

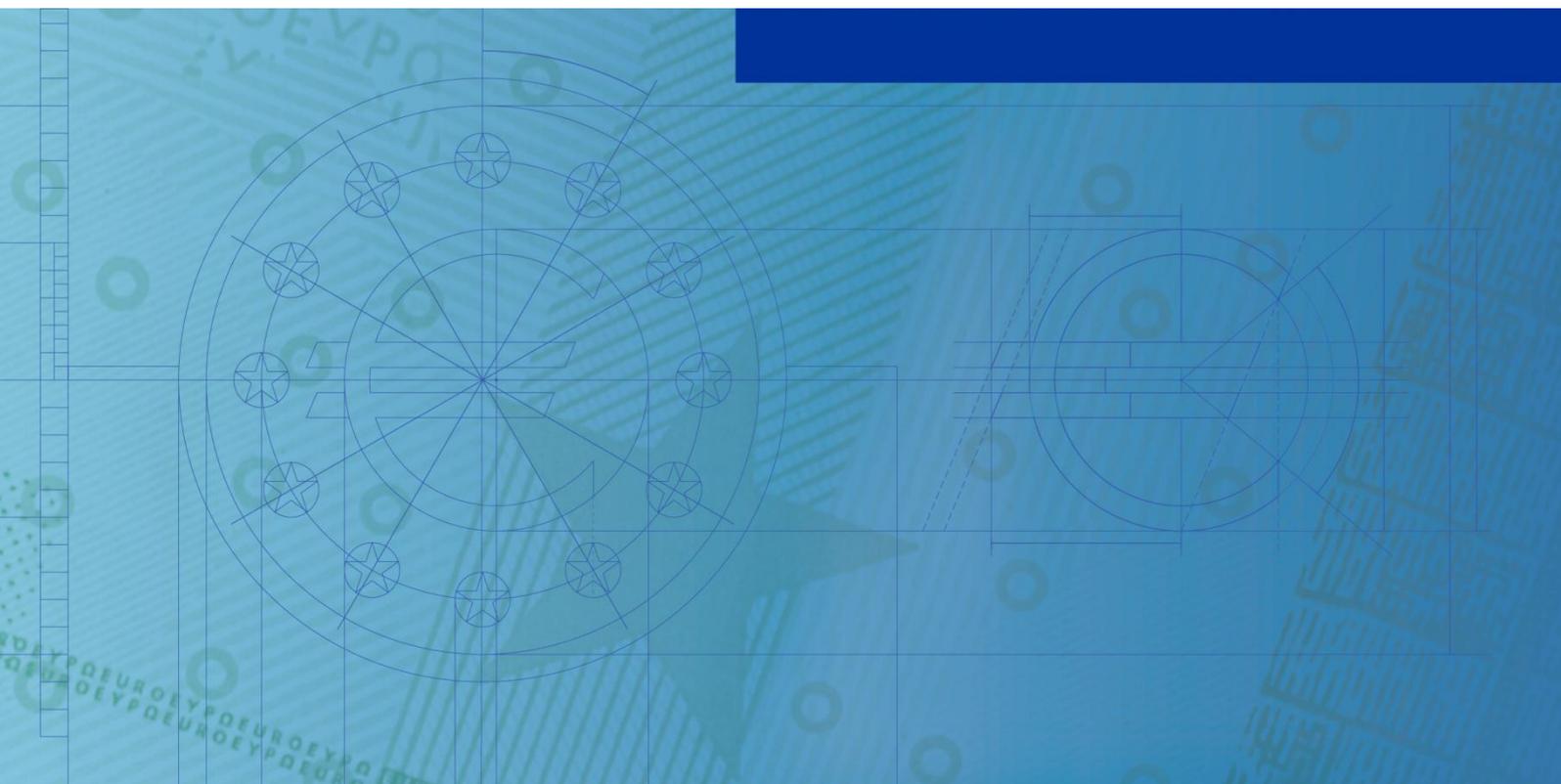


EUROPEAN CENTRAL BANK

EUROSYSTEM

# Annual Accounts of the ECB

2025



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# Key figures

**€603.3 billion**



## Balance sheet

The ECB's balance sheet contracted by €37.3 billion in 2025, mainly owing to the decline in monetary policy securities, as the Eurosystem no longer reinvested principal payments from maturing securities under the APP and the PEPP.

**€1,254 million**



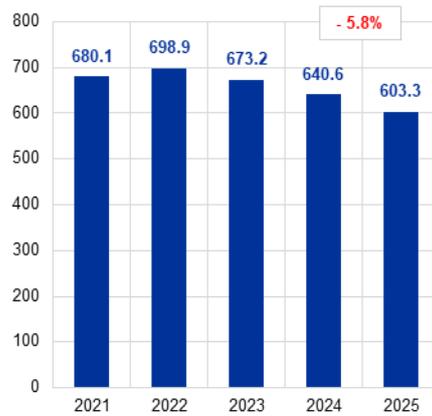
## Loss for the year

The ECB's loss was significantly lower in 2025 than in 2024, mainly owing to a decrease in the interest expense resulting from the net TARGET liability.

The 2025 loss, like the losses from the previous two years, will remain on the ECB's balance sheet to be offset against future profits.

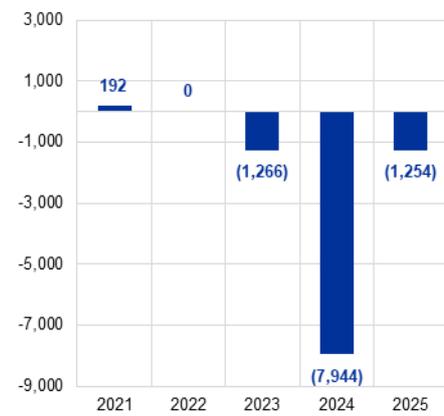
## Balance sheet

(EUR billions)



## Profit/(loss) for the year

(EUR millions)



# 1 Management report

## 1.1 Purpose of the ECB's management report

The management report is an integral part of the ECB's Annual Accounts and is designed to provide readers with contextual information related to the financial statements.<sup>1,2</sup> Given that the ECB's activities and operations are undertaken in support of its policy objectives, the ECB's financial position and result should be viewed in conjunction with its policy actions.

To this end, the management report presents the ECB's main tasks and activities, as well as their impact on its financial statements. Furthermore, it analyses the main developments in the balance sheet and the profit and loss account during the year and includes information on the ECB's net equity.<sup>3</sup> Finally, it describes the risk environment in which the ECB operates, providing information on the specific risks to which the ECB is exposed, and the risk management policies used to mitigate risks.

## 1.2 Main tasks and activities

The ECB is part of the Eurosystem, which, besides the ECB, comprises the national central banks (NCBs) of the Member States of the European Union (EU) whose currency is the euro.<sup>4</sup> The Eurosystem has the primary objective of maintaining price stability. The ECB performs its tasks as described in the Treaty on the Functioning of the European Union<sup>5</sup> and in the Statute of the European System of Central Banks and of the European Central Bank (Statute of the ESCB)<sup>6</sup> (Figure 1). The ECB conducts its activities in pursuit of its mandate and not with the intention of generating a profit.

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<sup>1</sup> Throughout this document, the numbers presented may not add up precisely to the totals and percentages may not precisely reflect the absolute figures owing to rounding.

<sup>2</sup> The "financial statements" comprise the balance sheet, the profit and loss account, a summary of significant accounting policies and other explanatory notes. The "Annual Accounts" comprise the financial statements, the management report, the independent auditor's report and the note on profit distribution/allocation of losses. Further details on the related [preparation and approval process](#) can be found on the ECB's website.

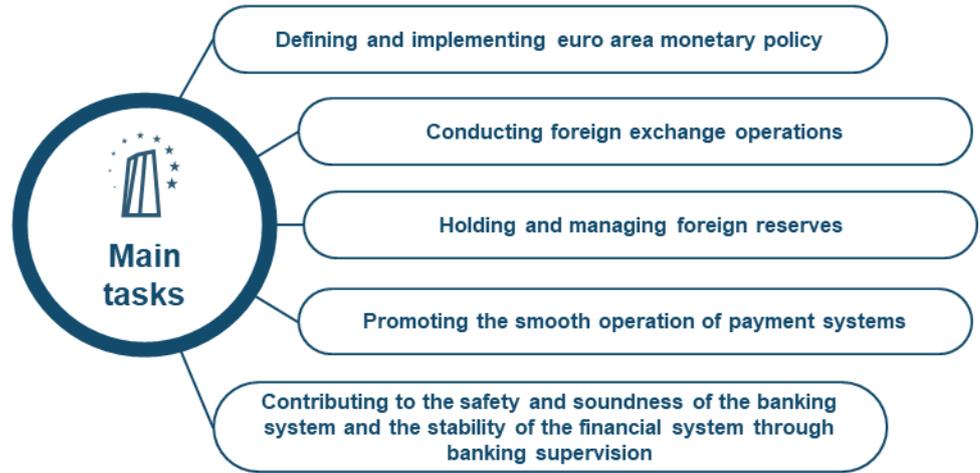
<sup>3</sup> For a definition of "net equity" as used in the preparation of the ECB's Annual Accounts, see Section 1.3.2 "Net equity".

<sup>4</sup> There were 20 NCBs in the Eurosystem in 2025. On 8 July 2025 the Council of the European Union formally approved the adoption of the euro by Bulgaria on 1 January 2026. As of that date, the number of NCBs in the Eurosystem increased to 21 with the addition of Българска народна банка (Bulgarian National Bank).

<sup>5</sup> [Consolidated version of the Treaty on the Functioning of the European Union](#) (OJ C 202, 7.6.2016, p. 1), as amended. The [unofficial consolidated text](#) with the list of amendments is also available.

<sup>6</sup> [Protocol \(No 4\) on the Statute of the European System of Central Banks and of the European Central Bank](#) (OJ C 202, 7.6.2016, p. 230). The European System of Central Banks (ESCB) comprises the ECB and the NCBs of all 27 EU Member States.

**Figure 1**  
The ECB's main tasks



Reflecting the principle of decentralised implementation of monetary policy in the Eurosystem, monetary policy operations are recorded in the financial statements of the ECB and the euro area NCBs. Some instruments included in the monetary policy operational framework of the Eurosystem are not used by the ECB and accordingly have no impact on the ECB's financial statements.<sup>7</sup>

Table 1 provides an overview of the ECB's key activities in the pursuit of its mandate and their impact on the ECB's financial statements.

<sup>7</sup> In line with the decentralised implementation of monetary policy, the instruments recorded in NCB balance sheets under "Lending to euro area credit institutions related to monetary policy operations denominated in euro" and "Liabilities to euro area credit institutions related to monetary policy operations denominated in euro" are used only by the NCBs. Further details on the [Eurosystem's monetary policy instruments](#) can be found on the ECB's website.

**Table 1****The ECB's key activities and their impact on its financial statements****Defining and implementing euro area monetary policy**

<b>Securities held for monetary policy purposes</b>	<p>Purchases of these securities were conducted by the ECB and the NCBs of the Eurosystem and recorded in the balance sheet under "Securities held for monetary policy purposes". The debt securities currently held are accounted for at amortised cost, subject to impairment.</p> <p>Coupon accruals and amortised premiums and discounts are included in the profit and loss account under either "Interest income" or "Interest expense", depending on whether the net amount is positive or negative.</p> <p>Realised gains and losses, if any, are included in the profit and loss account under "Realised gains/(losses) arising from financial operations".</p>
<b>Securities lending</b>	<p>Securities held for monetary policy purposes are available for lending by the Eurosystem.<sup>8</sup> For the ECB, securities lending operations are conducted via specialised institutions. These operations are recorded in the balance sheet under "Other liabilities to euro area credit institutions denominated in euro", "Liabilities to other euro area residents denominated in euro – Other liabilities" and "Liabilities to non-euro area residents denominated in euro" if collateral is provided in the form of cash and this cash remains uninvested. Otherwise, the related securities lending operations are recorded in off-balance-sheet accounts.</p> <p>Interest accruals are included in the profit and loss account as "Interest income" or "Interest expense".</p>
<b>Liquidity provision in foreign currency</b>	<p>The ECB acts as an intermediary between non-euro area central banks and euro area NCBs by means of swap transactions aimed at offering short-term foreign currency funding to Eurosystem counterparties.<sup>9</sup></p> <p>These operations are recorded in the balance sheet under "Liabilities to non-euro area residents denominated in euro" and "Claims related to TARGET (net)" / "Liabilities related to TARGET (net)", as well as in off-balance-sheet accounts.</p> <p>Interest accruals are included in the profit and loss account as "Interest income" or "Interest expense".</p>
<b>Liquidity provision to non-euro area central banks in euro</b>	<p>The Eurosystem may provide euro liquidity to non-euro area central banks by means of swap and repo transactions in exchange for eligible collateral.<sup>10</sup></p> <p>For the ECB, the swap operations are recorded in the balance sheet under "Claims on non-euro area residents denominated in foreign currency" and "Liabilities to non-euro area residents denominated in euro" or "Claims related to TARGET (net)" / "Liabilities related to TARGET (net)", as well as in off-balance-sheet accounts.</p> <p>Interest accruals are included in the profit and loss account as "Interest income" or "Interest expense".</p>

**Conducting foreign exchange operations, and holding and managing foreign reserves**

<b>Foreign exchange operations and management of foreign reserves</b>	<p>Foreign reserves are presented in the balance sheet mainly under "Gold and gold receivables", "Claims on non-euro area residents denominated in foreign currency" and "Claims on euro area residents denominated in foreign currency", while related liabilities, if any, are presented under "Liabilities to euro area residents denominated in foreign currency" and "Liabilities to non-euro area residents denominated in foreign currency". Foreign exchange transactions are reflected in off-balance-sheet accounts until the settlement date.</p> <p>Coupon accruals and amortised premiums and discounts are included in the profit and loss account as "Interest income" or "Interest expense".</p> <p>Unrealised price and exchange rate losses exceeding, at the year-end, previously recorded unrealised gains on the same items, and realised gains and losses arising from the sale of foreign reserves are also included in the profit and loss account under "Write-downs on financial assets and positions" and "Realised gains/(losses) arising from financial operations" respectively. Unrealised gains are recorded in the balance sheet under "Revaluation accounts".</p>
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<sup>8</sup> Further details on [securities lending](#) can be found on the ECB's website.

<sup>9</sup> Further details on [currency swap lines](#) can be found on the ECB's website.

<sup>10</sup> Further details on the Eurosystem's [euro liquidity-providing operations](#) against eligible collateral can be found on the ECB's website. The repo lines also described on the website are operated by the NCBs and, accordingly, have no impact on the ECB's financial statements.

## Promoting the smooth operation of payment systems

<p><b>Payment systems (TARGET)</b></p>	<p>Intra-Eurosystem balances of euro area NCBs vis-à-vis the ECB arising from TARGET are presented together in the balance sheet of the ECB as a single net asset or liability position under "Claims related to TARGET (net)" or "Liabilities related to TARGET (net)".<sup>11</sup> Intra-ESCB balances of non-euro area NCBs vis-à-vis the ECB arising from their participation in TARGET are recorded in the balance sheet under "Liabilities to non-euro area residents denominated in euro". Balances of ancillary systems connected to TARGET through the TARGET-ECB component are recorded in the balance sheet under "Liabilities to other euro area residents denominated in euro" or "Liabilities to non-euro area residents denominated in euro", depending on whether the managing entity is established in or outside the euro area.<sup>12</sup></p> <p>Interest accruals are included in the profit and loss account under "Interest income" or "Interest expense".</p>
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## Contributing to the safety and soundness of the banking system and the stability of the financial system through banking supervision

<p><b>Banking supervision – the Single Supervisory Mechanism (SSM)</b></p>	<p>The annual expenses of the ECB in relation to its supervisory tasks are recovered via annual supervisory fees levied on the supervised entities. The supervisory fees are included in the profit and loss account under "Net income/(expense) from fees and commissions".</p> <p>Furthermore, the ECB is entitled to impose administrative penalties on supervised entities for failure to comply with applicable EU banking law on prudential requirements (including ECB supervisory decisions). The related income is also recorded in the profit and loss account under "Net income/(expense) from fees and commissions".</p>
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## Other

<p><b>Banknotes in circulation</b></p>	<p>The ECB has been allocated an 8% share of the total value of euro banknotes in circulation. This share is backed by claims on the NCBs which are recorded in the balance sheet under "Claims related to the allocation of euro banknotes within the Eurosystem" and remunerated at the latest available interest rate applied to the deposit facility offered by the Eurosystem. The interest is included in the profit and loss account under "Interest income".</p> <p>Expenses arising from the cross-border transportation of euro banknotes between banknote printing works and NCBs, for the delivery of new banknotes, and between NCBs, for the compensation of shortages with surplus stocks, are borne centrally by the ECB. These expenses are presented in the profit and loss account under "Banknote production services".</p>
<p><b>Own funds portfolio</b></p>	<p>The own funds portfolio of the ECB is presented in the balance sheet, mainly under "Other financial assets".</p> <p>Coupon accruals and amortised premiums and discounts are included in the profit and loss account under "Interest income" or "Interest expense".</p> <p>Unrealised price losses exceeding, at the year-end, previously recorded unrealised price gains on the same items are also included in the profit and loss account under "Write-downs on financial assets and positions", while realised gains and losses arising from the sale of securities are included under "Realised gains/(losses) arising from financial operations".</p> <p>Unrealised price gains are recorded in the balance sheet under "Revaluation accounts".</p>

<sup>11</sup> Further details on [TARGET Services](#) can be found on the ECB's website.

<sup>12</sup> Ancillary systems are financial market infrastructures that have been granted access to the TARGET-ECB component by the Governing Council, provided they fulfil the requirements defined in [Decision \(EU\) 2022/911 of the European Central Bank of 19 April 2022 concerning the terms and conditions of TARGET-ECB and repealing Decision ECB/2007/7 \(ECB/2022/22\)](#) (OJ L 163, 17.6.2022, p. 1), as amended. The [unofficial consolidated text](#) with the list of amendments is also available. Further details on [ancillary systems](#) can be found on the ECB's website.

## 1.3 Financial developments

### 1.3.1 Balance sheet

Until 2022 the ECB's balance sheet continued to expand (Chart 1), primarily owing to outright purchases of securities by the ECB under the asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP) as part of the implementation of the Eurosystem's monetary policy.<sup>13</sup> The increase in 2022 was more moderate owing to the discontinuation of net purchases of securities under the PEPP and the APP as of the end of March 2022 and 1 July 2022 respectively. The balance sheet contracted in both 2023 and 2024, driven by a gradual decline in holdings under the APP as a result of the only partial reinvestment of principal payments from maturing securities between March and June 2023 and the complete discontinuation of such reinvestments as of July 2023. A gradual decline in holdings under the PEPP, owing to only partial reinvestment of principal payments in the second half of 2024, also contributed to the decrease in the ECB's balance sheet in that year. These reinvestments were discontinued at the end of 2024.

In 2025 the ECB's **balance sheet** contracted further, by €37.3 billion to €603.3 billion, again driven by redemptions of securities held under the APP and the PEPP. These redemptions resulted in a reduction in securities held for monetary policy purposes, while the cash settlement of these transactions via TARGET accounts led to a corresponding decline in intra-Eurosystem liabilities. That decline was only partially offset by cash outflows as a result of lower deposits placed with the ECB, which simultaneously resulted in a decrease in other liabilities.

**€37.3 billion**  
Decrease in the ECB's balance  
sheet

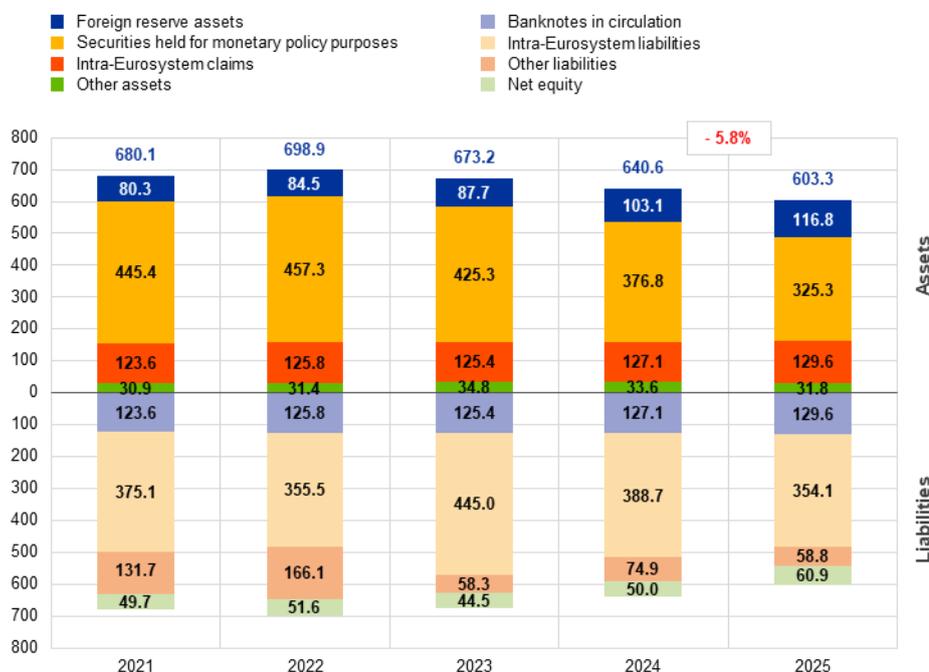
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<sup>13</sup> The APP consists of the third covered bond purchase programme (CBPP3), the asset-backed securities purchase programme (ABSPP), the public sector purchase programme (PSPP) and the corporate sector purchase programme (CSPP). The ECB did not acquire securities under the CSPP. All asset categories eligible for purchase under the existing APP were also eligible under the PEPP. Further details on the [asset purchase programme](#) and the [pandemic emergency purchase programme](#) can be found on the ECB's website.

**Chart 1**

**Main components of the ECB's balance sheet**

(EUR billions)



Source: ECB.

Note: For the purpose of preparing the ECB's Annual Accounts, the ECB's net equity consists of its paid-up capital, any amounts held in the provision for financial risks and the general reserve fund, the revaluation accounts (excluding the revaluation account for post-employment benefits), any accumulated losses from previous years and any profit/(loss) for the year. For information on the adjustments of the figures for 2023, see "Changes to presentation in the financial statements" in Section 2.3 "Accounting policies" of the ECB's Annual Accounts 2024.

**54%**  
Share of securities held for monetary policy purposes in total assets

**Euro-denominated securities held for monetary policy purposes** made up 54% of the ECB's total assets at the end of 2025. Under this balance sheet item, the ECB holds securities acquired in the context of the Securities Markets Programme (SMP), the third covered bond purchase programme (CBPP3), the asset-backed securities purchase programme (ABSPP), the public sector purchase programme (PSPP) and the pandemic emergency purchase programme (PEPP). The securities purchased under these programmes are valued at amortised cost, subject to impairment.

