

ANNUAL REPORT 2016



**Let's pretend
the financial crisis
never happened**



Finance Watch

Making finance serve society

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MAKING FINANCE SERVE SOCIETY

Finance Watch
advocates public interest
outcomes in European
financial policy and regulation.

We build the capacity of civil society
to represent the views of citizens and
financial services end-users.

Our goal is to have a sustainable
banking and financial system
built around investing
not betting.

Finance Watch is a European, not-for-profit
association of civil society Members, dedicated to
making finance work for the good of society.

**Our association works for a financial
system that allocates capital to productive
use through fair and open markets, in a
transparent and sustainable manner without
exploiting or endangering society at large.**

Finance Watch's Members include **45 European civil
society organisations** and **23 expert individuals**
from 12 different EU member states. Our Members
represent millions of citizens from all over Europe.

More than **30,000 members of the general public** follow
or support our work directly.

Finance Watch has a professional secretariat recruited
mainly from the financial and related sectors to conduct
advocacy and provide technical know-how and
coordination for our civil society network.

We are **independently funded** by charitable foundations,
public grants, membership fees and donations from the
general public. Finance Watch is completely independent
from the financial industry and from political parties.

Finance Watch works mainly at the European level and
from time to time at national level within Europe. Our head
office is in Rue d'Arlon, Brussels, close to the EU legislative
institutions.

Finance Watch was registered as an Association
Internationale Sans But Lucratif (international non-profit
association) under Belgian law on 28 April 2011.



**Please visit our website for a full history of
our association.**





LETTER FROM RAINER LENZ, CHAIR OF FINANCE WATCH

The year 2017 started with moves to bail-out Italian banks with taxpayers' money. But hadn't politicians promised after the financial crisis that the times of privatising profits and socializing losses in the European banking sector were over?

This is a crucial time for Finance Watch's mission: memories of the crisis are fading, the financial lobby is getting more assertive, regulators are more sympathetic to industry. **The imbalance of lobbying between big business and citizens is worsening.**

These are serious challenges for our work as public interest advocates. But the Finance Watch team and our civil society network are working harder than ever, as the long list of outputs in this report shows.

Our association is seeing renewed interest from funders, and EU institutions have agreed to renew our funding for four years. This is a validation of Finance Watch's work and reflects strong support for **a robust, plural debate that represents all interests**.

Finance Watch is also evolving as an organisation. In the last year we have gained six new Members, a new Board, a new Acting Secretary General, a more cost-effective structure, a more proactive agenda, and exciting plans to engage more with the general public.

If you are a Finance Watch supporter already, thank you for your company over the past year. We have exciting plans for 2017.

If you are finding out about us for the first time, welcome! Please join us in our mission to make finance serve society. You will be in good company: more than 30,000 members of the public support us in one way or another.

It is clear by now that we cannot expect the financial industry, for all its good intentions, to reform itself. But we know that **'people power' is the magic ingredient** to help policymakers restore social purpose to our financial system.

There are lots of ways to get involved. You can subscribe to our emails, support our fundraising, become a Member, even work for us...

I look forward to working with you, in one way or another, in the coming year.

With kind regards

Rainer Lenz

On behalf of the Board of Directors



LETTER FROM BENOÎT LALLEMAND, ACTING SECRETARY GENERAL

I am pleased to present our Annual Report to stakeholders, which describes the work and outputs of our association over the past year.

As an overall theme in 2016, we noticed a greater emphasis in the regulatory environment on short-term growth, and less emphasis on measures to improve long-term financial stability and bringing finance back to productive, sustainable investments.

Against this worrying backdrop, the Finance Watch team focused on delivering a number of key messages, which are expanded in the pages that follow. In brief, they are:



Bail-in won't end too-big-to-fail banking. | Internal models are an unreliable tool to assess bank capital. | Bank structure reform and leverage controls can protect taxpayers in future crises. | The public interest is not properly represented in bank governance. | Securitisation could create systemic dangers. | Only strong position limits can curb food speculation. | Financial education is no panacea: consumers need product rules to protect them from bad financial products. | EU lobbying rules still favour corporate interests and need further reform.



After the political shocks of the last year, policymakers are listening more carefully to citizens. They know that another financial crisis in Europe could increase political extremism.

The recent creation of a High Level Expert Group on Sustainable Finance is therefore an encouraging example of the Commission responding to civil society's concerns.

But much deeper reforms are needed before we can say that the financial system is truly serving society's urgent needs and that citizens are safe from the threats of financial crisis.

In 2016, the Finance Watch team was active in dozens of forums and events, including 18 technical interventions, 165 journalist interactions, 47 Members' Update emails, and 131 lobby meetings.

We will continue this work in 2017 and we plan to be increasingly pro-active in proposing ideas towards the kind of financial system that citizens want and deserve.

Kind regards
Benoît Lallemand

A paper presented at the European Commission's conference on "The Post-Crisis Slump" in October 2015 concluded that "On average, extreme right-wing parties increase their vote share by 30% after a financial crisis." Examples cited include the Italian banking crisis in the early 1920s, which tripled Mussolini's share of the vote to 65%; the financial crisis in Germany in the early 1930s when the Nazis became the largest party in Germany; and the 2007-08 global crisis, after which far-right and right-wing populist parties more than doubled their vote share in France, the UK, Sweden, Finland, the Netherlands, Portugal and Japan.

> Politics in the Slump: Polarization and Extremism after Financial Crises, 1870-2014, Funke M., Schularick M., Trebesch C., 2015

OUR YEAR IN NUMBERS



7 CONSULTATION RESPONSES

5 PUBLIC HEARINGS

5 POLICY BRIEFS AND REPORTS

17 OP-EDS AND OPEN LETTERS

2 CONFERENCES

131 LOBBY MEETINGS

13 PRESS RELEASES

118 ITEMS OF UNIQUE PRESS COVERAGE

17 BLOGS AND GUEST BLOGS

1 PEDAGOGICAL UNIT ON BANK CAPITAL

47 MEMBERS' UPDATES EMAILS

11,511 FRIENDS (UP 19%)

7,603 TWITTER FOLLOWERS (UP 16%)

20,158 FACEBOOK FOLLOWERS (UP 11%)



OUR MEMBERSHIP

At the heart of our work is Finance Watch's network of civil society organisations and expert individuals.

Our Members:

- > coordinate their responses to financial policy and regulation issues through working groups hosted by Finance Watch;
- > help to shape Finance Watch's work programme of research, advocacy and communications at the twice-yearly General Assembly of Members.

Working together helps us to amplify the voice of civil society so that it is not drowned out by special interests in the financial sector.

“BEUC, the European Consumer Organisation, regularly teams up with Finance Watch to provide a counterweight to the tremendous lobbying activity of financial institutions so that EU decision-making is balanced. Finance Watch is a key partner in promoting a safe and sustainable financial system that delivers to all citizens.”

**Monique Goyens,
Director General of
BEUC**

BECOME A MEMBER!

Civil society organisations and individuals with relevant professional expertise can apply to become Members of Finance Watch.

Members are expected to participate in the association's governance and activities.

There are **substantial benefits** to Membership. As a Member of Finance Watch you can maximise your impact by:

- > working with civil society groups around Europe to help reform the financial system and its regulation,
- > accessing technical and advocacy support in European financial policy and regulation,
- > attending Finance Watch events, and
- > shaping Finance Watch's governance and strategic direction.

There is no joining fee. Annual membership currently costs EUR 1,000 for civil society organisations and EUR 80 for expert individuals. Applications are made via the website and are vetted by the Committee of Transparency and Independence for conflicts of interest. We welcome applications from civil society organisations and expert individuals in all European countries and beyond, representing a wide range of civil society interests.

