



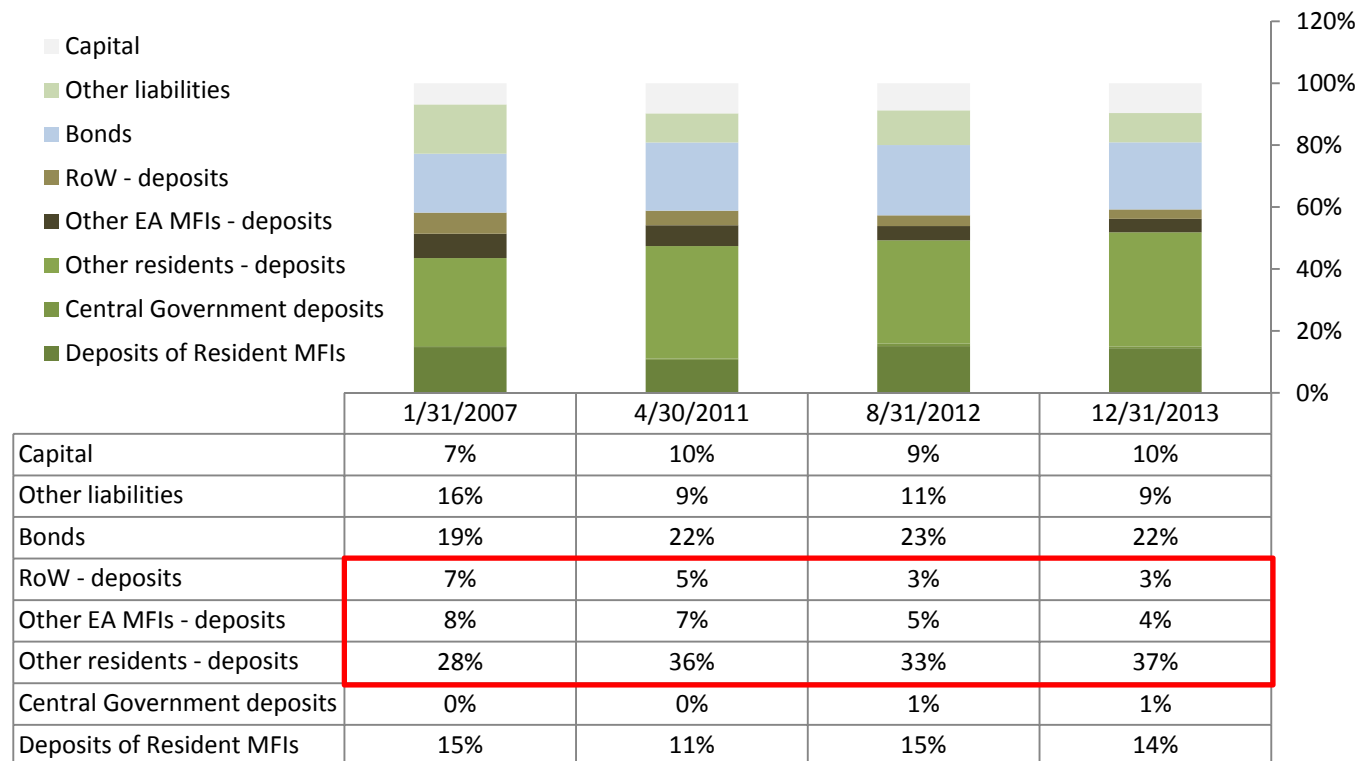
**ECB Money Market Contact Group  
18 March 2014**

