

II

(Non-legislative acts)

DECISIONS

DECISION (EU) 2021/2040 OF THE EUROPEAN CENTRAL BANK**of 11 November 2021****amending Decision (EU) 2016/2247 on the annual accounts of the European Central Bank
(ECB/2021/52)**

THE GOVERNING COUNCIL OF THE EUROPEAN CENTRAL BANK,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Statute of the European System of Central Banks and of the European Central Bank, and in particular Article 26.2 thereof,

Whereas:

- (1) Decision (EU) 2016/2247 of the European Central Bank (ECB/2016/35) ⁽¹⁾ lays down the rules for drawing up the annual accounts of the European Central Bank (ECB).
- (2) Technical amendments to Annex I are required for the purpose of: (a) ensuring consistency across the Eurosystem with regard to the financial reporting of balances with, and securities issued by, international organisations; (b) allowing the classification of defaulted securities as part of sundry items on the asset side of the balance sheet; and (c) clarifying the classification of funds and accounts of credit and financial institutions on the liability side of the balance sheet.
- (3) Therefore, Decision (EU) 2016/2247 (ECB/2016/35) should be amended accordingly,

HAS ADOPTED THIS DECISION:

*Article 1***Amendment**

Annex I to Decision (EU) 2016/2247 (ECB/2016/35) is replaced by the Annex to this Decision.

*Article 2***Entry into force**

This Decision shall enter into force on 31 December 2021.

⁽¹⁾ Decision (EU) 2016/2247 of the European Central Bank of 3 November 2016 on the annual accounts of the European Central Bank (ECB/2016/35) (OJ L 347, 20.12.2016, p. 1).

Done at Frankfurt am Main, 11 November 2021.

The President of the ECB
Christine LAGARDE

Annex I to Decision (EU) 2016/2247 (ECB/2016/35) is replaced by the following:

'ANNEX I

COMPOSITION AND VALUATION RULES FOR THE BALANCE SHEET

ASSETS

	Balance sheet item ⁽¹⁾	Categorisation of contents of balance sheet items	Valuation principle
1	Gold and gold receivables	Physical gold, i.e. bars, coins, plates, nuggets, in storage or 'under way'. Non-physical gold, such as balances in gold sight accounts (unallocated accounts), term deposits and claims to receive gold arising from the following transactions: (a) upgrading or downgrading transactions; and (b) gold location or purity swaps where there is a difference of more than 1 business day between release and receipt	Market value
2	Claims on non-euro area residents denominated in foreign currency	Claims on counterparties resident outside the euro area including central banks outside the euro area denominated in foreign currency	
2.1	Receivables from the International Monetary Fund (IMF)	<p>(a) Drawing rights within the reserve tranche (net) National quota minus balances in euro at the disposal of the IMF. The No 2 account of the IMF (euro account for administrative expenses) may be included in this item or under the item 'Liabilities to non-euro area residents denominated in euro'</p> <p>(b) Special drawing rights (SDRs) Holdings of SDRs (gross)</p> <p>(c) Other claims General arrangements to borrow, loans under special borrowing arrangements, deposits made to trusts under the management of the IMF</p>	<p>(a) Drawing rights within the reserve tranche (net) Nominal value, translated at the foreign exchange market rate</p> <p>(b) SDRs Nominal value, translated at the foreign exchange market rate</p> <p>(c) Other claims Nominal value, translated at the foreign exchange market rate</p>

2.2	Balances with banks and security investments, external loans and other external assets	<p>(a) Balances with banks outside the euro area other than those under asset item 11.3 ‘Other financial assets’ Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions</p> <p>(b) Security investments outside the euro area other than those under asset item 11.3 ‘Other financial assets’ Notes and bonds, bills, zero bonds, money market paper, equity shares, investment funds held as part of the foreign reserves, all issued by non-euro area residents</p> <p>(c) External loans (deposits) to non-euro area residents other than those under asset item 11.3 ‘Other financial assets’</p> <p>(d) Other external assets Non-euro area banknotes and coins</p>	<p>(a) Balances with banks outside the euro area Nominal value, translated at the foreign exchange market rate</p> <p>(b)</p> <p>(i) <i>Marketable debt securities other than held-to-maturity</i> Market price and foreign exchange market rate. Any premiums or discounts are amortised</p> <p>(ii) <i>Marketable debt securities classified as held-to-maturity</i> Cost subject to impairment and foreign exchange market rate. Any premiums or discounts are amortised</p> <p>(iii) <i>Non-marketable debt securities</i> Cost subject to impairment and foreign exchange market rate. Any premiums or discounts are amortised</p> <p>(iv) <i>Marketable equity shares</i> Market price and foreign exchange market rate</p> <p>(v) <i>Marketable investment funds</i> Market price and foreign exchange market rate</p> <p>(c) External loans Deposits at nominal value, translated at the foreign exchange market rate</p> <p>(d) Other external assets Nominal value, translated at the foreign exchange market rate</p>
3	Claims on euro area residents denominated in foreign currency	<p>(a) Security investments inside the euro area other than those under asset item 11.3 ‘Other financial assets’ Notes and bonds, bills, zero bonds, money market paper, equity shares, investment funds, held as part of the foreign reserves, all issued by euro area residents</p>	<p>(a)</p> <p>(i) <i>Marketable debt securities other than held-to-maturity</i> Market price and foreign exchange market rate. Any premiums or discounts are amortised</p> <p>(ii) <i>Marketable debt securities classified as held-to-maturity</i> Cost subject to impairment and foreign exchange market rate. Any premiums or discounts are amortised</p>