WHAT WE DO

Finance Watch's day-to-day work involves helping civil society to engage in the financial reform debate, as well as conducting our own advocacy and research. Our core activities are:

POLICY ANALYSIS



writing technical briefings, position papers, and consultation responses

PUBLIC AFFAIRS



advocacy by meeting policymakers, hosting and speaking at events

COMMUNICATIONS



engaging the public online, at public events, and in the press

COORDINATION



helping civil society to engage in financial reform by sharing technical materials, advocacy advice, and hosting working groups and events

“ The threat of debt-fuelled financial chaos engulfing Europe again has not diminished. Finance Watch has played a crucial role in helping us understand the risks and identify the remedies. I greatly admire their work.

John Christensen | Director, Tax Justice Network

STABILITY

Making the financial system safer

Cumulative output losses in the EU from the crisis are estimated at €1.86 trillion from 2007 to 2014, based on OECD figures. Public debt in OECD countries increased from 73.5% of GDP in 2007 to 108% in 2013. Unemployment in the Eurozone nearly doubled from 7% before the crisis to 12% in 2013, taking jobless numbers above 20 million.

> Sources: Citizens' Dashboard of Finance, OECD Economic Outlook 2009, Vol. 1, p.55; OECD Economic Outlook 2011, Vol. 2, p. 35, Eurostat



We need a safe and stable financial system. The boom and bust of the last financial crisis cost European citizens nearly EUR 2 trillion in lost economic output and a legacy of high public debt and unemployment.

Only a reformed financial system can avoid a repeat of this economic and social disaster, and a worsening of the political extremism that is following in its wake.

Finance Watch has been calling for reforms to fix problems that existed before the financial crisis – such as too-big-to-fail banking – and potential new problems, such as financial system fragilities linked to bail-in or the revival of securitisation.

We listed some of these reforms in our response to the Commission's August 2016 **consultation on the EU's Macro-prudential Policy**, and at a public hearing on 7 November 2016, including:

- a stronger role for the European Systemic Risk Board;
- ways to stop bank 'bail-in' from destabilising the wider financial system;
- a higher, binding leverage ratio;
- curbs on collateral use;
- bank structure reform.

Similar issues came up earlier in the year when the Commission agreed to a long-standing request of the financial lobby and launched a **"Call for Evidence on the EU regulatory framework for financial services – understanding the interactions and cumulative impact of legislation"**.

The Call for Evidence asked for feedback on unnecessary regulatory burdens, inconsistencies, and unintended consequences of financial regulation, among other things. It opened the door for those questioning the need for regulation, as the summary of consultation responses showed - the large majority of the 288 responses submitted were from industry, many arguing for deregulation.



STABILITY - Making the financial system safer



Finance Watch and some of our Members were among the handful of civil society respondents. In our submission on 1 February 2016 and in a public hearing on 17 May 2016, we argued that:

- it is too soon to review regulation that has not been fully implemented,
- the financial crisis was caused by too little regulation, not too much, and
- there is no trade-off between economic growth and financial stability.

Finance Watch viewpoint

‘**Bail-in**’ is meant to protect taxpayers from paying for bank ‘bail-outs’ by forcing the creditors of a failing bank to take losses. But if those creditors include retail investors or firms that are highly interconnected with the financial system then governments might worry that **bail-in would trigger a panic across the whole financial system**. In the heat of a crisis, governments might find the safest option is to bypass the new bail-in rules and use public money instead, as did nearly all the governments affected by the financial crisis in 2007 and 2008.

At Finance Watch, we have been saying since the EU’s Banking Union was first proposed that a **bank resolution framework will only be credible in the EU if these systemic aspects are addressed first**, to avoid the bail-in mechanism becoming ‘jammed’ just when it is most needed. In practical terms this requires an ex ante separation of large banks’ commercial and investment banking activities, and significantly higher capital, among other things.

Our 2016 work on the problem of bank ‘bail-in’ destabilising the wider financial system included a webinar and press release drawing on our March 2016 policy brief, “[TLAC/MREL: Making failure possible?](#)”.

This was also a theme in our public conference “[Between a Rock and a Hard Place – The Future of Traditional Banking](#)” on 1 June 2016, at which keynote speakers Sir Paul Tucker and Avinash Persaud called for tougher bail-in rules and higher bank capital.

See “[Europe’s banking trilemma](#)”, Finance Watch report on Banking Union and bank structure reform, 5 September 2013; and “[Should precautionary recapitalisations make taxpayers nervous?](#)”, Finance Watch Policy Brief, 8 October 2014

“ In the halls of power, the only industry more influential than the defense industry is banking. Importantly, conscientiously and thoughtfully, Finance Watch has been the countervailing force trying to make finance more the servant of society and less its master.”

Avinash Persaud, Emeritus Professor of Gresham College, UK

Finance Watch
Making finance serve society

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We have since engaged with the Commission, the Single Resolution Board and MEPs, and published two more comment papers: on 19 July 2016 on the inadequacies of the rules on bank bail-in and recapitalisation; and on 1 September 2016 on the EBA's Interim Report about the MREL Framework.

Despite these concerns, the pressure from some member states and the banking lobby not to tighten the bail-in regime has been unflagging. Whether the Italian government's "precautionary recapitalisation" of Monte dei Paschi di Siena in early 2017 – the first real test of the bail-in regime – will alter this remains to be seen.

With trust in banks still low, policymakers are paying attention to the Commission's November 2015 proposal for a **European Single Deposit Insurance Scheme (EDIS)**, a part of the Banking Union project. After assessing the EDIS proposal, we answered ad hoc requests from MEPs, civil society and journalists, and spoke at events in Brussels and Bratislava to explain why we think EDIS would be useful but insufficient to restore trust in banks without further reforms.

One of the most helpful reforms for restoring trust would be **Bank Structure Reform** to separate the funding of large banks' commercial and investment banking activities. Unfortunately, despite high levels of public support, this proposal has been bogged down by banks and some politicians; we continue to monitor developments.

On **bank capital**, regulators have proposed to limit banks' use of 'internal models' to assess their own capital requirements. Internal models are a form of self-regulation that contributed to the dangerous build-up of leverage and miss-pricing of risk before the crisis. We submitted two consultation responses to the Basel committee, on "[Reducing variation in credit risk-weighted assets](#)" on 24 June and on "[Revisions to the Basel III leverage ratio framework](#)" on 19 July 2016.

We also published a technical brief on the Fundamental Review of the Trading Book proposal on 9 November 2016, entitled "[Curbing subjectivity](#)", which explains how reliance on internal models can damage financial stability and the resilience of the global banking system. The Secretary General of the Basel Committee, William Coen, passed a similar message to MEPs at an ECON hearing on 12 October 2016.

Regardless of this, the Commission appears to be siding with the bank lobby and in November released a weak revision of the CRD IV package and the Bank Recovery and Resolution Directive. In a press release, we noted the technical flaws in this revision and criticised the Commission's apparently overriding concern with improving the competitiveness of EU banks vis à vis overseas rivals.

We published the fourth of our "**Understanding Finance**" units, which aim to demystify financial jargon and debunk false lobby arguments. The unit looks at the lobbying against higher bank capital standards under the title "[The return of the myth](#)".



Finance Watch position paper on the European Commission's long term financing initiative, focussing on securitisation and securities financing "**A missed opportunity to revive "boring" finance?**", December 2014



The Commission's wide-ranging Capital Markets Union (CMU) programme contains many useful ideas, but one initiative has the potential to harm financial stability: the revival of **securitisation**. This is the technique of "slicing and dicing" loans that was at the heart of the financial crisis. The CMU initiative would allow firms dealing in so-called simple, transparent and standardised securitisations, or "STS securitisations", to post less capital against future losses. It has been pushed hard by the banking lobby and has become the Commission's first priority in delivering the CMU.

But as we argued in a detailed paper in late 2014, if STS securitisation is not done with great care, it could create significant problems for financial stability. We have therefore engaged widely with MEPs and Commission officials over the last two years, as well as industry and academics, to raise the alarm.

As this is a rather technical file that could easily become an insider debate dominated by bank lobbyists, Finance Watch engaged with academics and invited civil society organisations to join our Call for Action on this important topic.

