COUNTING EVERY WOMAN 2017

MEASURING FEMALE REPRESENTATION ON BOARDS AND EXECUTIVE COMMITTEES IN EUROPEAN CAPITAL MARKETS

June 2017

by Laurence Bax, Olivia Seddon-Daines and Yasmine Chinwala

> Gender diversity across the European capital markets industry has increased to 25% of board members and 18% of executive committee members – and every sector is moving in the right direction

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INTRODUCTION

What this report is about

The debate around gender diversity at the most senior levels in the corporate world has shot up the agenda in recent years – but for all the talk, how much progress has been made in the financial services sector? New Financial aims to answer that question and inform this important discussion with data that will challenge the industry to improve its approach to diversity.

Counting Every Woman 2017 is our third annual report measuring gender diversity on boards and executive committees. Our sample covers 240 companies and organisations in 12 different sectors of the European capital markets.

This report addresses the following questions:

- What is the average female representation at senior levels across the capital markets industry and in different sectors?
- What sort of roles do women tend to hold on boards and executive committees?
- What progress has been made year-on-year?
- At current rates of improvement, what will the future look like?

Methodology

New Financial collected data on boards and excos from 240 companies and institutions across 12 different sectors: asset managers, banks, central banks, hedge funds, insurance, investment banks, law firms, pension funds, private equity, regulation and policymakers, stock exchanges, and trade bodies. This year we have included the insurance sector for the first time.

In each sector, we selected 20 institutions with significant operations in Europe based on their size, activity in the capital markets, and the availability and quality of information. The sample is largely unchanged from our two previous reports, but where we have added firms we have backdated our analysis to make the sample as comparable as possible. This explains the small differences between figures published in this report and last year's report. We did not include boards for hedge funds, law firms or private equity firms due to the lack of comparable data. In total, our sample includes 2,977 members of 240 executive committees and 2,529 members of 186 boards.

All data was collected between December 2016 and February 2017 using company websites, annual reports, the Financial Services Register and Companies House, and effectively represents the picture as of the end of 2016. Where firms or organisations did not publicly disclose their executive committee we identified senior executives from public sources to create a proxy exco based on the roles typically found on publicly-disclosed excos. Where a company was a subsidiary of a larger entity and had no board, we used the parent group board (as a result, 16 boards are counted more than once). For more information on the sample, please contact us.

Acknowledgements

New Financial would like to thank all our institutional members for their support, and particularly Columbia Threadneedle Investments for funding this research.

NEW FINANCIAL
Rethinking capital markets

New Financial is a think tank and forum that believes Europe needs bigger and better capital markets to help drive its recovery and growth.

We believe diversity in its broadest sense is not only an essential part of running a sustainable business but a fundamental part of addressing cultural change in capital markets.

We provided data to Jayne-Anne Gadhia's government-backed review of senior women in financial services, *Empowering Productivity*, and we will be working with HM Treasury to conduct an annual review on the Women in Finance Charter to monitor the progress of charter signatories.

We are a social enterprise that launched in September 2014. We are funded by institutional membership.

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SUMMARY

Highlights of the report

- A quarter (25%) of board directors at firms and organisations in the European capital markets industry are women, and almost one in five (18%) executive committee members are female. This is not far off the FTSE100, where 27% of board positions and 19% of exco roles are held by women.

- The numbers are moving in the right direction. The percentage of women on boards has increased by five percentage points to 25% since our first report in 2014. Female representation on excos has risen by three percentage points to 18%.

- Female representation has increased for all 12 sectors in our exco sample and all nine sectors in our board sample. More than half (55%) of companies have increased female representation on excos over the past year, and almost half (48%) have improved gender diversity on their board.

- There is a marked difference between boards and excos. Average female representation on boards at banks, for example, stands at 33%, more than double the number on excos at 13%. On average, gender diversity on boards is more than a third higher than on excos.

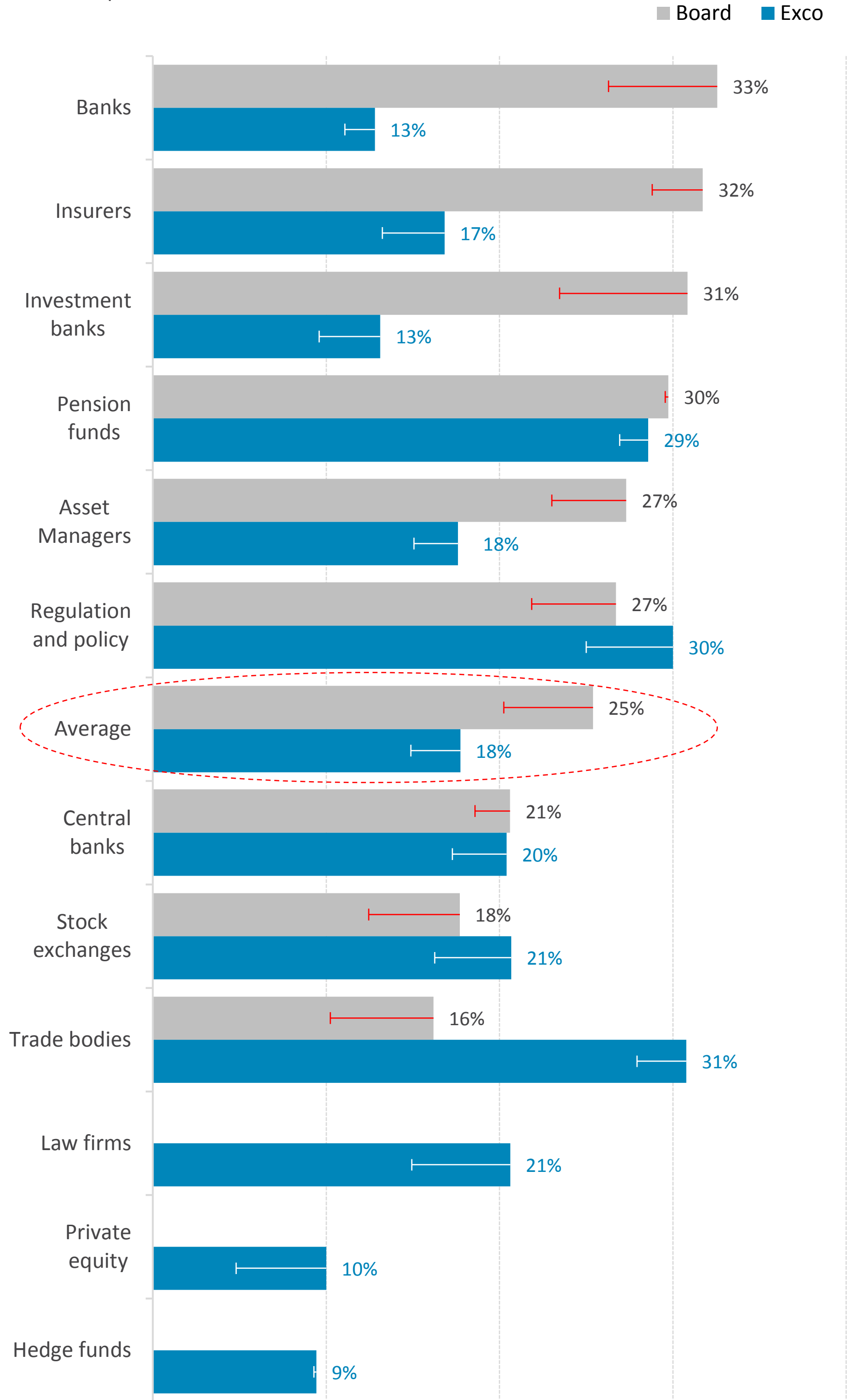
- There is a wide range of gender diversity across different sectors in our sample. Average female representation on excos is 9% for hedge funds and 10% for private equity, rising to 30% for regulators and 31% for trade bodies.