*Recent Developments in Italian Money Markets*

*Marco Bertotti*

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

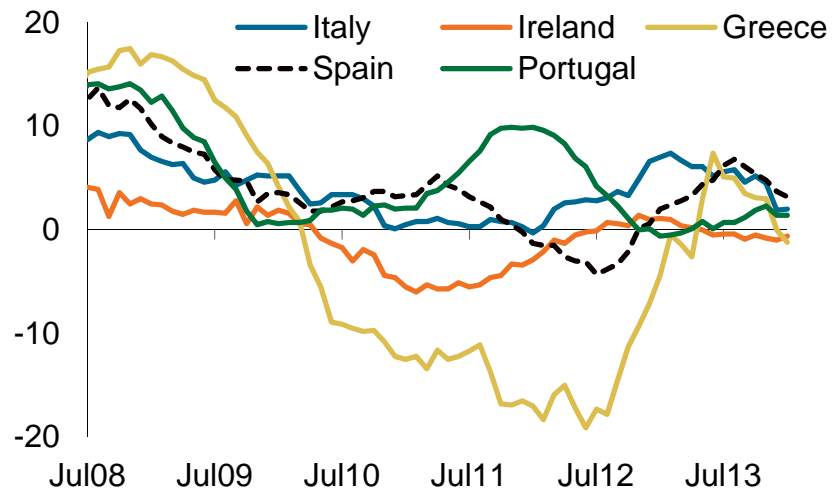


Source: Intesa Sanpaolo research , from Bank of Italy data.

