Recent key financial market developments

Operations Managers Group
Frankfurt, 1 March 2012
Equity market developments: some improvement since the end of Q4 2011

Major Stock Indices – some recovery

Implied volatilities declined

Source: Bloomberg
FX market developments

EUR/USD and USD/JPY

Source: CFTC; Bloomberg

Source: Bloomberg
Selected 2-year govt bond yields and spreads

Government bond yield spreads

Source: Bloomberg
Improvement in the broader sentiment towards bank risk

*EuroStoxx Banks sub-index vs. overall index*

*Source: Bloomberg*

*ITraxx Senior Financials vs. ITraxx Sovereign*
Improvement in USD funding situation

USD Libor fixings

EUR/USD FX swap premia
EURIBOR - OIS spreads

Some easing of tensions
Excess liquidity developments

Source: ECB
ECB developments and announcements

30 November 2011

Extension of the swap line with the Fed until 1 Feb 2013 – continuation of the 1-week and 3-month USD providing operations at a lower pricing (OIS+50 bps). Establishment of bilateral liquidity swap arrangements between the Fed, the ECB, the BoJ, the BoE, the SNB and the BoC.

8 December 2011

Reduction in the ECB policy rate by 25 bps to 1.00%.

8 December 2011

Announcement of various measures by the ECB:
. Conduct of two 3-year LTROs with the option of early repayment after one year;
. Reduction in the reserve ratio from 2 to 1%;
. Increase in collateral availability (ABS and credit claims*).

28 February 2012

Temporary suspension of the eligibility of Greek government bonds

(*) eligibility criteria approved on 9 February
Summary

• Decrease in general tensions in relation to the euro area sovereign debt crisis

• Areas of focus/concern: government debt, economic growth, banking sector