



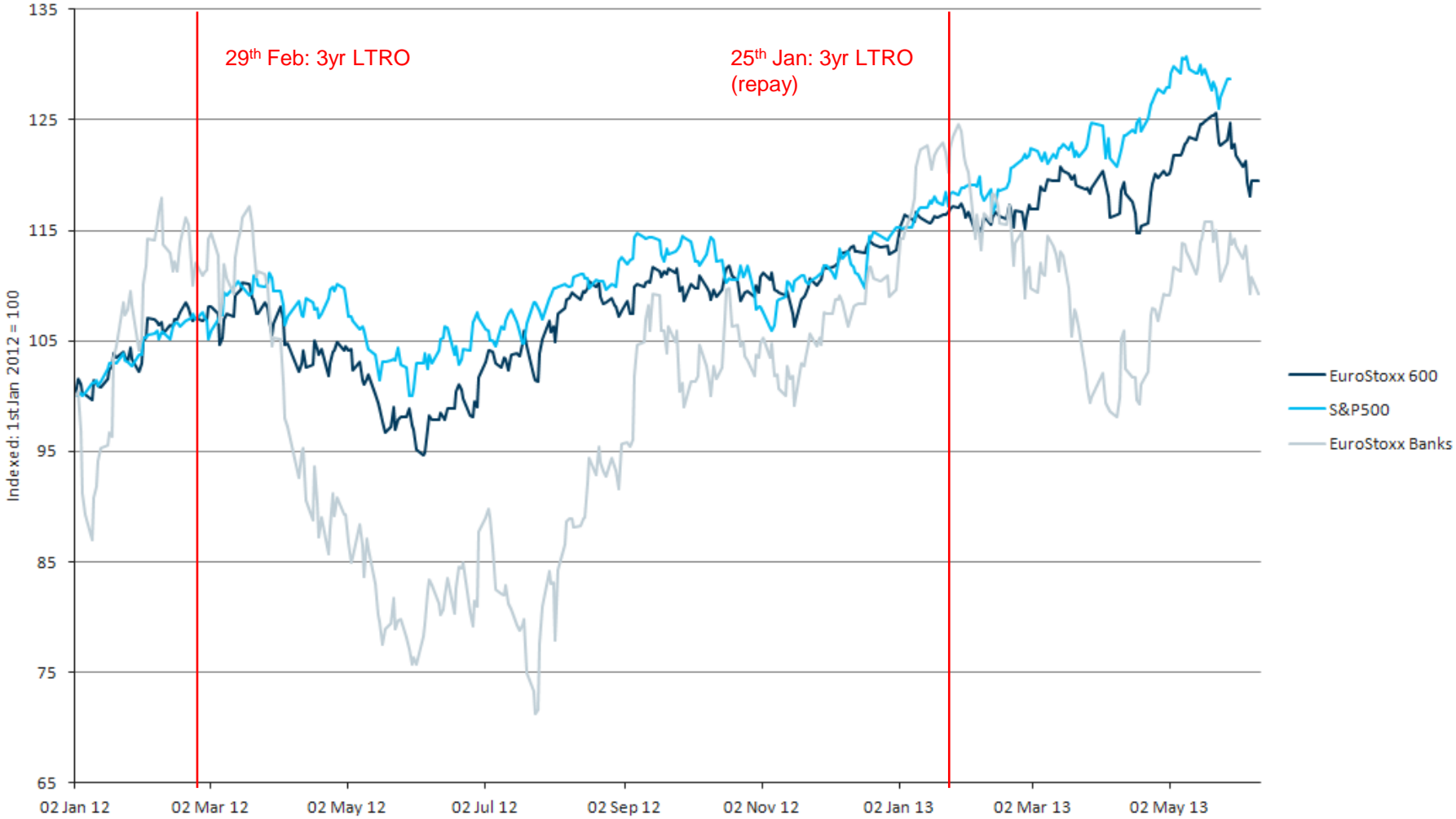
EUR Money Markets

Treasury Execution Services

June 2013

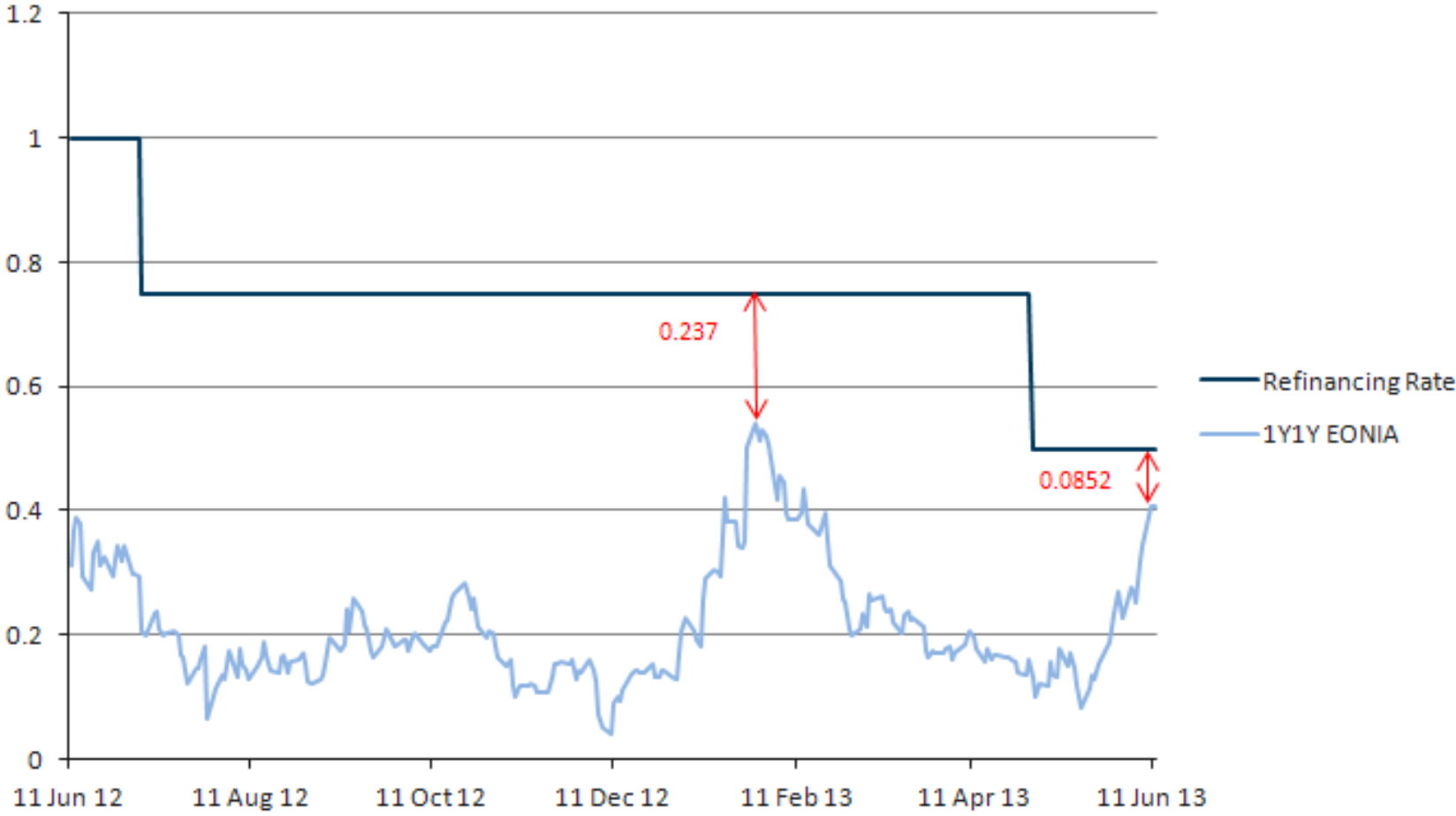
