

## Press release

23 March 2021

### ECB supervisory fees at €514.3 million for 2020

- 2020 fees of €514.3 million result from actual expenditure of €535.3 million minus the surplus carried over from 2019 and other adjustments
- COVID-19 pandemic led to reprioritisation of tasks, with costs largely in line with 2019
- Banks to pay fees in second quarter of 2021 after moving to ex post invoicing

The European Central Bank (ECB) announced today that it will charge banks total fees of €514.3 million for the 2020 fee period. Overall supervisory costs last year stood at €535.3 million, a very slight decrease of 0.3% compared with 2019. After adjusting for a surplus of €22.0 million carried forward from 2019 and a €1 million reimbursement for individual fees, the ECB will levy banks €514.3 million.

Following a [review in 2019](#), the ECB started to invoice supervisory fees ex post, charging banks based on actual costs incurred instead of estimated costs. The individual fees for 2020 will be collected in the second quarter of 2021. Banks directly supervised by the ECB will pay €476.5 million and those indirectly supervised will pay €37.8 million.

Initially the ECB had estimated costs of €603.7 million for 2020 supervisory activities, up 12% compared with costs in 2019. However, the coronavirus (COVID-19) pandemic led to a significant reprioritisation of activities, such as a reduction in regular bank visits and on-site inspections, as well as the postponement of the 2020 European Union-wide stress test led by the European Banking Authority. This resulted in lower than expected expenses for the year.

However, the decrease in operating expenditures was partially offset by the headcount increase approved for 2020 and a significant demand for shared information technology services, since most staff worked remotely.

In line with the ECB's commitment to greater transparency and accountability, the [ECB's Annual Report on supervisory activities](#) now shows granular information on the costs. Off-site supervision and monitoring, which includes the costs of the Joint Supervisory Teams, registered the highest

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expenditure in 2020 at €249.3 million. Policy, advisory and regulatory functions, including significance assessments, authorisations or cooperation with other agencies, stood at €130.6 million.

Meanwhile, costs for business travel decreased by more than 80% to €2.4 million in 2020. The ECB spent €30.4 million on consultancy services, less than half of the amount spent in 2019. This decrease is mainly due to the conclusion of the targeted review of internal models.

The ECB expects a gradual return to more normal activity levels this year, which is reflected in an estimated expenditure for 2021 of €594.5 million. The supervisory fees for 2021 will be levied on banks in the second quarter of 2022.

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## Notes

- The individual fee for each bank is determined on the basis of the bank's importance and risk profile, using annual fee factors for all supervised banks established in line with Article 10.3 of the [ECB Regulation on supervisory fees](#). 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 payable by all banks, accounting for 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 of €10 billion or less, the minimum fee component is halved, and for the smallest less significant banks, with total assets of €1 billion or less, the minimum fee component is halved.
- Following a review in 2019, the ECB updated the supervisory fee framework and moved to ex post invoicing. This means that banks will from now be invoiced based on actual costs incurred by the supervisor rather than estimated costs. Therefore, supervisory fees will equal costs of supervision, which are detailed in the ECB Annual Report on supervisory activities published every year on the ECB Banking Supervision website.

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