

NFU
ACTIVITY REPORT
2017

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Preface

To misquote Prime Minister of Canada Justin Trudeau, changes happen more rapidly than ever, and the only certainty is that the change will go even faster tomorrow than today.

This is true for the world of trade unions too. Long-standing labour market institutions are challenged by new ways of organising employment. Platform and atypical work relationships are undermining job security and sustainable economic development for individuals and societies. Across Europe, outsourcing and offshoring of jobs go hand in hand with weakened collective bargaining and technological change that transforms the very nature of work. Short-term business models drive excessive risk-taking and profit maximisation at the expense of sustainable economic development.

These tendencies must be counterbalanced by a force that pushes in the opposite direction – for people’s right to decent jobs and fair wages, work-life balance, professional development and the right to have a say at work. The foundation for this are the core elements of the Nordic model: strong collective agreements and free bargaining, information and consultation rights, social protection, and robust systems to manage professional development and structural change in a responsible way – also in the



finance sector.

All these elements cannot be preserved and developed by one union or one country alone. Trade unions in the Nordic financial sectors need to work together in many dimensions to be able to continue delivering a real difference to the members also in the future. Nordic Financial Unions is a case in point. Through our strong cooperation and competencies, we build knowledge and policy that influence regulation, framework conditions, and business strategies that help shape a sustainable financial sector, a continuously strong Nordic model, and a better future for finance employees.

It is my pleasure to introduce the NFU Activity Report 2017. Enjoy your reading!

Stockholm, January 2018

A handwritten signature in blue ink, which appears to read "Arvid Ahrin". The signature is written in a cursive style.

Arvid Ahrin
General Secretary

Introduction

The work of NFU takes place against a backdrop of outside developments that all contribute to shaping the overall context for Nordic and European trade union cooperation. Some of the key developments in 2017 are described below.

European politics and economy

The European economies are doing well. For the first time since the financial crisis, all EU economies grew in 2017. At the same time, the fruits of the economic recovery are not shared by all citizens. Wage growth is falling behind as collective bargaining institutions are challenged. Geographical differences increase as urban centres flourish and peripheries are left behind. Consequently, both economic and spatial inequalities are rising, feeding discontent and frustration that populist political movements all over Europe are using to forward divisive and reactionary agendas.

On the brighter side, 2017's most eagerly anticipated elections took place in the Netherlands and France respectively. Polls and analyses beforehand prognosed quite big chances of populist and far-rights wins in both countries against the background of Brexit and Trump in 2016. However, on March 15, centre-right candidate Mark Rutte and his party VVD won the Dutch parliamentary elections, defeating right-wing populists PVV with a stable margin. On May 7, Emmanuel Macron defeated Marine Le Pen in the second round of the French presidential elections, albeit with a record low support from the French constituency as only just over 40 percent voted. In Germany, chancellor Angela Merkel managed to get re-elected, although with a narrow margin which at the time of writing appears to lead to a grand coalition government with the social democrats.

At the same time, nationalist and conservative parties in Central and Eastern Europe advanced their positions. Hungary, Czech Republic, Slovakia, and Poland all have right-wing and conservative governments that in various ways challenge fundamental democratic institutions such as the freedom of the press and the rule of law. Taken together with the tendencies for lower participation in elections, there is cause for concern in view of the upcoming elections to the European Parliament in 2019. As the case of Macron shows, huge influence can be wielded based on a very small portion of voters. If populist parties manage to get people to the voting booths, the political

landscape in the European Parliament could change dramatically.

Looking ahead, both France and Germany have put forward suggestions for closer European integration. This raises questions about the future of European integration, not least in relation to where the financial centre in Europe will form after Brexit. The European Parliament elections in 2019 are also cause for concern. With Britain leaving the union and populist parties on the march, the composition of the next European Parliament can have severe impact on the European integration process.

Brexit

The UK voted to leave the EU in a referendum in 2016. The official process however begun on 29 March 2017 when UK Prime Minister Theresa May triggered Article 50 of the Lisbon Treaty, meaning that the UK will leave the EU 29 March 2019. The year has been characterised by tough discussions and negotiations between EU's chief negotiator Michael Barnier and UK's David Davis on the terms for UK's withdrawal. The EU has been very clear that it will not allow "cherry-picking" and in the end of 2017, the two parties finally agreed on the framework for the withdrawal; arrangements concerning the Northern Ireland border, EU citizens living in the UK and British citizens living in the EU and the divorce bill that UK will have to pay to the EU.

Some consequences of the referendum can however already be seen. The European Banking Authority (EBA) announced in 2017 that they will be moving from London. After thorough campaigning from several cities hoping to host the EBA, it was decided, that the authority will be moving to Paris. The referendum has also spurred a discussion on what the future of the EU will look like. In the beginning of the year the Commission published a white paper of the future of Europe, outlining five possible scenarios for the future European cooperation. The White Paper was accompanied by five reflection papers on defence, finances, EMU, globalisation and social dimension.

The latter was also connected to the Commissions and PM of Sweden Stefan Löfven's social summit for fair jobs and growth, hosted in Gothenburg in November 2017. At the social summit, the EU Heads of State signed the European Pillar of Social Rights (EPSR), which included 20 social principles and rights but few real legislative initiatives. The legislative measures included a right to 10 working days of parental leave, extended parental leave with 4 months of paid leave and a revised written statement

directive.

European regulation

The present Commission's flagship initiative for the financial sectors, the Capital Markets Union, continued to be high on the agenda. Several proposals in the areas of retail financial services and fintech were tabled. The review of the three European Supervisory Authorities continued, and sustainable finance was a hot topic in the second half of the year as the Commission set up a high-level working group to analyse the need for future legislative and policy measures in this area.

Some key initiatives rolled out over the past years, such as MifidII, reached their first milestone as Member States got set to fully implement them, which in turn led to some first steps to evaluate their impact.

Towards the end of the year, the Basel Committee presented the final step of the Basel III rules, with proposals for further raising capital requirements for banks. The rules will be implemented in Europe through EU legislation in the years to come.

Financial sector and union developments

The Nordic financial sectors continued to perform strongly. Many institutions delivered all-time-high results in some quarters. At the same time, announcements of job cuts were made. Nordea, for example, informed of a four-year plan to reduce 6000 jobs. The bank also announced plans to move its headquarters from Stockholm to Helsinki following the Swedish proposal for a raised resolution fee and payroll tax. Plans for the latter, however, had to be scrapped, largely due to successful advocacy from FSU-SE.