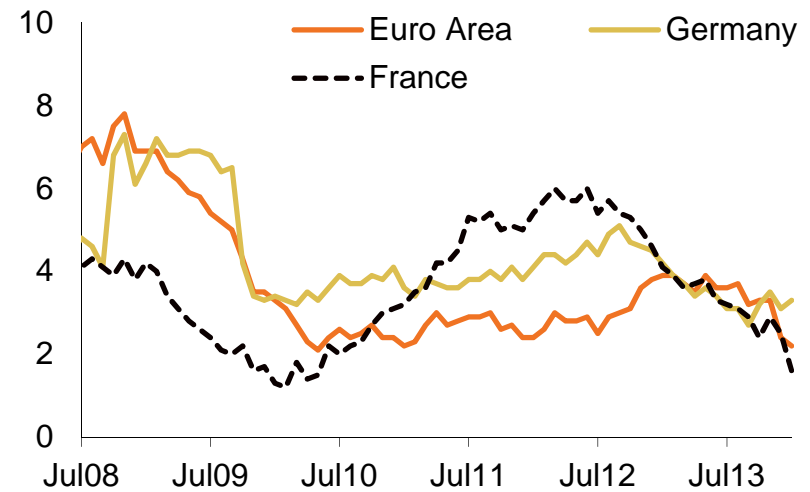
# Customer deposits / trends

*On a declining path after the pick in 2013*

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



**... and in major core countries**



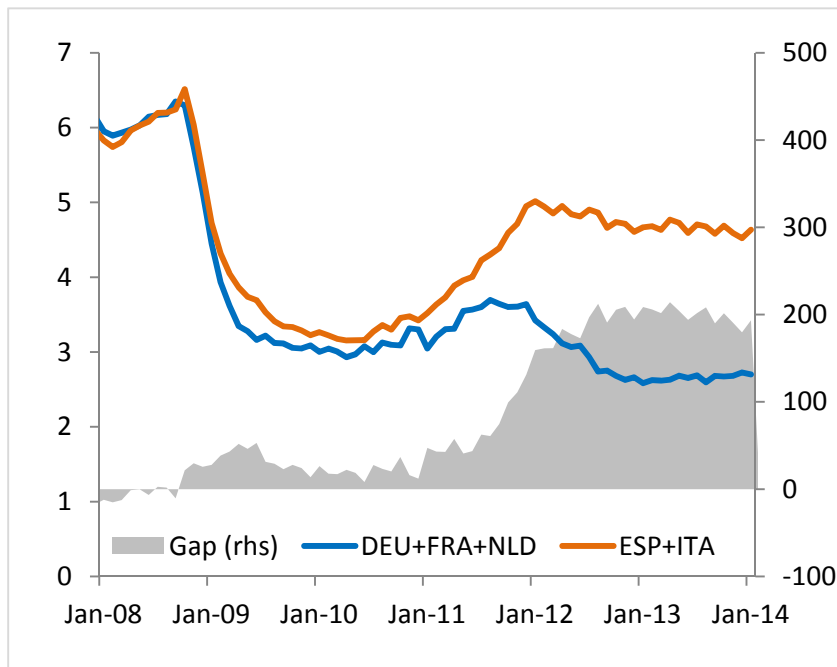
Source: ECB

# 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

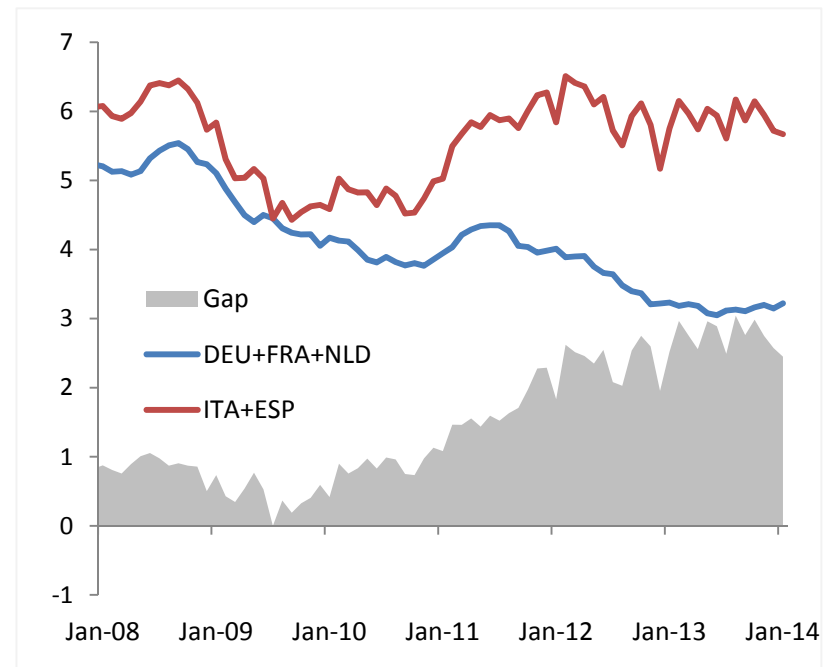
