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Banking with Ethics: Strategic Moves and Structural Changes of the Banking Industry in the Aftermath of the Subprime Mortgage Crisis

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Abstract This paper explores the behavior of the banking industry in the new business environment that arose after the subprime crisis. The main hypothesis is that there are two major types of banking institutions: conventional banks and ethical banks. Each has a distinct business model. To test how they have reacted to the new environment, factor analysis techniques have been used. The main findings are twofold. Firstly, the new financial context has indeed caused the behavior of mainstream banks to change. Within this group, one can further distinguish between those that have tried to anticipate the changes by adopting a more responsible financial attitude and those that have merely modified their banking practice to comply with the new regulatory framework. Secondly, there are the so-called ethical banks. Interestingly, their behavior has scarcely been altered by the new financial context. The main conclusion is that the different response of both types of banks reflects the existence of a distinct business model.

Keywords Commercial banks · Ethical banks · Principal component analysis · Corporate social responsibility (CSR) · Green-washing

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Introduction

The subprime mortgage crisis that began in 2008 has brought about a considerable number of adjustments in the banking industry worldwide (Roubini 2008; FSA 2009; Giustiniani and Thornton 2011; Masciandaro et al. 2011; Balling et al. 2012; Dermine 2013). These transformations are first of all the result of new regulations agreed upon at an international level, namely through the Bank for International Settlements (BIS 2010a, b, c, d). The aim of the new regulations, usually referred to as Basle III, was to promote the resilience of the banking industry and improve its ability to absorb shocks arising from financial or economic crisis. Higher capital requirements, increasing bank liquidity, and lowering bank leverage are some of the most well known measures whose macroeconomic impact remains open to debate.

Interestingly, some banks have anticipated the adoption of these new rules by transforming their banking practices, adopting a more socially responsible financial attitude. This behavior not only includes the adoption of technical measures like those mentioned above, but also a more general attitude of transparency and accountability, which ultimately manifests in other concrete actions.

Despite these amendments, we will argue in this paper that the business model of mainstream banks has not really changed. Does this mean that the banking industry is unable to carry out real reforms? Is it because the prevailing business environment does not allow them to work differently? Alternative banking institutions with a distinct business model from that of mainstream banks have actually existed in various European countries since the late 1980s. They compete in the same market as mainstream banks and comply with the same regulations, but function according to different principles. We may call this new

type of institutions Ethical Banks. A full description of their distinct banking practice will be given in a forthcoming section.

There are thus different types of banks, each of them deploying their own specific strategy to face the recent economic crisis. Using a certain number of financial ratios and with the aid of factor analysis techniques, the aim of this paper was to explore how these financial institutions have reacted differently to the new business environment created by the crisis.

Theoretical Framework: Beyond CSR

Like firms, banks have fully understood the benefits of accommodating their communication strategy to the increasing demands of society as regards corporate social responsibility (CSR). The ever increasing space that firms—and banks devote to that issue, the diffusion of CSR departments within companies, the spread of stock market indices related to sustainability, the proliferation of social ratings and environmental standards, etc., denotes that CSR has now become a strongly institutionalized feature in mature economies (Brammer et al. 2012). Consequently, the idea that corporations should engage in some form of responsible behavior has become a legitimate social expectation.

But before taking action toward a full and sincere commitment, firms are faced with the problem of determining to what extent this new focus on CSR will affect their financial results. In this regard, and despite the enormous bulk of surveys on this subject over the last 40 years, the empirical evidence put forward still remains inconclusive. The same uncertainty also applies to the banking industry (Soana 2011; Cf. Simpson and Kohers 2002). Consequently, the notion of CSR is of little practical guidance for managers' decisions where tradeoff between competing stakeholders' interests is to be made, especially in a short- or medium-term horizon. Even if the culture of "short-term profit at any cost" is now unanimously banished from the business vocabulary, there is still much "green-washing" in the current business practice.

