

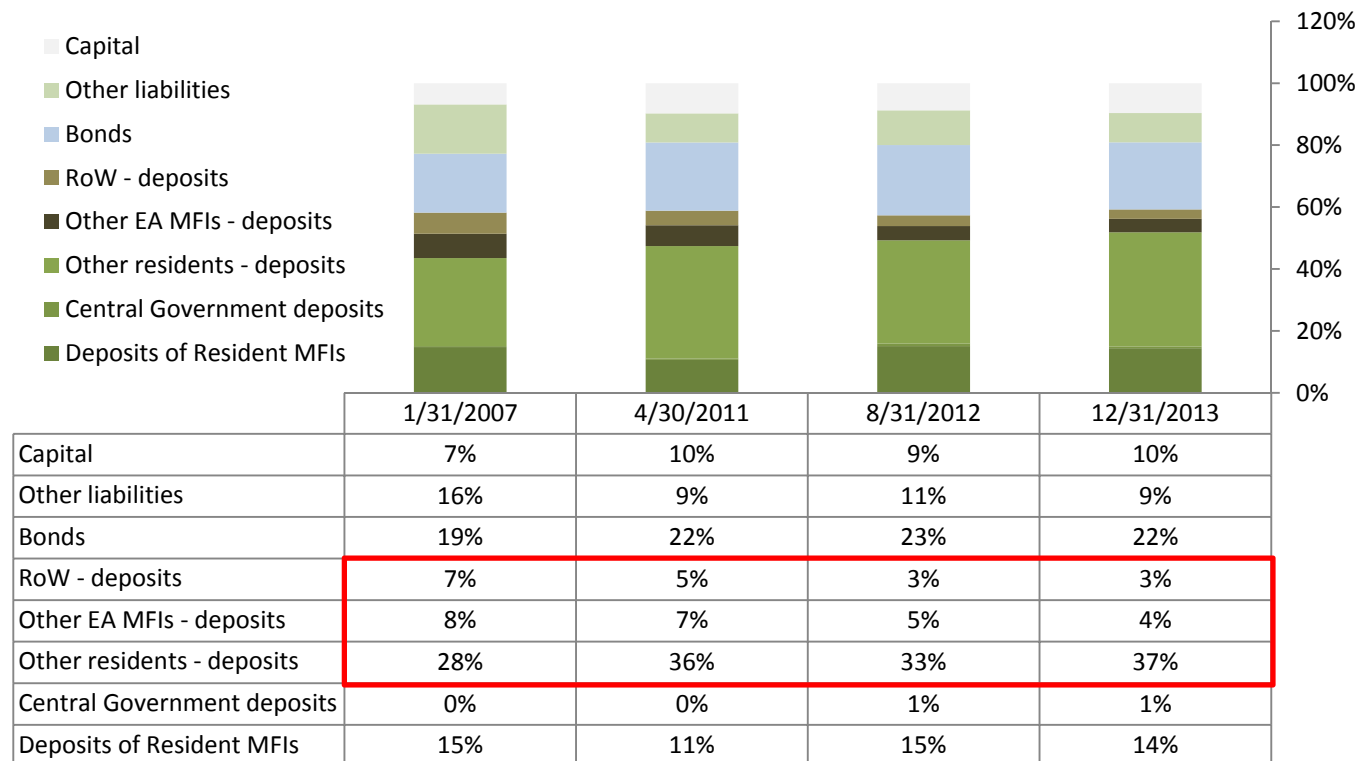


**ECB Money Market Contact Group
18 March 2014**

Recent Developments in Italian Money Markets

Marco Bertotti

Italy – changes in the structure of the liability side of resident banks

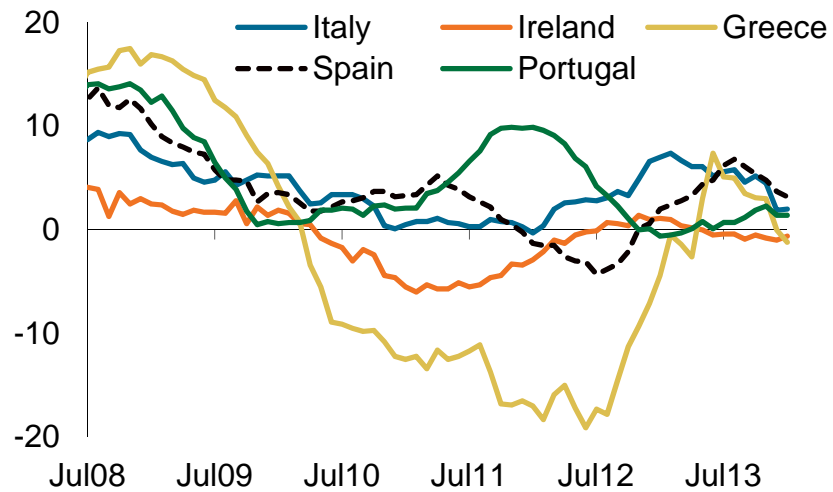


Source: Intesa Sanpaolo research , from Bank of Italy data.

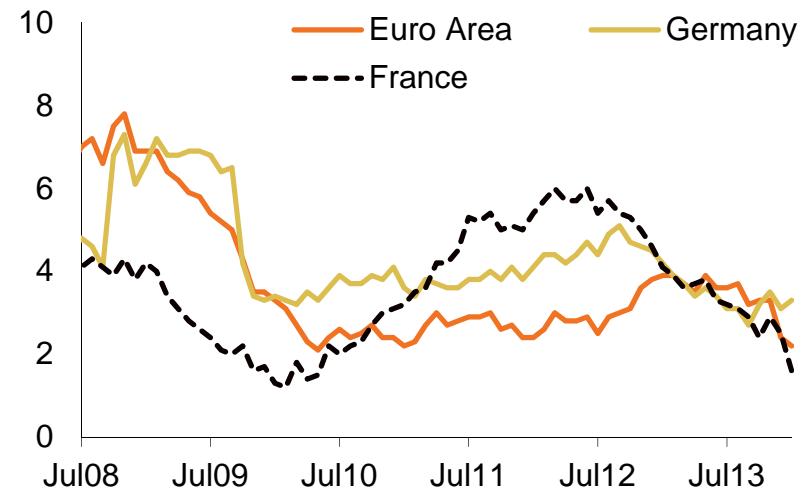
Customer deposits / trends

On a declining path after the pick in 2013

