

COMENIUS UNIVERSITY IN BRATISLAVA
FACULTY OF MANAGEMENT

***Liquidity crisis in the inter-bank market, its implications and
possible solutions - Appendices***

Written in April 2008; Revised in July 2008

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Year of study: Second (undergraduate)
Semester: Summer semester

Field of research: Financial management
Academic year: 2007/2008

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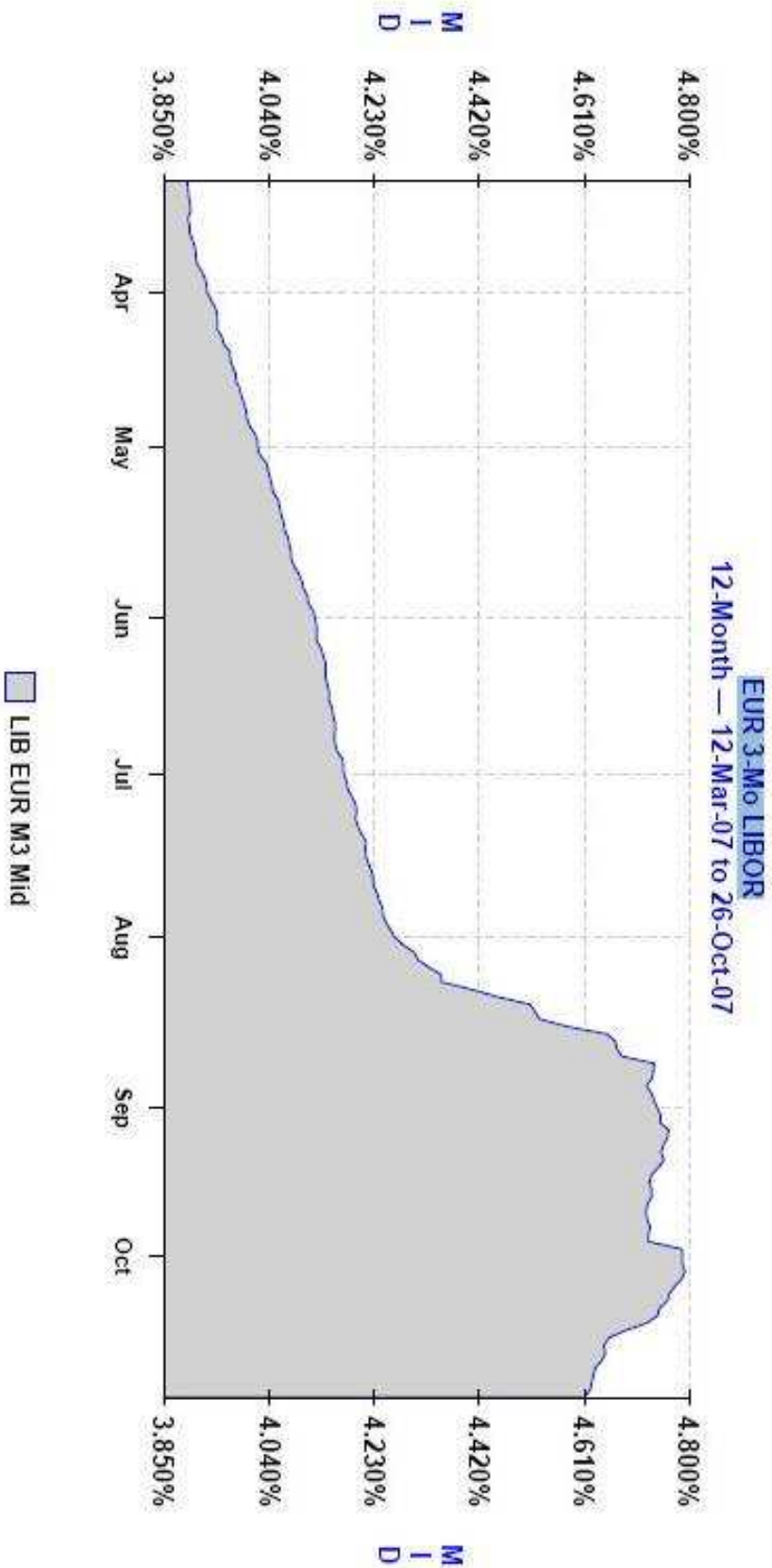
Appendices

