ALCO Governance and Stakeholder Alignment in Funds Transfer Pricing: An Exploratory Survey of Regional Banking Practices

Within-institution functional perceptions across Risk, Treasury, and customer business

Chavali Gayatri Praveen

Prof. A Narasimha Rao

Department of Commerce and Management Studies, Andhra University, Visakhapatnam, India

Abstract

Frequent prior approval of funds transfer pricing methodology changes exceeds frequent advance communication by 22.6 percentage points in the analyzed responses (75.0% versus 52.4%; conditional 95% bootstrap interval for the difference, 13.4–31.7 points). Among applicable records, 78.3% (108/138) report some cases unresolved after agreed deadlines; this is a response-level proportion, not a case-weighted dispute rate. In 17 fully matched coded banking organizations, perceptions of consistent treatment differ across Risk, Treasury, and customer business (three-role permutation omnibus, Holm-adjusted p = 0.0195). This secondary analysis of archived survey responses uses a cross-sectional multi-organization benchmarking dataset comprising $N = 212$ functional response records nested within $K = 35$ coded banking organizations in India, Bahrain, the United Arab Emirates, and Saudi Arabia. Item-level descriptions, clustered rank regressions, coded-organization resampling, and matched functional profiles distinguish reported governance, functional disagreement, and verifiable correctness. None of the three reconstructed governance associations meets the specified significance criterion, and low internal consistency prevents interpreting the item blocks as validated latent scales. The focused contribution is a within-institution triad perspective: favorable aggregate assessments can coexist with divergent functional perceptions, without identifying which function is correct. Principal–Agent Theory informs the interpretation of local contribution incentives and delegated decision authority. A proposed Operational ALCO Alignment Protocol specifies advance impact windows, monthly Finance reconciliation, and time-limited exceptions for prospective evaluation. The results describe the archived responses rather than regional prevalence or causal effects. Internal FTP reallocates contribution; it does not mechanically increase consolidated profit.

Keywords: funds transfer pricing; ALCO; internal governance; stakeholder alignment; principal–agent theory; organizational information processing; survey measurement; within-institution disagreement

JEL classifications: G21; G32; M41

1 Introduction

A bank can operate a technically elaborate funds transfer pricing system while its managers hold different understandings of what that system measures. Treasury may view an internal rate as the price of transferring interest rate and liquidity exposures. A customer business may interpret the

same rate as an assessment of the commercial value it has created. Risk may regard the rate as acceptable only if the assumptions underlying that transfer are consistent with the institution's risk appetite and model limitations. Finance must reconcile the resulting allocations with reported performance. These perspectives are connected, but they are not interchangeable. The governance problem emerges when the differences are left implicit and managers use apparently comparable numbers to make materially different decisions.

The asset and liability committee, or ALCO, is a natural forum for addressing such differences. Its relevance does not arise merely from its position in an organizational chart. An effective decision forum must identify who owns a pricing assumption, who may challenge it, how an exception is resolved, and how the decision reaches the people expected to use it. Formal approval establishes authority. It does not, on its own, establish understanding, agreement about implementation, or the correctness of the underlying assumption. A study of ALCO governance therefore needs to examine both the existence of governance arrangements and the informational relationships through which those arrangements operate.

The economic boundary of the problem is equally important. FTP reallocates funding income, costs, and risks within an institution. If customer balances, external prices, and other external cash flows remain unchanged, a revised internal credit cannot mechanically create additional consolidated profit. It changes the attribution of that profit. Subsequent decisions concerning customer pricing, funding, hedging, or product mix may affect future earnings, but these behavioral consequences require separate evidence. Failing to distinguish allocation from value creation can encourage a business unit to interpret a favorable redistribution as proof of economic improvement. It can also lead an empirical study to assign a causal interpretation to what is fundamentally an accounting movement.

Banking research has already examined FTP methods, objectives, responsibility, managerial use, and liquidity-pricing weaknesses (Oyelere and Turner, 2000; Grant, 2011; Elliot, 2018). The present opportunity is more specific: preserving the pattern of responses among functions within the same institution and distinguishing that pattern from a pooled assessment of governance.

This paper examines three questions. First, do archived assessments distinguish formal governance practices from the communication and reconciliation processes needed to make FTP usable? Second, how strongly are recorded governance assessments associated with clarity, consistent treatment, and the resolution of disagreements? Third, does a relatively favorable institutional average conceal meaningful differences among Risk, Treasury, and customer-business functions? These questions are exploratory. Their empirical implementation is a secondary reanalysis of existing files rather than a newly administered or preregistered survey.

The analysis uses a cross-sectional multi-organization benchmarking dataset comprising $N = 212$ functional response records nested within $K = 35$ coded banking organizations. A fully matched subset of 17 organizations contains the Risk, Treasury, and customer-business triad.

Benchmarking means descriptive comparison using common questionnaire items; it does not imply representative regional coverage, a longitudinal panel, or independently established performance standards. The source selection and evidence boundaries are detailed in Sections 3.1 and 7.

The paper contributes a separation between governance level, functional disagreement, and verifiable correctness. The first two can be examined in the archived response profiles. The third requires corroborating evidence beyond those profiles. The resulting framework explains why a high governance score and a high level of agreement are both insufficient as standalone judgments of an institution's FTP arrangements. It also connects the triad perspective to a concrete governance design in which reported perceptions can be compared with policies, model records, reconciliations, and actual decisions.

2 Literature and conceptual development

2.1 Internal pricing and the distribution of performance

The accounting consequences of FTP help explain why its governance is potentially contentious. A deposit credit increases the reported contribution of the deposit gathering business and reduces the contribution retained elsewhere, normally in Treasury. The allocation may be economically justified, but the managers affected by it do not face identical performance consequences. Evidence from Brazilian branches shows why the organizational perimeter matters: branches collectively can transfer resources to other parts of the institution, so their aggregate transfer income need not cancel within the branch subset (Bicudo de Castro and Morch, 2024). Cancellation must instead be assessed across the complete internal allocation perimeter.

Recent research on an Indian bank develops a market oriented pricing model using daily data from 151 branches (Banerjee et al., 2026). Such work advances the study of internal rates and reported branch outcomes. The present question concerns a related organizational mechanism: whether functions understand the allocation consistently and whether that understanding can be distinguished from their preference for its distributional consequences. Technical pricing research and governance research are therefore complementary. A technically appropriate rate can still be poorly communicated, while a readily accepted rate can rest on an inappropriate assumption.

2.2 What banking surveys already establish

Oyelere and Turner (2000) examined objectives, methods, and responsibility structures in UK deposit-taking institutions. Their work establishes that decision ownership is part of the FTP research domain, rather than an incidental administrative concern. Grant (2011) subsequently drew on 38 large banks across nine countries to examine liquidity transfer pricing practices. The analysis identified weaknesses in policies, processes, allocation, and oversight and related these

weaknesses to the incentives created by internal pricing. Those findings provide historical evidence about the institutions investigated, not a current estimate of deficiencies in the settings represented by the present archive.

Elliot (2018) offers the closest precedent. His study obtained 99 responses from 28 Swedish savings banks after approaches to managers at 31 institutions. It considered objectives, pricing methods, management use, and regulatory implications within a contingency framework. The existence of that research rules out presenting the act of surveying bank staff as the present paper's innovation. Its relevance also extends beyond comparison of country settings: it encourages consideration of how organizational circumstances shape the design and use of FTP. The extension proposed here is to retain within-institution differences as an object of analysis and to investigate how an apparently favorable average can coexist with a less coherent functional profile.

