representations, related additional assurance requirements and guidance for institutions reporting information required for the purpose of the calculation of the 2023 ex-ante contributions to the Single Resolution Fund (SRB/ES/2022/67) (“**Decision of the Board of 19 October 2022**”).

10. Also in March 2023, the NRAs provided advance notification to the institutions established in their respective Member States that they would be given the opportunity to review and comment upon a preliminary version of the decision of the Board on the determination of the 2023 ex-ante contributions to the Fund prior to its adoption. As was the case in previous contribution periods, in light of the principle of good administration and with a view to upholding an effective dialogue, prior to the Board taking its final decision, it is deemed appropriate for the Board to provide an opportunity to the institutions to express their comments through a consultation process. The institutions were able to provide their comments through a consultation process between 23 March and 5 April 2023.
11. Further to its adoption, the Board will communicate the present decision determining the 2023 ex-ante contributions to the Fund and Annexes thereto to the NRAs, which in turn will notify it individually to all the institutions concerned.

2. SCOPE OF THE CALCULATION

12. In accordance with Articles 2, 67(4) and 70 of Regulation (EU) No 806/2014, the following categories of entities are to contribute to the Fund:⁷
- (i) Credit institutions as defined in Article 4(1)(1) of Regulation (EU) No 575/2013⁸, including central bodies and their affiliated institutions, not including the entities referred to in Article 2(5) of Directive 2013/36/EU⁹, and
 - (ii) Investment firms as defined in Article 4(1)(2) of Regulation (EU) No 575/2013, provided that:
 - (a) they are subject to the initial capital requirement laid down in Article 28(2) of Directive 2013/36/EU; and
 - (b) they are covered by the consolidated supervision of the parent undertaking carried out by the European Central Bank (“ECB”) in accordance with Article 4(1)(g) of Council Regulation (EU) No 1024/2013¹⁰.
13. The Board should determine whether an entity has an obligation to contribute to the Fund in the 2023 contribution period on the basis of its active status as credit institution or investment firm on 1 January 2023. In accordance with Article 12(2) of Commission Delegated Regulation (EU) 2015/63, the change of status of an institution during the contribution period does not have an effect on the annual contribution to be paid by that institution for that year.
14. For this purpose, as mentioned in Recital 3 above, each NRA provided the Board with a list of institutions in its respective jurisdiction which had been assessed to be within scope of the obligation to pay ex-ante contributions to the Fund. This list was the subject of further verifications with the national competent authorities (“NCAs”) and the ECB in order to confirm the status of entities as credit

⁷ According to Article 2(2) of Regulation (EU) No 806/2014, this regulation shall not apply to entities that are also authorised in accordance with Article 14 of Regulation (EU) No 648/2012.

⁸ Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012. OJ L 176, 27.6.2013, p. 1.

⁹ Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC. OJ L 176, 27.06.2013, p. 338.

¹⁰ Council Regulation (EU) 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions. OJ L 287, 29.10.2013, p. 63.

institutions¹¹, and with the European Securities and Market Authority (“**ESMA**”) to confirm the status of entities as investment firms. The status of ‘institution’ has been established by the Board for each entity based on the above.

15. In cases in which the qualification of entities as credit institutions or investment firms was relevant for the calculation of their individual ex-ante contributions, the Board relied on the definitions provided in the relevant legal framework and applied the pertinent provisions accordingly.

3. REPORTING REQUIREMENTS

16. In accordance with Article 4 of Commission Delegated Regulation (EU) 2015/63, the calculation of the ex-ante contributions is based on data provided by the institutions pursuant to Article 14 of that Delegated Regulation. Institutions are therefore required to provide at least the following information prescribed in Annex II to Commission Delegated Regulation (EU) 2015/63:

- (a) Total Assets as defined in Article 3(12);
- (b) Total Liabilities as defined in Article 3(11);
- (c) Liabilities covered by points (a), (b), (c), (d), (e) and (f) of Article 5(1);
- (d) Liabilities arising from derivatives contracts;
- (e) Liabilities arising from derivatives contracts valued in accordance with Article 5(3);
- (f) Covered deposits;
- (g) Total Risk Exposure;
- (h) Own funds;
- (i) Common Equity Tier 1 Capital Ratio;
- (j) Eligible liabilities;
- (k) Leverage Ratio;
- (l) Liquidity Coverage Ratio;
- (m) Net Stable Funding Ratio;
- (n) Interbank loans¹²,
- (o) Interbank deposits¹³.

¹¹ During Consultation process it emerged that one of the previously identified entities does actually not fall into the scope of the calculation. Therefore, the final number of institutions for which ex ante contributions are determined in this Decision is 2,777.

¹² Defined as provided in the table of step 1 of Annex I of the Commission Delegated Regulation (EU) 2015/63.

¹³ Defined as provided in the table of step 1 of Annex I of the Commission Delegated Regulation (EU) 2015/63

17. Where the information set out in Annex II to the abovementioned Regulation has been included in the supervisory reporting requirements laid down by Commission Implementing Regulation (EU) No 2021/451¹⁴, or, where applicable, by any other supervisory reporting requirement applicable to the institutions under national law, this information is to be provided as reported by the institution in the latest relevant supervisory report to the competent authority pertaining to the reference year¹⁵ of the annual financial statement referred to in Article 14(1) of Commission Delegated Regulation (EU) 2015/63¹⁶.
18. In accordance with Articles 14(2) and 16 of Commission Delegated Regulation (EU) 2015/63, institutions and DGS are required to report to the Board, among other information, the amount of covered deposits held¹⁷. As regards the 2023 contribution period:
- (i) DGSs provided the Board with the information on the average amount of covered deposits for the previous year, calculated quarterly¹⁸ (as well as the amount at the end of each quarter), of all their member credit institutions. This information enabled the Board to determine the annual target level and, where applicable, the basic annual contribution of each institution.
 - (ii) Institutions provided the Board, via their NRAs, with the average amount of their covered deposits for the reference year, calculated quarterly. This information enabled the Board to deduct such amount from institutions' total liabilities in accordance with Article 70(1) of Regulation (EU) No 806/2014.
19. In accordance with Articles 15(2) of Commission Delegated Regulation (EU) 2015/63, the European Banking Authority's ("EBA") communicated to the SRB the value of the denominator of the risk pillar referred to in Article 7(1)(c) which amounts to EUR 13,841,100,570,000 for the 2023 contribution period.
20. Annex II to Commission Delegated Regulation (EU) 2015/63 does not contain the data required for the calculation of the 'Additional risk indicators determined by the resolution authority' ("Risk Pillar IV") since these indicators are to be determined by the resolution authority. Consequently, in accordance with Article 6(5) of Commission Delegated Regulation (EU) 2015/63, the Board determined the applicable sub-indicators (see Section 6.6.2 below) and, where applicable, reflected this in the reporting requirements.

Non-reported risk indicators

¹⁴ Commission Implementing Regulation (EU) No 2021/451 of 17 December 2020 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing implementing Regulation (EU) No 680/2014, OJ L 97, 19.3.2021, p. 1.

¹⁵ Institutions had to provide the Board with their latest approved annual financial statements, which were available, at the latest, on the 31 December of the year preceding the contribution period, together with the opinion submitted by the statutory auditor or audit firm. For the newly supervised institutions, for which such data was not available, the Board requested the institution to report the most appropriate data instead.

¹⁶ Pursuant to Article 14(3) of Commission Delegated Regulation (EU) 2015/63.

¹⁷ 'Covered deposits' means the deposits referred to in Article 6(1) of Directive 2014/49/EU of the European Parliament and of the Council of 16 April 2014 on deposit guarantee schemes (OJ L 173, 12.6.2014, p. 149), excluding temporary high balances as defined in Article 6(2) of that Directive.

¹⁸ For the purposes of this decision "the average amount of covered deposits in the previous year, calculated quarterly" means that the value of the end of each quarter is taken into account and the average is calculated as the sum of the quarter-end values for each of the quarter divided by four. In case of mergers, only the data of the institution remaining in scope of Regulation (EU) No 806/2014 in the current contribution period is taken into account for this calculation.

21. The Board has, during the course of the 2023 ex-ante contribution cycle, monitored the availability, reliability and comparability of the data required for the implementation of each of the risk indicators identified in Article 6 of the Commission Delegated Regulation (EU) 2015/63. As a rule, these risk indicators must be applied on the basis of accurate and harmonised data that permits the precise calculation of the relative risk position of each institution in a way that does not create a risk of compromising the calculation exercise as a whole. Accordingly, Article 20(1) Commission Delegated Regulation (EU) 2015/63 provides that “*where the information required by a specific indicator as referred to in Annex II is not included in the applicable supervisory reporting requirement referred to in Article 14 for the reference year, that risk indicator shall not apply*” for the respective contribution cycle. This confirms the requirement that the underlying data points used for application of each of the risk indicators is available in harmonised and up-to-date format for all concerned institutions in all of the participating Member States to ensure the equal treatment of institutions as well as a level playing field.
22. As this was not the case for all risk indicators for the 2023 ex-ante contribution period, the Board therefore concluded that it was not feasible to include the following risk indicators for the 2023 contributions cycle:
- (i) Own funds and eligible liabilities held by the institution in excess of the ‘Minimum Requirement for own funds and Eligible Liabilities’ (“**MREL**”);
 - (ii) Complexity and resolvability.
23. The reasons why these risk indicators have not been included in the ex-ante calculation process for the current cycle are addressed below.

Own funds and eligible liabilities in excess of MREL

24. Article 6(2)(a) of Commission Delegated Regulation (EU) 2015/63 provides for the inclusion of the following risk indicator in the risk exposure pillar: own funds and eligible liabilities held by the institution in excess of MREL (“**MREL-risk indicator**”). The Board has duly assessed the possibility of applying this risk indicator for the 2023 contributions cycle.
25. The MREL-risk indicator is expressed by the equation provided in Step 1 of Annex I of the Commission Delegated Regulation (EU) 2015/63. The equation provides in the numerator for the sum of ‘own funds’ and ‘eligible liabilities’ divided by the total liabilities including own funds present in the denominator from which the MREL target is deducted at the end. The MREL-risk indicator is intrinsically linked to the resolution planning exercise and depends on the specific MREL requirements implemented by the Board and NRAs in this regard for each risk-adjusted institution. The reference date for the data to be used for the 2023 ex-ante contributions cycle is 31 December 2021. However, for Less Significant Institutions MREL related requirements are in the process of being implemented in a gradual manner at national level, therefore the Board does not yet have data allowing for the implementation of this indicator at the level of each institution contributing to the Fund.
26. The implementation of the MREL-risk indicator requires as minimum that an MREL target has been set as well as ‘eligible liabilities’ reported for all the individual institutions, such that all the elements of the equation can be taken into account. MREL targets were not set for a number of institutions in the reference year for the 2023 contributions period (i.e., 2021), impeding the determination of the amount of own funds and eligible liabilities held in excess of institutions’ (non-set) MREL targets for all institutions.

27. Since the application of risk indicators for some, but not for all institutions would distort the calculation of the ex-ante contributions based on the comparisons and violate the principle of equal treatment the Board did not apply the MREL-risk indicator in the 2023 contribution cycle.

Complexity and resolvability

28. Directive 2014/59/EU in Article 103(7)(f) empowers the Commission to adopt a delegated act in order to specify the notion of adjusting contributions in proportion to the risk profile of institutions taking into account among others complexity of the structure of the institution and its resolvability. According to Articles 6(6)(a)(iv) and (b)(ii) of Commission Delegated Regulation (EU) 2015/63, the Board must, in accordance with Chapter II of Title II of the Directive 2014/59/EU, take into account (i) an increase in the risk profile of the institution due to the extent to which the business model and organisational structure of an institution are deemed complex and (ii) a decrease in the risk profile of the institution due to the extent to which an institution can be resolved promptly and without legal impediments (“**complexity and resolvability**”). The assessment of an institution’s complexity and resolvability in the context of the calculation of contributions to the Fund cannot and should not be performed independently from the analysis of the same elements in the context of resolution planning.¹⁹ Resolvability is a legally defined concept coded in Article 15 of the Directive 2014/59/EU as well as Article 10 of Regulation (EU) 806/2014. An institution shall be deemed to be resolvable if it is feasible and credible for the resolution authority to either liquidate it under normal insolvency proceedings or to resolve it by applying the different resolution tools and powers to the institution while avoiding to the maximum extent possible any significant adverse effect on the financial system, including in circumstances of broader financial instability or system-wide events, of the Member State in which the institution is established, or other Member States or the Union and with a view to ensuring the continuity of critical functions carried out by the institution. For the purposes of the assessment of resolvability, the resolution authority shall examine the matters specified in Section C of the Annex to the Directive 2014/59/EU²⁰. Section C of the said Annex lists twenty eight matters which the resolution authority has to consider when assessing the resolvability of an institution or group, which includes also the complexity of the structure of the institution. In particular point 16 of Section C requires that the resolution authority assesses the extent to which the legal structure of the group inhibits the application of the resolution tools as a result of the number of legal persons, the complexity of the group structure or the difficulty in aligning business lines to group entities, while point 17 of Section C requires that the resolution authority assesses the amount and type of eligible (bail-inable) liabilities of the institution. The material reporting obligation of certain supervisory data points required for the assessment of resolvability, as eligible liabilities, is provided for in Articles 12(2) of the Regulation 806/2014 and Article 45i of the Directive 2014/59/EU. The Board took note that the Commission Implementing Regulation (EU) 2021/763²¹ has introduced certain implementing technical standards since 28 June 2021.
29. The data required for the risk indicator “*complexity and resolvability*” is not available in a harmonised form for all institutions in the participating Member States for the reference year 2021. It is important to note that determining this indicator entails a very complex and highly technical exercise for which resolution authorities have to conduct a thorough analysis in a complex procedure involving not only

¹⁹ This is confirmed by the fact that Article 6(6)(a)(iv) and 6(6)(b)(ii) of Commission Delegated Regulation (EU) 2015/63 require that the increase and decrease of the level of risk due to complexity and resolvability must be performed in accordance with Chapter II of Title II of Directive 2014/59/EU.

²⁰ See also Article 10(6) of the Regulation (EU) 806/2014.

²¹ Commission Implementing Regulation (EU) 2021/763 of 23 April 2021 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council and Directive 2014/59/EU of the European Parliament and of the Council with regard to the supervisory reporting and public disclosure of the minimum requirement for own funds and eligible liabilities (Text with EEA relevance), OJ L 168, 12.5.2021, p. 1.

the Board but also the NRAs, NCAs and the ECB. The Board is pursuing on a continuous basis options on how to implement this risk indicator going forward. In this regard, it can be noted that, mainly for Less Significant Institutions, resolvability assessments are still gradually being implemented at national level, therefore currently not available for all institutions under NRA remit. For institutions under Board's remit (mainly Significant Institutions), the Board is assessing whether the institution's progress towards resolvability could be further enhanced to provide the data required for the application of this risk indicator.

30. Based on the above, the Board is not in a position to use the risk indicator “complexity and resolvability” in the 2023 ex-ante cycle.

4. DATA REPRESENTATION, VERIFICATION AND ADDITIONAL ASSURANCE

31. In line with Article 6 of Council Implementing Regulation (EU) 2015/81 and Article 14(6) of Commission Delegated Regulation (EU) 2015/63, the Board specified the data formats and representations to be used by institutions to report the information required for the purpose of the calculation of 2023 ex-ante contributions within the DRF²².
32. The NRAs collected the relevant data from the institutions. During the data collection process, the NRAs were the first point of contact for communicating with institutions established in their respective territories. Institutions were required to submit the data to the NRAs, which, in turn, transmitted the relevant data to the Board within the time limit provided in Article 14(4) of Commission Delegated Regulation (EU) 2015/63.
33. For data that was not reported under the regular supervisory or accounting framework but computed by the institutions solely for the purpose of calculating ex-ante contributions, the Board requested additional assurance, as per the Decision of the Board of 19 October 2022. In particular, the scope of the additional assurance included covered deposits data (reported by institutions as deductions), data related to derivatives used in the adjustment of total liabilities as well as data on qualifying intragroup liabilities and assets, institutional protection scheme (“IPS”) and promotional loans liabilities and assets. The Board requested institutions that were part of a group that falls under the direct supervision of the ECB in accordance with Article 6(4) of Council Regulation (EU) No 1024/2013, to provide additional assurance documentation (either a report from an external auditor or a duly signed document from the management body of the institution), unless they were subject to lump-sum payment. Institutions were required to submit the additional assurance documents to the NRAs by 10 March 2023. The NRAs presented to the Board by 1 April 2023 an overview of the additional assurance documents provided by the institutions.
34. The Board, together with the NRAs, performed automated high-level verifications on the data provided by the institutions²³. The NRAs assessed the correctness of the data that the verification process had detected as possibly erroneous and, where relevant, invited Institutions to update and correct their DRFs.
35. The Board requested further information in a separate questionnaire sent to institutions via the NRAs (when relevant) regarding the eligibility of institutions which requested a deduction related to

²² This covers both the information referred to in Annex II to Commission Delegated Regulation (EU) 2015/63, and the information related to Risk Pillar IV: “Additional risk indicators determined by the resolution authority”.

²³ This verification exercise includes automated cross-checks against available databases and previous submissions, or immediately identifiable clerical mistakes.

promotional loans as provided in Article 5(1)(f) of Commission Delegated Regulation (EU) 2015/63 and, together with NRAs, examined the replies. On that basis the Board assessed whether institutions qualify as promotional banks or intermediary institutions under Article 3(27) and Article 3(29) of Commission Delegated Regulation (EU) 2015/63, respectively. As to the qualification of institutions as “promotional banks” or “intermediary institutions”, the Board’s assessment relied, first, on the information provided by the concerned institutions within the DRF and the above-mentioned questionnaires and, secondly, on the assessment performed by the national competent authorities (“**NCAs**”) pursuant to Article 10(1)(e)(ii) of Commission Delegated Regulation (EU) 2015/61²⁴.

