



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 June 2007, the European Repo Council (ERC) of the International Capital Market Association (ICMA) conducted the thirteenth 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 June 13, 2007. Replies were received from 77 offices of 71 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 77 institutions who participated in the latest survey was EUR 6,775 billion, compared to EUR 6,430 billion in December 2006 and EUR 6,019 billion in June 2006.

The year-on-year growth in the European repo market has been measured by comparing the aggregate returns from samples of institutions that have participated in several surveys. Growth measured on this basis was between 7% and 15% over the

year to June 2007 depending on the sample. However, the market appears to have stagnated over the six months since the previous survey in December 2006.

Counterparty analysis

The latest survey showed that the share of electronic trading dropped back from 23.3% in December 2006 to 21.9%, close to the share recorded in June 2006. The share of voice-broking continued to contract, touching a new record low of 18.7%.

Geographical analysis

The share of reported outstanding repo contracts that were negotiated anonymously on an ATS and settled with a central clearing counterparty (CCP) fell back sharply to 10.3% from a record level of 14.6% in December 2006.

Settlement analysis

The share of tri-party repos reached a record high of 11.8% from 10.6% in December 2006.

Cash currency analysis

The share of the euro was 65.2%, up from 64.1% in December 2006. However, the main development was the pound sterling dropping back to 12.4% from 14.3% in December 2006, ending a period of expansion starting in December 2004. On the

other hand, the US dollar advanced to a new record high of 15.5% from 14.1%. The dollar also took a larger share of tri-party repo (44.6% from 41.0%). Reported cross-currency business – often associated with the dollar and usually below 2% – jumped to a record 5.2% from 1.8% in December 2006.

Collateral analysis

While the share of UK collateral dropped to 12.8% from 14.9% in the previous survey, there were increases in the share of US collateral (up to 4.0% from 2.8%) and modest increases in the shares of some eurozone government bonds.

The share of collateral issued in EU countries accounted for by government bonds continued its downward trend to touch 83.7% from 84.1% in December 2006.

Tri-party repo business saw a sharp increase in both government bonds (43.6% from 22.6%) and equity (21.0% from 12.1%).

Contract analysis

The share of floating-rate repo jumped to a new record high of 13.1% from 10.0% in December 2006. On the other hand, the share of open repo fell back to the 8.1% from the record 11% touched in the previous survey.

Maturity analysis

Transactions with a remaining term of one week or less increased share to 39.6% from 35.9%, largely at the expense of transactions out to three months.

Product analysis

The share of total business conducted on repo desks that was accounted for by securities lending and borrowing was a little higher at 20.5%, compared with 19.8% in December 2006. The share of equity securities in this securities lending increased sharply to 14.0% from 8.7% in December 2006.

Concentration analysis

In the latest survey, there was a large shift in market share from the top ten institutions. The share of the top ten institutions dropped to 53.6% from 60.2% in December 2006, while the shares of the next two groups of ten institutions increased to 24.5% from 21.8% and to 11.6% from 9.7%, respectively. This reduction in concentration unwound an unusual increase in the share of the top 10 institutions in December 2006.

CHAPTER 1: THE SURVEY

On June 13, 2007, the European Repo Council (ERC) of the International Capital Market Association (ICMA) conducted the thirteenth 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, June 13, 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 77 offices of 71 financial groups. This compares with 74 offices of 66 financial groups in December 2006. While 5 institutions which participated in the December 2006 survey dropped out of the latest survey, another 8 institutions joined or rejoined.

The institutions surveyed were headquartered in 16 European countries, as well as in North America (7) and Japan (4). 63 institutions were headquartered in 15 of the 27 member states of the EU (unfortunately, no institutions from Finland, Portugal or Sweden, and institutions from only three Accession States – Croatia, Poland and Slovenia – participated in the latest survey) and 55 were headquartered in 11 of the 13 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, December 12, 2007.

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 June surveys in the four previous years (2003-2006) 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 June 13, 2007, of repos and reverse repos outstanding on the books of the 77 institutions which participated in the latest survey was **EUR 6,775** billion. In aggregate, the market as measured by the survey sample continued to be a marginal net borrower in the repo market. Of the sample of 77 institutions, 46 were net borrowers.

Table 2.1 – Total repo business from 2001 to 2007

survey	total (EUR bn)	repo	reverse repo
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 reorganisation 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 68 institutions which participated in the last three surveys grew by 7.1% year-on-year to June 2007. However,

growth was uneven. There was a contraction of 0.1% between the December 2006 and June 2007 surveys, but growth of 7.3% between the June and December 2006 surveys. Growth of the repo business of the 72 institutions that participated in the June 2007 and June 2006 surveys (but not necessarily December 2006) was more robust at 14.9% year-on-year. The repo business of the 68 institutions which participated in at least the last two surveys contracted by 4.0% in the six-month period to June 2007.

The average size of repo books was unchanged at about EUR88 billion. Of the 68 institutions that participated in the last three surveys, the repo books of 41 expanded between December 2006 and June 2007 (compared to 38 and 47 in the two previous surveys) while 27 books contracted.