Events were not lacking among the NFU member unions. FTF on their side has been actively working with the implementation of IDD and IORP into Swedish law. In Denmark, FSU-DK negotiated a new three-year collective agreement, with annual wage increases around 2 percent. The union also held its Congress in September, re-electing President Kent Petersen and Vice President Michael Budolfson, and electing as other Vice President Steen Lund Olsen. Forsikringsforbundet launched the concept "Forsikringsforbundet Classic" during the year, focusing on core union tasks such as members' rights and wellbeing, and employed Anne Seiersen as new secretariat leader

from November.

In Norway, FSU- NO continued its successful advocacy work towards the government in its work with a new industrial policy for the financial sector. In Iceland, economic development has been exceptional in 2017 and a new left/green government was elected. SSF is preparing for next years' discussions on revised retirement age in dialogue with the employers. In Finland, the year ended on a dramatic note as the negotiations for a new collective agreement ended in a breakdown due to the employers' refusal to negotiate on weekend work and work-life balance issues, among other things. A strike was carried out on December 28 and 29, and the conflict went on into the new year.

Conclusion

Combined with the rapid development in new technologies such as data analysis and mining, and artificial intelligence, events in 2017 continued to challenge financial sector trade unions. The need to be constantly on the move to stay relevant and find new and better ways to deliver value for the members, was the guiding light of the work of NFU in 2017.

NFU Activities in 2017

In the following, NFU's activities and results in 2017 are presented according to the structure in the NFU Work Plan 2017-2018. The corresponding goals in the Work Plan (WP) are listed after each headline.

Agenda Setting

NFU strives to define the agenda of policymakers and stakeholders in the financial sector in Europe through a high level of competence and dialogue. Through qualified input and debate, NFU contributes to shaping the bigger picture of the financial sector and its role in society. In 2017, this aim has manifested itself in several key areas of NFU's work.

1. Building Expertise and Knowledge

Concretely, NFU works to search out, build, and spread competence and knowledge to qualify our political input and the priorities of the NFU member unions. By acting as a Nordic knowledge hub, NFU adds value through competence by actively building and spreading knowledge among the member unions and to external stakeholders in regulation and financial sector policy issues.

Coping with compliance (WP 1.1, 2.7)

In 2016, NFU started to work on a new research study on the topic of the impact of regulatory requirements. This work continued in 2017. The aim with the study is to investigate the effects of documentation, information and Know Your Customer requirements on Nordic finance employees' work and well-being along with the effects on service and advice provided to consumers.

The study was conducted as a survey sent to shop stewards in the NFU member unions. It was sent out in May 2017 to the shop stewards. In total 215 shop stewards responded to the survey, representing approximately 35 000 employees. The survey result was analysed by the secretariat during autumn 2017 and resulted in a 61-page report.

In short, the report documents an increase in regulatory requirements over the last years resulting in more workload and stress for finance employees. Views are also

diverging as to whether the regulation improves consumer protection in terms of increased customer understanding of financial products and prevention of conflicts of interest. Moreover, the respondents report a squeeze between providing good service and complying with rules and procedures, and a lack of understanding from management about the pressing situation.

The final report was presented to the Management Board in November 2017 and distributed to the member unions in December. The official publication of the report will take place in January 2018, where it will be presented and discussed at a NFU seminar in Brussels. Additional activities to distribute the result and spread the NFU message will take place in 2018.

Monitoring (WP 1.2)

The NFU Secretariat regularly monitors the development in the finance sectors through a digital tool called Awareness and holds monthly internal intelligence meetings. At the meetings, the secretariat discusses topical issues and evaluates the potential impact on the sector and the NFU member unions.

In 2017, the NFU secretariat sent three reports “NFU Insights” to the affiliates. The reports covered the following topics; the move of Nordea HQ, the European pillar of social rights and the EU social dimension, taxation in the digital economy, the Panama papers, conduct risk, Trumps’ promises of deregulation in financial services and sustainable green finance.

No “NFU Insights” was sent out during Autumn 2017, due to a decision at the NFU planning days to share NFU monitoring and intelligence work through blog posts instead. Insight-related blog posts during autumn covered topics such as robo-advice, the impact of regulation, ESG and sustainability.

Cooperation with the research community (WP 1.3)

Throughout 2017 NFU continued to support the research project “Nordic Finance and the Good Society” at Copenhagen Business School’s Centre for Corporate Governance. The secretariat participated in two Advisory Board meetings during the year and used the project’s research results on financial advice to inform a political discussion on the topic in the Management Board in May. Project publications are published on the

project website: https://sf.cbs.dk/nfugs_uk/publications. Research topics include credit constraints and job destruction, return on equity targets and risk, financial sector contributions to overall economic growth, and more.

In addition, Annika Stenström participated in a research conference on financial advice in Rotterdam in November 2017, leading to an informal dialogue with key researchers on exchange of information and possible participation in future NFU events. The NFU secretariat has also been interviewed by individual researchers during the year.

Nordic Implementation of EU Financial Rules (WP 1.4)

After two and a half years' work, the NFU investigation on implementation of EU financial rules and its consequences on the Nordic labour model was finally completed in December 2017. After some delays due to staff issues at Copenhagen Business School, researcher Alexandra Horváthová was assigned to write an independent report on the topic.

On December 11 the report was presented at a seminar in Copenhagen hosted by CBS. The report finds that in general, a level playing field of rules has indeed been upheld so far in the Nordic implementation. Aside from the value that the mapping of the employee-related rules constitutes, that is an important conclusion. At the same time, certain areas need more investigation, such as whistle blowing rules which tend to have been implemented rather differently across the Nordic region. The final report to the Nordic Council of Ministers, which had funded the project, was done in the end of December and the final 15 000 DKK of a total of 250 000 were claimed.

In sum, the project proved valuable from several angles: NFU has established itself as a serious and trustworthy project partner to the Nordic Council of Ministers. Contacts with the research community has deepened and important contacts have been established for the future. NFU also got the opportunity to present the project to the European Commission directly through Alexandra Horváthová's participation in the November meeting with DG Fisma. Moreover, important knowledge has been gathered and analysed, providing an important contribution to NFU's platform of competence and input to future revisions of EU financial regulation.

