

IPMA

INTERNATIONAL PRIMARY MARKET ASSOCIATION



FOR IMMEDIATE RELEASE

February 3, 2005

PRESS RELEASE

IPMA AND ISMA ANNOUNCE MERGER

The International Securities Market Association (ISMA) and the International Primary Market Association (IPMA) announced today that their Boards of Directors have reached agreement on the terms of a proposed merger between the two trade associations. The merger will directly benefit members by creating a single influential entity to represent their interests more effectively, while continuing the work of both associations in promoting good practice in the international capital markets.

The merged association will change its name to the International Capital Market Association (ICMA) and will have its headquarters in Zurich. It will have an operating entity in London and will continue to own and operate TRAX, ISMA's trade matching and reporting system.

The merger, which is subject to approval by the member firms of each association, due diligence, and all necessary regulatory approvals, is expected to be completed by early July 2005.

The Board of Directors of ICMA will mostly consist of present directors of the two constituent associations (in equal proportions) and will be representative of the geographical spread of the membership and their different areas of interest. The board of ICMA will appoint the Chairman of the Association in due course.

The representation of ISMA's members through its regional structure will continue. The market practices committees of the two associations will merge and the other existing committees will be continued. In addition, ICMA will create a regulatory committee that will set priorities and positions on advocacy work and an equity committee that will deal with market practices in the primary and secondary markets.

Robert Gray, Chairman of IPMA, said:

“The merged association, ICMA, will have a broad franchise across the primary and secondary sectors of the international capital market. This merger will significantly increase the effectiveness of our advocacy work with the European Union and the EU Member States, and in the United States and Asia. The timing is right as Europe works to create a single, integrated market for financial services.

ICMA will have the financial and organisational resources in keeping with the size and scope of a single market and the globalisation of financial markets more generally. It is self-evident that an association that has such a strong foundation in the European capital market is uniquely equipped to represent the industry’s interests when addressing the challenges and opportunities in a fast moving, expanding market.

We hope that ICMA will provide a platform upon which we can seek to integrate other industry associations and groupings that share our vision of the future.

It will also strengthen the training and education services that ISMA and IPMA have long offered.”

Alec de Lézardière, Chairman of ISMA, said:

“Analysing the evolution of the capital markets industry, IPMA and ISMA both concluded that there was a need for a concentration of trade associations and decided that they could and should play a key role to achieve that objective. Interactions between products and business lines have increased, markets have become more integrated and European regulation constitutes a major challenge.

We need one association able to anticipate the consequences of the evolution of our industry, being a recognised and understood interlocutor of regulators and fulfilling the needs of its members in information, market practices and education. With its widespread membership of 430 institutions around the world ISMA is keen to contribute to this ambition.

I am very glad that our friends at IPMA fully share that vision. A merger for both of us was an obvious priority and a major step towards fulfilling our common objectives. I agree that we should welcome other associations to join ICMA.”

ENDS

Contact details for further information:

Clifford R. Dammers
Secretary General, IPMA

(44-20) 7623 9353
(44) 7789 437908 mobile
cdammers@ipma.org.uk

John L. Langton
Chief Executive and Secretary
General, ISMA
(41-1) 363 4222
(41) 79219 9477 mobile
john.langton@isma.org

NOTES TO EDITORS

1. The merged association's acronym, ICMA, is pronounced Eye-Cee-Em-Ay.
2. IPMA is the trade association which represents the interests of the international banks and securities firms which underwrite and distribute international debt and equity securities in the primary market. It has 53 members representing the leading underwriters in all of the world's major financial centres. All IPMA members are also members of ISMA.
3. ISMA is the self-regulatory organisation and trade association for the international securities market. The international nature of the market means that it is not subject to the same controls which govern domestic primary and secondary markets. Since its origins, ISMA has performed a central and crucial role by providing a global framework of industry-driven rules and recommendations which regulate and guide trading and settlement in this market. The Association also provides its member firms with a range of other services, products and support. It has 430 members in 48 different countries, representing all of the major securities firms active in the secondary international debt market.

3. The existing Committees that will be retained are:

IPMA: Legal & Documentation Committee
Euro Commercial Paper (ECP)
IPMA Match Steering Group

ISMA: Executive Committee
Committee of Regional Representatives
Committee of Reporting Dealers
Compensation Committee
Council of Reporting Dealers
Education Committee
Finance and Audit Committee
International and Regional Repo Council and Committees
Membership Committee
Nomination Committee
TRAX Supervisory Committee

4. Dates of the Annual General Meetings of IPMA and ISMA respectively are:

IPMA: March 10, 2005, London
ISMA: June 2, 2005, Budapest