Subject: Interest rate risk of bond purchasing programmes (2)

In my question Z-038/2021 of 22 July 2021, I referred to the interest rate risk in the portfolio of the European System of Central Banks. For the economic interest rate risk in the PEPP programme, you indicated not an amount in EUR but a term to maturity of 7.67 years. From this it can be calculated with reasonable accuracy that the PEPP bond portfolio would show an economic depreciation of 7.67% if the interest rate was increased by 1%.

According to figures published on 7 December, the PEPP total was EUR 1 547 billion. An interest rate rise of 1% would therefore result in an economic loss of EUR 118.7 billion – even if the ECB would not, of course, have to post this directly.

1. Is this rough estimate correct on the basis of market prices?
2. How high (in EUR) is this interest rate risk (assuming an interest rate rise over the entire yield curve of 1%) in the total balance sheet of the Central Bank – i.e. all purchase programmes taken together – if possible broken down by bond purchase programme?