



# **International Capital Market Association**

## **European repo market survey**

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## **ABOUT THE AUTHOR**

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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 December 2006, the European Repo Council (ERC) of the International Capital Market Association (ICMA) conducted the twelfth 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 December 13, 2006. Replies were received from 74 offices of 66 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 74 institutions who participated in the latest survey was EUR 6,430 billion, compared to EUR 6,019 billion in June 2006 and EUR 5,883 billion in December 2005.

The year-on-year growth in the European repo market has been measured by comparing the aggregate returns from a sample of institutions that have participated in several surveys. Growth measured on this basis was about 14% over the year to December 2006. Growth accelerated over the second half of the year.

### Counterparty analysis

The latest survey showed that the share of electronic trading recovered to 23.3% from 21.4% in June 2006, but remains below the peak of 24.7% recorded in December 2005. The share of voice-broking continued to contract, touching a new record low of 19.8%.

### Geographical analysis

The share of reported outstanding repo contracts that were negotiated anonymously on an ATS and settled with a central clearing counterparty (CCP) jumped sharply to a record 14.6% from 8.7% in June 2006.

### Settlement analysis

The share of tri-party repos fell back to 10.6% from a high of 11.3% in June 2006.

### Cash currency analysis

The share of the euro fell back further to 64.1% from 65.2% in June 2006. Both the pound sterling and the US dollar reached new record highs of 14.3% and 14.1%, respectively.

### Collateral analysis

The share of repo collateral held by survey participants which was issued in countries in the eurozone fell to 62.4% from 64.0% in June 2006. Within this total, the

share of collateral issued in Germany was fairly steady at 23.6%. The share of collateral issued in the UK expanded to a new record of 14.9%.

The share of collateral issued in EU countries accounted for by government bonds fell back slightly to 84.1% from 84.3% in June 2006.

### **Maturity analysis**

The share of transactions with a remaining term of maturity of one month or less decreased to 60.9% from 66.6% in June 2006. However, some of this change might be the result of problems arising from a change in the way that participants were asked to report open repos.

### **Product analysis**

The share of total business conducted on repo desks that was accounted for by securities lending and borrowing was little changed at 19.8%, compared with 19.5% in June 2006.

### **Concentration analysis**

In the latest survey, the shares of the top ten, twenty and thirty institutions increased to 60.2%, 21.8% and 9.6%, respectively. The increase in the share of the top 10 was particularly large (up from 54.0%), but this may simply reflect the absence from the December 2006 survey of some large institutions who had participated in the previous survey.

## **CHAPTER 1: THE SURVEY**

On December 13, 2006, the European Repo Council (ERC) of the International Capital Market Association (ICMA) conducted the twelfth 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 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, December 13, 2006.

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 by the London-based Wholesale Market Brokers’ Association (WMBA).

### **1.2 The response to the survey**

The latest survey was completed by 74 offices of 66 financial groups. This compares with 79 offices of 71 financial groups in June 2006. While eight institutions which participated in the December 2005 survey dropped out of the latest survey, three institutions joined or rejoined.

The institutions surveyed were headquartered in 15 European countries, as well as in North America (6) and Japan (5). 60 institutions were headquartered in 14 of the 25 countries of the EU (again, no institutions from Portugal or Sweden participated in the latest survey) and 55 were headquartered in 11 of the 12 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, June 13, 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](http://www.icmagroup.org/surveys/repo/participate).

Questions about the survey should be sent by e-mail to: [reposurvey@icmagroup.org](mailto: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 December surveys in the three previous years (2003-2005) are set out in Appendix C. Full details for all previous surveys can be found at [www.icmagroup.org](http://www.icmagroup.org).

### Total repo business (Q1)

The total value at close of business on December 13, 2006, of repos and reverse repos outstanding on the books of the 74 institutions which participated in the latest survey was **EUR 6,430** billion.

**Table 2.1 – Total repo business 2001 to 2006**

Survey	Total (EUR bn)	Repo	Reverse repo
<b>2006 December</b>	6,430	50.7%	49.3%
<b>2006 June</b>	6,019	51.7%	48.3%
<b>2005 December</b>	5,883	54.6%	45.4%
<b>2005 June</b>	5,319	52.4%	47.6%
<b>2004 December</b>	5,000	50.1%	49.9%
<b>2004 June</b>	4,561	50.6%	49.4%
<b>2003 December</b>	3,788	51.3%	48.7%
<b>2003 June</b>	4,050	50.0%	50.0%
<b>2002 December</b>	3,377	51.0%	49.0%
<b>2002 June</b>	3,305	50.0%	50.0%
<b>2001 December</b>	2,298	50.4%	49.6%
<b>2001 June</b>	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 means 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 institutions which had participated in several surveys. The repo business of the 66 institutions which participated in the last three surveys grew by 13.9% year-on-year to December 2006, 10.8% between the June and December 2006 surveys, and 2.8% between the December 2005 and June 2006 surveys.

The average size of repo books expanded to EUR 88 billion from EUR 77 billion in June 2006. Of the 66 institutions that participated in the last three surveys, the repo books of 35 expanded between December and June 2006, compared to 44 over the year since December 2005. The growth in the repo market as measured by the survey in the six months to December 2006 was therefore driven by a smaller number of institutions.