36. As to the eligibility of liabilities to be excluded under Article 5(1) of Commission Delegated Regulation (EU) 2015/63, the Board refrained from applying such provision to liabilities that – however comparable – did not satisfy all the conditions to be excluded, as such an interpretation would be incompatible with the wording of the law. Similarly, when the qualification of an entity was relevant to the application of Article 5(1) of Commission Delegated Regulation (EU) 2015/63, the Board refrained from excluding liabilities held by entities that – however in comparable positions – did not meet all the conditions to qualify for the exclusion. Any extensive interpretation or analogical application of Article 5(1) of Commission Delegated Regulation (EU) 2015/63 is prevented by its exceptional nature. Since it establishes exceptions to the general rule (i.e., all liabilities must be accounted for to calculate ex-ante contributions), it qualifies as *lex specialis*. Thus, it must be interpreted narrowly and may not be applied extensively or by analogy, neither as to its subjective scope (entities to which it is applicable), nor as to its objective scope (types of liabilities that are eligible for exclusion).
37. The correctness of the above approach is confirmed by the judgment of the Court of Justice of the European Union (“**Court of Justice**”) in *Iccrea* which ruled that Article 5(1) of Commission Delegated Regulation (EU) 2015/63 “does not confer any discretion on the competent authorities to exclude certain liabilities when adjusting the contributions that are the subject of Article 103(2) of Directive 2014/59 in proportion to risk, but rather lists precisely the conditions governing whether a liability can be so excluded”²⁵. In this respect, the Court of Justice added that, “while the referring court envisages that Article 5(1)(a) and (f) of that delegated regulation should be interpreted as being capable of application to situations that are comparable to those specified in that article, even though those situations do not satisfy all the conditions laid down in those provisions, it is clear that such an interpretation is incompatible with the wording of those provisions”²⁶. Finally, it stated: “Likewise, an analysis that takes account of the principles of equal treatment, non-discrimination and proportionality, which the referring court mentions, cannot justify any other outcome, since Delegated Regulation 2015/63 distinguished situations that have significant and specific features, directly linked to the risks inherent in the liabilities at issue”²⁷.
38. The assessment of whether an institution has used extraordinary public financial support in the reference year was based on the information received from the institution and the European Commission’s Directorate-General for Competition.

²⁴ Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions, OJ L 11, 17.1.2015, p. 1–36.

²⁵ Court of Justice, Judgment of 3 December 2019, C-414/18, *Iccrea Banca SpA v SRB*, ECLI:EU:C:2019:1036, para. 93.

²⁶ *Ibid*, para. 92.

²⁷ *Ibid*, para. 95.

5. ANNUAL TARGET LEVEL

39. In accordance with Article 69 of Regulation (EU) No 806/2014 and Article 4 of Council Implementing Regulation (EU) 2015/81, in order to calculate the 2023 ex-ante contributions, the Board was required to set the annual target level for the 2023 ex-ante contribution period.
40. In accordance with Article 69(1) of Regulation (EU) No 806/2014, the target level is determined by reference to the requirement that the available financial means of the Fund should reach at least 1% of the amount of covered deposits of all credit institutions authorised in the participating Member States at the end of the transitional eight years period starting from 1 January 2016, and ending on 31 December 2023 (the “initial period”). Moreover, Article 69(2) of Regulation (EU) No 806/2014 also establishes that the ex-ante contributions should be spread out during the initial period as evenly as possible. Finally, in implementing the above requirements, the Board should give due account to the phase of the business cycle and the impact that these contributions may have on the financial position of contributing institutions, in accordance with Article 3 of Commission Delegated Regulation (EU) 2017/747²⁸.
41. With due regard to the fact that the 2023 cycle is the last of the initial period, the Board determined the 2023 annual target level, by taking into account (i) the expected target level to be reached at the end of the initial period (based on the projected growth of covered deposits in 2023) as well as (ii) the available financial means in the Fund at 31 December 2022, (iii) the expected economic return of the financial means in 2023, (iv) the settlement of the differences arising as a result of restated data and (v) the reimbursement of the remaining share of the 2015 ex-ante contributions. As such, the 2023 annual target level is set as the difference between the expected target level on 31 December 2023 and the expected available net financial means in the Fund on 31 December 2023 (i.e. the available financial means, excluding the 2023 ex-ante contributions), as below:

Annual target level ₂₀₂₃ = Expected target level _{31.12.2023} – Expected available net financial means _{31.12.2023}

Expected target level _{31.12.2023} =
(1 + expected % rate of growth of covered deposits ₂₀₂₃) x covered deposits _{31.12.2022} X 1%

Expected available net financial means _{31.12.2023} =
available financial means _{31.12.2022}
+ restatements ₂₀₂₃
– 2015 deductions ₂₀₂₃
+ expected return on the available financial means ₂₀₂₃

42. Sections 1 to 5.5 provide more detailed explanations as to how the requirements established in Article 69 of Regulation (EU) No 806/2014 and Article 4 of Council Implementing Regulation (EU) 2015/81 for setting the target level for the 2023 ex-ante contributions cycle were taken into account.

5.1. Evolution of the total amount of covered deposits

²⁸ Commission Delegated Regulation (EU) 2017/747 of 17 December 2015 supplementing Regulation (EU) No 806/2014 of the European Parliament and the Council with regard to the criteria relating to the calculation of ex-ante contributions, and on the circumstances and conditions under which the payment of extraordinary ex post contributions may be partially or entirely deferred, C/2015/9016, OJ L 113, 29.4.2017, p. 2–8.

43. The Board analysed the evolution of the covered deposits data for the last seven years as provided by the DGSs. The historical data suggests a constant growth trend during that period in the covered deposits of all credit institutions in the Member States participating in the banking union (“**Banking Union**”). After the high levels of growth observed in 2020 and in 2021, the growth rate of covered deposits has decelerated in 2022. The fading out of the effects on the economy of the COVID 19 pandemic and the related government measures adopted in early 2022 decreased the growth rate, which stabilized at year end at a level of 2.4% and proved to be quite resilient to the high inflation environment, due to precautionary savings, i.e. households prioritizing saving over spending money on non-essential goods and activities. In particular, according to the data set provided by the DGSs with respect to the previous year, in 2022, the average amount of covered deposits, calculated quarterly, of all credit institutions in the participating Member States amounted to EUR 7,339,364,226,282.55. This figure represents a growth of 2.98% based on the quarterly average of covered deposits data for 2022 vis-à-vis the average of covered deposits calculated on a quarterly basis and reported by DGSs for 2021. The detailed statistics per country, as reported by the DGSs are provided in Annex II²⁹. The covered deposits of all credit institutions in the participating Member States on 31 December 2022 amounted to EUR 7,426,065,717,097.41.

5.2. Projected evolution of covered deposits

44. In order to project the evolution of covered deposits and to make a more informed decision, the Board also consulted the Joint Research Centre of the European Commission (“**JRC**”). The Board obtained from the JRC an assessment of the possible rate of growth of covered deposits in accordance with an econometric model³⁰ based on historical data on total deposits and covered deposits. The model offers a series of scenarios projecting the growth rate of total deposits and covered deposits in the Banking Union during the last year of the initial period. The Board assessed and took into account the JRC’s expert assessment of the evolution outlook for total deposits in 2023, ranging from 3.71% to 5.38% and for covered deposits in 2023, ranging from 2.36% to 5.49%. It should be noted that the time series of the data available for total deposits is substantially longer than the one available for covered deposits³¹.

45. The Board also assessed the evolution of covered deposits throughout the initial period, measured on the basis of a quarterly average at year-end³², and observed a seven-year average (2016-2022) of 4.7% and a median of 4.8%. The growth rate recorded in 2016 was 4.9%. The growth rate recorded in 2017 was 2.5%. The growth rate recorded in 2018 was 4.9%. The growth rate recorded in 2019 was 4.7%. The growth rate recorded in 2020 was 8.8%. The growth rate recorded in 2021 was 4.8%. The growth rate recorded in 2022 was 2.4%.

²⁹ The data provided by the Croatian DGS was, prior to being sent to the Board, converted from Croatian Kuna to euro by the Croatian DGS by applying the fixed conversion rate determined by the amendment to Regulation (EC) No 2866/98 (Council Regulation (EU) 2022/1208 of 12 July 2022 amending Regulation (EC) No 2866/98 as regards the conversion rate to the euro for Croatia). The data provided by the Bulgarian DGS was, prior to being sent to the Board, converted from Bulgarian lev in euro by the Bulgarian DGS by applying the fixed conversion rate published by the Bulgarian National Bank (Fixed exchange rate of 1 EUR = 1,95583 BGN).

³⁰ Regression Seasonal Arima model.

³¹ The JRC used for total deposits ECB data from Q1 2003 until Q4 2022 while for covered deposits DGS data from Q1 2016 until Q4 2022.

³² There is also growth rate data available based on quarterly averages. The growth rate of the amount of quarterly average covered deposits recorded in 2016 (versus the year-end value of 2015) was 2.23%. The growth rate recorded in 2017 was 3.26%. The growth rate recorded in 2018 was 2.65%. The growth rate recorded in 2019 was 7.19%. The growth rate recorded in 2020 was 6.95%. The growth rate recorded in 2021 was 6.54%. The growth rate recorded in 2022 was 2.98% (as of 2017 all growth rates are based on quarterly average growth rates, compared YoY).

46. In the light of the above, and especially the high inflation-driven precautionary savings, and taking into account the analysis set out in section 5.4, the Board considers it unlikely that the rate of the covered deposits growth observed in 2022 (2.98% annual growth based on quarterly average covered deposits data), will be maintained in 2023 (i.e. the last year of the initial period). On the contrary, the Board expects that the continuing economic and geopolitical uncertainty will enhance precautionary saving, resulting in a higher covered deposits growth rate in 2023.
47. Therefore, having regard to the range identified as most likely by the JRC, as well as to the historical growth of covered deposits in the last seven years and the expectations for the evolution of covered deposits in 2023, and to the considerations made in the context of the analysis of the phase of the business cycle, the Board forecasted the expected target level at the end of the initial period based on a growth rate of covered deposits of 4.5%. The Board took note that the most appropriate basis for the calculation of the growth of the expected target level in the last year of the initial period is the data about the covered deposits at the end of year 2022, which amounts to 7,426,065,717,097.41, leading to a projected size of the Fund at the end of the initial period of at least EUR 77,602,386,743.67.

Expected target level $_{31.12.2023} = (1 + 4.5\%) \times 7,426,065,717,097.41 \times 1\% = \text{EUR } 77,602,386,743.67$

5.3. Setting the annual target level - Available financial means

48. The Board considered the amount of available financial means of the Fund on 31 December 2022 and its potential expected growth in 2023.
49. The available financial means of the Fund, represented by both cash balances³³ and securities amounted to EUR 65,844,732,173.85 on 31 December 2022. This amount includes the accrued purchase yield on the securities³⁴. The cash balance includes all interest paid or received as well as the profits and losses made on the disposal of securities already sold.
50. The Board expects the available financial means of the Fund to grow in 2023 based on the purchase yield of the securities and the return on cash balances. This amount is realised through the P&L in the Board's accounts and is not affected by changes in the market value of securities (unless they are sold).
51. In the context of the 2023 target level setting exercise, the Board considered it appropriate to take into account a return on the available financial means in 2023 of EUR 475 million, based on the following elements. First, an amount of approximately EUR 121 million was taken as effectively realised return during the months of January and February 2023. Second, for the securities, an average return of 0.52% was calculated for the months March until December 2023 (based on the average purchase yield of securities at 28 February 2023 and with the assumption that no new purchases of securities were made after 28 February 2023)³⁵. This represents an expected amount of approximately EUR 119

³³ This includes €7 billion of cash collateral for the irrevocable payment commitments.

³⁴ This reflects the purchase price of securities and the unwind of the purchase premium (i.e. amortised cost) and corresponds to the definition of amortised cost value, where securities accrue their purchase yield over their life. Differences between the amortised cost value and the prevailing market value are captured in the Other Comprehensive Income (please refer to SRB Annual Report).

³⁵ As a simplifying assumption, no redemptions, no transfer from Strategic Cash to the securities portfolio and no rebalancing of the Portfolio are considered. The coupons of the securities are considered in the securities part and not in the cash balances and there is no compounding of purchase yield.

million. Third, a return on the cash balances of approximately EUR 235 million is expected based on a remuneration in line with the ECB guideline on remuneration of euro area government deposits³⁶.

52. As to the expected income and expenditures during the year 2023, the Board takes account of the following: the settlement, in the context of the 2023 contribution period, of the differences arising as a result of restated data will increase the financial means available in the Fund by EUR 107,952,441.33; the reimbursement of the remaining share of the 2015 ex-ante contributions will decrease the financial means available in the Fund by EUR 528,312,030.00; under the current circumstances, the expected return on the available financial means available in the Fund will increase those means by EUR 475,055,644 as explained in Recital 51 above.
53. The Board did not include the remuneration on the cash collateral for irrevocable payment commitments (“IPCs”) in the calculation of the economic return of available financial means given that this return is transferred in full to the institutions in accordance with the provisions of the Irrevocable Payment Commitment and Collateral Agreements (“IPCA”).

Expected available net financial means ^{31.12.2023}

= 65,844,732,173.85 + 107,952,441.33 - 528,312,030.00 + 475,055,644.18

= **EUR 65,899,428,229.36**

5.4. Setting the annual target level - Analysis of the phase of the business cycle and the impact that pro-cyclical contributions may have on the financial position of contributing institutions

54. In accordance with Article 69(2) of Regulation (EU) 806/2014 and Article 3 of Commission Delegated Regulation (EU) 2017/747, the Board also assessed the phase of the business cycle and the potential pro-cyclical impact that contributions may have on the financial position of contributing institutions by taking into account, jointly for all participating Member States, the indicators as outlined in the Annex of Delegated Regulation 2017/747.
55. For macroeconomic indicators of the business cycle the Board took into account the following elements:
- (i) GDP growth forecast and economic sentiment indicator from the European Commission;
 - (ii) GDP growth from ECB macroeconomic projections for the euro area.
56. For the financial position of the contributing institutions assessment, the Board considered the following elements:
- (i) private sector credit flow over GDP and change in total financial sector liabilities from the European Commission's scoreboard on macroeconomic Imbalances;

³⁶ ESTR for the months of February, March and April, based on the ECB communication of 8 September 2022 (<https://www.ecb.europa.eu/press/pr/date/2022/html/ecb.pr220908~0705913289.en.html>).

ESTR-20bps for the month of May based on the ECB communication of 7 February 2023 (https://www.ecb.europa.eu/press/pr/date/2023/html/ecb.pr230207_2~02299a78b5.en.html).

For the amounts that will be available in the Fund as of June 2023, the Board conservatively assumes a 0% remuneration on cash balances as of 1 June 2023. As to the investment foreseen with specific regard to those amounts, the current expectations do not have a sufficient degree of certainty. Therefore, the most accurate return on the investment of the amounts that will be newly available in the Fund as of June 2023 is set at 0% for the purposes of this calculation.

- (ii) composite indicator of systemic stress and probability of a simultaneous default by two or more large and complex banking groups of the participating member states from the European Systemic Risk Board (“**ESRB**”) risk dashboard;
- (iii) changes in credit standards for loans to households (for house purchases) and changes in credit standards for loans to non-financial corporations from the ESRB’s risk dashboard;
- (iv) indicators on the profitability of large banking groups of the participating member states contained in the EBA risk dashboard, such as return on equity and net interest income to total operating income;
- (v) indicators on the solvency of large banking groups of the participating member states contained in the EBA’s risk dashboard, such as Tier 1 capital to total assets excluding intangible assets and impaired loans and past-due loans to total loans.

Phase of the business cycle

57. The macroeconomic conditions in which the institutions in the EU operate are essential factors for analysing the yearly ex-ante contributions to the Fund. For the economic cycle assessment the Board relied on the forecast released by the main EU institutions – the European Commission and the ECB.
58. Overall, the Russian invasion of Ukraine in February 2022 marked a turn in the business cycle phase in the euro area and the EU. The event and its consequences affected the European economies’ economic growth and price levels. The most recent cyclical indicators indicate that real GDP growth of the euro area stagnated in Q4-2022, as the latest Eurostat preliminary estimate shows that GDP remained stable in the EU and grew only by 0.1% in the euro area over the same period. The outlook for the euro area has only changed slightly since mid-March 2023 due to the sharp increase in financial market volatility following the confidence crisis involving Silicon Valley Bank (“**SVB**”) and Credit Suisse. Regarding euro area headline inflation, it declined in March to 6.9% year-on-year (“**YoY**”) from 8.5% in February and 8.6% in January 2023. In the near future, these conditions are likely to remain unvaried in the short term. However, according to the most updated forecasts by EU and other international institutions, the EU macroeconomic outlook, remains subdued this year. Recent GDP projections have stopped deteriorating, driven mainly by signs of receding inflation.
59. For the GDP growth forecast and economic sentiment indicator, the Board relied on the European Commission Economic Forecast - Winter 2023.³⁷ Based on the forecast the growth is now estimated at 3.5% in both the EU and the euro area. The GDP is projected to expand by 0.8% in 2023 and 1.6% in 2024 (0.9% and 1.5% in the euro area). Both areas are now set to narrowly avoid the anticipated recession at the turn of the year. The growth rate for 2024 remains unchanged, at 1.6% and 1.5% for the EU and the euro area, respectively. Headline inflation is forecasted to fall from 9.2% in 2022 to 6.4% in 2023 and 2.8% in 2024, in the EU, and to decelerate from 8.4% in 2022 to 5.6% in 2023 and to 2.5% in 2024, in the euro area.

³⁷ European Commission 2023 winter (interim) forecast released on the 13th February 2023.