These actions led to a broad range of voices from outside the industry lobby calling on policymakers to ensure that STS securitisation integrates the lessons from the financial crisis (see box on next page).

Even if these fixes are made, the behaviour of banks and the history of the securitisation market suggest that STS securitisation is unlikely to bring much new funding for businesses and jobs, but highly likely to create real estate and other asset bubbles, and make the financial system more fragile.

In Finance Watch's view, instead of a regulatory giveaway to certain banks and financial firms, the EU should focus on reforms to boost productivity and demand, such as promoting smaller banks that prioritise SME lending.

Finance Watch speakers delivered this message at a Parliament hearing at ECON on 13 June 2016 and other events, including at the European Economic and Social Committee, the Commission, the EBA, a FESSUD event in the European Parliament, and various industry and civil society conferences throughout the year.

We coordinated with our Membership to lobby MEPs for amendments to the STS securitisation reports. MEPs spent weeks debating our key points, with strong support in some quarters for higher "skin in the game" and curbs on synthetic securitization. The outcome of this legislative process should become clearer in 2017, although progress is being complicated by the UK's upcoming Brexit talks.





Frédéric Hache,
Head of Policy Analysis at
Finance Watch

Finance Watch viewpoint

Securitisation – lessons from the crisis

Securitisation was the mechanism by which “subprime loans” granted in the US turned into a global financial and economic crisis. The theory was that spreading risks throughout the financial system would make the system safer. But the opposite was true. The financial system was – and still is – highly interconnected, which is why problems in sub-prime securitisation were able to set off a global domino effect and spread losses far and wide through the financial system.

For “STS securitisation” to be safe today, several lessons need to be learnt and integrated into the STS framework:

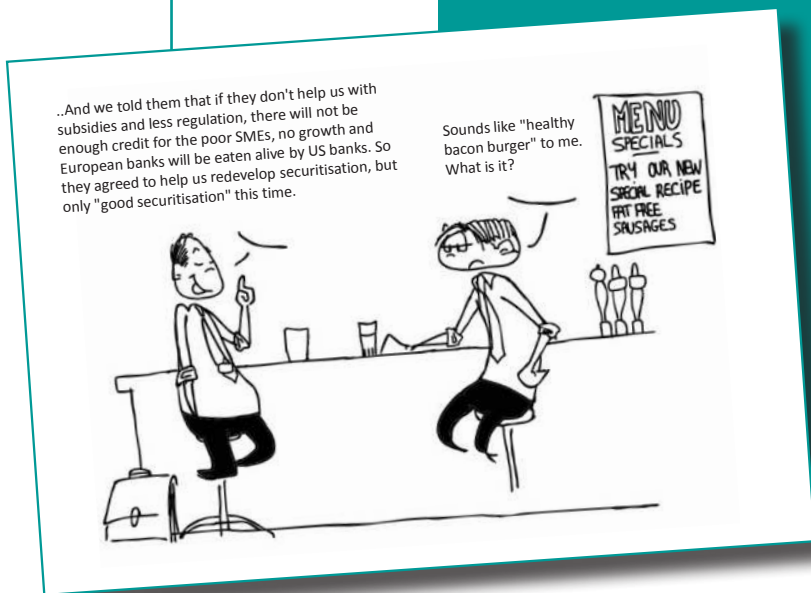
Tranching must not be allowed in the definition of Simple, Transparent and Standardised securitisation. Tranching is the ‘slicing and dicing’ process in which loans are pooled and recombined into assets with different risk profiles. Tranching makes it extremely hard to assess the risk of a securitised asset properly; it is definitely not simple and transparent.

Synthetics must not be allowed in the definition of Simple, Transparent and Standardised securitisation. ‘Synthetics’ are securitisations made up of financial derivatives, such as credit default swaps. They do not finance anything and they can be used (or abused) to multiply the bets on a specific loan, greatly amplifying any losses.

The risk retention requirement should be raised to 20%.

One of the main lessons from the crisis is that banks did not care enough about whom they lent to, because they knew they could always sell the loan via a securitisation. To ensure that they have “skin in the game”, banks must keep a slice of the assets they create. But the proposed risk retention requirement of 5% is too small to cure the conflict of interest; it should be significantly higher so that banks have the right incentive.

To read more, visit the dossier page for securitisation on our website.



SERVING SOCIETY

Making finance serve society

Banking affects our lives in all kinds of ways, yet the public has little or no say over how most banks are run. We rely on private banks to deliver important public goods without public accountability for them, and then hope for the best. It hasn't worked very well.

To see how this situation could be improved so that banks really serve the needs of society, Finance Watch conducted a two year collaborative research programme, sponsored by the Hans-Böckler-Stiftung.

The study invited contributions from civil society and academics in a series of eight workshops in four different countries. It resulted in a report on the **“Representation of public interest in banking”**, which was launched at a public conference in Brussels on 7 December 2016 and supported by a series of blogs and guest articles during the two years of the project.

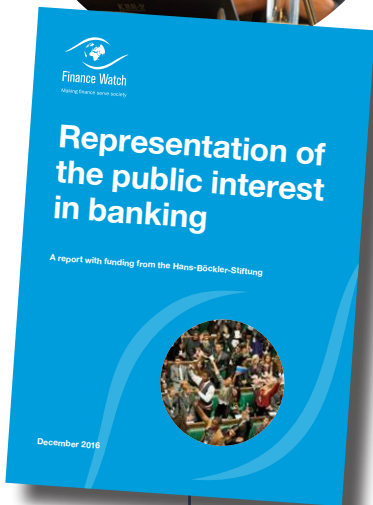
The report tells the story of how a narrow interest group – the managers of some large banks – have extended their grip on economic and political power, and reduced the influence of the people most affected by their actions: customers, employees, investors and, above all, citizens.

With political populism on the rise, the fact that some banks have become so dominant relative to other stakeholders is worrying.

The report recommends measures to address this and to improve public interest representation in banking more generally, such as:

- > helping civil society to participate more in the regulation and governance of too-big-to-fail banks, and
- > encouraging banking models with a public interest mandate, among other things.

This work also forms part of Finance Watch's contribution to the EU-funded **ENLIGHTEN** project ('European Legitimacy in Governing through Hard Times: the role of European Networks') together with seven other civil society and academic partners. This three year project, which runs to 2018, uses expert networks to examine how well the EU responds to crises, for example in banking, public services, youth employment and inclusive growth. Finance Watch staff attended conferences, workshops and steering committee meetings in Brussels, Boston and Copenhagen.



Finance Watch viewpoint

Private banks affect the public interest deeply, for example by assuming the sovereign power to create money, which makes it essential that we can regulate banks and reform them to fit society's needs. By the same logic, the too-big-to-fail status of certain banks justifies the presence of public interest representatives in their governance, a role conspicuously absent in today's larger banks.



In the financial markets, we continued battling against excessive speculation in **commodity derivatives**, known to many as food speculation. The EU's creation of a "position limits regime" in 2014 against heavy lobbying from the financial industry was a big achievement for civil society. If calibrated properly, position limits ought to reduce excessive volatility in food prices, which has pushed millions into poverty and hunger.

But the financial lobby does not give up easily. After various consultations and hearings, the Level 2 technical standards drafted in 2015 by the European Securities and Markets Authority (ESMA), which calibrate the position limits, ended up being almost laughably weak, to the extent that they could not deliver the legislators' primary objectives.

Finance Watch staff met with Commissioners and MEPs throughout the year to lobby for a tighter calibration and helped coordinate a civil society campaign to put pressure on the Commission and Parliament for a redraft.

This resulted in the Commission sending back the flawed technical standards for redrafting, a step we welcomed in a [press release on 18 March 2016](#).

However, when the redrafted standards were published on 1 December 2016 they were still too weak, and we issued a press release asking MEPs to formally reject them.

More than 300 MEPs did exactly that but it was not enough; the RTS were approved in a tight plenary vote on 15 February 2017 and the EU's position limits regime will apply, despite its shortcomings, from January 2018.