The focused contribution is to compare the Risk–Treasury–customer-business triad within the same coded organization, retaining both the level and the spread of functional assessments. This approach complements earlier surveys of practice; the present literature review does not establish an exhaustive priority claim.

2.3 Principal–Agent Theory, contingency, and information processing

Principal–Agent Theory connects delegated decision authority with incentive divergence and costly monitoring (Jensen and Meckling, 1976). Applied to FTP, local contribution targets can favor an allocation that improves a function's reported performance without increasing bank value. Information asymmetry over calculation details and assumptions may intensify this tension. These are contextual mechanisms proposed here; the questionnaire does not measure incentive contracts or agency costs, and the cited theory does not prescribe a bank's FTP architecture.

Treasury remains an agent with delegated balance-sheet responsibilities, rather than an infallible principal whose preferred allocation establishes correctness. Customer businesses exercise delegated commercial authority. Under this proposed application, ALCO provides bankwide oversight within its mandate, Risk challenges independently, and Finance reconciles allocations with consolidated performance. This division of responsibility reflects agency reasoning without attributing opportunism to the recorded functions.

Contingency research treats management control arrangements as dependent on organizational circumstances, including strategy, structure, technology, and the external environment (Chenhall, 2003). Rossing and Rohde (2014) similarly connect transfer pricing research with the context, design, and outcomes of the systems organizations use. Their analysis addresses transfer pricing more broadly, so its application to bank FTP is a theoretical adaptation rather than direct banking evidence. The implication is that a governance practice should be assessed in relation to the problem it is expected to solve. A committee arrangement that is workable in a small

institution may transmit information poorly in a complex group with several legal entities and funding pools.

An information processing perspective provides a more specific account of that problem. Galbraith (1974) examines how organizational arrangements respond to information demands arising from uncertainty and interdependence. In FTP, relevant information is dispersed. Customer businesses observe pricing sensitivity and commercial relationships; Treasury observes marginal funding conditions and hedging consequences; Risk examines model assumptions and limits; Finance reconciles the allocation with accounting outcomes. The application of this perspective suggests that governance quality depends partly on whether these observations can be translated into a common decision context. Committee membership alone does not establish that translation.

The framework also clarifies the meaning of stakeholder alignment. The term refers here to internal functions participating in or affected by FTP decisions. Alignment does not require identical commercial interests or unanimous support for every pricing decision. It requires a sufficiently shared account of the rules, assumptions, responsibilities, and consequences to make disagreement explicit and resolvable. A recorded objection may be evidence of effective challenge. An absence of objections may reflect agreement, limited understanding, limited visibility, or reluctance to speak. Consequently, neither the frequency of disagreement nor the degree of consensus can be interpreted without attention to process and substance.

2.4 Prudential expectations and their limits as evidence

The Basel liquidity principles connect internal pricing with the allocation of liquidity costs, benefits, and risks to significant business activities (BCBS, 2008, Principle 4). The corporate governance principles emphasize board responsibility and independent risk and control functions (BCBS, 2015). These standards explain why governance is a substantive prudential concern. They cannot demonstrate how an institution behaves merely because its staff report that a committee exists or that its practices are frequent.

The 2016 US interagency FTP guidance is especially relevant to the conceptual design because it addresses transparency, senior oversight, business participation, independent control, and dialogue between central management and business lines (FRB, FDIC and OCC, 2016). It applies to specified US institutions. It is used here as an international analytical benchmark, not as a directly binding requirement for the jurisdictions represented in the principal dataset. Its recognition that differences between behavioral assumptions require explanation also supports an important distinction: consistency need not mean identical parameter values across every management purpose.

Regional rules make the question locally relevant while retaining their own scope. The CBUAE liquidity regulation requires a proportionate transfer pricing framework reflecting funding costs (CBUAE, 2015). Its Standard Re Liquidity at Islamic Banks addresses dialogue and transparent

responsibility while recognizing the characteristics of relevant funding pools and cash flows (CBUAE, 2022, section 5.6). SAMA's ILAAP governance requirements emphasize responsibilities, review, validation, and effective challenge (SAMA, 2020, section 5.1). These sources provide context for Saudi and UAE records. The paper does not undertake a comparative legal assessment of all four jurisdictions and does not use these provisions to judge the compliance of any coded institution.

2.5 Three distinct objects of measurement

The conceptual framework separates reported governance level, functional disagreement, and correctness. Governance level concerns how frequently a practice is said to occur. Functional disagreement concerns differences between accounts of that practice or its perceived consequences. Correctness concerns whether the account is supported by evidence and whether the underlying allocation is justified. These objects may move together, but no identity connects them. A group may agree that a procedure is frequent while misunderstanding its purpose; alternatively, informed functions may disagree because a case exposes a valid trade-off.

Multilevel measurement research warns against assuming that individual answers automatically constitute an organizational property (Chan, 1998). Research on agreement and reliability likewise distinguishes the consistency of ratings across targets from the closeness of ratings within a target (LeBreton and Senter, 2008). These distinctions are material for an FTP survey. Averaging responses can summarize their level, but it can also obscure the very disagreement that governance is expected to address. The paper therefore reports levels and dispersion separately and leaves correctness explicitly unmeasured where documentary verification is unavailable.

2.6 Research gap and contribution

Existing FTP studies explain pricing design, organizational objectives, managerial use, and governance arrangements. The focused question pursued here is how these arrangements are perceived by different functions associated with the same organization. A favorable pooled assessment cannot establish that Risk, Treasury, and customer business understand the practice similarly, and agreement cannot establish technical correctness. The research gap is therefore operationalized as a comparison among governance level, within-institution functional disagreement, and the separate evidence needed to verify the underlying allocation. The contribution is a triad perspective that reports item-level assessments, matched functional profiles, and disagreement statistics together while preserving the organization as the grouping unit. Principal–Agent Theory supplies an interpretation of potentially divergent contribution incentives; information processing theory explains why access to assumptions and decision rationales also matters. This is a focused extension of the cited practice and design literature, supported here by secondary analysis of archived responses. It does not establish regional

prevalence, identify the correct function, or claim that an exhaustive literature search demonstrates priority.

3 Research design and archival methodology

3.1 Source selection and provenance audit

The analysis was completed on 7 November 2026 using the final archived response file, its accompanying results workbook, and the refreshed questionnaire and response template. The final CSV contains 350 records. Its normalized content matches the source-response sheet in the results workbook. File hashes were calculated and retained in the computational supplement to identify the precise versions used. Agreement between files establishes reproducibility across these archived objects; it does not independently authenticate the people or institutions represented by their codes.

The term coded banking organization denotes the parent-group or bank-code grouping stored in the file. It describes the observable coding structure rather than an independently verified legal-entity boundary. The analyzed material supplies no verified identity crosswalk or documented anonymization procedure. The observational unit is consequently a functional response record, with organizational membership represented by its supplied code.

An earlier export contains 261 of the final records. Matching by response identifier shows that the substantive fields of these records are retained, while all 261 invitation tokens have been replaced. The final file contains 350 unique response identifiers and 349 distinct tokens, with one token appearing in two records. One of those records belongs to the principal regional subset. The archive provides no verified replacement-token crosswalk. Token replacement and collision are therefore treated as unresolved provenance features. Neither is sufficient evidence to declare a particular record fraudulent, simulated, or an independent human response.

The final file contains no timestamp field, no invitation denominator, and no independent consent documentation. Its source-channel field is coded Direct throughout, and its consent field is affirmative throughout. These values are recorded attributes rather than independent proof of recruitment or consent. Because item prompts refer to the preceding 12 months but completion dates are unavailable, the responses cannot be assigned to a verified common observation period. No response rate is calculated and no claim is made that a particular ethics committee approved the original collection.

