



EMMEC Meeting – Summary

Meeting title	EMMEC meeting
Date and time	17 March 2026 19.00 – 18 March 2026 16.30
Location	Hybrid: <ul style="list-style-type: none">• The European Money Markets Institute, Brussels• Conference call (Teams)
Attendees	<p>EMMEC Members – physical</p> <p>A. ADOTTI (ICCREA) – Assiom Forex Italy B. VAN DER VEEKEN (ASN Bank) – ACI Netherlands C. HUSS (Union Bancaire Privée) – LFMA Luxembourg C. ORIGER (BCEE – Banque et Caisse d'Épargne de l'Etat) – LFMA Luxembourg F. KUNZ (Raiffeisen Switzerland Cooperative) – ACI Switzerland F. ALCAIDE (Caixa Geral de Depositos) – Forex ACI Portugal F. BESET (Rabobank) – ACI Netherlands – Chair F. PAILLOUX – (Société Générale) – ACI France F. SPAHN (DZ Bank) – AEFMA Germany H. WESTERMANN (Commerzbank) – AEFMA Germany J. LARDINOIS (Belfius Bank) – ACI Belgium L. BRANDTNER (Raiffeisenlandesbank Oberösterreich) – TMA Austria M.C. LEGE (Intesa SanPaolo SpA) – Assiom Forex Italy P. LE VEZIEL (Credit Agricole SA & Crédit Agricole CIB) – ACI France</p> <p>EMMEC Members – online</p> <p>R. BRUNNER (Erste Group Bank AG) – TMA Austria F. SCHLEIFER (Volksbank Wien) – TMA Austria M. BADIA (Cecabank) – ACI Spain G. SANCHEZ DE ROJAS (Banco Santander SA) – ACI Spain C. WICHMANN (Danske Bank) – ACI Denmark H. JEPSEN (Danske Bank) – ACI Denmark S. CIMINO (UniCredit) – Assiom Forex Italy B. WAJSZCZUK (BNP Parisbas) – ACI Poland M. BORYCZKA (Bank Millenium) – ACI Poland O. HUBERT (Natixis) – ACI France I. PIETRARU (Société Générale) – ACI France F. NOCERA (CDP) – Assiom Forex Italy T. ALANEN (OP Bank) – ACI Finland</p>

	<p>Guest speakers</p> <p>Soniya Sadeesh – Deutsche Bank</p> <p>Caroline Derocle – Euroclear</p> <p>Benoit Usciati – Banque de France</p> <p>Observers</p> <p>F. HEBEISEN – ACI France</p> <p>Pascal Nicoloso – ECB</p> <p>Rui Correia – ACI FMA</p> <p>S. WEVER – ABN AMRO</p> <p>Jean-Louis Schirmann – EMMI</p> <p>Gaelle Marques Dos Santos – EMMI</p> <p>Christophe Javaux – EMMI</p> <p>EMMEC Secretariat</p> <p>F.NUNZIANTE CESARO – EMMI</p> <p>B. DENECKER – EMMI</p>
Agenda items	Speaking points
Introduction	<p>EMMEC members were reminded of competition law, confidentiality and conflicts of interest.</p> <p>The members present voted unanimously in favour of accepting ACI Finland as a new national association joining EMMEC.</p>
Item 1 and 5	<p>Members’ roundtable: update on the latest market trends and developments.</p> <ul style="list-style-type: none"> • The ECB is moving towards remunerating excess liquidity at the DFR, including balances left on the main account (i.e. no need to actively place them at the deposit facility anymore). • Key difference vs today: no compounding. Interest would be calculated over the maintenance period and paid at the end, creating a small impact (~0.2–0.4 bps). • This is mainly an operational simplification, reducing the need for daily liquidity management and the risk of leaving cash unremunerated. • A key driver seems to be TIPS: banks need to pre-fund TIPS accounts, which currently creates inefficiencies. The new approach supports a more neutral / “dual use” of liquidity (reserves + instant payments). Also helps with frictions like the TARGET2/TIPS timing gap. • Market feedback is generally positive, especially for smaller banks. Some banks may keep a hybrid approach (still using the deposit facility to retain compounding). • National Central Bank guidance is still limited. The committee discussed organisational arrangements for upcoming meetings and reviewed the results of a survey conducted at the beginning of the session. The survey indicated that most members view interest

