

Haircut schedule for assets eligible for use as collateral in Eurosystem market operations

Levels of valuation haircuts applied to eligible marketable assets											
Credit quality	Residual maturity (years)	Liquidity categories								Category V	
		Category I		Category II		Category III		Category IV			
		fixed coupon	zero coupon	fixed coupon	zero coupon	fixed coupon	zero coupon	fixed coupon	zero coupon		
Steps 1 and 2 (AAA to A-)	0-1	0.5	0.5	1.0	1.0	1.5	1.5	6.5	6.5	16	
	1-3	1.5	1.5	2.5	2.5	3.0	3.0	8.5	9.0		
	3-5	2.5	3.0	3.5	4.0	5.0	5.5	11.0	11.5		
	5-7	3.0	3.5	4.5	5.0	6.5	7.5	12.5	13.5		
	7-10	4.0	4.5	5.5	6.5	8.5	9.5	14.0	15.5		
	>10	5.5	8.5	7.5	12.0	11.0	16.5	17.0	22.5		
Liquidity categories											
Credit quality	Residual maturity (years)	Liquidity categories								Category V	
		Category I		Category II		Category III		Category IV			
		fixed coupon	zero coupon	fixed coupon	zero coupon	fixed coupon	zero coupon	fixed coupon	zero coupon		
Step 3 (BBB+ to BBB-)	0-1	5.5	5.5	6.0	6.0	8.0	8.0	15.0	15.0	Not eligible	
	1-3	6.5	6.5	10.5	11.5	18.0	19.5	27.5	29.5		
	3-5	7.5	8.0	15.5	17.0	25.5	28.0	36.5	39.5		
	5-7	8.0	8.5	18.0	20.5	28.0	31.5	38.5	43.0		
	7-10	9.0	9.5	19.5	22.5	29.0	33.5	39.0	44.5		
	>10	10.5	13.5	20.0	29.0	29.5	38.0	39.5	46.0		

Definition of the liquidity categories:

Category I: Central government debt instruments and debt instruments issued by central banks¹

Category II: Local and regional government debt instruments, Jumbo covered bonds, agency debt instruments² and supranational debt instruments

Category III: Traditional covered bank bonds, structured covered bank bonds, multi-cédulas and debt instruments issued by corporate and other issuers.

Category IV: Credit institution debt instruments (uncovered)

Category V: Asset-backed securities

Note: Haircuts applicable to marketable debt instruments included in liquidity categories I to IV with variable rate coupons, excluding “inverse floaters”, will be those applicable to the 0-1 year maturity bucket of fixed coupon instruments in the corresponding liquidity and credit category.

¹ Debt certificates issued by the ECB and debt instruments issued by national central banks prior to the adoption of the euro in their respective Member State.

² Only marketable assets issued by issuers that have been classified as agencies by the ECB are included in liquidity Category II. Marketable assets issued by other agencies are included in liquidity Category III.

Levels of valuation haircuts applied to “inverse floaters”		
<i>Credit quality</i> Steps 1 and 2 (AAA to A-)	<i>Residual maturity (years)</i> 0-1	7.5
	1-3	11.5
	3-5	16.0
	5-7	19.5
	7-10	22.5
	>10	28.0
	<i>Credit quality</i> Step 3 (BBB+ to BBB-)	<i>Residual maturity (years)</i> 0-1
1-3		46.5
3-5		63.5
5-7		68.0
7-10		69.0
>10		69.5

Levels of valuation haircuts applied to eligible non-marketable assets				
Credit quality	Residual maturity (years)	Asset categories		Non-marketable RMB debt
		Credit claims		
		Fixed interest payment and a valuation based on a theoretical price assigned by the NCB	Fixed interest payment and a valuation according to the outstanding amount assigned by the NCB	
Steps 1 and 2 (AAA to A-)	0-1	8.0	10.0	24
	1-3	11.5	17.5	
	3-5	15.0	24.0	
	5-7	17.0	29.0	
	7-10	18.5	34.5	
	>10	20.5	44.5	
Credit quality Step 3 (BBB+ to BBB-)	0-1	15.5	17.5	Not eligible
	1-3	28.0	34.0	
	3-5	37.0	46.0	
	5-7	39.0	51.0	
	7-10	39.5	55.5	
	>10	40.5	64.5	

Notes: Haircuts applicable to credit claims with variable interest rate payments are those applicable to the 0-1 year maturity bucket of credit claims for the corresponding credit category and valuation methodology. “RMB” stands for “residential mortgage-backed” and “NCB” for “national central bank”.