Counterparty analysis (Q1.1)

Table 2.2 – Counterparty analysis

	June 2007		December 2006		June 2006	
	share	users	share	users	share	users
direct	77	59.4%	74	56.8%	79	58.3%
of which tri-party	45	11.8%	37	10.6%	42	11.3%
voice-brokers	54	18.7%	54	19.8%	58	20.3%
ATS	56	21.9%	51	23.3%	54	21.4%

The principal change between the December 2006 and June 2007 surveys was the fall back in the

share of inter-dealer ATS's to 21.9%, similar to June 2006 (21.4%), from 23.3% in December 2006.

Table 2.3 – Numbers of participants reporting particular types of business

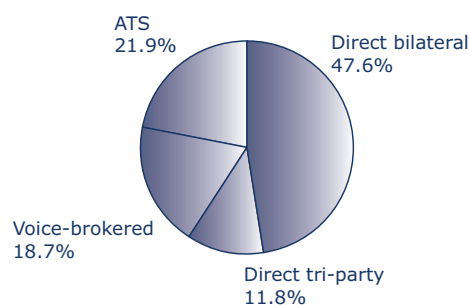
	Jun-03	Jun-04	Jun-05	Jun-06	Dec-06	Jun-07
ATS	51	49	53	54	51	56
anonymous ATS	31	32	36	34	33	39
voice-brokers	61	56	57	58	54	54
tri-party repos	34	38	40	42	37	45
total	84	81	81	79	74	77

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 June 13, 2007, that had been transacted across these three systems was EUR 961.1 billion, up from EUR 741.2 billion in December 2006, an increase of 29.7%. This contrasts with a decline in the electronic trading reported in the main survey of 8.2%, which suggests that growth in electronic trading is occurring most rapidly among institutions outside the survey sample. On the whole, these would be smaller repo players.

The share of voice-brokers continued on its downward trend and reached another new all-time low of 18.7%.

The share of the sub-set of directly-transacted repos settled through tri-party arrangements recovered sharply to reach a new record 11.8% of total outstanding business from 10.6% in December 2006. The previous record high was 11.3% in June 2006.

The six main tri-party repo agents in Europe again contributed data directly to the survey. Returns were received from Bank of New York, Citibank, Clearstream, Euroclear, JP Morgan and SegInterSettle (SIS). The total value of outstanding tri-party repo contracts on June 13, 2007, reported by these agents was EUR 839.5 billion compared to EUR 701.1 billion in December 2006 and EUR 585.7 billion reported in June 2006. This compares to EUR 797.1 billion reported in the main survey. Tri-party repo therefore showed strong absolute and relative growth between the last two surveys.

Figure 2.1 - Counterparty analysis June 2007

Geographical analysis (Q1.1)

Table 2.4 – Geographical analysis

	June 2007		December 2006		June 2006	
	share	users	share	users	share	users
domestic	32.0%		34.6%		34.6%	
cross-border	57.7%		50.8%		56.6%	
anonymous	10.3%	39	14.6%	33	8.7%	34

The share of cross-border business reported in the latest survey jumped to a record 57.7% from 50.8% in December 2006.

In contrast, the share of anonymous trading across ATS's dropped sharply to 10.3% from an all-time high of 14.6% in December 2006. However, it remained above the low of 8.7% reported in June 2006.

Anonymous electronic trading accounts for 79.1% of the business reported directly by the ATS's, compared with 78.3% reported in December 2006.

The bulk of electronic trading, as reported directly by ATS's, continues to be domestic (40.9%) and between eurozone and non-eurozone institutions (43.1%). This may reflect the influential role of the London repo market.

The voice-brokered business reported directly by the WMBA showed an increase in the share of business into and out of the eurozone (35.3% compared to 32.1% in December 2006) and between parties operating outside the eurozone (18.6% compared to 14.7%) mainly at the expense of cross-border transactions within the eurozone (14.2% compared to 20.8%).

Figure 2.2 - Geographical analysis June 2007

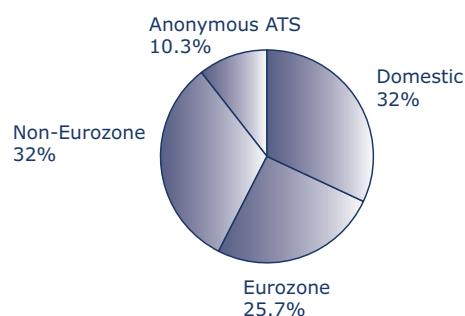


Table 2.5 – Geographical comparisons June 2007

June 2007	main survey	ATS	tri-party	WMBA
domestic	32.0%	40.9%	27.4%	31.9%
cross-border	57.7%	57.4%	72.6%	68.1%
anonymous	10.3%		0.0%	n/a

Cash currency analysis (Q1.3 and Q1.4)

Table 2.6 Currency analysis

	June 2007	December 2006	June 2006
EUR	65.2%	64.1%	65.2%
GBP	12.4%	14.3%	13.5%
USD	15.5%	14.1%	13.9%
DKK, SEK	2.5%	1.8%	1.8%
JPY	2.8%	3.3%	3.5%
CHF	0.2%	0.1%	0.2%
etc	1.4%	2.3%	1.9%
cross-currency	5.2%	1.8%	1.5%

The main changes shown by the latest survey were the jump in the reported share of cross-currency repo to 5.2% from 1.8% in December 2006, a drop in the share of the pound sterling to 12.4% from its record high of 14.3% in the previous survey and the advance of the US dollar to a new record high of 15.5% from its previous record of 14.1% in December 2006. There was a small increase in the share of euros to 65.2% from its record low of 64.1% in December 2006.