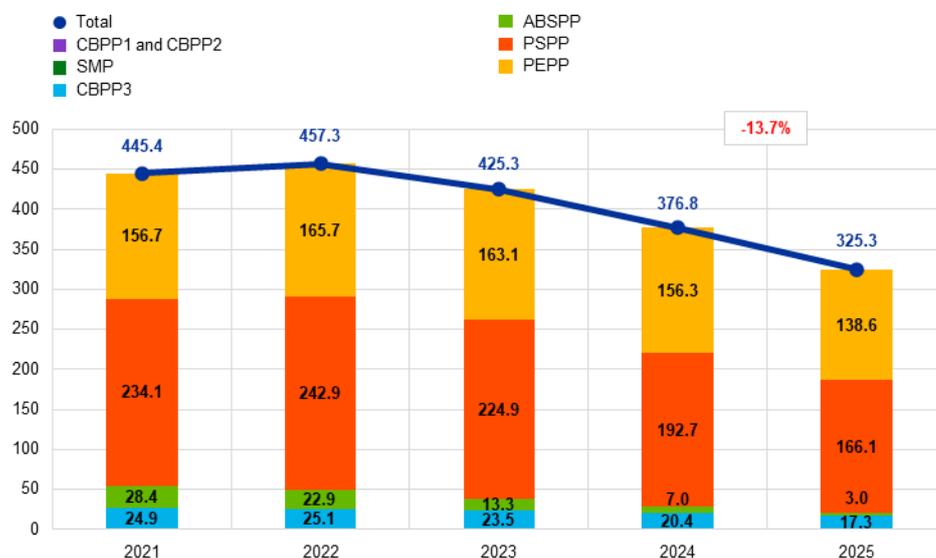
**€51.5 billion**  
Decrease in securities held for monetary policy purposes

Based on the relevant Governing Council decisions, the Eurosystem discontinued reinvestments of principal payments from maturing securities under the APP and the PEPP as of July 2023 and at the end of 2024 respectively. As a result of these decisions, securities held by the ECB for monetary policy purposes have been decreasing at a measured and predictable pace. In total, monetary policy portfolios declined by €51.5 billion to €325.3 billion in 2025 (Chart 2). The APP portfolio decreased by €33.7 billion to €186.5 billion, with the PSPP, ABSPP and CBPP3 holdings decreasing by €26.5 billion, €4.0 billion and €3.1 billion respectively. The PEPP portfolio fell by €17.8 billion to €138.6 billion.

## Chart 2

### Securities held for monetary policy purposes

(EUR billions)

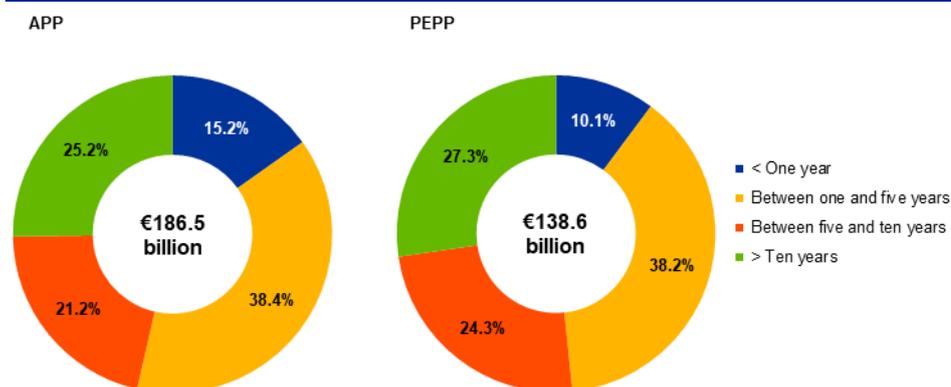


Source: ECB.

The securities held by the ECB under the APP and the PEPP at the end of 2025 had a diversified maturity profile (Chart 3).<sup>14</sup>

## Chart 3

### Maturity profile of the APP and the PEPP



Source: ECB.

Note: For asset-backed securities, the maturity profile is based on the weighted average life of the securities rather than the legal maturity date.

In 2025 the total euro equivalent value of the ECB's **foreign reserve assets**, which consist of gold, special drawing rights, US dollars, Japanese yen and Chinese renminbi, increased by €13.6 billion to €116.8 billion.

<sup>14</sup> More information about the maturity profiles of the [asset purchase programme](#) and the [pandemic emergency purchase programme](#) can be found on the ECB's website.

### €18.9 billion

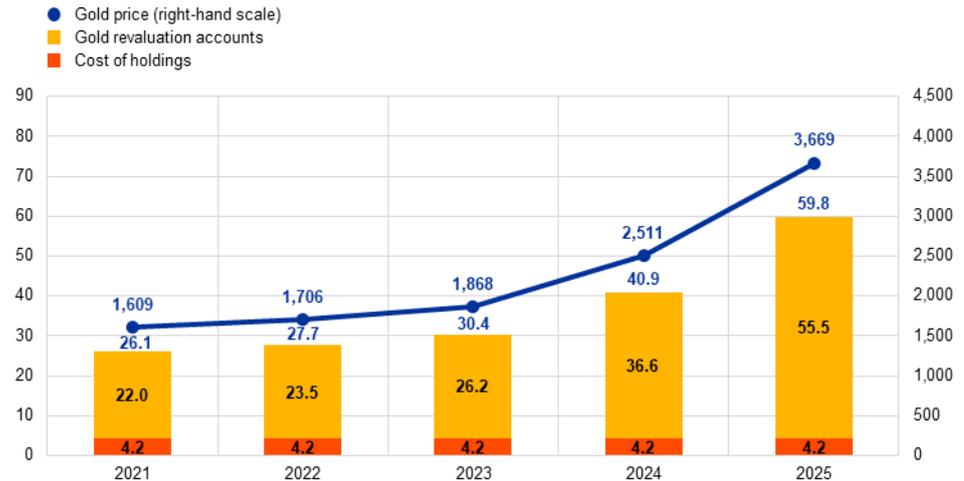
Increase in the value of the ECB's holdings of gold owing to the rise in the market price of gold

The euro equivalent value of the ECB's holdings of gold increased by €18.9 billion to €59.8 billion in 2025 (Chart 4) owing to the rise in the market price of gold in euro terms. This increase also led to an equivalent rise in the ECB's gold revaluation accounts (see Section 1.3.2 "Net equity").

### Chart 4

#### Gold holdings and gold prices

(left-hand scale: EUR billions; right-hand scale: euro per fine ounce of gold)



Source: ECB.

Note: "Gold revaluation accounts" does not include the contributions of the central banks of the Member States that joined the euro area after 1 January 1999 to the accumulated gold revaluation accounts of the ECB as at the day prior to their entry into the Eurosystem.

### €4.8 billion

Decrease in the ECB's foreign currency holdings

The ECB's foreign currency holdings of US dollars, Japanese yen and Chinese renminbi decreased in euro terms by €4.8 billion to €55.2 billion in 2025 (Chart 5), mainly owing to the depreciation of the US dollar and Japanese yen against the euro.<sup>15</sup> The depreciation of the US dollar is also reflected in the lower balances in the ECB's revaluation accounts (see Section 1.3.2 "Net equity"), while the depreciation of Japanese yen resulted in an exchange rate write-down recognised in the profit and loss account at the year-end, as the related revaluation accounts had been fully depleted in 2024 (see Section 1.3.3 "Profit and loss account"). Despite this write-down, the holding of Japanese yen increased as a result of a standard rebalancing to align the composition of the ECB's foreign reserves with the target allocation. As part of this rebalancing, during the first quarter of 2025 the ECB sold a small portion of its US dollar holdings and fully reinvested the proceeds in Japanese yen.

<sup>15</sup> The ECB's foreign currency holdings comprise assets included in the balance sheet under "Claims on non-euro area residents denominated in foreign currency – Balances with banks and security investments, external loans and other external assets" and "Claims on euro area residents denominated in foreign currency".

**Chart 5**  
Foreign currency holdings

(EUR billions)



Source: ECB.

The US dollar continues to be the main component of the ECB's foreign currency holdings, accounting for 78% of the total at the end of 2025.

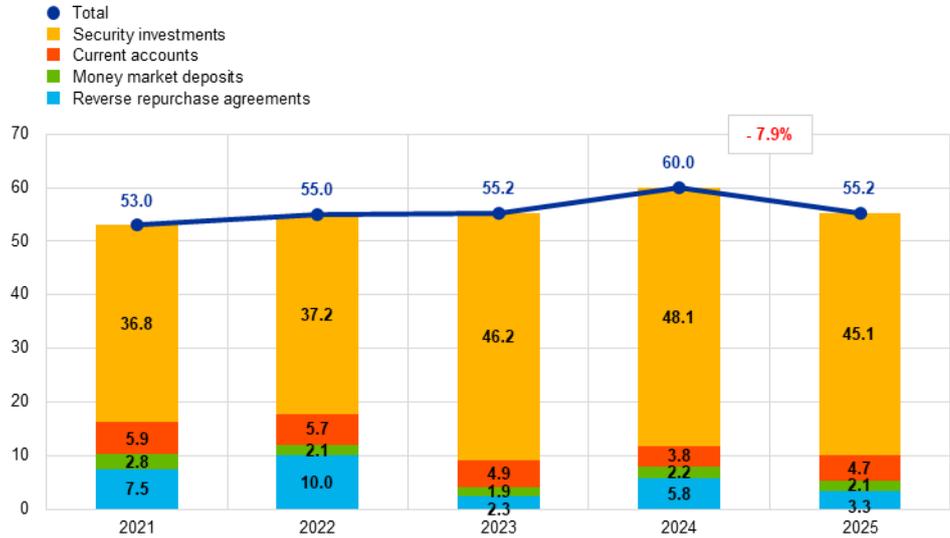
The ECB manages the investment of its foreign currency holdings using a three-step approach. First, a strategic benchmark portfolio is designed by the ECB's risk managers and approved by the Governing Council. Second, the ECB's portfolio managers design the tactical benchmark portfolio, which is approved by the Executive Board. Third, investment operations are conducted in a decentralised manner by the NCBs on a day-to-day basis.

The ECB's foreign currency holdings are invested in securities, reverse repurchase agreements and money market deposits or are held in current accounts (Chart 6). Securities in this portfolio are valued at year-end market prices.

### Chart 6

#### Composition of foreign currency investments

(EUR billions)



Source: ECB.

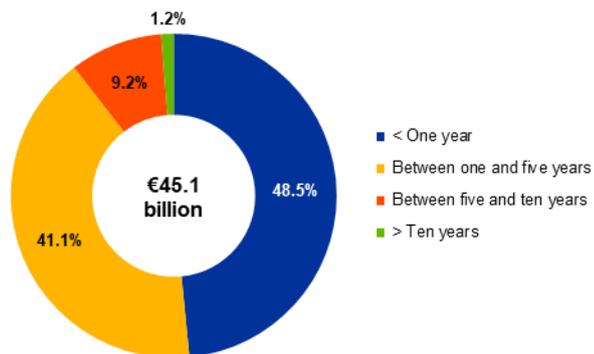
Note: As of 2025, the ECB presents overnight investment of cash balances under "Reverse repurchase agreements" if these funds are part of a repurchase pool. The related balances for the years 2021-24 were reclassified from "Current accounts" to "Reverse repurchase agreements" accordingly.

**48%**  
Foreign currency-denominated securities with a maturity of less than one year

The purpose of the ECB's foreign currency holdings is to finance potential interventions in the foreign exchange market. For this reason, the ECB's foreign currency holdings are managed in accordance with three objectives (in order of priority): liquidity, safety and return. Therefore, almost half of this portfolio comprises securities with short maturities (Chart 7).

### Chart 7

#### Maturity profile of foreign currency-denominated securities

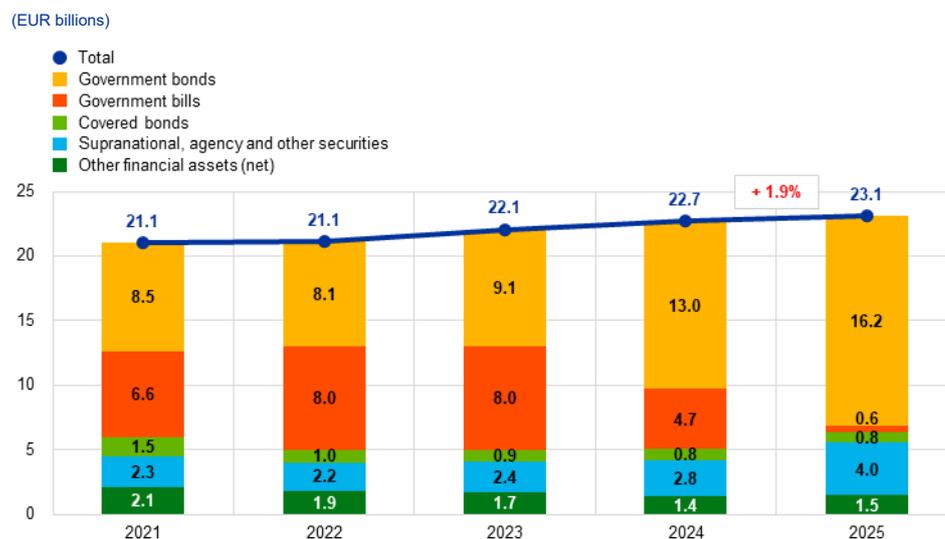


Source: ECB.

The ECB's **own funds portfolio** predominantly consists of investments of its paid-up capital and amounts set aside in the general reserve fund and in the provision for

financial risks.<sup>16</sup> The value of this portfolio increased by €0.4 billion to €23.1 billion in 2025 (Chart 8), primarily owing to the reinvestment of interest income generated on this portfolio.

**Chart 8**  
Own funds portfolio



Source: ECB.

The own funds portfolio consists almost entirely of euro-denominated securities valued at year-end market prices. In 2025 government debt securities accounted for 73% of the total portfolio.

**33%**  
Share of green investments in the  
ECB's own funds portfolio

The share of green investments in the own funds portfolio continued to increase, rising from 28% at the end of 2024 to 33% at the end of 2025.<sup>17</sup> The ECB plans to further increase this share over the coming years.<sup>18</sup> In 2021 and 2022 purchases of green bonds in secondary markets were complemented by investments in the euro-denominated green bond investment fund for central banks (EUR BISIP G2) launched by the Bank for International Settlements in January 2021. In October 2024 the ECB started investing a small share of its own funds in equity exchange-traded funds (ETFs) tracking Paris-aligned benchmarks.<sup>19</sup> This diversification enhances the return potential of the ECB's own funds portfolio and further aligns its investments

<sup>16</sup> The own funds portfolio does not necessarily correspond in size to the sum of the ECB's paid-up capital, general reserve fund and provision for financial risks. This is mainly due to the reinvestment of income generated by the portfolio, the valuation of securities at market prices, and specific movements in the general reserve fund and the provision for financial risks.

<sup>17</sup> Defined as the sum of direct green bond holdings and holdings in the EUR BISIP G2 fund as a share of the fixed income component of the own funds portfolio.

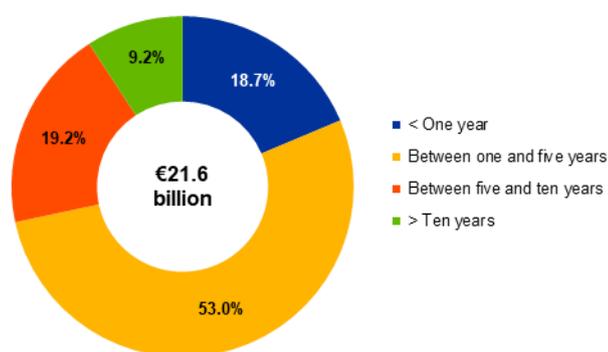
<sup>18</sup> In accordance with the recommendations of the Task Force on Climate-related Financial Disclosures, the ECB prepares annual climate-related financial disclosures with regard to its own funds and pension portfolios. The disclosures for 2024 were published on the ECB's website in June 2025, while the disclosures for 2025 are expected to be published in June 2026.

<sup>19</sup> Paris-aligned benchmarks aim for alignment with the Paris Agreement goal of limiting the increase in global average temperatures to 1.5°C.

with a decarbonisation path consistent with the goals of the Paris Agreement and the European Climate Law.<sup>20</sup>

The purpose of the own funds portfolio is to provide income to help fund those ECB operating expenses that are not related to the delivery of its supervisory tasks.<sup>21</sup> It is invested in euro-denominated assets, subject to the limits imposed by its risk control framework. This results in a more diversified maturity structure (Chart 9) compared with the foreign reserves portfolio.

**Chart 9**  
Maturity profile of own funds securities



Source: ECB.

At the end of 2025 the total value of euro **banknotes in circulation** issued by the Eurosystem was €1,619.5 billion, an increase of 2.0% compared with the end of 2024. The ECB has been allocated an 8% share of the total value of euro banknotes in circulation, which amounted to €129.6 billion as at the end of the year. Legally, both the ECB and the NCBs of the euro area have the right to issue euro banknotes. In practice, however, only the NCBs physically issue euro banknotes or withdraw them from circulation. Therefore, the ECB holds **intra-Eurosystem claims** vis-à-vis the euro area NCBs equivalent to the value of the banknotes in circulation allocated to it.

The ECB's **intra-Eurosystem liabilities**, which mainly comprise the net TARGET balance of euro area NCBs vis-à-vis the ECB and the ECB's liabilities with regard to the foreign reserve assets transferred to it by the euro area NCBs when they joined the Eurosystem, decreased by €34.6 billion to €354.1 billion in 2025.

The development of the intra-Eurosystem liabilities is predominantly determined by the evolution of the net TARGET liability. The main factors contributing to the changes in the net TARGET liability over the period 2021-25 were purchases and

**€34.6 billion**  
Decrease in the ECB's net TARGET liability

<sup>20</sup> Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).

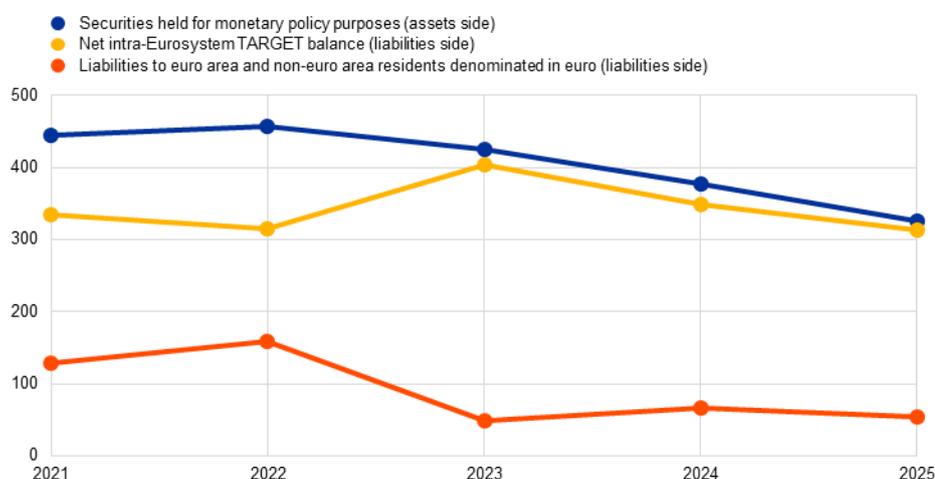
<sup>21</sup> The expenses incurred by the ECB in the performance of its supervisory tasks are recovered via annual fees levied on supervised entities. Further details on **supervisory fees** can be found on the ECB's banking supervision website.

redemptions of monetary policy securities, which are settled via TARGET accounts, and changes in liabilities to euro area and non-euro area residents denominated in euro (Chart 10). In 2025 the ECB's net TARGET liability decreased by €34.6 billion, mainly owing to cash inflows from redemptions of monetary policy securities, which were partially offset by cash outflows related to (i) the decrease in liabilities to non-euro area residents denominated in euro, and (ii) the interest expense paid on the ECB's net TARGET liability.

### Chart 10

#### Net intra-Eurosystem TARGET balance, liabilities to euro area and non-euro area residents denominated in euro and securities held for monetary policy purposes

(EUR billions)



Source: ECB.

Note: For the purpose of the chart, "Liabilities to euro area and non-euro area residents denominated in euro" consists of "Other liabilities to euro area credit institutions denominated in euro", "Liabilities to other euro area residents denominated in euro" and "Liabilities to non-euro area residents denominated in euro".

In 2025 the ECB's **other liabilities** fell by €16.1 billion to €58.8 billion, mainly owing to a decrease in euro-denominated liabilities to non-euro area residents as a result of lower deposits accepted by the ECB in its role as fiscal agent.<sup>22</sup>

## 1.3.2 Net equity

**€60.9 billion**  
The ECB's net equity

The ECB's net equity consists of its paid-up capital, any amounts held in the provision for financial risks and the general reserve fund, the revaluation accounts, any accumulated losses from previous years and any profit or loss for the year.<sup>23,24</sup>

At the end of 2025 the ECB's **net equity** totalled €60.9 billion (Chart 11 and Table 2). This was €11.0 billion higher than at the end of 2024 owing to the increase in the revaluation accounts, mainly as a result of the rise in the market price of gold

<sup>22</sup> In accordance with Article 21 of the [Statute of the ESCB](#), the ECB may act as fiscal agent for Union institutions, bodies, offices or agencies, central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of Member States.

<sup>23</sup> In this section, "revaluation accounts" includes total revaluation gains on gold, foreign currency, and securities and other instruments but excludes the revaluation account for post-employment benefits.

<sup>24</sup> This definition of net equity is used solely for the purpose of preparing the ECB's Annual Accounts.

in euro terms in 2025. The increase in the ECB's net equity was partially offset by the loss incurred in 2025.

**Chart 11**  
The ECB's net equity



Source: ECB.

Note: "Revaluation accounts" includes total revaluation gains on gold, foreign currency, and securities and other instruments but excludes the revaluation account for post-employment benefits.

**Table 2**  
Changes in the ECB's net equity

(EUR millions)

	Capital	Revaluation accounts	Accumulated losses carried forward	Loss for the year	Total net equity
<b>Balance as at 31 December 2024</b>	8,925	50,236	(1,266)	(7,944)	49,951
Loss carried forward			(7,944)	7,944	-
Revaluation accounts					12,247
- Gold		18,860			
- Foreign currency		(6,777)			
- Securities and other instruments		164			
Loss for the year				(1,254)	(1,254)
<b>Balance as at 31 December 2025</b>	8,925	62,483	(9,210)	(1,254)	60,944

**46%**  
Rise in the market price of gold in euro terms

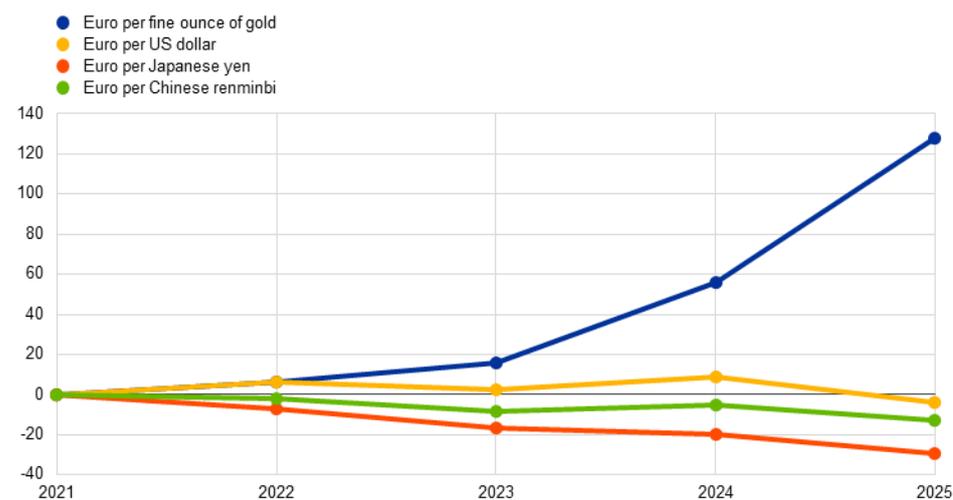
Unrealised gains on gold, foreign currency, and securities and other instruments that are subject to price revaluation are not recognised as income in the profit and loss account but are recorded directly in **revaluation accounts** shown on the liabilities side of the ECB's balance sheet. The balances in these accounts can be used to absorb the impact of any future unfavourable movement in the respective prices and/or exchange rates and thus strengthen the ECB's resilience against the underlying risks. In 2025 the revaluation accounts for gold, foreign currency, and securities and other instruments increased by €12.2 billion to €62.5 billion,

predominantly owing to higher revaluation balances for gold as a result of the rise in the market price of gold in euro terms. This effect was partially offset by the decline in revaluation balances for foreign currencies, predominantly the US dollar, owing to their depreciation against the euro (Chart 12).

