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PRESS RELEASE

ECB ANNOUNCES DETAILS OF ITS NEW COVERED BOND PURCHASE PROGRAMME (CBPP2)

Further to its decision of 6 October 2011 to launch a new covered bond purchase programme (CBPP2), the Governing Council of the European Central Bank (ECB) decided today upon the technical modalities of the programme:

- The purchases of euro-denominated covered bonds issued in the euro area, for an intended nominal amount of EUR 40 billion, will be distributed across the euro area and will be carried out by the Eurosystem by means of direct purchases.
- The purchases will be conducted in both the primary and the secondary markets.
- In order to be qualified for purchase under the programme, covered bonds must:
 - be eligible for use as collateral in Eurosystem credit operations;
 - comply with the criteria set out in Article 52(4) of the Directive on undertakings for collective investment in transferable securities (UCITS) or similar safeguards for non-UCITS-compliant covered bonds, as specified in Section 6.2.3 of the General Documentation;
 - have an issue volume of EUR 300 million or more;
 - have a minimum rating of BBB- or equivalent from at least one of the major rating agencies;
 - have a maximum residual maturity of 10.5 years; and
 - have underlying assets that include exposure to private and/or public entities.
- The counterparties qualified to participate in the CBPP2 are those counterparties that are eligible for the Eurosystem's monetary policy operations, together with any other counterparties that are used by the Eurosystem for the investment of its euro-denominated portfolios.

- The purchases will start in the course of November 2011 and are expected to be fully implemented by the end of October 2012 at the latest.

Furthermore, the Governing Council has decided to make its CBPP2 portfolio available for lending. This decision will be implemented by the Eurosystem. Lending will be voluntary and conducted through security lending facilities offered by central securities depositories, or via matched repo transactions with eligible counterparties.

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