Mark Dearlove

Overall financial market background



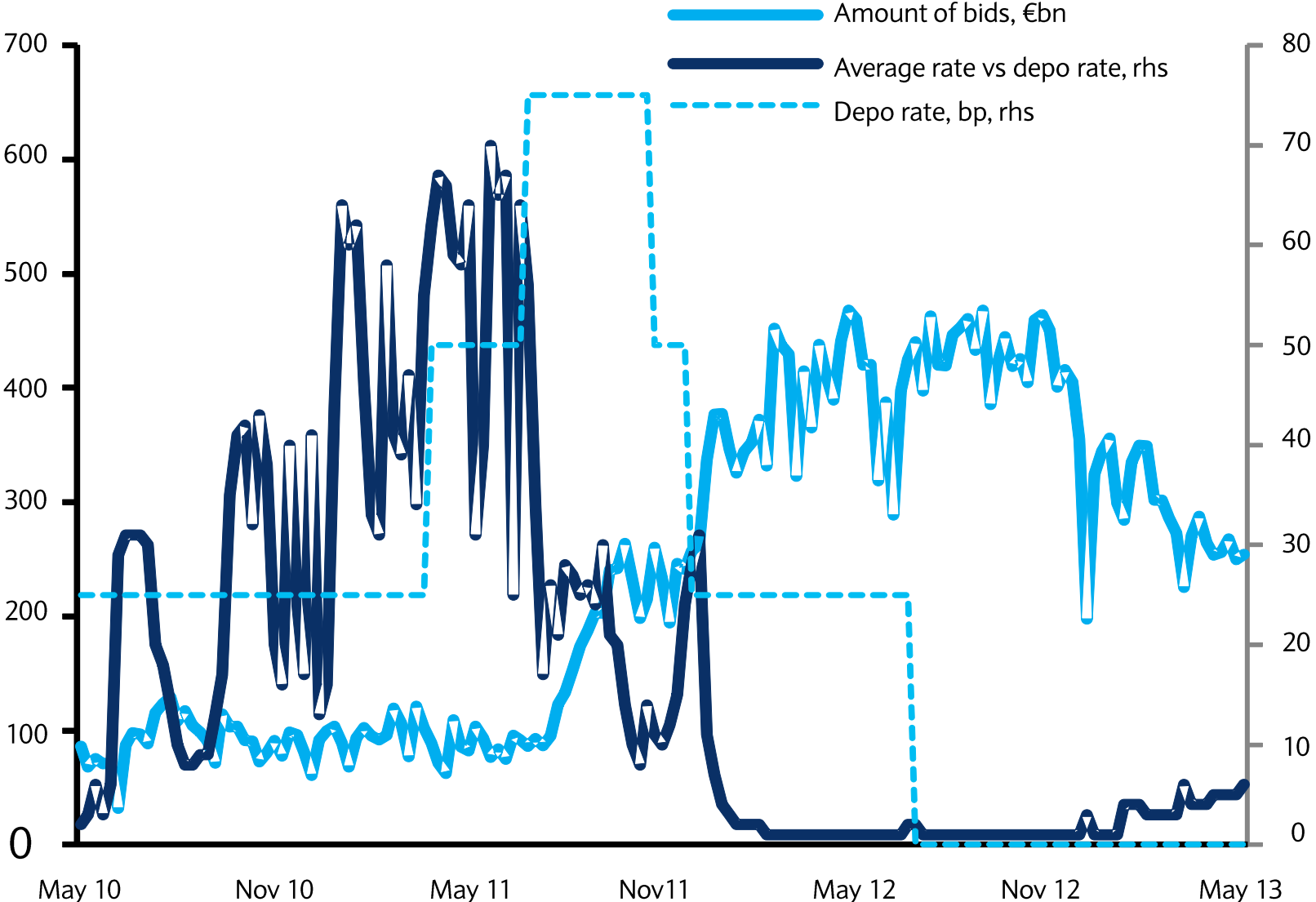
Source : EBF, ECB, Barclays Research. Data as at May 2013