### Chart 12

#### The main foreign exchange rates and gold price over the period 2021-25

(percentage changes vis-à-vis 2021; year-end data)



Source: ECB.

In view of its exposure to financial risks (see Section 1.4.1 “Financial risks”), the ECB may set aside a **provision for financial risks** to be used to the extent deemed necessary by the Governing Council to offset losses that arise as a result of this exposure. Since the end of 2023 this provision has stood at zero as it was released in full to cover ECB losses that arose in 2022 and 2023. In the context of the annual review of the size of this provision, the Governing Council may decide to replenish it once the ECB has returned to making a profit and has offset the accumulated losses carried forward from past years.

The ECB’s **loss for the year** was €1.3 billion (see Section 1.3.3 “Profit and loss account”). Like the previous two years, the Governing Council decided to carry the loss forward on the ECB’s balance sheet to be offset against future profits.

### 1.3.3 Profit and loss account

Throughout the preceding four-year period (Chart 13) the ECB’s result fell year on year. In 2022 and 2023 the reduction in the ECB’s result was primarily due to the materialisation of interest rate risk, as the rise in interest rates in the euro area led to an immediate increase in the interest expense incurred by the ECB on its net TARGET liability, which was remunerated at the rate on the main refinancing

operations (MRO rate).<sup>25</sup> At the same time, the income earned on the ECB's assets did not increase to the same extent or at the same pace. This situation continued in 2024, despite policy rate cuts commencing in June of that year, as the interest expense incurred on the net TARGET liability was on average still higher than the interest income earned on assets. In 2025 the ECB's result, though still a loss, was considerably better than in 2024, as the gap between interest rates on interest-bearing assets and those applicable to liabilities narrowed, mainly owing to the lower average remuneration rate on the net TARGET liability, in particular following further policy rate cuts (see Section 1.4.1 "Financial risks").

Profits or losses are side effects of the ECB's primary goal of price stability

The ECB's losses since 2022, which were preceded by a long period of substantial profits, reflect the role and necessary policy actions of the Eurosystem in fulfilling its primary mandate of maintaining price stability. Moreover, the monetary policy measures involved, such as asset purchase programmes, have helped to improve economic outcomes. Until 2022 the ECB's balance sheet expanded significantly, mainly driven by purchases of securities under outright purchase programmes. On the assets side, most monetary policy securities currently held have long maturities and fixed coupons and were purchased during a period when interest rates were very low or zero. These assets are not immediately affected by changes in the key ECB interest rates and continue to generate relatively low interest income. At the same time, the cash settlement of these purchases via TARGET led to a rise in the ECB's net TARGET liability, which is sensitive to changes in the key ECB interest rates. As of 2023, the gradual decline in holdings of monetary policy securities owing to the phasing-out of reinvestments led to a corresponding decrease in the net TARGET liability, resulting in a decline in the interest rate risk (see Section 1.4.1 "Financial risks").

ECB expected to return to profit in 2026 or year after

The ECB is expected to return to profit in 2026 or the year after, although this will depend on future levels of the key ECB interest rates and foreign exchange rates, as well as on the size and composition of the ECB's balance sheet.

In any case, the ECB's financial strength is underlined by its capital and its substantial revaluation accounts, which together amounted to €71.4 billion at the end of 2025 (see Section 1.3.2 "Net equity"), and the ECB remains fully capable of fulfilling its primary objective of maintaining price stability regardless of any losses.<sup>26</sup>

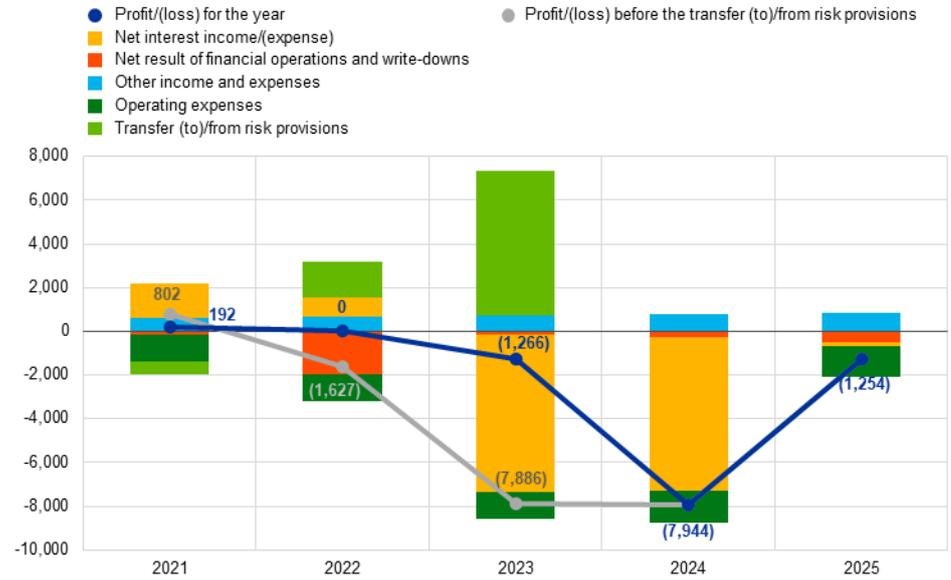
<sup>25</sup> On 13 March 2024 the Governing Council decided on [changes to the operational framework for implementing monetary policy](#). In the same context, the Governing Council also decided that from 1 January 2025, the interest rate applied to the deposit facility offered by the Eurosystem would become the basis for the remuneration of (i) claims related to the allocation of euro banknotes within the Eurosystem, (ii) TARGET balances due from/to NCBs, and (iii) liabilities equivalent to the transfer of foreign reserves.

<sup>26</sup> In line with Section 1.3.2 "Net equity", "revaluation accounts" includes total revaluation gains on gold, foreign currency, and securities and other instruments but excludes the revaluation account for post-employment benefits.

### Chart 13

#### Main components of the ECB's profit and loss account

(EUR millions)



Source: ECB.

Note: "Other income and expenses" consists of "Net income/(expense) from fees and commissions", "Income from equity instruments and participating interests", "Other income" and "Other expenses".

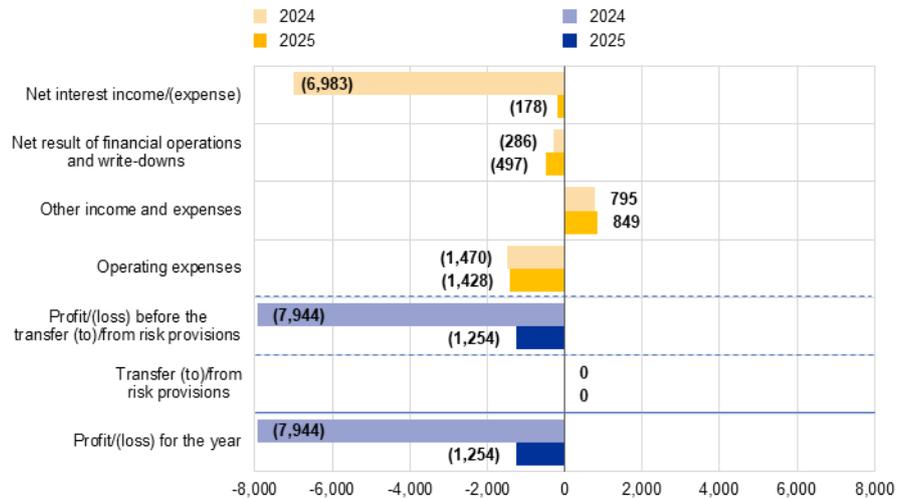
€1,254 million  
ECB's loss for 2025

In 2025 the ECB's **loss for the year** amounted to €1,254 million, which was much lower than the loss incurred in 2024 owing to a significant reduction in the net interest expense (Chart 14).

### Chart 14

#### Drivers of the ECB's profit/(loss) for 2024 and 2025

(EUR millions)



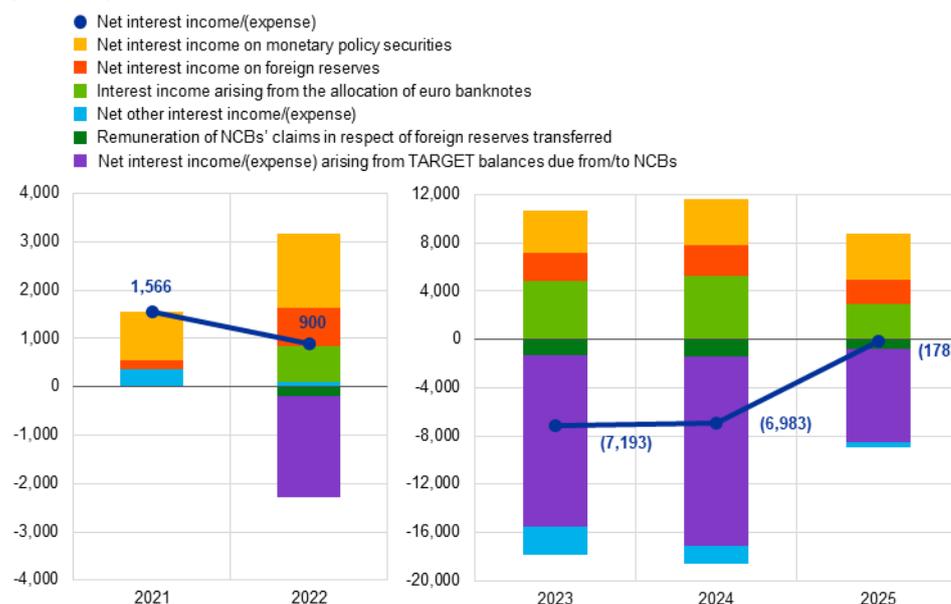
Source: ECB.

Net interest expense mainly resulted from the ECB's net TARGET liability

The ECB's **net interest expense** amounted to €178 million in 2025, compared with €6,983 million in 2024 (Chart 15). The main component remained the significant interest expense arising from the ECB's net TARGET liability, which more than offset the interest income arising from (i) monetary policy securities, (ii) the ECB's claims related to the allocation of euro banknotes within the Eurosystem, and (iii) foreign reserves.

**Chart 15**  
Net interest income/(expense)

(EUR millions)



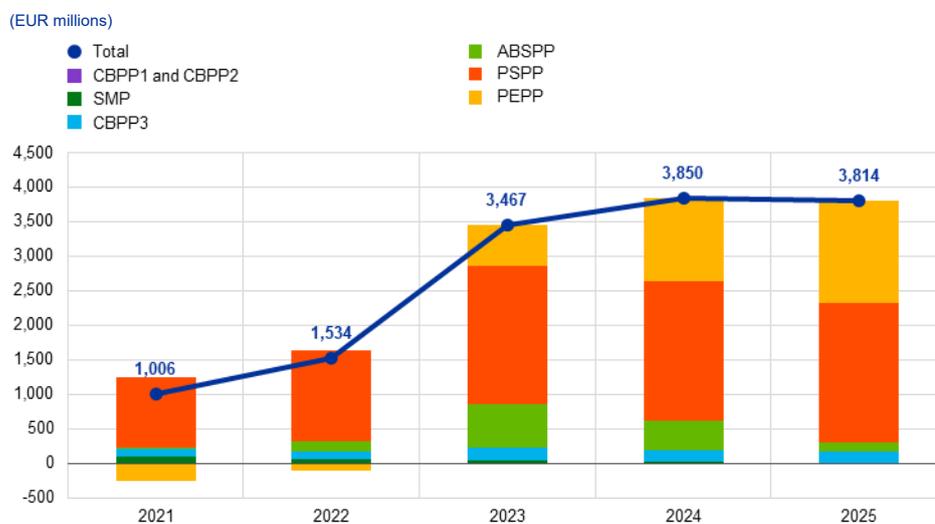
Source: ECB.

Slightly lower interest income from monetary policy securities as a result of lower holdings following the end of reinvestments

**Net interest income generated on securities held for monetary policy purposes** decreased only slightly, by €36 million to €3,814 million, in 2025 (Chart 16), mainly owing to lower interest income from holdings under the APP (CBPP3, ABSPP and PSPP). Net interest income from APP holdings decreased by €301 million to €2,318 million, mainly owing to lower interest income from holdings under the ABSPP, which fell by €281 million to €137 million as a result of the significant decline in holdings following repayments of securities. Interest income on securities held under the PSPP was €2,022 million, almost the same as in 2024, as the securities held under this portfolio were mostly acquired at low yields and their maturing therefore had only a minor impact on the related interest income. By contrast, the net interest income from securities held under the PEPP rose by €275 million to €1,481 million, which almost entirely offset the decline in income from other monetary policy portfolios and was mainly attributable to the lower premium amortisation expense on public sector securities.

**Chart 16**

**Net interest income/(expense) on securities held for monetary policy purposes**



Source: ECB.

Decrease in interest income on the US dollar portfolio

**Net interest income on foreign reserves** declined by €449 million to €2,089 million, predominantly as a result of lower interest income from securities denominated in US dollars.

2.3%  
Average DFR in 2025

**Interest income arising from the allocation of euro banknotes to the ECB and interest expense stemming from the remuneration of NCBs' claims in respect of foreign reserves transferred** decreased by €2,332 million to €2,900 million and by €659 million to €790 million respectively in 2025. These decreases resulted from the lower average remuneration rate (2.3% in 2025, compared with 4.1% in 2024) following the decline in the key ECB interest rates and, to a lesser extent, the application of the deposit facility rate (DFR) as the basis for remuneration instead of the MRO rate.

€7,706 million  
Interest expense resulting from the ECB's net TARGET liability

Largely for the same reason, the **net interest expense arising from TARGET balances due from/to NCBs** decreased by €7,968 million to €7,706 million in 2025. Lower TARGET balances, mainly as a result of maturing monetary policy securities, also contributed to this decrease.

**Net other interest expense** decreased by €994 million to €485 million in 2025. This was mainly due to a lower interest expense on (i) deposits accepted by the ECB in its role as fiscal agent, (ii) balances of euro area ancillary systems, and (iii) cash received as collateral in securities lending transactions, owing to lower average remuneration rates in 2025 and lower average balances of these three items. These changes were partially offset by lower interest income on the own funds portfolio, mainly owing to lower amortisation on discount bonds.

Net realised exchange rate gains arose mainly from a standard rebalancing of the ECB's foreign reserves

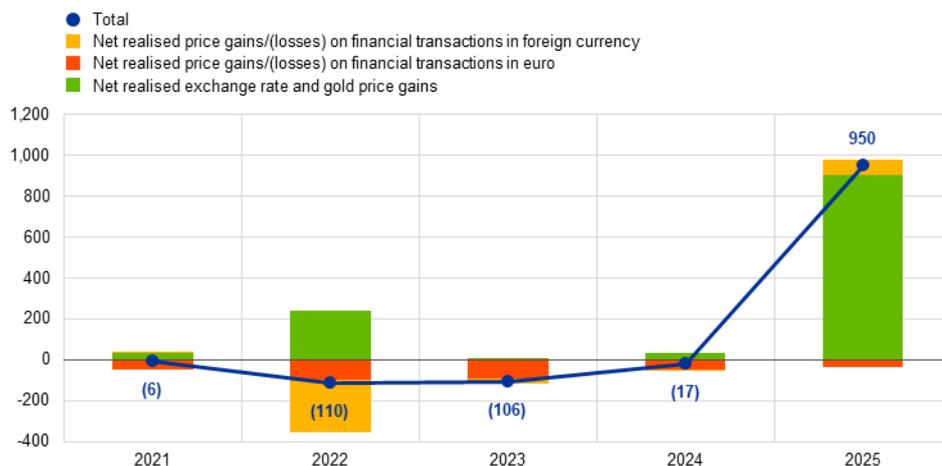
**Net realised gains arising from financial operations** amounted to €950 million in 2025, compared with a loss of €17 million in 2024 (Chart 17). This is predominantly attributable to the realised exchange rate gains as a result of a standard rebalancing of the composition of the ECB's foreign reserves during the first quarter of 2025 to align with the target allocation. The proceeds from the sale of a small portion of US dollar holdings were fully reinvested in Japanese yen (Chart 18).

Net price gains realised on sales of US dollar-denominated securities, whose market price was positively affected by the decrease in the corresponding US yields during the year (Chart 19), also contributed to the overall result.

### Chart 17

#### Realised gains/(losses) arising from financial operations

(EUR millions)

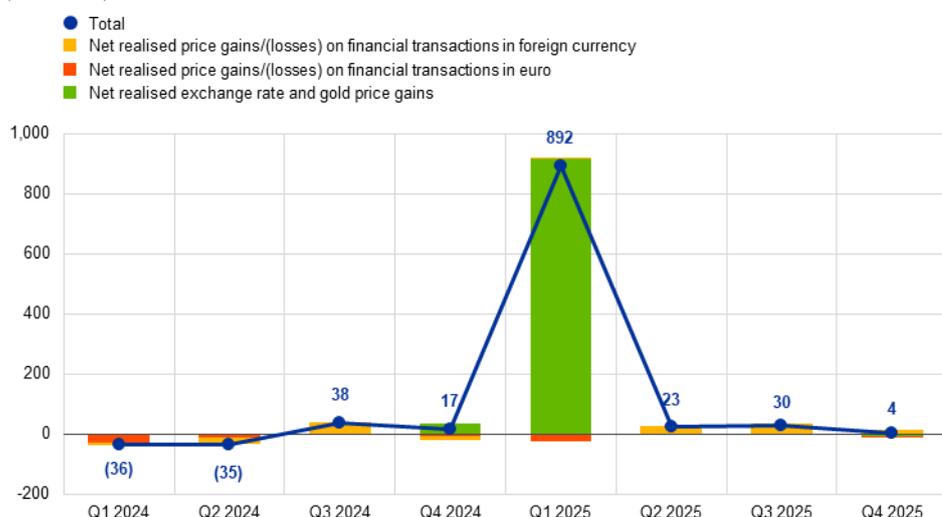


Source: ECB.

### Chart 18

#### Quarterly realised gains/(losses) arising from financial operations in 2024 and 2025

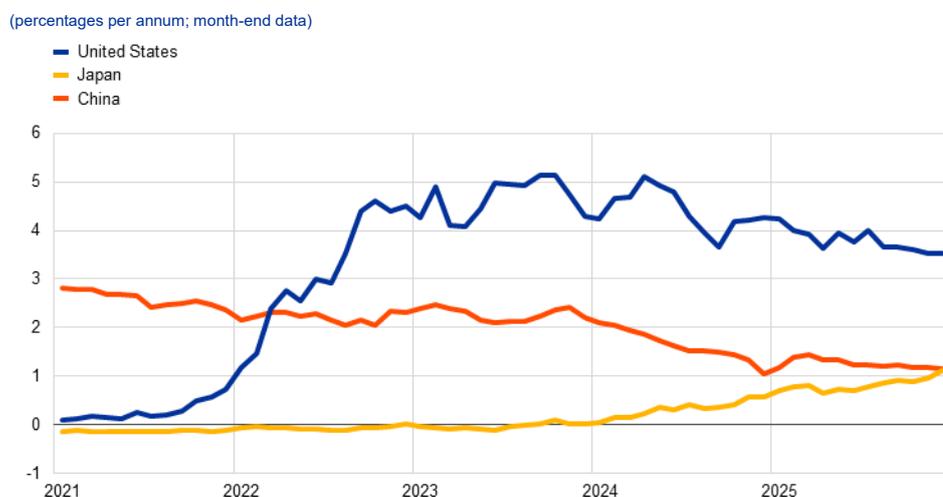
(EUR millions)



Source: ECB.

**Chart 19**

Two-year sovereign bond yields in the United States, Japan and China



Source: LSEG.

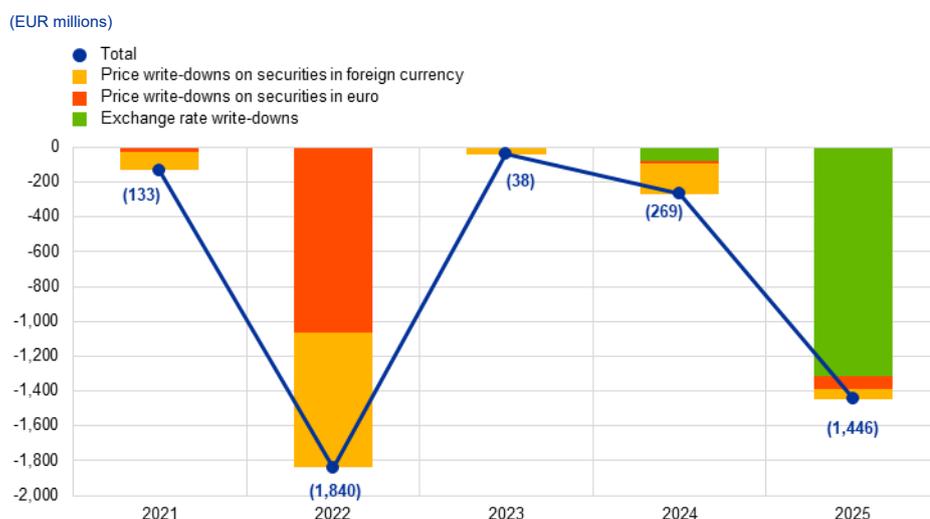
**€1,316 million**

Exchange rate write-downs, mainly on the ECB's holding of Japanese yen

Unrealised revaluation losses are expensed in the form of **write-downs** at the year-end in the ECB's profit and loss account. In 2025 these write-downs amounted to €1,446 million (Chart 20). As a result of the depreciation of foreign currencies against the euro to exchange rates below the acquisition cost, unrealised exchange rate losses amounted to €1,316 million. Most notably, the Japanese yen depreciated 13% year on year, resulting in a €1,229 million write-down on holdings in that currency. There were also unrealised price losses of €130 million owing to a decline in the market value of a number of securities held mainly in the own funds and Japanese yen portfolios.

**Chart 20**

Write-downs on financial assets and positions



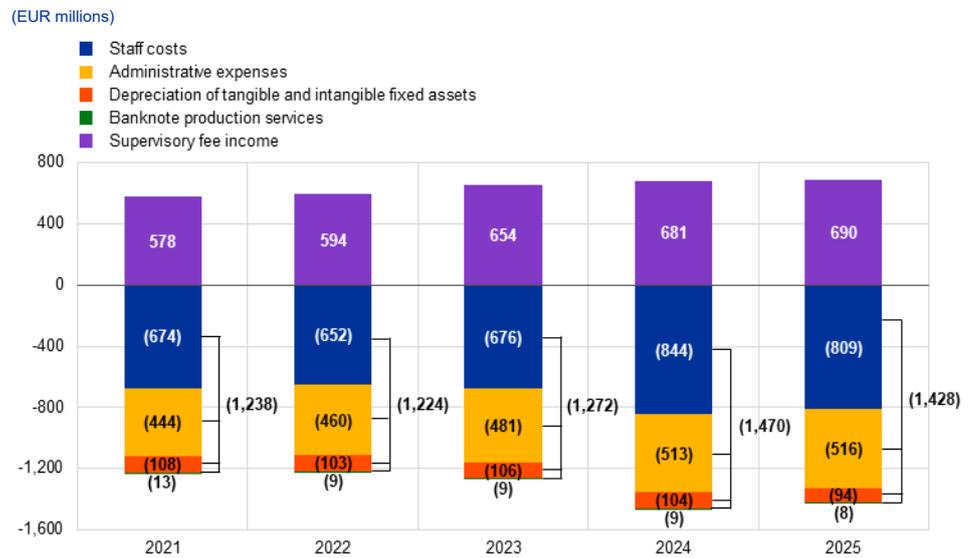
Source: ECB.