**Trend in household deposits (yoy % changes)
in the periphery ...**



... and in major core countries



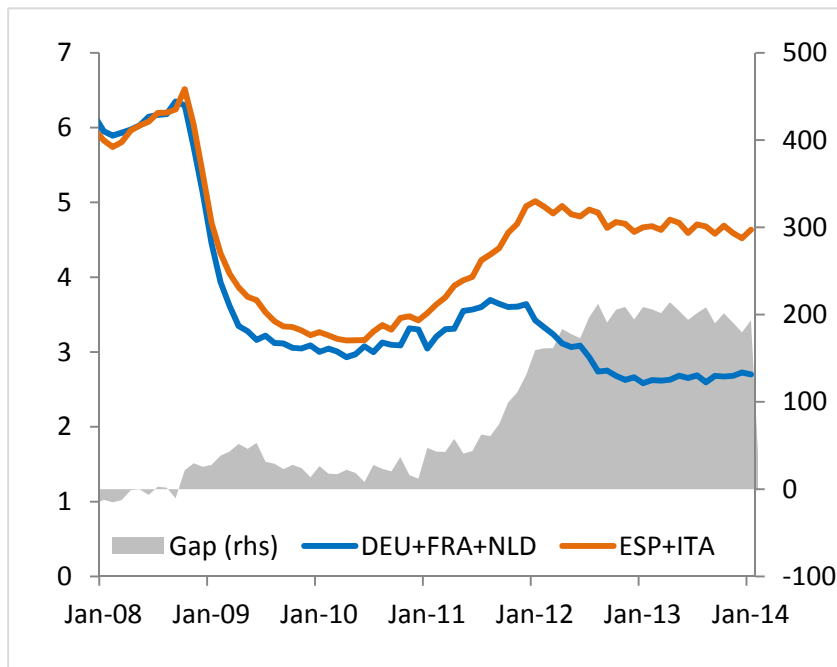
Source: ECB

Rates divergence “sticky” at still high levels

The Eurozone crisis has resulted in a wide spread between rates on new loans, following the increased sovereign risk premiums of peripheral countries. This causes a competitive disadvantage for borrowers in the periphery.