1Y1Y Eonia closing gap to MRO



Source : EBF, ECB, Barclays Research. Data as at May 2013

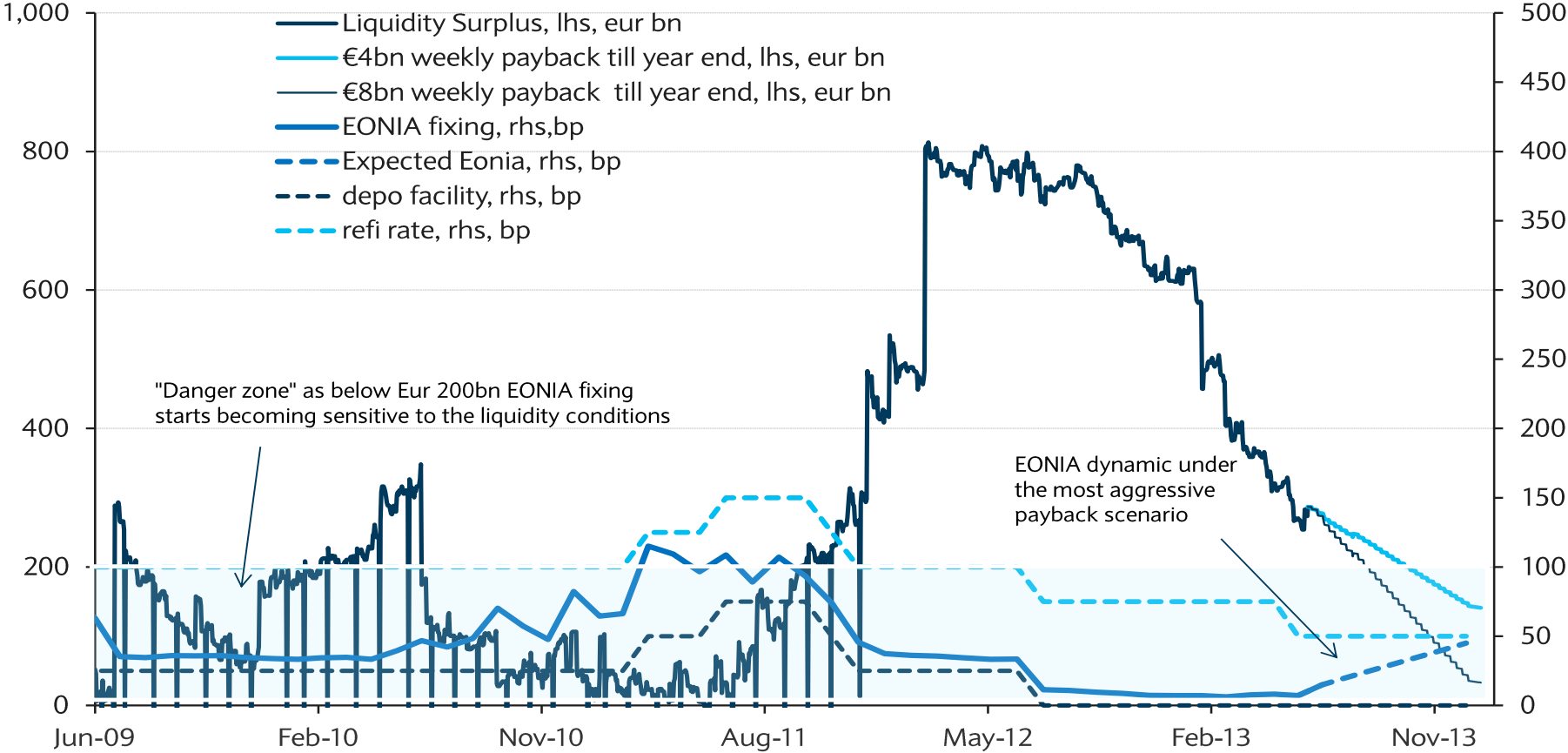
ECB's weekly auction



