

INTERNATIONAL SECURITIES MARKET ASSOCIATION

**Minutes of the European repo council's general meeting held on March 16, 2004 in Brussels**

Location: Sheraton Brussels Hotel & Towers  
Place Rogier 3  
Brussels

Time: 11.00 – 13.45

**The following members of the European repo committee were present:**

Mr. Ulf Bacher, Dresdner Bank AG, Frankfurt  
Mr. Jean Begonin, Credit Suisse First Boston (Europe) Limited, London  
Mr. Stefano Bellani, J. P. Morgan Securities Ltd., London  
Ms. Clarice Calderoni, UniCredit Banca Mobiliare S.p.A., Milan  
Mr. Eduard Cia, Bayerische Hypo- und Vereinsbank AG, Munich  
Mr. Godfried De Vidts (Chairman), Fortis Bank, Brussels  
Mr. Oscar Huettner, Barclays Capital Securities Limited, London  
Mr. Grigorios Markouizos, Citigroup Global Markets Ltd., London  
Mr. Andrea Masciovecchio, Banca Intesa S.p.A., Milan  
Mr. Edward McAleer, Morgan Stanley & Co. International Ltd., London  
Mr. David McClean, Nomura International plc, London  
Mr. Ashraf Rizvi, UBS AG, London Branch  
Mr. Rudolf Sellinger, Bank Austria Creditanstalt, Vienna

**Apologies:**

Mr. Cameron Dunn, Merrill Lynch International (MLI), London  
Mr. Andrew Lubin, Deutsche Bank AG, London Branch  
Mr. Mark Painting, Goldman Sachs International, London  
Mr. Pierre Renom, BNP Paribas, London Branch  
Mr. Michael Murray, Confederación Española de Cajas de Ahorros (CECA),  
Madrid  
Mr. Nicolas Truong, Société Générale S.A., Paris

**Also present:**

Mr. Adrian Tgetgel, Associate Counsel, ISMA, Zurich

**The following member firms were represented at the meeting:**

ABN AMRO Bank N.V., Amsterdam  
Banca Intesa S.p.A., Milan  
Banco Santander Central Hispano S.A., Madrid  
Banco Bilbao Vizcaya Argentaria S.A., Madrid  
Bank Julius Bär & Co. AG, Zurich  
Bank Austria Creditanstalt AG, Vienna  
Banca Caboto S.p.A., Milan  
Barclays Capital Securities Limited, London  
Bayerische Hypo- und Vereinsbank AG, Munich  
BNP Paribas, Paris  
Caja de Madrid, Madrid  
CCF, Paris  
Confederación Española de Cajas de Ahorros (CECA), Madrid  
Citigroup Global Markets Limited, Madrid  
Credit Suisse First Boston (Europe) Limited, London  
Crédit Agricole Indosuez, Paris  
Crédit Lyonnais S.A., Paris  
Daiwa Securities SMBC Europe Limited, London  
Danske Bank AG, Copenhagen  
Dexia Bank Belgium NV/SA, Brussels  
Dresdner Bank AG., Frankfurt  
DZ Bank AG Deutsche Zentral-Genossenschaftsbank, Frankfurt  
Fortis Bank, Brussels  
Goldman Sachs International, London  
GNI Limited, London  
HBOS Treasury Services plc, London  
HSBC Bank plc, London  
ING Bank N.V., Amsterdam  
ING Belgium SA/NV, Brussels  
J.P. Morgan Securities Ltd., London  
Kredietbank S.A. Luxembourgeoise, Luxembourg  
Landesbank Baden-Württemberg, Stuttgart  
Morgan Stanley & Co. International Ltd., London  
Nomura International plc, London  
Société Générale S.A., Paris  
UBS AG, London Branch, London  
UniCredit Banca Mobiliare S.p.A., Milan  
WestLB AG, Dusseldorf

**The following member firms were not represented at the meeting:**

Aurel Leven Securities, Paris  
Banca d'Intermediazione Mobiliare IMI S.p.A., Milan  
Banca Monte dei Paschi di Siena S.p.A., Milan  
Banca Nazionale del Lavoro S.p.A., Rome  
Bayerische Landesbank Girozentrale, Munich  
Bear, Stearns International Limited, London  
CDC IXIS Capital Markets, Paris  
Commerzbank AG, Frankfurt  
Canadian Imperial Bank of Commerce (CIBC), London Branch  
Deutsche Bank AG, Frankfurt  
Lehman Brothers International (Europe), London  
Lloyds TSB Bank plc, London  
Merrill Lynch International (MLI), London  
Mizuho International PLC, London  
MPS Finance Banca Mobiliare S.p.A., Siena  
NIB Capital Bank N.V., The Hague  
Raiffeisen Zentralbank Oesterreich AG, Vienna  
The Royal Bank of Scotland plc, London  
Tokyo-Mitsubishi International plc, London

**1. Opening of the meeting by the chairman of the European repo committee (ERC committee)**

In his introductory remarks, the chairman first welcomes the council members, observers and guests and then thanks Euroclear Bank S.A., Brussels for hosting today's meeting.

The chairman then updates the council on issues in which the ERC committee was actively involved during the recent months:

On October 6/7, 2003 a repo conference for Central Banks, organised by the European Central Bank in collaboration with ISMA and hosted by the Bank of Italy, was held in Rome. Several ERC committee members gave presentations at this conference.

The European Central Bank recently invited ISMA and several other associations to a meeting to be held in March 2004 aiming to provide clarity to all market participants as to the differences between the various standard agreements and at the same time to explore ways and means to further reduce basis risk resulting from the co-existence of these agreements.

The second ISMA/ACI professional repo market course held on November 17/18, 2003 in Frankfurt was attended by over 250 persons

and again received very high ratings for its quality. It is planned to arrange for a similar event to be held again in November 2004.

On March 10, 2004 a letter was sent by the chairman to the French Trésor outlining the treatment of repo fails under the GMRA and reflecting the ERC committee's position in relation to the imposition of penalties for delivery failures in repo transactions.

The joint publication "An Introduction to Securities Lending" by ACT, BBA, LIBA, ISLA and LSA will be published in the near future<sup>1</sup>.

The ERC committee concluded that for forward/forward transactions, the money market rules should be fully adhered to. Amended repo trading practice guidelines with a revised business day convention were circulated to ERC council members on September 3, 2003.

The ERC committee continues to monitor the development of the Bloomberg repo electronic trading project. A presentation on this project will be given at the next council meeting scheduled for October 21, 2004.

The committee has contacted a representative of MTS trading system, which introduced the execution of buy/sell backs in Germany. MTS was requested to work more closely with the ERC committee in relation to technical issues in order to avoid similar problems such as those that arose in connection with the introduction of the new Italian settlement system Express II.

Following discussion with the ERC committee, Euroclear agreed to reduce the pricing for RABL / intra-borrowing down to 20 basis points.

The ERC committee noted at its last meeting that TBMA, through the European Securitization Forum (ESF), has commenced a project aiming at the creation of a pricing system for asset-backed securities (ABS) and mortgage-backed securities (MBS). The chairman will request the ESF in writing to inform the ERC committee about the details and the status of their project. The council will be updated in this respect at its next meeting.

The ERC committee currently clarifies with the French market issues in connection with the calculation of interest for the last day of a coupon period in respect of Eonia repo trades. The council will be updated on this issue at its next meeting.

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<sup>1</sup> Subsequent to the date of the meeting, the publication was published under <http://www.bankofengland.co.uk/markets/securitieslending.pdf>.

The ERC committee recently noted that some firms currently only confirm the first leg of buy/sell transactions (i.e. the purchase of securities) upon entering into a transaction and then confirm the second leg (i.e. the sell back of securities) not earlier than two days before the execution of the second leg. This practice is considered problematic by the ERC committee in cases of long-term buy sell/backs where mismatched trades remain undetected for a long period of time. A letter will be published on ISMA's website addressing this problem, encouraging firms active in the buy/sell back market to change their current practice and, in the future, confirm both legs of buy/sell back transactions promptly upon entering into the respective transaction.

The committee is currently working on more detailed guidance on how to calculate the re-pricing in case of margining for outstanding repo trades.

The chairman then reports that the German domestic regulator currently privileges only OTC derivatives but not repos with central counterparties as zero-risk weighted transactions. Since other countries have already adopted zero risk weighting for repos with central counterparties the chairman states that following discussions with the European Commission, he understands that the Commission now considers harmonising risk weighting of repos with central counterparties across the European Union.

**2. Approval of the minutes of the ERC general meeting held on September 25, 2003 and dated October 13, 2003**

The minutes of the ERC general meeting held in Luxembourg on September 25, 2003 and dated October 13, 2003 are unanimously approved.

**3. Update on GMRA related and other matters**

Mr. Tgetgel provides the council with an update report in relation to the following matters:

**3.1 Legal opinions**

**3.1.1 Update legal opinions being obtained jointly by ISMA and TBMA**

ISMA is in the process of updating the legal opinions in 34 jurisdictions. In 16 jurisdictions (i.e. Austria, Belgium, Canada, England, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, Netherlands, Portugal, Spain, Switzerland and the US), this exercise is being conducted jointly with TBMA (attachment 1: Slide presentation / slide 1:

List showing all legal opinions obtained jointly by ISMA and TBMA). It is intended to publish the updated opinions by the end of March 2004.

In Belgium, France, Italy, Japan, Luxembourg, Portugal and Spain amendments to relevant laws are likely to be enacted in 2004 but the entering into force remains unclear.

In **Spain** and **Japan** amendments to the insolvency laws are likely to be enacted in 2004 but it is not yet clear what the effective date will be.

In relation to **Belgium, France, Italy, Luxembourg, Portugal** and **Spain** the timetable for the implementation of the EU Collateral Directive is not yet clear.

It was decided at the last ISMA/TBMA Joint Opinion Committee (JOC) meeting to issue the updated opinions for Belgium, France, Italy, Japan, Luxembourg, Portugal and Spain without reference to the prospective amendments. ISMA will establish with the FSA, whether it would be prepared to allow market participants to rely on the updated opinions even though they will not cover the prospective amendments on the basis that these amendments will be addressed in the 2005 updating exercise even if the changes come into effect before then.

In the following countries, amendments to relevant laws are due to become effective shortly. The respective draft legislation is close to finalization and it can be considered unlikely that the current draft legislation will be amended before entering into force:

In **Portugal**, a draft of new insolvency legislation is close to finalization.

The draft legislation implementing the EU collateral directive is due to enter shortly into force in **Germany** and the **Netherlands**.

It was therefore agreed at the last JOC meeting that counsel should update the legal opinions for the above jurisdictions based on the current draft legislation. Assuming that the legislation will in fact be identical with the current draft legislation, counsel will be requested to confirm in a separate letter that the opinions remains valid.

### 3.1.2 New legal opinions being sought jointly by ISMA and TBMA

ISMA expects to publish the new legal opinions for Greece and Poland together with the update legal opinions by the end of March 2004.

An initial draft of the Hungarian opinion will be provided by counsel and then submitted to the JOC for review in due course.

In relation to Norway, local counsel recently informed ISMA that the Norwegian parliament is discussing a bill which will have a major impact on the use of the GMRA in Norway. As and when enacted, the new bill should reduce the need for qualifications in a legal opinion substantially. Following the entering into force of the new law, which is likely to happen in 2004, ISMA will request counsel to produce a first draft opinion.

### 3.1.3 Update legal opinions being obtained by ISMA on its own

With reference to a slide listing the countries for which legal opinions are being updated by ISMA on its own (i.e. Abu Dhabi, Australia, Bahamas, Bahrain, Bermuda, British Virgin Islands, Cayman Islands, Denmark, Hong Kong, Kuwait, Netherlands Antilles, New Zealand, Saudi Arabia, Singapore, South Africa, Sweden, Thailand and Turkey, see slide 2), update opinions for these countries are intended to be published by the end of March 2004 as well.

### 3.1.4 Jurisdictions where the enforceability of the GMRA is being reviewed (see slide 3)

In relation to Croatia, ISMA was recently advised that the situation is still unclear in a number of respects and that there is a certain risk of recharacterization.

In light of this risk, the ERC committee therefore recommended that ISMA should defer the publication of a Croatian legal opinion and monitor the legal developments with a view to ascertaining at what stage a “relatively” clean legal opinion can be obtained.

In relation to Russia, ISMA will continue to monitor legal developments. The current legal position is still not such that a clean legal opinion could be obtained, however.

At the ERC committee’s request, ISMA is currently clarifying whether a clean legal opinion on the enforceability of the GMRA under the laws of Cyprus, South Korea and Taiwan could be obtained.

### 3.2 Promotion of the GMRA

ISMA recently provided the Israeli Ministry of Finance that is currently analysing how best to promote repo with legal background information assisting the Ministry to consider what type of legislative reform is required in Israel in order to facilitate the use of the GMRA in Israel, notably for cross-border transactions with counterparties based outside Israel.

### 3.3 Annexes to the GMRA 2000

The respective organisations in both Switzerland and Australia were recently again contacted to provide ISMA with their feedback required to update the annexes to the GMRA 1995 in order to make them compatible with the GMRA 2000.

In relation to the Japanese securities annex, ISMA and TBMA approached the Japan Securities Dealers Association (JSDA) in respect of a query recently raised by a market participant on the precise scope of application of the annex.

### 3.4 Harmonization of the time periods in ISMA's buy-in / sell-out rules and the mini close-out provisions in the GMRA

At its meeting held on December 12, 2003 and effective January 1, 2004 ISMA's board unanimously approved the shortening of the minimum time period between a failure to deliver and the execution of a buy-in from twelve to five business days. The minimum time period of five business days is now split on the basis of the scenario "0/2/3" business days as described in more detail in the slide chart attached hereto (slide 4; see also ISMA circular to members no. 8 of December 12, 2003).

### 3.5 New recommendation for the shaping of trading tickets for settlement purposes

At its December 12, 2003 meeting and effective January 1, 2004, ISMA's board also unanimously approved a new recommendation for the shaping of trading tickets for settlement purposes (as described by Mr. Tgetgel with reference to slide 5; see also ISMA circular to members no. 9 of December 12, 2003).

## 4. Elections

### 4.1 Elections to the European repo committee

The chairman introduces the following 24 candidates standing for election to fill the 19 vacancies on the ERC committee:

|                    |   |
|--------------------|---|
| Ulf Bacher         | Dresdner Bank AG, Frankfurt                         |
| Antony Baldwin     | Daiwa Securities SMBC Europe Limited, London        |
| Jean Marie Begonin | Credit Suisse First Boston (Europe) Limited, London |



|                        |  |
|------------------------|--|
| Stefano Bellani        | J. P. Morgan Securities Ltd., London                         |
| Francesco Cafagna      | Goldman Sachs International, London                          |
| Clarice Calderoni      | UniCredit Banca Mobiliare S.p.A., Milan                      |
| Michael Chadwick       | HBOS Treasury Services plc, London                           |
| Eduard Cia             | Bayerische Hypo- und Vereinsbank AG,<br>Munich               |
| Jaime Comuni3n Artieda | Caja de Madrid, Madrid                                       |
| Godfried De Vidts      | Fortis Bank, Brussels  |
| Cameron Dunn           | Merrill Lynch International (MLI), London                    |
| Bassma El-Amir         | Deutsche Bank AG, London branch                              |
| Johan Evenepoel        | Dexia Bank Belgium NV/SA, Brussels                           |
| Christoph Finck        | Kredietbank S.A. Luxembourgeoise,<br>Luxembourg              |
| Oscar Huettner         | Barclays Capital Securities Ltd., London                     |
| Andrea Masciovecchio   | Banca Intesa S.p.A., Milan                                   |
| Grigorios Markouizos   | Citigroup Global Markets Limited, London                     |
| Edward McAleer         | Morgan Stanley & Co. International Ltd.,<br>London           |
| Michael Murray         | Confederaci3n Espa1ola de Cajas de<br>Ahorros (CECA), Madrid |
| David McClean          | Nomura International plc, London                             |
| Simon Parkins          | BNP Paribas, London branch                                   |
| Ashraf Rizvi           | UBS AG, London Branch  |
| Rudolf Sellinger       | Bank Austria Creditanstalt AG, Vienna                        |
| Nicolas Truong         | Soci3t3 G3n3rale S.A., Paris                                 |

Subsequently, Mr. Tgetgel explains the election procedure pursuant to ISMA rule 1014, and refers the council to the detailed instructions on the ballot form, which was sent to each council member on March 1, 2004.

Thereafter, the ERC council member representatives attending the meeting cast their votes by using the ballot form, which is again distributed at the meeting.

4.2 Election of a nominee for appointment by the ISMA board as a member of the IRC committee

In relation to the IRC committee, Mr. Tgetgel reports that the three-year term of office of Mr. Ulf Bacher, member and vice chairman of the IRC committee, has expired at today's meeting. Therefore, a nominee for appointment by ISMA's board as member and vice chairman of the IRC committee will have to be determined by the ERC council at today's meeting (ISMA rule 1012.2).

Mr. Bacher stands for re-election to the IRC committee.

Mr. Tgetgel enquires whether other individuals (ERC council member representatives only) also wish to stand for election to fill the vacancy on the IRC committee.

As this is not the case, following a show of hands the chairman notes that the ERC council unanimously determines Mr. Bacher as nominee for appointment by the ISMA board as a member of the IRC committee for another term of office of three years to expire at the annual general meeting to be held in spring 2007.

The chairman also notes that at its general meeting held on September 25, 2003 the ERC council had determined to propose, and ISMA's board had appointed, himself as a member and chairman of the IRC committee for a term of office to expire at the ERC council annual general meeting to be held in spring 2006.

The IRC committee is therefore comprised of the following two individuals:

Mr. Ulf Bacher, with a term of office to expire at the annual general meeting to be held in spring 2007.

Mr. Godfried De Vidts, with a term of office to expire at the annual general meeting to be held in spring 2006.

5. **Collateral framework of the European Central Bank**

Mr. Bacher gives a slide presentation on the collateral framework of the European Central Bank. A copy of the presentation is attached to these minutes (attachment 2).

6. **Electronic repo market in the Euro zone in 2004**

Mr. Andreas Plesser of Bearing Point GmbH, Frankfurt gives a slide presentation on the electronic repo market in the Euro zone in 2004. A copy of the presentation is attached to these minutes (attachment 3). The detailed study entitled “the electronic repo market 2004 – an analysis of the electronic repo market in the Euro zone, second edition” can be ordered at [http://www.bearingpoint.de/content/library/138\\_2211.htm](http://www.bearingpoint.de/content/library/138_2211.htm)

7. **Evolution of settlement infrastructure to support the growing repo market**

Ms. Kathleen Holemans of Euroclear Bank S.A., Brussels gives a slide presentation on the evolution of the settlement infrastructure. A copy of the presentation is attached to these minutes (attachment 4).

8. **New Italian settlement system Express II of Monte Titoli**

Mr. Giovanni Sabatini of Monte Titoli S.p.A., Milan gives a slide presentation on the new Italian settlement system Express II. A copy of the presentation is attached to these minutes (attachment 5).

**With reference to the elections to the ERC committee**, Mr. Tgetgel informs the council at this stage of the meeting that in a first ballot 18 candidates were elected. He reports that for the 19<sup>th</sup> vacancy on the committee, two candidates obtained the same number of votes. As candidates are elected in the order of relative majority, Mr. Tgetgel states that a second ballot must be held between these two candidates to fill the 19th vacancy on the committee.

Subsequently, a second ballot form listing the two candidates is distributed to council member representatives who give their vote.

9. **Eurepo project**

The chairman reports that ISDA has approved the draft of the text that has now been included in ISDA’s definitions code.

Mr. Danny Corrigan of Intercapital Europe Limited gives a slide presentation on the Eurepo project. A copy of the presentation is attached to these minutes (attachment 6).

**10. Results of ISMA's sixth semi-annual European repo market survey of December 10, 2003**

Mr. Richard Comotto of ISMA Centre, University of Reading gives a slide presentation on the results of ISMA's sixth semi-annual European repo market survey of December 10, 2003 (attachment 7).

All participants active in the European repo market are invited to participate in ISMA's seventh survey of the European repo market which will provide a "snapshot" of the market at close of business on Wednesday, June 9, 2004. Participants in the survey are requested to provide their data early enough and to visit ISMA's webpage (<http://www.isma.org/surveys/repo.html>) for further information in this respect.

