

Press Release - final

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Use of commission sharing agreements grows in support of increased investment efficiencies - says MPI Survey

MPI Europe, London (12/07/2010): MPI Europe, the specialist financial services consultancy has announced today the results of a market wide survey into trends and challenges for commission sharing agreements. This survey of several hundred senior staff in financial institutions found that the increase in commission sharing agreement usage globally would continue and will benefit sophisticated firms by delivering increased efficiencies in their investment process.

The following key trends were identified:

- Use of commission sharing agreements (CSAs) is well-established for sophisticated buy & sell side firms
- Market's use of CSA's set to continue to increase over next year at least, with over half of the respondents saying they thought CSA's increased efficiencies in the investment process, particularly for asset managers.
- Better integration into trading process and greater market standardisation were seen as two of the key areas that will have significant process impacts, if they can be addressed effectively.

As John Cant, Managing Director of MPI Europe (www.mpi-europe.com) comments "To take advantage of these trends, firms need to improve their ability to handle a larger volume of CSA business from a wider range of counterparties. Those firms still using manually intensive systems or taking discrete services from a number of sources without effective integration will find this task increase in difficulty over the next six to twelve months with the dual negative effect of both lower efficiency in the investment process, and higher risk."

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About MPI Europe

MPI Europe (MPI) www.mpi-europe.com was established in 2004 and specialises in Financial Services Consulting. The company focuses on business process and technology projects that result from regulatory driven and technology enabled change. They have a significant track record working in banking, capital markets, asset and alternative funds management. Over recent years, MPI has successfully completed business driven programmes for MiFID and other regulatory programmes, merger/integration, implementations of major financial applications including order management systems, general ledgers, broker voting and equity commission sharing/unbundling, operational risk, and client reporting. MPI has worked with a number of leading banks and asset management companies, as well as with specialist information technology firms.

This in-depth experience and expertise enables MPI to work with financial companies to evaluate their existing processes and methodology and develop a programme which effectively implements change for people, process and technology with follow through to deliver business benefit.

MPIE offers a range of engagement types from traditional advisory consulting, through programme management and business analysis assistance, to providing a full implementable solution to certain business challenges – commission sharing, client reporting, supply chain finance & operational risk management - through their strategic partnerships with selected technology providers. Our content-led, innovative, collaborative and implementation focused approach differentiates us from other consultancies.

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