Source : EBF, ECB, Barclays Research. Data as at May 2013

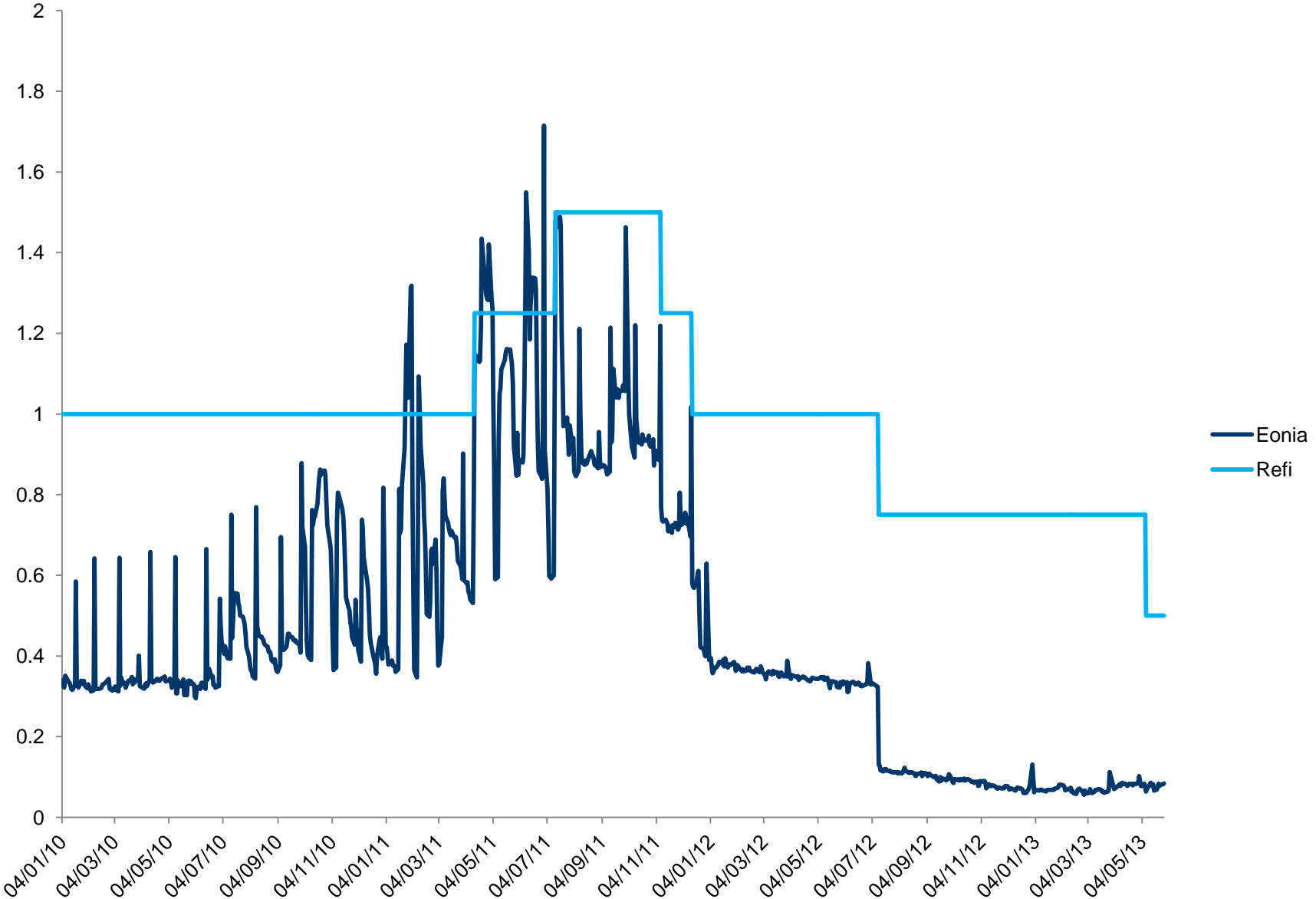
Potential evolution of liquidity surplus