**11. Results of the elections to the European repo committee**

Based on the two ballots held, the chairman announces the new composition of the ERC committee as follows:

|                   |   |
|-------------------|---|
| Ulf Bacher        | Dresdner Bank AG, Frankfurt                         |
| Jean Begonin      | Credit Suisse First Boston (Europe) Limited, London |
| Stefano Bellani   | J. P. Morgan Securities Ltd., London                |
| Francesco Cafagna | Goldman Sachs International, London                 |
| Eduard Cia        | Bayerische Hypo- und Vereinsbank AG, Munich         |
| Clarice Calderoni | UniCredit Banca Mobiliare S.p.A., Milan             |
| Godfried De Vidts | Fortis Bank, Brussels                               |
| Cameron Dunn      | Merrill Lynch International (MLI), London           |
| Johan Evenepoel   | Dexia Bank Belgium NV/AS, Brussels                  |
| Bassma El-Amir    | Deutsche Bank Ag, London branch                     |
| Oscar Huettner    | Barclays Capital Securities Limited, London         |

|                      |   |
|----------------------|---|
| Andrea Masciovecchio | IntesaBci S.p.A., Milan                                   |
| Grigorios Markouizos | Salomon Brothers International Ltd., London               |
| Edward McAleer       | Morgan Stanley & Co. International Ltd., London           |
| Michael Murray       | Confederación Española de Cajas de Ahorros (CECA), Madrid |
| David McClean        | Nomura International plc, London                          |
| Simon Parkins        | Goldman Sachs International, London                       |
| Ashraf Rizvi         | UBS AG, London Branch                                     |
| Nicolas Truong       | Société Générale S.A., Paris,                             |

all of them with a term of office to expire at the annual general meeting to be held in spring 2005.

**12. Any other business**

No comments.

**13. Next meeting**

The next general meeting of the European repo council will be held on Thursday, October 21, 2004 at 15.00 at Bloomberg in London.

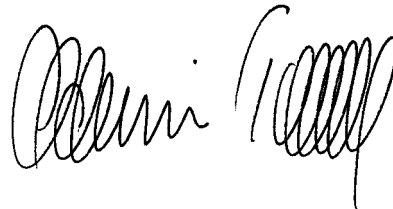
April 1, 2004  
AT/ys

The Chairman



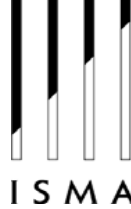
Godfried De Vidts

The Secretary



Adrian Tgetgel

Attachments



**European Repo Council General Meeting, March 16, 2004**

**GMRA**

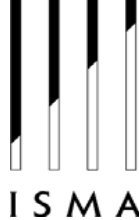
**1. List of legal opinions being obtained / sought jointly by ISMA and TBMA**

Update legal opinions

|            |                 |
|------------|-----------------|
| 1. Austria | 9. Italy        |
| 2. Belgium | 10. Japan       |
| 3. Canada  | 11. Luxembourg  |
| 4. England | 12. Netherlands |
| 5. Finland | 13. Portugal    |
| 6. France  | 14. Spain       |
| 7. Germany | 15. Switzerland |
| 8. Ireland | 16. USA         |

**New legal opinions**

|            |
|------------|
| 1. Greece  |
| 2. Poland  |
| 3. Hungary |
| 4. Norway  |



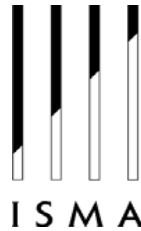
**European Repo Council General Meeting, March 16, 2004**

**GMRA**

**2. List of legal opinions being obtained by ISMA on its own**

**Update legal opinions**

|                                  |                                 |
|----------------------------------|---------------------------------|
| <b>1. Abu Dhabi</b>              | <b>10. Kuwait</b>               |
| <b>2. Australia</b>              | <b>11. Netherlands Antilles</b> |
| <b>3. Bahamas</b>                | <b>12. New Zealand</b>          |
| <b>4. Bahrain</b>                | <b>13. Saudi Arabia</b>         |
| <b>5. Bermuda</b>                | <b>14. Singapore</b>            |
| <b>6. British Virgin Islands</b> | <b>15. South Africa</b>         |
| <b>7. Cayman Islands</b>         | <b>16. Sweden</b>               |
| <b>8. Denmark</b>                | <b>17. Thailand</b>             |
| <b>9. Hong Kong</b>              | <b>18. Turkey</b>               |



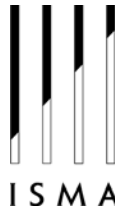
## **European Repo Council General Meeting, March 16, 2004**

### **GMRA**

#### **3. List of jurisdictions where the enforceability of the GMRA is being reviewed**

- 1. Croatia**
- 2. Russia**
- 3. South Korea**
- 4. Taiwan**
- 5. Cyprus**





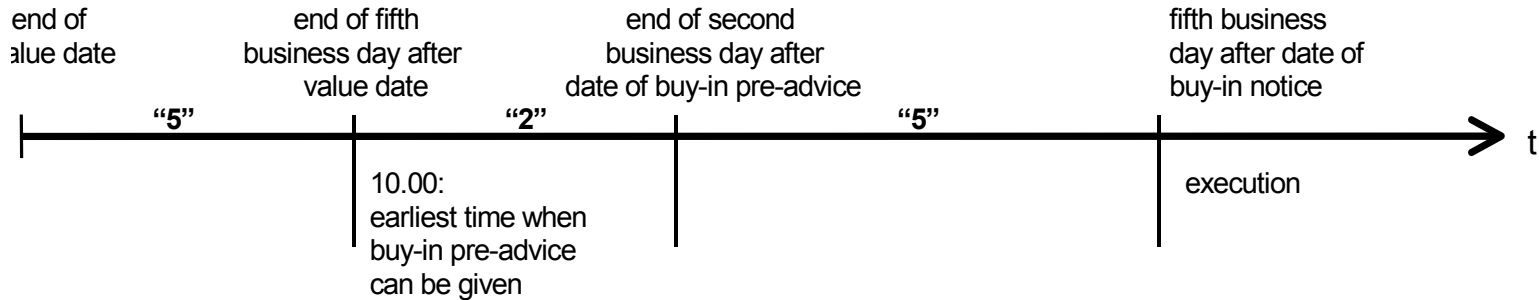
**European Repo Council General Meeting, March 16, 2004**

**The time periods in ISMA's buy-in rules**

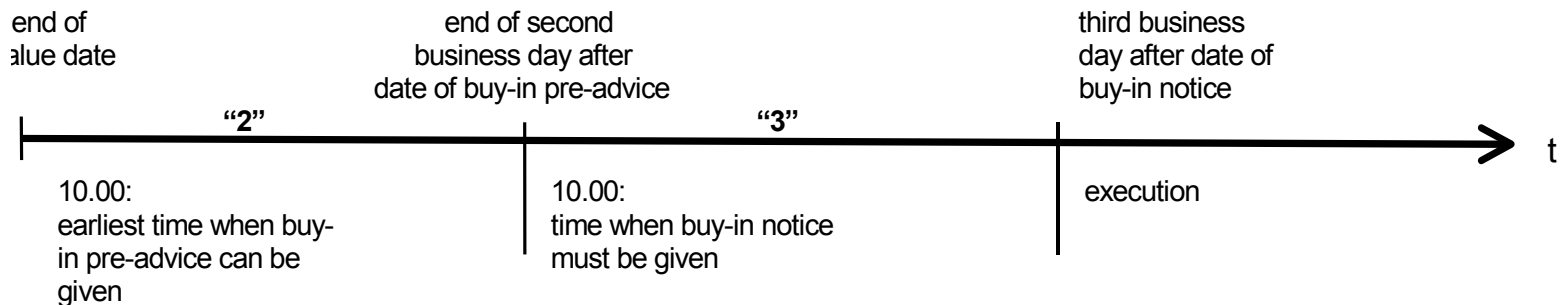
**The old scenario effective until December 31, 2003: 5/2/5 business days**

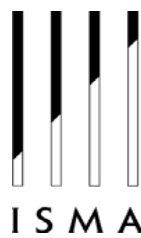
**The new scenario effective from January 1, 2004 : 0/2/3 business days**

**The old scenario effective until December 31, 2003: 5/2/5 business days**



**The new scenario effective from January 1, 2004: 0/2/3 business days**





## **European Repo Council General Meeting, March 16, 2004**

### **Recommendation for the shaping of trading tickets for settlement purposes**

Members are strongly encouraged to split their transactions into maximum ticket sizes for settlement purposes as follows:

- (i) for transactions in EUR denominated securities, EUR 50 million and multiples thereof, if applicable;
- (ii) for transactions in USD denominated securities, USD 50 million and multiples thereof, if applicable;
- (iii) for transactions in GBP denominated securities, GBP 50 million and multiples thereof, if applicable;
- (iv) for transactions in YEN denominated securities, YEN 50 billion and multiples thereof, if applicable;
- (v) for transactions in securities denominated in currencies other than those referred to in (i) to (iv) above, the equivalent (appropriately rounded, if necessary) of EUR 50 million and multiples thereof, if applicable.



# Measures to improve the collateral framework in the Eurosystem

A summary of the answers to the public consultation of the ECB

**Ulf Bacher**

**ERC Meeting**

**Brussels 16<sup>th</sup> March 2004**

# Background

- In the current collateral framework of the Eurosystem eligible assets are divided into two tiers
- Tier one assets based on euro area-wide eligibility criteria
- Tier two assets based on national eligibility criteria, subject to the minimum eligibility criteria established by the ECB
- The current collateral system of the Eurosystem is working well, but.....

- How can this heterogeneity be reduced?
- Is there a level playing field for all counterparties?
- Under which conditions could the two tiers be merged in order to obtain a single list?
- The Governing Council of the ECB, before taking a decision, has collected market participants' views on possible changes via a public consultation during summer 2003

## Views of the financial sector industry

- 59 responses to the public consultation submitted by individual banks and associations of market participants
- Wide agreement over the direction of the reform
- Increasing needs in the financial markets for collateral (securitisation, development of the Repo-Market, payment and securities settlement systems)

## General comments

- Single list of eligible collateral to establish a level playing field between counterparties
- Streamlining and harmonisation of collateral handling
- Access to the same collateral at an equivalent cost for all counterparties
- Simplification of administrative procedures
- Increased transparency with regard to the procedures used to determine the eligibility of assets (one central database for eligibility-checks)

## Categories of assets (1)

- Ideally, current tier one and all tier two assets extended to all euro area into a single list
- Strong support for bank loans
- Portfolio approach for bank loans in line with ABS practices
- Acceptance of internal rating models for bank loans (Basle II models)
- Maximum flexibility for bank loans (no minimum/maximum maturity)



## Categories of assets (2)

- No fee for bank loans
- Efficient and automated procedures for handling bank loans
- Equities to be included
- Debt instruments in euro issued by issuers in non-EEA G10 countries
- Debt instruments issued in other G10 currencies

## Next step

- Views expressed in this summary reflect the opinion of the financial sector industry
- Eurosystem will consider market views when taking its decisions on improving the collateral framework
- The Governing Council of the ECB has not yet finalised its deliberations, a final decision is not expected before mid-2004



Attachment 3

ERC council general meeting, 16.3.04

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# **“The Electronic REPO Market 2004“**

## **– Major Survey Results –**

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**Authors: Frank Gast & Andreas Plesser**  
**BearingPoint GmbH, Financial Services, Frankfurt**

**Date: March 16, 2004**

## Participants

- First survey in 2002 (formerly KPMG Consulting)
- 2nd Edition in 2003/2004 with over 40 interviews with market experts (European banks, ATs, Tri-Party agents and clearing & settlement institutions)
- Official publication and distribution of survey results by end of March 2004

## Key Topics

- Overview of the major electronic platform providers, including their current market positioning and strengths and weaknesses
- Comparison of front and back-office processes between German and London based banks
- Definition of a “Best-Practise” approach for repo trading (front and back office)
- Comparison of the two major CCPs in Europe (Eurex Clearing and LCH.Clearnet)

## Extract of Major Results

- European ATS repo landscape is taking form – leading ATS: **BrokerTec** (Euro Gov. esp. bunds), **Eurex Repo** (Pfandbriefe), **MTS Group** (Italian collateral)
  - London based banks have reached the highest level of STP in our survey. Thereby transacting more than 60% of their repo business electronically without manual intervention
  - Major German based banks are trading up to 60% of their transactions electronically; smaller banks 25-30% – but missing interfaces to ATSs and high level of manual procedures
- ➔ Only top market players are realising benefits of ATS repo trading in terms of STP
- ➔ Improvements in processes, systems and interfaces are necessary

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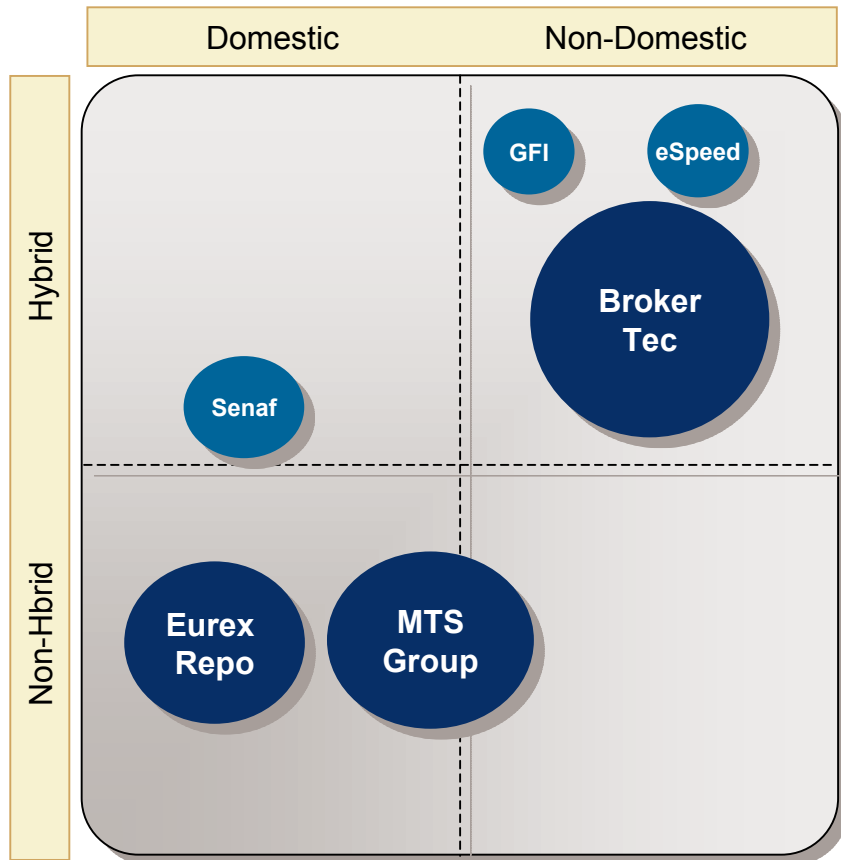
# **Competitive Positioning of Major REPO Platform Providers**

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# Competitive positioning of the major repo platform providers

## Competitive positioning in the Euro repo market

## Facts\*



High Liquidity
  Low Liquidity

| Platforms  | BrokerTec   | Eurex Repo   | MTS Group   |
|--|---|--|---|
| <b>Liquidity – (approx). outstanding volume (single count)</b> | <ul style="list-style-type: none"> <li>~ € 180 billion</li> </ul>   | <ul style="list-style-type: none"> <li>~ € 20-22 billion**</li> </ul>  | <ul style="list-style-type: none"> <li>~ € 55-65 billion</li> </ul>   |
| <b>Volume distribution &amp; products</b>                      | <ul style="list-style-type: none"> <li>~ 50% German Government Bonds</li> <li>~ 50% Others: French, UK, Belgium, Greece etc.</li> </ul> | <ul style="list-style-type: none"> <li>~ 70% German Pfandbriefe</li> <li>~ 30% German government bonds &amp; KfW/Länder</li> <li>Other collateral planned</li> </ul> | <ul style="list-style-type: none"> <li>~ 95% Italian collateral (e.g. government bonds)</li> <li>~ 5% Other European bonds</li> </ul> |
| <b>Participants</b>  | <ul style="list-style-type: none"> <li>More than 60</li> </ul>  | <ul style="list-style-type: none"> <li>Almost 30**</li> </ul>  | <ul style="list-style-type: none"> <li>~ 230 (not all are active in trading repos)</li> </ul>   |

\* As of November 2003

\*\* Additionally in Swiss Franc repo market: > CHF 50 billion, ~ 120 participants

# Top identified strengths and weaknesses of the major repo platform providers



| <b>ATS</b>               | <b><i>Top identified strengths from the interviews</i></b>  | <b><i>Top identified weaknesses from the interviews</i></b>   |
|--------------------------|---|---|
| <b><i>BrokerTec</i></b>  | <ul style="list-style-type: none"> <li>● Market leader in government bonds segments (especially German, British and French securities)</li> <li>● High liquidity and narrow spreads</li> <li>● State-of-the-art trading technology and functionality</li> <li>● High quality of sales and marketing staff</li> <li>● Outstanding customer service</li> </ul>  | <ul style="list-style-type: none"> <li>● High barriers to entry due to initial high investments</li> <li>● Cross selling becomes difficult because of minimal liquidity in cash products</li> <li>● Concerns of market participants regarding new hybrid business model with ICAP in terms of transparency</li> </ul> |
| <b><i>Eurex Repo</i></b> | <ul style="list-style-type: none"> <li>● Market Leader in German Jumbo Pfandbrief segment</li> <li>● Low barriers to entry, open-shop design and independent governance structure set prerequisites for high participant base with small- to medium-sized banks</li> <li>● CCP functionality (Eurex Clearing)</li> <li>● Participation of German Finance Agency (Finanzagentur)</li> <li>● Innovative business strategies (e.g. Euro GC Pooling)</li> </ul> | <ul style="list-style-type: none"> <li>● Low volume in the German bund segment</li> <li>● Lack of further global players</li> <li>● Product range limited to German instruments</li> <li>● Lack of settlement netting functionality (Eurex Clearing)</li> </ul>   |
| <b><i>MTS Group</i></b>  | <ul style="list-style-type: none"> <li>● Market leader in Italian government bonds segment</li> <li>● Broad range of instruments</li> <li>● First-to-market advantage</li> <li>● High domestic market penetration through integration of central banks and loyalty of major players</li> </ul>  | <ul style="list-style-type: none"> <li>● Parallel CCP and bilateral model (northern European banks)</li> <li>● Limited use of CCP (more than 90 percent are bilateral transactions)</li> <li>● Important role in repo segment only in Italian market</li> <li>● Older technology of the trading system</li> </ul>     |

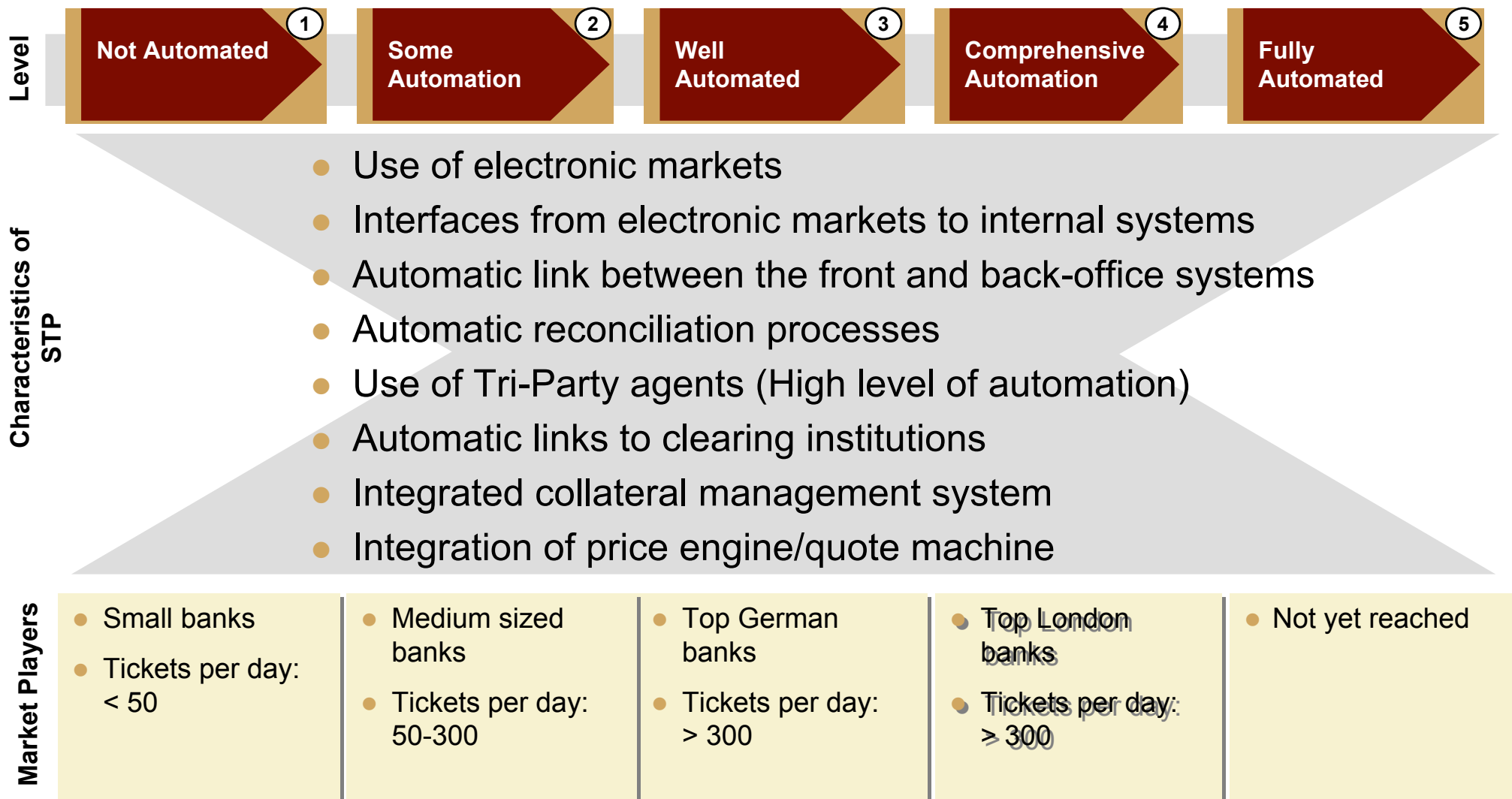


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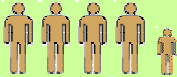

