



CONSOLIDATED ANNUAL ACTIVITY REPORT OF THE EUROPEAN BANKING AUTHORITY

EBA/Rep/2023/17
YEAR 2022



EBA

EUROPEAN
BANKING
AUTHORITY

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YEAR 2022

In pursuance of FR 2018/1046, FFR No 2019/715 [1]



[1] Commission Delegated Regulation (EU) 2019/715 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council (OJ L 122, 10.5.2019, p. 1).

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Board of Supervisors' analysis and assessment

The EBA Board of Supervisors (BoS) takes note of the Consolidated Annual Activity Report 2022, submitted by the Executive Director ('Authorising Officer') in accordance with Article 47(1) of the Financial Regulation applicable to the EBA.

Analysing and assessing the Consolidated Annual Activity Report 2022, the BoS has made the following observations.

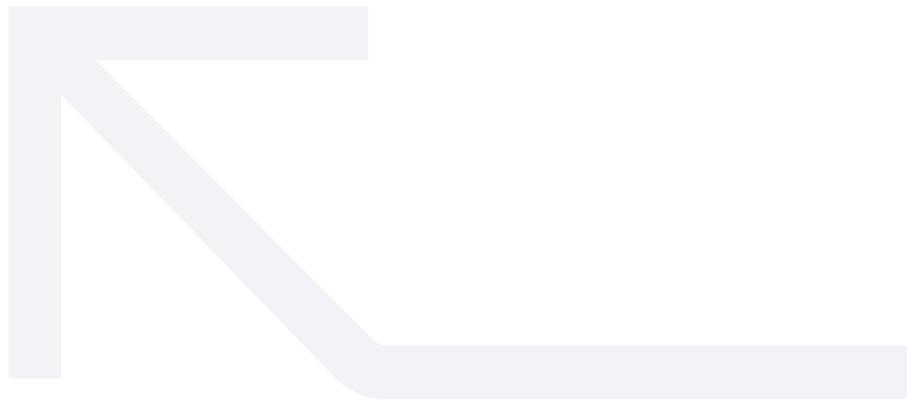
This report, together with the EBA Annual Report 2022, contains a comprehensive account of the activities carried out by the EBA in the implementation of its mandate and work programme during 2022. The EBA has met its obligations under Article 47(1), providing a detailed account of the results achieved in relation to the objectives set in the work programme for 2022, financial and management information.

The BoS takes note of the reports of the European Court of Auditors and the Internal Audit Service, and of the EBA's response to these reports.

The BoS notes that the Executive Director has no reservations or critical issues to report that would affect the presentation of the annual accounts for the financial year 2022 to the discharge authority.

Paris, 15 June 2023

José Manuel Campa
Chair of the Board of Supervisors



Introduction

The European Banking Authority (EBA) was established on 1 January 2011 under Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010. The Authority is part of the European System of Financial Supervision (ESFS) and took over all existing responsibilities and tasks of the Committee of European Banking Supervisors.

The EBA works to ensure effective and consistent prudential regulation and supervision across the European banking sector. Its overall objectives are to maintain financial stability in the EU and to safeguard the integrity, efficiency, and orderly functioning of the banking sector.

The main task of the EBA is to contribute to the creation of a European Single Rulebook in banking, a single set of harmonised prudential rules for financial institutions throughout the EU. This creates a level playing field and provides a high level of protection to depositors, investors, and consumers. The Authority also plays an important role in fostering the convergence of supervisory practices to ensure a harmonised application of prudential rules. Finally, the EBA assesses risks and vulnerabilities in the EU banking sector through, in particular, regular risk assessment reports and pan-European stress tests.

Other tasks currently set out in the EBA's mandate include:

- investigating alleged incorrect or insufficient application of EU law by national authorities;
- taking decisions directed at individual competent authorities (CAs) or financial institutions in emergency situations;

- mediating to resolve disagreements between CAs in cross-border situations;
- acting as an independent advisory body to the European Parliament, the Council and the Commission;
- taking a leading role in promoting transparency, simplicity and fairness in the market for consumer financial products or services across the internal market;
- leading, coordinating and monitoring the AML/CFT work across the EU until a new dedicated European legislative framework is in place;
- monitoring new and existing financial activities and contributing to the establishment of a common European approach towards technological innovation;
- integrating ESG considerations into regulation through enhanced disclosure, advanced risk management standards, and updates to the prudential framework and stress test methodologies.

To perform these tasks, the EBA issues regulatory and non-regulatory instruments, including technical standards, guidelines, recommendations, opinions and ad hoc or regular reports.

The technical standards are legal acts that specify particular aspects of an EU legislative text (directive or regulation) and aim at ensuring consistent harmonisation in specific areas. Once adopted by the European Commission, technical standards, unlike other EBA documents, are legally binding and directly applicable in all Member States.

Executive summary

The 2022 Consolidated Annual Activity Report (CAAR) provides an overview of the Authority's main activities and achievements during the year. It covers the execution of its work programme, its budget, its staff policy plan, its financial management and its internal control systems.

In early 2022, as the global population was striving to recover from the COVID-19 pandemic's health and economic crisis, the unexpected Russian war of aggression against Ukraine caused yet another significant humanitarian and financial toll both on Europe and across the rest of the world.

Despite these challenges and the uncertain economic outlook, the EBA worked diligently to adapt its fundamental operations and work processes to establish a more effective and sustainable workplace.

In 2022, the EBA prioritised five vertical areas and one horizontal area, each of which was accompanied by a programme of tasks in order to achieve these priorities. The EBA was able to execute 95% of its objectives and fulfilled the vertical and horizontal priorities outlined in the 2022 work programme. Alongside this, the EBA was able to successfully execute 99.6% of the adopted budget and 98% of the staff establishment plan.

In 2021, the global health situation showed signs of improvement in Europe, and the EBA therefore began to transition its work arrangements to a more hybrid work model. In July 2022, the EBA adopted by analogy the European Commission's April 2022 decision on working

time and hybrid working, embracing a modern, flexible, and digital work environment.

The staff survey run in early 2022 revealed a notable increase in staff satisfaction levels and identified specific areas for further improvement. In response, the EBA management launched a series of initiatives throughout 2022 aimed at enhancing staff identification with the EBA's values and culture, expanding career development opportunities, and promoting wellbeing at work. These efforts will continue into 2023 as the EBA strives to fully integrate these initiatives in the relevant areas.

The implementation of various technological initiatives has led to significant improvements in our agency's operations. For instance, the conclusion of the EBA Collaboration Platform using Microsoft Teams has greatly enhanced our capacity to collaborate effectively and efficiently with both internal and external stakeholders across diverse projects. Furthermore, the Cloudification Program is helping us leverage cloud-based technologies. Additionally, we have made substantial enhancements in our security and data protection compliance to safeguard sensitive information.

Finally, a significant achievement for the EBA in 2022 was being granted the European Eco-Management and Audit Scheme (EMAS) registration by the French Ministry for the Ecological Transition. This prestigious award, valid for three years, recognises the EBA's dedication to environmental matters and the high calibre of its work at both the operational and core levels.

Part I – Policy achievements of the year

Every year, the EBA defines its multi-annual priorities and annual work programme (WP) considering its founding regulation, related tasks, and mandates, as well as specific additional tasks conferred on it by the co-legislators, its assessment of the European banking sector as well as the broader economic and geopolitical situation.

In particular the Russian war of aggression against Ukraine, at a time when the global economy started to recover from the COVID-19 pandemic gave rise to new challenges and uncertainty and required the EBA, in conjunction with CAs and the EU institutions, to react and adjust focus for 2022.

Initially, the draft 2022 WP was developed in January 2021 around five vertical and two horizontal strategic priorities approved by the EBA's Board of Supervisors in the context of the Single Programming Document (SPD) for the years 2022 to 2024. This was then updated to reflect any developments, along with input from the EBA's Advisory Committee on Proportionality (ACP), for the publication of the formal 2022 EBA work programme in September 2021 [?].

EBA MULTI-ANNUAL OBJECTIVES 2022-2024

“Vertical” priorities

1. Single Rulebook: development, maintenance, proportionalityEU;
2. Risk assessment: Stress tests and tools supporting supervisory convergence;
3. Banking and financial data for authorities and market discipline;
4. Digital finance, digital operational resilience and financial innovation: support, embed, strengthen;
5. AML/CFT: support, contribute, advise.

“Horizontal” priorities

1. ESG: embed in the EBA's products and working model;
2. COVID-19: short and medium-term responses.

As such the EBA's planned work for 2022 largely represented a continuation of the work carried out in 2021. Thus, the transposition of the Basel III framework in the EU and the implementation of the EU's digital financial strategy, most notably the legislative proposals on a Digital Opera-

tional Resilience Act (DORA) and on Markets in Crypto-assets (MiCA), were some of the important drivers of the EBA's activity in 2022. Preventing the use of the financial system for the purposes of money laundering and terrorist financing (ML/TF) constituted another important point of focus. Further, developing a relevant environmental, social and governance (ESG) framework for banks, and monitoring the impact of COVID-19 on their balance sheets remained at the forefront. The Authority also updated its Peer Review work plan for the period 2022-2023, in accordance with the EBA regulation ('ESAs' Review').

Against that background, the following priorities were derived to for the EBA's 2022 work programme:

EBA PRIORITIES 2022

“Vertical” priorities

1. Monitor and update the prudential framework for supervision and resolution;
2. Revisit and strengthen the EU-wide stress testing framework;
3. Banking and financial data: leverage the EUCLID;
4. Digital Resilience, Fintech and Innovation: deepen analysis and information sharing;
5. Fight ML/TF and contribute to a new EU infrastructure.

“Horizontal” priorities

1. ESG: provide tools to measure and manage risks;
2. COVID-19: monitor and mitigate the impact.

The Russian war of aggression against Ukraine led the EBA to consider challenges and uncertainties arising from that conflict for areas within the EBA's remit and to address these within the above priorities. This resulted immediately in a heightened focus on assessing the risks that arise for banks and the financial sector, but also on efforts contributing to the application and enforcement of imposed sanctions and, on a more immediately relevant level for people affected by this conflict, on providing guidance to facilitate access to the financial system.

1.1. Assessment of 2022 objectives

In 2022, the EBA executed 94% of around 252 tasks or mandates set out in the published EBA 2022 work programme.

[?] https://www.eba.europa.eu/sites/default/documents/files/document_library/About%20Us/Work%20Programme/2022/1021339/EBA%202022%20Annual%20Work%20Programme.pdf

This rate was calculated by looking at the state of fulfilment of tasks set out in the 'EBA activities' section of the 2022 WP, either as ongoing or as subject to a specific delivery date. For 6% of tasks, delivery was postponed or (to a lesser extent) delayed to a later stage.

In addition to the planned work as set out in the published WP, the EBA undertook additional work, tasks or mandates that were not foreseen in the initial planning but needed to be undertaken regardless. With this additional work, the overall number of tasks amounted to around 296, with an execution rate of 95%.

With a focus only on work that was subject to a specific delivery date – as set out in the published 2022 work programme plus additional work – the execution rate lies at 89%.

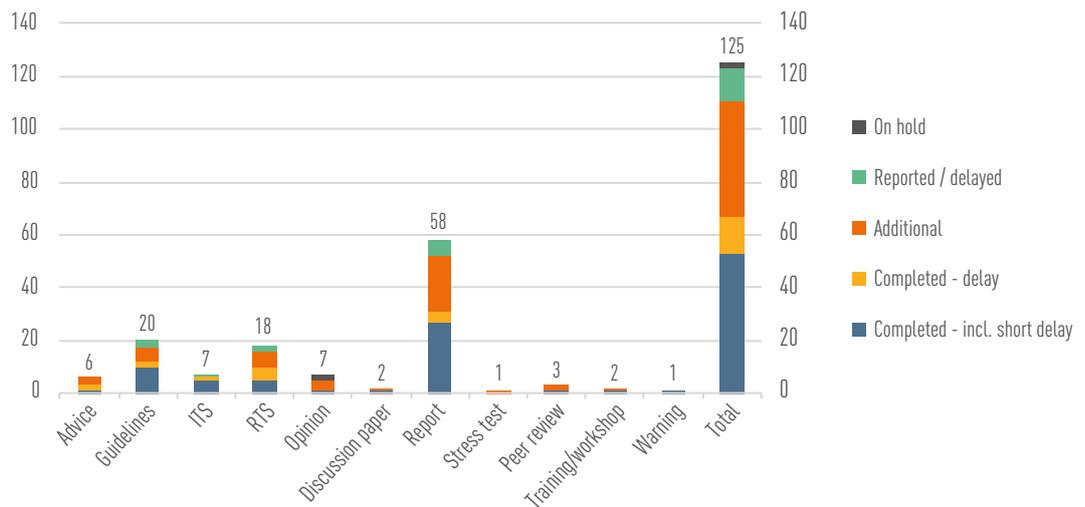
The graph below and the tables in section 1.2 show that some mandates were delivered later than initially anti-

ipated, mainly due to the complexity of topics or difficulties in reaching agreement, and challenging deadlines set by the co-legislators for delivering mandates, often in combination with resource constraints, which required the Authority to prioritise some tasks over others. Where legal deadlines were affected, changes were discussed with the European Commission.

Further to the above, and at times adding to the reasons for delays or the postponement of tasks, was the significant number of mandates and work that the EBA had to take on and that had not always been foreseen as part of the original planning. This represented 15% of all tasks (including ongoing work).

The following overview reflects the main categories of deliverables, where the focus is limited to work that was subject to a target delivery date in the published 2022 WP as well as additional work not initially foreseen in the planning:

Breakdown of deliverables by category



The largest number of deliverables are reports, followed by guidelines, technical standards (RTS and then ITS), responses to calls for advice and opinions. Both proportionally and absolutely, the highest number of outputs completed with a delay was incurred for RTS, although it is relevant to point out that three of the six standards were connected and

that the delay incurred was brought about by the complexity of the topic and related difficulties in reaching agreements on the policy decisions. Further detail on the EBA's main achievements and output is discussed below and in section 1.2.

Work programme execution			Deliverables	
Tasks as set out in WP 2022	252		Reports	58
Execution rate	94%		RTS/ ITS	25
Tasks including additional work	296		Guidelines	20
Execution rate	95%		Opinions	7
			Advice	6
			Peer reviews	3
			Stress test	1
			Other	5
			Ongoing tasks	171

1.1.1. Five vertical priorities (VPs) in 2022

VP1 2022 – Monitor and update the prudential framework for supervision and resolution

While the European banking and financial system entered the pandemic-related relative downturn in robust financial health, the sustained resilience was also helped by fiscal and monetary support from the EU authorities, national governments and central banks, coupled with the use of flexibility embedded in the regulatory frameworks and quick fixes that allowed banks to continue their pivotal role of financing and to otherwise weather their debts through the implementation of moratoria. These are discussed in further detail under horizontal priority 2 below.

The Authority placed continued attention on the benchmarking activities both in credit and market risk models, IFRS 9 models that support CAs with the assessment of internal approaches used for the calculation of own funds requirements, and remuneration practices.

The completion of the risk reduction package roadmaps and the whole Single Rulebook attached to this updated framework progressed towards nearly its final stage. The EBA started responding to the Commission calls in the form of advice on capital and liquidity treatment of securitisation transactions in light of possible revised Level 1 provisions.

The monitoring of the regulatory framework implementation required a significant involvement at this point in time of the regulatory cycle, i.e. the end of the RRM package.

The list of capital instruments classified as Common Equity Tier 1 (CET1) was updated, including for instruments specific to investment firms. Special considerations were issued regarding green instruments. A number of operational aspects of the LCR and NSFR were given best practice and guidance. In addition, the report on total loss-absorbing capacity and minimum requirements for own funds and eligible liabilities (TLAC/MREL) evidenced convergence and standardisation in terms of legal drafting of the notes and programmes, deriving also from the actual implementation of the EBA recommendations made in the first instance.

Support for the transposition of Basel III into the European framework continued in 2022. The monitoring of developments, the preparatory and planning work, and the publication of roadmaps required and will require significant resources.

Regarding resolution, the EBA continued to work on strengthening the effectiveness of the framework via further development of its resolvability guidelines – with the issuance of two consultation papers: one aiming to ensure that a minimum level of harmonised information is made public by authorities with regard to the mechanics underpinning the execution of the bail-in tool, a second on resolvability testing aiming at a framework to ensure that resolvability capabilities developed to comply with the resolvability and transferability guidelines are fit for purpose and effectively maintained by institutions and resolution authorities.

KPIs

Indicator	Weight	Short description	Target	Achievement
Number of technical standards, GLs, reports, etc. delivered	100%	Number of technical standards, GLs and reports delivered on time stemming from the implementation of the risk reduction package	7 ⁽²⁾	71% of target achieved (5 out of 7 targeted; many more mandates were delivered as can be seen in section 1.2, under activities 1-9)

Source of information: EBA work programme monitoring tool and publications

For more detail on the KPIs and related achievements see Annex I.

⁽²⁾ Target as per 2022 work programme:

1. Article 4(4) of the CRR: draft RTS on connected clients – completed;
2. Article 45(2) of the BRRD: impact assessment report on MREL – completed;
3. Article 504a of the BRRD: report on crossholdings of MREL among G-SIIs and O-SIIs – postponed to Q2 2023;
4. Articles 98(5a) and 84(4) of CRD V: RTS on standardised and simplified methodologies for the IRRBB – completed;
5. Articles 98(5a) and 84(4) of CRD V: RTS on supervisory shock scenarios and outlier tests for the IRRBB – completed;
6. Article 84 CRD V: GLs on the IRRBB and the CSRBB – completed;
7. Article 434a of the CRR: ITS on reporting of the interest rate in the banking book (IRRBB) – planned for Q3 2023.

VP2 2022 – Revisit and strengthen the EU-wide stress testing framework

After finalising the 2021 EU-wide stress test and agreeing on the final revised new framework for the exercise, the focus in 2022 moved to putting the new features into practice and working on the new methodology for the next EU-wide stress test.

The revision of the methodology started with collecting the lessons learnt from the previous exercise via dedicated workshops and bilateral meetings. This feedback was used together with the newly agreed features to prepare the 2023 stress test exercise. As part of its revision, the EBA considered the recommendations from the 2019 ECA report on the implementation of the EU-wide stress test and substantially increased the number of banks included in the exercise to 70 entities, covering roughly 75% of total banking sector assets in the EU and Norway.

The draft EU-wide stress test package, including the methodology, templates and template guidance, was shared with banks in November 2022, ahead of the formal launch of the exercise which took place in January 2023. The 2023 EU-wide stress test now foresees a constrained bottom-up approach combined with a top-down

model used for net fee and commission income. The EBA also released macroeconomic scenarios, where the adverse scenario is based on a narrative of hypothetical heightened geopolitical tensions, high inflation and higher interest rates having strong adverse effects on private consumption and investments, both domestically and globally. The very severe adverse scenario is designed to help assess the resilience of the European banking system to a severely deteriorated macro environment.

Alongside the setting of stress tests, the EBA has a responsibility to identify and analyse trends, potential risks and vulnerabilities in the sector. This not only helps ensure the orderly functioning and integrity of financial markets but also contributes to the stability of the financial system in the EU. The EBA’s annual Risk Assessment Report for 2022 highlighted seven areas of concern: macroeconomic environment, risks to assets and liabilities, capital, profitability, operational resilience, and policy implications.

Given the uncertain environment created by the Russian war of aggression against Ukraine, the EBA, in response, placed a significant focus on assessing the risks for banks and the financial sector, and took action to monitor the sector.

KPIs

Indicator	Weight	Short description	Target	Achievement
Design and implementation of the revised stress test methodology	100%	Develop the new stress test framework	Yes	Achieved (new methodology published)

Source of information: EBA work programme monitoring tool and publications

For more detail on the KPIs and related achievements see Annex I.

VP3 2022 – Banking and financial data: Leverage EUCLID

EUCLID, the EBA’s data infrastructure, is developed and used by the EBA to gather and analyse regulatory data from a wide range of financial institutions. The scope of the data was further expanded in 2022, with additions extending from supervisory and resolution data and master data to populate the Credit Institution Register and the Payment Institution Register to payment fraud data. The EBA’s master data component of EUCLID was enriched with data for investment firms, enabling the collection of prudential data for these entities also. Increased coverage of regulatory data from different types of financial entities allows better refined and proportionate risk and policy measures.

The EBA undertook the EU-wide transparency exercise as part of its ongoing efforts to foster transparency and market discipline in the EU financial market. The EBA disclosed detailed data for 122 banks across 26 countries of the European Union (EU) and the European Economic Area (EEA) at the highest level of consolidation for the reference dates of 30 September 2021, 31 December 2021, 31 March 2022 and 30 June 2022. The results were

based fully on the supervisory data submitted to the EBA via the EUCLID platform.

Furthermore, follow-up actions from the conclusions of the feasibility study on an integrated EU reporting framework resulted in i) an assessment of the semantic integration between the EBA’s supervision and resolution reporting frameworks and the ECB’s statistical framework, and ii) an assessment of the feasibility of using the EBA’s Data Point Model Refit for statistical purposes. Both assessments led to encouraging outcomes that should lead to further synergies and increased consistency, benefiting institutions and authorities. Plans to establish a Joint Bank Reporting Committee for supervisory, resolution and statistical authorities to advance integration of reporting and a Reporting Contact Group for stakeholders are a further outcome of the discussions that followed this feasibility study.

