



european corporate governance institute

Leading Research with Global Impact

ANNUAL REPORT 2016

www.ecgi.org

Communicating Research

January

Following the establishment of a physical office and the recruitment of a full-time employee towards the end of 2015, ECGI embarked on a fresh communication programme which centred on developing a new website. While research into this project began, the working paper alerts were re-designed and communicated on social media, and news about ECGI was shared on Facebook, LinkedIn and Twitter. In addition, video content from ECGI events in 2016 was created and added to Youtube as a public service to provide corporate governance knowledge to the world.

March

In March, ECGI recruited a communications intern who is now working on an independent basis for ECGI and its affiliate organisations.

CEO's and Luck

In April, the ECGI Annual Members' Meeting took place in London. The annual lecture was delivered by Professor Francesca Cornelli (London Business School) on the subject of "Are CEO's Fired for Bad luck?" The lecture was open to the public and the videos from the event were made available online.

April

April

A Solid Foundation

In May 2016, the European Corporate Governance Research Foundation (ECGRF) was launched. The inaugural conference took place in Brussels and was attended by corporate governance practitioners, academics and policymakers. The keynote lecture was delivered by Nobel Laureate, Professor Bengt Holmström (MIT) and the video was published on the ECGRF website and the ECGI Youtube channel.

May

The winners of the best Working Papers in the ECGI Finance and Law series' each won €5,000. The prizes were sponsored by Standard Life Investments and Allen & Overy

A Smörgåsbord of Research

In June 2016, ECGI organised the 2nd annual Global Corporate Governance Colloquia (GCCG) which was hosted by the Swedish House of Finance in Stockholm. The two-day conference was enthusiastically filled with debate and discussion on current corporate governance thinking from around the world.

June

Between July and September, ECGI supported events in Tokyo, London and Capri. The materials from the events were also made available online

Nobel Fellows

In October, it was announced that two ECGI Fellows would share the 2016 Nobel Prize for Economics for their seminal work on Contracts. The new laureates, Professor Bengt Holmström and Professor Oliver Hart, were presented their awards by the King of Sweden at a ceremony in December 2016. This brought the number of Nobel Laureates among the ECGI Research Member network to three, together with Professor Jean Tirole.

October

The papers, slides and videos from the event were made available online after the event

In September, ECGI invited applications for new ECGI Research Members. Following a highly competitive process, 25 new research Members were appointed and announced at the beginning of 2017.

December

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Ownership
Remuneration
Takeovers, Mergers & Acquisitions
Diversity
Insolvency & Bankruptcy
Management and Boards

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Foreword

Our Annual Report for 2016 details the research we published and the main events of the year, with such highlights as the Global Corporate Governance Colloquium in Stockholm, the launch of the European Corporate Governance Research foundation in Brussels, and the Annual Members' meeting in London.

One significant achievement during the year is that the ECGI Board produced a Development Plan for ECGI, which was presented at our AGM at IMD, Lausanne in April 2017 and shortly afterwards disseminated to all our members.

The Development Plan is forward looking, realistic and in line with the spirit of ECGI as the home for all those with an interest in corporate governance. Feedback is invited on the Development Plan which will be further developed. It centres around three distinct themes:

The research agenda of ECGI

The form of engagement that ECGI should be having
Public dissemination of ECGI Research

In relation to Research, there are two areas of primary focus:

Cross-Institutional research whereby ECGI plays a facilitating role, helping people to coordinate across institutions, in particular helping ECGI Research Members to collaborate with each other. This is a bottom-up approach, promoted by individual researchers.

The second focus is concentrating on top-down policy issues, which might be subjects of research, where in particular there may be an international dimension to those topics. This is similar to previous studies undertaken by ECGI on subjects such as dual class shares and one share one vote.

In relation to the new focus of Engagement, there are two groups of parties that ECGI would like to have particular engagement with, first of all, with practitioners and more specifically with Patron and Institutional members of ECGI, thereby providing them with a direct benefit of membership. This is important for the long-term sustainability of the organisation.

In line with the development plan, events and roundtables where topics of particular interest can be addressed, are encouraged. This will enable ECGI research members and practitioner partners to debate and discuss issues of relevance and importance.