			<ul style="list-style-type: none"> (iii) <i>Non-marketable debt securities</i> Cost subject to impairment and foreign exchange market rate. Any premiums or discounts are amortised (iv) <i>Marketable equity shares</i> Market price and foreign exchange market rate (v) <i>Marketable investment funds</i> Market price and foreign exchange market rate
		<p>(b) Other claims on euro area residents other than those under asset item 11.3 ‘Other financial assets’ Loans, deposits, reverse repo transactions, sundry lending</p>	<p>(b) Other claims Deposits and other lending at nominal value, translated at the foreign exchange market rate</p>
4	Claims on non-euro area residents denominated in euro		
4.1	Balances with banks, security investments and loans	<p>(a) Balances with banks outside the euro area other than those under asset item 11.3 ‘Other financial assets’ Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions in connection with the management of securities denominated in euro</p> <p>(b) Securities issued by entities outside the euro area other than those under asset item 11.3 ‘Other financial assets’ or asset item 7.1 ‘Securities held for monetary policy purposes’ Equity shares, investment funds, notes and bonds, bills, zero bonds, money market paper, all issued by non-euro area residents</p> <p>(c) Loans to non-euro area residents other than those under asset item 11.3 ‘Other financial assets’</p>	<p>(a) Balances with banks outside the euro area Nominal value</p> <p>(b)</p> <ul style="list-style-type: none"> (i) <i>Marketable debt securities other than held-to-maturity</i> Market price. Any premiums or discounts are amortised (ii) <i>Marketable debt securities classified as held-to-maturity</i> Cost subject to impairment. Any premiums or discounts are amortised (iii) <i>Non-marketable debt securities</i> Cost subject to impairment. Any premiums or discounts are amortised (iv) <i>Marketable equity shares</i> Market price (v) <i>Marketable investment funds</i> Market price <p>(c) Loans outside the euro area Deposits at nominal value</p>

4.2	Claims arising from the credit facility under the Exchange Rate Mechanism (ERM) II	Lending in accordance with the ERM II conditions	Nominal value
5	Lending to euro area credit institutions related to monetary policy operations denominated in euro	Items 5.1 to 5.5: transactions in accordance with the respective monetary policy instruments described in Guideline (EU) 2015/510 of the European Central Bank (ECB/2014/60) ⁽²⁾	
5.1	Main refinancing operations	Regular liquidity-providing reverse transactions with a weekly frequency and normally a maturity of 1 week	Nominal value or repo cost
5.2	Longer-term refinancing operations	Regular liquidity-providing reverse transactions normally with a monthly frequency, with a maturity longer than that of the main refinancing operations	Nominal value or repo cost
5.3	Fine-tuning reverse operations	Reverse transactions, executed as ad hoc transactions for fine-tuning purposes	Nominal value or repo cost
5.4	Structural reverse operations	Reverse transactions adjusting the structural position of the Eurosystem vis-à-vis the financial sector	Nominal value or repo cost
5.5	Marginal lending facility	Overnight liquidity facility at a pre-specified interest rate against eligible assets (standing facility)	Nominal value or repo cost
5.6	Credits related to margin calls	Additional credit to credit institutions, arising from value increases of underlying assets regarding other credit to these credit institutions	Nominal value or cost
6	Other claims on euro area credit institutions denominated in euro	Current accounts, fixed-term deposits, day-to-day money, reverse repo transactions in connection with the management of security portfolios under the asset item 7 'Securities of euro area residents denominated in euro', including transactions resulting from the transformation of former foreign currency reserves of the euro area, and other claims. Correspondent accounts with non-domestic euro area credit institutions. Other claims and operations unrelated to monetary policy operations of the Eurosystem	Nominal value or cost
7	Securities of euro area residents denominated in euro		

