

25th MEETING OF THE EURIBOR® STEERING COMMITTEE
- Brussels, Friday 23 November 2007, 10.30 a.m. CET -

Minutes

WELCOME

In the absence of Mr G. RAVOET, it was agreed that Mr R. PRIESTER would chair the meeting. He introduced the Secretariat, congratulated old members for their re-appointment and welcomed the newly-appointed members.

A list of participants is attached.

1. MINUTES OF THE PREVIOUS MEETING

The Secretariat received no comments on the minutes of the previous meeting. The said minutes were approved.

2. MATTERS ARISING FROM THE PREVIOUS MINUTES

Review of article 3 of the Code of Conduct

Further to the merger between UniCredito and HVB, the Steering Committee members discussed the possibility to review article 3 of the Euribor® Code of Conduct: *“Banks belonging to the same group can only quote under one national quota”*.

Mr G-H. SIEVEKING commented that this article could imply losing the bank with higher volumes (as for HVB). Mr VERDUGO added that having high volumes was indeed important but changing this article could create a precedent and banks that merged in the past could complain.

Mr VERDUGO also raised the question of the legal implications of such amendment (e.g. *to what extent can 2 banks be considered part of the same group?*). Mr SIEVEKING added that branches should not be included.

Further to Mr SIEVEKING's suggestion, members decided that a group should be allowed and encouraged to provide one simple set of consolidated data. To this end, it was decided that the above sentence of article 3 of the Code of Conduct should be modified.

The Secretariat was asked to circulate a suggested new wording and the Steering Committee members should invite their respective legal departments to analyse it.

3. EURIBOR® PANEL

The Secretariat informed the Committee of the merger between *Natexis* and *Ixis* as of 1 January 2008. Mr QUELLEC added that the bank would keep on contributing under the *Natexis* name.

The Steering Committee agreed on the composition of the panel and decided to keep an close look on the ABN Amro merger.

4. XXXXXXXXX APPLICATION

The Steering Committee discussed the application of xxxxxxxx for a seat on the Euribor® panel of banks. Members commented that the Euribor® was a reference rate for the whole community and that banks from the euro countries should have the same opportunities. On the other hand, they considered that the volumes of xxxxxxxx were quite low compared to other panel banks. They came to the conclusion that it might not be the most appropriate timing to include a new bank in light of the recent market turmoil.

It was also suggested that members should investigate which are the largest banks in the new countries. Mr GOSPODINOV mentioned that NLB Group is the largest group in Slovenia and one of the largest in CEE.

Members had no objections in principle to the inclusion of xxxxxxxx in the Euribor® panel and welcomed the geographical extension but decided to postpone the issue to its next meeting in the context of the crisis sensitivities.

5. COMPLIANCE OF PANEL BANKS WITH THEIR OBLIGATIONS

Members were satisfied with the contributions of the panel banks and the Secretariat confirmed that, in response to the recent market turmoil, a letter to remind panel banks of their obligations had been sent on 12 November 2007. Members were supportive of this reminder.

6. REVIEW OF THE EURIBOR® DEFINITION

The Steering Committee discussed the accuracy of the Euribor® definition. Members commented that, in the context of the financial crisis, there was not enough liquidity. Mrs SULIN identified differences amongst the rates at the end of August and mentioned that the Euribor® exactly reflected what banks were offering on the market.

Mr QUELLEC added that the market had changed and the liquidity on the long-term was provided by new players and banks borrowing more than they lend. On the other hand, there was still cash to be found on the short-term market.

Mr SEIGNAT considered that the attacks came from the derivatives desks and not from the whole market. He added that the Euribor® was consistent with the price banks were paying.

Members came to the conclusion that there was no immediate need to change the definition as the Euribor® is accurate and representative. Moreover, it would not be good timing either because of the crisis situation. However the issue should be discussed again at the next Steering Committee meeting. It was also decided that this issue would be discussed at the next meeting of the Money Market & Liquidity Working Group of Euribor ACI. Mr SIEVEKING will also raise this issue to the German domestic ACI Money Market & Liquidity Working Group. Mr SIEVEKING and Mrs SULIN will then give the Euribor® Steering Committee feedback on this discussion.

Furthermore, the Secretariat was asked to liaise with the BBA and get information on the situation of LIBOR. It was also suggested setting up a working group to discuss this particular issue. The Steering Committee will decide whether it is appropriate at its next meeting.

7. PUBLISHING OF AN MONTHLY AVERAGE OF THE EURIBOR®

The Steering Committee members accepted Reuters' offer for publishing a monthly average Euribor® rates. The Secretariat was requested to make an announcement on the Euribor® website in due course.

8. 2008 CALENDAR

The Steering Committee members confirmed that EURIBOR® and EONIA® would follow the TARGET holiday calendar in 2008.

9. ANY OTHER BUSINESS

(a) Annual Management Certification Form (EONIA®)

The Steering Committee members requested the Secretariat to send the EONIA® Annual Management Certification to the panel banks.

(b) Euribor® Licensing

Mr PRIESTER reported on the licensing of EURIBOR® trade mark. He explained that the licence would exclusively cover the use of the name "Euribor®" initially in certain derivatives contracts in the US. He added that the licence conferred no rights over the actual Euribor® data itself. It would not affect in any way the use of the data by others.

On the question of the exclusivity, Mr PRIESTER explained that the license was specifically designed so as not to compete with existing products. The exclusivity clause, concluded for a certain period of time, would prevent third parties from launching "clones" of the licensed products. He added that there would be no liability due to competition with existing products; the products would offer a range of new trading opportunities and increase the visibility of the EURIBOR® brands, particularly in the US market.

(c) Official publication of historical compounded Eonia® references

Mr QUELLEC transmitted to the members of the Steering Committee a request from the French Bond Association, originally sent to Euribor ACI. Members were requested to have a closed look at this issue and get back to the Secretariat for discussion at next meeting, if required.

(d) Contact details

The Secretariat was asked to gather contact details of all members of the Steering Committee and circulate them within the group.

11. DATE AND PLACE OF NEXT MEETING

Next meeting will take place *via* conference call in April/May 2008. The Secretariat will circulate suggested dates to the Steering Committee.

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25th Meeting of the Euribor® Steering Committee
- Brussels, 23 November 2007, 10.30 to 12.30 -

List of Participants

Present:

Mr Paolo **BOSIO**, Banca MPS

Mr Jean-Jacques **QUELLEC**, Natixis Paris

Mr Alexandre **SEIGNAT**, Crédit Agricole

Mr Georg-Heinrich **SIEVEKING**, Investitionsbank Berlin

Mrs Nikki **SOULOPOULOU**, National Bank of Greece

Mr José María **VERDUGO**, Confederacion Española de Cajas de Ahorros

Mr Robert **PRIESTER**, Euribor FBE Secretariat

Mr Emil **GOSPODINOV**, Euribor FBE Secretariat

Ms Gaëlle **MARQUES**, Euribor FBE Secretariat

Via Conference Call

Mrs Jilian **MAHON**, AIB Capital Markets

Mrs Janaa **SULIN**, Nordea

Excused

Mr Phylippe **MORYOUSSEF**, Royal Bank of Scotland London

Mr Guido **RAVOET**, Secretary General of the European Banking Federation