In the specific case of banks, to say that they really care about sustainable development has now become commonplace (Jeucken 2001). They all claim to be the most virtuous institutions as far as the environment and society are concerned (Saeed 2004). Plenty of initiatives are indeed addressed to these matters. In terms of environment, for instance, many banks would put forward their commitment to reduce their consumption of electricity by using energy-efficient bulbs or their efforts in recycling paper from photocopies. Active employee travel policies with regard to commuting air travel or with fair gender and race representation in the institution are not exceptional any more (Giddings et al. 2002). Nevertheless, all these actions concern only the direct impact of banks on the planet and society. Most of them are fairly easy to implement and are not very expensive, giving moreover an instantaneous "green image". But they are not the most important to take into consideration. Far more critical, though less visible, is the indirect impact of banks through the clients and projects they finance.

Some banks may for instance not see any contradiction between, on the one hand, financing companies in the extractive industry whose use of controversial mining techniques in certain developing countries are devastating diverse ecosystems and unique endemic species, and on the other hand, devoting a fraction of the profits from the mining activity to sponsorship of sporting events for disabled or excluded people at home. They will certainly highlight the latter action in their annual CSR report, most likely with colorful photographs showing the logo of the bank in a prominent place, but they will tend to be far more circumspect about the former type of activity. Consequently, what is important in the banks' reports is not to focus on what they say, but rather on what they actually do, or even better, how they do it. The relevant question for a banker is not how much money they devote to activities that are good for the environment. It would be far more interesting to know the overall impact of the business model that makes them to "do so well" and devote so much money to the environment.

The fact that CSR is mostly used by banks—and firms—as a mere window-dressing device and only if it is "good for business" casts serious doubts over the pertinence of this concept as an analytic tool. For many, the principal issue at stake is no longer how to repair the negative externalities that certain business practices cause in society, but rather how to put in place a new way of business that anticipates and prevents the former. This approach represents a step further in the responsibility of firms with regard to society and involves "going beyond the CSR logic". Most importantly, it entails a major change in the business model. In terms of the banking industry, this is something that only Ethical Banks have achieved. This is what the following sections will try to show, first by examining the elements that shape the distinct business model of traditional and ethical banks (see "Conventional Banks Versus Ethical Banking" section), and then by testing such models in the everyday business practice after the subprime mortgage crisis (see "Methodology and Data" and "Result Interpretation" section)

Conventional Banks Versus Ethical Banking

Ethical banks were created in the mid-1980s in response to a particular market niche which had remain so far unfulfilled: people who wanted to give real sense to their money and no longer believed in the good intentions of CSR policies that were not supported by reality. The ongoing concentration process in the banking industry (Berger et al. 1999; Altunbas and Marqués 2008), coupled with the generalized focus of big financial institutions on the most profitable segments of the market, also contributed to the emergence of a new type of financial institution whose primary objective was not just to maximize shareholder's value. More specifically, the difference between conventional and ethical banks can be better grasped by taking into account their different approach as regards a certain number of banking practices.

To begin with, one of the most distinguishing features about ethical banks which set them apart from other banking institutions is that they usually refrain from carrying out substantial investment banking operations in the financial market. Consequently, ethical banks avoid investing in complex financial instruments that promise high profits but also imply greater risk. They consider that this economic logic is responsible for many international crises, social inequalities, ecological problems, etc. Ethical banks can occasionally hold financial products until maturity to cover potential liquidity needs, but unlike their traditional counterparts, their participation in the stock market is generally insignificant and confined to long-term and non-speculative operations.