Strengthened coordination and coherence (WP 1.5)

Throughout the year, continued efforts were made to improve the internal coherence and coordination among NFU's different areas of activity and their policy content.

The work in the Social Dialogues with digitalisation and telework provided important input to NFU's and UEF's work with consultation replies. The NFU Negotiators' Forum held in spring 2017 (more details below) provided an important arena to coordinate between legal and policy angles on issues of common concern for the NFU member unions' secretariats, in turn providing the NFU secretariat with cutting-edge information on the state of collective bargaining and national sectorial issues.

2. Promoting NFU Policies

Introduction to EU Financial Regulation in 2017

The Commission has now delivered on 80% of the legislative proposals they intended to and the amount of new EU legislation continues to be low in 2017. Nonetheless, several large and technical consultations have been rolled out, as the Commission intends to deliver some final legal initiatives in Q1 2018 to deliver on its promises to complete the Capital Markets Union and its flagship Retail Financial Services. A decision to move the European Banking Authority from London to Paris was made. The Commission managed to initiate four reviews of the European Supervisory Authorities to amend their scope and improve impact assessments. Finally, as the Commission prepares to hand over the office to their successors in 2019 legislative focus shifts to legacy building action for EU 2030 and preparing for EU26, introducing consultations on FinTech and sustainable finance. Below follows a closer look at three controversies in regulation in 2017.

- The Commission published the Consumer Financial Services Action Plan COM(2017) 139, following the Green Paper on Retail Financial Services in 2016. The action plan invites Member States, national competent authorities, financial service providers and consumer organizations "to join forces in building a genuine technology-enabled Single Market for retail financial services". Notably, trade unions are not mentioned. Trade unions, including NFU and its member organizations, lifted issues of proportionality, job growth and

employability as digitalization continues to stimulate implicit negative bias against the human factor and is used as an argument for down-sizing. However, the ESA's showed interest in connecting regulation with social impact as both ESMA's new technical standards for MIFID II and EBA's new scope for a FinTech action plan had room for this kind of input following pressure from Juncker's 'State Of The European Union' speech.

- Solvency II and Basel received criticism over the year. According to European banks and insurance companies the unnecessarily high standards for required capital holdings harm the sector's possibility to make profit. Surprisingly, Basel came into discussions again in November even though stability is of everyone's concern since the 2008 finance crisis. According to representatives from the banking industry changes agreed to in 2016 and 2017 to Basel IV may amount to a completely new reform as they require a significant increase in capital (Howard Davies¹, 21 Dec 2017). Regulators on the other hand argue that the changes are simply completing the Basel III reforms, agreed in principle in 2010. Many firms, including Nordic banks and insurance companies, however, state that they would not have raised their bar for minimum capital if not for the regulation.
- In building the single market, banks and insurance companies have become platforms for EU to fight terrorism. As of June 26, 2017 all EU member states must be compliant with the new mandates of AML (Anti-Money Laundering) and CFT (Countering the Financing of Terrorism) through what is known as *KYC (Know Your Customer)*. Together with regulation on *information to customer (IDD II, Solvency II, PRIIPS, MIFID II, and UCITS V)* and *documentation (MIFID II and Solvency II)*, they amount to staggering pressure on employees. The NFU report "Coping with Compliance" published early 2018 gives evidence to the unintended effects which may rapidly unfold without proper employee impact assessments. Some firms are already approaching the issue by separating customer facing staff from risk altering KYC procedures in two different departments.

¹ Howard Davies, Chairman of the Royal Bank of Scotland.

NFU Consultation Replies (WP 2.1, 2.3)

Two key issues permeate the consultations of 2017 as the Commission steps up to complete the more ambitious aspects of the capital markets union: FinTech and sustainability. NFU's consultation replies drew attention to the intrinsic biases of robo-advice, MIFID's possible contribution to sustainability, and access to human advice. NFU called for more focus on the impact of fintech development on customers and employees, and highlighted the unique opportunity of the more unlegislated areas of fintech – with the right regulative considerations, these might stimulate both job growth and fulfill societal needs. In the wake of Agenda 2030 and the Paris Agreement NFU finally set out to widen the understanding of the social factors of sustainability and pushed for a stronger employee perspective in the ESAs impact assessments, as well as in firms' enabling conditions for successful and profitable implementation of new regulation.

In addition, President Jean-Claude Juncker announced in his State of the European Union speech that a European labour Authority is to be created. NFU contributed to the EU public consultation on a European Labour Authority and a European Social Security Number through UNI Europa, highlighting that a European Labour Authority must respect national traditions and should not in any way interfere with or limit the autonomy and rights of the social partners. All 2017's consultations are listed below:

- Consultation on the Supplementary Guidance to the FSB Principles and Standards on Sound Compensation Practices to The Financial Stability Board (FSB)
- Consultation to High-Level Expert Group on Sustainable Finance
- Stakeholder Survey from Eurofound
- Consultation on new guidelines for MIFID II to The European Securities and Markets Authority (ESMA)
- Consultation on EBA's henceforth scope of work on FinTech to European Banking Authorities (EBA)
- Consultation on the Swedish TCOs EU political priorities to TCO (The Swedish Confederation of Professional Employees)
- Recommendations to the work program of the EU Commission in Sweden 2018-2019
- Recommendations to the priorities of Finance Watch

- EU public consultation on a European Labour Authority and a European Social Security Number

The European Supervisors (WP 2.4)

Aside from responding to consultation replies, additional activities were carried out in relation to the three European Supervisory Agencies (ESAs). Together with FSU-SE, NFU met with the Swedish financial employers on the topic of the EBA Remuneration Guidelines to follow up on efforts made in 2016. Arvid Ahrin attended the ESMA Annual Conference in Paris in October, networking with both financial industry and supervisory staff. NFU's monitoring also kept a special focus on the ESA's work.

Significant networking (WP 2.6, 2.7)

In addition to the list of meetings held that is presented further down in this report, some key events can be mentioned. The NFU Conference gathered speakers and guests from various parts of the financial sector and the regulatory field. Consumer protection expert and EBA stakeholder group member Dominic Lindley, Katrín Júlíusdóttir of the Icelandic FSA, Head of UK Operations at Handelsbanken Mikael Sørensen and Icelandic Minister of Finance Benedikt Jóhannesson are some that can be mentioned. Given the excellent feedback from participants, the conference strengthened the NFU brand towards invited speakers and guest and provided a good platform for continued cooperation.