Under the focus of engagement, and without taking any official position, ECGI will continue to initiate policy dialogues with policymakers using similar small group formats, centred on particular policy issues. ECGI does not lobby for any particular matter, but rather serves to inform the debate around the issues and enrich the dialogue that ensues. When facilitating these conversations across geographic borders and research disciplines, ECGI acts as a bridge within wider Europe and in relation to other continents keeping an eye on the wider perspectives.

The third aspect of the plan is dissemination. ECGI is in a unique position for putting out research into the public domain. With the development of the new website, there are many new opportunities for novel ways of putting this material into the public domain and putting more engaged communication amongst its diverse group of members.

We look forward to taking this plan forward in the coming years with the involvement of our many partners.

On different note, in 2016, we were sorry to have the retirement from the board of Leo Goldschmidt, who has been such a pillar for the cause of corporate governance generally and has specifically as a founder of ECGI always been both inspirational and practical. While we will miss his regular contributions, we are fortunate that he has kindly agreed to continue to advise us.

More recently, we are delighted that Honorary Professor Guy Jubb has agreed to join the board and we look forward to his participation, drawing on his long experience of corporate governance in practice as the representative of a leading institutional investor.

We are proud of our Patron Members, Investor AB and BP plc, who are affiliated through the European Corporate Governance Research Foundation. They continue to give us vital and most generous support, for which we are most grateful, and without which our Development Plan would remain words on a page.

We continue to have high aspirations for ECGI in this time of fast-paced political, social and technological

change, while acknowledging that our ambitions are only constrained by limited resources. Nonetheless, we can achieve much of academic and practical value even with limited resources.

We thus hope, as we move forward, to make a strong case for further support of ECGI both from our existing membership and from new Patron and Institutional partners.

We look forward to the next couple of years with your continued support.

David Devlin

ECGI Chairman



“Academic research gives a deeper meaning to the question, a deeper analysis, a deeper understanding, and it allows for a debate around the issues. This is key when it comes to corporate governance; that we continually develop the thoughts and the processes”

Jacob Wallenberg, Chairman, Investor AB

EVENTS IN 2016

Global Corporate Governance Colloquia
European Corporate Governance Research Foundation
ECGI Annual Lecture
ECGI Collaborations

Global Corporate Governance Colloquium (GCGC) 2016

gcg

Global
Corporate Governance
Colloquia



www.gcgcolloquia.org

The GCGC conference series, which facilitates this best-in-class discussion forum, is an initiative supported by twelve universities (Harvard, Oxford, Tokyo, Singapore, Frankfurt, Swedish House of Finance, London Business School, Columbia, Yale, Peking, Seoul, Stanford) together with a select group of corporate and other entities (Zurich AG, the European Investment Bank, Japan Exchange Group). The inaugural conference for the series took place in Stanford University in 2015.

In 2016, the event was hosted by Swedish House of Finance in Stockholm and organised by ECGI. It was attended by more than 70 senior academics from a range of disciplines including Finance, Law, and Management with the aim of sharing corporate governance knowledge on topics such as Executive Remuneration, Shareholder Value, Bankruptcy, Majority Voting, Debt Markets and many more. The GCGC conference series inspires new thought and important avenues of future research.

The two-day conference programme also included panel discussions with invited business professionals. Taking part in a panel discussion on the 'Corporate Governance of Infrastructure' were Dr. Rajiv B. Lall, Founder, MD and CEO of Infrastructure Development Finance Company (IDFC) Bank, India, and also Mr. Gordon Bajnai, former Prime Minister of Hungary, now Group Chief Operating Officer of Meridiam.

On the second day panel on 'The Governance of Business Groups' were Ms. Petra Hedengran, General Counsel and Managing Director, Investor AB, Ms. Claudia Biedermann, Attorney at Law, Zurich Insurance Group AG, and Ms. Daniela Weber-Rey, Attorney at Law, Deutsche Bank AG.

Material from the event, including papers, slides and videos, are available on www.gcg.global



European Corporate Governance research Foundation (ECGRF) Launch

International business leaders and academics gathered in Brussels on 31 May 2016 to launch the European Corporate Governance Research Foundation (ECGRF), which was established to promote philanthropic support for corporate governance research projects.

The event, organised by ECGI at the Royal Academies of Belgium, was attended by more than 150 senior professionals from a spectrum of industries. Most notable among the distinguished participants were Jacob Wallenberg, Chairman of Investor AB, Carl-Henric Svanberg, Chairman of BP plc and Volvo AB, and Jean-Pierre Clamadieu, CEO of Solvay SA who participated in a panel discussion on current corporate governance issues.