- The 25% average female representation on boards disguises the lack of women holding executive director positions. The proportion of female non-executive directors (26%) is more than twice that of female executive directors (12%).

- Women who do sit on excos tend to be in support roles rather than in C-suite or revenue generating functions. Women account for 37% of support roles on excos, but only 14% of heads of division or region,12% of the C-suite, and 7% of CEOs.

Fig. 1 Counting every woman

Average percentage female representation on boards and executive committees across the European capital markets industry*
T- bars represent 2014 data†



* Law firms, hedge funds and private equity were excluded from the board count due to inadequate data. For hedge funds and private equity, we also added FCA registered senior management, directors, partners and CEOs as a proxy for excos.
† Insurers compared to 2015 data as this is the first year we have included this sector.

A broad spectrum

There is a wide range of gender diversity on boards and executive committees, from no women at all at one end of the scale, up to nearly two thirds at the other - and everything in between.

Fig.2 shows the distribution of firms by female representation on their boards and excos. For excos, the distribution is heavily weighted towards the lower end of the scale: half of organisations in our sample have 15% or lower female representation on their excos, and only one fifth have more than 30% women. For boards, the distribution is clustered more evenly around the average of 25%. A quarter (23%) of boards have 15% or lower female representation and more than a third (34%) of boards have more than 30%.

Our analysis shows that the number of institutions with no women on their exco has fallen from 47 to 35 in the past year but this still represents 15% of our sample. There are12 institutions with no women on their board (6% of the sample) and four with no women on either their board or their exco (the same number as last year).

Setting the tone

We found little evidence of correlation between female representation on a company's board and its exco (Fig. 3). This suggests that increasing the number of women on boards (which was the initial focus of government initiatives) does not go hand in hand with more women on excos. Government initiatives in the UK, such as the Hampton-Alexander Review and HM Treasury Women in Finance Charter, are now focused on the executive pipeline.

And our data shows no evidence that companies with a female chairman (11 boards in the sample) or chief executive (16 in the sample) have more women on their exco or board.

Fig.2 Starting from a low base

The distribution of all European capital markets organisations in our sample by percentage of female representation on boards and excos

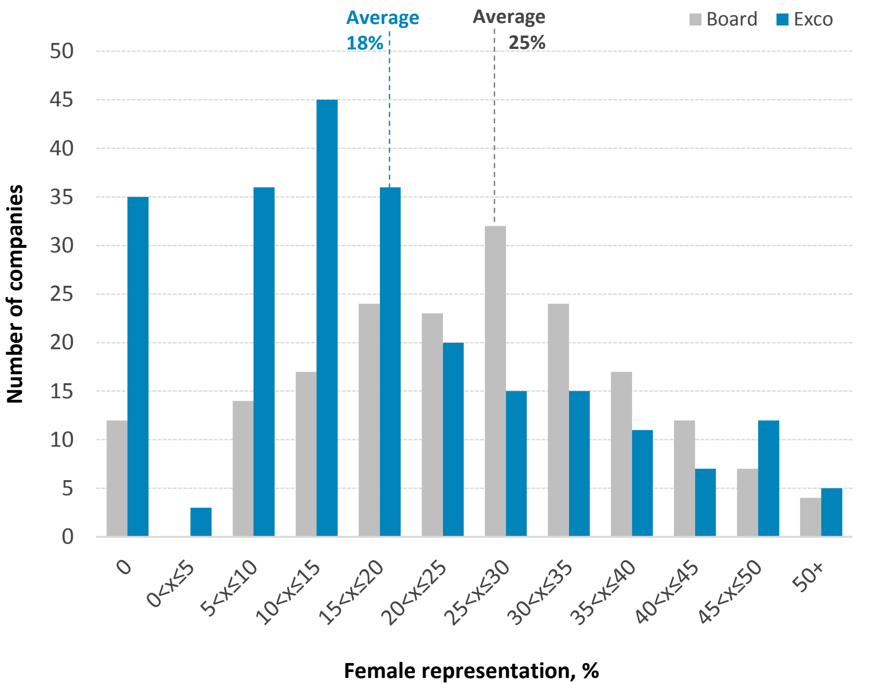
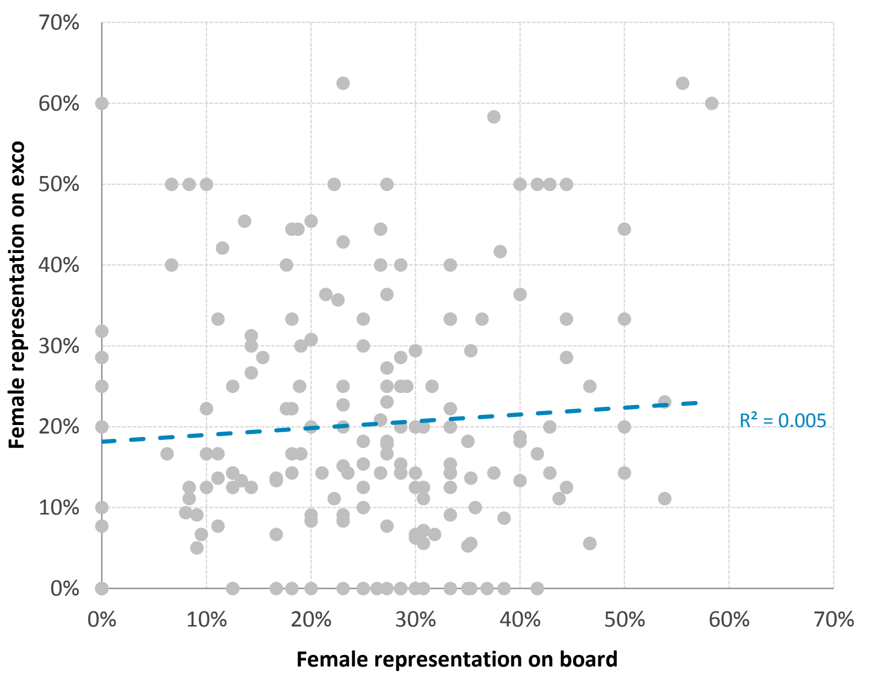