In addition, contacts with Finance Watch were maintained during the year, with notable NFU contributions to the strategic discussions at the AGM in June and a joint planning meeting with secretary-general Benoît Lallemand in November.

The NFU network was widened during autumn as the work with sustainable finance picked up speed. NFU met with several key stakeholders and as a result was able to contribute with input to a joint NGO position paper on sustainable finance (see also points 2.1 and 2.3 above).

Union Cooperation

In this area of activity, the Work Plan 2017-2018 outlines two ways forward. Along the way of internal cooperation NFU strives to step further in strengthening the networks within NFU for a deeper exchange of knowledge and strategy among the member

unions. In so doing, both the member unions themselves as well as their company-based union branches stand to benefit, and the foundation of NFU – namely, a strong cooperation among the member unions – is reinforced.

Along the external cooperation path, NFU works to strengthen cooperation with union colleagues in other sectors and regions. By drawing closer ties to other union organisations in the Nordic and European settings, NFU works for stronger policy impact. At the same time, we can take part in shaping cross-sectoral union strategies on the long term to benefit finance sector employees as well as the wider services sector.

3. Internal cooperation

Nordic high-level training (WP 3.1)

In 2016 NFU launched a high-level training for Nordic trade union representatives to strengthen Nordic trade union cooperation. The training programme consisted of two parts; the first focusing on Nordic and international trade union structures and work as well as factual knowledge about the financial sector and the second part on strategic and inter-cultural communications. The first part was carried out in autumn/winter 2016-2017 and the second part in spring 2017.

Around 40 high-level trade union representatives from the NFU member unions participated in the training program. The final session of Part 1 was carried out in Oslo in January 2017. Part 2 was carried out during Spring 2017 by consultants from Rhetorica. The programme covered themes like differences and similarities across the Nordics, communicating the Nordic agenda, mediating the Nordic perspective to local members. In addition, an optional individual training session was carried out for the 16 participants that had requested this. The evaluations show that the program brought value to the participants, in terms of an increased Nordic trade union network, new skills and knowledge, and that it has strengthened Nordic trade union cooperation and work.

NFU Conference 2017 (WP 3.2)

On June 20-21 in Reykjavik, NFU arranged the biennial NFU Conference entitled “The Nordic Model Disrupted: A Seismic Shift or a Natural Development?”. The Conference

gathered close to 100 participants and speakers from all NFU member unions and the five Nordic countries. Excellent speakers (some key ones are mentioned in point 2.6 above) and high-level seminars with relevant topics resulted in a conference which scored the highest evaluation points yet recorded for an NFU event. The level of Nordic networking and knowledge building that the Conference created will be a challenging watermark to surpass in future.

Negotiators' forum (WP 3.3)

NFU hosted a meeting for negotiators working at the affiliates' secretariats in Copenhagen on May 16. The meeting gathered 13 participants from FSU-SE, FSU-NO, PRO, FSU-DK and FTF, all working with negotiations on national level.

The aim with the forum was to discuss the challenges of the automatization of work and the creation of work through digital platforms and what challenges this pose for the trade unions in the Nordic region. The aspiration was that the meeting should help facilitate relations between the negotiators from the different secretariats so that they can get the opportunity to share experiences and knowledge.

The participants discussed and shared experiences on how to work with companies without collective agreements, collective agreements in the different Nordic countries and other relevant national events. Simon Schou, Chief Innovation Officer at the Copenhagen Fin-Tech Lab, was invited as external guest speaker. He gave a presentation on experiences from Copenhagen Fin-tech Lab. Annika Stenström, Policy Advisor NFU, presented the European sectoral social dialogues and its declarations for the participants.

The participants emphasised the crucial role played by these coordinating and knowledge-sharing events, building strength through Nordic networks.

4. External Cooperation

External union networking (4.1)

NFU continued to participate in the Italian EU-project by FISAC-CGIL about EWC's and how to foster the employees' participation and the anticipation of change. Besides Italian trade unions, several EWCs from across Europe take part in the project

meetings, as well as NFU and UEF. Several meetings were also held with Nordic trade union organisations such as NFS and the Nordic sector federations. This coordination has been crucial not least to manage the situation in the Estonian finance sector, continuously sorting out confusion, building support, and making sure the right trade union actors are in play.

In addition, NFU followed the work of and participated in meetings with UNI Europa's EU Policy Making Working Group, Swedish TCO's EU network, the ILO Conference on the Future of Work, etc.

European Sectorial Social Dialogues on Insurance and Bank (WP 4.2)

Social dialogue has been challenged across Europe this year. This has been a reoccurring theme on the bank social dialogue meetings during the course of 2017.

In March, the Slovakian trade union colleague from OZ PPaP informed the dialogue participants about a worrying development in the Slovakian banking sector. The Slovak Banking Association (SBA) had decided to end all collective bargaining without any explanation, and by doing so putting an end to 20 years of social dialogue. As a response, the OZ PPaP sent a letter to the CEO:s of the major players of the Slovak banking sector asking if they agree with the decision by SBA. Only Erste Bank responded, expressing their support for the SBA decision. The issue was raised during the bank social dialogue meeting. Since then, some progress has appeared to have taken place and the unions and employers have started some sort of dialogue with each other again.

The same worrying development then took place also in the Czech Republic, where the employers refused to negotiate on real issues concerning the sector. The Czech union OSPPP therefore decided to abandon the negotiation table, after 14 months of negotiations. They asked for help from the ministry of labour, but the employers rejected the outcome of the intervention. The situation was brought up at the social dialogue meeting in November, to support the OSPPP and bring awareness to the employers' and the Commission.

The work within the bank social dialogue has picked up in speed during 2017. In the beginning of the year, it was decided to work together to reach two new joint

declarations in two years; one on telework and one on digitalisation. The work started with the declaration on telework, which resulted in the signing of the declaration on 17 November 2017.

NFU has played an active part in the process of drafting the declaration. The NFU input on the topic was put forward to UNI Europa Finance at an early stage of the process and has made an impact on the final text. NFU emphasized the importance of social dialogue and collective bargaining as-well as wellbeing and work/life balance, and successfully managed to exclude several wordings from the original draft that limited the rights on voluntarism and reversibility with regards to telework.

