

MINUTES OF THE 8th MEETING OF THE EUREPO STEERING COMMITTEE

- Hotel Lutetia, Paris, 21 March 2006 -

In the absence of Mr G. RAVOET, it was suggested and agreed that Mr T. van de WERVE (Secretariat) would chair the meeting.

A list of participants is attached.

1. WELCOME

The Chairmen welcomed the participants. He regretted the low turn out and insisted on the importance of attending the Committee meetings. The others concurred.

2. MINUTES OF THE PREVIOUS MEETING

The Secretariat received no written comments on the minutes of the previous meeting (conference call of 13 SEP. 05) circulated with Secretariat letter 0741 of 24 NOV. 05.

The Committee adopted the said minutes.

3. MATTERS ARISING FROM THE PREVIOUS MINUTES

Right of substitution (item 6): The members still felt that reviewing the definition of EUREPO was premature.

Addition of a third decimal place (item 7): Mr. De Vidts mentioned that the issue will be put on the agenda for the July 2006 meeting of the ERC Committee. Mr De Vidts offered to report back thereafter.

Overnight market (item 8): The members still thought that the time was not yet ripe for creating an overnight repo rate.

4. REVIEW OF EUREPO PANEL

The members reviewed the composition of the panel of reference banks.

They noted that (i) 'Credit Suisse First Boston Europe Ltd' should now read 'Credit Suisse'.

5. COMPLIANCE OF PANEL BANKS WITH THEIR OBLIGATIONS

The Committee was satisfied with the compliance of panel banks with their obligation to provide their data on a daily basis.



6. ACCEPTANCE, USE AND LEVEL OF EUREPO

The Committee noted that EUREPO was still mainly used for internal purposes (mark-to-market) and had yet to be used for external transactions. The abundant liquidity in the market and the low volatility of the Euribor/Eurepo spread could explain why this was so. The Committee was confident however this would not last for ever as market conditions would, sooner or later, change. Also it was anticipated that the new capital adequacy framework would have a positive impact on the use of secured products such as repos and would boost the use of independent fixings, such as EUREPO, for marking to market transactions,

The Committee was of the opinion that EUREPO was quoted at the right level.

As far as the EUREPO visibility was concerned, the members felt that there was awareness among market participants thanks *inter alia* to ERC and ACI's promotion efforts.

7. ANY OTHER BUSINESS

The Chairman informed the members that their term of office would come to an end in May 2006. Accordingly Euribor FBE and ERC would soon be invited to appoint members for a new 2-year term of office. It was noted that mandates were renewable.

8. DATE AND PLACE OF NEXT MEETING

The date and place of the next meeting will be decided by the newly composed Committee upon a proposal to be made by the Secretariat in due course.



8TH MEETING OF THE EUREPO STEERING COMMITTEE
- Hotel Lutetia, Paris, 21 March 2006, 15.00 CET -

LIST OF PARTICIPANTS

Members

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|-------------------------|------------------------------------|
| Mr E. CIA | Bayerische Hypo-und Vereinsbank AG |
| Mr G. DE VIDTS | Fortis Bank |
| Mr M. HINDELANG | Bayerische Landesbank |
| Mr van de WERVE, Tanguy | FBE (representing G. RAVOET) |