Appendix 1: Write-downs on the value of loans, MBS and CDOs as of April 2008

Company	Business Type	Loss (Billion \$)
Citigroup	bank	\$39.1 bln
UBS AG	bank	\$37.7 bln
Merrill Lynch	investment bank	\$29.1 bln
HSBC	bank	\$17.2 bln
Morgan Stanley	investment bank	\$11.5 bln
American International	Group insurance	\$11.1 bln
Deutsche Bank	bank	\$7.0 bln
BayernLB	bank	\$6.7 bln
Bank of America	bank	\$6.05 bln
JP Morgan Chase	bank	\$5.5 bln
Wachovia	bank	\$5.0 bln
Crédit Agricole	bank	\$4.8 bln
Lehman Brothers	investment bank	\$3.93 bln
Credit Suisse	bank	\$3.7 bln
Freddie Mac	mortgage GSE	\$3.6 bln
RBS	bank	\$3.5 bln
Ambac Financial Group	bond insurance	\$3.5 bln
IKB Deutsche Industriebank	bank	\$3.45 bln
MBIA	bond insurance	\$3.3 bln
CIBC	bank	\$3.2 bln
Barclays Capital	investment bank	\$3.1 bln
Société Générale	bank	\$3.0 bln
Wells Fargo	bank	\$2.9 bln

Source: http://en.wikipedia.org/wiki/Subprime_Crisis

Appendix 2 : Chart of 3-month LIBOR in EUR



Appendix 3: Selected graphs and figures

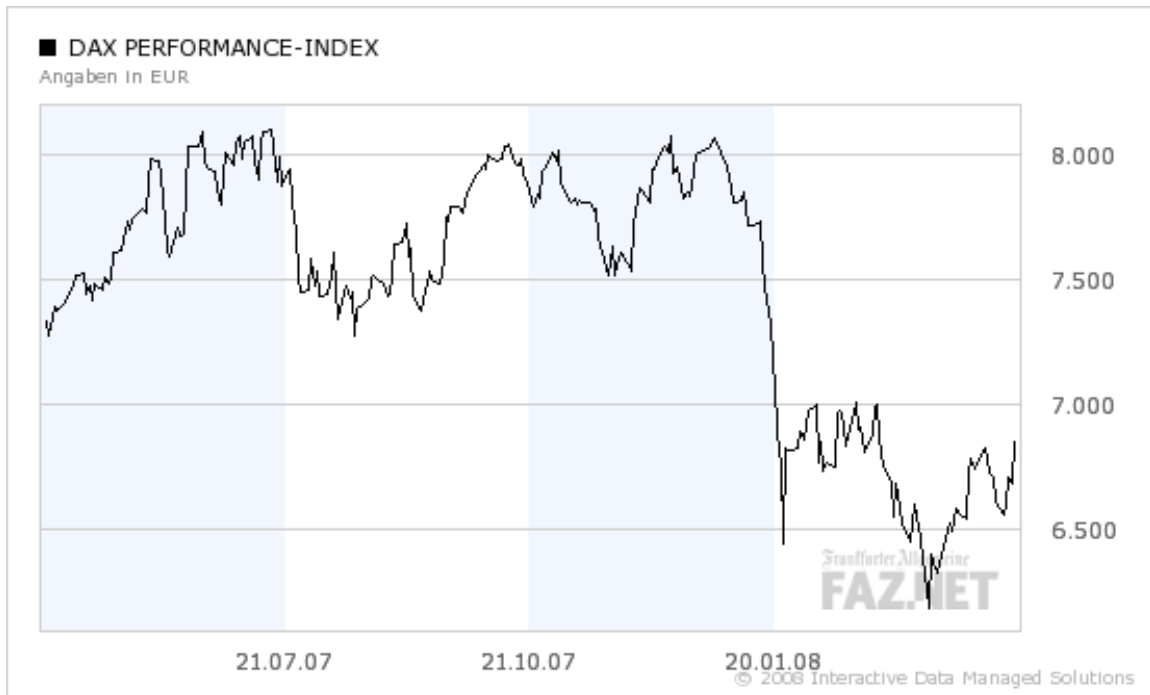


Figure 1: DAX index performance (stock exchange Frankfurt, 18th april 2007 – 18th april 2008