The EBA Data Strategy aims to accomplish three strategic goals: i) improve standardisation, harmonisation and integration of regulatory data, ii) strengthen capabilities for processing and analysing regulatory data, and iii) enable the EBA as a data hub to share data and insights with internal stakeholders and the whole data ecosys-

tem. Work on the Data Strategy further progressed through the series of initiatives set out in the EBA strategic roadmap, and for which preparatory work had already started in 2021. The EBA completed with EIOPA its project to improve and enhance their common data model to increase standardisation and be fit for future reporting and digital processing (DPM ReFit project). The EBA also enhanced its internal data governance

processes and launched an internal data analysis portal to ensure easy access to and analysis of data. The EBA reached out to new audiences by extended use of data visualisation and offering easy-use tools to the public. These actions brought the EBA closer to the ultimate goal of its data strategy, which is to leverage EUCLID in order to bring more value to the EBA’s stakeholders through data.

KPIs

Indicator	Weight	Short description	Target	Achievement
A: Increase in data requests from the EBA’s stakeholders	40%	Increase in data requests from internal and external stakeholders for the EUCLID data compared to previous year	30%	Achieved: increase in data requests by 21% (from 201 to 246)
B: Data strategy KPI – objective 1	20%	Data assets completely catalogued (%)	100%	Target 75% achieved
C: Data strategy KPI – objective 2	20%	New dashboards produced	5	Achieved: 5 dashboards (supervisory benchmarking of internal models, large exposures, non-performing loans, master data management, instances)
D: Data strategy KPI – objective 3	20%	New data assets shared by the Data Hub	5	Achieved: 5 data assets (large exposures, net stable funding ratio (NSFR), resolution, fraud, supervisory benchmarking of internal models)

Source of information: KPI A: Jira ticketing system for data requests; KPI B: EBA SAS Knowledge Base: Data in EUCLID (europa.eu); KPI C: SAS Visual Analytics Viewer (europa.eu); KPI D: EBA SAS Knowledge Base: Data in EUCLID (europa.eu)

For more detail on the KPIs and related achievements see Annex I.

VP4 2022 – Digital Resilience, Fintech and Innovation: deepen analysis and information sharing

Throughout 2022 the EBA monitored financial innovation and identified areas where further regulatory or supervisory response may be required. The EBA worked on value chains, platformisation, crypto-assets and the impact of artificial intelligence. Additionally, in 2022 the EBA continued to support knowledge sharing between supervisors and common regulatory and supervisory stances via the EBA FinTech wKnowledge Hub and the joint ESAs’ European Forum for Innovation Facilitators (EFIF) by thematic analysis and by potential policy responses. For example, the EBA organised two workshops on ITC security and artificial intelligence, and training sessions on sharing practices. Also, the EBA supported CAs in identifying how technology-enabled innovations in supervision (suptech) could facilitate and enhance the effectiveness and efficiency of their work.

The EBA continued its monitoring of and response to technological innovation, ICT and cyber risks, with a view to strengthening the operational resilience of financial services in its scope and ensuring regulation and supervision are ‘tech ready’. This activity followed the principle of technological neutrality, ensuring that regulatory and supervisory approaches facilitate technological change and scalability across the Single Market whilst continuing to safeguard consumer protection, system resilience and stability. Such an example was the joint ESAs warn-

ing on crypto-assets, which warned consumers about the high risk and speculative nature of such assets, and setting out key steps to ensure informed decisions can be made.

Regarding the two legislative proposals by the Commission, the Digital Operational Resilience Act (DORA) and Markets in Crypto-assets (MiCA), the EBA started planning, and in some cases worked on, the policy and supervisory mandates included in these draft legislations. At the same time the EBA (and the ESAs) contributed to shaping the legislative dossiers by way of the response provided to different calls for advice on digital finance and related issues, including in that context the report on non-bank lending. This report sets out policy proposals for the Commission that could help to address risks and concerns related to non-bank lending from the perspectives of prudential supervision, consumer protection and conduct of business, AML/CFT aspects, and macroprudential and microprudential risks.

The EBA, together with the other ESAs, the European Commission and Florence School of Banking and Finance (Robert Schuman Centre, EUI) contributed to the EU Supervisory Digital Finance Academy (EU-SDFA). Launched in October 2022, it was established to support financial supervisory authorities in coping with the risks and opportunities offered by advanced technologies in the financial sector via training cycles and workshops involving the financial supervisory community.

KPIs

Indicator	Weight	Short description	Target	Achievement
A: Proportion of policy responses to material risk findings in the area of innovation	60%	Proportion of policy responses (recommendation, GL, warning, etc.) issued by the EBA in relation to material risk issues stemming from financial innovation	80%	Achieved (3 policy responses)
B: Interaction with stakeholders in the context of the EBA FinTech Hub	20%	Number of events organised to facilitate the exchange of information between CAs, ESAs, incumbent and new entrant institutions, technology providers and other market players about fintech	2 events/year	Achieved (2 workshops, contribution to SDFA courses)
C: The EBA's readiness to take up new tasks in relation to new technology and operational resilience	20%	The EBA may be given new tasks as part of the Commission's digital financial strategy and should be ready to take up tasks effectively and efficiently.	Yes. The EBA has the structure and resources in place so that new tasks can start according to the timeline in relevant legislation.	Achieved: preparation of MICA and DORA implementation plans

Source of information: KPI A: work programme monitoring tool; KPI B: internal management information; KPI C: work programme monitoring tool and internal management information

For more detail on the KPIs and related achievements see Annex I.

VP5 2022 – Fight ML/TF and contribute to a new EU infrastructure

The EBA built on its achievements in 2021 to lead the development of a consistent approach to tackling financial crime risk in the EU's financial sector, to strengthen supervisory capacity, and to coordinate the work of CAs, and foster EU-wide responses to emerging ML/TF risks. It also continued to provide technical advice to the EU's co-legislators, informing them of developments in the emerging legal and institutional EU AML/CFT framework.

Financial crime cannot be tackled in isolation. This is why the EBA has put in place a holistic framework to ensure a consistent approach to identifying, assessing, and managing ML/TF risk across all areas of supervision and across all stages of a financial institution's life cycle. In 2022, the EBA contributed to this framework with new guidelines on core aspects of financial institutions' AML/CFT governance and internal controls, the Remote Customer Onboarding guidelines, and the AML Compliance Officer guidelines. It also published revisions to its SREP guidelines to specify how prudential supervisors should take ML/TF risks into account, published a report on the withdrawal of authorisation that lays down uniform criteria supervisors should use to assess the seriousness of an AML/CFT breach, and prepared for the delivery of ten new mandates under the recast regulation on the transfer of funds and crypto-assets.

The EBA supported the effective implementation of this framework by building supervisory capacity. EBA staff continued their programme of in-depth reviews of CAs' approaches to tackling ML/TF risks in banks with on-site assessments of 12 CAs in 2022, detailed bilateral feedback and a report on their findings and recommendations from the previous year's review cycle. The EBA also published a report on CAs' responses to the Luanda Leaks, with a number of good practices EBA staff had observed, and assessed CAs' approaches to tackling ML/TF risks in the payment sector, with results due in 2023. Throughout 2022, EBA staff provided training, where their findings suggested that this was necessary to strengthen

supervisory knowledge and practices, either in-house or by contributing to events hosted by the Commission, the ECB and other EU bodies. The EBA's in-house AML/CFT training alone reached nearly 1,500 EU supervisors.

The EBA continued to foster cooperation and information exchange among EU financial services supervisors and to coordinate common responses to EU-wide ML/TF risks. Staff continued to monitor and provide hands-on support to nascent EU AML/CFT colleges to strengthen cross-border AML/CFT supervision, led work to tackle unwarranted de-risking with a series of reports, training and new guidelines, and took the lead on a common response to emerging financial crime risks following Russia's invasion of Ukraine. In January 2022, the EBA launched EuReCA, its central EU AML/CFT database, which brings together information on serious deficiencies in individual financial institutions' systems and controls that expose these institutions to ML/TF risk, and the measures CAs took to correct those deficiencies. Throughout the year, EBA staff supported CAs as they set up the internal processes necessary to report. By 31 December, the EBA had received around 400 submissions from AML/CFT and prudential supervisors in 21 EU Member States, which it analysed and disseminated to CAs as necessary to inform their supervisory tasks.

Finally, the EBA continued to provide technical advice to the Commission and co-legislators to strengthen the EU's AML/CFT defences through letters, responses to calls for advice on wider financial services topics and bilateral exchanges, highlighting the importance of supervisory cooperation and a holistic, joined-up approach to fighting financial crime. A coordinated, joined-up approach will be particularly important as the new institutional AML/CFT framework is set up.

Further to leading on a common response to emerging financial crime risks following Russia's invasion of Ukraine, in response to this conflict the EBA also, and on a more immediately relevant level for the people affected, provided guidance to facilitate access to the financial system.

KPIs

Indicator	Weight	Short description	Target	Achievement
A: Ratio of number of national AML authorities supplied with access credentials for the EBA's new AML database, over all national AML authorities	50%	The EBA is mandated to develop technical standards for the setting up of a central AML database for use by the EBA and national authorities. The technical standards will be developed by Q4 2021, with the IT development of the database completed by early 2022. The KPI will therefore be applied at the very end of 2021. It will measure the ratio of authorities that have been supplied by the EBA with the access credentials for the database over all authorities that are legally entitled to access the database.	100%	100%
B: Availability of the EBA's central database; percentage uptime	50%	Once developed, information from the EBA's central database should be accessible to NCAs and EBA staff with a high level of reliability. The availability should be calculated as 100% minus the percentage of downtime, using the total number of seconds the database was down in a 24-hour period, starting and ending at midnight.	>98%	100%

Source of information: KPI A: mapping of CAs and access credentials; KPI B: IT monitoring tool

For more detail on the KPIs and related achievements see Annex I.

1.1.2. Two horizontal priorities (HPs) in 2022

In line with the multi-annual horizontal strategic priorities, the EBA paid particular attention to the following cross-cutting work in 2022.

HP1 2022 – ESG: provide tools to measure and manage risks

The EBA monitored the effective implementation of ESG disclosure standards in 2022 in the form of key ESG metrics, such as the Green Asset ratio. It also gradually expanded the scope of disclosure, reflecting the development of the EU taxonomy and data availability. To further promote an effective and consistent application and national supervision of the Sustainable Finance Disclosure Regulation (SFDR), and thus create a level playing field and protect investors, the ESAs published an updated joint supervisory statement on the application of the SFDR, with a new timeline, expectations about the explicit quantification of the product disclosures under Article 5 and 6 of the Taxonomy Regulation, and the use of estimates.

The EBA additionally, through the Joint Committee of the three ESAs, contributed to the first (annual) report on the extent of voluntary disclosure of principal adverse impact under Article 18 of the SFDR, identifying preliminary, indicative, and non-exhaustive examples of good (and less good) examples of voluntary disclosures. The report also includes a set of recommendations for NCAs to ensure appropriate supervision of financial market participants' practices, such as running regular surveys in their own market to determine whether supervisory entities comply with Article 4 of the SFDR disclosures.

Building on the 2021 EBA report on ESG risk management and supervision, and the technical standards for ESG disclosure, the EBA continued investigating these risks, so as to inform risk assessment and policy making, and ultimately incorporate ESG risks into the risk management and supervision part of the Single Rulebook.

In May 2022, the EBA published a report on how to incorporate ESG risks in the supervision of investment firms, with the objective of setting the foundations for considering ESG aspects in the supervisory review and evaluation process (SREP) of investment firms. The report highlights the need to embed ESG considerations in a proportionate manner where the ESG factors and risks could affect the risk profile of the investment firm, taking into account not only business model, size, internal organisation and the nature, scale, and complexity of services and activities, but also the materiality of exposure to ESG risks.

The EBA also published a discussion paper on the role of environmental risks in the prudential framework for credit institutions and investment firms. The paper explores whether and how environmental risks are to be incorporated into the Pillar 1 prudential framework and launched a discussion on the potential incorporation of a forward-looking perspective in the prudential framework, stressing at the same time the importance of collecting relevant and reliable information on environmental risks and their impact on institutions' financial losses. The feedback received during the consultation, together with insights gained from qualitative and quantitative analysis and from monitoring international efforts as regards the reflection of environmental risk in the prudential framework, will feed into the final risk-based analysis and associated recommendations the EBA will provide to the Commission to allow the latter to take informed policy decisions. The EBA also finalised a draft ITS on Pillar 3 disclosures on ESG risks and proposed comparable quantitative disclosures on climate-change-related transition and physical risks, including information on exposures towards carbon-related assets and assets subject to chronic and acute climate change events. They also included quantitative disclosures on institutions' mitigating actions supporting their counterparties in the transition to a carbon-neutral economy and in the adaptation to climate change. In addition, they included a Green Asset ratio (GAR), which identifies the institutions' assets financing activities that are environmentally sustainable according to the EU taxonomy, such as those consistent with the European Green Deal and the Paris Agreement goals.

Following the Renewed Sustainable Finance Strategy of the Commission (published in 2021), the EBA continued working on additional mandates received in this field. These included a request for input issued by the Commission to the ESAs related to greenwashing risks and supervision of sustainable finance policies. In the context of greenwashing, the Commission published a call for evidence to gather input from stakeholders on how to understand the key features, drivers, and risks associated with greenwashing and to collect examples of potential greenwashing practices.

In December, the EBA published an overall roadmap outlining the objectives and timeline for delivering mandates and tasks in sustainable finance and ESG risks.

This roadmap explained the EBA’s sequenced and comprehensive approach over the coming years to integrating ESG risk considerations in the banking framework and supporting the EU’s efforts to achieve the transition to a more sustainable economy. Numerous legislative acts and initiatives assign new mandates and tasks in the area of sustainable finance and ESG risks to the EBA. These mandates and tasks are closely linked to the EBA’s broader objective of contributing to the financial stability, resilience, and orderly functioning of the financial system. These mandates and tasks cover the three pillars of the banking framework, i.e. market discipline, supervision, and prudential requirements, as well as other areas related to sustainable finance and the assessment and monitoring of ESG risks.

KPIs

Indicator	Weight	Short description	Target	Achievement
A: EBA outputs relating to ESG work delivered in 2022	50%	Number of technical standards, GLs and reports, etc. relating to ESG work delivered on time	2 ⁽⁴⁾	100% of target achieved (2 out of 2)
B: Develop metrics/indicators to evaluate the ESG risks in the financial system	25%	Develop metrics to assist supervisors and stakeholders in the evaluation and measurement of ESG risks and their impact on the financial system	Yes	Ongoing
C: Introduction of a dedicated section in the EBA risk reports in relation to ESG work	25%	Introduction of a dedicated section to the regular EBA risk analysis and monitoring relating to ESG	Yes	100% achieved: covered in RAR and RDB but not only in one section ⁽⁵⁾

Source of information: KPI A: work programme monitoring tool; KPI B: different sources will be used to develop the metrics/indicators (including notably information collected based on the ITS on ESG disclosures) and to monitor the metrics and indicators (at this stage an internal Excel-based tool), with the EBA roadmap capturing achievements so far; KPI C: Risk Assessment Report ([link to 2022 RAR](#)) and Risk Dashboards (RDB [link](#))

For more detail on the KPIs and related achievements see Annex I.

HP2 2022 – COVID-19: monitor and mitigate the impact

During 2022, the Authority continued to monitor the impact of COVID-19 in the EU financial sector by assessing the impact of the crisis on asset quality and provisioning, and by monitoring the effect of moratoria and public guarantees. The EBA continued to support the implementation of customer-centric NPL management and work to support an efficient secondary market in NPLs ensuring customer protection obligations. The EBA strove to preserve the quality and reliability of risk metrics in order to assess the support provided by banks to the real economy and potential losses arising from the aftermath of the crisis.

Beyond the April 2020 guidelines on the prudential treatment of general payment moratoria, which prevented automatic classification into forbearance, the EBA put in place a broad range of measures to ensure efficient monitoring of the impact of COVID-19 and gauge the

challenges posed to the banking sector in its path out of the pandemic. This encompassed supervisory, reporting and disclosure measures, as well as technical monitoring of prudential and accounting considerations triggered by the pandemic, notably around the classification of default. Furthermore, the EBA issued guidance on data representativeness for the purposes of banks’ internal modelling, and the tensions that might arise between figures collected at face value and the intertwined COVID-19 support measures, which required continuous monitoring of the situation. This vigilant and flexible approach ultimately led to full phasing out of the guidelines to avoid unduly distorting prudent recognition of losses. The EBA’s Closure report on COVID-19 highlights further the risks associated with an orderly phase-out.

Moreover, from a consumer protection angle, the EBA continued the work started in the consumer trends report 2020/2021 on issues aggravated by the pandemic.

⁽⁴⁾ Baseline:
 – discussion paper on prudential treatment of assets linked with sustainability objectives – completed;
 – guidelines on ESG risk management – completed.

⁽⁵⁾ ESG work is covered in the Risk Assessment Report ([link to 2022 RAR](#)) and Risk Dashboards (RDB [link](#)) but not only in one section. ESG risks arise in several areas and therefore it does not work best to discuss them in one section

KPIs

Indicator	Weight	Short description	Target	Achievement
A: Policy support notes relating to COVID-19 recovery being reported to the EBA Board of Supervisors meeting	50%	The number of internal reports on such issues, notes, updates and cover notes on the subject of monitoring the post COVID-19 environment being tabled at the EBA Board of Supervisors meeting during 2022	2	100% achieved (2 publications)
B: Follow-up to the 2021 peer review on NPEs	15%	Follow-up actions to recommendations (if any) of the 2021 peer review on the supervision by the CAs of the management of non-performing exposures (NPEs) by institutions and readiness for dealing with post-COVID-19 NPE increases	Yes	Workshops on best practices and consumer-centric NPL management
C: Number of risk analysis reports covering the subject of COVID-19	35%	Number of risk reports, dashboards and thematic studies that cover the COVID-19 subject during 2022	2	> 100% of target achieved (RAR 2022, risk dashboard, JC risk assessment reports)

Source of information: KPI A: work programme monitoring tool; KPIs B and C: work programme monitoring tool and internal management information

For more detail on the KPIs and related achievements see Annex I.