The ECB's **total operating expenses**, including depreciation and banknote production services, decreased by €42 million to €1,428 million (Chart 21). This was largely due to lower staff costs in relation to post-employment and other long-term benefits, mainly because the rules governing the ECB's pension plans were amended in 2024 and a related non-recurring cost was recognised in full in the profit and loss account for that year.

€690 million  
Supervisory fee income

Banking supervision-related expenses are fully covered by fees levied annually on the supervised entities. Based on the actual expenses incurred by the ECB in the performance of its banking supervision tasks, supervisory fee income for 2025 stood at €690 million.<sup>27</sup>

**Chart 21**  
Operating expenses and supervisory fee income



Source: ECB.

## 1.4 Risk management

Risk management is a critical part of the ECB's activities and is conducted through a continuous process of (i) risk identification and assessment, (ii) review of the risk strategy and policies, (iii) implementation of risk-mitigating actions, and (iv) risk monitoring and reporting – all of which are supported by effective methodologies, processes and systems (Figure 2).

<sup>27</sup> Supervisory fee income is included under "Other income and expenses" (see Chart 13).

**Figure 2**  
Risk management cycle

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The following sections focus on the risks, their sources and the applicable risk control frameworks.

### 1.4.1 Financial risks

**The Executive Board proposes policies and procedures that ensure an appropriate level of protection against the financial risks to which the ECB is exposed.** The Risk Management Committee (RMC), which comprises experts from Eurosystem central banks, contributes to the monitoring, measuring and reporting of financial risks related to the balance sheet of the Eurosystem and defines and reviews the associated methodologies and frameworks. In this way, the RMC helps the decision-making bodies to ensure an appropriate level of protection for the Eurosystem.

**Financial risks arise from the ECB's operations and associated exposures.** The risk control frameworks and limits that the ECB uses to manage its risk profile differ across types of operation, reflecting the policy or investment objectives of the different portfolios and the risk characteristics of the underlying assets.

**To monitor and assess the risks, the ECB relies on a number of risk estimation techniques developed by its experts.** These techniques are based on a joint market and credit risk simulation framework. The core modelling concepts, techniques and assumptions underlying the risk measures draw on industry standards and available market data. The risks are typically quantified as the

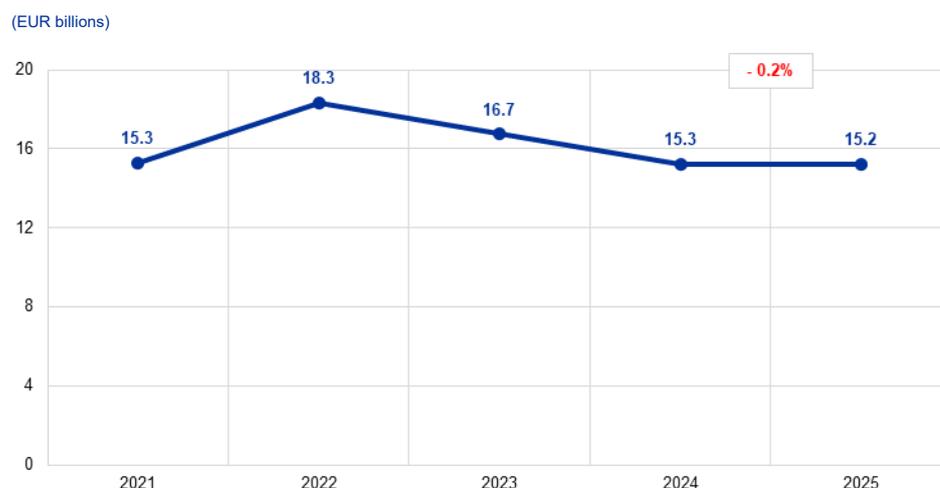
expected shortfall (ES) estimated at the 99% confidence level over a one-year horizon.<sup>28</sup> Two approaches are used to calculate risks: (i) the accounting approach, which focuses on the impact on the ECB's profit and loss account, whereby losses are first absorbed by applicable revaluation accounts; and (ii) the financial approach, which focuses on the impact of financial losses on the ECB's overall net equity and does not consider the revaluation accounts as a buffer in the risk calculation. The ECB also calculates other risk measures at different confidence levels, performs sensitivity and stress scenario analyses, and assesses longer-term projections of exposures and income to maintain a comprehensive picture of the risks.<sup>29</sup>

**€15.2 billion**  
Total risks (ES 99%, accounting approach)

**The total risks of the ECB decreased slightly during the year.** At the end of 2025 the total financial risks of the ECB's balance sheet, as measured by the ES at the 99% confidence level over a one-year horizon under the accounting approach, stood at €15.2 billion, which was slightly lower than the estimated risks at the end of 2024 (Chart 22). A decrease in risk driven by the decline in the ECB's holdings of public sector securities under the APP and the PEPP was largely offset by increased risks associated with the ECB's foreign reserve holdings and its euro-denominated own funds portfolio.

### Chart 22

Total financial risks (ES 99%, accounting approach)



Source: ECB.

Credit risk

**Credit risk arises from the ECB's monetary policy portfolios, its euro-denominated own funds portfolio and its foreign reserve holdings.** While debt securities held for monetary policy purposes are valued at amortised cost, subject to impairment, and are therefore, in the absence of sales, not subject to price changes associated with credit migrations, they are still subject to credit default risk. Euro-denominated own funds and foreign reserves are valued at market prices and, as

<sup>28</sup> The ES is defined as a probability-weighted average loss that occurs in the worst (100-p)% of scenarios, where p denotes the confidence level.

<sup>29</sup> Further details on the risk modelling approach can be found in [The financial risk management of the Eurosystem's monetary policy operations](#), ECB, July 2015.

such, are subject to credit migration risk and credit default risk. Credit risk decreased compared with 2024 as a result of the decline in securities held for monetary policy purposes.

Credit risk is mitigated mainly through the application of eligibility criteria, due diligence procedures and limits that differ across portfolios.

#### Currency and commodity risks

**Currency and commodity risks arise from the ECB's foreign currency and gold holdings.** The currency risk increased compared with 2024.

In view of the policy role of these assets, the ECB does not hedge the related currency and commodity risks. Instead, these risks are mitigated through the existence of revaluation accounts and the diversification of the holdings across different currencies and gold.

#### Equity risk

**A small share of the ECB's euro-denominated own funds portfolio is invested in equity ETFs tracking Paris-aligned benchmarks,** giving rise to equity risk.

Given the small allocation, the equity risk of the ECB is rather marginal. It is mitigated through diversification and applicable revaluation accounts.

#### Interest rate risk

**The ECB's foreign reserve holdings and euro-denominated own funds portfolio are mainly invested in fixed income securities and are subject to mark-to-market interest rate risk,** given that they are valued at market prices. Almost half of the ECB's foreign reserves are invested in assets with relatively short maturities (see Chart 7 in Section 1.3.1 "Balance sheet"), while the assets in the own funds portfolio generally have longer maturities (see Chart 9 in Section 1.3.1 "Balance sheet"). The interest rate risk of the ECB's own funds portfolio, as measured under the accounting approach, increased compared with 2024.

The mark-to-market interest rate risk of the ECB is mitigated through asset allocation policies and the revaluation accounts.

**The ECB is also subject to interest rate risk arising from mismatches between the interest rate earned on its assets and the interest rate paid on its liabilities,** which has an impact on its net interest income. This risk is not directly linked to any particular portfolio but rather to the structure of the ECB's balance sheet as a whole and, in particular, the existence of maturity and yield mismatches between assets and liabilities. Interest rate risk decreased in 2025, reflecting the decline in the ECB's liabilities following the reduction of holdings of securities under the APP and the PEPP. In addition to being measured as part of the ES at the 99% confidence level over a one-year horizon, this risk is monitored by means of projections of the ECB's profitability over a medium to long-term horizon.

This type of risk is managed through asset allocation policies and is further mitigated by the existence of unremunerated liabilities on the ECB's balance sheet.

The materialisation of interest rate risk has led to losses since 2022, and the ECB still incurred a net interest expense in 2025. The net interest expense was significantly lower compared with the previous two years, mainly owing to a

decreasing DFR, which from 1 January 2025 has been the main remuneration rate on the liabilities side. While the ECB is expected to start recording net interest income in the near future, the possibility of further interest losses in the coming years cannot be excluded, given the previously mentioned maturity and yield mismatches between assets and liabilities.

Climate-related risk

**The risks associated with climate change are gradually being incorporated into the ECB's risk management framework.** In 2022 the Eurosystem conducted the first climate stress test of the Eurosystem balance sheet, which allowed a preliminary estimate of the impact of this risk on the ECB's balance sheet.<sup>30</sup> Another climate stress test was conducted in 2024, and climate stress testing will continue to be performed on a regular basis in the coming years.<sup>31</sup>

## 1.4.2 Operational risk

**Operational risk management (ORM) is an integral part of the ECB's governance structure and management processes.**<sup>32</sup> The Executive Board is responsible for and approves the ECB's ORM policy and framework, and the Operational Risk Committee supports the Executive Board in the performance of its role in overseeing the management of operational risks.<sup>33</sup>

The main objective of the ECB's ORM framework is to **contribute to ensuring that the ECB achieves its mission and objectives, while protecting its reputation and assets against loss, misuse and damage.** Under the ORM framework, each business area is responsible for identifying, assessing, responding to, reporting on and monitoring its operational risks, incidents and controls. In this context, the ECB's risk tolerance policy provides guidance on risk response strategies and risk acceptance procedures. It is linked to a five-by-five risk matrix based on impact and likelihood grading scales using quantitative and qualitative criteria.

**The environment in which the ECB operates is exposed to increasingly complex and interconnected threats, including geopolitical risks, cybersecurity threats and sustainability challenges.** There are a wide range of operational risks associated with the ECB's day-to-day activities. The main areas of concern for the ECB include a wide spectrum of non-financial risks resulting from

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<sup>30</sup> The results of the stress test for corporate bond holdings are incorporated in climate-related disclosures on corporate bond holdings of euro area NCBs under the CSPP and the PEPP, which the ECB started to publish annually from March 2023 onwards. For more details, see "[Climate-related financial disclosures of the Eurosystem's corporate sector holdings for monetary policy purposes](#)", ECB, March 2023. The general qualitative results of this stress test were also published in the ECB's Economic Bulletin. See "[Results of the 2022 climate risk stress test of the Eurosystem balance sheet](#)", *Economic Bulletin*, Issue 2, ECB, 2023.

<sup>31</sup> The results of the 2024 climate stress test were published as part of the "[Climate-related financial disclosures of Eurosystem assets held for monetary policy purposes and of the ECB's foreign reserves](#)", ECB, June 2025.

<sup>32</sup> Operational risk encompasses all non-financial risks and is defined as the risk of a negative business, reputational and/or financial impact on the ECB resulting from people, the inadequate implementation or failure of internal governance and business processes, the failure of systems on which processes rely, or external events (e.g. natural disasters or external attacks).

<sup>33</sup> Further information about the ECB's [governance structure](#) can be found on the ECB's website.

people, systems, processes, third-party relationships and external events. Consequently, the ECB has put in place processes to facilitate ongoing and effective management of its operational risks and to integrate risk information into the decision-making process. Moreover, the ECB is continuing to focus on enhancing its resilience, taking a broad view of risks and opportunities from an end-to-end perspective, including sustainability aspects. Response structures and contingency plans have been established to ensure the continuity of critical business functions in the event of any disruption or crisis.

### 1.4.3 Conduct risk

The ECB has a dedicated **Compliance and Governance Office as a key risk management function to strengthen the ECB's governance framework** in order to address conduct risk.<sup>34</sup> Its purpose is to support the Executive Board in protecting the integrity and reputation of the ECB, to promote ethical standards of behaviour and to strengthen the ECB's accountability and transparency. An independent Ethics Committee provides advice and guidance to high-level ECB officials on integrity and conduct matters and supports the Governing Council in managing risks at the executive level appropriately and coherently. At the level of the Eurosystem and the Single Supervisory Mechanism, the Ethics and Compliance Committee works towards achieving coherent implementation of the conduct frameworks for NCBs and national competent authorities.

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<sup>34</sup> Conduct risk management has gained increasing attention in the corporate and public sector and complements financial and operational risk management. For the ECB, conduct risk can be defined as the exposure of the institution to reputational damage, or to financial or other types of harm that negatively affect its interests, as a result of intentional or negligent actions carried out by its high-level officials, employees or contractors that are not in conformance with its ethics, legal and integrity rules, or good governance and good administration standards.

## 2 Financial statements of the ECB

### 2.1 Balance sheet as at 31 December 2025

#### Assets

(EUR millions)

	Note number	2025	2024
<b>Gold and gold receivables</b>	1	<b>59,754</b>	<b>40,895</b>
<b>Claims on non-euro area residents denominated in foreign currency</b>	2	<b>54,764</b>	<b>58,117</b>
Receivables from the IMF	2.1	1,772	2,227
Balances with banks and security investments, external loans and other external assets	2.2	52,992	55,890
<b>Claims on euro area residents denominated in foreign currency</b>	2.2	<b>2,236</b>	<b>4,094</b>
<b>Other claims on euro area credit institutions denominated in euro</b>	3	<b>1</b>	<b>2</b>
<b>Securities of euro area residents denominated in euro</b>	4	<b>325,265</b>	<b>376,781</b>
Securities held for monetary policy purposes	4.1	325,265	376,781
<b>Intra-Eurosystem claims</b>	5	<b>129,563</b>	<b>127,067</b>
Claims related to the allocation of euro banknotes within the Eurosystem	5.1	129,563	127,067
<b>Other assets</b>	6	<b>31,756</b>	<b>33,644</b>
Tangible and intangible fixed assets	6.1	1,055	971
Other financial assets	6.2	23,211	22,781
Off-balance-sheet instruments revaluation differences	6.3	273	681
Accruals and prepaid expenses	6.4	7,108	9,158
Sundry	6.5	110	53
<b>Total assets</b>		<b>603,339</b>	<b>640,600</b>

Note: Totals in the financial statements and in the tables included in the notes may not add up due to rounding. The figures 0 and (0) indicate positive or negative amounts rounded to zero, while a dash (-) indicates zero.

## Liabilities

(EUR millions)

	Note number	2025	2024
<b>Banknotes in circulation</b>	7	129,563	127,067
<b>Other liabilities to euro area credit institutions denominated in euro</b>	8	489	2,388
<b>Liabilities to other euro area residents denominated in euro</b>	9	26,022	24,554
General government	9.1	74	73
Other liabilities	9.2	25,947	24,482
<b>Liabilities to non-euro area residents denominated in euro</b>	10	26,846	39,859
<b>Intra-Eurosystem liabilities</b>	11	354,060	388,676
Liabilities equivalent to the transfer of foreign reserves	11.1	40,562	40,562
Liabilities related to TARGET (net)	11.2	313,491	348,074
Other liabilities within the Eurosystem (net)	11.3	8	40
<b>Other liabilities</b>	12	4,745	7,615
Off-balance-sheet instruments revaluation differences	12.1	0	-
Accruals and income collected in advance	12.2	3,661	6,288
Sundry	12.3	1,084	1,327
<b>Provisions</b>	13	84	72
Other provisions	13.1	84	72
<b>Revaluation accounts</b>	14	63,068	50,653
<b>Capital and reserves</b>	15	8,925	8,925
Capital	15.1	8,925	8,925
<b>Accumulated losses carried forward</b>	16	(9,210)	(1,266)
<b>Profit/(loss) for the year</b>		(1,254)	(7,944)
<b>Total liabilities</b>		<b>603,339</b>	<b>640,600</b>

## 2.2 Profit and loss account for the year ending 31 December 2025

(EUR millions)

	Note number	2025	2024
<b>Net interest income/(expense)</b>	22	<b>(178)</b>	<b>(6,983)</b>
Interest income		39,328	66,898
Interest expense		(39,507)	(73,881)
<b>Net result of financial operations and write-downs</b>		<b>(497)</b>	<b>(286)</b>
Realised gains/(losses) arising from financial operations	23	950	(17)
Write-downs on financial assets and positions	24	(1,446)	(269)
<b>Net income/(expense) from fees and commissions</b>	25	<b>700</b>	<b>674</b>
<b>Income from equity instruments and participating interests</b>	26	<b>14</b>	<b>1</b>
<b>Other income</b>	27	<b>135</b>	<b>119</b>
Staff costs	28	(809)	(844)
Administrative expenses	29	(516)	(513)
Depreciation of tangible and intangible fixed assets		(94)	(104)
Banknote production services	30	(8)	(9)
<b>Profit/(loss) before the transfer (to)/from risk provisions</b>		<b>(1,254)</b>	<b>(7,944)</b>
Transfer (to)/from risk provisions	31	-	-
<b>Profit/(loss) for the year</b>		<b>(1,254)</b>	<b>(7,944)</b>

Frankfurt am Main, 17 February 2026

European Central Bank

Christine Lagarde  
President

## 2.3 Accounting policies

### Form and presentation of the financial statements

The financial statements of the ECB have been drawn up in accordance with the following accounting policies,<sup>35</sup> which, in the view of the Governing Council of the ECB, achieve a fair presentation of the financial statements, reflecting at the same time the nature of central bank activities.

### Accounting principles

The following accounting principles have been applied: economic reality and transparency, prudence, materiality, consistency and comparability, going concern, the accruals principle and recognition of post-balance-sheet events.

### Recognition of assets and liabilities

An asset or liability is only recognised in the balance sheet when it is probable that any associated future economic benefit will flow to or from the ECB, substantially all of the associated risks and rewards have been transferred to the ECB, and the cost or value of the asset or the amount of the obligation can be measured reliably.

### Basis of accounting

The accounts have been prepared on a historical cost basis, modified to include the market valuation of marketable securities (other than debt securities currently held for monetary policy purposes), gold and all other on-balance-sheet and off-balance-sheet assets and liabilities denominated in foreign currency.

Transactions in financial assets and liabilities are reflected in the accounts on the basis of the date on which they were settled.

With the exception of spot transactions in securities, transactions in financial instruments denominated in foreign currency are recorded in off-balance-sheet accounts on the trade date. At the settlement date, the off-balance-sheet entries are reversed, and transactions are booked on-balance-sheet. Purchases and sales of

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<sup>35</sup> The detailed accounting policies of the ECB are laid down in [Decision \(EU\) 2024/2938 of the European Central Bank of 14 November 2024 on the annual accounts of the European Central Bank \(ECB/2024/32\)](#) (OJ L, 2024/2938, 11.12.2024).

In order to ensure the harmonised accounting and financial reporting of Eurosystem operations, the above-mentioned Decision is based on [Guideline \(EU\) 2024/2941 of the European Central Bank of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks \(ECB/2024/31\)](#) (OJ L, 2024/2941, 11.12.2024).

These policies, which are reviewed and updated regularly as deemed appropriate, are consistent with the provisions of Article 26.4 of the Statute of the ESCB, which require a harmonised approach to the rules governing the accounting and financial reporting of Eurosystem operations.

foreign currency affect the net foreign currency position on the trade date, and realised results arising from sales are also calculated on that date. Accrued interest, premiums and discounts related to financial instruments denominated in foreign currency are calculated and recorded daily, and the foreign currency position is also affected daily by these accruals.

## Gold and foreign currency assets and liabilities

Assets and liabilities denominated in foreign currency are translated into euro at the exchange rate prevailing on the balance sheet date. Income and expenses are translated at the exchange rate prevailing on the recording date. The revaluation of foreign exchange assets and liabilities, including on-balance-sheet and off-balance-sheet instruments, is performed on a currency-by-currency basis.

Revaluation to the market price for assets and liabilities denominated in foreign currency is treated separately from the exchange rate revaluation.

Gold is valued at the market price prevailing at the balance sheet date. No distinction is made between the price and currency revaluation differences for gold. Instead, a single gold valuation is accounted for on the basis of the price in euro per fine ounce of gold, which, for the year ending 31 December 2025, was derived from the exchange rate of the euro against the US dollar on 31 December 2025.

The special drawing right (SDR) is defined in terms of a basket of currencies and its value is determined by the weighted sum of the exchange rates of five major currencies (the US dollar, euro, Chinese renminbi, Japanese yen and pound sterling). The ECB's holdings of SDRs were translated into euro using the exchange rate of the euro against the SDR as at 31 December 2025.

## Securities

### Securities held for monetary policy purposes

Debt securities currently held for monetary policy purposes are accounted for at amortised cost, subject to impairment.

### Other securities

Marketable securities (other than debt securities currently held for monetary policy purposes) and similar assets are valued either at the mid-market prices or on the basis of the relevant yield curves prevailing on the balance sheet date, on a security-by-security basis. Options embedded in securities are not separated for valuation purposes. For the year ending 31 December 2025, mid-market prices on 30 December 2025 were used.

Marketable investment funds are revalued on a net basis at fund level, using their net asset value. No netting is applied between unrealised gains and losses in different investment funds.

Illiquid equity shares and any other equity instruments held as permanent investments are valued at cost, subject to impairment.

## Income recognition

Income and expenses are recognised in the period in which they are earned or incurred.<sup>36</sup> Realised gains and losses resulting from the sale of foreign currency, gold and securities are recorded in the profit and loss account. Such realised gains and losses are calculated by reference to the average cost of the respective asset.

Unrealised gains are not recognised as income but are transferred directly to a revaluation account.

Unrealised losses are recorded in the profit and loss account if, at the year-end, they exceed previous revaluation gains accumulated in the corresponding revaluation account. Such unrealised losses in any one security or currency or in gold holdings are not netted against unrealised gains in other securities, currencies or gold. In the event of such unrealised losses in any item being recorded in the profit and loss account, the average cost of that item is reduced to the year-end exchange rate or market price.

Impairment losses are recorded in the profit and loss account and are not reversed in subsequent years unless the impairment decreases and the decrease can be attributed to an observable event that occurred after the impairment was first recorded.

Premiums or discounts arising on securities are amortised over the securities' remaining contractual life.

## Reverse transactions

Reverse transactions are operations whereby the ECB buys or sells assets under a repurchase agreement.

Under a repurchase agreement, securities are sold for cash with a simultaneous agreement to repurchase them from the counterparty at an agreed price on a set future date. Repurchase agreements are recorded as collateralised deposits on the liabilities side of the balance sheet. Securities sold under such an agreement remain on the balance sheet of the ECB.

Under a reverse repurchase agreement, securities are bought for cash with a simultaneous agreement to sell them back to the counterparty at an agreed price on a set future date. Reverse repurchase agreements are recorded as collateralised loans on the assets side of the balance sheet, but are not included in the ECB's security holdings.

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<sup>36</sup> A minimum threshold of €100,000 applies for administrative accruals and provisions.

Reverse transactions (including securities lending transactions) conducted under a programme offered by specialised institutions are only recorded in the balance sheet when collateral has been provided in the form of cash and this cash remains uninvested.