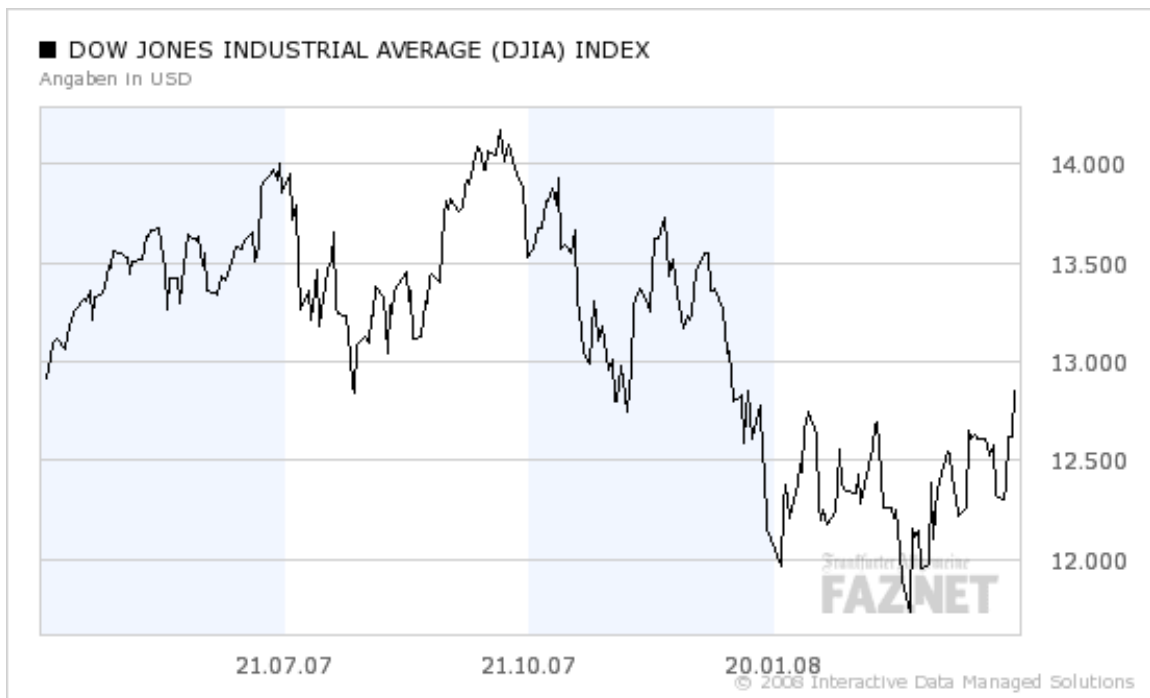


Figure 2: Performance of Dow Jones Industrial Average, 18th april 2007 – 18th april 2008



**Figure 3: Performance of Nasdaq composite index,
18th april 2007 – 18th april 2008**

Source (Figures 1 -3): Frankfurter Allgemeine Zeitung online; www.faz.net



**Figure 4: Performance of KWB banking index¹;
18th april 2007 – 18th april 2008**

Source (Figure 4): Yahoo Finance; www.finance.yahoo.com

¹An index composed of 30 leading U.S. banks.

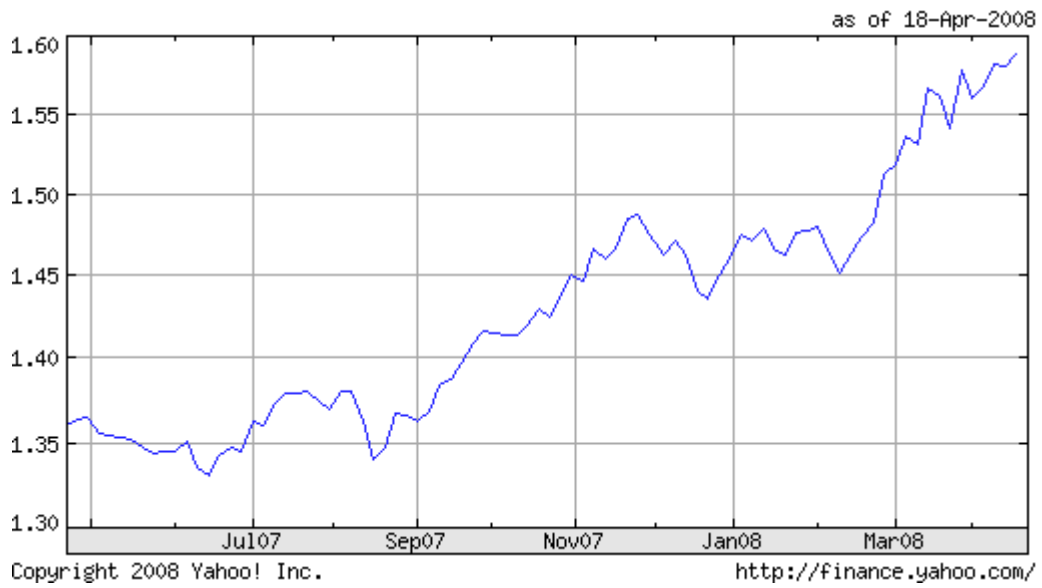


Figure 5: exchange rate EUR/USD, april 18 2007 –april 18 2008

Source: Yahoo finance;

