

2022 WORK PROGRAMME

EBA/REP/2021/28

EBA

EUROPEAN
BANKING
AUTHORITY

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List of abbreviations

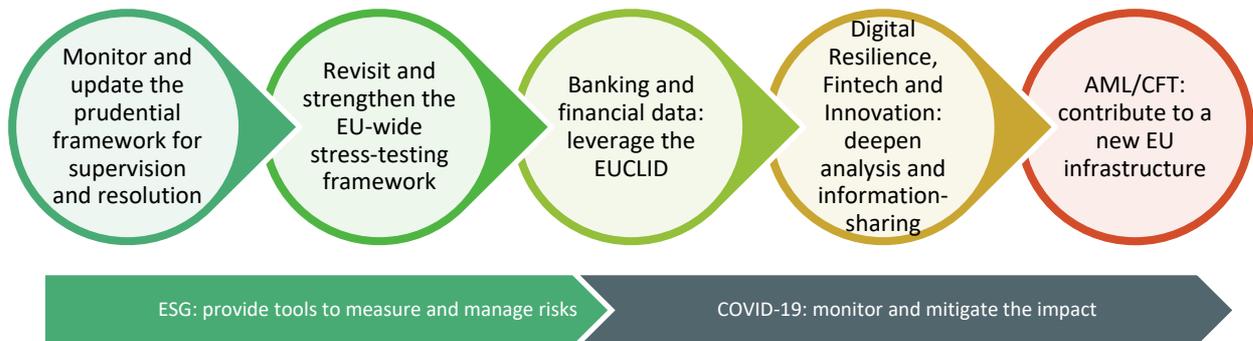
ACP	Advisory Committee of Proportionality	GL	Guidelines
AML(D)	anti-money laundering (directive)	HR	human resources
AST	Assistant	IFD	Investment Firm Directive
AT1	Additional Tier 1	IFR	Investment Firm Regulation
BCBS	Basel Committee on Banking Supervision	IFRS	International Financial Reporting Standard
BoS	Board of Supervisors	IMA	internal models approach
BRRD	Banking Recovery and Resolution Directive	IMF	International Monetary Fund
CA	competent authority	IRB	internal ratings-based
CCR	counterparty credit risk	IRRBB	interest rate risk in the banking book
CET1	Common Equity Tier 1	IT	information technology
CFT	combating the financing of terrorism	ITS	implementing technical standards
CRD	Capital Requirements Directive	JC	Joint Committee
CRR	Capital Requirements Regulation	KPI	key performance indicator
DGS(D)	deposit guarantee scheme (directive)	LCR	liquidity coverage ratio
DORA	Digital Operational Resilience Act	LFS	legislative financial statement
EBA	European Banking Authority	MFF	multi-annual financial framework
EC	European Commission	MiCA	Markets in Crypto-assets
ECA	European Court of Auditors	ML/TF	money laundering/terrorist financing
ECB	European Central Bank	MREL	minimum requirement for own funds and eligible liabilities
EFIF	European Forum of Innovation Facilitators	NCA	national competent authority
EFTA	European Free Trade Association	NPL	non-performing loan
EMAS	Eco Management and Audit Scheme	PSD2	revised Payment Services Directive
EIOPA	European Insurance and Occupational Pensions Authority	Q&A	questions and answers
ESA	European supervisory authority	RTS	regulatory technical standards
ESMA	European Securities and Markets Authority	SA	standardised approach
ESG	Environmental, social and governance	SNCI	small and non-complex institution
ESRB	European Systemic Risk Board	SNE	seconded national expert
EU	European Union	SREP	supervisory review and evaluation process
EUCLID	European centralised infrastructure for supervisory data	STS	simple, transparent and standardised
FinTech	financial technology	TA	temporary agent
FRTB	fundamental review of the trading book	TBC	to be confirmed
FTE	full-time equivalent	TLAC	total loss-absorbing capacity
		VAT	value-added tax

Executive summary

The EBA's Work Programme (WP) for 2022 has been prepared taking into account the existing and expected mandates from the co-legislators and the tasks arising from the EBA's founding regulation, including its assessment of the current situation of the European banking sector. The EBA's work in 2022 will largely be a continuation of work carried out in 2021. Further developing a relevant environmental, social and governance (ESG) framework for banks, and monitoring the impact of COVID-19 on their balance sheets will remain at the forefront. Moreover, the transposition of the Basel III framework in the EU and the implementation of the EU's digital financial strategy¹, most notably the legislative proposals on a Digital Operational Resilience Act (DORA) and on Markets in Crypto-assets (MiCA) are expected to be important drivers of the EBA's activity in 2022.

