

## FAQ on resolution fund contributions

**Financial institutions must contribute to the National Resolution Fund (NRF) and/or the European Single Resolution Fund (SRF). This document provides you with more detailed information on the contribution process.**

### 1. Who must contribute to which fund?

As from 1 January 2016, banks and investment firms that are under the scope of the Single Resolution Mechanism (SRM) are obliged to contribute to the SRF. Branch offices of banks registered outside the European Union must contribute to the National Resolution Fund (NRF). This also applies to investment firms that are subject to the start-up capital requirement of EUR 730,000.

### 2. How is the contribution to the NRF calculated?

De Nederlandsche Bank N.V. (DNB) calculates the contributions of institutions that must contribute to the NRF. The standard contribution depends on the following calculation: balance sheet total minus own funds minus covered deposits (see Section 7(h) of the Decree on Special Prudential Measures, Investor Compensation and Deposit Guarantees under the Wft (*Besluit Bijzondere Prudentiële Maatregelen, beleggerscompensatie en Depositogarantie Wft*) on how to convert this to an annual contribution).

The document *Berekening bijdrage NRF 2017* (in Dutch only) in the downloads section explains this calculation in more detail.

### 3. How is the contribution to the SRF calculated?

The Single Resolution Board (SRB) in Brussels calculates the contributions of SRF institutions based on the data these institutions provide. Again, the balance sheet total is taken as the point of departure, and following the application of a number of deductibles it is risk-weighted. Generally, large and high-risk institutions must contribute more. EU Delegated Regulation (EU) 2015/63 explains the rules for calculation in detail, supplemented by Implementing Regulation (EU) 2015/81.

The document *Berekening bijdrage SRF 2017* (in Dutch only) in the downloads section explains this calculation in more detail.

### 4. What does the contribution cycle for 2017 look like?

All institutions that are obliged to contribute to the SRF have been informed of this. All institutions submitted their data in January, to allow the SRB to calculate their contributions. The NRF and SRF institutions were informed of their contribution for 2017 by the end of April. In June, DNB collected these contributions and transferred the SRF contributions to the SRB in Brussels.

### 5. Why was the contribution in 2017 higher or lower compared to 2016?

An institution's contribution may vary from one year to the next. For NRF institutions, this always results from higher or lower balance sheet totals or own funds.

The calculation for SRF institutions is more complex. There are three types of factors that affect the SRF contribution level:

- **Changes due to external factors** Certain external factors may affect the contribution level. For example, if the amount of covered deposits increases, more capital must be raised. In addition, the system in which

only the Dutch banks are risk-weighted is gradually being replaced by a system which includes all European banks.

- **Changes to an institution's data** If the size of an institution changes (i.e. changes to the balance sheet total), this may affect the contribution level. The same applies in the event of changes to its deductibles or the data determining the institution's risk factor.
- **Changes to other institutions' data** Since an institution's contribution also depends on its share in the total, changes to an institution's data will also affect the other institutions. If an institution's contribution is lowered, the other institutions must contribute more.

#### **6. Do DNB and the SRB disclose the institutions' contributions?**

DNB and the SRB do not disclose the institutions' contributions. However, institutions are free to disclose their own contribution.