### Counterparty analysis (Q1.1)

**Table 2.2 – Counterparty analysis**

	December 2006		June 2006		December 2005	
	users	share	users	share	users	share
<b>direct</b>	74	56.8%	79	58.3%	80	53.5%
<b>of which tri-party</b>	38	10.6%	42	11.3%	37	10.4%
<b>voice-brokers</b>	54	19.8%	58	20.3%	56	21.8%
<b>ATS</b>	51	23.3%	54	21.4%	48	24.7%

By December 2006, the share of inter-dealer ATS's recovered to 23.3% from a low of 21.4% in June 2006, although it remained below the record share of 24.7% reported in December 2005.

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 December 13, 2006, that had been transacted across these three systems was EUR 741.2 billion, down from EUR 757.8 billion in June 2006. The decline contrasts sharply with the large increase in the value of electronic trading reported in the main survey (which was about 23%). The difference may reflect the concentration of electronic trading among the larger repo market participants, who are well-represented in the survey. Double-counting of transactions between these larger institutions would then amplify the growth of mutual electronic business measured in the survey.

The share of voice-brokers touched a new all-time low of 19.8% from 20.3% in June 2006.

The share of the sub-set of directly-transacted repos settled through tri-party repo arrangements dropped to 10.6% from 11.3% of total outstanding business in June 2006.

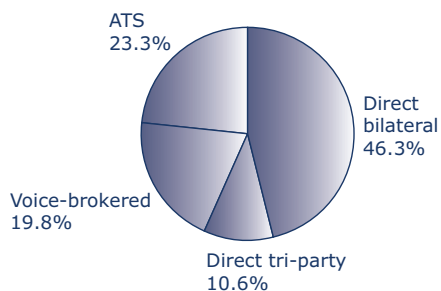
The main tri-party repo agents in Europe again contributed data directly to the survey. Returns were received from Bank of New York, Citibank, Clearstream, Euroclear, and SegalInterSettle (SIS). The total value of outstanding tri-party repo contracts on December 13, 2006, reported by these agents

was EUR 701.1 billion, sharply higher than the EUR 585.7 billion reported in June 2006 (an increase of 19.7%) and the EUR 523.4 billion reported in December 2005. This compares to EUR 570.5 billion reported in the main survey. For the first time, the directly reported total is higher than the survey total. The fact that the value of directly-reported tri-party repo business increased substantially, whereas the value reported in the survey fell, is likely to have reflected the number of tri-party repo users who do not yet participate in the survey.

**Table 2.3**  
**Numbers of participants reporting particular types of business**

	Dec-02	Dec-03	Dec-04	Dec-05	Jun-06	Dec-06
ATS	48	50	50	48	54	51
anonymous ATS	35	29	36	35	34	33
voice-brokers	65	58	55	56	58	54
tri-party repo	32	32	34	37	42	38
<b>total</b>	<b>82</b>	<b>76</b>	<b>76</b>	<b>80</b>	<b>79</b>	<b>74</b>

**Figure 2.1 – Counterparty analysis**



The share of anonymous trading across ATS's jumped to an all-time high of 14.6%, up from 8.7% in June 2006 and 11.0% in December 2005.

The share of cross-border business reported in the latest survey fell back to 50.8% from 56.6% in June 2006.

**Table 2.4 – Geographical analysis**

	December 2006		June 2006		December 2005	
	share	users	share	users	share	users
<b>domestic</b>	34.6%		34.6%		36.7%	
<b>cross-border</b>	50.8%		56.6%		52.8%	
<b>anonymous</b>	14.6%	33	8.7%	34	10.4%	36

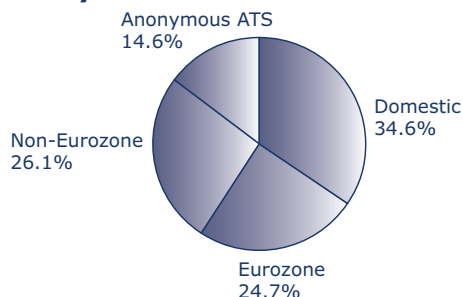
### Geographical analysis (Q1.1)

Anonymous electronic trading accounts for 78.3% of the business reported directly by the ATS's, compared with 74.8% reported in June 2006. This is higher than the share of anonymous electronic business in the main survey (62.7%).

The bulk of electronic trading, as reported directly by ATS's, is domestic (42.9%) and between eurozone and non-eurozone institutions (42.4%). This may reflect the influential role of the London repo market.

The voice-brokered business reported directly by the WMBA was broken down in terms of domestic transactions (32.4%), cross-border transactions within the eurozone (20.8%), cross-border transactions between eurozone and non-eurozone countries (32.1%) and transactions entirely outside the eurozone (14.7%).

**Figure 2.2 – Geographical analysis**



The share of euros fell to a record low of 64.1%, while the shares of the pound sterling and US dollar reached new record highs of 14.3% and 14.1%, respectively.

The share of the euro in electronic business, as reported directly by the ATS's, rose marginally to 88.5% from 88.0% in June 2006 and 86.5% in December 2005, while the share of sterling fell back further to 5.0% from 6.3% and 7.4%, respectively. The share of the Swiss franc in electronic trading was measured for the first time and accounted for 5.9%.