■ Liquidity surplus: possible evolution (€ bn)



Source : EBF, ECB, Barclays Research. Data as at May 2013
 Notes: Charts and contents are taken from the Euro Money Markets article "The ECB's options" published in the April 18. Estimates on the evolution of the liquidity surplus are based on the assumption of unchanged autonomous factors and liquidity needs and on the roll of the current borrowing at the other ECB operations. "Danger zone" with 4bln repayment ~Oct13; 8bln repayment ~Aug13.

Eonia vs refinancing rate



Source : Barclays Research. Data as at May 2013

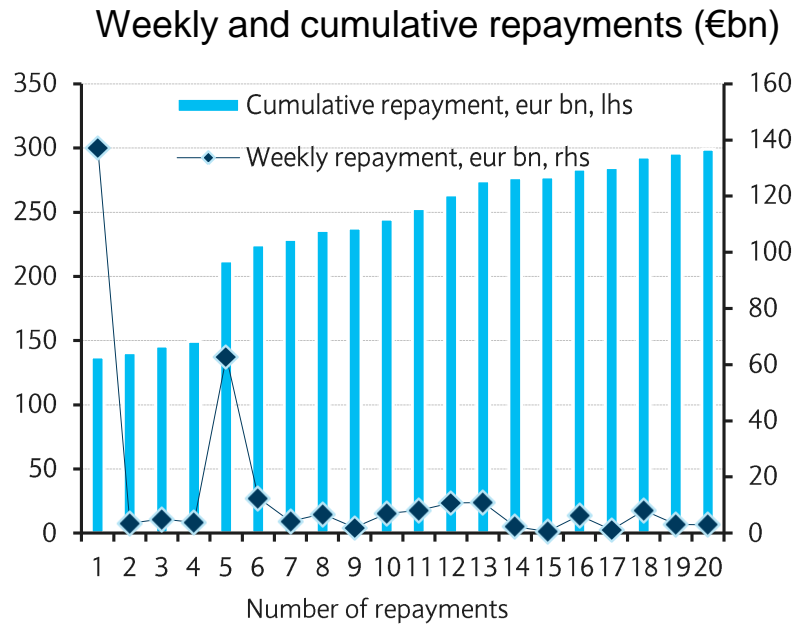
ECB borrowing estimated breakdown (End April 2013)

| | 3y LTROs borrowing | | | | | Other ECB operations | | Tot. ECB liquidity | ELA | Liquidity deposits | | | | |
|--------------|--------------------|-------------|--------------------|---------------------------------------|----------------------------------|----------------------|---------------|--------------------|-----------|--------------------|---------------------|-----------------|---------------------|----------------|
| | Dec 3y LTRO | Feb 3y LTRO | Total 3y liquidity | Estimated payback (end of April 2013) | Amount Remaining at the 3y LTROs | End-Apr. MRO | End-Apr. LTRO | | | Depo facility | Fixed Term deposits | Current account | Reserve requirement | Excess reserve |
| Germany | 39 | 30 | 69 | 55 | 14 | 0 | 0 | 14 | | 31 | 82 | 102 | 27 | 75 |
| Ireland | 31 | 30 | 61 | 17 | 44 | 9 | 1 | 55 | | 2 | 0 | 4 | 1 | 3 |
| France | 107 | 63 | 170 | 76 | 94 | 12 | 4 | 110 | | 39 | 32 | 43 | 20 | 23 |
| Spain | 125 | 180 | 305 | 72 | 233 | 20 | 8 | 261 | 1 | 9 | 0 | 13 | 11 | 2 |
| Belgium | 17 | 23 | 40 | 25 | 15 | 0 | 0 | 15 | | 4 | 5 | 7 | 5 | 2 |
| Greece | 0 | 0 | 0 | 0 | 0 | 59 | 2 | 61 | 33 | 0 | 0 | 1 | 1 | 0 |
| Netherlands | 3 | 21 | 24 | 9 | 15 | 0 | 0 | 15 | | 13 | 57 | 46 | 13 | 33 |
| Italy | 116 | 139 | 255 | 4 | 251 | 6 | 9 | 266 | | 3 | 7 | 24 | 13 | 11 |
| Luxembourg | 3 | 2 | 5 | 2 | 3 | 0 | 0 | 3 | | 14 | 4 | 15 | 7 | 8 |
| Austria | 8 | 7 | 15 | 10 | 5 | 0 | 0 | 5 | | 1 | 0 | 13 | 3 | 10 |
| Portugal | 25 | 25 | 50 | 5 | 45 | 4 | 0 | 49 | | 2 | 0 | 6 | 2 | 4 |
| Finland | 0 | 4 | 3.6 | 0 | 4 | 0 | 0 | 4 | | 3 | 15 | 20 | 1 | 19 |
| Cyprus | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 11 | 0 | 1 | 2 | 1 | 1 |
| Total | 473 | 524 | 997 | 275 | 722 | 110 | 25 | 857 | 45 | 120.8 | 202.5 | 296 | 104.9 | 191 |