1.2. Outputs by activity against the work programme

Policy and convergence

Activity 1: Capital, leverage ratio and loss absorbency
Contributing to VP 1 – directorate PRSP, unit LILLAC

		Target	Actual
Ongoing activities	Capital: <ul style="list-style-type: none"> • Maintain Additional Tier 1 (AT1) instruments templates • Analyse interactions with loss absorbency requirements • Assess post-CRR instruments and review pre-CRR instruments • Maintain, monitor, and report on the EBA CET1 list • Support Q&A on own funds and eligible liabilities Capital/TLAC-MREL: <ul style="list-style-type: none"> • Monitor – and report on – AT1, Tier 2, TLAC-MREL issuances (including ESG ones) Leverage ratio: <ul style="list-style-type: none"> • Monitor/promote consistent application (incl. notifications and follow-up actions), update requirements as needed 	-	-
Outputs as per 2022 WP	Capital: <ul style="list-style-type: none"> • Report on monitoring of MREL eligible liabilities issuances – update • Follow up the implementation of the EBA opinion on legacy instruments 	Q1/Q2	Q3
Additional output	Capital: <ul style="list-style-type: none"> • RTS on own funds and eligible liabilities - EBA dissenting opinion • Report on list of CET1 instruments under Article 80 • Answer to a letter from a law firm on legacy instruments not being compliant with CRR2 	-	Q2 Q2 Q4

Activity 2: Liquidity risk and interest rate risk in the banking book (IRRBB)
Contributing to VP 1 – directorate PRSP, unit LILLAC

Target Actual

Ongoing activities	<p>Liquidity risk:</p> <ul style="list-style-type: none"> • Deliver regulatory products and update liquidity requirements • Monitor national practices on liquidity and national options and discretion, in particular monitoring the concrete implementation of the liquidity coverage ratio (LCR) rules and definitions • Report on the monitoring of LCR and NSFR implementation • Monitoring of notifications related to liquidity and follow-up actions • Update the list of credit institutions exempted from the 75% inflow cap under Article 33(5) of the LCR Delegated Act • Monitor interdependent assets and liabilities in the NSFR • Monitor interdependent inflows and outflows in the LCR • Support Q&A on liquidity risk and IRRBB 	-	-
Outputs as per 2022 WP	<p>IRRBB:</p> <ul style="list-style-type: none"> • RTS on standardised and simplified methodologies for the IRRBB • RTS on supervisory shock scenarios and outlier tests for the IRRBB • GL on the IRRBB and the CSRBB 	Q1	Q3
Postponed/delayed	<ul style="list-style-type: none"> • Amendment to the ITS specifying currency with constraints on the availability of liquid assets under Article 419(4) of the CRR 	Q4 21	Q1
Additional output	<p>Liquidity risk:</p> <ul style="list-style-type: none"> • Support to EU RCAP on NSFR <p>IRRBB:</p> <ul style="list-style-type: none"> • Analysis of the IRRBB data for final calibration of options in regulatory deliverables – amendment of QIS templates on IRRBB 	-	Q3 Q3

Activity 3: Accounting and audit

Contributing to VP 1 – directorate PRSP, lead unit LILLAC

Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Monitor and promote consistent application of IFRS 9 and work on the interaction with prudential requirements, including monitoring the institutions' practices, also following COVID-19 circumstances • Monitor the use of transitional provisions • Continue work on the modelling aspects of IFRS 9 and their related impact on capital, using a benchmarking exercise, as per the roadmap • Monitor the quantitative impact of the application of IFRS 9 through selected indicators • Continue the integration of the IFRS 9 benchmarking in the ITS on benchmarking, and monitor institutions' practices in the post-COVID-19 circumstances, to understand better the impact of IFRS 9 on capital requirements and how banks apply judgement when assessing the level of, and changes in, the credit risk of their exposures • Continue working on / monitoring consolidation aspects • Monitor accounting standards and comment letters to the International Accounting Standards Board, where needed • Deliver regulatory products and technical advice requested by the Commission 	-	-
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Activity 4: Credit risk (incl. large exposures, loan origination, NPLs, securitisation)
Contributing to VP 1 – directorate PRSP, unit RBM

Target Actual

Ongoing activities	<p>Credit risk:</p> <ul style="list-style-type: none"> • Maintain credit-related lists, including the identification of the eligibility of public-sector enterprises for the credit risk framework • Monitor and promote the consistent application of credit risk and credit risk modelling, including the implementation of the IRB roadmap • Support the implementation of the Basel III credit risk standards • Monitor impact of COVID-19 on credit risk (incl. GL on public moratoria) • Prepare Basel III-related mandates <p>NPLs:</p> <ul style="list-style-type: none"> • Monitor the implementation of the EBA's loan origination GL • Enhanced and user-friendly NPE data templates to support the emerging EU secondary market NPEs • Support effective NPE management as set out in the EBA's NPE GL including customer-centric approach to NPE management • Follow up on the EU action plan for tackling NPLs in Europe <p>Securitisation:</p> <ul style="list-style-type: none"> • Monitor market development and promote the consistent application of frameworks on securitisation and covered bonds • Implementation of the Covered Bonds Directive • Support Q&A on credit risk (incl. large exposures, loan origination, NPL, securitisation) 	-	-
Outputs as per 2022 WP	<p>Securitisation:</p> <ul style="list-style-type: none"> • RTS on performance-related triggers • RTS on exposure value of synthetic excess spread (STS synthetic) 	Q1	Q3 Q2 23
	<p>Securitisation:</p> <ul style="list-style-type: none"> • RTS on homogeneity criteria for on-balance sheet securitisation (STS synthetic) 	Q2	Q1 23
	<p>Securitisation:</p> <ul style="list-style-type: none"> • ITS on the mapping of external credit assessment institution (ECAI) credit assessment for securitisation positions 	Q3	Q2
	<p>Credit risk:</p> <ul style="list-style-type: none"> • Preparation of 2023 benchmarking portfolios – update of ITS (including IFRS 9) • Benchmarking report on IRB models <p>Large exposures:</p> <ul style="list-style-type: none"> • RTS on the definition of group of connected clients 	Q4	Q2 Q1 Q4
	<p>Securitisation:</p> <ul style="list-style-type: none"> • Report on hierarchy-of-approaches practices for calculation of risk weights (Article 254(8) of the CRR) 		Q4*
Postponed/delayed	<p>Securitisation:</p> <ul style="list-style-type: none"> • GL on calculation of K IRB for dilution and credit risk • GL on the harmonised interpretation and application of the requirements set out in Articles 26b to 26e (STS synthetic) • Monitoring report on capital treatment of NPEs securitisation • Report on equivalence regime for covered bonds 	Q2	TBD** Q3 23*** Q3 23*** Q4 23****
Additional output	<p>Credit risk:</p> <ul style="list-style-type: none"> • Follow-up work on EBA's Discussion paper on machine learning for IRB model <p>Large exposures:</p> <ul style="list-style-type: none"> • RTS on large exposures on shadow banking • Report on the use of the exemptions for large exposures limits (Art. 507(1) of CRR2) • Support to EU RCAP on large exposures <p>NPL:</p> <ul style="list-style-type: none"> • Peer Review <p>Securitisation:</p> <ul style="list-style-type: none"> • Report on green securitisation • RTS on risk retention • Call for advice (CfA) on capital and liquidity treatment of securitisation transactions • Closing report on COVID-19 	-	- Q2 Q3 Q3 Q2 Q1 Q2 Q4 Q4

* Covered as part of the response to the CfA on capital and liquidity treatment of securitisation transactions.

** Own initiative work, not subject to formal deadline. Business need for delivery of product subject to clarification.

*** Not subject to formal deadline. Postponed due to CfA on capital and liquidity treatment of securitisation transactions.

**** Delivery postponed due to delayed implementation of Covered Bonds Directive. Currently the report is foreseen to be delivered by end-2023.

Activity 5: Market, investment firms and services, and operational risk
Contributing to VP 1 – directorate PRSP, unit RBM

Target Actual

Ongoing activities	<p>Market risk:</p> <ul style="list-style-type: none"> • Prepare the implementation of the Basel Fundamental Review of the Trading Book – phase IV: regulatory products derived from the monitoring of the application of the revised frameworks: <ul style="list-style-type: none"> - RTS on material extensions and changes under the IMA - RTS on the assessment methodology for the IMA - RTS on extraordinary circumstances for permission to continue using the IMA - RTS on extraordinary circumstances for permission to limit the back-testing add-on - GL on the meaning of exceptional circumstances for the reclassification of a position • Report on the impact/calibration of SA-CCR, simplified SA-CCR and OEM • Regular updates to the list of diversified stock indices, incl. any additional relevant indices and applying the ITS quantitative methodology • Monitor and promote consistent application of market risk requirements • Q&A support on market risk, market infrastructure and CCR <p>Operational risk:</p> <ul style="list-style-type: none"> • Monitor and promote the consistent application of operational risk and investment firms' requirements <p>Operational risk and investment firms:</p> <ul style="list-style-type: none"> • Q&A support on operational risk and investment firms 	-	-
Outputs as per 2022 WP	<p>Investment firms:</p> <ul style="list-style-type: none"> • GL to specify the criteria when exempting Article 12(1) investment firms (class 3) from the liquidity requirements • RTS on specific liquidity risk measurement 	Q2	Q3
	<p>Market risk:</p> <ul style="list-style-type: none"> • Prepare the 2023 benchmarking portfolios – update of ITS (including IFRS 9) 	Q2	Q4
	<p>Market risk:</p> <ul style="list-style-type: none"> • 2021 benchmarking report on market risk models 	Q3	Q2
Postponed/delayed	<p>Investment firms:</p> <ul style="list-style-type: none"> • GL on benchmarking of internal models 	Q4	TBD*
Additional output	<p>Market risk:</p> <ul style="list-style-type: none"> • RTS on emerging markets and advanced economies • RTS on PDs and LGDs for default risk model under the IMA • Response to Commission request on energy crisis 	-	Q1 Q1 Q3
	<p>Investment firms</p> <ul style="list-style-type: none"> • RTS on prudential consolidation for IF groups (from 2021) – CP 		Q2**

* Delivery to be determined. EBA will issue GL in this area if issues are identified, which is currently not the case.

** The CP was published in Q2, but as there was a need for a second consultation the final draft RTS was completed in Q2 23.

Activity 6: Supervisory review and convergence

Contributing to VP 1 and 2 – directorate PRSP, unit SuRRR

Target Actual

Outputs as per 2022 WP	<p>Supervisory review:</p> <ul style="list-style-type: none"> • Second review GL on common procedures and methodologies for SREP Q1 	Q1	Q1
	<p>Supervisory review:</p> <ul style="list-style-type: none"> • Report on convergence of supervisory practices in 2021 • GL on common SREP under IFD • RTS on Pillar 2 add-ons under IFD Q2 	Q2	Q2 Q2 Q3
Postponed/delayed	<p>Supervisory review:</p> <ul style="list-style-type: none"> • Revise RTS-ITS on the functioning of supervisory colleges and on cooperation between CAs, financial intelligence units and other authorities 	Q4	TBD*
Additional output	<p>Supervisory review and convergence</p> <ul style="list-style-type: none"> • European Supervisory Examination Programme 2023 • Peer review report on ICT risk assessment under the SREP • Identification of colleges KPI 	-	Q4 Q4 Q4

* Delivery to be determined. Own initiative work which has been postponed to ensure deliverable is aligned with CRD6. A CP was published in May 2023.

Activity 7: Internal governance and remuneration
Contributing to VP 1 and 2 – directorate PRSP, unit SuRRR

Target Actual

Ongoing activities	Internal governance and remuneration: <ul style="list-style-type: none"> • Monitor and promote consistent application of internal governance and remuneration regulations • Q&A support on internal governance and remuneration 	-	-
Outputs as per 2022 WP	Remuneration: <ul style="list-style-type: none"> • GL on high earners under CRD and IFD (listed separately in 2022 WP) 	Q2	Q2
	Remuneration: <ul style="list-style-type: none"> • GL on benchmarking exercises on remuneration practices, gender pay gap and approved higher ratios under CRD (with the latter aspect listed separately in the 2022 WP) • GL on benchmarking exercises on remuneration practices and gender pay gap under IFD 	Q3	Q2
	Remuneration: <ul style="list-style-type: none"> • Report on remuneration benchmarking exercise (2019 and 2020 data) and high earners (2020) Internal governance: <ul style="list-style-type: none"> • Report on diversity benchmarking - published as: Report on the benchmarking of diversity practices and the gender pay gap 	Q4 21	Q3
		Q4	Q1 23

Activity 8: Recovery and resolution

Contributing to VP 1 and 2 – directorate PRSP, unit SuRRR

Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Monitor convergence in the area of resolution • Quantitative report monitoring the build-up of MREL resources in the EU • A combination of products in recovery and resolution planning, which includes: <ul style="list-style-type: none"> - targeted review of resolution standards and guidelines - content of recovery plans, with special focus on preparatory measures - operationalising resolution tools through crisis simulation exercises - resolution reporting - resolvability assessment (testing and disclosure) - critical economic functions and critical services 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> • Report with impact assessment of the MREL (Article 45L.2 of the BRRD) with quantitative report of MREL build-up and monitoring (data 2021) • Report on the amounts and distributions of holdings of eligible liabilities instruments among institutions identified as G-SiIs or O-SiIs and potential impediments to resolution and the risk of contagion in relation to those holdings 	Q2	Q4 Q2 23*
	Postponed/delayed	<ul style="list-style-type: none"> • Report MREL build-up and monitoring (data 2020) 	Q3 21
Additional output	<ul style="list-style-type: none"> • Bank Failures' Analysis (leading to Level 2 BRRD review) • GL on Overall Recovery Capacity (ORC) methodology – CP • European Resolution examination programme – report • Amendments to Resolvability GL <ul style="list-style-type: none"> - chapter on transferability-in approach - chapter on publication of bail-in approach 	-	Q3 Q4 Q4 Q3 Q4

* Late delivery due to data quality issues, limited coverage and related need to launch ad hoc data collection.

** Delivery postponed to merge with the MREL impact assessment mandate.

Activity 9: Market access, authorisation, and equivalence
 Contributing to VP 1 and 2 – directorate PRSP, unit SuRRR

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> Cooperation agreements with third-country authorities on supervision, resolution, conduct and AML/CFT Monitor regulatory perimeter and new financial activities across the EU 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> EBA opinion on third-country regulatory and supervisory equivalence Report on the assessment of the equivalence of regulatory and supervisory frameworks and ongoing monitoring of equivalence decisions, including an annual confidential report summarising the findings of its monitoring activities on equivalent third countries Update GL on the equivalence of third-country authorities' confidentiality requirements (supervision and resolution) 	Q4	Q3 Q3 Q4
Additional output	<ul style="list-style-type: none"> Update methodology for equivalence assessments (CRR-CRD) Opinion on withdrawal of authorisation for serious breach of AML/CFT rules Decision and opinion on intermediate EU parent undertakings (IPU) and third-country groups (TCG) Response to ESRB recommendation on the exchange and collection of information for macroprudential purposes on branches 	-	Q1 Q2 Q2/ Q3 Q4

Activity 10: Sustainable finance
 Contributing to HP 1 – lead directorate ERA, lead unit ESG Risks

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> Contribution to Commission activities in this area (including Platform on Sustainable Finance) 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> Discussion paper on a potential prudential treatment of assets linked with sustainability objectives GL on ESG risk management Monitoring system for ESG risks in the banking sector 	Q1 Q4	Q2 TBD* Ongoing
Additional output	<ul style="list-style-type: none"> EBA report on green securitisation Review of the joint RTS on ESG disclosures under the SFDR – gas and nuclear 2022 Annual Report under Article 18 of the SFDR Report on ESG risks in supervision of investment firms Revised ESG roadmap 	-	Q1 Q3 Q3 Q4 Q4

* Delivery to be determined (TBD) as dependent on finalisation of CRD VI. Work on GL started without a formal mandate, to ensure on-time delivery once revised CRD is adopted.

Activity 11: Innovation and fintech
 Contributing to VP 4 – lead directorate ICC, lead unit DF

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> Thematic reports on the monitoring of financial innovation and targeted reports on new developments, including AI, regtech/suptech and platformisation Thematic reports on business model changes, and risks and opportunities from fintech, innovative products and emerging trends Contribute to the FinTech Knowledge Hub (workshops, roundtables, seminars) Support the European Forum for Innovation Facilitators Joint ESA warning on crypto-assets (annex) 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> ESA opinion on digital finance and non-bank lending (call for advice) Crowdfunding Regulation: RTS on information to clients (Article 19(7)) Advice and report on Digital Finance Strategy (AI, common financial data space, cross-border testing of innovations, digital identities, open finance, lending, platformisation of banking and payment services, etc.) 	Q1 Q3	Q2 Q2 Q1
Additional outputs	<ul style="list-style-type: none"> Joint ESA warning on crypto-assets Activities related to EU Supervisory Digital Finance Academy 	-	Q1 Ongoing

Activity 11 continued: if MiCA confirmed
Contributing to VP 4 – lead directorate ICC, unit DF

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> • Monitor crypto-asset activities • Foster common regulatory/supervisory approaches through knowledge sharing between industry and CAs (EBA's FinTech Knowledge Hub and the European Forum for Innovation Facilitators) • Provide technical inputs to EU and international relevant work streams 	-	-

From WP 2022 Annex 1: MiCA and DORA legislative proposals

Activity 11 continued: if DORA confirmed
Contributing to VP 4 – lead directorate ICC, unit DF

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> • Inputs to FinTech Knowledge Hub (workshops, roundtables, seminars) • European Forum for Innovation Facilitators; the Commission's ongoing work 	-	-

From WP 2022 Annex 1: MiCA and DORA legislative proposals

Activity 12: Consumer and depositor protection
Contributing to VP 5 – directorate ICC, unit COPAC

		Target	Actual
Ongoing activities	<p>Depositor protection:</p> <ul style="list-style-type: none"> • Publish data on uses of deposit guarantee scheme (DGS) funds, including in bank failures, and data on covered deposits and financial means available to DGS • Monitor the liquidations that involved a DGS payout • Assess notifications received under the DGSD • Possible follow-up on the EBA's mandate in Article 19(6) of the DGSD • Q&A support on the DGSD • Prepare to deliver the mandates that may be conferred on the EBA in the revised DGSD <p>Consumer protection:</p> <ul style="list-style-type: none"> • Continue supervisory convergence work on selected EU requirements pertaining to consumer protection • Continue to fulfil the EBA's new mandate on coordinating mystery shopping activities of national competent authorities (NCAs) • Carry out a thematic review into the level and transparency of fees and charges of retail bank products • Fulfil the EBA's new mandate on developing retail risk indicators for the EU banking sector • Respond to potential requests for technical advice as a result of the EU Commission's evaluation and review of the Payment Accounts Directive, the Mortgage Credit Directive, and/or other EU law in the EBA's scope of action • Q&A support on the Mortgage Credit Directive 	-	-
Outputs as per 2022 WP	<p>Consumer protection:</p> <ul style="list-style-type: none"> • Call for advice to the Joint Committee of the European Supervisory Authorities regarding the Packaged Retail and Insurance-based Investment Products (PRIIPs) Regulation 	Q1	Q2
Additional output	<p>Depositor protection:</p> <ul style="list-style-type: none"> • Publication of information on DGS funds <p>Consumer protection:</p> <ul style="list-style-type: none"> • Update and publish in 2022 the EBA repository of national financial education initiatives • JC work on financial education – <ul style="list-style-type: none"> - JC repository of national education initiatives on scams, fraud, and cyber security, including update and publication - Report on lessons learnt from national initiatives on fraud, scams, and cyber risks • Response to call for advice on the review of the Mortgage Credit Directive (MCD) • Follow-up to Consumer Trends report: thematic review on the transparency and level of fees and charges for retail banking products 	-	Q3 Q1 Q1 Q4/Q1 23 Q2 Q4

Activity 13: Payment services

Contributing to VP 5 – directorate ICC, unit COPAC

Target Actual

Ongoing activities	<ul style="list-style-type: none"> Contribute to the EBA's statutory objective of supervisory convergence across the EU, in the area of payment services Provide Q&A support on the revised Payment Services Directive (PSD2) Monitor consistent application and implementation of RTS on strong customer authentication and common and secure communication (Commission Delegated Regulation (EU) 2018/389) and take action where required, in particular with regard to the removal of obstacles to account access and the implementation of strong customer authentication Operate and maintain the EBA register under PSD2 and ensure that CAs keep the information up to date, as required under Article 14(2) of PSD2 Monitor the consistent implementation by CAs and financial institutions of the EBA GL on fraud reporting (EBA/GL/2018/05) Assess need for regulatory or supervisory measures as a result of the EU Interchange Fee Regulation being added to the EBA's scope of action Provide payment-related input to cross-EBA initiatives Respond to requests for technical advice as a result of the Commission's review of PSD2 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> Final guidelines on limited network exclusions under PSD2 	Q1	Q1
Additional output	<ul style="list-style-type: none"> Review of RTS on strong customer authentication and common and secure open standards of communication (SCA&CSC) Discussion paper on the EBA's preliminary observations on selected payment fraud data under the PSD Response to call for advice on PSD2 EBA decision and possible MoU with ECB regarding single data flow for the reporting of payment fraud data under PSD2 Assessment of PSP reports on security and operational incidents received in 2022 	-	Q1 Q1 Q2 Q3 Q4

Activity 14: Anti-money laundering and countering the financing of terrorism

Contributing to VP 5 – directorate ICC, unit AML/CFT

Target Actual

Ongoing activities	<ul style="list-style-type: none"> Finalise the implementation of and start using the EBA's central AML/CFT database Monitor AML/CFT colleges to foster the exchange of information between national CAs, including the development of reports Provide individual and thematic feedback to CAs based on the EBA implementation reviews of CAs' approaches to AML/CFT supervision Q&A support on Anti-Money Laundering Directives (AMLD4/AMLD5) Deliver training on CFT and other topics Provide AML/CFT input into cross-EBA activities, such as fintech, regtech, consumer protection, payment services and prudential regulation 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> Incorporate AML/CFT issues into prudential fit and proper and governance GL Final guidelines on digital identities and electronic onboarding 	Q1 Q3	Q3 21 Q4
Postponed/delayed	<ul style="list-style-type: none"> Third report on the functioning of AML/CFT colleges Third report on the EBA's implementation reviews of national approaches to AML/CFT supervision of banks 	Q1 Q4	Q2 23* Q2 23**
Additional output	<ul style="list-style-type: none"> Implementation of EuReCA (central AML database) and EuReCA data analysis and dissemination Second report on the EBA's implementation reviews of CAs' approaches to AML/CFT supervision of banks On-site implementation reviews of 12 CAs' approaches to the AML/CFT supervision of banks in 9 Member States Report on CAs' responses to the 2020 Luanda Leaks GL on AML/CFT compliance officers EBA statement on financial inclusion in the context of the invasion of Ukraine Second report on the functioning of AML/CFT colleges in 2021, with participation in 15 AML/CFT colleges (Q1-Q4) De-risking: <ul style="list-style-type: none"> Opinion and report on de-risking and its impact on access to financial services GL on effective ML/FT risk management and access to financial services – CP Technical advice to inform the emerging European AML/CFT framework, including letters to co-legislators Training: CFT (in 2021), EuReCA (3 sessions), de-risking (1), AML supervision of life insurers (1), effective AML supervision (3-day event); contribution to training under the auspices of DG Reform, ECB, and the Digital Finance Academy 	-	From Q1 Q1* Q1-Q4 Q1 Q2 Q2 Q3** Q1 Q4 Q1-Q4 Q1-Q4

* The second report on CAs' approaches to the AML/CFT supervision of banks was published in Q1 2022, covering the second round of implementation reviews that took place throughout 2021 (cf. 'additional outputs'). The third report, covering the third round of implementation reviews that took place throughout 2022, is expected to be delivered late Q2 2023.

** The second report on the functioning of AML/CFT colleges covering the year 2021 was delivered in Q3 2022 (cf. 'additional outputs'). The third report, covering the year 2022, is expected to be delivered late Q2 2023.

