



International Capital Market Association

European repo market survey

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The author has written a number of books and articles on a range of financial topics, including the foreign exchange and money markets, swaps and electronic trading systems. He takes particular interest in the impact of 'electronic brokers' on the foreign exchange market and in the more recent introduction of electronic trading systems into the bond and repo markets.

The author served for ten years at the Bank of England, within its Foreign Exchange Division and on secondment to the International Monetary Fund in Washington DC.

EXECUTIVE SUMMARY

In December 2007, the European Repo Council (ERC) of the International Capital Market Association (ICMA) conducted the 14th in its series of semi-annual surveys of the repo market in Europe.

The latest survey asked a sample of financial institutions in Europe for the value of their repo contracts that were still outstanding at close of business on December 12, 2007. Replies were received from 68 offices of 62 financial groups, mainly banks. Returns were also made directly by the principal tri-party repo agents and automatic repo trading systems (ATS) in Europe, and by the London-based Wholesale Market Brokers' Association (WMBA).

Total repo business

The total value of repo contracts outstanding on the books of the 68 institutions who participated in the latest survey was EUR 6,382 billion, compared to EUR 6,775 billion in June 2007 and EUR 6,430 billion in December 2006.

The year-on-year growth in the European repo market was measured by comparing the aggregate returns from a sample of institutions that have participated in several surveys. On this basis, the repo market contracted by some 12%, largely in the second half of 2007.

Counterparty analysis

There was little change in the share of electronic trading (21.2%), but the share of voice-brokers increased for the first time since the survey started in 2001, reaching 24.3%.

Geographical analysis

The share of outstanding repo contracts that were negotiated anonymously on an ATS and settled with a central clearing counterparty (CCP) was little changed at 10.5%. However, cross-border trading declined.

Settlement analysis

The share of tri-party repos fell back to 9.1%.

Cash currency analysis

The decline in the share of the pound sterling and the parallel rise in the share of the US dollar seen in June 2007 were more than reversed in December 2007.

Collateral analysis

Despite the crisis, the share of collateral issued in EU countries accounted for by government bonds continued its downward trend to reach 81.3%. However, the share of government bonds in tri-party repos remained well above average.

Contract analysis

The share of floating-rate repos continued to increase, reaching a new record high of 13.3%. On the other hand, the share of open repo fell back sharply to 4.5%.

Maturity analysis

The average duration of outstanding transactions lengthened, with a shift out of the very short term. The number of tri-party repos with more than one year to maturity was 17%. Forward-start repos expanded to 5.8% as expectations of cuts in official interest rates encouraged the position-taking for which these instruments are primarily used.

Product analysis

The share of total business conducted on repo desks that was accounted for by securities lending and borrowing was virtually unchanged at 20.4%.

Concentration analysis

There was a slight increase in the concentration of the surveyed repo market in December 2007.

CHAPTER 1: THE SURVEY

On December 12, 2007, the European Repo Council (ERC) of the International Capital Market Association (ICMA) conducted the fourteenth in its series of semi-annual surveys of the repo market in Europe.

The ICMA survey was actively supported by the ACI – The Financial Markets Association, and has been welcomed by the European Central Bank and European Commission. The survey was managed and the results analysed on behalf of ICMA by the ICMA Centre at Reading University in England under the guidance of the ERC Steering Committee (“ERC Committee”).

1.1 What the survey asked

The survey asked financial institutions operating in a number of European centres for the value of the cash side of repo and reverse repo contracts still outstanding at close of business on Wednesday, December 12, 2007.

The questionnaire also asked these institutions to analyse their business in terms of the currency, the type of counterparty, contract and repo rate, the remaining term to maturity, method of settlement and source of collateral. In addition, institutions were asked about securities lending and borrowing conducted on their repo desks.

The detailed results of the survey are set out in Appendix C. An extract of the accompanying Guidance Notes is reproduced in Appendix A.

Separate returns were made directly by the principal automatic repo trading systems (ATS) and tri-party repo agents in Europe, and an aggregate return was made directly by the London-based Wholesale Market Brokers’ Association (WMBA).

1.2 The response to the survey

The latest survey was completed by 68 offices of 62 financial groups. This compares with 76 offices of 71 financial groups in June 2007. While 11 institutions which participated in the June 2007 survey dropped out of the latest survey, another 3 institutions joined or rejoined. Several of the departures were due to mergers and the consolidation of repo books.

The institutions surveyed were headquartered in 15 European countries, as well as in North America (6) and Japan (3). 63 institutions were headquartered in 14 of the 27 member states of the EU (unfortunately, no institutions from Finland, Portugal or Sweden, and institutions from only two former Accession States – Poland and Slovenia – participated in the latest survey) and 48 were headquartered in 11 of the 15 countries of the eurozone.

However, although some institutions were headquartered in one country, the bulk of their business was conducted in another. Many institutions provided data for their entire European repo business. Others provided separate returns for each office with its own repo book. A list of the institutions that have participated in ICMA repo surveys is contained in Appendix B.

1.3 The next survey

The next survey is scheduled to take place at close of business on Wednesday, June 11, 2008.

Any financial institution wishing to participate in the next survey can download copies of the questionnaire and accompanying Guidance Notes from ICMA's web site. The latest forms will be published shortly at the following website:

www.icmagroup.org/surveys/repo/participate.

Questions about the survey should be sent by e-mail to reposurvey@icmagroup.org.

Institutions who participate in the survey receive, in confidence, a list of their rankings in the various categories of the survey.

CHAPTER 2: ANALYSIS OF SURVEY RESULTS

The aggregate results for the latest two surveys and the December surveys in the years 2003-2007 are set out in Appendix C. Full details for all previous surveys can be found at www.icmagroup.org.

Total repo business (Q1)

The total value at close of business on December 12, 2007, of repos and reverse repos outstanding on the books of the 68 institutions which participated in the latest survey was **EUR 6,382** billion. In aggregate, the market as measured by the survey sample switched to being a marginal net lender. Of the sample of 68 institutions, 30 were net lenders.

Table 2.1 – Total repo business from 2001 to 2007

survey	total (EUR bn)	repo	reverse repo
2007 December	6,382	49.4%	50.6%
2007 June	6,775	50.8%	49.2%
2006 December	6,430	50.7%	49.3%
2006 June	6,019	51.7%	48.3%
2005 December	5,883	54.6%	45.4%
2005 June	5,319	52.4%	47.6%
2004 December	5,000	50.1%	49.9%
2004 June	4,561	50.6%	49.4%
2003 December	3,788	51.3%	48.7%
2003 June	4,050	50.0%	50.0%
2002 December	3,377	51.0%	49.0%
2002 June	3,305	50.0%	50.0%
2001 December	2,298	50.4%	49.6%
2001 June	1,863	49.6%	50.4%

It is important to remember that the survey measures the value of outstanding transactions at close of business on the survey date. Measuring the stock of transactions at one date rather than the flow between two dates permits deeper analysis but is difficult to reconcile with the flow numbers published by other sources. As the survey is a 'snapshot' of the market, it can miss peaks and troughs in business

between survey dates, especially of short-term transactions.