Table 1. EA and EU GDP projections, % y-o-y change

Real GDP projections		2022	2023	2024	2025
IMF (04/2023)	EA	3.5	0.8	1.4	N/A
ECB (03/2023)	EA	3.6	1.0	1.6	1.6
COM (02/2023)	EA	3.5	0.9	1.5	N/A
	EU	3.5	0.8	1.6	
OECD (11/2022)	EA	3.3	0.5	1.4	N/A

Source: European Commission Winter 2023 Economic Forecast, ECB Macroeconomic Projections, OECD Economic Outlook, IMF World Economic Outlook Update and SRB compilation. Note: EU GDP projection only provided by the COM. For 2023, only ECB projections available.

60. Favourable developments improved the growth outlook for 2023, including the continued diversification of energy supply sources and a sharp drop in consumption, which has left gas storage levels above the seasonal average of past years, and wholesale gas prices have fallen well below pre-war levels, and a strong EU labour market has continued to perform. The latest IMF World Economic Outlook (April 2023) affirms that the global economy's gradual recovery from the pandemic and Russia's invasion of Ukraine remains on track thanks to supply chain disruptions unwinding, while dislocations to energy and food markets caused by the war are receding. Simultaneously, most central bank's synchronized tightening of monetary policy should start materialising, with inflation moving back towards targets. Nevertheless, the IMF points also at certain downside risks in the euro area economic outlook, related to 'stickier than anticipated inflation' and raising funding costs due to sharp monetary policy tightening.
61. On the downside, the inflation forecast underlies several challenges which present a negative risk going ahead: consumers and businesses continue to face high energy costs, and core inflation is still rising, further eroding households' purchasing power. Moreover, inflationary pressures persist, and monetary tightening is set to continue, which might further impact the business activity and potential investment.
62. For the near future, the European Commission foresees that the risks for the forecasted growth and inflation are broadly balanced. On the positive side, domestic demand could turn out higher than projected if the recent declines in wholesale gas prices pass through to consumer prices more strongly and consumption proves more resilient. Nonetheless, a potential reversal of that fall cannot be ruled out in the context of continued geopolitical tensions. External demand could also be more robust following China's re-opening, which could fuel global inflation. On the negative side, risks to inflation remains linked mainly to developments in energy markets, mirroring some of the identified risks to growth. Especially in 2024, upside risks to inflation prevail, as price pressures may turn out broader and more entrenched than expected if wage growth were to settle at above-average rates for a sustained period.
63. For GDP growth from ECB's macroeconomic projections for the euro area, the Board assessed the most recent ECB growth report.³⁸ Based on the report the ECB's latest projections show that the euro

³⁸ See ECB Macroeconomic Projections 16 March 2023 at https://www.ecb.europa.eu/pub/projections/html/ecb.projections202303_ecbstaff~77c0227058.en.html.

area real GDP growth is set to decelerate from 3.6% in 2022 to 1% in 2023, and then to rebound to 1.6% in 2024 and in 2025.

Figure 2: Comparison of December 2022 and March 2023 ECB projections

	Year	December 2022	March 2023	Difference
GDP (%)	2022	3.4	3.6	▲ 0.2
	2023	0.5	1	▲ 0.5
	2024	1.9	1.6	▼ 0.3
	2025	1.8	1.6	▼ 0.2

64. As a result of these developments, according to the ECB, the annual inflation is set to be at 8.4% in 2022, while declining to 5.3% in 2023. Inflation is projected to decrease further to 2.9% in 2024 and of 2.1% in 2025. The path of inflation over the projection horizon is due to the combination of the following factors: the substantial energy-related downward base effects throughout the course of 2023, the normalisation of the ECB monetary policy whose impact is set to materialise gradually, the weaker growth outlook and the assumed decline in energy and food commodity prices as well as the assumption that longer-term inflation expectations will remain anchored.
65. In comparison with previous projections, the ECB became more optimistic regarding the growth developments for 2023. Compared to the previous ECB projections, the outlook for GDP growth has been revised up by 0.3 percentage points for 2022, due to the better-than-expected performance over the summer and by 0.5 percentage points for 2023, while it has been revised slightly downwards for 2024 and 2025 (-0.3% and -0.2%).

Conclusion on the phase of the business cycle

66. The Board concluded that the overall economic outlook has improved, especially compared to the previous contribution cycles. The geopolitical uncertainty still might have an impact on the economic outlook, but the overall situation is increasingly positive. The outlook has only slightly changed as a consequence of the financial market volatility following the confidence crisis involving SVB and Credit Suisse. Recent GDP projections have stopped deteriorating and inflation shows signs of slowing down. The Board considers that the current phase of the business cycle does not require to raise contributions in 2023 of an amount different than the lowest amount that is prudentially expected to permit the reaching of the expected target level by the end of the initial period, also considering that the 2023 contribution cycle is the last contribution year to reach the final target level.

Financial position of the institutions

67. Pro-cyclical contributions may impact the financial position of the institutions. When institutions are more profitable and have higher capital levels, higher contributions can be more easily born, and conversely, if the economy is in a downturn, institutions may be less profitable and have lower capital levels, limiting their contributing capacity.

68. Assessing the possible pro-cyclical impact that contributions to the Fund may have on the financial position of contributing institutions to the Fund, the Board must assess the effects of ex-ante contributions and other factors that can have an impact on institution's financial position. This section evaluates a number of elements that can have such impact, measuring institutions' capital adequacy and profitability, also in light of the fact that the 2023 cycle is the last of the initial period. It also includes information on wide economy measures of credit flows, credit standards, financial sector liabilities, and indicators of near-term financial distress.
69. In general, according to the latest market data, the EU banking sector is going through a period of market volatility, heightened systemic risks, and tightening financial conditions. In March 2023, the failures in the US and the sale of Credit Suisse raised concerns about possible implications for the EU banks. Nevertheless, there is limited direct contagion risk from the SVB collapse and Credit Suisse to euro area banks measured by limited exposure to US deposit holders and/or Credit Suisse. In addition, the risk of similar failures in the EU is considered limited as European banks' capital levels are significantly higher than the regulatory minimum and they are having robust funding and liquidity positions.
70. As to the private sector credit flow over GDP and change in total financial sector liabilities, the Board took note that the credit provision to the private sector was robust in 2021, despite the gradual expiration of the government guarantees granted during the COVID-19 outbreak and macro-prudential tightening. According to the scoreboard indicators, most euro area countries registered positive annual growth rate for loans granted to households and non-financial corporations in 2021, as well as an expansion in total financial sector liabilities. Credit for households expanded steadily in 2021 against spiking housing prices across the EU, and loan demand from firms increased, driven by high input costs and inventories building. According to the ECB, credit provision to households has remained strong in 2022. However, with interest rates on credit having increased sharply in the wake of monetary policy normalisation, a moderation of lending volumes is likely. According to the latest EBA risk dashboard (Q4 2022), a moderation of lending volumes by banks took place in Q4 2022 with interest rates on credit having increased sharply in the wake of monetary policy normalisation.
71. As to the composite indicator of systemic stress and probability of a simultaneous default by two or more large and complex banking groups, the Board looked at worsening economic conditions that might have increased near-term risks to financial stability. In line with the recent market turmoil in March 2023, ESRB Risk Dashboard³⁹ indicators of near-term financial stress, such as the composite indicator of systemic stress, which measure interlinkages across financial markets, rose somewhat in Q1 2023, still not reaching the levels seen after the Russian invasion of Ukraine in Q2/Q3 2022. The specific indicator of systemic stress in the banking sector, which shows the probability of simultaneous default by two or more large and complex banking groups, slightly rose during the March 2023 bank confidence crisis.
72. As to the changes in credit standards for loans to households (for house purchase) and changes in credit standards for loans to non-financial corporations, the Board took note that credit standards in the euro area for loans to households and financial corporations tightened further in Q4 2022. According to the January 2023 euro area bank lending survey and latest ESRB Risk Dashboard, credit standards for loans or credit lines to enterprises tightened substantially further in the fourth quarter of 2022. Higher risk perceptions related to the economic outlook and industry or firm-specific situation, banks' declining risk tolerance, as well as higher cost of funds continued to have a tightening impact on credit standard

³⁹ ESRB risk dashboard, March 2023 (Issue 43).

for loans to euro area firms. With regard to loans to households for house purchases, banks reported also a strong net tightening of credit standards.

73. As to the indicators on the profitability of large banking groups, such as return on equity and net interest income to total operating income, the Board took note that the bank profitability stayed positive in 2022 supported by higher operating income thanks to wider margins and stronger lending volumes. According to the latest release of the EBA risk dashboard, the average return on equity (RoE) was reported at 8% in Q4 2022 (7.7% in Q3 2022), albeit with high dispersion across banks. The main profitability driver was net interest income (NII). NII was positively affected by lending growth and mainly net interest margin (NIM) (1.39% in Q4 2022 vs. 1.29% in Q3 2022). Increasing interest rates represent both an opportunity and a challenge for the European banking sector. The persistent low interest rate environment challenged the EU banking sector in the previous decade and was one of the reasons behind its low profitability. While increased interest rates lift bank interest income, they can also drive up their funding costs. The upside potential is limited for banks with a larger share of the loan book referenced at fixed rates.
74. As to the indicators on the solvency of large banking groups, such as Tier 1 capital to total assets excluding intangible assets and impaired loans and past-due loans to total loans, the Board sees that EU banks keep a sizeable capital headroom over regulatory requirements. According to EBA's risk dashboard data, bank capital ratios remained well above the regulatory requirements in the EU member States while capital ratios were rising during the last quarter of 2022.

Conclusion on the financial position of institutions

75. The Board concludes that, based on the indicators described above, the financial sector in the EU is going through a period of market volatility and tightening financial conditions. Nevertheless, the euro area institutions' capital and liquidity ratios remain robust, profitability remains strong, and institutions keep lending. As discussed above, this conclusion also remains viable in light of the recent failures of SVB and Credit Suisse in March 2023 as banks in the Banking Union show resilience to the challenging market environment. Therefore, in the Board's view, the pro-cyclical potential of 2023 ex-ante contributions, in light of the financial position of contributing institutions and the amounts to be collected to reach the expected target level, remains low and does not require nor permit lowering of the annual target level to less of what is necessary to achieve the expected target level by the end of the initial period.

5.5. Setting the annual target level and ensuring reaching the target level of the initial period

76. After careful consideration of all of the above factors, the Board concluded that, despite the deceleration of the growth rate of covered deposits observed in 2022, it is nonetheless reasonable to expect continued growth in covered deposit levels in the Banking Union in 2023, i.e., **an estimated growth rate of 4.5%**. This is in line with what has been observed over the course of that initial period from 2016 to 2022 in terms of average growth (4.7%) and median growth (4.8%) (see Recital 45 above).
77. Based on the expected growth rate of 4.5% in 2023, the target level of the Fund at the end of the initial period (31 December 2023) is expected to reach EUR 77,602,386,743.67. As to the expected available net financial means, they amount to EUR 65,899,428,229.36.
78. When applied to the formula shown in Recital 41,

Annual target level 2023

= Expected target level 31.12.2023 - Expected available net financial means 31.12.2023

Annual target level 2023

= 77,602,386,743.67 – 65,899,428,229.36

= **EUR 11,702,958,514.31**

79. Based on the assessment of the phase of the business cycle and the pro-cyclical impact of contributions on the financial position of the institutions, the Board considers that there are no grounds to raise an amount of contributions other than an amount that would allow for the reaching of the expected target level at the end of the initial period, i.e. 31 December 2023.
80. As a result, having considered the available information and the analyses referred to in the previous recitals, in accordance with the criteria mentioned in Article 69(2) of Regulation (EU) No 806/2014 and in Article 3 of Commission Delegated Regulation (EU) 2017/747, the Board sets the total amount of contributions to the Fund for the 2023 ex-ante contribution period (the “**annual target level**”) at **EUR 11,702,958,514.31**⁴⁰.

6. CALCULATION METHODOLOGY⁴¹

6.1. Description of the calculation process

6.1.1. Steps of the calculation process

81. The calculation process follows a certain calculation methodology for each institution, depending on its size, in a sequential order as prescribed by the legal framework.
82. First, the Board determines the **lump-sum (flat-rate) contributions** for the following groups of entities:
- (a) Small institutions that are paying a lump-sum contribution according to **Articles 10(1) to 10(6)** of the Commission Delegated Regulation (EU) 2015/63 (see Section 6.2.1 below). The total amount of lump-sum contributions under Article 10(1) to 10(6) of the Commission Delegated Regulation (EU) 2015/63 in the 2023 cycle equals **EUR 10,127,000.00**;
 - (b) Medium size institutions that are paying a lump-sum contribution for the first EUR 300,000,000.00 of total liabilities excluding own funds and covered deposits according to **Article 8(5)** of the Council Implementing Regulation (EU) 2015/81 (see Section 6.3 below). The total amount of lump-sum contributions under Article 8(5) of the Council Implementing Regulation (EU) 2015/81 equals **EUR 42,950,000.00**.
83. The Board then subtracts the aggregate amount of lump-sum contributions due by the institutions listed in Recital 82 (**EUR 53,077,000.00**) from the annual target level (**EUR 11,702,958,514.31**) in

⁴⁰ For comparability reasons, it is added that the coefficient that, when multiplied by the amount of covered deposits held in 2022, calculated as a quarterly average (EUR 7 339 364 226 282.55) and by 1/8th, would yield a 2023 annual target level that would allow for the reaching of the target level at the end of 2023, equals to ~ 1.28%.

⁴¹ For the avoidance of doubt, the figures mentioned in this Section do not take into account the settlement of the differences arising as a result of restated data, nor the reimbursement of the remaining share of the 2015 ex-ante contributions.

order to set the specific target level that is required to determine the basic annual contribution of the institutions referred to in Recital 84 (**EUR 11,649,881,514.31**).

84. Second, the Board determines the **annual contributions** of small institutions that provided sufficient evidence for the Board to determine both the basic annual contribution and the lump-sum contribution according to **Article 10(7)** of the Commission Delegated Regulation (EU) 2015/63, where after having compared both contributions:
- (a) The institution is assigned to the lump-sum contribution, when it results in a lower contribution than the basic annual contribution (see Section 6.2.2 below). The total amount of lump-sum contributions under Article 10(7) of the Commission Delegated Regulation (EU) 2015/63 in the 2023 cycle equals **EUR 1,348,000.00**.
 - (b) The institution is assigned to the basic annual contribution, when it results in a lower contribution than the lump-sum contribution (see Section 6.2.1 below). The aggregate basic annual contributions of institutions in this category equals **EUR 45,954.54**.
85. The Board then subtracts the overall amount of all lump-sum contributions (**EUR 54,425,000.00**) from the annual target level (**EUR 11,702,958,514.31**) in order to set the specific target level that is required to determine the basic annual contribution of the institutions referred to in Recital 86 (**EUR 11,648,533,514.31**).
86. Third, the Board determines the basic annual contributions for the following groups of entities:
- (a) **Mortgage credit institutions** financed by covered bonds which, according to the applicable national law, are not allowed to receive deposits according to Article 11 of the Commission Delegated Regulation (EU) 2015/63 (see Section 6.4 below). The aggregate basic annual contributions of mortgage credit institutions under Article 11 of the Commission Delegated Regulation (EU) 2015/63 equals **EUR 61,372,320.23**;
 - (b) **Investment firms** which are authorised to carry out only limited services and activities, are not subject to, or may be exempted from, certain capital and liquidity requirements (see Section 6.5 below). The aggregate basic annual contributions of Investments firms which are authorised to carry out only limited services and activities equals **EUR 13,775.90**.
87. Fourth, in order to compare the institutions according to their riskiness, the SRB establishes bins for each risk indicator, in which institutions with similar risk profiles will be grouped (discretisation). The discretization process leads to establishment of an optimal number of bins based on the number of risk-adjusted institutions and the skewness of the distribution of their data points. This allows the Board to define the common thresholds of each bin for each risk-indicator, as specified based on the ranking of the data of all institutions from the lowest to the highest, pursuant to the requirements set in Article 103(7) of Directive 2014/59/EU and Article 6 and Annex I, Step 2 of Commission Delegated Regulation (EU) 2015/63.
88. Fifth, the Board determines the **risk-adjusted contributions** according to Article 70(2)(b) of Regulation (EU) No 806/2014 (see Section 6.6 below) for the following two groups of institutions (risk-adjusted institutions):
- (c) **Medium sized institutions** whose total assets are between EUR 1,000,000,000 and EUR 3,000,000,000.00 that are paying a risk-adjusted contribution for the remainder (above EUR

300,000,000.00) of their total liabilities excluding own funds and covered deposits (see Section 6.3 below);

- (d) **Large institutions** whose total assets are above EUR 3,000,000,000 and their total liabilities excluding own funds and covered deposits are above EUR 300,000,000 (see Section 6.6 below).
89. More concretely, in accordance with Article 9 of Commission Delegated Regulation (EU) 2015/63, for each risk-adjusted institution, the Board determines the risk-adjusted contribution by multiplying the basic annual contribution by the risk-adjustment multiplier. The risk-adjustment multiplier is determined by combining the risk indicators referred to in Article 6 of Commission Delegated Regulation (EU) 2015/63, in accordance with the formulas and procedures set out in Annex I.
90. In particular, in order to compare the risk-adjusted institutions according to their riskiness, the Board establishes bins for each risk indicator, in which risk-adjusted institutions with similar risk profiles will be grouped (discretisation) (see Recital 161 and Annex II). For each risk indicator, the discretisation process leads to the establishment of an optimal number of bins, based on the number of risk-adjusted institutions and the skewness of the distribution of their values for the concerned risk indicator. This allows the Board to define the common thresholds of each bin for each risk-indicator, as specified based on the ranking of the data of all risk-adjusted institutions from the lowest to the highest, pursuant to the requirements set in Article 103(7) of Directive 2014/59/EU⁴² and Article 6 and Annex I, Step 2 of Commission Delegated Regulation (EU) 2015/63.⁴³
91. Considering that the thresholds of the risk bins determined by the Board for each risk indicator are the same for all risk-adjusted institutions, each risk-adjusted institution is assigned to the risk bin whose lower threshold is less than or equal to the institution's relevant data point, and whose higher threshold is greater than or equal to the institution's relevant data point.
92. Next, for each risk indicator and all risk-adjusted institutions, the institution's value for the concerned risk indicator is substituted by the number of the bin to which it is assigned. Subsequently, the number of the bin is rescaled and transformed, to obtain the institution's transformed rescaled indicator (TRI) value for the concerned risk indicator (pursuant to the methodology set out in Annex I, Step 3 to 4 of Commission Delegated Regulation (EU) 2015/63).
93. For each risk-adjusted institution and for each risk pillar, the Board then calculates the weighted arithmetic average of the institution's TRIs of the risk indicators in the risk pillar, by applying the relative weights of the concerned risk indicators to the corresponding TRIs (pursuant to Article 7(1) of the Delegated Regulation and the methodology set out in Annex I, Step 5, No. 1 of Commission Delegated Regulation (EU) 2015/63).
94. Subsequently, the Board determines the institution's risk-adjustment multiplier by (i) applying the relative weight of each risk pillar to the weighted average of the TRIs determined as set out in Recital 93 (pursuant to Article 7 of the Commission Delegated Regulation (EU) 2015/63 and the methodology set out in Annex I, Step 5, No. 2 of that Delegated Regulation) and (ii) transforming and rescaling the

⁴² Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms and amending Council Directive 82/891/EEC, and Directives 2001/24/EC, 2002/47/EC, 2004/25/EC, 2005/56/EC, 2007/36/EC, 2011/35/EU, 2012/30/EU and 2013/36/EU, and Regulations (EU) No 1093/2010 and (EU) No 648/2012, of the European Parliament and of the Council, OJ L 173 12.6.2014, p. 190.