“ We need a financial sector in Europe that is sustainable, where people know where their savings are invested and where money flows to the companies and projects that deliver prosperity in the long-term. Delivering this is a shared responsibility of policy-makers, business and civil society and Finance Watch plays a valuable role in creating the necessary debate about the rules we need in place to ensure finance ultimately benefits consumers and society.”

Marte Borhaug, Head of European Public Policy, Aviva Investors



“Our vision is one of a resilient economy that provides a better quality of life for all within the ecological limits of the planet. Our mission is to accelerate the transition to a new green economy.”



On **sustainability**, Finance Watch has started to build in-house expertise, following our green finance event in Paris in November 2015 around the COP21 meeting. In June 2016 Finance Watch became a member of the **Green Economy Coalition**, a global network of civil society groups, research institutes, UN organisations and businesses, which is helping our association to be more pro-active in debates around financial reform and sustainable development.

In July 2016, we presented the **Citizens' Dashboard of Finance** at the GEC's annual gathering in London, and have since worked with GEC partners, including UNEP, on ways to measure the financial system's progress in providing green finance.



The Dashboard also plays a crucial role in the HORIZON 2020 **“DOLFINS - Distributed Global Financial Systems for Society”** project, helping to create awareness of the role that finance plays in society and improving citizens' participation in the financial policy process.

The Commission is now becoming more interested in sustainable finance, having launched its CMU programme in 2015 without any reference to sustainability, the environment or climate change.

In protest against this omission, a broad coalition of civil society groups including Finance Watch organised an event in the European Parliament on 15 June 2016, which looked at land grabbing and climate change, and discussed ways to align the CMU agenda with the EU's broader sustainability commitments.

“The Expert Group report has the potential to make a landmark contribution to shaping European policy. The finance sector has a critical role to play in re-orienting capital towards more sustainable technologies and uses, and financing Europe's energy transition needs.”

Commissioner J. Katainen



The Commission responded positively to this pressure, launching in December 2016 a **“High-Level Expert Group on sustainable finance”** as part of its Capital Markets Union strategy. The expert group includes six civil society representatives (including Finance Watch Member Myriam Vander Stichele of SOMO and Pascal Canfin, the French Green former MEP who helped to create Finance Watch), two academics, and 12 financial sectors representatives. It should report by the end of 2017.

“We are committed to promoting sustainable finance in Europe.”

Commissioner V. Dombrovskis



Towards the end of 2016, Finance Watch joined a working group on Reform of the International Financial System, supported by the **‘Civil 20’ or ‘C20’**, an umbrella organisation for civil society organisations to influence the G20 agenda. The working group drafted recommendations on financial regulation, debt, sustainable finance, tax and corruption to present to G20 Sherpas ahead of the G20 summit in Hamburg in July 2017.

CONSUMERS

Bringing retail end-users better products and fair returns

Retail consumers need strong rules to protect them from harmful financial products and services. In finance, the asymmetries of information and knowledge between firms and consumers mean that even well-informed consumers may struggle to know if they are being sold a good product or a 'dud'.

The Commission published a **green paper on cross-border retail financial services** in December 2015. Its agenda has focussed on making it easier to sell across borders and increasing competition between providers.



Finance Watch viewpoint

While competition certainly helps, we do not think it can protect consumers on its own: by the time the marketplace has found out which are the 'dud' financial products it will be too late, in some cases many years and a lifetime of savings too late.

Nor can we rely solely on making consumers more financially literate, as some industry voices have suggested. Financial education is useful but consumers will never be able to keep up with the financial industry's innovations, or protect themselves against deliberate miss-selling.

Finance Watch has therefore urged the Commission to expand its agenda by improving consumer protection and promoting simple, suitable and comparable products through direct product rules. The aim should be to prevent harm before it occurs.

We also warned the Commission about new dangers arising when financial services are sold across borders, for example when people buy financial products online, or when they do not have proper redress if things go wrong.

Finance Watch greeted the Commission's green paper with a press release on 10 December 2015 and immediately set up a new Working Group for Members to coordinate civil society responses to the green paper consultation. We submitted [our response and spoke at a Commission public hearing in March 2016](#). We also wrote opinion pieces for the French and German press, met with MEPs, spoke at the Transatlantic Consumer Dialogue on 27 January 2016 and the ESBG Retail Banking Conference on 16 March 2016, and sent an [open letter](#) with BEUC and Better Finance to the new financial services Commissioner Valdis Dombrovskis, on 25 October 2016, calling for better product design, more independent financial advice and stronger enforcement.

By the end of 2016, Parliament had adopted its position on the green paper, calling for simpler and more comparable products – reflecting much of our message. Three months later, the Commission published its Consumer Financial Services Action Plan. We support most measures in it but hope to see new efforts to stabilise cross border lending through the cycle and to prevent the increased use of mobile devices from leading to less informed decisions.

CONSUMERS – Bringing retail end-users better products and fair returns



Also expected in 2017 are the Commission's proposals for a **Pan-European Personal Pension product**, or PEPP. In the consultation and public hearing in October 2016, we argued that if PEPPs are introduced they should be simple, clearly documented, low-risk and low-cost. We are now researching the consumer risks and benefits of PEPPs, their possible effects on financial stability, and in which ways the goal of privatising more of the EU's pension sector is in the public interest or against it.

The Commission's Review of the **Prospectus Directive** aims to give retail investors better information when they buy newly listed securities. Among the issues raised, Parliament now supports Finance Watch and consumer association BEUC's view that retail investors should have the right to receive summary prospectuses in their own language. Not all member states share this view, however, so this issue will have to be decided in dialogues in 2017.

Retail investors will have to wait an extra year for new protections under the Packaged Retail and Insurance-based Investment Products Regulation, or **PRIIPs**, after the Commission postponed implementation of the delegated acts until 2018 – some six years after the rules were first proposed. Before the postponement, we attended a joint ESA hearing in Frankfurt and responded to the Third ESA Joint Committee consultation in January 2016, building further support for the inclusion of a 'comprehension alert' to warn investors about the risks of complex investment products. We also met with MEPs and industry lobbyists on topics including the PRIIPs delay, the inclusion of past performance data in product information documents, and how to calibrate performance scenarios to show how the investment might perform over time.

Members of the Finance Watch team participated in several exchanges about "**Fintech**" consumer issues and we hosted a panel on the topic at our 1 June 2016 conference in Brussels.

We also spoke at events in Alpbach, Paris, Bratislava and Berlin and elsewhere on topics including financial education, inequality and access to financial services.



ADVOCACY – Counterbalancing the powerful lobby of the financial industry

The financial industry is conservatively estimated to spend more than €120 million per year on lobbying in Brussels alone, employing more than 1,700 lobbyists to influence EU law (“[The Firepower of the Financial Lobby](#)”, CEO, April 2014).

REFIT is the Commission’s regulatory fitness and performance programme, which aims to simplify EU law and reduce administrative burdens.

The financial industry lobby is famously well resourced, so it is important that the ‘rules of engagement’ for lobbying ensure a level playing field between those representing the public interest and those representing a corporate agenda.

The Commission recently overhauled these rules of engagement under its “**Better Regulation**” initiative. We were pleased that some of the recommendations from civil society groups, including the [Better Regulation Watchdog Network](#), which Finance Watch helped to create, made it into the Inter-Institutional Agreement on better law-making published in April 2016.

These included ways to mitigate the huge funding advantage of corporate lobbyists by, for example, reducing the frequency of impact assessments and making them more balanced. Together with the Better Regulation Watchdog Network, we continue to press for other improvements to the law-making process, such as safeguards against bias in official consultations

Finance Watch’s senior public affairs officer, Katarzyna Hanula-Bobbitt, was appointed to the stakeholder group of the new **REFIT Platform** in December 2015, where she is able to defend regulations that may have been incorrectly marked for deletion.

In September 2016, the REFIT stakeholder group began working its way through 160 submissions, including 19 in finance, to “lighten the load” of regulation (in some cases proposing to delete new rules before they have even been implemented!). The group’s opinions are being used in the Commission’s 2017 work programme.

