

5. BANK'S APPLICATION FOR A SEAT ON THE PANEL

Mr G. RAVOET informed the members that xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx had renewed its application for a seat on the Euribor panel. He added that it was a very active bank and that it would be interesting to have a representative from new EU countries.

Mr A. SEIGNAT felt that, as long as the Euribor definition would include the term “prime bank”, it would not be appropriate to include xxxx on the panel. However, if the Euribor definition is amended, the inclusion of xxxx would further enhance the representativeness of (the) Euribor.

Members generally considered that rejecting this application would close the door to other applications from these markets. They agreed that, politically, and in order to ensure geographical diversity, xxxx should be included on the panel. However, they agreed that, as long as the Euribor definition was not changed, xxxx 's volumes were not sufficiently high to include them on the panel.

Members decided to re-consider xxxxx 's application for a seat on the panel after the review of the Euribor definition.

6. REVIEW OF THE EURIBOR CODE OF CONDUCT

a. Article 3 of the Euribor Code of Conduct

Members agreed to amend article 3 of the Euribor Code of Conduct in order to allow banks belonging to the same group to contribute to Euribor. They agreed on the following wording: “*Banks belonging to the same group are invited to provide one consolidated set of data. Intra-group transactions (e.g. branches and subsidiaries) shall not be included in the contribution of such group*”.

The Secretariat was requested to submit this amendment to the respective General Assemblies of Euribor-FBE and Euribor-ACI for approval.

b. Annex 2 point 3 of the Euribor Code of Conduct

The ECB had suggested amending Annex 2 point 3 of the Euribor Code of Conduct in order to allow a panel bank to contribute from a country which would not be in the euro zone.

However, the members considered that the amendment of article 3 of the Code of Conduct would be sufficient as it would allow a group to provide one set of consolidated data. A bank based in Zurich for example would then be allowed to contribute *via* its subsidiary in the euro-zone.

7. REVIEW OF THE EURIBOR DEFINITION

Members agreed that the Euribor definition may be not so accurate anymore, given the recent market developments and changes. Two major elements were to be reviewed: (1) the definition of “prime bank” and (2) the meaning of the rate.

Mr G-H. SIEVEKING recalled that, originally, the term “prime bank” was based on the rating of the bank. He suggested that being on the ECB list of prime banks (around 140 banks) should be a prerequisite for panel banks.

Mrs J. MAHON feared that requesting a certain rating would close the door to new EU countries. As pointed out by Mr A. SEIGNAT, the problem was the definition itself. Members agreed that *de facto* there is no interbank market anymore, owing to current market developments, such as a trend toward banks focussing more on borrowing than lending and to the lack of a cash market.

The members agreed that the review of the Euribor definition was to focus on two main elements: (1) the definition of “prime bank” and (2) what does the rate mean in light of the current market conditions. In order to perform this review, a Task Force was being set up, which would report to the Steering Committee and be composed of the following people: Mrs J. MAHON, Mr J-J. QUELLEC, Mr A. SEIGNAT and Mr G-H. SIEVEKING.

8. CURRENT DISCUSSIONS AROUND THE MARKET PERFORMANCE AND RELIABILITY OF EURIBOR

Members expressed their overall satisfaction with the performance of the benchmark, notwithstanding the current climate in European money markets, and did not expect too much deviation in the pricing.

They decided to hold a conference call after the ACI workshop, which was to take place in Vienna on 28 May, in order to prepare a statement on the reliability of Euribor to be sent to the press¹.

9. FALLBACK PROVISIONS AND CONTRIBUTIONS TO THE EONIA

(i) *Fallback provisions:*

Members agreed not to set up fallback provisions for the Eonia. Indeed, having a second publication of the rate might entail legal risks as it might be unclear whether some contracts referring to EONIA would have to take into account the first publication or the revised one(s). Moreover, some banks might have automated accounting systems that automatically pick-up the first publication on any given day for their valuation/settlement processes.

(ii) *Contributions to the Eonia:*

Mr G. RAVOET informed the members that the ECB had encountered some problems with the contributions to Eonia and suggested sending a separate letter to the panel banks, reminding them explicitly about their individual responsibilities as regards the contribution to Eonia and insisting on the fact that the relevant people on the panel banks had to be reachable until 19.00 CET. The ECB identified 3 banks which did not fully comply with

¹ This statement was released on 13 June 2008.

their contribution obligation xxxx (see item 6b), xxxx, and xxxx
xxxx

The Secretariat was requested to send a letter to all panel banks as suggested by the ECB and to monitor contributions for the above-mentioned panel banks.

10. PUBLICATION OF HISTORICAL COMPOUNDED EONIA REFERENCES

Following the EFFAS' European Bond Commission, ACI France and French Bond Association's proposal, members agreed to publish officially *(i)* historical compounded Eonia references using the OIS methodology with 9 decimals and *(ii)* a 3-month Euribor Constant Maturity Total Return Index.

The Secretariat was requested to take all the necessary administrative and technical measures in order to implement the calculation and publication of the above-mentioned index.

11. DATE AND PLACE OF NEXT MEETING

The next Euribor Steering Committee meeting will take place on 18 November 2008.

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26th Euribor Steering Committee
- Brussels, 23 May 2008 -

List of participants

Mr Guido **RAVOET**, EBF (Chairman)

Mr Paolo **BOSIO**, Banca MPS

Mrs Jilian **MAHON**, AIB Capital Markets

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

Mr Alexandre **SEIGNAT**, Crédit Agricole

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

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

Mr Emil **GOSPODINOV**, Euribor FBE Secretariat

Ms Gaëlle **MARQUES**, Euribor FBE Secretariat

Via Conference Call

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

Mrs Janaa **SULIN**, Nordea