**Table 2.5 – Geographical analysis comparison December 2006**

	main survey	ATS	tri-party	WMBA
<b>domestic</b>	34.6%	9.9%	30.9%	32.4%
<b>cross-border</b>	50.8%	11.8%	69.1%	67.6%
<b>anonymous</b>	14.6%	78.3%	n/a	n/a

**Table 2.6 – Currency analysis**

	December 2006	June 2006	December 2005
<b>EUR</b>	64.1%	65.2%	68.2%
<b>GBP</b>	14.3%	13.5%	12.7%
<b>USD</b>	14.1%	13.9%	11.3%
<b>DKK, SEK</b>	1.8%	1.8%	2.1%
<b>JPY</b>	3.3%	3.5%	3.6%
<b>CHF</b>	0.1%	0.2%	0.2%
<b>etc</b>	2.3%	1.9%	1.9%
<b>cross-currency</b>	1.8%	1.5%	0.9%

There were big swings in the shares of the main currencies reported directly by tri-party agents, with the US dollar peaking in December 2005 and 2006 at the expense of other currencies. The US dollar jumped to 41.0% in December 2006 from 27.5% in June 2006, compared with 42.3% in December 2005 and 27.5% in June 2005. The counterpart was a fall in the share of the euro to 43.0% from 57.2% in June 2006, compared with 43.6% in December 2005 and 61.1% in June 2005. Sterling fell to 13.8% from 14.4% in June 2006, compared with 11.5% in December 2005 and 14.2% in June 2005. The

proportion of cross-currency transactions reported directly by tri-party agents recovered to 42.1% from 35.0% in June 2006, compared with 43.2% in December 2005 and 58.5% in June 2005. This is consistent with the changes in the share of US dollar, which is the preferred currency in cross-currency repos.

The euro accounted for 60.5% of voice-brokered business reported directly by the WMBA. The pound sterling played a larger role than in the main survey at 28.4% and the dollar was less important at 5.2%.

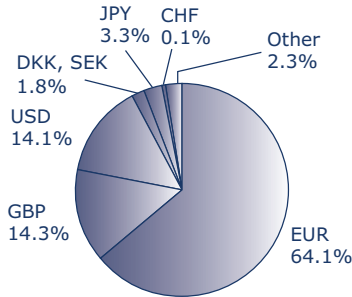
**Table 2.7 – Currency analysis comparison December 2006**

	main survey	ATS	tri-party	WMBA
<b>EUR</b>	64.1%	88.5%	43.0%	60.5%
<b>GBP</b>	14.3%	5.0%	13.8%	28.4%
<b>USD</b>	14.1%	0.0%	41.0%	5.2%
<b>DKK, SEK</b>	1.8%	0.4%	0.2%	3.5%
<b>JPY</b>	3.3%	0.0%	0.3%	2.1%
<b>CHF</b>	0.1%	5.9%	0.5%	0.0%
<b>etc</b>	2.3%	0.1%	1.2%	0.4%
<b>cross-currency</b>	1.8%	0.0%	42.1%	n/a

**Table 2.8 – Collateral analysis**

	December 2006	June 2006	December 2005
<b>Germany</b>	23.6%	23.5%	29.9%
<b>Italy</b>	14.0%	15.3%	13.4%
<b>France</b>	10.3%	10.1%	10.4%
<b>Belgium</b>	2.9%	3.5%	3.6%
<b>Spain</b>	4.4%	4.2%	3.9%
<b>other eurozone</b>	7.2%	7.4%	6.9%
<b>UK</b>	14.9%	14.2%	13.9%
<b>DKK, SEK</b>	2.0%	2.1%	2.2%
<b>US</b>	2.8%	2.2%	2.2%
<b>Accession countries</b>	1.4%	1.1%	0.7%
<b>Japan</b>	2.8%	4.5%	n/a
<b>other OECD</b>	9.6%	8.8%	10.1%
<b>other</b>	3.0%	2.6%	2.4%
<b>equity</b>	0.9%	0.5%	0.4%

**Figure 2.3 – Currency analysis**

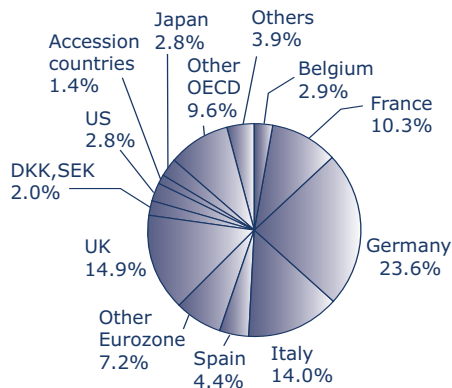


**Collateral analysis (Q1.8)**

62.4% of repo collateral held by survey participants was issued in countries in the eurozone. There was a sharp decline in the share of collateral issued in Japan to 2.8% from 4.5% in June 2006. The share of collateral issued in the UK, US, EU Accession countries and ‘other OECD’ countries increased, as did the share of equity, although this remains small at 0.9%.

Within the market in eurozone collateral, the share of collateral issued in Germany was virtually unchanged at 23.6%. Collateral issued in Italy and Belgium accounted for reduced shares.

**Figure 2.4 – Collateral analysis**



The share of EU collateral issued by central governments declined modestly to 84.1% from 84.3% in June 2006.

