

PRESS RELEASE

ECB agrees euro liquidity lines with non-euro area central banks until 15 January 2023

28 March 2022

- › ECB and Narodowy Bank Polski set up new €10 billion swap line until 15 January 2023
- › ECB extends existing temporary repo lines with non-euro area central banks to 15 January 2023 following central banks' extension requests
- › Euro liquidity lines address possible liquidity needs in non-euro area countries given uncertainty from Russian invasion of Ukraine and regional spillover risk, while having full regard to EU sanctions

The European Central Bank (ECB) and Narodowy Bank Polski have agreed to set up a precautionary swap line to provide euro liquidity to financial institutions in Poland.

The ECB has also decided to extend its temporary bilateral repo lines to the central banks of Hungary, Albania, the Republic of North Macedonia and the Republic of San Marino. The size of the individual agreements will remain unchanged. These bilateral lines were established in 2020 to provide euro liquidity to financial institutions in those countries via their central banks. The lines were due to expire at the end of March 2022, as they were specifically aimed at addressing possible euro liquidity needs in the presence of market dysfunctions due to the coronavirus (COVID-19) pandemic.

Following requests from the central banks and based on a positive case-by-case assessment by the Governing Council, these swap and repo lines have been granted until 15 January 2023. In the context of heightened geopolitical tensions triggered by the Russian invasion of Ukraine, the lines are designed to prevent spillover effects in euro area financial markets and economies that might adversely affect the smooth transmission of the ECB's monetary policy. At the same time, full regard has been given to the applicable EU sanctions, with which the ECB expects its counterparties to comply, so that the lines are not used to circumvent the sanctions.

Temporary agreements complement the ECB's standing swap lines and EUREP repo agreements.

The EUREP facility was extended to 15 January 2023 as part of ECB's monetary policy decisions of 10 March 2022.

Under the new swap line, Narodowy Bank Polski will be able to borrow up to €10 billion from the ECB in exchange for Polish zloty.

Under their respective repo line agreements:

- › The Magyar Nemzeti Bank can borrow up to €4 billion from the ECB
- › Banka e Shqipërisë (Bank of Albania) can borrow up to €400 million from the ECB
- › Народна банка на Република Северна Македонија (National Bank of the Republic of North Macedonia) can borrow up to €400 million from the ECB

- › Banca Centrale della Repubblica di San Marino (Central Bank of the Republic of San Marino) can borrow up to €100 million from the ECB

Under a repo line, a national central bank can borrow euro up to the specified limit in exchange for adequate euro-denominated collateral.

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Notes

- › For further details on liquidity lines, see the ECB Blog post entitled "[The provision of euro liquidity through the ECB's swap and repo operations](#)".
- › For further information on standing swap and repo lines, see the overview on the [ECB's website](#).
- › EUREP is the Eurosystem repo facility for central banks.

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