



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

20 February 2020

## Financial statements of the ECB for 2019

- ECB profit increased by €0.8 billion to €2.4 billion in 2019 (2018: €1.6 billion) and is distributed in full to national central banks
- Net interest income on securities held for monetary policy purposes: €1.4 billion (2018: €1.2 billion)
- ECB's Balance Sheet grew to €457 billion (2018: €447 billion)

The European Central Bank's (ECB's) audited financial statements for 2019 show that the **profit for the year increased by €790 million, to €2,366 million**, mainly as a result of higher income earned on the US dollar portfolio and on the [asset purchase programme](#) (APP) portfolio.

**Net interest income totalled €2,686 million** in 2019 (2018: €2,277 million). Net interest income on foreign reserve assets increased to €1,052 million (2018: €862 million), owing to higher interest income earned on the US dollar portfolio. Net interest income arising from the APP increased by €316 million, to €1,136 million, mainly as a result of higher average holdings and a higher average yield in the public sector purchase programme (PSPP) during the year compared to 2018. Conversely, as a result of redemptions, net interest income earned under the Securities Markets Programme (SMP) decreased to €291 million (2018: €384 million).

**Realised gains arising from financial operations amounted to €197 million** (2018: realised losses €77 million), owing to realised price gains on US dollar-denominated securities, as the decrease in US dollar bond yields during the year had a positive impact on their market value.

**Write-downs amounted to €20 million** (2018: €69 million), mainly stemming from unrealised price losses on a number of securities held in the own funds and US dollar portfolios.

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.

**Supervisory fee income**, derived from fees charged to recover expenses incurred by the ECB in the performance of its supervisory tasks, **amounted to €537 million** (2018: €518 million). The increase in 2019 relates to the higher average number of staff in banking supervision.

**Total staff costs** increased to **€566 million** (2018: €515 million) as a result of the higher average number of staff in 2019, predominately in banking supervision, and higher charges in relation to other long-term

benefits arising from the actuarial valuation at the end of 2019. **Other administrative expenses** decreased to **€590 million** (2018: €599 million), mainly owing to a decrease in expenses related to agency and external consultancy support services.

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 €1,431 million, to the euro area NCBs on 31 January 2020.** At yesterday's meeting, the Governing Council decided to **distribute the remainder of the profit, amounting to €935 million, on 21 February 2020.**

**The total size of the ECB's Balance Sheet** increased by 2% to €457 billion (2018: €447 billion). This increase was mainly due to the rise in the market value of the ECB's foreign reserve assets, owing to an increase in the price of gold and the appreciation of the US dollar and the Japanese yen vis-à-vis the euro during the year, and an increase in the value of euro banknotes in circulation.

At the end of 2019 the size of the **consolidated balance sheet of the Eurosystem**, which comprises assets and liabilities of the euro area NCBs and of the ECB vis-à-vis third parties, stood at €4,673 billion (2018: €4,703 billion). The slight decrease compared to the previous year was due to the decline in the Eurosystem refinancing operations, which was largely due to voluntary early repayments in the second series of targeted longer-term refinancing operations (TLTRO II). The Eurosystem's holdings of securities held for monetary policy purposes decreased by €19 billion to €2,632 billion (2018: €2,651 billion). The APP holdings increased by €10 billion to €2,579 billion, while securities held under the first two covered bond purchase programmes (CBPP1 and CBPP2) and the SMP declined by €4 billion and €25 billion, respectively, owing to redemptions.

**For media queries, please contact [William Lelieveldt](#), tel.: +49 69 1344 7316.**

**Notes:**

- 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.
- As of this year, the breakdown of total Eurosystem SMP holdings by issuer country is published on the ECB's website under the [Asset purchase programme](#) section.