The share of the euro in electronic business, as reported directly by the ATS's, again rose marginally to 89.6% from 88.5% in December 2006 and 88.0% in July 2006. The share of sterling recovered slightly to 5.4% from 5.0% and 6.3%, respectively, at the expense of the Swiss franc, which fell back to 4.6% from 5.9% in December 2006.

The shift in tri-party repo business towards the US dollar continued. Its share rose to a record 44.6% from 41.0% in December 2006. This was largely at the expense of the euro and pound sterling, which fell to 39.8%

and 10.7%, respectively, from 43.0% and 13.8% in December 2006. The yen also increased its share of tri-party repo business, increasing sharply to 2.6% from 0.3% in the previous survey.

The euro accounted for much less of the voice-brokered business reported directly by the WMBA in June 2007 (52.0% compared to 60.5% in December 2006), while the pound sterling and US dollar increased in importance (32.7% and 7.7%, respectively, compared to 28.4% and 5.2% in December 2006). The pound sterling continued to be of significantly more importance to voice-brokers than the market as a whole, reflecting the London location of the WMBA members.

Figure 2.3 – Currency analysis June 2007

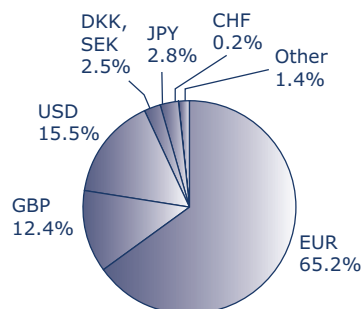


Table 2.7 – Currency comparison in June 2007

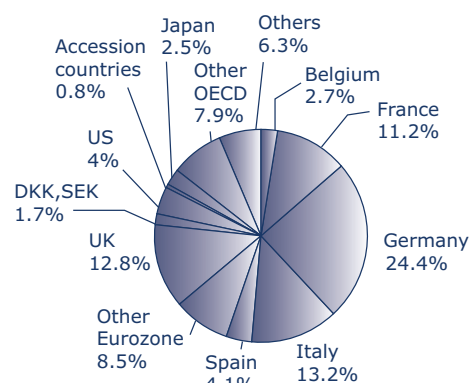
June 2007	main survey	ATS	tri-party	WMBA
EUR	65.2%	89.6%	39.8%	52.0%
GBP	12.4%	5.4%	10.7%	32.7%
USD	15.5%	0.0%	44.6%	7.7%
DKK, SEK	2.5%	0.3%	0.1%	4.7%
JPY	2.8%	0.0%	2.6%	1.9%
CHF	0.2%	4.6%	0.3%	0.0%
etc	1.4%	0.1%	1.8%	1.0%
cross-currency	5.2%		17.6%	n/a

Collateral analysis (Q1.9)**Table 2.8 – Collateral analysis**

	June 2007	December 2006	June 2006
Germany	24.4%	23.6%	23.5%
Italy	13.2%	14.0%	15.3%
France	11.2%	10.3%	10.1%
Belgium	2.7%	2.9%	3.5%
Spain	4.1%	4.4%	4.2%
other eurozone	8.5%	7.2%	7.4%
UK	12.8%	14.9%	14.2%
DKK, SEK	1.7%	2.0%	2.1%
US	4.0%	2.8%	2.2%
Accession countries	0.8%	1.4%	1.1%
Japan	2.5%	2.8%	4.5%
other OECD	7.9%	9.6%	8.8%
other	4.7%	3.0%	2.6%
equity	1.6%	0.9%	0.5%

There was little change in the share of repo collateral held by survey participants issued in countries in the eurozone (64.1% compared to 62.4% in December 2006). However, there was a sharp drop in the share of collateral issued in the UK to 12.8% from 14.9% in December 2006. There were also significant changes in the shares of collateral issued in the US (up to 4.0% from 2.8% in the previous survey), 'other OECD' countries (down to 7.9% from 9.6%), 'other countries' (up to 4.7% from 3.0%), equity (up to 1.6% from 0.9%) and, to a lesser extent, France

(up to 11.2% from 10.3%) and Italy (down to 13.2% from 14.0%).

Figure 2.4 – Collateral analysis June 2007

The share of EU collateral issued by central governments continued its gradual downward trend, reaching a new record low of 83.7% from 84.1% in December 2006. This trend is usually taken to reflect the growth of 'credit repo', particularly repo against corporate bonds and asset-backed securities (ABS). However, the figure reported directly by institutions understates the true share of credit repo (as well as equity repo), much of which takes the form of tri-party repos. It is also uncertain what share of non-EU collateral reported in this survey is not government bonds.

The share of equity collateral in tri-party business reported directly by tri-party agents recovered from 12.1% in December 2006 to 21.0% in June 2007. The increase in the share of equity was at the expense of most other types of collateral (eurozone collateral fell sharply to

38.9% from 51.3% and EU collateral to 48.2% from 64.3%). However, the share of government securities in directly-reported tri-party repo business in EU fixed-income collateral jumped to 43.6% from 22.6% in December 2006.

Contract analysis (Q1.5)

The share of reported outstanding repo contracts taking the form of repurchase agreements remained little changed at 82.7% compared to 83.3% in December 2006 and 83.0% in June 2006.