In addition, the values measured by the survey are gross figures, which mean that they have not been adjusted for the double counting of transactions between pairs of survey participants.

Nor does the survey measure the value of repos transacted with

central banks as part of official monetary policy operations.

In order to gauge the year-on-year growth of the European repo market (or at least of that segment represented by the institutions which have participated in the survey), it is not valid to simply compare the total value of repos and reverse repos with the same figures in previous surveys. Some of the changes represent the entry and exit of institutions into and out of the survey, mergers between banks and the reorganization of repo books within banks. To overcome the problem caused by changes in the sample of survey participants, comparisons were made of the aggregate outstanding contracts reported only by a sub-sample of institutions which had participated in several surveys.

The repo business of the 59 institutions which participated in the last three surveys contracted

by 11.7% year-on-year to December 2007. Virtually all of this contraction (11.5%) was in the second half of the survey year, between June and December 2007. However, the size and direction of the change is very dependent on the choice of sample. The repo business of the 61 institutions that participated in the December 2006 and December 2007 surveys (but not necessarily June 2007) contracted by only 1.2% year-on-year, while the repo business of the 65 institutions which participated in at least the last two surveys grew by 5.8% in the six-month period to December 2007.

Of the sample of 65 institutions, the repo books of 34 expanded, while 31 contracted. The average size of repo books increased to EUR94 billion from EUR 88 billion in June 2007.

Counterparty analysis (Q1.1)

Table 2.2 – Counterparty analysis

	December 2007		June 2007		December 2006	
	users	share	users	share	users	share
direct	68	54.5%	76	59.4%	74	56.8%
of which tri-party	36	9.1%	45	11.8%	37	10.6%
voice-brokers	51	24.3%	54	18.7%	54	19.8%
ATS	48	21.2%	56	21.9%	51	23.3%

The most notable change in the distribution of business was the jump in the share of voice brokers, largely at the expense of direct business. This is the first increase in the share of voice brokers since

the survey started in 2001. It may reflect the greater use of brokers to seek out liquidity in the difficult market conditions prevailing from July 2007.

Table 2.3 – Numbers of participants reporting particular types of business

	Dec-07	Jun-07	Dec-06	Jun-06	Jun-05	Jun-04
ATS	48	56	51	54	53	49
anonymous ATS	35	39	33	34	36	32
voice-brokers	51	54	54	58	57	56
tri-party repos	36	45	37	42	40	38
total	68	76	73	79	81	81

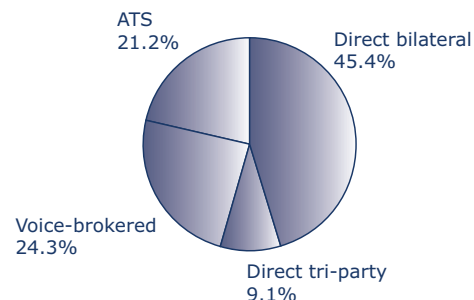
The principal automatic trading systems (ATS) operating in Europe – BrokerTec, Eurex Repo and MTS – provided data directly to the survey. The directly-reported value of repos outstanding on December 12, 2007, was EUR 689.6 billion, sharply down (-28.2%) from the EUR 961.1 billion recorded in June 2007 and compares with EUR 741.2 billion in December 2006. Whereas, in the last survey, it seemed as though electronic trading might be growing fastest among (probably smaller) institutions outside the survey sample, the latest result suggests that the focus of electronic trading during recent financial market turbulence may have swung back towards its (larger) core users, who are better represented in the survey sample.

The share of the sub-set of directly-transacted repos settled through tri-party arrangements fell back sharply to 9.1% from the record 11.8% seen in June 2007.

Five of the six main tri-party repo agents in Europe again contributed data directly to the

survey (Bank of New York, Citibank, Clearstream, Euroclear and SegaiInterSettle). The total value of outstanding tri-party repo contracts on December 12, 2007, reported by these agents was EUR 775.6 billion, down from EUR 839.5 billion in June 2007 and compared with EUR 701.1 billion in December 2006. This compares to EUR 593.1 billion reported in the main survey. The contraction since June 2007 reported in the main survey (-25.6% from EUR 797.1 billion) was much larger than the contraction reported by the triparty agents (-7.6%).

Figure 2.1 - Counterparty analysis



Geographical analysis (Q1.1)

Table 2.4 – Geographical analysis

	December 2007		June 2007		December 2006	
	share	users	share	users	share	users
domestic	34.7%		32.0%		34.6%	
cross-border	54.7%		57.7%		50.8%	
anonymous	10.5%	35	10.3%	37	14.6%	33

The share of cross-border business fell back from the record 57.7% reported in June 2007, but remains high. The share of anonymous trading across ATS's was virtually unchanged at 10.5%, but lower than in the past.

The share of anonymous electronic trading in the business reported directly by the ATS's fell back to 77.0% from 79.1%.

The share of electronic trading between counterparties in the same country, as reported directly by ATS's, rose to 44.2% from 40.9%, while the share between eurozone and non-eurozone institutions fell to 40.4% from 43.1%.

Given that the dominant domestic and non-eurozone trading centre is London, these changes suggest that financial market turbulence may have

dampened cross-border flows and forced firms to look closer to home for liquidity.

This suggestion is supported by WMBA data, which showed that domestic business handled by voice-brokers rose to 39.6% from 31.9%, and cross-border transactions within the eurozone rose to 17.1% from 14.2%, while business into and out of the eurozone fell to 32.1% from 35.3%.

Figure 2.2 - Geographical analysis

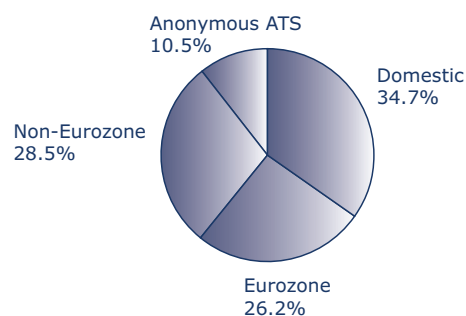


Table 2.5 – Geographical comparisons in December 2007

	main survey	ATS	tri-party	WMBA
domestic	34.7%	44.2%	28.6%	39.6%
cross-border	54.7%	55.8%	71.4%	60.4%
anonymous	10.5%			n/a

Table 2.6 – Cash currency analysis (Q1.3 and Q1.4)

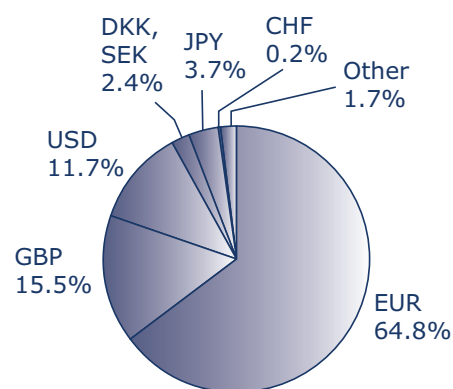
	December 2007	June 2007	December 2006
EUR	64.8%	65.2%	64.1%
GBP	15.5%	12.4%	14.3%
USD	11.7%	15.5%	14.1%
DKK, SEK	2.4%	2.5%	1.8%
JPY	3.7%	2.8%	3.3%
CHF	0.2%	0.2%	0.1%
etc	1.7%	1.4%	2.3%
cross-currency	2.3%	5.2%	1.8%

The share of the pound sterling surged to a new record high of 15.5% from 12.4% in June 2007, while the US dollar dropped back to 11.7% from a record high of 15.5% in the previous survey.

