



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Christine LAGARDE
President

Ms Manon Aubry
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt am Main, 28 May 2021

L/CL/21/118

Re: Your letter (QZ-021)

Honourable Member of the European Parliament, dear Ms Aubry,

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 31 March 2021.

In response to your question on the amount paid by the French government to the Eurosystem in debt servicing costs each year over the past five years, let me first highlight that the purchases of debt securities by the Eurosystem under the public sector purchase programme (PSPP) – as well as under the pandemic emergency purchase programme (PEPP) – are conducted in a decentralised manner. More specifically, the PSPP is coordinated centrally by the European Central Bank (ECB) but implemented in a decentralised fashion, with purchases by national central banks (NCBs) being carried out in accordance with a specialisation scheme whereby each NCB restricts its activity to domestic bonds issued by central, regional and local governments and recognised agencies. The vast majority (as stated in article 6 of the decision ECB/2020/09) of French government bonds purchased by the Eurosystem is therefore bought and held by the Banque de France (BdF). The interest income from these French government bond holdings accrues to the BdF and is not shared with the other NCBs. The remaining share of French government bonds purchased by the Eurosystem is bought and held by the ECB.

With regard to the interest income generated from the debt securities held by the ECB, the aggregate net interest income arising from debt securities held for monetary policy purposes is published for each of the

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asset purchase programmes in its Annual Accounts¹. For instance, in 2020 net interest income amounted to €1,184 million for the asset purchase programme (APP) and -€41 million for the PEPP. However, the ECB does not communicate information on the net interest income of debt securities held for monetary policy purposes by specific issuing country.²

Further information on purchases of public sector debt securities by the Eurosystem, such as cumulative net purchases under each programme, are publicly available on the ECB's website, including a breakdown by jurisdiction.³ With respect to France, the cumulative net purchases of public sector debt securities⁴ amounted to €495 billion for the PSPP as of April 2021 and €158 billion for the PEPP as of end-March 2021.⁵

Yours sincerely,

[signed]

Christine Lagarde

¹ For further information, see, for example, section 1.3.3 Profit and Loss Account in the Annual Accounts of the ECB 2020, available at: <https://www.ecb.europa.eu/pub/pdf/annrep/ecb.annualaccounts2020~0508aea2f9.en.pdf>.

² Please note that the provisions for the publication and dissemination of data relating to the public sector asset purchase programme are outlined under Article 8 of Decision (EU) 2020/188 of the European Central Bank of 3 February 2020 on a secondary markets public sector asset purchase programme (ECB/2020/9), OJ L 39, 12.2.2020, p. 12-18, available at: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32020D0188>.

³ For further information, see <https://www.ecb.europa.eu/mopo/implement/app/html/index.en.html> and <https://www.ecb.europa.eu/mopo/implement/pepp/html/index.en.html>.

⁴ Please note that public sector debt securities held by national central banks include bonds issued by national public agencies and bonds issued by regional and local governments, in addition to central government securities. They also include securities issued by supranational institutions.

⁵ For further information, see <https://www.ecb.europa.eu/mopo/implement/app/html/index.en.html#pspp>.

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