



ICMA

International Capital Market Association

ERC General Meeting

March 10, 2011





ICMA

International Capital Market Association

Opening & Update on Recent Developments

Godfried De Vidts, Chairman of the ERC



**European Repo Council
General Meeting**

**London
10 March 2011**



ICMA

International Capital Market Association

Topics of interest

- **Education**
- **E.F.S.M. & E.F.S.F.**
- **Liquidity & liquid assets under CRD IV**
- **ERC endorsed letter from World Gold Council**
- **E.G.M.I. (Expert Group on Market Infrastructure)**



ICMA

International Capital Market Association

Topics of interest

- **N.S.M.A. conference**
- **Cogesi**
- **ERC meets ECB**
- **ERC OPS**
- **New MIC**
- **Funds as collateral**



ICMA

International Capital Market Association

Contacts

Thank you, Ladies and Gentlemen

Contacts and information:

<http://www.icmagroup.org/about1/international1.html>

erc@icmagroup.org



ICMA

International Capital Market Association

ERC AGM Legal Update

Lisa Cleary, ICMA



- The Global Master Repurchase Agreement responded well to the challenges of the financial crisis.
- In order to ensure that the agreement remains the foremost industry standard master agreement for the cross border repo market, ICMA's European Repo Committee put together a working group to consider whether any amendments are necessary to the 2000 version of the agreement.

- The GMRA review working group, consisting of both market practitioners as well as legal professionals, established a list of issues which it will focus on in its review.
- The working group considered various factors including lessons learned from the financial crisis, changes made to other standard master documentation and feedback from ICMA's ERC committee. The review focused on both commercial and practical considerations as well as legal and regulatory considerations.

- In regular meetings over the last year, the working group has considered various factors including:
 - lessons learned from the financial crisis;
 - amendments made to other master agreements;
 - bilateral feedback of GMRA users; and
 - recommendations recently published by the European Financial Markets Lawyers Group (EFMLG).



ICMA

International Capital Market Association

The Global Master Repurchase Agreement 2011



- Has an event of default occurred?

Para 10 (b)

If at any time an Event of Default has occurred and is continuing the non Defaulting Party may, by not more than 20 days' notice to the Defaulting Party specifying the relevant Event of Default, designate a day not earlier than the day such notice is effective as an Early Termination Date in respect of all outstanding Transactions. If, however, "Automatic Early Termination" is specified in Annex I with respect to the Defaulting Party, then an Early Termination Date in respect of all outstanding Transactions will occur at the time immediately preceding the occurrence with respect to the Defaulting Party of an Act of Insolvency which is the presentation of a petition for winding-up or any analogous proceeding or the appointment of a liquidator or analogous officer of the Defaulting Party.

- Expansion of Act of Insolvency definition

Para 2(a)(ii)

a secured party taking possession of, or carrying out other enforcement measures in relation to, all or substantially all assets of such party, provided the relevant process is not dismissed, discharged, stayed or restrained within 15 days

- Default valuation time

Para 10(d)(iii)

as soon as reasonably practicable after effecting the (close out) calculation... the non-Defaulting Party shall provide to the Defaulting Party a statement showing in reasonable detail such calculations and specifying the balance payable by one party to the other and such balance shall be due and payable on the Business Day following the date of such statement



ICMA

International Capital Market Association

GMRA 2011: Key amendments

- Something old, something new: margin percentage

Para 2(aa)

“Margin Percentage”, with respect to any Margin Securities or Equivalent Margin Securities, the percentage, if any, agreed by the parties acting in a commercially reasonable manner

- Dual purpose spot rate

Para 2(ss)

"Spot Rate", where an amount in one currency is to be converted into a second currency on any date, unless the parties otherwise agree

- (i) for the purposes of paragraph 10, the spot rate of exchange obtained by reference to a pricing source or quoted by a bank, in each case specified by the non-Defaulting Party, in the London inter-bank market for the purchase of the second currency with the first currency at such dates and times determined by the non-Defaulting Party; and*
- (ii) for any other purpose, the latest available spot rate of exchange obtained by reference to a pricing source or quoted by a bank, in each case agreed by the parties (or in the absence of such agreement, specified by Buyer), in the London inter-bank market for the purchase of the second currency with the first currency on the day on which the calculation is to be made or, if that day is not a day on which banks are open for business in London, the spot rate of exchange quoted at close of business in London on the immediately preceding day in London on which such a quotation was available;*

- Margin maintenance and the cash equivalent amount

Para 4(h)

Where a party (the “Transferor”) becomes obliged to transfer Equivalent Margin Securities and, having made all reasonable efforts to do so, is, for any reason relating to the Securities or the clearing system through which the Securities are to be transferred, unable to transfer Equivalent Margin Securities then

- (i) the Transferor shall immediately pay to the other party Cash Margin at least equal to such the Market Value of such Equivalent Margin Securities (and, unless the parties otherwise agree, such Cash Margin shall not bear interest in accordance with paragraph 4(f)); and*
- (ii) if the failure is continuing for two Business Days or more the other party may by notice to the Transferor require the Transferor to pay an amount (the “Cash Equivalent Amount”) equal to the Default Market Value of the Equivalent Margin Securities determined by the other party in accordance with paragraph 10(f) which shall apply on the basis that references to the non-Defaulting Party were to the other party and references to the Early Termination Date were to the date on which notice under this paragraph is effective.*

- Set off

Para 10(n)

Any amount payable to one party (the Payee) by the other party (the Payer) under paragraph 10(d) may, at the option of the non- Defaulting Party, be reduced by its set off against any amount payable (whether at such time or in the future or upon the occurrence of a contingency) by the Payee to the Payer (irrespective of the currency, place of payment or booking office of the obligation) under any other agreement between the Payee and the Payer or instrument or undertaking issued or executed by one party to, or in favour of, the other party. If an obligation is unascertained, the non- Defaulting Party may in good faith estimate that obligation and set off in respect of the estimate, subject to accounting to the other party when the obligation is ascertained. Nothing in this paragraph shall be effective to create a charge or other security interest. This paragraph shall be without prejudice and in addition to any right of set off, combination of accounts, lien or other right to which any party is at any time otherwise entitled (whether by operation of law, contract or otherwise).

- GMRA review working group draft proposal
- ICMA ERC committee consultation
- ICMA/SIFMA publication
- ICMA publication of 2011 legal opinions, including coverage of GMRA 2011





ICMA

International Capital Market Association

2011 ICMA GMRA legal opinions update



- In 2011 ICMA will obtain opinions on the GMRA 1995, 2000 & 2011 in 62 jurisdictions.
- A new opinion will be obtained for Russia.
- Opinions address enforceability of netting provisions and recharacterisation risk.
- Basic counterparty coverage (companies, banks and securities dealers) and extended counterparty coverage (also includes insurance companies, hedge funds and mutual funds).
- Opinions available at: <http://www.icmagroup.org/legal>



ICMA

International Capital Market Association

GMRA: Loan Repo Annex



- ICMA is coordinating a project to establish a system whereby financial institutions may use bilateral and syndicated loans as repo collateral under the GMRA.
- This project represents an important innovation in the financial markets and will have long term implications for the stability of the financial systems.

- Basic principles:
 - A borrower under a loan appoints a person with access to the clearing system to act as its agent.
 - The loan is ‘immobilised’ in the clearing system and full legal title will be transferred exclusively by means of matching ‘buy’ and ‘sell’ instructions entered into the clearing system by eligible counterparties.
 - Payments under the loan are made through the clearing system to the person recorded as the legal owner of the loan in the clearing system.
 - The terms of the loan and the rules of the loan repo system will form a single agreement between the borrower, the clearing system, the lender and the repo counterparty.

- Directive 2009/44/EC dated 6 May 2009 amending Directive 98/26/EC on settlement finality in payment and securities settlement systems and Directive 2002/47/EC on financial collateral arrangements as regards linked systems and credit claims.
- Main provisions:
 - extends settlement finality to “credit claims” (i.e. loans)
 - no clawback on insolvency for transfers through clearing system
 - “credit claims” treated as “financial collateral” that can be appropriated to satisfy a debt without formality/court proceedings
 - no registration requirements (BUT no mandatory exception from formalities connected with ensuring enforceability of transfers as against borrower/obligor under loans)

Thank you, Ladies and Gentlemen

Contact information:

Lisa Cleary: Director, Associate Counsel

cleary.lisa@icmagroup.org

Tel: +44 (0)20 7213 0330

ICMA Ltd

www.icmagroup.org



ICMA

International Capital Market Association

Progress report on interoperability between triparty agents

Godfried de Vidts





ICMA

International Capital Market Association

Triparty Interoperability

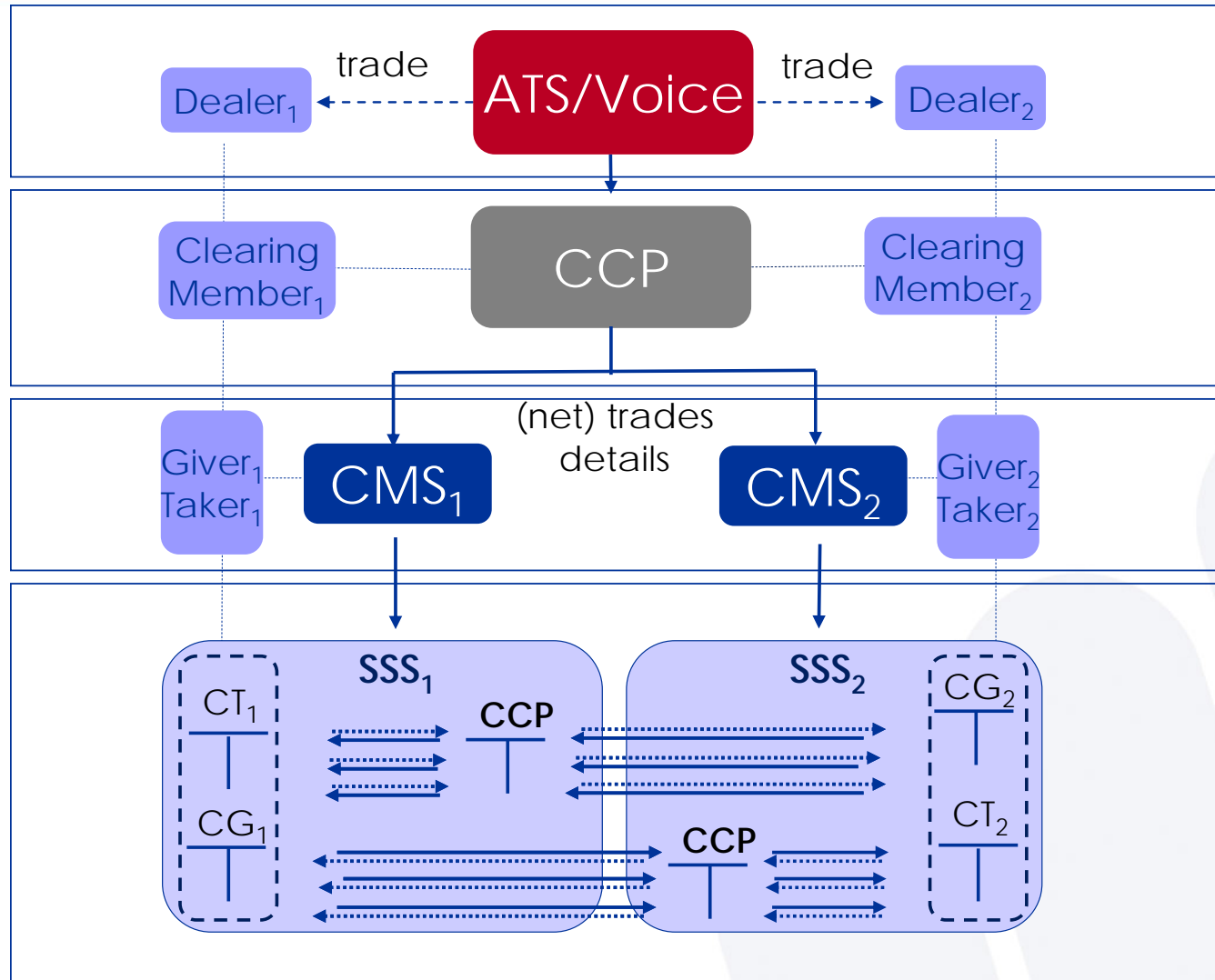
- Model supporting GC basket trading, cleared by CCPs;
- Model presented by Clearstream and Euroclear, validated with ERC Ops group, CCPs and trading platforms;
- Model can work with some constraints;
- To avoid reduction of trading deadline, proposal discussed at ERC Ops:
 - Creation of 2 types of baskets:
 1. New « interoperable » basket(s) tradable until ~14:00 CET;
 2. Existing (€GC and GC Pooling) « non interoperable » baskets, tradable from ~14:00 CET until ~16:00 CET and settling in each (I)CSD.
 - For « interoperable » basket(s) : substitution up to ~14:00 CET.
- No major obstacles for implementation but requires investments from:
 - Trading systems;
 - CCPs;
 - (I)CSDs.
- Needs commitment from the market to participate.



