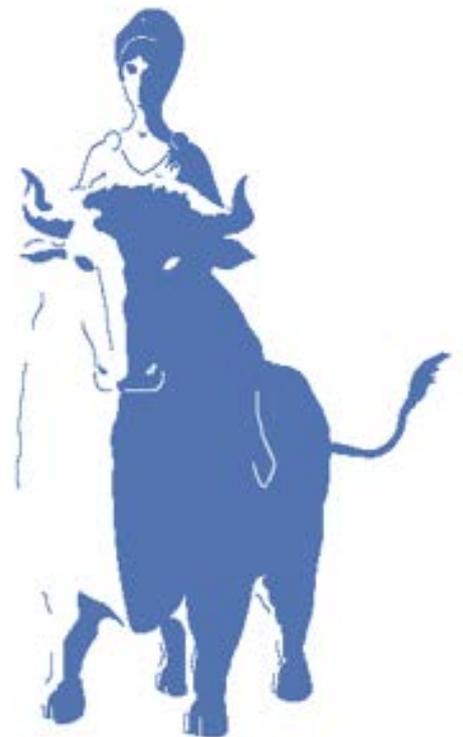




Annual Report 2014



EFFAS

**The European Federation
of Financial Analysts Societies**

Mainzer Landstr. 47a ·

60329 Frankfurt am Main, Germany

Tel. +49 69 26 48 48 300

Fax. +49 69 26 48 48 335

Email: office@effas.com

©2014 The European Federation of Financial Analysts Societies. All rights reserved.

EFFAS is a non-for-profit organisation set up in 1962. Its mission is being a standard setter for investment professionals' requirements, a think tank and center of discussion and a European reference in Training & Qualification.

EFFAS is the umbrella organisation of 21 national local societies of investment professionals in Europe, representing more than 18.000 Financial analysts, Asset managers, pensions funds managers, Corporate finance specialists, risk managers and treasurers and other professional profiles of the investment profession.

For more information, visit

www.effas.com

Content

- 1. Message from our Chairman**
- 2. Strategy**
- 3. Governance**
 - 3.1. Members of the Association**
 - 3.2. Annual General Meeting**
 - 3.3. Executive Management Committee**
- 4. Activities**
 - 4.1. Training and Qualification**
 - 4.2. EFFAS Summer School**
 - 4.3. Commission on ESG (CESG)**
 - 4.4. Commission on Financial and Accounting (FAC)**
 - 4.5. Bond Commission (EBC)**
 - 4.6. Market Structure Commission (MSC)**
 - 4.7. International Bodies**
- 5. Finance**
 - 5.1. P&L**
 - 5.2. Balance Sheet**

Message from our Chairman



**Jesús López Zaballos,
EFFAS Chairman**

Dear EFFAS Friends,

I wish to thank our members, commissions and our Board for continuously working to promote of EFFAS.

With those combined efforts, EFFAS has become an active member of ACIIA, ECMI, ICIA, XBRL, EFRAG, GIPS and WICI. Our Executive Management Committee (EMC) has also been appointed as member of the Expert Group on the Evaluation of the IAS regulation, through Messrs. Jacques de Greling (SFAF) and Javier de Frutos (IEAF).

Our ESG Commission has enabled EFFAS to organize the first courses and exams in Germany and Spain. The EFFAS ESG Certified Diploma, the first of its kind in Europe, allows EFFAS to become an expert

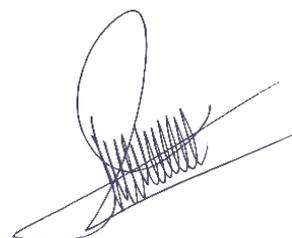
in these matters. The EFFAS CESG also organised the ESG “Taking Into Account” conferences in Europe and the 1st LATAM ESG Conference in Sao Paulo (Brazil) in cooperation with the Brazilian society, APIMEC.

More than worth to be mentioned is the EFFAS Survey to financial managers coordinated last 2014 by our EMC member Pietro Gasparri. It is a very helpful tool for our Federation.