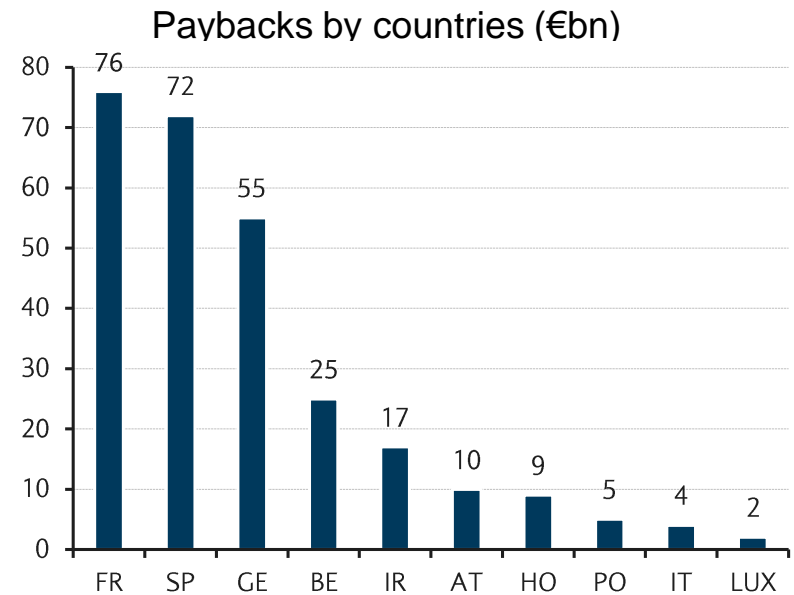
- ▶ As of the end of April : 3yr LTRO payback : €275bn. Peripheral banks accounted for 36% (€98bn), core banks 64% (€177bn)
- ▶ Banks in France, Spain and Italy have the largest potential for reimbursement

Source : ECB, NCBs, Barclays Research. Data as at end of April 2013

LTRO payback



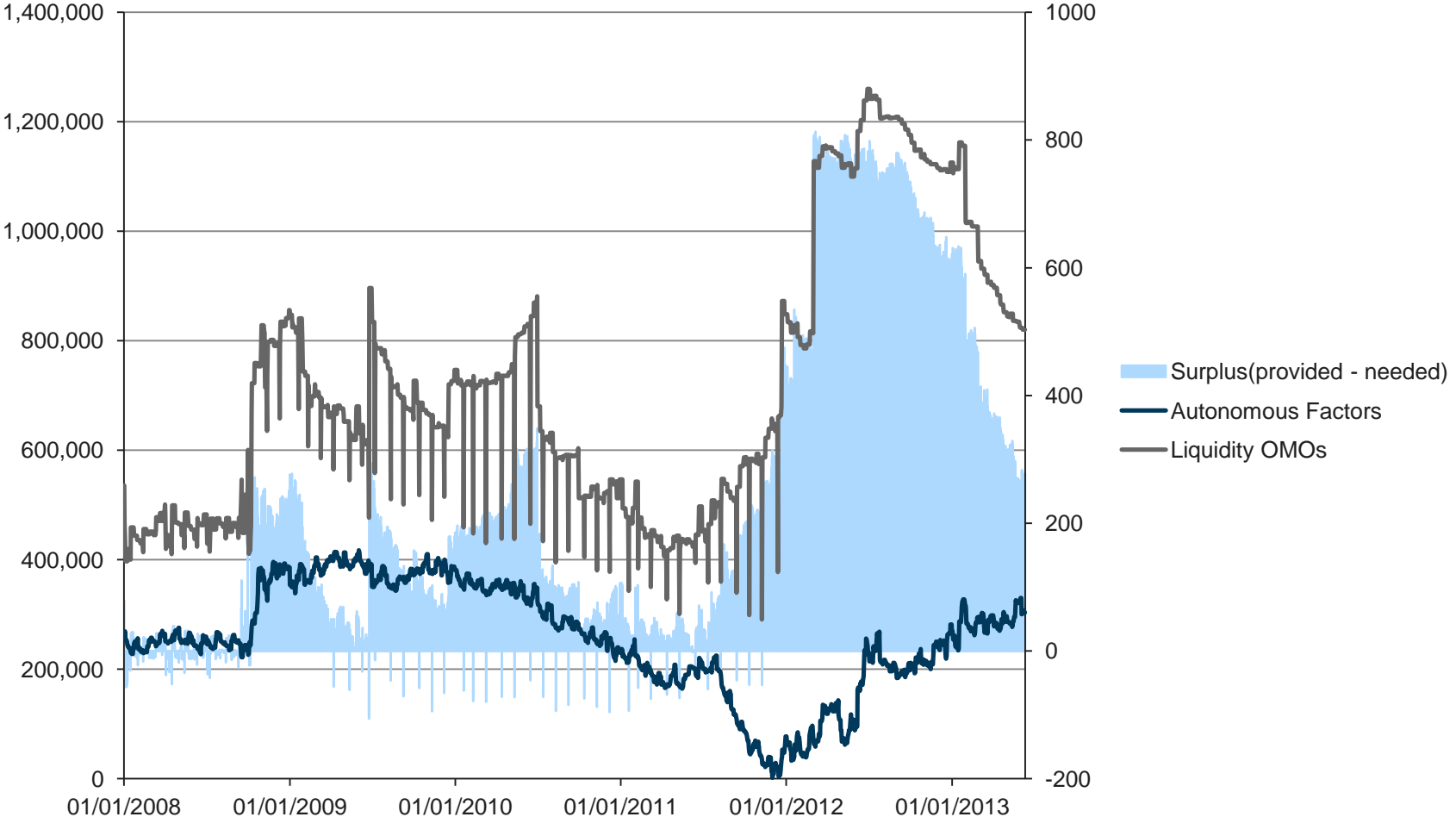
Source : National Central Banks, Barclays Research
Data as at 7 June