To support this work, we met with Commissioner First Vice President Frans Timmermans on 22 April 2016 and published a series of blogs and press releases throughout the year.

Finance Watch’s then Secretary General, Christophe Nijdam, was appointed to the stakeholder groups of two supervisory authorities, the **European Banking Authority (EBA)** and the **European Securities and Markets Authority (ESMA)**, where he was able to help counter the industry lobby on a number of Level 2 issues. He attended two Joint Meetings of the stakeholder groups with the “Board of Supervisors” of EBA and ESMA, in addition to six stakeholder group meetings during the year.



ADVOCACY – Counterbalancing the powerful lobby of the financial industry



We have been monitoring developments in a number of other lobbying-related areas:

- After the **Brexit** vote in June 2016, there was a Parliamentary hearing for Latvian Commissioner Valdis Dombrovskis, who took over the financial services portfolio from outgoing UK Commissioner Jonathan Hill. We have been analysing for our Members the possible impacts of Brexit on financial services policy, as well as on Parliamentary and Council voting.
- The Commission proposed in September 2016 to make the **lobby register** “mandatory”, although it still doesn’t cover meetings with PermReps or Commission officials below Director level. President Juncker proposed to extend by six months the cooling off period before ex-Commissioners can take lobbying jobs in the private sector.
- Two **Own-initiative reports** in Parliament – one on the EU’s role in the framework of international financial, monetary and regulatory institutions and bodies (“Goulard INI”), and one on transparency, accountability and integrity in the EU institutions (“Giegold INI”) – showed that Finance Watch’s concerns about transparency registers and the representation of non-industry interests are being heard.
- On **trade**, we reduced our workload on TTIP during 2016 for resource reasons but were able to participate in civil society meetings in Brussels and Berlin to discuss the financial services angles of CETA and TiSA, as well as the G20 & International Finance.

“ Finance Watch is assuming an important role in bridging the financial world and civil society. I much appreciate their contribution.”

Hakan Lucius,
European Investment
Bank (Head of
Stakeholder
Engagement,
Transparency and
Civil Society Division)

CAPACITY BUILDING – Helping other civil society organisations to take part in the debate

Working with Members

- 7 Working Groups
- 47 Members' Update emails
- 68 Members

“ Finance Watch offers the rarest and most valuable of bridging capabilities, embedded in civil society whilst having the technical expertise to challenge the toughest in the world of finance.”

Simon Zadek, Co-Director of the UNEP Inquiry into the Design of a Sustainable Financial System

Finance Watch welcomed **six new Members** to the Finance Watch family in early 2016, four organisations and two individual members:

- the consumer group Consumentenbond in the Netherlands;
- trade unions Fisac CGIL and First Cisl from Italy;
- the young managers association CJD (Centre des Jeunes Dirigeants d'Entreprise) from France;
- Marta Götz from Poland, Associate Professor in Business and International Relations at Vistula University in Warsaw;
- Emmanouil Tzouvelekas from Greece, a PhD researcher in social finance and monetary innovation at the Panteion University in Athens.



Giulia Porino
Membership, Outreach
and Expertise Coordinator

Three Member organisations and six individual Members left during the year. Membership development was focused on Italy, the Netherlands and Poland, and the team continues to meet prospective new members and raise our profile, for example giving a keynote speech at a Polish conference on “Redefining economics – beyond the neoclassical approach” in May 2016.

Our core work of helping Members to participate in the financial reform debate continues via numerous daily interactions with the team, and frequent conference calls and video conferences of the **Member's Working Groups**, supported by 47 weekly “Members Update” emails. In 2016, the secretariat supported seven Members' Working Groups on: Banks, Sustainability, Retail financial services, MiFID, Capital Markets Union, TTIP and trade, and the Citizens' Dashboard of Finance.

Members use the network that Finance Watch provides to coordinate their advocacy and campaigning actions, and to sign on to Open Letters and other joint initiatives.

The communications team launched a Finance Watch mini-site in June 2016 to mark our association's fifth anniversary. The **mini-site** (www.finance-watch.org/for-citizens) explains Finance Watch's role and mission for a wider audience in five languages (English, French, German, Italian and Dutch).

Together with Members, the team developed a new **Strategic Plan for 2017-2019** to expand our association's reach and deliver a broader range of initiatives in line with our mission to make finance serve society.

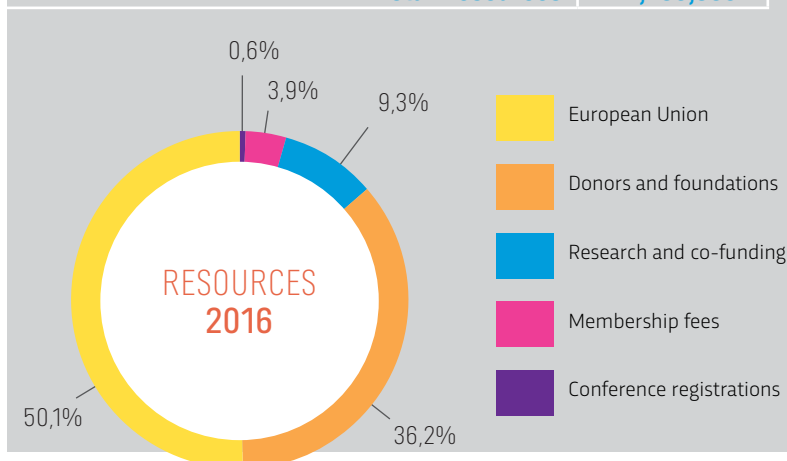
FINANCES AND FUNDING

The financial sector spends hundreds of millions of euros a year on lobbying in Brussels. It funds an army of lawyers, lobbyists, accountants and consultants to protect its profits.

Ordinary citizens can never match this, despite being on the hook for financial sector bail-outs, job losses and economic hardship when the financial sector lets society down.

Finance Watch is the only dedicated public interest advocacy group working on European financial regulation on behalf of citizens and operates on resources of less than €1.5m.

Resources 2016		in euros
Membership fees		57,224
Donors and foundations		527,076
Donations by private individuals		32,818
Adessium Foundation		116,393
Fondation pour le Progrès de l'Homme		60,000
Better Markets		100,149
Open Society Foundations New Executive Fund		50,255
Open Society Initiative for Europe (OSIFE)		99,893
Foundation to Promote Open Society		47,174
Groupe UP		5,000
French Senate		4,500
Schöpflin Stiftung		10,894
Conference registrations		8,351
Research and co-fundings		134,754
Hans-Böckler-Stiftung		114,288
3rd party funding **		14,726
Other Income		5,740
European Union		729,130
EU Grant (preparatory action)		619,253
DOLFINS (H2020) Consortium		87,612
ENLIGHTEN (H2020) Consortium		22,265
Total Resources		1,456,536



Our total resources for 2016 were € 1,456,536, down 4.8% (-€ 74,192) on 2015 (€ 1,530,728). New funding sources in the year included the French Senate, Schöpflin Stiftung, an additional programme from Open Society Foundations, and event 3rd party funding from Friedrich-Ebert-Stiftung. Donations by private individuals increased 11.2% to € 32,818 (€ 29,516) and membership fees increased by 39.9% to € 57,224 (€ 40,911).

Our total EU funding was € 729,130 or 50.1% of total resources in 2016 (58.8% in 2015), including the DOLFINS and ENLIGHTEN programmes and the main EU Grant for “Capacity building of end-users and other non-industry stakeholders for Union policymaking in the area of financial services” for the action “Representing the public interest in financial reform by engaging stakeholders outside of the mainstream financial industry”.

Our main objective is to deepen and diversify our funding base to make it sustainable and less dependent on a few important donors.