The 2022 WP was built considering the five vertical and two horizontal strategic priorities approved by the EBA's Board of Supervisors in January 2021 in the context of the Single Programming Document (SPD) for the years 2022 to 2024. A first version of the 2022 WP was included in the SPD and they are hereby confirmed and slightly adjusted in the light of the developments observed in the first half of 2021. The WP also benefited from the input of the ACP at the end of June 2021, to take account of certain specificities (like for SNCIs). The Authority will also take into account a new cycle of Union-wide Supervisory Strategic Priorities and implement a fresh Peer Review work plan, both for the period 2022-2023, as requested by the update of the EBA regulation ('ESAs' Review').

Priorities for 2022

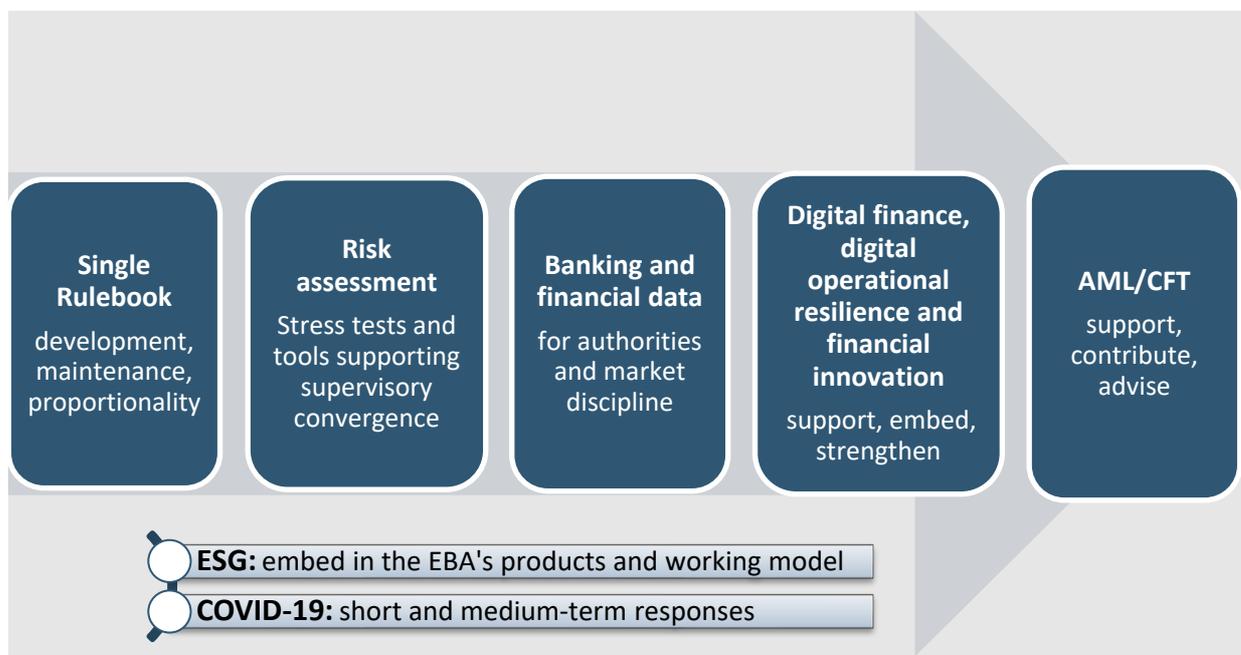


The multi-annual priorities will guide the intensity of the EBA's work. Those can be grouped into 25 main activities, of which 14 are related to policy and convergence, 5 to risk assessment and data, and 6 to coordination and support. To foster synergies and efficiency, the overall number of activities was streamlined by 30% compared to 2021 and the EBA also adjusted its organisational structure on 1 June 2021.