Risk assessment and data

Activity 15: Reporting and transparency
Contributing to VPs 3, 1, HP 1 – directorate DART, unit RT

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> • Maintain ITS on supervisory reporting (legal act, templates, instructions) • Maintain validation rules, the data point model and XBRL taxonomies • Continue to review proportionality in the reporting framework • Complete the project to improve data modelling tools • Follow up on the feasibility study on integrated reporting (if required) • Maintain mapping tool • Opinions on sustainability reporting standards under the CSRD • Guidance on implementation of disclosures under Article 8 of the Taxonomy Regulation (if required) • Preparations for the Pillar 3 data hub • Monitor Pillar 3 disclosures • Monitor implementation of recommendation of the cost-of-compliance study 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> • Reporting/notification templates on intermediate EU parent undertakings (IPUs) and third-country groups (TCGs) 	Q1	Q2
Postponed/delayed	<ul style="list-style-type: none"> • ITS on reporting of the IRRBB • Extension of ITS on Pillar 3 disclosures on ESG risks (full scope of ESG risks) 	Q4	Q3 23* 2024**
Additional output	<ul style="list-style-type: none"> • Template for sanctions on deposits by Russia/Belarus nationals • Response to sustainability-related disclosure standards launched by the International Sustainability Standards Board (ISSB) and the European Financial Reporting Advisory Group (EFRAG) • ITS on NPL data templates • Follow up on actions proposed in feasibility study on an integrated reporting system: <ul style="list-style-type: none"> - Semantic integration between EBA reporting and ECB statistical frameworks - Assessment of Data Point Model Refit use for statistical reporting - Setting up of joint reporting committee 	-	Q2 Q3 Q4 Q4 Q4 Ongoing

*Delivery postponed to ensure alignment with the IRRBB policy package delivered (with delay) in October 2022. A consultation paper with proposed changes to draft ITS was hence published in Q1 2023.

** The EBA issued a first extension of Pillar 3 disclosures to ESG risks in February 2022 (from the 2021 work programme). The extension to the full scope can only be undertaken once CRR III has been adopted, and the related proposals will be subject to a consultation paper in 2024.

Activity 16: Risk analysis
Contributing to VP 2 – directorate ERA, unit RAST

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> • Quarterly EU risk dashboards • Risk assessment questionnaires – two per year • Internal updates on liquidity and market developments for the BoS and the BSG • Work on macroprudential matters (including buffers) • Opinions on macroprudential measures • Thematic notes on various risk areas 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> • Call for advice on the review of the EU macroprudential framework • JC spring risk report • Funding plans report • Asset encumbrance report • JC autumn risk report • Annual risk assessment report on the European banking system 	Q1 Q3 Q4	Q2 Q3 Q2 Q3 Q4
Additional output	<ul style="list-style-type: none"> • Opinion on measures in accordance with Article 133 – BNB (BE) • Opinion on measures in accordance with Article 458 – DNB (NL) 	-	Q1 Q3

Activity 17: Stress testing
Contributing to VP 2 – directorate ERA, unit RAST

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> • Ongoing work on the improvement of the stress test methodology • Preparatory work for the 2023 EU-wide stress test exercise • Work on the incorporation of climate risk in the stress test framework 	-	-
Additional output	<ul style="list-style-type: none"> • 2023 EU-wide stress test exercise – publication of methodology 	-	Q4

Activity 18: Economic analysis and impact assessment
Contributing to all priorities – directorate ERA, unit EAIA

Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Work on ESG factors, financial innovation, and AML (in addition to the risk reduction mandate) • Contribution to enhancing the stress testing methodology • Technical background studies/research projects to support regular EBA analysis and possibly publish in the EBA staff papers series • Work for the Advisory Committee on Proportionality • Impact assessment reports accompanying the EBA's regulatory proposals • Calls for advice and regulatory initiatives • Organisation of regulatory workshops 	-	-
Outputs as per 2022 WP	• CRD V/CRR II Basel III monitoring report	Q3	Q3
	<ul style="list-style-type: none"> • Annual report on the impact and phase-in of the LCR • Policy research workshop 	Q4	Q1 23 Q4
Additional output	<ul style="list-style-type: none"> • Report on the infrastructure supporting factor (CRD) • Response to call for advice on non-EU players 	-	Q4 Q4

Activity 19: Data infrastructure, statistical tools, ad hoc data collection
Contributing to VP 3 – directorate DART, unit STAT

Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Support regulatory work with quantitative analysis and analytical tools • Deliver regulatory products and technical advice requested by the Commission • Support the EBA's data infrastructure • Interact with the CAs to ensure smooth data flow and quality • Train CA and EBA users on data and analysis tools • Implement validation rules and quality checks for statistical analysis • Develop interactive and visualisation tools for data dissemination • Manage the data workflow (incl. through pre-populated templates) • Implementation of multi-year data strategy 	-	-
Outputs as per 2022 WP	• Risk dashboards and other tools for internal and external data users	Quarterly	Quarterly
	• Update macro and bank-specific risk dashboards	Q4	Quarterly
Additional output	• 2022 transparency exercise	-	Q4

Coordination and support

Activity 20: Policy coordination, communication, Q&As, and training
Contributing to all priorities – unit GEA (formerly PAC)

Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Support the EBA's governing bodies • Support the EBA's contribution to EU and international fora • Develop internal policies/processes to support the EBA's activities • Propose and implement the EBA's communication strategy • Monitor the implementation of the ESAs' review and possible follow-up to the Commission's report on the experience acquired following the revised ESAs Regulations • Union Strategic Priorities 2022-2023 plan • Peer review: implementation of the two-year work programme • Q&A: maintain the interactive external interface of the Single Rulebook, coordinate, and publish answers to stakeholders on the Single Rulebook • Training for EU CAs 	-	-
Outputs as per 2022 WP	• Multi-annual work programme (2023-2025 horizon)	Q1	Q1
	<ul style="list-style-type: none"> • 2021 Consolidated Annual Activity Report • 2021 Annual Report 	Q2	Q2
	<ul style="list-style-type: none"> • Peer review: on the EBA GL on ICT risk assessment under SREP • 2023 annual work programme 	Q3	Q4 Q3
	• Peer review: EBA GL on authorisation and registration under PSD2 (EBA GL/2017/09)	Q4	Q1 23
Additional output	• Opinion on the EBA 2020 discharge report	-	Q3

Activity 21: Legal and compliance
Contributing to all priorities – unit L&C Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Legal advice to EBA staff and governing bodies • Data protection, ethics, anti-fraud, and risk management functions • Sound internal processes for adopting EBA decisions • Represent the EBA before the Board of Appeal and the Court of Justice • Breach of Union law enquiries/investigations • Identify potential breaches of EU law, investigate, and act as appropriate • Settle CA disputes through mediation and binding decisions • Implement supervisory and enforcement structures, ensure a high level of compliance, ethics, and internal control • Monitor the development of the ESAs' review and possible follow-up to the Commission's report on the experience acquired following the recent revisions of the ESAs Regulations 	-	-
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Activity 22: Finance, procurement, and accounting
Contributing to all priorities – directorate OPER, unit F&P Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Execution of the 2022 annual budget • Establishment and acquisition of the 2023 budget • Establishment of the 2024 budget • Creation of the 2022 procurement plan • Implementation of the 2022 procurement plan • Production of the 2022 annual accounts 	-	-
Output as per WP 2022	<ul style="list-style-type: none"> • IT system for managing fees 	Q4	TBD*

* Delivery to be determined. Postponed as system is not needed until 2025 as a result of delayed finalisation of MiCA and DORA.

Activity 23: Human resources
Contributing to all priorities – directorate OPER, unit HR Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Fulfilment of the establishment plan • Development of skills and expertise • Adoption of further HR implementing rules • Improvement of HR processes • Updating of existing internal policies and introduction of new ones • Further development of E-HR tools 	-	-
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Activity 24: Information technology
Contributing to all priorities – directorate OPER, unit IT Target Actual

Ongoing activities	<ul style="list-style-type: none"> • Implement the EBA's IT strategy for 2020-2025 • Master and reporting data collection via the EUCLID platform (including committed information rate, peak information rate, supervisory, resolution, investment firms (CRR) and fraud payments data) • AML solutions • Replace legacy systems • Support and tools for the Single Rulebook/signposting • Implement and onboard key enablers to cloud infrastructure • Access management and security enhancements • Support the annual business continuity exercise 	-	-
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Activity 25: Corporate support

Contributing to all priorities – directorate OPER, unit CS

Target

Actual

		Target	Actual
Ongoing activities	<ul style="list-style-type: none"> • Support the return to the office strategy and the 'new normal' way of working • Support the organisation of internal and external meetings • Support the organisation of missions • Manage facilities and office supplies • Contribute to the internal control framework • Adhere to health and safety requirements and supplies (PPE and all supplies related to prevention of spread of COVID-19) • Ensure that the use/disposal of EBA assets and inventory is compliant, safe, economic, and environmentally friendly • Annual risk assessment exercise • Maintain EMAS certification • Guidelines, tools, and health protocols to control building ingress and egress, and promote ongoing safety and precautionary measures • Audit on measures applied under COVID-19 	-	-
Outputs as per 2022 WP	<ul style="list-style-type: none"> • Annual business continuity exercise 	Q1	Q4

Part II – Management

2.1. Management Board

In accordance with the EBA Founding Regulation, the Management Board ensures that the EBA carries out its mission and performs the tasks assigned to it. It is composed of the EBA Chairperson and six other members of the Board of Supervisors elected by and from its voting members. The Executive Director, the EBA Vice-Chairperson and a representative of the Commission also participate in its meetings.

No new members joined the Management Board in 2022. At the end of December 2022, two members stepped down from their positions and the Management Board

was composed of two members from participating SSM Member States (Austria and Germany) and two members from non-participating SSM Member States (Poland and Sweden). The remaining members were elected by the Board of Supervisors in January 2023 from Spain and Greece.

The Management Board met six times in 2022, out of which two meetings were held at the EBA premises, and the remaining meetings were held as videoconferences. To guarantee the transparency of its decision-making, minutes of the Management Board's meetings are published on the EBA website.

2.1.1. Management Board composition at the end of 2022

Country	Institution	Name
Austria	Finanzmarktaufsicht	Helmut Ettl
Germany	Bundesanstalt für Finanzdienstleistungsaufsicht	Raimund Röseler
Poland	Komisja Nadzoru Finansowego	Kamil Liberadzki
Sweden	Finansinspektionen	Karin Lundberg
–	European Commission	Almorò Rubín de Cervin
	European Banking Authority	Jo Swyngedouw (Vice-Chair)

2.1.2. Board of Supervisors composition at the end of 2022

Voting members

Country	Institution	Type of membership	Name
Austria	Österreichische Finanzmarktaufsicht	Head	Helmut Ettl
		Alternate	Michael Hysek
Belgium	Nationale Bank van België/Banque Nationale de Belgique	Head	Jo Swyngedouw
		Alternate	Kurt Van Raemdonck
Bulgaria	Bulgarian National Bank	Head	Radoslav Milenkov
		Alternate	Stoyan Manolov
Croatia	Hrvatska Narodna Banka	Head	Tomislav Čorić
		Alternate	Sanja Petrinić Turković
Cyprus	Central Bank of Cyprus	Head	Constantinos Trikoupis
		Alternate	Kleanthis Ioannides
Czech Republic	Česká Národní Banka	Head	Zuzana Silberová
		Alternate	Marcela Gronychová
Denmark	Finanstilsynet	Head	Jesper Berg
		Alternate	Thomas Worm Andersen

Country	Institution	Type of membership	Name
Estonia	Finantsinspektsioon	Head	Andres Kurgpöld
		Alternate	Kilvar Kessler
Finland	Finanssivalvonta	Head	Jyri Helenius
		Alternate	Marko Myller
France	Autorité de Contrôle Prudentiel et de Résolution	Head	
		Alternate	Emmanuelle Assouan
Germany	Bundesanstalt für Finanzdienstleistungsaufsicht	Head	Raimund Röseler
		Alternate	Peter Lutz
Greece	Bank of Greece	Head	Heather Gibson
		Alternate	Kyriaki Flesipoulou
Hungary	Magyar Nemzeti Bank	Head	Csaba Kandrács
		Alternate	László Vastag
Ireland	Central Bank of Ireland	Head	Gerry Cross
		Alternate	Mary-Elizabeth McMunn
Italy	Banca d'Italia	Head	Andrea Pilati
		Alternate	Francesco Cannata
Latvia	Finanšu un Kapitāla Tirgus Komisija	Head	Santa Purgailė
		Alternate	Ludmila Vojevoda
Lithuania	Lietuvos Bankas	Head	Simonas Krėpšta
		Alternate	Renata Bagdonienė
Luxembourg	Commission de Surveillance du Secteur Financier	Head	Claude Wampach
		Alternate	Nele Mayer
Malta	Malta Financial Services Authority	Head	Christopher P. Buttigieg
		Alternate	David Eacott
Netherlands	De Nederlandsche Bank	Head	Maarten Gelderman
		Alternate	Sandra Wesseling
Poland	Komisja Nadzoru Finansowego	Head	Kamil Liberadzki
		Alternate	Artur Ratasiewicz
Portugal	Banco de Portugal	Head	Rui Pinto
		Alternate	Luís Costa Ferreira
Romania	Banca Națională a României	Head	Adrian Cosmescu
		Alternate	Cătălin Davidescu
Slovakia	Národná Banka Slovenska	Head	Tatiana Dubinová
		Alternate	Linda Šimkovičová
Slovenia	Banka Slovenije	Head	Primoz Dolenc
		Alternate	Damjana Igljč
Spain	Banco de España	Head	Ángel Estrada
		Alternate	Agustín Pérez Gasco
Sweden	Finansinspektionen	Head	Karin Lundberg
		Alternate	Magnus Eriksson

EEA and EFTA members

Country	Institution	Type of membership	Name
Iceland	Fjármálaeftirlitið	Member	Unnur Gunnarsdóttir
		Alternate	Gísli Óttarsson
Liechtenstein	Finanzmarktaufsicht Liechtenstein (FMA)	Member	Markus Meier
		Alternate	Elena Seiser
Norway	Finanstilsynet	Member	Morten Baltzersen
		Alternate	Ann Viljugrein
-	EFTA Surveillance Authority	Member	Frank Büchel
		Alternate	Jonina Sigrun Larusdottir

Observers

Institution	Name
SRB	Sebastiano Laviola

Other non-voting members

Institution	Name
ESMA	Natasha Cazenave
EIOPA	Fausto Parente
ECB	Carmelo Salleo
ECB Supervisory Board	Stefan Walter, Sofia Toscano Rico
European Commission	Martin Merlin, Almorò Rubin de Cervin
ESRB	Francesco Mazzaferro

2.2. Major developments

2.2.1. New ways of working

Since September 2021, as the sanitary situation has started to gradually improve, the EBA has moved from full teleworking to hybrid working arrangements with office presence of at least two days per week, thus preparing for a 'new normal'. The Authority continued to provide training courses focused on maintaining the team spirit and the wellbeing of staff, such as virtual communication and etiquette, effective teamwork, communication styles and conflict management, and boosting your resilience, throughout the year.

This allowed the EBA to swiftly adopt by analogy the European Commission decision on working time and hybrid working as part of a modern, flexible and digital working environment. The new regime entered into force on 1 July 2023, only three months after the Commission's decision.

In September 2022, staff workshops were organised to discuss how to build a dynamic, digital collaborative space in a sustainable working environment.

In October 2022, a staff survey carried out by the EBA Staff Committee confirmed that the new hybrid working

arrangements helped staff in reaching a better work-life balance, for example by reducing commuting, which allows more time for other activities.

2.2.2. Staff satisfaction

A Staff Engagement Survey (SES) was launched between 14 and 28 February 2022 resulting in a response rate of 71%. The overall total favourable score which represents staff engagement was 65% – higher by 1% than in the previous SES of 2019 (despite the challenging COVID times) as well as if compared with EU Interagency benchmark. The results of the survey remain largely positive compared with those of the last SES, whereby the majority of the dimensions of analysis (7 out of 12) recorded positive changes compared to 2019.

Based on the final report, several staff focus group meetings and managerial workshops were conducted to assess and brainstorm on the outcomes, which resulted in the development of an action plan that was presented at the town hall meeting of 11 October.

The action plan identified three pillars (EBA values and culture; career development; wellbeing at work), all sponsored by senior management, with concrete deliverables to be implemented in 2023 such as internal mobility

policy, collaborative workplace project, leadership mentoring pilot, internal communication sharing initiatives, establishment of social clubs, etc.

2.2.3. Technological innovation

In 2022, the EBA successfully completed the EBA Collaboration Platform based on Microsoft Teams. This platform enables staff members to work seamlessly from anywhere, at any time, using any device. It has transformed the way we communicate and collaborate internally and externally with stakeholders, resulting in enhanced efficiency and effectiveness.

We are also excited about the progress made in our Cloudification Program, which involved migrating and transforming our applications and services into the public cloud. This migration is expected to be finalised by 2023 and will provide us with greater scalability, agility, and cost-effectiveness while reducing our environmental footprint.

Additionally, we have prioritised security and data protection compliance, implementing measures such as multi-factor authentication, data encryption, and access controls to safeguard our information.

Overall, these technological initiatives have improved our operations and enabled us to work more efficiently internally and deliver better services to our stakeholders.

2.2.4. Award of the EMAS certificate

The EBA has become the first European agency in France and one of the first EU agencies throughout the EU to be registered for its environmental performance under the European Eco-Management and Audit Scheme (EMAS).

The registration was awarded in August 2023 by the French Ministry for the Ecological Transition for a duration of three years.

The scope of EMAS covers all the EBA's operational and core business activities. This result acknowledges the EBA's sustained efforts and commitment to continuously improving environmental performance and reducing its environmental footprint.

2.3. Budgetary and financial management

2.3.1. Budget execution

Revenue

The initial voted budget was EUR 50 256 034. This was amended twice over the course of the year due to indexation variations, to first increase the funds available for the estimated employer's pension contribution and then decrease these funds to the actual amount of the contribution. The final amended voted budget was EUR 50 315 014.

In accordance with the schedule of contributions agreed between the French government and the EBA, the French government made a payment of EUR 575 000 to the EBA in February 2022, which was used to cover lease costs on the EBA's offices.

In 2022, the EBA also collected EUR 781 204 of internally assigned revenue. Of this amount, EUR 778 348 was received for services rendered to other EU bodies, and EUR 2 856 was recovered from staff.

Expenditure

The EBA achieved 99.6% budget execution in 2022 on the voted budget and a 98.3% execution rate on commitments carried forward from 2021, both of which are well above the 95% threshold required by DG BUDG. The outcome of the budget execution resulted in a surplus of EUR 342 343.

In 2022, the EBA carried out 22 budget transfers. Seven of the transfers included transfers between titles, however none of these required the approval of the Management Board.

The carryforward to the next year of EUR 6 332 359 (12.6%) is comprised of 108 commitments, of which the ten largest by value account for 55% of the total carryforward. Nine of these are IT commitments, the tenth is a commitment for translation costs.

2.3.2. Grant, contribution, and service level agreements

In 2022, the three ESAs (EBA, EIOPA and ESMA) each signed a service level agreement (SLA) with DG REFORM, whereby the ESAs will provide training services to the EU Supervisory Digital Finance Academy (EU SDFA) and DG REFORM will provide funding for staff, missions, and sundry other costs to the ESAs. In 2022, the EBA received EUR 44 682 from DG REFORM under this SLA. The SLA will run for four years from September 2022.

2.3.3. Control results

Overall budget implementation tables are shown in Annex II, including tables of financial statistics.

In 2022, EBA staff members conducted two ex post control exercises on financial transactions, taking a risk-based sample that amounted to 6% of payment transactions by volume and 5% by value. All transactions controlled were found to be legal and regular. Some areas of improvement were identified, which are being worked on.

2.3.4. Cost and benefits of controls

The EBA has implemented controls, procedures/processes, and tools in order to ensure the legality and regularity of its activities, safeguard the sound financial management of its resources, and provide adequate transparency and oversight of its key activities/resources.

In 2022, EBA allocated approximately 9.5 FTEs for control activities in the areas of audit, anti-fraud, data protection, ethics, risk management, financial verification, and self-assessment. The resources allocated to risk and compliance controls increased significantly in 2022, partly due to additional data protection resources in the form of 50% of an assistant's time for eight months of 2022, but principally due to long-term leave of two staff members and reallocation of other resources in order to continue to maintain their functions. The EBA has estimated the cost of these control activities to be EUR 1.7 million (3% of the agency's 2022 executed budget). This cost estimation includes salaries and allowances costs based on estimates per type of FTE, overhead costs driven by the number of FTEs, and directly attributable costs such as external audit work and consultancy on the internal control framework. The controls in place are considered to be in line with recommended practices and, in terms of costs, proportionate to the risks they serve to mitigate. They provide reasonable assurance that the budget has been effectively implemented in compliance with the regulations. The agency reviews its internal control procedures and policies on a continual basis, to implement improvements, manage risk, and ensure a proportionate balance between the costs and benefits of controls.

2.4. Delegation and sub-delegation

As per Article 64(1) of the EBA founding Regulation (Regulation (EU) No 1093/2010), the Executive Director of the EBA 'shall act as Authorising Officer and shall implement the Authority's annual budget'. The Executive Director delegated Authorising Officer powers to four staff members, via permanent delegations:

- Director of Operations: all budget lines, with no monetary limit;
- Head of Finance & Procurement: all budget lines, with an EUR 15 000 limit per transaction on some budget lines, increased to EUR 60 000 at the end of the third quarter;
- Two other staff members: missions purchase orders only, with no monetary limit.

