MMCG meeting

The relationship between the ECB tender rates (ECB eligible collateral) and the 1 week repo rate (EUR GC).

Colin Bermingham.
31st May 2007
Variable rate tenders from June 2000, Operational framework changed in March 2004.
Average spread 0.0443 (2001 0.02, 2003 0.05, 2005 0.05, current year 0.06)
Repo spreads to Marginal rate: ABS plus 0.03, Eurepo fix plus 0.01, Germany less 0.02.

Data for the May 2007 Maintenance period

- EUREPO FIX
- Italian GC
- German GC
- French GC
- ABS
- Marginal rate
- Minimum bid rate
Marketable assets deposited for use as collateral in 2002 EUR 650bio (reworked with current bidding profile).

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>Percentage</th>
<th>Rate @</th>
<th>Implied Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Government Bonds</td>
<td>38%</td>
<td>@ 3.78</td>
<td>(3.81)</td>
</tr>
<tr>
<td>Uncovered Bank Bonds</td>
<td>20%</td>
<td>@ 3.84</td>
<td></td>
</tr>
<tr>
<td>Covered Bank Bonds</td>
<td>34%</td>
<td>@ 3.83</td>
<td></td>
</tr>
<tr>
<td>Corporations</td>
<td>7%</td>
<td>@ 3.84</td>
<td></td>
</tr>
<tr>
<td>Others</td>
<td>1%</td>
<td>@ 3.84</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL = 650 bio @ an implied marginal rate of 3.8135, minimum bid rate plus 0.0635 (0.0751).

In 2002 the average marginal rate / minimum bid rate spread was 0.0481.
Marketable assets deposited for use as collateral in 2005 EUR 866bio (reworked with current bidding profile)

- 295 bio Government Bonds 34% @ 3.78 (3.81)
- 215 bio Uncovered Bank Bonds 25% @ 3.84
- 195 bio covered Bank Bonds 22.5% @ 3.83
- 45 bio Corporations 5% @ 3.84
- 100 bio Asset Back Securities 11.5% @ 3.84
- 16 bio Others 2% @ 3.84

TOTAL = 866 bio @ an implied marginal rate of 3.81735, minimum bid rate plus 0.0674 (0.0775).

In 2005 the average marginal rate / minimum bid rate spread was 0.0527.
Marketable assets deposited for use as collateral in first 3 quarters of 2006 EUR 941 bio (reworked with current bidding profile)

- 275 bio Government Bonds 29% @ 3.78 (3.81)
- 270 bio Uncovered Bank Bonds 28.5% @ 3.84
- 180 bio covered Bank Bonds 19.5% @ 3.83
- 66 bio Corporations 7% @ 3.84
- 120 bio Asset Back Securities 12% @ 3.84
- 30 bio Others 4% @ 3.84

TOTAL = 941 bio @ an implied marginal rate of 3.8206, minimum bid rate plus 0.0706 (0.0793).

In the first 3 quarters of 2006 the average marginal rate / minimum bid rate spread was 0.0555.