The social partners joint project to map the effects of regulation on jobs in the EU has also progressed. The consultancy Kantar TNS has been contracted to carry out the mapping in practice. At the request of Kantar TNS, NFU affiliated unions have supplemented their mapping with their own, publicly available, data on the topic. The final conference and presentation of report will be held in Spring 2018.

In the Insurance social dialogue, the work has continued to follow-up the joint declaration on digitalisation (signed 2016). A discussion paper focusing on specific points of the declaration was drafted by UEF with the input from NFU. The purpose is to agree on more concrete recommendations on the topic, in comparison to the quite abstract declaration. It has been agreed by the social partners to continue working on this topic in 2018 to reach a joint text.

The declaration on telework (signed by social partners 2015) has reportedly been taken in to the discussion when concluding new collective agreements in Italy and Spain in 2017.

In 2017, efforts have been made by the social partners to re-start the Central Bank social dialogue has commenced this autumn. In September 2017, UNI Europa together with EPSU and SCECBU discussed the planning for the rest of the year with ESCB. The discussions continued with a small working group meeting in October to discuss possible modifications to improve and update the social dialogue agreement with the ESCB. The suggestion from the trade union federations was welcomed by ESCB. NFU follows the development with the dialogue.

Activities in the finance sector in Estonia (WP 4.3)

NFU participated in two meetings with the Baltic Organising Academy network during the year, one in June and one in November. Much time was spent discussing the forming of a new and actual organisation for organising in the Baltic – the Baltic Organising Alliance. The new BOA is a real organisation with a legal seat in Estonia, compared to the old BOA which was only a network of organisations. Only Baltic unions can be full members, and non-Baltic unions who want to support organising will be granted supporting member status. NFU also took part in drafting the Statutes for the new organisation through participation in a designated working group.

The agreement on organising in the Estonian finance sector signed by NFU and EFL/ESTAL in Estonia continued during the year. Risto Raudkivi continued to be employed as organiser, and the union grew its membership from around 300 members in the end of 2016 to 470 members in the end of 2017.

5. Communication

NFU's communication efforts support the aim to be recognized as a competent and influential dialogue partner at all levels. Through clear and target-oriented communication, NFU constantly seeks to improve the communicative methods. Striving to increase NFU's visibility towards both internal and external parties is a cornerstone of this approach.

New NFU Website (WP 5.1)

After working together with the consultants from The Generation to re-design the NFU website in 2016-17, the new website went live just before summer in 2017. The purpose with the project was to make it adapted to new technology as well as more user-friendly and modern.

The project resulted in a simplified website that is easier to use, adapted to smartphones and tablets as well as with an updated graphic profile. The colour scheme draws from the existing NFU colours, but with a modern twist. The texts of the website have also been revised and adapted to the current work of NFU. During the year, additions have been made to the website and texts have been revised even further by the secretariat.

News, blog and social media (WP 5.2)

NFU has made more use of Twitter and Facebook during the year and achieved an all-time-high number of posts. The number of people reached is also steadily increasing. The development reflects the decision to use less time on writing email-based newsletters, and more on individual blog posts and news that are more easily spread in social media and which directs traffic to the NFU website.

Annex 1: Goals to reach and work to improve

This Activity Report's half-way assessment of the Work Plan 2017-2018 highlight two dimensions for 2018 – filling gaps where more activity is needed and making a stronger imprint with goals that are already underway.

Filling the gaps

Firstly, several goals need more activity. Cases in point are goal 2.5, 2.6, and 2.7. The work of key institutions such as the FSB, OECD and the Basel Committee can be followed more closely, preferably in cooperation with UNI Europa Finance, and the NFU voice can be heard clearer in this context. NFU should strive to stay at the very forefront of the regulatory development and lead the way when possible. To do this, more efforts are needed under these goals. The lobbying plans following the Coping with Compliance report are an important step on the way. But further efforts are needed to closely follow the agenda of the ECON committee and revisit key dossiers that NFU has worked with and that are in various stages of implementation. In 2019 there will be elections to the European Parliament and a new European Commission will be appointed. NFU should use the time until then to prepare a long-term plan of which key areas of financial legislation that need to change or be established in the next EU mandate period.

In addition, goal 2.4 regarding the European supervisory authorities requires careful attention. It has been increasingly difficult to maintain a constructive dialogue with the supervisors. Add to that the strengthened role of the European Central Bank for European supervision and regulation, and a complex nexus of institutions emerge with opaque ties and unclear checks and balances. NFU must relate to this fact proactively, follow the agendas closely and seek influence wherever possible.

In addition, the goals 1.6 and 3.4 have not had any activities arranged so far. On April 9-10, NFU will hold a Policy Affairs Forum in Stockholm, discussing regulatory and sector policy issues on a secretariat level with the affiliates, thereby addressing goal 1.6. Proposals are also underway to fulfil goal 3.4 with activities directed towards the company-based union branches.

Strengthening the imprint

Secondly, the achieved results under certain key goals can be further reinforced. In relation to goal 1.3 in the Work Plan, efforts will continue to deepen networks and relationships with the research community. The results achieved so far are promising, and a taste of what could potentially be done in future. The kind of cooperation done in the project on implementation of EU financial rules strengthens the impact and legitimacy of NFU while at the same time generating results on a level and scope which would simply be impossible only using the NFU secretariat's time and resources. Bearing in mind that such projects also require significant efforts from NFU, especially during certain periods, it is an interesting direction to explore further in the future.

Under goals 2.1 and 2.3 – reacting to EU regulation proposals and putting forward NFU policies to decision-makers – the bar can be raised higher. Part of this higher ambition is the fact that NFU is still in the middle of a learning process, moving from mainly reactive lobbying to proactive. Realizing the goals in the Policy Platform also requires working in this direction. It is important to keep in mind that proactive lobbying is more difficult, takes longer time and requires more resources – but the chances for development in this field should still be seized, aiming to create ever better results and value for the members. Concretely, stepping up contacts with key institutions as mentioned above (European Parliament etc) but also strengthening the cooperation with the UNI system are two important parts of this development.

