Encl. to letter C0636

ABRIDGED MINUTES OF THE 6th MEETING OF THE EUREPO STEERING COMMITTEE
- Brussels, 1 March 2005 -

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1. WELCOME

Mr Guido RAVOET (new FBE Secretary General) chaired the meeting.

The Chairman introduced himself and welcomed the participants.

The Chairman congratulated the members on their (re-)election as Eurepo Steering Committee members. He noted that the composition of the Committee had been updated accordingly on www.eurepo.org.

2. ADOPTION OF THE MINUTES OF THE PREVIOUS MEETING

The Secretariat received no written comments on the minutes (Secretariat letter 0871 of 29 OCT. 03) of the previous meeting.

The Committee adopted the said minutes.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES

It was noted that DZ bank had been successfully added to the panel of Eurepo reference banks.

4. REVIEW OF EUREPO PANEL

The Committee reviewed the composition of the panel of reference banks and decided to discontinue the 6-month rotation system applied to AIB Group and Bank of Ireland Treasury and International so that both their quotes are taken into account in the Eurepo calculation process. The Secretariat was required to notify Moneyline Telerate accordingly.

The Secretariat was asked to change the name of:

- 'Dexia/Artesia BC' into 'Dexia Bank'
- 'Crédit Agricole Indosuez' into 'Calyon'
- 'Bayerische Hypo-und Vereinsbank' into 'Bayerische HypoVereinsbank'
- 'Bayerische Landesbank Girozentrale' into ' Bayern LB'
- 'IntesaBCI' into 'Banca Intesa'
- 'UniCredito Italiana' into 'UniCredito Banca Mobiliare (UBM)'
- 'UBS Warburg' into 'UBS Ltd'
- 'Salomon Smith Barney' into 'Citigroup'

The Secretariat was further asked to check whether the name 'Crédit Suisse First Boston Ltd.' appearing on the Eurepo website was still correct.

5. COMPLIANCE OF PANEL BANKS WITH THEIR OBLIGATIONS

The Committee was satisfied with the contributions of the panel banks.

6. ACCEPTANCE, USE AND LEVEL OF EUREPO

The Committee noted that Eurepo was still predominantly used for internal purposes (mark-to-market of transactions) and had yet to be used for external transactions. The members were confident however that this was merely a question of time. Indeed the abundant liquidity in the market and the low volatility of the Euribor/Eurepo spread would not last for ever. Also it was anticipated that the new capital adequacy framework would have a positive impact on the use of secured products such as repos.

Mr G. DE VIDTS mentioned that he was prepared to send the Secretariat monthly charts showing the evolution of the Euribor/Eurepo spread over time, for publication on the Eurepo website. This was welcomed and accepted.

As regards the level of Eurepo, the Committee believed that Eurepo was quoted at the right level, although -for the 9 & 12 month maturities- Eurepo might still, on occasions, be higher than where it 'should' be. This was due to that end of the market not being very liquid. Indeed it is estimated that 80% of bilateral repos are ≤ 1 month.

7. EONIA SWAP INDEX

Mr van de WERVE reported on the decision of EURIBOR FBE to eventually establish the EONIA Swap Index called for by EURIBOR ACI. It was noted that the fixing time had been changed to 16.30 CET.

The index was expected to be launched in June 2005.

8. ANY OTHER BUSINESS

(a) Feasibility of extending EUREPO beyond 12 months (18/24 months ?)

The Committee reiterated its belief that extending Eurepo beyond 12 months was premature.

(b) Visibility of EUREPO

It was decided to ask FBE's P.R. Officer to contact the FT and other financial newspapers in order to try and get the Eurepo rates published therein.

(c) Moneyline Telerate

Mr van de WERVE informed the Committee that Reuters and Moneyline Telerate had entered into a definitive agreement for Reuters to acquire Moneyline Telerate. Due diligence was ongoing.

(d) Items for next meeting

The following topics should be discussed at the next meeting:

- Definition of Eurepo (right of substitution)
- Overnight market

(e) ICAP

It was mentioned that ICAP had recently launched its i-Repo index, representing the trade volume weighted average rate of overnight or tomorrow next General Collateral transactions executed via ICAP broking operations.

9. DATE AND PLACE OF NEXT MEETING

First week of September 2005 by conference call. The Secretariat was asked to suggest possible dates by e-mail.