Fig.3 Where boards lead, excos don't necessarily follow

The (lack of) correlation between female representation on boards and on excos



Note: excludes companies without boards

Fig.4a More women on boards

Female representation on boards in different sectors, %, 2014 to 2016

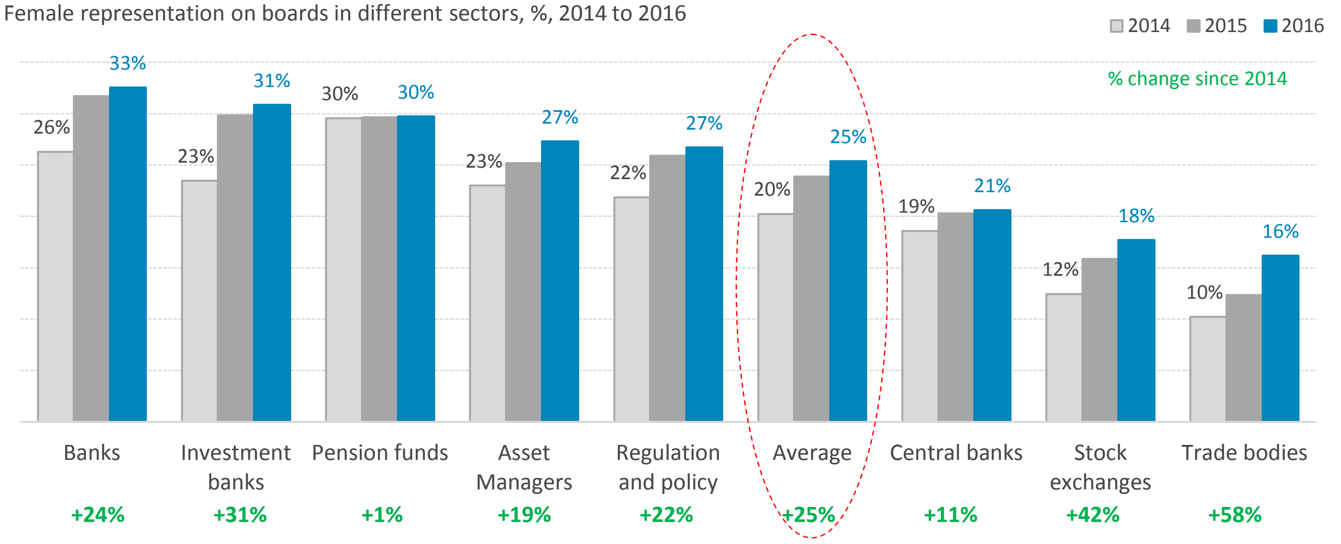
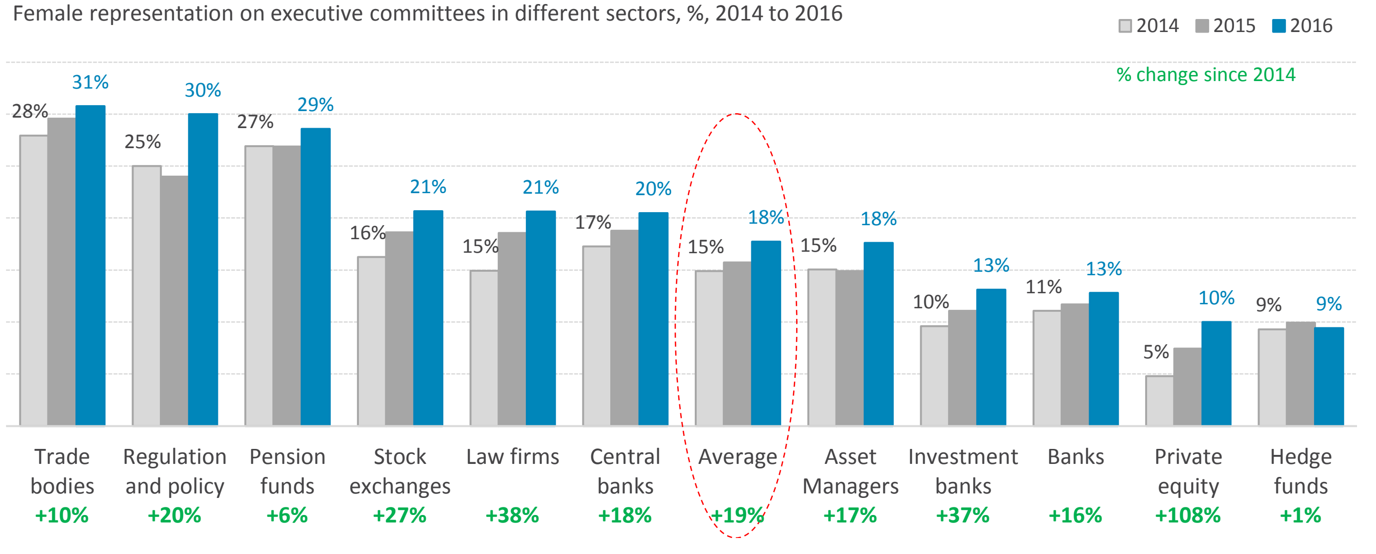


Fig.4b More women on excos

Female representation on executive committees in different sectors, %, 2014 to 2016



It is encouraging to see that the proportions of women on both boards and executive committees has improved in every sector in our sample since we first collected this data in 2014.

The level of female representation on boards across the European capital markets industry has increased by one quarter from 20% in 2014 to 25%, with particularly big increases at trade bodies, stock exchanges and investment banks. Pension funds have flatlined over the past few years but this is partly because they already have a high level of female representation on their boards (30%).

The level of gender diversity on excos across the industry has increased by one fifth in the past few years from 15% to 18%. Female representation has more than doubled in private equity from 5% to 10%, but it still has one of the lowest level of female representation on excos of any sector. Law firms and investment banks also posted big improvements, albeit from a low base.

Moving on up

It is encouraging to see that the European capital markets industry is improving in more cases than not when it comes to levels of gender diversity on boards and executive committees (Fig. 5). Our analysis shows that more than half (55%) of the firms in our sample have increased female representation on their exco in the past year and nearly half (48%) have increased the percentage of women on their board.

For both boards and excos, female representation has remained constant for around one fifth of the firms in our sample, and it has fallen at less than a third of firms in the past year.

Tipping the balance

Our data shows more women are joining both boards and excos than leaving them (Fig. 6). As the number of joiners (536) and leavers (532) is nearly the same, the higher rates of joiners will improve gender diversity in senior management over time.

Women represent 29% of all new board appointments in our sample compared with 21% of those leaving boards. When it comes to executive committees, 22% of all new appointments to excos in our sample in 2016 were women, compared with just 15% of people leaving excos.

But for executive board directors, this trend is reversed, with women representing 16% of new appointments compared with 21% of departures. However it is important to look at this in the context of the numbers – there were less than 50 new executive director appointments, 8 of whom were women, while 13 women left exec director roles.

When there are so few people on boards and excos to begin with, losing just one woman can have a disproportionate impact on percentages. This is where the laws of small numbers can really hurt.

Fig.5 More winners than losers

Percentage of companies where female representation on boards and excos has improved, stayed flat or fallen since 2015

