POSITION PAPER

ESBG common response to the European Banking Authority to the consultation on the Draft Regulatory Technical Standards (RTS) on the conditions for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for credit, market and operational risk

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First of all, the European Savings Banks Group (ESBG) welcomes the opportunity to share its views on the Draft Regulatory Technical Standards (RTS) on the conditions for assessing the materiality of extensions and changes of internal approaches when calculating own funds requirements for credit, market and operational risk under articles 138(5), 301(3)(a) and 352(3)(a) of Regulation (EU) XX/XXXX of the European Parliament and of the Council on prudential requirements for credit institutions and investment firms [CRR]

I. General observations and responses to specific questions

First of all, the ESBG would like to raise two questions concerning a specific issue which is the meaning of "appropriate documentation" in the EBA Draft RTS.

In the *Page 11* the *point (9)* reads as follows: "In order for competent authorities to be able to assess that institutions have applied the rules on assessing the materiality of extensions and changes correctly, appropriate documentation should be submitted by institutions to competent authorities. In order to reduce the supervisory burden on institutions and to increase the effectiveness and efficiency of competent authorities' procedures in that respect, rules should be laid down to specify documentation requirements to accompany applications for approval or notifications of extensions and changes."

The ESBG would like to raise the following two questions:

- Is it defined somewhere what is meant by "appropriate" documentation?
- Who will lay down the rules for the specification requirements concerning the documentation? Is it the EBA or the national supervisory authority?

Title I – General rules for the assessment of the materiality of extensions and changes

Article 1 point 1 lit (a): permission of the relevant competent authorities

- Is it planned to have an EU-harmonised decision period or will this depend on the local regulation?

Article 1 point 2 lit (b):

The separation of changes (and extensions) requiring notification into: a) changes requiring notification before implementation and b) changes requiring notification after implementation (Art. 1) is not consistent with the expressed intent to reduce the supervisory burden for both the competent authorities and institutions. This should be analysed further in light of the internal processes that would be caused (or changed) by such classification within the banks. Adding a new category, where notification on a collective and regular basis is sufficient, might reduce the burden - however this potential advantage is at the same time being threatened and, at least, outweighed by the efforts required for the notification of other changes before the implementation. An alternative could be to have just a single category where notification is sufficient after implementation – in this case, the reporting frequency could be increased from annual to e.g. semi-annual or quarterly; more frequent reporting would be demanding for both supervisors and institutions.

Article 2 point 2 lit (b):

It is very unclear what exactly regulators expect regarding an "assessment of the impact based on a representative sample" or based on "other reliable inference methodologies", as stated in Art. 2 (2b). Expectations should be clearly pointed out to avoid inconsistencies in expectations among regulators and should be simple enough to avoid excessive methodological (or data-related) burdens for both financial institutions and authorities.

Article 2 point 3: aggregated impact

The requirement to assess the aggregate impact may in some cases be from the ESBG's point of view problematic. E.g. in a case that the changes based on a particular finding are planned in several phases (possibly spanning several years) and the impact of the later phases cannot be estimated at the beginning. Hence the assessment of the combined impact cannot be done at the beginning (before the first phase). It should be clarified how to proceed in such cases (expert estimates of impacts,…).

Art. 2 (3) should help avoiding a situation where one change is sliced into several changes of lower materiality. While it is clearly highly important to avoid any such circumvention of the rules by institutions, the described calculations on aggregated level are likely to increase the volume of effort and process-related complexity at the same time. From our experience, the competent authorities are fully aware of this topic and are used to interpret model changes from this perspective. To reduce the computational burden for banks, it should therefore be discussed whether this requirement can be removed (perhaps in favour of giving the competent authorities the option to ask for such analyses on a case-by-case basis).

Article 2 point 4:

We suggest that in case of doubt regarding the assessment at first, a discussion between the regulatory authority and the credit institution should take place. This could potentially reduce the burden of additional work on both sides.

Article 2 Point 5:

We think that a required new permission for an already permitted but not implemented change is too strict. We do not see a practical reason why a new permission is needed and we would suggest that in these cases the later implementation should proceed as an ‘other change’ reported ex ante.

Answer to Q1 (page 13):

We refer to the given answers and questions in conjunction with Title I of the draft RTS (see statements above) and have additional remarks/questions.

- What is the connection between the treatments on single-entity level vs. on consolidated level?
- For example, if there is a material model change in a subsidiary (which has its own local internal model for market risk) – how should this be treated on consolidated level / in comparison to the consolidated model?

