



28 September 2010

Ms Sheila C. Bair  
FDIC  
Room 6028  
550 17<sup>th</sup> Street  
NW, Washington  
DC 20429  
USA

Dear Ms Bair,

I was particularly struck by your comments in today's Financial Times suggesting that some in the financial services industry view bail-in as an alternative to living wills (see enclosed article).

In that regard, I would like to clarify that AFME, the Association for Financial Markets in Europe, fully supports living wills. Moreover, AFME considers bail-in to be a *part* of any recovery or resolution plan and certainly not an alternative.

I enclose a copy of our recent report, *Prevention and Cure: Securing Financial Stability After the Crisis*, which sets out our position on living wills, resolution and bail in, in chapter 5.

Should you or any of your colleagues wish to discuss this with us further, please do get in touch.

Kind Regards,

**Mark Austen**  
Acting Chief Executive Office

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