¹ [Digital finance package | European Commission \(europa.eu\)](https://ec.europa.eu/finance/digital-finance-package/)

2022 priorities

Strategic priorities at the 2022-2024 horizon



Five vertical priorities (VP) in 2022

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

The European banking system entered downturn in robust financial health. Significant fiscal and monetary support from the EU authorities, national governments and central banks, coupled by the use of flexibility embedded in the regulatory frameworks and quick fixes allowed banks to continue their pivotal role of financing and to otherwise weather their debts through the implementation of moratoria. In 2022, the EBA will not lose sight of the path to recovery and will continue, in this vein, to monitor the health of banks while supporting any possible additional work of the co-legislators in this regard. The Authority will, inter alia, place particular attention on the benchmarking activities both in credit and market risk models, IFRS9 models and remuneration.

The completion of the risk reduction package roadmaps and the whole Single Rulebook attached to this updated framework will come to an end. The monitoring of its implementation will involve nevertheless an active use of the array of EBA tools. Support for the transposition of Basel III into the European framework will form a noteworthy part of the activity 'in light of the fact that implementation is scheduled to take place by 2023' and that legislative negotiations are ongoing. Monitoring them, preparatory and planning work, and the publication of roadmaps will require a great deployment of resources.

Regarding resolution, the effectiveness of the framework will continue to be strengthened, the EBA will aim to achieve this via (i) further development of its resolvability guidelines; ii) monitoring the implementation of the framework and fostering convergence; and (iii) supporting the commission in the revision of the crisis management framework. The supervisory tools upgrade and heightened convergence will continue, focusing on the inclusion of more specific or demanding requirements turned toward a larger spectrum of risks such as AML or ESG.

KPI

Indicator	Weight	Short description	Target
Number of technical standards, GL, reports, etc. delivered	100%	Number of technical standards, GL and reports delivered on time stemming from the implementation of the risk reduction package	7 ²

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 of the exercise, the focus will be to put into practice the new features and work on the new methodology for the next EU-wide stress test.

The revision of the methodology will start with the usual first step of collecting the lessons learnt from the previous exercise via dedicated workshops and bilateral meetings. This feedback will be used together with the new agreed features for the preparation of the 2023 stress-test exercise. It is expected that while the new features of the revised approach will focus on making the exercise more integrated into supervisory processes and incentivising banks even more to further develop their risk-management frameworks, the emphasis on the methodological changes will provide more realism in the final results. The methodological constraints may also be reviewed to enhance the realism of the stress-test results.

A draft EU-wide stress-test package, including the methodology, templates and template guidance, would ideally be shared with banks for collecting feedback and finalised thereafter. In the meantime, the EBA will consider the implementation of other recommendations from the 2019 ECA report on the implementation of the EU-wide stress test. The plan is to keep the constrained bottom-up approach, but centralising some risk areas by introducing top-down elements. Elements to be taken into account include: possible efficiency gains, resource implications, consistency of the process and value added for stress tests conducted by CAs and financial institutions.

KPI

² Target:

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

Indicator	Weight	Short description	Target
Design and implementation of the revised stress-test methodology	100%	Develop the new stress-test framework	Yes

VP3 2022 – Banking and financial data: leverage the EUCLID

The EUCLID, our data infrastructure, offers a single-entry point when reporting data to the EBA. Whereas in the past, the scope of the data to be reported was limited to supervisory data and to master data which populate the Credit Institution Register and the Payment Institution Register, the EUCLID platform allowed this scope to be expanded. In 2020, it enabled the collection of resolution data for the entire banking population. In 2022, the EBA will start collecting from the ECB payment fraud data under the EBA Guidelines on fraud reporting for all EU countries. Data stemming from the new CRD/CRR package will be included too. The EBA’s Master Data component of the EUCLID will be enriched with data for investment firms, enabling the collection of some supervisory data for these entities also. As endorsed by the EBA’s BoS, quantitative Pillar 3 data will be integrated with supervisory reporting data to the greatest possible extent. Furthermore, follow-up work may result from the conclusions of the feasibility study on an integrated EU reporting framework.