Lending rate gap between core Eurozone countries and periphery

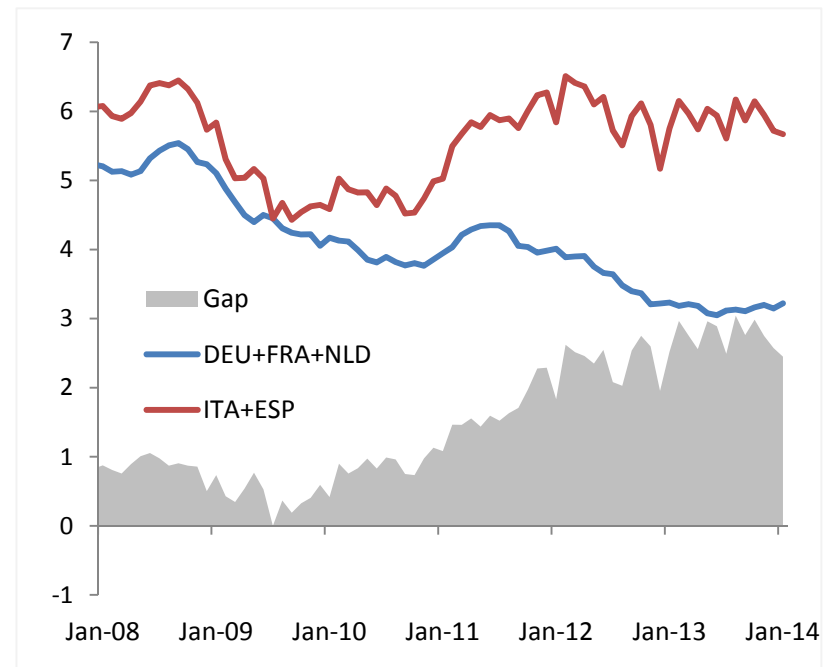
Floating rate (*) on new loans of up to 1M to non-financial corporations, (%) ()**



Note: (*) Initial period of rate fixation up to 1 year.

(**) Weighted average with stock of loans to non-financial corporations at end-2012. Source: Intesa Sanpaolo Research, on ECB data

