



**EUROPEAN CENTRAL BANK**  
**EUROSYSTEM**

**ECB-PUBLIC**  
*COURTESY TRANSLATION*

Mario DRAGHI  
President

Mr Dimitrios Papadimoulis  
Mr Stelios Kouloglou  
Members of the European Parliament  
European Parliament  
60, rue Wiertz  
B-1047 Brussels

Frankfurt, 12 January 2016  
LMD/16/10

**Re: Your letter (QZ-155)**

Honourable Members of the European Parliament, dear Mr Papadimoulis, dear Mr Kouloglou,

Thank you for your letter, which was passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by a cover letter dated 21 October 2015.

There are specific criteria in place for bonds issued by a government to be eligible for purchases under the ongoing public sector purchase programme (PSPP). The first such criterion is that these assets must be eligible for use as collateral for Eurosystem credit operations. As the rating of Greek government debt does not currently fulfil this criterion, such a use would require the waiver of the minimum credit rating requirement to be reinstated, which is linked to a strong commitment to and compliance with an economic adjustment programme. Second, for programme countries like Greece, the timing of possible purchases depends on a set of additional factors linked to the programme reviews. Third, the purchase limits set in the context of the PSPP must also be taken into account. Finally, please note that different issuer and issue share limits apply. These limits will be set by the Governing Council of the European Central Bank (ECB), taking due account of risk management and market functioning considerations.

On your question regarding the provision of liquidity to the Greek economy, the ECB, in the context of the Eurosystem, is fulfilling its mandate in respect of the 19 euro area member countries, including Greece. The Eurosystem and the Bank of Greece are continuing to support Greek banks in financing the real economy

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and are thus contributing to the stability of the country's financial system, as evidenced by developments in central bank funding extended to the domestic banking system since the end of 2014.

To conclude, let me stress that, looking ahead, and following the successful recapitalisation exercise, the demonstration of commitment to and ownership of the new macroeconomic adjustment programme is key to enhancing the confidence of depositors and market investors in the Greek banking system, and thus to creating positive liquidity effects in the Greek economy.

Yours sincerely,

[signed]

Mario Draghi

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