## Off-balance-sheet instruments

Currency instruments, comprising foreign exchange forward transactions, forward legs of foreign exchange swaps and other currency instruments involving an exchange of one currency for another at a future date, are included in the net foreign currency position for the purpose of calculating average cost and foreign exchange gains and losses.

Interest rate instruments are revalued on an item-by-item basis. Daily changes in the variation margin of open interest rate futures contracts are recorded in the profit and loss account.

The valuation of forward transactions in securities is carried out based on generally accepted valuation methods using observable market prices and rates, as well as discount factors from the settlement dates to the valuation date.

## Fixed assets

Fixed assets, including intangible assets but excluding land and works of art, are valued at cost less depreciation. Land and works of art are valued at cost. The ECB's main building is valued at cost less depreciation, subject to impairment. For the depreciation of the ECB's main building, costs are assigned to the appropriate asset components, which are depreciated in accordance with their estimated useful lives. Depreciation is calculated on a straight-line basis over the expected useful life of the asset, beginning in the quarter after the asset becomes available for use. The expected useful lives of the main asset classes are as follows:

Buildings	20, 25 or 50 years
Plant in buildings	10 or 15 years
IT hardware and software	4 years
Technical equipment	4, 10 or 15 years
Furniture	10 years
Motor vehicles	4 years

The depreciation period for capitalised refurbishment expenditure relating to the ECB's existing rented premises is adjusted to take account of any events that have an impact on the expected useful life of the asset concerned.

The ECB performs an annual impairment test of its main building and right-of-use assets relating to office buildings (see “Leases” below). If an impairment indicator is identified, and it is assessed that the asset may be impaired, the recoverable amount is estimated. An impairment loss is recorded in the profit and loss account if the recoverable amount is less than the net book value.

Fixed assets costing less than €10,000 are written off in the year of acquisition.

Fixed assets that comply with the capitalisation criteria, but are still under construction or development, are recorded under “Assets under construction”. The related costs are transferred to the relevant fixed asset classes once the assets are available for use.

## Leases

The ECB acts both as a lessee and a sub-lessor.

### The ECB as a lessee

For all leases for which the ECB is a lessee and which involve a tangible asset, the related right-of-use asset and lease liability are recognised in the balance sheet at the lease commencement date, i.e. once the asset is available for use, and are included under the relevant fixed asset classes in “Tangible and intangible fixed assets” and under “Sundry” (liabilities) respectively. Where leases comply with the capitalisation criteria, but the asset involved is still under construction or adaptation, the costs incurred before the lease commencement date are recorded under “Assets under construction”.

Right-of-use assets are valued at cost less depreciation. In addition, right-of-use assets relating to office buildings are subject to impairment (for more information on the annual impairment test, see “Fixed assets” above). Depreciation is calculated on a straight-line basis from the lease commencement date to either the end of the useful life of the right-of-use asset or the end of the lease term, whichever is earlier.

The lease liability is initially measured at the present value of the future lease payments (comprising only lease components), discounted using the ECB’s incremental borrowing rate. Subsequently, the lease liability is measured at amortised cost using the effective interest method. The related interest expense is recorded under “Interest expense” in the profit and loss account. When there is a change in future lease payments arising from a change in an index or other reassessment of the existing contract, the lease liability is remeasured. Any such remeasurement results in a corresponding adjustment to the carrying amount of the right-of-use asset.

Short-term leases with a duration of 12 months or less and leases of low-value assets below €10,000 (consistent with the threshold used for the recognition of fixed assets) are recorded as an expense in the profit and loss account.

### **The ECB as a sub-lessor**

For all leases for which the ECB is a sub-lessor, the ECB grants to third parties the right to use the underlying asset (or a part of such asset), while the lease between the original lessor and the ECB (head lease) remains in effect. The sub-lease is classified as a finance or operating lease<sup>37</sup> by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset.

The sub-leases for which the ECB is a sub-lessor are classified as a finance lease. For such leases, the ECB derecognises from “Tangible and intangible fixed assets” the right-of-use asset relating to the head lease (or a part of such asset) that is transferred to the sub-lessee and recognises a sub-lease receivable under “Sundry” (assets). The lease liability relating to the head lease remains unaffected by the sub-lease.

At the lease commencement date, the sub-lease receivable is initially measured at the present value of the future lease payments accruing to the ECB, discounted using the discount rate used for the head lease. Subsequently, the sub-lease receivable is measured at amortised cost using the effective interest method. The related interest income is recorded under “Interest income” in the profit and loss account.

## **Post-employment and other long-term benefits**

### **Overview of arrangements**

The ECB operates defined benefit plans for its staff and the members of the Executive Board, as well as for the members of the Supervisory Board employed by the ECB.

The staff pension plan is funded by assets held in a long-term employee benefit fund. This comprises a defined benefit pillar and a defined contribution pillar. The ECB and staff members both make compulsory contributions to the defined benefit pillar of the plan. Staff members can make additional voluntary contributions to a defined contribution pillar. At retirement, staff members can convert the accumulated value of their defined contribution account into an additional annuity.<sup>38</sup>

For members of the Executive Board and the members of the Supervisory Board employed by the ECB, unfunded arrangements are in place for post-employment and other long-term benefits (including pensions). For staff, unfunded arrangements are in place for post-employment and other long-term benefits (other than pensions).

### **Net defined benefit liability**

The liability recognised under “Sundry” (liabilities) in the balance sheet in respect of the defined benefit plans, including other long-term benefits, is the present value of

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<sup>37</sup> A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset, otherwise it is classified as an operating lease.

<sup>38</sup> This annuity is included in the defined benefit obligation from that point on.

the defined benefit obligation at the balance sheet date, less the fair value of plan assets.

The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. This is done by discounting the estimated future cash flows using a rate which is based on market yields at the balance sheet date of high-quality euro-denominated corporate bonds that have similar terms to maturity to the related obligation.

Actuarial gains and losses can arise from experience adjustments (where actual outcomes are different from the actuarial assumptions previously made) and changes in actuarial assumptions.

#### **Net defined benefit cost**

The net defined benefit cost is split into components reported in the profit and loss account and remeasurements in respect of post-employment benefits shown in the balance sheet under “Revaluation accounts”.

The net amount charged to the profit and loss account comprises:

1. the current service cost of the defined benefits accruing for the year;
2. the past service cost, if any, of the defined benefits resulting from a plan amendment;
3. the net interest cost at the discount rate on the net defined benefit liability;
4. remeasurements in respect of other long-term benefits.

The net amount shown under “Revaluation accounts” comprises the following items:

1. actuarial gains and losses in respect of post-employment benefits;
2. the actual return on plan assets, excluding amounts included in the net interest on the net defined benefit liability.

These amounts are determined annually by independent actuaries.

#### **Intra-ESCB/intra-Eurosystem balances**

Intra-ESCB balances result primarily from cross-border payments in the European Union (EU) that are settled in central bank money in euro. These transactions are for the most part initiated by private entities (e.g. credit institutions, corporations and individuals). They are settled in TARGET – the Trans-European Automated Real-time Gross settlement Express Transfer system – and give rise to bilateral balances in the TARGET accounts of EU central banks. Payments conducted by the ECB and the national central banks (NCBs) also affect these accounts. All settlements are automatically aggregated and adjusted to form part of a single position for each NCB vis-à-vis the ECB. These positions in the books of the ECB represent the net claim or liability of each NCB against the rest of the European System of Central Banks

(ESCB). The movements in TARGET accounts are reflected in the accounting records of the ECB and the NCBs on a daily basis.

Intra-Eurosystem balances of euro area NCBs vis-à-vis the ECB arising from TARGET are presented in the balance sheet of the ECB as a single net asset or liability position under either “Claims related to TARGET (net)” or “Liabilities related to TARGET (net)”. Intra-ESCB balances of non-euro area NCBs vis-à-vis the ECB, arising from their participation in TARGET, are disclosed under “Liabilities to non-euro area residents denominated in euro”.<sup>39</sup>

Intra-Eurosystem balances arising from the allocation of euro banknotes within the Eurosystem are included as a single net asset under “Claims related to the allocation of euro banknotes within the Eurosystem” (see “Banknotes in circulation” below).

Intra-Eurosystem balances arising from the transfer of foreign reserve assets to the ECB by NCBs joining the Eurosystem are denominated in euro and reported under “Liabilities equivalent to the transfer of foreign reserves”.

Other intra-Eurosystem balances denominated in euro (e.g. the ECB’s interim profit distribution to NCBs, if any) are presented in the balance sheet of the ECB as a single net asset or liability position under either “Other claims within the Eurosystem (net)” or “Other liabilities within the Eurosystem (net)”.

## Banknotes in circulation

The ECB and the euro area NCBs, which together constitute the Eurosystem, issue euro banknotes.<sup>40</sup> The total value of euro banknotes in circulation is allocated to the Eurosystem central banks on the last working day of each month in accordance with the banknote allocation key.<sup>41</sup>

The ECB has been allocated an 8% share of the total value of euro banknotes in circulation, which is disclosed in the balance sheet under the liability item “Banknotes in circulation”. The ECB’s share in total euro banknotes in circulation is backed by claims on the NCBs. These claims, which bear interest,<sup>42</sup> are disclosed under “Claims related to the allocation of euro banknotes within the Eurosystem” (see “Intra-ESCB/intra-Eurosystem balances” above). Interest income on these claims is included in the profit and loss account under “Interest income”.

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<sup>39</sup> As at 31 December 2025 the non-euro area NCBs participating in TARGET were Българска народна банка (Bulgarian National Bank), Danmarks Nationalbank, Narodowy Bank Polski and Banca Națională a României.

<sup>40</sup> [Decision of the European Central Bank of 13 December 2010 on the issue of euro banknotes \(ECB/2010/29\) \(2011/67/EU\)](#) (OJ L 35, 9.2.2011, p. 26), as amended. The [unofficial consolidated text](#) with the list of amendments is also available.

<sup>41</sup> The “banknote allocation key” reflects the percentages that result from taking into account the ECB’s share in the total euro banknote issue and applying the subscribed capital key to the NCBs’ share in that total.

<sup>42</sup> [Decision \(EU\) 2016/2248 of the European Central Bank of 3 November 2016 on the allocation of monetary income of the national central banks of Member States whose currency is the euro \(ECB/2016/36\)](#) (OJ L 347, 20.12.2016, p. 26), as amended. The [unofficial consolidated text](#) with the list of amendments is also available.

## Provision for financial risks

The Governing Council may decide to transfer all or part of the ECB's income to a provision for financial risks. This provision can be used to the extent deemed necessary by the Governing Council to offset losses that arise as a result of exposures to financial risks. The size of and continuing requirement for the provision for financial risks is reviewed annually, based on the ECB's assessment of its exposure to these risks and taking a range of factors into account, unless its size is zero and, at the same time, there is no ECB income to be transferred to it.<sup>43</sup>

## Interim profit distribution

An amount that is equal to the sum of the ECB's income on euro banknotes in circulation and income arising from the debt securities held for monetary policy purposes purchased under (i) the Securities Markets Programme, (ii) the third covered bond purchase programme, (iii) the asset-backed securities purchase programme, (iv) the public sector purchase programme, and (v) the pandemic emergency purchase programme is distributed in January of the following year by means of an interim profit distribution, unless otherwise decided by the Governing Council.<sup>44</sup> Any such decision is taken where, on the basis of a reasoned estimate prepared by the Executive Board, the Governing Council expects that the ECB will have an overall annual loss or will make an annual profit that is less than this income. The Governing Council may also decide to transfer all or part of this income to a provision for financial risks (see "Provision for financial risks" above).

Furthermore, the Governing Council may decide to reduce the amount of the income on euro banknotes in circulation to be distributed in January by the amount of the costs incurred by the ECB in connection with the issue and handling of euro banknotes.

## Post-balance-sheet events

The values of assets and liabilities are adjusted for events that occur between the annual balance sheet date and the date on which the Executive Board authorises the submission of the ECB's Annual Accounts to the Governing Council for approval, if such events materially affect the condition of assets and liabilities at the balance sheet date.

Important post-balance-sheet events that do not affect the condition of assets and liabilities at the balance sheet date are disclosed in the notes.

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<sup>43</sup> Since the end of 2023, this provision has stood at zero, as it was released in full to cover ECB losses that arose in 2022 and 2023.

<sup>44</sup> [Decision \(EU\) 2015/298 of the European Central Bank of 15 December 2014 on the interim distribution of the income of the ECB \(ECB/2014/57\)](#) (OJ L 53, 25.2.2015, p. 24), as amended. The [unofficial consolidated text](#) with the list of amendments is also available.

## Changes to accounting policies

In 2025 there were no changes to the accounting policies applied by the ECB.

## Other issues

On 13 March 2024 the Governing Council decided on changes to the operational framework for implementing monetary policy.<sup>45</sup> In the same context, the Governing Council also decided that from 1 January 2025 the interest rate applied to the deposit facility offered by the Eurosystem would become the basis for the remuneration of (i) claims related to the allocation of euro banknotes within the Eurosystem, (ii) TARGET balances due from/to NCBs, and (iii) liabilities equivalent to the transfer of foreign reserves. Up until year-end 2024, the basis for such remuneration was the interest rate used by the Eurosystem in its tenders for main refinancing operations.

## Appointment of external auditor

In accordance with Article 27 of the Statute of the ESCB, and on the basis of a recommendation of the Governing Council, the Council of the EU approved the appointment of Forvis Mazars GmbH & Co. KG Wirtschaftsprüfungsgesellschaft Steuerberatungsgesellschaft, Hamburg (Federal Republic of Germany) as the external auditor of the ECB for a five-year period up to the end of the financial year 2029. This five-year period may be extended for up to two additional financial years.

## 2.4 Notes to the balance sheet

### Note 1 – Gold and gold receivables

The ECB's holdings of gold were as follows:

	2025	2024
<b>Quantity</b>		
Ounces of fine gold <sup>1</sup>	16,285,778	16,285,778
<b>Price</b>		
US dollars per fine ounce of gold	4,311.200	2,608.750
US dollars per euro	1.1750	1.0389
<b>Market value (EUR millions)</b>	<b>59,754</b>	<b>40,895</b>

<sup>1</sup>) This corresponds to 506.5 tonnes for both 2025 and 2024.

<sup>45</sup> See the [press release](#) of 13 March 2024 on the Governing Council's decisions.

The increase in the euro equivalent value of the ECB's gold holdings was due to the rise in the market price of gold in euro terms (see "Gold and foreign currency assets and liabilities" in Section 2.3 "Accounting policies" and note 14 "Revaluation accounts").

## Note 2 – Claims on non-euro area and euro area residents denominated in foreign currency

### Note 2.1 – Receivables from the IMF

This item represents the ECB's holdings of SDRs, which amounted to €1,772 million as at 31 December 2025 (2024: €2,227 million). The holdings arise as the result of a two-way SDR buying and selling voluntary trading arrangement with the International Monetary Fund (IMF), whereby the IMF is authorised to arrange sales or purchases of SDRs against euro, on behalf of the ECB, within minimum and maximum holding levels. For accounting purposes, SDRs are treated as a foreign currency (see "Gold and foreign currency assets and liabilities" in Section 2.3 "Accounting policies"). The ECB's holdings of SDRs decreased in 2025 mainly as a result of transactions that took place in the context of the voluntary trading agreement mentioned above. Furthermore, the depreciation of the SDR against the euro during 2025 contributed to the decrease in the euro equivalent value of these holdings.

### Note 2.2 – Balances with banks and security investments, external loans and other external assets; and claims on euro area residents denominated in foreign currency

These two items consist of balances with banks and loans denominated in foreign currency, and investments in securities denominated in US dollars, Japanese yen and Chinese renminbi.

The components of this item were as follows:

(EUR millions)

	2025	2024	Change
<b>Claims on non-euro area residents</b>			
Current accounts <sup>1</sup>	4,685	3,809	876
Money market deposits	1,384	737	647
Reverse repurchase agreements	1,777	3,209	(1,432)
Security investments	45,146	48,135	(2,989)
<b>Total claims on non-euro area residents</b>	<b>52,992</b>	<b>55,890</b>	<b>(2,899)</b>
<b>Claims on euro area residents</b>			
Current accounts	25	17	8
Money market deposits	670	1,464	(794)
Reverse repurchase agreements	1,541	2,613	(1,072)
<b>Total claims on euro area residents</b>	<b>2,236</b>	<b>4,094</b>	<b>(1,858)</b>
<b>Total</b>	<b>55,228</b>	<b>59,985</b>	<b>(4,757)</b>

1) As of 2025, the ECB presents overnight investment of cash balances under "Reverse repurchase agreements" if these funds are part of a repurchase pool. The related balances of €2,968 million at the end of 2024 were reclassified from "Current accounts" to "Reverse repurchase agreements" accordingly.

The total value of these items decreased in 2025, mainly owing to the depreciation of the US dollar and the Japanese yen against the euro. This decrease was partially offset, mainly by the income earned during the year on the US dollar portfolio.

Net foreign currency holdings<sup>46</sup> were as follows:

(foreign currency, millions)

	2025	2024
US dollars	53,316	55,047
Japanese yen	1,715,294	1,087,826
Chinese renminbi	4,802	4,694

During the first quarter of 2025 the ECB sold a small portion of its US dollar holdings and fully reinvested the proceeds in Japanese yen. This was part of a standard rebalancing of the composition of its foreign reserves to align with the target allocation.

No foreign exchange interventions took place during 2025.

<sup>46</sup> These holdings comprise assets minus liabilities denominated in the given foreign currency that are subject to foreign currency revaluation. They are included under "Claims on non-euro area residents denominated in foreign currency", "Claims on euro area residents denominated in foreign currency", "Accruals and prepaid expenses", "Off-balance-sheet instruments revaluation differences" (liabilities side) and "Accruals and income collected in advance" and take into account foreign exchange forward and swap transactions included in off-balance-sheet items. Price gains on financial instruments denominated in foreign currency arising from revaluations are not included.

## Note 3 – Other claims on euro area credit institutions denominated in euro

As at 31 December 2025 this item consisted of current account balances with euro area residents amounting to €1 million (2024: €2 million).

## Note 4 – Securities of euro area residents denominated in euro

### Note 4.1 – Securities held for monetary policy purposes

As at 31 December 2025 this item consisted of debt securities acquired by the ECB under the Securities Markets Programme (SMP), the third covered bond purchase programme (CBPP3), the asset-backed securities purchase programme (ABSPP), the public sector purchase programme (PSPP) and the pandemic emergency purchase programme (PEPP).

	Start date	End date <sup>1</sup>	Decision	Universe of eligible securities <sup>2</sup>
<b>Securities Markets Programme (SMP)</b>				
<b>SMP</b>	May 2010	September 2012	ECB/2010/5	Public and private debt securities issued in the euro area <sup>3</sup>
<b>Asset purchase programme (APP)</b>				
<b>CBPP3</b>	October 2014	June 2023	ECB/2020/8, as amended	Covered bonds of euro area residents
<b>ABSPP</b>	November 2014	June 2023	ECB/2014/45, as amended	Senior and guaranteed mezzanine tranches of asset-backed securities of euro area residents
<b>PSPP</b>	March 2015	June 2023	ECB/2020/9	Bonds issued by euro area central, regional or local governments or recognised agencies as well as by international organisations and multilateral development banks located in the euro area
<b>CSPP<sup>4</sup></b>	June 2016	June 2023	ECB/2016/16, as amended	Bonds and commercial paper issued by non-bank corporations established in the euro area
<b>Pandemic emergency purchase programme (PEPP)</b>				
<b>PEPP</b>	March 2020	December 2024	ECB/2020/17, as amended	All asset categories eligible under the APP

1) For the SMP, "End date" refers to the termination date of the programme, while for the APP and PEPP it denotes the final date of purchases.

2) Further eligibility criteria for the individual programmes can be found in the relevant Governing Council decisions.

3) Only public debt securities issued by five euro area treasuries were purchased under the SMP.

4) The ECB did not acquire any securities under the corporate sector purchase programme (CSPP).

In 2025 the asset purchase programme (APP)<sup>47</sup> and PEPP<sup>48</sup> portfolios continued to decline at a measured and predictable pace, as the Eurosystem no longer reinvested the principal payments from maturing securities.

The debt securities purchased by the ECB under these programmes are accounted for at amortised cost, subject to impairment (see "Securities" in Section 2.3 "Accounting policies").

<sup>47</sup> Further details on the [asset purchase programme](#) can be found on the ECB's website.

<sup>48</sup> Further details on the [pandemic emergency purchase programme](#) can be found on the ECB's website.

The amortised cost of the debt securities held by the ECB and their market value<sup>49</sup> (which is not recorded in the balance sheet or the profit and loss account, and is provided for comparison purposes only) were as follows:

(EUR millions)

	2025		2024		Change	
	Amortised cost	Market value	Amortised cost	Market value	Amortised cost	Market value
<b>SMP</b>	185	190	286	298	(101)	(108)
<b>APP</b>						
CBPP3	17,326	15,953	20,437	18,844	(3,111)	(2,891)
ABSPP	3,038	3,006	7,047	6,979	(4,010)	(3,973)
PSPP – government/agency securities	166,126	149,387	192,664	175,885	(26,539)	(26,498)
<b>Total APP</b>	<b>186,490</b>	<b>168,345</b>	<b>220,149</b>	<b>201,708</b>	<b>(33,659)</b>	<b>(33,362)</b>
<b>PEPP</b>						
PEPP – covered bonds	786	710	867	781	(80)	(71)
PEPP – government/agency securities	137,804	121,407	155,480	138,927	(17,676)	(17,520)
<b>Total PEPP</b>	<b>138,590</b>	<b>122,118</b>	<b>156,347</b>	<b>139,709</b>	<b>(17,756)</b>	<b>(17,591)</b>
<b>Total</b>	<b>325,265</b>	<b>290,653</b>	<b>376,781</b>	<b>341,714</b>	<b>(51,516)</b>	<b>(51,061)</b>

The changes during the year in the amortised cost of the debt securities held by the ECB were as follows:

<sup>49</sup> Market values are indicative and calculated on the basis of market quotes. When market quotes are not available, market prices are estimated using internal Eurosystem models.

(EUR millions)

	2024	Purchases <sup>1</sup>	Redemptions	Net discount/ (premium) <sup>2</sup>	2025
<b>SMP</b>	286	-	(105)	4	185
<b>APP</b>					
CBPP3	20,437	-	(3,102)	(9)	17,326
ABSPP	7,047	-	(3,978)	(32)	3,038
PSPP – government/agency securities	192,664	(102)	(25,328)	(1,108)	166,126
<b>Total APP</b>	<b>220,149</b>	<b>(102)</b>	<b>(32,408)</b>	<b>(1,149)</b>	<b>186,490</b>
<b>PEPP</b>					
PEPP – covered bonds	867	-	(81)	1	786
PEPP – government/agency securities	155,480	-	(16,545)	(1,131)	137,804
<b>Total PEPP</b>	<b>156,347</b>	<b>-</b>	<b>(16,626)</b>	<b>(1,131)</b>	<b>138,590</b>
<b>Total</b>	<b>376,781</b>	<b>(102)</b>	<b>(49,139)</b>	<b>(2,275)</b>	<b>325,265</b>

1) For the APP, following the discontinuation of reinvestments, this column may show negative amounts resulting from sales of securities conducted primarily to ensure compliance with the risk control framework.

2) "Net discount/(premium)" includes net realised gains/(losses), if any.

The Governing Council assesses on a regular basis the financial risks associated with the securities held under these programmes.

In this context, impairment tests are conducted on an annual basis using year-end data and approved by the Governing Council. In these tests, impairment indicators are assessed separately for each programme. In cases where impairment indicators are observed, further analysis is performed to confirm that the cash flows of the underlying securities have not been affected by an impairment event. Based on the results of this year's impairment tests, no losses have been recorded by the ECB for the debt securities held in its monetary policy portfolios in 2025.