As a result of the previous point, the main activities of ethical banks are concentrated on the original business of banks: savings collection and credit distribution. It is a return to the core business of banking. So rather than participating in artificial secondary financial markets, ethical banks are primarily aimed at financing the real economy. They lend money entrusted to them by savers and investors to local entrepreneurs they know well. In this manner, ethical banks are able to offset the risks associated with many innovative projects they finance. Furthermore, in contrast to their conventional peers, ethical banks are non-hesitant to fund and accept lower levels of financial collateral for worthy, sustainable projects that often generate narrow profit margins. Closer monitoring schemes ensure that the funds are utilized for the purpose they were created. Although this strategy entails higher costs initially, it is counterbalanced as the risks associated with the projects decrease gradually over time. Additionally, as compared to the conventional banks, ethical banks work with lower loan-loss provisions to cover customer defaults. In effect, the overall concept of risk management in ethical banks differs significantly from that applicable to traditional banks as what initially appears as a risky client base is a misnomer.

In framing credit policy, ethical banks place emphasis on the three pillars of sustainable development: social, environmental, and economic dimensions of the projects they finance. Unlike traditional banks, which practise a single bottom line screening based exclusively on financial performance, ethical banks put in place a triple bottom line analysis (environmental, social, and financial). Thus, a conventional credit appraisal begins only when the social and environmental aspects of the project under consideration satisfy the bank. In this way, ethical banks make sure that each selected project will bring real and meaningful benefits for the wider community. Particular attention is thus given to areas of social and ecological housing, organic farming, renewable energies, social business, green technology, small- and medium-size companies, etc. It also means that ethical banks are specializing in innovative markets, even if some of them may be initially not very profitable. But offering credit to certain underserved entrepreneurs is a main part of their socially aware approach to the banking practice.

Another major watershed that separates mainstream and ethical banks is the different view that each has in terms of their role as intermediary financial institutions. Whereas in mainstream banks depositors and borrowers are kept separate (the former waiting passively for the maximum return on their capital without being informed where their money has been invested), ethical banks remove this barrier and encourage a saving-borrowing solidarity to provide loans at reduced interest rates for projects which are worthy in social, ethical, or environmental terms. For this to become a reality, ethical banks put in place a platform providing the depositors with the opportunity to specify the type of project they would like to support, and then propose some kind of "interest offset" mechanism allowing them to give up some or all of their interest. Experience shows that when depositors can direct their savings to sectors of their choice, they are indeed ready to surrender some or all of their interest (Cowton and Thompson 2001). The borrower knows that the money from his loan comes from certain depositors that have actively chosen to finance his project. This fact means that the borrower has more responsibility, both in terms of the bank and the depositors. Consequently, he is likely to make more of an effort not to disappoint the latter parties, namely by cooperating with the bank and thus helping to reduce monitoring and transaction costs. A sort of saving-and-loan community, based on transparency, is thus created.

Interestingly, this underlying transparency does not only work behind closed doors. There is also an outward dimension that causes ethical and conventional banking practices to diverge once more. Contrary to the commercial

confidentiality of mainstream banks, their ethical counterparts push the logic of transparency to the point of publishing all the approved loans, with details of the nature of the project, the name of the recipients, and the amount of money granted. The difference between these two types of institutions is thus not just internal or external, but structural.

Finally, it is also worth noting that in a world where the financial sector is increasingly globalized, and where mainstream banks yearn to be global actors, ethical banks have consciously chosen to restrict their activities to a local level. This might seem surprising at a glance, but there are at least two good reasons for doing so. First of all, it should be kept in mind that, as already mentioned, ethical banks take higher risks than conventional banks in their lending policy. Consequently, ethical banks need to have very good knowledge of the region and of the projects and people they finance to counterbalance information asymmetries, which can only be done by operating locally. In addition, it should also be noted that community involvement at a local level is the best way to crystallize the link between their economic and value-driven missions. Where else than at the local sphere can ethical banks better contribute to a more inclusive society or act as a concrete catalyst of social change? In a context where global competition and circulation of capital often leads to territorial vulnerability, the regional strategy of ethical banks is able to mobilize for the best the endogenous economic potential and build up new synergies for the revitalization of local areas. Close to their clients, ethical banks are particularly suitable institutions for detecting new social needs and finding innovative responses.