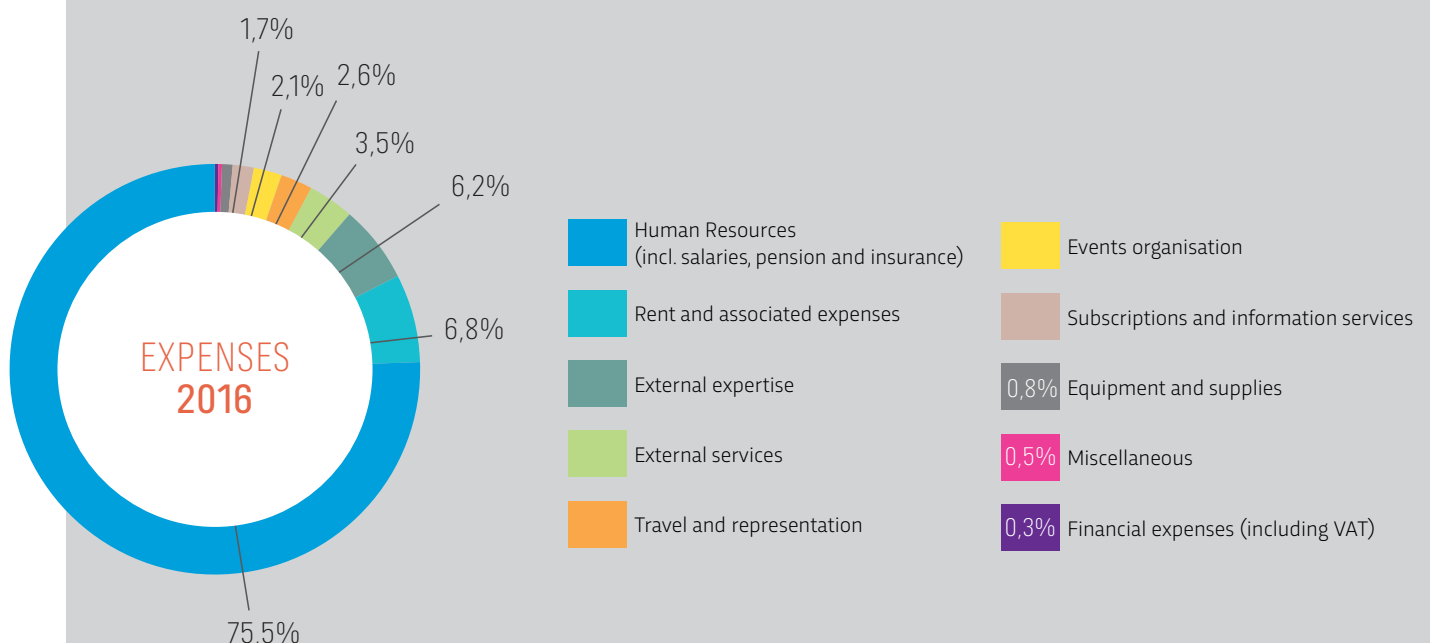
** Includes grants from Friedrich-Ebert-Stiftung and Heinrich-Böll-Stiftung

FINANCES AND FUNDING

An overall challenging funding landscape for NGOs has caused us to reduce spending over the past year. Total expenses in 2016 were € 1,637,734, down 10.5% (-€ 192,108) on 2015 (€ 1,829,842). The funding outlook for 2017 is now improving and we have reduced our overheads relative to last year. Staff and external expertise, the core inputs for Finance Watch's work, remain a high overall percentage of total expenses, at 75.5% and 6.2%.

The final operating result for 2016 was an accounting deficit of € 181,198. We have built our 2017 budget with the aim of addressing this deficit.

Expenses 2016		in euros
Human Resources (incl. salaries, pension and insurance)		1,235,947
Travel and representation		43,091
Equipment and supplies		12,680
Other costs and services		346,015
Rent and associated expenses		111,158
Subscriptions and information services		27,326
External expertise		102,351
External services		57,892
Events organisation		34,539
Financial expenses (including VAT)		5,115
Miscellaneous		7,635
Total Expenses		1,637,734



BOARD OF DIRECTORS

FINANCE WATCH'S BOARD COMPRISES SIX DIRECTORS ELECTED FROM THE MEMBERSHIP AND TWO EXTERNAL DIRECTORS. AS AT 31 DECEMBER 2016, THEY WERE:



PROFESSOR DR. RAINER LENZ (GERMAN, INDIVIDUAL MEMBER), CHAIR

Professor of finance at the University of Applied Sciences in Bielefeld, former investment banker and Economic Advisor at the Namibian Ministry of Finance.



MORTEN CLAUSEN (DANISH, ORGANISATIONAL MEMBER), DIRECTOR

Policy Officer for EU Financial Regulation. UNI Europa is the European federation for trade unions in the service and skills sectors



ANNE FILY (FRENCH, ORGANISATIONAL MEMBER), VICE-CHAIR

BEUC Special Advisor, representing FW Member organisation European Consumers' Organisation



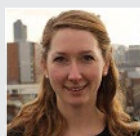
GRÉGOIRE NIAUDET (FRENCH, ORGANISATIONAL MEMBER), DIRECTOR

Specialist in financial matters, particularly in North/South relations, representing the international advocacy services of Secours Catholique.



MARC ROCHE (BELGIAN), EXTERNAL DIRECTOR

Author, financial journalist, former London correspondent for Le Monde.



FRAN BOAIT (BRITISH, ORGANISATIONAL MEMBER), INTERIM TREASURER

Executive Director of Positive Money, a UK-based NGO campaigning for a fair, democratic, and sustainable money and banking system



RAINER GEIGER (GERMAN, INDIVIDUAL MEMBER), DIRECTOR

Attorney-at-law, and senior adviser on issues of international economic law, investment, governance and development. He teaches international economic law at the University of Paris I, Pantheon-Sorbonne



PROFESSOR ERIC DE KEULENEER (BELGIAN), EXTERNAL DIRECTOR

Professor of economic regulation and banking at the Solvay School of the Université Libre de Bruxelles, former corporate and investment banker.

COMMITTEE OF TRANSPARENCY AND INDEPENDENCE

THE BOARD IS ADVISED ON MEMBERSHIP APPLICATIONS AND OTHER ISSUES BY AN EXTERNAL COMMITTEE OF TRANSPARENCY AND INDEPENDENCE TO ENSURE HIGH STANDARDS OF INDEPENDENCE AND TRANSPARENCY.



JÉRÔME CAZÈS (FRENCH), CHAIR

Chair of MyCercle, an online company information platform, former CEO of Coface, the credit insurer and French export credit guarantee provider, former member of the executive committee of Natixis



PROFESSOR ROBIN JARVIS (BRITISH)

Professor of Accounting at Brunel University, member of EC Financial Services User Group, member of the EBA Banking Stakeholder Group, chair of the EBA Standing Technical Working Group on Consumer Issues and Financial Innovation, Special Adviser to the UK's Association of Chartered Certified Accountants (ACCA)



MARIE-JEANNE PASQUETTE (FRENCH)

Lecturer in journalism in economics and finance at Pantheon-Sorbonne University, chair of Sphere Finance Publications, editor of minoritaires.com, former financial journalist, member of Institut Français des Administrateurs (IFA)

A full description of Finance Watch's governance arrangements can be found in the "About Us" section on our website.

LIST OF MEMBERS



Finance Watch

Making finance serve society

At the end of 2016, Finance Watch had 68 Members, including 45 organisations and 23 expert individuals. Members met at General Assemblies on 10 June 2016 and 13 December 2016.