The keynote lecture was delivered by Nobel Laureate Bengt Holmström, the Paul A. Samuelson Professor of Economics at the Massachusetts Institute of Technology (MIT) and ECGI Fellow, who discussed the challenges of corporate transparency including the escalating levels of executive pay caused by enhanced disclosure and benchmarking. The full lecture and subsequent discussion were published on both the ECGI (www.ecgi.global) and the ECGRF websites (www.ecgrf.org).

The launch of the ECGRF is reflective of the growing momentum behind responsible corporate governance internationally and shows the importance of

independent scientific research in further understanding this field. The European Commission also expressed strong support for this project and for the need for research in this area. The event was attended by Paweł Świeboda, Deputy Head, European Political Strategy Centre, European Commission, delivering an address which emphasised the importance and centrality of corporate governance across many key European issues with a shift in focus from macro issues to micro dynamics.

Speaking at the event, Jacob Wallenberg, Chairman of Investor AB said, *“Investor has been an active and long-term owner of high quality companies for over 100 years. ... We support the ECGRF in the work that it does to continually innovate and drive the future of corporate governance thinking”*.

The new foundation (ECGRF) will seek to develop the links between academic research and the corporate world by supporting projects that will create engagement between the two groups across geographic and industry boundaries. One is the creation of a new corporate governance research portal that will lead to greater dissemination of leading research with global impact. A full list of current projects is available on the ECGRF website and is expected to increase as support for the foundation continues.



ECGI Annual Members' Meeting 2016

ECGI held its Annual Members' Meeting in London on 21-22 April 2016. The event brought together academics and practitioners in the field of corporate governance.

At the members' dinner, which took place at the British Academy, Peter Montagnon, Associate Director at the Institute of Business Ethics, provided the after-dinner speech. A transcript of this speech is available on request.

The annual lecture, attended by ECGI members together with interested members of the public, was delivered by Professor Francesca Cornelli, Professor of Finance and Director of Private Equity, London Business School. Entitled "Are CEO's Fired for Bad Luck?", the lecture debated the accountability of senior corporate management and whether they always deserve the consequences of unfortunate events that may lead to their demise.

ECGI also awarded two research prizes for the best papers in the Finance and Law Working Paper Series' from the previous year.

The Finance Series prize of €5,000, sponsored by Standard Life Investments, the global asset manager, was awarded to Professor Karl Lins (University of Utah),

Professor Henri Servaes (London Business School), and Professor Ane Tamayo (London School of Economics) for their paper on "Social Capital, Trust, and Firm Performance: The Value of Corporate Social Responsibility during the Financial Crisis".

The paper examines the link between a firm's social capital, as measured by its Corporate Social Responsibility (CSR) activities and performance during the financial crisis. It suggests that the trust between the firm and its stakeholders and investors, built through investments in social capital, pays off when the overall level of trust in corporations and markets suffers a negative shock.

The Law Series prize of €5,000, sponsored by Allen & Overy LLP, the international law firm, was awarded to Professor Holger Spamann (Harvard University) for his paper on "Monetary Liability for Breach of the Duty of Care?".

This paper clarifies why optimal corporate governance generally excludes monetary liability for breach of directors' and managers' fiduciary duty of care, while also highlighting the potential for an optimal combination of standard performance pay and tailored partial liability.



ECGI Asia Corporate Governance Dialogue 2016

This conference series was established in 2011 by ECGI and the University of Tokyo in order to engage academics and practitioners in a constructive dialogue between Europe and Asia on issues of concern in the field of corporate governance.

The 2016 ECGI Asia Conference took place on 8 July 2016 in Tokyo, Japan and focused on the theme of "Corporate Governance and the Public Interest". The event was organised by the University of Tokyo and ECGI, and supported by the Financial Research Center of the Japanese Financial Services Agency. It was hosted by the EU Delegation to Japan and opened by Jonathan Hatwell, Minister/ Deputy Head of Delegation of the European Union to Japan, and Tomoyuki Furusawa, Deputy Director-General, Financial Services Agency, Japan.

The material from this event, is available on the ECGI website www.ecgi.global.

