

To whom it may concern

C. Hollywood

Request for a Secondment / Detachment from the National Competent Authorities in charge of banking supervision

1 BACKGROUND INFORMATION AND BUSINESS NEED

The EIB's Board of Governors approved in July 2018 a number of measures relating to the EIB's governance in the context of capital replacement discussions in view of the United Kingdom withdrawal from the EU. These measures included the decision to strengthen the supervisory role of the Audit Committee (AC) of the EIB within the existing statutory framework.

In March 2019, the EIB's Board of Directors discussed the information provided by the Audit Committee on the prospective approach to further strengthen its supervisory capacity, and to follow a specific "EIB-Review and Evaluation Process (EIB REP)" based on the four pillars known under the SREP process of the EBA SREP Guidelines¹. The EIB REP approach and methodology, designed by the Audit Committee, will be adapted according to the current "Best Banking Practices Framework and the Best Banking Practices Guiding Principles of the EIB".

In order to implement this new capacity, the Audit Committee will need to be supported by a dedicated EIB REP team, which will have specific knowledge, skills and experience in banking supervision, preferably acquired from the European Central Bank Single Supervisory Mechanism (ECB SSM) and the EU National Competent Authorities (NCAs).

The key purpose of SREP is to ensure, through supervisory assessment, that institutions have adequate arrangements, strategies, processes and mechanisms, as well as capital and liquidity, to provide sound management and coverage of the risks to which they are or might be exposed, including those revealed by stress testing. EIB REP will be tasked with proposing an EIB-tailored methodology and approach for an EIB review and evaluation process, to be agreed with the Audit Committee.

Given the very technical mandate of the REP Team, the presence of supervisory experts from ECB SSM and EU NCAs would provide the necessary skillsets to support the Audit Committee as agreed. A job description relating to the skills required of the supervisory experts is included in annex.

¹ EBA SREP Guidelines: <https://eba.europa.eu/regulation-and-policy/supervisory-review-and-evaluation-srep-and-pillar-2/guidelines-for-common-procedures-and-methodologies-for-the-supervisory-review-and-evaluation-process-srep-and-supervisory-stress-testing>.

For the progressive implementation of the Review and Evaluation Process in 2020 the EIB will seek to appoint a maximum of 5 secondees from NCA's in addition to a secondee already identified from the SSM; in total 6 secondees. The selection of candidates will seek to create a team composed of 3 pairs with specialism in 3 elements of the SREP model, i.e. Business Model Analysis, Governance and Control, and Capital. The EIB already benefits from an annual Liquidity Assessment from the Banque Centrale du Luxembourg (BCL) due to EIB's ability to participate in Eurosystem operations. It is envisaged that the BCL assessment will continue, and the EIB REP team will work closely with the BCL on the extent of the assessment and the reporting of the outcome.

3. STARTING DATE / DURATION

The duration of the secondment / detachment will be for a period of 3 years, with a start date as soon as possible after 30th June 2020.

The 3 year time period is in line with the preliminary project schedule which foresees (a) the development of the EIB Rep methodology in 2020, (b) the execution of the pilot methodology in 2021/22, and (c) the implementation of the methodology in a 'live' situation during 2022/23.

4. COST

The cost of the secondment / detachment will be fully covered by the EIB; the modalities of this cost coverage will be formalised by the respective services of the EIB and the 'sending organisation' with a view to seek some standardisation of the process.

5. ACTIONS REQUESTED

The EU NCA's are kindly requested to nominate 1 person each for the selection process and provide the Curriculum Vitae.

The proposed candidate is requested to include a table in the CV to indicate her / his competence in the delivery of the SREP model as follows:

SREP Element	Proficiency (delete as appropriate)
Business Model Analysis	Expert / Good / Basic / None
Assessment of internal governance & controls	Expert / Good / Basic / None
Assessment of risks to capital	
<i>Credit risk</i>	Expert / Good / Basic / None
<i>Market risk</i>	Expert / Good / Basic / None
<i>IRRBB</i>	Expert / Good / Basic / None
<i>Operational risk</i>	Expert / Good / Basic / None
<i>Capital requirements unstressed</i>	Expert / Good / Basic / None
<i>Capital requirements stressed</i>	Expert / Good / Basic / None
Assessment of risks to liquidity and funding	Expert / Good / Basic / None

The indication of 'proficiency' level above is

Expert – has independently performed the full SREP assessment for this 'element' and managed other team member(s) in such an assessment.

Good - has performed the main tasks of the assessment of this SREP 'element'.

Basic – has performed limited work in the assessment of this SREP 'element'.

None – no experience in the assessment of the 'element'.

6. SELECTION PROCESS

Applications should be sent by email to c.hollywood@eib.org.

The **closing date** for receipt of applications is **Friday 3 April 2020**. The Bank will communicate its decision by end of June.

7. EIB CONTACT

Queries related to the EIB REP set-up and the selection process should be directed to:

Mr. Ciaran Hollywood, Special Advisor – EIB Review and Evaluation Process
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Annex 1- Job Description

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(Sr.) Officer; EIB – Review and Evaluation Process Team

Secondment / detachment opportunity to the European Investment Bank (EIB). Secretary General Directorate (SG).

Location Headquarters European Investment Bank, Luxembourg

Duration of secondment / detachment Three years, with the possibility to extend for 1 additional year. The secondment / detachment would be subject to a 2 years cooling period between the end of the secondment / detachment and the possibility to become an EIB employee.