⁴³ For more information on the statistical method of discretization see *JRC technical work supporting Commission second level legislation on risk based contributions to the (single) resolution fund*, JRC Science and Policy Report, 2014, p. 21-24, <https://publications.jrc.ec.europa.eu/repository/handle/JRC93669>.

latter weighted geometric average (pursuant to the methodology set out in Annex I, Step 5, No. 3 and Step 6, No. 1 of Commission Delegated Regulation (EU) 2015/63).

95. Next, for each risk-adjusted institution, the Board determines the risk-adjusted basic annual contribution by multiplying the basic annual contribution by the risk-adjustment multiplier (pursuant to Article 9(2) and Annex I, Step 6, No. 2 of Commission Delegated Regulation (EU) 2015/63).
96. Ultimately, and in accordance with Article 9(2), Annex I, Step 6, No. 2 of Commission Delegated Regulation (EU) 2015/63, the Board calculates the institutions' risk-adjusted individual contributions distributing the specific target level for these institutions (amounting to EUR 11,587,101,463.63) among them on the basis of the ratio between their individual risk-adjusted basic annual contribution and the sum of all risk-adjusted basic annual contributions (amounting to EUR 21,886,763,685,456.50) (see Section 6.6.2 below).

6.1.2. Specific adjustments in the initial period

97. The Board applied the methodology set out in Commission Delegated Regulation (EU) 2015/63 for the calculation of the individual annual ex-ante contributions. In order to take into account the specificities of a unified Fund with gradually mutualised national compartments allocated to the participating Member States, during the initial period, the ex-ante contributions are calculated in accordance with the adjusted methodology laid down in Article 8(1) of Council Implementing Regulation (EU) 2015/81.
98. For the 2023 contribution period, in line with Article 8(1)(h) of Council Implementing Regulation (EU) 2015/81 for all institutions 100% of the annual contributions were calculated in accordance with Articles 69 and 70 of Regulation (EU) No 806/2014 and Article 4 of Council Implementing Regulation (EU) 2015/81 ("**Banking Union Base**" or, in the annexes, "**SRMR**").
99. In the eighth year of the initial period, the annual contributions are only calculated on the Banking Union Base, where data from all institutions authorised in the territories of all participating Member States are taken into account. Consequently, the annual target level is defined based on the covered deposits of all credit institutions established in the participating Member States, and the relative riskiness and size of the institutions are assessed in comparison with all such institutions.

6.1.3. Calculation of the basic annual contribution numerator

100. The calculation of the contributions for individual institutions is based on two subsequent steps where:
 - (a) a pro-rata contribution is calculated based on the individual institution's liabilities, excluding own funds and covered deposits, adjusted pursuant to Article 5 of Commission Delegated Regulation (EU) 2015/63, with respect to the aggregate liabilities (EUR 30,705,705,499,627.90) excluding own funds (EUR 2,321,649,347,652.28) and covered deposits (EUR 7,052,683,206,776.26), adjusted pursuant to Article 5 of Commission Delegated Regulation (EU) 2015/63 (which results in a further deduction of EUR 4,351,062,443,906.38), of all the institutions authorised in the territories of all the participating Member States (i.e., the basic annual contribution); and
 - (b) such contribution is additionally adjusted depending on the risk profile of the institution ("**risk-adjusted contribution**").
101. The BAC numerator is the starting point for the calculation of an institution's annual ex-ante contributions. The Board takes into account the size of the institutions, and where relevant, the risk

adjustment methodology of the basic annual contribution described in Article 5 of the Commission Delegated Regulation 2015/63.⁴⁴

102. Depending on the calculation methodology described in the Section 6.1 above applicable to the institution, the (adjusted) size is determined in the following way:

Type of calculation method	Calculation and adjustment of the BAC numerator
Lump-sum	$TL - OF - CD$
Article 10(7) of Delegated Regulation	$TL - OF - CD -$ $deductions - ONBS$ $+$ $max[LR; 0.75 \times (ONBS + OFFBS)]$
Mortgage credit institutions	
Investment firms with limited services and activities	
Article 8(5) of Council Implementing Regulation (EU) 2015/81	
Risk-adjusted institutions	

Where:

- *TL* refers to Total Liabilities;
- *OF* refers to Own Funds;
- *CD* refers to Covered Deposits;
- *Deductions* refers to exclusions described in Article 5(1) of Commission Delegated Regulation (EU) 2015/63;
- *ONBS* is the accounting value of liabilities arising from derivative contracts booked on-balance sheet;
- *LR* refers to on- and off-balance sheet liabilities arising from derivative contracts valued in accordance with the leverage ratio methodology;
- *OFFBS* is the accounting value of liabilities arising from derivative contracts held off-balance sheet.

103. The BAC is then calculated in accordance with the following formula:

$$target \times \frac{B_n}{\sum_{p=1}^N B_p}$$

Where:

- **Target** refers to the relevant target level for the calculation methodology;
- **B_n** (BAC numerator) refers to the amount of total liabilities (excluding own funds) less covered deposits of institution *n* adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 (floored at 0⁴⁵);
- **The BAC denominator** (sum of B_p , with $p=1, \dots, N$) represents the sum of total liabilities (excluding own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission

⁴⁴ Article 5 of Commission Delegated Regulation (EU) 2015/63 provides that the basic annual contribution shall be calculated by excluding certain liabilities.

⁴⁵ In the calculation, the B_n cannot be valued below zero in order to avoid obtaining negative amounts.

Delegated Regulation (EU) 2015/63 of all the institutions involved. The BAC denominator applied depends on the calculation methodology.

6.2. Contributions of small institutions

104. According to Article 10 of the Commission Delegated Regulation (EU) 2015/63, the Board calculates pro-rata contributions based on the individual institution's adjusted liabilities excluding own funds and covered deposits. The final amount of the contributions is calculated based on two different methodologies, respectively set forth under:

- (a) Article 10(1) to (6) for small institutions paying flat-rate contributions; and
- (b) Article 10(7) for small institutions paying other than flat-rate contribution.

105. The details on the calculation methodology of these institutions are provided in the sections below.

6.2.1. Small institutions paying a flat-rate contribution

106. After determination of the BAC numerator as described in Section 6.1.3 above, the Board calculates the annual contributions of small institutions in accordance with Article 10 of Commission Delegated Regulation (EU) 2015/63. For the small institutions within the meaning of this provision, the annual contributions consist of a lump-sum contribution, based only on their basic annual contribution numerator.

107. Article 10(1) to (6) of Commission Delegated Regulation (EU) 2015/63, provide different lump-sum amounts (ranging from EUR 1,000 to EUR 50,000). Based on the table below, the lump-sum contribution is determined.

Total liabilities excluding own funds and covered deposits	Total assets	Lump-Sum contribution
≤EUR 50,000,000.00	<EUR 1,000,000,000.00	EUR 1,000.00
>EUR 50,000,000.00 ≤EUR 100,000,000.00		EUR 2,000.00
>EUR 100,000,000.00 ≤EUR 150,000,000.00		EUR 7,000.00
>EUR 150,000,000.00 ≤EUR 200,000,000.00		EUR 15,000.00
>EUR 200,000,000.00 ≤EUR 250,000,000.00		EUR 26,000.00
>EUR 250,000,000.00 ≤EUR 300,000,000.00		EUR 50,000.00

6.2.2. Small institutions paying other than a flat-rate contribution

108. In accordance with Article 10(7) of Commission Delegated Regulation (EU) 2015/63, when a small institution provides sufficient evidence that the lump-sum amount would be higher than the basic annual contribution, the Board applies the lower amount.

109. For this assessment, the Board takes into account only the information provided by the institution in accordance with the data formats and representations referred to in Recital 32. Subsequently, the Board performed a comparative calculation, where, first, the institution was assigned to the lump-sum method and, second, the institution was assigned to the basic calculation method. The calculation leading to a smaller amount was retained and was set as the final contribution for the institution.

110. When performing the comparative calculation, the basic annual contribution was determined as follows:

$$BAC_n = Target_1 * \frac{B_n}{\sum_{p=1}^{N_1} B_p}$$

Where:

- **BAC_n** is the basic annual contribution for institution n;
- **Target₁** is the annual target adjusted to exclude the contributions of:
 - institutions paying the lump-sum amount in accordance with Article 10(1) to (6) of Commission Delegated Regulation (EU) 2015/63 (Section 6.2.1, Recital 107)⁴⁶;
 - the EUR 50,000 paid by institutions paying the partial lump-sum amount in accordance with Article 8(5) of Council Implementing Regulation (EU) 2015/81 (Section 6.3);
 - **B_n** (BAC numerator) represents total liabilities (excl. own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 of institution n (floored at 0⁴⁷);

The BAC denominator ($\sum_{p=1}^{N_1} B_p$, sum of B_p , with $p=1, \dots, N_1$) represents the sum of total liabilities (excluding own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 of all the institutions involved, excluding (i) the amounts accounted for the lump-sum calculation method in accordance with Article 10(1) to 10(6) of Commission Delegated Regulation (EU) 2015/63 and (ii) the first EUR 300,000,000.00 of total liabilities excluding own funds and covered deposits of the institutions paying the partial lump-sum contribution in accordance with Article 8(5) of Council Implementing Regulation (EU) 2015/81.

111. The comparative calculation for credit mortgage credit institutions is adjusted in line with Article 11 of Commission Delegated Regulation (EU) 2015/63. For credit mortgage institutions, the comparative calculation is equal to 50% of the BAC:

$$BAC_n = Target_1 * \frac{B_n}{\sum_{p=1}^{N_1} B_p} * \frac{1}{2}$$

⁴⁶ This includes investment firms with limited services and activities that pay lump-sum contribution and not basic annual contribution. Please refer to Recital 119(a).

⁴⁷ In the calculation, the B_n cannot be valued below zero in order to avoid obtaining negative amounts.

112. The target amount ($Target_1$) and the BAC denominator ($\sum_{p=1}^{N_1} B_p$) calculated by the Board are common data points which are the same for all small institutions that provided sufficient evidence that the lump-sum amount would be higher than the BAC, the Board applied the lower amount in accordance with Article 10(7) of Commission Delegated Regulation (EU) 2015/63. The relevant amounts are provided in Annex II to the Decision.

6.2.3. Small institutions with a risk profile disproportionate to their size

113. Pursuant to Article 10(8) of Commission Delegated Regulation (EU) 2015/63, the Board may adopt a reasoned decision determining that an institution has a risk profile that is disproportionate to its small size and apply Article 5, 6, 7, 8 and 9 thereof to that institution. That decision shall be based on the following criteria:

- (a) the business model of an institution;
- (b) the information reported by that institution pursuant to Article 14 of Commission Delegated Regulation (EU) 2015/63;
- (c) the risk pillars and indicators referred to in Article 6 of Commission Delegated Regulation (EU) 2015/63;
- (d) the assessment of the competent authority as regards the risk profile of that institution;

114. The Board decided not to designate any institution in 2023 as having a risk profile that was disproportionate to its small size.

6.3. Medium size institutions paying a partial lump-sum contribution

115. Article 8(5) of Council Implementing Regulation (EU) 2015/81 provides a calculation of the contributions to be paid by mid-size institutions, whose total assets are above EUR 1,000,000,000.00 (and thus not eligible for the lump-sum contribution for small institutions), but equal to, or less than, EUR 3,000,000,000.00. Such institutions pay a lump-sum of EUR 50,000 for the first EUR 300,000,000.00 of total liabilities excluding own funds and covered deposits. For the remaining total liabilities, institutions' contributions were calculated in accordance with the risk-adjusted regime of the Commission Delegated Regulation (EU) 2015/63.

6.4. Mortgage credit institutions

116. Mortgage credit institutions financed by covered bonds that are not paying contributions under Article 10 of Commission Delegated Regulation (EU) 2015/63 are subject to a specific calculation of contributions. In accordance with Article 11 of Commission Delegated Regulation (EU) 2015/63, for such institutions, the contribution amount is equal to 50% of the BAC:

$$BAC_n = Target_2 * \frac{B_n}{\sum_{p=1}^{N_2} B_p} * \frac{1}{2}$$

Where:

- BAC_n is the basic annual contribution for institution n;

- **Target₂** is the annual target adjusted to exclude the contributions of:
 - institutions paying the lump-sum amount in accordance with Article 10(1) to 10(6) of Commission Delegated Regulation (EU) 2015/63 (Section 6.2.1, Recital 107)⁴⁸;
 - the EUR 50,000 paid by institutions paying the partial lump-sum amount in accordance with Article 8(5) of Council Implementing Regulation (EU) 2015/81 (Section 6.3);
 - institutions paying the lump-sum amount following the analysis performed in accordance with Article 10(7) of Commission Delegated Regulation (EU) 2015/63 (Section 6.2.2).
- **B_n** (BAC numerator) represents total liabilities (excl. own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 of institution n (floored at 0⁴⁹);

117. The BAC denominator ($\sum_{p=1}^{N_2} B_p$, sum of B_p , with $p=1, \dots, N_2$) represents the sum of total liabilities (excluding own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 of all the institutions involved excluding (i) the amounts accounted for the lump-sum calculation method in accordance with Article 10(1) to 10(6) of Commission Delegated Regulation (EU) 2015/63, (ii) the first EUR 300,000,000.00 of total liabilities excluding own funds and covered deposits of the institutions paying the partial lump-sum and (iii) the amounts accounted for the lump-sum amount of small institutions that opted for Article 10(7) of Commission Delegated Regulation (EU) 2015/63.

118. The target amount ($Target_2$) and the BAC denominator ($\sum_{p=1}^{N_2} B_p$) calculated by the Board are common data points which are the same for all mortgage credit institutions financed by covered bonds that are not eligible for the lump-sum contribution. The relevant amounts are provided in Annex II to the Decision.

6.5. Investment firms with limited services and activities

119. Since certain investment firms, which are authorised to carry out only limited services and activities, are not subject to, or may be exempted from, certain capital and liquidity requirements, the Commission Delegated Regulation (EU) 2015/63 does not apply to them⁵⁰. In order to be, nevertheless, able to calculate the required contribution for these institutions, the Board defined the following methodology:

- (a) For those investment firms, whose total liabilities less own funds less covered deposits are less than or equal to EUR 300,000,000.00, the methodology of Article 10 of Commission Delegated Regulation (EU) 2015/63 is used, without, however, applying the maximum amount (EUR 1,000,000,000.00) on the total assets.
- (b) For other investment firms, the contribution amount is equal to the BAC:

$$BAC_n = Target_2 * \frac{B_n}{\sum_{p=1}^{N_2} B_p}$$

Where:

⁴⁸ This includes investment firms with limited services and activities that pay lump-sum contribution and not basic annual contribution. Please refer to Recital 119(a).

⁴⁹ In the calculation, the B_n cannot be valued below zero in order to avoid obtaining negative amounts.

⁵⁰ See Recital (3) of Commission Delegated Regulation (EU) 2015/63.

- **BAC_n** is the basic annual contribution for institution n;
- **Target₂** is the annual target adjusted to exclude the contributions of:
 - institutions paying the lump-sum amount in accordance with Article 10(1) to 10(6) of Commission Delegated Regulation (EU) 2015/63 (Section 6.2.1, Recital 107);
 - the EUR 50,000 paid by institutions paying the partial lump-sum amount in accordance with Article 8(5) of Council Implementing Regulation (EU) 2015/81 (Section 6.3);
 - institutions paying the lump-sum amount following the analysis performed in accordance with Article 10(7) of Commission Delegated Regulation (EU) 2015/63 (Section 6.2.2).
- **B_n** (BAC numerator) represents total liabilities (excl. own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 of institution n (floored at 0⁵¹);

120. The BAC denominator ($\sum_{p=1}^{N_2} B_p$, sum of B_p , with $p=1, \dots, N_2$) represents the sum of total liabilities (excluding own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 of all the institutions involved excluding (i) the amounts accounted for the lump-sum calculation method in accordance with Article 10(1) to 10(6) of Commission Delegated Regulation (EU) 2015/63, (ii) the first EUR 300,000,000.00 of total liabilities excluding own funds and covered deposits of the institutions paying the partial lump-sum and (iii) the amounts accounted for the lump-sum amount of small institutions that opted for Article 10(7) of Commission Delegated Regulation (EU) 2015/63.