<http://finance.yahoo.com/currency/convert?amt=1&from=EUR&to=USD&submit=Convert>

Appendix 4: Schemes related to the CDOs and MBS

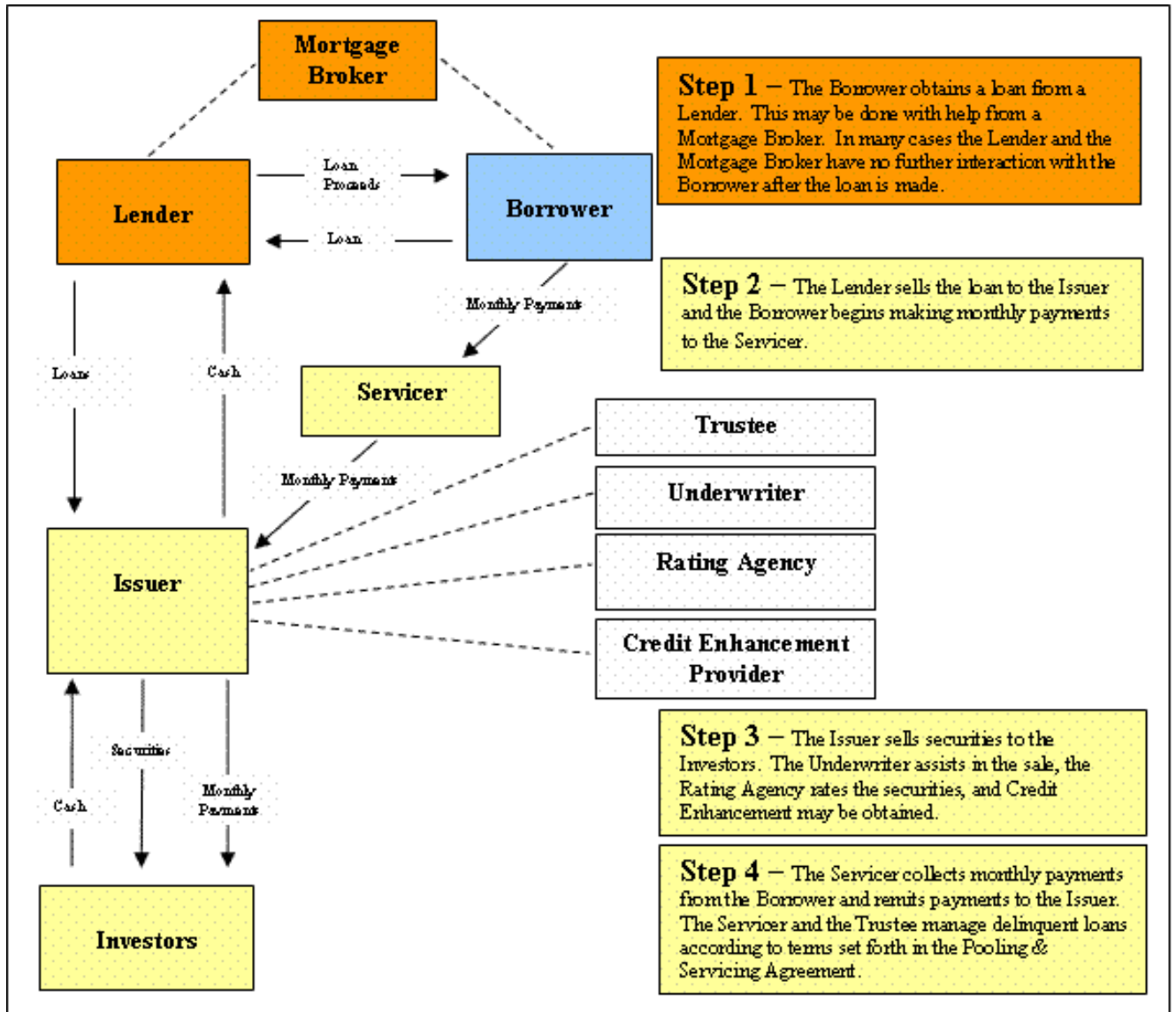


Figure 6: Borrowing Under a Securitization Structure

Source: Wikipedia;

http://en.wikipedia.org/wiki/Image:Borrowing_Under_a_Securitization_Structure.gif