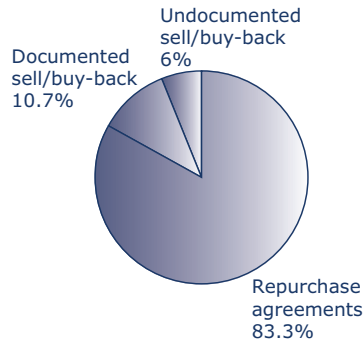
The share of equity collateral in tri-party business reported directly in December 2006 fell to 12.1% from 15.6% in June 2006. The largest shares of collateral in tri-party repo continued to have been issued in Germany (14.8% from 16.1% in June 2006), the UK (11.0% from 10.9%), ‘other OECD’ countries (9.2% from 9.9%), France (8.4% from 8.1%) and Netherlands (7.4% from 6.9%). The share of US collateral was 6.9%.

It is worth noting that the share of eurozone collateral was much smaller in tri-party repos (as reported directly by the tri-party agents) than in the survey overall: 51.3% compared to 62.4%. The share of EU government collateral in directly-reported tri-party business fell to 22.6% from 26.3% in June 2006 and compared to 84.1% in the main survey.

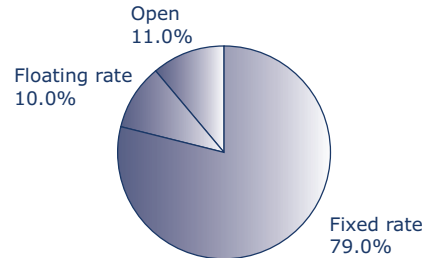
**Contract analysis (Q1.4)**

The share of reported outstanding repo contracts taking the form of repurchase agreements remained virtually unchanged at 83.3%.

**Figure 2.5 -Contract analysis**



**Figure 2.6 – Repo rate analysis**



**Table 2.9 – Contract analysis comparison December 2006**

	main survey	ATS	tri-party
<b>repurchase agreements</b>	83.3%	72.1%	100.0%
<b>documented sell/buy-backs</b>	10.7%	27.9%	0.0%
<b>undocumented sell/buy-backs</b>	6.0%	0.0%	0.0%

**Repo rate analysis (Q1.5)**

The share of floating-rate repos (typically indexed to EONIA) fell back to 10% from the record high of 10.5% reached in June 2006. This was reflected in a jump in the share of open repo to a record 11%.

Floating-rate repos in electronic business, as reported directly by ATS’s, recovered to 11.5%, compared to 10.1% in June 2006 and 11.6% in December

2005. No floating-rate repo was managed through tri-party arrangements (compared to 1.0% in June 2006).

On the other hand, open repos jumped to 29.4% of directly-reported tri-party business, compared with 18.6% in June 2006 and 17.1% in December 2005. In the main survey, open repos accounted for 15.3% of tri-party repos, compared to 8.2% in June 2006 and 7.7% in December 2005.

**Table 2.10 – Repo rate analysis**

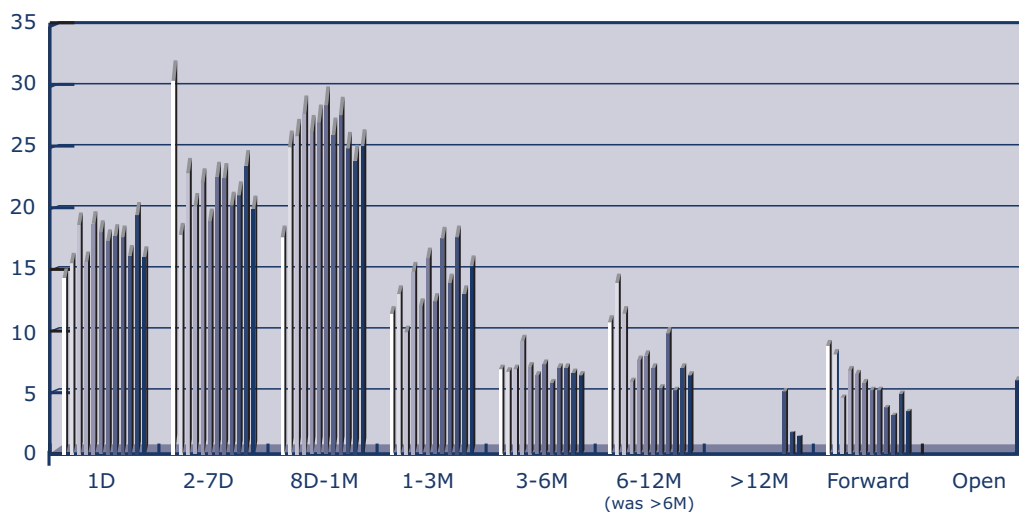
	main survey	ATS	tri-party
<b>fixed rate</b>	79.0%	88.5%	70.6%
<b>floating rate</b>	10.0%	11.5%	0.0%
<b>open</b>	11.0%	0.0%	29.4%

## Maturity analysis (Q1.6)

**Table 2.11 – Maturity analysis**

	December 2006	June 2006	December 2005
<b>1 day</b>	16.0%	19.4%	16.1%
<b>2 days to 1 week</b>	19.9%	23.4%	21.0%
<b>1 week to 1 month</b>	25.0%	23.8%	24.8%
<b>&gt;1 month to 3 months</b>	15.3%	13.0%	17.6%
<b>&gt;3 months to 6 months</b>	6.4%	6.6%	7.0%
<b>&gt;6 months to 12 months</b>	6.4%	7.0%	5.2%
<b>&gt;12 months</b>	1.5%	1.8%	5.1%
<b>forward-start</b>	3.5%	4.9%	3.2%
<b>open</b>	6.0%	n/a	n/a

**Figure 2.7 Maturity analysis 2001-2006**



There was a sharp fall in the share of short-dated repos (one or month or less to maturity) to 60.9% from 66.6% in June 2006, although the figures may have been distorted by the move to separate reporting of open repos.