Title II – Conditions for classification on IRB approach changes

Article 3 point 1 lit (a) in conjunction with Annex 1 part I, title I, point (1) lit (a):

The term “range of application” should be defined in a clearer way.

We do not see a reason why extending a range of application of models to additional business units is treated as material. In our opinion the model coverage should not be mixed with the organisational split of the entity. The primary criterion taken into account should therefore be homogeneity of covered clients / products. We propose to move extending a range of application of models to additional business unit to other changes announced ex ante.

Article 4, point 1 lit (a):

A notification of the changes to the competent authorities at least three months before their implementation seems from the ESBG’s point of view too long and may weaken a bank’s ability of a timely reaction to:

a. Changing economic environment or
b. Identified issues with e.g. the rating models

We suggest reducing the period between the notification and the implementation to a time frame of **14 days**. This should be enough time also for the competent authorities to have a first detailed looked at the documents (as the scope of these documents shouldn't be that large as compared to material extensions and changes which require permission from the relevant competent authority) and if necessary to stop the planned implementation and to open a detailed discussion with the credit institution.

Answer to Q2 (page 15):

Please see the statements above as well as the statements to Annex I. Especially the term "range of application" should be defined in a clearer way.

Answer to Q3 (page 15):

Yes.

Answer to Q4 (page 15):

No, the three months period is from our point of view inadequately long – for the details see the answer above.

Annex I

Part I, Title I, Point 1 lit (a):

The ESBG does not see enough reason for extending a range of application of models to additional business units is treated as material. In our opinion, the model coverage should not be mixed with an organisational split of the entity. The primary criterion taken into account should therefore be homogeneity of covered clients / products. We propose to move extending a range of application of models to additional business unit to other changes announced ex ante.

Part I, Title I, point 1 lit (c) (ii):

From the ESBG's point of view the criteria for the exclusion are not formulated clearly enough.

- E.g. what exactly is meant by "other relevant characteristics with the ones of the additional exposure"?
- Could you please give some examples for a better understanding?

Part I, Title II, point 1:

Is it really necessary to announce the reduction of the range of application or the scope of the use of a rating system (especially taking into account the three months period)?

Part I, Title II, point 3 and 4:

Could you please give some examples which cases could fall under these changes (especially in conjunction with Annex 1, Part I, Title 1, point 1 and 2).

Part II, Title 1, point 1 lit (a) and (b) as well as point 2 lit (a), (b), (c) and (d):

From the ESBG's perspective this is too strict, especially if no materiality threshold applies (effectively it would mean that any small change in rating systems would be treated as material). This would considerably limit the bank's flexibility in allowing a timely reaction to the changing environment.

We suggest to add a materiality threshold or to move this type of change to the category of other changes that have to be announced ex ante.

Part II, Title I, point 2 lit (d) (i) and (ii) and (f):

Is it defined somewhere what exactly is meant by 'they <u>significantly</u> change the rank', 'they <u>alter</u> the distribution' and 'change in the <u>fundamental</u> methodology for estimating' respectively we would suggest to have some examples here for a better understanding and/or a defined threshold for the clarification of 'significantly'.

Part II, Title II, point 4 lit (a) and (b):

From the ESBG's point of view an ex ante notification isn't necessary for the case if only the position of the independent credit risk control unit and the validation unit within the organisation (risk management) is changed but not the responsibilities. In such a case we think it's sufficient if this change is notified to the competent authority after the implementation.

Part II, Title II, point 4 lit (c):

What exactly is meant with the term '... that have an important influence on a rating system'? Can you give some examples? In particular, the provision of a threshold as an indicator would not make better the understanding of when an important influence is given and when not?

Part II, Title II, point 4, 5 and 7:

We do not see a reason why these changes have to be announced ex ante. Especially in case of (4c-4e) it will be very hard to assess that the change is already significant enough to fall under 'ex-ante' regime. We propose to move these changes to other changes announced ex post. →

Part II, Title II, point 8 lit (b):

In conjunction with Art 182 (g) of the Regulation can you give an example what is exactly meant by this change?

Part II, Title II, point 8 lit (c):

What exactly is meant with the term '... that have an important influence an (?) internal models approach to equity exposure'?

Can you give some examples? In particular, the provision of a threshold as an indicator would not make better the understanding of when an important influence is given and when not?

