

ANNUAL REPORT 2017

# A STRONGER VOICE FOR PEOPLE AND PLANET



**Finance Watch**

Making finance serve society

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Finance Watch has received funding from the European Union to implement its work programme. There is no implied endorsement by the EU or the European Commission of Finance Watch's work, which remains the sole responsibility of Finance Watch.

# 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, in line with society's needs and without exploiting or endangering society at large.**

Finance Watch's Members include **42 European civil society organisations**, who themselves represent millions of citizens from all over Europe, and **29 expert individuals**.

More than **35,000 members of the general public** follow or support our work directly.

Finance Watch has a professional secretariat recruited mainly from the financial and policy sectors, with strong communications and stakeholder engagement capacities, 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.

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.**



A circular portrait of Rainer Lenz, a middle-aged man with dark hair, wearing a dark suit jacket over a light blue shirt. He is smiling slightly and looking towards the camera. The background of the portrait is a light blue gradient with a faint globe and the word "Finance" visible.

2017

## A NEW STRATEGY – NEW SPIRIT!

### Letter from Rainer Lenz, Chair of the Board of Directors of Finance Watch

And it happened again! The year started with the bail-out of Italian banks, using a loophole to bypass the EU's "single resolution board". Such events show that Finance Watch is still needed, maybe more than ever.

This year, Finance Watch has a new strategy and a new spirit. We sense **a real thirst for the changes** that could help the financial system to become part of the solution to hot issues such as climate change, low productivity, inequality, and political extremism.

We are therefore looking for the first time at **deeper reform questions**, using new methods and reaching out to new people, while continuing our traditional work on financial regulation.

Our association made bold contributions in 2017 on topics that were missing from the post-crisis reform agenda, such as pension provision and sustainable finance, while thinking hard with our Members about the **questions of purpose and design in the financial system** that have not yet found their way into the official reform agenda, but need to.

We are now doing campaigns: as we are into the tenth anniversary of the crisis, Finance Watch is **working with civil society partners on campaign demands** for fundamental reforms to the financial system. Financial reform is a difficult subject to campaign on but we have increased our communications and campaigning capability to target more wide audience and non-expert citizens.

We are also playing our role as the main **civil society convener for financial reform** in Europe. Finance Watch hosted more than 200 civil society representatives at our Change Finance Forum in December 2017, and dozens of conference calls and meetings. Many of our delegates are now working on shared projects as our networks become more established and integrated.

The **secretariat has strengthened** its core competencies in financial regulation around consumer protection, banking and insurance, as well as in sustainable finance, communications and operations. A string of excellent new hires has nearly doubled the staff team to 14 people plus four consultants.

Under the guidance of Benoît Lallemand as Secretary General and Anne Fily as Executive Director, we have moved to a more efficient project-based working method, and reorganised our advocacy operations so that policy and communications experts work together through the life of a project.

These changes have been greatly helped by our **new funders**, including the MAVA Fondation pour la Nature, which like us believes in the importance of systems change in solving societal problems, from loss of biodiversity to ending too-big-to-fail banking. I am grateful to all our funders, and to Hans Wolters and Wouter de Jongh at ODS for their help with organizational development and strategic advice.

Whether you are a Member, funder, supporter, policymaker, staff or other stakeholder, I would like to **thank you for your support over the past year**. As we survey the list of problems that the financial system could help to solve (including some of its own making) it is clear there is much still to do!

**With kind regards**

**Rainer Lenz**

**On behalf of the Board of Directors**



## LETTER FROM BENOÎT LALLEMAND, SECRETARY GENERAL

In 2017 we have successfully launched “**Finance Watch 2.0**”, with a renewed team and an ambitious roadmap to deliver on our strategic goals. Below you can read how we have started to deliver. In 2018 you will see our new organization in full force!

All the outputs under Finance Watch’s core work programme for 2017 were delivered alongside the organisational changes described in Rainer’s letter.

The **Research and Advocacy team** (previously the Public Affairs team and the Policy Analysis team) responded to consultations on European Supervisory Authorities, FinTech, Sustainable Finance, suitability requirements guidelines under MiFID II, secondary markets for NPLs, motor insurance, and transparency and fees in cross-border transactions. The team also issued reports and policy briefings on sustainable finance, the Banking Package, pensions, and corporate bonds, and provided input to the Commission on the Brexit negotiations.

We have started **evaluating the post-crisis financial reform**, hosting a webinar on the achievements and missing pieces from the post-crisis banking regulation, work that we will continue in 2018. Our advocacy staff had contacts with MEPs, Commission officials, supervisors and other policymakers, and spoke at public hearings and external conferences. We hosted two public conferences, on pensions and sustainable finance, and responded to more than 70 press enquiries.

The **Campaigns and Communications teams** organised five civil society and green finance workshops, two public conferences on pensions and sustainable finance, and a two-day Change Finance! Forum, as well as our usual newsletters and press work.

Our **Membership Coordination and Outreach** staff supported Working Groups for our Members on sustainable finance and FinTech, among other topics, as well as producing the detailed weekly email updates and two General Assemblies. We have teamed up with Members and other civil society partners to develop positions, assisted Finance Watch Members to apply for positions on expert groups and stakeholder groups, hosted a workshop on finance and inequality with Oxfam GB, and played our part in convening and establishing civil society networks on financial reform in Italy, Spain, the UK, Germany and France.

Our board approved **eight new Members** in the period, three in Germany and five in the UK, and the team carried out membership recruitment activities in Spain and Denmark, with more activities planned elsewhere.

**Kind regards**  
**Benoît Lallemand**

### The road to Finance Watch 2.0

As the debate about financial reform has moved from post-crisis regulation to a more fundamental rethinking of our financial system, so too has Finance Watch evolved.

The journey towards “Finance Watch 2.0” began in December 2016 with a round of Board elections and a new chair, and the appointment in January 2017 of Head of Strategic Development, Benoît Lallemand, as Secretary General.

Benoît engaged Organisational Development Support, a strategic consultancy for non-profit organisations, to help the team develop a new strategy and recruitment campaign.

After a busy summer of recruitment, four new colleagues joined the newly combined research and advocacy team: Mireille Martini and Nina Lazic focussing on sustainable finance, Paul Fox on consumer issues and insurance, and Rebecca Wood on retail finance and banking. The communications team appointed Shonan Kothari to lead on campaigns and Pablo Grandjean on digital communications. Samuel Bossart joined the outreach team as Network Coordinator, and former Finance Watch board director Anne Fily was appointed to the new role of Executive Director in January 2018.

Over the same time, the association confirmed significant new funding commitments from the MAVA Foundation and other funders, and confirmed eight new Members.

## OUR MEMBERSHIP

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

Our Members:

- > build together an ambitious vision for the future of the financial system and the related proactive reform agenda;
- > campaign as a coalition at national and international level to make that vision a reality;
- > coordinate their responses to financial policy and regulation issues through working groups hosted by Finance Watch;
- > for Full Members: help to shape Finance Watch's work programme of research, advocacy and communications at the twice-yearly General Assembly.

**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.**



### In late 2017, we introduced:

- > A new category of Associate Members: civil society organizations and expert individuals who work with us to make finance serve society but, unlike Full Members, do not take part in the governance of the association.
- > A committee of pioneers: practitioners in the fields of sustainable/ethical finance or business to contribute expertise and opinions. Pioneers are not Members of the association.