Job Title (Sr.) Officer within the EIB REP team

Background The Audit Committee (AC) of the EIB is one of the four governing bodies of the European Investment Bank (EIB), reporting directly to the Board of Governors. Based on the EIB Statute, the Audit Committee has three main responsibilities: a) the auditing of Bank's accounts, b) to ascertain annually that the operations of the Bank have been conducted and its books kept in a proper manner, in particular with regard to risk management and monitoring, and c) verifying compliance with best banking practices.

The AC was tasked by the Board of Governors to strengthen their banking supervisory capacity within the current governance framework of the Bank. This new capacity of the AC will be built around the four pillars of the EBA SREP Guideline (i.e. a. business model analysis; b. assessment of internal governance and institution-wide control arrangements; c. assessment of risks to capital and adequacy of capital to cover these risks; and d. assessment of risks to liquidity and adequacy of liquidity resources to cover these risks), and will be aligned with the Best Banking Practice Framework of the Bank. The AC will be supported by an EIB REP team, which will independently assess the four pillars of the EIB REP approach and propose a methodology for conducting the review and process evaluation.

The EIB REP team will initially be set-up within the Secretariat-General, and will have a dual reporting line, both to its hierarchy within the EIB-REP team in line with EIB staff rules (organisational), and to the Audit Committee (functional).

Purpose As part of the EIB REP team, the (Sr.) Officer: i) is responsible for the implementation of the EIB REP approach, ii) conducts analysis to assess the risk profile of the Bank, to evaluate the adequacy of the risk management practices of an assigned area of responsibilities in line with the EIB REP methodology, and iii) is supporting the AC in the performance of its banking supervisory role.

Operating network Reporting to the Head of EIB Review and Evaluation Process Team, the (Sr.) Officer will provide analysis of the four REP pillars depending on the allocation of individual responsibility; perform risk assessments of specific areas of his/her competence; identify issues requiring enhanced supervisory attention on behalf of the AC; provide regular analytical briefings and recommendations to the Head of EIB REP Team.

The (Sr.) Officer, under the supervision of the Head of EIB REP Team, will respond to inquiries from the EIB's Services and the AC on matters relating to the EIB REP process and methodology.

He/she will contribute to the development of the banking supervisory procedures, policies and guidance jointly with the rest of the REP Team.

The (Sr.) Officer will interact with all EIB Services, often at the most senior level.

Responsibilities

In close coordination with other members of the EIB REP team, and under the supervision of the Head of EIB REP Team, the (Sr.) Officer will:

1. Support the planning, supervision, and execution of key processes related to the preparation, reporting and follow-up of the implementation of the EIB REP approach and oversee the compliance with the rules and procedures to be established for the purposes of the EIB REP.
2. Conduct research and analysis of financial and non-financial risks (e.g. credit, market, liquidity, operational, technology, legal, regulatory compliance and strategic risks) that the financial institution is exposed to and make recommendations in regards to those risks. Identify key risk areas for assessing risk management and oversight practices at the EIB.
3. Report on the progress and results of the EIB REP activities and recommend, on a periodic basis, any measures as a result of the EIB REP work. This includes preparing supervisory reports, presentations, analysis and regular briefings in line with the EIB REP methodology and approach, and under the supervision of the Head of EIB REP Team. Assist with the preparation of the Audit Committee's Annual Report in relation to the outcome of the EIB REP process.
4. Support the development of supervisory standards and methodologies as well as the drafting of internal policies and procedures in view of the implementation of the EIB REP. Interpret risk management policies and procedures, prudential guidance, regulatory expectations or public policy applicable to the EIB. Contribute to policy and strategy papers and other analysis related to implementation of the EIB REP approach.
5. Follow the relevant procedures to ensure the respect of deadlines and the follow-up/implementation of the decisions of the Audit Committee and the EIB REP team.
6. Participate in the supervisory dialogue between the AC and the Bank's Services, while preserving the independence of the AC and the function of supervisory oversight.
7. Support projects in all phases (e.g. ongoing monitoring tasks, benchmarking, and validation).
8. Contribute to the development, maintenance and enhancement of related data gathering and analysis (e.g. databases).

Qualifications

- A University degree (ideally post-graduate), preferably degree from a recognized post-secondary institution in commerce, business administration, finance, economics, accounting, or another specialty relevant to the position. Other graduate degree (Master's or Doctorate) from a recognized post-secondary institution, including a professional designation including FRM, or CFA charter holders would be an advantage.
- At least 8 years' experience carrying out the prudential regulation or supervision of financial institutions
- Experience identifying key risk areas and assessing risk management and oversight practices in financial institutions
- Knowledge of current and emerging key risks in the financial services industry, including in multilateral banks, of governance and risk management practices currently employed in financial.
- Knowledge of the EU and international regulatory framework for financial institutions.
- Good knowledge of accounting, financial analysis, and legal documentation
- Excellent knowledge of English, working knowledge of other EU languages would also constitute an advantage

In addition, the following are not mandatory but would be considered advantageous:

- Experience in a financial institution or in one of the following areas: Performing supervisory functions, Financial Analysis; Underwriting; Risk Management; or Strategic Analysis and Planning.
- Experience in financial services consulting related to supervisory guidance and dialogue.

Competencies

- Ability to communicate effectively verbally and in writing in English
- Good analytical, communication, organization, reporting and presentation skills
- Good interpersonal skills, with ability to deal with multiple stakeholders to interact and maintain good relationships
- Results focused with the capacity to respect deadlines
- Willingness to learn, develop, and adapt to evolving needs
- High sense of discretion, tact, and confidentiality
- Diplomatic and representation skills