In relation to all the goals under point 3 – internal cooperation – the task of maintaining and developing the internal NFU network continues to be of vital importance. Not only are personal contacts and experience of NFU activities and networks in themselves reinforcing the Nordic cooperation – the dissemination of NFU results and the value of NFUs work is also made easier. The NFU Secretariat plays a key role in this regard. The NFU staff should, as far as resources allow, use every relevant opportunity to visit the member unions and their company-based union branches. By being available with their competence and readily share information about NFU's activities, the secretariat staff have a central role to play as nodes in the Nordic networks within NFU. But the member unions themselves also have a responsibility to maintain contacts among themselves, both on secretariat and political level, and include the NFU secretariat in these exchanges when appropriate.

Annex 2: Travels and meetings 2017

The NFU secretariat participated in the following meetings involving external parties and/or member unions in 2017. Participants from the NFU secretariat are listed under each.

January

16-17: High-level training Part 1, Oslo: Annika Stenström, Ann-Helen Hopland

24: Interview with researcher Raoul Gebert from University of Montreal on labour relations in the Nordics, Stockholm: Ella Sjödin

24-26: High-level training Rhetorica, Copenhagen: Annika Stenström

26: NFU Presidium, Oslo: Ella Sjödin

28: Meeting on Green Finance, Oslo: Ann-Helen Hopland

February

2: Social dialogue insurance pre-meeting, Brussels: Annika Stenström

3: Social dialogue insurance, Brussels: Annika Stenström

8: BOA meeting, Tallinn: Ella Sjödin

13-14: Management Board, Copenhagen: Annika Stenström, Ella Sjödin, Ann-Helen Hopland, Morten Clausen

21: Meeting with CBS on Implementation Project, Copenhagen: Ella Sjödin, Ann-Helen Hopland

21-23: High-Level Training Rhetorica, Copenhagen: Ella Sjödin, Ann-Helen Hopland

March

7: Conference on performance measurement systems, Copenhagen: Annika Stenström, Ann-Helen Hopland

8: Presentation of NFU for Swedbank union branch, Stockholm: Annika Stenström

14: Social dialogue bank pre-meeting, Brussels: Annika Stenström

15: Social dialogue bank, Brussels: Annika Stenström

15-17: Italian EWC-project by Fisac-Cgil, London: Ella Sjödín

20: Seminar "The Future of EU" Europahuset, Stockholm: Annika Stenström

22: CBS Advisory Board Meeting, Copenhagen: Ella Sjödín

23: NFS conference, Copenhagen: Ella Sjödín

28: BOA meeting, Tallinn: Ella Sjödín

29: Introduction to NFU for staff at FSU-SE, Stockholm: Ella Sjödín

April

4: Hearing on the Capital Markets Union, Brussels: Ann-Helen Hopland

4-6: High-level training Rhetorica, Stockholm: Annika Stenström, Ella Sjödín

6-7: ILO conference "The future of work we want", Geneva: Annika Stenström

10: Meeting with FSU-NO, Oslo: Ann-Helen Hopland

11: Meetings in Brussels: Ann-Helen Hopland

10-11: NFU Audit, Stockholm: Ella Sjödín

11: Presentation about EU and European Affairs for the board of FSU-SE, Stockholm:
Ella Sjödín

24: UNI Norden meeting, Copenhagen: Ella Sjödín

25-27: High-level training Rhetorica, Oslo: Annika Stenström

24: Meeting with Alexandra Horváthová on the Implementation project, Copenhagen:
Ella Sjödín

25: BOA-Nordics meeting, Stockholm: Ella Sjödin

27: NFU Presidium, Copenhagen: Ella Sjödin

May

3: UNI Europa EUPWG, Brussels: Annika Stenström

9: Meeting with FSU-SE and BAO about EBA Sound Remuneration Guidelines, Stockholm: Ella Sjödin

10-11: NFU General Secretaries Meeting, Stockholm: Ella Sjödin

15-16: NFU Negotiators' forum, Copenhagen: Annika Stenström

15-17: Brussels study trip with FSU-SE board, Brussels: Ella Sjödin

22-23: Management Board meeting, Stockholm: Annika Stenström, Ella Sjödin, Ann-Helen Hopland, Morten Clausen, Arvid Ahrin

June

1: Presentation for employee representatives on company boards, course by FSU-SE, Stockholm: Ella Sjödin

7: All For Democracy Conference, Brussels: Arvid Ahrin

8: Social dialogue insurance pre-meeting, Brussels: Annika Stenström

9: Social dialogue insurance, Brussels: Annika Stenström

13-14: Planning days for the NFU secretariat, Stockholm: Annika Stenström, Arvid Ahrin, Ella Sjödin, Morten Clausen, Ann-Helen Hopland

15: Social dialogue bank pre-meeting, Brussels: Annika Stenström

16: Social dialogue bank, Brussels: Annika Stenström

16: BOA Meeting, Tallinn: Ella Sjödin, Arvid Ahrin

19-22: NFU Conference, Reykjavik: Annika Stenström, Ella Sjödin, Ann-Helen Hopland, Morten Clausen, Arvid Ahrin

26: UEF Regulation WG, Brussels: Arvid Ahrin, Morten Clausen

27: DG Fisma meeting, Brussels: Arvid Ahrin, Morten Clausen

28: Finance Watch AGM, Brussels: Arvid Ahrin, Morten Clausen

July

3-5: Politics week in Almedalen, Visby: Annika Stenström

August

16: Meeting with Giulia Porino, Membership, Outreach and Expertise Coordinator, Finance Watch, Stockholm: Emelie Weski

17: Meeting with ESTAL and EFL, Tallinn: Arvid Ahrin

23: Meeting with Maria Häggman, Policy Advisor, NFS, Stockholm: Emelie Weski

25: Meeting with Louise Hertzberg, Senior Advisor, Norden i Fokus, Stockholm: Emelie Weski

25: Meeting with NFS, Stockholm: Arvid Ahrin, Annika Stenström, Emelie Weski

28: NFU Presidium meeting, Oslo: Arvid Ahrin

September

6: Meeting with Björn Fritjofsson, Nordic Council of Ministers, Stockholm: Emelie Weski, Arvid Ahrin

6: Meeting with Sofia Vanner, International Coordinator, FSU-SE, Stockholm: Emelie Weski