121. The target amount ($Target_2$) and the BAC denominator ($\sum_{p=1}^{N_2} B_p$)⁵² calculated by the Board are common data points which are the same for all investment firms with limited services and activities that are not eligible for the lump-sum contribution. The relevant amounts are provided in Annex II to the Decision.

6.6. Risk-adjusted institutions

122. In accordance with Article 70(2)(b) of Regulation (EU) No 806/2014 a risk adjusted contribution is based on the criteria laid down in Article 103(7) of Directive 2014/59/EU. Such contribution is additionally adjusted depending on the risk profile of the institution.

123. The calculation of risk-adjusted contributions can be divided into the following steps:

- 1) According to Articles 4(1), 14(1) and Annex II of Commission Delegated Regulation (EU) 2015/63 and Article 6 of Council Implementing Regulation (EU) 2015/81, the Board **collects the information** provided by the institutions through the NRAs (see Section 4 above).
- 2) According to Article 69(1) and 70(2) of Regulation (EU) No 806/2014, Article 4(2) of Commission Delegated Regulation (EU) 2015/63 and Article 4 of Council Implementing Regulation (EU) 2015/81, the Board sets the target level for the annual contribution in line with Section 5 above.

⁵¹ In the calculation, the B_n cannot be valued below zero in order to avoid obtaining negative amounts.

⁵² Note that the same target and BAC denominator are used to determine the contributions of the mortgage credit institutions and the investment firms with limited services and activities.

- 3) According to Article 70(2)(a) of Regulation (EU) No 806/2014, Articles 4(2) and 5 of Commission Delegated Regulation (EU) 2015/63, the Board calculates – based on the individual data of each institution – **the individual basic annual contribution** (See Section 6.1.3 above).
- 4) According to Article 103(7) of Directive 2014/59/EU and Article 6 and Annex I, Step 2 of Commission Delegated Regulation (EU) 2015/63 in order to rank institutions according to their riskiness, for each risk indicator, **the bins are established in which institutions with similar risk profile are grouped**. The common thresholds of each bin are defined based on the ranking of the data (the institution's raw indicators) of all institutions from the lowest to the highest (see Section 6.6.2, Recitals 161 to 164 below).
- 5) According to Article 70(2)(b) Regulation (EU) No 806/2014, the Board **calculates the risk-adjustment to the BAC** (see Section 6.6.2, Recital 178 below).
- 6) According to Article 9(2), Annex I, Step 6, No. 2 of Commission Delegated Regulation (EU) 2015/63, the Board **sums all risk-adjusted basic annual contributions to get a common denominator** that is used to calculate the share of the target level to be paid by each institution (see Section 6.6.2, Recital 180 below).
- 7) According to Article 9(2), Annex I, Step 6, No. 2 of Commission Delegated Regulation (EU) 2015/63, the Board calculates the individual contributions distributing the target level among all institutions on the basis of the ratio between their individual risk-adjusted basic annual contribution and the sum of all risk adjusted basic annual contributions (see Section 6.6.2, Recital 179 below).

6.6.1. Balancing principles of confidentiality and transparency

124. In accordance with Article 339 of the Treaty on the Functioning of the European Union and Article 88 of Regulation (EU) No 806/2014, the Board is prohibited from disclosing institutions' confidential information received in connection with the performance of its functions under Regulation (EU) No 806/2014. To this end, institutions' business secrets – namely, all information about the institutions' business activities that, in case of disclosure to a competitor and/or wider public, could significantly harm the institutions' interests – are considered to be confidential information. In the context of the calculation of ex-ante contributions to the Fund, the individual information submitted by the institutions via their DRFs (see Section 4 above), which is then relied on for calculating their ex-ante contributions, is considered to be business secrets.
125. In line with the general principles of EU law, EU institutions and agencies must ensure that their decision-making processes conform to the highest possible degree of transparency and that their decisions are adequately reasoned. This requirement is considered on a case-by-case basis in light of the circumstances and the nature of the decision and must be balanced against all the countervailing principles and interests at stake.
126. In the context of the decision on the ex-ante contributions to the Fund, the Board must, in accordance with the principles and requirements established by the legislator in Article 88 of Regulation (EU) No 806/2014, reconcile its duty to state adequate reasons with the requirement not to disclose institutions' confidential information. On the one hand, the Board is prohibited from disclosing the institutions' individual data points, which are at the basis of the calculations, in this decision. On the other hand, the Board may disclose the institutions' aggregated and common data points without infringing the obligation to respect business secrets, as that data is in collective form, such that institutions concerned cannot be identified. Yet, disclosure of aggregated and anonymised data

enables institutions to understand, in essence, how their individual situation was taken into account, for the purposes of calculating their ex-ante contributions, relative to the situation of all the other institutions contributing in a given cycle.

127. In line with the guidance provided in joined cases C-584/20 P and C-621/20 P by the Advocate General and by the Court of Justice, the Board displays in Annex II to this decision the following common data points⁵³:

- a) the amount of covered deposits, calculated quarterly, of all the institutions authorised in the territories of all of the participating Member States in the reference period of the 2023 cycle (i.e., 2022), amounting to EUR 7,339,364,226,282.55 (Annex II to this Decision, p. 1);
- b) the amount of the aggregate liabilities (less own funds and covered deposits), adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63, of all the institutions authorised in the territories of all of the participating Member States in the reference period of the 2023 cycle, also known as ‘BAC denominator’, amounting to EUR 16,991,316,008,330.80 (Annex II to this Decision, p. 2);
- c) the total amount of the risk-adjusted annual contributions in the reference period of the 2023 cycle, also known as ‘target level for risk-adjusted institutions’, amounting to EUR 11,587,101,463.63 (Annex II to this Decision, p. 3);
- d) the boundaries of the bins, for each risk indicator, of each risk pillar on a Banking Union Base, presented in Annex II to this Decision, (p. 5-10).

128. In particular, the calculation Steps 1, 3, 5 and 7 combine each institution’s individual data points (as submitted in the DRF) and common data points established or derived by the Board. Since these common data points (including the assigned risk bins for each risk indicator) are provided in this Decision, the Harmonized Annex and Annex II to this Decision and each institution is in possession of its individual data points, by combining these datasets, institutions have complete transparency as to the calculation of their BAC and individual risk-adjustment multipliers.

129. Calculation Steps 2, 4 and 6 rely on all institutions’ individual data collectively. They lead to common data points which the Board uses for all risk-adjusted institutions equally, in line with the principles of equal treatment, proportionality and transparency. The common data points – based on the (aggregated) data of all risk-adjusted institutions – apply in the same way to each and every institution. While the Board is not in a position to disclose this confidential data input without breaching its obligation to respect professional secrecy under Article 88 of Regulation (EU) No 806/2014, this Decision describes in a transparent manner the calculation steps applied by the Board to compute these common data points. The results of the calculation for these common data points for the 2023 ex-ante contribution cycle are also reported in Annex II to this Decision.

6.6.2. Calculation methodology for risk-adjusted institutions

⁵³ Opinion of the Advocate General, joined cases C-584/20 P, *Commission v LBBW*, and C-621/20 P, *SRB v LBBW*, ECLI:EU:C:2021:330, paragraph 156. The data point – ‘the amount of the aggregate liabilities (excluding own funds) of all the institutions authorised in the territories of all of the participating Member States’ – mentioned by the AG in the Opinion is not provided in Annex II. It should be noted that such data point is, in practice, not used for the ex-ante contribution calculation and is not necessary for the institution seeking to recalculate its ex-ante contribution and to understand how, in essence, its individual situation was taken into account, for the purposes of the calculation exercise, relative to the situation of all the other institutions contributing in a given cycle. Instead of the total amount of liabilities (excluding own funds), this decision discloses the amount of the aggregate liabilities (less own funds and covered deposits) of all the institutions authorised in the territories of all of the participating Member States in the 2016 cycle, which is the actual data point used in the calculation.

130. The BACs of the institutions to which the risk-adjusted methodology applies are further adjusted in proportion to their risk profile by applying a risk adjusting multiplier. Except as otherwise stated in Sections 6.2 to 6.5 the calculation of the risk-adjusting multiplier occurs pursuant to Articles 6 to 9 and Annex I of Commission Delegated Regulation (EU) 2015/63.

131. Given that certain risk indicators were not applied, the weights of the available risk indicators were proportionally rescaled as referred to in Article 7 of Commission Delegated Regulation (EU) 2015/63, so that the sum of their weights is 100%.

132. As explained in Recitals 25 to 27, MREL was not yet determined for all institutions in the participating Member States in 2021, the reference year used for the current cycle. Therefore, the MREL-risk indicator is not applicable within the 'Risk exposure' pillar as referred to in Article 6(1)(a) of Commission Delegated Regulation (EU) 2015/63 ("**Risk Pillar I**"). Taking this into account, the Board applied the following weights for the indicators in Risk Pillar I:

Pillar	Indicator	Weights of indicators in Pillar	Weight of the Pillar
PILLAR I: Risk exposure	Leverage ratio	33.3(3)%	50%
	CET1 ratio	33.3(3)%	
	TRE/TA	33.3(3)%	

133. The 'Stability and variety of sources of funding' pillar as referred to in Article 6(1)(b) of Commission Delegated Regulation (EU) 2015/63 ("**Risk Pillar II**") consists of two risk indicators: Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR). The Board applied the following weights for the risk indicators in Risk Pillar II:

Pillar	Indicator	Weights of indicators in Pillar	Weight of the Pillar
PILLAR II: Stability and variety of source of funding	LCR	50%	20%
	NSFR	50%	

134. The 'Importance of an institution to the stability of the financial system or economy' pillar as referred to in Article 6(1)(c) of Commission Delegated Regulation (EU) 2015/63 ("**Risk Pillar III**"), consists of only one individual risk indicator, 'Share of interbank loans and deposits in the European Union'. The following weight was applied for Risk Pillar III:

Pillar	Indicator	Weights of indicators in Pillar	Weight of the Pillar
PILLAR III: Importance of an institution to the stability of the financial system or economy	Share of interbank loans and deposits in the European Union ⁵⁴	100%	10%

⁵⁴ Essentially the Board for simplicity reasons in the binning process presents the nominal values of the sum of the interbank deposits and loans in the European Union of each institution concerned by the risk adjusted calculation (see in Annex II). The institutions are not in a position to provide the Board with the respective ratio directly. The denominator as provided by the EBA for the 2023 cycle

135. The Risk Pillar IV ('Additional risk indicators to be determined by the resolution authority') as referred to in Article 6(1)(d) and 6(5) of Commission Delegated Regulation (EU) 2015/63 consists of three risk indicators, which are:

- (a) Trading activities, off-balance sheet exposures, derivatives and complexity and resolvability,
- (b) Membership in an IPS, and
- (c) Extent of previous extraordinary public financial support.

136. When determining the various risk indicators in Risk Pillar IV (as referred to in Article 6(5) of Commission Delegated Regulation (EU) 2015/63), the Board relied to the extent possible on the available assessments conducted by supervisory authorities, in line with Article 6(9) of Commission Delegated Regulation (EU) 2015/63, in order to limit the administrative burden for both institutions and resolution authorities.

The probability of an institution entering resolution and the consequent probability of making use of the Fund

137. Additionally, the Board determined the indicators in Risk Pillar IV based on the two criteria under the second sub-paragraph of Article 6(5) of Commission Delegated Regulation (EU) 2015/63, i.e., the probability that the institution concerned would enter resolution and the consequent probability of making use of the resolution financing arrangement where the institution would be resolved. Paragraphs 6, 7 and 8 of Article 6 of Commission Delegated Regulation (EU) 2015/63 further specify the sub-indicators on the basis of which the above-mentioned criteria must be assessed in the context of each of the indicators in Risk Pillar IV.

138. The Board took into account the probability of an institution entering resolution and that of it using the Fund, by devising the risk indicators in Risk Pillar IV based on the sub-indicators set forth in Paragraphs 6, 7 and 8 of Article 6 of Commission Delegated Regulation (EU) 2015/63, and based on the fact that all of the indicators on risk exposure and funding together measure the probability of an institution entering into resolution. This is the reason why the creation of a specific indicator was considered unnecessary by the delegated legislator⁵⁵. Both elements, in fact, are already implied and reflected in the notion of 'risk profile' as defined in Article 103(7) Directive 2014/59/EU. Within the Banking Union resolution framework, the probability of an institution entering into resolution and that of it using the Fund are overall assessed in light of the nature of an institution's business model, shareholding structure, legal form, risk profile, size, legal status and interconnectedness to other institutions or to the financial system in general, the scope and complexity of its activities or whether it exercises any investment services or activities and whether its failure and subsequent winding up

pursuant to Article 15(2) of Commission Delegated Regulation (EU) 2015/63 is for all the participating EU Member States 13,841,100,570,000. The Board notes that from the arithmetic formula it is clear that dividing all the data points by the same denominator does not influence the binning process. In addition, the ratio based on a very large denominator yields very low end-results. In this regard the Board notes that the discretization process due to the limited machine precision for very small ratios remains computationally more stable and comprehensible for nominal values of interbank loans and deposits. In addition such approach enables the institutions to orientate themselves better in the binning based on their original input data they provided to the Board in their DRFs. Therefore, the additional transformation into the ratio was not necessary.

⁵⁵ See in particular Recital 14 of Directive 2014/59/EU.

under normal insolvency proceedings would be likely to have a significant negative effect on financial markets, on other institutions, on funding conditions, or on the wider economy.

139. Within risk Pillar IV, the probability to enter resolution and that of use of the Fund are further specified by the assessment of the importance of the institutions' trading activities, their off-balance sheet exposures and their amounts of derivatives in relation to certain elements describing their business activities⁵⁶ as well as taking into account whether an institution is a member of an IPS or whether it benefited previously from extraordinary public financial support.
140. Given that the delegated legislator specified the probability to enter resolution and that of use of the Fund as a 'meta' notion of the assessment of the risk profile of the institution rather than additional, independent data point, it would not be appropriate for the Board to develop a separate sub-indicator in that regard.

The "trading activities, off-balance sheet exposures, derivatives and complexity and resolvability"-indicator

141. The Board decided to determine the first indicator of Pillar IV, i.e., "trading activities, off-balance sheet exposures, derivatives and complexity and resolvability" (the "**First Additional Indicator**"), as a continuous variable, within the meaning of point 5 of Step 2 of Annex I to Commission Delegated Regulation (EU) 2015/63, in light of the nature of this indicator. A binary indicator would not have adequately reflected, in the view of the Board, the nuances of the elements that the sub-indicators set forth under Article 6(6) of Commission Delegated Regulation (EU) 2015/63 are meant to represent.
142. The First Additional Indicator is characterised by a certain degree of aggregation in relation to several elements describing the institutions' business activities. According to Article 6(6)(a)(i) to (iii) and Article 6(6)(b)(i) and (ii) of Commission Delegated Regulation (EU) 2015/63, certain elements are bound to increase the risk profile of an institution, while others decrease it.
143. The distribution mechanism in the calculation methodology requires that all values used in the calculation are set based on accurate, comparable and reliable data relative to all institutions in scope. The Board also took into account the lack of data required for the indicator "complexity and resolvability" (see Recital 28). As explained in Recital 28 above, the data required for the indicator "complexity and resolvability" is not available in a harmonised form for all institutions in the participating Member States for the reference year 2021. Accordingly, these sub-indicators cannot be applied within Risk Pillar IV.
144. Taking into account the above, the Board developed three main groups of sub-indicators referring to "trading activities", "off-balance sheet exposures" and "derivatives", whose importance is assessed in relation to three common elements: the balance sheet size, represented by total assets⁵⁷, own funds, represented by CET1 capital⁵⁸, and the riskiness of exposures, represented by total risk exposure⁵⁹.

⁵⁶ Like balance sheet size, the level of own funds or riskiness of the exposures, see Recital 141 below.

⁵⁷ As determined for the purpose of the template F_17.01;r370; c010 of Annex V of the Commission Implementing Regulation (EU) 2021/451 of 17 December 2020 laying down technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Implementing Regulation (EU) No 680/2014 ("EU COREP FINREP Regulation") OJ L 97, 19.3.2021, p. 1.

⁵⁸ As referred to in Article 50 of Regulation (EU) No 575/2013, and as determined for the purpose of the template 1/CA1 of Annex I of EU COREP FINREP Regulation..

⁵⁹ As defined in Article 92(3) of Regulation (EU) No 575/2013 and as determined for the purpose of the template number 2/CA2 of Annex I of EU COREP FINREP Regulation. In simple terms it can be presented as a depiction of the sum of the credit, operational and market risk and the risk of a credit valuation adjustment.

The Board selected the data points total assets, CET 1 capital and total risk exposure, because they were considered as the most standardised, appropriate and comparable data points among those included in the supervisory reporting.