The bulk of outstanding contracts reported directly by the ATS's continue to have a remaining term to maturity of one day (81.4% compared to 79.7% in June 2006 and 77.7% in December 2005).

In tri-party repo, there was a pronounced lengthening in the maturity distribution of business. The share of short-dated transaction dropped to 49.7% from 68.1% in June 2006. This was particularly the case for remaining maturities of between 7 days and one month, which fell to 17.4% from 32.6%.

The largest share of voice-brokered business, as reported directly by the WMBA, was in forward-forward repos at 46.0%. Short-dated repos accounted for just 26.4% of voice-brokered business.



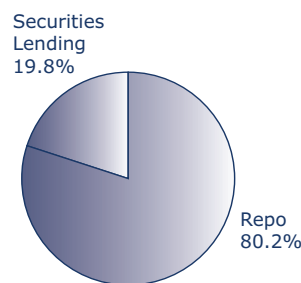
**Table 2.12 – Maturity analysis comparison December 2006**

	main survey	ATS	tri-party	WMBA
<b>1 day</b>	16.0%	81.4%	18.2%	4.1%
<b>2 days to 1 week</b>	19.9%	12.2%	14.1%	12.8%
<b>1 week to 1 month</b>	25.0%	1.8%	17.4%	9.5%
<b>&gt;1 month to 3 months</b>	15.3%	1.3%	19.1%	13.3%
<b>&gt;3 months to 6 months</b>	6.4%	1.0%	11.9%	6.9%
<b>&gt;6 months to 12 months</b>	6.4%	1.2%	4.3%	7.0%
<b>&gt;12 months</b>	1.5%	0.0%	15.1%	0.3%
<b>forward-start</b>	3.5%	1.0%	0.0%	46.0%
<b>open</b>	6.0%	0.0%	n/a	0.2%

**Product analysis (Q2)**

The share of total business on repo desks accounted for by securities lending and borrowing conducted increased marginally to 19.8% from 19.5% in June 2006. The share of fixed income securities in securities lending was slightly larger at 91.3% compared to 90.8% in June 2006.

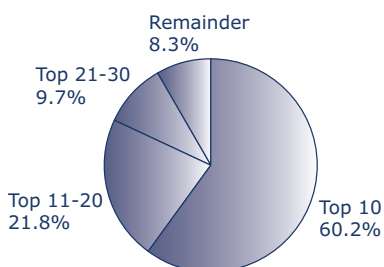
**Figure 2.8 – Product analysis**



**Table 2.13 – Concentration analysis**

	June 2006	June 2006	December 2005
<b>top 10</b>	60.2%	54.0%	54.3%
<b>top 20</b>	82.0%	77.4%	77.0%
<b>top 30</b>	91.7%	89.4%	88.6%
<b>other</b>	8.3%	10.6%	11.4%

**Figure 2.9 – Concentration analysis**



The concentration of the repo market in December 2006 as measured by the survey appeared to have increased sharply from June 2006. The drop in the number of participants is likely to have contributed to this increased concentration.

Given the narrower participation, concentration ratios are much higher in electronic trading and tri-party repos. In electronic trading, the top 10 accounted for 67.6% overall and 81.0% of anonymous electronic trading, compared with 62.5% and 70.8% in June 2006. The top 20 accounted for 88.4% and 96.1%, respectively, compared with 85.3% and 94.7%. The top 30 accounted for 97.9% and 99.9%, respectively, compared with 96.4% and 100.0%. The increased concentration in anonymous trading is notable.

In tri-party repos, there was also an increase in the concentration of the business reported in the main survey. The top 10 accounted for 74.8%, the top 20 for 94.4% and the top 30 for 99.4%, compared with 69.8%, 90.0% and 98.0%, respectively, in June 2006.

### **CHAPTER 3: CONCLUSION**

The ICMA survey on December 13, 2006, showed continuing robust growth in the European repo market in the second half of 2006. Despite a reduction in sample size, outstanding repo transactions were reported at EUR 6.4 trillion compared to EUR 6.0 trillion in June 2006. This reflected healthy year-on-year growth of about 14%, mainly in the six months to December 2006, which would in turn seem to have reflected favourable conditions in the underlying securities markets.

The share of electronic repo trading recovered to 23.3% from 21.4% in June 2006, but the most significant development was the rebound in anonymous electronic trading to 14.6% from just 8.7% in June 2006. However, this change needs to be interpreted carefully. Given that the value of all electronic repo trading reported directly by the main ATS's showed a small decline since June 2006, it would appear that electronic trading increased among institutions in the survey sample rather than in the market as a whole.

In contrast, the strong performance of tri-party repos faltered during the six months to December 2006. Market share fell to 10.6% from a record market share of 11.3% in June 2006. However, data reported directly by the main tri-party agents in Europe suggest that the growth in tri-party business was much stronger than suggested by the survey, presumably among institutions not represented in the survey.