## BECOME A MEMBER!

**Civil society organisations and individuals with relevant expertise can apply to become Full or Associate Members of Finance Watch.**

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

- > working with civil society groups around Europe and beyond 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
- > for Full Members: shaping Finance Watch's governance and strategic direction.

There is no joining fee. Annual full membership currently costs EUR 1,000 for civil society organisations and EUR 80 for expert individuals. The fee for Associate Members is EUR 100 for civil society organisations and EUR 40 for individuals. Applications are made via the [website](#) and are vetted for conflicts of interest by the Committee of Transparency and Independence (Full Members) or the Board of Directors (Associate Members). We welcome applicants from all European countries and 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 and conducting our own advocacy and research. Through this, we provide technical advice to policymakers about legislation, and feedback about civil society priorities in reforming the financial system. Our core activities are:



## COORDINATION, OUTREACH AND CAMPAIGNING



building networks of civil society partners, individual experts and pioneering practitioners to engage on finance, convening and coordinating them to maximise impact, supporting them with technical materials and advice.

## RESEARCH



developing financial sector reform ideas and providing technical advice to policymakers, through reports, briefings, legislative analyses and consultation responses.

## ADVOCACY



promoting concepts and recommendations to policymakers through direct contacts, meetings and events.

## COMMUNICATIONS



engaging policymakers and the public through our online communications, hosting and speaking at public events, and in the press.

# STABILITY

## Making the financial system safer

**Financial stability reforms after the crisis did not fix the deep flaws in the banking system. Many banks are still too-big-to-fail and taxpayers are still liable for bank failures, as the bailouts in 2017 showed.**

So much for “never again”!

Of the four bank failures in the EU in 2017, only one avoided a bailout. Private investors took losses for Spain’s failing Banco Popular (costing them EUR 3.3bn) but in Italy the failures of three banks - Banca Popolare di Vicenza, Veneto Banca, and Monte dei Paschi di Siena - resulted in government bail-outs and guarantees of around EUR 20bn; equivalent to EUR 334 for every man, woman and child in the country.

These were not big banks and the bailouts happened in a calm year, in relative isolation. Conditions in future may not be so calm and some banks in the EU are up to 50 times bigger than the ones bailed out.



It seems likely that the EU’s new rules on bank failure would not cope with a big bank failure or a financial crisis. Nevertheless, policymakers are winding down the reform agenda in the EU, even as indicators of financial stress are flashing amber or red in some parts of the world.<sup>1</sup> In January 2018, the Davos crowd was told to prepare because “another global financial crisis could overwhelm political and policy responses”.<sup>2</sup>

The decision in October 2017 to abandon the Commission’s proposal on bank structure reform was particularly disappointing. The proposal had been based on a strong set of public interest objectives (see General provisions below) and could have gone a long way towards reducing the problem of too-big-to-fail banking.

### General provisions

#### Article 1

#### Objectives

This Regulation aims at preventing systemic risk, financial stress or failure of large, complex and interconnected entities in the financial system, in particular credit institutions, and at meeting the following objectives:

- (a) to reduce excessive risk taking within the credit institution;
- (b) to remove material conflicts of interest between the different parts of the credit institution;
- (c) to avoid misallocation of resources and to encourage lending to the real economy;
- (d) to contribute to undistorted conditions of competition for all credit institutions within the internal market;

<sup>1</sup> Claudio Borio of the Bank for International Settlements: “indicators currently point to the build-up of risks in several economies” March 2018

<sup>2</sup> The World Economic Forum’s Global Risk Report 2018 cited another global financial crisis as one of 10 future shocks that leaders should prepare for, warning it could cause supply chain disruptions and civil unrest, and that societies might want to prepare more actively for worst-case scenarios. [WEF, GRR 2018](#)



# STABILITY - Making the financial system safer



The bank structure reform proposal was withdrawn in October 2017, defeated by a lack of political will after five years of intense lobbying by the banking sector. Christian M. Stiefmüller, Senior Research and Advocacy Officer at Finance Watch, said:

*"Bank Structural Reform would have gone a long way towards solving the too-big-to-fail problem. Instead of taking preventive action to contain systemic risk and ward off future crises, we have, it appears, chosen to 'chance it'. A great opportunity to make the financial system more resilient has been missed."*

Finance Watch's core message on banking and financial stability in 2017 is that the European banking system is still fragile: it is under-capitalized, concentrated and inter-connected especially among systemic institutions. The prudential regulation framework put in place following the crisis fell short in addressing these issues.

Our advocacy in this area included:

- asking the Commission to close down loopholes in the rules for dealing with failing banks and to implement high standards for bank capital, as part of its Banking Package legislative review;
- continuing to warn of the dangers with certain kinds of securitisation that the Capital Markets Union aims to promote, and highlighting some technical fixes;
- urging caution towards a pro-industry set of proposals to boost liquidity in the corporate bond market, which could benefit financial intermediaries at the expense of financial stability and end-users;
- calling for banks with a back-log of non-performing loans to deal with them via market mechanisms without transferring risks to the state or to retail investors;
- communicating via blogs and webinars that the EU needs more diversity of bank business models, including new institutions dedicated to serving the interests of businesses and local communities;
- calling on the Commission in public hearings, consultation responses and press releases to resist deregulatory pressures.

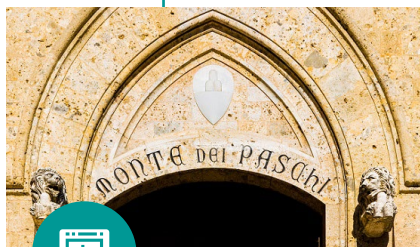
However, we realize that addressing the problem will need a more ambitious political agenda. We have therefore started to work on engaging civil society, including end-users, and public opinion on a more ambitious set of change proposals, which is a major focus for the team in 2018.

**"Greater consideration could be given to the growing number of voices calling for radical change of the way the banking system works."**

**WEF, Global Risks Report 2018**



Policy Brief "[One step forward, Two steps back](#)", June 2017, with recommendations on bank capital requirements, leverage ratio, supervision, resolution (and the problematic "precautionary recapitalisation") and proportionality, among other things.



Blog "[Failing or likely to fail?](#)", 13 January 2017 - Barely a year after its launch, a new European law that was supposed to put an end to bank bail-outs looks set to be failing already (article also available in [Italian](#)).

# STABILITY - Making the financial system safer

## Too-big-to-fail is too-big-to-exist

The simplest way to end the problem of too-big-to-fail banking is not to have too-big-to-fail banks. We could have smaller, simpler banks instead. But policymakers have never yet been able to commit themselves to this goal.

According to the Financial Stability Board and the European Banking Authority, 211 banks in the EU are classified as systemically important, including 12 global systemically important banks (G-SIBs) and 199 Other Systemically Important Institutions (O-SIIs).

Being systemically important means: “Whilst maximizing private benefits through rational decisions, these institutions may bring negative externalities into the system and contribute to market distortions” (EBA).

A negative externality is a cost borne by someone else or society in general. Too-big-to-fail banking imposes large negative externalities on society, including the risk of taxpayer bailouts, conflicts of interest, excessive risk-taking and speculation, distortion of competition in the banking market, and misallocation of capital.

The **Financial Stability Board’s 2017 list of G-SIBs** includes 12 EU banks:

Deutsche Bank	Nordea
HSBC	Royal Bank of Scotland
Barclays	Santander
BNP Paribas	Société Générale
Groupe Crédit Agricole	Standard Chartered
ING Bank	Unicredit Group

When the full, global list of G-SIBs was first published in 2011, there were 29 banks on it. Today, six years later, there are 30.