The share of the euro in electronic business, as reported directly by the ATS's, fell back to 84.3% from 89.6% in June 2007, while the share of sterling grew to 8.3% from 5.4% and that of the Swiss franc jumped to 7.2% from 4.6%.

There was a dramatic shift in tri-party repo business away from the US dollar, which fell back to 18.2% from a record 44.6% seen in June 2007, as the euro leapt to 62.7% from 39.8%, and the pound sterling expanded to 17.0% from 10.7%. The yen also fell back from 2.6% to the share of 0.3% previously recorded in December 2006.

The euro also accounted for more of the voice-brokered business reported directly by the WMBA (63.4% compared to 52.0% in June 2007 and 60.5% in December 2006), while the pound sterling and US dollar fell back to 30.4% and 3.9%, respectively, from 32.7% and 7.7% in June 2007.

Figure 2.3 - Currency analysis**Table 2.7 – Currency comparison in December 2007**

	main survey	ATS	tri-party	WMBA
EUR	64.8%	84.3%	62.7%	63.4%
GBP	15.5%	8.3%	17.0%	30.4%
USD	11.7%	0.0%	18.2%	3.9%
DKK, SEK	2.4%	0.2%	0.1%	0.0%
JPY	3.7%	0.0%	0.3%	1.7%
CHF	0.2%	7.2%	0.7%	0.0%
etc	1.7%	0.0%	1.0%	0.6%
cross-currency	2.3%		24.9%	n/a

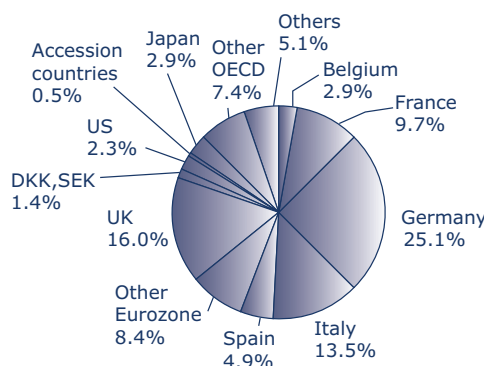
Collateral analysis (Q1.9)

Table 2.8 – Collateral analysis

	December 2007	June 2007	December 2006
Germany	25.1%	24.4%	23.6%
Italy	13.5%	13.2%	14.0%
France	9.7%	11.2%	10.3%
Belgium	2.9%	2.7%	2.9%
Spain	4.9%	4.1%	4.4%
other eurozone	8.4%	8.5%	7.2%
UK	16.0%	12.8%	14.9%
DKK, SEK	1.4%	1.7%	2.0%
US	2.3%	4.0%	2.8%
Accession countries	0.5%	0.8%	1.4%
Japan	2.9%	2.5%	2.8%
other OECD	7.4%	7.9%	9.6%
other	3.7%	4.7%	3.0%
equity	1.3%	1.6%	0.9%

There was, once again, little change in the share of repo collateral issued in countries in the eurozone (64.4% compared with 64.1% in June 2007). Only French collateral showed any noticeable change in share among eurozone countries but this may have been due to the loss of a major French survey participant. The key development was the reversal of the swing seen in June 2007 away from collateral issued in the UK towards US collateral. In December 2007, UK collateral increased in share to 16.0% from 12.8% in June 2007 and 14.9% in December 2006, while US collateral fell to 2.3% from 4.0% and 2.8% in December 2006.

Figure 2.4 - Collateral analysis



Despite heightened concerns about credit risk, the share of EU collateral issued by central governments continued its apparently secular downward trend to a new record low of 81.3% from 83.7% in June 2007. However, the share of government bonds in directly-reported triparty repo remained higher than normal at 44.2%, having jumped to 43.6% in June 2007 from 22.6% in December 2006. The share of equity fell back to 12.6% from

21.0% in June 2007, close to the 12.1% recorded in December 2006.

The shares of eurozone and EU collateral in directly-reported tri-party repos recovered some lost ground, increasing to 43.8% and 54.6%, respectively, from 38.9% and 48.2% in June 2007, having fallen from 51.3% and 64.3% in December 2006.

Contract analysis (Q1.5)

The share of reported outstanding repo contracts taking

the form of repurchase agreements recovered to 84.6% from 82.7% in June 2007.

Figure 2.5 – Contract analysis

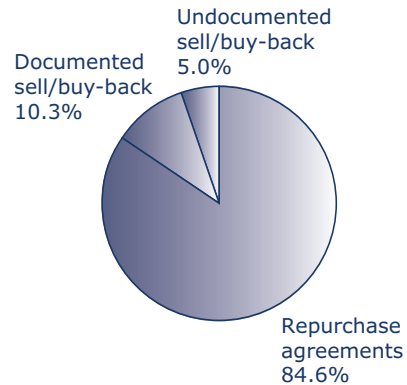


Table 2.9 – Contract comparison in December 2007

	main survey	ATS	tri-party
repurchase agreements	84.6%	75.6%	100.0%
documented sell/buy-backs	10.3%	24.4%	0.0%
undocumented sell/buy-backs	5.0%	0.0%	0.0%

Repo rate analysis (Q1.6)

The share of floating-rate repos (typically indexed to EONIA) reached a new record high of 13.3% from 13.1% in June 2007.

The share of open repo fell back sharply to 4.5% from 8.1% in June 2007, possibly reflecting the reluctance of firms to offer open-ended (albeit terminable-on-demand) transactions in volatile market conditions.

Floating-rate repos in electronic business, as reported directly by ATS’s, also continued to grow, reaching 13.1% from 12.2% in June 2007 and 11.5% in December 2006.

Open repos continued to fall as a share of triparty business reported in the main survey, reaching 5.0% compared with 6.6% in June 2007 and 15.3% in December 2006. However, open repos in directly-reported tri-party repo business recovered slightly to 19.5% from a low of 18.3% in June 2007, compared with 29.4% in December 2006.