	<p>rate volatility as the main and short term potential impact of the Iran-US conflict.</p> <ul style="list-style-type: none"> • Interest rate expectations were mixed: a significant share of participants expected the Federal Reserve to cut rates before any ECB hike, while others anticipated no rate changes over the next six months or a move by the Bank of England ahead of both the Fed and the ECB. • The committee expressed concerns about the implications for energy prices and inflation, as well as the uneven distribution of excess liquidity within the Eurosystem. Nonetheless, it was acknowledged that the decline in excess liquidity is controlled and expected, allowing banks to adapt, although disruptions could emerge first in the United States. • The committee identified investor demand shifts between EUR and USD and monetary policy divergence between the ECB and the Federal Reserve as key drivers of the EUR/USD cross-currency market in 2026. • Looking ahead to the upcoming Governing Council meeting, members broadly expected the ECB to maintain a hawkish stance while keeping rates unchanged. It was emphasized that raising rates to address supply-driven inflation could unduly harm economic activity, and given the high level of geopolitical uncertainty, a wait-and-see approach was deemed appropriate.
<p>Item 2</p>	<p>Geopolitics and Rates by Soniya Sadeesh – Deutsche Bank – STIR Rates Strategist</p> <ul style="list-style-type: none"> • The speaker started by explaining that the topic of the presentation was chosen after the conflict in Iran started and that the shock it created was central to the presentation. The focus was both on the immediate market impact, as well as longer term considerations for financial markets and the banking sector. • To set the scene the ECB/ESRB the geopolitical risk framework was shown to illustrate that geopolitical risks can be diverse and cover categories as diverse as military conflicts, infrastructure, trade, capital/finance and politics/society. The effects can manifest themselves in various ways and impact financial stability via multiple financial transmission channels. • The Geopolitical Risk Index and the Economic Policy Uncertainty Index were considered and indicate that there have been more geopolitical events the last 5y compared to the 10y before. The current conflict shows a clear spike on Geopolitical Risk Index. When compared with the ECB Composite Stress Indicator, there were limited signs of financial stress as of mid-March. This could mean that the market expects the Iran to be only a short-term event. However, in certain parts of the world, such as Asia, the impact of rising oil prices is significant, and these same effects could come to Europe at a given moment. • Assessing the influence of recent major geopolitical events across various asset classes reveals that there is no universally applicable approach to anticipating immediate market reactions. Although risk aversion often shapes the prevailing narrative, the effect on

duration varies according to how each event interacts with broader economic conditions, particularly in the context of energy shocks. Likewise, the impact on swap spreads has been inconsistent, though a flattening at the long end of the yield curve tends to be more common. Two longer term implications of recent events to consider. Firstly, external institutional investments are largely in overseas equities, and a reallocation back to the Eurozone was unlikely to favour core rates. Secondly, the push to divert deposits towards riskier capital market allocation had implications for bank funding even if marginally successful.

- When looking at the funding conditions, the conflict has not resulted in a significant increase in funding costs for banks. Repo rates for different types of government paper have not diverged much, and the commercial paper spread over OIS has hardly moved.
- The Q&A led to a discussion among members on how innovation and changes can impact the traditional stickiness of deposits. It is unclear how new players will act under stress. The stickiness of deposits can behave differently than in the past with social media strengthening impacts and tokenised deposits and/or CBDC taking over a part of stable deposits and potentially reducing the stable base. Members indicated that these trends were being monitored.
- Stablecoins was another point of discussion. One member pointed out that payments function much smoother in Europe and hence there is maybe less of a business case for stablecoins. However, members were conscious that to compete with new native digital players they should work from on their own strength in that area and not rely on ECB.
- The developments of CBDC were expected to have an impact earlier than there would be from stablecoins. All in all, stablecoin is still nascent especially in Euro. The business case for stablecoin is not entirely clear at this moment. One member pointed to a risk if large corporates would be able to move money easily on-chain to off-chain to have the best of both worlds: money in the traditional system at the end of the day for the interest and on-chain during the day to benefit from seamless FX settlement.

Item 3

Pythagore – Modernization of NEU CP market by Benoit Usciati – Head of short and medium term securities division at Banque de France, Caroline Derocle – Product Strategy & Innovation at Euroclear

- The initiative was launched in Oct-25 and is joint project by Banque de France and Euroclear France. The aim is to modernize the NEU CP by tokenizing the instruments and use distributed ledger technology (DLT) in the entire process. Euroclear provides the technology for the securities leg, the cash leg is to be realized by aligning to the Eurosystem's Pontes project to have settlement in wholesale CBDC. The modernization will be a gradual process with a pilot in 2027 and migration starting in 2028.
- The current market is functioning well, however the DLT offers some additional opportunities like simplification of process flows, less

operational risk, potentially more transparency and improved efficiency. Additionally, it might improve the attractiveness of the market and be beneficial for all stakeholders by reducing settlement times, which can help to attract new issuers and investors. For the project all types of stakeholders were brought on board. 17 issuers, which represent 50% of the market, have been integrated.

