

11. Overhead costs

	Year ended 31 December	
	2017	2016
Staff-related expenses	(902 879)	(876 705)
Material costs, including:	(705 197)	(671 314)
- logistics cost	(358 892)	(337 722)
- IT costs	(151 898)	(146 112)
- marketing costs	(112 099)	(121 965)
- consulting costs	(70 011)	(53 329)
- other material costs	(12 297)	(12 186)
Taxes and fees	(23 169)	(22 836)
Contributions and transfers to the Bank Guarantee Fund	(180 076)	(161 748)
Contributions to the Social Benefits Fund	(7 628)	(7 040)
Total overhead costs	(1 818 949)	(1 739 643)

In 2016, the costs in the item "Contribution and transfers to the Bank Guarantee Fund" has been caused by mBank and mBank Hipoteczny being obliged to contribute in the amount of PLN 10 936 thousand via the BFG fund in the bail-out of Bank Spółdzielczy w Nadarzynie depositors.

The item "Material costs" includes operating lease payment costs of tangible assets (mainly real estate) of PLN 28 566 thousand (2016: PLN 29 133 thousand).

Staff-related expenses in 2017 and 2016 are presented below.

	Year ended 31 December	
	2017	2016
Wages and salaries	(738 705)	(720 132)
Social security expenses	(118 570)	(112 534)
Employee contributions related to post-employment benefits	(702)	(700)
Remuneration concerning share-based payments, including:	(9 703)	(11 408)
- share-based payments settled in options on mBank S.A. shares	(8 700)	(9 088)
- cash-settled share-based payments	(1 003)	(2 320)
Other staff expenses	(35 199)	(31 931)
Staff-related expenses, total	(902 879)	(876 705)

Cash-settled share-based payments relate to the cost of 2008 incentive programme for the Management Board Members of the Bank in its part based on Commerzbank shares as well as incentive programmes existing in the Group entities. Detailed information regarding incentive programmes to which share-based payments relate, is included under the Note 46 "Share-based incentive programmes".