Figure2.6 – Repo rate analysis

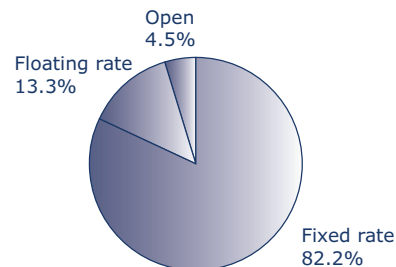
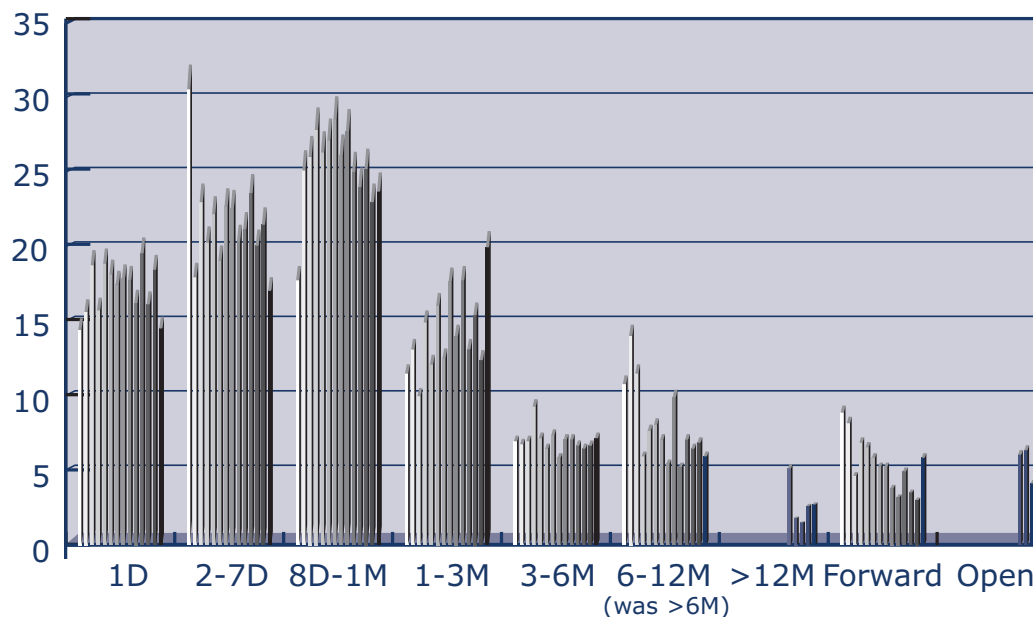


Table 2.10 – Repo rate comparison in December 2007

	main survey	ATS	tri-party
fixed rate	82.2%	86.9%	80.5%
floating rate	13.3%	13.1%	0.0%
open	4.5%	0.0%	19.5%

Maturity analysis (Q1.7)**Table 2.11 – Maturity analysis**

	December 2007	June 2007	December 2006
1 day	14.4%	18.3%	16.0%
2 days to 1 week	16.9%	21.3%	19.9%
1 week to 1 month	23.5%	22.8%	25.0%
>1 month to 3 months	19.8%	12.3%	15.3%
>3 months to 6 months	7.1%	6.6%	6.4%
>6 months to 12 months	5.9%	6.8%	6.4%
>12 months	2.7%	2.6%	1.5%
forward-start	5.8%	3.0%	3.5%
open	4.1%	6.3%	6.0%

Figure 2.7 – Maturity analysis

The share of short-dated repos (one or month or less to maturity) fell back sharply to 54.7% from 62.4% in June 2007. However, this

reduction was focused on terms of 1 week or less, which fell to 31.3% from 39.6%. On the other hand, transactions with a remaining term

of between 1 week and 6 months increased to 50.3% from 41.7%. Forward-start repos grew to 5.8% from 3.0% in June 2007, reflecting their use in interest rate positioning in anticipation of cuts in central bank rates in response to the market crisis.

The bulk of outstanding contracts reported directly by the ATS's continued to have a remaining term to maturity of one day, at 78.9% compared with 74.9% in June 2007.

In tri-party repo, there was a general shift towards longer-term

transactions. The share of short-dated transactions dropped back to 47.7% from 58.5% in June 2007 and 49.7% in December 2006, while transactions with 12 months or more remaining to maturity was 17.1%.

There was a shift in the maturity distribution of business reported by the WMBA, out of forward-start repo (which fell to 46.7% from 56.7%), most notably into transactions with a remaining maturity of between 1 and 6 months (to 25.0% from 16.6%).

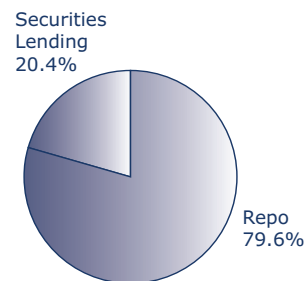
Table 2.12 – Maturity comparison in December 2007

	main survey	ATS	tri-party	WMBA
1 day	18.3%	78.9%	18.4%	4.3%
2 days to 1 week	21.2%	14.2%	9.9%	6.8%
1 week to 1 month	22.8%	2.3%	7.3%	8.1%
>1 month to 3 months	12.3%	2.3%	11.4%	18.3%
>3 months to 6 months	6.6%	1.2%	8.8%	6.7%
>6 months to 12 months	6.8%	0.2%	1.7%	8.3%
>12 months	2.6%	0.0%	17.1%	0.7%
forward-start	3.0%	0.9%	0.0%	46.7%
open	6.3%		25.4%	

Product analysis (Q2)

The share of total business on repo desks accounted for by securities lending and borrowing conducted was virtually unchanged at 20.4% compared with 20.5% in June 2007. The share of equity in securities lending fell back to 12.5% from 14.0% in June 2007, compared with 8.7% in December 2006.

Figure 2.8 – Product analysis

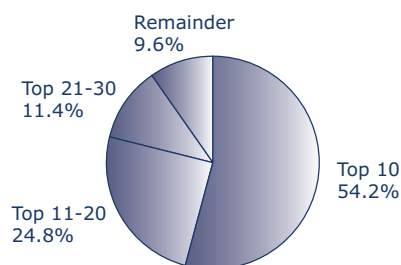


Concentration analysis

Table 2.13 – Concentration analysis

	December 2007	June 2007	December 2006
top 10	54.2%	53.6%	60.2%
top 20	79.0%	78.1%	82.0%
top 30	90.4%	89.8%	91.7%
other	9.6%	10.2%	8.3%

Figure 2.9 – Concentration analysis



There was a slight increase in the concentration of the surveyed repo market in December 2007.

Concentration ratios also rose slightly in electronic trading. The top 10 institutions accounted for

60.6% overall and for 67.9% of anonymous electronic trading, compared with 58.0% and 64.9% in June 2007. The top 20 accounted for 87.1% and 91.9%, respectively, compared with 83.4% and 92.6% in June 2007. The top 30 accounted for 96.8% and 99.6%, respectively, compared with 96.8% and 99.8%.