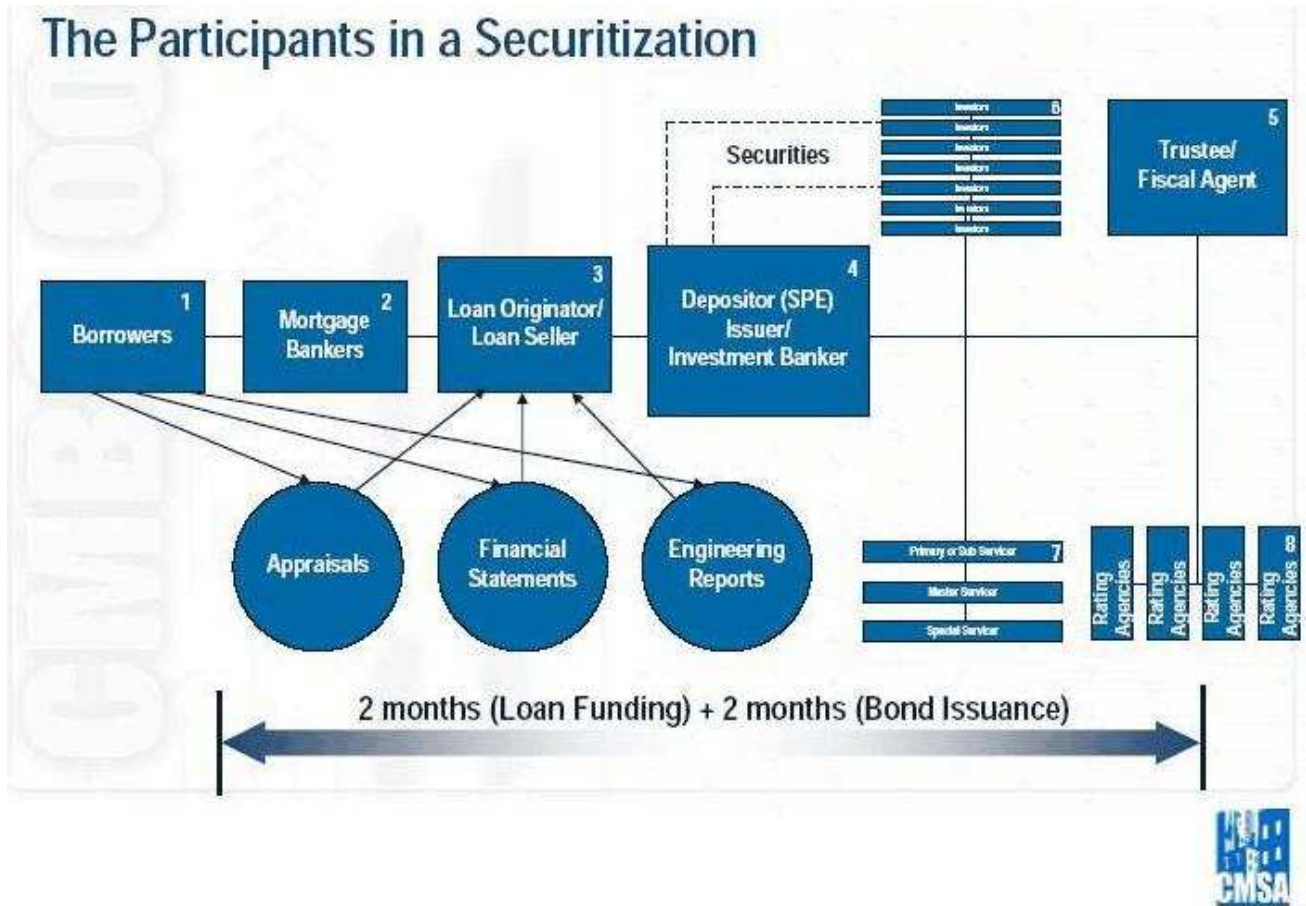


Figure 7: Participants in a securitization;

Source: UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION; Document 125-2; 2006



Figure 8: Different risk and return for different investors in case of CDOs

Source: UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF TEXAS DALLAS DIVISION; Document 125-2; 2006

