



PRESS RELEASE

Purchase programme for covered bonds



4 June 2009

Following-up on its decision of 7 May 2009 to purchase euro-denominated covered bonds issued in the euro area, the Governing Council of the European Central Bank (ECB) decided upon the technical modalities today. These modalities are as follows:

- › The purchases, for an amount of EUR 60 billion, will be distributed across the euro area and will be carried out by means of direct purchases.
- › The purchases will be conducted in both the primary and the secondary markets.
- › In order to be eligible for purchase under the programme, covered bonds must:
 - › be eligible for use as collateral for Eurosystem credit operations;
 - › comply with the criteria set out in Article 22(4) of the Directive on undertakings for collective investment in transferable securities (UCITS) or similar safeguards for non-UCITS-compliant covered bonds;
 - › have, as a rule, an issue volume of about EUR 500 million or more and, in any case, not lower than EUR 100 million;
 - › have, as a rule, been given a minimum rating of AA or equivalent by at least one of the major rating agencies (Fitch, Moody's, S&P or DBRS) and, in any case, not lower than BBB-/Baa3; and
 - › have underlying assets that include exposure to private and/or public entities.
- › The counterparties eligible to the purchase programme are those eligible for the Eurosystem's credit operations, as well as euro area-based counterparties used by the Eurosystem for the investment of its euro denominated portfolios.
- › The purchases will start in July 2009 and are expected to be fully implemented by the end of June 2010 at the latest.

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