Title III – Conditions for classification of AMA extensions and changes

Answer to Q5 (page 16):

Generally the quantitative thresholds incl. their calculations are clear to us, but criteria described in Title III/Article 5 /paragraph 1(c) lead to the following question:

1. What is meant by consolidated own funds requirements for operational risk? Does this refer to the consolidated AMA figures on Group level or to the consolidated figures of all Operational Risk approaches (AMA+BIA+TSA)?

Answer to Q6 (page 16):

The quantitative thresholds seem to be rather low as a change of 1% needs at least a prior notification of three months before implementation. A change of more than 5% within AMA even needs an approval by regulators.

Answer to Q7 (page 16):

A three month notification period is quite extensive and limits the capability to react on changes in risk profile and business environment. We suggest that a one month notification period should be sufficient.

Concerning the period of three months we refer to the answer given to Q4 as well as the explanations to Article 4, point 1 lit (a).

Answer to Q8 (page 16):

This question is not clear to us, as according to Annex 2 (Part II, Title II (8)) a quantitative differentiation between prior and post notification is made. Only changes which do not lead to a decrease of more than 1% are allowed to be notified after implementation, hence a quantitative differentiation is applicable.

If this refers to something else, what kind of quantitative differentiation is meant?

Additional comments and questions also in conjunction with Annex 2:

1. Will the naming of different changes, which was introduced in EBA GL 45 stay? Here, AMA changes were classified as minor/major/significant changes and extensions.
2. Head Count reduction of more than 10% has to be notified (Annex 2, Title II paragraph (2)(b)): 10% reduction on Group level or on local level?
3. Sometimes changes are described very generally: What should be reported in case of an approved method, which is simply improved. (I.e. instead of quarterly a monthly reporting is implemented; instead of applying either one method or the other, applying both for validation and enhancement of risk management)
4. Clarification of "relevant indicator assigned to those areas" as stated in the Annex 2 Part I Title I (5) and in Part I Title II. What is the relevant indicator for Operational Risk (BIA, GI, Total Assets, etc.)?

Title IV – Conditions for classification of IMA extensions and changes

Answer to Q9 (page 18):

Art. 7 Paragraph 1(c), letter (ii) is not sufficiently defined. Does this mean that it is not applicable at all to banking groups where the parent has its HQ in the EU? Please elaborate more in detail on that.

As described in the first paragraph of the "Text for consultation purposes" on p. 18, an extension/change of the market risk model that only falls either under one of the categories described in Annex 3 or under one of the quantitative threshold requirements described in Art. 7, paragraph 1(c), must be considered as material. We suggest requiring the fulfilment of both conditions at the same time to consider a model change material, as this would strongly enhance clarity for institutions when evaluating any type of changes in the model. In particular, the institutions could first check the list of categories according to Annex 3 and only perform extensive quantitative testing for those adaptations that fulfil one of those categories.

In Annex 3, Part II ("Changes to the models"), Title I ("Changes requiring competent authorities' approval"), we suggest that an exhaustive list is defined, in order to leave no room for uncertainty. In addition, for each of the listed categories, to avoid an excess of micro-reporting it should be added that only comprehensive changes are referred to (like in the current version of (6) which refers to "comprehensive technical or methodological changes").

In the current version, for instance the following topics are not pointed out with sufficient clarity:

In (3): What exactly does "beyond those necessary" mean?
In (4): It should be made clear that minor adaptations (e.g. changing the hierarchy of data sources for a specific product or position) are not in scope here.

Without such clarifications, the efforts are likely to "explode".

The regulatory capital requirement calculation with the internal model for market risk implies the calculation of a 60-day average VaR. If for the proposed threshold another 60-day average has to be taken, this means a test period of 120 days will be needed before application. Taking into account a notification period of one month before implementation, this would mean a test period of up to 150 days. To reduce this very long test period, it would be appreciated to require test period of 60 days; for this purpose, it would be sufficient to replace the term "capital" in the formulas on p. 18 by the term "VaR".

In the second formula on p. 18 ("Clarification to Article 7(4)"), the term "capital" is not used anymore. We understand that by e.g. "Outcome approved model" again capital is meant; otherwise this would mean VaR, which however would be inconsistent with the other formula. As stated above, in any case we suggest replacing "capital" by "VaR" in both formulas.

