



EUROPEAN CENTRAL BANK

EUROSYSTEM

ECB-PUBLIC

Christine LAGARDE

President

Mr Luis Garicano
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 24 July 2020

L/CL/20/209

Re: Your letter (QZ-037)

Honourable Member of the European Parliament, dear Mr Garicano,

Thank you for your letter, which was passed on to me by Ms Irene Tinagli, Chair of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 29 May 2020.

In the context of the current discussion on the EU recovery fund and its financing, you ask for data on the investor base of euro area sovereign bonds and of debt issued by EU supranational institutions, including the European Financial Stabilisation Mechanism (EFSM), European Stability Mechanism (ESM) and European Investment Bank (EIB), to better understand the potential demand for increased bond issuance.

In response to your questions, please see the annex for a table with the information available at the end of 2019. The table reports the share (as a percentage of the total amount outstanding) of euro area investors' holdings of debt securities that are issued by euro area sovereigns (i.e. the central government sector of euro area countries), the EU, the EIB, the European Financial Stability Facility (EFSF) and the ESM. These holdings are broken down by investor sector (banks, insurance corporations and pension funds, non-money market investment funds and other investors) and by residual maturity (following the requested breakdown of less than 30 years and 30 years or more).

Please note that your request for data on the holdings of bonds issued by the EFSM alone cannot be accommodated as the ECB cannot identify these issuances at granular level, since they are reported as EU issuances. Nevertheless, the holdings of EU issuances have been added to the table, including issuances of

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the European Atomic Energy Community (Euratom), joint issuances of the EU and Euratom, and issuances of the EU including the EFSM. Please also note that, in addition to data for the requested EU supranational institutions, holdings of bonds issued by the EFSF have also been included in the table.

The ECB collects information on the securities holdings of euro area investors on a quarterly basis through its securities holdings statistics.¹ We cannot provide information for non-euro area investors as such data are only partially and indirectly collected.

Data provided in the annex are not published on a regular basis by the ECB, but can be publicly used.

Yours sincerely,

[signed]

Christine Lagarde

¹ The legal basis for collecting securities holdings statistics data is laid down in [Regulation ECB/2012/24](#) and subsequent amendments. Further details can be found on the [ECB website](#).

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Annex

Table 1 – Share of holding amount as a percentage of the amount outstanding (reference date: end of Q4 2019)

| Share of holding amount ⁱ over amount outstanding | | Issuer | | | | | Weighted average ⁱⁱ |
|--|---|--------------|--------------|--------------|-----------------------------|--------------|--------------------------------|
| | | EFSF | EIB | ESM | EU issuances ⁱⁱⁱ | Sovereign | |
| Euro area sector and residual maturity breakdown | Banks | 17.0% | 8.3% | 16.5% | 14.9% | 14.4% | 14.1% |
| | - Bonds with residual maturity above or equal to 30 years | 0.2% | 0.0% | 0.1% | 0.0% | 0.1% | 0.1% |
| | - Bonds with residual maturity below 30 years | 16.8% | 8.3% | 16.4% | 14.9% | 14.3% | 14.0% |
| | Insurance corporations and pension funds | 12.5% | 8.8% | 8.2% | 17.9% | 20.7% | 19.6% |
| | - Bonds with residual maturity above or equal to 30 years | 1.6% | 0.1% | 1.5% | 0.0% | 0.8% | 0.7% |
| | - Bonds with residual maturity below 30 years | 10.9% | 8.7% | 6.7% | 17.9% | 19.9% | 18.8% |
| | Investment funds | 8.9% | 4.2% | 6.3% | 8.1% | 9.6% | 9.2% |
| | - Bonds with residual maturity above or equal to 30 years | 0.7% | 0.0% | 0.7% | 0.0% | 0.4% | 0.4% |
| | - Bonds with residual maturity below 30 years | 8.2% | 4.2% | 5.6% | 8.1% | 9.2% | 8.8% |
| | Other euro area investors | 1.4% | 3.9% | 2.0% | 3.8% | 7.0% | 6.6% |
| | - Bonds with residual maturity above or equal to 30 years | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.1% |
| | - Bonds with residual maturity below 30 years | 1.4% | 3.9% | 2.0% | 3.8% | 6.9% | 6.5% |
| | Euro area investors | 39.8% | 25.2% | 33.0% | 44.7% | 51.7% | 49.5% |

ⁱ Eurosystem holdings are not included; holding amount in nominal value.

ⁱⁱ Weighted arithmetic average over the issuer categories, i.e. the EFSF, the EIB, the ESM, EU issuances and the central government sector of euro area countries ("Sovereign").

ⁱⁱⁱ Joint issuances of the EU and Euratom, issuances of Euratom and issuances of the EU including the EFSM.

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