Appendix 5: Tables and figures regarding interest rate development

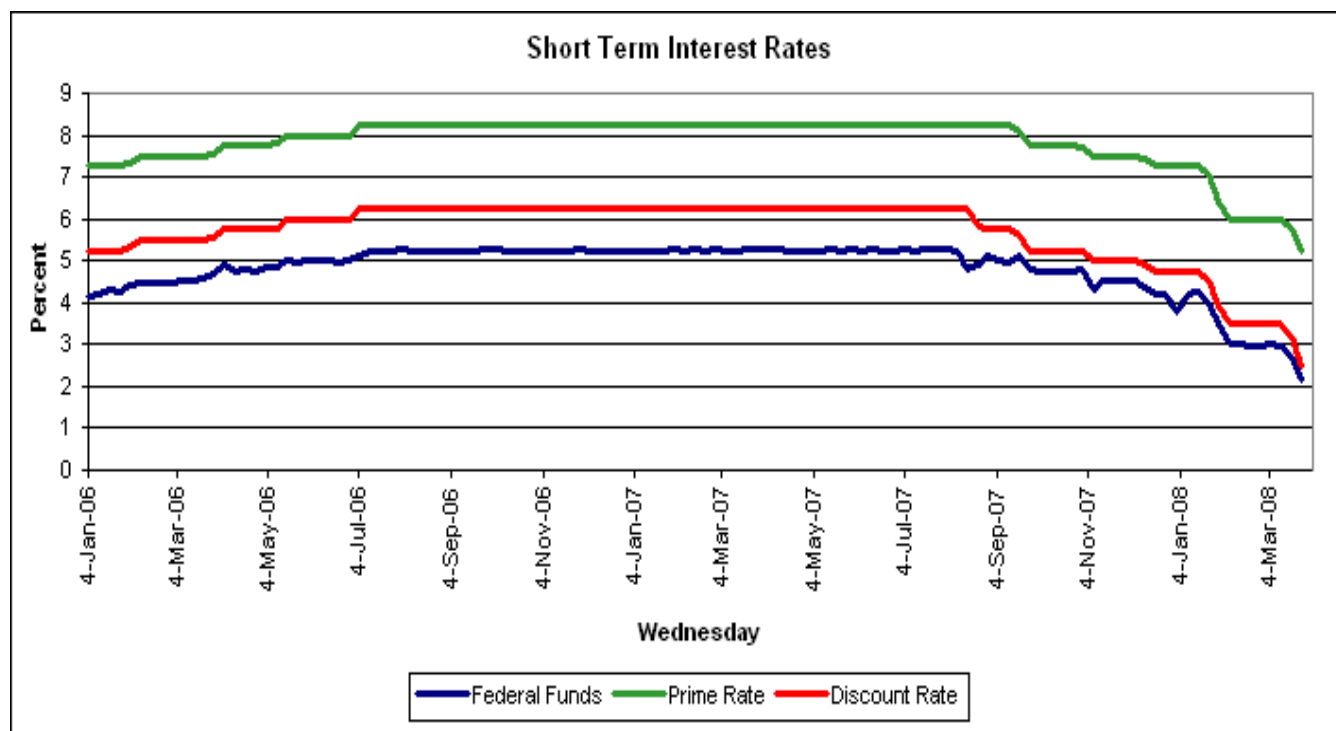


Figure 10: Key FED interest rates; January 2006 – april 2008

Source: Federal Reserve Bank of Minneapolis;

<http://www.minneapolisfed.org/Research/data/us/charts/int1.cfm>

Changes in basis points

<i>Date</i>	<i>Increase</i>	<i>Decrease</i>	<i>Level in %</i>
March 18, 2008	--	75	2,25
January 30, 2008	--	50	3,00
January 22, 2008	--	75	3,50
December 11, 2007	--	25	4,25
October 31, 2007	--	25	4.50
September 18, 2007	--	50	4.75
June 29, 2006	25	--	5.25

Table 1: Recent changes in Federal funds rate

Source: Federal reserve system; <http://www.federalreserve.gov/fomc/fundsrate.htm>

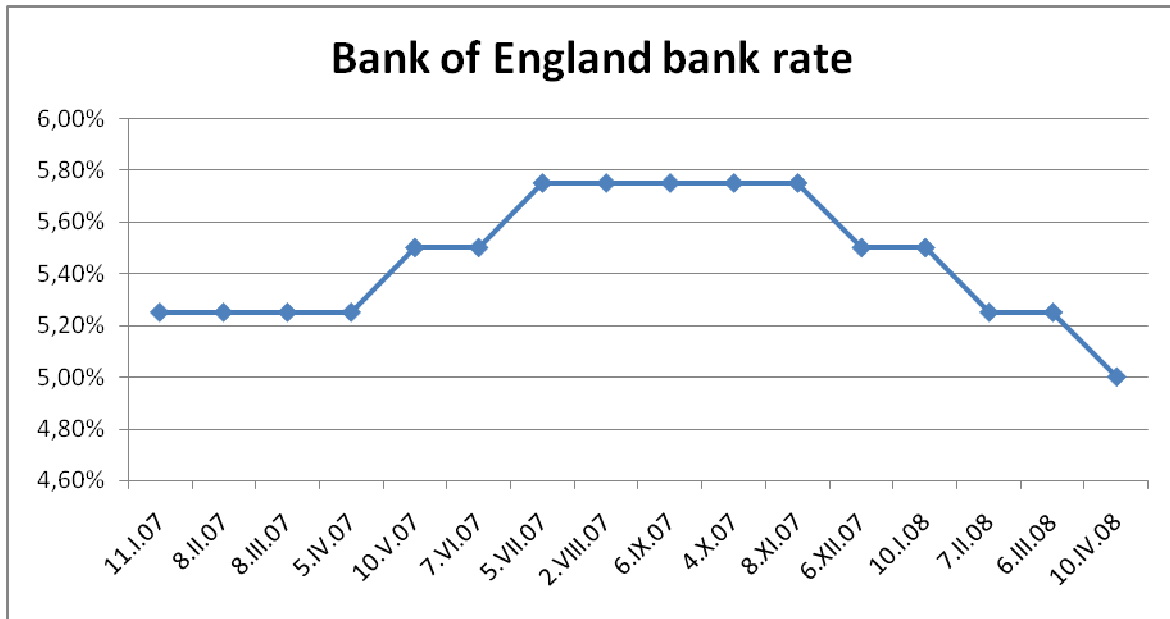


Figure 11: Bank of England bank rate; January 2007 – April 2008

Graph based on data from Bank of England;

