

PRESS RELEASE

17 October 2014 - Statement on New York Times articles

The ECB neither provides nor approves emergency liquidity assistance. It is the national central bank, in this case the Central Bank of Cyprus, that provides ELA to an institution that it judges to be solvent at its own risks and under its own terms and conditions. The ECB can object on monetary policy grounds; in order to do so at least two thirds of the Governing Council must see the provision of emergency liquidity as interfering with the tasks and objectives of euro area monetary policy.

In this specific case there was full consensus in the Governing Council on the need to get assurances from the Central Bank of Cyprus that this bank was solvent. This was confirmed explicitly by the Central Bank of Cyprus, which also confirmed the proper valuation of collateral after an intense dialogue between it and the ECB.

The ECB was not the supervisor and fully relied on the assessment of the Central Bank of Cyprus. Therefore to draw conclusions about the ECB's future banking supervision role on the basis of ELA to Cyprus is tendentious.

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