**Floating rate (\*) on new loans of up to 1M to non-financial corporations, (%) (\*\*)**



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

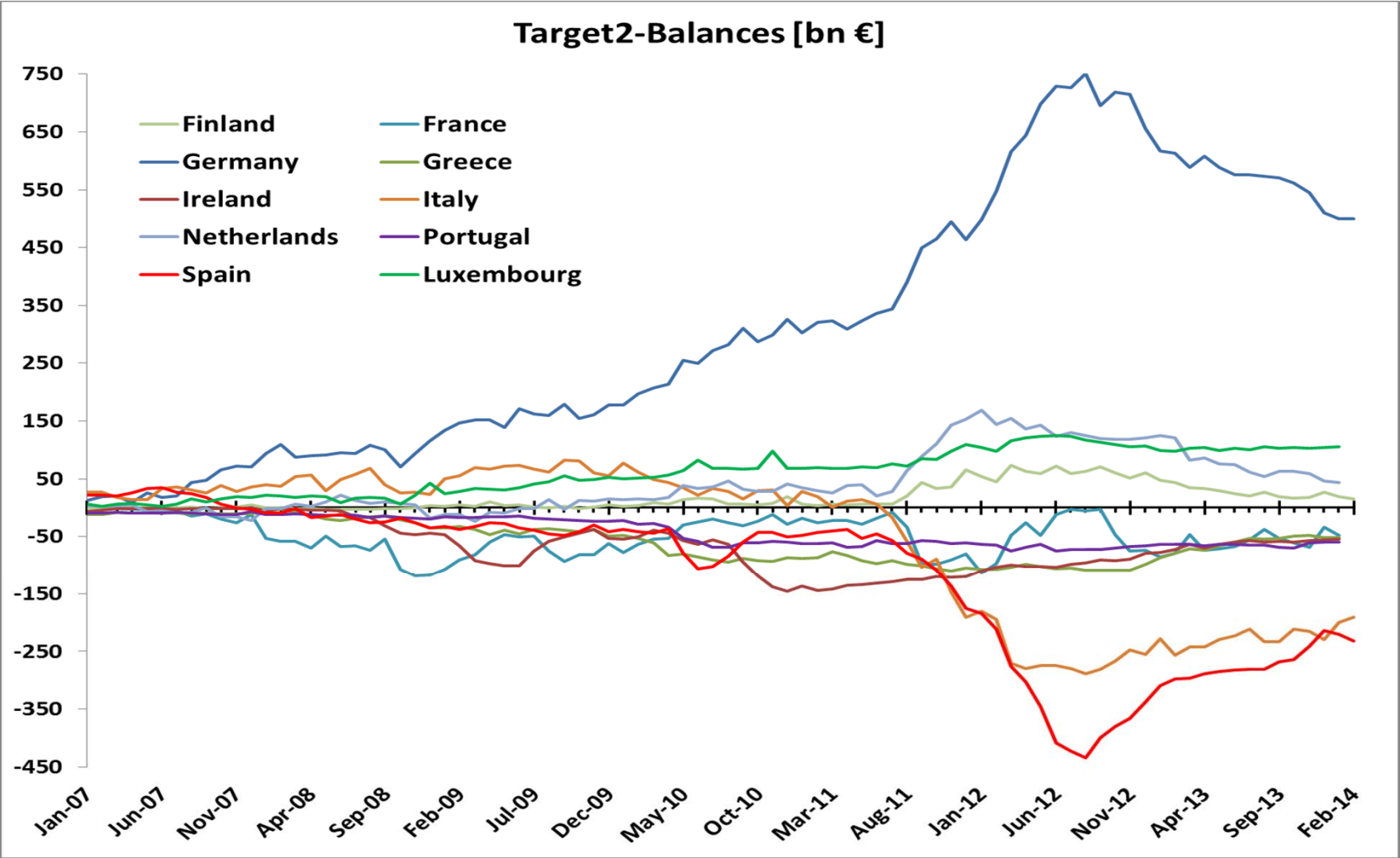
**Fixed rate (\*) on new loans, >5Y, to non-financial corporations, (%) (\*\*)**



