



Asset purchase programmes



Expanded asset purchase programme

The **expanded asset purchase programme (APP)** includes all purchase programmes under which private sector securities and public sector securities are purchased to address the risks of a too prolonged period of low inflation. It consists of the

- › third covered bond purchase programme (CBPP3)
- › asset-backed securities purchase programme (ABSPP)
- › public sector purchase programme (PSPP)
- › corporate sector purchase programme (CSPP)

Monthly purchases in public and private sector securities amount to €80 billion on average (from March 2015 until March 2016 this average monthly figure was €60 billion).

They are intended to be carried out until the end of March 2017 and in any case until the Governing Council sees a sustained adjustment in the path of inflation that is consistent with its aim of achieving inflation rates below, but close to, 2% over the medium term.

The APP is part of a package of measures that also includes [targeted longer-term refinancing operations](http://www.ecb.europa.eu/mopo/implement/omo/tltro/html/index.en.html) (Link to: <http://www.ecb.europa.eu/mopo/implement/omo/tltro/html/index.en.html>).

APP holdings

Purchases of marketable debt instruments increase the Eurosystem holdings of such instruments and inject liquidity into the banking system.

Eurosystem holdings under the expanded asset purchase programme

[ABSP](#) [CBPP3](#) [CSPP](#) [PSPP](#) [APP](#)

Holdings* April 2016	19,043	172,253	0	726,521	917,817
Monthly net purchases	17	5,556	0	79,673	85,246
Quarter-end amortisation adjustment	0	0	0	0	0
Holdings* May 2016	19,060	177,809	0	806,194	1,003,063

*At amortized cost, in euro million, at month end.
 Figures may not add up due to rounding.
 Figures are preliminary and may be subject to revision.

The table presents the Eurosystem holdings at the end of the month and a breakdown in the change of Eurosystem holdings into monthly net purchases.

Amortisation adjustments are made at the end of each quarter. The amortisation emerges from an accounting principle that implies that securities purchased at prices below face value have to be revalued upwards over time towards maturity, and revalued downwards over time, if purchased at prices above face value.

History of cumulative purchase breakdowns under the APP.

Weekly changes are reported in the [Eurosystem weekly financial statement](http://www.ecb.europa.eu/press/pr/wfs/html/index.en.html) (Link to: <http://www.ecb.europa.eu/press/pr/wfs/html/index.en.html>), full historical data are available in the Statistics section under [Data on daily liquidity conditions](http://www.ecb.europa.eu/stats/monetary/res/html/index.en.html) (Link to: <http://www.ecb.europa.eu/stats/monetary/res/html/index.en.html>).

Active asset purchase programmes

Corporate sector purchase programme

CSPP holdings*	
€ mil.	348
Date	10 Jun. 2016

* end of week, at amortised cost
 The figure reported for the first week only covers purchases settled by Friday 10 June and, therefore, effectively only secondary market purchases made on the first day of the CSPP implementation on Wednesday 8 June are covered.

The Eurosystem started to buy corporate sector bonds under the corporate sector purchase programme (CSPP) on 8 June 2016. The measure helps to further strengthen the pass-through of the Eurosystem's asset purchases to financing conditions of the real economy, and, in conjunction with the other non-standard monetary policy measures in place, provides further monetary policy accommodation.

Decision ECB/2016/16, 1 June 2016

 [Press release announcing the details of the corporate sector purchase programme](#)

 [More details on the Eurosystem's corporate sector purchase programme \(CSPP\) – Questions & answers](#)

Securities purchased under the CSPP will be made available for [securities lending](http://www.ecb.europa.eu/mopo/implement/omt/lending/html/index.en.html) (Link to: <http://www.ecb.europa.eu/mopo/implement/omt/lending/html/index.en.html>) to support market liquidity and collateral availability in the market as of 18 July 2016.

Breakdown of CSPP holdings*

Market	Primary	Secondary
€ mil. *	0	0
Share *		
Date	31 May 2016	

* end of month, at amortised cost

History of cumulative purchase breakdowns under the CSPP

Public sector purchase programme

On 9 March 2015 the Eurosystem started to buy public sector securities under the public sector purchase programme (PSPP).

