



EUROPEAN CENTRAL BANK

EUROSYSTEM

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PRESS RELEASE

ECB ANNOUNCES THE SUSPENSION OF THE RATING THRESHOLD FOR DEBT INSTRUMENTS OF THE IRISH GOVERNMENT

The Governing Council of the European Central Bank (ECB) has decided to suspend the application of the minimum credit rating threshold in the collateral eligibility requirements for the purposes of the Eurosystem's credit operations in the case of marketable debt instruments issued or guaranteed by the Irish government. The suspension applies to all outstanding and new marketable debt instruments. It will be maintained until further notice.

The Irish government is implementing the economic and financial adjustment programme negotiated with the European Commission, in liaison with the ECB, and the International Monetary Fund. The Governing Council has assessed the programme positively. The suspension announced herewith is based on this positive assessment of the programme, the commitment of the Irish government to fully implement it and the Irish government's decisions of 31 March 2011 to ensure – following its thorough asset valuation exercise – a capital increase totalling EUR 24 billion (out of which EUR 3 billion in the form of contingent capital), for four Irish banks, and to deleverage and downsize the banking sector.

The Governing Council therefore deems debt instruments issued or guaranteed by the Irish government to fulfil the credit standards required for collateral in Eurosystem credit operations. The relevant risk control measures will be reviewed on a continuous basis.

European Central Bank

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