



EUROPEAN CENTRAL BANK
EUROSYSTEM

ECB-PUBLIC
COURTESY TRANSLATION

Mario DRAGHI
President

Mr Marco Zanni
Mr Marco Valli
Members of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels
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Frankfurt, 17 September 2015
L/MD/15/545

Re: Your letters (QZ-115 and QZ-116)

Honourable Members of the European Parliament, dear Mr Zanni, dear Mr Valli,

Thank you for your letters, which were passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 14 July 2015.

Regarding your questions on the Governing Council's decisions of 28 June 2015 and 6 July 2015, whereby it maintained the ELA ceiling for Greek banks and adjusted related collateral haircuts, I would like to start by reminding you that the ECB is a rule-based institution and that the Governing Council takes relevant decisions after careful assessment and in an independent manner.

I would like to emphasise that, according to our rules, ELA can only be provided against adequate collateral and only to solvent banks. Please allow me to briefly explain the above decisions in this context.

As regards the collateral adequacy, the quality of the assets used by Greek banks as collateral with the Bank of Greece at its ELA operations at the time was closely linked to the ability of the Hellenic Republic to honour its financial obligations. Several events at the end of June 2015 triggered a reassessment of the Greek government's financial prospects. In this context, the Governing Council decided on 28 June 2015 to maintain the ELA ceiling for Greek banks at the level set on 26 June 2015, as indicated in the press release published by the ECB on 28 June 2015.

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The financial situation of the Hellenic Republic deteriorated further in the following days, prompting adjustment of the haircuts applied to collateral accepted by the Bank of Greece for ELA, as well as a further decision to maintain the ELA ceiling for Greek banks, as indicated in the press release published by the ECB on 6 July 2015.

Yours sincerely,

[signed]

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