



EUROPEAN CENTRAL BANK

EUROSYSTEM

# PRESS RELEASE

14 December 2017

## Changes to collateral eligibility criteria for unsecured bank bonds

- New eligibility criteria for senior unsecured bank bonds were decided and are expected to come into effect in the first quarter of 2018
- Currently eligible senior unsecured bank bonds that do not fulfil new eligibility criteria will remain eligible until 31 December 2018
- Senior (preferred) unsecured bank bonds will remain eligible as collateral

The European Central Bank (ECB) has decided on changes to the collateral eligibility criteria applicable to unsecured debt instruments issued by credit institutions or investment firms or their closely-linked entities. These instruments are known as unsecured bank bonds (UBBs).

UBBs that are subject to statutory, contractual or structural subordination (e.g. UBBs issued by bank holding companies) will become ineligible as collateral with effect from the entry into force of the upcoming regular update of the General Documentation (expected in the first quarter of 2018).

However, UBBs issued by entities that are on the list of agencies eligible for the ECB's Public Sector Purchase Programme and government-guaranteed bank bonds (GGBBs) will remain eligible until maturity provided that they are not subject to contractual or structural subordination and that they have been issued before 31 December 2018.

Senior (preferred) unsecured bank bonds (i.e. those not subject to subordination) will remain eligible as collateral.

In addition, UBBs issued by credit institutions or investment firms or their closely linked entities established outside the EU will become ineligible with effect from the entry into force of the updated General Documentation.

UBBs that are currently eligible as collateral but do not fulfil the new eligibility criteria will remain eligible until 31 December 2018.

**For media queries, please contact William Lelieveldt, tel.: +49 69 1344 7316.**

**European Central Bank** Directorate General Communications  
Global Media Relations Division, Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany  
Tel.: +49 69 1344 7455, e-mail: [media@ecb.europa.eu](mailto:media@ecb.europa.eu), website: [www.ecb.europa.eu](http://www.ecb.europa.eu)

**Reproduction is permitted provided that the source is acknowledged.**