Other affiliated events in 2016

ECGI also provided communication support to events organised by ECGI Research Members during the year. These included:

First Annual Cass Mergers and Acquisitions Research Centre Conference

22 August 2016

Cass Business School, City University London

The conference included original theoretical and empirical papers covering issues related to mergers and acquisitions (M&A), including deal structure from financing to integration, corporate governance in M&A, regulatory changes, domestic and cross border transactions, among others.

Conference on Finance & Labour

8-9 September 2016

"Mario Cacace" Multimedia Center, Via Giuseppe Orlandi, Anacapri, Italy

The event was organised by CSEF jointly with Einaudi Institute for Economics and Finance (EIEF) and the Stanford Institute for Theoretical Economics at Stanford University (SITE). The conference brought together researchers from financial and labour economics to discuss issues from the point of view of both disciplines.



Nobel Researchers

On 10 October 2016, two ECGI Fellows, Oliver Hart (Harvard University) and Bengt Holmström (Massachusetts Institute of Technology), were awarded the Nobel Prize “for their contributions to contract theory”. In announcing the award, the Nobel Prize Committee provided the following context:

Modern economies are held together by innumerable contracts. The new theoretical tools created by Hart and Holmström are valuable to the understanding of real-life contracts and institutions, as well as potential pitfalls in contract design.

This year's laureates have developed contract theory, a comprehensive framework for analysing diverse issues in contractual design.

In the late 1970s, Bengt Holmström demonstrated how a principal (e.g. a company's shareholders) should design an optimal contract for an agent and his informativeness principle stated precisely how this contract should link the agent's pay to performance-relevant information. In later work, Holmström generalised these results.

In the mid-1980s, Oliver Hart made fundamental contributions to the theory that deals with incomplete contracts. Hart's findings have shed new light on the ownership and control of businesses and have had a vast impact on several fields of economics, as well as political science and law.

Hart and Holmström's analysis of optimal contractual arrangements lays an intellectual foundation for designing policies and institutions in many areas, from bankruptcy legislation to political constitutions.



RESEARCH IN 2016

Ownership
Remuneration
Takeovers, Mergers & Acquisitions
Diversity
Insolvency & Bankruptcy
Management and Boards

OWNERSHIP

PUBLICATIONS

Does Institutional Ownership Matter for International Stock Return Comovement?

José Faias, Católica Lisbon School of Business and Economics, Miguel Ferreira, Nova School of Business and Economics and ECGI
Finance Working Paper No. 465/2016

The Corporate Finance Benefits of Short Horizon Investors

Mariassunta Giannetti, Stockholm School of Economics and ECGI Xiaoyun Yu, Indiana University
Finance Working Paper No. 467/2016

Are Foreign Investors Locusts? The Long-Term Effects of Foreign Institutional Ownership

Jan Bena, University of British Columbia Miguel Ferreira, Nova School of Business and Economics and ECGI Pedro Matos, University of Virginia and ECGI Pedro Pires, Nova School of Business and Economics
Finance Working Paper No. 468/2016

Weak Governance by Informed Large Shareholders

Eitan Goldman, Indiana University and ECGI Wenyu Wang, Indiana University
Finance Working Paper No. 469/2016

Institutional Investors and Corporate Political Activism

Rui Albuquerque, Boston College, CEPR and ECGI Zicheng Lei, University of Surrey Jörg Rocholl, ESMT European School of Management and Technology Chendi Zhang, University of Warwick
Finance Working Paper No. 470/2016

Blockholders: A Survey of Theory and Evidence

Alex Edmans London Business School, CEPR and ECGI Clifford Holderness Boston College
Finance Working Paper No. 475/2016



Prof. Pedro Matos speaking at the Global Corporate Governance Colloquia (GCGC) conference in June 2016, Stockholm (left).

Top mention earned 21 engagements



Columbia Law School

@ColumbiaLaw · Aug 1

Prof. Curtis Milhaupt presents “Beyond Ownership: **#StateCapitalism** & the **#Chinese Firm**” at **#ECGIAsia**.
ow.ly/a377302083Z @ecgiorg

↻ 1 ❤️ 1

Jul 2016 · 31 days

TWEET HIGHLIGHTS

Top Tweet earned 359 impressions

Evidence that large informed **#shareholders** doesn't necessarily mean better governance. **#corpgov** **#takeovers** **#trading** twitter.com/ecgiwp/status/...

