



**EUROPEAN CENTRAL BANK**

BANKING SUPERVISION

# Operational readiness for accessing ECB refinancing operations

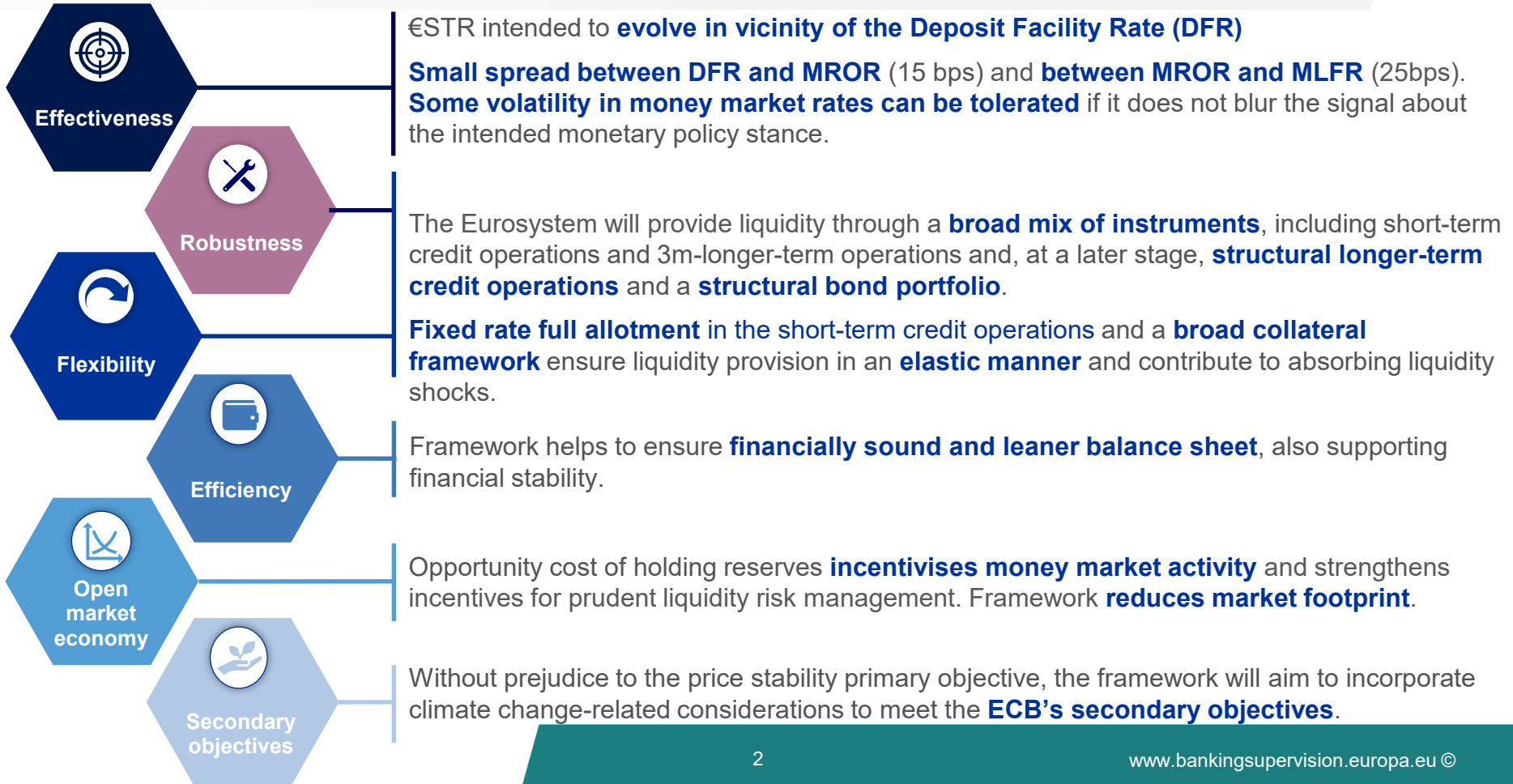
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**MMCG meeting  
13 March 2025**



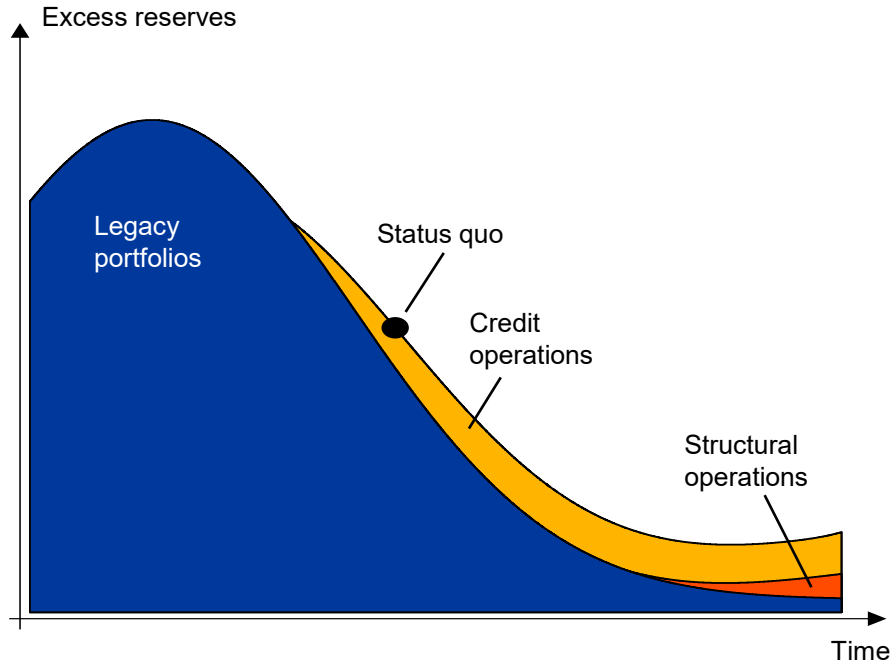
**Alessandro Calza  
Armin Leistenschneider**

# Main design features of the “soft floor” framework with a narrow corridor



# Banks are expected to increasingly tap Eurosystem operations as excess reserves decline

## Stylised breakdown of reserve supply over time



Source: ECB.

## Statement by the Governing Council of the ECB, 13 April 2024:

“[MROs] are intended to play a central role in meeting banks’ liquidity needs and their use by counterparties is an integral part of a smooth implementation of monetary policy.”

# Recent supervisory work on liquidity and funding areas

- **2024 supervisory priority: Shortcomings in asset and liability management frameworks**
  - Targeted reviews of the soundness and reliability of funding plans, contingency planning and the adequacy of collateral optimisation capabilities, as well as of ALM governance and strategies.
  - Deficiencies identified among others in (i) identification and preparedness for mobilisation of collateral (ii) assumptions used in modelling projections for deposits (iii) ALM models and (iv) general ALM governance frameworks.
- **Ongoing since September 2023: weekly liquidity monitoring for all SIs**

## Maintaining liquidity resilience going forward

- **The central role that ECB standard refinancing operations play in the operational framework is fully acknowledged by supervisors.**
- Banks should consider these operations as an integral part of their day-to-day liquidity management. Banks' liquidity situation and management are always assessed on a comprehensive basis\*.
- Supervisory expectations on operational preparedness covers among other a robust IT infrastructure for collateral identification and mobilisation and the relevant organisational and contractual arrangements.
- Joint Supervisory Teams are trained on the revised operational framework and the role of standard refinancing operations in a context of declining excess liquidity.

\* See [Supervisory methodology \(SREP\) of Short-term liquidity risk](#),  
ECB Banking Supervision