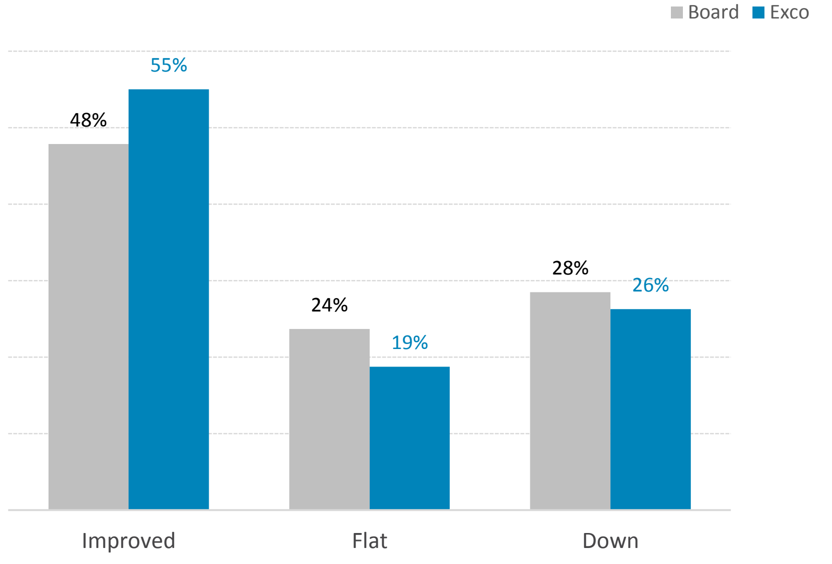
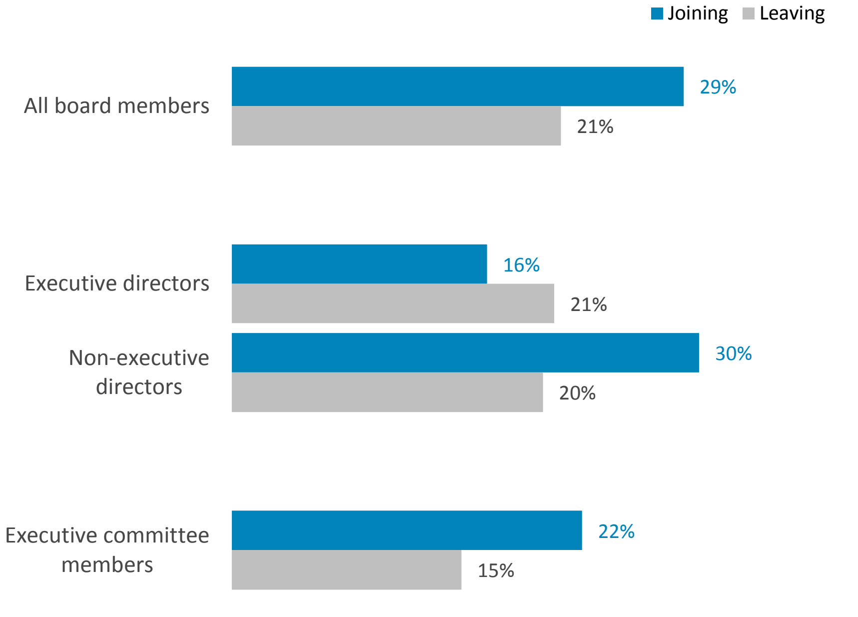


Fig.6 More joiners than leavers

Percentage of women newly appointed to and leaving boards and excos since 2015



Women in support roles

Our analysis shows that when women are on executive committees, they are more likely to hold senior support roles than frontline revenue generating roles. Such roles have less representation on excos.

Fig. 7 shows the typical composition of an executive committee across our sample. Support roles account for around a quarter (27%) of all roles on excos in our sample, compared with 37% for P&L functions, and 36% for C-suite roles. This ratio of C-suite, P&L functions and support roles is fairly closely reflected if we look at all male exco members, but it is radically different for female exco members. While 39% of men who sit on excos have C-suite positions, just 23% of women on excos hold equivalent roles. And just under half of all female exco members (49%) sit in support functions, compared with just 22% of men.

Certain support roles are dominated by women. Nearly two thirds of heads of HR (64%) and more than half of the heads of communications (56%) who are members of excos in our sample are women (Fig. 8). But only 14% of heads of business divisions or regions, and just 12% of the C-suite are female.

More women at the top table

One way of addressing gender imbalance on excos would be for more firms to add important support functions to their excos. Head of communications was a named exco member at just one quarter of firms that publicly disclose their exco, while head of HR was on 46% of excos and general counsel on 38%.

Elevating support functions to the executive committee would not address the underlying lack of women in frontline business roles, but it would have a big impact on the numbers. If every company in our sample included the head of HR, head of comms and general counsel to their exco average female representation on excos would jump from 18% to 23%.

Fig.7 The distribution of roles on excos

Percentage of different types of roles that make up our pool of exco members compared to male and female exco members

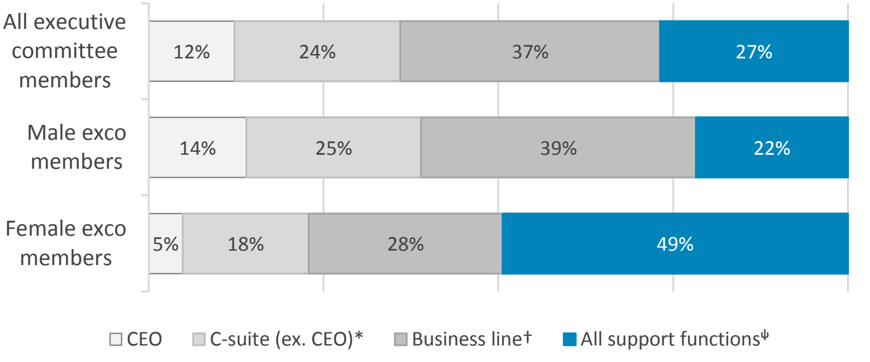
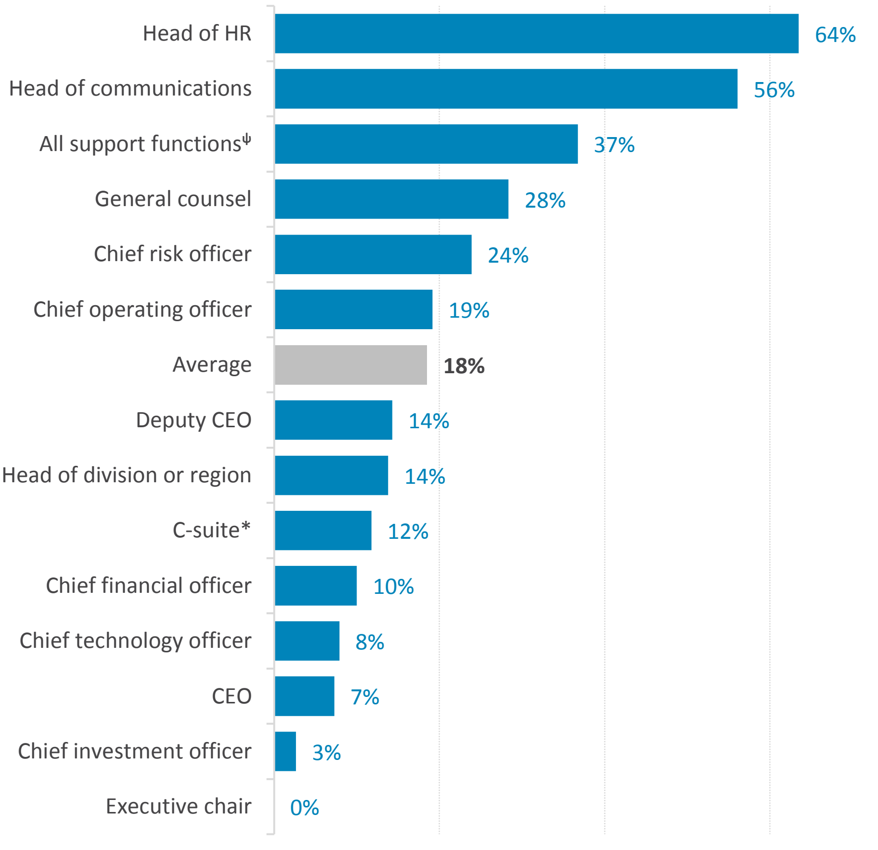


Fig.8 Gender breakdown of positions on executive committees

Percentage of women in different exco positions at organisations that publicly disclose their executive committee or equivalent



*includes deputy CEO, CFO, COO, CRO, CTO , executive chair, and for asset managers CIO
†business line functions, i.e. revenue generating roles, including divisional or regional business responsibility
ψincludes communications, HR, legal and other central support functions such as marketing, strategy, policy, corporate affairs

ROLES OF WOMEN ON BOARDS

Behind the headline numbers

The 25% average figure for female representation on boards - and the significant progress that has been made over the past few years - disguises the under-representation of women holding executive director positions on boards. Fig. 9 shows that the proportion of female non-executive directors (26%) is more than double the level of female executive directors (12%).