- The project is the result of a collaborative approach, under which dedicated workstreams are being established to enable all stakeholders to contribute to the development of the operating models. This work is initially carried out in a project-based setting and subsequently feeds into the final target operating model. Given the breadth of topics to be addressed, the initiative involves a large number of participants and a high level of interaction. The overarching objective is to ensure inclusive stakeholder engagement so that all needs and concerns are duly considered. By way of illustration, the ISIN creation process was cited, together with the efficiency improvements expected to result from its redesign.
- During the Q&A session, it was confirmed that the project is dependent on the Pontes project becoming operational. It was explained that, in the short run, following the Eurosystem’s recent announcement, securities issued on the new DLT-based infrastructure will be eligible as collateral for Eurosystem credit operations as of 30 March 2026, provided that they are made available in the “legacy” infrastructure (or “detokenized”), which is an eligible and CSDR compliant securities settlement system. For an interim period, both the tokenized system and the existing system will operate in parallel, with interoperability ensured between the two.
- The statistics that will be available can become more detailed and can lead to more transparency thanks to this project, although it was explained that this will need to be worked out more in detail together with participants to the initiative as there might be other concerns. As an example, the deal rate was mentioned as being sensitive. For STEP-label reporting, the reporting will not change in the first phase, in a later stage this can potentially change.

Item 4

Credit Suisse - Insights into the liquidity crisis by Christian Huss – Director Head of Treasury at UBP & Fabian Kunz – Head of Money Markets at Raiffeisen

- Credit Suisse implemented extensive cost-cutting measures over several years. During the 2008 global financial crisis, the institution was perceived as more stable than UBS, despite early market speculation at the time about a potential merger between the two banks.
- Historically, Credit Suisse maintained a very large commercial paper (CP) and certificate of deposit (CD) book, supported by significant wholesale deposits and a wide international branch network.
- Market confidence in Credit Suisse began to deteriorate following a series of high-profile events. In 2021, significant financial losses linked

to the collapse of ArchegosCapital and Greensill Capital triggered a sell-off in Credit Suisse shares.

- The failure of Silicon Valley Bank (SVB) acted as a catalyst, coinciding with a surge in Credit Suisse's credit default swap (CDS) spreads of the Luxembourg entity. The CDS spike, in particular, drew the attention of the domestic supervisory authority.
- In response, meetings were held involving both the regulator and the central bank. New key performance indicators (KPIs) were introduced to closely monitor intragroup risks and exposures to the parent entity.
- Although Credit Suisse reported strong profitability in 2020, this marked the beginning of a prolonged negative trajectory thereafter. Indeed 2020 was reported rather positive despite COVID 19 effects.
- The loss of market confidence resulted in a massive outflow of deposits. To counter this, Credit Suisse increasingly overpaid on deposits, initially offering around 20 basis points above the internal reference rate, which later escalated to 100–200 basis points.
- Despite these incentives, deposit outflows continued, and overpaying deposits ultimately proved ineffective in restoring confidence.
- Clients requesting early termination of term deposits were subject to penalties or strong limitations. While this measure slowed withdrawals marginally, it did not prevent clients from ultimately reclaiming their funds once confidence had eroded.
- Market speculation intensified following social media reports suggesting that a major investment bank was on the verge of failure. Credit Suisse was widely assumed to be the institution concerned, triggering a liquidity spiral.
- On a single day, internal liquidity models identified CHF 12 billion of outflows as "unexpected," followed by daily deposit outflows of approximately CHF 5–7 billion in the subsequent days.
- By October, issuance of CP and CDs had already declined significantly, largely due to rating downgrades. Central bank funding also diminished as a result of these rating cuts.
- By the publication of the first-quarter results in January, it was evident that, despite an extensive profitability programme, Credit Suisse was experiencing severe and sustained deposit outflows.
- Internally, employees widely perceived the situation as unsustainable, particularly as rumours intensified regarding potential acquisitions by other institutions.
- The Swiss National Bank (SNB) established liquidity facilities of CHF 30 billion, later increased to CHF 50 billion, in an effort to stabilise the situation. During this period, clients increasingly requested fiduciary deposits only, reflecting heightened risk aversion.
- In the final three days before the resolution, the central bank intervened decisively; however, Credit Suisse had already been effectively excluded from markets.

	<ul style="list-style-type: none"> • During the Q&A session, participants discussed several factors that amplified the liquidity crisis, notably the rapid dissemination of information and rumours through social networks, which significantly accelerated confidence erosion and deposit outflows. • It was agreed that aggressively overpaying deposits is not a sustainable solution, as it merely buys limited time without addressing the root cause of the crisis. The consensus was that management should instead communicate clearly and decisively with the market, firmly reassuring stakeholders that while Credit Suisse faced a profitability challenge, it did not suffer from insolvency.
AOB	<ul style="list-style-type: none"> • N/A