↻ 2 ❤️ 3

REMUNERATION

PUBLICATIONS

How Important are Risk-Taking Incentives in Executive Compensation?

Ingolf Dittmann, Erasmus University Rotterdam and ECGI Ko-Chia Yu, Shanghai University of Finance and Economics Dan Zhang, Norwegian Business School
Finance Working Paper No. 473/2016

Relative Performance, Banker Compensation, and Systemic Risk

Rui Albuquerque Boston College and ECGI Luis Cabral New York University Jose Correa Guedes Catholic University of Portugal
Finance Working Paper No. 490/2016

Measuring Compliance with Executive Remuneration Standards at Controlled Corporations

Roberto Barontini Sant'Anna School of Advanced Studies Stefano Bozzi Catholic University "Sacro Cuore" Guido Ferrarini University of Genoa and ECGI



Jun 2016 • 30 days

TWEET HIGHLIGHTS

Top Tweet earned 3,133 impressions

Jean Pierre Clamadieu discussing **#DualRoles #Remuneration #harmonisation** & more at **#ECGRF** launch conf. **@SolvayGroup**
pic.twitter.com/kZcT25AZbr



↳ 2 ♥ 3

Oct 2016 • 31 days

TWEET HIGHLIGHTS

Top Tweet earned 677 impressions

Are the “elite” traits of **#CEO**'s the reason why they are paid so well?

@UNSWbusiness @AaltoUniversity @BI_BizSchool #Sweden #corpgov
twitter.com/ecgiwp/status/...

↳ 3

TAKEOVERS, MERGERS & ACQUISITIONS

PUBLICATIONS

Creditor Rights, Claims Enforcement, and Bond Returns in Mergers and Acquisitions

Luc Renneboog, Tilburg University, CentER and ECGI Peter Szilagyi, Central European University and University of Cambridge Cara Vansteenkiste, Tilburg University
Finance Working Paper No. 464/2016

Defensive Tactics and Optimal Search: A Simulation Approach

Ronald Gilson, Columbia University, Stanford University and ECGI Alan Schwartz, Yale University
Finance Working Paper No. 472/2016

Price and Probability: Decomposing the Takeover Effects of Anti-Takeover Provisions

Vicente Cuñat, London School of Economics and Political Science and ECGI Mireia Giné, University of Pennsylvania and University of Navarra Maria Guadalupe, INSEAD
Finance Working Paper No. 474/2016

Shareholder Approval in Mergers & Acquisitions

Kai Li, University of British Columbia Tingting Liu, Creighton University Juan (Julie) Wu, University of Nebraska - Lincoln
Finance Working Paper No. 481/2016

Mergers and Acquisitions, Technological Change and Inequality

Wenting Ma, University of North Carolina, Chapel Hill Paige Ouimet, University of North Carolina, Chapel Hill Elena Simintzi, University of British Columbia
Finance Working Paper No. 485/2016

Will I Get Paid? Employee Stock Options and Mergers and Acquisitions

Ilona Babenko Arizona State University Fangfang Du Arizona State University Yuri Tserlukevich Arizona State University
Finance Working Paper No. 486/2016

The Biases of an "Unbiased" Optional Takeovers Regime: The Mandatory Bid Threshold as a Reverse Drawbridge

Johannes Fedderke, Pennsylvania State University Marco Ventoruzzo, Bocconi University and ECGI
Law Working Paper No. 304/2016

The Transactional Scope of Takeover Law in Comparative Perspective

Paul Davies, University of Oxford and ECGI
Law Working Paper No. 313/2016

The Rise and Fall of Delaware's Takeover Standards

Steven Davidoff Solomon University of California, Berkeley Randall Thomas Vanderbilt University and ECGI
Law Working Paper No. 329/2016

Why Have M&A Contracts Grown? Evidence from Twenty Years of Deals

John Coates, Harvard Law School and ECGI
Law Working Paper No. 333/2016

DIVERSITY

PUBLICATIONS

Board Diversity and Firm Performance Volatility
Mariassunta Giannetti, Stockholm School of Economics and ECGI Mengxin Zhao, University of Alberta
Finance Working Paper No. 462/2016

