



EUROPEAN CENTRAL BANK

EUROSYSTEM

ANNEX

Table 1: ECB introduces a new haircut schedule for marketable assets¹

Levels of valuation haircuts applied to eligible marketable assets										
Credit quality	Residual maturity (years)	Haircut categories								
		Category I		Category II*		Category III*		Category IV*		Category V*
		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	1.0	1.0	6.5	6.5	10.0
	1-3	1.0	2.0	1.5	2.5	2.0	3.0	8.5	9.0	
	3-5	1.5	2.5	2.5	3.5	3.0	4.5	11.0	11.5	
	5-7	2.0	3.0	3.5	4.5	4.5	6.0	12.5	13.5	
	7-10	3.0	4.0	4.5	6.5	6.0	8.0	14.0	15.5	
	>10	5.0	7.0	8.0	10.5	9.0	13.0	17.0	22.5	
Haircut categories										
Credit quality	Residual maturity (years)	Haircut categories								
		Category I		Category II*		Category III*		Category IV*		Category V*
		fixed coupon	zero coupon	fixed coupon	zero coupon	fixed coupon	zero coupon	fixed coupon	zero coupon	
Step 3 (BBB+ to BBB-)	0-1	6.0	6.0	7.0	7.0	8.0	8.0	13.0	13.0	22.0
	1-3	7.0	8.0	10.0	14.5	15.0	16.5	24.5	26.5	
	3-5	9.0	10.0	15.5	20.5	22.5	25.0	32.5	36.5	
	5-7	10.0	11.5	16.0	22.0	26.0	30.0	36.0	40.0	
	7-10	11.5	13.0	18.5	27.5	27.0	32.5	37.0	42.5	
	>10	13.0	16.0	22.5	33.0	27.5	35.0	37.5	44.0	

* Individual asset-backed securities, covered bank bonds (jumbo covered bank bonds, traditional covered bank bonds and other covered bank bonds) and uncovered bank bonds that are theoretically valued in accordance with Section 6.5 are subject to an additional valuation haircut. This haircut is directly applied at the level of the theoretical valuation of the individual debt instrument in the form of a valuation markdown of 5%. Furthermore, a valuation markdown is applied to retained covered bonds. This valuation markdown is 8% for retained covered bonds in CQS 1&2 and 12% for retained covered bonds in CQS 3.

¹ Note that the haircuts applicable to Credit Quality Step (CQS) 3 ABS are only relevant for securities accepted under the Eurosystem temporary collateral framework (Guideline of the ECB of 20 March 2013 on additional temporary measures relating to Eurosystem refinancing operations and eligibility of collateral and amending Guideline ECB/2007/9 (recast) (ECB/2013/4)). Furthermore, the haircut applied to marketable debt instruments included in haircut categories I to IV with variable rate coupons is that applied to the zero-to-one-year maturity bucket of fixed coupon instruments in the haircut category and credit quality category to which the instrument is assigned.



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Table 2: ECB introduces a new haircut schedule for credit claims²

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	10.0	12.0	39.5
	1-3	12.0	16.0	
	3-5	14.0	21.0	
	5-7	17.0	27.0	
	7-10	22.0	35.0	
	>10	30.0	45.0	
Step 3 (BBB+ to BBB-)	0-1	17.0	19.0	Not eligible
	1-3	29.0	34.0	
	3-5	37.0	46.0	
	5-7	39.0	52.0	
	7-10	40.0	58.0	
	>10	42.0	65.0	

² The haircut applied to credit claims with variable rate interest payments is that applied to the credit claims with fixed interest payments classified in the zero-to-one-year maturity bucket corresponding to the same credit quality and the same valuation methodology (valuation based on a theoretical price assigned by the NCB or on the outstanding amount assigned by the NCB).