## APPENDIX A SURVEY GUIDANCE NOTES

The following extract is based on the Guidance notes issued to participants conjunction with the survey that took place on December 13, 2006.

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, December 13, 2006, 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, December 13, 2006*. This means the value of transactions at their repurchase prices.

h) "Outstanding" means repos and reverse repos *which will mature or roll over on or after Thursday, December 14, 2006*. You should include all open repos and reverse repos that have been rolled over from Wednesday, December 13, 2006 to a later date and all *forward-forward repos and reverse repos that are still outstanding at close on Wednesday, December 13, 2006*.

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, December 13, 2006, 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 automated trading systems (e.g. BrokerTec, Eurex Repo and MTS, but not voice-assisted electronic systems such as e-speed and GFIInet). Transactions through these 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).

Q1.4 "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.

Q1.6 This section asks for the *remaining* term to maturity (not the original term to maturity) of repos to be broken down as follows:

Q(1.6.1.1) one day – this means:

- all contracts transacted prior to Wednesday, December 13, 2006, that will mature on Thursday, December 14, 2006;
- overnight, tom/next, spot/next and corporate/next contracts transacted on Wednesday, December 13, 2006.

Q(1.6.1.2) 2–7 days – this means:

- all contracts transacted prior to Wednesday, December 13, 2006, that will mature on Friday, December 15, 2006, or any day thereafter up to and including Wednesday, December 20, 2006;
- contracts transacted on Wednesday, December 13, 2006, with an original maturity no later than Wednesday, December 20, 2006 (irrespective of the purchase date, which will vary).

Q(1.6.1.3) More than seven days but no more than one month – this means:

- all contracts transacted prior to Wednesday, December 13, 2006, that will mature on Thursday, December 21, 2006, or any day thereafter up to and including Monday, January 15, 2007;
- contracts transacted on Wednesday, December 13, 2006, with an original maturity no later than Monday, January 15, 2007 (irrespective of the purchase date, which will vary).

Q(1.6.1.4) More than one month but no more than three months – this means:

- all contracts transacted prior to Wednesday, December 13, 2006, that will mature on Tuesday, January 16, 2007, or any day thereafter up to and including Tuesday, March 13, 2007;

- contracts transacted on Wednesday, December 13, 2006, with an original maturity no later than Tuesday, March 13, 2007 (irrespective of the purchase date, which will vary).

Q(1.6.1.5) More than 3 months but no more than 6 months – this means:

- all contracts transacted prior to Wednesday, December 13, 2006, that will mature on Wednesday, March 14, 2007, or any day thereafter up to and including Wednesday, June 13, 2007;

- contracts transacted on Wednesday, December 13, 2006, with an original maturity no later than Wednesday, June 13, 2007 (irrespective of the purchase date, which will vary).

Q(1.6.1.6) More than six months but no more than 12 months – this means;

- all contracts transacted prior to Wednesday, December 13, 2006, that will mature on Thursday, June 15, 2007, or any day thereafter up to and including Thursday, December 13, 2007;

- contracts transacted on Wednesday, December 13, 2006, with an original maturity no later than Thursday, December 13, 2007 (irrespective of the purchase date, which will vary).

Q(1.6.1.7) More than 12 months – this means;

- all contracts transacted prior to Wednesday, December 13, 2006, that will mature on Friday, December 14, 2007, or any day thereafter;

- contracts transacted on Wednesday, December 13, 2006, with an original maturity on or after Friday, December 14, 2007 (irrespective of the purchase date, which will vary).

Q(1.6.2) Forward-forward repos are defined for the purposes of this survey as contracts with a purchase date of Monday, December 18, 2006, 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(1.6.3) 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(1.5.3).

1.7 Please confirm whether you have included your tri-party repo business in (1.6).

1.8 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(1.8.10) and the UK Q(1.8.15). Equity collateral should be recorded in Q(1.8.31).

Q(1.8.26) "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 are issued. This will typically be Luxembourg Q(1.8.10) and the UK Q(1.8.15).

Q(1.8.27) "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 (1.8.28). US collateral settled across Euroclear and Clearstream Luxembourg should be recorded in Q(1.8.26).