Two older questionnaires were excluded because they use different instruments and lack identifiers needed for valid linkage. One contains 461 rows but only 39 distinct complete response patterns; the other contains 345 rows and 141 distinct patterns. These features do not establish record origin, but prevent treating their row counts confidently as independent respondents. Pooling them would create an unsupported common sample and an ambiguous measurement basis.

3.2 Analytical subset and units of analysis

All 350 records satisfy the eligibility codes stored in the final file: affirmative consent and bank-employment indicators, eligible seniority and function codes, direct FTP involvement, and at least one year of relevant experience. This consistency check does not establish that the refreshed eligibility procedure was administered prospectively to every archived record. Restricting the file to India, Bahrain, UAE, and KSA produces the principal cross-sectional multi-organization benchmarking dataset: $N = 212$ functional response records nested within $K = 35$ coded banking organizations. A nested subset of 17 organizations provides fully matched profiles across Risk, Treasury, and customer business. The full 350-record file, spanning nine country codes and 64 coded organizations, is retained as a sensitivity analysis. Earlier and later exports are versions of the archive, not repeated observations of respondents over time; the dataset is not a longitudinal panel.

The regional label describes this selected India and Gulf subset; it does not denote all GCC countries or a probability sample of a defined regional banking population. Country codes identify the entity location recorded in the questionnaire, not nationality. Table 1 reports the composition without ranking jurisdictions. India contributes nearly half of the records, so a pooled mean should not be interpreted as a balanced comparison of countries.

Table 1. Composition of the principal archived subset

Recorded entity country	Functional response records	Share of 212 records	Coded banking organizations
India	103	48.6%	14
Bahrain	42	19.8%	9
United Arab Emirates	42	19.8%	7
Saudi Arabia	25	11.8%	5
Total	212	100.0%	35

Source: Author’s calculations from the archived final response file. Function codes comprise Risk, 69 records; Treasury or ALM, 64; and customer business or product management, 79. Counts describe functional response records and the banking-organization codes used for grouping.

The clustering variable uses the parent-group code where populated and the bank code otherwise. This choice avoids treating records explicitly assigned to the same coded parent as independent organizations. At the record level, analyses retain every eligible observation. At the matched-role level, observations are first averaged within each organization-function cell, and the resulting function means receive equal weight. This prevents a function with more response records from automatically dominating the organizational profile.

3.3 Instrument and measurement decisions

The refreshed instrument has four governance items, G1–G4; four operational communication and process items, D1–D4; three perceived transparency items, T1–T3; and three perceived allocation-fairness items, F1–F3. G and D use frequency responses from Never to Always. T and F use agreement responses from Strongly disagree to Strongly agree. Disagreement items ask whether an FTP disagreement was observed, what proportion of relevant cases remained unresolved after agreed deadlines, and the main issue in the most recent case. Appendix A reproduces the wording and coding from the template.

All 14 core items have values between one and five, with no missing responses or use of the template's Do not know, Not applicable, or Prefer not to answer categories. Completeness does not establish response quality. Scores four or five indicate frequent practice for G and D and favorable agreement for T and F; these interpretations remain distinct.

A governance index is calculated as the unweighted mean of G1–G4 to reproduce the archived analytical specification. It is a descriptive summary, not a validated latent governance factor. Internal consistency is examined before interpretation. A checklist of distinct practices can have a formative purpose, for which high alpha is not the defining criterion (Diamantopoulos and Winklhofer, 2001). Nevertheless, low consistency prevents the average from being presented as a reliable reflective scale without further work. The paper gives item-level descriptions priority and does not form a broad transparency or fairness scale for the principal association tests.

3.4 Descriptive and association analysis

For each core item, the analysis reports its mean, the count and share of scores four or five, and a 95% percentile interval obtained by resampling coded banking organizations. Each of 9,999 bootstrap draws selects 35 clusters with replacement and retains every record in each selected cluster. The statistic is recalculated as a ratio of pooled counts, preserving the archive's record-weighted interpretation. These intervals describe sensitivity to the observed cluster composition. They are not design-based margins of error for a probability survey.

The paired contrast between G1 and D2 is calculated within each record before resampling. This retains the dependence between the approval and advance-communication indicators. The governance index for record i in institution j is defined as follows:

$$G_{ij} = \frac{G1_{ij} + G2_{ij} + G3_{ij} + G4_{ij}}{4}.$$

Three associations are reconstructed: G with clarity of the FTP basis, T1; G with consistent treatment of comparable activities, F3; and G with the ordered unresolved-disagreement category, C2. Average ranks handle ties. Standardizing the ranks and regressing each ranked outcome on the ranked governance index gives the ordinary Spearman correlation as the slope in the unadjusted two-variable model. Clustered standard errors use a CR1 finite-sample correction and a t reference with the number of clusters minus one degrees of freedom. This recognizes that

records sharing an institution code need not have independent errors (Cameron and Miller, 2015).

Holm's (1979) adjustment covers the three reconstructed association tests. Separate families cover the three overall role tests and the three matched-role tests. This is an explicit multiplicity strategy within an exploratory reanalysis, not preregistration. Bootstrap intervals resample archived clusters; the testing results instead use a clustered covariance estimate within the rank regression. The two forms of uncertainty remain distinct.

C2 is analyzed only where an observed disagreement is recorded and a numeric category from zero to four is available. These codes represent ordered bands, not observed continuous percentages. The No cases with a passed deadline category is excluded from the numeric denominator rather than recoded as zero. The procedure therefore avoids treating absence of an eligible deadline as evidence of successful resolution.

3.5 Matched-role analysis and sensitivity checks

Of the $K = 35$ coded banking organizations, 17 contain all three function codes, 17 contain two functions, and one contains a single function. Primary within-institution role comparisons use the fully matched subset of 17 organizations. Organization-role means are calculated for G, T1, and F3; each organization then contributes equally. An omnibus Friedman statistic is evaluated using 49,999 within-organization role-label permutations, with an add-one adjustment to the Monte Carlo p-value. This asks whether role labels are exchangeable under the stated null for the observed matched profiles. It does not imply that organizational roles were randomly assigned.

For each measure, two descriptive disagreement statistics are retained. The range identifies the distance between the highest and lowest function means. The mean pairwise absolute gap uses all three function pairs. If x denotes an institution-role mean, these are:

$$R_j = \max\left(x_{jR}, x_{jT}, x_{jB}\right) - \min\left(x_{jR}, x_{jT}, x_{jB}\right).$$

$$A_j = \frac{|x_{jR} - x_{jT}| + |x_{jR} - x_{jB}| + |x_{jT} - x_{jB}|}{3}.$$

Both statistics use the numerical one-to-five coding as a descriptive scoring convention; ordinal categories do not establish validated latent distances. Neither statistic is a percentage of alignment or a governance threshold. Matched-profile means, ranges, and contrasts receive percentile intervals from 9,999 institution-level bootstrap draws. Pairwise intervals are nominal and do not support multiplicity-adjusted pairwise significance claims. Unequal numbers of records within institution-function cells can also affect the precision of role means.

Sensitivity analyses exclude the regional record carrying a repeated token, extend the analysis to all 350 country-coded records, and adjust for three export groups identified from response-ID prefixes. These export groups are file-history categories, not verified recruitment waves. Their

addition tests whether associations are sensitive to the composition of the archive. Small cluster counts and unstable group structures remain material limitations for inference (McNeish and Stapleton, 2016). The random seed for the reported resampling calculations is 20261107.