ICMA

International Capital Market Association

Triparty Interoperability – Model



Window 1 *~14:00*
 CET TRADING *Window 2* *~16:00*
 CET

Interoperable
basket(s)

Non
interoperable
baskets

COLLATERAL MANAGEMENT

Triparty Interoperability

- Longer processing time of collateral operations (up to 02h30);
- DvP settlement deadline 15:00 CET (« Bridge »);
- Substitution capability ~14:00

Triparty Euroclear

Triparty Clearstream

- Existing service level in each triparty environment;
- DvP settlement deadline ~18:00 CET;
- Substitution capability ~ 17:45 CET.

Triparty Interoperability – Possible future evolution

TRADING

*~16:00 CET
or later*

Interoperable
basket(s)

COLLATERAL MANAGEMENT

Triparty Interoperability

Triparty Euroclear

Triparty Clearstream

Possible positive impacts linked to:

- Evolution of the cash & securities settlement deadlines in the respective SSSs;
- Settlement interoperability between the respective SSSs (i.e. Bridge for ICSDs) and/or consolidation of SSSs / implementation of T2S;
- Evolution of deadlines, allocation modules and processing times of the respective CMSs.



ICMA

International Capital Market Association

Update on Regulatory Issues

David Hiscock, ICMA



**European Repo Council
Annual General Meeting**

**London
10 March 2011**

Agreed new global regulatory standards for banks

- Basel III rules text, covering **capital and liquidity**, issued on 16.12.10
 - Parallel European Commission consultation re CRD revision is on its way
- Two elements of particular relevance to the ERC
 - Leverage
 - Include Securities Financing Transactions (SFTs) in leverage calculations based on accounting measure of exposure; and **subject to Basel regulatory netting rules**
 - Liquid assets
 - Subject to a **minimum 15% haircut**, may comprise **up to 40% “Level 2” assets** (which includes certain corporate bonds and covered bonds)

Exceptional risk weight to apply for CCP exposures

- CCPs exposures have markedly increased significance as reforms are promoted to incentivise and/or require their greater usage
- Basel consultation on **treatment of CCP exposures**, issued 20.12.10
 - Propose that trade exposures to a qualifying CCP receive a **2% risk weight**
 - Increase from existing exceptional nil exposure treatment, recognising not “risk free”
 - Still advantageous versus treatment of OTC counterparty credit exposures
 - CCPs must be compliant with applicable CPSS-IOSCO standards
 - Not applicable to default fund exposures
 - Impact study being performed based on year-end CCP data
 - Parallel European Commission consultation issued 09.02.11 (closed 09.03.11)

Common EU rules for CSDs & securities settlement

- European Commission consultation paper, “**Central Securities Depositories (CSDs) and the harmonisation of certain aspects of securities settlement**”, issued on 13.01.11
 - New common EU regulatory framework for (I)CSDs
 - Harmonisation of key aspects of EU securities settlement
 - Complements other elements of EU infrastructure regulation
 - Trading venues being covered by MiFID review; and
 - CCPs and trade repositories being covered by EMIR
 - ERC comments submitted to meet 01.03.11 deadline
 - Attention drawn to ERC’s July 2010 “White Paper” on the repo market
 - Need to take account of differences between markets
 - Links to short selling Regulation debate; and to work of HSC WG

Harmonisation of Settlement Cycles Working Group

- The HSC WG **submitted its final report**, as a reply to the Commission’s consultation on common EU rules for CSDs and securities settlement
 - Describes the origins of the HSC WG and provides an overview of its work;
 - Responds to certain specific questions from the Commission’s consultation; &
 - **Gives perspectives on further work**, once legislative proposals are clear
 - Series of annexes filed with the response, including:
 - Report on “**Principles for the maximisation of settlement efficiency**”; and
 - Paper on the “**The case for harmonising settlement cycles**”

The role of central bank money in payment systems

- The ERC's response to the Commission's consultation on common EU rules for CSDs and securities settlement comments on cash settlement
 - The ERC consider it **crucial that both forms of settlement money** (central bank & commercial) **continue to be broadly accepted**, under reasonable and appropriate risk management terms
 - Attention is drawn to the 2003 CPSS report on the role of central bank money
 - This notes that **systems based on just one or the other form of money have proved to be insufficiently “stable or efficient to survive”**; and
 - That **“contemporary monetary systems are based on the mutually reinforcing role of central and commercial bank money.”**
 - Particularly for repos settled DVP with effective irrevocability any CSD should be able to offer settlement in commercial bank money
 - Purely focussing on settlements in central bank money will negative effects

New EU legal framework for intermediated securities

- European Commission consultation paper, “**Harmonisation of the legal framework for securities holding and transactions**”, issued on 05.11.10
 - To inform preparation of a legislative proposal for adoption before the summer
 - ERC comments submitted to meet 21.01.11 deadline
 - Expresses concern regarding some practical implications of points in this proposal which are not yet sufficiently clearly detailed;
 - Draws attention to the need to take account of repo market differences; &
 - Calls for care to avoid adverse impacts on sound, established repo market practises
 - Commission summary of responses subsequently released

Potential new EU resolution rules for failing banks

- Commission **Communication on Crisis Resolution**, issued on 20.10.10
 - Proposal to **provide for a temporary stay on rights to close out netting** where authorities transfer relevant contracts as part of a resolution measure
- Consultation on **underpinning technical details**, issued on 06.01.11
 - Elaborated points regarding temporary suspension of close out netting
 - Envisages **appropriate protection for financial collateral, set-off and netting**
 - ERC comments submitted to meet 03.03.11 deadline
 - Commented on several points of technical detail
 - Noted that arrangements need to be carefully developed to take account of repo
 - The aim of allowing for the orderly resolution of a failing institution must be balanced with the market need for prompt close out so as to mitigate the risk of loss
 - Established , sound and efficient market practises for repo should not be impeded

Regimes relating to netting are under review

- Commission plans to propose **EU legislation** regarding netting in 2011
 - Intended to address perceived deficiencies in the European legal framework
- IASB/FASB proposed **common approach to BS netting**, issued 28.01.11
 - Offsetting only applicable when the right of set-off is enforceable at all times
 - Including in default and bankruptcy
 - Ability to exercise right must be unconditional (including not being default dependant)
 - Entities involved must intend to settle with a single payment or simultaneously
 - Broadly comparable to the requirements currently contained in IAS 32
 - Clarifies that **set-off right should be enforceable both currently & upon default**

Thank you, Ladies and Gentlemen

Contacts and information:

David Hiscock: Senior Director – Market Practice and Regulatory Policy

David.Hiscock@icmagroup.org

Tel: +44 (0)20 7213 0321 (Direct Line) / +44 (0)7827 891909 (Mobile)

ICMA Ltd.

23 College Hill, London EC4R 2RP

www.icmagroup.org



ICMA

International Capital Market Association

Update on Regulatory Issues - MiFID & Short Selling

Lalitha Colaco-Henry, ICMA

**European Repo Council
Annual General Meeting**

**London
10 March 2011**



ICMA

International Capital Market Association

MiFID

- Organised Trading Facilities (OTF)
- Transferable securities
- Financial instruments



ICMA

International Capital Market Association

Short Selling

- Article 13
- Next Steps



ICMA

International Capital Market Association

Thank you, Ladies and Gentlemen

Contacts and information:

Lalitha Colaco-Henry: Director – Market Practice and Regulatory Policy

Lalitha.Colaco-Henry@icmagroup.org

Tel: +44 (0)20 7213 0318 (Direct Line) / +44 (0)73869 6449 (Mobile)

ICMA Ltd.

23 College Hill, London EC4R 2RP

www.icmagroup.org

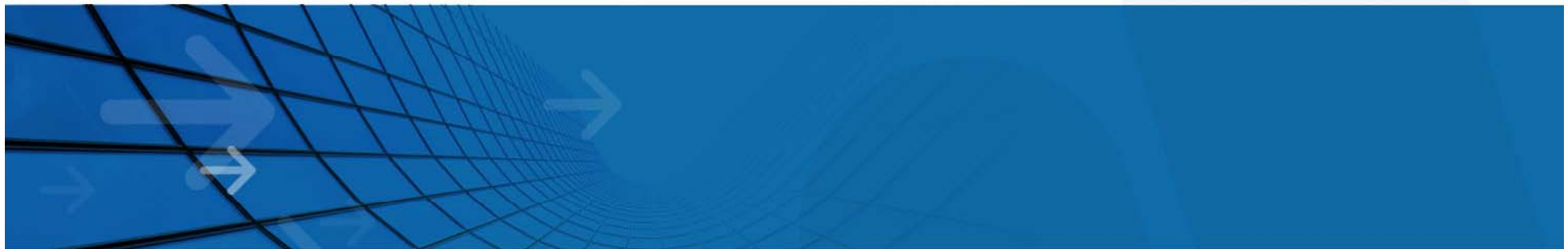


ICMA

International Capital Market Association

Update on the work of the ERC Ops Group

Nicholas Hamilton





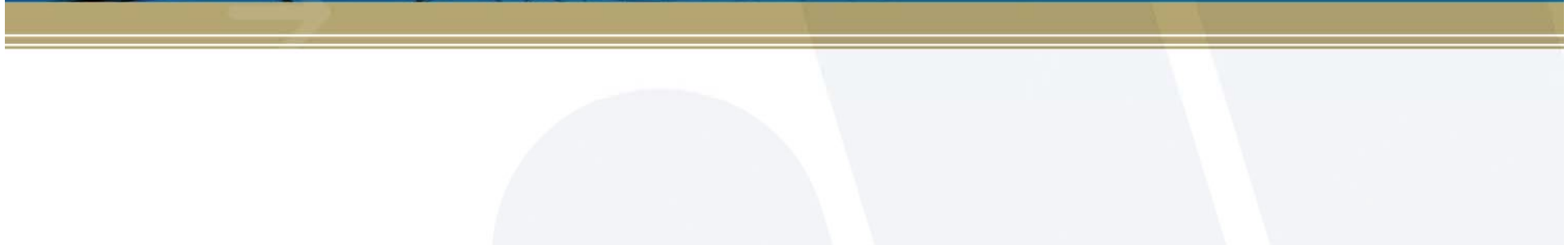
ICMA

International Capital Market Association

European Repo Council Operations Group

2011 ERC AGM Operations Update

Tony Platt/Nicholas Hamilton March 2011





ICMA

International Capital Market Association

ERC Operations 2010 Activity

- **Triparty Interoperability**
 - Interoperability proposals agreed in principle and presented to the ERC. Proposals require a 2pm CET interoperability cut off. ERC Ops are currently assessing the volume of post 2pm substitutions and recalls.
- **ERC White Paper**
 - ERC Operations helped to put the paper together with particular reference to understanding settlement regimes in Domestic markets.
- **Addressing settlement barriers.**
- **Greece**
 - Provided information on the operational impact of the forced auction process and lobbied the Bank of Greece for improved operational efficiency related to matching and settlement status. ERC Ops had been part of an ERC/EPDA delegation to the Bank of Greece in December where the BoG agreed to consider a central bank lending facility along the lines of the “Phantom Bonds” arrangement in Portugal.
- **Italy**
 - Through 2010 ERC Ops lobbied for improved interoperability between Express 2 and RTGS cycles and an introduction of lower shaping size. The latter resulting in a material reduction in fails in the second half of 2010.
 - Monte Titoli had indicated in October that they would be investing in settlement processing enhancements through 2011 to address most of the white paper observations. However, Monte Titoli appear to have run into local market resistance and have pulled back from their initial proposal and are embarking on a pre T2S strategy analysis.
- **Spain**
 - There has been no further dialogue or progress since the ERC GM update in October.

Increase capability of the group to influence the Repo market infrastructure.

- Increase group membership and participation. Update ; Group size increased to 15 members.
- Improve group diversity to add different perspectives to the group. (A team of just Repo specialists will offer one perspective) Include Equity Financing specialists in the forum. Ensure debate and agenda covers all asset classes. Injected some Equity Repo specialisation. Looking to ensure we have all Operations functions covered with appropriate levels of expertise, e.g. Repo Margin processing and protocol.
- Include some buy side representation to help guide the best practice directives. No progress to date.
- Increase meeting frequency and increase face to face participation to the greatest extent possible. Bi-Monthly meeting schedule with a material uptick on physical attendance and participation.



ICMA

International Capital Market Association

ERC Ops Agenda

Continued role in driving solutions to cross border settlement barriers. Consistent with commentary in the White Paper.

ICMA ERC White paper, extract.