Figure 2.5 – Contract analysis June 2007

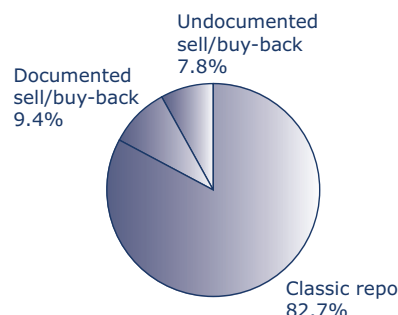


Table 2.9 – Contract comparison in June 2007

June 2007	main survey	ATS	tri-party
repurchase agreements	82.7%	62.4%	100.0%
documented sell/buy-backs	9.4%	4.6%	0.0%
undocumented sell/buy-backs	7.8%	0.0%	0.0%

Repo rate analysis (Q1.6)

The share of floating-rate repos (typically indexed to EONIA) jumped to a record 13.1% from 10.0% in December 2006, above the previous record high of 10.5% in June 2006.

The share of open repo fell back to the 8.1% seen in June

2006 from the record 11% touched in the previous survey.

Floating-rate repos in electronic business, as reported directly by ATS's, continued to grow, reaching 12.2% from 11.5% in December 2006 and 10.1% in June 2006.

Open repos fell back sharply to 18.3% of directly-reported tri-party repo business from 29.4% in December 2006, closer to the levels reported in previous surveys (18.6% in June 2006 and 17.1% in December 2005). The same change was seen in the main survey, in which the share of open transactions in tri-party repo business fell back to 6.6% from 15.3% in December 2006, compared to 8.2% in June 2006 and 7.7% in December 2005.

Figure 2.6 – Repo rate analysis June 2007

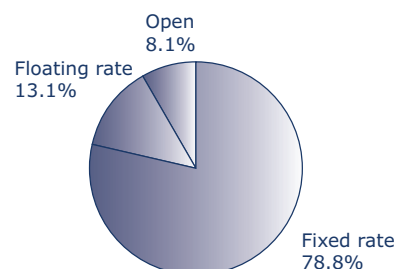


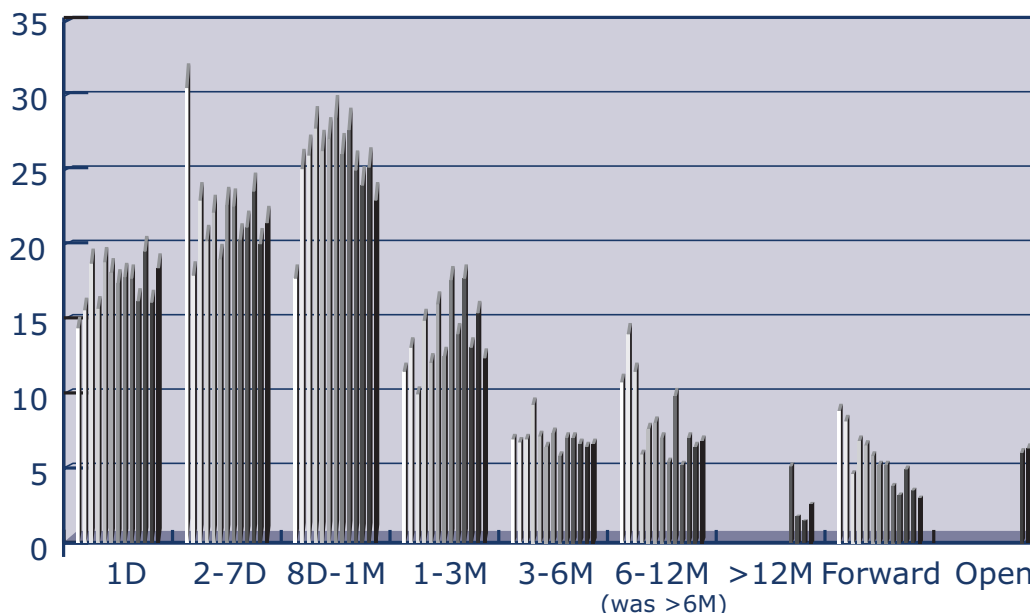
Table 2.10 – Repo rate comparison in June 2007

December 2006	main survey	ATS	tri-party
fixed rate	78.8%	87.8%	81.7%
floating rate	13.1%	12.2%	0.0%
open	8.1%	0.0%	18.3%

Maturity analysis (Q1.7)

Table 2.11 – Maturity analysis

	June 2007	December 2006	June 2006
1 day	18.3%	16.0%	19.4%
2 days to 1 week	21.3%	19.9%	23.4%
1 week to 1 month	22.8%	25.0%	23.8%
>1 month to 3 months	12.3%	15.3%	13.0%
>3 months to 6 months	6.6%	6.4%	6.6%
>6 months to 12 months	6.8%	6.4%	7.0%
>12 months	2.6%	1.5%	1.8%
forward-start	3.0%	3.5%	4.9%
open	6.3%	6.0%	n/a

Figure 2.7 – Maturity analysis June 2001 – June 2007


The share of short-dated repos (one or month or less to maturity) recovered somewhat to 62.4% from 60.9% in December 2006 but remained below the 66.6% reported in June 2006.