Answer to Q10 (page 18):

In our opinion, 5% is too small a threshold for the impact of internal model changes on own funds requirements for market risk. In fact, there may be a variety of changes which can (often very slightly) exceed this threshold, causing an excessive burden for documentation and reporting to financial institutions, leading to a time delay of several months of implementation for these small model changes within institutions, and essentially causing too much information with relatively limited relevance to be analysed by the competent authorities with limited own resources. As stated correctly in the draft RTS document, higher thresholds reduce the probability that changes or extensions might cause inefficient supervisory workload for the processing of applications. Given the immanent issues of low thresholds, higher thresholds would not only decrease the overall costs of implementation on the competent authorities' side but clearly also within institutions. In line with the 10% suggested in 1(c), letter (iii), we would thus suggest to consistently use a threshold of 10% for all proposed metrics.

We appreciate the fact that for Art.7 1(c), letter (i) the focus is on the average of changes over the 60-day time window. However, consistently with that also in letter (iii) the average of changes should be the relevant metric. Assessing the impact of any model extension or change as the highest value of the comparison over 60 days would also place too much importance on outliers, which can certainly occur in extreme cases even for those model changes that under normal conditions do not significantly change the model calculations.

Regarding the 2 options discussed in Table 2 on pp. 33f., we suggest another option where both qualitative and quantitative conditions have to be fulfilled to consider a model change material, as this would strongly enhance clarity for institutions when evaluating any type of changes in the model and facilitate to standardise internal processes for model changes accordingly. If pure quantitative backstops suffice to make a model change material, this would strongly increase the number of changes or extensions subject to approval, and result in additional supervisory costs for the competent authorities and in additional efforts for the institutions. This is particularly true for modelling activities which have to be performed for any possible model change, if there is no limitation by an exhaustive list of qualitative criteria.

As for the scope of consolidation discussed in Table 5 on pp. 35f., for market risk internal models we suggest to apply merely two levels of consolidation for banking groups whose parent company is headquartered in the EU, namely the consolidated view for Group models and the local entity view for purely local models.

We strongly recommend considering the proportionality in the new rules. In particular, one bank may have a much smaller trading book than another (or lower market risks in general), and as a consequence a change in an internal model may be material for market risk but only relatively immaterial compared to the overall risk-based capital requirements (i.e. the overall capital requirements arising from credit, market and operational risk altogether). To avoid problems with small numbers when calculating relative numbers, an absolute threshold with respect to total capital requirements (including all risk classes) of the bank would thus be appreciated (e.g. if the impact of a model change is less than 1% of total capital requirements, the change would be considered immaterial and not necessary to notify ex ante).

Answer to Q11 (page 18):

As stated in the answer to Q1 (page 13), we recommend elaborating again on the proposed differentiation between changes which require notification before implementation and changes where notification after implementation is necessary. E.g. a quarterly cumulated report for all of these changes would be sufficient after implementation, from our perspective.

If the classification is however maintained, we suggest reducing the one month period for notification to a time period of 2 weeks. Given the relative immateriality of the concerned model changes, we expect this to be sufficient for regulators to be informed. At the same time, time to implementation could thereby be reduced for banks which are trying to improve their systems and methodologies in a continuous way.

Answer to Q12 (page 18):

From our perspective, the choice of a 60-day observation period is in principle a good and consistent choice. However, as stated above, it should be absolutely avoided that a 60-day period on capital implicitly translates into a 120-day or even 150-day (including notification period) use test period for a model change.

Answer to Q13 (page 19):

Comparison of the twelve numbers would be sufficient in our view. However, if the assessment by highest values can be replaced by an assessment of the average change of the relevant time period (as suggested by us), extending the reference time period would be preferable to avoid that the calculated average is distorted by any outliers.

Answer to Q14 (page 19):

Yes, for the sake of procedural simplicity we support that no quantitative differentiation is made between changes that have to be notified before vs. post implementation.

Annex 3

In general we see an extremely high risk that the long list of criteria in the Annex creates an explosion of effort, which is hardly controllable for the banks and even for the supervisors. We recommend reviewing the list systematically and to have a focus on:

- What can really improve the communication from banks to supervisors, and
- What is really relevant information, which supervisors are also realistically able to "digest" (in order to minimise the risk of producing merely piles of "paper work")

Several examples are given below for criteria which we regard as highly problematic, and which in some case are also rather unclearly defined:

Annex 3: Part II Title I

(5) out-sourcing or in-sourcing of components which are material to calculating risk or validating the model, such as obtaining market data relevant to calculating risk and P/L, or the switch from licence-based use of a system ('computational module') to use of an application service provider ('ASP');

→ We understand that this refers to e.g. outsourcing of a central reference data management system. Or do you refer also to changes in market data sources for P/L and risk calculations? In that case, the effort would not be manageable anymore.