4 Results

4.1 Formal governance and operational communication

Table 2 shows relatively favorable recorded assessments of formal governance. Prior approval of methodology changes is coded Often or Always in 159 of 212 records, or 75.0%. Independent Risk challenge is frequent in 72.6%, while customer-business representation and review of action deadlines are each frequent in 69.8%. The operational communication items have lower favorable shares, ranging from 52.4% for advance communication to 58.5% for documented escalation. The comparison concerns reported frequency across common questionnaire items.

Table 2. Core item descriptions and conditional archive intervals

Item	Short description	Mean	Scores 4–5	Share	95% cluster-bootstrap interval for share
G1	Prior ALCO approval	3.920	159	75.0%	68.4–82.4%
G2	Independent Risk challenge	3.920	154	72.6%	65.8–80.0%
G3	Customer-business representation	3.915	148	69.8%	62.1–78.3%
G4	Review of action deadlines	3.981	148	69.8%	63.1–76.6%
D1	Component explanations available	3.439	119	56.1%	48.5–64.5%
D2	Advance communication	3.392	111	52.4%	43.0–62.6%
D3	User reconciliation against rules	3.439	113	53.3%	45.1–62.6%
D4	Documented escalation	3.528	124	58.5%	50.5–67.0%
T1	Clarity of FTP basis	3.981	158	74.5%	66.9–83.0%
T2	Explanation across products and maturities	4.099	167	78.8%	71.8–86.0%
T3	Traceability into unit performance	4.071	161	75.9%	70.2–82.1%
F1	Fair resource-consumption charges	3.863	152	71.7%	66.3–77.5%
F2	Fair funding-value credits	3.849	147	69.3%	62.7–76.8%
F3	Consistency for comparable activities	3.901	149	70.3%	63.2–77.5%

Source: Author's calculations; n = 212 for every row. Scores 4–5 mean Often or Always for G and D, and Agree or Strongly agree for T and F. Intervals use 9,999 resamples of 35 coded institution clusters and are conditional on the archive.

The paired approval–communication contrast is 22.64 percentage points, with a 95% bootstrap interval of 13.43–31.72 points. The count difference is 159 minus 111, or 48 favorable responses over 212 records. Within-record calculation preserves dependence between the items. The comparison distinguishes reported authorization and communication practices; it does not identify the same individual decision event, show that 48 institutions failed to communicate, or establish causality.

4.2 Internal consistency and the limits of composite interpretation

Raw coefficient alpha is 0.363 for governance, 0.467 for operational communication, 0.049 for transparency, and 0.318 for fairness. Mean interitem correlations are correspondingly low. Table

3 reports these diagnostics without converting them into an automatic pass-or-fail rule for every use of an index.

Table 3. Internal consistency diagnostics for the regional archive

Item block	Number of items	Raw alpha	Mean interitem Pearson correlation
Governance G1–G4	4	0.363	0.124
Operational communication D1–D4	4	0.467	0.180
Perceived transparency T1–T3	3	0.049	0.016
Perceived fairness F1–F3	3	0.318	0.135

Source: Author's calculations from 212 complete core-item records. Values are diagnostics of the archived item patterns; none establishes a validated latent scale.

The transparency result is particularly consequential. High means for T1, T2, and T3 coexist with almost no average linear association among them. It would therefore be misleading to combine the items and describe the result as a validated measure of one underlying transparency construct. Possible explanations include distinct substantive meanings, limited measurement quality, or features of the record-generating process. The archive does not permit discrimination among these explanations. No undocumented reverse coding is introduced to improve alpha, because the wording of all three items is positively oriented.

The governance average is retained only for continuity with the archived specification and as an explicitly descriptive equal-weight index. The result does not establish that governance is intrinsically fragmented, nor does it prove that any particular record is invalid. It does establish that strong latent-construct claims would exceed the available measurement evidence. Consequently, the results and discussion return to the individual items and matched-role profiles instead of interpreting a structural model built on presumed scales.

4.3 Associations with clarity consistency and overdue cases

The three reconstructed governance associations are small or uncertain. The association with T1 is 0.059 and the association with F3 is 0.026. The association with C2 is negative, at −0.153, but its interval includes zero and its adjusted p-value is 0.185. None meets a 5% criterion after the stated Holm adjustment. Table 4 preserves the signs and uncertainty rather than replacing this result with a general claim that governance improves transparency or resolves conflict.

Table 4. Reconstructed governance associations

Outcome	n	Spearman correlation	95% cluster-bootstrap interval	Clustered p-value	Holm-adjusted p-value
T1 clarity of FTP basis	212	0.059	−0.070 to 0.175	0.361	0.721
F3 consistency for comparable activities	212	0.026	−0.106 to 0.170	0.703	0.721
C2 ordered share of overdue cases	138	−0.153	−0.295 to 0.007	0.062	0.185

Source: Author's calculations. All three models contain 35 coded institution clusters. P-values use CR1 clustered rank-regression standard errors and a t reference with 34 degrees of freedom; Holm adjustment covers these three tests. Bootstrap intervals use 9,999 coded-institution resamples. C2 is ordinal and conditional on its applicable denominator.

The results do not prove that governance is irrelevant. Weak measurement and cross-sectional observation restrict inference. The available records do not substantiate the proposed associations under this analysis. A desirable governance proposition is not confirmed merely because it is consistent with regulatory expectations.

Export-group adjustment further limits interpretation. The standardized rank coefficient for T1 becomes −0.024, for F3 −0.099, and for C2 +0.027. These adjusted coefficients are not simple Spearman correlations. Their signs and magnitudes show that the weak unadjusted relationships are sensitive to the composition of the archived exports. Because export groups are not verified time periods or recruitment strata, adjustment cannot identify a temporal effect or correct an unknown selection process. It is a diagnostic sensitivity analysis.

4.4 Reported disagreements and denominator discipline

An observed FTP disagreement is coded Yes in 167 of 212 records, or 78.8%. Of those 167 records, 29 indicate that there were no cases whose agreed deadline had passed. The numeric C2 denominator is therefore 138. Within it, 30 records report no overdue case, 65 report the 1–25% category, 31 the 26–50% category, and six each the 51–75% and 76–100% categories. Thus, 108 of 138 applicable records indicate some unresolved cases after an agreed deadline, or 78.3%; the conditional bootstrap interval is 70.2–86.3%.

This 78.3% figure is a share of applicable records, not an estimate of the fraction of all FTP disagreements that remained unresolved. The survey does not report the number of cases behind each answer. One record could concern two disagreements and another many more. Treating their categorical responses as a case-weighted resolution rate would introduce information that is absent. Equally, assigning the 29 no-passed-deadline records a value of zero would imply successful resolution where the outcome is not yet observable.

The B2 field contains no open-text responses. No qualitative interview findings or thematic analysis are therefore reported. The most-recent-issue categories can describe recorded concerns, but they cannot establish the sequence of events or why a disagreement persisted. This is especially relevant to interpreting conflict constructively: the present data distinguish reported occurrence and an ordered overdue category, but not whether challenge improved a decision or whether delay was justified by additional analysis.

4.5 Matched functional profiles

Among the 17 fully matched coded banking organizations, recorded consistency of treatment, F3, differs by role. Treasury or ALM has a mean of 4.236, Risk 3.270, and customer business 3.755 when every coded organization receives equal weight. The matched three-role omnibus permutation p-value is 0.00650 and its Holm-adjusted value is 0.01950. This adjusted value concerns the overall comparison among the three functions, not a Risk–Treasury pairwise test. The corresponding adjusted omnibus values are 0.18596 for the governance index and 0.57054 for T1. Table 5 reports all three comparisons to avoid selecting only the favorable result.