The bulk of outstanding contracts reported directly by the ATS's continue to have a remaining term to maturity of one day, although this fell to 74.9% from 81.4% in December 2006 and 79.7% in June 2006. The remaining business was largely (20.2%) out to 1 week.

In tri-party repo, there was a swing in the maturity distribution of business towards the shortest and longest terms. The share of short-dated transaction leapt to 58.5% from 49.7% in December 2006, while transactions with 12 months or more remaining to maturity increased to 23.3% from 15.1% over the same period. The biggest single change was the fall in transactions with between 1 and 3 months to 6.6% from 19.1% in December 2006.

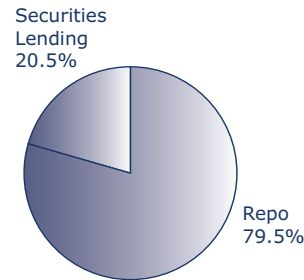
Table 2.12 – Maturity comparison June 2007

June 2007	main survey	ATS	tri-party	WMBA
1 day	18.3%	74.9%	21.3%	
2 days to 1 week	21.3%	20.2%	18.6%	
1 week to 1 month	22.8%	2.3%	18.7%	
>1 month to 3 months	12.3%	0.9%	6.6%	
>3 months to 6 months	6.6%	0.6%	8.1%	
>6 months to 12 months	6.8%	0.6%	3.5%	
>12 months	2.6%	0.0%	23.3%	
forward-start	3.0%	0.5%	0.0%	
open	6.3%			

Product analysis (Q2)

The share of total business on repo desks accounted for by securities lending and borrowing conducted increased again to reach 20.5% from 19.8% in December 2006 and 19.5% in June 2006. The share of equity securities in securities lending increased sharply to 14.0% from 8.7% in December 2006 and 9.2% in June 2006.

Figure 2.8 – Product analysis June 2007

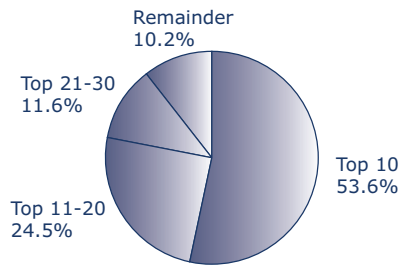


Concentration analysis

Table 2.13 – Concentration analysis

	June 2007	December 2006	June 2006
top 10	53.6%	60.2%	54.0%
top 20	78.1%	82.0%	77.4%
top 30	89.8%	91.7%	89.4%
other	10.2%	8.3%	10.6%

Figure 2.9 – Concentration analysis June 2007



The concentration of the repo market in June 2007 as measured by the survey reverted to its previous profile after having increased sharply between December and June 2006.

Concentration ratios also fell back in electronic trading. The top

10 institutions accounted for 58.0% overall and 64.9% of anonymous electronic trading, compared with 67.6% and 81.0% in December 2006, and 62.5% and 70.8% in June 2006. The top 20 accounted for 83.4% and 92.6%, respectively, compared with 88.4% and 92.6% in December 2006 and 85.3% and 94.7% in June 2006. The top 30 accounted for 96.8% and 99.8%, respectively, compared with 97.9% and 99.9% in December 2006 and 96.4% and 100.0% in June 2006.

In directly-reported tri-party repo business, there was a drop in the concentration of the business reported in the main survey. The top 10 accounted for 65.9%, the top 20 for 90.9% and the top 30

for 98.2%, compared with 74.8%, 91.5% and 99.4%, respectively, in December 2006. This was closer to the distribution recorded in June 2006 of 69.8%, 90.0% and 98.0%, respectively.

The 'spike' in concentration in December 2006 looks like a problem caused by temporary changes in the survey sample, but the fact that the same change in concentration was seen in the directly-reported tri-party data – from a largely unchanged survey – suggests there may have been a real shift in underlying activity in the second half of 2006.

CHAPTER 3: CONCLUSION

The ICMA survey on June 13, 2007, showed that healthy growth continued in the European repo market in the six months to December 2006 but that the market may have paused during the first half of 2007, possibly in response to more difficult trading conditions in the bond market. Nevertheless, the headline number for the survey, which fixes the floor for the actual size of the European repo market, is impressive.

There was a general shortening of maturities which would seem to reflect expectations of rising official interest rates. The share of transactions with one week or less remaining to maturity increased to 39.6% from 35.9% in December 2006, largely at the expense of terms between one week and three months. The same shift was seen in tri-party business.

Interest rate concerns may also have accounted for further strong growth in floating-rate repos, which reached 13.1% from 10.0% in December 2006, and the contraction in the share of open repo to 8.1% from 11.0%.

On the collateral side of the market, the share of government bonds continued its gradual downtrend, reaching 83.7%. However, the share of government bonds in tri-party repo jumped to 43.6% from 22.6%. The share of equity in tri-party repo business

also increased significantly to 21.0% from 12.1% and equity took a larger share of the securities lending done on repo desks (14.0% from 8.7% in December 2006). There were modest increases in the shares of some eurozone government bonds in the main survey.

On the cash side, there was an increase in the share of the US dollar to 15.5% from 14.1% in the previous survey. This was matched by an increase in the share of the dollar in tri-party repo to 44.6% from 41.0%. There may be a link here to the sharp increase in the reported level of cross-currency business (up to 5.2% from 1.8%), given that the dollar is the main currency in cross-currency repo. The previous rapid growth of repo in pound sterling and against UK collateral ceased (the share of the pound sterling fell to 12.4% from 14.3%, while the share of UK collateral fell to 12.8% from 14.3%), but the absence of an important UK institution from the latest survey may have had some effect.