The list of differences between mainstream and ethical banks is not yet exhausted (Relano 2008; Leire et al. 2011), but what has already been pointed out suffices to highlight the existence of two distinct business models. Where mainstream banks are above all profit-maximizing institutions, ethical banks are profit-making institutions that in the balance between profitability and ethics put the former at the service of the latter. Using empirical tests, we now look at the concrete consequences of such a positioning by exploring how differently both types of banks have reacted to the new business environment created after the crisis.

Methodology and Data

The present study has been conducted using Factor Analysis, which consists of a number of statistical techniques that aim to simplify complex sets of data (see Russell and Cohn 2012; Jolliffe 2010; Cattell 1978; Mulaik 1972; Hotelling 1933). In the social sciences, factor analysis is usually applied to correlations between variables. Once the correlation matrix is extracted, we use factor analysis to simplify them. In a study with for example 25 variables, there are 625 correlations. Without some simplifying procedures such a matrix would be incomprehensible.

In a large matrix of correlations, it is reasonable to ask what might account for the correlations. In our study, we have collected important amounts of information concerning banks. In fact, the resulting matrix consists of positive and often high correlations. A factor analysis would reveal that these could be accounted for by a small number of factors: Loan-loss provisions, bank statuses, etc. Thus, instead of having to look at the scores on all the measures to understand these correlations, which no human is able to do (in our case, we have 28 banks), we could understand them in terms of two scores—banks' loan-loss provisions and statuses.

As Royce (1963) has demonstrated, while there is a wealth of information to take into account (cost-income ratio, publication transparency, speculation policy, international policy), one could try to extract a common underlying trend. This is generally called a factor (or a component). A factor is essentially a dimension or construct that is a condensed statement of the relationships between a set of variables. In summary, it can be seen that exploratory factor analysis is ideal where data are complex and it is uncertain what the most important variables in the field are.

In order to stress the differences existing between ethical and conventional banks, an exploratory panel of banks has been retained (see the list in Table 2). These banks have been characterized by different categories of indicators (see Table 3):

- Profitability (cost-income ratios, total deposits and loans, total non-bank loans, total income and total assets). These general indicators describe the main activities of the banks included in the sample. They will help to characterize banking practice.
- Equity requirement (Tier 1 & 2, loan-loss provisions) evaluates the evolution of risk management since the subprime crisis.
- Speculation policy, ranked from 0 to 2 (zero if no policy, one if only SRI or long-term speculation is used for financial transaction, two if there is traditional financial participation). It is essential to screen traditional banks from ethical ones.
- International strategy, ranked from 0 to 2 (zero if it is only local or national, one if it is international but limited strategy, two if international is part of the overall strategy). As stated in the previous section, this constitutes a major difference between conventional and ethical banks.