Public hearing at the European Parliament [with Finance Watch’s Christian M. Stiefmüller](#), 25 April 2017, “Updating CRR, CRD, BRRD and SRMR: the new banking legislation package”



Webinar "[10 Years After: Are our banks too-big-to-regulate?](#)", 16 November 2017

# CONSUMERS

## Helping consumers to make better choices and get fair returns

### Getting ready to engage on FinTech

Together with other financial technologies such as crypto-currencies, blockchain, and smart contracts, crowdfunding has great potential to disrupt or complement traditional financing, depending on how it is regulated. Finance Watch has been helping civil society advocates (including ourselves!) to learn about the new technologies as preparation for engaging in the regulatory process by organising workshops with outside experts.



Brett Scott trains civil society advocates at a [Finance Watch workshop on Blockchain](#), 14 November 2017



The European Commission's main consumer finance initiative in 2017 was its Consumer Financial Services Action Plan, published in March 2017. The Action Plan included some small, but nevertheless welcome, steps.

### Small steps forward

Finance Watch responded to the consultations that accompanied the Action Plan, calling on the EU to:

- > help motor accident victims receive full compensation,
- > protect taxpayers from insurance company failures,
- > cap transaction fees on cross-border payments,
- > ban predatory currency exchange practices,
- > introduce a FinTech regulation to protect consumers and avoid new systemic risks,
- > ensure common disclosure standards so that FinTech platforms can be fairly compared,
- > prevent personal data from being abused to discriminate against people.

The research and advocacy team used the Mid-term Review of the Capital Markets Union in March 2017 to call for stronger consumer protection through product rules, better disclosure, and to call for a crowdfunding regulation (the Commission's 2018 workplan, published in October 2017, does include a proposal for an EU framework on crowd and peer-to-peer financing).

During the year, Finance Watch's new chair, Rainer Lenz, appeared as an expert speaker on FinTech at two Commission events and also at the European Crowdfunding Network focus group.

We used a consultation in October 2017 on secondary markets for non-performing loans to caution that retail investors should not be targeted for securities made up of distressed debt.

If implemented, these initiatives together should benefit consumers. Unfortunately, the Commission missed its biggest chance to help consumers when it chose not to set up a dedicated consumer protection agency as part of its review of European Supervisory Authorities (see box next page).

# CONSUMERS - Helping consumers to make better choices and get fair returns

## What is “Twin Peaks” regulation?

For supervisors, the task of protecting consumers can often conflict with prudential oversight, for example if supervisors fear that issuing a miss-selling fine might weaken a bank’s capital position. When these tasks are combined in the same hands, as now, it has led to consumer protection being deprioritised.

As part of the Commission’s consultation on the European Supervisory Authorities (ESAs) review in May 2017, Finance Watch and others called for a “Twin Peaks” approach in which consumer protection and prudential oversight would be done by separate agencies, each with their own clear mandate. Finance Watch chair Rainer Lenz made the same points to the German Bundestag at a hearing on 17 May 2017. The approach has already been adopted with some success in the Netherlands, UK, Australia, and the US (although it may have worked too well in the US!)<sup>3</sup>.

Sadly for EU consumers, in September 2017 the Commission published a proposal on ESAs that left the supervisory structure unchanged. We shared our disappointment with others:



*“As the major EU public interest organisations working on financial services, we want to stress we are extremely disappointed with this proposal. The Commission **missed a historic opportunity** to propose an ambitious reform of the ESAs to deliver the protection EU financial consumers need.”*

Open letter to the Commission, November 2017, from Finance Watch, BEUC, BETTER FINANCE, AGE Platform Europe, EFIN, and COFACE Families Europe.



<sup>3</sup> The US Consumer Financial Protection Bureau has handled more than a million consumer complaints and secured nearly USD12bn in consumer relief since it was set up after the crisis. But the US financial sector has lobbied aggressively for the CFPB to be defunded and eventually shut down; a decision by the Trump administration in November 2017 to appoint a CFPB abolitionist to run the agency suggests this strategy is [working](#). The hostility from industry only shows how much consumers stand to benefit from a dedicated protection agency.

# CONSUMERS - Helping consumers to make better choices and get fair returns

## Helping people to invest sustainably

More than 70% of savers want their money to be used for positive social and environmental purposes but the opportunities to do so are still limited. There have been several promising policy initiatives to change this.

In April 2017, Finance Watch joined with ShareAction, Frank Bold and WWF to call for corporate governance changes to align investment managers with the sustainability preferences of their retail customers. This echoed our call the previous month for sustainability goals to be integrated into the CMU Mid-term Review. In October 2017, we backed calls for a renewed approach to selling practices for sustainable financial products, as part of the ESMA consultation on MiFID suitability requirements. We also argued in a January 2018 consultation response on legal duties that fund managers' duty to serve their "investors' best interest" should include sustainability and other non-financial factors.

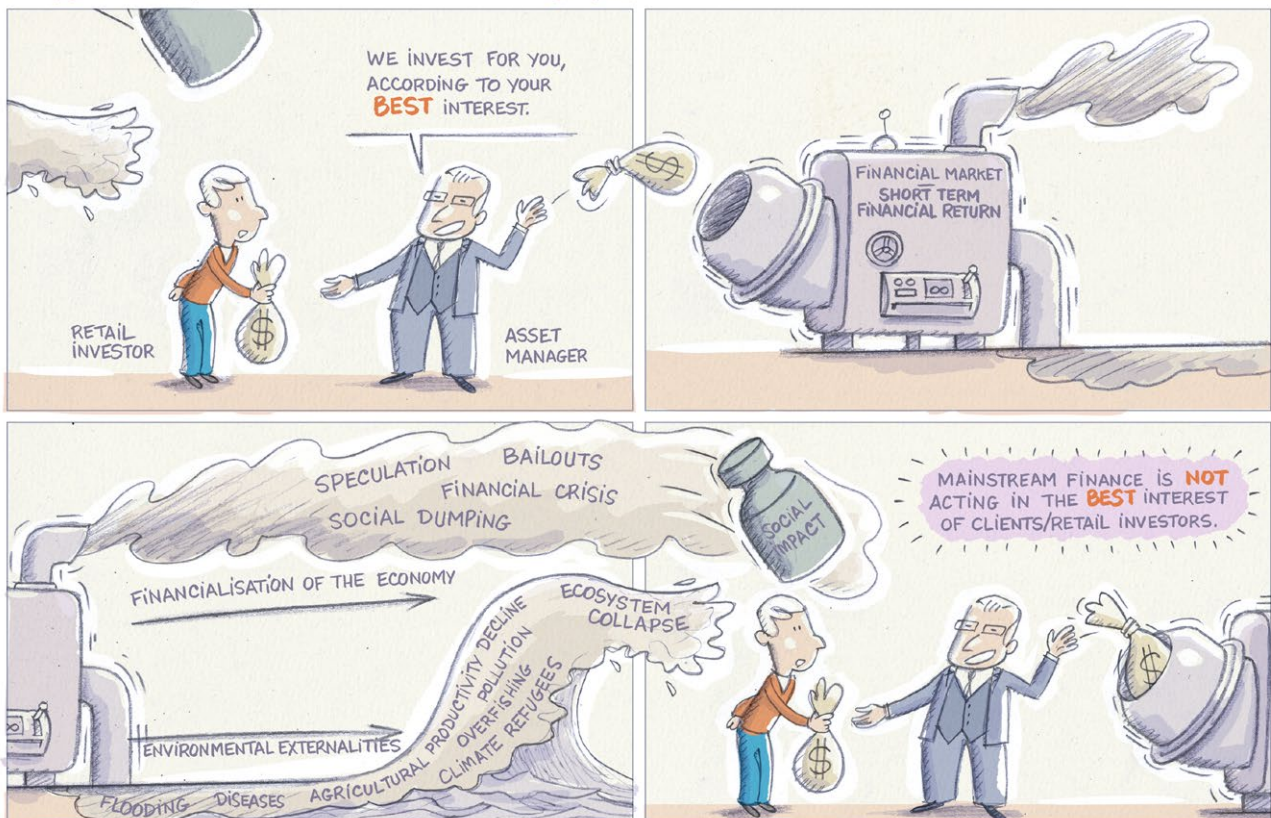
"As recommended in the report [of the High Level Expert Group on Sustainable Finance], we will present a proposal on fiduciary duty. It will clarify the need to take sustainability into account when managing money for others. Clients have the right to know how sustainable their investments are."