7.1	Securities held for monetary policy purposes	Securities held for monetary policy purposes (including securities purchased for monetary policy purposes issued by supranational or international organisations, or multilateral development banks, irrespective of their geographical location). European Central Bank (ECB) debt certificates purchased for fine-tuning purposes	<p>(a) Marketable debt securities Accounted for depending on monetary policy considerations:</p> <p>(i) Market price. Any premiums or discounts are amortised</p> <p>(ii) Cost subject to impairment (cost when the impairment is covered by a provision under liability item 13(b) 'Provisions'). Any premiums or discounts are amortised</p> <p>(b) Non-marketable debt securities Cost subject to impairment. Any premiums or discounts are amortised</p>
7.2	Other securities	Securities other than those under asset item 7.1 'Securities held for monetary policy purposes' and under asset item 11.3 'Other financial assets': notes and bonds, bills, zero bonds, money market paper held outright, including government securities stemming from before Economic and Monetary Union (EMU), denominated in euro. Equity shares and investment funds	<p>(a) Marketable debt securities other than held-to-maturity Market price. Any premiums or discounts are amortised</p> <p>(b) Marketable debt securities classified as held-to-maturity Cost subject to impairment. Any premiums or discounts are amortised</p> <p>(c) Non-marketable debt securities Cost subject to impairment. Any premiums or discounts are amortised</p> <p>(d) Marketable equity shares Market price</p> <p>(e) Marketable investment funds Market price</p>
8	General government debt denominated in euro	Claims on government stemming from before EMU (non-marketable securities, loans)	Deposits/loans at nominal value, non-marketable securities at cost
9	Intra-Eurosystem claims		
9.1	Claims related to the issuance of ECB debt certificates	Intra-Eurosystem claims vis-à-vis national central banks (NCBs), arising from the issuance of ECB debt certificates	Cost
9.2	Claims related to the allocation of euro banknotes within the Eurosystem	Claims related to the ECB's banknote issue, in accordance with Decision ECB/2010/29 of the European Central Bank ⁽³⁾	Nominal value

9.3	Other claims within the Eurosystem (net)	Net position of the following sub-items: (a) net claims arising from balances of TARGET2 accounts and correspondent accounts of NCBs, i.e. the net figure of claims and liabilities. See also liability item 10.2 'Other liabilities within the Eurosystem (net)' (b) other intra-Eurosystem claims denominated in euro that may arise, including the interim distribution of ECB income to NCBs	(a) Nominal value (b) Nominal value
10	Items in course of settlement	Settlement account balances (claims), including the float of cheques in collection	Nominal value
11	Other assets		
11.1	Coins of euro area	Euro coins	Nominal value
11.2	Tangible and intangible fixed assets	Land and buildings, furniture and equipment including computer equipment, software	Cost less depreciation Depreciation is the systematic allocation of the depreciable amount of an asset over its useful life. The useful life is the period over which a fixed asset is expected to be available for use by the entity. Useful lives of individual material fixed assets may be reviewed on a systematic basis, if expectations differ from previous estimates. Major assets may comprise components with different useful lives. The lives of such components should be assessed individually. The cost of intangible assets includes the price for the acquisition of the intangible asset. Other direct or indirect costs are to be expensed Capitalisation of expenditure: limit based (below EUR 10 000 excluding VAT: no capitalisation)
11.3	Other financial assets	<ul style="list-style-type: none"> — Participating interests and investments in subsidiaries, equity shares and investment funds held for strategic/policy reasons — Securities including equity shares and investment funds, and other financial instruments and balances including fixed-term deposits and current accounts held as an earmarked portfolio — Reverse repo transactions with financial institutions in connection with the management of securities portfolios under this asset item — Euro denominated reverse repo transactions with euro area financial institutions other than credit institutions in connection with the management of securities portfolios other than those held under this item 	<ul style="list-style-type: none"> (a) Marketable equity shares Market price (b) Marketable investment funds Market price (c) Participating interests and illiquid equity shares, and any other equity instruments held as permanent investments Cost subject to impairment