The amortised cost<sup>50</sup> of the securities held by the Eurosystem was as follows:

<sup>50</sup> Except for equity shares received by a Eurosystem NCB in 2024 as a result of a corporate restructuring, which were accounted for at market value. These equity shares were sold in 2025.

(EUR millions)

	2025			2024		
	ECB	Euro area NCBs	Total Eurosystem	ECB	Euro area NCBs	Total Eurosystem
<b>SMP</b>	<b>185</b>	<b>521</b>	<b>706</b>	<b>286</b>	<b>1,050</b>	<b>1,336</b>
<b>APP</b>						
CBPP3	17,326	193,147	<b>210,473</b>	20,437	232,571	<b>253,009</b>
ABSPP	3,038	-	<b>3,038</b>	7,047	-	<b>7,047</b>
PSPP – government/agency securities	166,126	1,495,709	<b>1,661,835</b>	192,664	1,704,258	<b>1,896,922</b>
PSPP – supranational securities	-	197,845	<b>197,845</b>	-	227,808	<b>227,808</b>
CSPP	-	248,543	<b>248,543</b>	-	288,377	<b>288,377</b>
<b>Total APP</b>	<b>186,490</b>	<b>2,135,245</b>	<b>2,321,734</b>	<b>220,149</b>	<b>2,453,015</b>	<b>2,673,164</b>
<b>PEPP</b>						
PEPP – covered bonds	786	4,339	<b>5,125</b>	867	5,097	<b>5,964</b>
PEPP – government/agency securities	137,804	1,090,166	<b>1,227,970</b>	155,480	1,243,391	<b>1,398,871</b>
PEPP – supranational securities	-	148,959	<b>148,959</b>	-	158,931	<b>158,931</b>
PEPP – corporate sector securities	-	40,965	<b>40,965</b>	-	45,105	<b>45,105</b>
<b>Total PEPP</b>	<b>138,590</b>	<b>1,284,429</b>	<b>1,423,019</b>	<b>156,347</b>	<b>1,452,524</b>	<b>1,608,871</b>
<b>Total</b>	<b>325,265</b>	<b>3,420,194</b>	<b>3,745,459</b>	<b>376,781</b>	<b>3,906,590</b>	<b>4,283,371</b>

Note: "Euro area NCBs" figures are preliminary and may be subject to revision, which would also result in an equivalent change in the "Total Eurosystem" figures.

## Note 5 – Intra-Eurosystem claims

### Note 5.1 – Claims related to the allocation of euro banknotes within the Eurosystem

This item consists of the claims of the ECB vis-à-vis the euro area NCBs relating to the allocation of euro banknotes within the Eurosystem (see "Banknotes in circulation" in Section 2.3 "Accounting policies"). As at 31 December 2025 the total amounted to €129,563 million (2024: €127,067 million). Since 1 January 2025 the remuneration of these claims has been calculated on a daily basis at the latest available interest rate applied to the deposit facility offered by the Eurosystem. Until that date, such remuneration was calculated at the latest available interest rate used by the Eurosystem in its tenders for main refinancing operations (see "Other issues" in Section 2.3 "Accounting policies" and note 22.2 "Interest income arising from the claims related to the allocation of euro banknotes within the Eurosystem").

## Note 6 – Other assets

### Note 6.1 – Tangible and intangible fixed assets

Tangible and intangible fixed assets were as follows:

(EUR millions)

	2025	2024	Change
<b>Cost</b>			
Land and buildings	1,004	1,015	(11)
Right-of-use buildings	332	352	(20)
Plant in buildings	222	222	(0)
IT hardware and software	141	142	(1)
Technical equipment, furniture and motor vehicles	117	114	3
Right-of-use equipment	0	1	(1)
Assets under construction	0	10	(9)
Other fixed assets	11	11	(0)
<b>Total cost</b>	<b>1,827</b>	<b>1,866</b>	<b>(39)</b>
<b>Accumulated depreciation</b>			
Land and buildings	(256)	(251)	(5)
Right-of-use buildings	(102)	(243)	141
Plant in buildings	(172)	(160)	(12)
IT hardware and software	(137)	(135)	(2)
Technical equipment, furniture and motor vehicles	(102)	(102)	0
Right-of-use equipment	(0)	(1)	1
Other fixed assets	(4)	(4)	(0)
<b>Total accumulated depreciation</b>	<b>(772)</b>	<b>(895)</b>	<b>123</b>
<b>Total net book value</b>	<b>1,055</b>	<b>971</b>	<b>84</b>

In 2025 the ECB recognised a new leased office building under “Right-of-use buildings”. The related increase in the cost for this asset class was more than offset by the derecognition of another leased office building when its lease term ended, which also led to a corresponding decrease in the related accumulated depreciation.

An impairment test was conducted on the ECB’s main building and right-of-use office buildings at the end of the year and no impairment loss was identified.

### Note 6.2 – Other financial assets

This item comprises mainly the ECB’s own funds portfolio, which predominantly consists of investments of the ECB’s paid-up capital as well as of amounts set aside

in the general reserve fund and in the provision for financial risks. It also includes 3,211 shares in the Bank for International Settlements (BIS) at an acquisition cost of €42 million and other current accounts denominated in euro.

The components of this item were as follows:

(EUR millions)

	2025	2024	Change
Current accounts in euro	41	45	(4)
Securities denominated in euro	21,612	21,269	343
Reverse repurchase agreements in euro	1,516	1,425	91
Other financial assets	42	42	(0)
<b>Total</b>	<b>23,211</b>	<b>22,781</b>	<b>430</b>

The net increase in this item in 2025 was primarily due to the reinvestment of interest income generated on the ECB's own funds portfolio.

### Note 6.3 – Off-balance-sheet instruments revaluation differences

This item is composed primarily of valuation changes in swap and forward transactions in foreign currency that were outstanding on 31 December 2025 (see note 20 “Foreign exchange swap and forward transactions”). These valuation changes amounted to €273 million (2024: €681 million). They are the result of the translation of such transactions into their euro equivalents at the exchange rates prevailing on the balance sheet date, compared with the euro values resulting from the translation of the transactions at the average cost of the respective foreign currency on that date (see “Off-balance-sheet instruments” and “Gold and foreign currency assets and liabilities” in Section 2.3 “Accounting policies”).

### Note 6.4 – Accruals and prepaid expenses

Accruals and prepaid expenses were as follows:

(EUR millions)

	2025	2024	Change
Accrued interest on TARGET balances due from NCBs	2,207	3,656	(1,449)
Accrued interest on claims related to the allocation of euro banknotes within the Eurosystem	651	1,093	(442)
Accrued interest on securities	3,386	3,519	(133)
Accrued income related to supervisory tasks	690	681	9
Other accruals and prepaid expenses	175	210	(35)
<b>Total</b>	<b>7,108</b>	<b>9,158</b>	<b>(2,050)</b>

As at 31 December 2025 this item included accrued coupon interest on securities, including outstanding interest paid at acquisition (see note 2.2 “Balances with banks and security investments, external loans and other external assets; and claims on euro area residents denominated in foreign currency”, note 4.1 “Securities held for monetary policy purposes” and note 6.2 “Other financial assets”).

It also included accrued interest receivable on TARGET balances due from euro area NCBs for December 2025 (see note 11.2 “Liabilities related to TARGET (net)”) and accrued interest receivable from euro area NCBs for the final quarter of 2025 in respect of the ECB’s claims related to the allocation of euro banknotes within the Eurosystem (see note 5.1 “Claims related to the allocation of euro banknotes within the Eurosystem”). These amounts were settled in January 2026.

Accrued income related to supervisory tasks corresponds to the supervisory fees to be received for the fee period 2025 that will be collected in 2026 (see note 25 “Net income/(expense) from fees and commissions”).<sup>51</sup>

The remainder of this item mainly included (i) accrued income from ESCB projects and services (see note 27 “Other income”), (ii) miscellaneous prepayments, and (iii) accrued interest income on other financial instruments.

## Note 6.5 – Sundry

As at 31 December 2025 this item amounted to €110 million (2024: €53 million), comprising mainly balances with a value of €78 million (2024: €24 million) related to swap and forward transactions in foreign currency outstanding on 31 December 2025 (see note 20 “Foreign exchange swap and forward transactions”). These balances arose from the translation of such transactions into their euro equivalents at the respective currency’s average cost at the balance sheet date compared with the euro values at which the transactions were initially recorded (see “Off-balance-sheet instruments” in Section 2.3 “Accounting policies”).

<sup>51</sup> Further details on [supervisory fees](#) can be found on the ECB’s banking supervision website.

It also included receivables in relation to ESCB projects and services (see note 27 “Other income”) and balances in respect of recoverable value added tax.

## Note 7 – Banknotes in circulation

This item consists of the ECB’s share (8%) of total euro banknotes in circulation (see “Banknotes in circulation” in Section 2.3 “Accounting policies”), which amounted to €129,563 million as at 31 December 2025 (2024: €127,067 million).

## Note 8 – Other liabilities to euro area credit institutions denominated in euro

The Eurosystem central banks are permitted to accept cash as collateral in their PSPP and public sector PEPP securities lending facilities without having to reinvest it. In the case of the ECB, these operations are conducted via specialised institutions.

This item includes the balances arising from such outstanding lending transactions conducted with euro area credit institutions. Since the cash received in TARGET accounts as collateral remained uninvested at year-end, these transactions were recorded in the balance sheet (see “Reverse transactions” in Section 2.3 “Accounting policies” and note 17 “Securities lending programmes”).<sup>52</sup>

## Note 9 – Liabilities to other euro area residents denominated in euro

### Note 9.1 – General government

As at 31 December 2025 this item consisted of deposits of the European Financial Stability Facility (EFSF) amounting to €74 million (2024: €73 million). In accordance with Article 21 of the Statute of the ESCB, the ECB may act as fiscal agent for Union institutions, bodies, offices or agencies, central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of Member States.

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<sup>52</sup> Securities lending transactions that do not result in uninvested cash collateral at year-end are recorded in off-balance-sheet accounts (see note 17 “Securities lending programmes”).

## Note 9.2 – Other liabilities

As at 31 December 2025 this item amounted to €25,947 million (2024: €24,482 million), comprising balances of the euro area ancillary systems<sup>53</sup> connected to TARGET through the TARGET-ECB component.

## Note 10 – Liabilities to non-euro area residents denominated in euro

Liabilities to non-euro area residents denominated in euro were as follows:

(EUR millions)

	2025	2024	Change
TARGET balances of non-euro area NCBs and ancillary systems	2,671	2,908	(236)
Cash received as collateral in securities lending transactions	188	2,062	(1,874)
Deposits accepted by the ECB in its role as fiscal agent	23,576	33,823	(10,246)
Liquidity-providing swap arrangements	410	1,067	(656)
<b>Total</b>	<b>26,846</b>	<b>39,859</b>	<b>(13,013)</b>

As at 31 December 2025 the largest component of this item was deposits accepted by the ECB in its role as fiscal agent for the European Commission, relating to the administration of EU borrowing and lending activities (see note 21 “Administration of borrowing and lending operations”).

This item also included TARGET balances, consisting of balances of non-euro area NCBs vis-à-vis the ECB (see “Intra-ESCB/intra-Eurosystem balances” in Section 2.3 “Accounting policies”) and balances of the non-euro area ancillary systems connected to TARGET through the TARGET-ECB component.

Furthermore, it included a balance arising from the standing reciprocal currency arrangement with the Federal Reserve System. Under this arrangement, US dollars are provided by the Federal Reserve Bank of New York to the ECB by means of swap transactions, with the aim of allowing short-term US dollar funding to be offered to Eurosystem counterparties. The ECB simultaneously enters into back-to-back swap transactions with euro area NCBs, which use the resulting funds to conduct US dollar liquidity-providing operations with Eurosystem counterparties in the form of reverse transactions. The back-to-back swap transactions result in intra-Eurosystem balances between the ECB and the euro area NCBs. Furthermore, the swap

<sup>53</sup> Ancillary systems are financial market infrastructures that have been granted access to the TARGET-ECB component by the Governing Council, provided they fulfil the requirements defined in [Decision \(EU\) 2022/911 of the European Central Bank of 19 April 2022 concerning the terms and conditions of TARGET-ECB and repealing Decision ECB/2007/7 \(ECB/2022/22\)](#) (OJ L 163, 17.6.2022, p. 1), as amended. The [unofficial consolidated text](#) with the list of amendments is also available. Depending on the managing entity, the ancillary systems are considered either euro area residents (see note 9.2 “Other liabilities”) or non-euro area residents (see note 10 “Liabilities to non-euro area residents denominated in euro”). Further details on [ancillary systems](#) can be found on the ECB’s website.

transactions conducted by the ECB with the Federal Reserve Bank of New York and the euro area NCBs result in forward claims and liabilities that are recorded in off-balance-sheet accounts (see note 20 “Foreign exchange swap and forward transactions”).

The remainder of this item consisted of balances arising from outstanding PSPP and public sector PEPP securities lending transactions conducted with non-euro area credit institutions. Since the cash received in TARGET accounts as collateral remained uninvested at year-end, these transactions were recorded in the balance sheet (see “Reverse transactions” in Section 2.3 “Accounting policies” and note 17 “Securities lending programmes”).

## Note 11 – Intra-Eurosystem liabilities

### Note 11.1 – Liabilities equivalent to the transfer of foreign reserves

These are the liabilities to euro area NCBs arising from the transfer of foreign reserve assets to the ECB when those NCBs joined the Eurosystem. In line with Article 30.2 of the Statute of the ESCB, these contributions are fixed in proportion to the NCBs’ shares in the subscribed capital of the ECB. No changes occurred in 2025.

The liabilities to euro area NCBs arising from the transfer of foreign reserve assets to the ECB were as follows:

(EUR millions)

	Since 1 January 2024
Nationale Bank van België/Banque Nationale de Belgique (Belgium)	1,488
Deutsche Bundesbank (Germany)	10,802
Eesti Pank (Estonia)	121
Central Bank of Ireland (Ireland)	884
Bank of Greece (Greece)	916
Banco de España (Spain)	4,796
Banque de France (France)	8,114
Hrvatska narodna banka (Croatia)	314
Banca d'Italia (Italy)	6,498
Central Bank of Cyprus (Cyprus)	89
Latvijas Banka (Latvia)	157
Lietuvos bankas (Lithuania)	239
Banque centrale du Luxembourg (Luxembourg)	148
Central Bank of Malta (Malta)	52
De Nederlandsche Bank (Netherlands)	2,396
Oesterreichische Nationalbank (Austria)	1,199
Banco de Portugal (Portugal)	943
Banka Slovenije (Slovenia)	200
Národná banka Slovenska (Slovakia)	466
Suomen Pankki – Finlands Bank (Finland)	737
<b>Total</b>	<b>40,562</b>

Since 1 January 2025 the remuneration of these liabilities has been calculated on a daily basis at the latest available interest rate applied to the deposit facility offered by the Eurosystem, adjusted to reflect a zero return on the gold component. Until that date, such remuneration was calculated at the latest available interest rate used by the Eurosystem in its tenders for main refinancing operations, also adjusted to reflect a zero return on the gold component (see “Other issues” in Section 2.3 “Accounting policies” and note 22.3 “Remuneration of NCBs’ claims in respect of foreign reserves transferred”).

## Note 11.2 – Liabilities related to TARGET (net)

This item consists of the TARGET balances of euro area NCBs vis-à-vis the ECB (see “Intra-ESCB/intra-Eurosystem balances” in Section 2.3 “Accounting policies”), which were as follows:

(EUR millions)

	2025	2024
Due to euro area NCBs in respect of TARGET	1,545,403	1,593,185
Due from euro area NCBs in respect of TARGET	(1,231,912)	(1,245,111)
<b>Net TARGET liability</b>	<b>313,491</b>	<b>348,074</b>

The decrease in the net TARGET liability was mainly attributable to the cash inflows as a result of the maturing of securities under the APP and the PEPP, which were settled via TARGET accounts (see note 4.1 “Securities held for monetary policy purposes”). The impact of this factor was partially offset, mainly by the cash outflows resulting from (i) lower deposits accepted by the ECB in its role as fiscal agent for the European Commission, relating to the administration of EU borrowing and lending activities (see note 10 “Liabilities to non-euro area residents denominated in euro”); and (ii) interest expense paid on the ECB’s net TARGET liability (see note 22.5 “Net interest expense arising from TARGET balances due from/to NCBs”).

With the exception of balances arising from back-to-back swap transactions in connection with US dollar liquidity-providing operations, since 1 January 2025 the remuneration of TARGET positions held by euro area NCBs vis-à-vis the ECB has been calculated on a daily basis at the latest available interest rate applied to the deposit facility offered by the Eurosystem. Until that date, such remuneration was calculated at the latest available interest rate used by the Eurosystem in its tenders for main refinancing operations (see “Other issues” in Section 2.3 “Accounting policies” and note 22.5 “Net interest expense arising from TARGET balances due from/to NCBs”).

### Note 11.3 – Other liabilities within the Eurosystem (net)

As at 31 December 2025 this item amounted to €8 million (2024: €40 million). It included deposits accepted by the ECB in its role as fiscal agent for the European Commission relating to the administration of EU borrowing and lending activities (see note 21 “Administration of borrowing and lending operations”).

It also included a correspondent account used for processing administrative payments of the ECB.

### Note 12 – Other liabilities

#### Note 12.1 – Off-balance-sheet instruments revaluation differences

This item included valuation changes in forward transactions in securities denominated in foreign currency that were outstanding on 31 December 2025 (see

note 19 “Forward transactions in securities”). These valuation changes amounted to €0.2 million and were primarily a result of the decline in the forward market price of the securities. The remaining valuation changes were related to the translation of such transactions into their euro equivalents at the exchange rates prevailing on the balance sheet date, compared with the euro values resulting from the translation of the transactions at the average cost of the respective foreign currency on that date (see “Off-balance-sheet instruments” and “Gold and foreign currency assets and liabilities” in Section 2.3 “Accounting policies”). As at 31 December 2024 there were no balances under this item.

## Note 12.2 – Accruals and income collected in advance

Accruals and income collected in advance were as follows:

(EUR millions)

	2025	2024	Change
Accrued interest on TARGET balances due to NCBs	2,743	4,636	(1,892)
Accrued interest on NCBs' claims in respect of foreign reserves transferred to the ECB	790	1,448	(659)
Accrued interest on deposits accepted by the ECB in its role as fiscal agent	45	103	(58)
Other accruals and deferred income	83	101	(18)
<b>Total</b>	<b>3,661</b>	<b>6,288</b>	<b>(2,627)</b>

As at 31 December 2025 the two main components of this item were accrued interest payable on TARGET balances due to NCBs for December 2025 (see note 10 “Liabilities to non-euro area residents denominated in euro” and note 11.2 “Liabilities related to TARGET (net)”) and accrued interest payable to euro area NCBs for 2025 in respect of their claims relating to foreign reserves transferred to the ECB (see note 11.1 “Liabilities equivalent to the transfer of foreign reserves”). These amounts were settled in January 2026.

This item also included accrued interest payable on deposits accepted by the ECB in its role as fiscal agent (see note 9.1 “General government”, note 10 “Liabilities to non-euro area residents denominated in euro” and note 11.3 “Other liabilities within the Eurosystem (net)”).

The remainder of this item comprised (i) accrued interest payable on balances of the euro area ancillary systems connected to TARGET through the TARGET-ECB component (see note 9.2 “Other liabilities”), and (ii) miscellaneous accruals and deferred income.

## Note 12.3 – Sundry

As at 31 December 2025 this item stood at €1,084 million (2024: €1,327 million). The total included balances amounting to €286 million (2024: €574 million) related to swap and forward transactions in foreign currency that were outstanding on 31 December 2025 (see note 20 “Foreign exchange swap and forward transactions”). These balances arose from the translation of such transactions into their euro equivalents at the respective currency’s average cost on the balance sheet date, compared with the euro values at which the transactions were initially recorded (see “Off-balance-sheet instruments” in Section 2.3 “Accounting policies”).

The item also included a lease liability of €227 million (2024: €110 million) (see “Leases” in Section 2.3 “Accounting policies”).

The remainder of this item mainly included (i) liabilities in relation to ESCB services, and (ii) liabilities arising under the ECB’s medical and long-term care plans for staff as well as for the members of the Executive Board and the members of the Supervisory Board employed by the ECB.

In addition, this item included the ECB’s net defined benefit liability in respect of the post-employment and other long-term benefits of its staff,<sup>54</sup> the members of the Executive Board and the members of the Supervisory Board employed by the ECB.

## Post-employment and other long-term benefits

### Balance sheet

The amounts recognised under “Sundry” (liabilities) in the balance sheet in respect of post-employment and other long-term benefits were as follows:

(EUR millions)

	2025			2024		
	Staff	Boards	Total	Staff	Boards	Total
Defined benefit obligation	2,948	42	2,990	2,712	37	2,749
Fair value of plan assets	(2,604)	-	(2,604)	(2,253)	-	(2,253)
<b>Net defined benefit liability included under “Sundry” (liabilities)</b>	<b>344</b>	<b>42</b>	<b>386</b>	<b>459</b>	<b>37</b>	<b>496</b>

Note: The columns labelled “Boards” report amounts in respect of both the Executive Board and the Supervisory Board.

As at 31 December 2025 the present value of the defined benefit obligation vis-à-vis staff amounted to €2,948 million (2024: €2,712 million), including unfunded benefits amounting to €356 million (2024: €293 million) relating to post-employment benefits other than pensions and to other long-term benefits. The present value of the defined benefit obligation vis-à-vis the members of the Executive Board and the members of

<sup>54</sup> The defined benefit pillar of the plan reflects only the compulsory contributions made by the ECB and staff. Voluntary contributions made by staff in a defined contribution pillar in 2025 amounted to €296 million (2024: €266 million). These contributions are invested in the plan assets and give rise to a corresponding obligation of equal value.

the Supervisory Board of €42 million (2024: €37 million) relates solely to unfunded arrangements in place for post-employment and other long-term benefits.

Remeasurements of the ECB's net defined benefit liability in respect of post-employment benefits are recognised in the balance sheet under "Revaluation accounts". As at 31 December 2025 the remeasurement gains under that item amounted to €585 million (2024: €416 million) (see note 14 "Revaluation accounts").

### Changes in the defined benefit obligation, plan assets and remeasurement results

Changes in the present value of the defined benefit obligation were as follows:

(EUR millions)

	2025			2024		
	Staff	Boards	Total	Staff	Boards	Total
Opening defined benefit obligation	2,712	37	2,749	2,458	35	2,493
Current service cost	128	2	130	121	3	123
Past service cost	0	0	0	119	1	120
Interest cost on the obligation	99	1	101	85	1	86
Contributions paid by plan participants <sup>1</sup>	40	0	41	38	0	38
Benefits paid	(39)	(3)	(42)	(31)	(3)	(34)
Remeasurement (gains)/losses	7	4	11	(77)	0	(77)
<b>Closing defined benefit obligation</b>	<b>2,948</b>	<b>42</b>	<b>2,990</b>	<b>2,712</b>	<b>37</b>	<b>2,749</b>

Note: The columns labelled "Boards" report amounts in respect of both the Executive Board and the Supervisory Board.

1) Net total including compulsory contributions and transfers into/out of the plans. The compulsory contributions paid by staff amount to 7.4% of their basic salary, while those paid by the ECB amount to 20.7%.

