



Finance Watch

Making finance serve society

Programme and speakers

THE LONG TERM FINANCING AGENDA – THE WAY TO SUSTAINABLE GROWTH?

A Finance Watch conference on Capital Markets Union, good securitisation, the ubiquitous role of collateral and alternative paths to jobs and growth.

4 February 2015

09.30 – 17.30

Square – Brussels Meeting Centre

Mont des Arts

1000 Brussels



‘The main lesson from the crisis is that only well capitalised banks are able to provide lending on a sustainable basis.’

– **Bank of International Settlements, BIS Papers No. 75, 2013**

‘Patient capital ought to be part of the solution to the long-term financing puzzle. In practice, it may have been part of the problem.’

– **Andrew Haldane as the Bank of England’s Executive Director for Financial Stability, 2014**

‘Even when securitised assets are simple, transparent and of high quality, risk assessments will be uncertain.’

– **Bank of International Settlements, BIS Quarterly Review, 2014**



Programme

09.30 **Registration and welcome coffee**

10.00 **Welcome**

Christophe Nijdam, Secretary General, Finance Watch

10.15 **Keynote speech**

Dr Lothar Blatt-von Raczeck, Deutscher Sparkassen- und Giroverband (German association of savings banks, DSGV), Delegate of the Board to the EU

10.45 **Presentation**

Frédéric Hache, Head of Policy Analysis at Finance Watch, "Securitisation and the long-term financing and Capital Markets Union agendas"

11.00 **Session 1 – Good securitisation – what is it?**

Panellists: **Prof Paul Embrechts**, Professor of Mathematics at ETH, Zürich
Luca Bertalot, Secretary General of European Covered Bond Council
Richard Hopkin, Head of Fixed Income at AFME
Bogdan Patrniche, Managing Partner - Lakestone Capital

Moderator: **Anna Brunetti**, ThomsonReuters

12.15 **Lunch**

13.45 **Session 2 – Different paths to jobs and growth**

Speaker: **Martin Wolf CBE**, Chief Economics Commentator, Financial Times
London

Moderator: **Richard Spencer**, Head of Sustainability at the Institute of Chartered Accountants in England and Wales (ICAEW)

15.00 **Coffee break**

15.30 **Presentation**

Dennis Kelleher, President and CEO, Better Markets, "Report from the US"

15.50 **Session 3 – Re-plumbing the financial system? The ubiquitous use of collateral**

Panellists: **Werner Bijkerk**, Head of the Research Department, IOSCO
Dr Daniela Gabor, Associate Professor, Bristol Business School
Andy Hill, Director Market Practice and Regulatory Policy, International Capital Market Association (ICMA)

Moderator: **Paulina Przewoska**, Senior Policy Analyst at Finance Watch

17.00 **Closing keynote address**

Lord Jonathan Hill, European Commissioner for Financial Stability, Financial Services and Capital Markets Union

17.30 **Cocktail reception** (ends around 18.30)

Speakers



Christophe Nijdam is Secretary General of Finance Watch. He began his career in 1979 at Credit Lyonnais (now Crédit Agricole) New York as a financial analyst and corporate banker. In 1983 he joined the headquarters of the CCF (now HSBC France) as co-head of interest rate and currency derivatives, before returning to the US as a capital markets director. In 1989, he became US General Manager for Crédit du Nord (now Societe Generale Group) in New York.

Returning to France in the early 1990s, he decided to switch to the investor side by becoming a financial analyst. He also joined the team of Le Nouvel Economiste in 1992 as vice chair of the board in charge of financial affairs. He co-founded the independent equity research firm CAPITALACTION in 1994, where he was managing partner. A lecturer at Sciences-Po Paris from 1998 to 2008, he still teaches in the corporate finance and capital markets Executive Masters' programme.

Immediately prior to deciding to join Finance Watch, Christophe Nijdam was a banking analyst at AlphaValue, where he worked since the firm was founded in 2008. He joined Finance Watch in January 2015.



Dr Lothar Blatt von Raczeck is the Delegate of the Board of Deutscher Sparkassen- und Giroverband to the EU. He started his career as a lawyer in Hamburg, then served the German federal government in the Ministry of economics in Bonn and the permanent mission of the Federal Republic of Germany to the German Democratic Republic in East Berlin. He continued as the Head of the District Authority in Nordfriesland from 1987 to 1993, when he started working as an EU policy adviser in Brussels, Bonn and Berlin. He became the Head of the EU Representation of the German Savings Banks Association in 2002, a post he held until 2014, when he became the Delegate of the Board of the German Savings Banks Association to the EU.