The principal barriers to interconnectivity are: the shortness of the settlement day; late, infrequent or unsynchronised feedback between CSDs and ICSDs; the lack of matching within some RTGS; unsettled instructions not being recycled automatically back into the next settlement cycle; obstacles to access by users to correct errors; discrimination against cross-border users in terms of access to CSDs; the lateness of settlement finality; the lack or uncertain cost of securities lending facilities; and obstacles to competition (“interoperability”) between CCPs.

ERC Operations focus areas in respect to the above;

- Continued lobbying for development of CSD overnight batch settlement cycles.
- Continue progress in respect to extension of CSD settlement cycles.
- Continue lobbying for earlier transmission of settlement instructions to CSD's.
- Work with ICSD's to explore opportunities and barriers to direct CSD access.
- Continued progress in respect to shaping of settlement instruction. (Proven impact in Italy).
- Interoperability between settlement cycles/platforms at the CSD level.
- Lobby for EC/CBL bridge enhancements. Discuss ICSD connection, development and risk management requirements in a real time model.
- Keep abreast and advise in respect to settlement date harmonisation.

Continued Tri Party Interoperability development in support of basket product financing.

Objectives

- Basket/tri-party dependent product liquidity to be driven by product quality, as opposed to settlement barriers.

Challenges

- Common process evolution for CCP's supporting both central and commercial bank money mechanisms.
- Full DVP flows across and within ICSD's to protect from loss of credit or liquidity.
- Implementation schedules and market commitment. Pending discussion . (ICSD indication ~ 18 month program of work)
- Further bridge settlement enhancements required? Avoid replacing one settlement barrier with another.

Role of ERC Ops group

- Validate plan and execution proposals from an Operations processing and support perspective.
- Identify any residual settlement related product differentiators.
- Ensure participants technology requirements are known and limited.

Repo Trade matching

Drivers for trade date matching

- Convergence/harmonisation of settlement timelines (T+2 proposal) reduced pre settlement risk mitigation period.
- US market developments. Regulatory driven change and potential impact globally.
- The need for transparency on matched pending flows to aid intra day credit facility management.
- Increase in term book size. Emphasis on Bilateral term repo risk mitigation. Growth in Off-side settlement risk through increased term business.

Challenges

- Multiple potential service providers.
- Broad adoption. Buy side on boarding strategy.
- Structured financing transactions presenting new confirmation and affirmation challenges.

Role of ERC Ops

- Current state assessment.
- Monitor and discuss. Address regulatory interest.
- Issue best practice statement regarding trade matching and affirmation.



ICMA

International Capital Market Association

ERC Ops Agenda

Repo Margin Guidelines

Objectives

- Review current ICMA Repo Margin Guidelines and submit amendment proposals to provide further clarity to participants in respect to best practice.

Challenges

- Current inconsistency in the application of haircuts , giving rise to margin disputes. Current guideline requires simplification.
- Current guidelines are silent in respect to the treatment of fails and assume settlement both pre and post value date.
- Current guidelines are silent in respect to margin call minimum value thresholds.

➤ **Role of ERC Ops**

- Establish specialist operations sub group to review the guidelines and recommend enhancements to address the above and any other aspects requiring further clarity in the guidance.



ICMA

International Capital Market Association

ERC Ops Agenda

Regulatory consultation.

Objectives

- Ensure a good understanding of the intentions of each consultation document and support ICMA in establishing appropriate regulation and legislation regarding the secured Funding Markets in the future.

Challenges

- Volume of consultation documents for review.
- Ensuring collaboration and consistency where appropriate across market groups and participants responses.
- **Role of ERC Ops**
- Ensure ERC/ICMA is furnished with, and including, an operations specialist view in its responses to the various regulatory consultation documents. (e.g. Agent / CSG consultation, Securities Law directive, Settlement harmonisation)



ICMA

International Capital Market Association

European Repo Council

20th European repo market survey
conducted in December 2010



Survey overview

- Outstanding value of contracts at close of business on Wednesday, 8th December 2010
- 57 responses from 55 groups



ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Headline numbers

- **December 2010 EUR 5,908 billion**
- June 2010 EUR 6,979 billion
- December 2009 EUR 5,582 billion
- June 2009 EUR 4,868 billion
- December 2008 EUR 4,633 billion
- June 2008 EUR 6,504 billion
- December 2007 EUR 6,382 billion
- June 2007 EUR 6,775 billion
- December 2006 EUR 6,430 billion
- June 2006 EUR 6,019 billion
- December 2005 EUR 5,883 billion
- June 2005 EUR 5,319 billion
- December 2004 EUR 5,000 billion
- June 2004 EUR 4,561 billion