There was a sharp increase in the concentration of the triparty repo business reported in the main survey. The share of the top 10 jumped to 84.8% from 65.9% in June 2007, the top 20 to 99.1% from 90.9%, and the share of the top 30 to 100% from 98.2%.

CHAPTER 3: CONCLUSION

The June and December 2007 surveys were separated by the market turbulence triggered by the "sub-prime crisis". These difficulties may have reversed the growth of the repo market. However, the extent of the set-back depends on the sample used to measure the change.

On balance, the repo market appears to be weathering the storm well. Although the headline number has fallen to EUR 6,382 billion from EUR 6,775 billion in June 2007, a large part of this change reflects the depletion of the survey sample. Moreover, despite the severity of the market crisis, the changes in the repo market have been quite modest. For example, there has been little or no change in the share of electronic trading.

One consequence of the crisis may have been the first increase in the share of voice-brokers since the survey started. This could reflect the greater use of brokers to seek out liquidity in the difficult market conditions prevailing after July 2007. In addition, expectations of cuts in official interest rates in response to the crisis have increased turnover on forward-start repos, which are largely brokered transactions.

Market turbulence may also have been responsible for the reduction in cross-border business by forcing firms to seek liquidity closer to home, in their domestic markets.

Concern over the quality of collateral could explain the reduction in the share of tri-party repos, which has been the preferred way of managing non-government collateral. It definitely explains the continuation of the unusually high share of government bond collateral in tri-party repos. On the other hand, the share of government bond collateral continued its apparently secular decline, reaching 81.3% (measured in terms of EU collateral).

The crisis may have adversely impacted the share of open repos. It is possible that firms are reluctant to offer open-ended (albeit terminable-on-demand) transactions in volatile market conditions. Open repos are also a preferred means of financing long positions in securities and this activity has been curtailed as firms have become less risk tolerant.

The crisis has certainly prompted an extension in the average duration of repos. It is evidence of the confidence in the repo instrument that the repo market has been able to provide longer-term financing in such difficult market conditions.

Another effect of the crisis may have been the dramatic recovery in the share of sterling repos and the reversal in the share of the US dollar. Otherwise, changes in currency distribution have been relatively insignificant.

APPENDIX A: SURVEY GUIDANCE NOTES

The following extract is based on the Guidance notes issued to participants in conjunction with the survey that took place on December 12, 2007.

The data required by this survey are: the total value of the repos and reverse repos booked by your repo desk that are still outstanding at close of business on Wednesday, December 12, 2007, and various breakdowns of these amounts.

Branches of your bank in other countries in Europe may be asked to complete separate returns. If your repo transactions are booked at another branch, please forward the survey form to that branch. If branches of your bank in other countries run their own repo books, please copy the survey form to these branches, so that they can also participate in the survey. Please feel free to copy the survey form to other banks, if you discover that they have not received it directly.

General guidance

a) Please fill in as much of the form as possible. For each question that you answer, you will receive back your ranking in that category.

b) If your institution does not transact a certain type of repo business, please enter 'N/A' in the

relevant fields. On the other hand, if your institution does that type of business but is not providing the data requested by the survey, please do not enter anything into the relevant field. If your institution does that type of business but has no transactions outstanding, please enter zero into the relevant field.

c) You only need to give figures to the *nearest million*. However, if you give figures with decimal points, please use full stops as the symbols for the *decimal points*, *not* commas. For *nil returns*, please use zeros, *not* dashes or text.

d) Please do not re-format the survey form, ie change its lay-out, and do not leave formulae in the cells of the underlying spreadsheet.

e) Include all repurchase agreements (classic repos), sell/buy-backs and similar types of transaction (e.g. pensions livrées). There is a separate question (see question 2) on securities lending and borrowing transactions (including securities lending and borrowing against cash collateral).

f) Exclude repo transactions undertaken with central banks as part of their official money market operations. Other repo transactions with central banks, e.g. as part of their reserve management operations, should be included.

g) Give the value of the *cash* which is due to be repaid on all repo and reverse repo contracts (*not* the market value or nominal value of the collateral) that are still *outstanding at close of business on Wednesday, December 12, 2007*. This means the value of transactions at their repurchase prices.

h) "Outstanding" means repos and reverse repos with a repurchase date or which will roll over on or after Thursday, December 13, 2007. You should include all *open repos and reverse repos* that have been rolledover from Wednesday, December 12, 2007 to a later date and all *forward-forward repos and reverse repos* that are still outstanding at close on Wednesday, December 12, 2007.

i) Give separate totals for (a) repos including sell/buy-backs and (b) reverse repos including buy/sell-backs.

j) The survey seeks to measure the value of repos and reverse repos on a *transaction date basis*, rather than a purchase date basis. This means that you should include all repo and reverse repo contracts that have been agreed before close of business on Wednesday, June 13, 2007, even if their purchase dates are later.

k) Give *gross* figures, i.e. do *not* net opposite transactions with the same counterparty. If this is

not possible, please indicate that your figures are net.

l) In the case of equity repo, for synthetic structures, please give the value of the cash payment.

Guidance on specific questions in the survey form

Q1.1 Transactions Q(1.1.1) direct with counterparties or Q(1.1.2) through voice-brokers should *exclude* all repos transacted over an ATS (see below). These should be recorded under Q(1.1.3).

Q(1.1.2) Transactions through voice-brokers should be broken down in terms of the location of the counterparties, rather than the location of the voice-brokers.

Q(1.1.3) "ATSs" are automatic trading systems (e.g. BrokerTec, Eurex Repo and MTS, but not voice-assisted electronic systems such as e-speed and GFInet). Transactions through voice-assisted systems should be included in Q(1.1.2). Anonymous transactions through an ATS with a central counterparty or CCP (e.g. CCG, LIFFE-Clearnet and Eurex Clearing) should be recorded in Q(1.1.3.4).

Q1.2 This item includes all the transactions recorded in Q(1.1.3) plus any transactions executed directly with counterparties and via voice-brokers which are then

registered with and cleared through a central counterparty.

Q1.5 “Repurchase agreements” (also known as “classic repos”) include transactions documented under the Global Master Repurchase Agreement (GMRA) 1995 and Global Master Repurchase Agreement (GMRA) 2000 *without reference* to the Buy/Sell-Back Annexes, and transactions documented under other master agreements. “Sell/buy-backs” are therefore taken to include all transactions that are not documented. Repurchase agreements include pensions livrées. Repurchase agreements are characterised by the immediate payment by the buyer to the seller of a manufactured or substitute payment upon receipt by the buyer of a coupon on the collateral held by the buyer. If a coupon is paid on collateral during the term of a sell/buy-back, the buyer does not make an immediate manufactured or substitute payment to the seller, but reinvests the coupon until the repurchase date of the sell/buy-back and deducts the manufactured or substitute payment (plus reinvestment income) from the repurchase price due to be received from the seller. Sell/buy-backs may be quoted in terms of a forward price rather than a repo rate. Where sell/buy-backs are documented (e.g. under the Buy/Sell-Back Annexes to the GMRA 1995 and GMRA 2000), periodic adjustments to the

relative amounts of collateral or cash – which, for a repurchase agreement, would be performed by margin maintenance transfers or payments – are likely to be made by early termination and adjustment or re-pricing. All open repos are likely to be repurchase agreements.