The share of electronic repo trading fell back by June 2007 from the highs reached in December 2006 (21.9% compared with 23.3%). However, anonymous electronic trading suffered most, touching 10.3% from 14.6% in the previous survey.

On the other hand, tri-party repos recovered to reach a new record of 11.8% in June 2007 from 10.6% in the previous survey.

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 June 13, 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, June 13, 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, June 13, 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, June 14, 2007. You should include all *open repos and reverse repos* that have been rolled over from Wednesday, June 13, 2007 to a later date and all *forward-forward repos and reverse repos* that are still outstanding at close on Wednesday, June 13, 2007.

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

Q1.6 "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, June 13, 2007, with a repurchase date on Thursday, June 14, 2007;
- overnight, tom/next, spot/next and corporate/next contracts transacted on Wednesday, June 13, 2007.

Q(1.7.1.2) 2–7 days – this means:

- all contracts transacted prior to Wednesday, June 13, 2007, with a repurchase date on Friday, June 15, 2007, or any day thereafter up to and including Wednesday, June 20, 2007;
- contracts transacted on Wednesday, June 13, 2007, with an original repurchase date no later than Wednesday, June 20, 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, June 13, 2007, with a repurchase date on Thursday, June 21, 2007, or any day thereafter up to and including Friday, July 13, 2007;

- contracts transacted on Wednesday, June 13, 2007, with an original repurchase date no later than Friday, July 13, 2007 (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, June 13, 2007, with a repurchase date on Monday, July 16, 2007, or any day thereafter up to and including Thursday, September 13, 2007;
- contracts transacted on Wednesday, June 13, 2007, with an original repurchase date no later than Thursday, September 13, 2007 (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, June 13, 2007, with a repurchase date on Friday, September 14, 2007, or any day thereafter up to and including Thursday, December 13, 2007;
- contracts transacted on Wednesday, June 13, 2007, with an original repurchase date no later than Thursday, December 13, 2007 (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, June 13, 2007, with a repurchase date on Friday, December 14, 2007, or any day thereafter up to and including Friday, June 13, 2008;

- contracts transacted on Wednesday, June 13, 2007, with an original repurchase date no later than Friday, June 13, 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, June 13, 2007, with a repurchase date on Monday, June 16, 2008, or any day thereafter;
- contracts transacted on Wednesday, June 13, 2007, with an original repurchase date on or after Monday, June 16, 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, June 18, 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 Q(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 tri-party 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 (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.