I would like to acknowledge the excellent work done by our delegates and representatives as their activities; as well as all professionals integrating the commissions and to the commission’s presidents for their outstanding contribution by developing important activities for EFFAS and our profession that you can see in more details in the following pages of this report.

I hope to continue our partnership and keep up this bond efficiently for many more years to come.

Sincerely



Jesús López Zaballos

Strategy

Centre for reflexion and think tank

Encouraging economic and financial research and independent opinion with the ultimate goal of setting the necessary standards for the finance industry.

Working and Discussion Forum

For qualified professionals & researchers in those fields, working with the economic and financial authorities in order to facilitate the modernisation and best knowledge of capital markets.

International referent in Training & Qualification

Design of new professional certifications. Promoting the recognition of EFFAS Diplomas among regulators and third parties.

Ensuring professional development through seminars, conferences, professional meetings, etc.

The Association

3.1 Members of the Association

	Austria, ÖVFA
	Belgium, ABAF
	Bosnia, DTS/SMS
	Bulgaria, BIMA
	Croatia, HUFA
	Finland, FSFA
	France, SFAF
	Germany, DVFA
	Great Britain, CISI
	Greece, HACSA
	Hungary, HCPMS
	Italy, AIAF
	Kazakhstan, FIAK
	Latvia, LASMP
	Lithuania, FAA
	Netherlands, VBA
	Norway, NFF
	Poland, PABIA
	Portugal, APAF
	Romania, AAFBR
	Russia, GIFA
	Serbia, UFAS
	Spain, IEAF
	Sweden, SFF
	Turkey, SPP
	Ukraine, USFA

3.2 Annual General Meeting

The general meeting of members decides on:

- The election and discharge of the Chairman of EFFAS and of other members of the Executive Management Committee;
- The approval of the report submitted by the Executive Management Committee on the financial statement, the budget and on the amount of the yearly contribution for the following year;
- The election of members and alternate members of the Arbitration Board;
- Amendments to the Charter;

- The acceptance and expulsion of members

The EFFAS Annual General Meeting (AGM) 2014 was held in Brussels on June 27th and was kindly hosted by the Belgian Society ABAF/BVFA. Our gratitude to the ABAF/BVFA, Chairman Mr. Luc van der Elst and Vice Chair Mr. Hans Buysse for the extraordinary facilities and organization as well as for the excellent reception and dinner offered the night before.



EFFAS Annual General Meeting (AGM) 2014, Brussels June 27th

3.3 Executive Management Committee

The Executive Management Committee is in charge of the daily management of the association, unless this has been assigned by the Charter to the general meeting of members. Its task is in particular to carry out the decisions of the association and to administer its assets. The members of the EMC meet at least four times a year.

The EMC Members at the end of 2014:

- Jesús L. Zaballos, Chairman (Spain)
- Fritz Mostböck, Deputy Chair (Austria)
- Hans Buysse, Treasurer (Belgium)
- Jean Baptiste Bellon (France)
- Frank Klein (Germany)
- Pietro Gasparri (Italy)

- Raul Marques (Portugal)

The EMC held the following meetings:

- 14 March 2014, Budapest (HCPMS)
- 26 May 2014, Paris (SFAF)
- 26 September 2014, Milan, (AIAF)
- 12 December 2014, Madrid, (IEAF)

During the March EFFAS EMC meeting, the Hungarian Society and its training provider ITCB invited the leading Hungarian CEFA trainers and members of the CEFA/CIIA Alumni with aim to discuss the most burning issues of professional diploma programs. To achieve this, Prof. Janos Száz President of the Hungarian Society, IEC member and Dr Judit Toth, CEO of ITCB introduced the most important achievements in CEFA/ACIIA diploma programs.