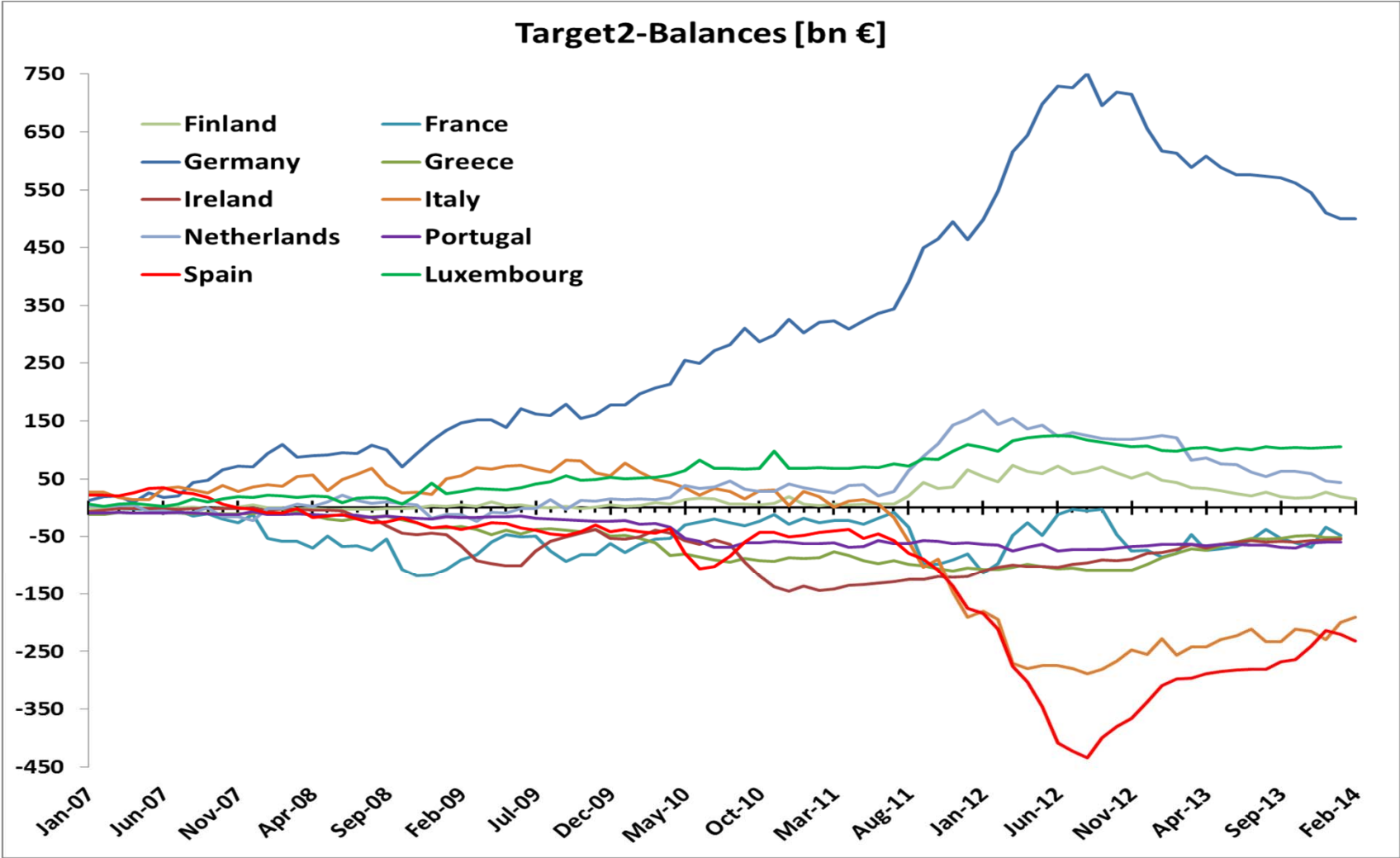
Fixed rate (*) on new loans, >5Y, to non-financial corporations, (%) ()**



Note: (*) Initial period of rate fixation over 5 years.

(**) Weighted average with stock of loans to non-financial corporations at end-2012. Source: Intesa Sanpaolo Research, on ECB data

Target 2 Balances (1)