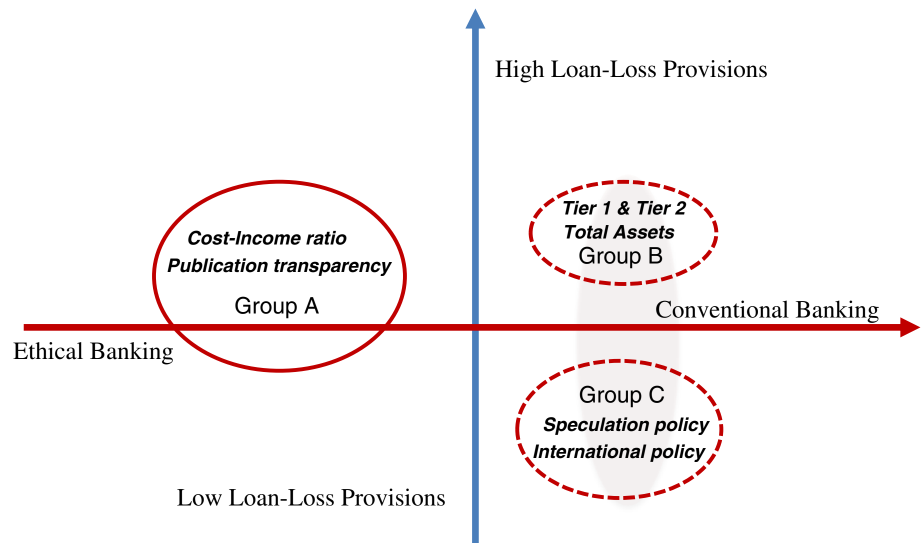

Fig. 1 Ethical banking versus conventional banking: a mapping

- Number of branches and internet facilities, ranked from 0 to 1 (zero if no internet facilities for clients, and a low number of agencies, 1 conversely). Some banks use internet banking to be capable of reducing operational costs and to concentrate their effort to screen projects with social value added.
- Publication transparency, ranked from 0 to 2 (zero if no transparency, 1 if there is transparency only on global projects, 2 if total transparency). This transparency is one of the major characteristics of the new business model proposed by ethical banks. Besides publishing the basis of their business governance, they also publish the list of their clients with the projects they finance: they hence exhibit their strong will to favor sustainable- and social-oriented projects.

The data collected here can consequently be studied using different angles. Searching for similarities or divergences between ethical and conventional banks is a first possibility (an opposition between group A and B, C is clear in Fig. 1). It is however interesting to go further in the analysis in looking to the proximities between banks. Some banks seem to have more in common than others.

For example, the banks in groups B and C are located on the 'conventional' banking side (see Table 1). They are, however, associated with different kinds of indicators (see Table 2).

These comparisons give rise to a debate on the relationships between these characteristics. Which indicator should be favored to explain the ellipsis obtained in the mapping (see Fig. 1)? In group A, ethical banks represent the majority. Is it essentially a question of publication transparency, and what role is cost-income ratio playing in this group? (Table 3).

Table 1 Major differences between ethical and conventional banks

Ethical banks	Conventional banks
Business model	Business model
Profit-making, but parallel optimization of social added value	Purely profit-maximizing oriented (focus on shareholder value)
Focus on banking basics : savings collection and credit distribution	Complex investing banking activities, especially in the global financial market
Credit policy	Credit policy
Based on triple bottom line analysis (environmental, social and financial)	Single bottom line screening (based primarily on financial performance)
Transparency	Transparency
Saving-borrowing solidarity	Depositors-borrowers are kept separate
Lending policies as well as the loans granted are published	Details of loans granted remain secret (commercial confidentiality)
Outreach: local	Outreach: global
Growth resulting from enhancing regional development, fostering co-operation and supporting endogenous progress	Growth resulting from opportunities created due to the international competition between territories
Decentralization, autonomy, limited size, and local scope of risk management	Mergers, concentration, economies of scale, and international scope of risk management

Organizing these banks and indicators in a graph makes it possible to map them visually and class them in homogeneous groups while losing as little information as possible.

The principal component analysis performed gave relevant results (see Table 4). The sum of squares of the factor loadings of each component reflects the proportion

Table 2 Banking institutions

Group A	Group B	Group C
ASN Bank	BNP Paribas	Abn Amro
Cultura Bank	Chase	Banca Intesa
Banca ethica	Santander	Barclays
BAS		BBVA
Charity Bank		Caixa
Eastern Bank		Commerzbank
Ekobanken		Crédit Suisse
GLS		Danske
Merkur		Deutsche Bank
Rabobank		DNB Nor
Umwelt		Nordea
WIR		Société Générale
		UBS

Table 3 Indicators retained

Group A	Group B	Group C
Cost-income ratio (high)	Net interest income (high)	Loans (medium–high)
Publication transparency (high)	Tier 1 & Tier 2 (high) and Total Assets (high)	Branches or facilities (existing)
	Total deposits (high)	International strategy (high)
	Total income (high)	Speculation policy (high)
	Total non-bank loans (high)	

of variance shown by each component. This total amount of variance is the eigenvalue for the factor. The larger the eigenvalue, the higher the factor's variance. In Table 4, we can see that the eigenvalue for the first component is of 8.577. It implies that 57.181 % of the information available in our database has been captured in this first component. The eigenvalue for the second component is 1.778, so the second factor is capturing 11.85 % extra information from the initial table. Gathering these two factors, we will retrieve 69.031 % of the information initially collected in our banks. This is a good result that enables a mapping in a two-factor space.