Title II:

(3) changes in the assumptions or the modelling of risk factors incorporated in the internal VaR model according to Article 356(2) of Regulation (EC) No xxxx/20xx [CRR], including a move between zero rates, par rates or swap rates, or an extension of risk factors where there was previously only one risk factor such as more grid-points on a curve of interest rates or an extended surface of implied volatilities;

→ Does this really mean that an extension to more points in a curve or surface (which have been regularly in use before and accepted by the supervisor) would require notification?

(5) changes in the calculation of the effects of changes in market risk factors on instruments, including changes in pricing models used to calculate sensitivities to modeled risk factors or to re-valued positions for the value-at-risk model or for the purpose of back-testing, according to Article 356 of Regulation (EC) No xxxx/20xx [CRR]

→ Any change of a pricing function would have an impact on real back testing. Do you really expect that this has to be notified 1 month before implementation (including the need for the comprehensive use test before notification)?

(16) changes to the valuation method with regard both to the economic profit and loss and to the clean profit and loss, such as move from mark-to-model to mark-to market, or vice versa, according to Article 355(3) and 358(2) of Regulation (EC) No xxxx/20xx [CRR];

→ This would mean that any switch from Level 1 to Level 2/3 or vice versa (e.g. for bonds) would potentially trigger a notification. This is practically impossible, especially keeping in mind the ex-ante 1 month notification period.

(17) change to the organizational and operational structure of risk management and internal governance process, according to Article 357(1) of Regulation (EC) No xxxx/20xx [CRR] including any of the following:

(a) organizational changes;

(b) the limit setting framework;

(c) the reporting framework;

(d) stress testing changes;

(e) the new product process;

(f) internal organisation and staff changes;

→ This is a very broad definition of ex-ante notification (including staff changes!).

(19) changes in the IT environment, including any of the following:

(a) applying vendor pricing models;

(b) Outsourcing of central data collection functions;

(c) Change of the market data provider for input data for the risk model;

(d) Opening or closing down of trading locations

→ Do you mean by this that a switch to another market data provider (like from Reuters to Bloomberg) would need a 1 month notification? Or do you rather refer to any changes in the market data provider hierarchies (which would still be excessive in our opinion).

Title V – Documentation of extensions and changes

Article 9 point 1 lit (i):

Is it really necessary that for each change that needs an approval from the competent authority also details of all extensions and changes planned for internal approaches over the next 12 months are to be delivered to the competent authority?

From the ESBG's perspective it seems sufficient enough for both sides (competent regulatory authority as well as the credit institution) if an update about all planned changes within the next 12 months is sent once a year to the competent authority. If the credit institution cannot stick to a planned time line then the competent authority should be informed as soon as possible; this would also enable the competent authorities to re-organise their working program respectively to plan their resources (e.g. for necessary on-site inspections).

Article 9 point 2:

The ESBG wants to put the requirement 1(e) ["independent review or validation"] up for discussion as we especially cannot see the benefit regarding changes that are not material and this would produce an additional amount of workload, as these kinds of changes are quite often compared to material changes.

<u>Answer to Q15 (page 19):</u>

IRB:

Concerning Article 9 point 1 lit (i): What does the term "details" exactly mean in this context? Could you give an example how detailed the descriptions of the planned changes over the next 12 months should be (e.g. only half a page or 10 pages?)?

We would suggest that a more explicit and clear explanation of what is meant by submit "record of the institution's current and past version of internal models" should be given.

AMA:

The required report of the institutions' independent review or validation (Article 9, 1e) even for major changes (Part I Title II and Part II Title II) prolongs the request of a change of the internal approach unnecessarily and increases the workload of a change for the applicant.

The same is with Article 9, 1i (details of all extensions and changes over the next 12 months).

Clarification of Article 9; 1h "record of the institution's current and past version of internal models" is needed.

- Shall all the current and past model documents provided or just the model description?
- To provide this even for major and minor changes is a high workload for the applicant, we believe.

IMA:

It is not exactly clear what is meant by "reports of the institutions' independent review". It should be made clear that the focus is on a general model validation but that e.g. internal audit documents or any documents from external persons or parties are not needed.