Following the EFFAS EMC meeting on 14 March, representatives of EMC led by Mr Jesús Lopez Zaballos, EFFAS Chairman, and Friedrich Mostboeck, EFFAS Deputy Chairman, paid a visit to the Hungarian National Bank and had a fruitful discussion with Vice Governor Mr Adam Balog. The positive atmosphere and outcomes of the discussion will most probably support the direct and indirect objectives of EFFAS initiatives.



*Hungarian National Bank Vice Governor, Mr Adam Balog;
Mr Jesús Lopez Zaballos, EFFAS Chairman, and Friedrich Mostboeck, EFFAS Deputy Chairman*

Activities for the members

4.1. Training and Qualification

The TQC met two times, in February in Frankfurt, with the kind hosting of the German association, DVFA and in September in Wien, upon kind invitation of the Austrian society ÖFVA.

In 2014 we discussed, presented and considered the implementation issues for the ESG and Risk Management designations as well as DVFA'S Credit Risk and the CISI designations. The major developments achieved concerned the Common Exam, the E-Platform, Scholarships & Grants and the reaccreditation of the CEFA programme.

Issues related to the EFFAS Summer School were also discussed and developed in view of optimizing the success of this very important event.

Thanks to all participants of TQC being so actively involved in discussions and working groups we achieved satisfactory results.

4.2. EFFAS Summer School

The 7th edition of the Summer School took place from 9-11 July 2014. Lectures and expert panels on most actual and relevant topics for our profession in Europe and simultaneous workshops were given by professors and experts from various industry sectors. This year there were more than 80 participants from 14 different countries present in Boadilla del Monte.

This edition is devoted to Future Trends in the Asset Management Industry; the necessary Skills and Profiles for Investment professionals in

Financial markets and the SME Alternative Financing in Europe. A clear focus was kept on:

- the access to Finance for SME in Europe: the Commission's perspective and support initiatives;
- The experience of SME funding in East and Central Europe
- how it is shaping the new banking industry and its value added to the traditional intermediation



El Solaruco, Banco Santander Training center at Ciudad Financiera Grupo Santander, Boadilla del Monte, Madrid.

EFFAS was honoured with the presence of:

- Ms. Silvia Ruiz, Senior Vice-President. Human Resources Gruppo de Santander
- Mr. Frank Klein. Managing Director, Deutsche Asset Management, DVFA and EFFAS Board Member and IIRC Member
- Mr. Íñigo Urresti, Unidad de Política Estratégica. Dirección General de Industria y Empresa. European Union.
- Mr. Nicolas Floquet, CEO from Stanwell France.
- Mr. Antoni Giralt, Chairman of MAB (Mercado Alternativo Bursatil).
- Mr. Pepe Borell, Managing Director of Crowdcube Spain.

- Mr. Johannes Elsner. Partner/Principle. McKinsey & Company, Inc
- Mr. Hans Buysse, Partner at Clairfield Benelux. Board Member & Treasurer of EFFAS, Vice Chairman of the Belgian Association of Financial Analysts (ABAF)
- Mr. David Sánchez Grande, Active Credit Portfolio Management (ACPM). Santander GB&M
- Ms. M^a Isabel Martínez Torre-Enciso, Professor in Finance, UAM. AGERS and FERMA Board
- Mr. Philippe Giraudon, Advisory in Corporate Finance & Corporate Development, PHG Finance, France

- Mr. Bertrand Sluys, Fuchs & Associés Finance SA
- Ms. Barbara Cohen. Head of Credit Research. BNP Investment Professionals.
- Mr. Hubertus Väth. Managing Director. NewMark Finanzkommunikation GmbH

We wish to express our gratitude to all of them, sponsors, lecturers & speakers as well as to the participants. Their very positive feedback and extraordinary quality perception of the EFFAS Summer School 2017 is an endorsement for EFFAS to continue with this annual top event.

4.3. Commission on ESG (CESG)

The CESG (Commission on Environmental, Social and Governance Issues) was founded in October 2007 in Vienna by an initiative of Fritz Mostboeck and Ralf Frank (DVFA). The commission comprises a variety of local and international experts and investment professionals from respective European analyst societies. The main objectives of CESG are the:

- (1.) standard setting,
- (2.) know how-exchange and
- (3.) creation/participation of educational training programs on a European EFFAS level with the aim to facilitate the integration of ESG aspects of corporate performance into investment processes and to establish broader recognition of the investment approach in the general public.