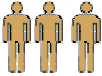
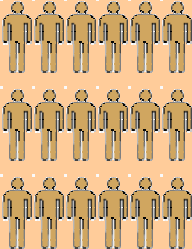





# **Integration of Electronic REPO Trading – Best Practise Approach for Banks**

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# Different STP levels with the use of electronic repo trading platforms



# How does the different STP levels translate into resource count?

| STP Phase  | 1<br>Not Automated  | 2<br>Some Automation   | 3<br>Well Automated   | 4<br>Comprehensive Automation   | 5<br>Fully Automated  |
|--|---|--|---|---|---|
| Resources  |   | Cost control necessary   | Further automation necessary (Tri-Party etc.)                                       | High degree of sophistication and automation (larger prod. offering)                | Not yet reached because of settlement inefficiencies and regulatory issues          |
| Trading  |  |   |  |  |  |
| Middle Office  |   |   |  |  |  |
| Back Office  |  |  |  |  |  |
|  FO<br>$\Sigma$  Support | 2 FO<br>0 MO<br>2-3 BO  | 5-7 FO<br>1-2 MO<br>10-20 BO   | 6-8 FO<br>4-6 MO<br>2-4 BO  | 7-10 FO<br>4-5 MO<br>1-2 BO   | 3-5 FO<br>1 MO<br>1 BO  |

# Contact



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andreas.plesser@bearingpoint.com

The survey will be available by end of March 2004.  
For a copy of the survey (free of charge) please mail to  
[fsmarketingeurope@bearingpoint.com](mailto:fsmarketingeurope@bearingpoint.com) or call +49 69 13022 3300.

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# Back Up

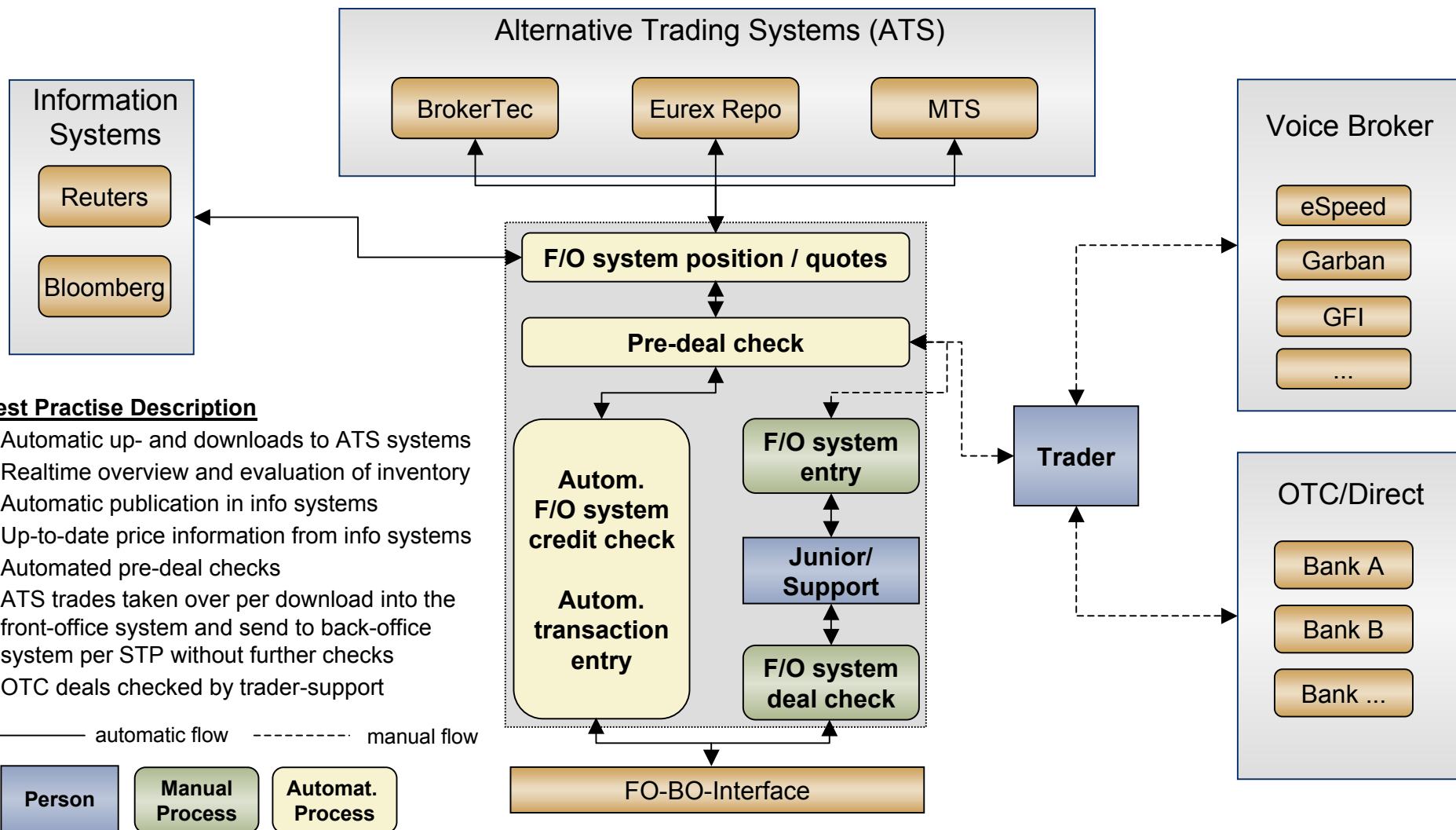
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# Different STP levels with the use of electronic repo trading platforms



| Level                  | 1<br>Not Automated   | 2<br>Some Automation  | 3<br>Well Automated   | 4<br>Comprehensive Automation   | 5<br>Fully Automated  |
|------------------------|--|---|---|---|---|
| Characteristics of STP | <ul style="list-style-type: none"> <li>• Use of only one electronic market</li> <li>• No automatic link between the front and back-office systems</li> <li>• All reconciliation processes are done manually</li> </ul> | <ul style="list-style-type: none"> <li>• Gateways to markets do not exist (double entry)</li> <li>• No use of Tri-Party agents (or in process of being connected)</li> <li>• Automatic link between the front and back-office systems</li> <li>• Front and back-office intervention are required</li> <li>• Semi-automatic links to clearing inst.</li> </ul> | <ul style="list-style-type: none"> <li>• Gateway to all markets (eg. Ion)</li> <li>• Semi-automatic integration of Tri-Party agents</li> <li>• Some front and back-office intervention required</li> <li>• Settlement fails are automatically identified and the counterparty is informed through the back-office</li> <li>• Specialized repo software</li> </ul> | <ul style="list-style-type: none"> <li>• Automatic links to Tri-party agents</li> <li>• Integration of price engine/quote machine</li> <li>• Minimum front and back-office interventions</li> </ul> | <ul style="list-style-type: none"> <li>• Integrated collateral pool (including all branches)</li> <li>• Computerized trading supported</li> <li>• No manual intervention in front and back office required</li> <li>• Settlement fails are automatically identified and notice is sent to counterparty</li> </ul> |
| Market Players         | <ul style="list-style-type: none"> <li>• Small banks</li> <li>• Tickets per day: &lt; 50</li> </ul>  | <ul style="list-style-type: none"> <li>• Medium sized banks</li> <li>• Tickets per day: 50-300</li> </ul>   | <ul style="list-style-type: none"> <li>• Top German banks</li> <li>• Tickets per day: &gt; 300</li> </ul>   | <ul style="list-style-type: none"> <li>• Top London banks</li> <li>• Tickets per day: &gt; 300</li> </ul>   | <ul style="list-style-type: none"> <li>• Not yet reached</li> </ul>   |

# Best Practise – Trading (High Level Model)



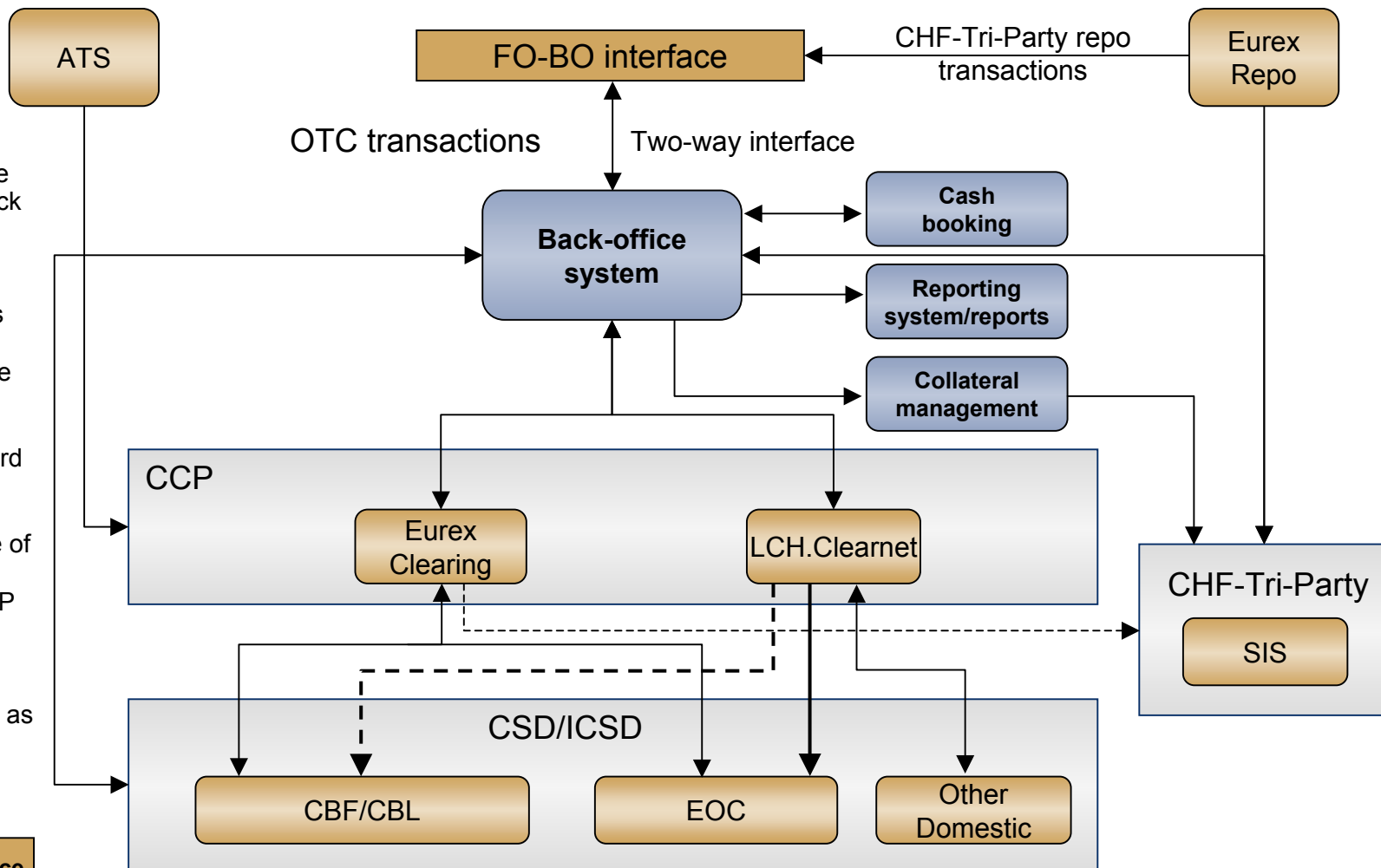
## Best Practise Description

- Automatic up- and downloads to ATS systems
- Realtime overview and evaluation of inventory
- Automatic publication in info systems
- Up-to-date price information from info systems
- Automated pre-deal checks
- ATS trades taken over per download into the front-office system and send to back-office system per STP without further checks
- OTC deals checked by trader-support

# Best Practise – Back Office (High Level Model)

## Best Practise Description

- There is a two-way-interface between front office and back office systems for real-time matching of inventory
- There are interfaces to all relevant clearing institutions and CSDs/ICSDsEs
- Most of the reporting is done via Swift-Standard.
- Check of counterparty confirmations only for forward repos; ATS reports and settlement matching only
- Manual actions only in case of exceptions or fails
- All ATS transactions via STP
- Tri-party repo leads to maximization of ticket numbers with low volumes and narrow spreads as well as reduction of back office resources







*BearingPoint*<sup>TM</sup>

**Business and Systems Aligned. Business Empowered.<sup>TM</sup>**



Attachment 4

ERC council general meeting, 16.3.04

# Evolution of settlement infrastructure to support the growing repo market

**ERC meeting**

**March 16, 2004**



# Settlement infrastructure evolves towards more efficiency, less risk and lower costs

- Improve interoperability between settlement systems
  - Synchronization of settlement timings
  - Multiple turnaround capability
- Encourage earlier settlement
  - Reduction of gridlock risk
  - Earlier confirmation of funding needs
  - More time for repairs and adjustments
- Use securities borrowing to expedite settlement
  - To facilitate chains and for fails
  - Right economic incentive for borrowers and lenders

# Recent and ongoing changes to settlement infrastructure

- **March 2002: Real Time Lending and Borrowing in Euroclear Bank**
  - New end-of-day lending and borrowing process introduces possibility for same day reimbursement and borrowing
- November 2003: New German Settlement Model in Germany
  - Introduction of finality in German overnight cycle reduces risk of unwind
- January 2004: Express II for Government Debt
- **February 2004: Automatic Real Time Settlement in Euroclear Bank**
  - Extended settlement windows and further harmonization with local markets increase efficiency
- **February 2004: Review of securities lending and borrowing fees**
  - Reduction of intra-day borrowing fee from 30 to 20 bps lowers costs
- **June - November 2004: Automated Daytime Bridge (phase 1-2)**
  - New positioning rules and further harmonization with CBL reduce risk and increase efficiency

# Automatic Real Time Settlement

- Scope

- Extension of automatic settlement window until completion of the end-of-day lending and borrowing process
- Use of same-day indicator to settle in the optional window
- New input deadlines:
  - ▣ 13:30 on S for automatic settlement in the real-time process
  - ▣ 17:30 on S for optional settlement in the real-time process

- Benefits

- Increase settlement efficiency
- Optimise daily cross-border activity
- Facilitate same-day activity (repo, lending, short-term issuance...)

# Benefits of phase 1 and phase 2

## Phase 1 - June 2004

- Input deadline extended to 20:30 on S-1
- Automatic daytime recycling of failed matched Bridge instructions
- Additional settlement opportunities during the day
- Better risk management between the ICSDs

## Phase 2 - November 2004

Full real-time settlement for all Bridge instructions :

- Input deadline extended to 11:00 on S for automatic settlement
- Input deadline of 13:30 on S for optional settlement

Questions ?



euroclear





**MONTE TITOLI**  
GRUPPO BORSA ITALIANA

# **EXPRESS 2: The way forward**

Giovanni Sabatini  
CEO  
Monte Titoli Spa

16 March 2004  
European Repo Council



## Agenda

### **Highlights and Roll-back algorithm**

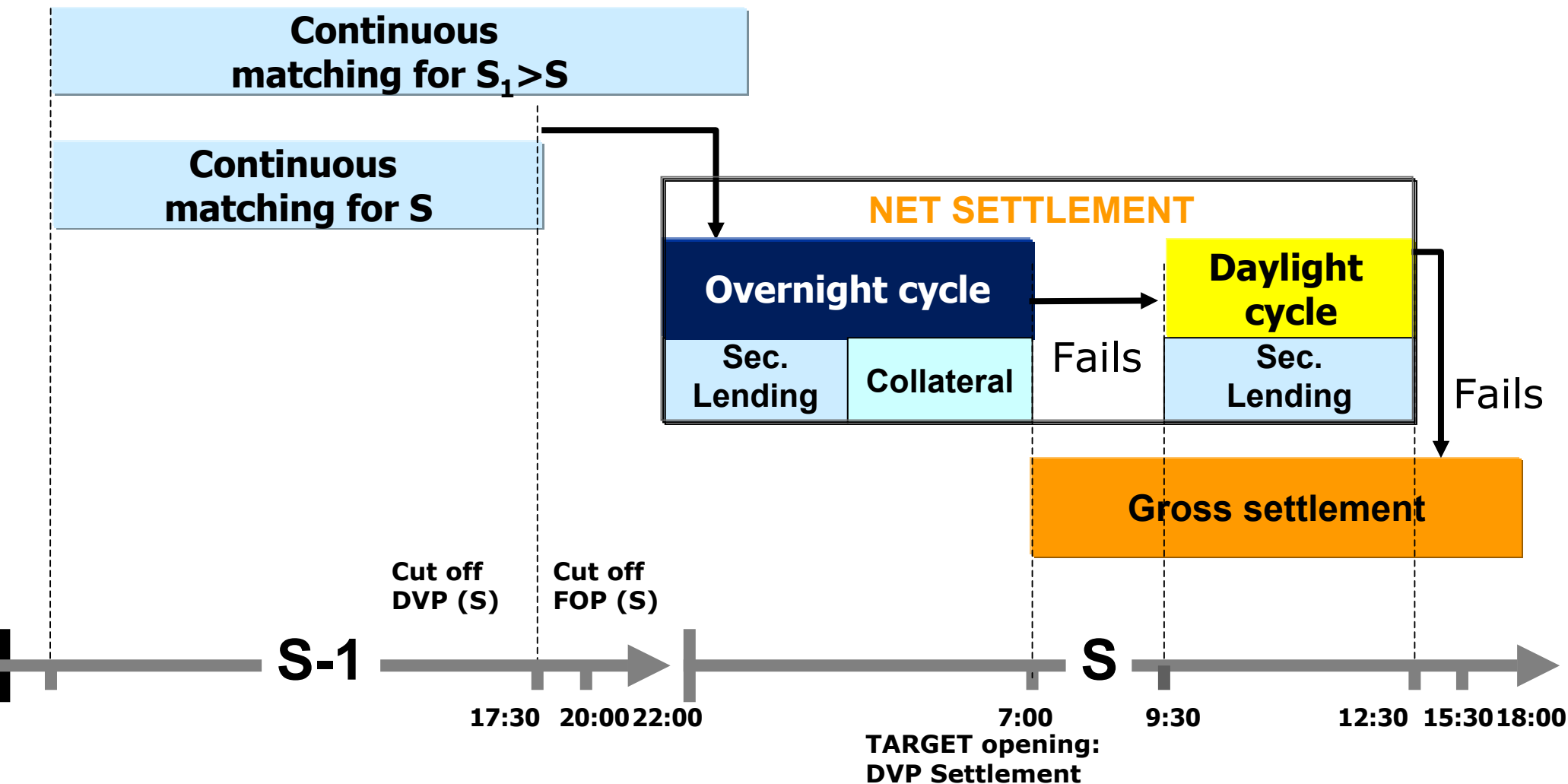
 Short term actions

 Medium term developments

 Statistical data



# Settlement Architecture and Timeline





## Purchasing Power

- **Liquidity Reserve:** funds available for settlement held in Bank of Italy
- **Income on Government Bonds:** payments of interests and redemptions of Government Bonds falling due on settlement date
- **Firm Collateralization:** use of securities held on property accounts as collateral to receive intraday liquidity from Bank of Italy
- **Self Collateralization:** use of securities resulting from the settlement process itself (property and segregated accounts) as collateral to receive intraday liquidity from Bank of Italy