Q1.7 This section asks for the *remaining* term to maturity (not the original term to maturity) of repos to be broken down as follows:

Q(1.7.1.1) 1 day – this means:

- all contracts transacted prior to Wednesday, December 12, 2007, with a repurchase date on Thursday, December 13, 2007;
- overnight, tom/next, spot/next and corporate/next contracts transacted on Wednesday, December 12, 2007.

Q(1.7.1.2) 2–7 days – this means:

- all contracts transacted prior to Wednesday, December 12, 2007, with a repurchase date on Friday, December 14, 2007, or any day thereafter up to and including Wednesday, December 19, 2007;
- contracts transacted on Wednesday, December 12, 2007, with an original repurchase date no later than Wednesday, December 19, 2007 (irrespective of the purchase date, which will vary).

Q(1.7.1.3) More than 7 days but no more than 1 month – this means:

- all contracts transacted prior to Wednesday, December 12, 2007, with a repurchase date on Thursday, December 20, 2007, or

any day thereafter up to and including Monday, January 14, 2008;

- contracts transacted on Wednesday, December 12, 2007, with an original repurchase date no later than Monday, January 14, 2008 (irrespective of the purchase date, which will vary).

Q(1.7.1.4) More than 1 month but no more than 3 months – this means:

- all contracts transacted prior to Wednesday, December 12, 2007, with a repurchase date on Monday, January 14, 2008, or any day thereafter up to and including Wednesday, March 12, 2008;
- contracts transacted on Wednesday, December 12, 2007, with an original repurchase date no later than Wednesday, March 12, 2008 (irrespective of the purchase date, which will vary).

Q(1.7.1.5) More than 3 months but no more than 6 months – this means:

- all contracts transacted prior to Wednesday, December 12, 2007, with a repurchase date on Thursday, March 13, 2008, or any day thereafter up to and including Thursday, June 12, 2008;
- contracts transacted on Wednesday, December 12, 2007, with an original repurchase date no later than Thursday, June 12, 2008 (irrespective of the purchase date, which will vary).

Q(1.7.1.6) More than 6 months but no more than 12 months – this means;

- all contracts transacted prior to Wednesday, December 12, 2007, with a repurchase date on Friday, June 13, 2008, or any day thereafter up to and including Friday, December 12, 2008;

- contracts transacted on Wednesday, December 12, 2007, with an original repurchase date no later than Friday, December 12, 2008 (irrespective of the purchase date, which will vary).

Q(1.7.1.7) More than 12 months – this means;

- all contracts transacted prior to Wednesday, December 12, 2007, with a repurchase date on Monday, December 15, 2008, or any day thereafter;

- contracts transacted on Wednesday, December 12, 2007, with an original repurchase date on or after Monday, December 15, 2008 (irrespective of the purchase date, which will vary).

Q(1.7.2) Forward-forward repos are defined for the purposes of this survey as contracts with a purchase

date of Monday, December 17, 2007, or later. There is therefore an overlap with corporate/next transactions. If the latter cannot be identified separately, it is accepted that they will be recorded as forward-forward repos.

Q(1.7.3) Open repos are defined for the purposes of this survey as contracts that have no fixed repurchase date when negotiated but are terminable on demand by either counterparty. This item should be equal to item Q(1.6.3).

Q1.8 Please confirm whether the transactions recorded in the various questions in (1.7) include your tri-party repo business. Some institutions do not consolidate their tri-party repo transactions with their direct or voice brokered business because of delays in receiving reports from tri-party agents or the complexity of their triparty business.

Q1.9 Eurobonds should be included as fixed income securities issued "by other issuers" in the countries in which the bonds are issued. This will typically be Luxembourg Q(1.9.10) and the UK Q(1.9.15). Equity collateral should be recorded in Q(1.9.34).

Q(1.9.28) "US in the form of fixed income securities but settled across Euroclear or Clearstream" means only domestic and Yankee bonds. This includes Reg.144a bonds, but *excludes* Eurodollar and US dollar global bonds, which should be treated as bonds issued "by other issuers" in the countries in which the bonds were issued. This will typically be Luxembourg Q(1.9.10) and the UK Q(1.9.15).

Q(1.9.30) "Other OECD countries" are Australia, Canada, Iceland, Korea, Mexico, New Zealand, Norway, Switzerland, Turkey and the US. In the case of collateral issued in the US, only collateral settled across the domestic US settlement system should be included in Q(1.9.30). US collateral settled across

Euroclear and Clearstream Luxembourg should be recorded in Q(1.9.28).

Q(1.9.34) "Equity" includes ordinary shares, preference shares and equity-linked debt such as convertible bonds. 2 "Total value of securities loaned and borrowed by your repo desk" includes the lending and borrowing of securities with either cash or securities collateral. Exclude any securities lending and borrowing done by desks other than your repo desk. If your repo desk does not do any securities lending and borrowing, this line will be a nil return.

Q3 "Active" means about once a week or more often.

List of respondents	Jun -01	Dec -01	Jun -02	Dec -02	Jun -03	Dec -03	Jun -04	Dec -04	Jun -05	Dec -05	Jun -06	Dec -06	Jun -07	Dec -07
BBVA	x	x	x	x	x	x	x	x	x	x	x	x	x	x
BHF-Bank	x	x	x	x	x	x	x	x	x	x	x	x	x	x
BHF-Bank Luxembourg							x			x	x		x	x
BNP Paribas	x	x	x	x	x	x	x	x	x	x	x	x	x	
Bundesrepublik Deutschland Finanzagentur			x	x	x	x	x		x		x	x	x	x
BW-Bank		x												
Caixa d'Estalvis de Catalunya					x				x				x	x
Caixa Geral de Depositos			x	x										
Caja de Ahorros y Monte de Piedad de Madrid (Caja Madrid)			x	x	x	x			x	x	x	x	x	x
Calyon		x	x	x	x	x	x	x	x	x	x	x	x	x
Capitalia			x				x	x	x	x				
CDC IXIS Capital Markets Zweigniederlassung Deutschland			x	x	x	x	x	x			x		x	x
Citigroup Global Markets Ltd	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Commerzbank	x		x	x	x	x	x	x	x	x	x	x	x	x
Confederación Española de Cajas de Ahorros (CECA)	x		x	x	x	x	x	x	x	x	x	x	x	x
Credito Valtellinese					x									
Croatian National Bank		x			x									
Credit Suisse Securities (Europe) Ltd	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Danske Bank									x	x			x	x
Daiwa Securities SMBC Europe	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dekabank Deutsche Girozentrale	x	x	x	x					x	x				
Delta Lloyd Securities					x									
DePfa ACS				x	x	x	x	x	x	x	x	x	x	x
DePfa Bank				x	x	x	x	x						
Deutsche Bank	x		x	x	x	x	x	x	x	x	x	x	x	x
Deutsche Postbank			x	x	x	x	x	x	x	x	x	x	x	x
Dexia	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Dexia BIL						x				x	x	x		x
Dexia Kommunal Bank Deutschland	x	x							x	x	x	x	x	x