Q2 "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
BHF-Bank	x	x	x	x	x	x	x	x	x	x	x	x	x
BHF-Bank Luxembourg							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
BW-Bank		x											
Caixa d'Estalvis de Catalunya					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
Calyon		x	x	x	x	x	x	x	x	x	x	x	x
Capitalia			x				x	x	x	x	x		
CDC IXIS Capital Markets Zweigniederlassung Deutschland			x	x	x	x	x	x	x		x		x
Citigroup	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
Confederación Española de Cajas de Ahorros (CECA)	x		x	x	x	x	x	x	x	x	x	x	x
Credito Valtellinese					x								
Croatian National Bank		x			x								
Credit Suisse	x	x	x	x	x	x	x	x	x	x	x	x	x
Danske Bank									x	x			x
Daiwa Securities SMBC Europe	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				
DePfa Bank				x	x	x	x	x	x	x	x	x	x
Deutsche Bank	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
Dexia	x	x	x	x	x	x	x	x	x	x	x	x	x
Dexia BIL						x				x	x	x	
Dexia Kommunal Bank Deutschland	x	x							x	x	x	x	x
Dresdner Bank	x	x	x	x	x	x	x	x	x	x	x	x	x
DZ Bank	x	x	x	x	x	x	x	x	x	x	x	x	x
EFG Eurobank Ergasias			x	x			x		x	x	x	x	x
Egnatia Bank					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
Erste Bank der Oesterreichischen Sparkassen	x	x	x	x	x	x	x	x	x	x	x	x	x
Euroclear Bank				x	x		x	x	x	x	x	x	x
Eurohypo						x		x	x	x	x	x	x
Eurohypo Europäische Hypothekenbank S.A.												x	
European Investment Bank			x				x	x					
Fortis Bank	x	x	x	x	x	x	x	x	x	x	x	x	x
General Bank of Greece			x	x									
Goldman Sachs	x	x	x	x	x	x	x	x	x	x	x	x	x
Halifax Bank of Scotland	x	x	x	x	x	x	x	x	x	x	x		
HSBC Athens			x										
HSBC France			x	x	x	x	x	x	x	x	x	x	x
HSH Nordbank	x	x	x	x	x	x	x	x	x				
HypoVereinsbank	x	x	x	x	x	x	x	x	x	x	x	x	x
IIB Bank					x								
ING Bank					x	x		x	x	x	x	x	x
ING Belgium	x		x	x	x	x				x	x	x	
Intesa SanPaolo	x	x	x	x	x	x	x	x	x	x	x	x	
JP Morgan	x	x	x	x	x	x	x	x	x	x	x	x	x
KBC	x	x	x	x	x	x	x	x	x	x	x	x	x
KfW							x	x	x		x	x	x
Kingdom of Belgium Federal Public Service Debt Agency					x		x		x	x	x	x	x
Landesbank Baden-Württemberg, Stuttgart	x	x	x	x	x	x	x	x	x	x	x	x	x
Landesbank Hessen-Thüringen -Girozentrale (Helaba)					x	x	x	x	x	x	x	x	x
Landesbank Rheinland Pfalz	x	x	x	x	x	x	x	x	x	x	x	x	x
Landesbank Sachsen Girozentrale	x	x	x	x	x	x	x	x	x	x	x	x	x
Lehman Brothers		x	x	x	x		x	x	x	x	x	x	x
Maple Bank	x	x	x										
Merrill Lynch	x	x	x	x	x	x	x	x	x	x	x		x
Mitsubishi Securities International		x	x	x	x	x	x	x	x	x			
Mizuho International	x	x	x	x	x	x	x	x	x	x	x	x	x
Morgan Stanley	x		x	x	x	x	x	x	x	x	x	x	x
Natexis Banques Populaires		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
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
Norddeutsche Landesbank Girozentrale	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
Norinchukin Bank						x	x	x	x	x	x	x	x
Nova Ljubljanska Banka d.d.							x						x
Omega Bank			x	x									
Piraeus Bank			x										
Rabobank		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
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
Toronto Dominion Bank					x	x							
UBS	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
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
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 June 13, 2007 (figures in EUR billions)						
	4,050	4,561	5,319	6,047	6,430	6,775
Of the amounts given in response to question (1) above:						
	Jun-03	Jun-04	Jun-05	Jun-06	Dec-06	Jun-07
1.1 How much was transacted:						
direct with counterparties						
• in the same country as you	19.6%	19.7%	20.2%	19.2%	21.6%	19.5%
• cross-border in (other) eurozone countries	14.5%	13.0%	15.6%	17.5%	14.9%	15.9%
• cross-border in non-eurozone countries	17.7%	19.2%	18.1%	22.1%	20.1%	23.8%
through voice-brokers						
• in the same country as you	13.6%	11.7%	10.9%	9.1%	8.6%	7.6%
• cross-border in (other) eurozone countries	12.0%	9.0%	8.7%	7.5%	7.5%	6.7%
• cross-border in non-eurozone countries	4.2%	3.5%	5.2%	3.8%	4.2%	4.7%
on ATs with counterparties						
in the same country as you	4.9%	5.8%	5.6%	6.3%	4.4%	4.8%
• cross-border in (other) eurozone countries	3.0%	3.6%	3.7%	3.5%	2.4%	3.1%
• cross border-border in non-eurozone countries	1.4%	2.7%	1.5%	2.2%	1.9%	3.5%
• anonymously through a central clearing counterparty	9.0%	11.6%	10.4%	8.7%	14.6%	10.3%
1.2 How much of the cash is denominated in:						
• EUR	75.6%	70.5%	70.0%	65.2%	64.1%	65.2%
• GBP	8.8%	11.8%	11.8%	13.5%	14.3%	12.4%
• USD	9.4%	10.8%	11.1%	13.9%	14.1%	15.5%
• SEK, DKK	2.0%	2.0%	2.2%	1.8%	1.8%	2.5%
• JPY	3.3%	3.5%	3.4%	3.5%	3.3%	2.8%
• CHF				0.2%	0.1%	0.2%
• other currencies	0.9%	1.4%	1.5%	1.9%	2.3%	1.4%
1.3 How much is cross-currency?	1.0%	1.1%	0.9%	1.5%	1.8%	5.2%
1.4 How much is:						
• repurchase agreement (classic repo)	79.0%	80.9%	83.0%	83.0%	83.3%	82.7%
• documented sell/buy-backs	13.0%	11.2%	10.5%	12.0%	10.7%	9.4%
• undocumented sell/buy-backs	7.9%	7.8%	6.6%	5.0%	6.0%	7.8%

	Jun-03	Jun-04	Jun-05	Jun-06	Dec-06	Jun-07
1.5 How much is:						
• fixed rate	89.9%	87.1%	86.8%	81.3%	79.0%	78.9%
• floating rate	5.6%	6.6%	7.6%	10.5%	10.0%	13.1%
• open	4.5%	6.2%	5.6%	8.2%	11.0%	8.1%
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	18.7%	17.3%	17.6%	19.4%	16.0%	18.3%
• 2-7days	22.0%	22.5%	20.2%	23.4%	19.9%	21.3%
• more than 7 days but no more than 1 month	26.1%	28.3%	27.5%	23.8%	25.0%	22.8%
• more than 1 month but no more than 3 months	12.0%	12.4%	13.9%	13.0%	15.3%	12.3%
• more than 3 months but no more than 6 months	7.1%	7.3%	7.0%	6.6%	6.4%	6.6%
• more than 6 months	7.6%	7.0%	9.9%	7.0%	6.4%	6.8%
• more than 12 months				1.8%	1.5%	2.6%
• forward-forward repos	6.5%	5.2%	3.8%	4.9%	3.5%	3.0%
• open					6.0%	6.3%
1.7 How much is tri-party repo:	6.2%	10.9%	10.4%	11.3%	10.6%	11.8%
• for fixed terms to maturity	90.8%	83.1%	93.1%	87.9%	84.7%	92.6%
• on an open basis	9.2%	16.9%	6.9%	12.1%	15.3%	6.6%
1.8 How much is against collateral issued in:						
Austria						
• by the central government	0.7%	0.7%	0.8%	0.8%	0.9%	1.1%
• by other issuers	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%
Belgium						
• by the central government	5.0%	4.1%	3.6%	3.2%	2.6%	2.6%
• by other issuers	0.2%	0.2%	0.5%	0.3%	0.3%	0.1%
Denmark						
• by the central government	0.6%	0.4%	0.2%	0.3%	0.3%	0.2%
• by other issuers	0.4%	0.3%	0.4%	0.3%	0.3%	0.2%
Finland						
• by the central government	0.3%	0.3%	0.2%	0.3%	0.2%	0.2%
• by other issuers	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%
France						
• by the central government	8.9%	8.3%	9.0%	9.1%	9.1%	9.8%
• by other issuers	0.9%	1.0%	1.1%	1.0%	1.2%	1.4%
Germany						
• by the central government	26.6%	23.5%	20.1%	18.4%	18.4%	19.0%
• pfandbrief	2.6%	2.6%	1.9%	2.0%	1.6%	2.3%
• by other issuers	2.1%	2.5%	2.8%	3.2%	3.6%	3.1%