Dr. Blatt studied law and economics at the University of Kiel. He holds a Doctorate of Laws (LLD) and attended the Ecole Nationale d'Administration in France.



Frédéric Hache is Head of Policy Analysis at Finance Watch. He specializes in financial markets, investor protection and banking regulation. He has twelve years' investment banking experience and has worked on the foreign exchange derivatives desk of BNP Paribas as specialist in structured transactions, and similar roles at Credit Suisse and KBC Bank before joining Finance Watch in 2011. He trained in corporate treasury.



Prof Paul Embrechts is Professor of Mathematics and Director of RiskLab at the ETH Zurich specializing in actuarial mathematics and quantitative risk management. He is also a Senior Professor of the Swiss Finance Institute. Previous academic positions include the Universities of Leuven, Limburg and Imperial College London. Dr. Embrechts has held visiting professorships at the University of Strasbourg, ESSEC Paris, the Scuola Normale in Pisa (Cattedra Galileiana), the London School of Economics (Centennial Professor of Finance), the University of Vienna, Paris 1 (Panthéon-Sorbonne), the National University of Singapore, Kyoto University, was Visiting Man Chair 2014 at the Oxford-Man Institute of Oxford University, and has an Honorary Doctorate from the University of Waterloo, the Heriot-Watt University, Edinburgh, and the Université Catholique de Louvain. He is an Elected Fellow of the Institute of Mathematical Statistics and of the American Statistical Association, Actuary-SAA, Honorary Fellow of the Institute and the Faculty of Actuaries, Member Honoris Causa of the Belgian Institute of Actuaries and is on the editorial board of numerous scientific journals. He belongs to various national and international research and academic advisory committees. He co-authored the influential books "Modelling of Extremal Events for Insurance and Finance" and "Quantitative Risk Management: Concepts, Techniques, and Tools". Dr. Embrechts consults on issues in quantitative risk management for financial institutions, insurance companies and international regulatory authorities.



Luca Bertalot is Secretary General of the European Mortgage Federation - European Covered Bond Council (EMF-ECBC), representing the interests of EU mortgage lenders and the covered bond community in discussions with the European Institutions and stakeholders in general on all issues relating to the retail and funding sides of the mortgage business. Established in 1967, the EMF is the voice of the European mortgage industry, providing data and information on European mortgage markets, which were worth over €6.7 trillion at the end of 2013. In 2004 the EMF founded the ECBC, a platform that brings together covered bond market participants including issuers, analysts, investment bankers, rating agencies and a wide range of interested

stakeholders. ECBC members represent over 95% of covered bonds outstanding, which were worth over €2.6 trillion at the end of 2013.

Luca joined the EMF-ECBC in 2006, becoming Head of the ECBC in 2007 and was appointed Secretary General in June 2014. Prior to this, he worked as a financial analyst in Italy and Australia. Luca holds a degree in Economics and Financial Markets from the University of Rome, Tor Vergata. He also studied at the University of Mannheim, Germany, and at the Wharton School - University of Pennsylvania, in the United States.



Richard Hopkin is Head of Fixed Income and a managing director in the Securitisation Division at AFME. He joined AFME in June 2010 after a 25 year career in the law and finance during which he held leadership positions at J.P. Morgan, Deutsche Bank and Société Générale. He has originated, structured and distributed securitisations funding the real economy through a wide variety of asset classes including mortgages, credit cards, auto, consumer and SME loans, from across Europe, Australia and the US. Born and brought up in Wales, Richard read law at Cambridge University and qualified as a solicitor with leading international law firm Clifford Chance.



Bogdan Patrniche is Managing Partner at Lakestone Capital. He has spent the last 18 years in the City of London working inter alia for EBRD, UBS, Ericsson, National Australia Bank, National Bank of Greece and Calyon before founding Lakestone – distressed credit trading platform. He developed an asset securitization platform helping banks deconsolidate and derecognise their non-performing assets or legacy non-core performing assets under IAS 39 and IFRS 10/12. He is a hands-on capital markets originator & structurer in fixed income, commodities and currencies.

Mr Patrniche is an alumnus of London Business School (LBS) and of Ecole Nationale D'Administration (ENA) in Paris. He is also a member of the Board of Governors of the University of East London.



