



PRESS RELEASE

Measures to further expand the collateral framework and enhance the provision of liquidity



15 October 2008

The Governing Council of the European Central Bank (ECB) today decided, by means of a teleconference, on the following measures:

- › The list of assets eligible as collateral in Eurosystem credit operations will be expanded as set out below, with this expansion remaining into force until the end of 2009.
- › As from the operation settling on 30 October 2008 and until the end of the first quarter in 2009, the provision of longer-term refinancing by the Eurosystem will be enhanced as set out below.
- › The Eurosystem will start offering US dollar liquidity also through foreign exchange swaps.

Expansion of the list of assets eligible as collateral in Eurosystem credit operations

The Eurosystem will add the following instruments to the list of assets eligible as collateral in its credit operations:

- › Marketable debt instruments denominated in other currencies than the euro, namely the US dollar, the British pound and the Japanese yen, and issued in the euro area. These instruments will be subject to a uniform haircut add-on of 8%.
- › Euro-denominated syndicated credit claims governed by UK law.
- › Debt instruments issued by credit institutions, which are traded on the accepted non-regulated markets that are mentioned on the ECB website; this measure implies inter alia that certificates of deposits (CDs) will also be eligible when traded on one of these accepted non-regulated markets. All debt instruments issued by credit institutions, which are traded on the accepted non-regulated markets, will be subject to a 5% haircut add-on.
- › Subordinated debt instruments when they are protected by an acceptable guarantee as specified in

section 6.3.2 of the General Documentation on Eurosystem monetary policy instruments and procedures. These instruments will be subject to a haircut add-on of 10%, with a further 5% valuation markdown in case of theoretical valuation.

Furthermore, the Eurosystem will lower the credit threshold for marketable and non-marketable assets from A- to BBB-, with the exception of asset-backed securities (ABS), and impose a haircut add-on of 5% on all assets rated BBB-.

The date of entry into effect as well as further technical details on these measures will be communicated as soon as possible. The measures will remain in force until the end of 2009.

The expansion of the eligibility criteria announced today will be combined with vigilant monitoring of the use of the framework.

Moreover, as of 20 October 2008 and at least until the end of the first maintenance period in 2009 on 20 January, fixed term deposits held with the Eurosystem will be eligible collateral for Eurosystem credit operations.

Enhancement of the provision of longer-term refinancing

Consistently with the temporary expansion of the collateral pool, the Eurosystem will also enhance its provision of longer-term refinancing as follows:

- › All longer-term refinancing operations will, until March 2009, be carried out through a fixed rate tender procedure with full allotment.
- › The two 3-month supplementary longer-term refinancing operations (SLTRO) maturing in February and in March 2009 will be rolled-over and an additional 3-month operation will be conducted in January 2009.
- › The outstanding 6-month SLTRO maturing in January 2009 will be rolled-over, and four additional 6-month SLTROs will be carried out in November 2008, December 2008, February 2009 and March 2009 in parallel with the respective 3-month SLTROs.
- › As result, two 3-month LTROs/SLTROs and one 6-month LTRO will be carried out each month until and including March 2009.
- › Moreover, the special term refinancing operation (STRO) allotted on 29 September 2008 will be rolled-over when it matures on 7 November 2008 and it will have a maturity matching the length of the reserve maintenance period;
- › A schedule of the above operations is provided in the table below.
- › The ECB will continue to steer liquidity towards balanced conditions in a way which is consistent with the objective to keep short-term rates close to the interest rate on the main refinancing operation.. For that purpose it will also accept fixed term deposits with a one week maturity.

Operation	Announcement date	Allotment date	Settlement date	Maturity date	Maturity
LTRO	Tuesday, 28 October 2008	Wednesday 29 October 2008	Thursday 30 October 2008	Thursday 29 January 2009	3-month
STRO	Wednesday 5 November 2008	Thursday 6 November 2008	Friday 7 November 2008	Wednesday 10 December 2008	1 maintenance period
SLTRO	Tuesday, 11 November 2008	Wednesday 12 November 2008	Thursday 13 November 2008	Thursday 12 February 2009	3-month

SLTRO	Tuesday, 11 November 2008	Wednesday 12 November 2008	Thursday 13 November 2008	Thursday, 14 May 2009	6-month
LTRO	Tuesday 25 November 2008	Wednesday 26 November 2008	Thursday 27 November 2008	Thursday 26 February 2009	3-month
STRO	Monday 8 December 2008	Tuesday 9 December 2008	Wednesday 10 December 2008	Wednesday 21 January 2009	1 maintenance period
SLTRO	Tuesday, 9 December 2008	Wednesday 10 December 2008	Thursday 11 December 2008	Thursday 12 March 2009	3-month
SLTRO	Tuesday, 9 December 2008	Wednesday 10 December 2008	Thursday 11 December 2008	Thursday 11 June 2009	6-month
LTRO	Tuesday, 16 December 2008	Wednesday 17 December 2008	Thursday 18 December 2008	Thursday 26 March 2009	3-month
STRO	Monday 19 January 2009	Tuesday 20 January 2009	Wednesday 21 January 2008	Wednesday 11 February 2009	1 maintenance period
SLTRO	Tuesday, 6 January 2009	Wednesday 7 January 2009	Thursday 8 January 2009	Thursday 9 July 2009	6-month
SLTRO	Tuesday, 6 January 2009	Wednesday 7 January 2009	Thursday 8 January 2009	Thursday, 16 April 2009	3-month
LTRO	Tuesday, 27 January 2009	Wednesday 28 January 2009	Thursday 29 January 2009	Thursday 30 April 2009	3-month
STRO	Monday 9 February 2009	Tuesday 10 February 2009	Wednesday 11 February 2009	Wednesday 11 March 2009	1 maintenance period
SLTRO	Tuesday, 10 February 2009	Wednesday 11 February 2009	Thursday 12 February 2009	Thursday 14 May 2009	3-month
SLTRO	Tuesday, 10 February 2009	Wednesday 11 February 2009	Thursday 12 February 2009	Thursday, 13 August 2009	6-month
LTRO	Tuesday, 24 February 2009	Wednesday 25 February 2009	Thursday 26 February 2009	Thursday 28 May 2009	3-month
STRO	Monday 9 March 2009	Tuesday 10 March 2009	Wednesday 11 March 2009	Wednesday 8 April 2009	1 maintenance period
SLTRO	Tuesday, 10 March 2009	Wednesday 11 March 2009	Thursday 12 March 2009	Thursday 11 June 2009	3-month
SLTRO	Tuesday, 10 March 2009	Wednesday 11 March 2009	Thursday 12 March 2009	Thursday, 10 September 2009	6-month
LTRO	Tuesday, 24 March 2009	Wednesday 25 March 2009	Thursday 26 March 2009	Thursday 25 June 2009	3-month

Provision of US dollar liquidity through foreign exchange swaps

As from 21 October 2008, and at least until the end of January 2009, in parallel with the existing tenders in which the Eurosystem offers US dollar liquidity against ECB-eligible collateral, the Eurosystem will also offer US dollar liquidity through EUR/USD foreign exchange swaps. The EUR/USD foreign exchange swap tenders will be carried out at a fixed price (i.e. swap point) with full allotment. Further details on the tender procedures for EUR/USD foreign exchange swaps will be released shortly.

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