The EUCLID could work as a data hub, not only gathering and processing data, but also by allowing internal and external stakeholders, including CAs and EU legislators, to access more timely and comprehensive evidence-based analyses and information. With the aim of ensuring the best possible use by all stakeholders of the wide range of data collected and produced, in 2021 the EBA embarked on fleshing out a multi-year data strategy, which was finalised before summer. The EBA Data Strategy aims to accomplish three strategic goals: improve standardisation, harmonisation and integration of regulatory data; strengthen capabilities for processing and analysing regulatory data; enable the EBA as a data hub to share data and insights with internal stakeholders and the whole data ecosystem. In order to reach the envisioned target state, the EBA needs to conduct a series of initiatives which are consolidated and prioritised in a strategic roadmap. Preparatory work already started in 2021. The ultimate goal of the EBA’s data strategy is to leverage the EUCLID in order to bring more value to the EBA’s stakeholders through data. With greater representativeness achieved, the risk and policy measures will be refined. Member States will be able to better assess and benchmark their banking sectors and even Member States with smaller banking sectors will be well represented in the final sample.

KPIs³

Indicator	Weight	Short description	Target ⁴
A: Increase in data requests from the EBA’s stakeholders	40%	Increase of data requests from internal and external stakeholders for the EUCLID data compared to previous year	30%

³ The delivery of this KPI will be subject to the correct delivery of the multi-annual priority ‘Using the EBA’s data infrastructure and position as EU data hub to enhance efficiencies for the public and private sector in reporting and analysis’ (cf. Multi-annual priority 3 KPI herein).

⁴ Baseline for these KPIs will only be available on 31/12/2021.

Indicator	Weight	Short description	Target ⁴
B: Data strategy KPI – Objective 1	20%	Data assets completely catalogued (%)	100%
C: Data strategy KPI – Objective 2	20%	New dashboards produced	5
D: Data strategy KPI – Objective 3	20%	New data assets shared by the Data Hub	5

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

The EBA will continue its monitoring of and response to technological innovation and ICT and cyber risks, with a view to strengthening the operational resilience of the financial services in its scope and ensuring regulation and supervision are ‘tech ready’. This will follow 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. Continued work on value chains, platformisation, crypto assets and the impact of artificial intelligence can be expected. In addition, in 2022, the EBA will continue supporting knowledge-sharing between supervisors and common regulatory and supervisory stances via the EBA FinTech Knowledge Hub and the joint ESAs’ EFIF by thematic analysis and by potential policy responses. For example, resource permitting, the EBA envisages organising workshops on cyber resilience or training sessions on sharing practices.

Furthermore, two legislative proposals by the Commission, the Digital Operational Resilience Act – encompassing cyber resilience – and Markets in Crypto-assets, envisage a number of policy and supervisory mandates for the EBA. In 2021, the EBA started to evaluate these proposals and made some planning considerations to stand ready to take up these duties. When and how these proposals materialise will dictate the intensity of resources in this area. A number of technical standards and guidelines may need to be prepared for a supervisory role for crypto-asset issuers and a role in the oversight of third-party providers.

Lastly, the EBA has access to a wealth of information from its stakeholders and vendors through its IT unit and will be looking into feeding this more systematically into fact-finding and policy work during the course of 2022.

KPIs

Indicators	Weight	Short description	Target
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%
B: Interaction with stakeholders in the context of the EBA FinTech Hub	20%	Number of events organised to facilitate the exchange of information between competent authorities, ESAs, incumbent and new entrant institutions, technology providers and other market players about FinTech	2 events/year
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 EU 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.