145. As regards the ‘overall business model’, it contributes to the development of the sub-indicators ‘trading activities’ and ‘derivatives’ in different ways. For the sub-indicator ‘trading activities’, the necessity to take account of the ‘overall business model’ led the Board to select the ‘risk exposure amount for market risks on traded debt instruments and equity’⁶⁰ as the supervisory data point quantifying the notion of trading activities. In the context of ‘trading activities’, the ‘overall business model of the institution’ is reflected by the minimum amount of capital that institutions must hold for supervisory purposes to cover for the specific risk of their trading activities. In other words, the ‘overall business model’ constitutes the numerator of the mathematical formula of the sub-indicator ‘trading activities’. As a result, the more the business model of a bank is focused on trading (debt instruments and equity), the higher is its risk profile, the higher is its numerator.
146. For the sub-indicator ‘derivatives’, the necessity to take into account the ‘overall business model’ led the Board to select ‘derivative exposure’ as the supervisory data point quantifying the amount of derivatives⁶¹. In this sense, the derivative exposure is a measure of the potential loss of an institution, in the event of a severe adverse (economic) scenario. Even in the context of ‘derivatives’, the business model constitutes part of the numerator of the mathematical formula of the sub-indicator ‘derivatives’. Overall, the business models of the institutions with a higher derivatives exposures will naturally result in an increased risk profile and a higher numerator. No other available supervisory data point reflects to the same extent the institutions’ overall business model in the context of the First Additional Indicator, in such a way that the sub-indicator ‘derivatives’ would imply an increase in the risk profile of an institution, in accordance with Article 6(6)(a)(iii).
147. Consequently, the importance of an institution’s ‘trading activities’ is reflected in the ratio between its risk assets weighted for market risk and (i) the ‘total assets’ held by the institution, (ii) the level of own funds, and (iii) its total risk exposure.
148. As regards ‘off balance-sheet exposures’, the Board requested institutions to report their off-balance sheet nominal amounts⁶² included in the existing supervisory reporting requirements for the reference period. The importance of off-balance sheet exposures is reflected in the ratio between the nominal amount of an institution’s off-balance sheet nominal amount and (i) the ‘total assets’ held by the institution, (ii) the level of own funds, and (iii) its total risk exposure.
149. Finally, the importance of the amount of derivatives was reflected in the ratio between ‘derivatives exposure’ and (i) the ‘total assets’ held by the institution, (ii) the level of own funds, and (iii) its total risk exposure.

⁶⁰ “Risk weighted assets for market risk” shall mean risk weighted assets for market risk of debt and equity instruments attributable to the trading book of each institution according to Chapter 2 of Title IV of Part Three of the Regulation (EU) No 575/2013 of Regulation (EU) No 575/2013.

⁶¹ “Derivative exposure” shall mean derivatives used for the calculation of the leverage ratio according to the applicable provisions in 2021 and calculated according to Article 429(6-8) of Regulation (EU) No 575/2013.

⁶² “Off-balance sheet nominal amount” shall mean the off-balance sheet nominal amount included in the reporting template for the leverage ratio. The off-balance sheet nominal amount is determined as the sum of the amounts reported in rows 100, 140, 150 and 160, and in the column 070 of the template C 40.00, as defined in Annex X of the EU COREP FINREP Regulation.

150. In light of the above, for the determination of Risk Pillar IV the Board took the elements provided in Article 6(6) of Commission Delegated Regulation (EU) 2015/63 into account in the following way:

- (a) With regard to “trading activities”, the sub-indicators are as follows:
 - (i) risk weighted assets for market risk divided by total assets;
 - (ii) risk weighted assets for market risk divided by CET1 capital;
 - (iii) risk weighted assets for market risk divided by total risk exposure.

- (b) With regard to “off-balance sheet exposures”, the sub-indicators are as follows:
 - (i) off-balance sheet nominal amount divided by total assets;
 - (ii) off-balance sheet nominal amount divided by CET1 capital;
 - (iii) off-balance sheet nominal amount divided by total risk exposure.

- (c) With regard to “derivatives”, the sub-indicators are as follows:
 - (i) derivatives exposure divided by total assets;
 - (ii) derivatives exposure divided by CET1 capital;
 - (iii) derivatives exposure divided by total risk exposure.

151. In accordance with Article 6(6)(b)(i) of Commission Delegated Regulation (EU) 2015/63, the fact that the derivatives held by an institution are cleared through a central counterparty (“**CCP**”) entails a decrease of its risk profile. CCP-cleared derivatives, in fact, imply smaller counterparty and operational risk compared to OTC-traded derivatives. However, CCP-cleared derivatives are not risk-free from a resolution perspective. For example, the intensified interconnection inherent to the CCP may, under certain circumstances, lead to the amplification of stress, pro-cyclicality and acceleration of contagion. The reduction of the risk profile of an institution should reflect both the risk-mitigation and the risk-enhancement components of CCPs⁶³. Consequently, 50% of the exposure to CCP-cleared derivatives is taken into account in the calculation of ex-ante contributions.⁶⁴

The ‘Membership in an Institutional Protection Scheme’-indicator

152. The **second indicator** of Pillar IV is ‘Membership in an Institutional Protection Scheme’ (“**IPS membership**”). Pursuant to the second sub-paragraph of Article 6(5) and Article 6(7) of Commission Delegated Regulation (EU) 2015/63, the Board had to assess institutions’ probability of entering resolution and that of use of the Fund in the context of the IPS membership based on (a) whether the amount of funds which are available without delay for both recapitalisation and liquidity funding purposes in order to support the affected institution in case of problems is sufficiently large to allow for a credible and effective support of that institutions, and (b) the degree of legal or contractual certainty that the available funds will be fully utilized before any extraordinary public support may be requested.

153. Based on the above, the Board decided not to determine the IPS membership as a continuous variable within the meaning of point 5 of Step 2 of Annex I to Commission Delegated Regulation (EU) 2015/63. The Board considered that a binary indicator would better reflect the reality of an institution’s

⁶³ In this context the Board also took into account the existence of statutory risk management requirements for CCP which help decrease but cannot negate risk associated with CCP-cleared derivatives.

⁶⁴ It is noted that the Commission Delegated Regulation (EU) 2015/63 when giving the discounts for the decrease in the risk profile uses the notion of 50% as appropriate. See e.g. Article 11(1) of the Commission Delegated Regulation (EU) 2015/63 as well as p. 18 of the of the Commission Staff Working Document, Estimates of the Application of the Proposed Methodology for the Calculation of Contributions To Resolution Financing Arrangements Accompanying the document Commission Delegated Regulation supplementing Directive 2014/59/EU of the European Parliament and the Council of 15 May 2014 with regard to ex ante contributions to resolution financing arrangements, {C(2014) 7674}. Strasbourg, SWD(2014) 327/2, part 1/3.

membership in an IPS, since an institution is either a member of an IPS or it is not. Moreover, based on Article 6(9) of Commission Delegated Regulation (EU) 2015/63, the Board considered that an (alternative) differentiation between the economic and contractual capacities of IPSs should not be pursued as it could not have relied on any available assessment from the competent authorities that could be considered as reliable and harmonised as that performed under Article 113(7) of Regulation (EU) No 575/2013. Consequently, the IPS membership was determined as a binary indicator.

154. Therefore, the Board's assessment of both elements under Article 6(7)(a) and (b) of Commission Delegated Regulation (EU) 2015/63 relied on the evaluation performed by the national competent authorities. In a first step, the Board considered as IPS members, for the purpose of the IPS membership, all institutions that are member of an IPS to which the permission under Article 113(7) of Regulation (EU) 575/2013 was granted by the relevant national competent authority. In fact, such permission can only be granted if, *inter alia*, “the arrangements ensure that the institutional protection scheme is able to grant support necessary under its commitment from funds readily available to it”, as per Article 113(7)(b) of Regulation (EU) 575/2013, and “there is no current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities from the counterparty to the institution”, as per Article 113(6)(e) of Regulation (EU) 575/2013, as referred to by Article 113(7)(a) of the same Regulation. The Board considered that the above-mentioned conditions and those respectively set forth under Article 6(7)(a) and (b) of Commission Delegated Regulation (EU) 2015/63 are qualitatively equivalent. In the second step, the Board further verified the economic and legal reliability of the IPS by relying on the assessment performed by the NRAs as to the fact that the conditions under Article 6(7)(a) and (b) of Commission Delegated Regulation (EU) 2015/63 are met. All institutions whose IPS were assessed positively in both steps were considered IPS members for the purpose of the indicator IPS membership. Otherwise, the Board considered the relevant institutions as not benefiting from their membership in an IPS for the purposes of calculating ex-ante contributions and treated them as those institutions that did not indicate to be members of an IPS in their DRF.

155. Only after the above assessment was finalised, the Board proceeded to the application of Article 7(4) of Commission Delegated Regulation (EU) 2015/63, on which Recitals 171 to 175 further elaborate.

The ‘extent of previous extraordinary public financial support’-indicator

156. The **third indicator** of Pillar IV, i.e., the ‘extent of previous extraordinary public financial support’, was determined by the delegated legislator as a binary indicator, as specified in Article 6(8) of Commission Delegated Regulation 2015/63. In order to ensure consistency with other data points, the two years period referred to in Article 6(8)(a) of Commission Delegated Regulation (EU) 2015/63 started running as of 2021, being that 2021 is the reference period for the 2023 ex-ante contributions period⁶⁵.

The weight of the Risk Pillar IV-indicators

157. Risk Pillar IV weighs 20% in the risk-adjustment methodology. Article 7(4) of Commission Delegated Regulation (EU) 2015/63 specifies that, within Risk Pillar IV, the First Additional Indicator and the IPS membership weighs 45%, while ‘extraordinary public financial support’ weighs 10%. Being that the First Additional Indicator is a composite one, the Board had to specify how to distribute its weight among its sub-indicators. In order to ensure predictability and even distribution among the sub-indicators, the Board assigned to each sub-indicator a weight of 5%. As there is no direct (economical,

⁶⁵ The assessment whether an institution has used extraordinary public financial support in the reference year was assisted by the information received from the institution and the European Commission's Directorate-General for Competition.

nor statistical) evidence that one of the above nine ratios has substantially more weight than the others in the determination of an institution's risk profile, the Board has decided to equally weigh each of the sub-indicators. Taking this into account, the Board applies the following weights for the indicators within Risk Pillar IV:

Pillar	(Sub)indicator	Formula	Weights of (sub)indicators in Pillar ⁶⁶	Weight of the Pillar
PILLAR IV: Additional risk indicators	Trading activities	Risk weighted assets for market risk divided by Total Assets	5%	20%
		Risk weighted assets for market risk divided by CET1	5%	
		Risk weighted assets for market risk divided by total risk exposure	5%	
	Off-balance sheet exposures	Off-balance sheet nominal amount divided by Total Assets	5%	
		Off-balance sheet nominal amount divided by CET1	5%	
		Off-balance sheet nominal amount divided by total risk exposure	5%	
	Derivatives	Derivatives exposure divided by Total Assets	5%	
		Derivatives exposure divided by CET1	5%	
		Derivatives exposure divided by total risk exposure	5%	
	Membership in an Institutional Protection Scheme ⁶⁷		45%	
	Extent of previous extraordinary public financial support		10%	

158. The selection of uniform and coherent supervisory data points reported by each institution across the participating Member States for the indicators under Pillar IV ensures statistical coherence, a maximum degree of comparability and a level playing field for all institutions across the Banking Union.

159. The Board calculated the individual contributions of institutions to which the risk methodology applies following the steps of the procedure as described in Annex I to Commission Delegated Regulation (EU) 2015/63.

STEP 1 – Calculation of the raw risk indicators

⁶⁶ In accordance with Article 7(4) of Commission Delegated Regulation (EU) 2015/63, the relative weight of each indicator that resolution authorities shall assess to determine the 'Additional risk indicators to be determined by the resolution authority' pillar shall be the following: (a) trading activities and off-balance sheet exposures, derivatives, complexity and resolvability: 45%; (b) Membership in an Institutional Protection Scheme: 45%; (c) Extent of previous extraordinary public financial support: 10%. The Board assigned to each of the nine sub-indicators under (a) an equal weight of 5%.

⁶⁷ Pursuant to the last sentence of Article 7(4) of Commission Delegated Regulation (EU) 2015/63, with respect to the risk indicator "IPS membership", an additional transformation was performed. For further information, please see Recitals 171 to 176.

160. In **Step 1**, the raw indicators for each of the indicators mentioned above were calculated based on the individual information submitted by the institutions via their DRFs.

STEP 2 – Calculation of the “bins” for each raw risk indicator

161. In **Step 2** the discretisation procedure was applied to all the numerical risk indicators. This procedure started with determining a number of “bins” per risk indicator, in accordance with the specific formula laid down in Annex I to Commission Delegated Regulation (EU) 2015/63.

162. Institutions were then assigned to one of these bins according to the value of the raw risk indicators. Institutions with the lowest values of the raw risk indicators were assigned to the first bin and institutions with the highest values were assigned to the last bin.

163. To avoid distortions and to ensure that the application of Step 2, No. 3 is in line with the principle of equal treatment, the bins were composed in such a way as to avoid the situation whereby institutions with the same value for a certain raw risk indicator would be classified in different bins. If after Step 2 institutions with the same raw risk indicator had been initially classified in different bins, then all the institutions sharing this value of risk indicator were regrouped and were all assigned to the least risky bin containing this risk indicator’s value to ensure that institutions with the same raw indicator are treated equally.

164. This uniform “binning” process conducted by the Board, and based on the raw indicator data of all risk adjusted institutions, leads to common data points (the thresholds of the risk bins) used for the assignment of all institutions to a particular risk bin. The thresholds (minimum value and maximum value) of the raw indicators for each of the risk bins for each of the risk indicators are presented in Annex II to this Decision. An institution is assigned to a bin if the value of the risk indicator is in between the minimum and maximum value of that given bin. The bin number (I_{ij}) is then used in Step 3.

STEP 3 – Calculation of the Rescaled Indicator for each bin number

165. In **Step 3**, all the raw risk indicators (now expressed with the bin numbers, I_{ij}) are rescaled by giving a Rescaled Indicator (“RI”) value within the range from 1 to 1000:

$$RI_{ij,n} = (1000 - 1) * \frac{I_{ij,n} - \min I_{ij,n}}{\max I_{ij,n} - \min I_{ij,n}} + 1$$

166. The minimum risk bin ($\min I_{ij,n}$) and maximum risk bin ($\max I_{ij,n}$) for each risk indicator are common data points used for the assignment of all institutions’ risk bin to a RI. All raw indicators that have been assigned to the same risk bin are assigned to the same RI. The minimum and maximum risk bin for each of the risk indicators are presented in Annex II to the Decision.

167. This step applies also to the binary risk indicators “IPS membership” and “Extent of previous extraordinary public financial support” that are assigned a value equal to 1 or 1000.

168. With regard to the risk indicator “Extent of previous extraordinary public financial support”, for the institutions within the meaning of Article 6(8)(a) of Commission Delegated Regulation (EU) 2015/63 that have been put under restructuring after receiving any State or equivalent funds and are still within the restructuring or wind down period, the maximum value of 1000 in Step 3 was applied. The maximum value was not applied for institutions that are within the last two years of implementation of

the restructuring plan, considering the year 2021 as reference year for the application of this exemption. A minimum value of 1 was applied for such institutions.

STEP 4 – Transformation of Rescaled Indicators (inclusion of sign)

169. In **Step 4** of the calculation, either a negative (“-”) or a positive (“+”) sign is applied to each risk indicator. For the risk indicators with a negative sign, the lower is the bin, the higher is the risk assessment. For risk indicators with a positive sign, the opposite is true. For the calculation of the 2023 ex-ante contributions the following signs were applied:

Pillar	Indicator	Sign
PILLAR I: Risk exposure	Leverage ratio	-
	CET1 ratio	-
	TRE/TA	+
PILLAR II: Stability and variety of funding	Net Stable Funding Ratio	-
	Liquidity Coverage Ratio	-
PILLAR III: Importance of an institution to the stability of the financial system or economy	Share of interbank loans and deposits in the European Union	+
PILLAR IV: Additional risk indicators	Risk weighted assets for market risk divided by Total Assets	+
	Risk weighted assets for market risk divided by CET1	+
	Risk weighted assets for market risk divided by total risk exposure	+
	Off-balance sheet nominal amount divided by Total Assets	+
	Off-balance sheet nominal amount divided by CET1	+
	Off-balance sheet nominal amount divided by total risk exposure	+
	Derivatives exposure divided by Total Assets	+
	Derivatives exposure divided by CET1	+
	Derivatives exposure divided by total risk exposure	+
	Membership in an Institutional Protection Scheme	-
	Extent of previous extraordinary public financial support	+

170. The following transformation based on the above signs is applied to each RI resulting from Step 3, so that for all indicators a lower amount (Transformed Rescaled Indicator; “**TRI**”) corresponds to a higher risk:

$$TRI_{ij,n} = \begin{cases} RI_{ij,n} & \text{if sign} = '-' \\ 1001 - RI_{ij,n} & \text{if sign} = '+' \end{cases}$$

171. Pursuant to the last sentence of Article 7(4) of Commission Delegated Regulation (EU) 2015/63, when applying the indicator “IPS membership”, the resolution authority should also take into account the

relative weight of the indicator “Trading activities and off-balance sheet exposures, derivatives, complexity and resolvability” in order to diversify the impact for each IPS member of its participation in an IPS, depending on additional factors that specifically relate to its riskiness. In order to achieve this objective in a proportionate manner, it is appropriate for the Board to apply an adjustment process to the IPS membership based on the weight of the First Additional Indicator, taking into account the overall weight of the Risk Pillar IV (i.e., 20%) in the adjustment methodology. The Board opted to carry out the adjustment based on a comparison model similar to the discretisation, in order to ensure consistency within the calculation methodology.

