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Ms Aurore Lalucq
Chair of the Committee on Economic
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European Parliament
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Technical data on financial stability impact of digital euro and assessment of bank investment costs

Dear Chair, dear Ms Lalucq,

It is my pleasure to share with you today two analyses on the digital euro: i) technical data on financial stability impact of digital euro, and ii) an assessment of bank investment costs in relation to the digital euro. In providing these analyses, we also respond to recent requests from the co-legislators that have emerged during the ongoing legislative negotiations on the single currency package.

Following a dedicated technical seminar on financial stability and the digital euro holding limits organised by the European Parliament rapporteur for the digital euro regulation on 17th July 2025 in which the ECB presented the ongoing work on the development of the methodology for calibrating the digital euro holding limits¹, the ECB received a request by the rapporteur for technical data related to the potential financial stability impact of alternative digital euro holding limits. In response, the ECB has produced a technical analysis that estimates impacts across the specified hypothetical limits which you can find attached to this letter. The information requested by the rapporteur encompassed a range of hypothetical holding limits — up to €3,000 per individual — asking to quantify the potential impacts of each limit on certain key indicators.² Please note that the analysis should be read solely as a technical response to a specific request and not as the outcome of the ECB's full

¹ The ECB has been working with experts from national central banks and national competent authorities, as well as with market stakeholders, to develop a comprehensive methodology for calibrating the digital euro holding limits. It is based on the three pillars set out in the draft legislation – usability, monetary policy and financial stability. Euro Retail Payments Board member associations shared their views on the factors influencing the holding calibration, which were incorporated into the development process and presented in December. The ECB also informed EU counterparts at the time. See ECB (2024), "[Preliminary methodology for calibrating holding limits](#)", 10 December.

² The analysis requested focuses on certain key indicators, including changes in bank deposits (absolute change in sight deposits), core liquidity metrics (Liquidity Coverage Ratio and Net Stable Funding Ratio), banking profitability (return on equity and return on assets), and lending dynamics (loan book growth and loan-to-deposit ratio).

methodological process nor as the ECB's position on an appropriate level for holding limits. At the same time, these findings confirm that, as I mentioned earlier this year in my hearing before the ECON Committee, using the digital euro for daily payments will not harm financial stability.

In addition, further to the recently published reports on the findings from the digital innovation platform and of the selection of digital euro providers, we are publishing today a Eurosystem assessment of the digital euro investment cost for the euro area banking sector. The assessment identifies a range of €4 billion to €5.8 billion (1 bn to €1.44 bn annually over four years), close to the European Commission's 2023 impact assessment and is comparable to previous initiatives such as the Payment Services Directive (PSD2), while remaining well below the estimated implementation costs for the Single Euro Payments Area (SEPA). Overall, the annual costs (over four years) correspond to approximately 3.4% of significant banks' annual IT upgrade budgets. This assessment provides a reference point for evidence-driven discussions and a constructive dialogue with the banking industry towards the shared goal of minimising digital euro investment efforts, by leveraging synergies in investment costs, for example through central or specialised service providers that can serve multiple banks and reduce redundancies in implementation efforts.

I would be grateful if you could share the letters and the two annexes with members of the ECON Committee and in particular the members of the Parliament's negotiating team on the single currency package. The ECB continues to stand ready to provide technical expertise throughout the legislative discussions, and to further engage with the negotiating team and present the findings of the attached reports, to facilitate swift progress. I look forward to continuing our collaboration.

Yours sincerely,

[signed]