## The roll-back algorithm for Express 2: Dispelling the Myth

- The algorithm seeks the optimal settlement efficiency for the market overall – not for one participant – making optimum use of the available collateral, cash and securities
- The mechanism operates according to the published Priorities approved by the Regulators
- The Algorithm provides predictable & deterministic results – it is not a 'black box' – it is operating according to its design criteria
- Settlement statistics demonstrate that the process is efficient and highly reliable in operation, with no technical failures



## Enhancements to further improve the algorithm performance

- In a multilateral netting process, the lack of cash/ securities can cause unwinding of instructions according to the system's rules
- It may happen that one of the unwound transactions forces unwinding of other instructions, for example of so-called opposed transactions (two contracts between two counterparties exchanging the same quantity of securities but a different countervalue)
- Enhancements under consideration include an additional process to identify and handle this type of transactions, after the night optimization process has been completed



## Agenda

- ≡ Highlights and Roll-back algorithm
- ≡ **Short term actions**
- ≡ Medium term developments
- ≡ Statistical data



## A new timetable to support the foreign intermediaries' activities

| Operating phase   | Actual timetable | Proposed new timetable | Rationale for change   |
|---|------------------|------------------------|--|
| Closure of the nightlight cycle   | 7.00             | 7.00                   |  |
| Opening of the daylight net cycle   | 9.30             | 9.30                   |  |
| Cut-off time for securities and caps shortfall coverage                       | 11.00            | 11.30                  | - give the intermediaries more time in order to cover their positions<br>- increase the efficiency of the system by reducing the number of transactions to be sent to the gross settlement process |
| Closure of the daylight net cycle   | 12.30            | 12.30                  |  |
| Cut-off time of the gross settlement system for failing transactions          | 15.30            | 16:30 / 17:00          | - Encompass the needs of the foreign intermediaries  |
| Closure of the gross settlement process                                       | 18.00            | 18.00                  |  |
| RRG-Net: cut off time for instructions to be settled in T+1 (securities/cash) | 17.30            | 18.00                  | - Encompass the needs of the foreign intermediaries  |





## Securities borrowing & lending

Points raised from the ERC:

- More flexibility in the structure of the lending service
- Monte Titoli in the role of principal

General remarks:

- The Italian legal framework constrains the level of risk which the CSD can assume in its activities

Short term actions of Monte Titoli

- Drafting a consultative document (second quarter 2004) to discuss with the market participants changes in:
  - simplification of contractual arrangements
  - the duration of the lending contract
  - the settlement process for the execution of the lending contract
- Discussing with market participants and authorities possible solutions to overcome legal constraints



## Changes in the shaping mechanism

Points raised from the ERC:

- Extend the shaping mechanism to include OTC transactions

General remarks:

- Up to now the shaping mechanism has been applied only for contracts dealt on the markets and guaranteed by the CCP

Short term actions of Monte Titoli

- Increasing the efficiency of the mechanism by shaping failing transactions in different amounts (according to the underlying type of securities - bonds versus shares)
- Welcoming the ISMA recommendations and looking into the feasibility of extending the shaping mechanism to the non-guaranteed and OTC transactions



## Measures to improve market efficiency

Points raised from the ERC:

- Re-examine the rationale behind the penalties and fees structure

General remarks: the aims of the Monte Titoli are:

- Improve the efficiency of the system
- Encourage fair and sound behavior of all intermediaries

Short term actions of Monte Titoli

- Updating the operating timetable of Express II
- Improving the interaction and communication with foreign market participants and their respective Associations
- Re-considering the securities lending service, including the fee structure
- A consultative document on measures to promote market efficiency (second quarter 2004)



## Compensation of the settlement fees for the last week of January

Points raised from the ERC:

- Compensation

Short term actions of Monte Titoli

- Monte Titoli has decided to waive Express 2 settlement fees for the last week of January



## Agenda

- ≡ Highlights and Roll-back algorithm
- ≡ Short term actions
- ≡ **Medium term developments**
- ≡ Statistical data



## Medium term developments of Express 2

- Improve interoperability:
  - Harmonization of timetable with ICSDs
  - Updating links (upgrading existing links to DvP links)
- Improve the interaction with the payment systems
  - Cross-border guarantee model
  - Target 2
- Improve the gross settlement process
  - queue management
  - partial delivery
- Other measures
  - Introducing a client platform able to integrate custody, matching and settlement facilities (with complete reporting)



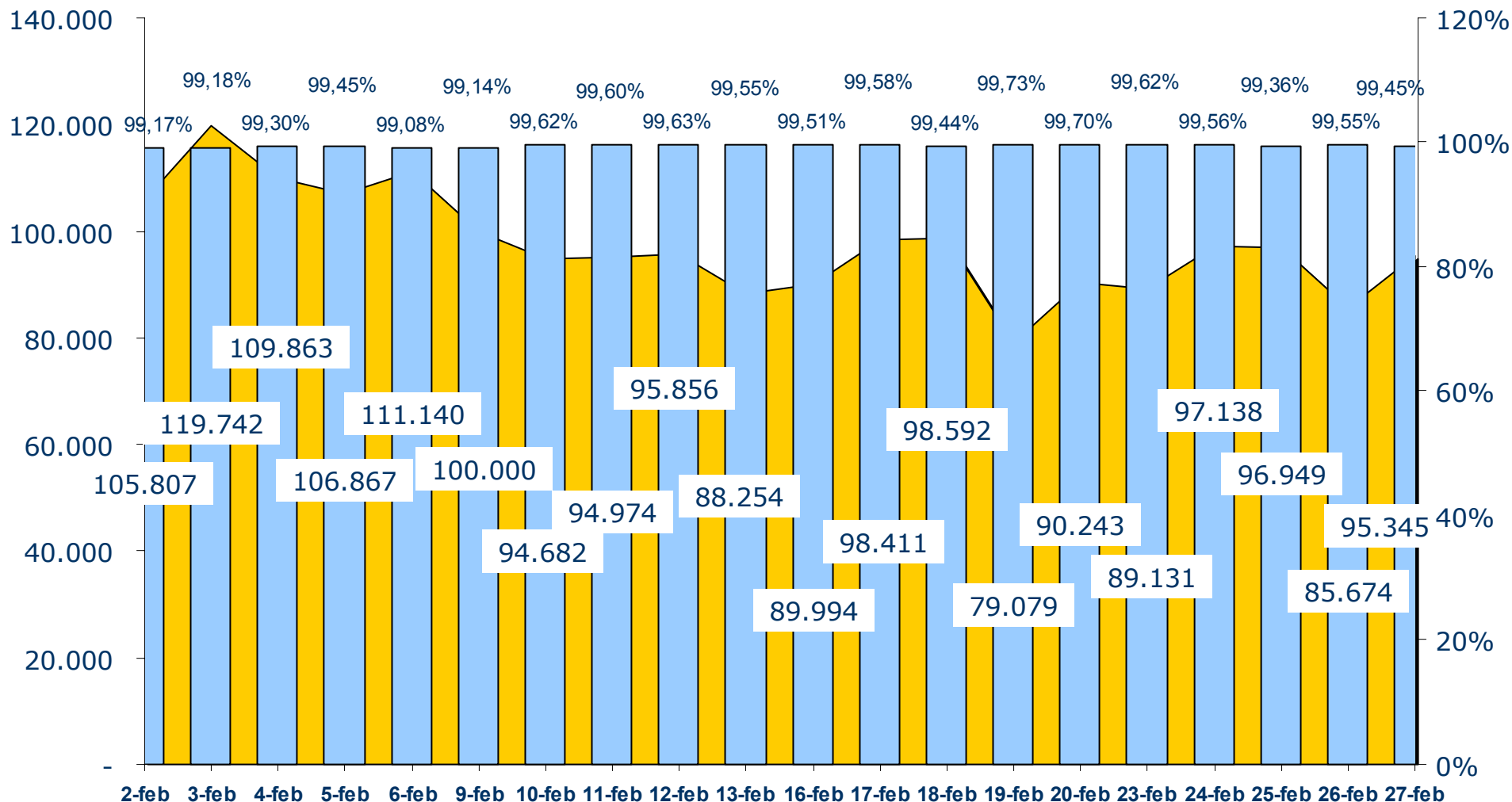
## Agenda

- ≡ Highlights and Roll-back algorithm
- ≡ Short term actions
- ≡ Medium term developments
- ≡ **Statistical data**



## Number of transactions settled at the end of the daylight net cycle

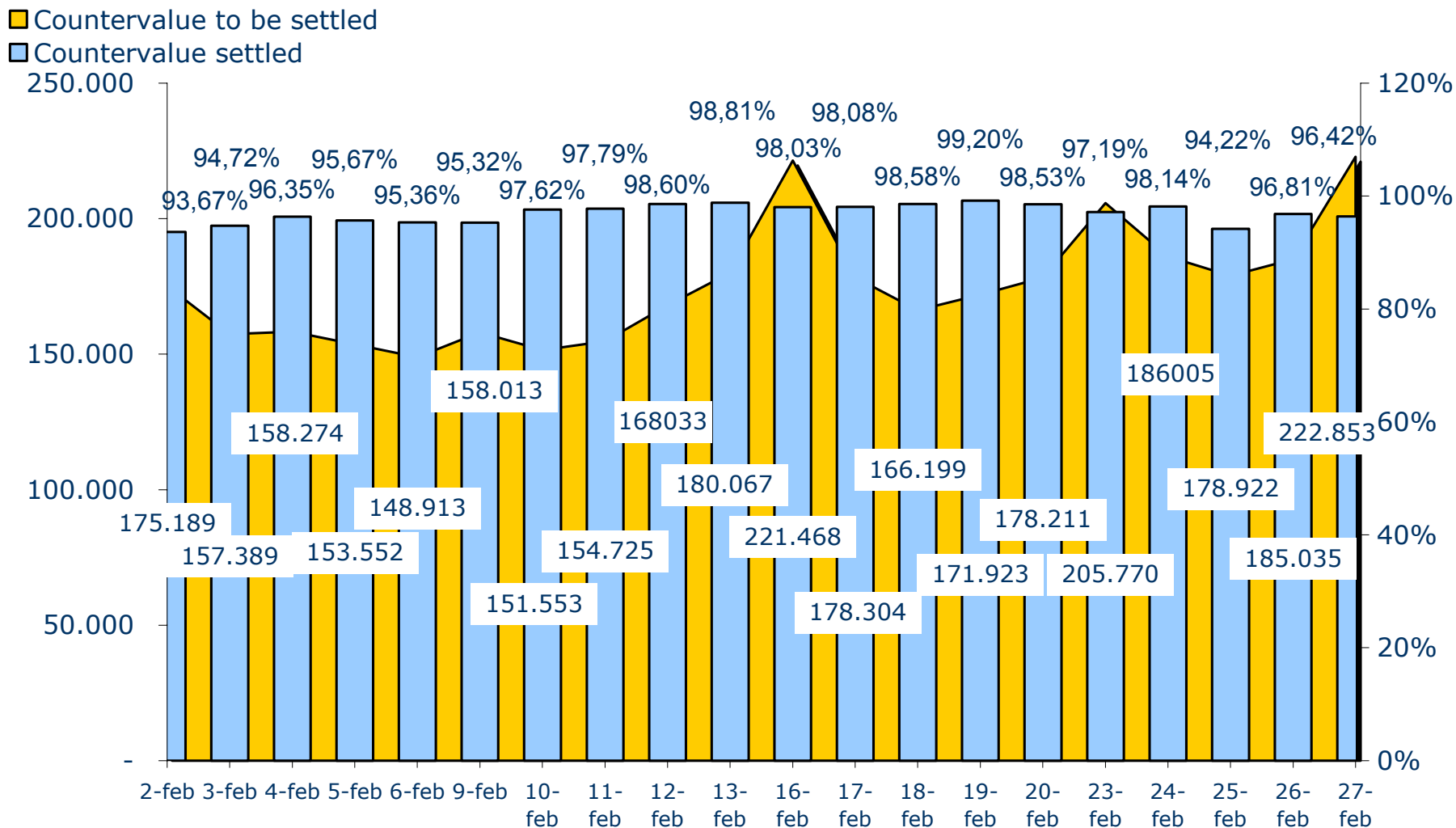
■ N. of transactions to be settled □ Settlement rate for number of transactions





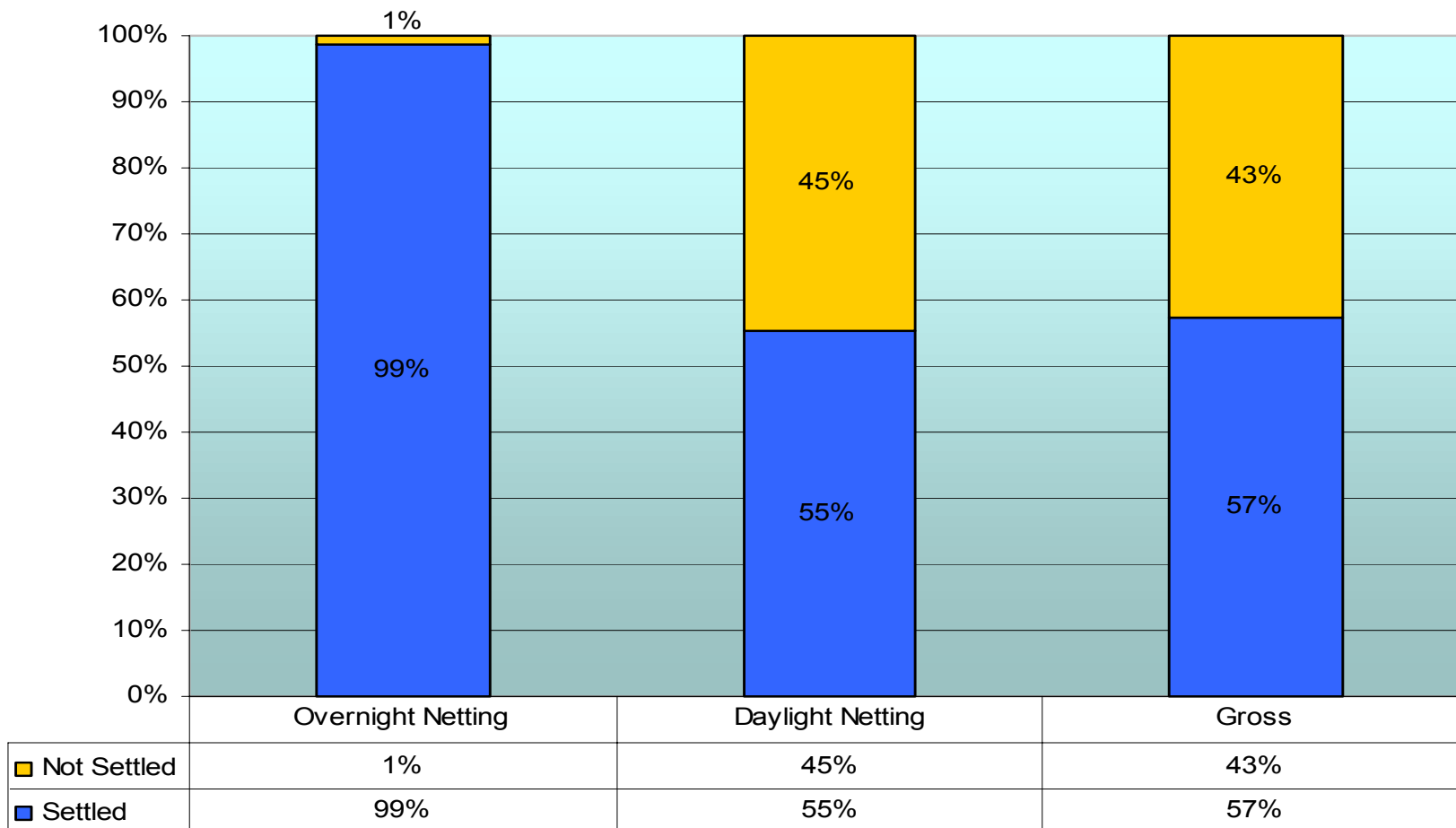


## Countervalue settled at the end of the daylight net cycle



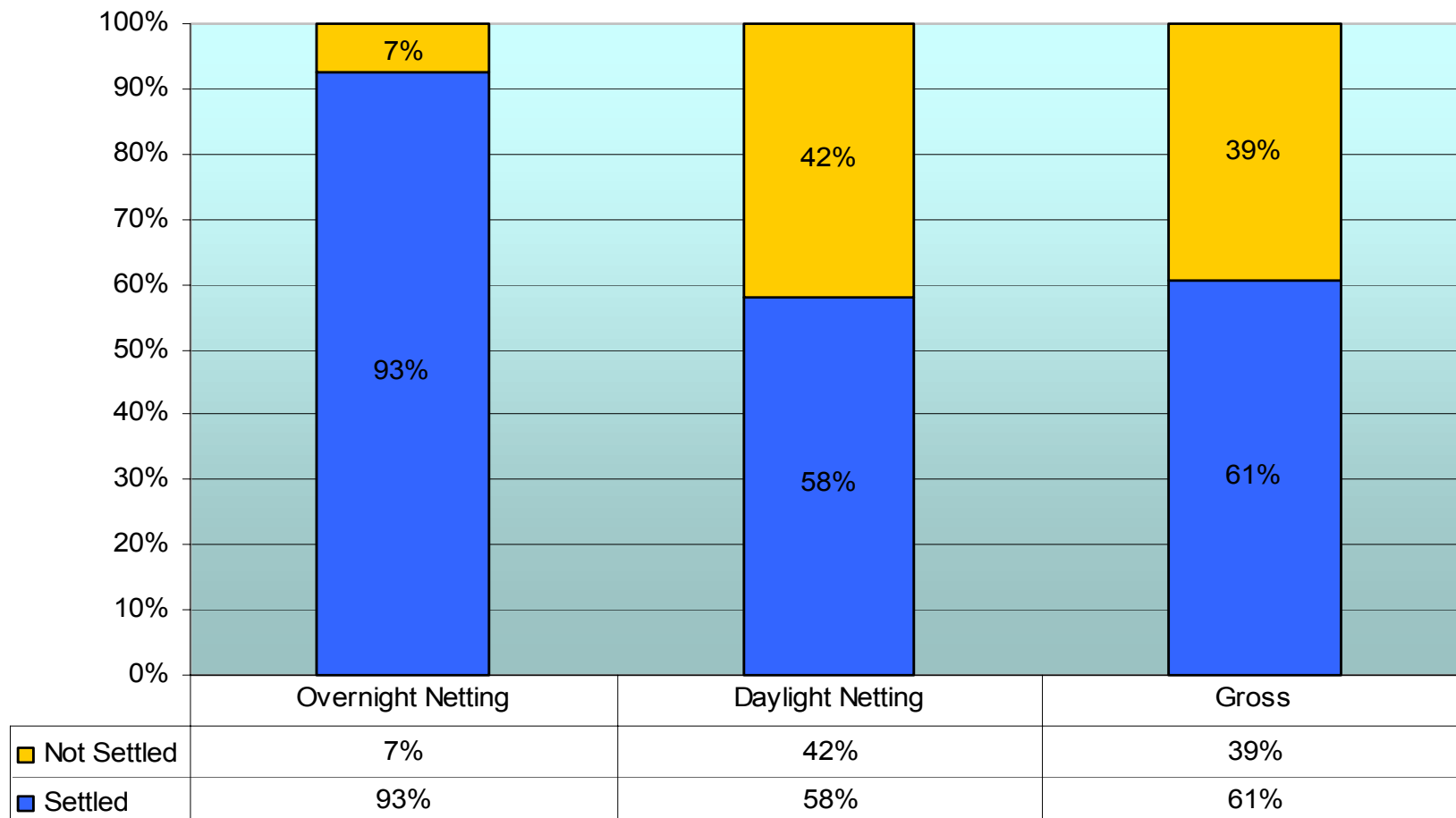


**During February 2004, EXPRESS II processed around 97,500 settlement instructions per day with a settlement rate of 99% during the overnight netting cycle....**