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)



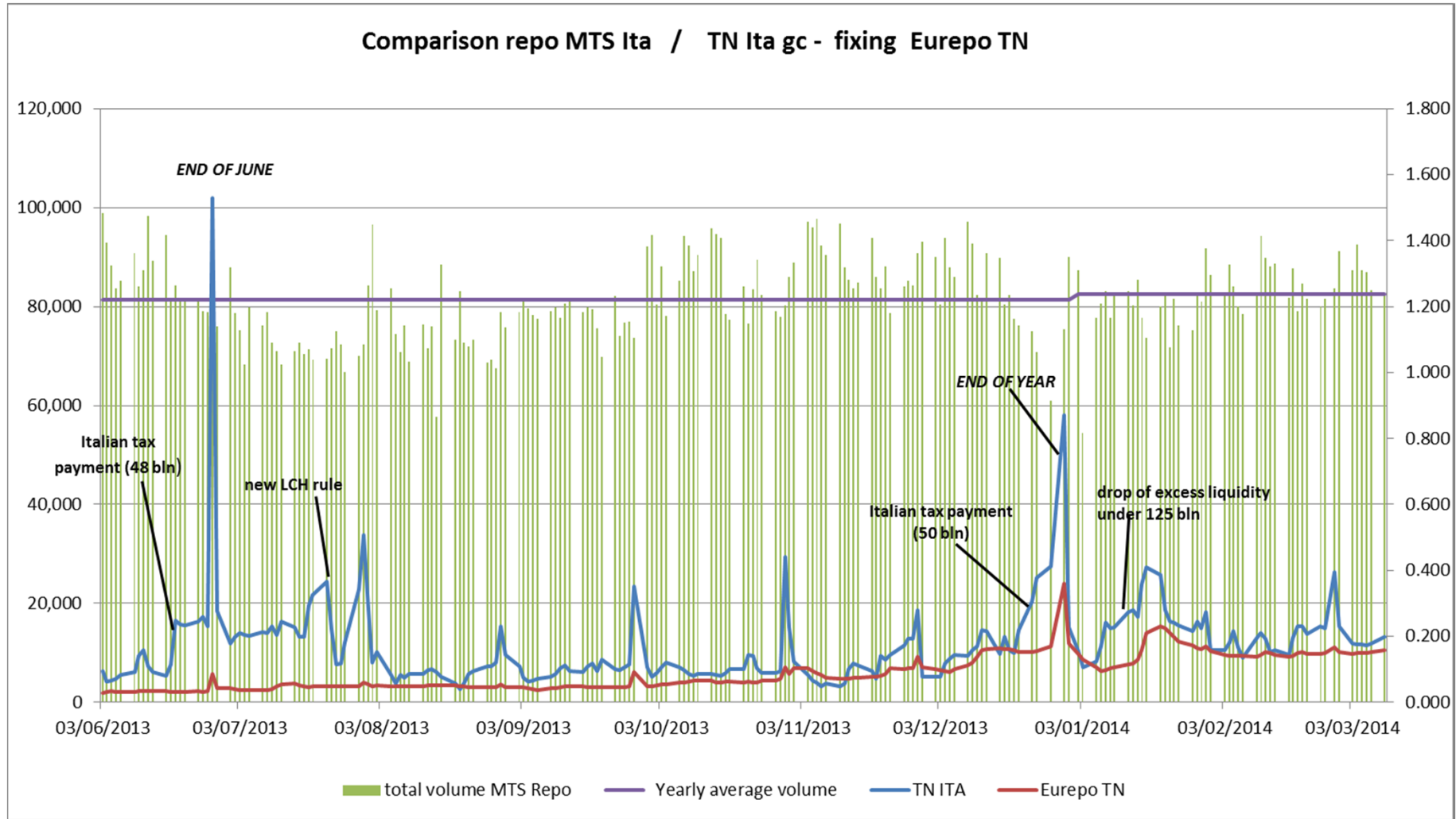
Note: Euro crisis monitor website

## Target2 balances (2)

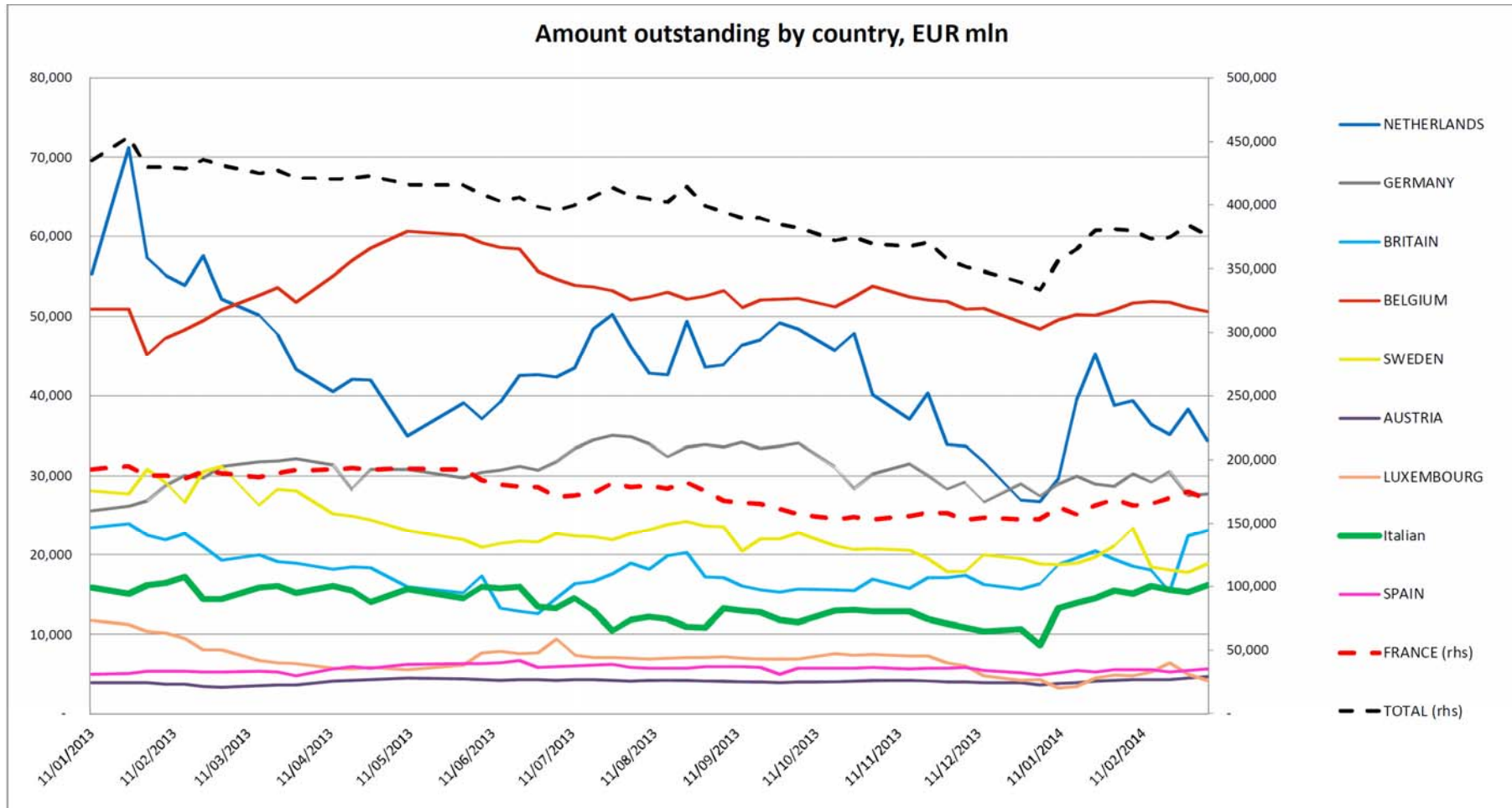
### Target2-Balances [mio €]