**Commission Vice-President Dombrovskis,  
Speech, 31 January 2018**

To the credit of the civil society groups working together on this topic, the HLEG and the Commission took these recommendations on board, and we hope soon to see draft rules that would make it mandatory for fund managers to ask retail savers for their views on sustainable investing and to act on their preference.



## What is investor's "best interest"?

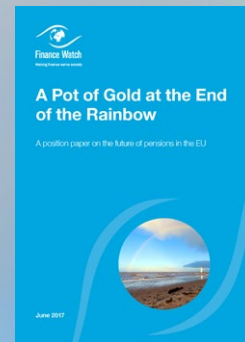


# CONSUMERS - Helping consumers to make better choices and get fair returns

## Pensions

While many people prefer not to think about pensions, the risk of a potentially catastrophic shortfall in retirement provision in the EU is increasing.

Finance Watch published a position paper on pensions on 27 June 2017 and hosted a public conference with the Commission's senior pensions specialist among the speakers. In the same week, the Commission published draft legislation for a quality label for Pan-European Personal Pension (PEPP) products.



*"The combined impact on pension adequacy of trends in demographics, public debt, inequality, and employment are likely to be momentous."*  
Finance Watch position paper on pensions, 27 June 2017



Panelists at Finance Watch's conference "A pot of gold at the end of the rainbow? The future of pensions in the EU", 27 June 2017 in Brussels. Left to right: Nathalie Berger of DG FISMA; Ilka Houben of the German Insurance Association; Isabelle Buscke of vzbv

Part of the discussion at our conference was about what safety features a PEPP should have. Speakers agreed that products qualifying for the label should offer consumers a high level of disclosure on fees and a low-risk version of the product as a default option, as Finance Watch had advocated in our October 2016 consultation response.

We were pleased to see that the subsequent proposal did contain these features although it fell short in other areas. For example, it did not propose to cap fees and did not ensure that providers are subject to sufficient prudential standards. Finance Watch has been advocating fixes for these shortfalls, but otherwise welcomed the proposal.

The other part of the conference discussion looked at the bigger picture of whether demographic trends and robotization could lead to pension shortfalls in future years. State and occupational schemes are already under pressure and for most people a private pension scheme will not fill the gap.

With the prospect of mass old age poverty a distinct possibility, Finance Watch is calling for the EU to explore bold and alternative approaches, including ideas to capture for society some of the productivity gains from robotization.



*"Someone needs to tell the younger generation that having benefits like today's pensioners will cost nearly half their income!"*

Dr. Susanna Kochskämper, Cologne Institute for Economic Research

# PURPOSE – Making finance serve society

The financial lobby has been very efficient in steering the post-crisis debate away from fundamental changes. Instead of talking about finance's social purpose and how it can best benefit society, the discussion has been framed only in terms of preventing harm.

Even civil society has fallen into the trap and abandoned a more proactive ambition for reform.

We would like to renew the momentum for such a discussion and start a debate about how to make finance a good servant of society again.



## Sustainable finance

In 2017, the mounting urgency of climate change has focused policymakers on the link between finance and the environment, and especially how to shift financing from brown to green activities.



Blueprint on sustainable finance, 4 December 2017

The team contributed to the Commission's High Level Expert Group (HLEG) on Sustainable Finance, participating at a public hearing on 18 July 2017 and submitting a consultation response to the HLEG in September 2017.

Finance Watch Members formed a Working Group on Sustainable Finance to coordinate and share expertise on HLEG topics via conference calls and webinars. Finance Watch also contributed to a White Paper aimed at HLEG members, "New pathways: Building blocks for a sustainable finance future for Europe", co-authored with the Global Alliance for Banking on Values and Mission2020.



Benoît Lallemand speaking at the Commission's 18 July 2017 [public hearing](#) on sustainable finance

## PURPOSE – Making finance serve society

This work prepared the ground for Finance Watch to host a public conference on 5 December 2017, with keynote speeches from Oliver Guersent, Director General of DG FISMA, and Professor Jean-Pascal van Ypersele of the Université catholique de Louvain on “The low carbon transition path”.



Finance Watch conference “Accelerating EU leadership in sustainable finance”, The Square, Brussels on 6 December 2017

Speakers discussed the urgency of redirecting finance with a meaningful carbon price and ensuring a just transition that does not leave people behind (for example in former coal mining towns). It also debated some of the HLEG’s proposals in more detail. The event took place immediately after our Change Finance forum and General Assembly, meaning that many of our Members could easily attend all three events.

Finance Watch co-hosted a meeting in the European Parliament on 6 June 2017 with seven other civil society groups (Friends of the Earth Europe, ShareAction, SOMO, ActionAid, WWF, Global Witness and E3G) at which DG FISMA Commissioner Valdis Dombrovskis spoke about financing the EU’s sustainability goals, the CMU mid-term review and the HLEG on sustainable finance.

Team members spoke at external conferences including at the United Nations in April, published a blog on the UN Sustainable Development Goals and EU policymaking, spoke at a European Parliament event on 8 November 2017 on Ethical and sustainable finance for the future of the Europe, and spoke at the INET Festival for New Economic Thinking in Edinburgh on 19 October 2017.

The team has been working with Z/Yen, a commercial think tank in London, to develop a new tool to promote green finance. The Global Green Finance Index ranks international financial centres according to the perception that green finance professionals have of the depth and quality of the green finance offering in each centre, supplemented by green asset and other data from a wide variety of sources. The index was launched on 14 March 2018, after consultation with green finance experts from London, Paris, Frankfurt and China. It will be published every six months.



Giulia Porino speaking at the [UN High-level SDG Financing Lab](#) in New York, 18 April 2017



## PURPOSE - Making finance serve society



As part of this focus on green financial centres, Mireille Martini joined the advisory committee of a project to benchmark the greenness of financial centres based on green asset data. Mireille is also leading Finance Watch's work on natural capital.

### Finance Watch's messages to the HLEG

We support the HLEG's proposals for classifying and labelling sustainable assets. The EU should not leave this to the market but should take the lead in creating a set of precise and democratically agreed criteria for assessing financial assets on environmental, social and governance grounds.

We urge the Commission to promote a meaningful price on carbon emissions in the real economy, reaching \$40-\$80 per tonne of CO2 by 2020 and \$50- 100 per tonne by 2030 as recommended by the Stiglitz-Stern commission. Otherwise there will not be sustainable projects in the real economy to finance.