## ... corresponding to more than 175 billion euro per day of countervalue





**MONTE TITOLI**  
GRUPPO BORSA ITALIANA

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[c.bachechi@montetitoli.it](mailto:c.bachechi@montetitoli.it)

# ERC Council General Meeting Tuesday 16<sup>th</sup> March 2004

Eurepo: An Update  
Danny Corrigan

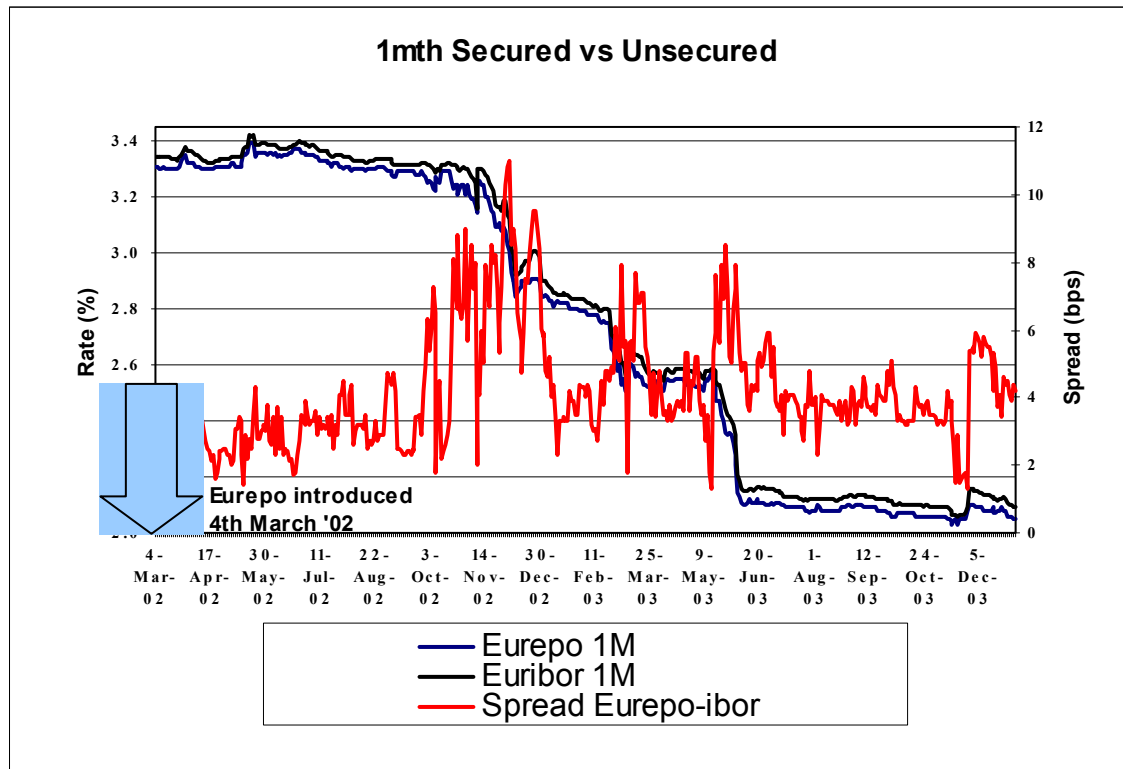
# Eurepo History

- Launched March '01 by European Banking Federation
- Fixed daily
- Promoted by EBF, ERC & Market Participants
- ERC meeting Frankfurt November '03
- EBF/ISDA/ICAP meeting @ BBA in London March '04 – postponed
- Next Steps

# Eurepo - Benefits

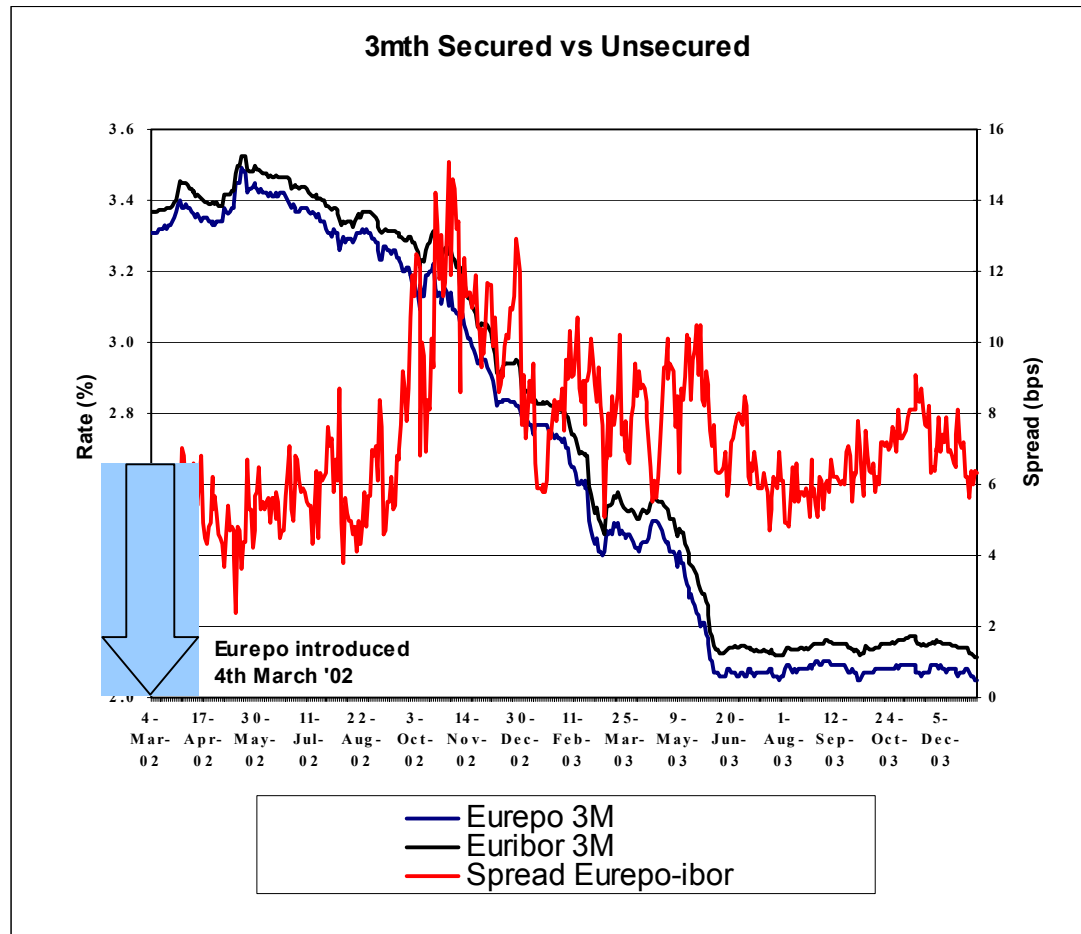
- Euro Repo market is large and growing, unsecured market is under performing
- Eurepo panel banks & investment banks impressive
- Rules and guidelines in place
- It is supported by EBF (3000 banks), ERC and others
- But traction has been slow

# Eurepo: 1 Mo Secured vs Cash

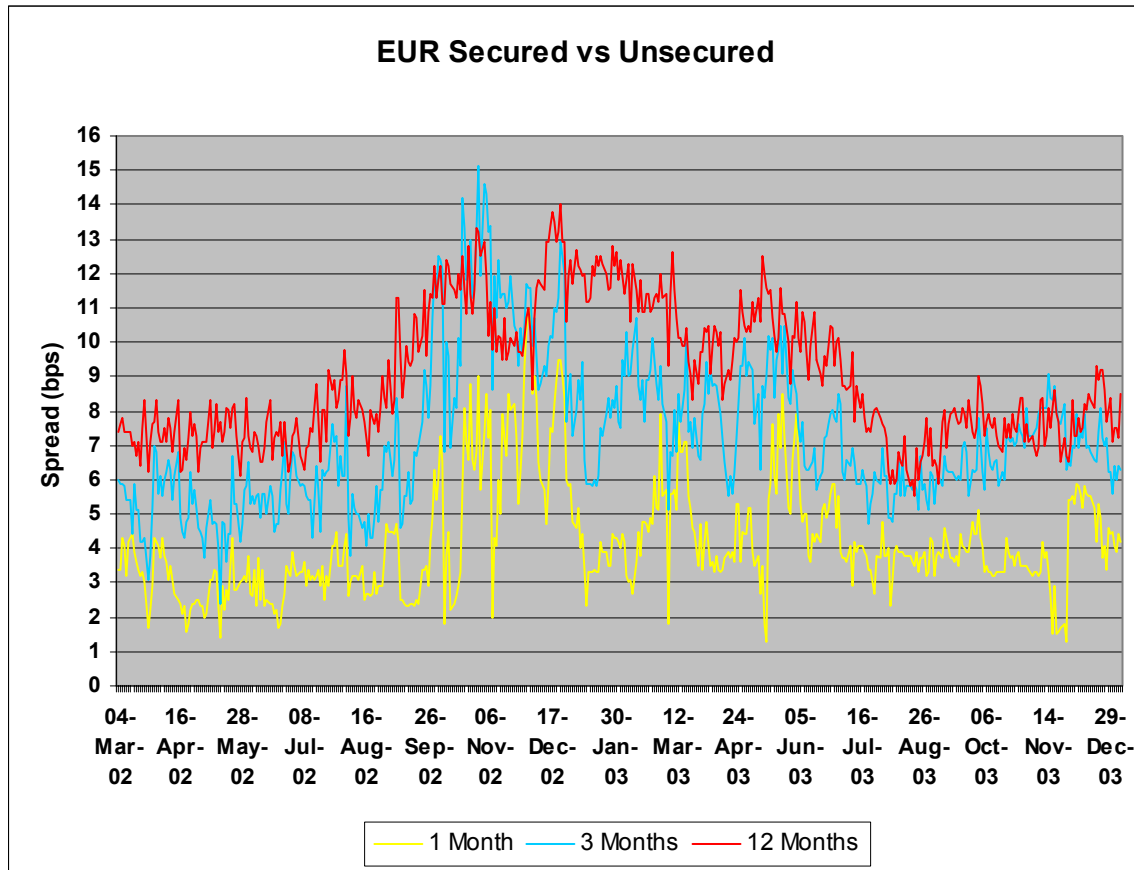




# Eurepo: 3 Mo Secured vs Cash



# Eurepo: Secured vs Unsecured



# Eurepo Possible Products

- Basis Swaps e.g. 3mo Euribor – 3mo Eurepo for fixed term, or EONIA vs Eurepo
- Term Interest Rate Swaps e.g. 5year fixed vs 3mo Eurepo flat
- Term Repo with resets e.g. 2 year with reset each quarter
- Forward Start Repo vs Eurepo
- Eurepo Future set to IMM dates

# Eurepo - Drawbacks

- End client interest limited
- Used mainly as a 'mark-to-market' tool
- Repo risk can be hedged in a number of other ways
- Secured funding risk not fully addressed
- No market makers

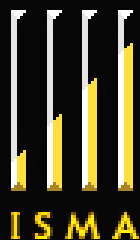
# Eurepo – Next Steps

- ISDA annual conference Chicago:
- Inclusion in ISDA documentation as a fixing index
- Development of repo and swap based products
- ICAP will broke Eurepo based products if there is market demand

# ERC General Meeting

March 16, 2004  
Brussels

## ISMA 6<sup>th</sup> Repo Survey

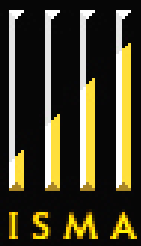


# European Repo Market Survey December 2003

Conducted by the ISMA Centre



Richard Comotto

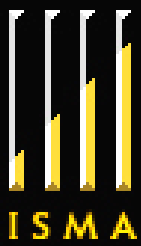


# Survey overview

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- Outstanding value of contracts at close on December 10, 2003
- 76 responses (from 69 groups)
- respondents headquartered in:
  - 15 European countries
  - North America
  - Japan

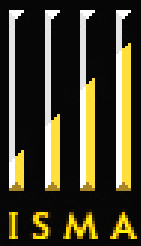




# Headline figure

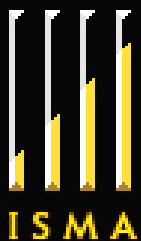
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- Estimated gross total = EUR 3,788 billion
- June 2003 = EUR 4,050 billion
- December 2002 = EUR 3,377 billion
- June 2002 = EUR 3,305 billion

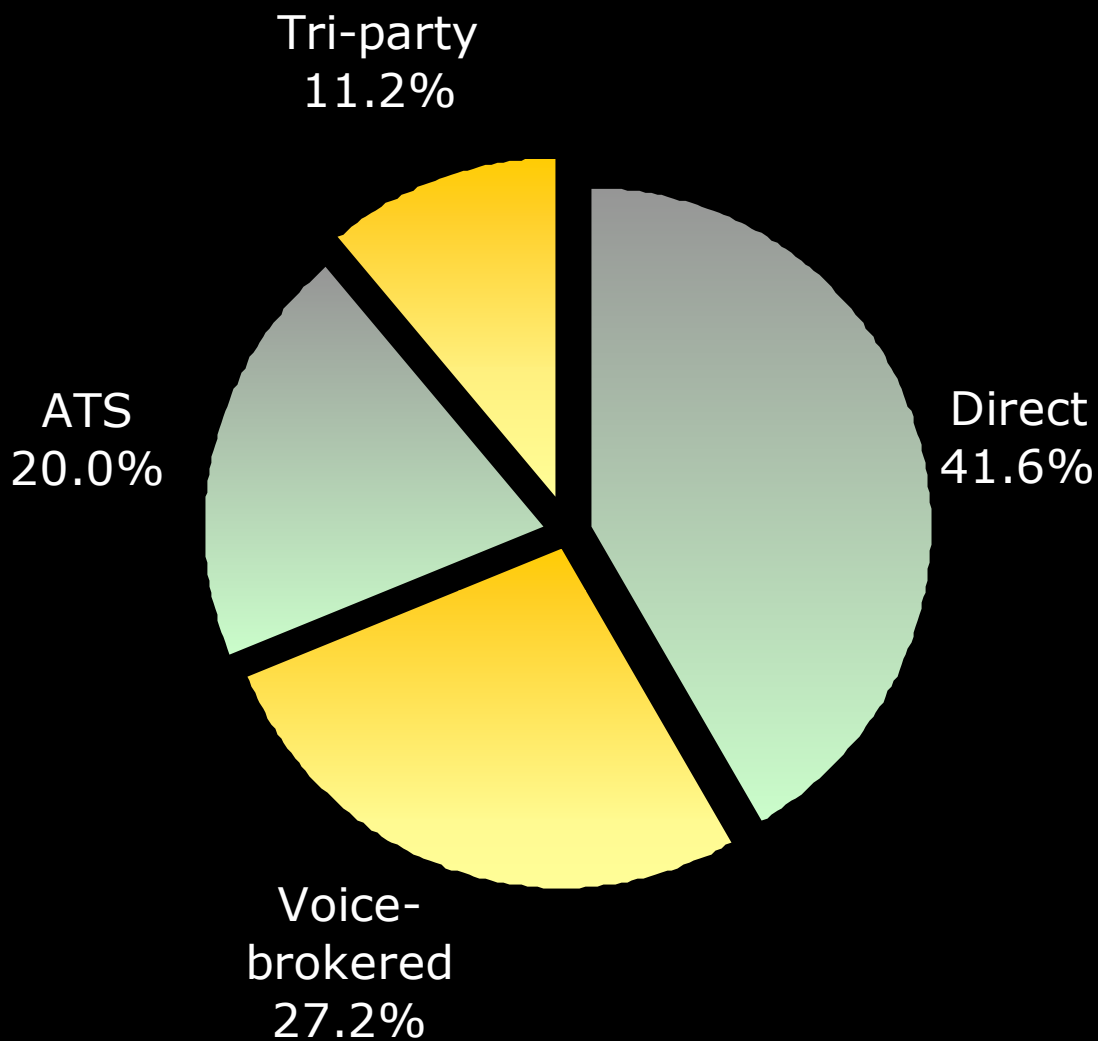


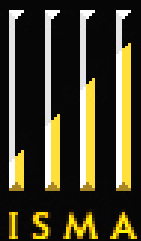
## Participants in successive surveys

- 36 respondents in all surveys
  - December 2002-December 2003=22.9%
  - December 2002-June 2003 (H1)=20.2%
  - June-December 2003 (H2)=2.2%
- 66 respondents in December 2002 & 2003 surveys
  - June 2002-June 2003=17.1%