11: Presentation of NFU for FSU-SE, Stockholm: Annika Stenström

12: TCO's EU-network meeting, Stockholm: Emelie Weski

13: Meeting with FSU-NO, Stockholm: Annika Stenström, Emelie Weski, Arvid Ahrin

14-15: ERIN Conference, Hague: Emelie Weski

18: Meeting with Arild Moen, Nordic Investment Bank, Helsinki: Emelie Weski

18-19: Management Board meeting, Helsinki: Annika Stenström, Arvid Ahrin, Emelie Weski, Morten Clausen

20: UNI Europa EUPMWG, Brussels: Annika Stenström

21: Meeting and presentation of NFU with FSU-DK, Copenhagen: Annika Stenström, Emelie Weski

22: Project update meeting, CBS, Copenhagen: Emelie Weski

22: Meeting with Björn Fritjofsson, Nordic Council of Ministers, Copenhagen: Emelie Weski

22: Meeting with Föreningarna Nordens Förbund, Copenhagen: Emelie Weski

26: Meeting with Mathilda af Hallström, Special advisor, Nordic Council, Brussels: Emelie Weski

27: Meeting with Farid Aliyev, senior financial services officer and team leader, BEUC, Brussels: Emelie Weski

27: Meeting with Claudia Saller, Policy Officer, UNI Europa, Brussels: Emelie Weski

27-28: FSU-DK congress, Nyborg: Arvid Ahrin

28: European Banking Summit, Brussels: Emelie Weski

29: Meeting with Esko Kivisaari, Deputy Managing Director, Federation of Finnish Financial Services and member of the HLEG on Sustainable Finance, Brussels: Emelie Weski

October

3: Meeting with FTF, Stockholm: Emelie Weski

- 5:** UNI Norden meeting, Stockholm: Annika Stenström
- 9:** Social dialogue insurance pre-meeting, Brussels: Annika Stenström
- 10:** Social dialogue insurance, Brussels: Annika Stenström
- 11:** Meeting with ISS Ethix, Stockholm: Arvid Ahrin
- 17:** ESMA Annual Conference, Paris: Arvid Ahrin
- 17:** Conference on Big data and fintech: a solution to financial exclusion, CEPS, Brussels: Emelie Weski
- 18:** NFS meeting with the Nordic sector federations, Stockholm: Annika Stenström, Arvid Ahrin
- 19:** Workshop meeting on Service markets, digitalizing service industry, challenges and opportunities, UNI Europa, Brussels: Emelie Weski
- 20:** Meeting with Unionen, Stockholm: Arvid Ahrin

November

- 6-7:** Training course on EU financial services law, Luxembourg: Annika Stenström, Emelie Weski, Morten Clausen
- 7:** 6th Annual Financial Regulation Conference, Brussels: Arvid Ahrin
- 8:** Meeting with Benoît Lallemand, Finance Watch, Brussels: Arvid Ahrin
- 8:** Meeting with Oliver Roethig/UNI Europa, Brussels: Arvid Ahrin
- 9:** Presentation of NFU on Nordic Finance Forum conference, Stockholm: Annika Stenström
- 9:** Meeting and presentation of NFU with FSU-SE EWC, Stockholm: Annika Stenström
- 8-10:** ETUI course "How to influence EU-decision-making", Brussels: Emelie Weski
- 14:** UNI Norden meeting, Stockholm: Arvid Ahrin

- 14:** NFS/FES conference Future of work, Stockholm: Annika Stenström

 - 15:** CBS Advisory Board meeting, Copenhagen: Arvid Ahrin

 - 15:** Meeting with Steve Waygood, HLEG on Sustainable finance member, Brussels: Emelie Weski

 - 15:** Meeting with Mireille Martini, Senior research and advocacy officer, Finance Watch, Brussels: Emelie Weski

 - 16:** Social dialogue bank pre-meeting, Brussels: Annika Stenström

 - 16:** BOA meeting, Tallinn: Arvid Ahrin

 - 17:** Social dialogue bank, Brussels: Annika Stenström

 - 20:** Seminar on Women Fast Forward: Access to Finance to Women, EY, Brussels: Emelie Weski

 - 20:** Seminar on insurers contribution to sustainable finance, Insurance Europe, Brussels: Emelie Weski

 - 20:** Meeting with MEP Sven Giegold, ECON, Brussels: Emelie Weski

 - 21:** Seminar on access to capital and financing: Do the Nordics have the secret recipe, Permanent Representation of Sweden to the EU, Brussels: Emelie Weski

 - 21:** Meeting with Anna Maria Romano, International Dept. Coordinator at CGIL and member of ESMA stakeholder group, Brussels: Emelie Weski

 - 21:** Seminar on hedging their bets: the impact of Brexit on the financial service industry, ACCA (Association of Chartered Certified Accountants), Brussels: Emelie Weski

 - 23:** Seminar on Sustainable Finance and Innovation, Eurosif, Invest Europe and European Investment Bank, Brussels: Emelie Weski

 - 23:** Conference Financial consumer protection & financial advice, Amsterdam: Annika Stenström
-

27-28: Management Board meeting, Tromsø: Annika Stenström, Emelie Weski, Arvid Ahrin

29: UEF Regulation WG meeting, Brussels: Emelie Weski, Morten Clausen

30: DG Fisma meeting, Brussels: Emelie Weski, Morten Clausen

December

4-5: Finance Watch Change Finance Forum, Brussels: Emelie Weski, Morten Clausen

5: Seminar on dialogue negotiations - striking the right balance between transparency and efficiency, Brussels: Emelie Weski

7-8: Planning days for the NFU secretariat, Stockholm: Arvid Ahrin, Emelie Weski, Annika Stenström, Morten Clausen

11: NFU CBS seminar the implementation project, Copenhagen: Annika Stenström, Arvid Ahrin, Morten Clausen, Emelie Weski

13: Presentation for FSU-NO Board, Oslo: Arvid Ahrin

Annex 3: Governance and Administration

Management Board members

President:	Michael Budolfson/FSU-DK (MB)
Vice-President:	Pål Adrian Hellman/FSU-NO (PAH)
Titular members:	Ulrika Boëthius/FSU-SE (UB)
	Anna Karen Hauksdottir/SSF (AKH)
	Susanne Lindberg/FTF (SL)
	Rauni Söderlund/Pro (RS)
	Charlotte Hougaard/Forsikringsforbundet (CH)
	Bente Hornsrud Espenes/FSU-NO (BHE)

Management Board meetings

1. Copenhagen, February 14 (Host: FSU-DK)

Participants: MB, PAH, UB, AKH, SL, RS, CH, BHE

From the secretariat: Ella Sjödin, Annika Stenström, Morten Clausen, Ann-Helen Hopland

External speaker: Nicolai Mendgaard-Larsen from MADE who presented their project Generation Z on the future's bank customers (age group 18-25).