172. In direct application of the requirement to take into account the relative weight of the indicator “Trading activities and off-balance sheet exposures, derivatives, complexity and resolvability”, the Board ranked risk-adjusted institutions which are members of an IPS (“**risk-adjusted IPS members**”) according to the equally weighted arithmetic average of the TRI values of the nine numeric indicators of Risk Pillar IV. For this purpose, the Board equally distributed the entire population⁶⁸ of risk-adjusted institutions in three bins according to their riskiness – low, medium, and high – so as to confer full benefit to institutions in the “lowest risk” bin and to gradually reduce the weight of the risk indicator ‘IPS membership’ within Risk Pillar IV for risk-adjusted IPS members in the other two bins.
173. When establishing the number of bins to which institutions are distributed, the Board took into account the following elements: First, the reduction of the risk-adjustment factor of IPS members as a result of the application of the risk indicator ‘IPS membership’ is not the only benefit that those institutions derive from their membership in an IPS: IPS members already benefit significantly from the deduction of their intra-IPS liabilities from their BAC under Article 5(1)(b) of Commission Delegated Regulation (EU) 2015/63. Second, the indicator ‘IPS membership’ is devised in such a way that, even the riskiest risk-adjusted IPS members gain more than half of the maximum benefit that their membership in an IPS could afford them. Third, the distribution of risk-adjusted IPS members in three categories – low, medium, high risk – is an intuitive solution for an additional ranking. In light of the foregoing, the Board considered it appropriate and proportionate to limit the number of bins to three. Distributing institutions in three bins according to their riskiness allows for a sufficiently comprehensive consideration of their specificities – which are, in any case, more widely considered within the indicator ‘Trading activities and off-balance sheet exposures, derivatives, complexity and resolvability’ –, while ensuring the proportionality of the benefit they gain from their membership in an IPS.
174. In fact, the weight of the ‘IPS membership’ indicator within Risk Pillar IV (45%) of risk-adjusted IPS members in the “medium risk” bin and the “highest risk” bin is reduced by, respectively, 10 and 20 percentage points compared to the risk-adjusted IPS members in the “lowest risk” bin. In other words, the ‘IPS membership’ Adjusted TRI of risk-adjusted IPS members in the least risky bin was not

⁶⁸ The ‘performance’ of risk-adjusted IPS members in the context of the indicator “trading activities, off-balance sheet exposures, derivatives, complexity and resolvability” was compared to that of all risk-adjusted institutions, and not only to that of other risk-adjusted IPS members. In fact, the adjustment under the second sub-paragraph of Article 7(4) of Commission Delegated Regulation 2015/63 is intended to modulate the benefit that IPS members derive from their IPS membership for the purpose of ex-ante contributions based on the assessment of their relative riskiness compared to that of all other risk-adjusted institutions. This is confirmed, first, by the fact that the indicator “trading activities, off-balance sheet exposures, derivatives, complexity and resolvability” is applicable to the entire population of risk-adjusted institutions and, second, by the fact that the IPS membership, although at the end benefitting only risk-adjusted IPS members, is applicable and applied to all risk-adjusted institutions. Risk-adjusted institutions that are not risk-adjusted IPS members, in fact, receive an IPS membership TRI of 1, i.e., which is the minimum possible value. Considering that risk-adjusted institutions that are not risk-adjusted IPS members are negatively affected by the lack of an IPS membership (as that indicator is applicable to them as well), there is no valid reason to exclude them from the comparison under the second sub-paragraph of Article 7(4) of Commission Delegated Regulation 2015/63. Therefore, the assessment of the ‘riskiness’ of a risk-adjusted IPS member under the second sub-paragraph of Article 7(4) of Commission Delegated Regulation 2015/63 must be carried out by comparison with the entire category whose ‘riskiness’ was assessed with the indicator “trading activities, off-balance sheet exposures, derivatives, complexity and resolvability”.

adjusted (adjustment factor 9/9), and therefore the value of their 'IPS membership' Adjusted TRI is equal to 1000 (maximum possible value); the 'IPS membership' Adjusted TRI of risk-adjusted IPS members in the averagely risky and riskiest bins was adjusted by multiplying the value of "1000" by, respectively, the adjustment factors 7/9 and 5/9, and therefore, the value of their 'IPS membership' Adjusted TRI is equal to, respectively, 777.7778 and 555.5556:

Riskiness in terms of 9 numerical risk indicators of Pillar IV	Adjustment factor	Adjusted Transformed Rescaled indicator
Bin representing highest risk profile	0.5556 (5/9)	555.5556
Bin representing medium risk profile	0.7778 (7/9)	777.7778
Bin representing lowest risk profile	1 (9/9)	1000.0000

175. Therefore, within Risk Pillar IV the IPS membership risk indicator weights 25%, 35% and 45% for risk-adjusted IPS members falling in the first, second and third bin respectively.

176. For institutions that are not or were not considered to be members of an IPS, (the weight of) the risk indicator "IPS membership" is not adjusted⁶⁹. The value of their 'IPS membership' TRI is equal to 1.

STEP 5 – Calculation of the Final Composite Factor

177. In **Step 5** of the calculation, the TRIs and pillars are aggregated into one final composite risk indicator ("FCI") in the following way:

- a weighted arithmetic average of the TRIs assigned to each indicator within a given pillar is calculated for each Risk Pillar;
- a composite indicator ("CI") is computed as a weighted geometric average of the Risk Pillars. The geometric average is used to avoid any compensation effect between pillars.

The FCI is then defined as $FCI=1000-CI$ so that institutions with higher risk profiles would get a higher FCI (i.e. closer to 1000).

STEP 6 – Calculation of the Risk Adjusted Contribution

178. In **Step 6**, the Risk Adjustment Factor \tilde{R} is computed by rescaling the FCI over the range between 0.8 and 1.5 in accordance with Article 9(3) of Commission Delegated Regulation (EU) 2015/63. The calculation is based on a linear scale between the lowest (min.) and highest (max.) FCI of all risk-adjusted institutions. The lowest (min.) and highest (max.) FCI calculated by the Board are common data points which are the same for all risk-adjusted institutions. The risk adjusting multiplier of each institution is computed as follows:

$$\tilde{R}_n = (1.5 - 0.8) * \frac{FCI_n - \min FCI_n}{\max FCI_n - \min FCI_n} + 0.8$$

⁶⁹ For these institutions, the adjustment factor is equal to 1 (one). As explained above, the risk indicator is multiplied by adjustment factor. Thus, in this case, there was no actual adjustment of the risk indicator.

179. The final contribution is then computed in accordance with the formula set out under Step 6, paragraph 2 of Annex I to the Commission Delegated Regulation (EU) 2015/63:

$$c_n = Target_3 * \frac{\frac{B_n}{\sum_{p=1}^{N_3} B_p} * \tilde{R}_n}{\sum_{p=1}^{N_3} (\frac{B_p}{\sum_{q=1}^{N_3} B_q} * \tilde{R}_p)}$$

Where:

- c_n is the annual contribution for institution n;
- **Target₃** is the annual target adjusted to exclude the contributions of:
 - institutions paying the lump-sum amount or the basic annual contribution in accordance with Article 10 of Commission Delegated Regulation (EU) 2015/63 (Section 6.2.1, Recital 107);
 - the EUR 50,000 paid by institutions paying the partial lump-sum amount in accordance with Article 8(5) of Council Implementing Regulation (EU) 2015/81 (Section 6.3);
 - contributions of mortgage credit institutions in accordance with Article 11 of Commission Delegated Regulation (EU) 2015/63 (Section 6.4); and
 - the contributions of certain investment firms which are authorised to carry out limited services and activities (Section 6.5).
- B_n (BAC numerator) represents total liabilities (excl. own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 of institution n (floored at 0⁷⁰);
- \tilde{R}_n is the risk adjusting multiplier for institution n
- N_3 is the number of risk-adjusted institutions.

180. The denominator of the formula $(\sum_{p=1}^{N_3} (\frac{B_p}{\sum_{q=1}^{N_3} B_q} * \tilde{R}_p)) = \frac{\sum_{p=1}^{N_3} (B_p * \tilde{R}_p)}{\sum_{q=1}^{N_3} B_q}$ is composed of:

- (a) The **sum of risk adjusted BAC numerators** ($\sum_{p=1}^{N_3} (B_p * \tilde{R}_p)$) which is the sum of the total liabilities (excluding own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63, of all risk-adjusted institutions (sum of B_p , with $p=1, \dots, N_3$) multiplied by the risk-adjusted institutions' risk adjusting multiplier, amounting to EUR 21,886,763,685,456.50; divided by
- (b) the **BAC denominator** ($\sum_{q=1}^{N_3} B_q = \sum_{p=1}^{N_3} B_p$)⁷¹ which is the sum of total liabilities (excluding own funds) less covered deposits, as adjusted in accordance with Article 5 of Commission Delegated Regulation (EU) 2015/63 of all risk-adjusted institutions (sum of B_q , with $q=1, \dots, N_3$), amounting to EUR 16,452,977,921,141.40.

181. The target level and the two items (the sum of risk adjusted BAC numerators and the BAC denominator) necessary to compute the denominator of the formula in Annex I, Step 6, No. 2 of Commission Delegated Regulation 2015/63, calculated by the Board, are common data points, which are the same for all institutions. The relevant amounts are provided in Annex II to the Decision.

⁷⁰ In the calculation, the B_n cannot be valued below zero in order to avoid obtaining negative amounts.

⁷¹ The BAC denominator is used in both the numerator and the denominator of the formula to calculate the risk-adjusted contributions.

7. PARTIAL DEDUCTION OF THE 2015 CONTRIBUTION

182. In accordance with Article 8(2) of Council Implementing Regulation (EU) 2015/81, the Board took into account the contributions raised by the participating Member States in accordance with Articles 103 and 104 of Directive 2014/59/EU and transferred⁷² to the Fund by virtue of Article 3(3) of the Agreement on the Transfer and Mutualisation of Contributions to the Single Resolution Fund, by deducting them from the amount due from each institution for the 2023 contribution cycle, on an institution-by-institution and linear basis. This means that in 2023, the remaining balance⁷³ is deducted from the amount of the 2023 ex-ante contribution due by the institutions concerned. This amounts to EUR 528,312,030.00.
183. If an institution loses its banking authorisation due to a merger, the deduction as referred to in Article 8(2) of Council Implementing Regulation (EU) 2015/81 is granted to the post-merger (absorbing) institution provided that the absorbing institution continues to pay ex-ante contributions to the Fund. If an institution splits during the initial period, it is asked to inform the Board about the suggested allocation of the deduction of the 2015 ex-ante contributions as referred to in Article 8(2) of Council Implementing Regulation (EU) 2015/81, subject to the condition that the indicated institution remains in scope of the requirement to pay ex-ante contributions.
184. Where the institution remains in scope for the 2023 contribution period and the deduction of the 2015 contributions results in a negative remaining amount, the respective amount is settled with the institution in 2023.
185. Contributions raised in 2015 by the participating Member States but not transferred to the Fund were not taken into account by the Board for the calculation of ex-ante contributions in 2023.

8. NEWLY SUPERVISED INSTITUTIONS

186. In accordance with Article 12(1) of Commission Delegated Regulation (EU) 2015/63, the individual contribution amounts for the 2023 ex-ante contribution period include, where relevant, the 2022 ex-ante contributions of those institutions that became newly supervised in the year 2022. Where appropriate, the partial contributions for 2022 are determined by considering the amount of the 2023 ex-ante contributions by reference to the number of full months of the contribution period for which the institution was supervised.

9. RESTATEMENTS AND REVISIONS

187. Articles 14(5) and 17(3) and (4) of Delegated Regulation 2015/63 require that, when calculating the contributions to be paid by each institution in a given contribution period, the Board takes into account any restatement of data relating to previous contribution cycles made by institutions. To that end, individual contribution amounts should take into account, where relevant, the difference between (i) the annual contribution calculated and paid in the previous contribution periods on the basis of the information subject to restatements or revisions and (ii) the annual contribution which should have been paid following the restatement and/or revision.

⁷² Not all participating Member States transferred those contributions to the Fund.

⁷³ The term "remaining balance" refers to the remaining part of 2015 ex-ante contribution not yet taken into account in the calculation of ex-ante contributions.

188. The methodology provided under Articles 14(5), 17(3) and (4) of Commission Delegated Regulation (EU) 2015/63 aims to ensure a balance between legal certainty and the accuracy and correctness of the calculation exercise. In order to ensure that the contributions are proportional, that the calculation is correct and accurate, and that possible oversights or errors in the input data are corrected, institutions are allowed to submit restatements and revisions of the data they had originally submitted via the DRF. In accordance with Article 14(5) of Commission Delegated Regulation (EU) 2015/63, in the event of updates or corrections to the data provided for the purpose of calculating the ex-ante contributions of a particular contribution period, such updates or corrections must be submitted to the resolution authority without any undue delay. In accordance with Article 17(3) of Commission Delegated Regulation (EU) 2015/63, any restated data received from NRAs prior to or on 31 December 2022 has been taken into account in the calculation exercise and in determining of the amounts due for the 2023 contribution period as detailed in the following paragraphs.

9.1 Assessment of the restated data

189. The Board considers and treats as restatements both “foreseen restatements”, which are agreed upon between the Board and the affected institution as a consequence of ex-post checks performed by the Board on the data received in previous cycles, and “voluntary restatements”, where institutions restate data on their own initiative following the discovery of errors.

190. In addition, in terms of the processing of restatements, a distinction is made between restatements relating to the 2015 ex-ante contribution period (for which the NRAs recalculate the ex-ante contribution and provide the Board with the relevant details) and restatements relating to the 2016, 2017, 2018, 2019, 2020, 2021 and 2022 contribution cycles.

191. For all restatements relating to cycles subsequent to 2015, the working procedure can be summarised as follows:

- (i) The NRA informs the Board about restatements.
- (ii) The Board invalidates the corresponding DRF and informs the NRA that the institution can submit the updated or corrected DRF.
- (iii) The NRA sends the updated or corrected DRF to the Board.
- (iv) The upload (step iii.) triggers the recalculation of the ex-ante contribution for the relevant contribution period.
- (v) The difference between the recalculated ex-ante contribution and the original contribution is factored in (as an adjustment to the calculated ex-ante contribution of the restating entity or its legal successor) in the invoice of the following contribution period.

9.2 Recalculated amount and data adjustments on individual level

192. The contribution of an institution for the year to which a restatement applies is calculated by using the input data as originally provided by all of the institutions in scope of the relevant cycle, with the exception of the restated input data of the institution requesting the restatement, pursuant to Article 17(3) of Commission Delegated Regulation (EU) 2015/63. The amended data is taken into account in respect of such institution.

193. For institutions that are authorised in the Member States that joined the Banking Union in 2020, the scope of the calculation for their restatement related to the years 2016-2020 takes into account all the

institutions that were in scope of the relevant cycle (i.e. the original 19 Member States) including the other institutions from the Member State concerned. For institutions that are authorised in the Member States that joined the Banking Union in 2020, the scope of the calculation for their restatements related to the years 2021 and 2022 takes into account all the institutions in scope of the Fund, i.e. from the 21 Member States.

194. The recalculated contribution is determined in accordance with the methodology described above (Section 6). For risk-adjusted contributions, the risk indicators taken into account for the recalculated contribution are the same as the risk indicators applied in the respective contribution cycles.

195. Given that it has not been possible to apply certain risk indicators in the previous cycles, the weights of the available risk indicators are proportionally rescaled as referred to in Article 7 of Commission Delegated Regulation (EU) 2015/63, so that the sum of their weights is 100%. The table below summarises the differences in terms of indicators and weights for a given contribution cycle.

Cycle		2016 - 2017		2018		2019 - 2020 – 2021- 2022	
Pillar	Indicator	Weights of indicators in Pillar	Weight of the Pillar	Weights of indicators in Pillar	Weight of the Pillar	Weights of indicators in Pillar	Weight of the Pillar
PILLAR I: Risk exposure	Leverage ratio	33.3(3)%	71%	33.3(3)%	56%	33.3(3)%	50%
	CET1 ratio	33.3(3)%		33.3(3)%		33.3(3)%	
	TRE/TA	33.3(3)%		33.3(3)%		33.3(3)%	
PILLAR II: Stability and variety of source of funding	Liquidity Coverage Ratio	NA	NA	100%	22%	100%	20%
PILLAR III: Importance of an institution to the stability of the financial system or economy	Share of interbank loans and deposits in the European Union	NA	NA	NA	NA	100%	10%
PILLAR IV: Additional risk indicators	Risk weighted assets for market risk divided by Total Assets	5%	29%	5%	22%	5%	20%
	Risk weighted assets for market risk	5%		5%		5%	

	divided by CET1					
	Risk weighted assets for market risk divided by total risk exposure	5%		5%		5%
	Off-balance sheet nominal amount divided by Total Assets	5%		5%		5%
	Off-balance sheet nominal amount divided by CET1	5%		5%		5%
	Off-balance sheet nominal amount divided by total risk exposure	5%		5%		5%
	Derivatives exposure divided by Total Assets	5%		5%		5%
	Derivatives exposure divided by CET1	5%		5%		5%
	Derivatives exposure divided by total risk exposure	5%		5%		5%
	Membership in an Institutional Protection Scheme	45%		45%		45%
	Extent of previously public financial support	10%		10%		10%

196. In order to take into account the specificities of the Fund with gradually mutualised national compartments allocated to the participating Member States, during the first seven years of the initial period, the ex-ante contributions are calculated in accordance with the adjusted methodology:

- The National Base (BRRD) is calculated in accordance with Article 103 of Directive 2014/59/EU and Article 4 of Commission Delegated Regulation (EU) 2015/63; and
- The Banking Union Base (SRMR) is calculated in accordance with Articles 69 and 70 of the Regulation (EU) No 806/2014 and Article 4 of Council Implementing Regulation (EU) 2015/81.