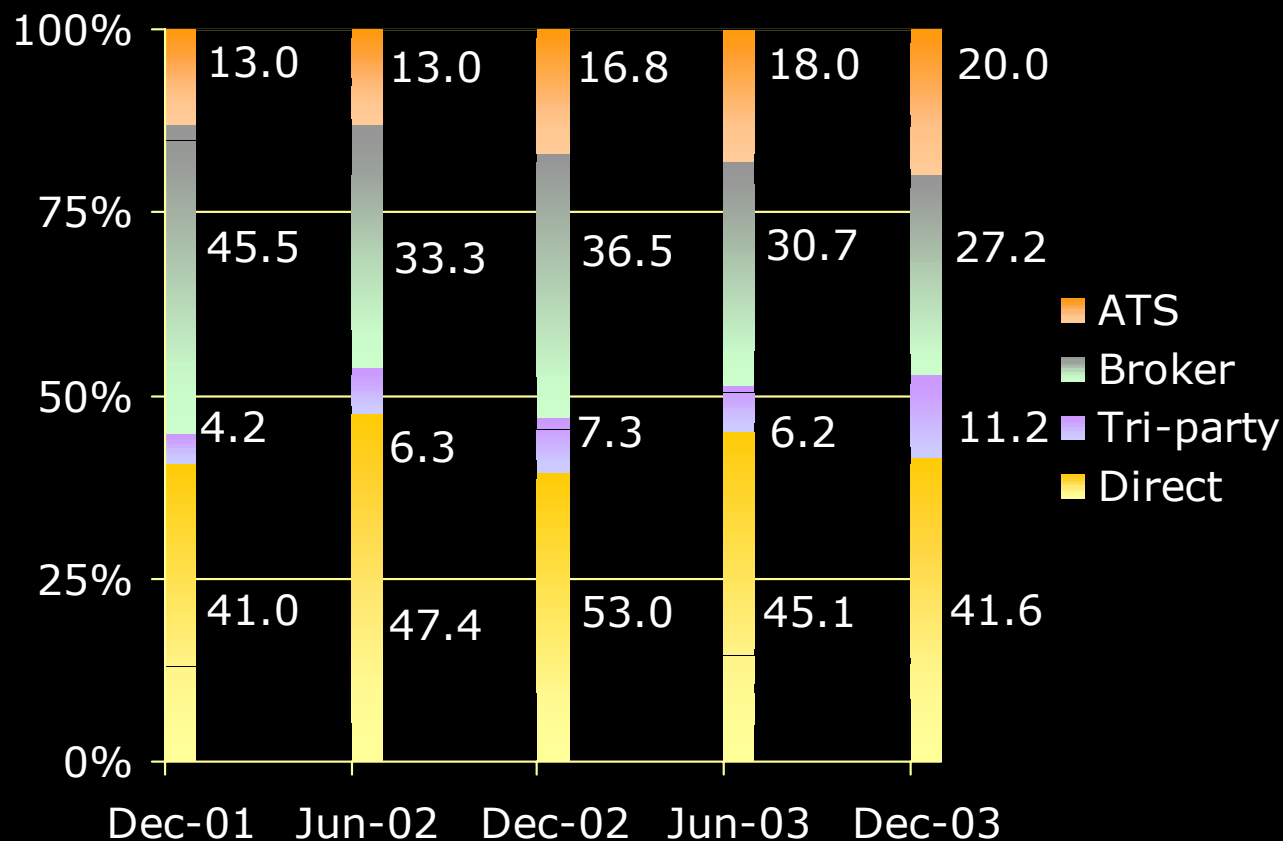


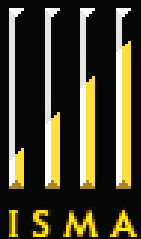
# Counterparty analysis



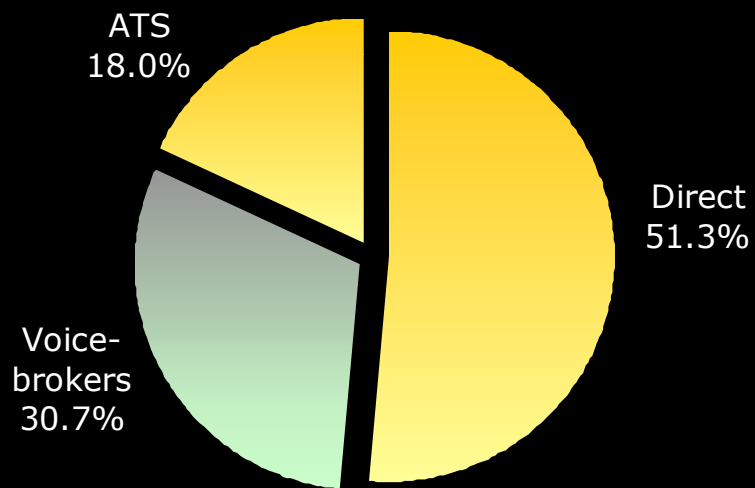


# Counterparty analysis

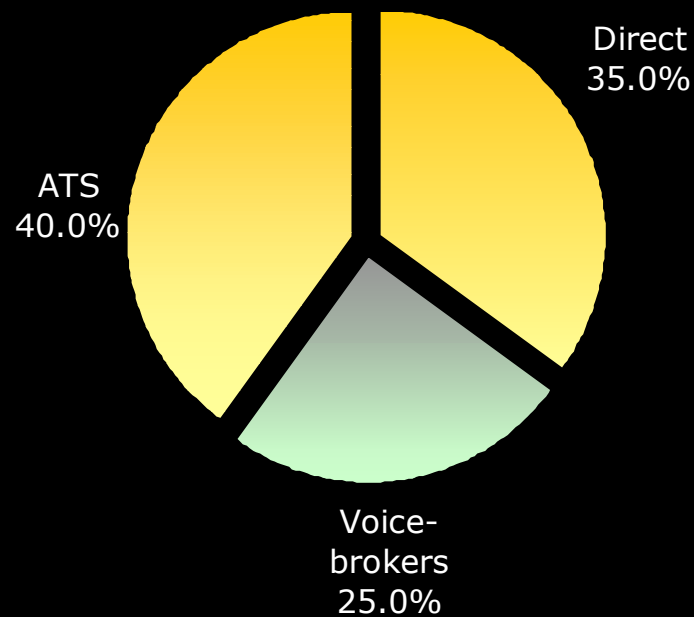




# Counterparty analysis of ECB

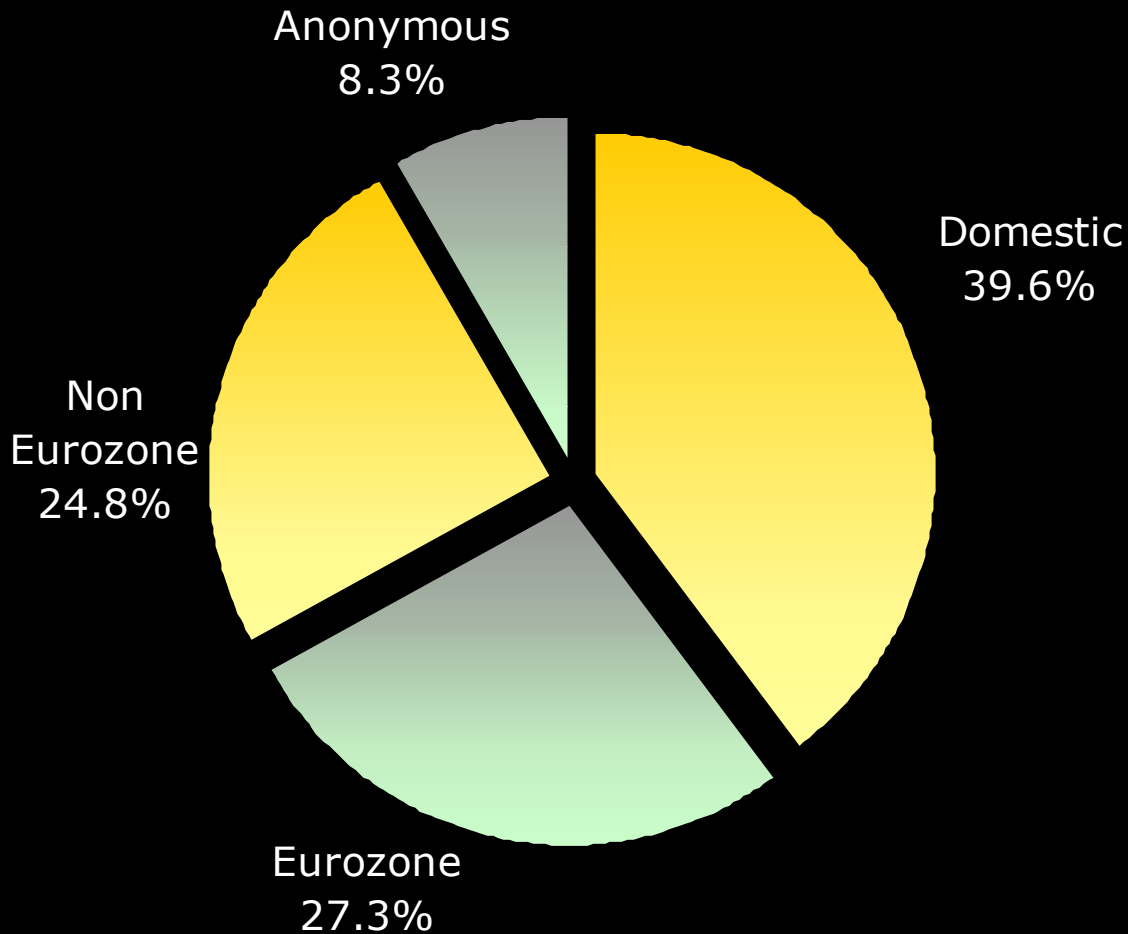


ISMA June 2003

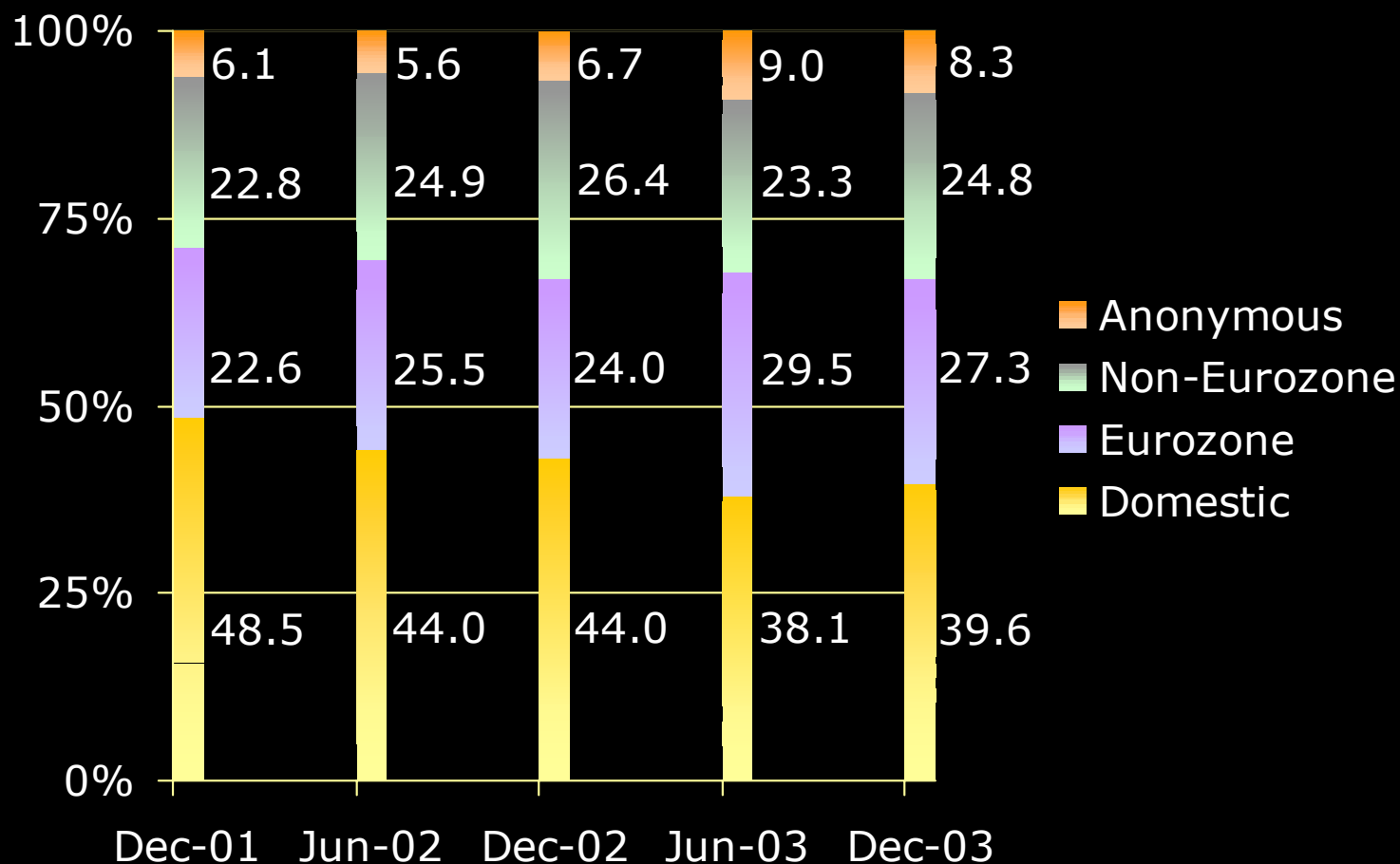


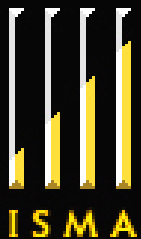
ECB Q2 2003

# Geographical analysis

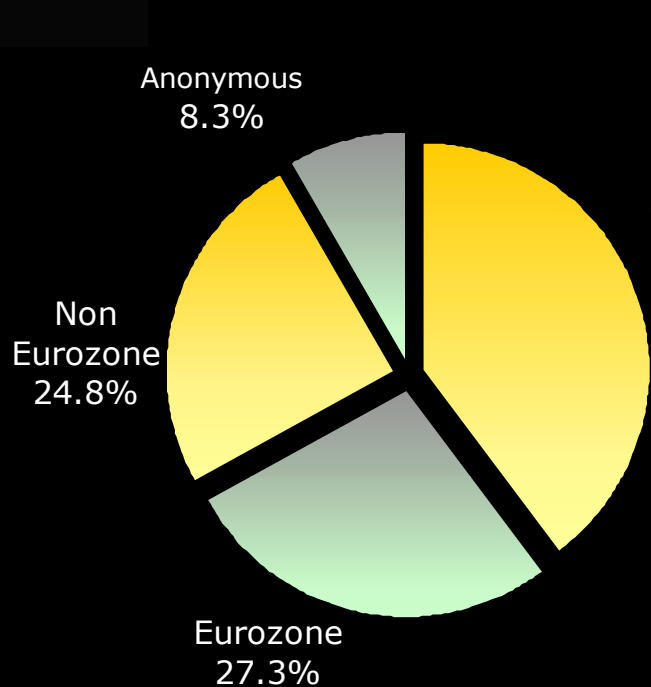


# Geographical analysis

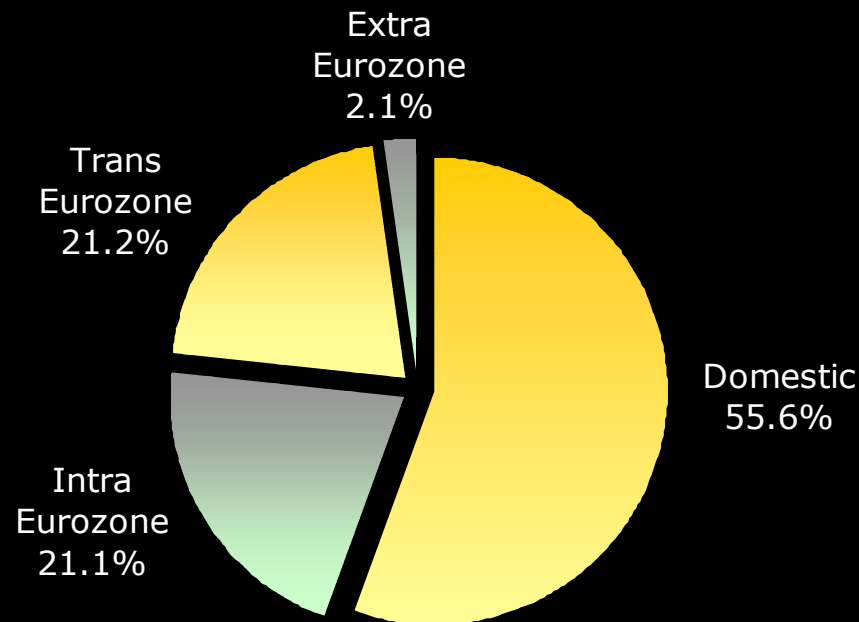




# Geographical analysis of brokers

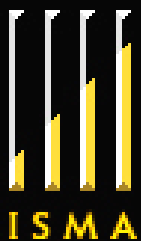


principals

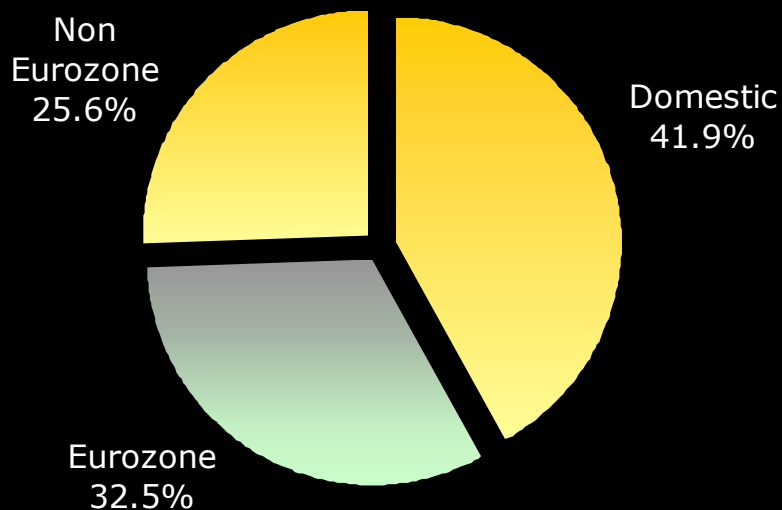


brokers

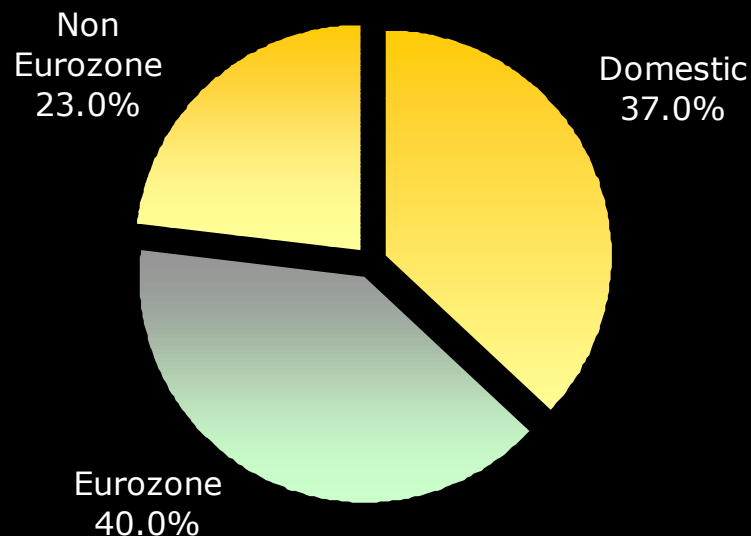




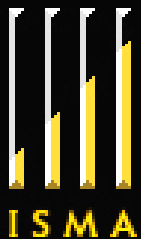