Source : ECB, Barclays Research
Data as at end of April

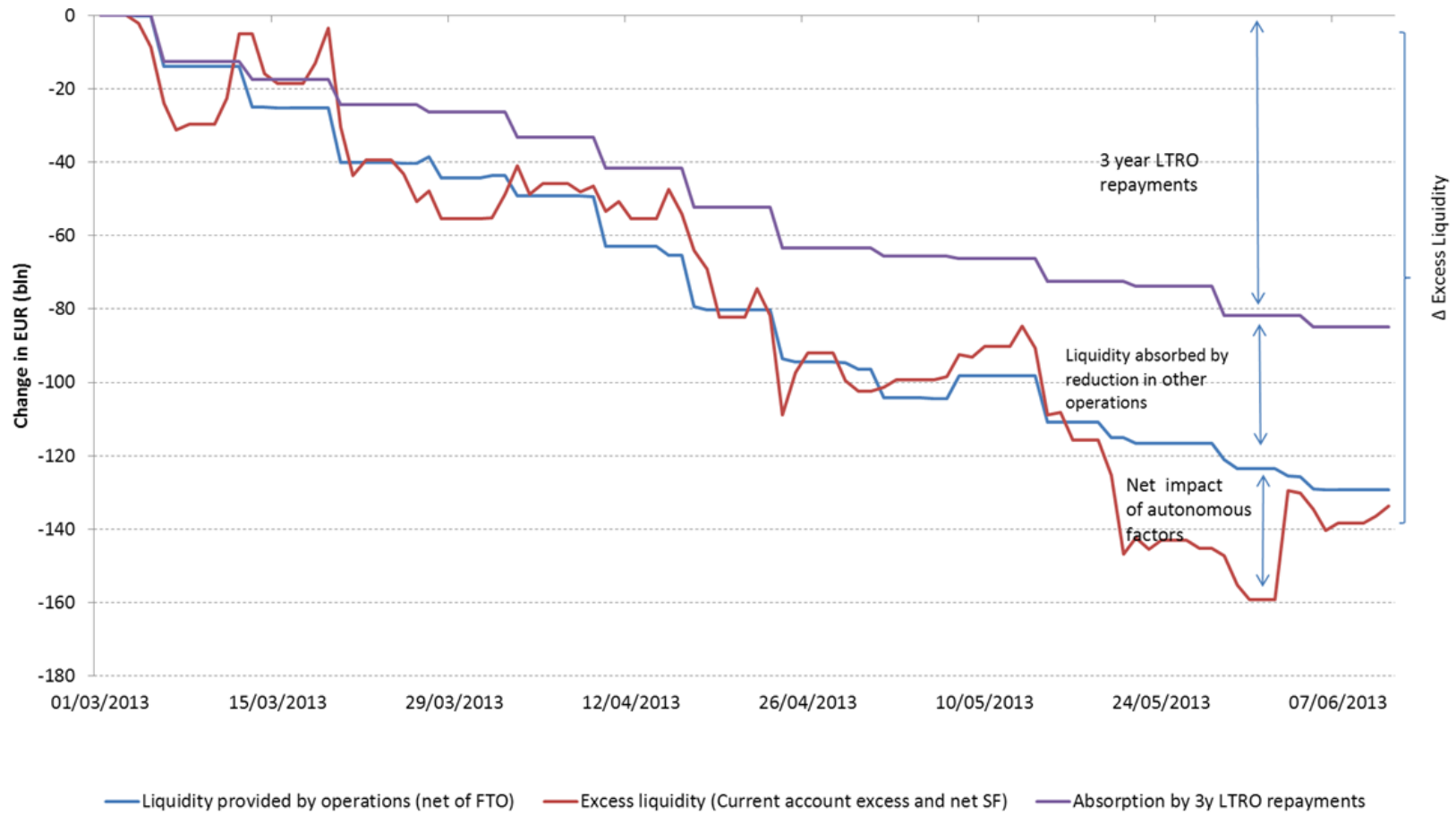
- ▶ As of the end of 7 June : 3yr LTRO payback : €299bn
- ▶ The pace of repayment has slowed down significantly over the last few weeks