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

The EBA will continue to coordinate and monitor the fight against financial crime in the EU's financial sector by ensuring policy development and consistent implementation to support AML/CFT supervisors and to ensure effective coordination with prudential, payments and conduct supervisors. The EBA will also start to use its database to ensure effective information flows across the EU. The database will contain information from national authorities relating to weaknesses they have identified in the processes and procedures, governance arrangements, fitness and propriety, business models and activities of individual financial sector operators in relation to AML/CFT. The EBA intends to use that information proactively to ensure that ML/TF risks are addressed by competent authorities and financial institutions in a timely and effective manner.

KPIs

Indicators	Weight	Short description	Target
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 Q42021, 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%
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%

Two horizontal priorities (HP) in 2022

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

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

The EBA will monitor the effective implementation of ESG disclosure standards in 2022 of key ESG metrics, such as the Green Asset ratio and gradually expand the scope of disclosure reflecting the development of the EU taxonomy and data availability.

Following the publication of the EBA report on ESG risk management and supervision, and the technical standards for ESG disclosure, the EBA will continue investigating these risks, to inform risk assessment and policy making, and ultimately incorporate ESG risks into the risk management and supervision part of the Single Rulebook. As advised by the ACP, the EBA will pay particular attention to the specificities of SNCIs during this process to ensure proportionality is maintained.

The EBA will implement ESG considerations into its policy development via ESG impact assessments and will progress in incorporating ESG risks into its risk analysis and stress testing. The EBA will

prepare a report for consultation on a potential prudential treatment of assets associated with environmental and/or social objectives. The EBA will also continue to participate in global, European and national initiatives in this regard, such as the Platform on Sustainable Finance and Network for Greening the Financial System also as strongly encouraged by the EBA's ACP.

Following the Renewed Sustainable Finance Strategy of the Commission (expected to be published in 2021), the EBA envisages additional mandates to incorporate sustainability into financial services and improve ESG risk management. Based on the Commission's consultation on the Renewed Sustainable Finance Strategy, areas where potential mandates might be directed to the EBA include green securitisation, green bonds, ESG risk management tools and ESG reporting standards.

KPIs

Indicator	Weight	Short description	Target
A: EBA outputs relating to ESG work delivered in 2022	50%	Number of technical standards, GL and reports, etc. relating to ESG work delivered on time	2 ^[1]
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
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

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

Starting from square one of the pandemic and the lessons learned, the Authority will continue monitoring 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 will also support the continued implementation of customer centric NPL management and work to support an efficient secondary market in NPLs ensuring customer protection obligations. The EBA will strive 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.

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

The Authority will also explore possible ways to mitigate the impact of COVID-19 offered by the prudential regulatory framework, by exploiting the flexibility offered in the existing framework and supporting the possible work of the co-legislators in that direction.

KPIs

^[1] Baseline:

- Discussion paper on prudential treatment of assets linked with sustainability objectives.
- Guidelines on ESG risk management.

Indicator	Weight	Short description	Target
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 monitor post COVID-19 environment being tabled at the EBA Board of Supervisors meeting during 2022	2
B: Follow-up to the 2021 peer review on NPE	15%	Follow-up actions to recommendations (if any) of the 2021 peer review on the supervision by the competent authorities of the management of non-performing exposures (NPE) by institutions and readiness for dealing with post-COVID-19 NPE increases	Yes
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

EBA activities

The EBA has defined activities and deliverables for the year and allocates its resources in order to accomplish the aforementioned objectives. To staff, the work programme serves to link the day-to-day work and processes to the strategic areas. To EBA's stakeholders, it provides transparency and accountability.

Compared to last year's programme, the EBA streamlined its activities by merging and reshuffling to further benefit from synergies. Consequently, the organisational structure has slightly adjusted to better deliver its objectives. The activities can be grouped into 25 main activities (vs. 37 in 2021): 14 related to policy and convergence work, 5 related to risk assessment and data, and 6 related to coordination and support.