We support ambitious public investments to kick-start sustainable projects; and institutional oversight from the proposed new Sustainable Infrastructure Europe.

We do not support weakening prudential rules through a green supporting factor. However, we do support additional capital for unsustainable investments ("brown penalising factor"), which would reduce both bank leverage and carbon pollution.

We support the idea that fund managers' legal duty to serve their "investors' best interest" should include sustainability and other non-financial factors.

Finally, to be truly sustainable, the financial sector must foster a diversity of business models to cater for different types of sustainable projects (local banks, mutuals, credit unions, cooperatives, crowdfunding platforms, public banks, central banks, commercial banks...), which means revisiting regulation on leverage and bank structure in relation to too-big-to-fail banks.



Myriam vander Stichele of SOMO, a founding Finance Watch Member, was one of the 20 expert members of the HLEG

### Food speculation – loopholes allowed

We joined with Oxfam and eight other civil society groups on 7 February 2017 to petition MEPs about food speculation and MiFID Level 2 rules. The EU had created a position limits regime in 2014 to curb excessive speculation in agricultural commodities but financial sector lobbying led to the implementing rules being delivered full of loopholes.

**Our letter** urged MEPs to reject MiFID RTS 21 on commodity derivative position limits. Unfortunately, our efforts were not successful and on 15 February 2017 MEPs approved the flawed rules, meaning that the regime adopted by the Parliament and Council in 2014 to prevent excessive speculation on markets that determine basic food prices around the world can easily be circumvented by commodities traders.

### Other work

During the year, Finance Watch contributed to the DOLFINS project, an EU and Swiss government funded project that uses citizen engagement and scientific evidence to try and shape financial policy in the public interest. This included participating in conferences and promoting surveys, for example to assess the impact of the US withdrawal from the Paris climate agreement.

We published blogs on the new Italian law on ethical finance and on the Paradise Papers.

Finance Watch and Oxfam co-hosted a civil society workshop on defining a shared vision for the financial sector in London on 6 July 2017, providing a base of ideas and support on which to build the Change Finance forum later in the year.

# POWER BALANCE - Financial regulation reflects fair balance of interests within society

Despite genuine efforts, much of the financial regulation introduced since the crisis has fallen short of creating the necessary safeguards for citizens and is now losing momentum at EU-level. Reforms that were widely accepted as being in the public interest are starting to be abandoned or quietly unpicked at the edges.

These include, among many others, the decision to drop the bank structure reform proposal, the decision not to explore a “Twin Peaks” model of supervision to protect consumers, and the watering down of rules on position limits for commodity derivatives (see boxes in this report).

## Addressing the lobby imbalance

Such backsliding is partly caused by the large imbalance between industry and public interest lobbying.<sup>4</sup> Finance Watch helps civil society representatives join the advocacy process, as well as lobbying directly itself.

The team ran webinars for Members to coordinate responses to the Commission’s Mid-Term Review of the Capital Markets Union and the HLEG on Sustainable Finance, and produced training materials and workshops for our Members.

<sup>4</sup> Consultations about financial regulation are heavily dominated by the industry. A study from the EU, USA, Basel Committee and Financial Stability Board found that between 1999 and 2013, fewer than 6% of responses came from non-business respondents such as trade unions, consumer protection groups, research institutes and NGOs (Pagliari and Young 2015).



Finance Watch webinar: "The capital food-chain: how is capital allocated, by whom and along which criteria?" on 24 November 2017



# POWER BALANCE – Financial regulation reflects fair balance of interests within society

In March 2017, Finance Watch encouraged Members to apply for **ESMA's Securities Markets Stakeholders Group**. One of our individual expert Members (and Finance Watch's new chair) Rainer Lenz, was later appointed for a 2.5 year term and attended his first meeting on 6 July 2017.

Our outreach team publicised a call for former finance professionals to sign an open letter in favour of a **financial transactions tax (FTT)** ahead of a key round of negotiations in June 2017. The talks ended with the FTT proposal being kept open for further discussion.

In March 2017, Finance Watch and Transparency International EU launched an informal **watchdog network on EU economic governance**, beginning with a roundtable on ECB independence. In the same month, the team responded to a Commission consultation on multilateral reform of the investment dispute resolution, arguing that there is no need for investor-state dispute settlement (ISDS) mechanisms in countries with advanced legal systems.

Finance Watch has been engaging with the Commission's **Brexit Task Force** and is now working on a set of principles to be considered for any future EU-UK trade deal on financial services, to ensure that citizens' interests come first, instead of the current focus on business access.

Finance Watch senior research and advocacy officer Christian M. Stiefmüller attended the Commission's **expert group on corporate bond liquidity** as an observer and published a sharply critical assessment, together with Better Finance, of the group's recommendations in November 2017 (apart from Better Finance and us, the group consisted almost exclusively of financial services and large market participants).

## **Working with civil society on a new vision for finance**

The C20 is a civil society engagement group that seeks to influence the G20 agenda. Finance Watch joined C20 members in Berlin on 19 February 2017 to develop advocacy points on finance, and later joined 300 civil society groups at the **C20 summit** in Hamburg, "The world we want", on 18 June 2017.

Finance Watch and Oxfam co-hosted a civil society workshop on **defining a shared vision for the financial sector** in London on 6 July 2017, providing a base of ideas and support on which to build the Change Finance forum later in the year.

When the Commission published a White Paper describing five scenarios for the **Future of the European Union**, ahead of the 60th anniversary of the Treaty of Rome, we briefed our Members and a few weeks later joined around 250 other civil society organisations to support a 6th scenario based on a sustainable and fair Europe.

# #ChangeFinance Forum

## MAKE FINANCE A SERVANT AGAIN



Finance Watch's first Change Finance Forum brought together an inspiring group of more than 200 civil society activists, campaigners, economists, sustainable business and economy practitioners, citizens and journalists to revive a powerful call for structural financial reform.

Over two days of workshops, plenary sessions and networking at The Square in Brussels, forum participants shared emerging ideas, concrete solutions and ongoing initiatives to push for financial reform globally, laying the groundwork to co-create a global Change Finance campaign in 2018, the 10th anniversary of the global financial crisis.

Topics at the forum included trade, inequality, monetary policy, radical banking reform and green central banking, as well as campaigning strategies and an inspiring keynote from Micah White (pictured above), the activist and co-creator of the Occupy Wall Street movement.

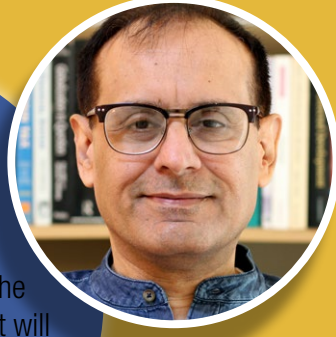




**Brett Scott**

Journalist, campaigner and author of *The Heretic's Guide to Global Finance*

"The Change Finance Forum was a crucially important gathering to allow finance campaigners from around the world to regroup, strengthen ties and build a strategy for financial campaigning going forward. The global financial sector is extensive, multi-faceted and deeply implicated in ecological, social and political crises, and this demands coordinated action on multiple fronts. Finance Watch is helping to bring together a cohesive and dynamic counter-lobby to the forces of finance, and I look forward to working with them in future."