Decrease of liquidity surplus – increase of autonomous factors



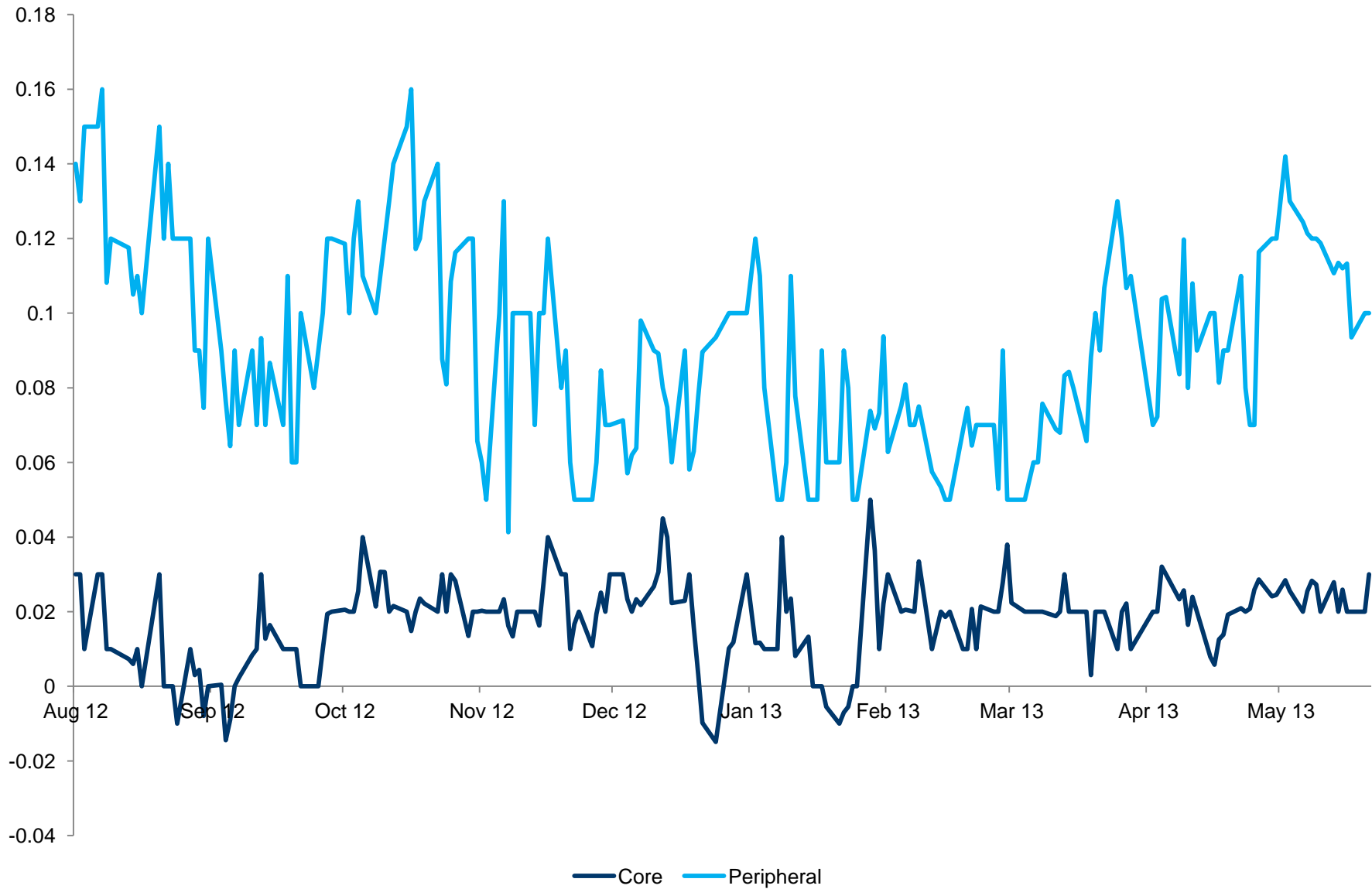
Source : EBF, ECB, Barclays Research. Data as at May 2013

...net impact of autonomous factors



Source : ECB

Average repo levels (o/n, t/n, s/n)



Source : Barclays

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