197. The below table summarises the weights allocated to each calculation in the different previous contribution cycles:

Contribution cycle	BRRD	SRMR
2016	60%	40%
2017	40%	60%
2018	33.33%	66.67%
2019	26.67%	73.33%
2020	20%	80%
2021	13.33%	86.67%
2022	6.67%	93.33%

198. The last step of the calculation in relation to restatements at individual level is to compute the data adjustment (i.e. the difference between the recalculated contribution and the already invoiced amounts). The data adjustment on individual level are calculated as follows:

$$\begin{aligned}
 & \text{Data adjustment}_{n,c,2023} \\
 &= \text{Recalculated amount}_{n,c,2023} - \text{original calculated amount}_{n,c} \\
 & - \sum_{v=c+1:2022}^{2023} \text{Data adjustment}_{n,c,v}
 \end{aligned}$$

Where n is the institution that restates the data, c is the year for which the institution restates and $\text{Data adjustment}_{n,c,v}$ are the data adjustments invoiced in a given year v for a given cycle c ($c=2015, \dots, 2022$). The calculation details of the recalculated amount and the data adjustment are provided in Annex I to this Decision, the individual Harmonised Annex for restatements. The adjustment resulting from the restatement is made in the 2023 contribution period by increasing or decreasing the contribution due for the year 2023.

9.3 Restatements of out-of-scope institutions

199. A legal entity whose ex-ante contributions have been duly received by the Fund, but which subsequently ceases to fall within the scope of Regulation (EU) No 806/2014, has no right to the reimbursement of such duly paid contributions, pursuant to Article 70(4) of Regulation (EU) No 806/2014. However, if such an entity ceases to be within the scope of Regulation (EU) No 806/2014 following its amalgamation or merger with a second entity within the scope of the same Regulation, which is subject to the obligation to make ex-ante contributions to the Fund, the second entity can restate or revise data that the first entity had previously submitted, in accordance with Article 17(3) of Commission Delegated Regulation (EU) 2015/63.

10. CALCULATION RESULTS

200. On 23 March 2023, pursuant to Article 70(2) of Regulation (EU) No 806/2014, the Board shared the preliminary results of the calculation of the 2023 ex-ante contributions with the ECB and the NCAs.
201. The results of the calculation of the individual 2023 ex-ante contributions are set out separately for each institution falling within the scope of that calculation in the detailed documents attached to this Decision as Annex I (the “**Harmonised Annexes**”). Each Harmonised Annex includes input data used in the calculation, the calculation details of the ex-ante contributions according to the Banking Union Base and sets out further details concerning the final amount to be paid by the institutions. The Harmonised Annex also contains reference to the maximum amount of IPCs that each institution may avail itself of pursuant to Article 8(3) of Council Implementing Regulation (EU) 2015/81 (see Section 11 below).
202. In accordance with Article 5(1) of Council Implementing Regulation (EU) 2015/81, this decision is addressed to the NRAs and the Board communicates it to the relevant NRAs to the extent it concerns the institutions authorised in their respective jurisdictions.
203. In accordance with Article 5(2) of Council Implementing Regulation (EU) 2015/81, the Board communicates to each NRA only the part of the Harmonised Annex which concerns the institutions authorised in their jurisdiction. It also follows from the above that each institution may only be notified of the part of the Harmonised Annex that concerns that institution. The information contained therein is sufficient for the institution to properly understand how its contribution was calculated. In addition, in order to allow a better understanding of how each institution compares to all other institutions and of the results of the binning process, the Board also provides additional statistics of the calculations in summary and collective form in Annex II to this Decision.

11. IRREVOCABLE PAYMENT COMMITMENTS

11.1 Share of IPC to be accepted

204. According to Article 70(3) of Regulation (EU) No 806/2014, the available financial means to be taken into account in order to reach the target level of the Fund specified in Article 69(1) of Regulation (EU) No 806/2014 may include IPCs.
205. According to Article 13(3) of Commission Delegated Regulation (EU) 2015/63, the Decision calculating ex-ante contributions shall specify, among others, the share of irrevocable payment commitments that each institution can use.
206. Finally, according to Article 8(3) of Council Implementing Regulation (EU) 2015/81, during the initial period, and under “*normal circumstances*”, the Board shall allow the use of IPCs upon the request of an institution. That provision also stipulates that the Board allocates the use of IPCs “*evenly*” among those institutions requesting it. Article 8(3) of Council Implementing Regulation (EU) 2015/81 therefore requires that the Board takes an objective approach towards the use of IPCs in a given contributions cycle. Article 8(3) of Council Implementing Regulation (EU) 2015/81 further provides that the allocated IPCs should not be less than 15% of the total payment obligations of the institution. It also requires that when calculating the annual contributions of each institution, the Board must 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 Regulation (EU) No 806/2014.

207. Taking into account the liquidity position of the Fund and the amount of IPCs outstanding, the Board considers that, for the purpose of calculating and collecting the 2023 ex-ante contributions to the Fund, “normal circumstances”⁷⁴, as referred to in Article 8(3) of Regulation (EU) 2015/81, apply. As such, and subject to the principles described below, institutions may, upon request to the Board, enter into an IPCA for the making of IPCs for the 2023 contributions cycle.

208. When considering the share of IPCs and the type of IPC collateral to be accepted in 2023, the Board has balanced the objectives of Article 70(3) of Regulation (EU) No 806/2014 when exercising its technical discretion in applying this provision. On the one hand, Article 70(3) of Regulation (EU) No 806/2014 provides that the available financial means to be taken into account to reach the target level of the Fund may include IPCs, thus enabling the Board to consider accepting an alternative payment modality for ex-ante contributions. On the other hand, the use of IPCs has the potential to compromise the liquidity and operational capacity of the Fund, because the resources committed thereunder, although collateralised, are not immediately available. This is why Article 70(3) of Regulation (EU) No 806/2014 establishes a limit to the amount of contributions that can potentially be collected in IPCs. The potential risk posed by the use of IPCs is acknowledged under Article 7(1) of Council Implementing Regulation (EU) 2015/81, which requires unequivocally that recourse to this payment modality “shall in no manner affect the financial capacity and the liquidity of the Fund”, as well as under Article 13(3) of the Commission Delegated Regulation (EU) 2015/63, which requires that only collateral allowing for a swift realisability (including in the event of a resolution decision over the weekend) can be accepted.

209. Based on the above legal framework, the Board has given careful consideration to the amount of IPCs to accept for the 2023 contributions cycle. In this context, and considering the potential risk posed by the use of IPCs to the financial capacity and the liquidity of the Fund, the Board has taken a number of elements into account:

- (a) The financial means currently available in the Fund (i.e., approximately EUR 65.9 billion) and those that are expected to be available by the end of the initial period (i.e., approximately EUR 77.6 billion);
- (b) The current level of IPCs (i.e., approximately EUR 7 billion, amounting to 11% of the total available financial means in the Fund⁷⁵), and the potential share of IPCs that is expected to be possibly reached by the end of the initial period;
- (c) The fact that the 2023 contribution cycle is the last one in the initial period and that, for the first time, the financial means available to the Fund will reach the minimum capacity required by Article 69(1) of Regulation (EU) No 806/2014 (i.e., 1% of the covered deposits in the participating Member States).

210. The fact that the means available to the Fund will reach a substantial amount before the end of the initial period, the relatively low share of IPC that account for the available financial means in the Fund and the overall improving economic outlook in the EU compared to previous cycles (see Recital 57) would suggest allowing for a higher share of IPCs in the 2023 contribution cycle.

⁷⁴ A potential absence of “normal circumstances” is evaluated by the Board at the time of calculating the ex-ante contributions to the Fund and implies at least the absence of any increased risk endangering the financial position and liquidity of the Fund.

⁷⁵ The use of the IPC varies widely across the 21 Banking Union jurisdictions. Notably, over the contribution years to date, whilst the number of institutions using IPCs has decreased, the overall amount of IPCs has increased. This is mainly due to the overall Fund target level increase, especially in the two previous contribution years (2021 and 2022) as the amount of the corresponding covered deposits and, hence, the amount of ex-ante contribution has grown compared to the preceding years.

211. As the Board must ensure that the use of IPC does not impact the capacity and liquidity of the Fund, which, however, may be negatively affected, inter alia, by the necessity of multiple disbursements as a consequence of contagion and/or exacerbation of the effects of a resolution for the rest of the banking industry, the Board has furthermore considered the following: (i) the jurisdictional concentration of the IPC requests for past years to specific Member States, (ii) the expected concentration for the 2023 cycle, and (iii) the potential implications of an IPC call on the financial position of IPC users and on the financial stability in particular in these Member States. The Board deems that the transfer of the committed funds from IPC users to the Board, in case IPCs are called, could have pro-cyclical effects on the positions of those institutions and exacerbate potential instability, especially in case of a high concentration of IPCs in a given national market. This is particularly true when the full amount of the IPCs called would need to be recorded immediately in the institutions' profit and loss statements (P&L). These considerations would suggest allowing for a lower share of IPCs in the 2023 contribution cycle.
212. The Board finally took into account the requests for relief in the form of higher shares of IPC that it received from a significant number of institutions during the 2021, 2022 and 2023 consultations. Despite the difficulties that the macro-economic situation entails, the European banking sector is showing robust capital ratios in the last quarter of 2022 and strong profitability⁷⁶ and, despite the market volatility in March 2023 related to the failures of SVB and Credit Suisse, the Board observes limited direct contagion risk for banks in scope. As such, the composite indicator of systemic stress of the ESRB Risk Dashboard (March 2023 (Issue 43)), which measures interlinkages across financial markets, slightly rose somewhat in Q1 2023 but is still not reaching the levels seen Q2/Q3 2022 after the Russian invasion of Ukraine. The Board considers that those events, which materialised after the draft of the preliminary version of the present decision, should not affect the preliminary position of the Board as presented in the consultation, as to the share of IPC to accept for the present cycle. In fact, although those events may have the potential to increase the risk of multiple resolution actions, the Board deems that it is appropriate to balance the mentioned increased risk with a corresponding increased interest of contributing institutions to receive some relief in the current market situation. Therefore, in light of, on the one hand, the moderately solid economic conditions and, on the other, the climate of persisting macro-economic uncertainty in the participating Member States, the effects of the persisting inflation and high energy prices, as well as the consequences of monetary tightening, the Board considers that it is possible to accept a share of IPC in the 2023 contribution cycle that is higher than the minimum threshold.
213. Consequently, the share of IPC accepted for the 2023 ex-ante contribution cycle is set by striking a balance between the potential negative and positive effects of accepting different shares of IPCs. Based on the above, the Board concluded that the considerations leading to accept lower shares of IPC in the 2023 ex-ante cycle are not as pronounced as to outweigh those that would lead to higher; so there should still be the conditions to set the share of IPC considerably higher than the minimum threshold. It is, thus, appropriate to allow for a share of IPC that is considerably higher than the minimum threshold.
214. In light of all of the above, and after careful balancing of the objectives of Article 70(3) of Regulation (EU) No 806/2014, considering the specific circumstances characterising the 2023 contribution period, the Board has decided to set the share of IPCs to be accepted at 22.5% of the individual amounts of the 2023 ex-ante contributions of all institutions that will request to enter into an IPCA.

11.2 Collateral to be accepted

⁷⁶ EBA risk dashboard Q4 2022.

215. Article 70(3) of Regulation (EU) No 806/2014 also provides that IPCs must be fully backed by collateral of low-risk assets unencumbered by any third-party rights, at the free disposal of and earmarked for the exclusive use by the Board for the purposes specified in Article 76(1) of Regulation (EU) No 806/2014.
216. Article 13(3) of Commission Delegated Regulation (EU) 2015/63 specifies that the Board may accept collateral only of the kind and under conditions that allow for swift realisability including in the event of a resolution decision over the weekend. The collateral should be conservatively valued to reflect significantly deteriorated market conditions.
217. The Board has carefully considered the type of collateral to accept for IPCs. The Board considers that accepting non-cash collateral in the initial period, poses a number of potential risks when compared to cash collateral, including: (i) a potential reduction in the availability of financial means at times of closed or stressed and illiquid financial markets; (ii) additional operational challenges, including the swift “realisability” of collateral over the weekend; (iii) the introduction of market and counterparty risk; (iv) potential fluctuation in the value of the collateral that are difficult to hedge against even under a conservative valuation approach; and, (v) the possible exposure of institutions to margin calls depending on the evolution of the value of their collateral, taking into account Article 13(3) of Commission Delegated Regulation (EU) 2015/63 according to which collateral should be conservatively valued to reflect significantly deteriorated market conditions.⁷⁷ For this reason, non-cash collateral would be more costly
218. The Board considers that the liquidity, integrity and financial position of the Fund would be seriously compromised if any of the risks described above were to materialise, especially taking into account the current uncertainties for the macro-economic environment, , against the requirements under Article 7(1) of Regulation (EU) 2015/81. Additionally, the Board considers, based on the above, that in the current economic and financial environment, and *a fortiori* after observing the market situation in the weeks preceding and following the SVB’s and Credit Suisse’s failures, no asset other than cash has a sufficient degree of realisability, including in the event of a resolution decision over the weekend.
219. In addition, the Board is mindful of the fact that the choice regarding the form of collateral to accept should not undermine the level playing field between institutions.
220. The use of non-cash collateral could risk compounding pro-cyclical effects by potentially accelerating the decline of an already disrupted securities market following a bank resolution action. This risk is particularly acute if, following a default by institutions on their IPCs, the Board were to be compelled to enforce the secured commitment by setting-off and then selling the non-cash collateral concerned. In light of all of the above considerations, the Board has concluded that a prudent approach towards the type of collateral to accept for IPCs is warranted for the 2023 contribution period. The Board has therefore decided to accept only IPC collateral in the form of cash for the current cycle.
221. Pursuant to Article 13(3) of Commission Delegated Regulation (EU) 2015/63, the Board will specify the conditions and means of use of IPCs within the standard IPCA, as it has done in past cycles.
222. In accordance with Article 8(2) of Council Implementing Regulation (EU) 2015/81, the Board took into account the contributions, raised by the participating Member States in accordance with Articles 103 and 104 of Directive 2014/59/EU and transferred to the Fund by virtue of Article 3(3) of the Agreement on the Transfer and Mutualisation of Contributions to the Single Resolution Fund, by deducting them

⁷⁷ For this reason, non-cash collateral would also be more costly for institutions compared to cash collateral.

from the amount due from each institution, on an institution-by-institution and linear basis. This deduction relates also to amounts provided by virtue of IPCs. The Board will deduct the amount corresponding to the amount of IPCs provided to the NRAs for the 2015 contribution cycle from the amount of the annual contributions due by the institutions concerned.

223. Pursuant to the agreements entered into for the 2015 contribution cycle, the IPCs made for that year shall remain in place until such time as they are called by the Board in accordance with Article 7(2) of Council Implementing Regulation (EU) 2015/81.

12. COMMUNICATION

224. As the Decision is addressed to the relevant NRAs, and English is the language of communication agreed between the Board and the relevant NRAs in the Cooperation Framework⁷⁸ based on Article 81(4) of Regulation (EU) 806/2014, the Decision is adopted in English. In order to facilitate the process of notification of the Decision by the relevant NRAs to each of the institutions, the Board also provides, to the extent possible, its courtesy translation into the official language of the relevant Member State to each NRA. For the avoidance of doubt, only the English text is authentic.

225. Therefore, after receiving the communication from the Board, the relevant NRAs are expected to notify the Decision by transmitting the main text thereof together with its Annexes to the institutions concerned in English together with the courtesy translation provided by the Board.

HAS ADOPTED THIS DECISION:

Article 1

Calculation

The calculation of the individual annual ex-ante contributions to the Single Resolution Fund for the 2023 contribution period as set out in the Annex I is approved.

Article 2

Share and collateral for Irrevocable Payment Commitments

For the 2023 contribution period, institutions may, upon request to the Board and subject to the terms of an Irrevocable Payment Commitment Agreement to be concluded between the Board and the relevant institution, provide irrevocable payment commitments for an amount equal to 22.5% of their payment obligations for this contribution period. The irrevocable payment commitments must be fully backed by collateral exclusively in the form of cash.

Article 3

Communication

⁷⁸ Decision of the Single Resolution Board of 17 December 2018 establishing the framework for the practical arrangements for the cooperation within the Single Resolution Mechanism between the Single Resolution Board and National Resolution Authorities (SRB/PS/2018/15).

This Decision is communicated to the following NRAs of the participating Member States to the extent it concerns the institutions authorised in their respective jurisdictions:

- Finanzmarktaufsicht (AT)
- National Bank of Belgium (BE)
- Българска народна банка, Комисия за финансов надзор (BG)
- Κεντρική Τράπεζα της Κύπρου (CY)
- Finantsinspeksioon, Tagastisfond (EE)
- Rahoitusvakausvirasto (FI)
- Autorité de Contrôle Prudentiel et de Résolution (FR)
- Bundesanstalt für Finanzdienstleistungsaufsicht (DE)
- Τράπεζα της Ελλάδος, Επιτροπή Κεφαλαιαγοράς (EL)
- Hrvatska narodna banka (HR)
- Hrvatska agencija za osiguranje depozita (HR)
- Central Bank of Ireland (IE)
- Banca d'Italia (IT)
- Finanšu un Kapitāla Tirgus Komisija (LV)
- Lietuvos bankas (LT)
- Commission de Surveillance du Secteur Financier (LU)
- Malta Financial Services Authority (MT)
- De Nederlandsche Bank (NL)
- Banco de Portugal (PT)
- Rada pre riešenie krízových situácií (SK)
- Banka Slovenije (SI)
- FROB, Banco de España, Comisión Nacional de Mercado de Valores (ES)

Done at Brussels,

For the Single Resolution Board,

The Chair

Dominique Laboureix

Annexes

- Annex I.** Results of the calculation with respect to all institutions falling within the scope of calculation of the 2023 ex-ante contributions set separately (per institution) in the Harmonized Annexes
- Annex II.** Statistics of the calculations in summary and collective form for the 2023 ex-ante contribution cycle
- Annex III.** Evaluation of the submissions made during the consultation process on the 2023 ex-ante contributions to the Single Resolution Fund
- Annexes IVa-IVd.** Individual Notices on the evaluation of the submissions made during the consultation process on the 2023 ex-ante contributions to the Single Resolution Fund that include confidential information