			<p>(d) Investment in subsidiaries or significant interests Net asset value</p> <p>(e) Marketable debt securities other than held-to-maturity Market price. Premiums/discounts are amortised</p> <p>(f) Marketable debt securities classified as held-to-maturity or held as a permanent investment Cost subject to impairment. Any premiums or discounts are amortised</p> <p>(g) Non-marketable debt securities Cost subject to impairment</p> <p>(h) Balances with banks and loans Nominal value, translated at the foreign exchange market rate if the balances/deposits are denominated in foreign currencies</p>
11.4	Off-balance-sheet instruments revaluation differences	Valuation results of foreign exchange forwards, foreign exchange swaps, interest rate swaps (unless daily variation margin applies), forward rate agreements, forward transactions in securities, foreign exchange spot transactions from trade date to settlement date	Net position between forward and spot, at the foreign exchange market rate
11.5	Accruals and prepaid expenditure	Income not due in, but assignable to the reported period. Prepaid expenditure and accrued interest paid, i.e. accrued interest purchased with a security	Nominal value, foreign exchange translated at market rate
11.6	Sundry	<p>(a) Advances, loans and other minor items. Loans on a trust basis</p> <p>(b) Investments related to customer gold deposits</p> <p>(c) Net pension assets</p> <p>(d) Outstanding claims and securities arising from the default of eligible counterparties or issuers in the context of Eurosystem monetary policy operations</p> <p>(e) Assets or claims (vis-à-vis third parties) appropriated and/or acquired in the context of the realisation of collateral submitted by Eurosystem counterparties in default</p>	<p>(a) Nominal value or cost</p> <p>(b) Market value</p> <p>(c) As per Article 25(2)</p> <p>(d) Nominal/recoverable value (before/after settlement of losses)</p> <p>(e) Cost (converted at the foreign exchange market rate at the time of the acquisition if financial assets are denominated in foreign currencies)</p>
12	Loss for the year		Nominal value

(¹) With the exception of asset item 7.1, the allocation of balances to those balance sheet items that refer to residency and/or economic sector is based on the classification for statistical purposes.

(²) Guideline (EU) 2015/510 of the European Central Bank of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60) (OJ L 91, 2.4.2015, p. 3).

(³) Decision ECB/2010/29 of the European Central Bank of 13 December 2010 on the issue of euro banknotes (OJ L 35, 9.2.2011, p. 26)

LIABILITIES

	Balance sheet item (¹)	Categorisation of contents of balance sheet items	Valuation principle
1	Banknotes in circulation	Euro banknotes issued by the ECB, in accordance with Decision ECB/2010/29	Nominal value
2	Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	Items 2.1, 2.2, 2.3 and 2.5: deposits in euro as described in Guideline (EU) 2015/510 (ECB/2014/60)	
2.1	Current accounts (covering the minimum reserve system)	Euro accounts of credit institutions that are included in the list of financial institutions subject to minimum reserves in accordance with the Statute of the European System of Central Banks and of the European Central Bank (the 'Statute of the ESCB') except for credit institutions exempt from minimum reserve requirements. This item contains primarily accounts used in order to hold minimum reserves and excludes funds of credit institutions that are not freely disposable.	Nominal value
2.2	Deposit facility	Overnight deposits at a pre-specified interest rate (standing facility)	Nominal value
2.3	Fixed-term deposits	Collection for liquidity absorption purposes owing to fine-tuning operations	Nominal value
2.4	Fine-tuning reverse operations	Monetary policy-related transactions with the aim of liquidity absorption	Nominal value or repo cost
2.5	Deposits related to margin calls	Deposits of credit institutions, arising from value decreases of underlying assets regarding credits to these credit institutions	Nominal value

3	Other liabilities to euro area credit institutions denominated in euro	Repo transactions with credit institutions for the management of securities portfolios under asset item 7 'Securities of euro area residents denominated in euro'. Other operations unrelated to Eurosystem monetary policy operations. Funds of credit institutions that are not freely disposable, and accounts of credit institutions exempt from minimum reserve requirements.	Nominal value or repo cost
4	ECB debt certificates issued	Debt certificates as described in Guideline (EU) 2015/510 (ECB/2014/60). Discount paper, issued with the aim of liquidity absorption	Cost. Any discounts are amortised
5	Liabilities to other euro area residents denominated in euro		
5.1	General government	Current accounts, fixed-term deposits, deposits repayable on demand	Nominal value
5.2	Other liabilities	Current accounts of staff, companies and clients including financial institutions not subject to minimum reserve requirements (see liability item 2.1); repo transactions with financial institutions other than credit institutions for the management of securities other than those under asset item 11.3 'Other financial assets'; fixed-term deposits, deposits repayable on demand	Nominal value
6	Liabilities to non-euro area residents denominated in euro	Current accounts, fixed-term deposits, deposits repayable on demand including accounts held for payment purposes and accounts held for reserve management purposes. Repo transactions for the management of securities denominated in euro. Balances of TARGET2 accounts of central banks of Member States whose currency is not the euro	Nominal value or repo cost
7	Liabilities to euro area residents denominated in foreign currency	Current accounts. Liabilities under repo transactions; usually investment transactions using foreign currency assets or gold	Nominal value, translated at year-end foreign exchange market rate
8	Liabilities to non-euro area residents denominated in foreign currency		
8.1	Deposits, balances and other liabilities	Current accounts. Liabilities under repo transactions; usually investment transactions using foreign currency assets or gold	Nominal value, translated at the year-end foreign exchange market rate