Of our sample of 186 boards, in our sample, 103 have at least one executive director. The ratio of non-executive directors to exec directors is 4.5:1 (Fig.10), so for a board of nine people, we would expect two of them to be executive directors. However, for female board directors, this ratio increases to 10:1, for men it is less than 4:1. Boards have been the focus of most initiatives to improve diversity, and the easiest way to do so is by appointing more female non-executive directors – as there are more non-exec roles, they are replaced more frequently. Women won 30% of non-executive directors appointments to boards in our sample in 2016 (Fig.6).

It is harder for women to break into exec board director roles because there are far fewer of these roles, and women do not have the jobs that are typically held by executive board directors. Fig.11a shows that 80% of exec director roles are held by CEOs, heads of business line, CFOs and deputy CEOs. But as we have already seen in Fig. 8, these are the roles typically held by men (for example, only 7% of CEOs in our sample are women).

And the opportunities are not plentiful – there are only 262 executive directors in our sample. Of these just 30 are women (Fig.11b). This underlines the need for companies to work out how to get more women into the most senior management positions and frontline revenue generating roles that are most likely to lead to executive director positions.

Fig 9: Gender breakdown of board positions

Percentage of women in different board positions

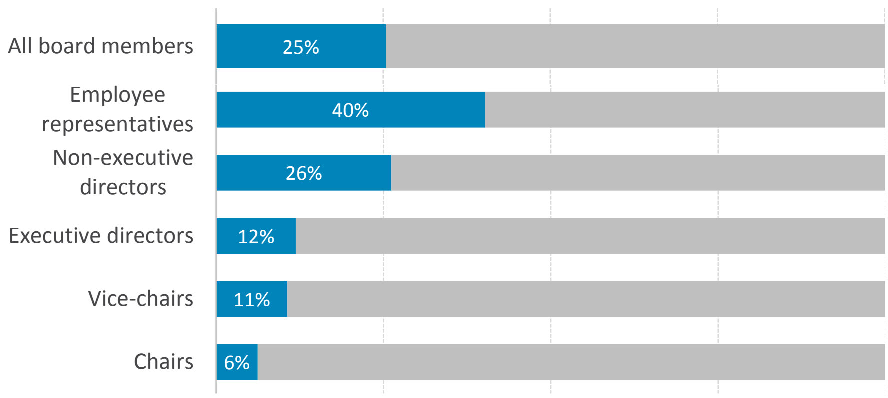


Fig 10: The ratio of non-executive to executive board directors

Percentage of executive and non-exec directors that make up our pool of board directors, compared to male and female board directors
Note: excludes boards with no executive directors

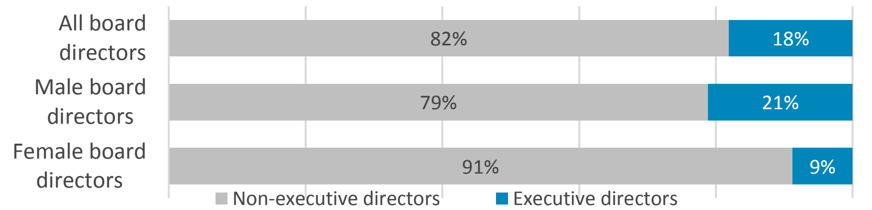
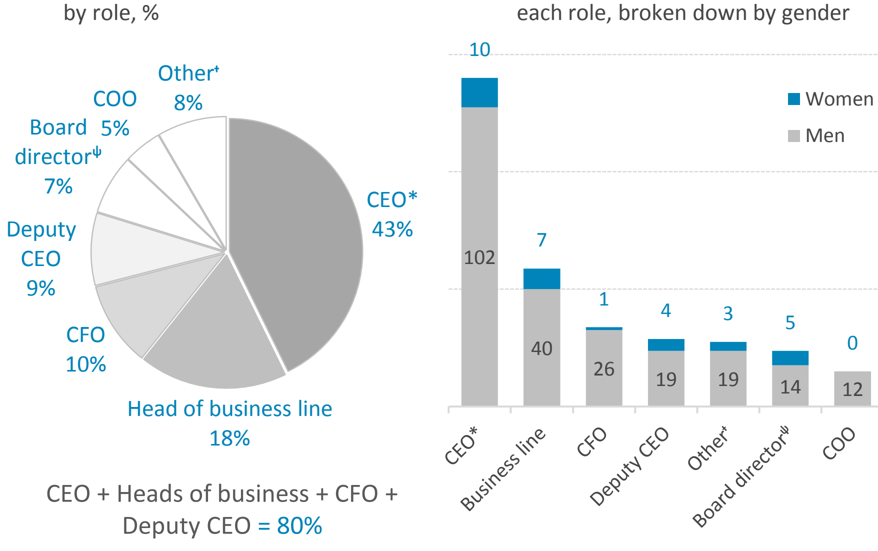


Fig.11 The types of job that win executive board directorships

11a All executive directors broken down by role, %

11b Number of exec board directors in each role, broken down by gender



*CEO includes executive chair and those holding both chair and CEO simultaneously
⁺Other includes CIO, CRO and support roles such as communications, HR, legal, marketing, strategy, policy, corporate affairs
$^{\psi}$Board director includes all other executive directors where we were unable to identify their role

WHAT TARGETS COULD LOOK LIKE

On course for Davies board target

In October 2015, the Davies Review set a voluntary target of 33% female representation on boards by 2020 for the FTSE 350. It is encouraging to see that the European capital markets industry could on average reach a target of 33% in 2019, assuming the industry keeps up its current rate of increase in female representation.

To reach a target of 33% for women on boards, the 157 boards (for which we have comparable data) in our sample would need to add 172 women (Fig. 12). That's an average of just over one woman for each board, which sounds reasonable. However, some sectors have further to go. Banks and investment banks would reach 33% this year if they keep up their recent annual rate of increase in female representation, but central banks would take until 2026. However, this is a crude measure – our data shows pension funds would take until 2052 to add just eight women based on current rates.

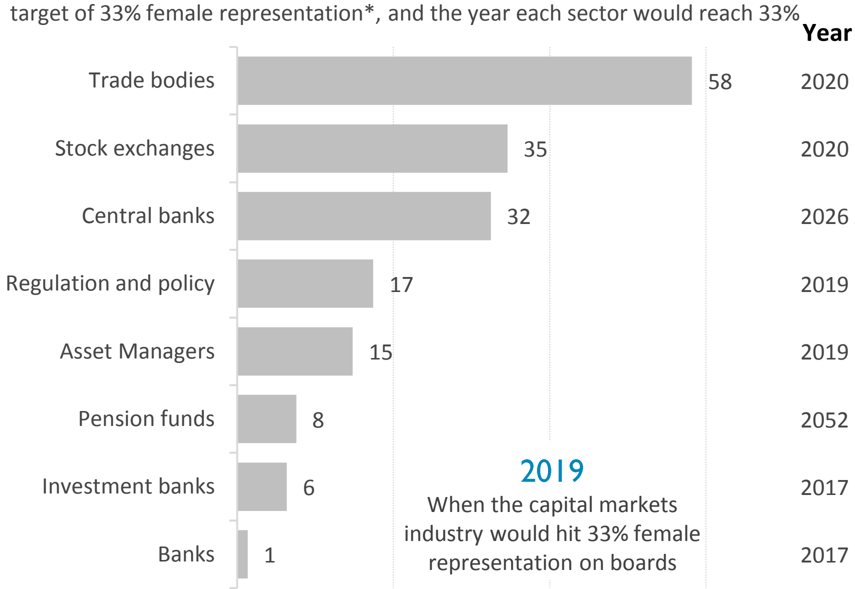
Behind the times on exco target

In November 2016, the Hampton-Alexander Review recommended that FTSE 100 companies should aim for a minimum of 33% female representation on their executive committees (and their direct reports, which we do not measure here) by 2020. If we apply a 33% target to our sample, they would on average miss the 2020 deadline by four years (Fig. 13). A 33% exco target would require the 220 organisations (excluding insurers) in our sample to add 419 women, which is nearly two women per exco.

