

Press Release

Paris, Wednesday, 21st June 2017

Strengthening Europe's Position in Global Capital Markets

Oliver Wyman and the Federation of European Securities Exchanges (FESE) announced today a new report titled "[Strengthening Europe's Position in Global Capital Markets](#)" which sets out principles that can guide the development of European capital markets making them more liquid, transparent, and efficient. The ultimate aim is to facilitate growth of the real economy and to protect European capital markets from numerous headwinds facing them.

Deirdre Somers, FESE President: *This report demonstrates clearly that, in comparison to the US and Asia, EU markets have considerable untapped potential which could contribute to the financing of the real economy. In a globally competitive market place for capital, European policy makers need to take this on board and to act swiftly to re-ignite European markets. Enabling European markets must be at the centre of EU policy, focus and ambition. Exchanges are a key solution for European companies seeking to improve financing and risk management, providing them with the tools to manage their risks and access to capital in order to grow, scale and deliver the jobs, brands and economic multiplier Europe needs.*

Daniela Peterhoff, Oliver Wyman partner and co-author of the report said: *"The European capital market remains fundamentally distinct to the US, and Europe lags behind the US in many regards. At the same time, the European capital market has established a world leading position in derivatives trading, most notably in FX and commodity asset classes."*

This report outlines [six principles](#) that should guide the development of Europe's capital markets, and recommends specific policy initiatives.

Global capital markets are vital to economic growth and now is the right time to take stock and assess how European capital markets can strengthen its position and contribute on a global level.

This report, published today, analyses three fundamental purposes of capital markets, namely:

- **Enabling funding**, allowing firms to access funds to invest and grow - and investors to generate a return on savings;
- **Facilitating secondary trading**, providing liquidity to investors, entering and exiting positions as needed;
- **Providing access to risk management products**, i.e. derivatives and clearing services for companies and investors alike.

Collectively these are the driving forces of a healthy and well-functioning capital market, enabling and contributing towards economic growth; Exchanges are an enabler of these forces.

They play a central role in financial markets due to the transparency and ease of access they provide. European exchanges are committed to organising fair and orderly markets for capital raising, risk transfer and price discovery. Exchanges can also help to support enterprise and

wealth creation through their unique economic contribution in capital raising and their value in ensuring favourable conditions for economic growth and stability.

Many of the principles of the report touch upon the often fast evolving regulatory and supervisory debates in respect of third countries, particularly in light of the recent European Commission proposals on CCPs and ESMA's work on supervisory convergence in the context of Brexit. The FESE Membership is open to dialogue in supporting the EU and G20 to strengthen the resilience of the global financial system and to improve regulation and supervision of financial market actors.

About Oliver Wyman

Oliver Wyman is a global leader in management consulting. With offices in 50+ cities across nearly 30 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm has more than 4,500 professionals around the world who help clients optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman has a dedicated capital markets infrastructure business, catering to exchanges, CCPs, (I)CSDs, data providers and technology firms across the globe. Oliver Wyman is a wholly owned subsidiary of Marsh & McLennan Companies [NYSE: MMC]. For more information, visit www.oliverwyman.com. Follow Oliver Wyman on Twitter @OliverWyman.

About the Federation of European Securities Exchanges (FESE)

The Federation of European Securities Exchanges (FESE) represents 35 exchanges in equities, bonds, derivatives and commodities through 20 Full Members from 29 countries, as well as 1 Affiliate Member and 1 Observer Member.

At the end of 2016, FESE members had 8,982 companies listed on their markets, of which 6% are foreign companies contributing towards the European integration and providing broad and liquid access to Europe's capital markets. Many of our members also organise specialised markets that allow small and medium sized companies across Europe to access the capital markets; 1,291 companies were listed in these specialised markets/segments in equity, increasing choice for investors and issuers. Through their RM and MTF operations, FESE members are keen to support the European Commission's objective of creating a Capital Markets Union.

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Boerse Stuttgart

Bolsas y Mercados Españoles (BME)

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Bucharest Stock Exchange

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CEESEG AG incorporating Prague Stock Exchange & Wiener Börse AG

Cyprus Stock Exchange

Deutsche Börse AG

HELLENIC EXCHANGES - Athens Stock Exchange S.A. (Athens Stock Exchange / ATHEX)

Euronext incorporating: Euronext Amsterdam, Euronext Brussels, Euronext Lisbon, Euronext London, Euronext Paris
ICE Futures
Irish Stock Exchange
London Metal Exchange
Luxembourg Stock Exchange
Malta Stock Exchange
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