Martin Wolf CBE is Associate Editor and Chief Economics Commentator at the Financial Times, London. He was awarded the CBE (Commander of the British Empire) in 2000 for services to financial journalism. He was made a Doctor of Science (Econ), honoris causa, by the London School of Economics in December 2006. He was a member of the UK government's Independent Commission on Banking between June 2010 and September 2011.

Mr Wolf was joint winner of the Wincott Foundation senior prize for excellence in financial journalism for 1989 and 1997. He won the "Accenture Decade of Excellence" at the Business Journalist of the Year Awards of 2003. He won the "Commentator of the Year" award at the Business Journalist of the Year Awards of 2008. He won the Ludwig Erhard Prize for economic commentary for 2009. He won "Commentariat of the Year 2009" at the Comment Awards, sponsored by Editorial Intelligence. He was placed 15th in Foreign Policy's list of the "Top 100 Global Thinkers" in December 2009 and 37th in the same list for 2010. He was joint winner of the 2009 award for columns in "giant newspapers" at the 15th annual Best in Business Journalism competition of The Society of American Business Editors and Writers. He won the Overseas Press Club of America's prize for "best commentary on international news in any medium" for 2013.

His most recent publications are *Why Globalization Works* (Yale University Press, 2004), *Fixing Global Finance* (Washington D.C: Johns Hopkins University Press, and London: Yale University Press, 2008 and 2010) and *The Shifts and The Shocks: What we've learned – and have still to learn – from the financial crisis* (London and New York: Allen Lane, 2014).



Dennis M. Kelleher is the President and Chief Executive Officer at Better Markets, a Washington-based non-profit, nonpartisan organization that promotes the public interest in financial reform in the domestic and global capital and commodity markets. After more than three decades of experience in the public, private, political, charitable and non-profit sectors, Mr. Kelleher started Better Markets in 2010.

Mr. Kelleher has held several senior staff positions in the United States Senate, most recently as the Chief Counsel and Senior Leadership Advisor to the Chairman of the Senate Democratic Policy Committee. Previously, he was a Deputy Staff Director and General Counsel to a Senate Committee as well as a Legislative Director for a senior member of the US Senate.

Mr. Kelleher was a litigation partner with the international law firm of Skadden, Arps, Slate, Meagher & Flom, where he had a U.S. and European practice specializing in securities and financial markets as well as corporate conduct/misconduct.

These activities followed four years of active duty enlisted service in the US Air Force as a crash/rescue firefighter/medic, which preceded his graduation, with honours, from Brandeis University and Harvard Law School.



Werner Bijkerk (1973, the Netherlands) is Head of the Research Department of IOSCO. He is the driving force behind the launch and development of IOSCO activities on addressing systemic risk and financial stability. He also serves as the IOSCO representative to the Financial Stability Board's Assessment Group on Vulnerabilities and the FSB/IMF Early Warning Exercise. Furthermore he is the Secretariat's coordinator of the IOSCO Committee on Emerging Risk.

Before heading the Research Department he was responsible for the design of the new strategy of IOSCO and the coordination for IOSCO's policy work in the secondary markets area including derivatives. Prior to IOSCO in 2009 he worked for over a decade in economic research and strategy consultancy at Nyenrode University and the Netherlands Authority for the Financial Markets (AFM).

He is a leading expert in the design and implementation of regulatory strategies to improve investor protection and market efficiency. He has led various key supervisory and research projects – the most successful one being on unit-linked products leading to profound market change and multibillion compensation to investors. He has deep knowledge of markets, products and regulation but also of the needs of the industry. He launched a business desk and innovation room at the AFM that helps guide financial firms through the regulatory process.

Moreover, he is writer of numerous articles, reports and columns, and is a frequent speaker and trainer. Werner is an economist and art & architectural historian by training.



Dr Daniela Gabor is Associate Professor in Economics at the UWE Bristol. She holds a PhD in Banking and Finance from the University of Stirling. She has published on central banking in crisis, on the governance of global banks and the IMF, on shadow banking and repo markets; her research has been funded by UK and EU grants. Her latest publication is a co-edited book with Charles Goodhart, Jakob Vestegaard and Ismail Erturk (2014): *Central Banking at a Crossroads* (Anthem Press).