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

# Italian T/N repo market



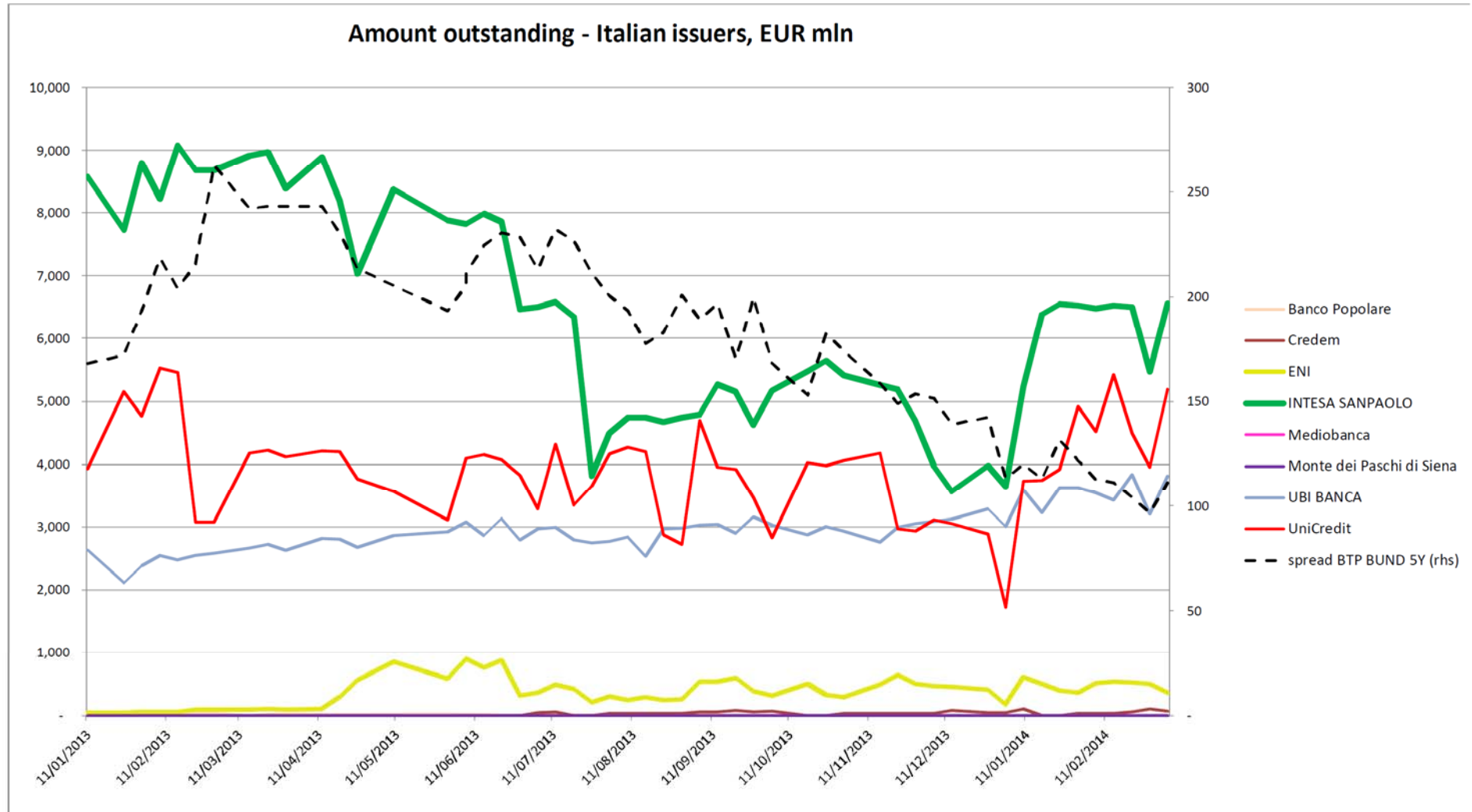
# STEP Paper (1)