Generally, one can go on extracting components until it is clear that there is little variance or covariance to account for (Cattell 1978). An interpretation of the meaning of both axes in the mapping is then made on the basis of banks and indicators' factor loadings. Such an approach has been more precisely defined by Royce (1963), who stated that a factor is a construct operationally defined by its factor loadings.

Table 4 Total variance explained for each component

	Component 1	Component 2
Eigenvalue	8,577	1,778
% Of variance	57,181	11,850
Cumulative %	57,181	69,031

Extraction method: principal component analysis

In Fig. 1, the first axis is linked to banking practices: conventional banking enters here into direct opposition with ethical banking. The second axis is strongly correlated to banks' loan-loss provision ratios.

Result Interpretation

Two blocks have been identified in the empirical work: conventional banks (groups B and C) and ethical institutions (group A) (see Fig. 1). Beginning with subgroup B of conventional banks (Santander, Chase and BNP Paribas), it should first be noted that by combining retail business and a high degree of geographical diversification, year after year, these banks demonstrate their capacity to diversify their activities and consistently increase their revenues in order to better resist external shocks. This enables them to meet the new capital requirements imposed by national and international regulatory bodies. Chase Bank adds to the preceding consideration a particularly adequate use of on-line retail banking activities that enable this institution to better satisfy the client's needs. The case of HSBC also deserves particular attention for two reasons. First, this bank is largely international and located in particular in countries like Canada, where capital requirements are stricter. As for their involvement in sustainable development and CSR, the large experience of HSBC in this domain explains its particular position on Axis 1.

The second subgroup (group C in Fig. 1 and fully described in Table 2) illustrates the global position of traditional commercial banks. The subprime crisis has strongly impacted the robustness of these financial institutions, and consequently, transformed their banking behavior (Paulet et al. 2013). One can actually observe a strategic move of Group C banks in the sense of stressing their profit-seeking objective. So rather than cost-income, they switched to net interest income targets. The new regulatory rules impose on these banks a better evaluation of their equity ratios. Performance is then a result of new strategic choices, emerging from a better management of market and credit risk. However, activities related to

investment banking still contribute to a sizable portion of their net income, which could predict instability for the future.

As a whole, groups B and C reflect pretty well the primary strategy of mainstream banks, which are above all profit-maximizing institutions. Additionally, they also claim to be very much concerned with social and environmental issues, but upon closer inspection of their balance sheet, it could be analyzed that they generate profits mostly from their global financial market operations. There is thus a big gap between what they "say" and what they actually "do". Their social/environmental activities are conceived as a marketing device put in place to improve their image without generating real commitment. So, whatever the extent of their "green" promises, the original business model remains substantially unchanged.

Two particular cases appear in group C. The first one is Nordea. For this Scandinavian bank, sustainable issues remain a key factor. This is very much in line with other Scandinavian banks, which are globally reputed to being firmly committed to society in terms of CSR (Nilsen 2010). In addition, they are generally fairly well capitalized. If profit maximization remains its core activity, risk management is fairly assumed through market capitalization.

The second outlier in group C is Caixa Bank, which had suffered considerably the impact of the subprime crisis and has absorbed losses for that purpose. This is manifest by looking at the level of loan-loss provision, which is higher in that case than in the rest of the sample. Additionally, Caixa Bank has had to increase its equity to ensure its stability.

Globally, Axis 1 describes the banking approach of groups B and C. If the subprime crisis has basically changed their banking practices to favor more cautious attitudes, they still rely on investment banking activities to maintain their position in the market. Even if equity requirements are more relevant for risk management, profit still remains the core parameter of their strategy.

