



Press Release

## **Banking Union – Single Resolution Board collects over 10 billion euros in contributions to the Single Resolution Fund**

Brussels – 6 July 2016

**On 30 June 2016, the Single Resolution Board (SRB) collected 6.4 billion euros in contributions to the Single Resolution Fund (SRF). Today, the SRB is pleased to report that it has collected over 10 billion euros in contributions in total from nearly 4000 banks and investment firms via the National Resolution Authorities (NRAs).**

Following the Agreement on the Transfer and Mutualisation of Contributions to the [Single Resolution Fund](#) ("IGA"), an amount of 4.3 billion euros of 2015 ex-ante contributions had been transferred to the Single Resolution Fund at the end of January 2016.

The Single Resolution Fund will be built up during the transitional period of eight years (2016-2023) and will reach at least 1% of covered deposits within the Member States of the Single Resolution Mechanism by the end of 2023. During the transitional period, the contributions will be allocated to different compartments corresponding to each participating Member State (national compartments). The use of the compartments is subject to a progressive mutualisation in such a manner that the compartments will cease to exist at the end of the transitional period. Banks have to make annual ex-ante contributions to the SRF. These contributions are generally calculated on the basis of the institutions' liabilities, excluding own funds and covered deposits, and adjusted for risk. In calculating the ex-ante contributions, the SRB applies the methodology as set out in the Commission Delegated Regulation (EU) 2015/63 and Council Implementing Regulation (EU) 2015/81.

*"The Single Resolution Mechanism is a cornerstone of the Banking Union - with the Single Resolution Fund as last resort. It will substantially increase the resilience of the European banking sector, to the benefit of EU citizens and businesses".* - Elke König, Chair of the Single Resolution Board

*"Today shows that the Single Resolution Mechanism is going in the right direction. This is the first time that the Fund has collected the ex-ante contributions implementing the Single Resolution Mechanism Regulation".* Timo Löyttyniemi, Vice Chair of the Single Resolution Board, responsible for the Single Resolution Fund.

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While under the Bank Recovery and Resolution Directive (BRRD), the target level of the national resolution funds is set at national level (at least 1% of covered deposits); under the Single Resolution Mechanism Regulation (SRMR), the target level of the SRF at least 1 % of the amount of covered deposits of all institutions of Member States participating in the Banking Union. This leads to changes in the contributions that banks have to pay under the SRM versus the BRRD.

### **KEY FACTS – 2016 EX-ANTE CONTRIBUTIONS**

#### **Target level and amount collected**

- The 2016 target level is based on 1.05% of covered deposits (2015).
- In 2016, the amount of ex-ante contributions collected by the SRF at the end of June is €6.4bn, which takes into account a 1/8 deduction of 2015 contributions.
- 88.8% of the contributions were provided by paid-in contributions (€5.68bn) and 11.2% were provided as irrevocable payment commitments (€721 million euros).

#### **Scope**

- In 2016, 3,762 institutions are within the scope of the SRF.
- 52% have paid lump sum contributions (small institutions).
- 26% are medium size institutions (total asset below €3bn).

#### **Biggest contributors**

- 20% of institutions represent 96% of the total 2016 ex-ante contributions.
- The 20 largest banking groups contributed 62% of the total 2016 ex-ante contributions.

#### **Mutualisation path**

- According to the Intergovernmental Government Agreement (IGA), in 2016, all of the financial means available in the affected national compartment may be used in a first step, and 40% of the financial means available in the other compartments may be used in a second step.

#### **2017 Process**

- The 2017 contribution cycle has already started in cooperation with NRAs. The SRB is taking the initiative to organise workshops and seminars with industry to increase the level of understanding the complex calculations.



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### Background

The 2016 ex-ante contributions are calculated on the following legal bases:

- Directive 2014/59/EU of the European Parliament and the Council (BRRD);
- Regulation (EU) No 806/2014 of the European Parliament and of the Council (SRMR);
- Commission Delegated Regulation (EU) 2015/63: lays down the methodology for the calculation of the basic annual contributions and the adjustment of such contributions to the risk profile of institutions on the basis of Directive 2014/59/EU;
- Council Implementing Regulation (EU) 2015/81: regulates the specific conditions for implementing the obligation of the SRB to calculate the contributions for individual institutions to the SRF and the methodology for the calculation of those contributions on the basis of Regulation (EU) 806/2014;
- Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRR).

### About the SRB

*The **Single Resolution Board (SRB)** is the resolution authority for the significant and cross border banking groups established within participating Member States. In the context of the Single Resolution Mechanism, it works in close cooperation with the national resolution authorities. Within the Banking Union, the SRB cooperates with the European Central Bank, the European Commission, as well as other European and international institutions. Its mission is to ensure an orderly resolution of failing banks with minimum impact on the real economy and on public finances of the participating Member States and beyond.*

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