Does Gender-Balancing the Board Reduce Firm Value?
Espen Eckbo, Dartmouth College and ECGI Knut Nygaard, Oslo Business School Karin Thorburn, Norwegian School of Economics and ECGI
Finance Working Paper No. 463/2016

Women on Boards: The Superheroes of Tomorrow?
Renée Adams University of New South Wales and ECGI
Finance Working Paper No. 466/2016

Women in Finance
Renée Adams, University of New South Wales, ABFER, FIRN and ECGI Tom Kirchmaier, London School of Economics
Finance Working Paper No. 479/2016

The impact of board gender composition on dividend payouts
Jie Chen, Cardiff University Woon Sau Leung, Cardiff University Marc Goergen, Cardiff University and ECGI
Finance Working Paper No. 488/2016

Nov 2016 • 30 days

TWEET HIGHLIGHTS

Top Tweet earned 647 impressions

Evidence that **#Board** gender composition significantly increases **#dividends** only for firms with weak **#governance**.
@cardiffbusiness @marcgjg
twitter.com/ecgiwp/status/...

↩ 1 ↻ 3 ❤ 2

Dec 2016 • 31 days

TWEET HIGHLIGHTS

Top Tweet earned 1,301 impressions

Dissent on the **#board**: shedding new light on the role of directors, board composition, & relevance of board dynamics.
@Unibocconi #corpgov
twitter.com/ecgiwp/status/...

↻ 2 ❤ 1

May 2016 • 31 days

TWEET HIGHLIGHTS

Top Tweet earned 429 impressions

Women on Boards: The Superheroes of Tomorrow? **#womenonboards #corpgov**
@UniSouthWales #diversity #genderquota
twitter.com/ecgiwp/status/...

↻ 5 ❤ 4

INSOLVENCY & BANKRUPTCY

PUBLICATIONS

Rediscovering Corporate Governance in Bankruptcy

David Skeel, University of Pennsylvania and ECGI
Law Working Paper No. 307/2016

The New Synthesis of Bank Regulation and Bankruptcy in the Dodd-Frank Era

David Skeel, University of Pennsylvania and ECGI
Law Working Paper No. 308/2016

Comparative Corporate Insolvency Law

Horst Eidenmüller, University of Oxford and ECGI

Law Working Paper No. 319/2016

What is an insolvency proceeding?

Horst Eidenmüller University of Oxford and ECGI
Law Working Paper No. 335/2016



Prof. Vicente Cuñat speaking at the Global Corporate Governance Colloquia (GCGC) conference in June 2016, Stockholm (above).

MANAGEMENT & BOARDS

PUBLICATIONS

Are CEOs Born Leaders? Lessons from Traits of a Million Individuals

Renée Adams University of New South Wales, ABFER, FIRN and ECGI Matti Keloharju Aalto University, IFN and CEPR Samuli Knüpfer BI Norwegian Business School, CEPR, and IFN Finance Working Paper No. 478/2016

The German Law of and Experience with the Supervisory Board

Klaus Hopt, Max Planck Institute for Comparative and International Private Law and ECGI Law Working Paper No. 305/2016

Corporate Darwinism: Disciplining Managers in a World with Weak Shareholder Litigation

James Cox, Duke University Randall Thomas, Vanderbilt University and ECGI Law Working Paper No. 309/2016

Does Majority Voting Improve Board Accountability?

Stephen Choi, New York University Jill Fisch, University of Pennsylvania and ECGI Marcel Kahan,

New York University and ECGI Edward Rock, University of Pennsylvania Law Working Paper No. 310/2016

Directors' Duties and Shareholders' Rights in the European Union: Mandatory and/or Default Rules?

Klaus Hopt, Max Planck Institute for Comparative and International Private Law and ECGI Law Working Paper No. 312/2016

Corporate Governance Changes as a Signal: Contextualizing the Performance Link

Merritt Fox, Columbia University and ECGI Ronald Gilson, Columbia University, Stanford University and ECGI Darius Palia, Rutgers University Law Working Paper No. 323/2016

Dissenting Directors

Piergaetano Marchetti, Bocconi University Gianfranco Siciliano, Bocconi University Marco Ventoruzzo, Bocconi University, Pennsylvania State University and ECGI Law Working Paper No. 332/2016

EVENTS

The 2016 ECGI Annual Lecture, "**Are CEO's Fired for Bad Luck?**" was delivered by **Prof. Francesca Cornelli**, Professor of Finance Director of Private Equity, London Business School.