The Brazilian analyst association, APIMEC, held for the first time the LATAM ESG Conference: “Taking ESG into Account” in cooperation with EFFAS CESG on 29 May 2014 in Sao Paulo.



The event took place at the Brazilian BM&F Bovespa exchange, and was opened by the exchange's CEO Edemir Pinto. Among the topics discussed were inter alia: “Challenges of Integrated Analysis in Latin America”, “Incorporating Environmental Factors, Governance and Social Analysis of Investments”, “Challenges and Necessary Transformations”, “Best Practices for Evaluation, Measurement and Integrated Reporting”, and many more. The conference was attended by

approximately 250 international participants. Important participants were sent by large Brazilian listed corporations (such as e.g. Petros/ Petrobras, Bradesco, Bank Itau, et al.) as well as by foreign institutions (UNPRI, KPMG, et al.). EFFAS was represented by Chairman Jesús López Zaballos, Deputy Chairman Fritz Mostboeck (OVFA), René Nicolodi (Switzerland) and José Luis Blasco Vazquez (Partner KPMG Spain). Fritz Mostboeck delivered a key note speech and also served as moderator of a panel discussion.

In addition, the Commission has been carrying out a dual activity, on the one hand it has continued to refresh our courses on ESG issues in the various meetings and seminars in different European capitals. On the other hand, as proposed by DVFA, the EMC approved last May two new initiatives: the updating of the ESG program materials and the development of the program to prepare web seminars.

On 15 July 2014, a meeting of CESG members took place in Vienna. This served primarily to further develop the merger between the former CIC (Commission on Intellectual Capital, IC) and CESG further. Important additional topics were the integration of IC metrics in the ESG field, the definition of future goals and strategies for CESG, the introduction of new planned EFFAS ESG training program for trainees, as well as the organization of a future CESG conference at a European level.

Current CESG members come from the following countries: Germany, France, Italy, the Netherlands, Austria and Switzerland.

4.4 Commission on Financial and Accounting (FAC)



Javier de Frutos, FAC Chairman

The Commission on Financial Accounting is a standing commission of EFFAS aiming at proposing and commenting on financial issues from an analyst standpoint.

In the past 12 months the Financial Accounting Commission (FAC) worked on issues related to international financial reporting standards such as Leases, the Conceptual Framework and Business Combinations.

Regarding Business Combinations the Commission has been working and continues working closely with EFRAG in formulating a questionnaire to be used as the basis for reviewing IFRS-3 Post-implementation Review. Up to 20 companies from different sectors are under review and meetings with sectorial analysts have been held.

Moreover, an outreach meeting was organized in April in Brussels with EFRAG, ABAF-BVFA and the IASB to have a broadened participation of analysts and investors on the standards. Their

views will contribute to further formulating efficient financial reporting standards.

In April the Commission met in London with Hans Hoogervorst, IASB Chairman, and several board members to review several financial reporting issues. At the meeting the commission position was discussed with IASB technical staff on Business Combinations particularly related to the renewed discussion between amortization and non-amortization arising from business consolidation. IASB posted a document for comments.

Additionally, members continued participating in EFRAG TEG and Users' Panel group.

In December a joint event with EFRAG was held in Brussels on Rate-regulated activities and a report incorporating key parts of the discussion was prepared and sent to the IASB. The Commission continued to participate regularly in EFRAG TEG and Users' Panel meetings.

4.5 Bond Commission (EBC)

The Commission did very important work this year on a report of around 70 pages to the European Commission.