Only five sectors would meet the 2020 deadline – trade bodies, pension funds, central banks, law firms, and private equity. Again, this is a crude measure: while the private equity industry could hit 33% on this basis in 2019, it is highly unlikely given a starting of just 10% today. Hedge funds would need 180 years to reach 33% at their current rate of increase as each firm would need to add nearly five women.

Fig.12 If sectors set a voluntary board target of 33%...

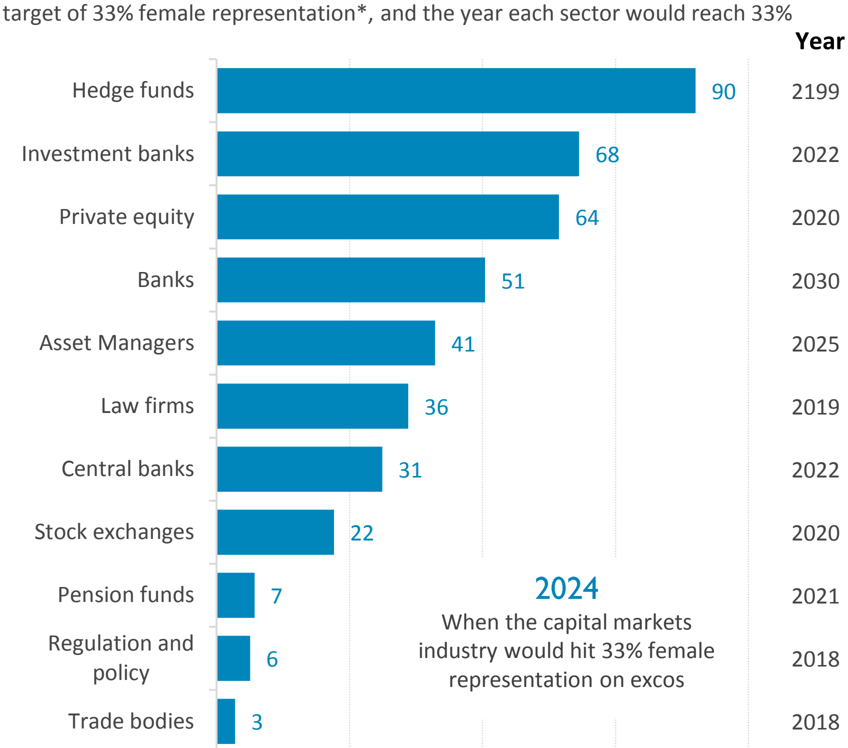
The number of women each sector would need to add to company boards to reach a target of 33% female representation*, and the year each sector would reach 33%



* Assumes net number of women added remains the same in future years as in 2014-16.
Note: Law firms, hedge funds and private equity are excluded from board counts due to inadequate data, insurers are excluded as we do not have 2014 data

Fig.13 If sectors set a voluntary exco target of 33%...

The number of women each sector would need to add to company excos to reach a target of 33% female representation*, and the year each sector would reach 33%



*Assumes net number of women added remains the same in future years as in 2014-16.
Note: Insurers are excluded as we do not have 2014 data

DIFFERENCES BY REGION AND COMPANY TYPE

Geography matters

Regional differences in society, culture and regulation play a significant role in the levels of gender diversity on boards and executive committees. Our regional analysis (Fig. 14) shows that the top three – the Nordic countries, France and Germany - all have board quotas or targets of some form. Norway was the first country in the world to introduce a quota for women on boards (40% in 2004), and Denmark, Finland and Sweden followed with different types of "comply and explain" approach. France and Germany have both introduced mandatory quotas for public companies (40% and 30% respectively).

But quotas are not a panacea: the gap between levels of gender diversity on boards (30%) and on excos (11%) is largest for the German organisations in our sample.

It is encouraging to see that almost all regions have made progress in female representation on both boards and excos since 2014, with the exception of the Nordic region (where board level diversity has slipped marginally from a high level) and southern Europe (Greece, Italy, Portugal and Spain) where exco diversity has fallen.

In the public eye

Our analysis suggests that the focus on public companies' boards has worked: female representation on the boards of publicly-listed companies in our sample at 29% is higher than the overall average and significantly higher than the 22% at privately-held companies or other organisations that are out of the spotlight (Fig.15). However, gender diversity is low on the excos of both listed (14%) and privately-held companies (15%) suggesting that public scrutiny of excos, such as the work of the Hampton-Alexander Review and the HM Treasury Women in Finance Charter, could help drive improvement over time in the same way as it has done with boards.

Fig.14 Countries with quotas lead the charge

Average female representation at the highest levels across the European capital markets industry, %
T- bars represent 2014 data

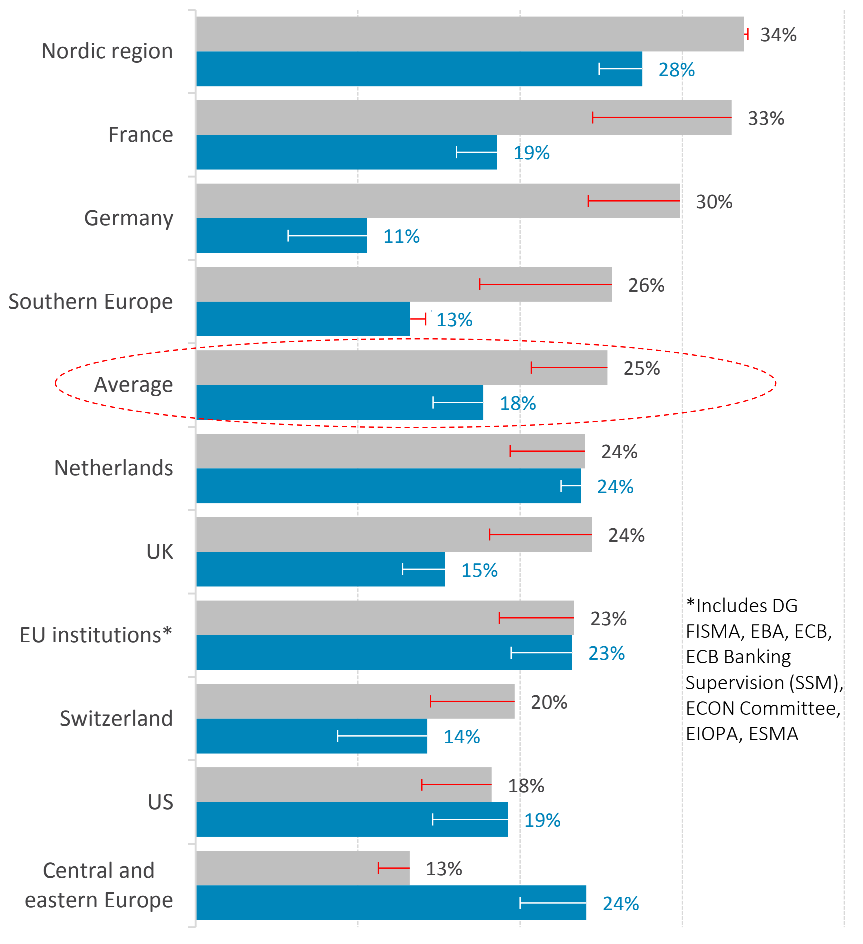
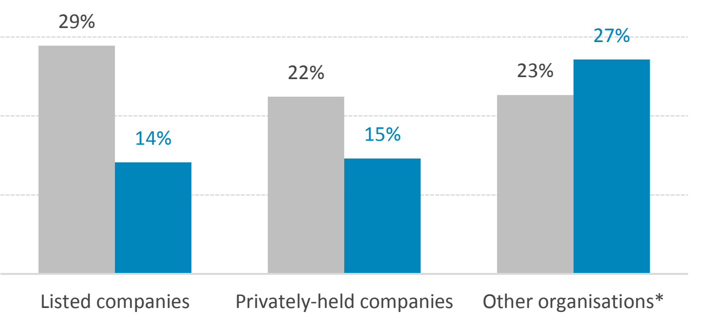