Table 5. Equal-institution means in complete matched-role profiles

Measure	Risk	Treasury or ALM	Customer business	Permutation p-value	Holm-adjusted p-value
Governance index	3.912	3.714	3.695	0.09298	0.18596
T1 clarity of FTP basis	3.964	3.933	3.706	0.57054	0.57054
F3 consistency for comparable activities	3.270	4.236	3.755	0.00650	0.01950

Source: Author’s calculations. Seventeen coded institutions contain all three functions. Respondent records are averaged within institution-function cells before institutions are weighted equally. Tests use 49,999 within-institution role permutations; adjustment covers the three omnibus tests.

For F3, the average Treasury–Risk contrast is 0.966 score units, with a nominal bootstrap interval of 0.395–1.583. The customer-business–Treasury contrast is −0.481, with a nominal interval of −0.870 to −0.113. The customer-business–Risk contrast is +0.485, with an interval of −0.091 to 1.090. These pairwise intervals are descriptive follow-ups to the omnibus comparison; they are not multiplicity-adjusted evidence of distinct pairwise effects. The analysis also does not establish that Risk is objectively correct or that Treasury systematically favors its own allocations. Such interpretations require evidence about the transactions and rules under dispute.

Table 6 adds the dispersion that an institutional mean would suppress. The average F3 role range is 1.464 score units, compared with 1.167 for T1 and 0.701 for the governance average. Fourteen of the 17 coded institutions have an F3 range of at least one score unit. These profiles support retaining disagreement as a separate descriptive dimension. They do not make a one-unit gap a validated threshold for weak governance.

Table 6. Disagreement within the 17 complete institutional profiles

Measure	Mean role range	95% bootstrap interval	Mean pairwise absolute gap	Profiles with range at least one
Governance index	0.701	0.576–0.831	0.468	3 of 17
T1 clarity of FTP basis	1.167	0.881–1.448	0.778	13 of 17
F3 consistency for comparable activities	1.464	1.074–1.932	0.976	14 of 17

Source: Author's calculations. Score-unit statistics are calculated from institution-function means, then averaged equally across institutions. Bootstrap intervals resample the 17 complete profiles. Composite averages and single items have different dispersion properties and are not treated as mechanically comparable measures of governance quality.

4.6 Robustness and file-history sensitivity

Excluding the one regional record associated with the repeated token changes the three unadjusted correlations to 0.061, 0.024, and −0.149. The corresponding adjusted p-values remain above 0.05. Extending the calculations to all 350 records produces correlations of 0.083, 0.017, and −0.090, again without support after the three-test adjustment. These checks show that the principal non-confirmatory association result is not driven by that single token collision or by restriction to the four country codes. They remain stability checks within the archived dataset.

The three export groups contribute 74, 60, and 78 regional records, associated with 15, 12, and eight clusters. The middle group has higher means for G, T1, and F3. Their unknown collection dates prevent a temporal interpretation. The role omnibus for F3 in the full 212-record regional subset also remains evident after export-group adjustment; the matched analysis more directly compares functions within the same coded institution.

5 Analytical workings

5.1 Why an internal credit is not additional bank profit

The following example is hypothetical and is separate from the archived survey calculations. Consider loans of 100 currency units earning 6.5%, customer deposits of 80 costing 2.0%, and external wholesale funding of 20 costing 4.0%. External net interest income is 6.50 minus 1.60 minus 0.80, or 4.10. An asset FTP charge of 4.2% assigns 4.20 to Treasury. A deposit FTP credit of 3.4% assigns 2.72 to the deposit business. Table 7 reconciles the allocation before and after a 40-basis-point increase in the deposit credit.

Table 7. Hypothetical FTP redistribution with fixed external cash flows

Contribution component	Deposit credit at 3.4%	Deposit credit at 3.8%	Change
Lending business	6.50 − 4.20 = 2.30	6.50 − 4.20 = 2.30	0.00
Deposit business	2.72 − 1.60 = 1.12	3.04 − 1.60 = 1.44	+0.32
Treasury	4.20 − 2.72 − 0.80 = 0.68	4.20 − 3.04 − 0.80 = 0.36	−0.32
Whole-bank NII	4.10	4.10	0.00

Source: Author-designed arithmetic. Values are hypothetical currency units, not observed bank data. Credit losses, operating expenses, taxes, and other effects are excluded and held fixed.

The higher deposit contribution may be justified if the previous credit understated the funding value provided. It may also improve the incentives attached to future deposit decisions. Neither possibility changes the immediate accounting identity. Governance should therefore distinguish a correction in attribution from a realized increase in total bank earnings. A committee reviewing the revised credit would need to assess its economic basis, its consistency with the Treasury counter-entry, and the behavior it is intended to encourage. Celebrating the business-unit increase without the reconciliation would misstate what the change has achieved.

5.2 Why a common average does not establish alignment

A second hypothetical example isolates the measurement issue. Suppose three functions assess a practice on the same one-to-five scale. Profile A records four from every function. Profile B records five from Risk, five from Treasury, and two from customer business. Both profiles have a mean of four. Their governance implications cannot be inferred from that mean alone.

Table 8. Hypothetical profiles with identical means

Profile	Risk	Treasury	Customer business	Mean	Role range	Mean pairwise absolute gap
A	4	4	4	4.00	0.00	0.00
B	5	5	2	4.00	3.00	2.00

Source: Author-designed illustration, not survey observations. For Profile B, the pairwise gaps are zero, three, and three; their mean is two.

The appropriate response to Profile B depends on what the lower business assessment represents. It could reflect weaker access to information, a different transaction population, disagreement about the allocation principle, or dissatisfaction with its distributional effect. The table does not identify the explanation. It shows why that explanation is lost if the analyst retains only the mean. Profile A also requires caution: complete agreement provides no independent

evidence that the practice is technically appropriate. Documentary or transaction-level assessment is needed to distinguish shared understanding from shared error.

6 Discussion

6.1 From committee authority to an interpretable decision

The most defensible organizational implication is that authority, communication, and understanding deserve separate observation. The archive records a higher favorable share for prior approval than for advance communication. This does not prove a regional failure of ALCO implementation. It does show that the instrument can register a difference between formal decision practices and the processes through which those decisions become usable. A governance assessment that asks only whether changes receive approval risks missing this second stage.

An information processing interpretation would ask what must travel with an approved decision. The decision needs a defined population, reporting date, pricing component, underlying assumption, accountable owner, and implementation consequence. It also needs an explanation of material departures from previous practice. These requirements are proposed analytical implications, not additional variables observed in the archive. They turn governance from a question of whether a meeting occurred into a question of whether the relevant participants can explain the same decision using compatible information.

The matched F3 profiles make this issue more specific. Treasury and Risk records associated with the same coded institutions can give different assessments of whether economically comparable activities receive consistent treatment. The difference remains a perception gap. However, it identifies the kind of question that a corroborated study should investigate: whether the functions disagree about what counts as comparable, about the components included in the rate, or about legitimate adjustments for liquidity, optionality, and funding restrictions. A single general fairness score cannot reveal which of these mechanisms is operating.

6.2 Preserving challenge while improving alignment

Alignment should not become an instruction to eliminate disagreement. Independent challenge may require Risk to question an assumption that business and Treasury regard as workable. A healthy process can therefore generate documented disagreements, particularly during a change in market conditions or a revision of behavioral assumptions. Counting disputes without examining their substance could penalize the institutions that make disagreement visible. Conversely, persistent unresolved differences about basic rules may undermine the credibility of performance measurement even when all parties attend the same committee.