Four different NMS actively cooperated in putting this report together. This document is available on the website of the European Commission. Ralf Frank shares some input on market structure by starting to say that in the German NMS, less than 20% of its members have something to do with corporate valuation or anything related with investigating companies, this meaning that DVFA members' majority are fund managers. After an enquiry made among a group of about 30-35 people each, asking them what DVFA's members were expecting from their

society, result was that nobody out of 60 people had to do directly with investing companies.

4.7 Market Structure Commission (MSC)

The MSC has been focusing on the European Commission by doing papers and researches. We found sufficient funds and assets managers to create a new commission focussing on those topics, most important being EFFAS sharing its position on new regulations that the European Union puts on the table.

A lot of regulation being now on the table, EFFAS opinion has to be given from accounting/asset managers, bond managers, pensions funds and etc. Anne-Marie Munnik from VBA adds that in Holland the NMS asks their members for what kind of industry they work for and what could be possibly done on this topic.



Chris Golden, Chairman of the EBC and MSC

4.7 International Relations

EFFAS contributes in various working groups and councils of European and global bodies. These activities are important for the national

societies and its members, as well as for their relations to the domestic regulatory organisations and contributes to supporting the development of financial services regulation by incorporating the practical knowledge of the professionals in the decision making of such bodies and institutions.

eXtensible Business Reporting Language (XBRL)

XBRL is the [open international standard](#) for digital business reporting, managed by a global not for profit consortium, XBRL International. We are committed to improving reporting in the public interest. XBRL is used around the world, in more than 50 countries. Millions of XBRL documents are created every year, replacing older, paper-based reports with **more useful, more effective and more accurate** digital versions.

Mr. Hans Buysse, EFFAS Board member, represents EFFAS in the [XBRL International Board of Directors](#) that serves as the primary Governing Body of the Corporation as a not-for-profit membership corporation under Delaware General Corporation Law. The Board of Directors is comprised of senior leaders and experts with broad international experience in financial, business and regulatory reporting, accounting and standard setting. The Board advises and assists in executing strategic opportunities, identifies critical regulatory and accounting convergence trends for which the XBRL standard could be used as a solution, and develops long-term growth and sustainability strategies for the XBRL consortium.

In 2014, EFFAS has actively participated in the different working groups of XBRL; i.e. the one focused on business registers, the one on “European adoption working group, and finally – and EFFAS most active group – the one called “visibility working group”.

The European adoption working group does take care of the relationship between XBRL and the European Commission in order to see how they can evolve till year 2020 where the ESMA (European Security Markets Association) decided a common European electronic platform on reporting for all companies working specifically with the banking sector. As for the visibility working group, said group has been organised for several years by Ralf Frank and, after a pause of a few years, started working again last year, EFFAS being currently very active by collaborating with several different parties to make sure the voice of EFFAS is being heard.

An important point as well is to mention that ESMA is pushing to have by 2020 obligatory full fledged of the so called ESEF (European Single Electronic Format for accounts) to see what the format should be, the main candidate being currently XBRL.

This means the Commission has a permanent contact with ESMA which is moving very rapidly; it is XBRL’s aim to prove to ESMA that a single format exists, with users already using it while continuous improvements are put in place. XBRL will continue its efforts in this direction also in 2014.

The Association of Certified International Investment Analyst (ACIIA)

Established in 2000, ACIIA is the international umbrella organisation for National and regional associations of investment professionals representing over 60'000 portfolio managers, analysts, investment advisers, asset managers and fund managers etc worldwide. Its role is to provide a flexible, internationally recognised qualification - [Certified International Investment Analyst CIIA](#) - which examines candidates at a high standard and in a practical fashion in the global and local topic areas that are necessary to pursue a career in the investment profession.

EFFAS is a founding member and it is represented in the [ACIIA Council](#) by Mr. Hans Buysse, EFFAS Board member.

The World Intellectual Capital Initiative WICI

The world's business reporting network, is a private/public sector collaboration aimed at improving capital allocation through better corporate reporting information to improve capital allocation decisions both within companies and between investors and companies.

WICI was formed in November 2007 and participants include organizations representing companies, analysts and investors, the accounting profession and academia.

