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Ending of covered bond purchase programme 2

European Central Bank (ECB)

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PRESS RELEASE

Ending of covered bond purchase programme 2 (CBPP2)

31 October 2012

Today, the CBPP2 ends as scheduled. On 6 October 2011, the Governing Council of the European Central Bank (ECB) had decided on the CBPP2, the technical modalities of which were published on 3 November 2011. The purchases of covered bonds commenced in November 2011. The aim of the programme was to contribute (a) to easing funding conditions for credit institutions and enterprises and (b) to encouraging credit institutions to maintain and expand their lending to customers. The initially targeted total nominal amount of purchases was €40 billion, and the purchases were expected to have been carried out in full by 31 October 2012.

As already announced at the press conference of 4 April 2012, the ECB had slowed down the pace of purchases in response both to investors' increasing demand for euro area covered bonds and to the decline in the supply of covered bonds. Accordingly, a nominal amount of €16.418 billion was purchased on the primary and secondary markets between November 2011 and October 2012. The Eurosystem central banks intend to keep these covered bonds until maturity.

Should the Governing Council deem it to be appropriate to reopen the programme, this will be communicated in advance.

More information on the breakdown of acquisitions under the CBPP2 by primary and secondary market purchase is provided on the ECB's website.

European Central Bank

Directorate General Communications

Sonnemannstrasse 20, 60314 Frankfurt am Main, Germany

Tel.: +49 69 1344 7455, E-mail: media@ecb.europa.eu

Website: www.ecb.europa.eu

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> **Media contacts**