

# BELLWETHER EUROPE SUMMIT 2014

## *Into the void – Who will fill the funding gap?*

Thursday, May 15th 2014 • The Dorchester, Mayfair, London

### Synopsis

The bite of regulations, set in the wake of the financial crisis, is only now being felt. The impact of capital requirements and other regulatory interventions are forcing investment banks to drastically re-evaluate their investments across Europe. Some fear that if banks retreat from the capital markets, a funding gap will emerge. Who will pick up the slack is still undecided.

What remains clear is that the underlying infrastructure for European capital markets is being fundamentally altered. The traditional role of investment banks, institutional investors and companies are all changing; with each trying to adapt to the new market conditions.

Bellwether Europe 2014 will be testing the structural integrity of this new infrastructure. By examining the political, economic and regulatory forces driving change in Europe, the event will examine the future business model for European capital markets.

### Programme

**08.00 REGISTRATION**

**08.50 CHAIR'S OPENING REMARKS**

*Philip Coggan, Capital Markets Editor, The Economist*

#### *Part 1: The new market infrastructure*

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**09.00 - 09.45 OPENING KEYNOTE: THE NEW MARKET INFRASTRUCTURE**

A series of regulations are making fundamental changes to capital markets. By increasing the cost and availability of capital, these measures are forcing financial institutions to re-think old business models. Major global banks will remain global but many small to medium sized operators will have to change the scope and scale of their activities. Do these measures signal the final step away from the notion of a global regulatory playing field? What will be the future relationship between regulation and financial services in Europe?

**Confirmed speaker:**

*David Lawton, Director of Markets, Financial Conduct Authority*

#### **09.45 – 10.45 PANEL DISCUSSION: THE GREAT EUROPEAN BANKING SELL-OFF**

A major restructuring in European banking raises many tricky questions. What does this mean for liquidity? What will be the impact on second tier banks and markets such as Eastern Europe? Are we creating a system dominated by a handful of major banks and therefore completely devoid of any competition?

##### **Confirmed speakers:**

**Philippe Bodereau, *Global Head of Financial Research, PIMCO***

**James Esposito, *Head of European Financing Group and Member of European Management Committee, Goldman Sachs***

**David Lawton, *Director of Markets, Financial Conduct Authority***

**Yann Le Pallec, *Executive Managing Director, Standard and Poor's Ratings Services EMEA***

**Huw Van Steenis, *Head of European Financial Services Research, Morgan Stanley***

#### **10.45 NETWORKING AND REFRESHMENT BREAK**

#### ***Part 2: Policy and growth***

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#### **11.15 – 12.00 HOW TO KICK-START GROWTH IN EUROPE**

Recent economic data might suggest that Europe is growing (ever-so-slightly). However growth rates still remain below pre-crisis levels and in some parts of Europe (including the UK), there has emerged a “productivity puzzle”, in which productivity has slumped despite increases in the amount of people in employment.

What's required is a strategy to kick-start growth across Europe. But how can this be achieved in the current political and economic climate? There has been much talk of encouraging long-term infrastructure investment, but how can the private sector and financial sector work together to incentivise each other to act?

##### **Confirmed speaker:**

**Sharon Bowles, *Chair of the Economic and Monetary Affairs Committee, European Parliament***

#### **12.00 – 13.00 PANEL DISCUSSION: IS EUROPE REFORMING?**

One of the most fractious issues surrounding the eurozone crisis, has been the imposition of reforms by some eurozone countries on others. It has resulted in political backlash, electoral defeat and rioting on the streets.

Five years since the onset of the financial crisis, is Europe making the reforms necessary to make the continent more competitive? How much progress is being made with labour market reforms and are they working? Is regulatory reform heading in the right direction? The speakers will debate these issues, followed by discussion with the audience.

##### **Confirmed speakers:**

**Winfried Bischoff, *Chairman, Financial Reporting Council***

**Turalay Keleş, *Deputy Governor and Member of the Monetary Policy Committee, Turkish Central Bank***

**Yanis Varoufakis, *Professor of Economic Theory, University of Athens & Author, *The Global Minotaur****

**13.00 – 14.00 LUNCH**

***Part 3: Europe and the global economy***

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**14.00 – 15.00 AFTERNOON KEYNOTE SESSION: SURVEYING THE EUROPEAN INVESTMENT ENVIRONMENT**

Europe remains a continent of two halves. On the one hand, some European countries are still able to produce world leading companies, producing innovative products, designed by first-class people. Despite that, the ongoing financial crisis and the change in regulatory systems has created barriers to investment, with competition from abroad threatening Europe's future investment hopes.

How competitive is Europe in the global economy? The Economist discusses the European investment environment with a panel of leading investors.

**Confirmed speakers:**

***Pascal Blanqué, Chief Investment Officer, Amundi***

***Angeliem Kemna, Chief Investment Officer and Member of the Board of Directors, APG***

***Jiri Krol, Deputy Chief Executive Officer, AIMA***

***Robert Talbut, Chairman of the Investment Committee, Association of British Insurers (ABI)***

**15.00 – 15.30 CORPORATES AND THE CAPITAL MARKETS: WHAT IS THE FUTURE OF DISINTERMEDIATION?**

*The Economist* talks to a leading CFO to understand the future role of companies in the capital markets.

**Confirmed speaker:**

***Simon Henry, Chief Financial Officer, Royal Dutch Shell***

**15.30 – 16.00 NETWORKING AND REFRESHMENT BREAK**

**16.00 – 16.45 CLOSING KEYNOTE SESSION: BLACK SWANS, BANANA SKINS AND NON-LINEAR RISKS**

Recent market volatility must make many people question the last time they saw a white swan. However despite volatility, experts are still prone to analyse the major risks on the horizon as a bi-product of historical trends. People are unlikely to think of new and highly imaginative risks, which lie out of the focus of daily news analysis.

Are dangers expressed about a bubble in the bond markets substantiated? What are the risks surrounding ETF's? Where's the next black swan event going to come from and how should you prepare for it? These are all questions that require some blue sky thinking.

For this closing session two prominent and contrary thinkers will explore the big risks that the markets face.

**Confirmed speakers:**

***George Cooper, Author of Money, Blood and Revolution and The Origin of Financial Crises***

**Andrew Smithers, Author of *The Road to Recovery: How and Why Economic Policy Must Change***

**16.45 CHAIR'S CLOSING REMARKS**

**16.50 CLOSE OF SUMMIT**