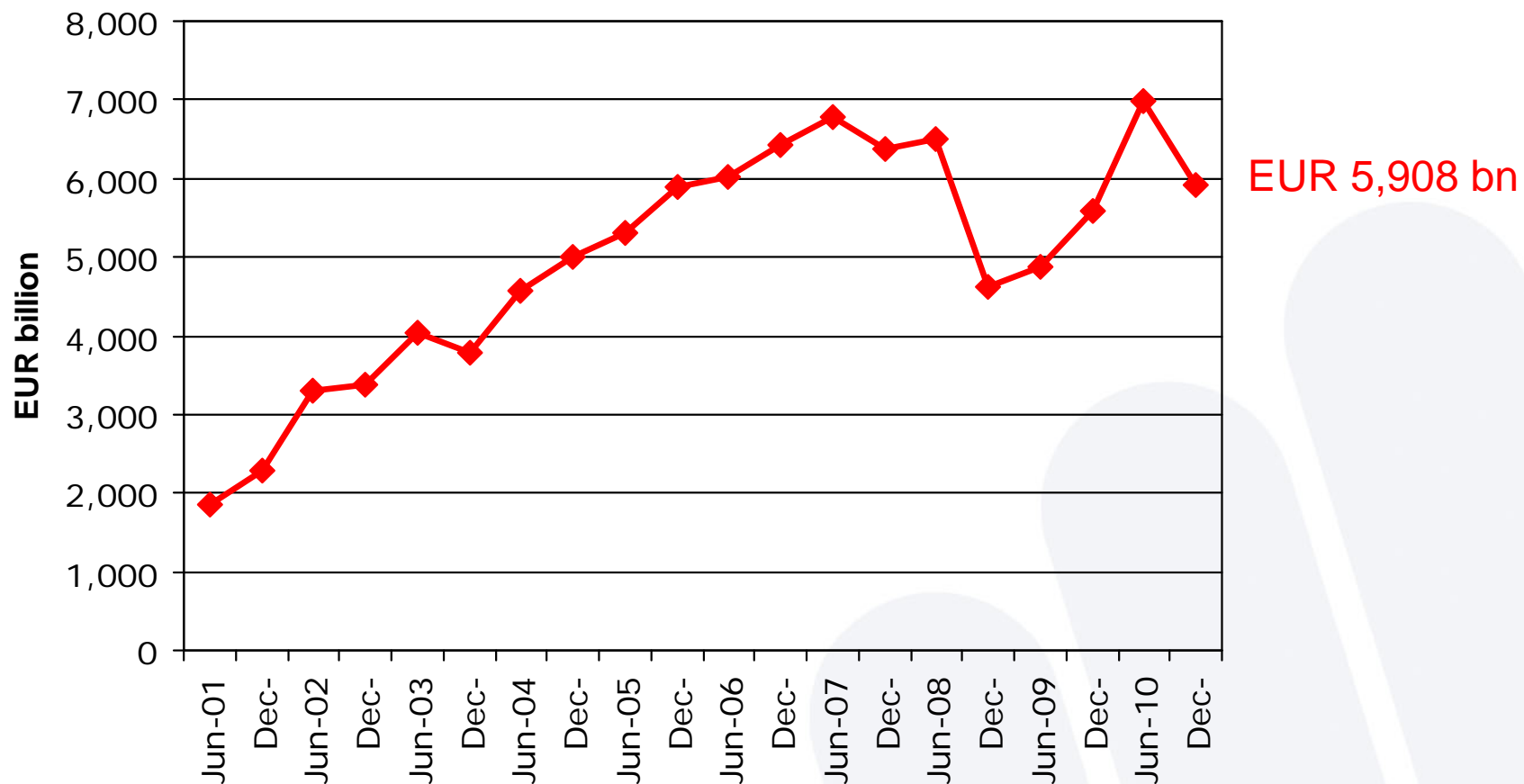


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Headline numbers



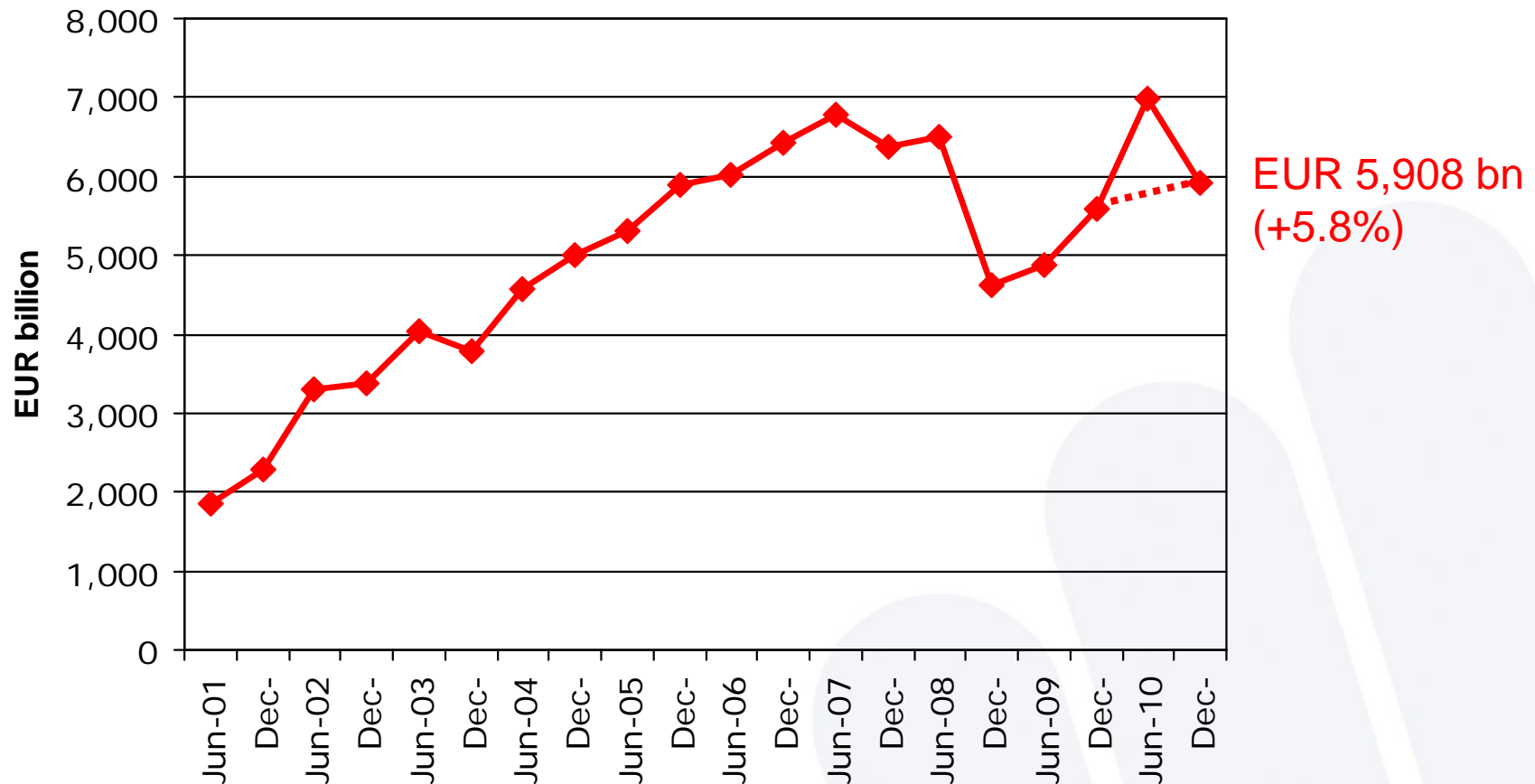


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Headline numbers



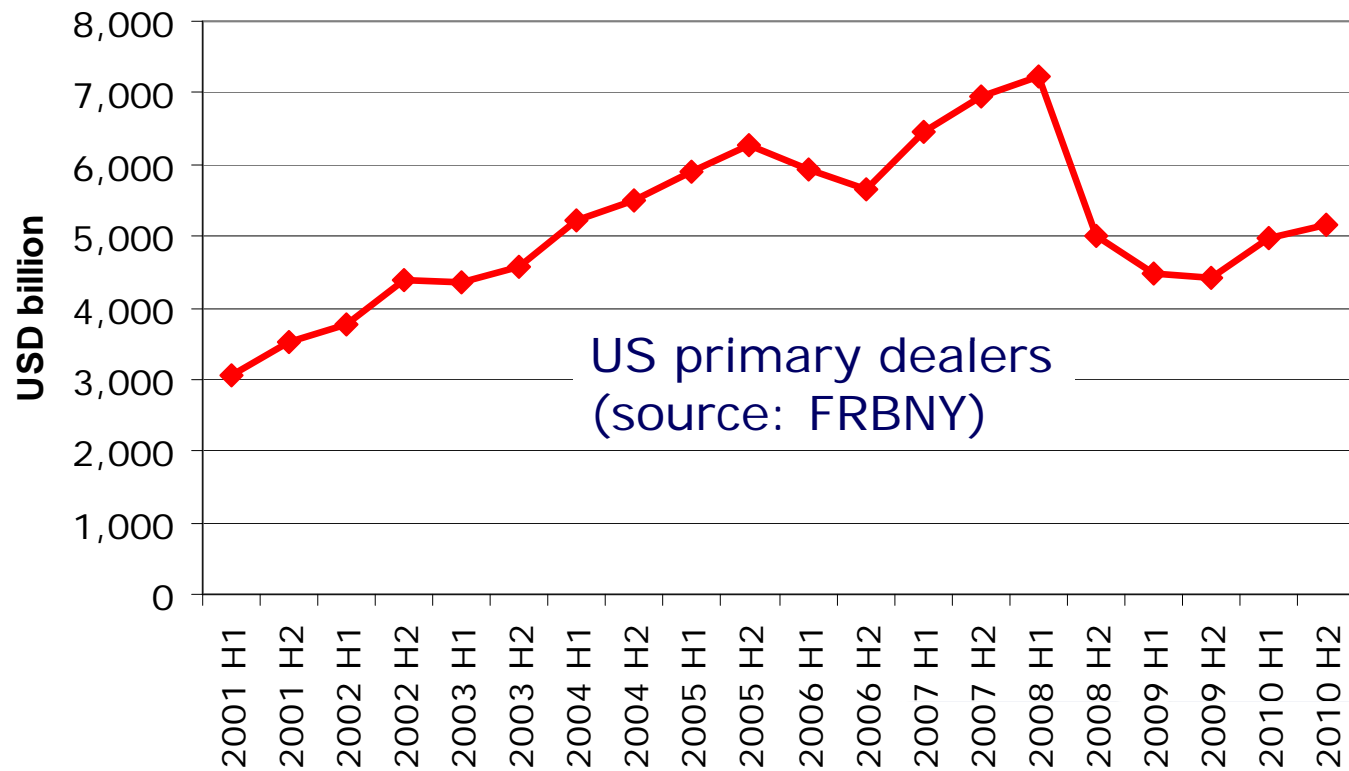


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

US market



USD 5,164 bn



ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Comparable market growth

- 53 respondents in December 2009 and 2010 surveys
 - -15.2% year-on-year
- 49 respondents in last 3 surveys
 - -16.8% since June 2009



ICMA

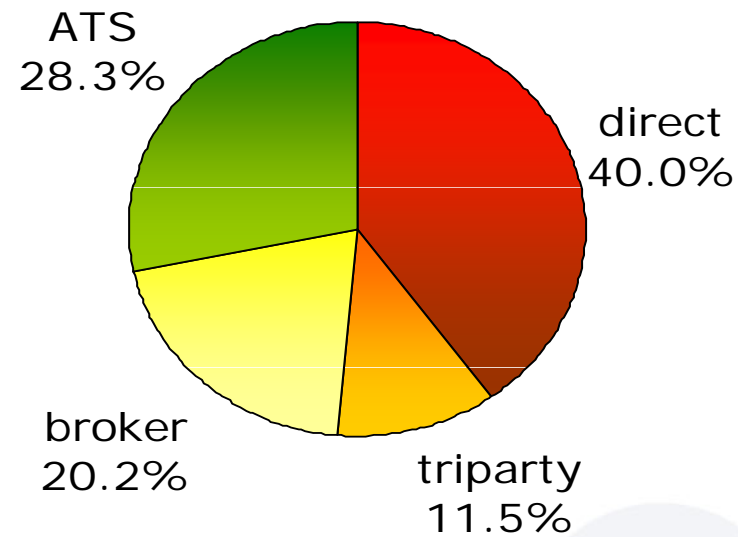
International Capital Market Association