**Kavaljit Singh**

Director, Madhyam

"I am eagerly looking forward to Finance Watch further strengthening its knowledge base in the areas of global finance. I hope it will enhance global solidarity by building strong coalitions and organizing common campaigns across the world."



**Aline Fares**

Campaigner, Author and Activist

"Civil society needs safe spaces to explore and deepen its understanding of the financial sector and how it relates to the many societal challenges we face today. The 1st Change Finance Forum was such a space – to meet, share experiences and views, and develop strategies, with various levels of knowledge and expertise on the matter, but a shared interest and legitimacy to act."



**Antonio Gambini**

Development finance policy officer at CNCD-11.11.11

"The Change Finance Forum organized by Finance Watch was a very important moment. Ten years after the financial crisis the challenge of reforming the financial and banking systems remain as crucial as ever. This gathering of civil society, researchers and concerned citizens injected new impetus in this collective struggle."



**Mathilde Dupre**

Trade Program Officer, Veblen Institute

"The first Change Finance Forum has been a unique meeting place for all who have not resigned themselves to wait for the next international financial crisis, for all who seek to act. If such little progress has been achieved since 2008, it is partly because the influence of the financial industry was not challenged at the time. But over the last decade, many civil society organisations have decided to intervene on financial regulation issues. A lot of expertise and skills are now available. This movement is very promising and might be able to achieve victories in the near future."

**David Hillman**

Director, Stamp Out Poverty

"I count myself extremely fortunate to have attended, and played my own small part in, the extremely well-organised and well-attended Change Finance forum in December 2017. It is testament to Finance Watch's convening power that there were so many speakers of exceptional quality, who with their passion and enthusiasm stimulated and engaged a wide-ranging audience to address the problems of financialisation and the need to put it into reverse. It is with a keen sense of excitement and anticipation that I look forward to the follow-up forum in 2018."

**Nina González**

Finançament Ètic i Solidari (FETS)

"I come away from this forum knowing it is possible to change the financial system. As ethical finance practitioners, we think it is very important to put people and planet before profit. We can prove that when we place ethical principles in finance, it reaps growth and economic benefits, as well as social and environmental benefits."



# 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 €1.8m.

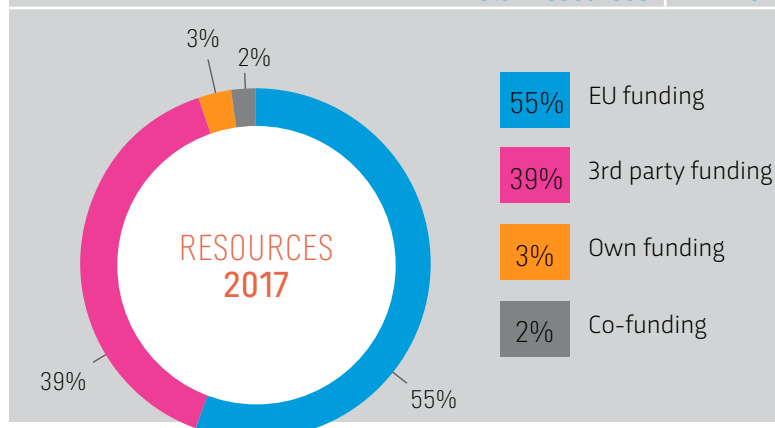
Total resources for 2017 increased by €335,533 or 23% to €1,792,069 (€1,456,536 in 2016).

Our main new funder during the year is MAVA Fondation pour la Nature.

This new funding accompanied an increase in EU grant income, which is provided as co-financing, of €263,880 or 36% to €993,010 (€729,130 in 2016), with total EU funding including DOLPHINS and ENLIGHTEN representing 55% of our total resources in 2017 (50% in 2016), and 64% of our total expenditure (45% in 2016).

Donations by private individuals increased by €6,291 or 19% to €39,109 (€32,818 in 2016) but membership fees fell €7,504 or 13% to €49,720 (€57,224 in 2016).

Resources 2017		in euros
<b>Own funding</b>		<b>61,140</b>
Membership fees		49,720
Conference fees		11,420
<b>3rd party funding</b>		<b>696,278</b>
Better Markets		45,479
Fondation Charles Léopold Mayer pour le Progrès de l'Homme		8,454
International Institute for Environment and Development		30,352
MAVA (Natural Capital)		245,769
MAVA (Index)		57,888
OSF Initiative for Europe		91,256
OSF New Executive Funds		14,707
OSF Foundation to Promote Open Society		93,737
Donations by private individuals		39,109
Others		69,526
<b>Co-funding</b>		<b>41,641</b>
European Investment Bank		24,800
Friedrich Ebert Stiftung		6,917
Hans Böckler Stiftung		9,924
<b>EU funding</b>		<b>993,010</b>
European Union		901,992
Dolphins (H2020) Consortium		90,250
Enlighten (H2020) Consortium		768
<b>Total Resources</b>		<b>1.792.069</b>

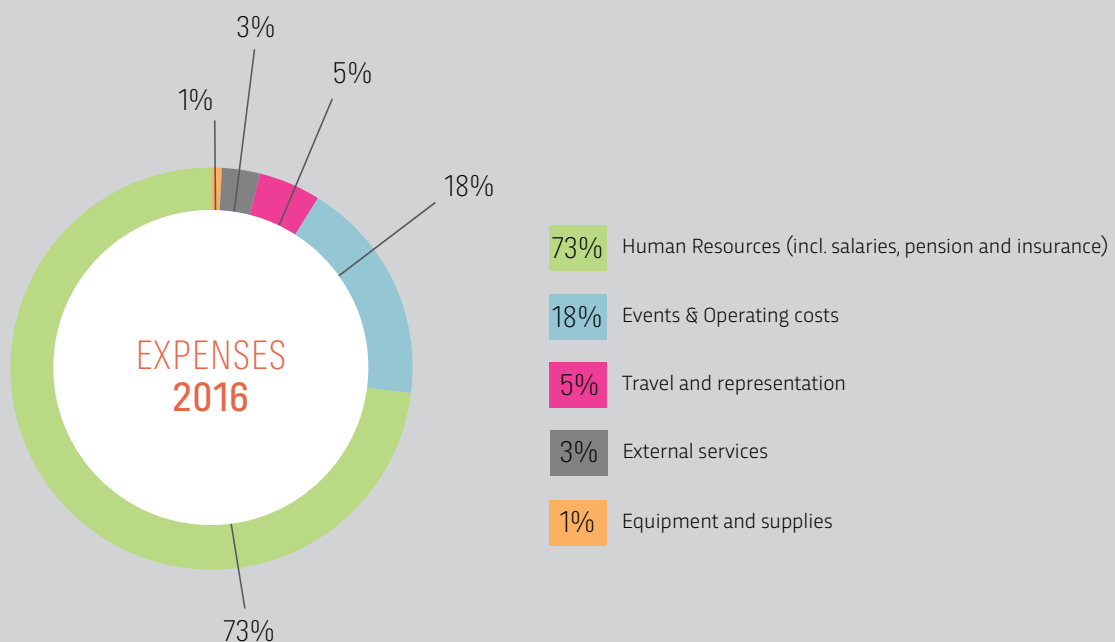


# FINANCES AND FUNDING

Total expenditure fell by €93,098 or 6% to €1,544,636 (€1,637,734 in 2016), partly as a result of fluctuations in the size of the team during the year.