Fig.15 Organisation type impacts gender diversity

Female representation on boards and excos by type of organization, %



*includes pension funds, central banks, trade bodies, regulation and policy

APPENDIX: THE INDUSTRY LEADERS

Fig. 16 The top 20 capital markets organisations for gender diversity

These tables rank companies in our sample by the percentage of female representation on their boards and executive committees. It would be easy to name and shame the worst performers but the intention of this report is to encourage better gender diversity in capital markets by highlighting best practice rather than exposing a lack of it.

Note: Any board or exco with fewer than six members was excluded from this ranking.

Boards

Rank	Name	Sector	% female
1	**The Pensions Regulator** (UK)	Regulation	58% ↑
2	**AP1** (Swe)	Pension funds	56% ↓
3	**Societe Generale** (Fra)	Banks	54% ↑
4=	**Achmea** (Neth)	Insurance	50% -
	AMF Pension (Swe)	Pension funds	50% -
	Comisión Nacional del Mercado de Valores (Spa)	Regulation	50% ↓
	Financial Conduct Authority (UK)	Regulation	50% -
8	**BNP Paribas** (Fra)	Banks	47% -
9=	**AP2** (Swe)	Pension funds	44% -
	AP3 (Swe)	Pension funds	44% -
	AP4 (Swe)	Pension funds	44% ↓
	Keva Finland (Fin)	Pension funds	44% ↓
13	**AXA** (Fra)	Insurance	44% ↑
14=	**Oslo Bors** (Nor)	Exchanges	43% -
	Munich Re (Ger)	Insurance	43% ↑
	Finanstilsynet (Nor)	Regulation	43% -
17=	**Banque de France** (Fra)	Central banks	42% ↓
	Deutsche Börse (Ger)	Exchanges	42% ↑
	SCOR (Fra)	Insurance	42% ↑
	Invest Europe (Bel)	Trade bodies	42% ↑

Executive committees

Rank	Name	Sector	% female
1=	**AP1** (Swe)	Pension funds	63% ↑
	FESE (Bel)	Trade bodies	63% ↑
3	**Bucharest Stock Exchange** (Rom)	Exchanges	60% ↑
4	**Finansinspektionen** (the Swedish Financial Supervisory Authority)	Regulation	58% ↑
5=	**BVCA** (UK)	Trade bodies	50% ↑
	FIA (UK)	Trade bodies	50% ↑
	Finanstilsynet (Nor)	Regulation	50% -
	Invest Europe (Bel)	Trade bodies	50% ↓
	Pensioenfonds Metaal en Techniek - PMT (Neth)	Pension funds	50% ↓
10=	**Autorité des Marchés Financiers - AMF** (Fra)	Regulation	45% ↓
	CME Group (US)	Exchanges	45% ↑
	Latham & Watkins (US)	Law	45% ↑
13=	**CEE Stock Exchanges Wiener Börse** (Aut)	Exchanges	44% ↓
	Financial Conduct Authority (UK)	Regulation	44% -
	Ilmarinen (Fin)	Pension funds	44% ↑
	Lloyd's of London (UK)	Insurance	44% -
17	**Standard Chartered** (UK)	Banks	43% ↑
18	**ISDA** (US)	Trade bodies	42% ↑
19	**CNP Assurances** (Fra)	Insurance	42% ↑
20=	**AFG** (Fra)	Trade bodies	40% ↑
	Columbia Threadneedle Investments EMEA (UK)	Asset management	40% ↑
	Varma Finland (Fin)	Pension funds	40% ↑

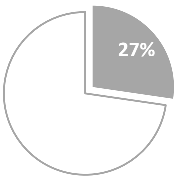
APPENDIX: THE SECTOR LEADERS

Fig. 17 Average female representation on boards and executive committees and top 5 organisations ranked by percentage female representation in each sector

†Fewer than 6 members, *Group level board

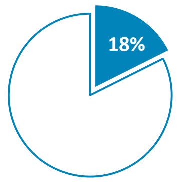
Asset management

Boards



1	BNP Paribas Investment Partners*	47%
2	Amundi	38%
3	Deutsche Asset Management*	35%
4=	Columbia Threadneedle Investments EMEA,	33%
	Allianz Global Investors*,	33%
	Pimco*	33%

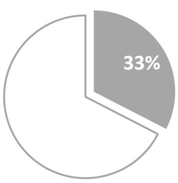
Executive committees



1	Columbia Threadneedle Investments EMEA	40%
2	AXA Investment Managers	30%
3	Natixis Global Asset Management	29%
4	Legal & General Investment Management	27%
5=	Aviva Investors,	25%
	BNP Paribas Investment Partners	25%

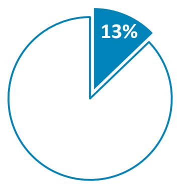
Banks

Boards



1	Societe Generale	54%
2	BNP Paribas	47%
3	Banco Santander	40%
4	ING	38%
5	Intesa Sanpaolo	37%

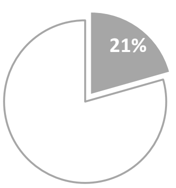
Executive committees



1	Standard Chartered	43%
2	Groupe BPCE	25%
3	Societe Generale	23%
4	RBS	20%
5	Deutsche Bank	18%

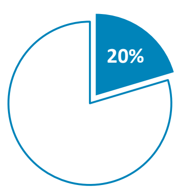
Central banks

Boards



1	Banque de France	42%
2	Norges Bank (Norway)	40%
3	Riksbank (Sweden)	36%
4	Central Bank of Ireland	30%
5	Danmarks Nationalbank	29%

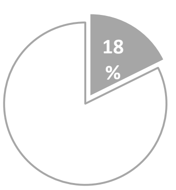
Executive committees



1	Norges Bank	36%
2=	Bank of England,	33%
	Bank of Greece,	33%
	Riksbank	33%
5	Bank of Finland	31%

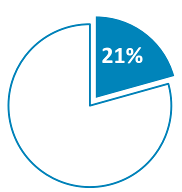
Exchanges

Boards



1	Oslo Bors	43%
2	Deutsche Börse	42%
3	Euronext	33%
4	Borse Instanbul	30%
5	Nasdaq	29%

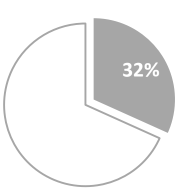
Executive committees



1	Bucharest Stock Exchange	60%
2	Irish Stock Exchange†	50%
3	CME Group	45%
4	CEE Stock Exchanges Wiener Börse	44%
5=	Budapest Stock Exchange,	29%
	Athex Exchange Group	29%

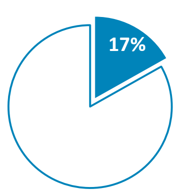
Insurance

Boards



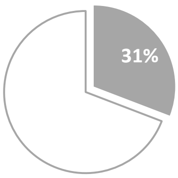
1	Achmea	50%
2	AXA	44%
3	Munich Re	43%
4	SCOR	42%
5	Zurich Insurance	40%