8.2	Liabilities arising from the credit facility under ERM II	Borrowing in accordance with the ERM II conditions	Nominal value, translated at the year-end foreign exchange market rate
9	Counterpart of special drawing rights allocated by the IMF	SDR-denominated item which shows the amount of SDRs that were originally allocated to the respective country/NCB	Nominal value, translated at the year-end foreign exchange market rate
10	Intra-Eurosystem liabilities		
10.1	Liabilities equivalent to the transfer of foreign reserves	ECB balance sheet item, denominated in euro	Nominal value
10.2	Other liabilities within the Eurosystem (net)	Net position of the following sub-items: (a) net liabilities arising from balances of TARGET2 accounts and correspondent accounts of NCBs, i.e. the net figure of claims and liabilities. See also asset item 9.3 'Other claims within the Eurosystem (net)' (b) other intra-Eurosystem liabilities denominated in euro that may arise, including the interim distribution of ECB income to NCBs	(a) Nominal value (b) Nominal value
11	Items in course of settlement	Settlement account balances (liabilities), including the float of giro transfers	Nominal value
12	Other liabilities		
12.1	Off-balance-sheet instruments revaluation differences	Valuation results of foreign exchange forwards, foreign exchange swaps, interest rate swaps (unless daily variation margin applies), forward rate agreements, forward transactions in securities, foreign exchange spot transactions from trade date to settlement date	Net position between forward and spot, at the foreign exchange market rate
12.2	Accruals and income collected in advance	Expenditure falling due in a future period but relating to the reporting period. Income received in the reported period but relating to a future period	Nominal value, foreign exchange translated at market rate
12.3	Sundry	(a) Taxation suspense accounts. Foreign currency credit or guarantee cover accounts. Repo transactions with financial institutions for the management of securities portfolios under asset item 11.3 'Other financial assets'. Compulsory deposits other than reserve deposits. Other minor items. Liabilities on a trust basis (b) Customer gold deposits (c) Net pension liabilities	(a) Nominal value or (repo) cost (b) Market value (c) As per Article 25(2)

13	Provisions	<p>(a) For financial risks, and for other purposes, e.g. expected future expenses and contributions in accordance with Article 48.2 of the Statute of the ESCB with respect to central banks of Member States whose derogations have been abrogated</p> <p>(b) For counterparty or credit risks arising from monetary policy operations</p>	<p>(a) Cost/nominal value</p> <p>(b) Nominal value (based on a valuation at year-end by the Governing Council)</p>
14	Revaluation accounts	<p>(a) Revaluation accounts related to price movements for gold, for every type of euro-denominated securities, for every type of foreign currency-denominated securities, for options; market valuation differences related to interest rate risk derivatives; revaluation accounts related to foreign exchange rate movements for every currency net position held, including foreign exchange swaps/forwards and SDRs. Special revaluation accounts stemming from contributions in accordance with Article 48.2 of the Statute of the ESCB with respect to central banks of Member States whose derogations have been abrogated. See Article 14(2)</p> <p>(b) Remeasurement results of the net defined benefit liability (asset) in respect of post-employment benefits, which are the net position of the following sub-items:</p> <ul style="list-style-type: none"> (i) Actuarial gains and losses in the present value of the defined benefit obligation (ii) Return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) (iii) Any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset) 	<p>(a) Revaluation difference between average cost and market value, foreign exchange translated at market rate</p> <p>(b) As per Article 25(2)</p>
15	Capital and reserves		
15.1	Capital	Paid-up capital	Nominal value
15.2	Reserves	Legal reserves, in accordance with Article 33 of the Statute of the ESCB, and contributions in accordance with Article 48.2 of the Statute of the ESCB with respect to central banks of Member States whose derogations have been abrogated	Nominal value
16	Profit for the year		Nominal value

(¹) The allocation of balances to those balance sheet items that refer to residency and/or economic sector is based on the classification for statistical purposes.'