The remeasurement losses on the defined benefit obligation arose in 2025 as a result of the experience adjustments reflecting the difference between the actuarial assumptions made in the previous year's report and actual experience. The resulting losses were partially offset by remeasurement gains stemming mainly from the increase in the discount rate used for the actuarial valuation from 3.6% in 2024 to 3.9% in 2025.

The past service cost recognised in 2024 related to the current contributors and pensioners and resulted from an amendment to the rules governing the ECB's pension plans introduced in that year, according to which the annual increase of pensions aligns with the annual general salary adjustments for ECB employees starting from 2025.

Changes in the fair value of plan assets in the defined benefit pillar relating to staff were as follows:

(EUR millions)

	2025	2024
Opening fair value of plan assets	2,253	1,983
Interest income on plan assets	83	69
Remeasurement gains	166	104
Contributions paid by employer	88	81
Contributions paid by plan participants	40	38
Benefits paid	(26)	(21)
<b>Closing fair value of plan assets</b>	<b>2,604</b>	<b>2,253</b>

The remeasurement gains on plan assets in 2025 reflect the fact that the actual return on the fund assets was higher than the estimated interest income on plan assets, which was based on the discount rate of 3.6% used for the actuarial valuation in 2024.

Changes in the remeasurement results were as follows:

(EUR millions)

	2025	2024
Opening remeasurement gains	416	238
Gains on plan assets	166	104
Gains/(losses) on obligation	(11)	77
(Gains)/losses recognised in the profit and loss account	14	(2)
<b>Closing remeasurement gains included under "Revaluation accounts"</b>	<b>585</b>	<b>416</b>

### Profit and loss account

The amounts recognised in the profit and loss account were as follows:

(EUR millions)

	2025			2024		
	Staff	Boards	Total	Staff	Boards	Total
Current service cost	128	2	130	121	3	123
Past service cost	0	0	0	119	1	120
Net interest on the net defined benefit liability	16	1	18	16	1	17
- Interest cost on the obligation	99	1	101	85	1	86
- Interest income on plan assets	(83)	-	(83)	(69)	-	(69)
Remeasurement (gains)/losses on other long-term benefits	14	0	14	(2)	0	(2)
<b>Total included in "Staff costs"</b>	<b>159</b>	<b>3</b>	<b>162</b>	<b>253</b>	<b>5</b>	<b>258</b>

Note: The columns labelled "Boards" report amounts in respect of both the Executive Board and the Supervisory Board.

The amounts recognised in the profit and loss account for the current service cost, interest cost on the obligation and interest income on plan assets are estimated using the assumptions that applied in the preceding year. The applicable discount rate rose from 3.4% to 3.6%, as used for the actuarial valuations in 2023 and 2024 respectively. The higher balances and the higher discount rate led to an increase of the interest cost on the obligation and interest income on plan assets. The current service cost increased marginally in 2025, resulting mainly from the amendment to the rules governing the ECB's pension plans in 2024.

The past service cost resulting from this amendment was recognised in full in the profit and loss account for 2024, which was the year in which the amendment decision was taken.

### Key assumptions

When preparing the valuations referred to in this note, the independent actuaries used assumptions which the Executive Board has accepted for the purposes of accounting and disclosure. The principal assumptions used for the purposes of calculating the liability for post-employment and other long-term benefits were as follows:

(%)

	2025	2024
Discount rate	3.90	3.60
Expected return on unit funds of members <sup>1</sup>	4.90	4.60
Future general salary increases <sup>2</sup>	2.00	2.00
Future pension increases <sup>3</sup>	2.00	2.00

1) These assumptions were used to calculate the part of the ECB's defined benefit obligation which is funded by assets with an underlying capital guarantee.

2) In addition, allowance is made for prospective individual salary increases of up to 1.8% per annum, depending on the age of the plan participants.

3) In accordance with the ECB's pension plan rules, pensions will be increased annually. In 2024 these rules were amended to align the annual increase in pensions with the annual general salary adjustments for ECB employees starting from 2025. Prior to this amendment, the annual increase in pensions was also linked to the general salary adjustment, but subject to further conditions.

## Note 13 – Provisions

### Note 13.1 – Other provisions

As at 31 December 2025 this item comprised administrative provisions amounting to €84 million (2024: €72 million).

### Note 14 – Revaluation accounts

This item consists mainly of revaluation balances arising from unrealised gains on assets, liabilities and off-balance-sheet instruments (see "Gold and foreign currency assets and liabilities", "Securities", "Income recognition" and "Off-balance-sheet

instruments” in Section 2.3 “Accounting policies”).<sup>55</sup> It also includes remeasurements of the ECB’s net defined benefit liability in respect of post-employment benefits (see “Post-employment and other long-term benefits” in Section 2.3 “Accounting policies” and note 12.3 “Sundry”).

Revaluation accounts were as follows:

(EUR millions)

	2025	2024	Change
Gold	55,957	37,097	18,860
Foreign currency	6,042	12,819	(6,777)
- US dollars	6,042	12,717	(6,675)
- Chinese renminbi	-	30	(30)
- SDRs	-	72	(72)
- Others	-	0	(0)
Securities and other instruments	484	320	164
Net defined benefit liability in respect of post-employment benefits	585	416	169
<b>Total</b>	<b>63,068</b>	<b>50,653</b>	<b>12,415</b>

The revaluation accounts increased in 2025 due predominantly to the rise in the market price of gold in euro terms. The increase was partially offset by a decline in the revaluation accounts related to foreign currency, mainly owing to the depreciation of the US dollar against the euro.

The exchange rates used for year-end revaluation of main foreign currencies and gold were as follows:

Exchange rates	2025	2024
US dollars per euro	1.1750	1.0389
Japanese yen per euro	184.09	163.06
Chinese renminbi per euro	8.2262	7.5833
Euro per SDR	1.1656	1.2544
Euro per fine ounce of gold	3,669.106	2,511.069

<sup>55</sup> The unrealised losses exceeding at year-end previous revaluation gains accumulated in the corresponding revaluation account are recorded as write-downs in the profit and loss account (see note 24 “Write-downs on financial assets and positions”).

## Note 15 – Capital and reserves

### Note 15.1 – Capital

#### **The ECB's capital key**

Pursuant to Article 29 of the Statute of the ESCB, the weightings assigned to the NCBs of EU Member States in the key for subscription of the ECB's capital are determined according to the shares of the respective Member State in the total population and gross domestic product of the EU, in equal measure. These weights are adjusted every five years and whenever there is a change in the number of NCBs that contribute to the ECB's capital.

#### **Capital of the ECB**

The capital key is applied to the ECB's subscribed capital of €10,825 million to determine the share of subscribed capital for each NCB.

The euro area NCBs have fully paid up their share of subscribed capital, while the non-euro area NCBs have paid up 3.75% of their subscribed capital as a contribution to the operational costs of the ECB. Non-euro area NCBs are not entitled to receive any share of the distributable profits of the ECB, nor are they liable to cover any loss of the ECB.

No changes occurred in 2025. The following table shows the capital key, subscribed capital and paid-up capital:

	Since 1 January 2024		
	Capital key (%)	Subscribed capital (EUR millions)	Paid-up capital (EUR millions)
Nationale Bank van België/ Banque Nationale de Belgique (Belgium)	3.0005	325	325
Deutsche Bundesbank (Germany)	21.7749	2,357	2,357
Eesti Pank (Estonia)	0.2437	26	26
Central Bank of Ireland (Ireland)	1.7811	193	193
Bank of Greece (Greece)	1.8474	200	200
Banco de España (Spain)	9.6690	1,047	1,047
Banque de France (France)	16.3575	1,771	1,771
Hrvatska narodna banka (Croatia)	0.6329	69	69
Banca d'Italia (Italy)	13.0993	1,418	1,418
Central Bank of Cyprus (Cyprus)	0.1802	20	20
Latvijas Banka (Latvia)	0.3169	34	34
Lietuvos bankas (Lithuania)	0.4826	52	52
Banque centrale du Luxembourg (Luxembourg)	0.2976	32	32
Central Bank of Malta (Malta)	0.1053	11	11
De Nederlandsche Bank (Netherlands)	4.8306	523	523
Oesterreichische Nationalbank (Austria)	2.4175	262	262
Banco de Portugal (Portugal)	1.9014	206	206
Banka Slovenije (Slovenia)	0.4041	44	44
Národná banka Slovenska (Slovakia)	0.9403	102	102
Suomen Pankki – Finlands Bank (Finland)	1.4853	161	161
<b>Subtotal for euro area NCBs</b>	<b>81.7681</b>	<b>8,851</b>	<b>8,851</b>
Българска народна банка (Bulgarian National Bank) (Bulgaria)	0.9783	106	4
Česká národní banka (Czech Republic)	1.9623	212	8
Danmarks Nationalbank (Denmark)	1.7797	193	7
Magyar Nemzeti Bank (Hungary)	1.5819	171	6
Narodowy Bank Polski (Poland)	6.0968	660	25
Banca Națională a României (Romania)	2.8888	313	12
Sveriges Riksbank (Sweden)	2.9441	319	12
<b>Subtotal for non-euro area NCBs</b>	<b>18.2319</b>	<b>1,974</b>	<b>74</b>
<b>Total</b>	<b>100.0000</b>	<b>10,825</b>	<b>8,925</b>

## Note 16 – Accumulated losses carried forward

As at 31 December 2025 this item amounted to €9,210 million (2024: €1,266 million). It comprised the ECB's losses for 2023 and 2024, which, following a decision by the Governing Council, were carried forward on the ECB's balance sheet to be offset against future profits.

## 2.5 Off-balance-sheet instruments

### Note 17 – Securities lending programmes

As part of the management of the ECB's own funds, the ECB has a securities lending programme agreement in place under which specialised institutions enter into securities lending transactions on behalf of the ECB. In accordance with the Governing Council's decisions, the ECB has also made securities held for monetary policy purposes available for lending.<sup>56</sup>

Depending on the collateral received, securities lending operations are recorded in (i) off-balance-sheet accounts, when conducted against securities collateral; or (ii) on-balance-sheet accounts, when conducted against cash that remains uninvested at the end of the year (see note 8 "Other liabilities to euro area credit institutions denominated in euro" and note 10 "Liabilities to non-euro area residents denominated in euro").

The market value of the securities lent and the corresponding collateral was as follows:

(EUR millions)

	2025	2024
Securities lent against securities collateral <sup>1</sup>	(27,727)	(37,393)
<i>of which related to securities held for monetary policy purposes</i>	<i>(19,387)</i>	<i>(28,585)</i>
Securities lent against cash collateral	(650)	(4,273)
<i>of which related to securities held for monetary policy purposes</i>	<i>(650)</i>	<i>(4,273)</i>
<b>Market value of securities lent</b>	<b>(28,377)</b>	<b>(41,666)</b>
Securities collateral <sup>1</sup>	28,972	38,970
<i>of which related to securities held for monetary policy purposes</i>	<i>20,144</i>	<i>29,761</i>
Cash collateral <sup>2</sup>	677	4,450
<i>of which related to securities held for monetary policy purposes</i>	<i>677</i>	<i>4,450</i>
<b>Market value of collateral</b>	<b>29,649</b>	<b>43,420</b>

1) This amount is recorded in off-balance-sheet accounts.

2) This amount is recorded in on-balance-sheet accounts under "Other liabilities to euro area credit institutions denominated in euro" and "Liabilities to non-euro area residents denominated in euro".

<sup>56</sup> Further details on [securities lending](#) can be found on the ECB's website.

## Note 18 – Interest rate futures

Foreign currency interest rate futures transactions were conducted in the context of the management of the ECB's foreign reserves. The following transactions, translated at year-end foreign exchange rates, were outstanding at year-end:

(EUR millions)

	2025 Contract value	2024 Contract value	Change
<b>Foreign currency interest rate futures</b>			
Purchases	880	382	498
Sales	105	734	(629)

## Note 19 – Forward transactions in securities

Forward transactions in securities were conducted in the context of the management of the ECB's foreign reserves. The following transactions, translated at year-end foreign exchange rates, were outstanding at year-end:

(EUR millions)

	2025	2024	Change
<b>Forward transactions in securities</b>			
Purchases	1,248	-	1,248
Sales	51	-	51

## Note 20 – Foreign exchange swap and forward transactions

### Management of foreign reserves

Foreign exchange swap and forward transactions were conducted in the context of the management of the ECB's foreign reserves. The following claims and liabilities resulting from these transactions, translated at year-end foreign exchange rates, were outstanding at year-end:

(EUR millions)

	2025	2024	Change
<b>Foreign exchange swap and forward transactions</b>			
Claims	2,102	2,873	(771)
Liabilities	2,038	2,742	(704)

### Liquidity-providing swap arrangements

The ECB is part of a swap line network of central banks and has in place reciprocal swap arrangements with the Bank of Canada, the Bank of Japan, the Swiss National Bank, the Bank of England and the Federal Reserve System. It also holds a reciprocal swap line with the People's Bank of China. These swap arrangements allow for the provision of (i) liquidity in any of the respective currencies of the above central banks to euro area banks, or (ii) euro liquidity to financial institutions in the jurisdictions of the above central banks. Furthermore, swap agreements are also in place with Danmarks Nationalbank and Sveriges Riksbank for the provision of euro liquidity to financial institutions in their jurisdictions. The above arrangements are aimed at preventing tensions in international funding markets from hampering the effectiveness of euro area monetary policy transmission.<sup>57</sup>

US dollar-denominated claims and liabilities with a maturity date in 2026 arose in connection with the provision of US dollar liquidity to Eurosystem counterparties (see note 10 “Liabilities to non-euro area residents denominated in euro”).

### Note 21 – Administration of borrowing and lending operations

The ECB acts as a fiscal agent for the European Commission for the administration of EU borrowing and lending activities.<sup>58</sup> In 2025 the ECB was responsible for the administration of accounts and the processing of payments relating to the following EU programmes:

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#### EU borrowing and lending activities

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The medium-term financial assistance facility (MTFA)

The European Financial Stabilisation Mechanism (EFSM)

The loan facility agreement for Greece

The European instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE)

The Next Generation EU (NGEU) programme

The Ukraine Loan Cooperation Mechanism (ULCM)

The Ukraine Facility

Macro-financial assistance (MFA)

The Reform and Growth Facility for the Western Balkans

Moreover, the ECB acts as a paying agent for the European Commission in relation to its EU Issuance Service.

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<sup>57</sup> Further details on the ECB's [liquidity-providing swap arrangements](#) can be found on the ECB's website. The repo lines also described on this website are operated by euro area NCBs and therefore not considered in the ECB's Annual Accounts.

<sup>58</sup> In accordance with Article 21 of the Statute of the ESCB, the ECB may act as fiscal agent for Union institutions, bodies, offices or agencies, central governments, regional, local or other public authorities, other bodies governed by public law, or public undertakings of Member States.

## 2.6 Notes to the profit and loss account

### Note 22 – Net interest income/(expense)

The net interest expense was as follows:

(EUR millions)

	2025	2024	Change
Foreign reserves	2,089	2,537	(448)
Securities held for monetary policy purposes	3,814	3,850	(36)
Lending of securities held for monetary policy purposes	17	32	(15)
Claims related to the allocation of euro banknotes within the Eurosystem	2,900	5,232	(2,332)
TARGET balances due from NCBs	29,896	54,542	(24,645)
Own funds	611	703	(92)
Other	1	3	(2)
<b>Total interest income</b>	<b>39,328</b>	<b>66,898</b>	<b>(27,569)</b>
Foreign reserves	(0)	(0)	(0)
Lending of securities held for monetary policy purposes <sup>1</sup>	(26)	(137)	111
NCBs' claims in respect of foreign reserves transferred	(790)	(1,448)	659
TARGET balances due to NCBs	(37,603)	(70,216)	32,613
Deposits accepted by the ECB in its role as fiscal agent	(601)	(1,219)	618
Other	(488)	(861)	374
<b>Total interest expense</b>	<b>(39,507)</b>	<b>(73,881)</b>	<b>34,374</b>
<b>Net interest expense</b>	<b>(178)</b>	<b>(6,983)</b>	<b>6,805</b>

1) This item comprises the interest expense on cash received as collateral.

#### Note 22.1 – Net interest income on foreign reserves

The net interest income on the ECB's foreign reserves, broken down by instrument type, was as follows:

(EUR millions)

	2025	2024	Change
Current accounts	55	85	(30)
Money market deposits	123	149	(26)
Repurchase agreements	(0)	(0)	(0)
Reverse repurchase agreements	229	225	4
Securities	1,591	1,936	(345)
Forward and swap transactions in foreign currencies	90	142	(51)
<b>Net interest income on foreign reserves</b>	<b>2,089</b>	<b>2,537</b>	<b>(449)</b>

The net interest income on the ECB's foreign reserves, broken down by foreign currency, was as follows:

(EUR millions)

	2025	2024	Change
US dollars	1,961	2,434	(472)
Japanese yen	64	9	56
Chinese renminbi	9	12	(3)
SDRs	53	83	(29)
Other	0	0	(0)
<b>Net interest income on foreign reserves</b>	<b>2,089</b>	<b>2,537</b>	<b>(449)</b>

## Note 22.2 – Interest income arising from the claims related to the allocation of euro banknotes within the Eurosystem

In 2025 the interest income relating to the ECB's 8% share of the total value of euro banknotes in circulation (see "Banknotes in circulation" in Section 2.3 "Accounting policies" and note 5.1 "Claims related to the allocation of euro banknotes within the Eurosystem") amounted to €2,900 million (2024: €5,232 million). The decline was due to the lower average remuneration rate (2025: 2.3%, 2024: 4.1%), resulting mainly from the decrease in the key ECB interest rates in 2025 and, to a lesser extent, from the application of the deposit facility rate as the remuneration rate instead of the rate on the main refinancing operations (see "Other issues" in Section 2.3 "Accounting policies").

## Note 22.3 – Remuneration of NCBs' claims in respect of foreign reserves transferred

In 2025 the remuneration expense arising from euro area NCBs' claims in respect of the foreign reserves transferred to the ECB (see note 11.1 "Liabilities equivalent to

the transfer of foreign reserves”) amounted to €790 million (2024: €1,448 million). The decline was due to the lower average remuneration rate (2025: 2.3%, 2024: 4.1%), adjusted to reflect a zero return on the gold component, resulting mainly from the decrease in the key ECB interest rates in 2025 and, to a lesser extent, from the application of the deposit facility rate as the basis for remuneration instead of the rate on the main refinancing operations (see “Other issues” in Section 2.3 “Accounting policies”).

## Note 22.4 – Net interest income on securities held for monetary policy purposes

The net interest income on securities held for monetary policy purposes was as follows:

(EUR millions)

	2025	2024	Change
<b>SMP<sup>1</sup></b>	15	24	(9)
<b>APP</b>			
CBPP3	159	178	(20)
ABSPP	137	419	(281)
PSPP – government/agency securities	2,022	2,022	(0)
<b>Total APP</b>	<b>2,318</b>	<b>2,619</b>	<b>(301)</b>
<b>PEPP</b>			
PEPP – covered bonds	6	6	0
PEPP – government/agency securities	1,475	1,201	274
<b>Total PEPP</b>	<b>1,481</b>	<b>1,206</b>	<b>275</b>
<b>Net interest income on securities held for monetary policy purposes</b>	<b>3,814</b>	<b>3,850</b>	<b>(36)</b>

1) The ECB's net interest income on SMP holdings of Greek government bonds amounted to €14 million (2024: €18 million).

## Note 22.5 – Net interest expense arising from TARGET balances due from/to NCBs

The net interest expense arising from TARGET balances due from/to NCBs was as follows:

(EUR millions)

	2025	2024	Change
Interest income arising from TARGET balances due from NCBs	29,896	54,542	(24,645)
- Euro area NCBs	29,896	54,542	(24,645)
Interest expense arising from TARGET balances due to NCBs	(37,603)	(70,216)	32,613
- Euro area NCBs	(37,586)	(70,150)	32,564
- Non-euro area NCBs	(17)	(66)	49
<b>Net interest expense arising from TARGET balances due from/to NCBs</b>	<b>(7,706)</b>	<b>(15,674)</b>	<b>7,968</b>

The decline was predominantly due to the lower average remuneration rate (2025: 2.3%, 2024: 4.1%), resulting mainly from the decrease in the key ECB interest rates in 2025 and, to a lesser extent, from the application of the deposit facility rate as the remuneration rate instead of the rate on the main refinancing operations (see “Other issues” in Section 2.3 “Accounting policies”). Lower TARGET balances, resulting mainly from maturing monetary policy securities, also contributed to this decrease.

## Note 23 – Realised gains/(losses) arising from financial operations

Realised gains and losses arising from financial operations were as follows:

(EUR millions)

	2025	2024	Change
Net realised price gains/(losses)	45	(53)	98
Net realised exchange rate and gold price gains	905	36	869
<b>Net realised gains/(losses) arising from financial operations</b>	<b>950</b>	<b>(17)</b>	<b>967</b>

The net realised price result includes realised gains and losses on securities and interest rate futures. The net realised price gains in 2025 were mainly driven by the price gains realised on the sale of US dollar-denominated securities whose market price had increased as a result of a decrease in the corresponding yields.

The net realised exchange rate gains in 2025 resulted predominantly from a standard rebalancing of the composition of the ECB’s foreign reserves during the first quarter of 2025 to align with the target allocation. The ECB sold a small portion of its US dollar holdings and fully reinvested the proceeds in Japanese yen.

Realised gains and losses arising from financial operations, broken down by currency and quarter, were as follows:

(EUR millions)

	2025					2024				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
<b>Net realised price gains/(losses)</b>										
US dollars	11	29	39	17	97	(10)	(23)	38	(13)	(8)
Japanese yen	(8)	(4)	(7)	(5)	(23)	(0)	(2)	(0)	(2)	(4)
Chinese renminbi	1	0	1	1	4	1	1	3	1	7
Euro	(26)	(2)	(2)	(1)	(32)	(27)	(11)	(3)	(6)	(48)
<b>Subtotal</b>	<b>(22)</b>	<b>23</b>	<b>31</b>	<b>12</b>	<b>45</b>	<b>(36)</b>	<b>(35)</b>	<b>38</b>	<b>(20)</b>	<b>(53)</b>
<b>Net realised exchange rate and gold price gains/(losses)</b>										
US dollars	909	0	0	0	909	(0)	(0)	0	37	37
Japanese yen	0	(0)	(0)	(8)	(8)	(0)	(0)	(0)	(0)	(1)
Chinese renminbi	0	0	0	(0)	(0)	0	(0)	(0)	(0)	(0)
Other	5	0	(1)	(0)	4	0	0	0	0	0
<b>Subtotal</b>	<b>914</b>	<b>(0)</b>	<b>(1)</b>	<b>(8)</b>	<b>905</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>36</b>	<b>36</b>
<b>Total</b>	<b>892</b>	<b>23</b>	<b>30</b>	<b>4</b>	<b>950</b>	<b>(36)</b>	<b>(35)</b>	<b>38</b>	<b>17</b>	<b>(17)</b>

## Note 24 – Write-downs on financial assets and positions

Write-downs on financial assets and positions were as follows:

(EUR millions)

	2025	2024	Change
Unrealised price losses on securities	(130)	(187)	57
Unrealised exchange rate losses	(1,316)	(81)	(1,235)
<b>Write-downs on financial assets and positions</b>	<b>(1,446)</b>	<b>(269)</b>	<b>(1,178)</b>

The market value of a number of securities, mainly held in the own funds and Japanese yen portfolios, declined alongside an increase in the corresponding yields in 2025. This resulted in unrealised price losses at year-end.