The result for the year was an accounting surplus of €247,433, a very positive sign following two years of negative accounting results (the association has never had any financial liability beyond short-term liquidity support). Now that the organization is fully staffed and that there is wide stakeholder support for our 2017-2019 “Finance Watch 2.0” strategy, we are aiming for a balanced accounting result.

Expenses 2017		in euros
<b>Human Resources (incl. salaries, pension and insurance)</b>		<b>1,127,940</b>
Staff		941,004
Consultants		186,936
<b>Representation (incl. travel costs)</b>		<b>44,644</b>
<b>Equipment and supplies</b>		<b>17,988</b>
<b>External Services</b>		<b>76,974</b>
<b>Events &amp; Operating costs</b>		<b>277,090</b>
Rent and office expenses		77,385
Subscriptions, information services, etc.		19,525
Meetings and Events		133,795
Financial expenses		9,683
Miscellaneous goods and services		36,702
<b>Total Expenses</b>		<b>1,544,636</b>



# BOARD OF DIRECTORS

Finance Watch's Board comprises eight members, including four elected from the body of Member Organisations, two elected from the body of Individual Members, and two external directors. The June 2017 General Assembly elected Fondazione Finanza Etica (represented by Andrea Baranes) and re-elected Rainer Lenz and Nordic Financial Unions (represented by Morten Clausen). As at 31 December 2017, 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**

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



**ANDREA BARANES (ITALIAN, ORGANISATIONAL MEMBER), TREASURER**

President of Fondazione Finanza Etica; coordinator of Italian and international civil society campaigns and teacher for ethical finance education.



**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)**

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.

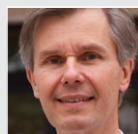


**PROFESSOR ERIC DE KEULENEER (BELGIAN), EXTERNAL DIRECTOR**

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 governance issues by an external Committee of Transparency and Independence.



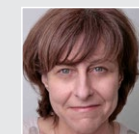
**JÉRÔME CAZÈS (FRENCH), CHAIR**

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 on our website.





# LIST OF MEMBERS



**Finance Watch**

Making finance serve society

**At the end of 2017, Finance Watch had 71 Members, including 42 organisations and 29 expert individuals, including eight new joiners. Members met at General Assemblies on 28 June 2017 and 4 December 2017.**

## Organisations

### Belgium

- Centrale Nationale des Employés (CNE)
- Réseau Financité

### EU

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

### France

- Attac France
- Centre des Jeunes Dirigeants (CJD)
- Collectif Roosevelt
- Confédération Générale du Travail (CGT)
- Fédération CFDT des Banques et Assurances
- Fédération Européenne des Cadres des Établissements de Crédit (FECEC)
- Fédération des métiers de la Finance et de la Banque/CFE-CGC (FFB CFE-CGC)
- Institut Veblen pour les réformes économiques
- Secours Catholique-réseau mondial Caritas
- UNSA Banques et Assurances

### Germany

- Deutscher Gewerkschaftsbund (DGB)
- MONNETA (joined 2017)
- 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
- Fisac CGIL
- Fondazione Culturale Responsabilita Etica
- 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
- 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
- **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
- **Markus Duscha**, Founder, Fair Finance Institute (joined 2017)
- **Christian Kellermann**, Economist, Friedrich-Ebert Stiftung, Stockholm. Author
- **Rainer Lenz**, Professor of International Finance at the University of Applied Science in Bielefeld
- **Suleika Reiners**, Economics and mathematics teacher
- **Harald Schumann**, Senior Reporter with “Der Tagesspiegel”. Author
- **Hans-Joachim Schwabe**, Retired Bank manager of Commerzbank
- **Udo Philipp**, Political Advisor, non-executive board member Triodos, non-executive chairman of iff – Institut für Finanzdienstleistungen (joined 2017)

### Greece

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

### 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
- **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

- **Jay Cullen**, Lecturer in Banking and Finance Law, University of Sheffield; Assistant Director of the Sheffield Institute for Corporate and Commercial Law (joined 2017)
- **Nicolas Dorn**, Associate Research Fellow, Institute of Advanced Legal Studies (IALS), University of London (joined 2017)
- **Deepa Govindarajan Driver**, Programme Director - MSc Capital Markets, Regulation and Compliance, ICMA Centre, Henley Business School, University of Reading (joined 2017)
- **Stephany Griffith-Jones**, Research Associate Overseas Development Institute. Financial Markets Director, Initiative for Policy Dialogue, Columbia University (New York). Author
- **Steve Keen**, Professor and Head of School of Economics, History and Politics at Kingston University, London (joined 2017)
- **Thomas Lines**, Associate Lecturer, Goldsmiths, University of London, and Independent consultant
- **Donald MacKenzie**, Professor of Sociology at the University of Edinburgh, Scotland (joined 2017)



# STAFF

## The Membership is supported by a professional secretariat of 14 staff and four consultants.



**BENOÎT LALLEMAND,**  
SECRETARY GENERAL  
Belgian, former clearing and settlement banker  
Responsible for the strategy, fundraising and output of the Secretariat



**ANNE FILY,**  
EXECUTIVE DIRECTOR  
French, consumer affairs expert  
Responsible for the operations of the Secretariat, specialist in retail financial services



**CHRISTIAN M. STIEFMÜLLER,**  
SENIOR RESEARCH AND ADVOCACY OFFICER  
Austrian, former investment banker  
Specialist in bank regulation



**MIREILLE J. MARTINI,**  
SENIOR RESEARCH AND ADVOCACY OFFICER  
French, former investment banker  
Financial systems for sustainability



**NINA LAZIC,**  
RESEARCH AND ADVOCACY OFFICER  
Montenegrin, Econometrist  
Financial systems for sustainability



**PAUL FOX,**  
RESEARCH AND ADVOCACY OFFICER  
British, public affairs expert  
Insurance and pensions



**REBECCA WOOD,**  
SENIOR RESEARCH AND ADVOCACY OFFICER  
British, former regulator  
Retail financial issues and banking



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Online strategy and community management



**SAMUEL BOSSART,**  
NETWORK COORDINATION & DEVELOPMENT OFFICER  
Belgian-French, marketing expert, 10 years in banking  
Membership coordination & outreach



**GIULIA PORINO,**  
NETWORK COORDINATION & DEVELOPMENT OFFICER  
Italian, former microfinance environmental risk researcher  
Membership coordination and outreach



**AYDA KAPLAN,**  
HR AND PROJECTS OFFICER  
Belgian, former academic researcher  
Office administration, executive assistant to Secretary General



**CHRISTOPHE GILSON,**  
FINANCE & OPERATIONS OFFICER  
Belgian, accountant and business analyst  
Finance and operations

### CONSULTANTS



**GREG FORD,**  
SENIOR ADVISOR  
British, former financial journalist  
Projects, strategy, communications



**OLIVIER JERUSALMY,**  
SENIOR RESEARCH & ADVOCACY ADVISOR  
French, Director of European Financial Inclusion Network (EFIN)  
Specialist in financial inclusion



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



**JUAN M. VIVER GARGALLO,**  
SPANISH NETWORK ADVISOR  
Spanish, consumer protection expert  
Outreach in Spain

We said goodbye in 2017 to Adriaan Bayer, Frédéric Hache, Katarzyna Hanula-Bobbitt, Joost Mulder, Marie Laffont and Reza Opdebeeck. Thank you for your huge contributions!

