



The ABC of the measures adopted by the Board of Directors of *Banco de la República* between 16 and 18 March 2020.

The ABC of the measures adopted by the Board of Directors of the Central Bank of Colombia between 16 and 18 March 2020.

1. What has the Central Bank done?

The Bank has substantially increased the liquidity to which the agents of the financial system have access seeking that all payments of the economy may continue in a timely manner.

2. How has the Bank done that?

The Central Bank has opened the access doors to liquidity to all financial institutions in order to meet the needs of corporations and individuals. The Bank provides liquidity in exchange of debt instruments delivered by these financial agents. In these times of turmoil, the set of eligible instruments and the maturities of these operations have been substantially expanded.

3. Why are these measures addressed at financial agents and not at the people?

The ultimate goal of any operation is to support corporations and individuals, which is done through financial agents. The Central Bank is responsible for providing liquidity in order to protect the resources deposited in the financial system and so that the economy can operate.

4. What about the exchange rate?

In the case of Colombia, the exchange rate has moved not only due to the effect of the pandemic, but also because of the dramatic fall in the price of oil. *Banco de la República* has made available to financial agents the mechanisms to mitigate uncertainty in the foreign exchange market.