

MINUTES OF THE 23rd MEETING OF THE EURIBOR STEERING COMMITTEE
- Brussels, 16 June 2006 -

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

A list of participants is attached.

Mrs J. SULIN, unable to attend, sent written comments on the agenda items. These were handed out at the meeting.

WELCOME

The Chairman welcomed the participants.

He recalled that the role of the Steering Committee was, *inter alia*:

- to ensure that panel banks still qualify for a seat on the panel;
- to review new applications for a seat on the panel;
- to control whether panel banks fulfil their obligations under the Code of Conduct; and
- to monitor market developments and make the necessary proposals/decisions in order to ensure that EURIBOR and EONIA serve the purpose for which they were set up.

He indicated that Committee members should be prepared to react quickly (on a same-day basis) to questions raised by the Secretariat following external events.

1. MINUTES OF THE PREVIOUS MEETING

The Secretariat received no comments on the minutes of the previous meeting (circulated with Secretariat letter n° 727 of 1 DEC. 05). The said minutes were approved.

2. MATTERS ARISING FROM THE PREVIOUS MEETING

None apart from issues already on the agenda.

3. REVIEW OF THE EURIBOR PANEL

According to the Code of Conduct, banks belonging to the same group can only provide one quote. Hence the Committee tasked the Secretariat with asking UniCredito and HVB which of them will cease providing its data following their merger.

The Committee took note of the ongoing merger processes of BNP Paribas/BNL and Natexis/IXIS CIB. As these processes are still to be completed, it was decided to wait until the next Committee meeting before deciding on the next steps.

The Committee briefly discussed the likely impact of next year's enlargement of the Eurozone to some recent EU Member States on the composition of the panel. Given the one-bank-per-group rule, little impact was expected. The Committee will discuss the issue further when and as applications from these countries are received (if any).



4. xxxxxxxx APPLICATION

The Committee analysed the figures provided by xxxxxx in support of its application for a seat on the panel.

While acknowledging the quality of the said figures, the question arose whether xxxxxx was quoting EUR depots from London (which would make them inadmissible for consideration). Mr J. WOOD offered to take up this issue with xxxxxx and to get back to the Committee thereafter. This was welcomed and agreed.

5. COMPLIANCE OF PANEL BANKS WITH THEIR OBLIGATIONS

The members were satisfied with the contributions of the panel banks.

The Committee was most grateful to the panel banks for their regular contributions.

6. ACCEPTANCE, LEVEL & USE OF EURIBOR

The Committee was of the opinion that the data was robust and the spreads very tight with just a 3 bp difference between top high and top down.

7. ADDITION OF A 3rd DECIMAL PLACE TO THE EONIA

Mr R. PRIESTER, Head of FBE's Legal Department, reported on the various risks/steps required as regards the addition of a 3rd decimal place to the Eonia.

He explained that there might be a risk for existing contracts, depending on the way those contracts are worded.

He mentioned however that the said risk could be mitigated to a large extent by informing the market participants well in advance.

A one-year prior notice was deemed appropriate as it would allow most of the *currently existing* transactions to expire before the addition of a 3rd decimal place becomes effective.

The Secretariat was asked to inform Reuters, the panel banks and the ECB accordingly. It was further asked to identify other potential addressees (such as ISDA, exchanges, etc.) and circulate a list thereof to the Committee for comments/approval.

Given the summer holidays, the market participants will be informed of the intended change in September 2006, which means that the addition of a 3rd decimal place will be effective as of September 2007.

Finally, it was suggested and agreed that the international press should be targeted (press release, articles in magazines, etc.). The Committee members might be asked to provide input in that context.



8. ANY OTHER BUSINESS

(a) Reuters

- The Chairman informed the members that, following the acquisition of Moneyline Telerate by Reuters, it was planned to have the panel banks contributing their data via Reuters terminals (and no longer Telerate terminals).

Reuters is already working on it and is committed to show flexibility during the migration phase.

The Secretariat was asked to provide all panel banks with the necessary details (procedure, timing, contact details, etc.).

- The Committee was informed that Bloomberg had recently expressed an interest in offering EURIBOR FBE services similar to those currently provided by Reuters. The Committee took note and, while seeing no reason for changing the current arrangements with Reuters, decided to keep Bloomberg's proposal in mind.

(b) Spreadsheets / data

The members asked that from now on only the 3 and 6-month data be sent to them.

Also they asked whether it would be possible to indicate how far away the outliers are from the average. The Secretariat answered that they would look into it.

(c) Contact details

The Committee asked that the contact details of the members be updated (incl. mobile n°) and sent around; it was suggested and agreed that each member would also provide the contact details of a deputy (in case of non-availability and urgency).

(d) EURIBOR FBE Secretariat

Mr T. van de WERVE informed the members of his departure from (EURIBOR) FBE.

He thanked the members for their cooperation and introduced his successor, Mr Didier HERMANS (d.hermans@fbe.be, tel: 322 508 37 61).

Mr van de WERVE also thanked Mrs Gaëlle MARQUES DOS SANTOS for her much appreciated contribution to the work of the Committee.

9. DATE AND PLACE OF NEXT MEETING

13 December 2006 at 10.30 a.m. CET by conference call.

Encl: 1



encl. to encl. to letter 0511

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- Brussels, 16 June 2006 -

List of participants

Mr N. BOUTET	Crédit Agricole S.A.
Mr G. LUZI	Banca Nazionale del Lavoro
Mr G-H. SIEVEKING	Investitionsbank Berlin
Mr P. TWILHAAR	ABN Amro Bank
Mr J.M. VERDUGO	Confederacion Española de Cajas de Ahorros
Mr T. van de WERVE	EURIBOR FBE (replacing Mr G RAVOET)
Mr J. WOOD	HSBC Bank
Mr D. HERMANS	EURIBOR FBE Secretariat
Ms G. MARQUES dos SANTOS	EURIBOR FBE Secretariat

Excused

Mr C. LOUCHTCHAY	IXIS CIB
Mrs N. SOULOPOULOU	National Bank of Greece
Mrs J. SULIN	Nordea