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GM
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**33rd MEETING OF THE EURIBOR STEERING COMMITTEE
- Brussels, 13 October 2011 -**

Minutes

WELCOME

In the absence of the Mr G. RAVOET, it was agreed that Mr C. QUEMENER would chair the meeting. The list of participants is hereby attached.

Mr C. QUEMENER welcomed the members, in particular Ms M. BESCOND, Ms Z. CHATZIMPEI, Mr A. COVIN and Mr A. TORRALBA, who attended for the first time in their quality of new members of the Steering Committee.

1. MINUTES OF THE PREVIOUS MEETING

The minutes of the previous meeting were unanimously approved.

2. LEVEL AND USE OF EURIBOR

The Members generally agreed that the Euribor fixing was accurate and reflecting the current market situation (including the discrepancies between States measures in Europe). They added that the volatility of Euribor was very low, but agreed that it was not the appropriate time to review the features of the benchmark. Any change should be decided in the long-term, not as a crisis measure.

Mr C. QUEMENER underlined the strong governance and monitoring of panel banks' contributions that were applied at the Secretariat and Steering Committee levels.

The Members also commented on the fact that, due to the financial crisis, investors were looking for safety and by consequence the unsecured market was being partially replaced by the secured market.

Regarding the Eonia, it was agreed that it was recovering but was still at low levels compared to the pre-summer period. Members were confident in Eonia's accuracy and reliability.

3. COMPOSITION OF THE EURIBOR/EONIA PANEL

a. Current composition

The Members discussed the current composition of the panel. Mr. J.M. VERDUGO informed the Secretariat that *La Caixa Barcelona* had been renamed *Caixa Bank S.A.*.

b. Enlargement

The Members positively welcomed UBI Banca's application for a seat on the panel. The Secretariat was requested to take the necessary steps to include it in the panel.

The Members were also informed that the merger between the seven Spanish "cajas" had come to an end. The seven cajas had transferred their banking activities to the new entity called *Bankia*. The members decided to wait for a formal application from *Bankia* before taking any decision.

Separately, given the current market situation, the members decided to exclude *WestLB* from the panel and the Secretariat was requested to monitor *Dexia*'s contributions.

Finally, the Secretariat was requested to consider the possibility of suspending panel banks in the case of a bank's situation not being clear.

4. COMPLIANCE OF PANEL BANKS WITH THEIR OBLIGATIONS

Ms G. MARQUES made a presentation on panel banks individual contributions, in particular the top and bottom 15%, the number of calls needed to secure the contributions and the banks which did not contribute on a regular basis.

Based on the statistics, the Secretariat was requested to remind *Danske Bank* of their obligations under the Code of Conduct (they had to be called on almost 65% of the time in order to secure their contributions, and missed sending data almost 14% of the time).

Regarding panel banks' contributions to Eonia, the ECB had reported contribution issues with *BNP Paribas* and *Barclays*, which were sending their data by e-mail rather than by the designated channel. They highlighted the fact that contributing *via* the regular system improved the reliability and reduced the operational risk. The Secretariat was requested to contact those two banks as soon as possible to ask them to remedy the situation as soon as possible.

5. REVIEW OF THE CODE OF CONDUCT

The Members approved the amendments to the Euribor/Eonia Code of Conduct following the *ad-hoc* conference call of 1 June 2011¹.

6. USD EURIBOR

Mr C. QUEMENER informed Members that two Chinese banks were willing to join the panel, one of them being CITIC. Members requested CITIC to send financial information to the Task Force.

On the spread between USD Euribor and USD Libor rates, Members commented that it was resulting from the differences in the indexes' definitions and from the different geographic distribution of panel banks, whose natural USD denominated needs may be very different.

Some Members raised the question of the sustainability of the European interbank market in the USD and the future of banks' balance sheet. In parallel, some Members agreed that a European dollar fixing was needed to balance the Libor.

Mr C. QUEMENER concluded by saying that there would be no risk to launch the benchmark. He added that building confidence and trust was a long process and that this new fixing was a long-term project. He suggested organising a Task Force's conference call in order to discuss the possibility of further extending the testing period.

7. ANY OTHER BUSINESS

a. Eonia Certification Management Form

The Members approved the Eonia Certification Management Form, which will be sent in December to the Eonia panel banks, in order to confirm that the procedures are in place to ensure accurate reporting of Eonia data (volumes and rates).

b. Date and Place of next meeting

The Secretariat was requested to send a calendar with the 2012 meetings.

¹ Following this meeting, it was agreed that a few additional changes were needed. Those changes will be discussed at the next Steering Committee meeting in December 2011.



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**33rd MEETING OF THE EURIBOR STEERING COMMITTEE
- Brussels, 13 October 2011, 10.30 CET -**

LIST OF PARTICIPANTS

Members

Ms Muriel BESCOND	Société Générale
Mr Andreas BIEWALD	Commerzbank AG
Ms Zinia CHATZIMPEI	National Bank of Greece
Mr Alberto COVIN	UniCredit Group
Mr Alexandre SEIGNAT	Crédit Agricole SA
Mr Antonio TORRALBA	BBVA (<i>conference call</i>)
Mr José María VERDUGO	Confederación Española de Cajas de Ahorros

Euribor-EBF

Mr Cédric QUÉMÉNER
Ms Gaëlle MARQUES

Excused

Mr Guido RAVOET	Euribor-EBF Chief Executive
Mr Georg-Heinrich SIEVEKING	Investitionsbank Berlin
Ms Jaana SULIN	Nordea Bank Finland Plc