



## *Making the case for bigger and better capital markets in 2015*

### Summary

New Financial is a think tank and forum launched in 2014 that makes the positive case for the vital role that capital markets play in driving growth and prosperity. We believe Europe needs bigger and better capital markets - and that this presents a huge opportunity for the industry and its customers to embrace change and rethink how capital markets work.

### What does New Financial do?

We work with market participants from different sectors across the industry - investors, issuers, banks, and policymakers - to help change the quality and direction of the debate on the future of capital markets through a managed programme of research and private events based around four main themes:

- **Unlocking capital markets**  
The main focus of New Financial's work is how to make the positive case for bigger and better capital markets and how markets can be improved for the benefit of issuers and asset owners.
- **Rebuilding trust in capital markets**  
A starting point for making the positive case for capital markets is the need for market participants to work together to restore trust in the capital markets with all stakeholders.
- **Driving diversity**  
Diversity in its broadest form is an essential part of building a more sustainable and resilient business – and of changing culture and rebuilding trust in capital markets
- **Getting pay right**  
In financial markets, pay is about more than just the numbers: pay is an important barometer of how the industry sees itself in relations to customers, shareholders and society.

### What does New Financial not do?

We are not a lobby group, and we do not exist to defend the status quo or to defend the interests of any particular constituency within the capital markets. We see ourselves as a constructively critical friend to the industry. We are not about debating the minutiae of regulation: instead we want to get ahead of the reform debate and help encourage tangible changes in culture, behaviour, and best practice.

### How is New Financial funded?

New Financial is a social enterprise that has been funded for the past 18 months by its founders and a start-up loan from a senior banker. We are now seeking financial support in the form of institutional membership from organisations that share our commitment to bigger and better capital markets.

## Our research:

New Financial conducts original data-led research on capital markets that combines journalistic presentation and accessibility with depth and rigour (click on the headlines to link to the research):

- [‘Driving growth – making the case for better capital markets’](#)

We put some hard numbers on the depth of capital markets in Europe for the first time, and identified a capacity gap of \$1 trillion a year between capital markets in Europe and the US. The research has been cited by the European Commission and the Bank of England (Sept 2014)

- [‘Counting every woman’ – Driving diversity](#)

We analysed gender diversity in senior management at more than 200 companies in 11 different sectors of the capital markets. The report was covered in the FT and Wall Street Journal, and has become a reference for diversity programmes across the industry (Nov 2014)

- [‘Feeling the squeeze?’ – Getting pay right](#)

We analysed trends in pay at more than 30 investment banks and asset management firms over the past decade. The research was widely covered in the FT, New York Times, Reuters and other media, and has been frequently cited in the policy debate on pay (Feb 2015)

- [Capital markets union: managing expectations](#)

We drilled down into the Green paper from the European Commission on capital markets to address the unrealistically high expectations of many market participants (Mar 2015)

- [‘Decoding capital markets union’:](#)

We measured the relative depth of capital markets in all 28 EU member states individually across more than 20 metrics, and quantified the huge economic benefits that could come from narrowing the wide range in the development of markets across Europe (Jun 2015)

- [‘Diversity disclosure: a signal of intent’:](#)

We analysed what more than 100 companies and organisations in the European capital markets publicly disclose about the diversity of their workforce and their approach to diversity as the starting point for our diversity disclosure initiative (Oct 2015)

- [‘If I ruled the world: a wish list for deeper capital markets in Europe’](#)

We asked senior market practitioners in a series of workshops what single thing they would change to improve the functioning and efficiency of capital markets in Europe if they were an omnipotent and benevolent dictator (Sept 2015)



In 2016, we will be publishing more research on diversity, including our second annual report on gender diversity in capital markets; launching an index of the depth of capital markets in nearly 50 countries; as well as reports on the potential impact of Brexit on capital markets, and on what different countries in Europe are doing to address trust and culture in the banking and capital markets industry.

## Our events in 2015:

We run an active programme of private invitation-only events, briefings and workshops on ‘neutral territory’ at our premises in Green Park. All of our events are held under the Chatham House rule, and for each event we curate a small group of guests (usually 10 to 12) from different sectors of the industry. Here is a selection of our events from 2015:

*January*

**Lord Hill**, European Commissioner for Financial Services, on capital markets union

*April*

**Andrea Enria**, chairman of the EBA, on rebuilding trust in banking

*April*

**Markus Ferber MEP**, vice-chair of ECON committee, on making the case for capital markets

*May*

**Chris Gibson-Smith**, Chairman – LSEG plc, on how to build better capital markets

*June*

**José Viñals**, head of capital markets at the IMF, on financial stability & capital markets

*September*

Workshop on ‘**Getting pay right**’ in the capital markets industry

*October*

**John Berrigan** – deputy director general of financial services, European Commission, on the future framework for European capital markets

*October*

Diversity breakfast series - a discussion of our recent report on ‘**Diversity Disclosure**’

*November*

Comms & PR Breakfast - Making the case for the economics of the capital markets industry

*November*

**Professor John Kay** – on his new book ‘Other People’s Money’

*November*

**Charles Roxburgh**, head of financial services, HM Treasury, on the Financial Advice Market Review

*November*

Breakfast with **Niall Bohan**, European Commission, on the next steps for capital markets union

*December*

Diversity breakfast series - workshop with Virgin Money on the UK government review of gender diversity in financial services led by Jayne-Anne Gadhia

We also hosted a series of six workshops on different aspects of diversity in the capital markets, and four workshops on how to unlock deeper capital markets in Europe.

## Our events in 2016:

Here is a selection of our events over the next few months:

*14 January*

Comms & PR Breakfast - 'Making the case for pay in the capital markets industry'

*29 January (tbc)*

Diversity breakfast series - a discussion on our report on gender diversity at a senior level in capital markets 'Counting Every Woman 2015'

*9 February*

Dinner with Steven Maijoor, chairman of ESMA, on the future framework for capital markets in Europe

*23 February*

Dinner with Adair Turner, chairman of the Institute of New Economic Thinking and former chairman of the FSA, on his new book 'Between Debt and the Devil'

*29 February*

Dinner with Joris Luyendijk, anthropologist and author of 'Swimming with sharks', on culture in banking and financial markets.

*4 April*

Dinner with Andrea Enria, chairman of the EBA, on rebuilding trust between regulators and regulated

For more information on our events and research programme in 2016 go to [www.newfinancial.eu](http://www.newfinancial.eu) or contact [william.wright@newfinancial.eu](mailto:william.wright@newfinancial.eu)