List of respondents	Jun -01	Dec -01	Jun -02	Dec -02	Jun -03	Dec -03	Jun -04	Dec -04	Jun -05	Dec -05	Jun -06	Dec -06	Jun -07	Dec -07
Maple Bank	x	x	x											
Merrill Lynch	x	x	x	x	x	x	x	x	x	x	x		x	x
Mitsubishi Securities International														
Mizuho International		x	x	x	x	x	x	x	x	x				
Morgan Stanley	x		x	x	x	x	x	x	x	x	x	x	x	x
Natexis Banques Populaires			x	x		x								
National Bank of Greece	x	x	x	x	x	x	x	x	x	x	x	x	x	
Nomura International	x	x	x	x	x		x	x	x	x	x	x	x	x
Norddeutsche Landesbank Girozentrale	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Nordea Markets			x	x	x	x	x	x	x	x	x	x	x	x
Norinchukin Bank						x	x	x	x	x	x	x	x	
Nova Ljubljanska Banka d.d.							x						x	x
Omega Bank			x	x										
Piraeus Bank			x											
Rabobank		x	x	x	x	x	x	x	x	x	x	x	x	x
Royal Bank of Scotland			x	x	x	x	x	x	x	x	x	x	x	x
RZB	x	x	x		x		x	x	x	x	x	x	x	
Sal. Oppenheim Jr.	x	x	x			x	x	x					x	
Sampo Bank			x	x					x	x		x		
SEB		x		x										
Société Générale		x	x	x	x	x	x	x	x	x	x	x	x	x
Toronto Dominion Bank					x	x								
UBS	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Ulster Bank			x	x			x	x	x	x		x		
Unicredit Banca Mobiliare			x	x	x	x	x	x	x	x	x	x	x	x
Unicredito Italiano Bank (Ireland)					x									
Vereins und Westbank			x	x	x	x	x							
Westdeutsche Immobilien Bank		x	x											
Westdeutsche Landesbank Girozentrale	x		x			x	x			x	x	x	x	x
Zagrabacka Banka				x				x		x	x		x	

APPENDIX C: SUMMARY OF SURVEY RESULTS

Q1 What are the total gross values of cash due to be repaid by you and repaid to you on repo transactions maturing after Dec 12, 2007 (figures in EUR billions)						
	3,788	5,000	5,883	6,430	6,775	6,382
Of the amounts given in response to question (1) above:						
	Dec-03	Dec-04	Dec-05	Dec-06	Jun-07	Dec-07
1.1 How much was transacted:						
direct with counterparties						
• in the same country as you	20.5%	19.3%	19.8%	20.2%	19.5%	19.4%
• cross-border in (other) eurozone countries	14.9%	17.3%	17.1%	15.4%	15.9%	14.9%
• cross-border in non-eurozone countries	17.4%	18.5%	17.2%	20.6%	23.8%	19.8%
through voice-brokers						
• in the same country as you	12.3%	10.3%	9.4%	8.7%	7.6%	11.3%
• cross-border in (other) eurozone countries	9.5%	9.0%	8.6%	7.6%	6.7%	8.1%
• cross-border in non-eurozone countries	5.4%	4.4%	4.0%	3.9%	4.7%	5.5%
on ATs with counterparties						
in the same country as you	6.8%	4.3%	6.3%	4.1%	4.8%	4.1%
• cross-border in (other) eurozone countries	2.9%	3.7%	3.9%	2.4%	3.1%	3.2%
• cross border-border in non-eurozone countries	2.0%	1.5%	2.6%	1.8%	3.5%	3.2%
• anonymously through a central clearing counterparty	8.3%	11.7%	11.0%	15.2%	10.3%	10.5%
1.2 How much of the cash is denominated in:						
• EUR	72.7%	70.4%	68.2%	64.7%	65.2%	64.8%
• GBP	10.3%	10.9%	12.7%	13.1%	12.4%	15.5%
• USD	10.6%	11.6%	11.3%	14.6%	15.5%	11.7%
• SEK, DKK	2.0%	2.2%	2.1%	1.8%	2.5%	2.4%
• JPY	3.1%	3.6%	3.6%	3.2%	2.8%	3.7%
• CHF			0.2%	0.1%	0.2%	0.2%
• other currencies	1.4%	1.3%	1.9%	2.4%	1.4%	1.7%
1.3 How much is cross-currency?	1.2%	1.0%	1.1%	1.2%	5.2%	2.3%
1.4 How much is:						
• repurchase agreement (classic repo)	80.8%	80.6%	83.0%	83.4%	82.7%	84.6%
• documented sell/buy-backs	9.7%	11.3%	10.0%	11.2%	9.4%	10.3%
• undocumented sell/buy-backs	9.6%	8.0%	7.7%	5.4%	7.8%	5.0%

	Dec-03	Dec-04	Dec-05	Dec-06	Jun-07	Dec-07
1.5 How much is:						
• fixed rate	89.6%	86.6%	82.3%	78.7%	78.9%	82.2%
• floating rate	5.6%	7.6%	10.1%	10.2%	13.1%	13.3%
• open	4.8%	5.8%	7.7%	11.1%	8.1%	4.5%
1.6 How much fixed and floating rate repo is (1.6.1) for value before December 7, 2005 and has a remaining term to maturity of:						
• 1 day	18.0%	17.7%	16.1%	16.0%	18.3%	14.4%
• 2-7days	18.9%	22.4%	21.0%	19.9%	21.3%	16.9%
• more than 7 days but no more than 1 month	26.9%	25.9%	24.8%	25.0%	22.8%	23.5%
• more than 1 month but no more than 3 months	15.9%	17.5%	17.6%	15.3%	12.3%	19.8%
• more than 3 months but no more than 6 months	6.4%	5.8%	7.0%	6.4%	6.6%	7.1%
• more than 6 months	8.0%	5.4%	5.2%	6.4%	6.8%	5.9%
• more than 12 months			5.1%	1.5%	2.6%	2.7%
• forward-forward repos	5.8%	5.2%	3.2%	3.5%	3.0%	5.8%
• open				6.0%	6.3%	4.1%
1.7 How much is tri-party repo:	10.6%	9.8%	10.4%	8.8%	11.8%	9.1%
• for fixed terms to maturity	74.9%	82.2%	85.8%	85.4%	92.6%	95.1%
• on an open basis	25.1%	17.8%	14.2%	14.60%	6.6%	5.0%
1.8 How much is against collateral issued in:						
Austria						
• by the central government	0.7%	0.7%	0.9%	0.9%	1.1%	1.1%
• by other issuers	0.1%	0.0%	0.1%	0.1%	0.1%	0.2%
Belgium						
• by the central government	3.8%	3.4%	3.3%	2.5%	2.6%	2.8%
• by other issuers	0.2%	0.4%	0.3%	0.3%	0.1%	0.1%
Denmark						
• by the central government	0.4%	0.3%	0.2%	0.4%	0.2%	0.1%
• by other issuers	0.4%	0.4%	0.3%	0.3%	0.2%	0.2%
Finland						
• by the central government	0.2%	0.3%	0.2%	0.2%	0.2%	0.2%
• by other issuers	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
France						
• by the central government	7.7%	9.3%	9.5%	9.1%	9.8%	8.7%
• by other issuers	0.9%	0.9%	1.0%	1.2%	1.4%	1.0%
Germany						
• by the central government	25.6%	20.8%	24.9%	18.7%	19.0%	19.4%
• pfandbrief	3.1%	2.0%	2.0%	1.6%	2.3%	1.5%
• by other issuers	2.4%	2.1%	2.9%	3.7%	3.1%	4.2%