The securities covered by the PSPP include:

- > nominal and inflation-linked central government bonds
- > bonds issued by recognised agencies, regional and local governments, international organisations and multilateral development banks located in the euro area

The Eurosystem intends to allocate 90% of the total purchases to government bonds and recognised agencies, and 10% to securities issued by international organisations and multilateral development banks (from March 2015 until March 2016 these figures were 88% and 12% respectively).

> Implementation aspects of the PSPP

> More details on the public sector purchase programme (PSPP) - Questions & answers

Securities purchased under the PSPP are made available for [securities lending](http://www.ecb.europa.eu/mopo/implement/omt/lending/html/index.en.html) (Link to: <http://www.ecb.europa.eu/mopo/implement/omt/lending/html/index.en.html>) to support market liquidity and collateral availability in the market.

PSPP holdings*	
€ mil.	834,753
Date	10 Jun. 2016

* end of week, at amortised cost

Breakdown of holdings by country

Breakdown of debt securities under the PSPP				
as at 31 May 2016	Monthly net purchases*	Cumulative monthly net purchases*	Weighted average remaining maturity in years	
Austria	2,140	20,901	8.70	
Belgium	2,695	26,329	9.78	
Cyprus**	0	269	5.36	

Germany	19,573	191,381	7.31
Estonia	0	66	2.13
Spain	9,619	94,097	9.66
Finland	1,366	13,391	7.58
France	15,398	151,908	7.68
Ireland	1,112	12,166	9.38
Italy	13,442	131,237	9.31
Lithuania	113	1,667	6.57
Luxembourg	16	1,589	6.44
Latvia	58	933	5.66
Malta	66	549	10.57
The Netherlands	4,355	42,584	7.40
Portugal	1,451	17,700	10.21
Slovenia	242	3,475	8.32
Slovakia	323	6,836	8.11
Suprationals	7,706	95,398	6.82
Total	79,673	812,475	8.13

* Book value in euro million.

** Negative net March 2016 purchases in Cyprus are the result of transactions conducted to ensure continued compliance within the limit framework reflecting buyback operations by the Cypriot Public Debt Management Office.

Note: Figures may not add up due to rounding.

When assessing the weighted average remaining maturity of Eurosystem holdings relative to a market measure, deviations could reflect inter alia the 2 to 30 year maturity range of purchases, the issue share limits taking into account holdings in other Eurosystem portfolios as well as the availability and liquidity conditions in the market during the implementation period.

History of cumulative purchase breakdowns under the PSPP

Asset-backed securities purchase programme

ABSPP holdings*	
€ mil.	19,291
Date	10 Jun. 2016

* end of week, at amortised cost


The asset-backed securities purchase programme (ABSPP) started on 21 November 2014.

The ABSPP helps banks to diversify funding sources and stimulates the issuance of new securities. Asset-backed securities can help banks to fulfil their main role: providing credit to the real economy. For instance, securitising loans and selling them can provide banks with the necessary funds to provide new lending to the real economy. This will further ease funding and credit conditions and help the transmission of

monetary policy.

 **Decision ECB/2014/45, 19 November 2014**

 **Decision ECB/2015/31, 10 September 2015**

 **Guiding principles (with examples) of Eurosystem-preferred eligible ABSs**

 **FAQs on the Eurosystem's asset-backed securities purchase programme (ABSPP)**

Breakdown of ABSPP holdings*		
Market	Primary	Secondary
€ mil. *	5,818	13,242
Share *	30.52%	69.48%
Date	31 May 2016	

* end of month, at amortised cost

 **History of cumulative purchases breakdowns under the ABSPP**

Covered bond purchase programme 3

CBPP3 holdings*	
€ mil.	179,850
Date	10 Jun. 2016

* end of week, at amortised cost

On 20 October 2014 the Eurosystem started to buy covered bonds under a third covered bond purchase programme (CBPP3).

The measure helps to enhance the functioning of the monetary policy transmission mechanism, supports financing conditions in the euro area, facilitates credit provision to the real economy and generates positive spillovers to other markets.

