

Press release

News from the International Capital Market Association (ICMA)

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Please see foot of release for contact details

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Release: immediate

Live repo matching commences between the buy and sell side for the first time with TRAX2.

(LONDON, UK) The International Capital Market Association (ICMA) Ltd is pleased to announce that European Credit Management Ltd (ECM), a buy-side firm, has commenced live matching of repurchase agreements (repo) with UBS for the first time via TRAX2. (www.TRAX2.org).

Robert Galione, Head of Operations, European Credit Management Ltd. commented: "ECM is very proud to be the first buy-side company to go live with TRAX2 Repo. This is a major step forward for the risk management of our exponentially increasing repo book. We look forward to all our counterparties coming on board soon".

TRAX2 is the post-trade, pre-settlement, trade matching & regulatory confirmation system for the OTC market. It processes all financial instruments/asset classes and is now available to both the sell side and buy side.

"UBS regards TRAX2 as a key component within the securities market to drive the automation of repo trade confirmations with both sell-side and buy-side clients and across the life of the repo transaction. UBS is pleased to have partnered with ECM on TRAX2 and looks forward to welcoming more buy-side clients on to the platform", said David Daniell, Fixed Income Operations Manager, UBS

This innovative market offering was made possible by ICMA's development, in co-operation with market participants, of a unique fund ID database which allows buy-side firms to match individual trades for specific funds and so successfully automate the confirmation process integrating TRAX2 with their own systems.

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Kevin Milne, Managing Director, ICMA Ltd, commented: "ICMA are delighted that the buy and sell side are now actively matching in real time via TRAX2. UBS and ECM were among the firms who spearheaded this new development by realizing the potential to reduce operational risk through TRAX2 matching of repo. We look forward to announcing more market participants as they go live with this new repo functionality in the near future".

The repo market is the fastest growing sector of the European capital market, now valued at over EUR 6.4 trillion (December 13, 2006). ICMA worked closely with the operations committee of the Association of Foreign Banks (AFB), the European Repo Council (ERC) and ICMA members to design TRAX2 to include the needs of repo market participants.

Ian Holden, Operations Manager, European Credit Management Ltd., commented: "By using TRAX2 we will reduce significantly both our costs and operational risk. It will minimize our manual intervention and make our rapidly expanding repo business much more scaleable".

Repo is still traded in large volumes over the counter (OTC) which can lead to increased levels of operational risk through human error causing delayed settlement and verification. TRAX2 allows firms to manage their operational risk effectively by matching trades that have been transacted 'over the counter' i.e. not on an automated trading system, in all asset classes in real time with their counterparties, so virtually eliminating failed trades at settlement. An additional benefit of TRAX2 is that users can fulfil their transaction reporting requirements in a range of financial instruments to a number of specified regulatory authorities throughout the EU.

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Notes for editors

1 TRAX2

TRAX2 is the post- trade, pre-settlement, trade matching & regulatory confirmation system for the OTC market. It processes all financial instruments/asset classes and is now available to both the sell side and buy side.

TRAX2 offers full repo matching capabilities and is tailored to meet the reporting requirements of the Markets in Financial Instruments Directive (MiFID). It operates as a reporting hub to multiple regulators (competent authorities) within the EU/EEA.

TRAX2 builds on the success of the original TRAX system, successfully operated by ICMA since 1989, which has over 200 subscribers and processed over 45.5 million transactions in 2006 alone.

TRAX2 is available to any financial institution active in the international capital market, ICMA members and non members alike and is being rolled out over the next 12 months, assisting financial institutions with their matching, reporting and regulatory requirements.

TRAX2 is the ideal trade matching and reporting solution it offers subscribers:

- Full repo matching capabilities (buy and sell side)
- Rapid identification of problem trades and greatly reduced failed trades
- Regulatory reporting hub to facilitate MiFID Article 25
- Real time trade matching and reporting of bonds, derivatives and equities
- Real time exchange of standing settlement instructions (SSI's) between counterparties
- New ISO 15022/20022 messaging allowing for easy systems integration
- Highly competitive transaction costs

TRAX2 already offers multiple reporting to:

- Financial Services Authority (UK)
- London Stock Exchange (UK)
- Virt-x (UK)
- Bank of Belgium

For more information about TRAX2 visit www.TRAX2.org

2. International Capital Market Association (ICMA)

The International Capital Market Association is the self-regulatory organisation and trade association representing constituents and practitioners in the international capital market worldwide. ICMA's members are located in 48 countries across the globe, including all the world's main financial centres, and currently number some 400 firms in total. ICMA performs a crucial central role in the market by providing and enforcing a self-regulatory code of industry-driven rules and recommendations which regulate issuance, trading and settlement in international fixed income and related instruments. ICMA liaises closely with regulatory and governmental authorities, both at the national and supranational level, to ensure that financial regulation promotes the efficiency and cost effectiveness of the capital market.

ICMA is unique amongst financial industry associations in that it represents a broad range of capital market interests, its members include both global investment banks and smaller regional banks, as well as asset managers, exchanges, central banks, law firms and other professional advisers, making it an influential voice for the global market.

www.icmagroup.org

3. Contact details for further information

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