Regarding the requirement to submit a "record of the institution's current and past version of internal models", we suggest to submit only updated documentation about the new (current) version of the internal model for market risk. Earlier versions of the internal model documentation have anyway been provided on a regular basis to the competent authorities before, so re-sending all the old versions of the internal model documentation to them would not be efficient. In general, a more explicit and clear explanation of what is meant by submit "record of the institution's current and past version of internal models" should be given.

Regarding the details of the planned changes or extensions over the next 12 months, it should be clearly defined how new changes are treated that were not planned and communicated in advance to the competent authorities. It should be avoided that an institution has to suffer very long delays in implementation of changes, which are added on top of the initial list, with the goal of further improving the internal modelling approaches.

Additional questions

Answer to Q16 (page 37):

We expect that the costs arising for our institution from the documentation requirements on market risks that are included in the draft RTS can be material, due to the fact that documentation requirements are increased compared to the current situation, and that the complexity of the whole model change framework would increase considerably. Our assumptions are based on the experiences with similar reporting duties e.g. regarding credit risks, which imply significantly greater resources for this topic. While we very much appreciate the introduction of clear and consistent standards across all EU institutions, the costs should not far outweigh the benefits.

Furthermore, we strongly expect the number of both requested authorisations and notifications to the competent authorities to increase sharply, causing potentially a lot of efforts on both the Group level and on the local level (which would obviously have an impact on both the institutions and on home and host supervisors).

The main cost driver would be the on-going costs for additional on-going staff / hours, resulting in an expected increase of FTE that have to be dedicated to these activities, along with the required additional IT equipment and infrastructure needed for them. While an indicative monetary amount related to those additional costs is difficult to estimate, it should be noted that the procedural complexity is likely to increase significantly with the discussed rules. Given a large number of regulatory driven projects and requirements that need to be fulfilled at the same time and in parallel within a lot of institutions, in our view such additional complexity should be avoided unless it is really necessary for the creation of clear benefits. A large part of documentation however would not create a direct economic benefit for either affected institutions or authorities and may just increase the volume of documentation to be analysed on an on-going basis by the competent authorities. In an era where both regulators and institutions are facing an increasingly heavy workload due to new and deepening regulations, it is difficult to imagine how such comprehensive documentation could be prepared and analysed in an efficient and value-generating way.

In our response to Q1 we also mentioned several criteria which are not really manageable. This means that not only would excessive efforts arise for the whole documentation of model change; but even with very high efforts, it would be practically impossible to fulfil all the defined requirements on an on-going basis.

Answer to Q17 (page 37):

We expect that the additional costs of computing the quantitative impacts for ours institutions can be significant regarding the on-going costs for additionally required FTE and the IT equipment needed for them. While an indicative monetary amount related to those additional costs is very difficult to estimate, it seems evident to us that the workload needed to perform all the required quantitative analyses would be massive.

Given that the quantitative criteria are not directly linked to fulfilling well-defined qualitative criteria in the first place, it would be necessary to perform the whole work of quantification basically for every model change, as immaterial as it would seem. Alternatively, e.g. quick general analyses could be employed for evaluating whether a model change may be truly material, and only for those changes which are likely to really be material a full quantification should be pursued in the way that is required for the competent authorities.

Answer to Q18 (page 38):

If only a regular cumulated notification after implementation would be needed, we would welcome this very much, since that would enable our institutions to reduce the administrative burden from the formal notification of immaterial changes. However, the need to constantly monitor a long list of different criteria, to constantly evaluate them against a requirement for notification prior vs. after implementation, and to repeatedly prepare different documentations for all of these immaterial changes, can easily result in significant additional efforts and, thus, the need for dedicated FTE with all the corresponding costs.

About WSBI-ESBG (European Savings Banks Group)

WSBI-ESBG – The European Voice of Savings and Retail Banking

WSBI-ESBG (European Savings Banks Group) is an international banking association that represents one of the largest European retail banking networks, comprising of approximately one-third of the retail banking market in Europe, with total assets of over €7,631 billion, non-bank deposits of €3,500 billion and non-bank loans of €4,200 billion (31 December 2011). It represents the interests of its members vis-à-vis the EU Institutions and generates, facilitates and manages high quality cross-border banking projects.

WSBI-ESBG members are typically savings and retail banks or associations thereof. They are often organised in decentralised networks and offer their services throughout their region. WSBI-ESBG member banks have reinvested responsibly in their region for many decades and are a distinct benchmark for corporate social responsibility activities throughout Europe and the world.

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