20th European repo market survey
conducted in December 2010



Counterparty analysis



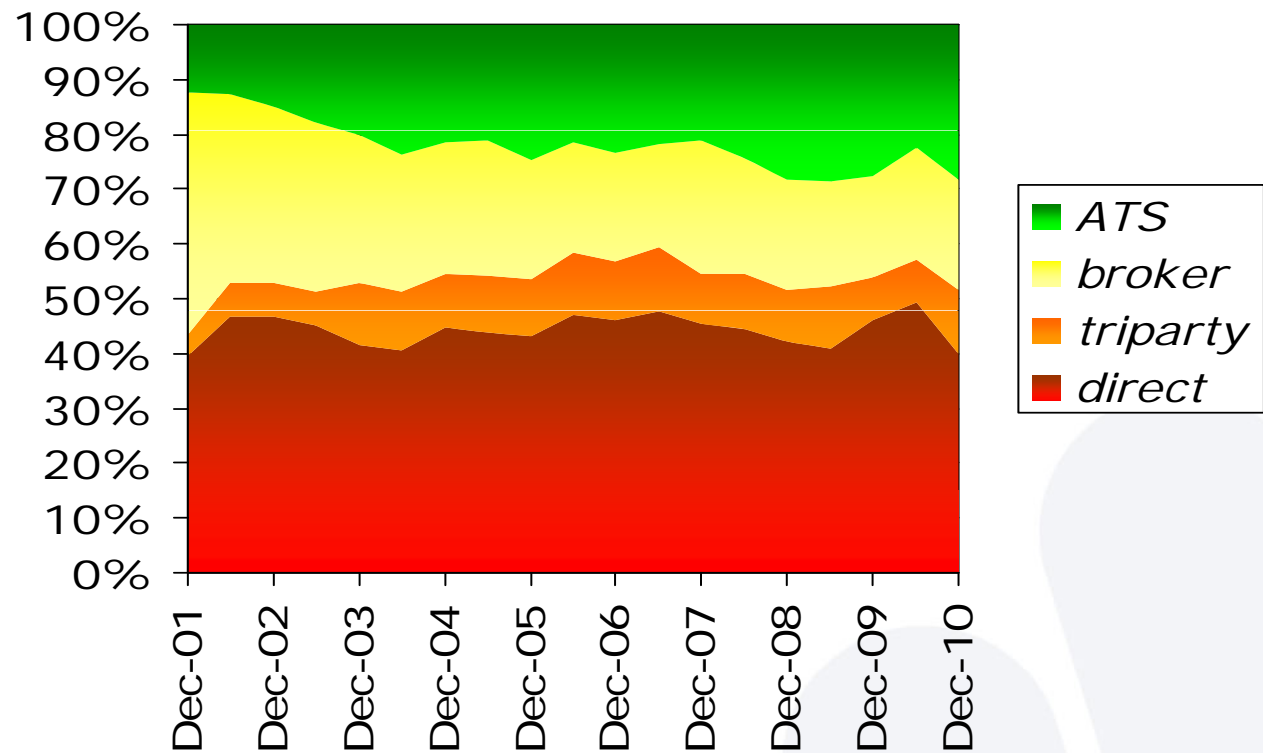


ICMA

International Capital Market Association

20th European repo market survey
conducted in December 2010

Counterparty analysis



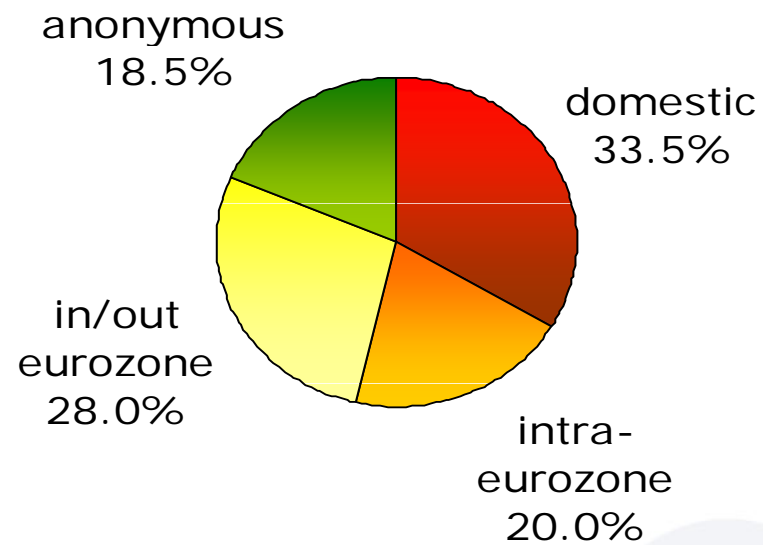


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Geographical analysis



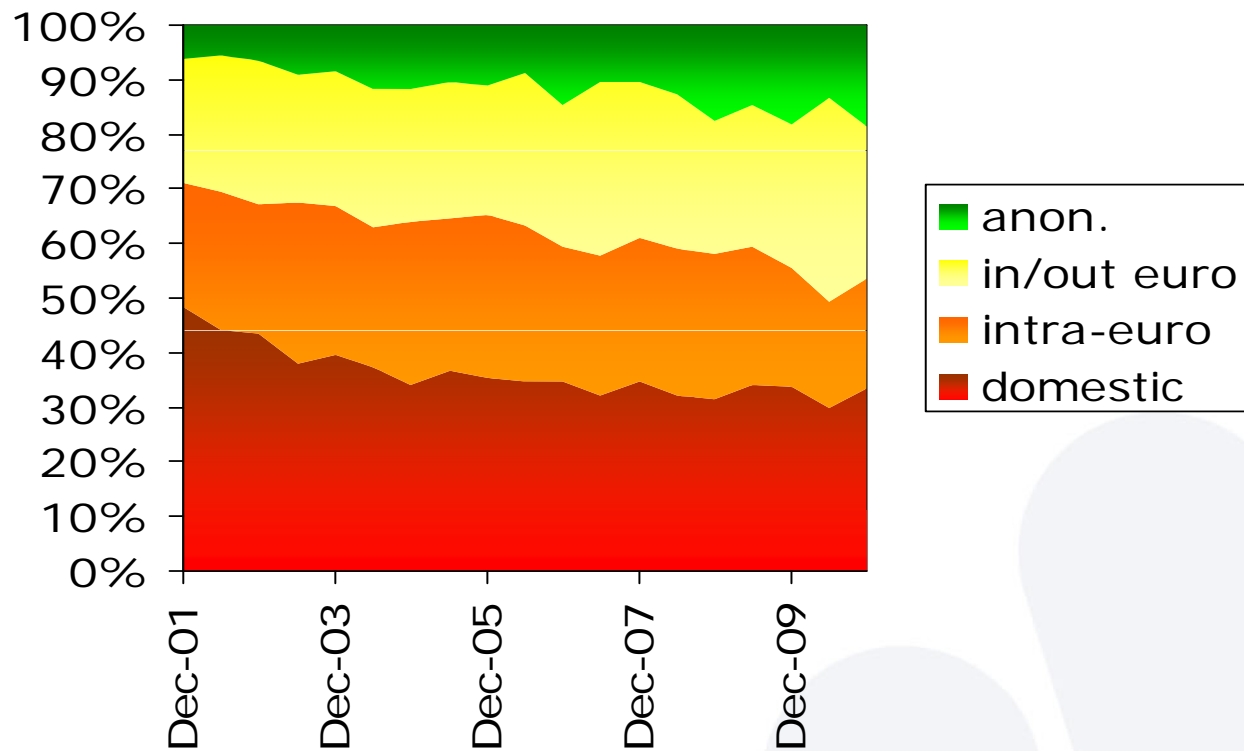


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Geographical analysis



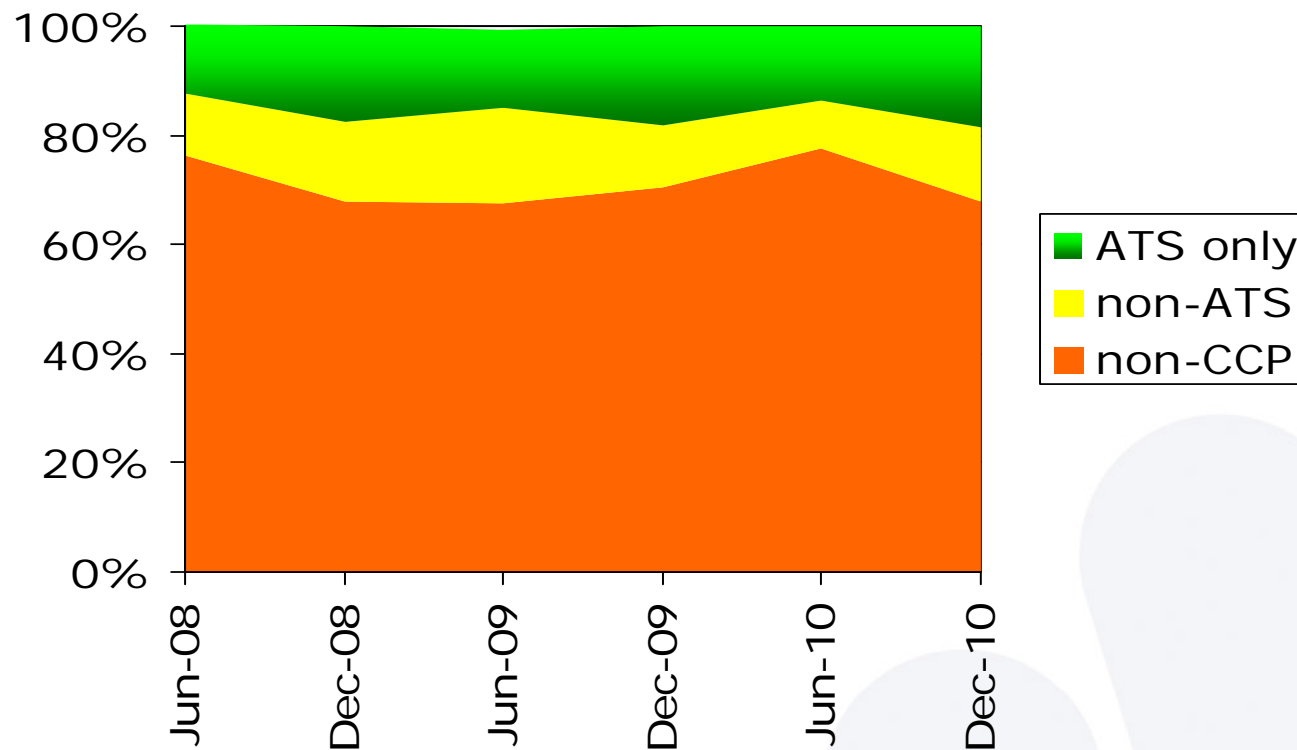


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Business cleared across CCP



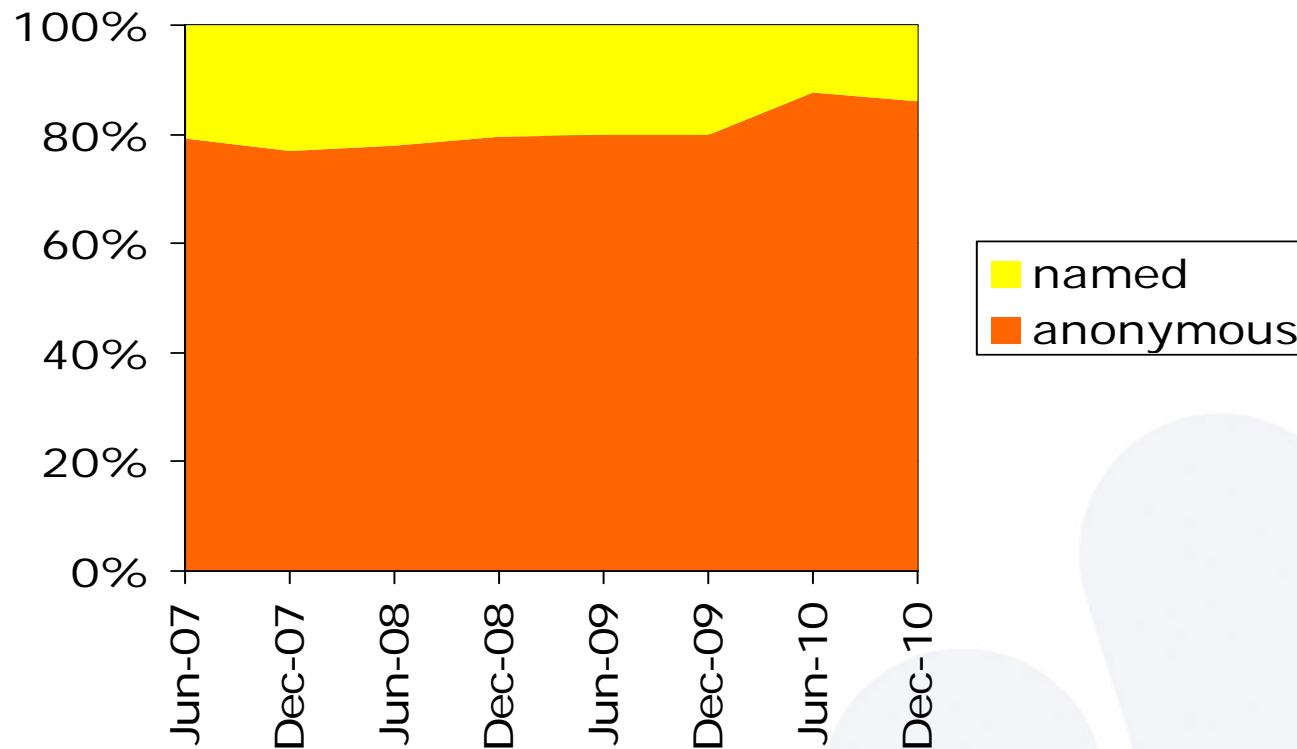


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Anonymous ATS business



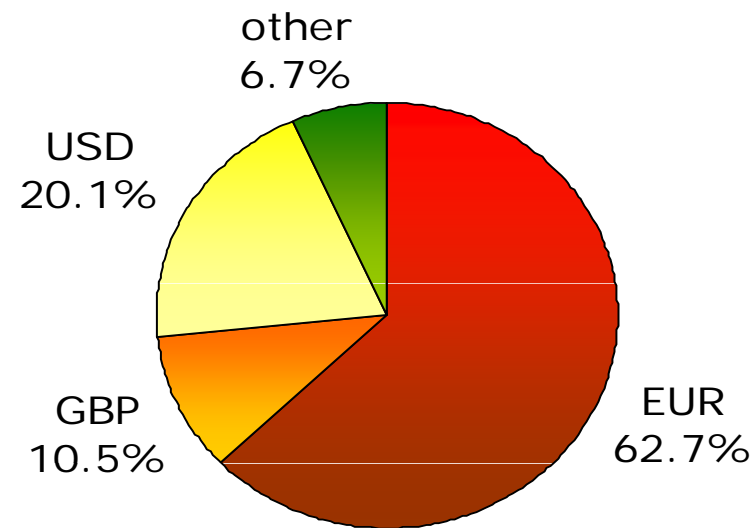


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Currency analysis



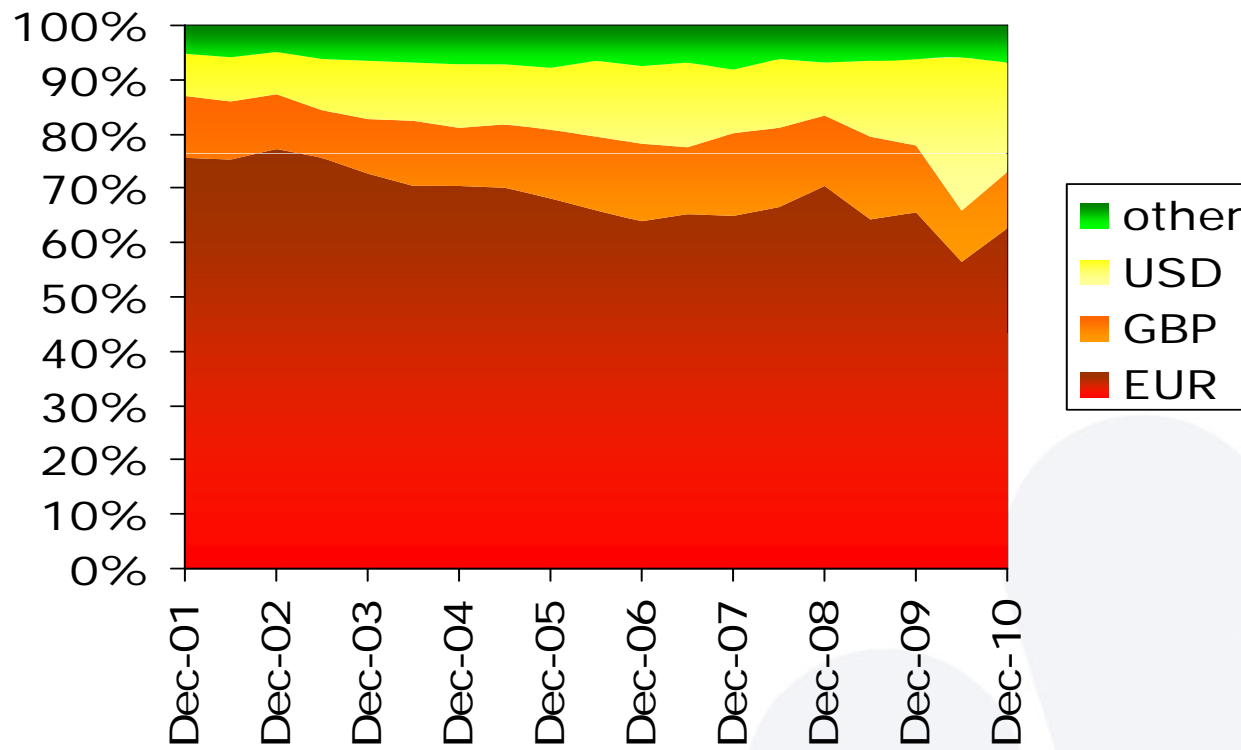


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Currency analysis



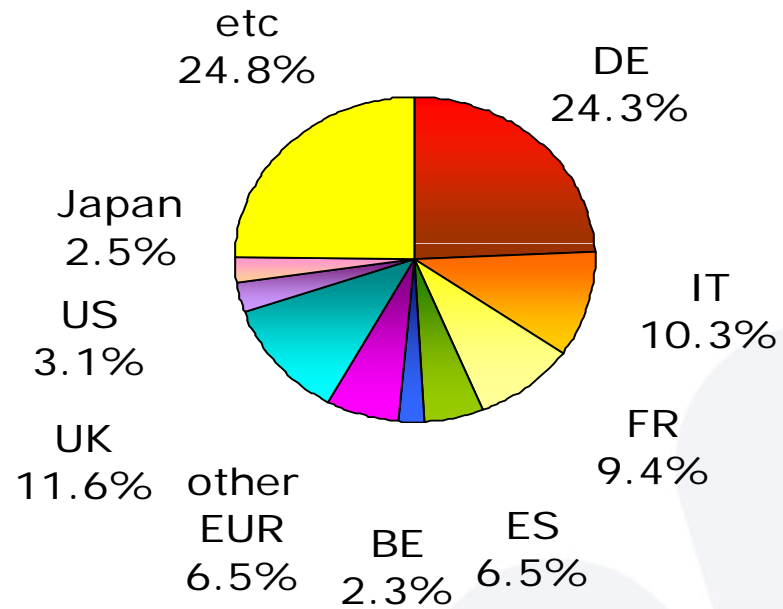


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Collateral analysis



