



EUROPEAN CENTRAL BANK
EUROSYSTEM

PRESS RELEASE

22 June 2016

ECB reinstates waiver affecting the eligibility of Greek bonds used as collateral in Eurosystem monetary policy operations

- ECB's Governing Council reinstates waiver of minimum credit rating requirements for marketable instruments issued or guaranteed by the Hellenic Republic, subject to special haircuts
- Waiver will enter into force on the next MRO settlement date (29 June 2016)
- Governing Council acknowledges the commitment of the Greek government to implementing current ESM programme and expects continued compliance with its conditionality
- Possible purchases of Greek bonds under the PSPP will be examined at a later stage

The Governing Council of the European Central Bank (ECB) today decided to reinstate the waiver affecting the eligibility of marketable debt instruments issued or fully guaranteed by the Hellenic Republic. The decision suspends the application of the minimum credit rating threshold in the collateral eligibility requirements for these instruments. Provided that they fulfil all other eligibility criteria, they may be used as collateral in Eurosystem monetary policy operations.

The suspension enters into force with the relevant legal act on the next main refinancing operation (MRO) settlement date, 29 June 2016, and will be maintained until further notice. It applies to all outstanding and new marketable debt instruments issued or guaranteed by the Hellenic Republic. The haircuts applied to these assets will be specified in the legal act.

The Governing Council has taken into consideration the approval of the first disbursement of the second tranche of the current European Stability Mechanism (ESM) programme for Greece by the ESM's Board of Directors, following the positive assessment by the European Commission, in liaison with the ECB, of a policy package which resulted in the completion of the first review of the programme. The Governing

European Central Bank Directorate General Communications
Global Media Relations Division, Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany
Tel.: +49 69 1344 7455, email: media@ecb.europa.eu, website: www.ecb.europa.eu

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Council also acknowledges the commitment of the Greek government to implementing the ESM macroeconomic adjustment programme and, therefore, expects continued compliance with its conditionality.

The Governing Council will examine possible purchases of Greek government bonds under the public sector purchase programme (PSPP) at a later stage, taking into account the progress made in the analysis and reinforcement of Greece's debt sustainability, as well as other risk management considerations.

For media queries, please contact Nicos Keranis, tel.: +49 69 1344 7806, or 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, email: media@ecb.europa.eu, website: www.ecb.europa.eu

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