# Geographical analysis of ECB



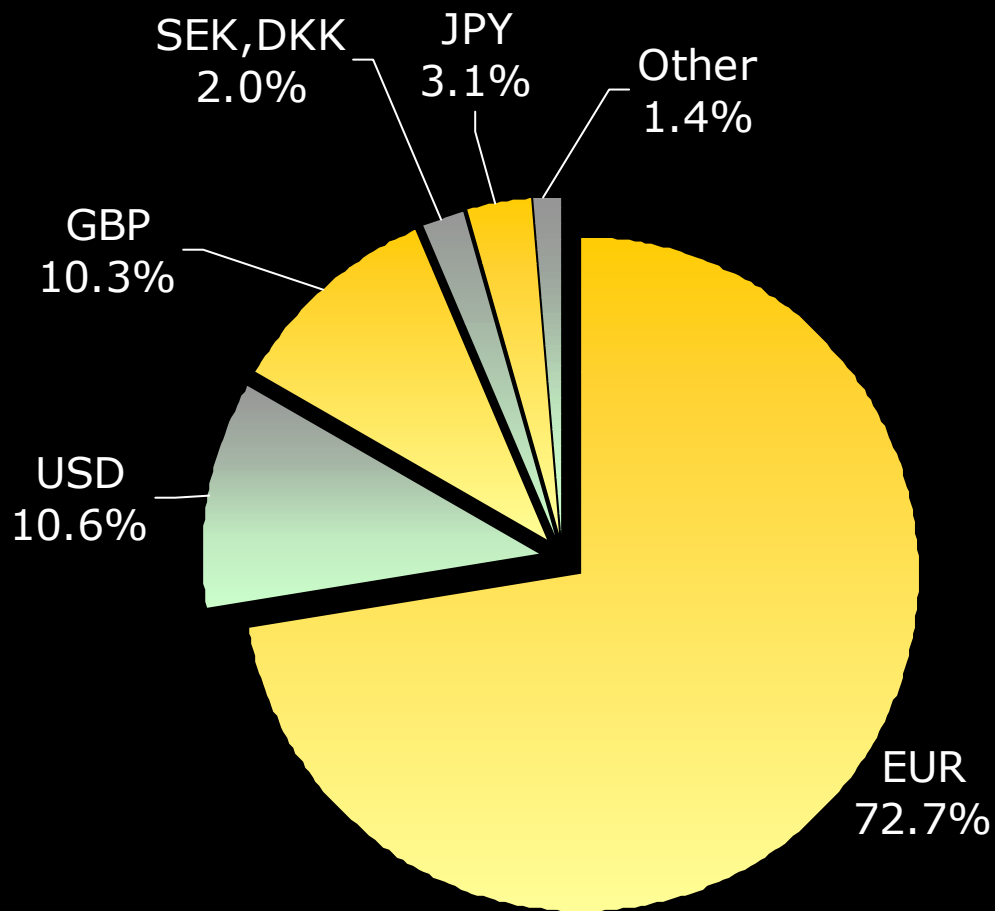
ISMA June 2003

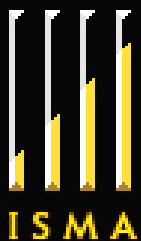


ECB Q2 2003

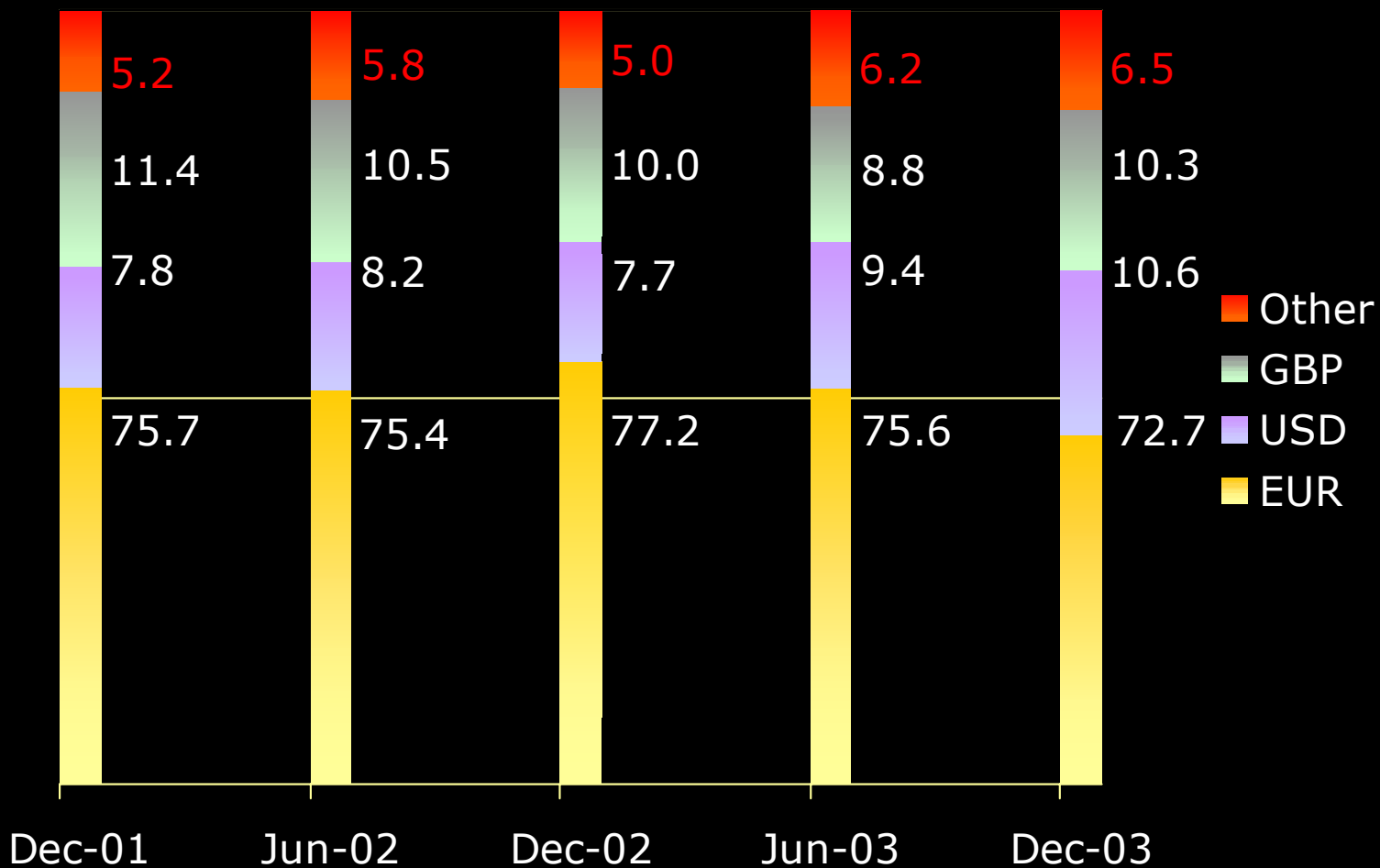


# Currency analysis

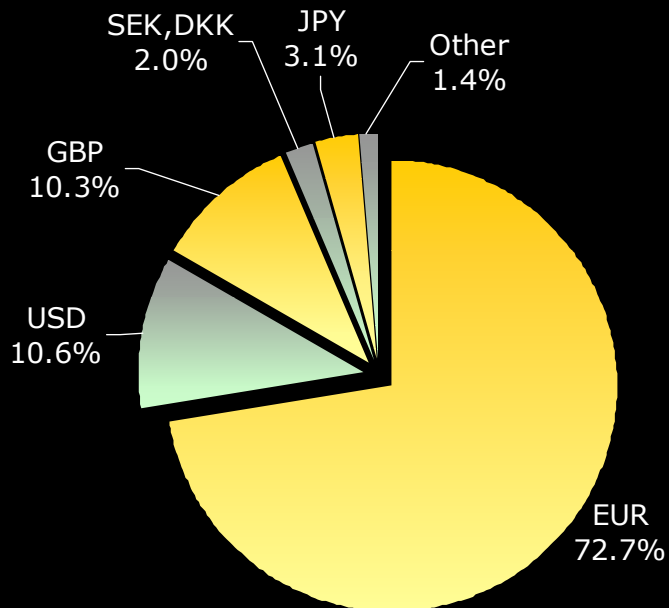




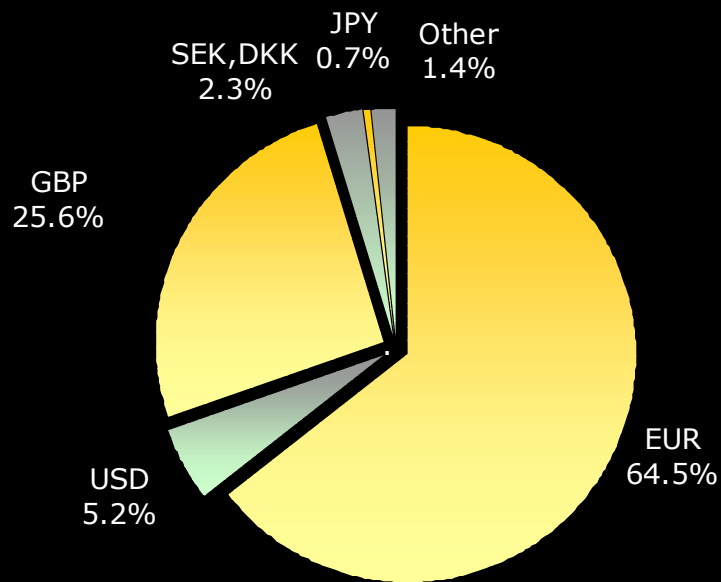
# Currency analysis



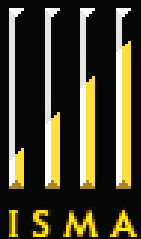
# Currency analysis of brokers



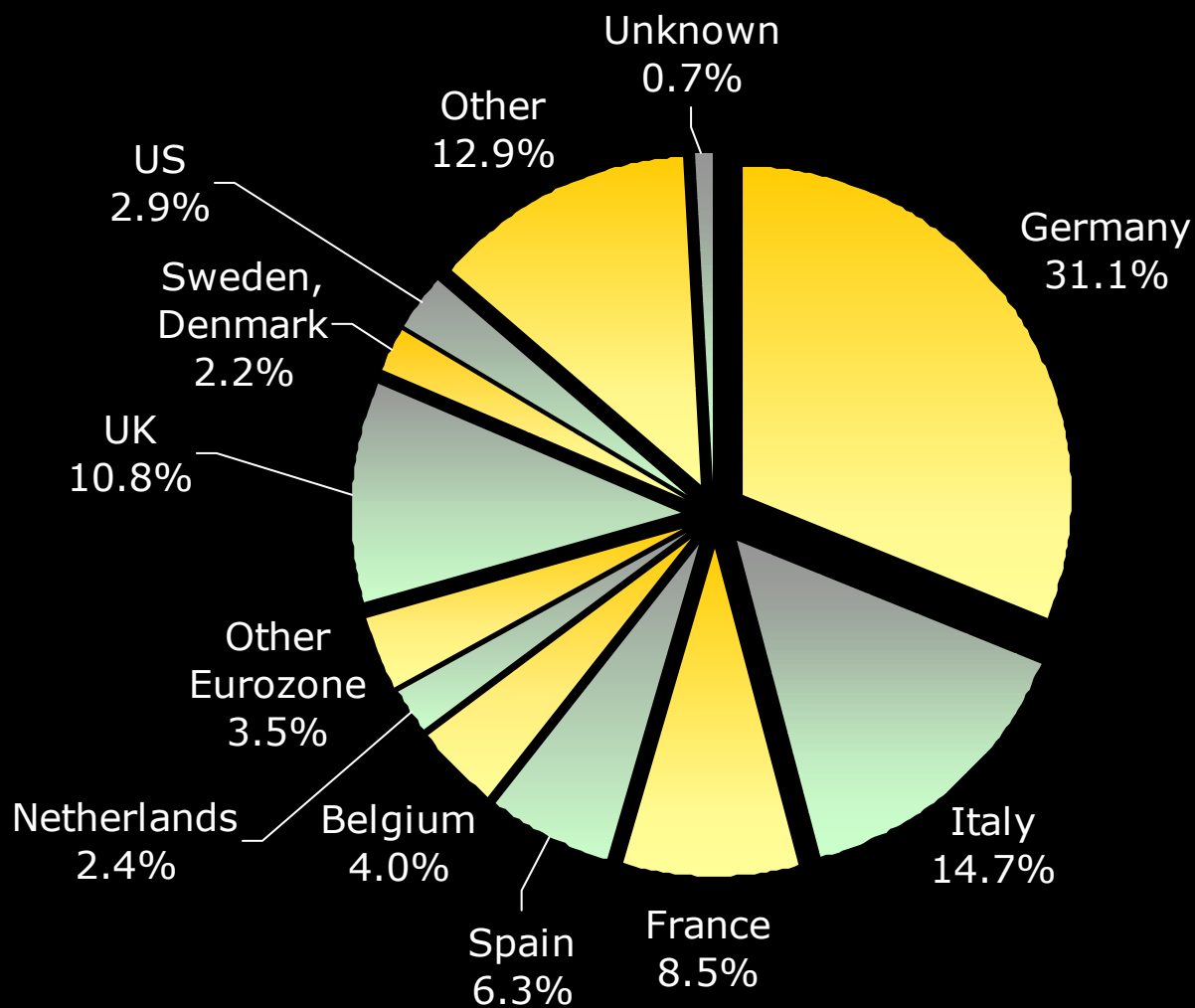
principals



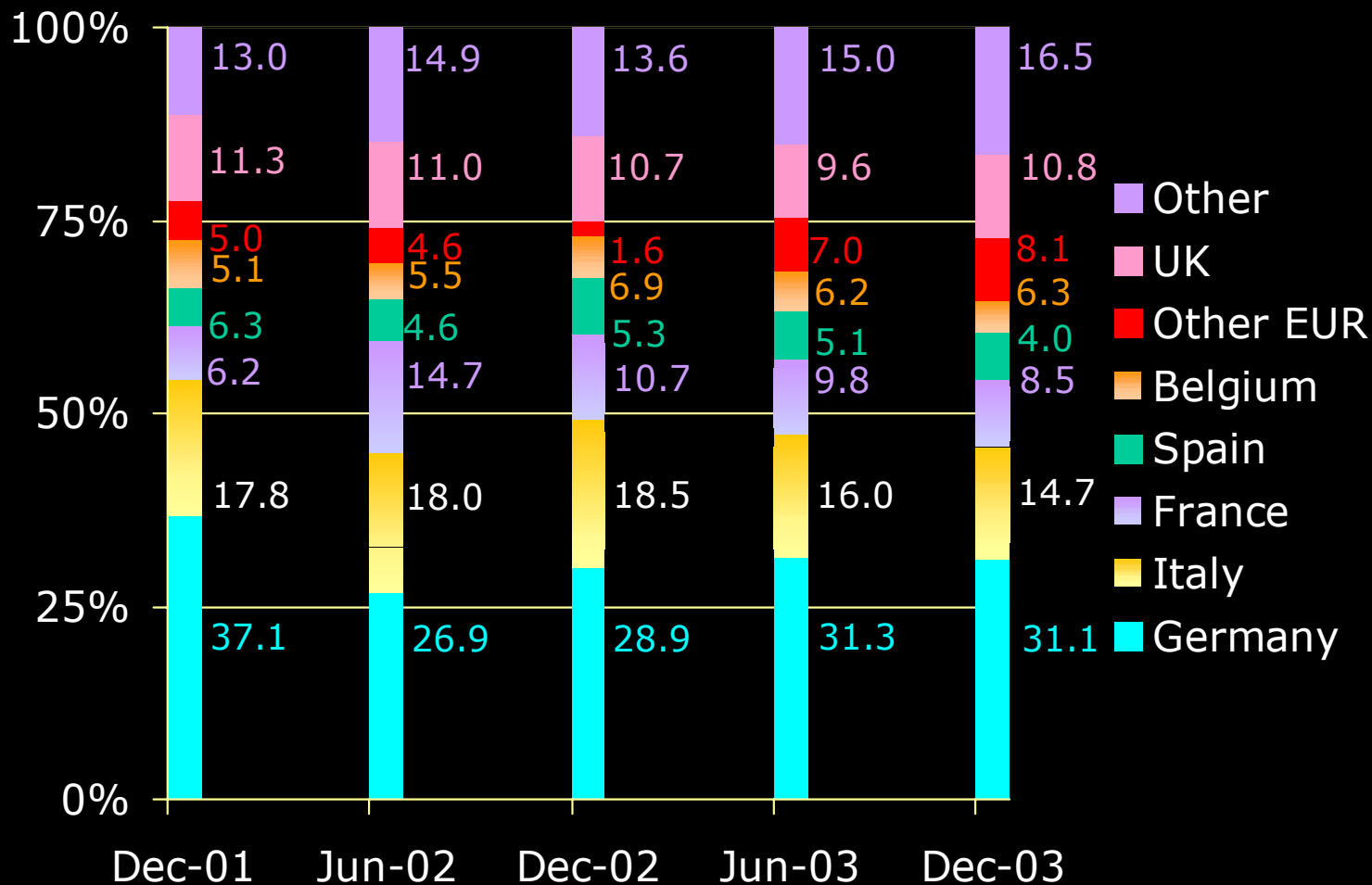
brokers

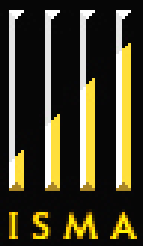


# Collateral analysis

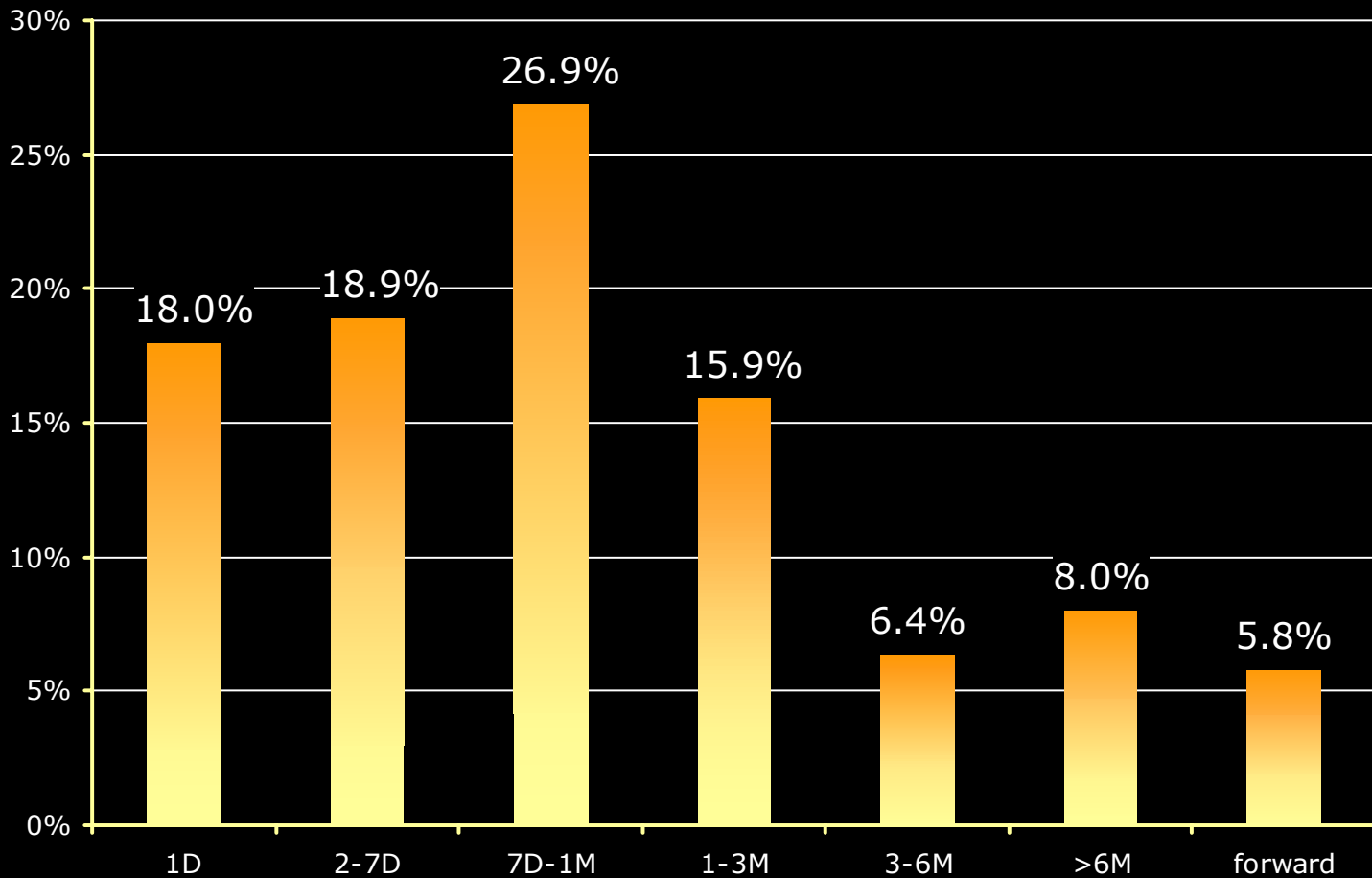


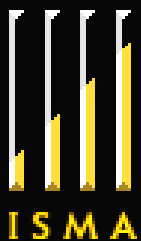
# Collateral analysis



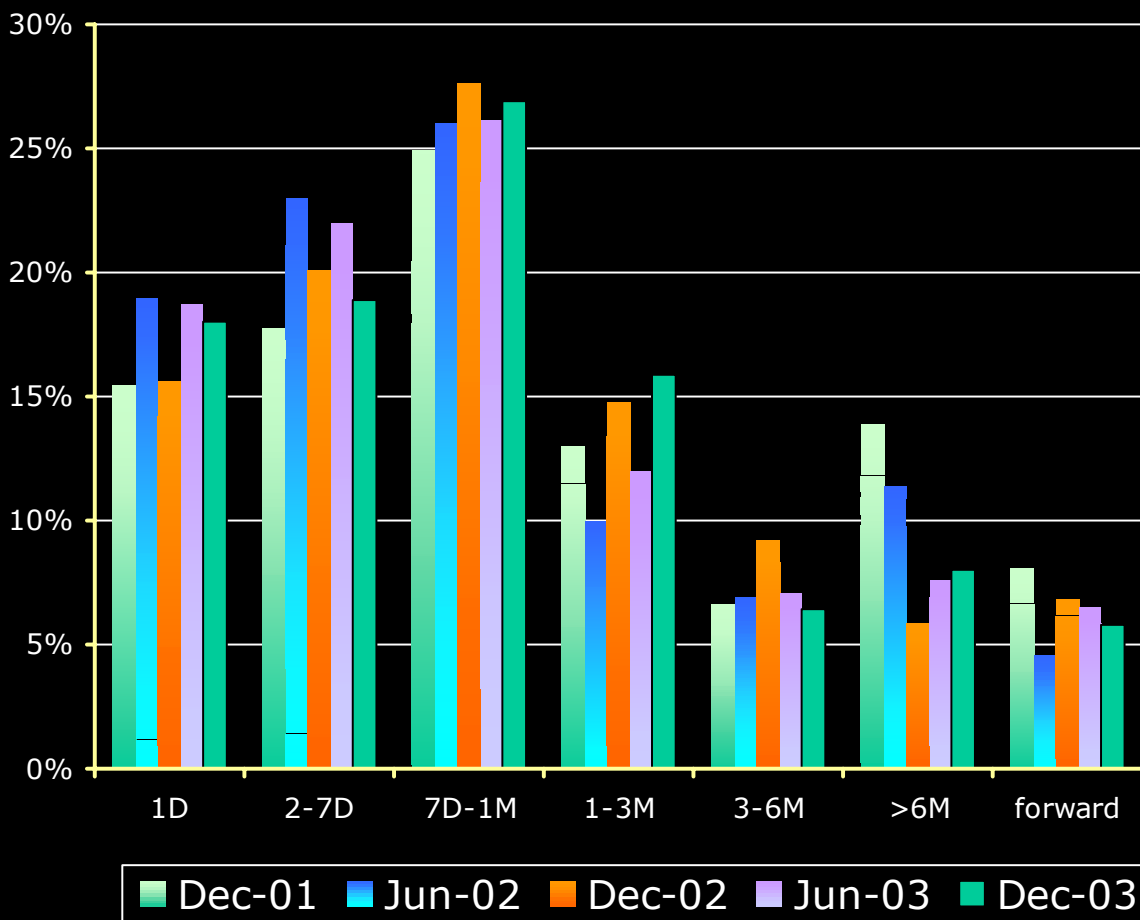


# Maturity analysis



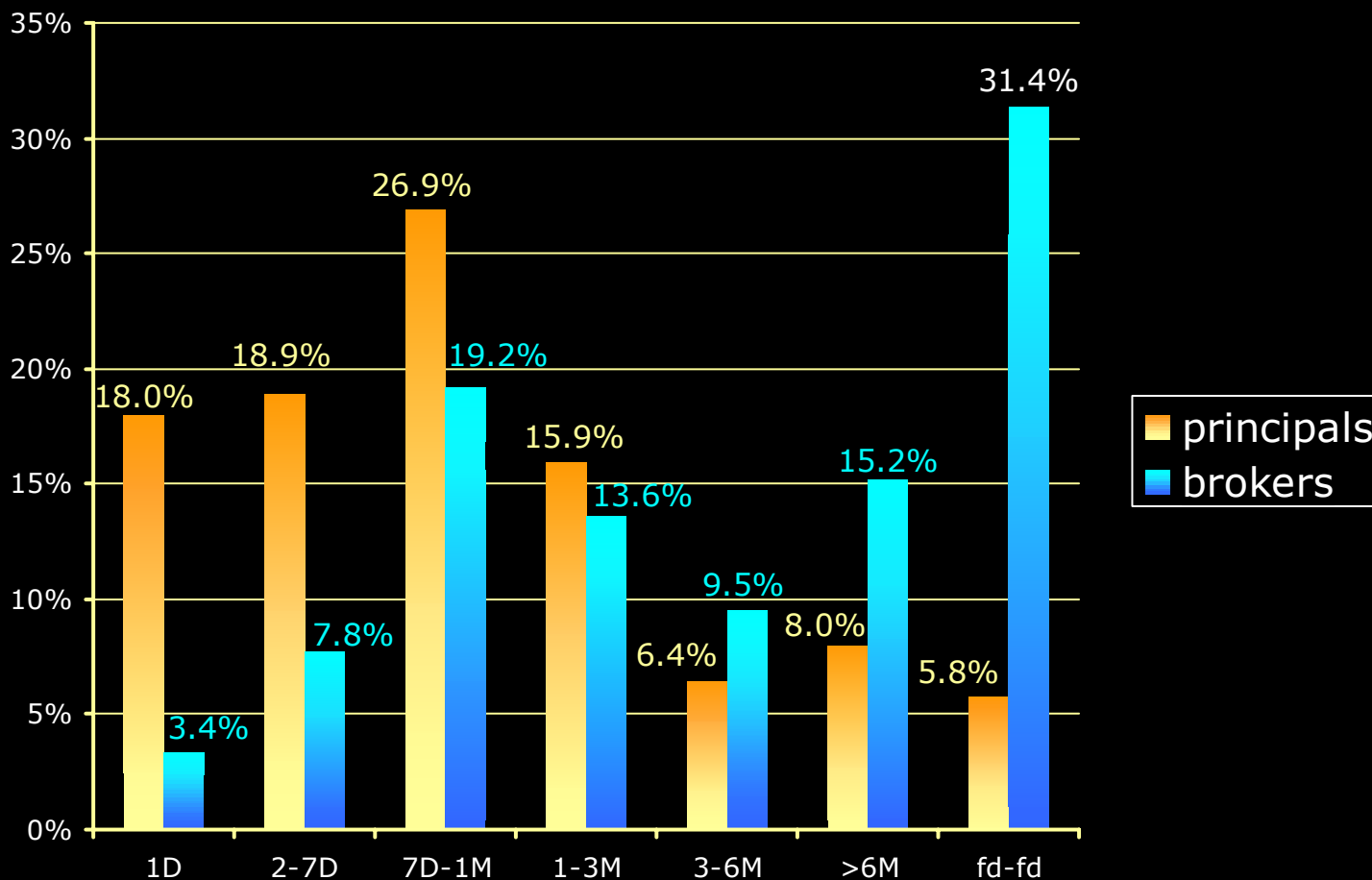