The distinction proposed here is between reasoned disagreement and unexplained divergence. Reasoned disagreement has an identifiable issue, competing interpretations, evidence, decision authority, and a recorded outcome or continuing action. Unexplained divergence consists of

conflicting accounts that have not been brought into a shared decision process. The archive's C1 and C2 items provide only partial observation of that distinction. C1 identifies reported occurrence and C2 an ordered overdue category. Neither establishes whether the issue required legitimate additional work, whether deadlines were realistic, or whether the eventual decision was sound.

This also explains why simply reducing C2 would be an incomplete governance objective. An institution could close cases quickly by suppressing challenge or by accepting a convenient but weak assumption. A subsequent field study should examine resolution quality as well as timeliness, using a sample of documented decisions and independent assessment of the evidence considered. Such an extension would permit the study of governance outcomes without assuming that speed or consensus is always beneficial.

6.3 Implications for measurement and theory

The low consistency of the item blocks is a substantive warning for the research design. It prevents the analysis from treating favorable responses to several questions as interchangeable manifestations of one stable construct. Some items concern institutional processes; others concern an individual's ability to understand or explain an allocation. Their covariance cannot be assumed merely because their labels sound related. Future instrument development should begin with the intended construct, its level of analysis, and the evidence needed to distinguish it from neighboring constructs.

The governance index illustrates a useful boundary. A formative summary can record the presence or frequency of several distinct practices, but the weights require a substantive rationale and sensitivity analysis. A reflective latent scale requires a different measurement argument. Calling the same four-item average a governance score does not supply either argument. In the present study it is retained transparently as an equal-weight descriptive device, with the individual items and weak consistency reported. This permits replication without implying a validation exercise that has not occurred.

Disagreement is part of the organizational phenomenon, but differences can also arise from measurement error, uneven coverage, and coding problems. The framework therefore requires that a discrepancy first be described, then interpreted against role, information access, and documentary evidence. It does not treat every difference as an organizational conflict.

6.4 Operational ALCO Alignment Protocol

The proposed Operational ALCO Alignment Protocol translates the triad perspective into decision controls that can be evaluated prospectively. Its 15- and 30-calendar-day thresholds are governance design targets, not empirical estimates, validated optimal durations, or regulatory mandates. ALCO sponsors the protocol within its approved authority. Treasury owns technical proposals, customer businesses assess commercial consequences, Risk challenges assumptions,

Finance owns reconciliation, and the ALCO secretariat maintains the decision and exception register. These proposed responsibilities extend beyond the functions measured in the present dataset.

Advance impact window. For discretionary methodology or curve-construction changes, Treasury distributes a versioned impact assessment at least 15 calendar days before the proposed effective date. It identifies the old and new rules, affected products, currencies and tenors, assumptions, business-unit and Treasury contributions, and any consequences for consolidated earnings or risk. Risk, Finance, and affected businesses receive the same calculation basis and can record challenges before ALCO or its authorized delegate approves implementation. Such changes apply prospectively, without retroactive commercial reallocations. Scheduled daily market resets under the existing approved methodology continue; an ordinary refresh of market inputs does not restart the notice period. Verified calculation errors and regulatory urgency follow a separately governed route with documented independent review, Compliance involvement where relevant, and ALCO or properly delegated approval. Any necessary historical correction is identified as a correction, with its reason, scope, and authority recorded. Evidence consists of dated circulation, versioned calculations, challenge responses, and approval. The KPI is the proportion of qualifying discretionary changes meeting the full notice window, with urgent or error-related departures reported separately.

Monthly Finance variance bridge. Finance produces an exact opening-to-closing bridge with four named components: customer pricing/spread, base curve, liquidity premium, and volume/mix. Other adjustments and an explicit unexplained residual complete the bridge. The customer-pricing component uses pricing terms as primitive inputs, such as a fixed coupon or a floating contractual margin. If a reported spread is derived from a fixed customer coupon and a reference curve, Finance first reconstructs the coupon using the documented asset or liability quotation convention. The base-curve step updates the applicable FTP benchmarks and customer reference-rate resets while holding contractual customer margins fixed. Fixed coupons remain fixed, and floating-rate resets retain their contractual dates and lags. This separates a change in pricing terms from a market-driven index reset and prevents a derived net spread from introducing benchmark movement twice.

Finance documents a fixed sequential revaluation order: customer pricing/spread, base curve, liquidity premium, volume/mix, then separately identified other adjustments. Each component is the change between consecutive recomputations, with other inputs held at their prescribed step values; interactions are assigned to the component changed later under that convention. Methodology and behavioral-assumption changes are identified within other adjustments rather than concealed in ordinary market movements. For the contribution measure being reconciled, the identity is:

$$\Delta\Pi = B_{\text{customer}} + B_{\text{base}} + B_{\text{liquidity}} + B_{\text{volume/mix}} + B_{\text{other}} + \varepsilon.$$

Here each B denotes an assigned bridge component and the residual ε is displayed with an explanation or an accountable investigation owner. It is not silently allocated to another driver. Finance reconciles business credits with Treasury counter-entries, confirms cancellation of internal legs across the complete reporting perimeter, and ties the remaining income, costs, and separately identified adjustments to consolidated P&L. The evidence is a reproducible bridge, ledger ties, and recorded treatment of interactions. KPIs include completion by the monthly close deadline, the amount and age of unexplained residuals, and outstanding internal reconciliation breaks. A mechanically balanced bridge does not establish that its assumptions are economically correct; independent Risk challenge remains necessary.

Thirty-day decision and exception clock. Each dispute or temporary exception receives a decision owner and a 30 calendar day resolution window. Day 1 is the date of first receipt or first implementation of the associated exception, whichever is earlier. Reopening or renaming the issue does not reset its age. If no approved resolution or explicit extension exists, the temporary pricing deviation expires on day 31. Prospective pricing then reverts to the last ALCO-approved valid baseline methodology, recalculated using the current applicable curve and its product, currency, tenor, and funding-pool rules. The baseline is an approved method, not a stale numerical rate. Expiry ends the unapproved deviation; the unresolved substantive dispute remains open, with its evidence and owner retained. Any ALCO-approved extension requires a named funding owner, quantified contribution impact, explicit reason, and new expiry date, while preserving the original dispute age. If Risk or Compliance determines that the baseline is invalid, automatic reversion is suspended in favor of controlled escalation and an independently reviewed, expressly authorized interim treatment. It cannot justify indefinite continuation of an undocumented override. Evidence includes the original clock, decision record, baseline version, current-input recalculation, and any extension approval. KPIs track decisions by day 30, correct expiry or reversion on day 31, unresolved cases older than 30 days, renewed exceptions, and breaches of authorized treatment.

6.5 Pilot evaluation and prospective field extension

A 60–90 day pilot could apply the protocol to a defined product and currency perimeter, covering two or three monthly closes. Eligibility rules, responsible owners, and KPI definitions should be fixed before the pilot begins. ALCO would review notice compliance, reconciliation residuals, expired deviations, documented extensions, and substantive cases still open. Workload, decision delays, and reopened cases would be examined alongside timeliness, so that apparent improvement is not purchased by suppressing challenge. The proposed thresholds should be revised in light of observed implementation costs and decision quality rather than treated as tested cures.

