



EUROPEAN CENTRAL BANK

BANKING SUPERVISION

2021 JST Staffing Survey

Presentation to the
SSM Social Dialogue

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Maria da Conceicao Macedo Deputy Director General Universal & Diversified Institutions
Michael Olsen Head of Section Specialised Institutions & LSIs
Marcelo Righeto Supervisor Systemic & International Banks



Introduction and objectives

- Since the start of the SSM, the ECB has held yearly JST Staffing Surveys to measure the amount of staff available for the JSTs.
- In June 2017, the SB decided that the methodology of the JST Staffing Survey needed to be reviewed given the evolution and changes in SI universe. Also recommended by ECA in 2016.
- The new methodology was designed and field tested in the second half of 2018.
- In January 2019, the SB decided to implement the structured, decentralised approach to develop JST-specific staffing targets, based on the results of the 2018 field test.
- In November 2019, the SB issue a final decision on JST by JST Commitments (Appendix to SB/19/134/11).
- For the 2021 JST staffing survey there was no change to the approach except for the introduction of qualitative JST staffing templates as part of the JST-by-JST discussions. The same approach is being followed for the 2022 exercise.

Structured and decentralised approach, with three stages

Stage 1: Collect information and identify attention points for JSTs

- JST staffing data collected from NCAs and ECB based on separate templates
- Identification of JST attention points based on the NCA/ECB staffing ratio and on the participation rates of JST members
- ***New in 2021***: JST staffing compared to staffing targets approved by the SB in 2019

Stage 2: JST-by-JST discussions for all JSTs

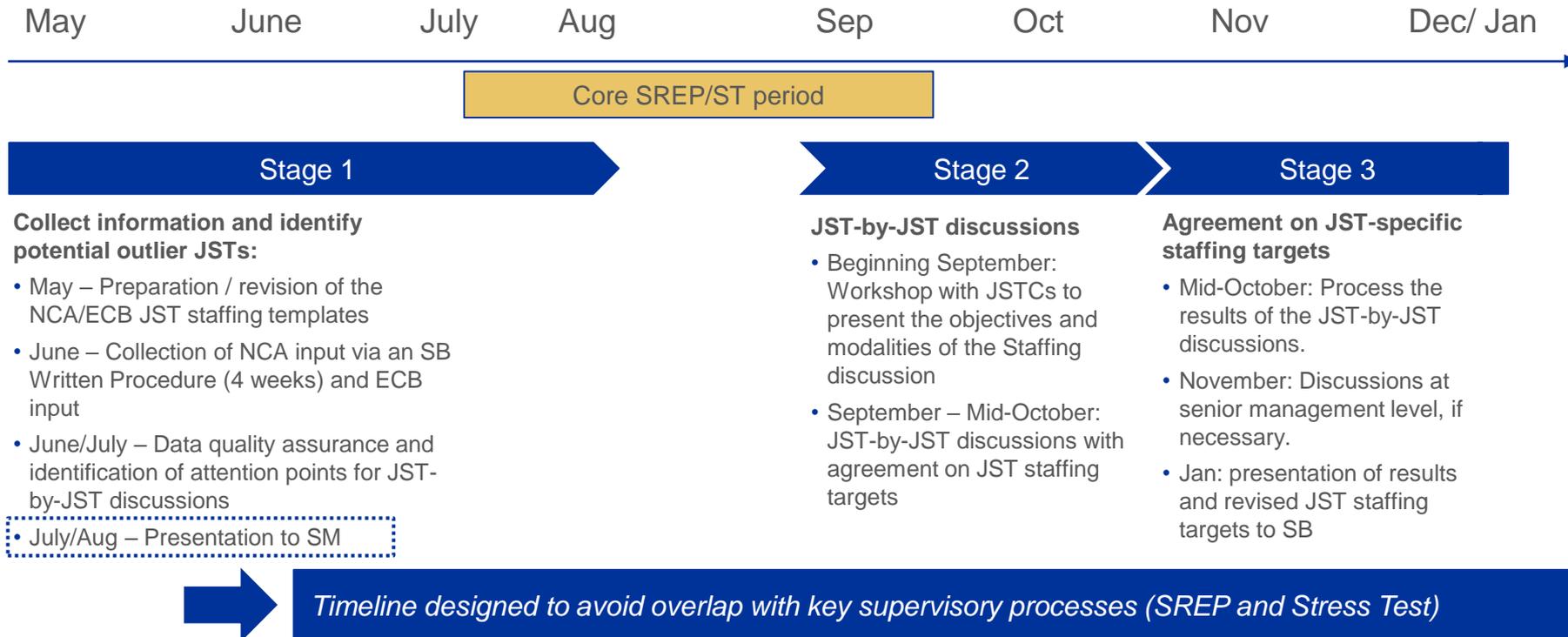
- Focus discussions on JST staffing provided by home NCA*
- JST-specific circumstances taken into account, such as the seniority of JST members.
- ***New in 2021***: Qualitative discussions on the **JST team profiles** (seniority and expertise of JST members)