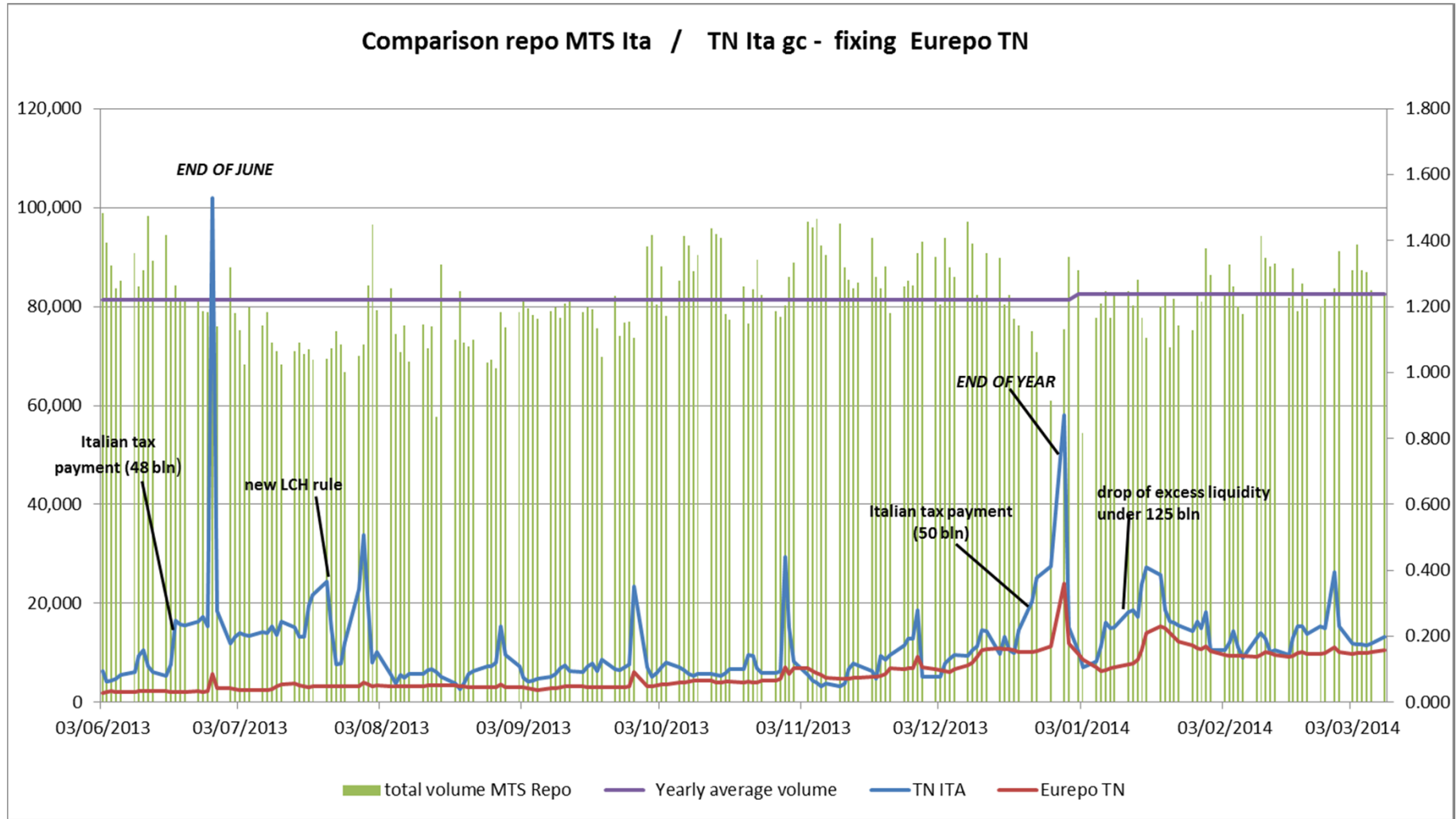
Note: Euro crisis monitor website

Target2 balances (2)