The unrealised exchange rate losses arose from all of the ECB's foreign currency holdings except for the US dollar holding, with €1,229 million coming from the holding of Japanese yen. The average acquisition cost of these holdings was written down to the 2025 year-end exchange rate owing to the depreciation of these currencies against the euro to a level lower than their average cost.

## Note 25 – Net income/(expense) from fees and commissions

The net income related to fees and commissions was as follows:

(EUR millions)

	2025	2024	Change
Income from fees and commissions	719	697	22
Expenses relating to fees and commissions	(19)	(22)	3
<b>Net income from fees and commissions</b>	<b>700</b>	<b>674</b>	<b>26</b>

Income under this item consists primarily of supervisory fees. Expenses comprise predominantly custody fees.

### Income and expenses related to supervisory tasks

The income related to supervisory tasks was as follows:

(EUR millions)

	2025	2024	Change
Income from supervisory fees	690	681	9
- Fee income from significant entities or significant groups	659	651	8
- Fee income from less significant entities or less significant groups	31	29	2
Administrative penalties imposed	29	16	13
<b>Income related to banking supervision tasks</b>	<b>718</b>	<b>696</b>	<b>22</b>

Banking supervision-related income mainly comprises income from supervisory fees levied annually on supervised entities in order to recover the annual expenditure incurred by the ECB in the performance of its supervisory tasks.

Banking supervision-related expenses result from the direct supervision of significant entities, the oversight of the supervision of less significant entities and the performance of horizontal tasks and specialised services. They consist of the direct expenses of the ECB's supervisory function and the relevant expenses arising from support areas needed to fulfil the ECB's supervisory responsibilities. This reflects their services in relation to premises and facilities; human resources; information technology (IT); legal, audit and administration; communication and translation; and other activities.

The actual annual expenses relating to the ECB's supervisory tasks increased due to the biennial EU-wide stress tests which took place in 2025,<sup>59</sup> the new mandate

<sup>59</sup> Further details on [stress tests](#) can be found on the ECB's banking supervision website.

introduced by the Digital Operational Resilience Act (DORA)<sup>60</sup> and continued investment into IT systems dedicated to banking supervision.

In order to determine the amount of the fees to be paid by the supervised entities, the actual annual expenditure is adjusted for amounts reimbursed to/received from individual banks for previous fee periods and other adjustments, including interest received on late payments.<sup>61</sup> Taking into account an adjustment corresponding to interest received on late payments as well as net reimbursements to individual banks for previous fee periods, the annual supervisory fees to be levied on the supervised entities for the fee period 2025 amounted to €690 million (see note 6.4 “Accruals and prepaid expenses”). This total is almost equal to the actual annual expenses.<sup>62</sup> The individual supervisory fees will be invoiced in the second quarter of 2026.<sup>63</sup>

The ECB is also entitled to impose administrative penalties on supervised entities for failure to comply with applicable EU banking law on prudential requirements (including ECB supervisory decisions). The related income is not considered in the calculation of the annual supervisory fees, nor are reimbursements of such penalties in the event that previous sanction decisions are amended or annulled. Instead, the related amounts are recorded in the ECB’s profit and loss account.

## Note 26 – Income from equity instruments and participating interests

The income from equity instruments and participating interests stood at €14 million in 2025 (2024: €1 million). The total included dividends received on the equity exchange-traded funds held in the ECB’s own fund portfolio and on the shares in the BIS held by the ECB (see note 6.2 “Other financial assets”).

## Note 27 – Other income

Miscellaneous other income stood at €135 million in 2025 (2024: €119 million). The total arose mainly from contributions of participating NCBs to costs incurred by the ECB in connection with ESCB projects and services.

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<sup>60</sup> Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011 (OJ L 333, 27.12.2022, p. 1).

<sup>61</sup> See Article 5(3) of Regulation (EU) No 1163/2014 of the European Central Bank of 22 October 2014 on supervisory fees (ECB/2014/41) (OJ L 311, 31.10.2014, p. 23), as amended. The [unofficial consolidated text](#) with the list of amendments is also available.

<sup>62</sup> The ECB decision on the total amount of annual supervisory fees for 2025 will be adopted and subsequently published in mid-March 2026.

<sup>63</sup> Further details on [supervisory fees](#) can be found on the ECB’s banking supervision website.

## Note 28 – Staff costs

Staff costs were as follows:

(EUR millions)

	2025	2024	Change
Salaries and allowances	619	560	59
Staff insurance	29	26	2
Post-employment and other long-term benefits	162	258	(96)
<b>Staff costs</b>	<b>809</b>	<b>844</b>	<b>(34)</b>

The average number of employees in 2025, expressed in full-time equivalents (FTEs),<sup>64</sup> amounted to 4,388 (2024: 4,297), of whom 388 (2024: 386) were managerial staff.

Costs in relation to post-employment and other long-term benefits were lower in 2025 mainly because a non-recurring past service cost was charged in 2024 in relation to an amendment to the rules governing the ECB's pension plans. In accordance with the ECB's relevant accounting rules for pensions, this cost was recognised in full in the profit and loss account for 2024 when the decision was taken. Salaries and allowances increased in 2025 in line with the planned higher average number of staff employed by the ECB and the regular salary adjustments.

### ECB remuneration of the Executive and Supervisory Boards

Members of the Executive Board and the members of the Supervisory Board employed by the ECB receive a basic salary and a residence allowance (15% of basic salary). In the case of the President, a residence is provided in lieu of a residence allowance. Members of the Executive Board and the Chair of the Supervisory Board also receive a representation allowance.<sup>65</sup> Subject to the Conditions of Employment for Staff of the European Central Bank,<sup>66</sup> members of both boards may be entitled to household, child, education and other allowances, depending on their individual circumstances. Salaries are subject to a tax for the benefit of the EU, as well as to deductions in respect of contributions to the pension, medical, long-term care and accident insurance schemes. Allowances are non-taxable and non-pensionable.

<sup>64</sup> A full-time equivalent (FTE) is a unit equivalent to one employee working full-time for one year. Staff with permanent, fixed or short-term contracts and participants in the ECB's Graduate Programme are included in proportion to their hours worked. Staff on maternity or long-term leave are also included, while staff on unpaid leave are excluded.

<sup>65</sup> The representation allowance is 21% of basic salary for the President, 12% of basic salary for the Vice-President, 9% of basic salary for the other Executive Board members and 12% of basic salary for the Chair of the Supervisory Board.

<sup>66</sup> The [Conditions of Employment for Staff of the European Central Bank](#) can be found on the ECB's website.

In 2025 the basic salaries of the members of the Executive Board and the members of the Supervisory Board employed by the ECB (i.e. excluding representatives of national supervisors) were as follows:<sup>67</sup>

(EUR)

	2025	2024
<b>Total Executive Board</b>	<b>2,320,416</b>	<b>2,197,332</b>
Christine Lagarde (President)	492,204	466,092
Luis de Guindos (Vice-President)	421,908	399,528
Piero Cipollone (Board Member)	351,576	332,928
Frank Elderson (Board Member)	351,576	332,928
Philip R. Lane (Board Member)	351,576	332,928
Isabel Schnabel (Board Member)	351,576	332,928
<b>Total Supervisory Board (members employed by the ECB)<sup>1</sup></b>	<b>1,604,632</b>	<b>1,364,558</b>
<i>of which:</i>		
<i>Claudia Buch (Chair of the Supervisory Board)</i>	<i>351,576</i>	<i>332,928</i>
<b>Total</b>	<b>3,925,048</b>	<b>3,561,890</b>

1) The total figure includes the remuneration of the Chair of the Supervisory Board and the ECB members. Frank Elderson does not receive any additional remuneration in his role as Vice-Chair of the Supervisory Board. The totals for 2024 were affected by a gap between the end and start of the terms of office of two members of the Supervisory Board and their successors.

Total allowances paid to members of both boards and the ECB's contributions to medical, long-term care and accident insurance schemes on their behalf amounted to €1,320,276 (2024: €1,254,013).

Transitional payments may be made to former members of both boards for a limited period after the end of their terms of office. In 2025 these payments, including related allowances and the ECB's contributions to the medical, long-term care and accident insurance schemes, totalled €1,039,478 (2024: €552,772). These payments increased in 2025 as most of the board members received them for the entire year, whereas in 2024 some of these members only received them for a few months.

Pension-related payments, including post-employment allowances, and contributions to the medical, long-term care and accident insurance schemes for former board members and their dependants amounted to €2,005,333 (2024: €2,185,215).<sup>68</sup> In 2025, similar to 2024, this amount included a lump sum payment to one former board member upon departure in lieu of future pension payments.

<sup>67</sup> Amounts are presented gross, i.e. before any deductions of tax for the benefit of the EU.

<sup>68</sup> These pension-related payments reduced the defined benefit obligation recognised in the balance sheet. For the net amount charged to the profit and loss account in relation to the pension arrangements for current members of the Executive Board and the current members of the Supervisory Board employed by the ECB, see note 12.3 "Sundry".

## Note 29 – Administrative expenses

Administrative expenses were as follows:

(EUR millions)

	2025	2024	Change
Rent, property maintenance and utilities	62	57	5
Staff-related expenses	69	74	(5)
IT-related expenses	170	153	17
External services	142	162	(20)
Other expenses	73	67	6
<b>Administrative expenses</b>	<b>516</b>	<b>513</b>	<b>4</b>

The slight rise in administrative expenses in 2025 was driven mainly by higher spending on IT services and projects (“IT-related expenses”). The decrease in “External services” was mainly due to lower expenses related to financial advisory and other consultancy services and a reallocation of costs to IT-related expenses due to evolving IT delivery models.

## Note 30 – Banknote production services

In 2025 this expense amounted to €8 million (2024: €9 million). The total arose predominantly from the cross-border transportation of euro banknotes (i) between banknote printing works and NCBs, for the delivery of new banknotes; and (ii) between NCBs, for the compensation of shortages with surplus stocks. These costs are borne centrally by the ECB.

## Note 31 – Transfer (to)/from risk provisions

The provision for financial risks (see “Provision for financial risks” in Section 2.3 “Accounting policies”) was released in full to cover losses in 2022 and 2023 arising from exposures to financial risks. As no transfers to this provision have occurred in the subsequent years, this provision has stood at zero since the end of 2023.

## 2.7 Post-balance-sheet events

### Note 32 – Bulgaria’s accession to the euro area

Pursuant to Council Decision (EU) 2025/1407 of 8 July 2025,<sup>69</sup> taken in accordance with Article 140(2) of the Treaty on the Functioning of the European Union, Bulgaria adopted the single currency on 1 January 2026. In accordance with Article 48.1 of the Statute of the ESCB and the legal acts adopted by the Governing Council on 31 December 2025,<sup>70</sup> Българска народна банка (Bulgarian National Bank) paid up an amount of €102 million with effect from 1 January 2026, which is the remainder of its capital subscription to the ECB. In accordance with Article 48.1, in conjunction with Article 30.1, of the Statute of the ESCB, the Bulgarian National Bank transferred foreign reserve assets with a total value equivalent to €1,483 million to the ECB with effect from 1 January 2026. These foreign reserve assets comprised US dollars in the form of cash (85%) and gold (15%).

The Bulgarian National Bank was credited with claims in respect of the paid-up capital and foreign reserve assets equivalent to the amounts transferred. The latter is to be treated in the same way as the existing claims of the other euro area NCBs (see note 11.1 “Liabilities equivalent to the transfer of foreign reserves”).

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<sup>69</sup> Council Decision (EU) 2025/1407 of 8 July 2025 on the adoption by Bulgaria of the euro on 1 January 2026 (OJ L, 2025/1407, 14.7.2025).

<sup>70</sup> Decision EU 2026/115 of the European Central Bank of 31 December 2025 on the paying-up of capital, transfer of foreign reserve assets and contributions by Българска народна банка (Bulgarian National Bank) to the European Central Bank’s reserves and provisions (ECB/2025/44) (OJ L, 2026/115, 15.1.2026); Agreement between Българска народна банка (Bulgarian National Bank) and the European Central Bank regarding the claim credited to Българска народна банка (Bulgarian National Bank) by the European Central Bank under Article 30.3 of the Statute of the European System of Central Banks and of the European Central Bank (OJ C, C/2026/497, 22.1.2026).

## 2.8 Financial statements 2021-25

### Balance sheet

#### Assets

(EUR millions)

	2021	2022	2023	2024	2025
<b>Gold and gold receivables</b>	<b>26,121</b>	<b>27,689</b>	<b>30,419</b>	<b>40,895</b>	<b>59,754</b>
<b>Claims on non-euro area residents denominated in foreign currency</b>	<b>51,433</b>	<b>55,603</b>	<b>55,876</b>	<b>58,117</b>	<b>54,764</b>
Receivables from the IMF	1,234	1,759	2,083	2,227	1,772
Balances with banks and security investments, external loans and other external assets	50,199	53,844	53,793	55,890	52,992
<b>Claims on euro area residents denominated in foreign currency</b>	<b>2,776</b>	<b>1,159</b>	<b>1,450</b>	<b>4,094</b>	<b>2,236</b>
<b>Claims on non-euro area residents denominated in euro</b>	<b>3,070</b>	-	-	-	-
Balances with banks, security investments and loans	3,070	-	-	-	-
<b>Other claims on euro area credit institutions denominated in euro</b>	<b>38</b>	<b>12</b>	<b>17</b>	<b>2</b>	<b>1</b>
<b>Securities of euro area residents denominated in euro</b>	<b>445,384</b>	<b>457,271</b>	<b>425,349</b>	<b>376,781</b>	<b>325,265</b>
Securities held for monetary policy purposes	445,384	457,271	425,349	376,781	325,265
<b>Intra-Eurosystem claims</b>	<b>123,551</b>	<b>125,763</b>	<b>125,378</b>	<b>127,067</b>	<b>129,563</b>
Claims related to the allocation of euro banknotes within the Eurosystem	123,551	125,763	125,378	127,067	129,563
<b>Other assets</b>	<b>27,765</b>	<b>31,355</b>	<b>34,739</b>	<b>33,644</b>	<b>31,756</b>
Tangible and intangible fixed assets	1,189	1,105	1,023	971	1,055
Other financial assets	21,152	21,213	22,172	22,781	23,211
Off-balance-sheet instruments revaluation differences	620	783	552	681	273
Accruals and prepaid expenses	4,055	7,815	10,905	9,158	7,108
Sundry	749	438	88	53	110
<b>Total assets</b>	<b>680,140</b>	<b>698,853</b>	<b>673,229</b>	<b>640,600</b>	<b>603,339</b>

## Liabilities

(EUR millions)

	2021	2022	2023	2024	2025
<b>Banknotes in circulation</b>	<b>123,551</b>	<b>125,763</b>	<b>125,378</b>	<b>127,067</b>	<b>129,563</b>
<b>Other liabilities to euro area credit institutions denominated in euro</b>	<b>9,473</b>	<b>17,734</b>	<b>4,699</b>	<b>2,388</b>	<b>489</b>
<b>Liabilities to other euro area residents denominated in euro</b>	<b>7,604</b>	<b>63,863</b>	<b>20,622</b>	<b>24,554</b>	<b>26,022</b>
General government	3,200	48,520	143	73	74
Other liabilities	4,404	15,343	20,479	24,482	25,947
<b>Liabilities to non-euro area residents denominated in euro</b>	<b>112,492</b>	<b>78,108</b>	<b>23,111</b>	<b>39,859</b>	<b>26,846</b>
<b>Liabilities to non-euro area residents denominated in foreign currency</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>-</b>
Deposits, balances and other liabilities	-	-	24	-	-
<b>Intra-Eurosystem liabilities</b>	<b>375,136</b>	<b>355,474</b>	<b>445,048</b>	<b>388,676</b>	<b>354,060</b>
Liabilities equivalent to the transfer of foreign reserves	40,344	40,344	40,671	40,562	40,562
Liabilities related to TARGET (net)	334,618	315,090	404,336	348,074	313,491
Other liabilities within the Eurosystem (net)	174	41	40	40	8
<b>Other liabilities</b>	<b>2,877</b>	<b>5,908</b>	<b>9,498</b>	<b>7,615</b>	<b>4,745</b>
Off-balance-sheet instruments revaluation differences	568	430	68	-	0
Accruals and income collected in advance	32	3,915	8,030	6,288	3,661
Sundry	2,277	1,562	1,401	1,327	1,084
<b>Provisions</b>	<b>8,268</b>	<b>6,636</b>	<b>67</b>	<b>72</b>	<b>84</b>
Risk provisions	8,194	6,566	-	-	-
Other provisions	74	69	67	72	84
<b>Revaluation accounts</b>	<b>32,277</b>	<b>36,487</b>	<b>37,099</b>	<b>50,653</b>	<b>63,068</b>
<b>Capital and reserves</b>	<b>8,270</b>	<b>8,880</b>	<b>8,948</b>	<b>8,925</b>	<b>8,925</b>
Capital	8,270	8,880	8,948	8,925	8,925
<b>Accumulated losses carried forward</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,266)</b>	<b>(9,210)</b>
<b>Profit/(loss) for the year</b>	<b>192</b>	<b>-</b>	<b>(1,266)</b>	<b>(7,944)</b>	<b>(1,254)</b>
<b>Total liabilities</b>	<b>680,140</b>	<b>698,853</b>	<b>673,229</b>	<b>640,600</b>	<b>603,339</b>

Note: In order to ensure comparability, the layout of the balance sheet for the years 2021-23 has been adjusted to match the layout introduced in 2024. Furthermore, since the item "Profit/(loss) for the year" has been included as a standalone negative item on the liabilities side of the balance sheet, the amounts for "Total assets" and "Total liabilities" in 2023 have been adjusted accordingly. Further details on these changes can be found under "Changes to presentation in the financial statements" in Section 2.3 "Accounting policies" of the ECB's Annual Accounts 2024.

## Profit and loss account

(EUR millions)

	2021	2022	2023	2024	2025
<b>Net interest income/(expense)</b>	<b>1,566</b>	<b>900</b>	<b>(7,193)</b>	<b>(6,983)</b>	<b>(178)</b>
Interest income	1,575	12,314	63,723	66,898	39,328
Interest expense	(9)	(11,414)	(70,916)	(73,881)	(39,507)
<b>Net result of financial operations and write-downs</b>	<b>(139)</b>	<b>(1,950)</b>	<b>(144)</b>	<b>(286)</b>	<b>(497)</b>
Realised gains/(losses) arising from financial operations	(6)	(110)	(106)	(17)	950
Write-downs on financial assets and positions	(133)	(1,840)	(38)	(269)	(1,446)
<b>Net income/(expense) from fees and commissions</b>	<b>559</b>	<b>585</b>	<b>650</b>	<b>674</b>	<b>700</b>
<b>Income from equity instruments and participating interests</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>14</b>
<b>Other income</b>	<b>56</b>	<b>61</b>	<b>72</b>	<b>119</b>	<b>135</b>
Staff costs	(674)	(652)	(676)	(844)	(809)
Administrative expenses	(444)	(460)	(481)	(513)	(516)
Depreciation of tangible and intangible fixed assets	(108)	(103)	(106)	(104)	(94)
Banknote production services	(13)	(9)	(9)	(9)	(8)
Other expenses	(5)	-	-	-	-
<b>Profit/(loss) before the transfer (to)/from risk provisions</b>	<b>802</b>	<b>(1,627)</b>	<b>(7,886)</b>	<b>(7,944)</b>	<b>(1,254)</b>
Transfer (to)/from risk provisions	(610)	1,627	6,620	-	-
<b>Profit/(loss) for the year</b>	<b>192</b>	<b>-</b>	<b>(1,266)</b>	<b>(7,944)</b>	<b>(1,254)</b>
<b>Profit distribution</b>	<b>192</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: In order to ensure comparability, the layout of the profit and loss account for the years 2021-23 has been adjusted to match the layout introduced in 2024. Furthermore, the amounts shown under the sub-items "Interest income" and "Interest expense" have been restated in line with the interest income and expense netting rationale applied from 2024. Further details on these changes can be found under "Changes to presentation in the financial statements" in Section 2.3 "Accounting policies" of the [ECB's Annual Accounts 2024](#).

## 3 Independent auditor's report



To the President and Governing Council  
of the European Central Bank  
Frankfurt am Main

### Report on the Audit of the ECB's Financial Statements 2025

#### Opinion

We have audited the Financial Statements of the European Central Bank (ECB) for the year ended 31 December 2025 – included in the ECB's Annual Accounts – which comprise the balance sheet, the profit and loss account, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying Financial Statements give a true and fair view of the financial position of the ECB as at 31 December 2025 and of the results of its financial operations for the year then ended in accordance with the principles established by the Governing Council, which are laid down in Decision (EU) 2024/2938 of the European Central Bank of 14 November 2024 on the annual accounts of the European Central Bank (ECB/2024/32), which is based on Guideline (EU) 2024/2941 of the European Central Bank of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2024/31).

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the ECB in accordance with the German ethical requirements that are relevant to our audit of the Financial Statements, which are consistent with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Other Information

The ECB's Executive Board ("Executive Board") is responsible for the other information included in the ECB's Annual Accounts. The other information comprises all the information included in the ECB's Annual Accounts except the Financial Statements of the ECB and our auditor's report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

## Responsibilities of the Executive Board and those charged with Governance for the Financial Statements

The Executive Board is responsible for the preparation and fair presentation of the Financial Statements in accordance with the principles established by the Governing Council, which are laid down in Decision (EU) 2024/2938 of the European Central Bank of 14 November 2024 on the annual accounts of the European Central Bank (ECB/2024/32), which is based on Guideline (EU) 2024/2941 of the European Central Bank of 14 November 2024 on the legal framework for accounting and financial reporting in the European System of Central Banks (ECB/2024/31), and for such internal control as the Executive Board determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the Executive Board is responsible for assessing the ECB's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

Those charged with governance are responsible for overseeing the ECB's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ECB's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Board.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ECB's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves a true and fair view.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Frankfurt am Main, 17 February 2026

Forvis Mazars GmbH & Co. KG  
Wirtschaftsprüfungsgesellschaft  
Steuerberatungsgesellschaft



Markus Morfeld  
Wirtschaftsprüfer



Christina Fernholz  
Wirtschaftsprüferin

## 4 Note on profit distribution/allocation of losses

*This note is not part of the financial statements of the ECB for the year 2025.*

Pursuant to Article 33 of the Statute of the ESCB, the net profit of the ECB is to be transferred in the following order:

1. an amount to be determined by the Governing Council, which may not exceed 20% of the net profit, is to be transferred to the general reserve fund, subject to a limit equal to 100% of the capital;
2. the remaining net profit is to be distributed to the shareholders of the ECB in proportion to their paid-up shares.<sup>71</sup>

In the event of a loss incurred by the ECB, the shortfall may be offset against the general reserve fund of the ECB and, if necessary, following a decision by the Governing Council, against the monetary income of the relevant financial year in proportion and up to the amounts allocated to the NCBs in accordance with Article 32.5 of the Statute of the ESCB.<sup>72</sup>

The ECB's loss for 2025 was €1,254 million, compared with a loss of €7,944 million in 2024. Following a decision by the Governing Council, this loss will be carried forward on the ECB's balance sheet and offset against future profits.

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<sup>71</sup> Non-euro area NCBs are not entitled to receive any share of the distributable profits of the ECB, nor are they liable to cover any loss of the ECB.

<sup>72</sup> Under Article 32.5 of the Statute of the ESCB, the sum of the NCBs' monetary income is to be allocated to the NCBs in proportion to their paid-up shares in the capital of the ECB.

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For specific terminology please refer to the [ECB glossary](#) (available in English only).

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