Organisations

Belgium

- Centre national de coopération au développement (CNCD-11.11.11)
- Centrale Nationale des Employés (CNE)
- Réseau Financité

EU

- Austrian Federal Chamber of Labour - Brussels Office (AK Europa)
- Bureau Européen des Unions de Consommateurs (BEUC)
- European Trade Union Confederation (ETUC)
- Friends of the Earth Europe (FoEE)
- Housing Europe
- Oxfam International
- Rosa Luxemburg Foundation, Brussels Office
- Solidar
- Transparency International
- UNI Europa

France

- Attac France
- CCFD-Terre Solidaire
- Centre des Jeunes Dirigeants (CJD) (joined 2016)
- Collectif Roosevelt
- Confédération Générale du Travail (CGT)
- Fédération CFDT des Banques et Assurances
- Fédération Européenne des Cadres des Établissements de Crédit (FECEC)
- Fédération nationale de la finance et de la banque (FFB CFE-CGO)
- Institut Veblen pour les réformes économiques
- Secours Catholique-réseau mondial Caritas
- UNSA Banques et Assurances

Germany

- Deutscher Gewerkschaftsbund (DGB)
- Foodwatch
- Heinrich-Böll-Stiftung
- SÜDWIND e.V. – Institut für Ökonomie und Ökumene
- ver.di (Vereinte Dienstleistungsgewerkschaft)
- VZBV (Verbraucherzentrale Bundesverband)
- Weltwirtschaft Ökologie & Entwicklung (WEED)

Italy

- Federazione Autonoma Bancari Italiani (F.A.B.I.)
- First Cisl - Federazione Italiana Reti dei Servizi del Terziario (joined 2016)
- Fisac CGIL (joined 2016)
- Fondazione Culturale Responsabilita Etica (FCRE)
- Movimento Difesa del Cittadino (MDC)

Norway

- Norwegian Confederation of Trade Unions

Spain

- Fundacio Seira

Sweden

- Nordic Financial Unions (NFU)

Switzerland

- Observatoire de la Finance

The Netherlands

- Consumentenbond (joined 2016)
- Stichting Onderzoek Multinationale Ondernemingen (SOMO)

United Kingdom

- New Economics Foundation (NEF)
- Positive Money
- ShareAction

LIST OF MEMBERS



Expert Individuals

Belgium

- **Rym Ayadi**, Senior research analyst on financial institutions, financial services, financial markets and regulation
- **Robert Thys**, Retired Director of International Affairs at NYSE Euronext (Paris)

France

- **Christian Chavagneux**, Economist and journalist. Deputy-editor of “Alternatives économiques”
- **Gregori Colin**, Chief Economist at G-CEC
- **Rainer Geiger**, Retired Officer of the Cooperation Bonn Germany at OECD Paris
- **François-Marie Monnet**, Independent Family Wealth Surveillance
- **Dominique Perrut**, Researcher for financial economy at the University of Angers
- **Laurence Scialom**, Professor of Economics at the University Nanterre La Défense (Paris)

Germany

- **Stefan Calvi**, Consultant in procurement controlling and audit
- **Christian Kellermann**, Economist, Friedrich-Ebert Stiftung, Stockholm. Author
- **Rainer Lenz**, Professor of International Finance at the University of Applied Science in Bielefeld
- **Suleika Reiners**, Policy Officer for Future Finance at World Future Council
- **Harald Schumann**, Senior Reporter with “Der Tagesspiegel”. Author
- **Hans-Joachim Schwabe**, Retired Bank manager of Commerzbank

Greece

- **Emmanouil Tzouvelekas**, PhD researcher for social finance and monetary innovation at Panteion University (joined 2016)

Poland

- **Maria Aluchna**, Associate Professor of Management Theory, Warsaw School of Economics
- **Marta Götz**, Associate Professor at Vistula University (Warsaw), Department Business and International Relations (joined 2016)
- **Krzysztof Grabowski**, Corporate Governance Advisor at the Conference of Financial Companies in Poland, Member of the Academic Society of the Allerhand Institute

Switzerland

- **Bärbel Bohr**, Lecturer, Hochschule für Technik Rapperswil
- **Marc Chesney**, Professor of Finance, Swiss Banking Institute, University of Zurich. Author
- **Michel Santi**, Economist and financial markets specialist

UK

- **Stephany Griffith-Jones**, Research Associate Overseas Development Institute. Financial Markets Director, Initiative for Policy Dialogue, Columbia University (New York). Author
- **Thomas Lines**, Associate Lecturer, Goldsmiths, University of London, and Independent consultant



STAFF

The Membership is supported by a professional secretariat of 12 staff and consultants, based mostly in Brussels.



BENOÎT LALLEMAND,
ACTING SECRETARY
GENERAL (from January 2017)
Belgian, former clearing and
settlement banker
Responsible for the strategy,
operations, fundraising and
output of the Secretariat, EU
advisor to Better Markets



CHRISTIAN M. STIEFMÜLLER,
SENIOR POLICY ANALYST
Austrian, former investment
banker
Specialist in bank regulation



GIULIA PORINO,
MEMBERSHIP, OUTREACH
AND EXPERTISE
COORDINATOR
Italian, former microfinance
environmental risk researcher
Membership coordination and
outreach



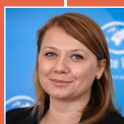
JOOST MULDER,
HEAD OF PUBLIC AFFAIRS
Dutch, former financial industry
lobbyist
Advocacy on securities markets
and retail issues



DUNCAN LINDO,
SENIOR POLICY ADVISOR
(CONSULTANT)
British, former investment
banker
Specialist in bank regulation
and governance



AYDA KAPLAN,
OFFICE MANAGER
Belgian, former academic
researcher
Office administration, executive
assistant to Secretary General



**KATARZYNA
HANULA-BOBBITT,**
SENIOR PUBLIC AFFAIRS
OFFICER
Polish, former financial
supervisor
Advocacy on banking issues
and capital markets



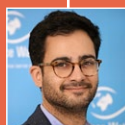
CHARLOTTE GEIGER,
COMMUNICATIONS OFFICER
German, PR and social media
expert
Press and Communications



ADRIAAN BAYER,
FINANCIAL OFFICER
Dutch, former investment fund
analyst
Finance and operations



FREDÉRIC HACHE,
HEAD OF POLICY ANALYSIS
French, former bank trader
Responsible for policy analysis
team, specialist in financial
markets, consumer protection,
and banks



REZA OPDEBEECK,
COMMUNICATIONS OFFICER
Belgian, former policy and
communications adviser at the
European Parliament
Press and Communications



GREG FORD,
SENIOR COMMUNICATIONS
ADVISOR (CONSULTANT)
British, former financial
journalist
Policy communications and
strategy

We said goodbye in 2016 to Rim Ben Dhaou, Aline Fares, Jessica Porcelli, and to former Secretary General, Christophe Nijdam.

The team was also supported in 2016 by interns Rafael Paiement, Nicola Plummer, and Tracey Keij-Denton.

Thank you for your hard work!



DOSSIERS

Finance Watch staff worked on the following legislative and policy dossiers in the course of 2016:

Consumer

- > Pan-European Personal Pension product (PEPP)
- > Green paper on retail financial services
- > Packaged Retail and Insurance-based Investment Products Regulation (PRIIPs)
- > Fintech

Banks

- > European Deposit Insurance Scheme (EDIS)
- > Bail-in (MREL/TLAC)
- > Bank Structure Reform
- > CRD/CRR review
- > BCBS consultations on internal model approaches, leverage ratio
- > Fundamental Review of the Trading Book
- > Representation of public interest in banking

Capital Markets Union

- > STS Securitisation
- > Review of the Prospectus Directive

Sustainable finance

- > MiFID Level 2 position limits on commodity derivatives
- > Climate and sustainable finance
- > C20/G20 2017 agenda
- > Citizens' Dashboard of Finance
- > ENLIGHTEN project
- > DOLFINS project

General

- > Call for evidence on the regulatory framework for financial services
- > Review of the EU Macro-prudential Policy Framework
- > EU's role in the framework of international financial, monetary and regulatory institutions and bodies
- > Transparency, accountability and integrity in the EU institutions
- > Corporate reporting and lobby transparency
- > Better Regulation
- > REFIT platform
- > Trade

ADVOCACY MEETINGS

Our public affairs staff attended 131 formal advocacy meetings in 2016 with policymakers, financial industry and civil society representatives.

