

Lending of holdings purchased under the public sector purchase programme (PSPP)

As announced during the Governing Council meeting on March 5th 2015 and on December 8th 2016, the holdings purchased under the public sector purchase programme (PSPP) will be made available for securities lending in a decentralised manner in order to support bond and repo market liquidity. For more information regarding the general Eurosystem lending framework, please go to: <http://www.ecb.europa.eu/mopo/implement/omo/pspp/html/pspp-lending.en.html>.

1. Lending of holdings purchased under PSPP – framework within National Bank of Belgium

The National Bank of Belgium will lend the securities purchased under PSPP (see list of ISINs on webpage) via bilateral repos (cash collateral) or bilateral repos combined with bilateral reverse repos (securities collateral) with counterparties that have a contract with NBB for repos in euro.

Pricing

For securities lending against securities, the NBB's bilateral lending arrangement will allow eligible counterparties to borrow securities at a spread against general collateral within an order of magnitude of 10 basis points, which is an orientation and remains flexible, particularly in light of the specific ISIN-by-ISIN market pricing of specials. For securities lending against cash, the rate will be the lower of the deposit facility rate minus 30 basis points and the prevailing market repo rate.

Counterparty eligibility

Counterparties who are eligible for regular repo business in euro (and therefore with whom NBB has an existing contract) are eligible for bilateral lending under PSPP.

Collateral

The collateral eligible for bilateral securities lending against securities collateral under PSPP will be the collateral which is eligible according to existing contracts.

Haircut

The haircuts in place will be the same as those for regular repo business according to existing contracts.

Borrowing limits

The limits which will be applied when lending PSPP holdings will be in line with our current credit limit framework, with imputation on counterparty credit lines.

Point of contact

Market participants can contact NBB's Front Office desk via e-mail at forex@nbb.be or by phone on +32 2 221 4971.

2. Repo facility provided by the Belgian Federal Debt Agency

Next to NBB's bilateral lending channel, the Belgian Federal Debt Agency will continue to provide a repo facility for its primary and recognised dealers. Further information on this repo facility can be found on http://www.debtagency.be/en_products_repo.htm