

EUROPEAN REPO COMMITTEE

For Gertrude Tumpel-Gugerell
Member of the Executive Board of the ECB

Jean-Michel Godeffroy
DG Payments Systems & Market Infrastructure
European Central Bank

Copied to: European Banking Federation
European Savings Bank Group
European Association of Co-Operative Banks
European Central Securities Depositories Association
European Association of Central Counterparty Clearing Houses
Federation of European Securities Exchanges

by e-mail

11 May 2007

Dear Mrs Gertrude Tumpel-Gugerell

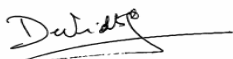
We refer to our letter of 22 March 2007 to Jean-Michel Godeffroy where we repeated our earlier request (in our letter of 31 January 2007) that the ECB as a matter of urgency find a way to provide for the direct representation of the repo community on the governance structures of the Target 2 Securities (T2S) project.

The repo market is the essential oil on the wheels of the financial industry and we remain convinced of the necessity of ensuring the inclusion of repo expertise on the T2S governance committees which are currently being assembled. At its meeting on 9 May 2007 the European Repo Committee (ERC) therefore strongly endorsed the nomination of:

- Stefano Bellani (of J P Morgan Securities) for the T2S Advisory Group, and
- Roger Moran (of Credit Suisse) for the T2S Technical Group on T2S lifecycle management and matching.

Mr Bellani has been an active member of the ERC for many years and Mr Moran is the chair of the ERC Operations Group that advises the ERC on specific operations-related issues. The ERC believes that the inclusion of these candidates on the above T2S Groups will ensure the effective representation of the repo market and thus provide an essential contribution to the successful design, construction, and operation of the T2S project.

With kind regards,

A handwritten signature in black ink, appearing to read "Godfried De Vidts", with a horizontal line underneath.

Godfried De Vidts, Chairman of the ERC