 **Decision ECB/2014/40, 15 October 2014**

Securities purchased under the covered bond purchase programmes (CBPP1, CBPP2 and CBPP3) are made available for [securities lending](http://www.ecb.europa.eu/mopo/implement/omt/lending/html/index.en.html) (Link to: <http://www.ecb.europa.eu/mopo/implement/omt/lending/html/index.en.html>) by a number of Eurosystem central banks.

Breakdown of CBPP3 holdings*		
Market	Primary	Secondary
€ mil. *	52,091	125,718
Share *	29.30%	70.70%
Date	31 May 2016	

* end of month, at amortised cost

 **History of cumulative purchases breakdowns under the CBPP3**

 **FAQs on the Eurosystem's third covered bond purchase programme (CBPP3)**

Terminated programmes

Securities Markets Programme

On 10 May 2010, the central banks of the Eurosystem started purchasing securities in the context of the Securities Markets Programme (SMP), with a view to addressing the severe tensions in certain market segments which had been hampering the monetary policy transmission mechanism. Following a Governing Council decision on 6 September 2012 to initiate outright monetary transactions, the SMP was terminated. The existing securities in the SMP portfolio will be held to maturity. For details see the press release: [Technical features of Outright Monetary Transactions](http://www.ecb.europa.eu/press/pr/date/2012/html/pr120906_1.en.html) (Link to: http://www.ecb.europa.eu/press/pr/date/2012/html/pr120906_1.en.html); as well as ECB decision of 14 May 2010  **ECB/2010/5** and the press release of 10 May 2010: [ECB decides on measures to address severe tensions in financial markets](http://www.ecb.europa.eu/press/pr/date/2010/html/pr100510.en.html) (Link to: <http://www.ecb.europa.eu/press/pr/date/2010/html/pr100510.en.html>).

With a view to leaving liquidity conditions unaffected by the programme, the Eurosystem re-absorbed the liquidity provided through the SMP by means of weekly liquidity-absorbing operations until June 2014. On 5 June 2014, the ECB suspended the weekly fine-tuning operations sterilising the liquidity injected by the programme and the last operation was allotted on 10 June 2014.

SMP holdings*

€ mil.	110,973
Date	10 Jun. 2016
* at amortised cost	

Covered bond purchase programme

CBPP holdings*

€ mil.	18,101
Date	10 Jun. 2016
* at amortised cost	

On 2 July 2009, the Eurosystem launched its first covered bond purchase programme (CBPP1). The programme ended, as planned, on 30 June 2010 when it reached a nominal amount of €60 billion. The Eurosystem intends to hold the assets bought under this programme until maturity.

For details, see ECB decision of 2 July 2009 ( **ECB/2009/16**) as well as the press releases [Purchase programme for covered bonds](http://www.ecb.europa.eu/press/pr/date/2009/html/pr090604_1.en.html) (Link to: http://www.ecb.europa.eu/press/pr/date/2009/html/pr090604_1.en.html) (4 June 2009) and [Covered bond purchase programme completed](http://www.ecb.europa.eu/press/pr/date/2010/html/pr100630.en.html) (Link to: <http://www.ecb.europa.eu/press/pr/date/2010/html/pr100630.en.html>) (30 June 2010).

Covered bond purchase programme 2

CBPP2 holdings*

€ mil.	7,946
Date	10 Jun. 2016

* at amortised cost

In November 2011, the Eurosystem launched a second covered bond purchase programme (CBPP2). The programme ended, as planned, on 31 October 2012 when it reached a nominal amount of €16.4 billion. The Eurosystem intends to hold the assets bought under this programme until maturity.

Breakdown of CBPP2 holdings*

Market	Primary	Secondary
€ mil. *	6,015	10,375
Share *	36.70%	63.30%
Date	31 October 2012	

* at amortised cost

For details, see ECB decision of 3 November 2011 ([🔗 ECB/2011/17](#)) and the press release [ECB announces details of its new covered bond purchase programme \(CBPP2\)](#) (Link to: http://www.ecb.europa.eu/press/pr/date/2011/html/pr111103_1.en.html) (3 November 2011).

History of cumulative purchases breakdowns under the CBPP2