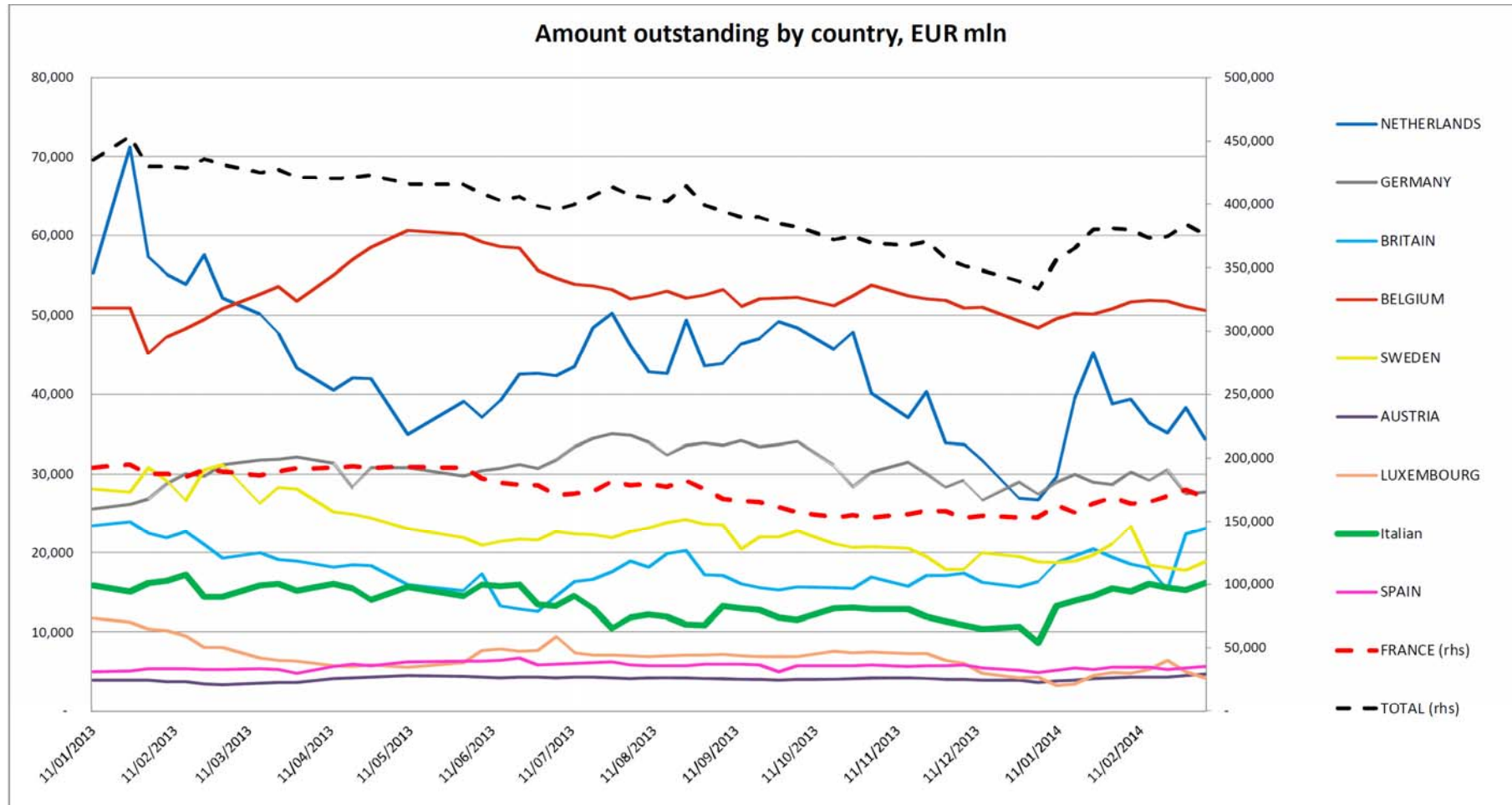
Target2-Balances [mio €]

	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14
Belgium	- 12,167	- 14,868	- 14,692	- 11,693	- 10,163	- 10,419	- 15,495	- 14,355	- 15,677
Germany	575,477	576,469	573,628	570,368	561,497	544,488	510,201	500,357	499,232
Ireland	- 59,319	- 56,869	- 59,517	- 58,067	- 59,246	- 57,054	- 55,714	- 54,603	n.a.
Greece	- 59,307	- 53,329	- 53,840	- 52,382	- 49,665	- 48,429	- 51,116	- 51,489	n.a.
Spain	- 282,599	- 281,424	- 281,588	- 268,525	- 264,184	- 241,255	- 213,685	- 221,096	- 232,098
France	- 66,500	- 56,100	- 37,800	- 52,700	- 60,100	- 68,119	- 34,100	- 48,200	n.a.
Italy	- 222,986	- 211,123	- 233,786	- 233,176	- 210,894	- 215,477	- 229,128	- 199,411	- 190,217
Cyprus	- 7,206	- 7,272	- 7,404	- 7,482	- 7,525	- 7,609	- 7,343	- 7,132	n.a.
Luxemb	103,402	100,568	105,208	102,746	104,343	103,406	103,793	105,523	n.a.
Netherlan	74,225	61,684	53,439	62,880	63,006	59,106	46,115	44,157	n.a.
Austria	- 41,221	- 42,457	- 40,478	- 36,871	- 40,976	- 41,893	- 40,249	- 39,194	- 37,878
Portugal	- 62,947	- 64,745	- 64,398	- 68,364	- 69,564	- 61,185	- 59,565	- 59,070	n.a.
Slovenia	- 3,233	- 3,741	- 3,571	- 3,589	- 3,566	- 1,779	- 1,039	- 1,319	n.a.
Finland	23,795	20,938	26,682	19,669	16,316	18,193	26,362	19,131	15,048

