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PRESS RELEASE

ECB SETS TOTAL SUPERVISORY FEES FOR 2016

- Supervisory fees for the banks to be €404 million for 2016
- 129 significant banks to pay 88.4%; 3,200 less significant banks to pay 11.6%
- Fees reflect a thorough analysis of the ECB's experiences over the first year of carrying out its supervisory tasks

The ECB has estimated that the total costs associated with its tasks for prudential supervision of the banking system for 2016 will be €404 million. This represents an increase of 23.9% on the amount invoiced in 2015.

Expenditure primarily consists of the direct expenses incurred by the ECB Banking Supervision directorates general and the Secretariat to the Supervisory Board in carrying out their work. Following a thorough analysis of the experiences gained during the first year of performing its supervisory tasks, the ECB decided that its supervisory resources had to be increased. Together with actions targeting specific areas that require additional supervisory attention, this results in higher costs for implementing the supervisory priorities set out at the beginning of 2016.

The increase in the number of ECB staff working on banking supervision is 160 full-time equivalents in 2016. It is expected that a further, albeit smaller, intake will be required for 2017. The additional staff requirements also entail somewhat higher premises costs. Other cost increases include those associated with the ECB's involvement in conducting the biennial stress test of the European Banking Authority and with the targeted review of internal models.

Since November 2014, the ECB has been progressively building up its organisational structures on the basis of very prudent estimates of its resource requirements, taking into account that these might need to be amended over time. The steady state of the ECB's total annual supervisory expenditures is expected to emerge in the medium term.

Individual fees for each bank will be determined according to the bank's importance and risk profile, using annual fee factors supplied by all supervised banks with a reference date of 31 December of the preceding year. The supervisory fee is set at the highest level of consolidation within Member States participating in the Single Supervisory Mechanism. It is the sum of a minimum fee component for all banks, reflecting 10% of the amount to be recovered, and a variable fee component for the allocation of the residual 90% of the costs. For the smallest significant banks, with total assets below €10 billion, the minimum fee component is halved.

Banks will receive their individual invoice notice in October 2016.

For media queries, please contact Ronan Sheridan, tel.: +49 69 1344 7416.

European Central Bank

Directorate General Communications, Global Media Relations Division

Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

Tel.: +49 69 1344 7455, E-mail: media@ecb.europa.eu

Website: www.ecb.europa.eu

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