The research extension would retain the Risk–Treasury–customer-business triad and compare its perceptions with the actual change packets, ledger bridges, and dispute records. Finance could

be added as a fourth analytical role in a redesigned instrument; Finance-only respondents are excluded from the current archive. Factual policy questions, perception items, and technical vignettes should remain distinct. For example, Table 7 supplies a vignette on whether an internal deposit-credit change creates consolidated NII. Documentary comparison should allow justified differences between profitability attribution, stress testing, and interest rate risk assessment when purposes, populations, dates, and assumptions are explicitly reconciled. Recruitment, consent, timing, and institutional linkage would require the source controls set out in Section 7. Without an appropriate comparison design, pilot changes would describe operational performance over time rather than identify a causal effect of the protocol.

7 Limitations ethics and evidence status

The principal limitation is provenance. Neither structured IDs nor affirmative consent codes independently establish that the rows represent distinct consenting participants. File agreement establishes that calculations refer to a consistent archived object, while token replacement, collision, absent timestamps, and absent recruitment logs restrict claims about how that object was produced. The analysis does not infer that particular records are simulated or genuine. Authentication remains a necessary condition for using the results as empirical evidence of banking practice in a journal submission.

Selection and generalizability are separate limitations. The four-country subset is defined for analytical relevance and contains unequal geographical and functional representation. No probability selection mechanism or verified sampling frame is available. Conditional bootstrap intervals cannot repair these omissions. Thirty-five institution codes do not establish 35 independently sampled institutions, and the 17 complete matched profiles are a selected subset of the archive. Cross-country differences are therefore not interpreted as national governance rankings.

Measurement is constrained by the low consistency diagnostics, single-item outcomes, and common-source responses. Where the same record supplies both governance and outcome assessments, shared response tendencies can influence their association (Podsakoff et al., 2003). The absent timestamps prevent temporal ordering; the available covariates do not remove reverse causation or omitted organizational differences. Reported clarity and fairness are not audited technical quality, customer pricing decisions, or realized bank performance. No mediation or causal effect is claimed.

The statistical procedures address only part of the uncertainty. CR1 inference and resampling recognize clustering as coded, but they rely on the meaningfulness of those clusters. Multiplicity adjustment controls the stated families of exploratory tests, not the consequences of every possible choice among archival analyses. The matched role permutation test relies on its exchangeability null and does not remove role selection. Nominal pairwise intervals are retained

as descriptive quantities. These limitations favor careful interpretation of effect sizes and observed profiles over a binary account of statistical significance.

No human-participant approval number, recruitment dates, response rate, or independently verified consent claim is reported. Authentication of collection history, consent, and institutional coding is necessary before these records can support claims about actual institutional conduct.

8 Conclusions

This study separates three questions that are frequently compressed into one assessment of FTP governance: how positively practices are reported, how closely functions agree, and whether the reported arrangement is demonstrably correct. Secondary analysis of $N = 212$ functional response records nested within $K = 35$ coded banking organizations finds a 22.6 percentage-point gap between frequent prior approval and frequent advance communication. Among the 138 applicable records, 108, or 78.3%, report some cases unresolved after agreed deadlines; this is not a case-weighted unresolved-dispute rate. Favorable transparency assessments coexist with weak internal consistency, and the three reconstructed governance associations do not substantiate a simple governance-improvement account.

The fully matched subset of 17 organizations supplies the focused contribution: a within-institution Risk–Treasury–customer-business perspective that preserves functional disagreement. Perceptions of consistent treatment differ in the three-role omnibus comparison, with Holm-adjusted p = 0.0195. This is an overall role result rather than an adjusted Risk–Treasury pairwise claim. The profiles describe cross-sectional perceptions in the available coded dataset; they neither establish regional prevalence nor identify which function's judgment is correct.

Principal–Agent Theory helps frame the governance problem as delegated authority operating under potentially divergent contribution incentives and uneven information. The proposed response combines a 15 calendar day advance impact window for discretionary changes, an exact monthly Finance bridge, and a 30 calendar day decision and exception clock with controlled prospective reversion. These measures require pilot evaluation; their effectiveness is not established by the survey. ALCO oversight, independent Risk challenge, and Finance reconciliation should make differences explicit and reviewable without suppressing legitimate dissent. Throughout, the economic boundary remains explicit: internal FTP reallocates contribution and risk attribution without mechanically increasing bank profit.

Data and computational availability

The analysis uses the archived Objective_1_Responses_Final.csv, the source-response sheet of Objective_1_ALCO_Governance_Results_Pack.xlsx, and Objective_1_Refreshed_Questionnaire_and_Response_Template.xlsx. The final CSV's SHA-256 identifier is 95585e701669bdaada9760dcdd574f6210160b3515c86124115b1c7612a2c181. The accompanying computational supplement contains the analysis script, exact source-file

manifest, aggregate CSV outputs, questionnaire codebook, and calculation summaries. No invitation token or institution-identity crosswalk is included in the reported tables. The source hash identifies the analyzed version; Section 3.1 reports its provenance limitations. Access to original record-level data and any institutional crosswalk requires an established consent and access basis; no claim of unrestricted public data release is made.

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Appendix A Original questionnaire wording and codebook

The following wording is reproduced from the archived refreshed questionnaire template. It documents the instrument available for this reanalysis; it does not certify that the template was administered unchanged to every record. The archive uses named variables, not an older Q1–Q6 numbering scheme. Question prompts are retained verbatim, including their original spelling. Eligibility and routing statements describe the template's instructions and must not be interpreted as verified collection procedures.

A1 Eligibility and context

CONSENT Do you agree to participate voluntarily in this academic survey after reading the participant information?

Response options: Y | Yes; N | No.

Routing: Required. No: end survey; do not collect substantive answers.

EMP_BANK Are you currently employed by, or an executive director of, a bank?

Response options: Y | Yes; N | No.

Routing: Required. No: end main survey.

SENIORITY Which option best describes your current appointment?

Response options: 1 | Executive / function head; 2 | Formally appointed acting function head; 3 | Deputy head without acting-head appointment; 4 | Senior manager / specialist; 5 | Other.

Routing: Required. Options 1–2 continue; options 3–5 end main survey.

FUNCTION Which ONE function do you lead for the bank or entity covered by your answers?

Response options: R | Risk; T | Treasury / ALM / balance-sheet management; B | Customer business / product management; F | Finance only; O | Other.

Routing: Required. R, T or B continue. F or O end main survey.

Coding note: A Finance title alone does not establish eligibility. Select the function actually led. A dual-role respondent completes the survey once.

FTP_ROLE What best describes your own involvement in FTP during the preceding 12 months?

Response options: 1 | Approving or overseeing FTP policy; 2 | Reviewing or challenging FTP decisions; 3 | Using FTP for customer pricing or business performance; 4 | No direct involvement.

Routing: Required. Options 1–3 continue; option 4 ends main survey.

EXPERIENCE How much relevant experience do you have in FTP, ALCO or balance-sheet management?

Response options: 0 | Less than 1 year; 1 | 1–3 years; 2 | 4–7 years; 3 | 8–15 years; 4 | More than 15 years.

Routing: Required. At least 1 year continues; less than 1 year ends main survey.

Coding note: This is a proposed V2 eligibility rule, not a retrospectively applied rule for the earlier wave.

COUNTRY In which country is the bank or legal entity covered by your answers located?

Response format: Short text.

Routing: Required. Use a country name; do not enter a bank name.

Coding note: Recruitment geography must be fixed before launch. Record the entity location, not the respondent's nationality.

BANK_CODE Enter the coded bank/entity reference provided in your invitation.

Response format: Short text.

Routing: Required. Researcher pre-fills where possible.

Coding note: Use the same code for the three functions at the same bank/entity and FTP framework. Keep any identifying crosswalk private.