Italian T/N repo market

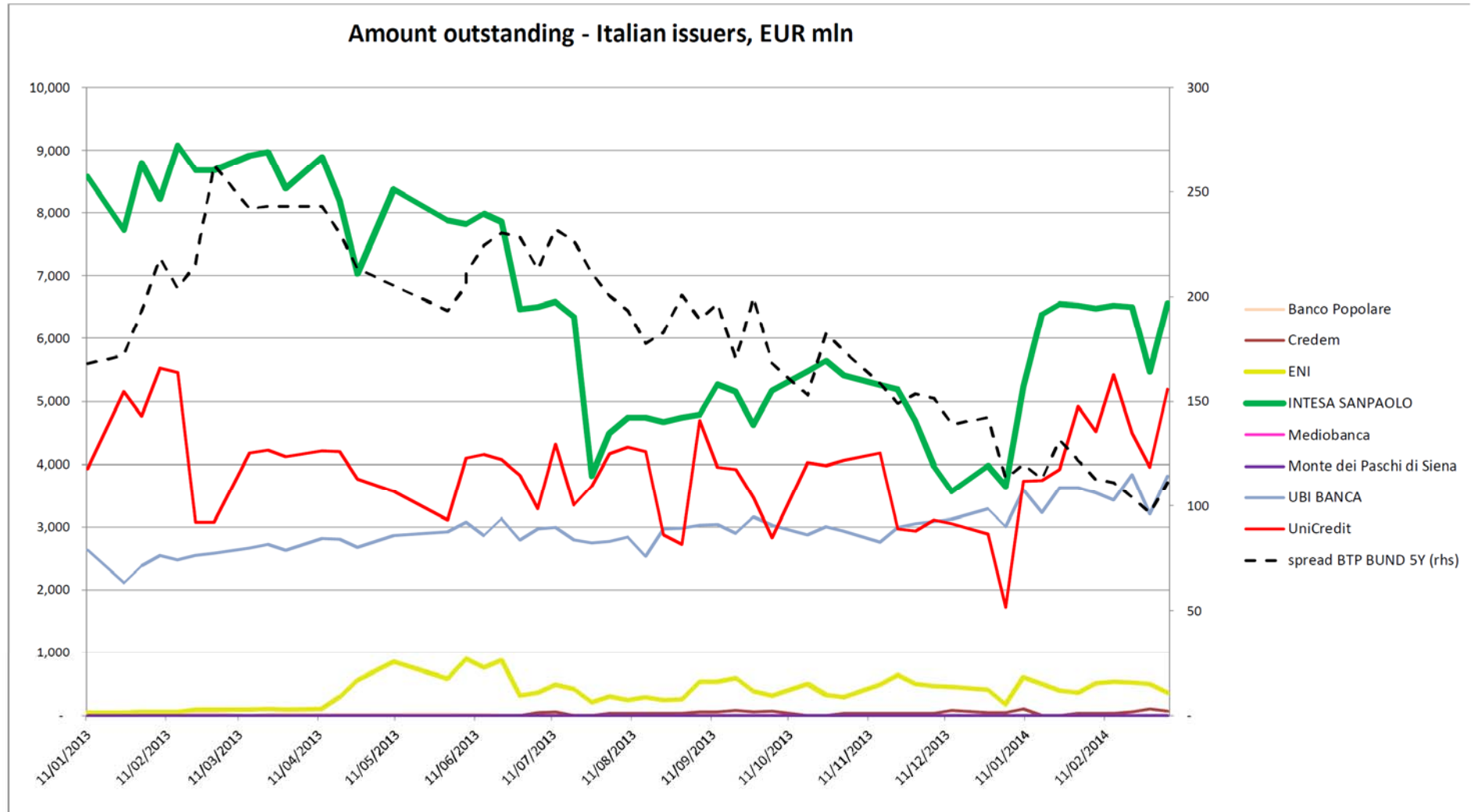


STEP Paper (1)

