



EUROPEAN CENTRAL BANK
EUROSYSTEM

COURTESY TRANSLATION

Mario DRAGHI
President

Mr Dimitrios Papadimoulis
Member of the European Parliament
European Parliament
60, rue Wiertz
B-1047 Brussels

Frankfurt, 20 April 2015

L/MD/15/249

Re: Your letter (QZ-42 & QZ-55)

Honourable Member of the European Parliament, dear Mr Papadimoulis,

Thank you for your letters, which were passed on to me by Mr Roberto Gualtieri, Chairman of the Committee on Economic and Monetary Affairs, accompanied by cover letters dated 5 and 23 March 2015.

The Governing Council of the ECB has control over all the design features of the expanded asset purchase programme (APP), including the purchase allocation, asset eligibility, and the pace and size of the purchases. This safeguards the singleness of the Eurosystem's monetary policy. The specific arrangement for the sharing of potential losses does not in any way compromise the singleness of our monetary policy. It ensures the highest degree of effectiveness of the APP, taking into account the unique institutional structure of the euro area, where a common currency and single monetary policy co-exist with 19 national economic and fiscal policies.

The ECB's capital key guides Public Sector Purchase Programme (PSPP) purchases on a monthly basis. However, this does not imply that a precise achievement of capital key shares is strictly targeted every month, as some flexibility on a monthly basis supports the smooth implementation of the programme.

As to the distribution of PSPP purchases among categories of securities issuers, the share of securities of eligible international organisations and multilateral development banks located in the euro area will amount to

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12%.¹ Purchases of securities of eligible euro area central governments and recognised agencies will thus amount to 88%.²

The purchases under the APP are intended to be carried out until end-September 2016 and will in any case be conducted until we see a sustained adjustment in the path of inflation which is consistent with our aim of achieving inflation rates below, but close to 2% over the medium term. The relevant perspective is that of the euro area as a whole, not that of individual countries. A significant number of positive effects of the ECB's recent monetary policy decisions have already been observed.

Yours sincerely,

[signed]

Mario Draghi

¹ The list of eligible international organisations and multilateral development banks is published on ECB's website at: <http://www.ecb.europa.eu/mopo/liq/html/pspp.en.html>

² In exceptional circumstances, when the envisaged purchase amount of securities of central governments and recognised agencies cannot be attained, the Governing Council may decide to instead allow the purchase of marketable debt securities issued by eligible public non-financial corporations located in that country.

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