	Jun-03	Jun-04	Jun-05	Jun-06	Dec-06	Jun-07
Greece						
• by the central government	2.0%	1.7%	2.2%	1.8%	1.9%	2.3%
• by other issuers	0.3%	0.0%	0.0%	0.2%	0.0%	0.0%
Ireland						
• by the central government	0.1%	0.2%	0.2%	0.2%	0.3%	0.1%
• by other issuers	0.1%	0.1%	0.1%	0.2%	0.3%	0.3%
Italy						
• by the central government	15.1%	14.0%	14.9%	14.8%	13.4%	12.8%
• by other issuers	0.9%	0.3%	0.4%	0.5%	0.6%	0.5%
Luxembourg						
• by the central government	0.1%	0.1%	0.0%	0.0%	0.0%	0.3%
• by other issuers	0.3%	0.6%	0.5%	0.5%	0.6%	0.4%
Netherlands						
• by the central government	1.8%	2.0%	1.9%	1.8%	1.5%	2.0%
• by other issuers	0.5%	0.8%	0.9%	0.7%	0.6%	0.5%
Portugal						
• by the central government	0.3%	0.4%	0.6%	0.9%	0.7%	0.9%
• by other issuers	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain						
• by the central government	6.0%	5.4%	5.1%	3.3%	3.5%	3.2%
• by other issuers	0.2%	0.2%	0.5%	0.9%	0.9%	1.0%
Sweden						
• by the central government	1.1%	1.1%	1.3%	1.1%	1.1%	0.9%
• by other issuers	0.3%	0.5%	0.6%	0.4%	0.3%	0.4%
UK						
• by the central government	8.5%	10.3%	10.3%	11.5%	12.4%	10.3%
• by other issuers	1.1%	1.3%	2.0%	2.7%	2.5%	2.5%
US but settled across EOC/CS	2.1%	2.2%	0.0%	2.2%	2.8%	4.0%
other countries	0.2%					
Bulgaria						
• by the central government						0.0%
• by other issuers						0.0%
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%	0.1%	0.0%	1.2%	0.0%
Hungary						
• by the central government		0.0%	0.0%	0.8%	1.2%	0.5%
• 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
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%
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%	0.2%	0.0%	0.0%	0.0%
Poland						
• by the central government		0.1%	0.0%	0.2%	0.0%	0.2%
• by other issuers		0.0%	0.0%	0.0%	0.0%	0.0%
Romania						
• by the central government						0.0%
• by other issuers						0.0%
Slovak 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%
Slovenia						
• by the central government		0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	3.5%	0.0%	0.0%	0.0%
Japan				4.5%	2.8%	2.5%
other OECD	7.0%	9.8%	11.2%	8.8%	9.6%	7.9%
non-OECD EMEA	0.4%	1.3%	0.5%	0.4%	0.6%	0.7%
non-OECD Asian & Pacific	0.2%	0.1%	0.3%	0.4%	0.3%	0.4%
non-OECD Latin America	0.2%	0.5%	0.6%	0.6%	0.5%	0.6%
equity	1.0%	1.8%	0.4%	0.5%	0.9%	1.6%
collateral of unknown origin	1.5%	1.2%	0.8%	1.3%	1.6%	3.0%
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	44.6%	53.8%	47.4%	43.9%	40.0%	40.8%
• in equity	2.3%	1.0%	7.7%	4.2%	3.1%	4.4%
cross-border in (other) eurozone countries						
• in fixed income	20.5%	19.4%	21.7%	26.3%	24.1%	22.1%
• in equity	0.8%	0.2%	3.0%	3.5%	4.6%	5.6%
cross-border in non-eurozone countries						
• in fixed income	30.5%	25.4%	19.5%	20.7%	27.3%	23.1%
• in equity	1.2%	0.3%	0.7%	1.5%	1.0%	3.9%
for which the term to maturity is						
• fixed	72.9%	65.9%	53.7%	60.1%	59.1%	55.3%
• open	27.1%	34.1%	46.3%	39.9%	40.9%	44.7%

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.