

# ECB and Central Bank of the Republic of San Marino set up repo line to provide euro liquidity



PRESS RELEASE

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- ECB and Central Bank of the Republic of San Marino set up repo line
- Repo line to remain in place until June 2021, unless an extension is decided
- Size of repo line set at €100 million

The European Central Bank (ECB) and Banca Centrale della Repubblica di San Marino (the Central Bank of the Republic of San Marino) have agreed to set up a repo line arrangement to provide euro liquidity to financial institutions in the Republic of San Marino to address possible euro liquidity needs in the presence of market dysfunctions due to the COVID-19 shock.

Under a repo line, the ECB provides euro liquidity to a non-euro area central bank in exchange for adequate euro-denominated collateral.

Under the repo line, the Central Bank of the Republic of San Marino will be able to borrow up to €100 million from the ECB. The maximum maturity of each drawing will be three months. The repo line will remain in place until the end of June 2021, unless an extension is decided.

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Notes

Speaking engagements

[Media contacts](#)

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## [UAE: High Representative/Vice-President Borrell speaks to Foreign](#)



High Representative/Vice-President Josep Borrell had a phone call on 17 August with the UAE Foreign Minister, Sheikh Abdullah bin Zayed.

They discussed the welcomed normalisation of relations between Israel and the UAE and High Representative/Vice-President Borrell reiterated the EU's position, in particular the EU's commitment to a negotiated and viable two-state solution and the need for a resumption of meaningful negotiations between Israel and the Palestinians.

The High Representative/Vice-President and the UAE Foreign Minister also tackled regional issues and the importance of dialogue to find solutions. On Libya, High Representative/Vice-President Borrell reiterated the urgency to find a political solution to the crisis. On the Joint Comprehensive Plan of Action (JCPOA), he recalled that the deal remains a key pillar of the global non-proliferation architecture, contributing to regional security.

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## [Invitation letter by President Charles Michel to the members of the European Council ahead of their video conference on 19 August 2020](#)



Our foreign ministers discussed developments in Belarus and the Eastern Mediterranean last Friday. Since then, the situation in Belarus has continued to evolve, and I have therefore decided to call a video conference on Wednesday at noon to address this issue.

What we have witnessed in Belarus is not acceptable. The 9 August elections were neither free nor fair. The subsequent violence against peaceful protesters was shocking and has to be condemned. Those responsible must be held to account. The EU has started work on sanctions.

The people of Belarus have the right to determine their own future. To allow for this, violence has to stop and a peaceful and inclusive dialogue has to be launched. The leadership of Belarus must reflect the will of the people. There should be no outside interference.

Based on these principles, we will discuss how best to respond to the evolving situation in Belarus.

As for the other main topic discussed by our foreign ministers, the situation in the Eastern Mediterranean, I propose that we allow time for thorough preparation and come back to the topic during a special European Council on 24-25 September 2020.

[Visit the meeting page](#)

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## [EIOPA's Risk Dashboard: European insurers remain exposed to high risks since the outbreak of COVID-19](#)

Today the European Insurance and Occupational Pensions Authority (EIOPA) published its updated Risk Dashboard based on the first quarter of 2020 Solvency II data.

The results show that the risk exposures of the European Union insurance

sector remain generally high compared to April as a result of the COVID-19 outbreak. The pandemics continued to cause disruptions in all financial sectors and economic activities. Insurers are particularly exposed to very high levels of macro risk, while market, credit, profitability and solvency risks are at high level.

With regard to macro risk, Gross Domestic Product (GDP) growth as well as inflation forecasts have been revised significantly downwards for all geographical areas. The unemployment rate increased following a steep fall of business activities. Fiscal balances are expected to deteriorate. As a response to the crisis, the governments announced their interventions to sustain the halted economies.

Credit risk remains at high level, as the risk of credit events persist elevated going forward. Profitability and solvency risks remain at high level. Following the COVID-19 impact, the expected deterioration is already reflected in asset over liabilities and in weakening of Solvency Capital Requirement (SCR) ratios for groups and non-life undertakings. A further drop of SCR ratios for both life and non-life undertakings is expected for the next quarter, with the depreciation of assets in the context of COVID-19 as well as effects of already pre-existing low yield environment. The net combined ratio improved for non-life insurance undertakings.

Insurance risks decreased to medium level. On one hand, year-on-year premium growth for life undertakings significantly declined indicating already a negative impact from the COVID-19 outbreak. On the other hand, year-on-year premium growth for non-life undertakings and loss ratio show a slight improvement. Catastrophe loss ratio continues increasing following the significant events occurred during 2019 and 2020.

Market perceptions remained stable at medium level. Stocks of life and non-life insurance undertakings continued to underperform relative to the market, which in contrast experienced an unexpected increase. Insurers' Credit Default Swaps (CDS) spreads returned to lower level, with insurers' external outlooks showing a net increase in negative revision as of June 2020.

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## **Belarus: Statement by High Representative/Vice-President Josep B**



On Sunday 16 August, the largest rally in Belarusian modern history took place. Hundreds of thousands of Belarusians took to the streets all across Belarus to participate in the Freedom March. These peaceful demonstrations had clear demands: the release of all unlawfully detained people, the prosecution of those responsible for police brutality, and holding of new presidential elections.

The sheer numbers clearly show that the Belarusian population wants change, and wants it now. The EU stands by them.

With more and more shocking reports of inhumane conditions and treatment in places of detention, the European Union expects a thorough and transparent investigation into all alleged abuses, in order to hold those responsible to account. The European Union Delegation to Belarus has conveyed our expectations to the Belarusian authorities.

As [agreed by the EU Foreign Ministers at our recent video conference](#), the EU is working on new listings for sanctions against those responsible for violence, repression of peaceful protests, and the falsification of election results.

As announced by the President of the European Council, Charles Michel, EU Heads of State or Government will discuss the situation in Belarus on Wednesday, where I will update them on progress on these EU initiatives.