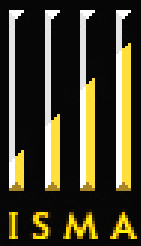
# Maturity analysis



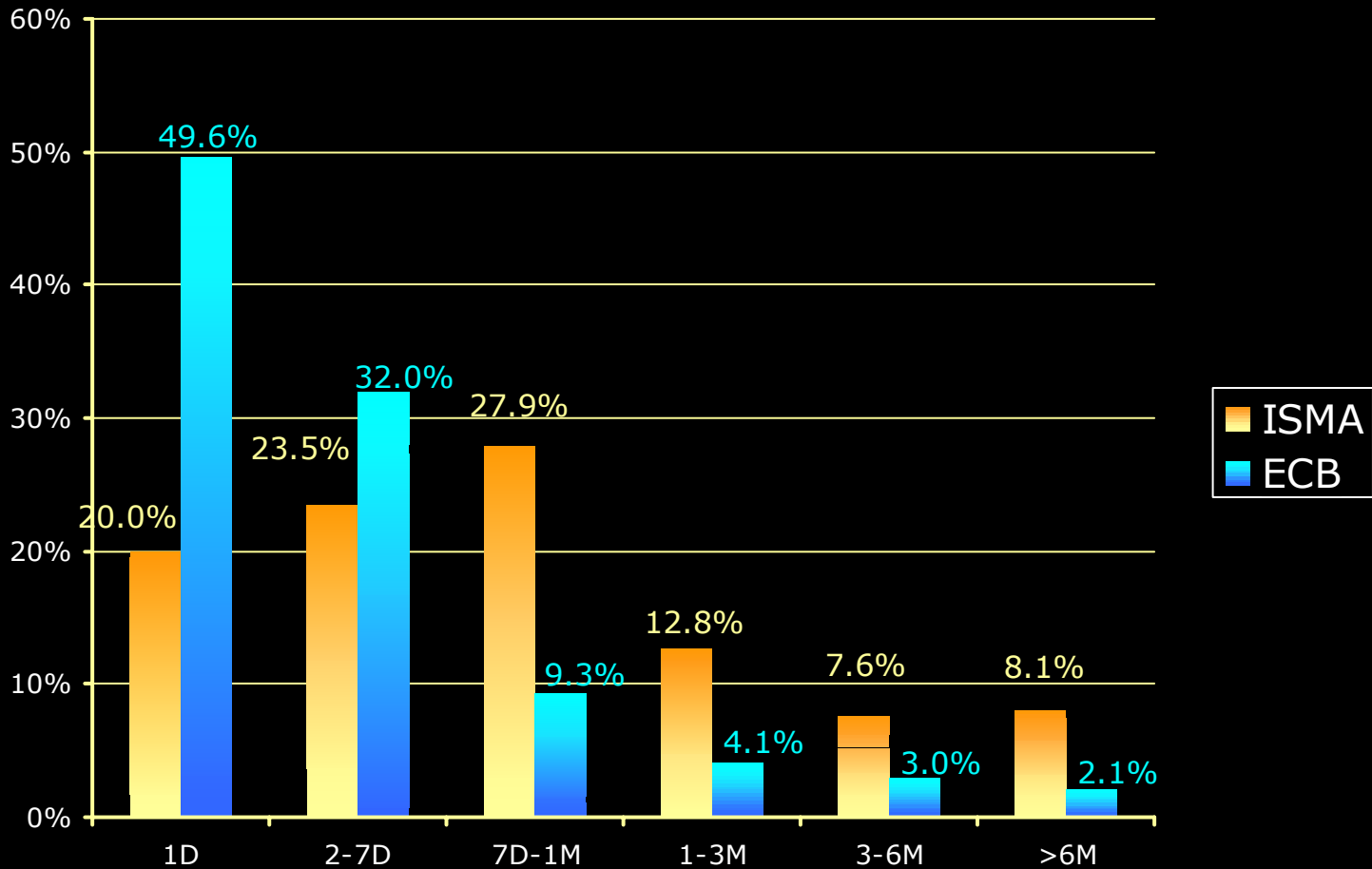


# Maturity analysis of brokers

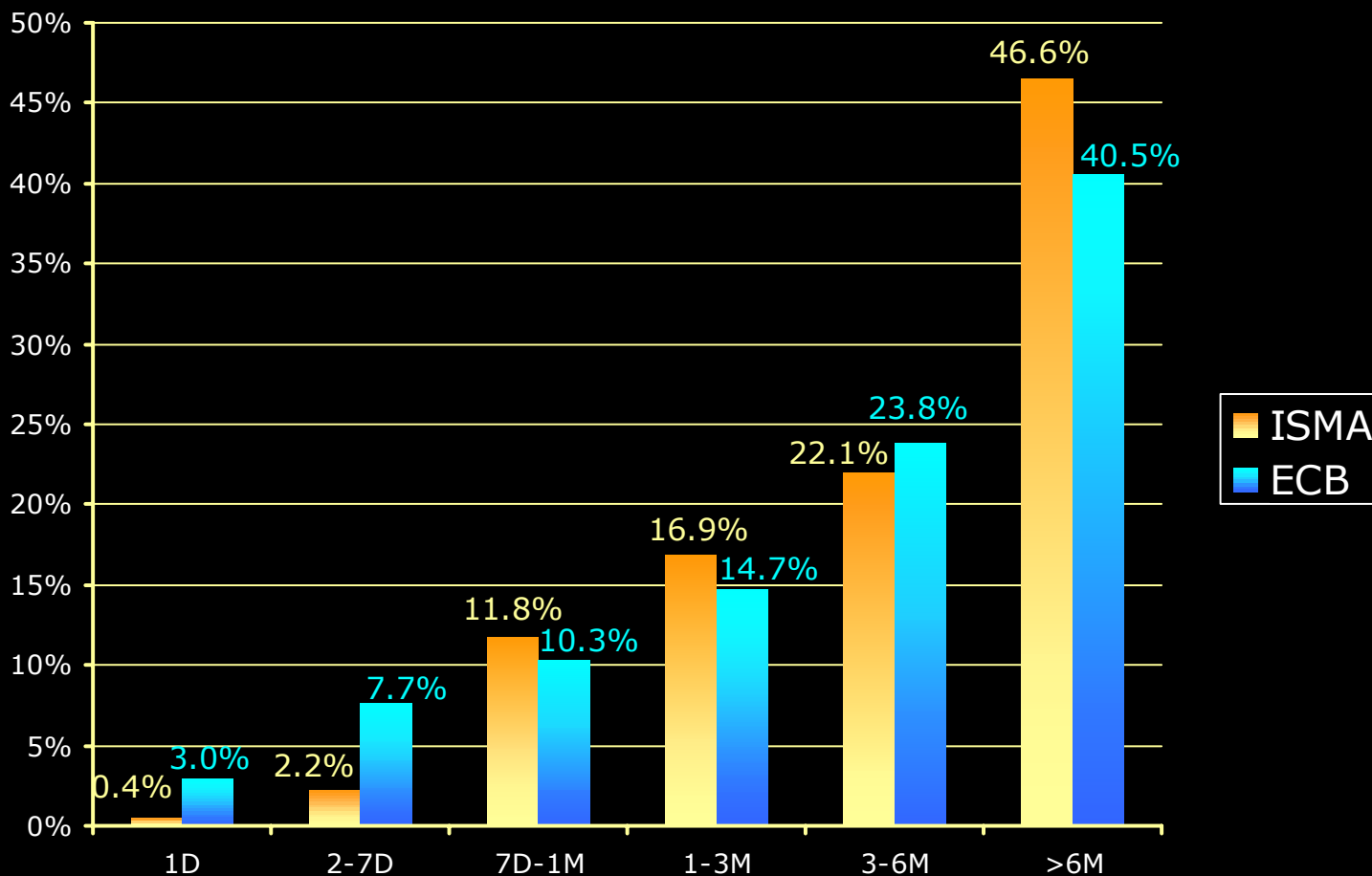


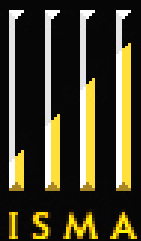


# Maturity analysis of ECB (Jun-03)

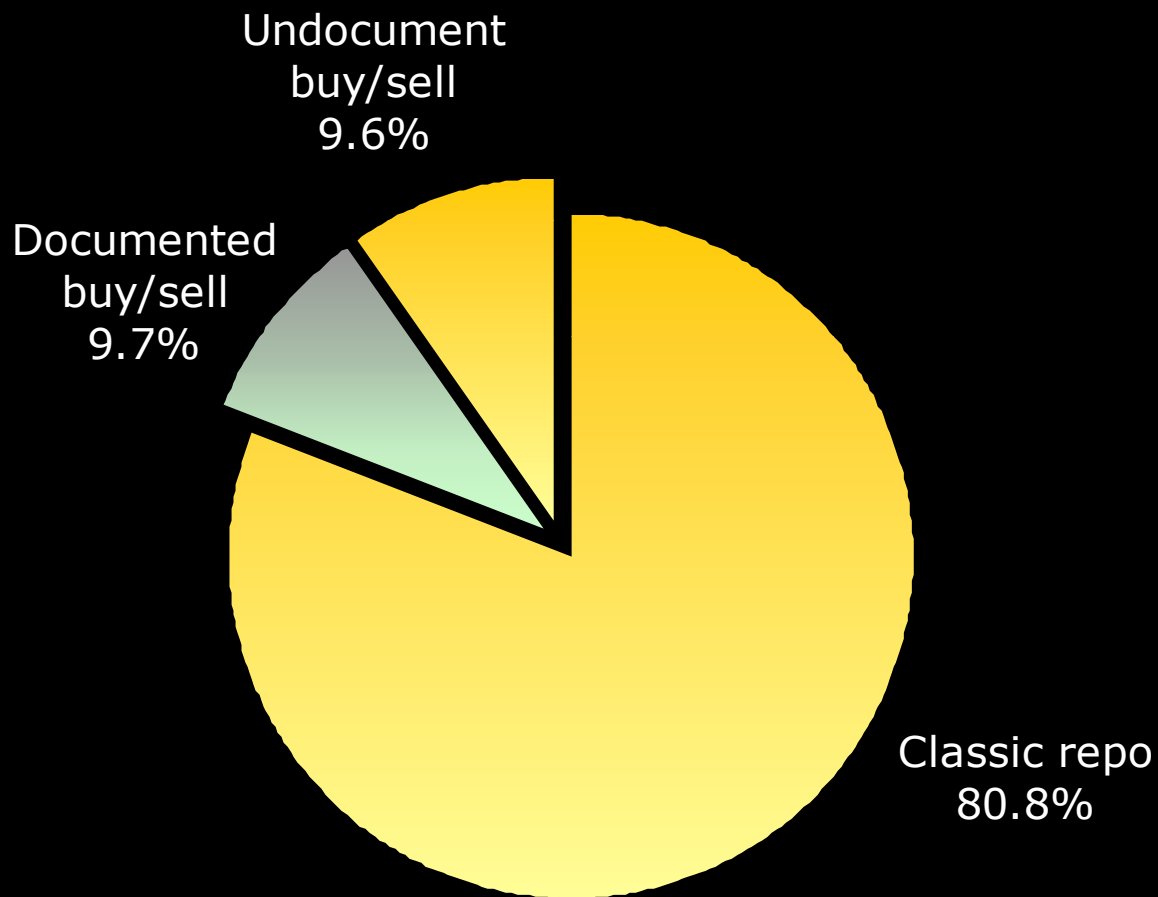


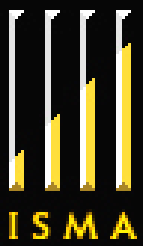
# Maturity analysis of ECB (Jun-03)



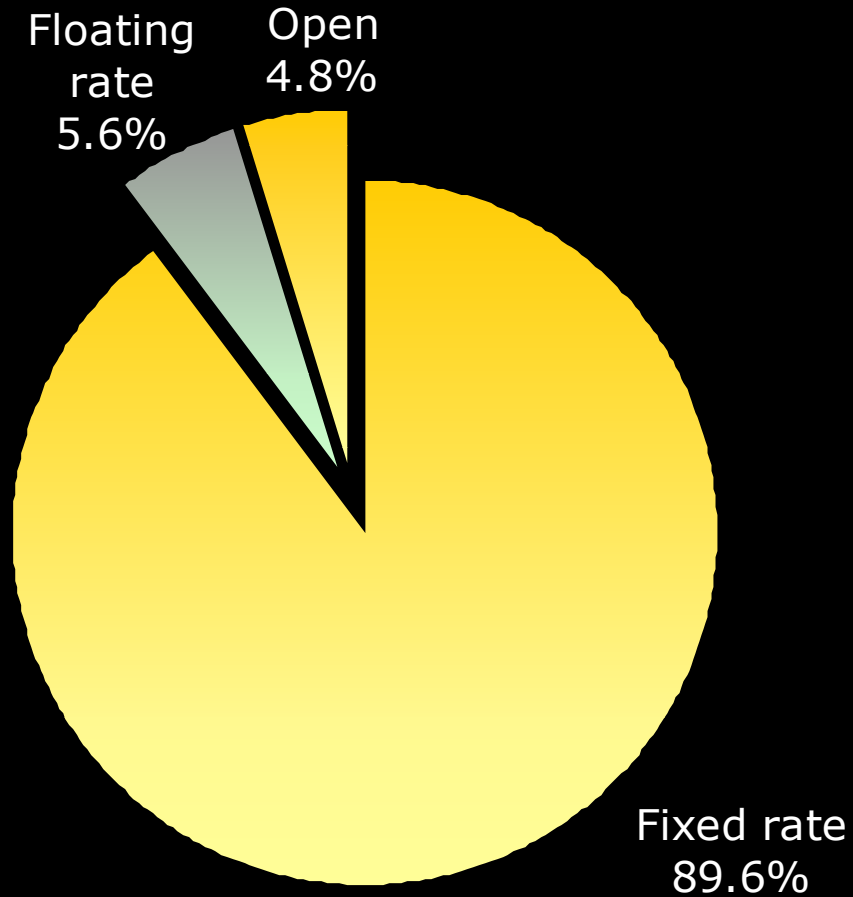


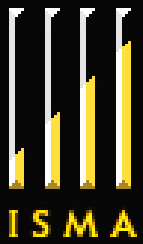
# Contract analysis



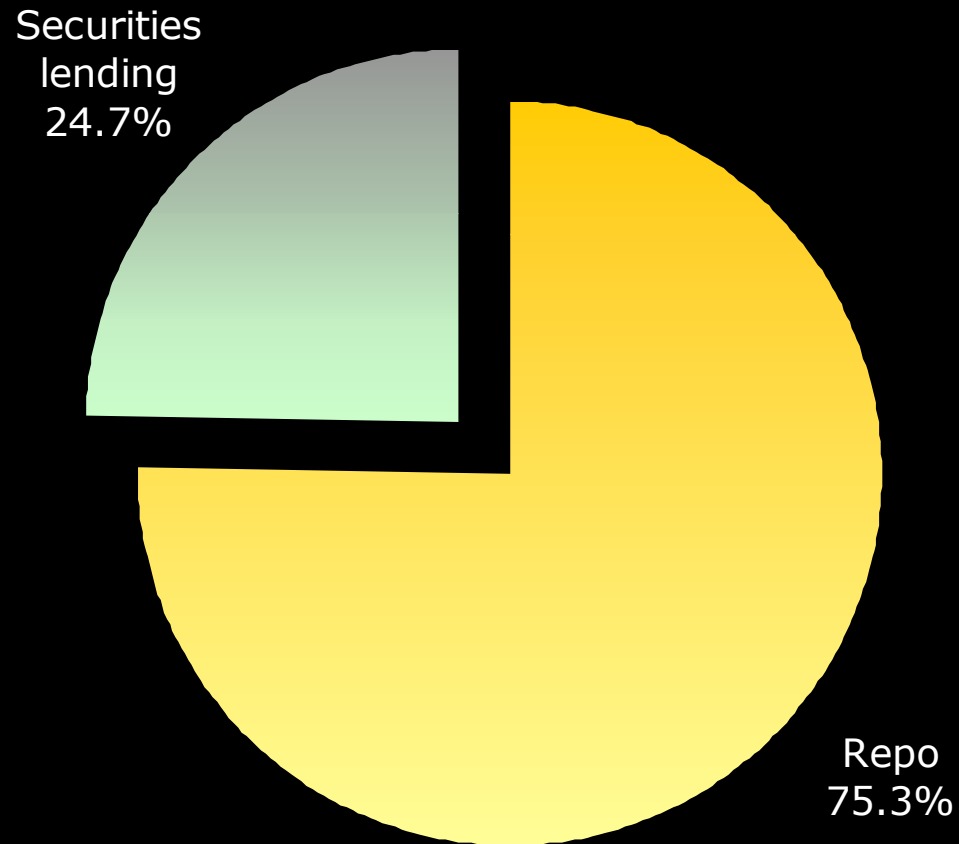


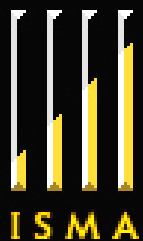
# Repo rate analysis





# Product analysis





# European repo market survey

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Next Survey  
June 9, 2004