On five occasions, due to planned absences, the Executive Director also delegated Authorising Officer powers without monetary limit for short periods to the Head of Finance & Procurement.

All sub-delegated authorising officers provided declarations of assurance regarding the transactions for which they exercised their budgetary powers.

The Authorising Officer also delegates budgetary powers to staff to act as operational initiators, operational verifiers, financial initiators, and financial verifiers.

2.5. Human resources (HR) management

2.5.1. Staff figures and establishment plan

In 2022, the EBA further strengthened the approach towards an integrated talent management approach based on a seven-dimension loop (planning talent / attracting and acquiring talent / identifying talent / developing talent / engaging talent / retaining talent / deploying talent).

TAs posts - execution rate of the Establishment Plan: 98%

CA posts – occupancy rate: 88%

SNE positions filled: 68%

Trainees in house: 39%

Time to hire (average length of the recruitment procedure between the publication of the vacancy notice and the establishment of the reserve list): four months

Statutory staff (TAs and CAs) turnover rate: 8%

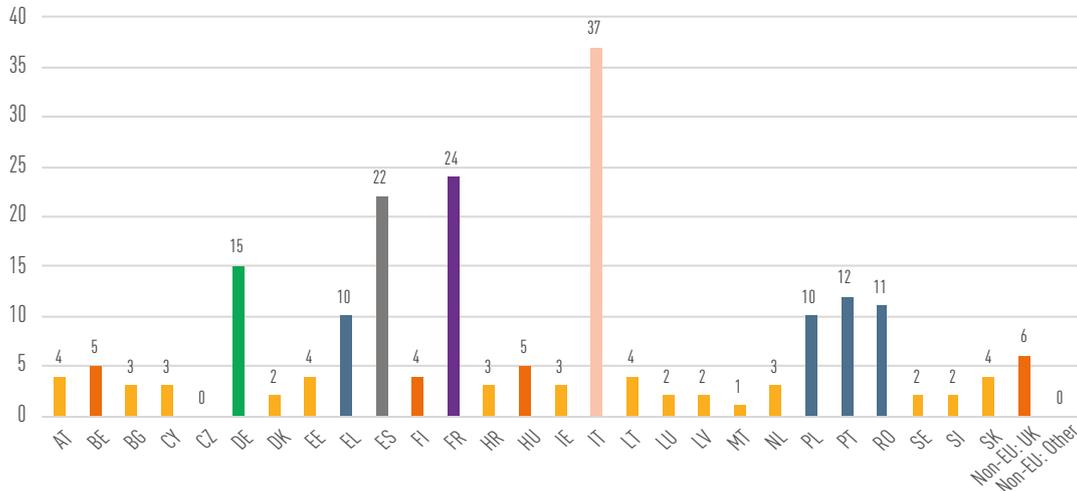
Diversity and inclusion (D&I):

- **Gender balance:** 60% of women in Director positions and 41% of women in Head of Unit positions
- **Staff average age:** 41 years
- **Staff with children up to 18 years old:** 88
- **Staff with recognised disability:** 0

Additionally, for the **school year 2022/2023**, the number of EBA staff member children enrolled at the Accredited European school are: 10 in nursery, 15 in primary and 10 in secondary. The EBA has concluded agreements with other schools/nurseries for the direct payment of school/nursery costs, currently with 8 schools and 15 nurseries.

2.5.2. Geographical and gender balance

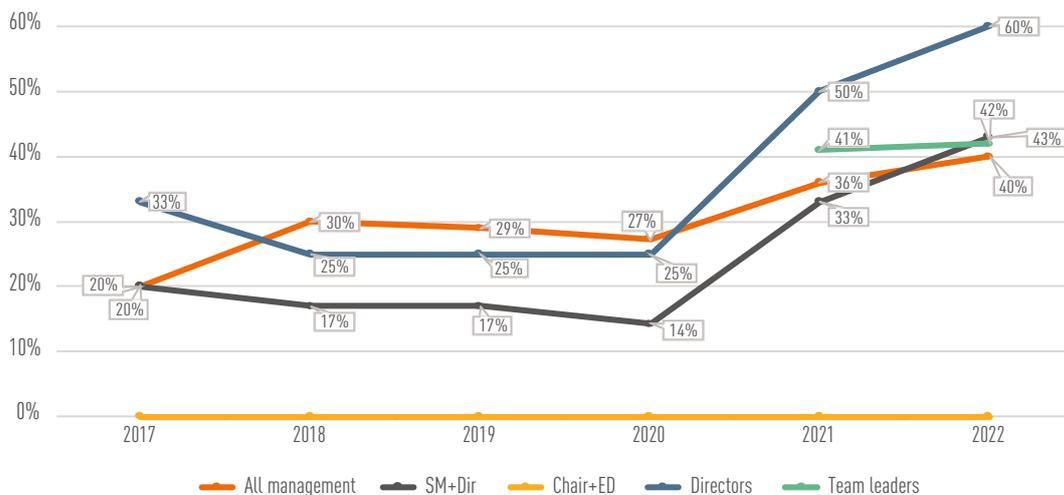
The EBA is well represented in terms of its Member State nationality balance as per TAs and CAs data as of 31/12/2022:



Promoting and supporting diversity and inclusion are core values embedded in the EBA’s mission and organisation: the EBA strives to ensure equal treatment and opportunities for everyone, irrespective who they are and what they believe in. While the EBA is focusing on an integrated approach to diversity and inclusion, key targeted actions are:

- fostering an open and supportive culture: fighting discrimination (mandatory anti-harassment training), acknowledging and rewarding different leaderships, monitoring data/surveys with dedicated intranet/Teams collaboration space, removing any gender-biased language and imagery in internal and external communications;
- increasing managerial commitment with empowered champions in house and a staff tool for managers to monitor and project gender and nationality staff evolution (F.A.I.R tool, standing for Factual Assessment In Recruitment, developed in-house);
- implementing pool of talents diversification (gender balance in panels, advertising through diverse channels targeting a female audience, training staff in panels to avoid bias, vacancy notices to be accompanied by video job ads with relevant focus on gender balance and inclusion, etc.);
- setting the tone from the top and close steering with action plan (e.g.: meeting every week of a Gender Equality Task Force chaired by the Executive Director) and exchange with the Staff Committee;
- contributing actively to raising gender equality in the banking area (e.g.: EBA report on the benchmarking of diversity practices and the gender pay gap at the level of the management body at EU level under Directive 2013/36/EU);
- providing work-life balance options (hybrid working, childcare facilities, family disability support, return from maternity leave programme, etc.);
- offering development programmes (mentoring scheme, team leaders cycle, etc.);
- organising key events such as the EBA/ESMA/EIOPA Second High-Level Conference on Gender Equality with prominent speakers (targeting staff from the 48 EU agencies and joint undertaking);
- engaging closely with external stakeholders (such as the European Institute for Gender Equality (EIGE), the Authority network workgroup on diversity and inclusion, the European Parliament FEMM Committee, etc.).

Share of women in Management from 2017 to 2022



2.5.3. Implementing rules

The EBA, in accordance with Article 110 of the Staff Regulations, adopts Implementing Rules as part of its close involvement in the EU Agencies Standing Working Party.

Engagement of CAs	Model Decision C(2019)3016
Engagement of TAs	Model Decision C(2015)1509
Middle management	Model Decision C(2018)2542
Type of posts	Model Decision C(2018)8800
Working time and hybrid working	EC Decision by analogy C(2022)1788

2.6. Strategy for efficiency gains

The initiatives to achieve efficiency gains within the organisation were organised as follows: internal structural adjustments; joint procurement and external synergies; other cross-efficiencies; and areas of remaining uncertainties.

Internal structural adjustments

In 2021 a reorganisation was implemented to increase the EBA’s efficiency and effectiveness through a better alignment of its internal structure with its key multi-annual priorities: the Legal area was strengthened to cover all Legal and Compliance matters (including ethics, data protection, anti-fraud, risk management, etc.); reporting and statistics were placed under a new Data directorate dealing with all data-related issues, from acquisition to management and dissemination; an ESG unit was created refocusing on economic and risk analysis and complementing a new, standalone Economic Risk Analysis Department. A revamped department the Innovation, Conduct and Consumers Department – allowed the dedication of more resources to digital-finance-related matters in close liaison with consumer protection and payment services, and with a new dedicated AML/CFT unit reflecting

the new tasks conferred on the EBA in the period leading up to the creation of a new AML/CFT authority. Securitisation and authorisation were reallocated to the units dealing with credit risk and the supervisory review process. In 2022 some further adjustments were introduced, to strengthen internal governance and external affairs, as well as the handling of questions received on the Single Rulebook, and the internal organisation for peer reviews.

Efforts have also continued to further streamline the activities portfolio, bringing it to 19 overarching activities compared to 37 in 2021 and 25 in 2022. Further rationalisation is ongoing to reinforce the EBA’s workforce planning, based on four core principles (coherence, transparency, accountability, and performance), through the development of a new post management procedure and the prioritisation of selection procedures according to the activities to be delivered – all ensuring that no unnecessary activity is carried out and that staffing is dynamic and optimises the use of the envelope of resources.

In addition to the introduction of Team Leaders in 2021, the focus on staff career development is being reinforced as one of the outcomes of the 2022 Staff Engagement Survey, with a new internal mobility policy, a revamped external mobility policy, a new talent career framework including a talent family structure, a talent career path, a competencies framework and tailored learning and development allowing the Authority to better attract, select, develop, engage and retain staff. Additionally, following the 2021 360° Managerial Assessment, tailored development programmes, such as coaching, have been set up.

A reorganisation of the EBA’s Standing Committees helped to improve efficiency and to align their organisation with the EBA work programme objectives and the new internal organisation. A smaller number of Standing Committees focus on EBA strategic activities, such as the development and monitoring of the Single Rulebook, risk monitoring, supervisory convergence, data collection and analysis, consumer protection and financial innovation, and AML/CFT and resolution.

Beyond organisational changes, the EBA’s strategy for efficiency gains continues to rely on new technology. For instance, the implementation of a collaboration platform has reduced e-mail exchanges by at least 30% and has created more efficient processes. Development of an e-recruitment tool (with go-live planned in Q2 2023), discussions around automation of the Interactive Single Rulebook, and the use of electronic workflow tools in the areas of Finance and HR are other examples.

Joint procurement and external synergies

In the area of procurement, the EBA takes the approach of inviting other agencies to participate in its open procurement procedures, whenever there is a possibility of interest by other agencies. In 2022, the EBA was the lead agency on one **inter-institutional procurement** procedure in which ESMA and EIOPA participated. The EBA also participated in many inter-institutional procedures led by other EU entities, predominantly those run by the Commission. Inter-institutional procurement is particularly strong with ESMA and the other Paris-based EU entities. In 2022, 77% of the EBA’s 96 framework contracts in force were procured by other EU entities – see the table below.

	EBA	COM	Other agencies	Other	Total
Procurement procedures (competitive)	3	11	8	2 ⁽⁴⁾	24
Framework contracts	22	38	27	9 ⁽⁷⁾	96 ⁽⁸⁾

The EBA **cooperates closely with the other ESAs**. Cross-cutting work and issues of common interest are discussed in regular ESA meetings at senior management and technical levels, with a view to reaping all possible synergies. The EBA attended ESMA and EIOPA BoS meetings and cooperates in different workstreams and task forces at working level. The EBA’s Directors and Heads of Units, especially in the area of Admin/Resources/Legal, have regular discussions with their peers at the other two ESAs and the SRB.

The **Joint Committee** of the EBA, EIOPA and ESMA with the Commission and the ESRB is a key forum to discuss common regulatory issues and agree joint initiatives. Since its inception, the Joint Committee has successfully worked on numerous mandates. This will be taken to the next level with the creation of the Joint Committee Sub-Committee on Digital Operational Resilience, created for the implementation of DORA and with the development

⁽⁴⁾ Procurement procedures led by the Publications Office and the Office des infrastructures Bruxelles.

⁽⁷⁾ Framework contracts led by the Publications Office, the Office des infrastructures Bruxelles and the Eurosystem Procurement Coordination Office.

⁽⁸⁾ The smaller number of active framework contracts in 2022 in comparison with 2021 (174) comes from the fact that in 2022 the EBA counted each framework contract with multiple contractors in cascade and, with the reopening of competition, as only one framework contract.

of a joint ESAs implementation plan. This plan will help to coordinate the joint work under DORA and the delivery of mandates and operational requirements set out in therein.

A **shared accounting services** arrangement was established with ESMA in 2021 to enhance the synergies between the two Paris-based authorities. According to this arrangement, the EBA is providing 50% of the time of two accounting staff members to ESMA. In 2022, an assessment was performed after a first year of practice which led to some rebalancing of the resources provided by the two agencies, and the preparation of a contingency plan also involving EIOPA.

The EBA successfully collaborated with EIOPA to have a **shared Security Officer (SO)** during the period when the SO role was vacant at the EBA. Banking on lessons learnt from this experience, the three ESAs are currently deepening the collaboration of their security functions, with increasing cross-border collaboration on projects (i.e. Cloudification Program) and upcoming security framework changes (i.e. cybersecurity regulation, SNC in the cloud policies, etc.). The three ESAs are evaluating a **shared security services** approach to optimise resource usage and synergise investments.

In a similar way to the newly adopted internal mobility policy, the EBA continued to invest in career development opportunities with an external mobility policy. The objective is to foster the exchange of professional experience, to develop new competencies, to further enhance cooperation through staff swaps between the EBA, the CAs and the EU institutions/bodies (e.g. the three ESAs, DG FISMA, etc.).

Generally, synergies will continue to be reaped from the collaborative approach adopted within the EBA and the CAs that support its work. This is not least reflected in size and diversity. It will be beneficial in the context of MiCA and DORA where challenges arising from new responsibilities and mandates pertaining to novel and complex topics can be more easily overcome through collaboration and coordination that allows the EBA and CAs to leverage each other’s knowledge and experience.

Other cross-efficiencies

The EBA and EIOPA have continued their work on a common **Data Point Model (DPM) Refit** and **Digital Regulatory Reporting – tooling for all reporting submitted by the financial entities in their respective remits**. Indeed, they face similar issues and are already using very similar data point models. These projects share resources and work together with the aim of improving technical tools to support supervisory reporting.

On the technology front, the **FinTech Knowledge Hub**, established in 2018 to bring together CAs, relevant institutions, fintech firms, technology providers and other relevant parties, with the aim of monitoring fintech developments, promoting knowledge sharing and fostering technological neutrality, continues to host events,

leveraging its registered contacts and wide spectrum of topics. In the same vein, the **European Forum for Innovation Facilitators (EFIF)**, established by the ESAs in 2019 in the wake of the joint ESA report on regulatory sandboxes and innovation hubs, provides a platform for supervisors to meet regularly to share technological expertise and to reach common views on the regulatory treatment of innovative products, services and business models.

The **Supervisory Digital Finance Academy** is another upcoming cross-institutional initiative and a perfect example of how to maximise resources and avoid duplication. This initiative aims to strengthen supervisory capacity in the area of innovative digital finance by providing a systematic training programme for the ESAs and for NCAs.

Remaining uncertainties

As jointly stated in the *ESA Chair Letter* of 9 February 2021 to the Commission and subsequent assessments, the original DORA proposal does not provide enough resources to carry out the tasks it envisages. Additionally, the fee-based funding model in the DORA proposal (i.e. fees collected by the critical third-party providers) covers only the ongoing costs of the oversight, not implementation costs.

Moreover, while the EBA ensures compliance with the entry-level grade requirements per job profile as per the Staff Regulations, it should be noted that for some high levels of specialisation or profile market scarcity, the use of grades such as TA/AD5-6 would negatively impact on talent attraction and retention.

2.7. Assessment of audit and ex post evaluation results during the reporting year

2.7.1. Internal Audit Service (IAS)

In line with the relevant international professional auditing standards, the IAS established a multi-annual audit plan (Strategic Audit Plan 2022-2024) which is being reviewed annually taking into account important organisational and/or external developments that may have impacted the risk profile of the EBA.

Prospective IAS audit topics (2022-2024)

Audit	<ol style="list-style-type: none"> 1. Internal Control Framework and strategic risk management (The audit fieldwork was finalised on 2 December 2022. The final report with agreed findings is expected in 2023.) 2. HR management and ethics (to be finalised in 2023) 3. IT governance and portfolio management (planned for 2024)
Follow-up	<ul style="list-style-type: none"> - Continuous desk review of the recommendations reported as implemented - On-the-spot follow up as required

Following this audit plan, and as agreed by the Authority, the IAS added an additional horizontal topic to its Strategic Audit Plan for the year 2023: 'multi-entity audit on coordination between DG FISMA and the decentralised agencies EBA, EIOPA and ESMA'. There will be four audited entities (DG FISMA, EBA, EIOPA and ESMA), although DG FISMA will be the main focus. As a result, the HR management and ethics audit started in 2022 will continue to 2023 but the planned IT governance and portfolio management audit will be postponed until 2024.

2.7.2. Internal Audit Capability (IAC)

The EBA's internal audit function is ensured by the Commission's Internal Audit Service (IAS), which remains the official internal auditor of the Authority.

2.7.3. European Court of Auditors (ECA)

The European Court of Auditors (ECA) transmitted its **draft report** on the EBA's 2022 financial accounts on 26 May 2023. In this report, ECA gave its opinion that the revenue and payments underlying the accounts for the year ended 31 December 2022 are "legal and regular in all material respects.". The Court also made one observation on the EBA's management and control system (in italics below). This observation does not call into question the ECA's previously stated opinions. The EBA's draft reply to the observation is shown immediately after the ECA observation.

3.5.8. *The EBA sought to procure services in two open tenders, one for market research for financial services and another for consultation on data protection. In one tender there was an overlap between award and selection criteria. This goes against Article 167 of the Financial Regulation, which stipulates that there must be a complete separation between the selection and the award criteria. Selection criteria are used to evaluate the capacity of the tenderers and award criteria are used to evaluate the price and quality of the offers.*

In both cases, the EBA overestimated the maximum value of the contracts because of shortcomings in the research on market prices it had carried out before launching the tenders.

EBA draft response: The EBA is fully aware of the requirements of Article 167. In the cited tender, the EBA evaluated different documentation at the selection and the award stages of the procedure. In future, the EBA will ensure that the criteria are drafted in such a way as to eliminate any potential ambiguity between them.

The EBA systematically conducts extensive market research, using the template prepared by the EU Agencies Network working group on market research. In these cases, volumes and rates were estimated by EBA and external experts. Since receiving the Court's remarks, the EBA has begun taking the further step of sending questionnaires to market participants.

The draft response will be finalised with ECA by 1 July.

2.8. a) Follow-up of recommendations and action plans for audits and evaluations

2.8.1. Internal Audit Service (IAS)

During 2022, no critical recommendations were issued or closed and on 31 December 2022 there were no open critical recommendations.

In February 2020, the IAS performed an Audit on Supervisory Reporting and Data Quality. As a result, as of 31 December 2022 there were two important open recommenda-

tions that were subsequently submitted for the IAS review (validation rules and the EBA, website on supervisory reporting; EBA reporting framework development process).

2.8.2. Internal Audit Capability (IAC)

Not applicable.

2.8.3. European Court of Auditors (ECA)

In the Annex its 2022 draft report, the Court listed seven observations that it followed up from previous years. These are listed below, along with the status of corrective action taken by the EBA.

Year	ECA observation	Status of corrective action
2021	The EBA entered into two separate negotiated procedures without the prior publication of the contract notice. In both cases, the EBA failed to follow all the necessary procedural steps required by Point 16 of Annex I of the Financial Regulation, such as sending an invitation to tender and drawing up tender specifications.	Closed
2021	In one recruitment procedure, we found no evidence that the EBA had established the minimum number of points that the candidates had to gain in order to be shortlisted before examining their applications. In another procedure, the selection board had been established by a series of e-mails rather than by a single nomination decision. Following the audit, the EBA provided documentation to show that it had changed its processes.	Closed
2021	Under the Rules of Procedure of the Board of Supervisors, members of the Board who have a conflict of interest may not take part in the Board's discussions or vote on the matter in question. However, the member may remain present in the meeting if nobody objects. This creates a risk to the Board's independence, at least in appearance.	Closed

2.8.4. European Ombudsman (EO)

In 2022 the Ombudsman opened inquiries into two complaints relating to the EBA. Both cases were closed without the Ombudsman needing to contact the EBA, finding that there was no maladministration by the EBA.

2.8.5. Evaluations

The EBA is subject to regular reviews by the EU institutions, in accordance with Article 81 of the EBA (and other two ESAs) Regulations. The most recent assessment report on the operation of the European Supervisory Authorities (ESAs) was published on 23 May 2022. [9]

In this report, the Commission concluded that 'since the last ESA review in 2019, the ESAs have continued to perform their tasks efficiently and effectively, including during the recent challenging circumstances caused by the COVID-19 pandemic.'

The Commission also identified 'some areas where improvements could be implemented with no need for legislative changes', and will cooperate with the ESAs to assess this further, mainly with the aim 'to promote supervisory convergence and consistent supervision, which

is a key building block in creating a genuine Capital Markets Union.'

In particular, the Commission underlined the increasing number of cross-sectoral tasks and topics that must be dealt with by the ESAs as part of the Joint Committee. As a consequence, the Commission invited the ESAs to reflect on desirable changes that could be made to the framework in the future to ensure sufficient resources and improve the decision-making process. The Commission also invited the ESAs to provide this advice to the Commission by the end of 2023.