Category	Includes	Meetings	% of total
Parliament	MEPs, European Parliament staff, National MPs and parties	62	47%
Council	PermRep in Brussels, EESC, ECOSOC, National ministries and supervisors	11	8%
Commission	European Commission, IOSCO, ESAs, BIS, G20	18	14%
Industry	Industry	26	20%
Civil society	NGOs, think tanks, student groups	14	11%
Total		131	

The table does not include informal exchanges and ad hoc encounters, or meetings between Finance Watch staff and Finance Watch Members.

PUBLICATIONS

Consultation	Third ESA Joint Committee's consultation on PRIIPs (Draft Regulatory Technical Standards)	29-Jan-16
Consultation	Commission call for evidence on the regulatory framework for financial services	01-Feb-16
Report	TLAC/MREL: Making failure possible?	01-Mar-16
Hearing	European Commission public hearing on the green paper on retail financial services	02-Mar-16
Consultation	EC consultation on the Green Paper on retail financial services	18-Mar-16
Hearing	European Commission public hearing on the Public hearing on the "Call for Evidence on the EU regulatory framework for financial services"	17-May-16
Hearing	European Parliament Public hearing on Securitisation	13-Jun-16
Consultation	BCBS consultation on Reducing variation in credit risk-weighted assets: constraints on the use of internal model approaches	24-Jun-16
Consultation	BCBS consultation on the "Revisions to the Basel III leverage ratio framework"	19-Jul-16
Report	Comments on the current debate regarding bank bail-in and recapitalisation	19-Jul-16
Report	Comments on the EBA's Interim Report on the Implementation and Design of the MREL Framework	01-Sep-16
Consultation	European Commission consultation on the "Review of the EU Macroprudential Policy Framework"	24-Oct-16
Hearing	European Commission Public hearing on Personal Pensions: towards a pan-European pension product?	24-Oct-16
Open letter	Open Letter from BEUC, Better Finance and Finance Watch to Commission Vice-President Valdis Dombrovskis on the Retail Financial Services Action Plan	25-Oct-16
Consultation	European Commission Public Consultation on a Potential EU Personal Pensions Framework	31-Oct-16
Hearing	European Commission Public hearing on the Review of the EU Macro-prudential framework	07-Nov-16
Report	Curbing subjectivity: A technical brief on the Fundamental Review of the Trading Book proposal	09-Nov-16
Report	Representation of the public interest in banking	05-Dec-16

Our research staff made 18 technical interventions in 2016, including seven consultation responses, five public hearings, one open letter and five reports and briefings.



COMMUNICATIONS

Our communications staff in 2016 produced:



17

EXTERNAL ARTICLES (OP-EDS) AND OPEN LETTERS

published in Le Monde, L'Echo, Le nouvel Economiste, Frankfurter Rundschau among others

1

MINI-WEBSITE

translated into 5 languages (English, French, German, Italian, Dutch) to serve as a shop window for a wider audience, offering a 'popular framing' of Finance Watch's mission

17

BLOG ARTICLES

on topics including financial education, shareholder value in banking, public interest representation, inequality and access to financial services, "Basel IV", green finance, retail financial products, Better Regulation

1

ONLINE EDUCATIONAL UNIT,

"Understanding Finance #4: Bank capital – the return of the myth"

2

PUBLIC CONFERENCES

"Between a rock and a hard place: The future of traditional banking", Brussels 1 June 2016
"Representation of public interest in banking", Brussels, 7 December 2016

11,511

FRIENDS (up 19% on the previous year)

7,603

TWITTERS FOLLOWERS (up 16%)

20,158

FACEBOOK FOLLOWERS (up 11%)

165

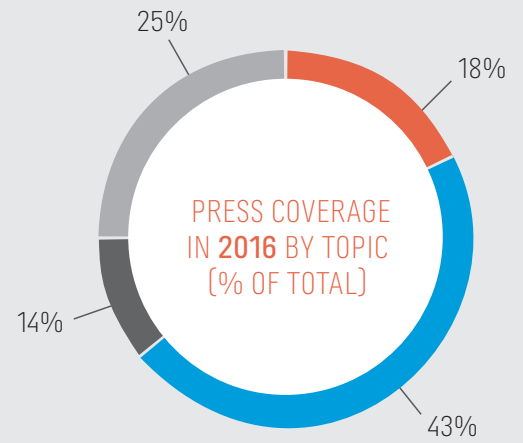
INTERACTIONS,

with journalists from 80 media outlets, including Bloomberg, Daily Mail, De Tijd, Der Spiegel, Financial Times, L'Echo, Le Temps, Politico, Reuters, The Wall Street Journal, WDR, YLE



135

ARTICLES AND BROADCASTS IN THE EUROPEAN MEDIA, including 118 unique items and 17 duplicates



- CMU and securitisation 18%
- Banking regulation 43%
- Finance Watch & Lobbying 14%
- Others (including retail, climate finance, ethics in finance, financial education) 19%

PRESS RELEASES

Finance Watch issued 13 press release in 2016, including ten on policy matters:

- > Glass half full – ECON reaches agreement on securitisation | 8 December 2016
- > Commission’s changes to MiFID position limits regime are not good enough | 1 December 2016
- > EU Banking Reform: The worrying “sotto voce” of the European Commission | 23 November 2016
- > Commission should present ambitious plans to help consumers navigate capital markets | 11 October 2016
- > Civil society groups welcome UNEP plans to measure green finance | 7 October 2016
- > Securitisation – the lessons from the crisis have not been learned | 14 June 2016
- > Flaws in regime for dealing with failing banks put EU economy at risk, say Sir Paul Tucker and Avinash D. Persaud | 1 June 2016
- > Finance Watch welcomes Commission decision to review MiFID II commodity position limit rules | 18 March 2016
- > Member States’ push-back threatens to undermine already fragile bank bail-in standards | 7 March 2016
- > Robust regulation is not an impediment for jobs and growth, consultation raises concerns, says Finance Watch | 1 February 2016



BFM Business, 2 February 2016
INTERVIEW ON PLANS FOR A CAPITAL MARKETS UNION



Profil, 20 June 2016
“TAUZIEHEN UM BANKENREGULIERUNG”

4 De l'entreprise au militantisme : rencontre avec les "lobbyistes des gentils"



L'OBS, 25 June 2016
DE L'ENTREPRISE AU MILITANTISME : RENCONTRE AVEC LES « LOBBYISTES DES GENTILS »

Thank you!

If you share our goal of making finance serve society then please consider becoming a donor, large or small, as every donation sends a strong signal of support.

You can also follow us online as a newsletter subscriber, and on Facebook and Twitter.

Our current institutional funders share two important beliefs:

- › policymakers must hear a plurality of voices to protect the common good,
- › finance is central to realising many of society's goals and aspirations, ranging from climate and development goals to justice and democracy, and many others.

If you represent a funding organisation and share these beliefs, please contact us to discuss your objectives and explore how supporting Finance Watch activities could help to achieve them.

Society cannot afford to let financial policy be dominated by special interests, just as citizens cannot afford another financial crisis.

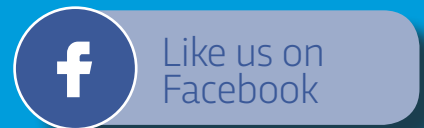
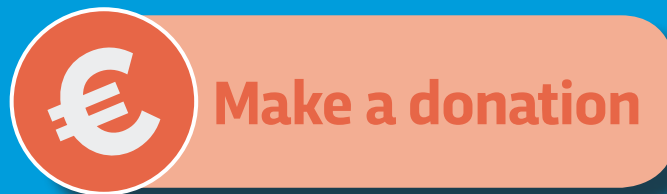
We are grateful to all our stakeholders – including the members of the public who supported our work in 2016, Members, funders and policymakers – **thank you** for continuing to support our work.

Finance Watch's independence and impact as a public interest advocate are only possible because of you!



SUPPORT US!

We need your support
to change finance



Finance Watch

Making finance serve society

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1040 Brussels

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contact@finance-watch.org
www.finance-watch.org