Q(1.8.31)"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
BHF-Bank	x	x	x	x	x	x	x	x	x	x	x	x
BHF-Bank Luxembourg							x			x	x	
BNP Paribas	x	x	x	x	x	x	x	x	x	x	x	x
Bundesrepublik Deutschland Finanzagentur			x	x	x	x	x		x		x	x
BW-Bank		x										
Caixa d'Estalvis de Catalunya					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
Calyon		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	
Citigroup	x	x	x	x	x	x	x	x	x	x	x	x
Commerzbank	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
Credito Valtellinese					x							
Croatian National Bank		x			x							
Credit Suisse	x	x	x	x	x	x	x	x	x	x	x	x
Danske Bank									x	x		
Daiwa Securities SMBC Europe	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		x	x
DePfa Bank				x	x	x	x	x	x		x	x
Deutsche Bank	x		x	x	x	x	x	x	x	x	x	x
Deutsche Postbank			x	x	x	x	x	x	x	x	x	x
Dexia	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
Dresdner Bank	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
EFG Eurobank Ergasias			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
Erste Bank der Oesterreichischen Sparkassen	x	x	x	x	x	x	x	x	x	x	x	x
Euroclear Bank				x	x		x	x	x	x	x	x
Eurohypo						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
General Bank of Greece			x	x								
Goldman Sachs	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
HSH Nordbank	x	x	x	x	x	x	x	x	x			
HypoVereinsbank	x	x	x	x	x	x	x	x	x	x	x	x
IIB Bank					x							
ING Bank					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
KBC	x	x	x	x	x	x	x	x	x	x	x	x
KfW							x	x	x		x	x
Kingdom of Belgium Federal Public Service Debt Agency					x		x		x	x	x	x
Landesbank Baden-Württemberg, Stuttgart	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
Landesbank Rheinland Pfalz	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
Lehman Brothers		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	
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
Morgan Stanley	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
National Bank of Greece	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
Norddeutsche Landesbank Girozentrale	x	x	x	x	x	x	x	x	x	x	x	x
Nordea Markets			x	x	x	x	x	x	x	x	x	x
Norinchukin Bank						x	x	x	x	x	x	x
Nova Ljubljanska Banka d.d.							x					
Omega Bank			x	x								
Piraeus Bank			x									
Rabobank		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
RZB	x	x	x		x		x	x	x	x	x	x
Sal. Oppenheim Jr.	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
Toronto Dominion Bank					x	x						
UBS	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
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
Zagrabacka Banka				x				x		x	x	
entry								3	9	6	5	3
exit								8	4	7	6	8
							81	76	81	80	79	74

## 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 Dec 13, 2006? (figures in EUR billions)					
	3,788	5,000	5,883	6,019	6,430
Of the amounts given in response to question (1) above:					
	Dec-03	Dec-04	Dec-05	Jun-06	Dec-06
1.1 How much was transacted:					
<b>direct</b> with counterparties					
• in the <b>same country</b> as you	20.5%	19.3%	19.8%	19.2%	21.6%
• cross-border in (other) <b>eurozone countries</b>	14.9%	17.3%	17.1%	17.5%	14.9%
• cross-border in <b>non-eurozone countries</b>	17.4%	18.5%	17.2%	22.1%	20.1%
through <b>voice-brokers</b>					
• in the <b>same country</b> as you	12.3%	10.3%	9.4%	9.1%	8.6%
• cross-border in (other) <b>eurozone</b> countries	9.5%	9.0%	8.6%	7.5%	7.5%
• cross-border in <b>non-eurozone</b> countries	5.4%	4.4%	4.0%	3.8%	4.2%
on <b>ATs</b> with counterparties					
in the <b>same country</b> as you	6.8%	4.3%	6.3%	6.3%	4.4%
• cross-border in (other) <b>eurozone</b> countries	2.9%	3.7%	3.9%	3.5%	2.4%
• cross border-border in <b>non-eurozone</b> countries	2.0%	1.5%	2.6%	2.2%	1.9%
• anonymously through a central clearing counterparty	8.3%	11.7%	11.0%	8.7%	14.6%
1.2 How much of the cash is denominated in:					
• EUR	72.7%	70.4%	68.2%	65.2%	64.1%
• GBP	10.3%	10.9%	12.7%	13.5%	14.3%
• USD	10.6%	11.6%	11.3%	13.9%	14.1%
• SEK, DKK	2.0%	2.2%	2.1%	1.8%	1.8%
• JPY	3.1%	3.6%	3.6%	3.5%	3.3%
• CHF			0.2%	0.2%	0.1%
• other currencies	1.4%	1.3%	1.9%	1.9%	2.3%
1.3 How much is cross-currency?	1.2%	1.0%	1.1%	1.5%	1.8%
1.4 How much is:					
• classic repo	80.8%	80.6%	83.0%	83.0%	83.3%
• documented sell/buy-backs	9.7%	11.3%	10.0%	12.0%	10.7%
• undocumented sell/buy-backs	9.6%	8.0%	7.7%	5.0%	6.0%