Further accountability and evaluations are ensured via the following institutions and channels:

- the European Parliament, in its role as the authority responsible for the discharge of the EBA's financial statements, but also by way of the yearly hearing the EBA Chairman attends at the EP's ECON committee;
- the European Court of Auditors and the European Commission's Internal Audit Service as well as the yearly audits;
- publication of the EBA's Consolidated Annual Activity Report (and Annual Report) which provide(s) an overview of the execution of the work programme and more detail on the above external evaluations.

[9] https://finance.ec.europa.eu/system/files/2022-05/220523-esas-operations-report_en.pdf

2.8. b) Follow-up of recommendations issued following investigations by OLAF

Following an investigation by OLAF which was closed [date] without the indication of any irregularity in terms of compliance with the relevant legal framework, the EBA nevertheless received a recommendation to undertake all necessary administrative actions in relation to, in particular, senior management employment contracts, as the investigation showed that no contractual provisions were foreseen in such a contract in terms of gardening leave and/or a 'cooling-off' period.

The EBA implemented this in February 2022 by preparing a new article for inclusion in contracts for directors, advisers and above. As the EBA cannot impose requirements on staff outside the Staff Regulations legal framework, the EBA informed OLAF that it is unable, for example, to provide compensation where a (former) staff member is prohibited from taking up an occupational activity or substantial conditions are placed on taking up the activity.

2.9. Follow up of observations from the discharge authority

On 4 May 2022, the European Parliament (EP) granted discharge to the Executive Director of the European Banking Authority (EBA) for the 2020 financial year and approved the closure of the accounts for the said financial year. In that context, the EP also made observations for the EBA to take into account in coming years.

The EBA welcomed the feedback received from the EP as part of the discharge process, which provides essential input on the Authority's organisation and performance. It provides an external point of view on the actions undertaken by the Authority during the year as well as on current practices. The EBA noted with satisfaction that the number of observations (30) was lower than in 2019 (40).

The EBA published an [opinion on the European Parliament's 2020 discharge report](#) in September 2022. Moreover, it considered that for 26 of the 30 observations follow-up actions have either been implemented or are not applicable (or expected). For 3 observations the implementation of follow-up actions is ongoing, while for 1 observation the status has to be considered. This is further specified hereafter:

Budget and financial management

With regard to the EBA's closing of its premises in the United Kingdom in December 2020, the EBA took note of the discharge authority's call for an audit on the move, both on the financial and operational aspects, in order to draw lessons for improvement and identification of good practices that can be used across all agencies in anticipation of making them more agile in order to respond to future challenges, and the EBA remains available for any further follow-up measures deemed necessary in that respect.

This notwithstanding, it was noted that the ECA had carefully examined the way the EBA managed its relocation as part of its annual audits for the years 2018, 2019 and 2020, including the procurement procedures and contract documents related to the move from the UK to France and resulting financial transactions. The EBA furthermore largely shared its experience, documentation and lessons learnt as part of its engagement with other European agencies, including ESMA, SRB, EU-LISA, CPVO, and the Inter-Agency Procurement Officers Network (NAPO).

Performance

As regards the discharge authority's call on the EBA to proceed swiftly, within its mandate and within the deadlines set, on all the aspects relating to the EBA's important role in developing the Union's regulatory and practical framework for sustainability, in order to meet the political ambition and pressing timetable of the European Green Deal, the EBA stressed that it is proceeding on all aspects as suggested and confirms that significant focus is placed on these topics.

This is also confirmed by the fact that work on ESG risks is reflected in the EBA's work programme as a horizontal priority. More specifically, with regard to the elements mentioned by the discharge authority:

- The EBA initiated the work on the assessment of whether a dedicated prudential treatment of exposures related to environmental or social or both objectives would be justified by issuing a discussion paper on the role of environmental risks in the prudential framework on 2 May 2022. While the negotiations on the amendments to the Capital Requirements Regulation, including this mandate, are still ongoing, the EBA started carrying out preparatory work to be able to provide the report within a shorter deadline if needed.
- In anticipation of the mandate for the EBA, included in the Commission's proposal for the amendments to the Capital Requirements Directive, to issue guidelines for banks on the management of ESG risks, the EBA started work in that regard, in order to be in a position to issue guidelines within the specified deadline after the amendments and the mandate are finally adopted.
- Based on the Commission's renewed sustainable finance strategy published in July 2021, the EBA received from the Commission a request to assess how green retail loans and green mortgages can be supported, and immediately embarked on this task in order to provide the results within the specified deadline.

Internal controls

As regards the discharge authority's call on the Authority to assess and report on the implementation of the internal control framework, to report to the discharge authority for 2021 as a minimum the state of internal control per component, the EBA noted the following;

Thanks to a sustained effort on internal control in 2021, the Self-Assessment of Internal Control Framework report for 2020 was approved by the Executive Director in December 2021. The EBA assessed the presence and functioning of each principle, aggregated all the results at the component level, and ultimately at the level of the internal control framework as a whole. The main results per principle were communicated to the ECA together with a list of objectives for 2021 plus the roadmap for 2022.

The EBA also shared with the European Court of Auditors and the discharge authority its full assessment report for 2021, where each principle was considered in light of the strengths and deficiencies identified in other principles within or outside the same component. The list of deficiencies identified was made available.

With a view to upholding and enhancing the internal controls as a whole, an enhancement in the compatibility of the EBA's current risk management programme with the COSO Enterprise Risk Management Framework and intensification of the activities in the ethics area were taken forward in 2022.

The discharge authority also urged the EBA to undertake actions aiming to fix the identified shortcomings and weaknesses in the Authority's internal control systems and to keep the discharge authority informed about developments.

In that respect it is noted that the EBA's Executive Director requested the Commission's Internal Audit Service to carry out an assessment of the existing EBA internal control framework to give reasonable assurances about the internal controls in place and areas for improvement, with the objective of further strengthening these. The final report was received in late 2022 and the recommendations are currently being considered and are subject to a follow-up action plan.

Other comments

Finally, the discharge authority invited the EBA to continue to strengthen its efforts to reduce its environmental footprint, by stepping up its efforts to introduce a sustainable and paperless working environment, to consider more carbon-neutral sources of energy, including photovoltaic panels, and to modernise its office building to meet the zero emission standard.

The EBA confirmed to have indeed stepped up its efforts to continuously improve its environmental performance and to reduce its carbon footprint. As part of its efforts:

- The EBA has procured electricity from renewable energy sources (RES) since 2021, with 100% of electricity coming from solar and wind sources (confirmed by certificates of origin).
- The EBA adjusted its modus operandi, taking into account lessons learnt from COVID-19 for the implementation of its EMAS-related greenhouse gas

emissions reduction targets as per its EMAS registration. Compared to the 2019 situation, this 'new normal' assumed that the EBA would have 50% fewer meetings at the EBA premises (thus also benefiting its members' own environmental footprints) and 50% fewer staff missions to external meetings from 2022 onwards. This 50% reduction will be maintained in subsequent years.

- In addition to minimising its impact on greenhouse gas emissions, with a special focus on travel, the EBA worked with the landlord and building manager on improving its energy consumption performance as well as waste production, segregation and recycling as expected by its staff.
- From 2022, the EBA maximised the use of electronic solutions and green public procurement to limit its material impact.
- Also in 2022, Procurement provided two rounds of training courses, in spring and autumn, on green procurement for contract managers.
- Finally, the EBA implemented environmental, social and governance (ESG) considerations in its policy making, risk assessment and supervisory convergence work in line with the EBA's tasks, the EBA's 2019 action plan on sustainable finance, and additional mandates received from the European Commission since that time.

Some of the elements above are discussed also in the section that follows.

2.10. Environmental management

2022 has been a breakthrough year for the establishment of the Eco-Management and Audit Scheme (EMAS) at the EBA.

In March 2022, the first environmental statement was positively validated and verified by independent external auditors. With its registration by the French Ministry for the Ecological Transition in August 2022, the EBA has become the first European agency in France to be awarded the EMAS certificate.

In December 2022, the EBA celebrated this achievement with the vice-president of the European Parliament responsible for EMAS – Ms Heidi Hautala – who, during an internal event called 'EMAS, a success story', remarked that 'even small changes add up to a hugely positive impact at the EBA'.

The EBA successfully achieved its 2022 environmental objectives and targets in the areas of travel, energy, waste, procurement, and core business.

The effectiveness of the Environmental Management System at the EBA was checked by independent auditors, who concluded that 'environmental matters and concerns

are part of the EBA's premises management, activities, and missions. People interviewed are fully aware of EMAS objectives and requirements and include them in their daily work. Real improvements have been done in the management system since last November (2021). Regarding those conclusions, the EMS implemented at the EBA seems to demonstrate its suitability, effectiveness and adequacy.' [internal audit, July 2022]

More information about EMAS at the EBA can be found on the [EBA's website](#).

2.11. Assessment by management

2.11.1. Overall budget implementation rate

The EBA reached a very high level of budget execution in 2022: 99.6% budget execution on a total voted 2022 budget (after amendments and transfers) of EUR 50 315 014. This could be achieved despite important adjustments to the various applicable indexation mechanisms which required a careful steer and prioritisation of expenses.

Execution of the appropriations carried forward from 2021 was 98.3%.

2.11.2. Legality and regularity

The control activities carried out on 2022 financial transactions and on the 2022 accounts included ex ante and ex post controls conducted by EBA staff, and the annual audit carried out by the ECA and Baker Tilly. Overall, these showed that verified transactions were in all material aspects legal and regular.

2.11.3. Validation of the accounting system

Since June 2011, the EBA has been using the accounting systems provided by the European Commission, which include ABAC Workflow for budgetary accounting, ABAC Accounting for financial reporting, and ABAC Assets for

the management of fixed assets. The ABAC system is the property of and is regularly validated by the Accounting Officer of the European Commission.

In January 2023, the financial systems of the EBA were validated by the Accounting Officer in compliance with Article 50(e) of the EBA Financial Regulation.

2.11.4. Procurement procedures

In 2022, the EBA completed two procurement procedures above the directive threshold. These resulted in the award of framework contracts for mystery shopping and for IT managed network services. The EBA also completed four procurement procedures in the form of negotiated procedures above EUR 15 000. These resulted in two contracts for the provision of legal services, a contract for a feasibility study on a hybrid working configuration for EBA's premises and the amendment of the lease contract to add storage room in the Europlaza building.

EBA's cooperation on procurement with the other ESAs and with EU agencies located in France stabilised in 2022. The EBA signed a big framework contract for IT managed network services on behalf of the other two ESAs.

Under the umbrella of the Operations Handbook initiative, Procurement kept improving the documentation on the way it performs its tasks and processes. It also onboarded the Public Procurement Management Tool (PPMT) deployed by the European Commission and is using it in all competitive procurement procedures.

Besides the training courses on green procurement for contract managers already mentioned in this report, procurement provided for the first time two rounds of training courses, also in spring and autumn, on two other subjects:

- procurement induction for newcomers and new managers;
- general procurement for interested colleagues.

Part III – Assessment of the effectiveness of internal control systems

3.1. Effectiveness of internal control systems

3.1.1. Risk management

Work started in 2021 with Deloitte in enhancing the compatibility of the EBA's current risk management programme with the COSO Enterprise Risk Management (ERM) framework, and continued until November 2022. The following elements of the risk management framework were finalised:

- the risk register, including 15 strategic risks identified;
- an ERM policy, defining the overall ERM practices, as well as a risk appetite / risk tolerance statement, summarising the EBA's appetite for risk in each of a whole range of activities;
- an ERM lifecycle document explaining in detail the different steps/phases to be considered during the course of one year, including detailed indications of the different stakeholders and lines of defences involved in each step. The ERM lifecycle exists to generate and maintain a stream of data and information, recorded in the EBA's risk register, upon which the EBA's personnel can make risk-informed decisions;
- awareness sessions for Directors and HoUs, as well as other staff;
- finally, a Risk Toolkit as well as an ERM Power BI tool to centralise and manage the risks / progress made.

Five out of the 15 risks were identified as needing extra mitigation measures, which are being developed beginning of 2023. In addition, the EBA intends in 2023 to:

- develop an updated iteration of the risk register via application of the ERM lifecycle;
- pilot integrating existing local risk registers into the ERM framework;
- develop local risk assessments further.

3.1.2. Ethics guidelines and conflict of interest policy

The EBA has in place ethics guidelines and policies on conflicts of interest setting out rules and expected behaviours to ensure that its staff act with independence, impartiality, objectivity and loyalty, and in a transparent way.

EBA staff and members of the EBA's governing bodies must submit annually a declaration of interests disclosing any interests that may conflict with the EBA's legitimate interests. The declarations of members of the governing bodies are published on the EBA's website, and so are those of the EBA's Chair, Executive Director and Directors. Alongside this regular obligation, all those actors are also reminded of their obligation to declare interests at any time in between the submission of annual declarations.

Following the reorganisation of the Ethics function in 2021 to become part of the Legal and Compliance Unit, a specific risk and compliance team supports the Ethics Officer's work on ethics. In 2022 work was focused on streamlining the ethics process through, in particular, the introduction of an electronic workflow system and closer as well as more efficient assessment of notifications of potential conflicts of interest of leavers and notifications of post-employment activities. Work also commenced on a new ethics training framework, including online modules to allow own-pace training.

The EBA continues to publish detailed information on leavers, as recommended by the European Ombudsman in its decision in case SI/2/2017/NF. ⁽¹⁰⁾.

3.1.3. Anti-fraud measures

In the context of the reorganisation of the Ethics function, the responsibility for anti-fraud at the EBA was transferred to the Legal and Compliance Unit in 2021, whose risk and compliance team supports work on this matter.

As the 2021 exercise had assessed risks in different areas across the EBA, and had been extensively updated, it was decided to base the 2022 Anti-Fraud Risk Assessment (AFRA) on a review of the 2021 exercise, and to only make updates where deemed necessary.

While the number of risks slightly decreased in 2022, there were several changes to the internal allocation(s) of those risks undertaken due to internal restructuring. Of the 50 scenarios assessed in 2021, 49 were retained (HR reduced from 7 to 8 scenarios). No new risks were added.

The 2022 AFRA exercise showed improvements in every risk bucket:

- The vast majority of activities performed by the EBA (34 risks, 69%) carry a low level of fraud risk; this is

⁽¹⁰⁾ <https://www.eba.europa.eu/about-us/ethics-eba/occupational-activities-after-leaving-eba>

an improvement from the 2021 AFRA, where this was the case for 28 risks (59%) of the activities.

- The activities performed by the EBA carrying a medium level of fraud risk decreased from 16 risks (32%) in 2021 to 11 risks (22%) in 2022.
- The activities performed by the EBA carrying a material level of fraud risk decreased from 6 risks (12%) in 2021 to 4 risks (8%) in 2022.
- Activities carrying significant risks remained at 0%.

The improved results are explained by continuous enhancement of the measures to tackle the risks identified in past AFRA exercises. The challenge is now to continue on that path and adopt a plan to further address the risks of all activities with a medium and material fraud risk level. However, a significant number of risks score relatively highly because their reputational effects are considered to be high, so the ability to reduce the score through controls may be limited.

3.2. Conclusions of the assessment of internal control systems

The EBA's Internal Control Standards (ICS) are based on the ICS of the European Commission. They are approved by the Management Board and implemented within the organisation through the adoption of detailed implement- ing rules and related procedures.

In January 2019, the Management Board adopted the Revised Internal Control Framework, which is in line with the model of the European Commission and the Committee of Sponsoring Organisations (COSO). ^[11] The revised framework entered into force on the day following its adoption.

The framework consists of 5 internal control components and 17 principles, which are further developed in 49 characteristics.

The EBA has assessed the presence and proper functioning of each principle (17 principles) and aggregated all the results at the component level (5 components) and ultimately at the level of the Internal Control Framework as a whole. The assessment of each principle was also considered in the light of the strengths and deficiencies identified in other principles within or outside the same component.

Following the assessment of internal controls, several principles were noted to benefit from some adjustments and improvements that would enhance the efficiency and effectiveness of the principle and its elements. While compliance remains an important requirement, the EBA will focus on assessment, monitoring of the activities and optimisation of controls.

With a view to upholding and enhancing the internal controls as a whole, an enhancement in the integration of the EBA's current risk management programme with the COSO Enterprise Risk Management Framework, intensification of the activities in the ethics area and provision of tailored internal controls trainings will be taken forward in 2023.

3.3. Statement of the manager in charge of risk management and internal controls

In my capacity as Internal Control Coordinator, I declare that in accordance with the EBA's Internal Control Framework I have reported my advice and recommendations on the overall state of internal control at the Authority to the Executive Director.

I hereby certify that the information provided in this Consolidated Annual Activity Report and in its annexes is, to the best of my knowledge, accurate, reliable, and complete.

Paris, 15 June 2023

Peter Mihalik

Internal Control Coordinator

I declare that I have reported my recommendations on the state of risk management in the European Banking Authority to the Executive Director and to the Management Board.

I hereby certify that the management reporting on the state of risk management is, to the best of my knowledge, accurate and complete.

Paris, 15 June 2023

Jonathan Overett Somnier

Risk Manager

^[11] <https://www.coso.org/Pagesw/aboutus.aspx>

Part IV – Management assurance

4.1. Review of the elements supporting assurance

The building blocks of assurance that are normally in place and were available to the Executive Director in 2022 are outlined below:

- Audits:** throughout 2022, the Commission's Internal Audit Service finalised the fieldwork on the Internal Control Framework and Risk Management, with the final report expected in January 2023. The fieldwork on HR management and ethics will continue throughout 2023, followed by a multi-entity audit on coordination with DG FISMA. The Court of Auditors conducted a regular audit on financial accounts including a new horizontal review for all agencies on the response to the current energy crisis and their sustainability reporting in relation to energy and climate.
- Monitoring and reporting:** this includes, for example, regular administrative and operational reports to the Management Board; monthly, quarterly, and ad hoc internal reporting; as well as regular ex post control exercises on selected samples of transactions (two conducted in 2022).
- Certification of the Authority's year-end accounts by the Accounting Officer:** the Accounting Officer's certification of the provisional accounts by 1 March 2022 provided reasonable assurance to the Executive Director that the accounts present a true and fair view of the financial situation of the Authority.
- Internal controls:** the Internal Control Coordinator ensures the effectiveness of the Authority's internal control systems, which was attested by the Internal Audit Service. The current Internal Control Framework of the EBA is designed to provide reasonable assurance regarding the achievement of five objectives set in Article 30(2) of the Financial Regulation: (1) effectiveness, efficiency and economy of operations; (2) reliability of reporting; (3) safeguarding of assets and information; (4) prevention, detection, correction and follow-up of fraud and irregularities; and (5) adequate management of the risks relating to the legality and regularity of the underlying transactions. The revised framework supplements the Financial Regulation and other applicable rules and regulations with a view to aligning EBA standards to the Commission standards, which are based on the highest international standards set by the Committee of Sponsoring Organisations of the Treadway Commission (COSO) framework.

4.2. Reservations

Not applicable.

4.3. Overall conclusions on assurance

The Executive Director, in his capacity as Authorising Officer, has signed the Declaration of Assurance, which accompanies this Consolidated Annual Activity Report.

Part V – Declaration of assurance

I, the undersigned, François-Louis Michaud, Executive Director of the European Banking Authority, in my capacity as Authorising Officer:

declare that the information contained in this report gives a true and fair view;

state that I have reasonable assurance that the resources assigned to the activities described in this report have been used for their intended purpose and in accordance with the principle of sound financial management, and that the control procedures put in place give the necessary guarantees concerning the legality and regularity of the underlying transactions.

This reasonable assurance is based on my own judgement and on the information at my disposal such as the

results of the *ex ante* verifications and ex post controls performed during the year, or the reports of the Internal Audit Service and of the European Court of Auditors.

I confirm that I am not aware of anything not reported which could harm the interests of the European Banking Authority.

Paris, 15 June 2023

François-Louis Michaud
Executive Director of the European Banking Authority

Annex I – Core business statistics

Key performance indicators

VP1 2022 – Monitor and update the prudential framework for supervision and resolution

Indicator	Weight	Short description	Target	Achievement
Number of technical standards, GLs, reports, etc. delivered	100%	Number of technical standards, GLs and reports delivered on time stemming from the implementation of the risk reduction package	7 ^[12]	71% of target achieved (5 out of 7, targeted; many more mandates were delivered as can be seen in section 1.2, under activities 1-9)

Source of information: EBA work programme monitoring tool

The EBA delivered the five outputs listed below:

- Article 4(4) of the CRR: draft RTS on connected clients – completed;
 - Article 45(2) of the BRRD: impact assessment report on MREL – completed;
 - Articles 98(5a) and 84(4) of CRD V: RTS on standardised and simplified methodologies for the IRRBB – completed;
 - Articles 98(5a) and 84(4) of CRD V: RTS on supervisory shock scenarios and outlier tests for the IRRBB – completed;
 - Article 84 of CRD V: GLs on the IRRBB and the CSRBB – completed.
- Two of the seven targeted deliverables had to be postponed:
- Article 504a of the BRRD: report on crossholdings of MREL among G-SIIs and O-SIIs – postponed to Q2 2023;
 - Article 434a of the CRR: ITS on reporting of the IRRBB – planned for Q3 2023.