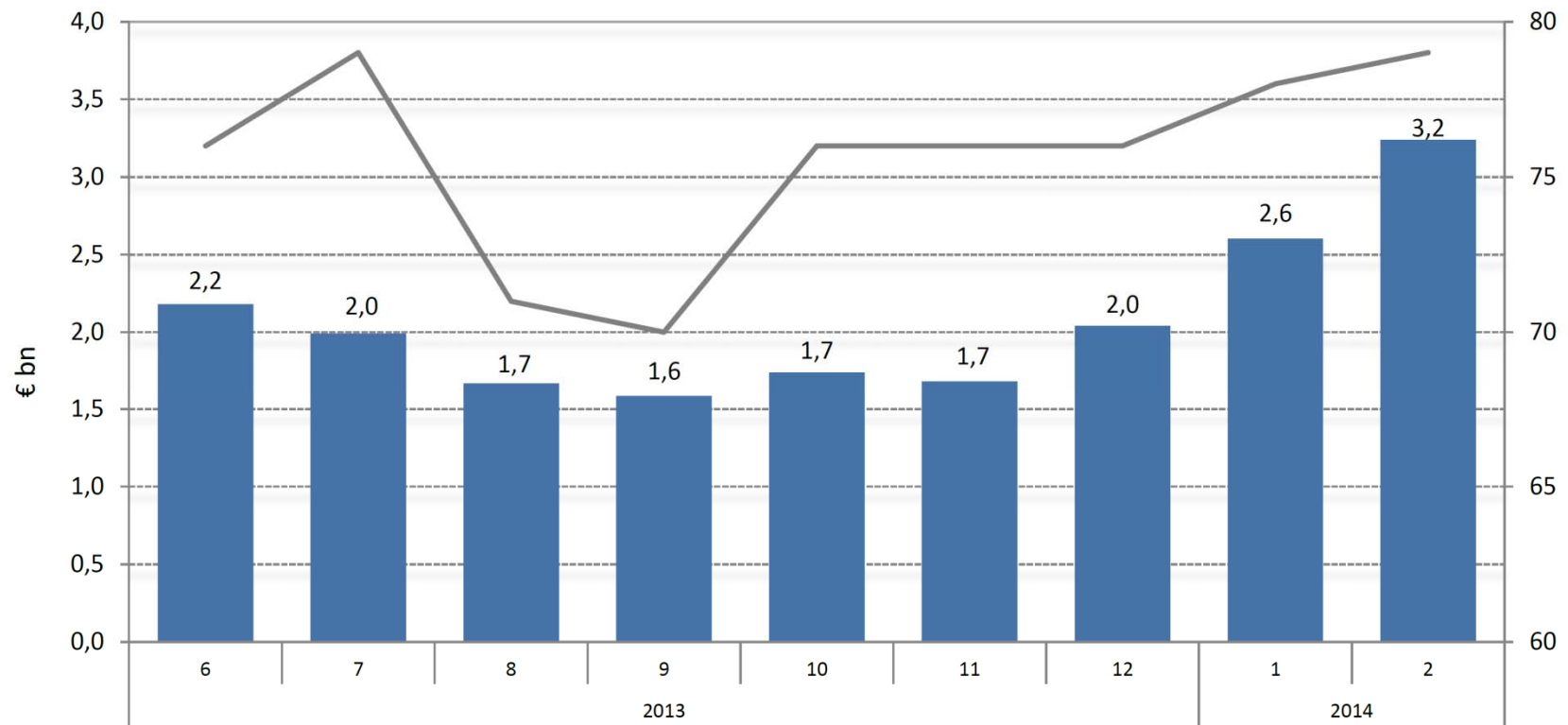
Intesa Sanpaolo London - Risk Management Unit elaboration of European Central Bank data, all data in EUR mln. Source Spread BTP/BUND 5y: Bloomberg <http://www.ecb.int/stats/money/step/html/index.en.html>



# 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