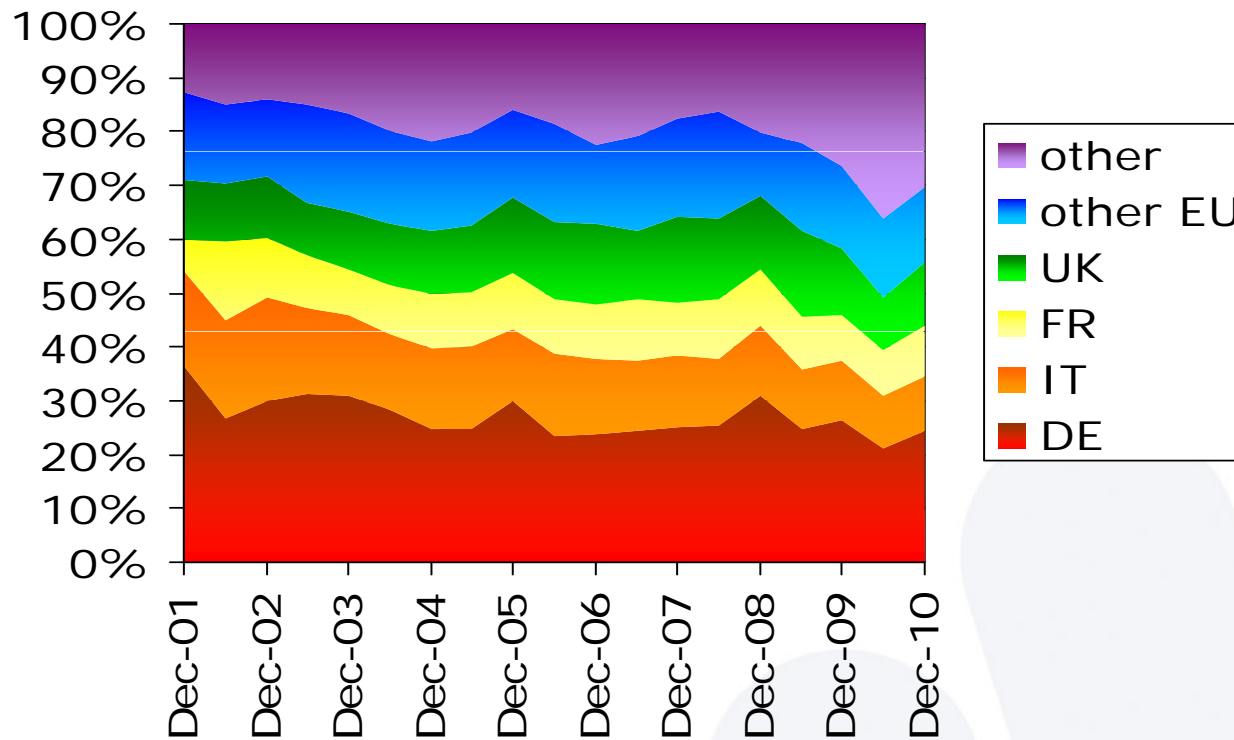


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Collateral analysis



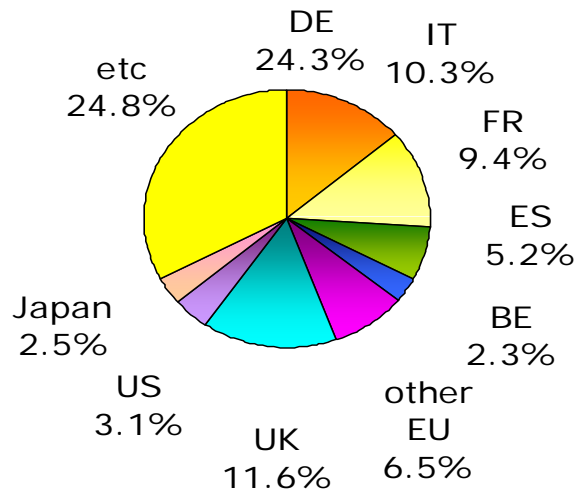


ICMA

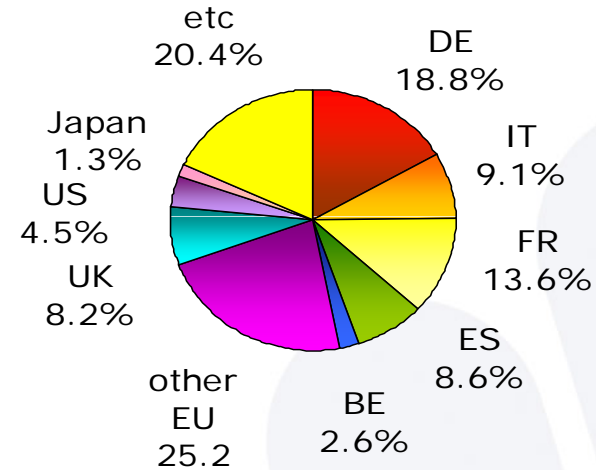
International Capital Market Association

20th European repo market survey conducted in December 2010

Collateral comparison



banks



tri-party



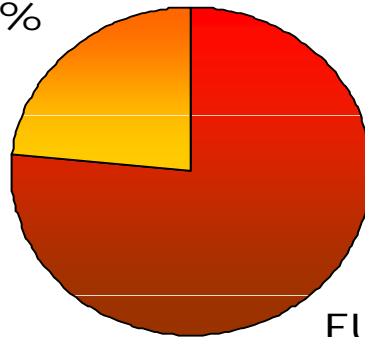
ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Collateral analysis

EU non-
govis
23.3%



EU gov
76.7%

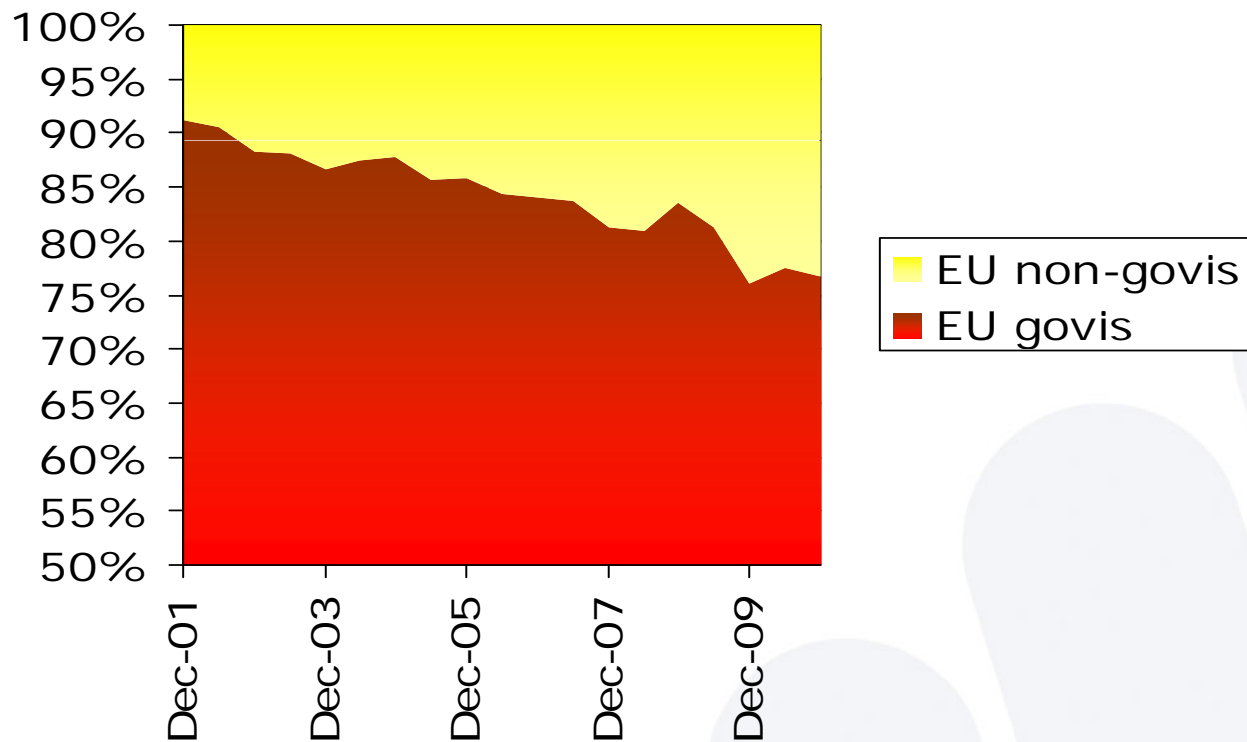


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Collateral analysis





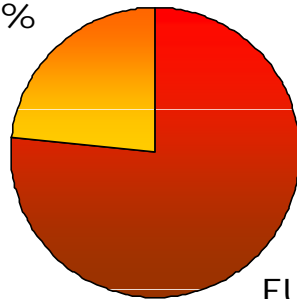
ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Collateral comparison

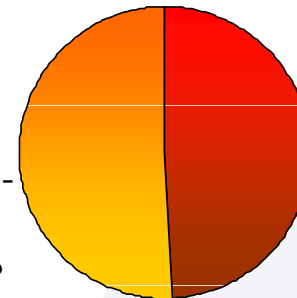
EU non-
govis
23.3%



EU govis
76.7%

banks

EU non-
govis
50.7%



EU govis
49.3%

tri-party

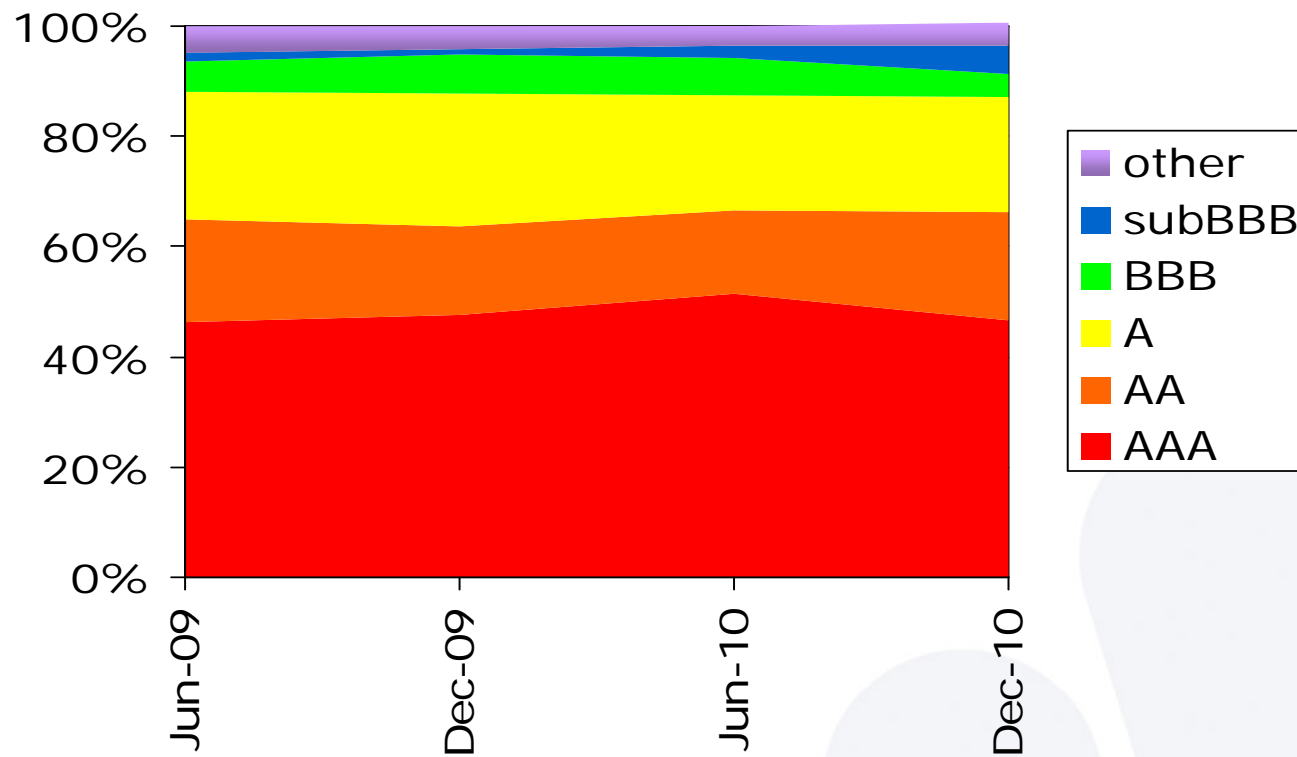


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Collateral analysis (tri-party)



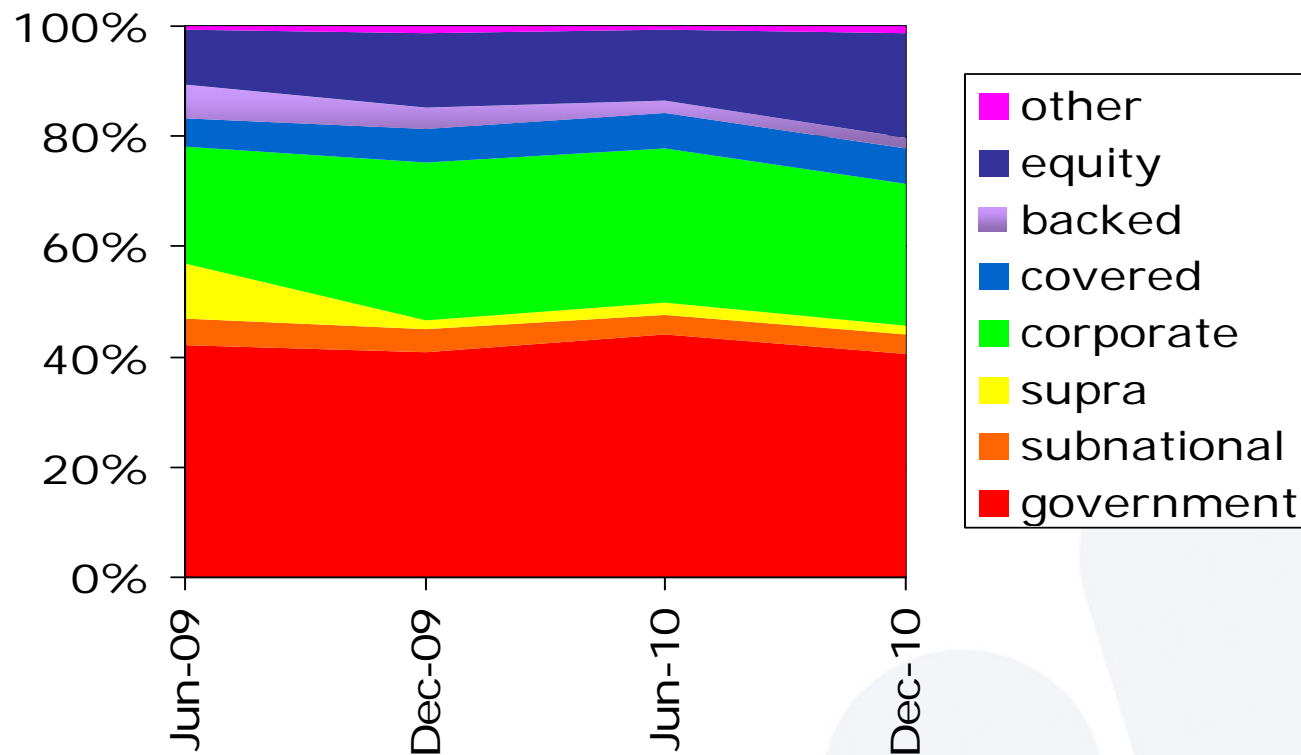


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Collateral analysis (tri-party)