Aside from the different types of mainstream banks examined above, the second major group (group A in Fig. 1; Table 2) constitutes the so-called ethical banks. Rather than *maximizing* their profit, ethical banks prefer to *optimize* their social impact by following strict principles. They actually think that "less is more", simply because doing business while doing good means that ethical banks are internalizing, on a voluntary basis, the costs of a better society. This strategy strongly differs from the business model of groups B and C.

The second remark to be made as regards the graphical results of Group A banks is that they constitute a rather homogeneous block. There may be several reasons for this. The most important one is that ethical banks did not feel the need to change their behavior as regards risk management or credit distribution after the subprime crisis. As the preceding paragraphs emphasize, their local lending standards allow them to curtail default risk, thereby enabling them to endure lower loan-loss provision ratios than conventional banks. We can then say that ethical banks propose a banking practice clearly at variance from that of their conventional counterparts.

Triggering the homogeneous banking practice of ethical banks a step further is capitalization. A careful analysis of their prudential ratios shows that these institutions generally work with higher levels of capitalization than conventional banks. They had thus anticipated long before the subprime crisis the equity requirements recently imposed by Basle III. It is precisely this policy of high levels of capitalization that has allowed ethical banks to face the external shock of the crisis in better conditions. Even if this initially involved additional costs, ethical banks have reduced operational costs through the generalization of internet banking. As a result, not only has their market share been maintained, but also they have actually gained a considerable number of clients (the BAS Bank, for example, has doubled its number of clients between 2007 and 2008).

We can thus infer from the previous reasoning that Axis 2 illustrates ethical behavior in banking activities. The institutions around this area denote a distinct business model where strategic choices favor long-term dimension as regards credit distribution, social value for screening productive investment, and transparency as far as publication is concerned. Cost operating ratios are minimized by using internet banking. Equity requirements are part of their core parameter to evaluate the resistance of external shocks.

Conclusion

The primary task of this paper was to examine how the different types of banks have caused distinct banking behavior, especially in the wake of the last financial crisis. The econometric results show that most of traditional banks have adapted their business practice to the new situation, namely by adopting more cautious attitudes. In addition to considering their profit margins, they are now paying particular attention to risk-weighted assets and possible external shocks. But these amendments are merely the result of new regulations imposed by the authorities to re-establish the efficient functioning of financial markets. No real transformation in depth is discernible. Business as usual—or almost—continues.

The reaction of ethical banks diverges from that of their mainstream counterparts in a number of crucial ways. Even if both are regulated by the same authorities and compete

in the same market, ethical banks are indeed a very different type of financial institution. Rather than focusing on operations in the secondary stock markets, the core business of ethical banks concentrates on granting credit at the local level. This banking practice has allowed them to go through the last financial crisis without operating major changes. In fact, ethical banks had already integrated the new regulatory requirements in their distinct business model long before the subprime crisis. In many respects, ethical banks go far beyond the recent reforms in terms of the financial, social, and environmental responsibility. "Business as unusual" continues for them.

The preceding remarks would perhaps suggest that there is a need to reform the business model of conventional banks in line with that of ethical banks. This would be a rather hasty inference. There is no clear empirical evidence that a banking system with a large number of smaller institutions would be more stable than the system as it currently stands. Besides, financing certain big projects would always require the existence of large international banks. Both types of financial institutions are in fact complementary. The question would be how to figure out an optimal arbitrage between profit maximization and ethical practices in the banking industry to guarantee financial stability worldwide.

Another possible misunderstanding would be to think that there is a possible evolutionary process going from conventional to ethical banking. This is certainly not the case. Whatever the intensity of the CSR policies put in place by a given mainstream bank, there is no possible bridge toward ethical banking unless structural modifications in their business model are seriously considered. Superficial amendments, often constrained by new regulatory rules, cannot lead to major transformations. Regarding the social or environmental commitment of banks beyond what the law prescribes, there is a big difference between what the banks say they do and what they actually do. As the title of the present paper suggests, strategic moves and structural changes are, when applied to the banking industry, two distinct things.

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