VP2 2022 – Revisit and strengthen the EU-wide stress testing framework

Indicator	Weight	Short description	Target	Achievement
Design and implementation of the revised stress test methodology	100%	Develop the new stress test framework	Yes	Achieved (new methodology published)

Source of information: EBA work programme monitoring tool and publications

The draft EU-wide stress test package, including the methodology, templates and template guidance, was shared with banks in November 2022, ahead of the formal launch of the exercise which took place in January 2023. The 2023 EU-wide stress test now foresees a constrained bottom-up approach with some top-down elements, notably for net fee and commission income, risk weights of securitisation, and the credit loss path of sovereign exposures, where banks are required to make use of prescribed parameters.

^[12] Target:

1. Article 4(4) of the CRR: draft RTS on connected clients – completed;
2. Article 45(2) of the BRRD: impact assessment report on MREL – completed;
3. Article 504a of the BRRD: report on crossholdings of MREL among G-SIIs and O-SIIs – postponed to Q2 2023;
4. Articles 98(5a) and 84(4) of CRD V: RTS on standardised and simplified methodologies for the IRRBB – completed;
5. Articles 98(5a) and 84(4) of CRD V: RTS on supervisory shock scenarios and outlier tests for the IRRBB – completed;
6. Article 84 of CRD V: GLs on the IRRBB and the CSRBB – completed;
7. Article 434a of the CRR: ITS on reporting of the IRRBB – planned for Q3 2023.

VP3 2022 – Banking and financial data: leverage EUCLID

Indicator	Weight	Short description	Target	Achievement
A: Increase in data requests from the EBA's stakeholders	40%	Increase in data requests from internal and external stakeholders for the EUCLID data compared to previous year	30%	Achieved: increase in data requests by 21% (from 201 to 246)
B: Data strategy KPI – objective 1	20%	Data assets completely catalogued (%)	100%	Target 75% achieved
C: Data strategy KPI – objective 2	20%	New dashboards produced	5	Achieved: 5 dashboards (supervisory benchmarking of internal models, large exposures, non-performing loans, master data management, instances)
D: Data strategy KPI – objective 3	20%	New data assets shared by the Data Hub	5	Achieved: 5 data assets (large exposures, NSFR, resolution, fraud, supervisory benchmarking of internal models)

Source of information: KPI A: Jira ticketing system for data requests; KPI B: EBA SAS Knowledge Base: Data in EUCLID (europa.eu); KPI C: SAS Visual Analytics Viewer (europa.eu); KPI D: EBA SAS Knowledge Base: Data in EUCLID (europa.eu)

Regarding the KPIs, the following should be noted in addition:

- KPI A: there has been an increase in data requests by 21% (from 201 to 246), based on the Jira ticketing system used for this purpose.
- KPI B: while the catalogue of data assets has not yet been fully completed, this work has been for all DPMs based EBA data assets, based on the [EBA SAS Knowledge Base: Data in EUCLID \(europa.eu\)](#). This amounts to around 75%. What is currently not yet covered in the catalogue is master data and ad hoc data collections (such as for the QIS and stress testing, and others such as diversity and e-gate).
- KPI C: there are several new dashboards that were included in the EBA-internal SAS portal, [SAS Visual Analytics Viewer \(europa.eu\)](#): supervisory benchmarking of internal models, large exposures, non-performing loans, master data management, instances.
- KPI D: there are several new data assets shared via the Data Hub: large exposures, NSFR, resolution, fraud, supervisory benchmarking of internal models.

VP4 2022 – Digital resilience, fintech and innovation: deepen analysis and information sharing

Indicator	Weight	Short description	Target	Achievement
A: Proportion of policy responses to material risk findings in the area of innovation	60%	Proportion of policy responses (recommendation, GL, warning, etc.) issued by the EBA in relation to material risk issues stemming from financial innovation	80%	Achieved: (3 policy responses)
B: Interaction with stakeholders in the context of the EBA FinTech Hub	20%	Number of events organised to facilitate the exchange of information between CAs, ESAs, incumbent and new entrant institutions, technology providers and other market players about fintech	2 events/year	Achieved: (2 workshops, contribution to SDFA courses)
C: The EBA's readiness to take up new tasks in relation to new technology and operational resilience	20%	The EBA may be given new tasks as part of the Commission's digital financial strategy and should be ready to take up tasks effectively and efficiently	Yes. The EBA has the structure and resources in place so that new tasks start according to the timeline in relevant legislation.	Achieved: preparation of MiCA and DORA implementation plans

Source of information: KPI A: work programme monitoring tool; KPI B: internal management information; KPI C: work programme monitoring tool and internal management information

Regarding the KPIs, the following should be noted in addition:

- KPI A: the EBA issued, often together with other ESAs, three policy responses (recommendation, GL, warning, etc.) in relation to material risk issues stemming from financial innovation. These included the warning on crypto-assets, the ESAs response to a call for advice on digital finance (and related issues), and in that context also the EBA report on non-bank lending.
- KPI B: in 2022, the EBA organised two workshops, although the contributions to foundation courses at the Supervisory Digital Finance Academy (SDFA) should also be counted towards this indicator.
- KPI C: during 2022 the EBA prepared and started working on implementation plans for MiCA and DORA.

VP5 2022 – Fight ML/TF and contribute to a new EU infrastructure

Indicator	Weight	Short description	Target	Achievement
A: Ratio of number of national AML authorities supplied with access credentials for the EBA's new AML database, over all national AML authorities	50%	The EBA is mandated to develop technical standards for the setting up of a central AML database for use by the EBA and national authorities. The technical standards will be developed by Q4 2021, with the IT development of the database completed by early 2022. The KPI will therefore be applied at the very end of 2021. It will measure the ratio of authorities that have been supplied by the EBA with the access credentials for the database over all authorities that are legally entitled to access the database.	100%	100%
B: Availability of the EBA's central database; percentage uptime	50%	Once developed, information from the EBA's central database should be accessible to NCAs and EBA staff with a high level of reliability. The availability should be calculated as 100% minus the percentage downtime, using the total number of seconds the database was down in a 24-hour period, starting and ending at midnight.	>98%	100%

Source of information: KPI A: mapping of CAs and access credentials; KPI B: IT monitoring tool

Regarding the KPIs, the following should be noted in addition:

- KPI A: the EBA launched EuReCA, its central EU AML/CFT database, in January 2022. The central EU AML/CFT database brings together information on serious deficiencies in individual financial institutions' systems and controls that expose these institutions to ML/TF risk, and the measures CAs took to correct those deficiencies. Throughout 2022, EBA

staff provided all CAs with access credentials and supported them as they set up the internal processes necessary to report. By 31 December, the EBA had received around 400 submissions from AML/CFT and prudential supervisors in 21 EU Member States, which it analysed and disseminated to CAs as necessary to inform their supervisory tasks.

- KPI B: the EBA's central database was accessible to NCAs and EBA staff with a high level of reliability and no downtime was reported.

HP1 2022 – ESG: provide tools to measure and manage risks

Indicator	Weight	Short description	Target	Achievement
A: EBA outputs relating to ESG work delivered in 2022	50%	Number of technical standards, GLs and reports, etc. relating to ESG work delivered on time	2 ⁽¹³⁾	100% of target achieved (2 out of 2)
B: Develop metrics/indicators to evaluate the ESG risks in the financial system	25%	Develop metrics to assist supervisors and stakeholders in the evaluation and measurement of ESG risks and their impact on the financial system	Yes	Ongoing
C: Introduction of a dedicated section in the EBA risk reports in relation to ESG work	25%	Introduction of a dedicated section to the regular EBA risk analysis and monitoring relating to ESG	Yes	100% achieved: covered in RAR and RDB., but not only one section

Source of information: KPI A: work programme monitoring tool; KPI B: different sources will be used to develop the metrics/indicators (including notably information collected based on the ITS on ESG disclosures) and to monitor the metrics and indicators (at this stage an internal Excel-based tool), with the EBA roadmap capturing achievements so far; KPI C: Risk Assessment Report ([link to 2022 RAR](#)) and Risk Dashboards (RDB [link](#))

Regarding the KPIs, the following should be noted in addition:

- KPI A: the EBA delivered the two target deliverables:
 - discussion paper on prudential treatment of assets linked with sustainability objectives – completed;
 - guidelines on ESG risk management – completed.

• KPI B: the development of metrics to assist supervisors and stakeholders in the evaluation and measurement of ESG risks and their impact on the financial system is ongoing.

- KPI C: ESG work is covered in the Risk Assessment Report ([link to 2022 RAR](#)) and Risk Dashboards (RDB [link](#)) but not only in one section. ESG risks arise in several areas and therefore it does not work best to discuss them in one section.

⁽¹³⁾ Baseline:
 – discussion paper on prudential treatment of assets linked with sustainability objectives – completed;
 – guidelines on ESG risk management – completed.

HP2 2022 – COVID-19: monitor and mitigate the impact

Indicator	Weight	Short description	Target	Achievement
A: Policy support notes relating to COVID-19 recovery being reported to the EBA Board of Supervisors meeting	50%	The number of internal reports on such issues, notes, updates, cover notes on the subject of monitoring the post COVID-19 environment being tabled at the EBA Board of Supervisors meeting during 2022	2	100% achieved (2 publications)
B: Follow-up to the 2021 peer review on NPEs	15%	Follow-up actions to recommendations (if any) of the 2021 peer review on the supervision by the CAs of the management of non-performing exposures (NPEs) by institutions and readiness for dealing with post-COVID-19 NPE increases	Yes	Workshops on best practices and consumer centric NPL management
C: Number of risk analysis reports covering the subject of COVID-19	35%	Number of risk reports, dashboards and thematic studies that cover the COVID-19 subject during 2022	2	> 100% of target achieved (RAR 2022, risk dashboard, JC risk assessment reports)

Source of information: KPI A: work programme monitoring tool; KPIs B and C: work programme monitoring tool and internal management information

Regarding the KPIs, the following should be noted in addition:

- KPI A: the EBA delivered the two target deliverables:
 - statement on the application of COVID-19 reporting after 2021 – published in Q1;
 - closing report on Covid-19 measures – published in Q4.
- KPI B: the peer review was completed in May 2022 without specific follow-up actions with concrete

deadlines (apart from some general recommendations that were given). The EBA contribution to training sessions on consumer-centric NPL aspects can also be counted towards follow-up actions. Moreover, the EBA will organise a workshop in March 2023 on NPL supervision to promote the identified best practices.

- KPI C: in addition to the above dedicated deliverables (under KPI A), the pandemic was covered in the RAR 2022, in the quarterly risk dashboards, as well as in the JC risk assessment reports.

Annex II – Budgetary and financial management

Revenue

As stipulated by the EBA Founding Regulations, the revenues of the Authority shall consist, in particular, of:

- obligatory contributions from national public authorities competent for the supervision of financial institutions;

- a subsidy from the European Union;
- any fees paid to the Authority in the cases specified in the relevant instruments of the Union law.

The Financial Regulation also enables the Authority to collect revenue assigned to specific items of expenditure (in accordance with Article 20(7) of the FR).

Comparison of 2022 and 2021 revenues (executed budget)

REVENUES	2022	2021
EU CONTRIBUTION	18 685 999	18 506 940
of which assigned revenues deriving from previous years' surpluses	350 024	687 472
DG REFORM funding for EU SDFA	44 682	-
Contributions from NCAs	31 054 015	30 772 683
Contributions from EU NCAs	30 121 462	29 705 980
Contributions from EFTA NCAs	932 553	919 690
Contributions from host Member State	575 000	575 000
Miscellaneous revenues	737 110	166 471
TOTAL REVENUES	51 096 805	50 021 094

Expenditure

Budget execution on current year's budget

In the tables below, the figures in the 'Adopted budget' column are the 2022 appropriation amounts after taking account of the amending budget and all transfers.

Budget execution of 2022 funds by title

2022	Voted budget	Committed	%	Paid	%	Carried forward	% CF
	A	B	C=B/A	D	E= D/A	F	G = F/A
I: Staff related	31 443 423	31 333 500	99.7%	-31 192 717	99.6%	140 783	0.4%
II: Administrative	11 106 177	11 056 128	99.5%	-8 277 055	74.9%	2 779 074	25.1%
III: Operational	7 765 413	7 704 451	99.2%	-4 301 948	55.8%	3 402 502	44.2%
TOTAL	50 315 014	50 094 079	99.6%	-43 771 720	87.4%	6 322 359	12.6%

The EBA reached a very high level of budget execution in 2022: 99.6% budget execution on a total voted budget (after amendments and transfers) of EUR 50 315 014. This could be achieved despite important adjustments to the various applicable indexation mechanisms which required a careful steer and prioritisation of expenses.

The voted budget includes the French government contribution of EUR 575 000. This was, as in previous years, fully utilised to pay lease charges on the Europlaza building, in accordance with the agreement with the French government.

Budget execution of 2022 funds by chapter

Title and chapter	Voted budget	Commitments	%	Payments	%	Carry forward	%
	A	B	C=B/A	D	E=D/A	F	G=F/B
Title 1 Staff expenditure	31 443 423	31 333 500	100%	31 192 717	100%	140 783	0%
11 Staff in active employment	27 832 486	27 788 945	100%	27 788 945	100%	-	-
11.33 Employer's pension contributions	2 157 246	2 157 246	100%	2 157 246	100%	-	-
12 Expenditure relating to staff management and recruitment	267 798	267 228	100%	267 228	100%	-	-
13 Mission expenses, travel and incidental expenses	25 349	16 883	67%	15 309	91%	1 575	9%
14 Socio-medical infrastructure	665 404	644 921	97%	610 205	95%	34 716	5%
15 Training	224 969	220 789	98%	157 397	71%	63 392	29%
16 External services	187 147	180 545	96%	144 512	80%	36 033	20%
17 Representation expenses, receptions and events	83 025	56 943	69%	51 877	91%	5 067	9%
Title 2 Administrative expenditure	11 106 177	11 056 128	100%	8 277 055	75%	2 779 074	25%
20 Rental of building and associated costs	3 908 241	3 904 926	100%	3 764 524	96%	140 402	4%
21 Information and communication technology	6 255 519	6 232 442	100%	3 860 230	62%	2 372 212	38%
23 Current administrative expenditure	535 423	521 059	97%	331 368	64%	189 692	36%
24 Postage and telecommunications	45 001	45 000	100%	38 115	85%	6 885	15%
25 Information and publishing	361 993	352 701	97%	282 818	80%	69 884	20%
Title 3. Operational expenditure	7 765 413	7 704 451	99%	4 301 948	56%	3 402 502	44%
31 General operational expenditure	2 208 727	2 192 190	99%	1 435 968	66%	756 222	34%
32 IT expenses for operational purposes	5 556 686	5 512 261	99%	2 865 980	52%	2 646 281	48%
Grand total	50 315 014	50 094 079	100%	43 771 720	87%	6 322 359	13%

Initial and amending budgets

The initial budget for the year was EUR 50 256 034. In June 2022, the BoS adopted an amending budget that increased the EBA's total budget by EUR 75 000 to cover the

estimated increase in pension costs arising from salary indexations that were higher than budgeted. In December 2022, the BoS adopted a second amending budget to reduce the pension cost by EUR 16 020, to bring it to the actual pension cost for 2022.

Initial and amending budgets 2022 – revenue

Revenue source	Initial appropriations	Amending budgets	Final appropriations
	A	B	C = A + B
EU subsidy	18 685 999	-	18 685 999
NCA contributions – EU Member States	30 064 254	57 208	30 121 462
NCA contributions – Observer States	930 782	1 771	932 553
French government contribution	575 000	-	575 000
TOTAL	50 256 034	58 980	50 315 014

Initial and amending budgets 2022 – expenditure

Title and chapter	Initial appropriations	Amending budgets	Transfers	Final appropriations
	A	B	C	D = A + B + C
Title 1 Staff expenditure	32 384 073	58 980	-999 629	31 443 423
11 Staff in active employment	28 337 020		-504 534	27 832 486
11.33 Employer's pension contributions	2 098 266	58 980	-	2 157 246
12 Expenditure relating to staff management and recruitment	424 809		-157 011	267 798
13 Mission expenses, travel and incidental expenses	28 165		-2 816	25 349
14 Socio-medical infrastructure	763 232		-97 828	665 404
15 Training	482 641		-257 672	224 969
16 External services	142 690		44 457	187 147
17 Representation expenses, receptions and events	107 250		-24 225	83 025
Title 2 Administrative expenditure	10 269 824	-	836 353	11 106 177
20 Rental of building and associated costs	3 658 764		249 477	3 908 241
21 Information and communication technology	5 320 630		934 889	6 255 519
23 Current administrative expenditure	619 715		-84 292	535 423
24 Postage and telecommunications	78 000		-32 999	45 001
25 Information and publishing	592 715		-230 722	361 993
Title 3 Operational expenditure	7 602 137	-	163 276	7 765 413
31 General operational expenditure	3 041 707		-832 980	2 208 727
32 IT expenses for operational purposes	4 560 430		996 256	5 556 686
TOTAL	50 256 034	58 980	-	50 315 014

Budgetary execution in 2022 on carry forward from 2021

Title	Carry forward	Paid	%	Cancellation
	A	B	C = B / A	D = B - A
I: Staff related	319 350	297 175	93.1%	22 175
II: Administrative	3 079 696	3 062 417	99.4%	17 279
III: Operational	3 733 116	3 648 181	97.7%	84 936
TOTAL	7 132 162	7 007 773	98.3%	124 390

Execution of the appropriations carried forward from 2021 was 98.3% and so above the 95% threshold required by DG BUDG. The table below explains the reason for the

more significant decommitments by value, accounting for over 65% of the decommitments by value.

Explanation of significant decommitments

User reference	Commit. no.	Original CF	Paid in EUR	Cancelled	%
Roadmap to modernise the EBA data estate	EBA.4446	179 347	125 099	54 248	30%
Despite considerable effort from EBA and the contractor, the contractor was unable to provide the full services requested within the required timeframe.					
DIGIT fee for ICT procurement services 2021	EBA.4467	13 992	-	13 992	100%
The fee for ICT procurement services was covered by a different commitment.					
EBA 10 years conference	EBA.4600	125 492	112 954	12 537	10%
The costs for the conference were lower than anticipated due to a lower physical attendance.					
TOTAL		318 831	238 054	80 777	25%

Budget outturn

Budget outturn for 2022 and 2021

Movement		2022	2021
European Commission subsidy	+	18 685 999	18 506 940
Surplus year n-2	+	467 881	339 610
Contributions from NCAs	+	29667 631	29 523 581
Contributions from Observers	+	918 503	909 492
Contribution from the French government	+	575 000	575 000
DG REFORM funding for EU SDFA		44 682	-
Bank interest	+	-	8
Other income	+	737 110	166 463
TOTAL REVENUE (a)		51 096 805	50 021 094
EXPENDITURE			
Title I: Staff			
Payments	-	31 296 137	29 848 485
Appropriations carried over	-	280 865	380 098
Title II: Administrative expenses			
Payments	-	8 306 660	7 955 837
Appropriations carried over	-	2 780 795	3 108 413
Title III: Operating expenditure			
Payments	-	4 379 775	4 068 801
Appropriations carried over	-	3 997 809	3 809 821
TOTAL EXPENDITURE (b)		51 042 039	49 171 454
OUTTURN FOR THE FINANCIAL YEAR (a-b)		54 766	849 641
Cancellation of unused payment appropriations carried over from previous year	+	124 390	86 867
Adjustment for carryover from the previous year of appropriations available at 31.12 arising from assigned revenue	+	166 169	63 153
Exchange differences for the year (gain +/-)	+/-	-2 982	-3 200
BUDGET RESULT FOR THE FINANCIAL YEAR		342 343	996 460

French government contribution

In accordance with the schedule of contributions agreed between the French government and the EBA, the French

government made a payment of EUR 575 000 to the EBA in February 2022. Along with the remaining balance from the previous year, these funds were used to pay for lease costs of the Europlaza building.

French government contribution

Budget line	FR Contribution	Committed	% commit.	Paid	% paid
Rent of building	575 000	575 000	100%	575 000	100%
TOTAL	575 000	575 000	100%	575 000	100%

Financial management

Financial statistics

Commitment transactions

	Total		Current year		Carried forward	
	Vol.	EUR	Vol.	EUR	Vol.	EUR
New	350	42 823 481	350	42 923 481	-	-
Top-up	158	9 095 343	158	9 095 343	-	-
Decommitments	149	-1 712 245	116	-1 578 855	33	-124 390
TOTAL	657	50 206 580	624	50 330 970	33	-124 390
2021 totals	689	48 903 853	658	48 991 004	31	-97 152
% change	-4.6%	2.7%	-5.2%	2.7%	6.5%	42.7%

Payment transactions

	Total		Current year		Carried forward	
	Vol.	EUR	Vol.	EUR	Vol.	EUR
Supplier invoices	834	22 559 395	652	15 584 144	182	6 975 251
Mass payment load	82	28 248 734	73	28 235 609	9	13 125
Other payments	144	31 709	129	12 314	15	19 396
TOTAL	1 060	50 839 839	854	43 832 066	206	7 007 773
2021 totals	864	45 899 974	733	41 267 809	129	4 026 852
% change	22.7%	10.8%	16.5%	6.2%	59.7%	74.0%

Mass payment load (MPL) is a batch processing functionality used for paying staff salaries, SNE and trainee allowances, and for reimbursement of staff mission and interview candidates' expenses. Further detail of the MPL is shown in a separate table later on in this section.