	Dec-03	Dec-04	Dec-05	Jun-06	Dec-06
1.5 How much is:					
• fixed rate	89.6%	86.6%	82.3%	81.3%	79.0%
• floating rate	5.6%	7.6%	10.1%	10.5%	10.0%
• open	4.8%	5.8%	7.7%	8.2%	11.0%
<b>1.6 How much fixed and floating rate repo is (1.6.1) for value before December 16, 2006 and has a remaining term to maturity of:</b>					
• <b>1 day</b>	18.0%	17.7%	16.1%	19.4%	16.0%
• <b>2-7days</b>	18.9%	22.4%	21.0%	23.4%	19.9%
• more than <b>7 days</b> but no more than <b>1 month</b>	26.9%	25.9%	24.8%	23.8%	25.0%
• more than <b>1 month</b> but no more than <b>3 months</b>	15.9%	17.5%	17.6%	13.0%	15.3%
• more than <b>3 months</b> but no more than <b>6 months</b>	6.4%	5.8%	7.0%	6.6%	6.4%
• more than <b>6 months</b>	8.0%	5.4%	5.2%	7.0%	6.4%
• more than 12 months			5.1%	1.8%	1.5%
• <b>forward-forward repos</b>	5.8%	5.2%	3.2%	4.9%	3.5%
• <b>open</b>					6.0%
1.7 How much is tri-party repo:	10.6%	9.8%	10.4%	11.3%	10.6%
• for <b>fixed terms to maturity</b>	74.9%	82.2%	85.8%	87.9%	84.7%
• on an <b>open</b> basis	25.1%	17.8%	14.2%	12.1%	15.3%
1.8 How much is against collateral issued in:					
Austria					
• by the central government	0.7%	0.7%	0.9%	0.8%	0.9%
• by other issuers	0.1%	0.0%	0.1%	0.1%	0.1%
Belgium					
• by the central government	3.8%	3.4%	3.3%	3.2%	2.6%
• by other issuers	0.2%	0.4%	0.3%	0.3%	0.3%
Denmark					
• by the central government	0.4%	0.3%	0.2%	0.3%	0.3%
• by other issuers	0.4%	0.4%	0.3%	0.3%	0.3%
Finland					
• by the central government	0.2%	0.3%	0.2%	0.3%	0.2%
• by other issuers	0.0%	0.0%	0.0%	0.1%	0.1%
France					
• by the central government	7.7%	9.3%	9.5%	9.1%	9.1%
• by other issuers	0.9%	0.9%	1.0%	1.0%	1.1%
Germany					
• by the central government	25.6%	20.8%	24.9%	18.4%	18.4%
• pfandbrief	3.1%	2.0%	2.0%	2.0%	1.6%
• by other issuers	2.4%	2.1%	2.9%	3.2%	3.6%
Greece					
• by the central government	1.5%	2.2%	1.6%	1.8%	1.9%
• by other issuers	0.0%	0.0%	0.0%	0.2%	0.0%

	Dec-03	Dec-04	Dec-05	Jun-06	Dec-06
Ireland					
• by the central government	0.1%	0.3%	0.1%	0.2%	0.3%
• by other issuers	0.1%	0.1%	0.1%	0.2%	0.3%
Italy					
• by the central government	14.2%	14.4%	13.1%	14.8%	13.4%
• by other issuers	0.4%	0.3%	0.3%	0.5%	0.6%
Luxembourg					
• by the central government	0.0%	0.0%	0.0%	0.0%	0.0%
• by other issuers	0.3%	0.5%	0.6%	0.5%	0.6%
Netherlands					
• by the central government	1.7%	2.0%	1.7%	1.8%	1.5%
• by other issuers	0.7%	0.7%	0.9%	0.7%	0.6%
Portugal					
• by the central government	0.4%	0.5%	0.7%	0.9%	0.7%
• by other issuers	0.0%	0.0%	0.0%	0.0%	0.0%
Spain					
• by the central government	6.1%	5.0%	3.4%	3.3%	3.5%
• by other issuers	0.2%	0.4%	0.5%	0.9%	0.9%
Sweden					
• by the central government	0.9%	1.8%	1.3%	1.1%	1.1%
• by other issuers	0.4%	0.4%	0.4%	0.4%	0.3%
UK					
• by the central government	8.9%	10.3%	11.3%	11.5%	12.4%
• by other issuers	1.9%	1.7%	2.5%	2.7%	2.5%
US but settled across EOC/CS	2.9%	2.5%	2.2%	2.2%	2.8%
• other countries	0.4%				
Cyprus					
• by the central government		0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Czech Republic					
• by the central government		0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Estonia					
• by the central government		0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Hungary					
• by the central government		0.1%	0.5%	0.8%	1.2%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Latvia					
• by the central government		0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Lithuania					
• by the central government		0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%

	Dec-03	Dec-04	Dec-05	Jun-06	Dec-06
Malta					
• by the central government		0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Poland					
• by the central government		0.1%	0.1%	0.2%	0.2%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Slovak Republic					
• by the central government		0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Slovenia					
• by the central government		0.0%	0.0%	0.0%	0.0%
• by other issuers		0.0%	0.0%	0.0%	0.0%
Japan				4.5%	2.8%
other OECD	9.4%	13.3%	10.1%	8.8%	9.6%
non-OECD EMEA	0.4%	0.6%	0.5%	0.4%	0.6%
non-OECD Asian & Pacific	0.2%	0.5%	0.3%	0.4%	0.3%
non-OECD Latin America	0.3%	0.4%	0.6%	0.6%	0.5%
equity	2.2%	0.4%	0.4%	0.5%	0.9%
collateral of unknown origin	0.7%	0.8%	1.0%	1.3%	1.6%
Q2 What is the total value of securities loaned and borrowed by your repo desk: to/from counterparties					
in the <b>same country</b> as you					
• in fixed income	45.3%	50.2%	45.6%	43.9%	40.0%
• in equity	0.3%	2.6%	4.5%	4.2%	3.1%
cross-border in (other) <b>eurozone</b> countries					
• in fixed income	13.4%	24.3%	23.4%	26.3%	24.1%
• in equity	0.6%	2.7%	3.7%	3.5%	4.6%
cross-border in <b>non-eurozone</b> countries					
• in fixed income	40.3%	19.5%	21.3%	20.7%	27.3%
• in equity	0.1%	0.6%	1.5%	1.5%	1.0%
for which the term to maturity is					
• <b>fixed</b>	80.8%	55.0%	59.0%	60.1%	59.1%
• <b>open</b>	19.2%	45.0%	41.0%	39.9%	40.9%



## **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](http://www.icmagroup.org).