Prof. Jill Fisch, speaking at the Global Corporate Governance Colloquia (Stockholm) on 2 June 2016 (above).

Prof. Francesca Cornelli speaking at the Annual Lecture (London) on 29 April 2016 (right)



FINANCIAL STATEMENTS 2016

Balance Sheet
Income Statement

FINANCIAL STATEMENTS 2016

ECGI - BALANCE SHEET 2012 - 2016

		Dec 31, 2016	Dec 31, 2015	Dec 31, 2014	Dec 31, 2013	Dec 31, 2012
		Euros	Euros	Euros	Euros	Euros
ASSETS						
	Intangible assets	57,058				
	Cash at bank					
	Savings Accounts	55,194	89,773	35,255	39,332	108,856
	Current Accounts	299,001	142,173	39,950	36,504	42,202
	Total Current/Savings	354,196	231,947	75,205	75,836	151,058
	Accounts Receivable	28,142	26,980	111,116	21,839	32,584
	deferred charges	493	0	4,480		
	TOTAL ASSETS	439,887	258,926	190,802	97,675	183,642
	Equity					
	Retained Earnings	255,202	126,199	78,170	145,259	144,003
	Net Income	83,018	129,002	48,029	-67,089	1,256
		338,219	255,202	126,199	78,170	145,259
	Current liabilities					
	Charges payable	96,423	3,725	64,603	19,505	38,383
	deferred charges	5,245				
	TOTAL LIABILITIES	439,887	258,926	190,802	97,675	183,642

FINANCIAL STATEMENTS 2016

ECGI INCOME STATEMENT 2015 - 2016

	2015 Actual	2016 Budget	2016 Actual
	Euros	Euros	Euros
Income/Expense			
Income			
Subscriptions income	86,200	80,000	88,744
ECGRF Contribution	95,500	120,000	120,000
Project Income and Reimbursements	75,085	40,000	30,944
Sponsorship	0	0	5,000
Bank interest/exchange rate loss/gain	5,837	5,837	92
Total Income	262,622	245,837	244,780
Expenditure			
Administration			
Accounting & Fin. charges	-17,575	-15,000	-13,643
Administration Charge	-28,269	-70,000	-60,567
IT & Online Services	-23,713	-10,000	-4,663
Office Rental	-650	-4,000	-5,500
Office expenses	-2,421	-10,000	-5,956
Travel and representation	-1,261	-3,000	-12,005
AGM	-2,898	-10,000	-7,297
Miscellaneous	0	-1,000	-1,800
Total Administration	-76,787	-123,000	-111,430
Research			
Annual Lecture & Prizes	-4,255	-10,000	-13,516
Conferences & Workshops	0	-15,000	-5,822
Research & Academic Staff	-8,000	-8,000	-7,260
Research Communication	-20,000	-10,000	-5,561
Working papers	-14,080	-15,000	-15,656
Project Expenditure	-10,497	-10,000	0
New Online Research Portal		-50,000	-2,517
Total Research	-56,832	-118,000	-50,332
Total Expenditure	-133,619	-241,000	-161,762
Net Total Income	129,002	4,837	83,018

- 1 ECGRF has given its formal approval of the 2016 amount which has been transferred to ECGI
- 2 GCGC Project income; Stockholm conference (2016) was considerably less costly than Tokyo (2017)
- 3 General travel, board meetings
- 4 Includes sponsored prize
- 5 This item is included in intangible assets and depreciated for 5 years



european corporate governance institute

About the European Corporate Governance Institute (ECGI)

www.ecgi.global

The ECGI is an international scientific non-profit association which provides a forum for debate and dialogue focusing on major corporate governance issues and thereby promoting best practice. It is the home for all those with an interest in corporate governance offering membership categories for academics, practitioners, patrons and institutions.

Its primary role is to undertake, commission and disseminate research on corporate governance. Based upon impartial and objective research and the collective knowledge and wisdom of its members, it can advise on the formulation of corporate governance policy and development of best practice. In seeking to achieve the aim of improving corporate governance, ECGI acts as a focal point for academics working on corporate governance in Europe and elsewhere, encouraging the interaction between the different disciplines, such as economics, law, finance and management.

© European Corporate Governance Institute

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