2. Stockholm, May 23 (Host: FSU-SE)

Participants: MB, PAH, UB, SL, RS, CH, BHE

From the secretariat: Arvid Ahrin, Ella Sjödin, Annika Stenström, Morten Clausen

External speaker: Hans Lindberg, BAO, spoke about the proposal for raised resolution

fee for banks in Sweden.

3. Helsinki, September 19 (Host: Pro)

Participants: MB, PAH, UB, AKH, Jimmy Johnsson replacing SL, RS, CH, BHE

From the secretariat: Arvid Ahrin, Ella Sjödin, Annika Stenström, Morten Clausen

External speaker: Tuomas Telkkä, Chief of Public Affairs at OP Group/Cooperative Banks presented the business model of the OP Group and their work with financial regulation.

4. Tromsø, November 28

Participants: MB, PAH, UB, AKH, SL, CH, BHE, Antti Hakala (replacing RS)

From the secretariat: Arvid Ahrin, Ella Sjödin, Annika Stenström, Morten Clausen

External speaker: Petter Høiseth, Chief of Staff at Sparebank 1 Nord-Norge, presented the bank and reflected upon its role as medium-sized savings bank operating in close contact with the surrounding region.

Presidium meetings

The main task of the Presidium is to prepare the forthcoming Management Board and Union Council meetings.

1. January 26, Oslo: Michael Budolfson, Pål Adrian Hellman, Ella Sjödin

2. April 27, Copenhagen: Michael Budolfson, Pål Adrian Hellman, Ella Sjödin

3. August 28, Copenhagen: Michael Budolfson, Pål Adrian Hellman, Arvid Ahrin

4. November 9, Copenhagen: Michael Budolfson, Pål Adrian Hellman, Arvid Ahrin

Union Council meeting

The Union Council meeting 2017 was held electronically with per capsulam voting on all items via email.

The NFU Secretariat

The staffing situation at the NFU Secretariat was eventful during 2017. General Secretary Arvid Ahrin was on parental leave until May 31 and during June, the secretariat consisted of 5 people in total as Ann-Helen Hopland completed the last of her ten-month temporary position as European Coordinator. Head of EU Affairs Ella Sjödin held the position as Acting General Secretary until June and left on a nine-month parental leave in August. Emelie Weski started as Ella's replacement in the start of the same month. Annika Stenström worked full-time for NFU the whole year, and Morten Clausen half-time as stipulated in the agreement between NFU and UNI Europa Finance.

Signing of the Annual and Activity Reports

The Management Board and the President and General Secretary of Nordic Financial Unions (NFU) certify that the Annual Report and the consolidated financial statements have been prepared in accordance with generally accepted accounting principles in Sweden. They give a true and fair view of NFU's financial position and result per December 31, 2017.

We are convinced that the Management Board's Activity Report for NFU gives a true and fair overview of the development of the operations and results of NFU in 2017.

The Annual and Activity Reports are put forward to the Union Council for approval.

Helsinki, May 15, 2018

Arvid Ahrin

General Secretary

Management Board

Michael Budolfson

President

Pål Adrian Hellman

Vice President

Ulrika Boëthius

Board Member

Susanne Lindberg

Board Member

Rauni Söderlund

Board Member

Charlotte Hougaard

Board Member

Anna Karen Hauksdóttir

Board Member

Bente Hornsrud Espenes

Board Member



Annual report 2017-12-31

NFU

NFU Balance sheet 31 December 2017

1 000 SEK

Assets		<u>01-jan</u>	<u>2017</u>	<u>31-dec</u>
Non-current assets	82			
Furniture and computer		71	12	82
Financial assets	1 390			
Shares & securities		1 279	111	1 390
Current assets	5 737			
Prepaid tax		95	-6	88
Other current receivables		410	-300	110
Bank deposit		6 898	-1 359	5 539
Total assets	<u>7 209</u>			
Equity and liabilities				
Unrestricted equity	6 522			
Retained earnings		8 155	0	8 155
Net earnings		0	-1 633	-1 633
Purpose-bound equity	0			
Uni-sponsor		103	-103	0
Liabilities	688			
Payables		299	179	478
Non-interest bearing liabilities		76	10	86
Other non-interest bearing liabilities		119	5	124
Total equity and liabilities	<u>7 209</u>			

NFU Income statement 2017-12-31

1 000 SEK

Income	<u>Total</u>	<u>UNI</u>	<u>NFU</u>	<u>2016</u>
Member revenue				
Member revenue	4 368		4 368	4 389
Grants for Uni-sponsor	624	624		629
Other income				
Exchange gain	136		136	360
Subsidies received	29		29	35
Other income				
Total income	5 157	624	4 533	5 414
Expenses				
Member meetings	-436		-436	-128
Office space	-105		-105	-106
Materials & products	-35		-35	-58
Travel expenses	-844	-60	-784	-517
PR & advertising	-8		-8	-2
Representation	-16		-16	-21
Office costs	-48		-48	-27
Administrative expenses	-5		-5	-4
External services	-1 379		-1 379	-669
Other expenses	-383		-383	-219
Wages, other remuneration and	-3 670	-832	-2 838	-3 276
Operating earnings	-1 771	-268	-1 504	387
Depreciation	-43		-43	-29
Foreign exchange loss	-9		-9	-11
Profit before financial items	-1 823	-268	-1 556	347
Financial asset valuation	111		111	-99
Earnings after financial item	-1 713	-268	-1 445	249
Taxes	-24		-24	0
Total expenses	-6 894	-892	-6 002	-5 165
Net earnings	<u>-1 737</u>	<u>-268</u>	<u>-1 469</u>	<u>249</u>
Baltics			359	
High Level training			1303	
CBS/NFGS			156	
Adjusted earnings NFU			<u>350</u>	
Contribution from balance sheet		103		
Contribution to balance sheet		-164	-164	
Adjusted earnings			<u>185</u>	