<http://www.bankofengland.co.uk/monetarypolicy/mpcvoting.xls>

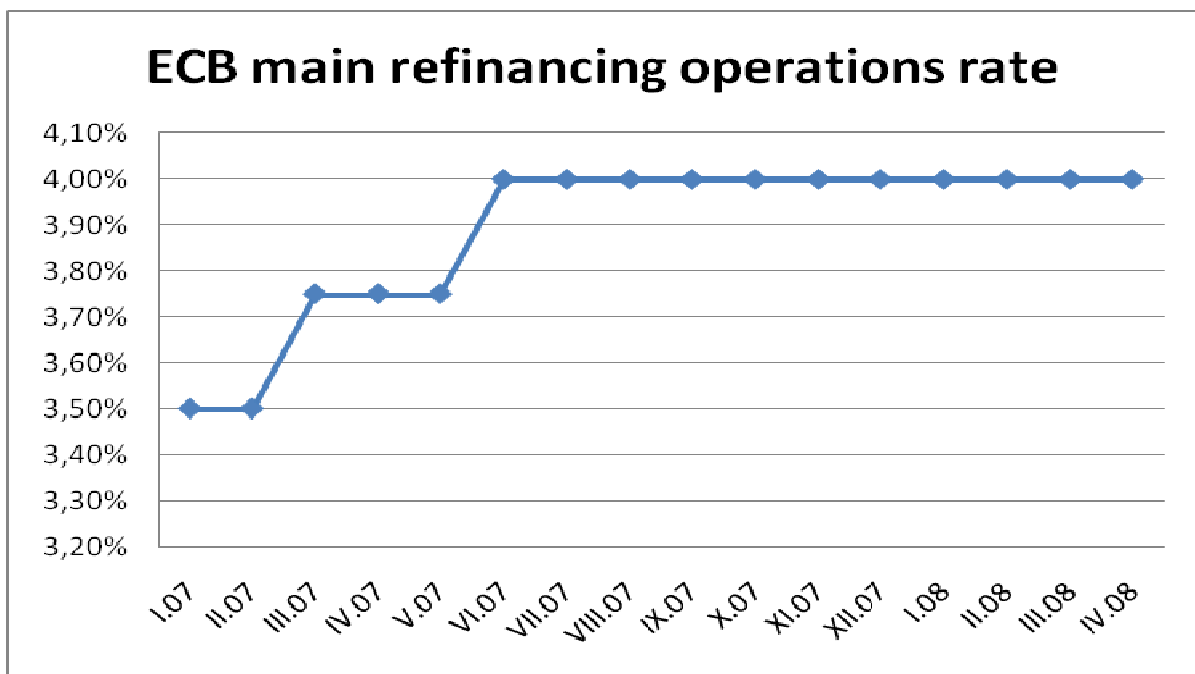


Figure 12: ECB main refinancing operations rate; January 2007 – April 2008

Graph based on data from European Central Bank;
<http://www.ecb.int/stats/monetary/rates/html/index.en.html>