Other payments include miscellaneous staff reimbursements, reimbursement of expenses to externals (BSG, BoS members and speakers) and a small number of regularisations.

Supplier invoice statistics

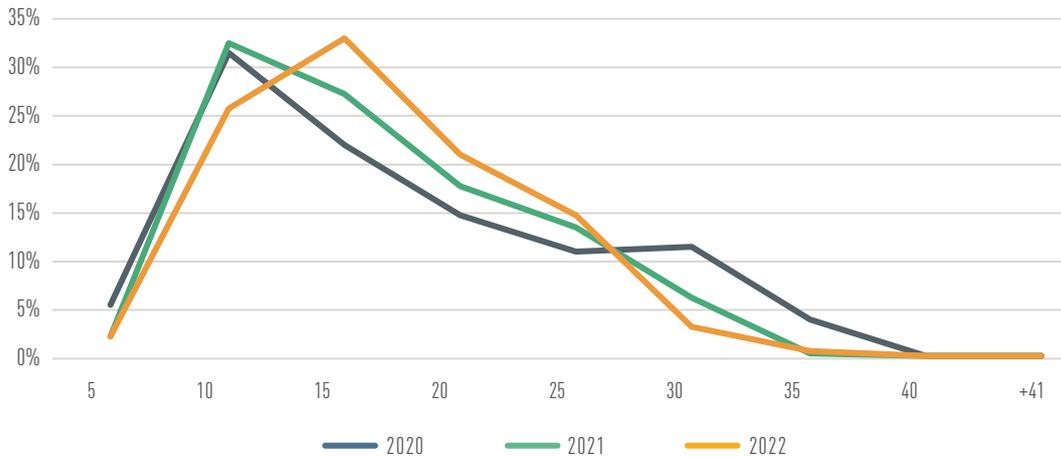
Invoice processing statistics 2022 and 2021

	2022	2021
Total number of invoices paid	802	751
Late registration (> 7 days)	3	9
Invoices paid after the deadline (no.)	5	5

In 2022, the EBA paid only five invoices after the due date. Given the larger volume of invoices paid in 2022, this is a proportional improvement compared to 2021 where five invoices were also paid late. None of the late payments in 2022 resulted in a late interest payment.

The chart overleaf compares payment timing in 2022 with previous years, by blocks of five days, e.g. in 2022 26% of payment requests were paid within 10 days and 33% of payment requests paid within 15 days of receipt, which is an improvement on the 2021 execution of payments. When comparing these percentages, please note that the figures are for supplier invoices only – they exclude all reimbursements to individuals.

The EBA is taking slightly longer to pay its suppliers



Supplier invoice suspensions

All payments (year)	Number of invoices	Suspended invoices		Average suspension
	volume	volume	%	days
2022	802	87	11%	42
2021	751	79	11%	32

The EBA is measuring suspensions with the aim of reducing the proportion of invoices suspended, so as to reduce the time consumed by these transactions. Suspended invoices increased slightly compared to 2021, mostly due to delays in supplier response. However, at year-end the number of suspended invoices had dropped to a historic low of just seven suspensions.

Mass payment load statistics 2022

Type	Number of batches	Total individual payments	Average number of payments per batch	Total value of payments	Average value of payments per batch
	volume	volume	volume	EUR	EUR
Missions claims	27	261	10	135 275	5 010
Reimbursements	18	135	8	36 968	2 024
SNE payments	13	145	11	848 946	65 304
Salary payments	12	2 417	201	26 825 195	2 235 433
Trainee payments	12	242	20	402 350	33 529
TOTAL	82	3 200	39	28 248 734	28 552

Procurement statistics

EBA competitive procurement procedures completed in 2022 (with value > EUR 15 000)

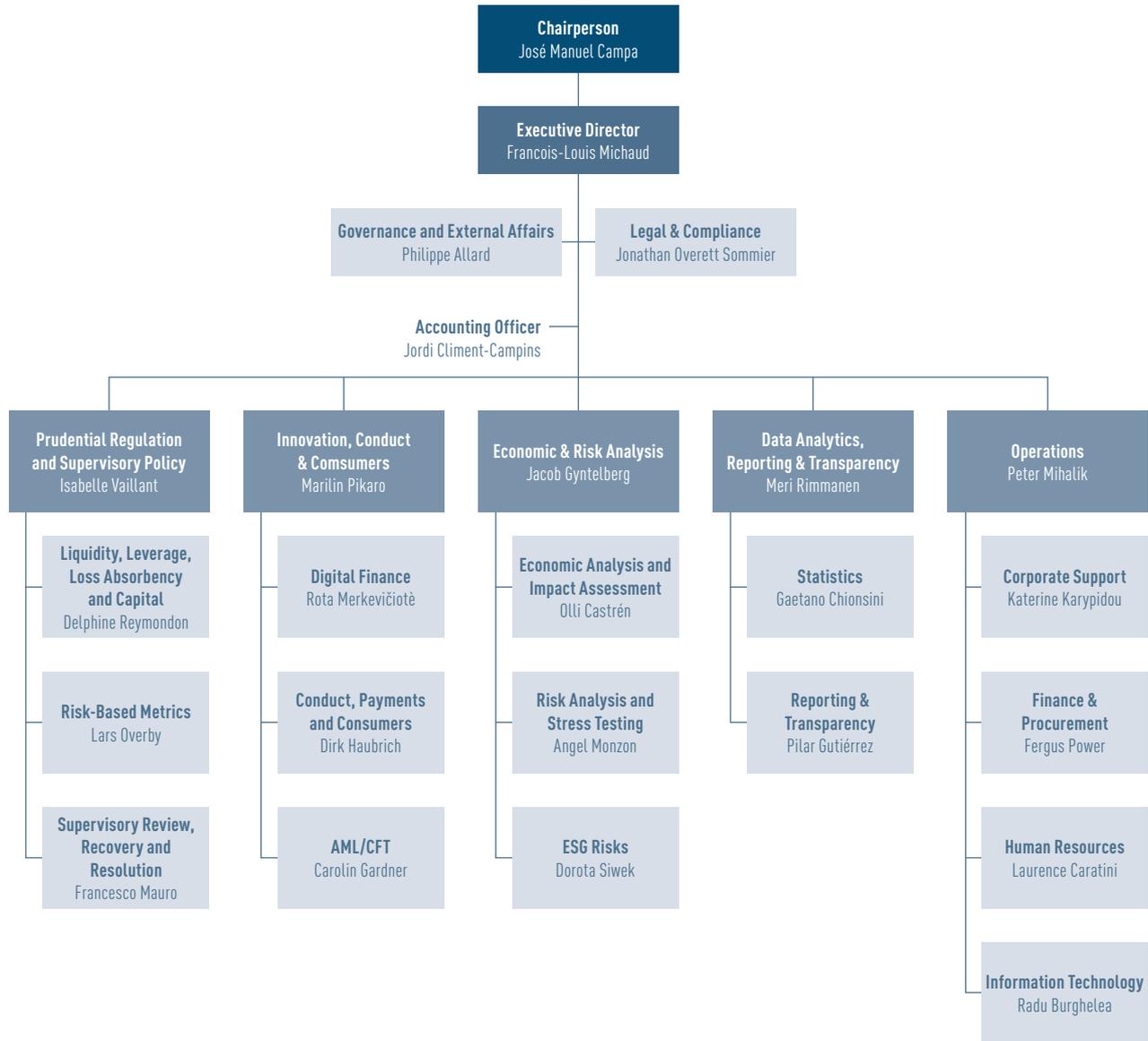
Subject	Contract signature date	Maximum value in EUR
IT managed network services	29.6.2022	11 700 000
External audit services	10.8.2022	69 690
Mystery shopping services	1.9.2022	1 600 000
EBA premises hybrid working feasibility study	23.11.2022	59 625

The IT managed network services procedure was run by the EBA as an interinstitutional procedure on behalf of ESMA and EIOPA.

In 2022, the EBA was invited to participate in 19 interinstitutional procurement procedures led by the European Commission and other agencies, of which the EBA joined in 12 procedures. The EBA also makes extensive use of service level agreements (SLAs) and memoranda of understanding (MoUs) with DG DIGIT, DG HR, DG BUDG, PMO, CdT and the Publications Office of the EU.

Annex III – Organisational chart (31 December 2022)

31 December 2022



Annex IV – Establishment plan and additional information on Human Resources management

EBA 2022 establishment plan (EP): **the EP for 2022 is 151 TA/AD and 11 TA/AST** representing a **total of 162 TA posts** of which 1 TA/AD6 for SDFA funded by DG Reform for three years (until end of 2025).

In addition, 15 fee-funded TA/AD posts are foreseen for **MICA**, 5 fee-funded TA/AD posts and 1 EU/NCA funded

TA/AST post (funded until end of 2025) for **DORA** representing a **total of 183 TA posts**.

It is to be noted that **these additional posts** (except the EU/NCA funded TA/AST post) **cannot be filled before late 2024**, as fees will only be collected from 2025.

EBA Establishment plan 2022

Category and grade	Establishment plan in EU budget 2022		Filled as of 31.12.2022	
	Officials	TA	Officials	TA
AD 16		1		0
AD 15		1		1
AD 14		5		3
AD 13		2		0
AD 12		8		9
AD 11		12		6
AD 10		12		16
AD 9		22		22
AD 8		26		25
AD 7		30		32
AD 6		20		21
AD 5		32		13
Total AD		171		148
AST 11		0		0
AST 10		0		0
AST 9		0		0
AST 8		0		0
AST 7		0		0
AST 6		3		1
AST 5		4		2
AST 4		2		2
AST 3		1		3
AST 2		2		3
AST 1		0		0
Total AST		12		11
AST/SC 6		0		0
AST/SC 5		0		0
AST/SC 4		0		0
AST/SC 3		0		0
AST/SC 2		0		0
AST/SC 1		0		0
Total AST/SC		0		0
TOTAL		183		159

Information on the entry level for each type of post: Indicative table

Key functions	Type of contract	Function group, grade of recruitment
Chair Management Board	TA 2(a)	AD 15
Executive Director	TA 2(a)	AD 14
Director of Department	TA 2(f)	AD 12
Head of Unit	TA 2(f)	AD 9
Head of Sector	n/a	n/a
Senior Officer, Senior Specialist, etc.	TA 2(f)	AD 8
Officer, Specialist	TA 2(f)/CA	AD 6-7 – CA FG IV
Junior Officer	TA 2(f)	AD 5
Senior Assistant	TA 2(f)/CA	AST 4- CA FG III
Junior Assistant	n/a	
Secretary	CA	FG III
Mail Clerk	n/a	
Data Protection Officer	TA	AD 6
Accounting Officer	TA	AD 6
Internal Auditor	n/a	
Secretary to Senior Management (Chair, ED, Director)	CA	FG IV

Annex V – Human and financial resources by activity

The table below summarises the resource allocation per activity and details the type of resource: TA, CA or SNE. Management staff and their assistants are distributed

over the activities within their respective remits, hence the staffing numbers per activity are not whole numbers. (Minor differences in totals are due to rounding.)

	Activity	TA	CA	SNE	FTE	Cost (EUR)
	Policy and convergence work					
VP 1	Activity 1 – Capital, leverage ratio and loss absorbency	4.6	0.2	-	4.7	1 073 538
VP 1	Activity 2 – Liquidity risk and IRRBB	2.3	0.1	-	2.5	628 525
VP 1	Activity 3 – Accounting and audit	4.6	0.2	-	4.7	1 087 655
VP 1	Activity 4 – Credit risk (incl. large exposures, loan origination, NPLs, securitisation)	11.9	1.7	1.0	14.6	2 914 154
VP 1	Activity 5 – Market, investment firms and services, and operational risk	6.5	0.7	1.0	8.2	1 660 761
ALVP 1	Activity 6 – Supervisory review and convergence	4.5	1.2	1.0	6.7	2 042 066
VP 1	Activity 7 – Internal governance and remuneration	4.4	0.2	-	4.5	1 169 316
VP 1	Activity 8 – Recovery and resolution	4.4	0.2	-	4.5	1 130 714
VP 1	Activity 9 – Market access, authorisation, and equivalence	3.3	0.1	-	3.5	722 859
HP 1	Activity 10 – Sustainable finance	3.3	1.3	-	4.6	904 834
VP 4	Activity 11 – Innovation and fintech*	7.3	1.1	-	8.4	1 827 462
VP 5	Activity 12 – Consumer and depositor protection	3.8	0.4	1.0	5.2	1 095 809
VP 5	Activity 13 – Payment services	2.8	0.4	2.0	5.2	1 024 400
VP 5	Activity 14 – Anti-money laundering and countering the financing of terrorism	7.4	4.4	-	11.8	2 802 021
	Risk assessment and data					
1.1	Activity 15 – Reporting and transparency	8.1	1.1	-	9.1	2 054 327
VP 2	Activity 16 – Risk analysis	4.7	0.3	2.0	7.0	1 634 376
VP 2	Activity 17 – Stress testing	5.0	1.4	5.0	11.3	1 784 328
ALL	Activity 18 – Economic analysis and impact assessment	9.3	1.3	-	10.7	2 318 660
VP 3	Activity 19 – Data infrastructure, statistical tools, ad hoc data collections	7.2	12.2	-	19.3	6 563 702
	Coordination and support					
ALL	Activity 20 – Policy coordination, communication, Q&As, and training	9.2	11.2	2.0	22.4	3 823 729
ALL	Activity 21 – Legal and compliance	12.2	2.2	4.0	18.3	3 348 155
ALL	Activity 22 – Finance, procurement, and accounting**	9.4	2.1	-	11.5	2 229 789
ALL	Activity 23 – Human resources	5.3	2.1	-	7.4	1 433 514
ALL	Activity 24 – Information technology	16.4	1.2	-	17.6	3 482 605
ALL	Activity 25 – Corporate support	4.3	3.1	-	7.4	1 336 784
	Sub-total 2022	162	50	19	231	50 094 079
	MiCA fee-funded posts (unfilled)	15			15	-
	DORA fee-funded posts (unfilled)	6			6	-
	Total for 2022	183	50	19	252	

* Includes MiCA and DORA preparations (mostly through internal resource redeployments), posts foreseen for the EU Supervisory Digital Finance Academy, as well as one EU-funded post foreseen for DORA in the Union budget. Fee-funded posts cannot be filled before fees are raised, which, given the delayed adoption of the legislation, is not expected before 2025.

** A shared accounting services arrangement with ESMA was introduced in 2021 to exploit synergies of both authorities being now based in Paris. According to this arrangement, the EBA is providing 50% of the time of two accounting staff to ESMA. From early 2023 this sharing arrangement will be reduced to one staff member.

Annex VI – Contribution, grant, and service level agreements; Financial Framework Partnership Agreements

In 2022, the EBA signed an SLA with DG REFORM whereby the EBA provides services to the EU Supervisory Digital Finance Academy (<https://eusdfa.eu.eu>) over a period of four years. Under the terms of this SLA, DG REFORM is funding one TA and one CA for three years, as well as other costs arising from the EBA's support to the EU SDFA.

Annex VII – Environmental management

EMAS registration

2022 was a breakthrough year for the establishment of the Eco-Management and Audit Scheme (EMAS) at the EBA.

In March 2022, the first environmental statement was positively validated and verified by independent external auditors. With its registration by the French Ministry for the Ecological Transition in August 2022, the EBA has become the first European agency in France to be awarded the EMAS certificate.

In December 2022, the EBA celebrated this achievement with the vice-president of the European Parliament responsible for EMAS – Ms Heidi Hautala – who, during an internal event called 'EMAS, a success story', remarked that 'even small changes add up to a hugely positive impact at the EBA'.

Environmental objectives and targets

In 2022, the EBA successfully achieved its environmental objectives and targets as planned in the Single Programming Document for that year.

Aspects	2022 objectives (baseline 2019)	Main actions implemented by the Agency (to improve its environmental performance and reduce its carbon footprint)
Travel	Reduce the travel of the EBA's staff by 50% (km and CO2e) (TBC) Offer efficient distance participation for visitors (with a reduction of meetings held at EBA premises by 50%)	In its Environmental Policy, the EBA committed to minimising its impact on greenhouse gas emissions, with a special focus on travel. The EBA adopted procedures on sustainable meetings and missions in October 2021. The EBA managed to achieve at least a 50% reduction in the number of meetings and missions in 2022 in comparison to 2019. The EBA committed to maintaining the reduced number of meetings and missions in the subsequent years as well. The EBA adopted a public transport contribution scheme to encourage the use of public transport. The EBA implemented additional measures and actions, such as updates in the visitors' handbook and meetings and missions organisation, with a view to reducing travel-related emissions and to informing staff and visitors about sustainable ways of travelling. The EBA engaged with the building manager to improve biking facilities in the building.
Waste	Optimise waste segregation options to reach at least 70% recycling	In its Environmental Policy, the EBA committed, among other things, to improving its waste production, segregation, and recycling as expected by the EBA's staff. The EBA managed to optimise its waste segregation and reached at least 70% recycling in 2022. The EBA committed to maintaining this level in subsequent years as well. The EBA implemented a new waste organisational set-up in the premises: new waste streams were introduced, recycling stations were purchased, and individual bins were removed. The EBA is in the process of finalising its first circular economy policy. The EBA is investigating the options for the decommissioning of its furniture and IT equipment in a sustainable manner (donation, disposal).
Energy	Reduce energy consumption by 10% Reduce indirect energy consumption	In its Environmental Policy, the EBA committed, among other things, to building a strong relation with its landlord to improve energy consumption performance. Since June 2021, the EBA has procured electricity from renewable energy sources (RES). 100% of electricity comes from solar and wind sources, confirmed by the certificates of origin. The EBA managed to achieve at least a 10% reduction in the energy consumption of the building and approved further reductions in subsequent years as well. The EBA adopted energy reduction solutions and performs regular monitoring of its energy consumption. Energy saving measures included but were not limited to adjusting heating schedules and temperatures, daily monitoring of meters and energy consumption, decreasing light intensity, switching off hot water boilers, and shutting down AV back-end infrastructure overnight.
Procurement	Environmental impact is considered for 100% of contracts procured by the EBA	Environmental impact is considered for 100% of contracts procured by the EBA, when what is procured has an environmental impact (relevance), regardless of the kind of procurement procedure, be it a direct award or a competitive procedure. All contract managers are trained on green criteria and green public procurement.
Core business	All staff aware of the EBA's mandates on environmental matters	The EBA staff are granted access to training sessions on EMAS, sustainability, and ESG risk management and supervision. In 2022, EMAS presentations, where the EBA's mandates on environmental matters are included, were delivered to all units and newcomers. The EBA's Roadmap on Sustainable Finance is publicly available. The EBA publishes its roadmap on sustainable finance European Banking Authority (europa.eu) . Finally, dedicated online EMAS training was developed in-house.

Effectiveness

The effectiveness of the Environmental Management System was checked during annual audits.

The independent external auditors concluded that 'environmental matters and concerns are part of the EBA's premises management, activities, and missions. People interviewed are fully aware of EMAS objectives and requirements and include them in their daily work. Real improvements have been done in the management system since last November [2021].'

Also, during the management review, in October 2022, the Executive Director concluded that 'the Environmental Management System at the EBA was suitable, adequate and effective'.

The EBA learns from and benchmarks with other EMAS-registered institutions and agencies, thanks to the participation, among other things, in the Greening Network of the European Agencies and GIME (Interinstitutional Group for Environmental Management).

The EBA environmental policy and [annual environmental statement](https://www.eba.europa.eu/about-us/sustainable-eba) are now published on the EBA's website: <https://www.eba.europa.eu/about-us/sustainable-eba>.

Communication

Throughout the year, the EBA continued to communicate its efforts to raise awareness about sustainability and environmental management, and to adequately inform its stakeholders.

Communication has been a key success factor for the implementation of EMAS at the EBA. A clear communication strategy, an attractive visual identity, regular updates and information for target audiences, diversified communication channels and methods, a smart theme 'Sustainability and beyond' and a tagline 'Together we can make a difference' to name just a few of the elements.

In July 2022, during the internal audit, the auditors confirmed communication to be among the strong points of the Environmental Management System at the EBA. In particular, they observed a 'high quality communication strategy and productions, clear messages for staff, lots of communication and awareness raising actions (EBA corner on the intranet, survey, weekly staff newsletter, ...) and the increase of ESG matters in the EBA activities'.

EMAS communication and transparency were also positively recognised in-house during the EBA Operations Satisfaction Survey 2022. The percentage of colleagues satisfied with the level of information provided for the EMAS project (dedicated intranet page, newsletter updates, management and staff training) rose from 71% in 2020 to 76% at the beginning of 2022.

Finally, the survey launched in March 2022, exactly two years since the beginning of EMAS implementation, proved that the EBA staff are happy with the management of environmental aspects in the agency and are very motivated to improve its environmental performance. They believe that the rational use of energy, water, stationery, and office supplies is well implemented. They evaluate that environmental instructions are well defined and respected, and most importantly that the staff apply most of these good practices. The majority think that environmental impacts are considered in the EBA's core business activities and procurements.

Annex VIII – Annual accounts

Please consult the Provisional Annual Accounts.

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