EFFAS is a founding member and its represented at [WICI Europe](#) by Dr. Stefano Zambon

In 2015, its Board met on May 13, and among other elected Mr. Stefano Zambon, EFFAS representative in WICI, as Chairman of WICI Global Network.

Mr. Stefano Zambon is Chair of Accounting and Business Economics at the University of Ferrara, Italy. Ph.D. and M.Sc. from London School of Economics, and B.Sc from University of Venice. Director of the "CFO Master Programme" at the University of Ferrara. Visiting scholar at London Business School; ESCP, HEC, and CNAM in Paris; the Universities of Reading, Melbourne, Boston, Metz, Canterbury (NZ), Waseda (Tokyo), Bolzano/Bozen, and the Stern School of Business (NYU). He is a vice-president (conferences) of the International Association for Accounting Education and Research (IAAER). Member of the editorial boards of various international scientific journals. He has published several books and articles in international journals in the areas of management and reporting of intangibles, international financial reporting, and accounting history. He has been the coordinator of a study for the European Commission on the measurement of intangible assets, and an invited key-note speaker at OECD, United Nations, European Parliament, European Commission, and French, Chinese and Japanese Governments' events on intangibles. He is a founding member of the global network "World Intellectual Capital Initiative" (WICI) as well as of the network "WICI Europe"

The Global Investment Performance Standards (GIPS)

The Global Investment Performance Standards (GIPS®) are voluntary standards based on the

fundamental principles of full disclosure and fair representation of investment performance results created and are administered by the US [CFA Institute](#). A global standard for investment performance reporting gives investors around the world the additional transparency they need to compare and evaluate investment managers. Its mission is to promote ethics and integrity and instil trust through the use of the Global

Investment Performance Standards by achieving universal demand for compliance by asset owners, adoption by asset managers, and support from regulators for the ultimate benefit of the global investment community.

EFFAS is represented in the [GIPS Executive Committee](#) (EC) by **Stefan J. Illmer, Ph.D.**

Finance

Profit & Loss Account

	2014	2013
A-non-profit sphere	- 10,326.80	- 46,120.65
incomes	144,000.00	157,800.00
expenses	- 154,326.80	- 203,920.65
B. Income Tax Neutral positions	- 6.81 €	- 12.86 €
C. Asset management	25.83 €	- 353.14 €
D. Other Business lines	11,254.15 €	- 76,562.68 €
1. VAT subject activities	47,026.94 €	- 63,289.89 €
revenues	149,532.05 €	110,397.36 €
extraordinary incomes		
expenses	- 102,505.11 €	- 173,687.25 €
2. VAT exempt activities	- 35,772.79 €	- 13,272.79 €
revenues	27,200.00 €	27,200.00 €
expenses	- 62,972.79 €	- 40,472.79 €
Association Result	946.37 €	- 123,049.33 €

Balance Sheet

ASSETS	2014	2013
A. FIXED ASSETS		
I. Intangible Assets		
1. Concession, industrial and similar rights and assets, licences for rights and values	17,278.00	16,914.00
II. Property, plant and equipment		
Other facilities and equipment	2,141.00	2,045.00
B. CURRENT ASSETS		
I. Receivables and other assets	84,150.04	143,070.32
1. Trade receivables	57,239.34	98,101.78
2. Other Assets	26,910.70	44,968.54
II. Cash and cash equivalent	267,295.38	231,695.08
C. PREPAID EXPENSES		
Other Assets	0.00	9,438.60
	455,402.46	546,233.32
LIABILITIES		
A. EQUITY OF THE ASSOCIATION		
I. Result brought forward		
1. Result brought forward in general	310,565.26	431,379.40
II. Result of the association	946.37	-123,049.76
B. PROVISIONS		
1. Other provisions	53,457.59	58,575.00
C. LIABILITIES		
1. Liabilities, credit institutions		
2. Trade Liabilities	3,822.99	3,496.23
3. Other Liabilities	2,460.21	32,762.13
	371,252.42	403,163.00