# PUBLICATIONS

Consultation	Response to EC consultation on a multilateral reform of investment dispute resolution	15 March 2017
Consultation	Response to EC consultation on the CMU mid-term review 2017	17 March 2017
Report	Briefing "The Capital Markets Union and sustainability: recommendations for the mid-term review", co-produced with WWF, E3G, Friends of the Earth Europe, ShareAction, and actionaid	04 April 2017
Speech	Public hearing on the Capital Markets Union Mid-term Review, speaker Benoît Lallemand	11 April 2017
Report	Finance Watch Annual Report 2016	18 April 2017
Speech	Speech at the UN SDG Financing Lab at the UN Headquarters in New York, speaker Giulia Porino	18 April 2017
Speech	Public hearing at ECON on the banking legislation package, speaker Christian Stiefmüller	25 April 2017
Consultation	Response to EC consultation on the operations of the European Supervisory Authorities	16 May 2017
Report	Briefing "ESMA's role in sustainable finance", co-produced with E3G, WWF, CDSB, CDP, ShareAction and ClientEarth	16 May 2017
Report	Policy Brief on the EU's Banking Package "One step forward, two steps back"	07 June 2017
Consultation	Response to EC consultation on FinTech	15 June 2017
Report	Position paper on the future of pensions in the EU "A pot of gold at the end of the rainbow"	27 June 2017
Consultation	Response to HLEG questionnaire on sustainable finance	20 Sept 2017
Report	White paper "New pathways: Building blocks for a sustainable finance future for Europe"	25 Sept 2017
Consultation	Response to ESMA consultation on suitability requirements guidelines under MiFID II	13 Oct 2017
Consultation	Response to EC consultation on secondary markets for non-performing loans	20 Oct 2017
Consultation	Response to EC consultation on the REFIT review of the EU Directive on motor insurance	20 Oct 2017
Consultation	Response to EC consultation on transparency and fees in cross-border transactions in the EU	30 Oct 2017
Open letter	Open letter on the proposal for the EU financial supervisory reform, co-signed with BEUC, Better Finance, EFIN, COFACE Families Europe and AGE Platform Europe	27 Nov 2017
Report	Comment on the final report of the EC Expert Group on Corporate Bonds	27 Nov 2017
Report	Finance Watch Blueprint on sustainable finance	04 Dec 2017

Finance Watch published 21 interventions in 2017, including nine consultation responses, eight briefing and papers, an open letter, and three public hearings.



# COMMUNICATIONS

*Our communications staff in 2017 produced:*



7

## EXTERNAL ARTICLES (OP-EDS) AND OPEN LETTERS

published in Frankfurter Allgemeine Zeitung, Frankfurter Rundschau among others

10

## EVENTS

including 5 workshops,  
2 webinars,  
2 public conferences,  
1 Change Finance Forum

18

VIDEOS,  
on YouTube and  
Facebook

9

## BLOG ARTICLES

on topics including tax evasion, ethical banks, corporate governance, financial literacy, shadow banking

11,487

SUBSCRIBERS TO THE  
FRIENDS OF FINANCE  
WATCH NEWSLETTER

8,400

TWITTERS FOLLOWERS  
(up 10%)

20,272

FACEBOOK FOLLOWERS  
(up 3%)

## PRESS RELEASES

Finance Watch issued 13 press releases on policy matters in 2017:

- > Finance Watch and BETTER FINANCE comment on Corporate Bond report by EC Expert Group, 27 November 2017
- > Too-big-to-regulate: The EU's bank structural reform proposal failed, 25 October 2017
- > Banks and civil society outline sustainable finance reforms, 25 September 2017
- > Building a sustainable future means overhauling the financial system, 21 September 2017
- > Finance Watch comments on Pan-European Personal Pension proposal, 29 June 2017
- > Risk of old age poverty means bold thinking on pensions required – new report, 27 June 2017
- > With the right regulatory support, FinTech can reshape the financial sector, 15 June 2017
- > CMU mid-term review: Commission should resist deregulation, be bold on sustainability, 8 June 2017
- > Banco Popular rescue shows why EU Banking Package needs strengthening – New Policy Brief, 7 June 2017
- > STS Securitisation is not simple and will need careful monitoring to avoid past mistakes, 31 May 2017
- > Consumer protection must come before financial innovation, 23 March 2017
- > Finance Watch comments on CMU mid-term review, 17 March 2017
- > CMU mid-term review: "Priorities remain unchanged, despite concerns raised by CSOs", 23 January 2017

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### ITEMS OF UNIQUE PRESS COVERAGE

published in Agence Europe, ARD, Bloomberg, De Telegraaf, EFE, euractiv, FAZ, France Culture, Il Sole 24, La Tribune, L'Agefi, Le Figaro, Le Soir, Les Echos, Politico, Rai 3, Reuters, rtbf, taz among other



Bloomberg, 26 April 2017

EU Eyes Taxpayer Cash to Help Ailing Banks Offload Bad Loans



ARD Europamagazin, 1 October 2017

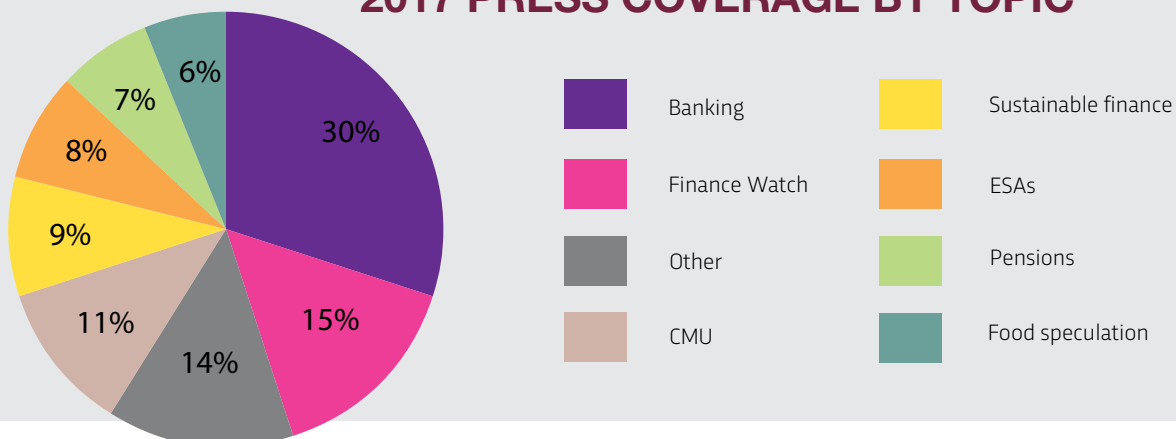
Unternehmensgründungen: EU schwärmt von Schwarmfinanzierung



Options, December 2017

Autorité bancaire européenne: Ce que l'on peut attendre

## 2017 PRESS COVERAGE BY TOPIC



## Thank you!

If you share our goal of making finance serve society then please consider becoming a donor, large or small. Every donation sends a strong signal of support. You can make regular or one-off donations directly [on our website](#).

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

Our supporters believe that:

- › Policymakers must hear from all sides to protect the common good, not just special interests.
- › Financial reform is the key to solving many problems, from climate change and inequality to economic stagnation and political extremism.

We are grateful to all the members of the public and funders who support our work.

To all our stakeholders, thank you. Together, we will continue working for a financial system that serves society!



Editor: Greg Ford

Design: Charlotte Geiger

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# Finance Watch

Making finance serve society

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We advocate 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 vision is a sustainable banking and financial system designed around society's needs.



## Finance Watch

Making finance serve society

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