	Dec-03	Dec-04	Dec-05	Dec-06	Jun-07	Dec-07
Greece						
• by the central government	1.5%	2.2%	1.6%	1.9%	2.3%	2.0%
• by other issuers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ireland						
• by the central government	0.1%	0.3%	0.1%	0.3%	0.1%	0.1%
• by other issuers	0.1%	0.1%	0.1%	0.3%	0.3%	0.5%
Italy						
• by the central government	14.2%	14.4%	13.1%	13.5%	12.8%	12.7%
• by other issuers	0.4%	0.3%	0.3%	0.6%	0.5%	0.8%
Luxembourg						
• by the central government	0.0%	0.0%	0.0%	0.1%	0.3%	0.0%
• by other issuers	0.3%	0.5%	0.6%	0.0%	0.4%	0.8%
Netherlands						
• by the central government	1.7%	2.0%	1.7%	1.4%	2.0%	1.7%
• by other issuers	0.7%	0.7%	0.9%	0.6%	0.5%	0.7%
Portugal						
• by the central government	0.4%	0.5%	0.7%	0.7%	0.9%	0.8%
• by other issuers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain						
• by the central government	6.1%	5.0%	3.4%	3.6%	3.2%	3.7%
• by other issuers	0.2%	0.4%	0.5%	0.9%	1.0%	1.1%
Sweden						
• by the central government	0.9%	1.8%	1.3%	1.1%	0.9%	0.7%
• by other issuers	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%
UK						
• by the central government	8.9%	10.3%	11.3%	11.5%	10.3%	12.2%
• by other issuers	1.9%	1.7%	2.5%	2.1%	2.5%	3.7%
US but settled across EOC/CS	2.9%	2.5%	2.2%	0.0%	4.0%	2.3%
other countries	0.4%					
Cyprus						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%	0.0%
Estonia						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	1.2%	0.0%	0.0%
Hungary						
• by the central government		0.1%	0.5%	0.0%	0.5%	0.2%
• by other issuers		0.0%	0.0%	0.0%	0.0%	0.0%
Latvia						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%	0.0%

	Jun-03	Jun-04	Jun-05	Jun-06	Dec-06	Jun-07
Lithuania						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%	0.0%
Malta						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.2%	0.0%	0.0%
Poland						
• by the central government		0.1%	0.1%	0.0%	0.2%	0.2%
• by other issuers		0.0%	0.0%	0.0%	0.0%	0.0%
Romania						
• by the central government					0.0%	0.0%
• by other issuers					0.0%	0.0%
Slovak Republic						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.1%
• by other issuers		0.0%	0.0%	0.0%	0.0%	0.0%
Slovenia						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	3.0%	0.0%	0.0%
Japan				2.8%	2.5%	2.9%
other OECD	9.4%	13.3%	10.1%	9.7%	7.9%	7.4%
non-OECD EMEA	0.4%	0.6%	0.5%	0.7%	0.7%	0.7%
non-OECD Asian & Pacific	0.2%	0.5%	0.3%	0.3%	0.4%	0.4%
non-OECD Latin America	0.3%	0.4%	0.6%	0.6%	0.6%	0.5%
equity	2.2%	0.4%	0.4%	1.0%	1.6%	1.3%
collateral of unknown origin	0.7%	0.8%	1.0%	1.5%	3.0%	2.1%
Q2 What is the total value of securities loaned and borrowed by your repo desk: to/from counterparties						
in the same country as you						
• in fixed income	45.3%	50.2%	45.6%	37.7%	40.8%	35.4%
• in equity	0.3%	2.6%	4.5%	3.7%	4.4%	4.6%
cross-border in (other) eurozone countries						
• in fixed income	13.4%	24.3%	23.4%	25.0%	22.1%	31.8%
• in equity	0.6%	2.7%	3.7%	5.6%	5.6%	5.1%
cross-border in non-eurozone countries						
• in fixed income	40.3%	19.5%	21.3%	26.7%	23.1%	20.3%
• in equity	0.1%	0.6%	1.5%	1.2%	3.9%	2.7%
for which the term to maturity is						
• fixed	80.8%	55.0%	59.0%	52.4%	55.3%	61.5%
• open	19.2%	45.0%	41.0%	47.6%	44.7%	38.5%

APPENDIX D: THE EUROPEAN REPO COUNCIL

The European Repo Council (ERC) is the forum where the repo dealer community meets and forges consensus solutions to the practical problems of a rapidly evolving marketplace. In this role, it has been consolidating and codifying best market practice. The contact and dialogue that takes place at the ERC underpins the strong sense of community and common interest that characterises the professional repo market in Europe.

The ERC was established in December 1999 by the International Capital Market Association (ICMA, which was then called the International Securities Market Association or ISMA) as a body operating under ICMA auspices. Its governing board is the International Repo Committee (IRC Committee), which consists of two representatives appointed by regional repo councils, which in turn comprise those IRC members that are active in the repo market of a particular geographic area. The regional repo councils are to be established by the IRC Committee for those geographic regions in which it considers there to be a reasonable number of ICMA members active in the repo market and a reasonable level of repo dealing. So far, the ERC is the only regional repo council has been formed, but the IRC is in the process of considering whether to establish Asian and Japanese Repo Councils.

Membership of the ERC is open to any ICMA member who has commenced, or has undertaken to commence, a dedicated repo activity, is willing to abide by the rules applicable to members of the IRC and has sufficient professional expertise, financial standing and technical resources to meet its obligations as a member of the IRC. Membership of the ERC is granted by the IRC Committee in consultation with the ERC Steering Committee.

The ERC meets twice a year (usually in February/March and September) at different financial centres across Europe. The Steering Committee now comprises 19 members elected annually and meets four times a year.

More information about the ERC and IRC is available on www.icmagroup.org.