

Press release

17 February 2022

Financial statements of the ECB for 2021

- ECB profit €0.2 billion (2020: €1.6 billion) after €0.6 billion transfer to provision for financial risks
- Profit distributed to euro area national central banks
- Net interest income on securities held for monetary policy purposes €1.0 billion (2020: €1.3 billion)
- ECB's Balance Sheet grows to €680 billion (2020: €569 billion)

The European Central Bank's (ECB's) audited financial statements for 2021 show that **profit for the year was €192 million** (2020: €1,643 million). The €1,452 million decrease compared to the previous year was mainly due to lower income from foreign reserve assets and from securities held for monetary policy purposes, as well as a transfer to the provision for financial risks. The Governing Council decided to transfer €610 million to the provision for financial risks in response to higher risk exposure stemming mainly from the continued purchases of monetary policy securities.

Net interest income totalled €1,566 million in 2021 (2020: €2,017 million). Net interest income on foreign reserve assets decreased to €197 million (2020: €474 million) owing to lower interest income earned on the US dollar portfolio. Net interest income arising from securities held for monetary policy purposes decreased to €1,006 million (2020: €1,337 million), mainly owing to negative interest income from the pandemic emergency purchase programme (PEPP).

Write-downs amounted to €133 million (2020: €26 million), mainly stemming from unrealised price losses on securities held in the US dollar and own funds 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.

Total staff costs increased to €674 million (2020: €646 million) as a result of higher costs relating to post-employment benefits arising from the annual actuarial valuation and the higher average number of staff. **Other administrative expenses increased to €564 million** (2020: €553 million), mainly owing to an increase in property maintenance expenses.

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Directorate General Communications, Global Media Relations Division
Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, email: media@ecb.europa.eu, website: www.ecb.europa.eu

Supervisory fee income, derived from fees charged to recover expenses incurred by the ECB in the performance of its supervisory tasks, **amounted to €578 million** (2020: €535 million). The increase in 2021 was driven by the continuing development of banking supervision-related IT systems and higher staff costs.

The ECB's profit is distributed to the euro area national central banks (NCBs). **The Governing Council decided to make an interim profit distribution of €150 million on 31 January 2022**. At yesterday's meeting, the Governing Council decided to **distribute the remainder of the profit, amounting to €42 million, on 18 February 2022**.

The total size of the ECB's Balance Sheet increased by €111 billion to €680 billion (2020: €569 billion). This increase was mainly due to securities purchased under the PEPP and the asset purchase programme (APP).

At the end of 2021 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 €8,566 billion (2020: €6,978 billion). The growth compared to the previous year was mainly due to securities purchased under the PEPP and the APP and the increase in Eurosystem refinancing operations as a result of the third series of targeted longer-term refinancing operations (TLTRO III).

The Eurosystem's holdings of securities held for monetary policy purposes rose by €1,019 billion to €4,713 billion (2020: €3,694 billion). The APP holdings increased by €214 billion to €3,123 billion and the PEPP holdings increased by €827 billion to €1,581 billion.

For media queries, please contact [William Lelieveldt](mailto:media@ecb.europa.eu), tel.: +496913447316.

Notes:

- The numbers presented may not add up due to rounding.
- 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 in [Decision \(EU\) 2016/2247 of the ECB of 3 November 2016 on the annual accounts of the ECB \(ECB/2016/35\) \(OJ L 347, 20.12.2016, p. 1\)](#) and [Guideline \(EU\) 2016/2249 of the European Central Bank of 3 November 2016 on the legal framework for accounting and financial reporting in the European System of Central Banks \(ECB/2016/34\) \(OJ L 347, 20.12.2016, p. 37\)](#) and on the [ECB's website](#).
- A breakdown of total Eurosystem SMP holdings by issuer country is published on the ECB's website under the [Asset purchase programmes](#) section.

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