TOKEN Enter your unique invitation token.

Response format: Short text.

Routing: Required. Researcher pre-fills where possible.

Coding note: One token per eligible individual; one completion per person. Do not enter an employee ID or name.

ALCO_ROLE Which option best describes your usual relationship with ALCO?

Response options: 1 | ALCO member; 2 | Regular invited participant; 3 | Provider or reviewer of reports used by ALCO; 4 | Responsible for implementing decisions or customer pricing; 5 | None of these; DK | Do not know.

Routing: All eligible respondents; answer required, including a non-substantive option where offered.

Coding note: If several apply, select the first applicable option in the list.

BUSINESS_SCOPE Which customer-business scope is most relevant to your role?

Response options: 1 | Retail; 2 | Corporate / SME; 3 | Whole bank / several businesses; 4 | Other; NA | Not applicable.

Routing: All eligible respondents; answer required, including a non-substantive option where offered.

Coding note: Use the bank's classification. Do not label all customer-business respondents as retail heads.

A2 Governance practices

Response options for every item in this section: 1 | Never; 2 | Rarely; 3 | Sometimes; 4 | Often; 5 | Always; DK | Do not know; NA | Not applicable / no relevant event; PN | Prefer not to answer.

Routing: All eligible respondents; answer required, including a non-substantive option where offered.

Coding note: Use NA when no relevant event occurred. Do not treat lack of visibility as Never; use DK.

G1 During the preceding 12 months, how often were changes to FTP methodology approved by the designated ALCO authority before implementation?

G2 During the preceding 12 months, how often did Risk provide an independent challenge before FTP policy decisions were approved?

G3 During the preceding 12 months, how often were affected customer-business functions represented when FTP policy decisions were considered?

G4 During the preceding 12 months, how often were agreed FTP actions reviewed against documented completion deadlines?

A3 Operational communication and process

Response options for every item in this section: 1 | Never; 2 | Rarely; 3 | Sometimes; 4 | Often; 5 | Always; DK | Do not know; NA | Not applicable / no relevant event; PN | Prefer not to answer.

Routing: All eligible respondents; answer required, including a non-substantive option where offered.

Coding note: Use NA when no relevant event occurred. Do not treat lack of visibility as Never; use DK.

D1 During the preceding 12 months, how often were explanations of FTP components available when charges or credits were communicated?

D2 During the preceding 12 months, how often were changes to FTP methodology communicated to affected users before taking effect?

D3 During the preceding 12 months, how often could business users reconcile their FTP allocations against the approved rules?

D4 During the preceding 12 months, how often were FTP challenges handled through a documented escalation route?

A4 Perceived transparency

Response options for every item in this section: 1 | Strongly disagree; 2 | Disagree; 3 | Neither agree nor disagree; 4 | Agree; 5 | Strongly agree; DK | Do not know; NA | Not applicable; PN | Prefer not to answer.

Routing: All eligible respondents; answer required, including a non-substantive option where offered.

Coding note: Answer from your own experience in the preceding 12 months. These are perceptions, not audited compliance measures.

T1 The information available to me makes the basis of FTP charges or credits clear.

T2 The information available to me allows me to explain why FTP rates differ across products or maturities.

T3 The information available to me allows me to trace FTP charges or credits into the relevant business unit’s reported performance.

A5 Perceived allocation fairness

Response options for every item in this section: 1 | Strongly disagree; 2 | Disagree; 3 | Neither agree nor disagree; 4 | Agree; 5 | Strongly agree; DK | Do not know; NA | Not applicable; PN | Prefer not to answer.

Routing: All eligible respondents; answer required, including a non-substantive option where offered.

Coding note: Answer from your own experience in the preceding 12 months. These are perceptions, not audited compliance measures.

F1 FTP charges reasonably reflect the funding and liquidity resources consumed by the relevant business.

F2 FTP credits reasonably reflect the funding and liquidity value provided by the relevant business.

F3 Economically comparable activities are assessed consistently under the bank's FTP framework.

A6 Reported disagreements

C1 During the preceding 12 months, did you personally observe at least one FTP-related disagreement between Risk, Treasury or a customer-business function?

Response options: Y | Yes; N | No; DK | Do not know; PN | Prefer not to answer.

Routing: Required. Yes: answer C2–C3. All other options: skip C2–C3 and continue to B1.

C2 Among the FTP disagreements you observed whose agreed resolution deadlines had passed by the survey date, approximately what proportion remained unresolved?

Response options: 0 | None (0%); 1 | 1–25%; 2 | 26–50%; 3 | 51–75%; 4 | 76–100%; ND | No cases with a passed deadline; NA | No agreed resolution deadlines; DK | Do not know; PN | Prefer not to answer.

Routing: Required only if C1 = Yes. Otherwise leave blank as a structural skip.

Coding note: Categories 0–4 are ordered groups, not exact percentages. ND and NA are not zero overdue cases.

C3 What was the main issue in the most recent FTP-related disagreement you observed?

Response options: 1 | Definition of FTP components; 2 | Behavioural assumptions or modelling; 3 | Allocation of funding or liquidity costs; 4 | Customer pricing or business incentives; 5 | Decision ownership or escalation; 6 | Other; DK | Do not know; PN | Prefer not to answer.

Routing: Required only if C1 = Yes. Otherwise leave blank as a structural skip.

A7 Barriers and improvement

B1 Which are the main barriers to effective FTP governance in the bank? Select up to THREE.

Response options: 1 | Unclear explanations of FTP components; 2 | Data quality or availability; 3 | Inconsistent behavioural assumptions; 4 | Unclear decision ownership; 5 | Conflicting business incentives; 6 | Limited independent challenge; 7 | Limited knowledge or training; 8 | Limited staff or system capacity; 0 | No major barriers; DK | Do not know; PN | Prefer not to answer.

Routing: All eligible respondents; answer required, including a non-substantive option where offered.

Coding note: No major barriers, DK and PN must each be selected alone. In Excel record option codes separated by semicolons, for example 2;4. Excel does not provide a native multi-select dropdown here.

B2 What ONE practical change would most improve FTP governance in the bank?

Response format: Optional long text.

Routing: Optional. Do not include bank, customer or colleague names, account numbers, rates, or other confidential details.

Appendix B Analysis definitions and reproducibility notes

The principal subset contains the four country codes India, Bahrain, UAE, and KSA. G_INDEX is the arithmetic mean of G1–G4. C2_NUM uses codes 0–4 only when C1 is Y; all other C2 values are nonnumeric or structurally inapplicable. CLUSTER uses PARENT_GROUP_CODE when populated and otherwise BANK_CODE. Export groups follow the existing response-ID prefixes and are labeled file-history groups, not survey waves. Records with duplicated invitation tokens are retained in the principal description and excluded in the stated sensitivity analysis.

The principal association family contains G_INDEX with T1, F3, and C2_NUM. The overall role family and the matched-role family each contain G_INDEX, T1, and F3. Holm adjustment is applied separately within these three defined families. Complete matched profiles require R, T, and B within the same analytical cluster; institution-function averages are computed before equal-institution analysis. Role contrasts retain the order Risk, Treasury or ALM, and customer business or product management. No data are imputed for absent functions.

Computation uses average ranks, 9,999 coded-institution bootstrap draws, 49,999 matched-role permutations, and random seed 20261107. Tabular percentages are rounded to one decimal place, means and correlations generally to three decimals, and matched permutation p-values to five decimals. The computational outputs preserve full precision. All statistical uncertainty is conditional on the archived coding and observed cluster composition.