



EUROPEAN CENTRAL BANK

EUROSYSTEM

PRESS RELEASE

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Financial statements of the ECB for 2018

- ECB profit increased by €0.3 billion to €1.6 billion in 2018 (2017: €1.3 billion) and is distributed in full to national central banks
- Net interest income on securities held for monetary policy purposes: €1.2 billion (2017: €1.1 billion)
- ECB's Balance Sheet grew to €447 billion (2017: €414 billion)

The European Central Bank's (ECB's) audited financial statements for 2018 show that the **profit for the year increased by €301 million, to €1,575 million**, mainly as a result of higher net interest income earned on the US dollar portfolio and on the [asset purchase programme \(APP\)](#) portfolio.

Net interest income totalled €2,277 million in 2018 (2017: €1,812 million). Net interest income on foreign reserve assets increased to €862 million (2017: €534 million) owing to higher interest income earned on the US dollar portfolio. Net interest income arising from the APP increased by €245 million, to €820 million, as a result of the continuing securities purchases under this programme and the higher yields of the securities acquired during the year compared to the historical yield of the portfolio. Conversely, as a result of redemptions, net interest income earned under the Securities Markets Programme (SMP) decreased to €384 million (2017: €447 million). The ECB's interest income from its SMP holdings of Greek government bonds amounted to €127 million (2017: €154 million).

Realised losses arising from financial operations amounted to €77 million (2017: realised gains €161 million), owing to realised price losses generated in the US dollar portfolio.

Write-downs amounted to €69 million (2017: €105 million), primarily as a result of a decrease in the market value of a number of securities held in the US dollar portfolio alongside an increase in the corresponding yields.

Impairment tests are conducted on the securities held by the ECB in its monetary policy portfolios, which are valued at amortised cost (subject to impairment). Based on the results of these tests, no impairment losses have been recorded for these portfolios.

The **fees charged to supervised entities amounted to €518 million** (2017: €437 million). These fees are charged in order to recover expenses incurred by the ECB in the performance of its supervisory

tasks. The increase in 2018 relates predominantly to work associated with comprehensive assessments and EBA stress testing.

Total staff costs decreased to **€515 million** (2017: €535 million) owing to a non-recurring charge included in 2017 in relation to post-employment, other-long term and termination benefits for ECB staff.

Other administrative expenses increased to **€599 million** (2017: €539 million), mainly owing to the increase in expenses related to the ECB's supervisory tasks.

The ECB's net profit is distributed to the euro area national central banks (NCBs). **The Governing Council decided to make an interim profit distribution, amounting to €1,191 million, to the euro area NCBs on 31 January 2019.** At yesterday's meeting, the Governing Council decided to **distribute the remainder of the profit, amounting to €384 million, on 22 February 2019.**

The total size of the ECB's Balance Sheet increased by 8% to €447 billion (2017: €414 billion). This increase was mainly due to the securities purchased under the APP.

The continuing purchases of securities under the APP led to an increase in the **consolidated balance sheet of the Eurosystem**, which rose by 5% to €4,702 billion (2017: €4,468 billion). The Eurosystem's holdings of securities held for monetary policy purposes increased by €265 billion to €2,651 billion (2017: €2,386 billion). The APP holdings increased by €284 billion to €2,570 billion, while securities held under the first two covered bond purchase programmes and the SMP declined by €2 billion and €16 billion respectively owing to redemptions.

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Notes:

- (1) Further details on the financial accounting and reporting policies of the ECB and the Eurosystem and on the ECB's annual accounts can be found on the ECB's website under the [Accounting and reporting](#) and [Annual accounts](#) sections, respectively.
- (2) *Eurosystem SMP holdings*: The table below presents the breakdown by issuer country of the outstanding amounts of the Eurosystem's SMP holdings as at 31 December 2018.

Total Eurosystem SMP holdings by issuer country as at 31 December 2018

Issuer country	Nominal amount (EUR billions)	Book value^[1] (EUR billions)	Average remaining maturity (years)
Ireland	5.8	5.7	1.7
Greece	8.3	7.8	2.1
Spain	14.2	14.2	1.7
Italy	40.7	40.2	1.5
Portugal	5.3	5.3	1.6
Total^[2]	74.3	73.1	1.7

^[1] SMP holdings are valued at amortised cost.

^[2] Totals may not add up due to rounding.