Executive committees

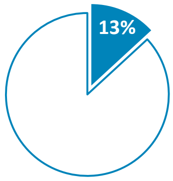


1	Lloyd's of London	44%
2	CNP Assurances	42%
3	Aviva	36%
4	Aegon	30%
5	Legal & General Group	25%

Investment banks

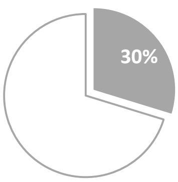


1	Societe Generale CIB*	54%
2	BNP Paribas CIB*	47%
3	Natixis CIB*	40%
4=	Citi Institutional Clients Group*,	35%
	Credit Agricole CIB,	35%
	Unicredit CIB*	35%

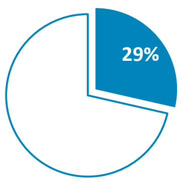


1	UBS Investment Bank	36%
2	Credit Agricole CIB	29%
3	Bank of America Merrill Lynch GBAM	29%
4	Credit Suisse - Global Markets & IBCM	23%
5	Natixis CIB	19%

Pension funds

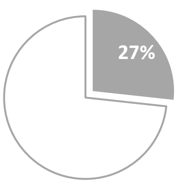


1	AP1 (Sweden)	56%
2	AMF Pension (Sweden)	50%
3=	AP2 (Sweden),	44%
	AP3 (Sweden),	44%
	AP4 (Sweden),	44%
	Keva Finland	44%

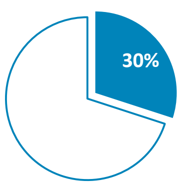


1	AP1 (Sweden)	63%
2=	AP3† (Sweden),	50%
	Pensioenfonds Metaal en Techniek (PMT) (Netherlands)	50%
4	Ilmarinen (Finland)	44%
5=	Varma Finland,	40%
	BT Group UK Pension Scheme (Hermes)†	40%

Regulators

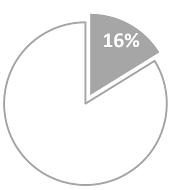


1	The Pensions Regulator	58%
2=	Comisión Nacional del Mercado de Valores (Spain),	50%
	Financial Conduct Authority	50%
4	Finanstilsynet (Norway)	43%
5	Netherlands Authority for the Financial Markets (AFM)†	40%

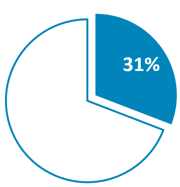


1	The Pensions Regulator†	60%
2	Finansinspektionen (the Swedish Financial Supervisory Authority)	58%
3=	Finanstilsynet (Norway),	50%
	Netherlands Authority for the Financial Markets (AFM)†	50%
5	Autorité des Marchés Financiers (AMF) (France)	45%

Trade bodies



1	Invest Europe	42%
2	PLSA	31%
3	BVCA	27%
4	ICMA	26%
5	The Investment Association	24%

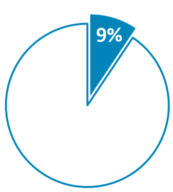


1	FESE	63%
2=	PensionsEurope†,	50%
	BVCA,	50%
	FIA,	50%
	Invest Europe	50%

In each sector, New Financial selected 20 institutions with significant operations in Europe based on their size, activity in the capital markets, and the availability and quality of information. The sample is largely unchanged from our two previous reports, but where we have had added firms we have backdated our analysis to make the sample as comparable as possible (hence the small differences between figures published in this report and our 2016 report). We did not include boards for hedge funds, law firms or private equity firms due to the lack of comparable data.

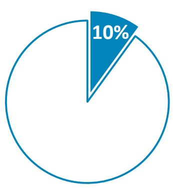
All data was collected between December 2016 and February 2017 using company websites, annual reports, the Financial Services Register and Companies House. Where firms or organisations did not publicly disclose their executive committee we identified senior executives from public sources to create a proxy exco based on the roles typically found on publicly-disclosed excos. Where a company was a subsidiary of a larger entity and had no board, we used the parent group board (as a result, 16 boards are counted more than once).

Hedge funds (exco only)



1	Winton Capital Management†	20%
2	Cantab Capital Partners	17%
3	Egerton Capital	16%
4	Cheyne Capital Management	15%
5	Brevan Howard	14%

Private equity (exco only)



1	Pantheon	31%
2=	Carlyle Group,	20%
	HgCapital	20%
4	Advent International	14%
5=	3i,	13%
	Blackstone,	13%
	Cinven,	13%
	Kohlberg Kravis Roberts,	13%
	Permira	13%

POINTS FOR DISCUSSION

NEW FINANCIAL
Rethinking capital markets

New Financial is a think tank and forum that believes Europe needs bigger and better capital markets to help drive its recovery and growth.

We believe diversity in its broadest sense is not only an essential part of running a sustainable business but a fundamental part of addressing cultural change in capital markets.

We provided data to Jayne-Anne Gadhia's government-backed review of senior women in financial services, *Empowering Productivity*, and we will be working with HM Treasury to conduct an annual review on the Women in Finance Charter to monitor the progress of charter signatories.

We are a social enterprise that launched in September 2014. We are funded by institutional membership.

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10 suggestions for debate

Improving gender balance in European capital markets is not just about the numbers. Data is just the starting point for a wider discussion on diversity and the constant search for best practice to develop a more sustainable business model for the industry. Here are some suggestions to feed into the debate:

1. All the numbers are moving in the right direction – female representation has increased for all 12 sectors we measure. It is encouraging to see when companies, sectors and the whole industry focus on improving levels of gender diversity, there can be change, and it can happen quickly.
2. Now is not the time to be complacent. The numbers have improved, but they are far from self-sustaining. The financial services industry faces many challenges on numerous fronts, and diversity must stay high on the agenda. Indeed, increasing diversity in decision-making can help drive the industry forward.
3. Whether the industry likes it or not, improving diversity has political momentum which cannot be ignored. In the UK alone, there has been a flurry of government-backed reviews in the past year, focussing on gender, ethnicity and social mobility. Companies can take action now, or wait until they are told.
4. There is no silver bullet to improving gender balance. The first step for every company is to work out why improving diversity is important and beneficial to their business (what they do), strategy (how they do it), and purpose (why they do it).
5. The numbers don't tell the whole story, but without them there is no story. All organisations need to measure and record female participation throughout the pipeline and analyse that data to identify both problems and potential solutions.
6. Diversity targets, be they mandatory or voluntary, achievable or aspirational, remain controversial .Yet companies set financial targets every day. Without targets, diversity remains an add-on rather than a business imperative tied to company strategy.
7. Board and exco targets need not be as frightening as they first appear. Both boards and excos are small, so a few well-chosen appointments can rapidly alter their composition and normalise the presence and contribution of women in the most senior management positions.
8. Elevating high-profile support functions to executive committees is a short cut to raising female representation on excos. This would not address the underlying challenge of increasing the number of senior women in frontline business roles, but it represents a strong signal of intent.
9. Our data shows women tend not to hold the frontline revenue-generating jobs that win board and exco seats. Companies can play an active role in encouraging women into business-leading positions, as well as widening their criteria of the skills they want a board or exco member to bring to the table.
10. The capital markets sector would benefit from more open discussions and greater collaboration between peers and sectors – to share data, face up to common challenges, identify best practice, examine what does or doesn't work and move towards new industry standards. Certain issues are too important to be kept under wraps out of ignorance, embarrassment or to serve competitive advantage – diversity is one of them.