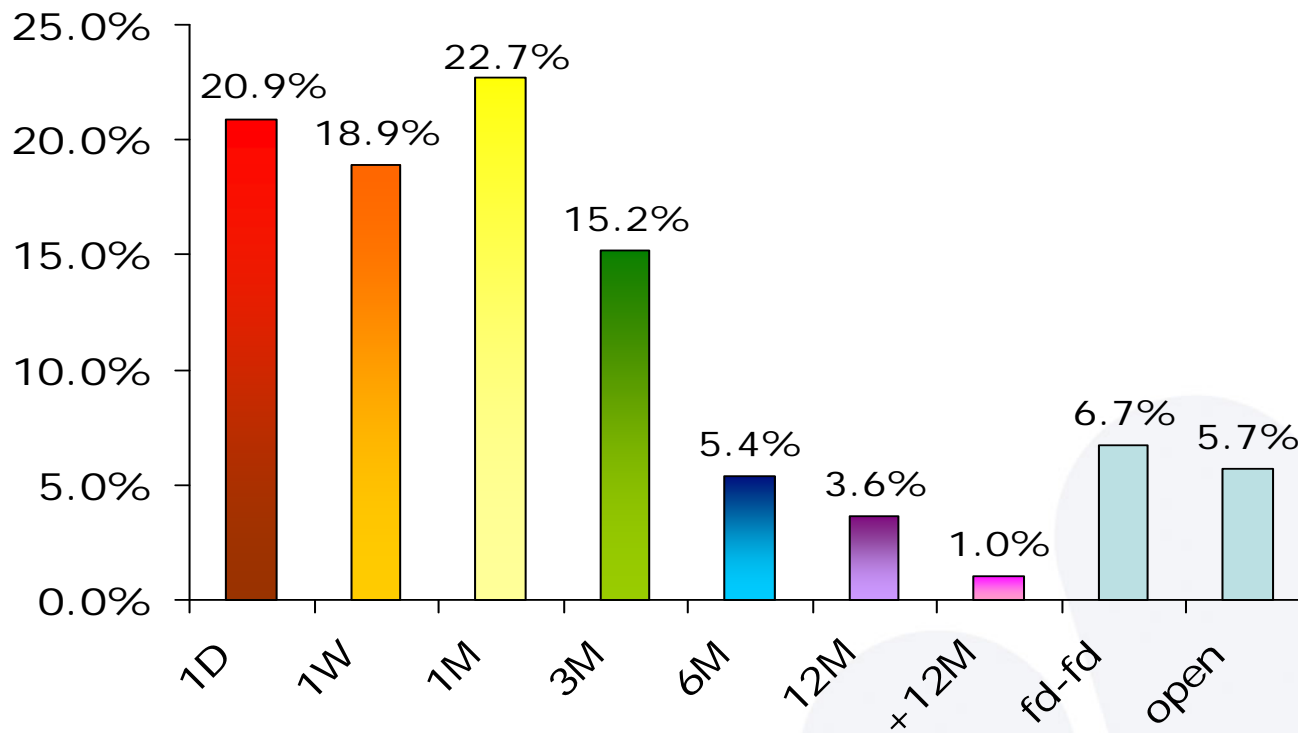


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Maturity analysis



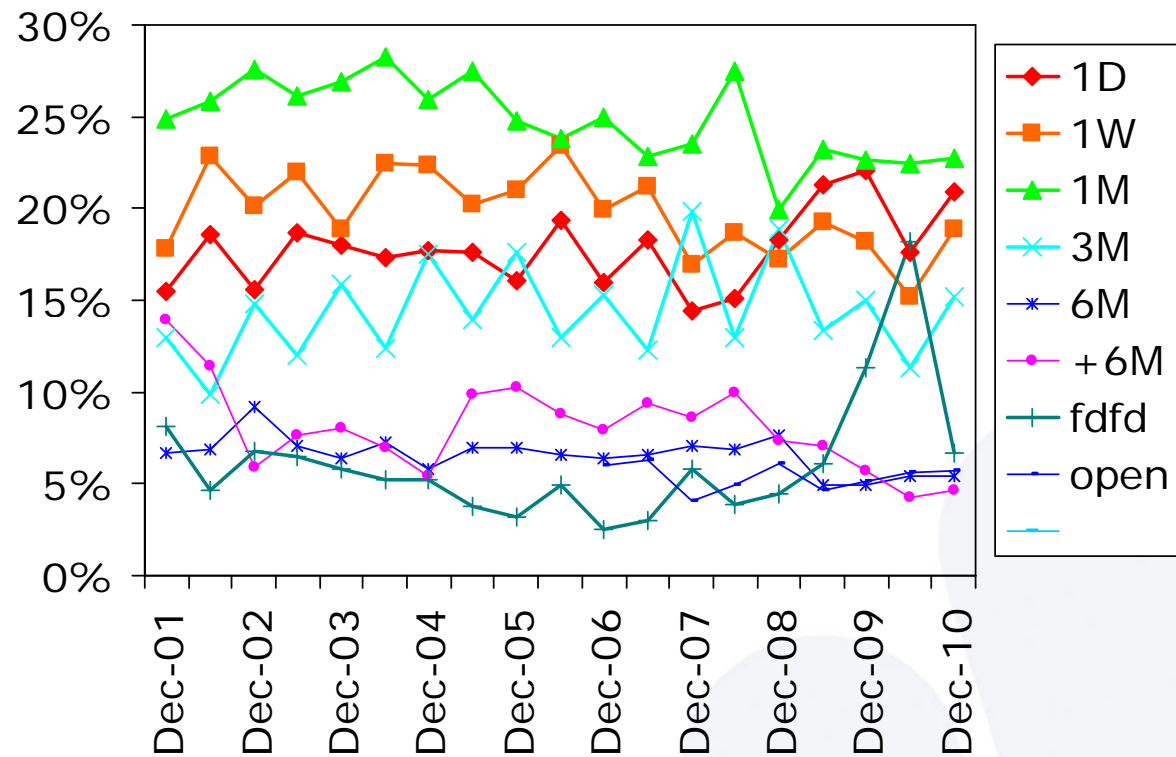


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Maturity analysis



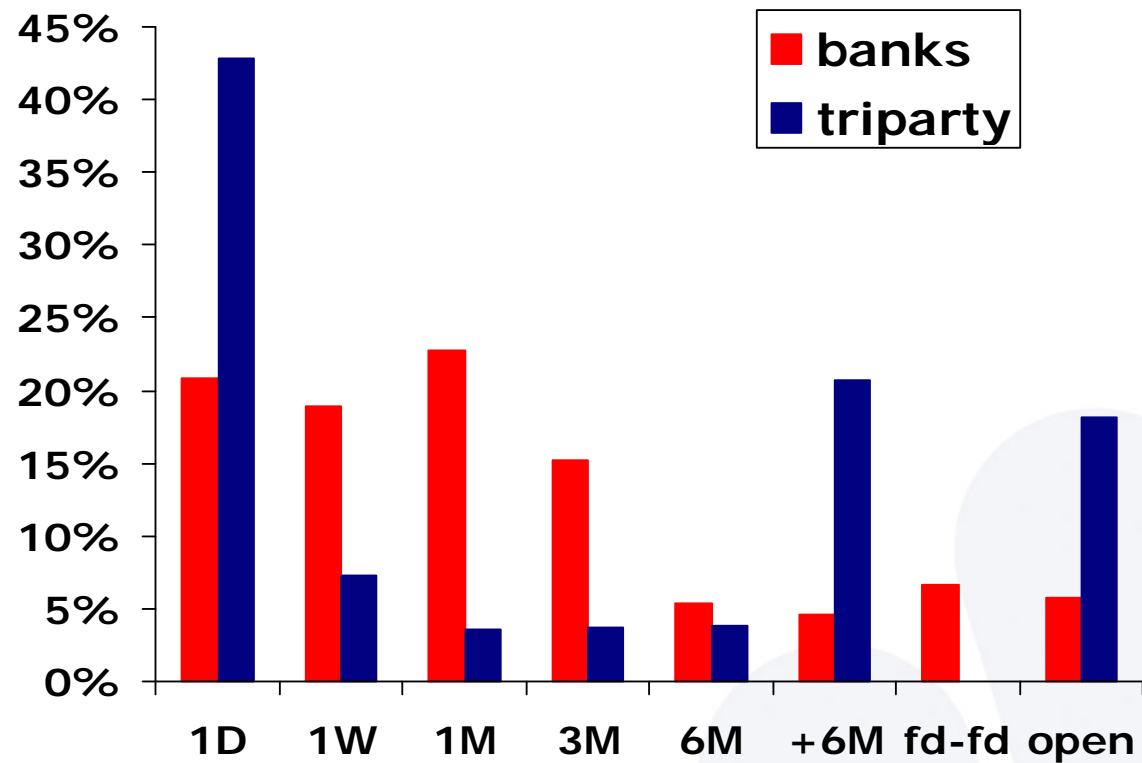


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Maturity comparison



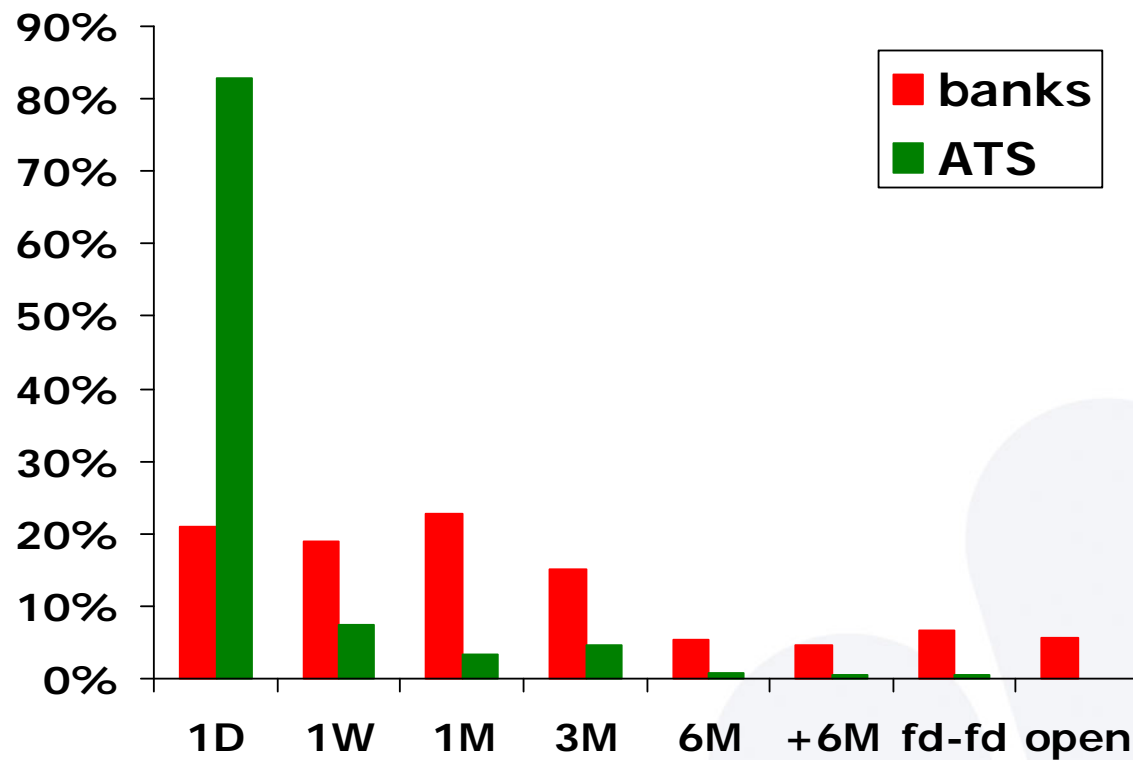


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Maturity comparison



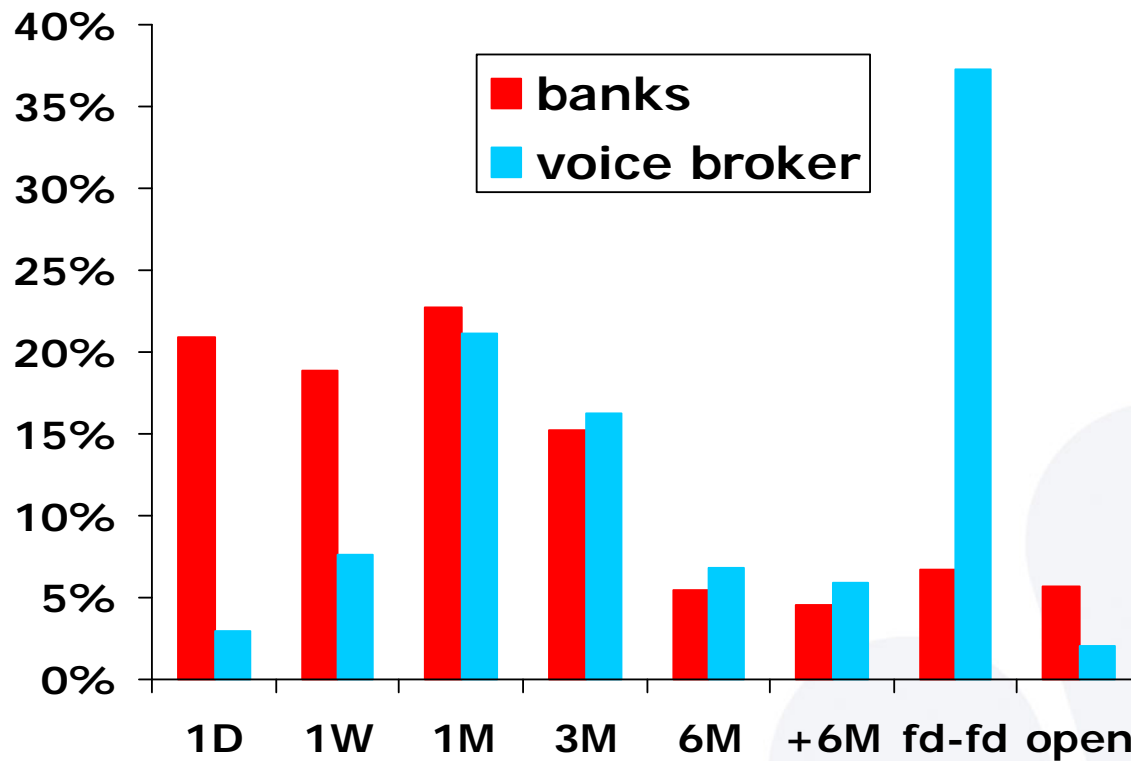


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Maturity comparison



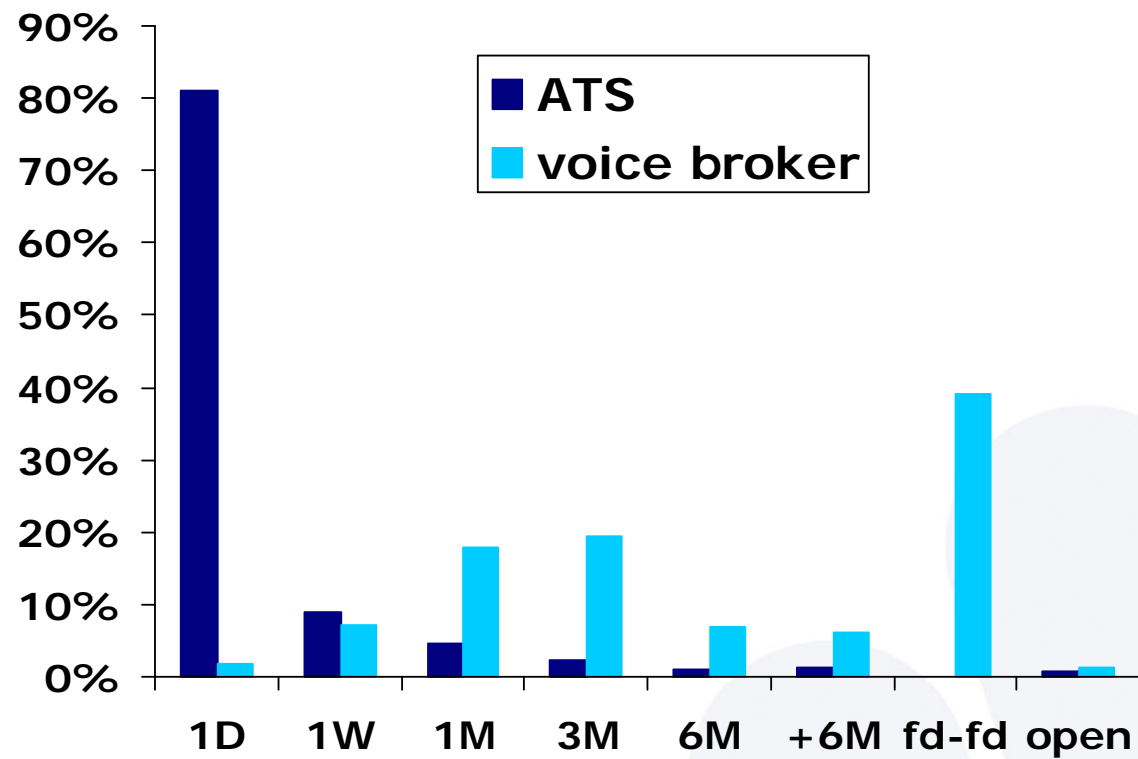


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Maturity comparison



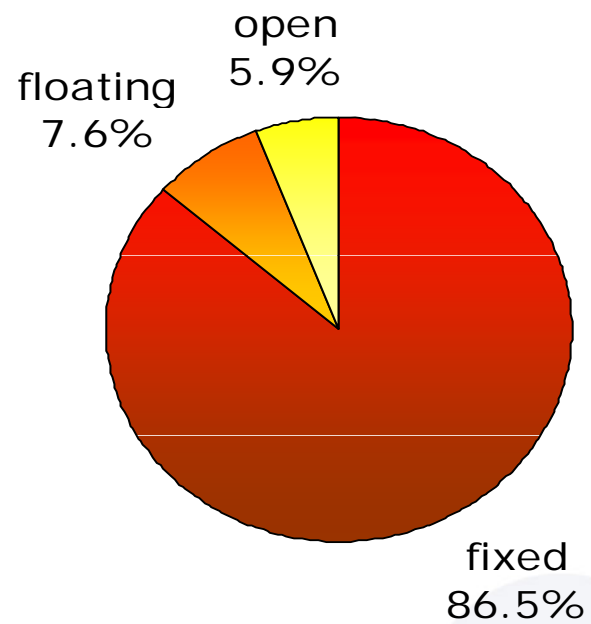


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Rate analysis



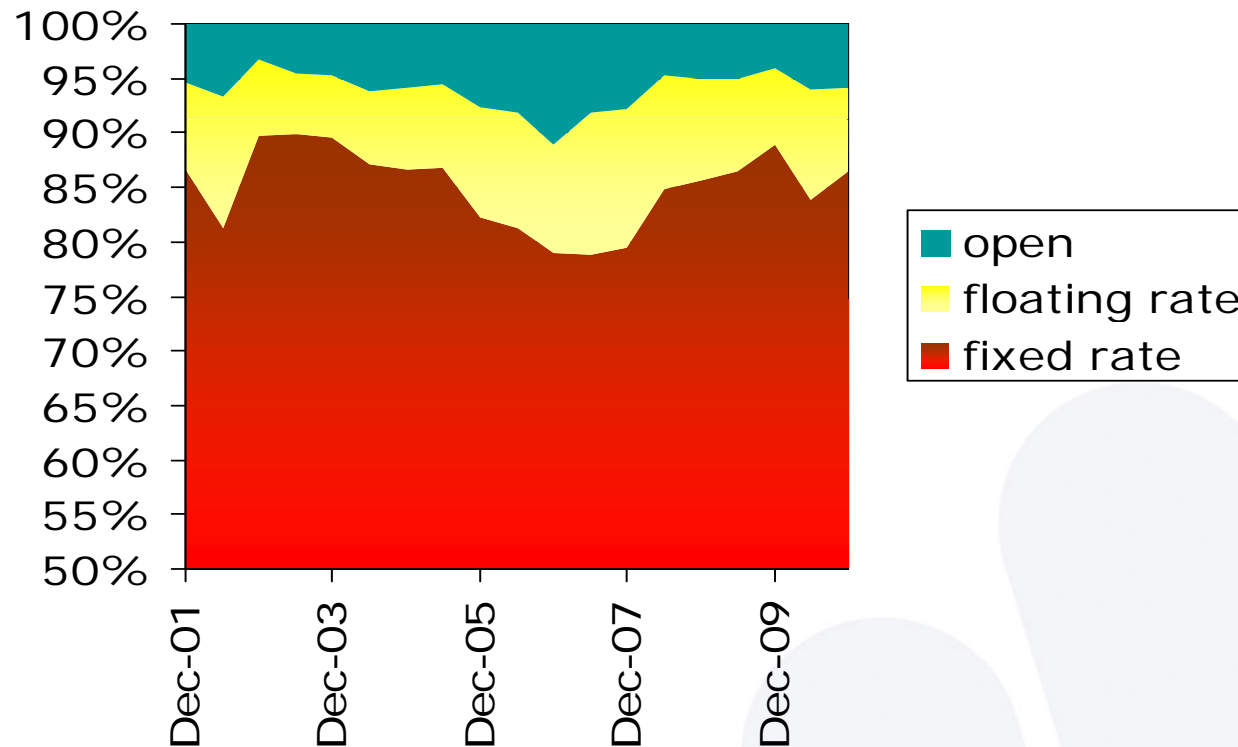


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Rate analysis



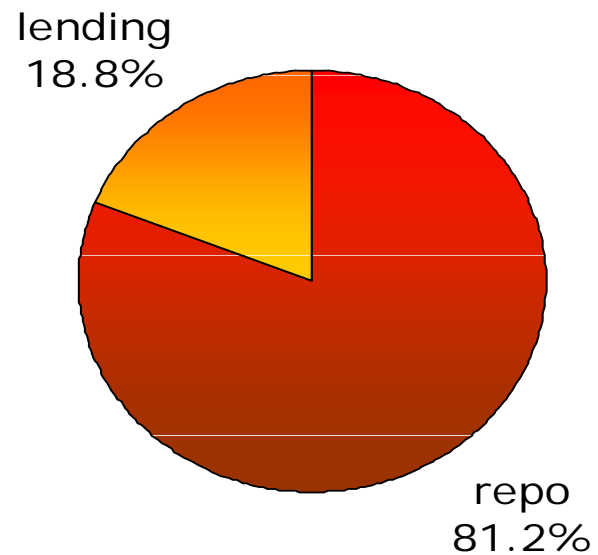


ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Product analysis





ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

Next survey

Wednesday, 8th June 2011





ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

