

PRESS RELEASE

28 April 2017

ECB sets total supervisory fees at €425 million for 2017

- Supervisory fees for the banks to be €425 million for 2017
- Fees for banks not directly supervised by ECB lower than 2016 levels
- Fees include costs associated with ECB's review of internal models

The ECB has estimated that the total costs associated with its prudential supervision of the banking system for 2017 will be €425 million, an increase of about 10% compared with 2016. Fees for significant banks will amount to 92% of the total fees; and the remaining 8% will be paid by the less significant banks.

Expenditure relates to the different activities identified by the ECB as supervisory priorities for 2017. Predominantly, the increase relates to work associated with the targeted review of internal models (TRIM). TRIM is a multi-year project requiring substantial resources. Fees also reflect an increase in the number of ECB staff members working on banking supervision in 2017, following a decision of the Governing Council to increase the resources associated with the workload required for delivering on its supervisory responsibilities.

Given that the additional expenditure in 2017 will primarily result from work related to directly supervised banks, there is also a higher distribution of expenditure for horizontal tasks to these banks. Fees for indirectly supervised banks are therefore lower than what they were charged in 2016.

At the end of 2016 the ECB's expenditure on supervisory tasks stood at €382.2 million. This was lower than estimated, resulting in a surplus of €41.1 million compared with the expenditure estimated for 2016. In accordance with the ECB Regulation on supervisory fees, this surplus has been offset in full against estimated fees for 2017.

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 comprises 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 fee notices in October 2017.

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