June 10th 2010

AFME comment on OFT’s proposed market study into equity underwriting and associated services

Given the importance of ensuring that banks can play their part in supporting economic recovery, we believe the OFT's study could be useful in bringing clarity to a topic on which there has been much speculation. We look forward to contributing to the Office's study and are confident that it will demonstrate the value that the investment banking sector provides.

Investor uncertainty and market volatility have undoubtedly made underwriting a more risky activity for the banks, at a time when all have been seeking to manage their exposure to risk more carefully. The market for providing investment banking services, including underwriting, is highly competitive and has become more so in recent years.

We will consult our members and consider a response to the OFT’s request for comments on the scope of its study.

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Notes to Editors

AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks, key regional banks, brokers, law firms, investors and other financial market participants.

AFME was formed on 1 November 2009 from the merger of LIBA (the London Investment Banking Association) and the European operations of SIFMA (the Securities Industry and Financial Markets Association). AFME participates in a global alliance with SIFMA in the US, and the ASIFMA (Asia Securities Industry and Financial Markets Association) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website, www.AFME.eu.