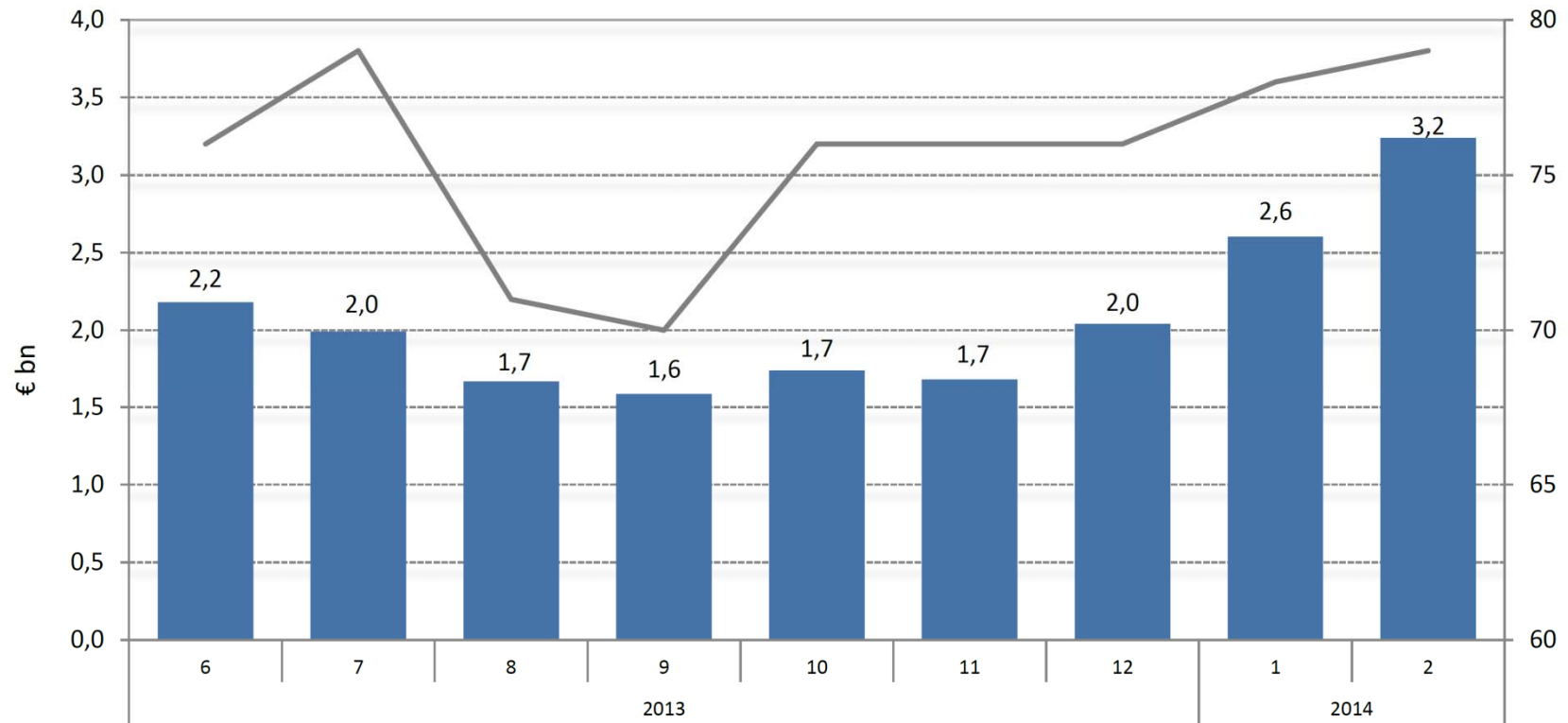


Intesa Sanpaolo London - Risk Management Unit elaboration of European Central Bank data, all data in EUR mln. Source Spread BTP/BUND 5y: Bloomberg <http://www.ecb.int/stats/money/step/html/index.en.html>

STEP Paper (2)



E-Mid Unsecured Market – Average Daily Volumes



Source: e-MID SIM S.p.A.

■ e-MID - lhs — ACTIVE MEMBERS - rhs

New MIC Market – Average Daily Volumes

