

# Press release

18 February 2021

## Financial statements of the ECB for 2020

- ECB profit amounted to €1.6 billion (2019: €2.4 billion) and is distributed in full to national central banks
- Net interest income on securities held for monetary policy purposes: €1.3 billion (2019: €1.4 billion)
- ECB's Balance Sheet grew to €569 billion (2019: €457 billion)

The European Central Bank's (ECB's) audited financial statements for 2020 show that the **profit for the year was €1,643 million** (2019: €2,366 million). The €722 million decrease compared to the previous year was mainly due to lower net interest income on foreign reserve assets and on securities held for monetary policy purposes. Following a decision by the Governing Council, there was also a transfer of €48 million to the ECB's provision for financial risks, which reduced the ECB's profit by an equivalent amount.

**Net interest income totalled €2,017 million** in 2020 (2019: €2,686 million). Net interest income on foreign reserve assets decreased to €474 million (2019: €1,052 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 €1,337 million (2019: €1,447 million), mainly due to lower interest income on the Securities Markets Programme (SMP) as a result of redemptions.

**Realised gains arising from financial operations increased to €342 million** (2019: €197 million). The increase was mainly due to higher price gains on sales of US dollar-denominated securities, as the decrease in US dollar bond yields in 2020 had a positive impact on their market value.

**Write-downs amounted to €26 million** (2019: €20 million), mainly stemming from unrealised price losses on securities held in the US dollar portfolio and unrealised exchange rate losses arising from the Chinese renminbi holding.

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.

### European Central Bank

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**Total staff costs** increased to **€646 million** (2019: €566 million) as a result of the higher average number of staff in 2020, predominately in banking supervision, and higher charges in relation to post-employment benefits arising from the actuarial valuation at the end of 2020. **Other administrative expenses** decreased to **€553 million** (2019: €590 million), mainly owing to a decrease in expenses related to external consultancy support and business travel.

**Supervisory fee income**, derived from fees charged to recover expenses incurred by the ECB in the performance of its supervisory tasks, **amounted to €535 million** (2019: €537 million). The slight decrease in 2020 was driven by the lower administrative expenses in relation to supervisory tasks, which more than offset the higher staff costs as a result of the higher average number of staff working in banking supervision.

The ECB's profit is distributed to the euro area national central banks (NCBs). **The Governing Council decided to make an interim profit distribution, amounting to €1,260 million, to the euro area NCBs on 29 January 2021.** At yesterday's meeting, the Governing Council decided to **distribute the remainder of the profit, amounting to €383 million, on 19 February 2021.**

**The total size of the ECB's Balance Sheet** increased by €112 billion to €569 billion (2019: €457 billion). This increase was mainly due to the securities purchased under the pandemic emergency purchase programme (PEPP) and the asset purchase programme (APP).

At the end of 2020 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 €6,979 billion (2019: €4,671 billion). The growth compared to the previous year was mainly due to the increase in Eurosystem refinancing operations, as a result of the third series of targeted longer-term refinancing operations (TLTRO III), and the securities purchased under the PEPP and the APP.

The Eurosystem's holdings of securities held for monetary policy purposes rose by €1,063 billion to €3,695 billion (2019: €2,632 billion). The APP holdings increased by €330 billion to €2,909 billion and the PEPP purchases amounted to €754 billion.

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#### 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](#)

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[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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