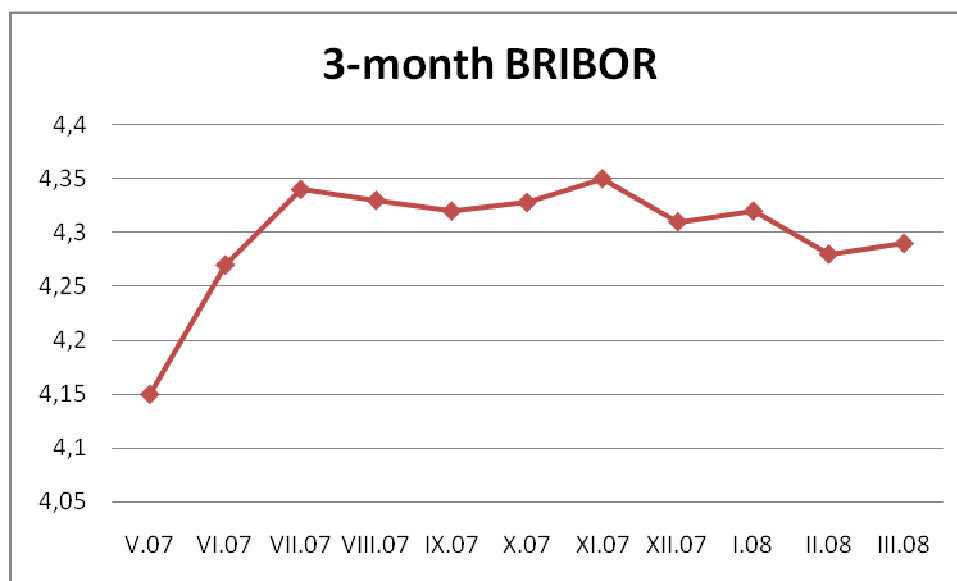
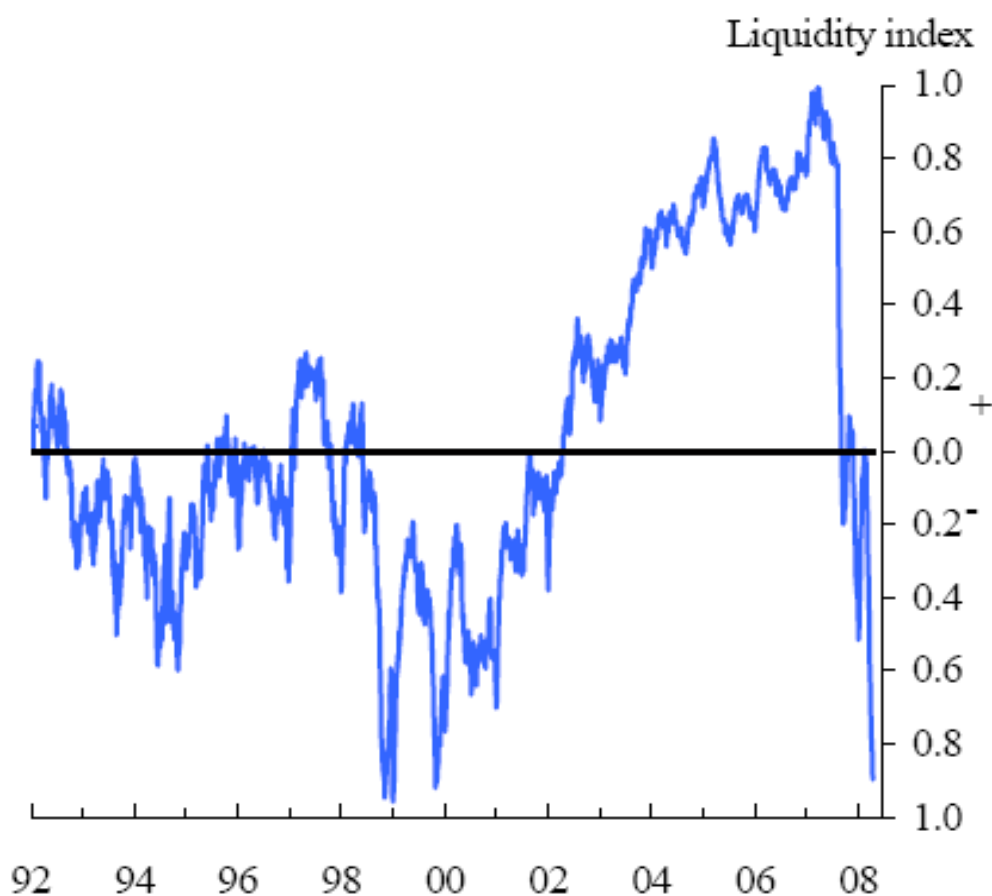


Figure 13: 3-months average BRIBOR (Offer); May 2007 – March 2008

Based on data from Unicredit Leasing;
<http://www.cacleasing.sk/sk/vyvojsadz.htm?archiv=1>

Appendix 6: Financial market liquidity index according to Bank of England



Sources: Bank of England, Bloomberg, Chicago Board Options Exchange, Debt Management Office, London Stock Exchange, Merrill Lynch, Thomson Datastream and Bank calculations.

(a) The liquidity index shows the number of standard deviations from the mean. It is a simple unweighted average of nine liquidity measures, normalised on the period 1999-2004. Data shown are an exponentially weighted moving average. The indicator is more reliable after 1997 as it is based on a greater number of underlying measures.

Figure 14: Financial market liquidity index 1992 - 2008;

Source: Bank of England;

<http://www.bankofengland.co.uk/publications/speeches/2008/speech345.pdf>

Appendix 7: Scheme of the Swap offered by Bank of England

Present (swap arrangement):



3 years later (swap maturity):