NSMA/RRC survey

- outstandings at June 1, 2009
- turnover June 2009-May 2010
- 68 institutions + MICEX



ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

- outstandings (June 1 2009) = RUR 714 mio
- turnover (June 1 2009- May 31 2010) = RUR 38.9 bio

- domestic = 82.6%
- central bank = 5.0%
- cross-border = 12.4%

- RUR = 95.0%
- USD = 4.8%
- EUR = 0.2%



ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

- Federal bonds = 27.2%
 - other bonds = 49.6%
 - equities = 20.1%
 - depository notes = 1.8%
 - foreign securities = 1.3%
-
- 1-day = 64.5%
 - 2 to 7-day = 27.4%
 - 8 to 15-day = 2.1%
 - 16 to 90-day = 5.6%
 - 91 to 365-day = 0.2%
 - open = 0.2%



ICMA

International Capital Market Association

20th European repo market survey conducted in December 2010

- 83.9% under MICEX rules, no written agreement
 - 5.9% under NSMA rules, no written agreement
 - 3.0% under RTS rules, no written agreement
 - 6.6% proprietary written agreements
 - 3.3% GMRA
-
- top 10 = 70% of market



ICMA

International Capital Market Association

Next meeting

An ERC general meeting will be hosted by Bank of New York Mellon on the 14 September in Vienna