Stage 3: Agreement on JST-specific staffing targets

- Focus on quantitative NCA staffing targets.
- Additional discussion on qualitative targets for the JST team profile.
- In the case of need, discussion at senior management level could be organised.

* Host NCAs could be invited to the discussions depending on materiality of their contribution to the JST staffing, to be decided at JST level.

Overall timeline of the project



Overall findings of the 2021 JST Staffing Survey

Overall, actual **JST staffing has increased by 64 FTEs in 2021** compared to 2019.

- Increase is due to new SIs (+119 FTEs of which 72 from NCAs and 47 from ECB),
- while staffing for SIs already existing in 2019 decreased by 55** FTEs (of which 8 FTEs from NCAs and 47 from ECB)

Compared to the 2019 commitments, **NCA staffing shows a shortfall of c.4%** (~32 FTEs), stable compared the one observed in 2019 against the 2018 commitment.

- 9 NCAs (out of 22 reporting NCAs*) reported a JST staffing below their 2019 commitment.

JST management teams agreed on **new commitments for 2022**, which comprise a total to **870 FTEs** for NCA Staffing including new SIs. Overall staffing discussions proceeded smoothly with a handful of escalation cases (with BdF/ACPR and Central Bank of Greece).

- In line with recent trends, planned staffing increases correspond mostly to new banks coming under SSM supervision.

JST management teams are **overall satisfied with the seniority levels** within JSTs, but **would like to see more specialisations** for certain topics (e.g. internal models, business model and credit risk)

- The ECB has relatively more experienced supervisors than NCAs (on average, with significant variations across NCAs).
- A third of JST staff is considered as generalist, with credit risk and governance following as further prominent specialisations (>10% of SSM JST staff for both)

*Bulgaria and Croatia are only taken into consideration in 2021 dataset.

**Mostly JST Staffing reallocated to New SIs

Concluding remarks

- Joint Supervisory Teams are the central tool of ongoing supervision in the SSM. Therefore it is key to allocate sufficient resources to them, matching the profile that is required for their specific tasks.
- JST staffing is a joint effort of NCAs and ECB and it is crucial to have transparency over resources allocated from NCAs and ECB to JSTs.
 - **Annual JST staffing surveys have been the tool to provide this transparency** on system level since the beginning of the SSM.
- In addition, annual JST staffing surveys facilitate discussions between NCAs and the ECB at all hierarchical levels and based on a objective set of information.
 - **These exchanges lead to a better resource planning process** – as also requested by the ECA in its 2016 report on the SSM.
- Resource planning decisions take into account each particular JST situation and NCAs/ECB retain strong elements of discretion in their resource allocation, reflecting the principle of “**cooperation in good faith**” as enshrined in the SSM regulation.

Q&A

Thank you for your
attention!