Andy Hill is Director, Market Practice and Regulatory Policy at the International Capital Market Association (ICMA), advising on market practice and regulatory policy related to international repo and short-term markets. He has spent more than seventeen years trading repo and short-term interest rate markets at a number of banks, and for ten years he was an Executive Director at Goldman Sachs in London. Andy has extensive experience of the European government repo markets, particularly Germany and Italy (pre- and post-Euro), and from 2002 to 2007, Andy headed-up Goldman Sachs' cross-divisional European Credit Repo Desk, specializing in corporate, high-yield, and convertible bond repo and securities lending.

Andy has also spent three years working as a consultant in the International Aid and Development sector, focusing primarily on social development project design and evaluation, and based mainly in Cambodia. In 2008 Andy served on the Board of the Cambodian NGO Education Partnership in Phnom Penh, while under a Goldman Sachs Public Service Fellowship. Mr Hill holds a BSc (Hons) in Business Studies from Cass Business School and an MSc in Poverty Reduction and Development Management from University of Birmingham.



Lord Jonathan Hill (Baron Hill of Oareford) is the European Commissioner for Financial Stability, Financial Services and Capital Markets Union. He holds a degree in history from Trinity College, Cambridge, and served as a special adviser to Kenneth Clarke at the Department of Employment, Department of Trade and Industry and Department of Health from 1986 to 1989, then as Political Secretary to Prime Minister John Major (1992-94). He then worked for public affairs consultancy Bell Pottinger until 1998, before founding the firm Quiller Consultants. In 2010, he returned to public life, becoming junior Minister for Schools. In January 2013, he was appointed Leader of the House of Lords (the Government's business manager in the upper house).

Lord Hill became a European Commissioner in 2014. His responsibilities include ensuring that financial markets are properly regulated and supervised so that they are stable, competitive and transparent, at the service of jobs and growth (this includes the full implementation of the Banking Union); establishing a Capital Markets Union by 2019, for all 28 Member States of the EU, and maximising the benefits of capital markets and non-bank financial institutions for the rest of the economy, and in particular SMEs; proposing measures to make financial services work better for consumers and retail investors; and promoting global consistency in regulation and the implementation of agreed standards and principles in cooperation with international partners.

Moderators



Anna Brunetti holds a MA in Journalism from City University of London, and a BA with honors in Political Anthropology from Bologna University, Italy.

She currently writes about securitization, bank debt and regulation for IFR and Reuters in London, after having specialised in financial regulation at Brussels-based publication MLex. Previously, she covered asset management and investment for Incisive media's flagship magazine Investment Week.

She started her journalistic career at Italian newspaper Il Resto del Carlino, covering general news.



Richard Spencer is Head of Sustainability at ICAEW. He joined ICAEW in 2005 in order to set up the sustainability practice within the Technical Strategy department. During this time Richard has led on the ICAEW's thought leadership and engagement programme in sustainability. He is a co-convenor of the Finance Innovation Lab that in 2012 was named by the Observer and NESTA as one of the Top 50 of Britain's New Radicals. He has also led on setting up the Natural Capital Coalition.

Before joining ICAEW Richard worked as a strategy consultant in the Natural Resources division of Accenture. Prior to that he held a number of roles at N M Rothschild & Sons Ltd in the bank's treasury and natural resources project finance teams. Richard began his career at the Bank of England.

Richard holds degrees from the universities of Leeds and London. He is a member of the Climate Disclosure Standards Board Technical Working Group and is a board member of the Social Return on Investment Network. Richard is an Honorary Visiting Fellow at the Cass Business School.



Paulina Przewoska, Senior Policy Analyst at Finance Watch, specializes in banking regulation and supervision. Before joining Finance Watch she held the position of Head of Unit at the Polish Financial Supervision Authority, where she spent 5 years. Previously she was working for Deloitte both in Poland and in Germany. Paulina holds a master's degree in finance from the Warsaw School of Economics and master's degree in law from the University of Warsaw. She passed the bar exam in 2012 and is also a legal counsel.

About Finance Watch

Finance Watch is an independently funded public interest association dedicated to making finance work for the good of society. Its mission is to strengthen the voice of society in the reform of financial regulation by conducting advocacy and presenting public interest arguments to lawmakers and the public. Finance Watch's members include consumer groups, housing associations, trade unions, NGOs, financial experts, academics and other civil society groups that collectively represent a large number of European citizens. Finance Watch's founding principles state that finance is essential for society in bringing capital to productive use in a transparent and sustainable manner, but that the legitimate pursuit of private interests by the financial industry should not be conducted to the detriment of society.

For further information, please visit www.finance-watch.org



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