Policy and convergence work

Activity 1 – Capital, leverage ratio and loss absorbency

Contributing to priority	VP1
Description	<p>Robust quality of capital for the EU institutions and consistent implementation of the regulatory provisions stemming from CRR II are the main objectives. The EBA will continue monitoring Common Equity Tier 1 (CET1) issuances and maintaining a public list of CET1 instruments. In addition, in order to monitor financial innovation and to keep the terms and conditions of issuances as simple as possible, the EBA will regularly engage in dialogue with numerous stakeholders to follow developments and provide guidance in the area of capital and capital issuances.</p> <p>The leverage ratio allows CAs to assess the risk of excessive leverage in their respective institutions.</p> <p>TLAC/MREL is a requirement for a given bank to hold a sufficient amount of own funds and debt instruments of a certain quality, in order to absorb losses and recapitalise the institution to ensure that it can continue to perform critical functions in the event of failure. This requirement is to be set for each bank at the parent and relevant subsidiary levels by the relevant resolution authorities, in line with both BRRD II and the regulatory standards developed by the EBA. In the context of the policy work on MREL, the EBA will perform a number of tasks.</p>
Main outputs	<ul style="list-style-type: none"> • Capital: maintain Additional Tier 1 (AT1) instruments templates • Capital: analyse interactions with loss absorbency requirements • Capital: assess post-CRR instruments and review pre-CRR instruments • Capital/TLAC-MREL: monitor – and report on – AT1, Tier 2, TLAC-MREL issuances (including ESG ones) Ongoing • Capital: maintain, monitor and report on the EBA CET1 list • Capital: answer questions on capital (Q&A) • Leverage ratio: monitor/promote consistent application (incl. notifications and follow-up actions), update requirements as needed <hr/> <ul style="list-style-type: none"> • Report on monitoring of MREL eligible liabilities issuances – update Q1/Q2

- Follow up of the implementation of the EBA Opinion on legacy instruments Q1/Q2

Activity 2 - Liquidity risk and interest rate risk in the banking book

Contributing to priority	VP1	
Description	In the area of liquidity (also encompassing asset encumbrance-related matters), the EBA keeps the ITS on reporting up to date, following changes to the Level 1 texts in particular. In terms of implementation, the EBA is scrutinising the ways in which institutions and CAs have implemented the CRR and RTS provisions, for example in terms of notifications and the use of national options and discretion, using ongoing monitoring of the practical implementation and providing guidance where necessary. In the area of the IRRBB, the main objective will be to deliver GL and RTS stemming from CRR II/CRD V.	
Main outputs	<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 NFSR 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 net stable funding ratio • Monitor interdependent inflows and outflows in the LCR • Support Q&A on liquidity risk and interest rate risk in the banking book 	Ongoing
	<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 CSRB 	Q1

Activity 3 – Accounting and audit

Contributing to priority	VP1	
Description	To support high-quality accounting and auditing standards, the EBA aims to facilitate the dialogue between (i) the CAs supervising credit institutions and (ii) the statutory auditors and the audit firms carrying out the statutory audits of those institutions.	
Main outputs	<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 roadmap⁵ 	Ongoing

⁵ <https://eba.europa.eu/sites/default/documents/files/documents/10180/2551996/ccbf23ae-4b1a-4af7-bb5e-44d51ae58dfb/Roadmap%20for%20IFRS%20%20deliverables.pdf?retry=1>

- 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

Activity 4 – Credit risk (incl. large exposures, loan origination, NPL, securitisation)

Contributing to priority

VP1

Description

EBA's work on credit risk will focus on: developing technical standards, GL and reports regarding the calculation of capital requirements under the SA and the internal ratings-based (IRB) approach for credit risk (excluding the trading book business) under CRD V/CRR II; preparing the EU implementation of Basel III; monitoring the impact of COVID-19 on bank credit exposures and providing clarity on the regulatory framework.

On large exposures the EBA will monitor the use of options and national discretions.

The EBA will continue to support building an effective and efficient framework for the management of non-performing and forborne exposures and strengthening institutions' practices in loan origination and management ensuring that institutions equally meet their prudential objectives and consumer protection obligations. The EBA will contribute to the new European Commission action plan for tackling non-performing loans (NPLs) in the aftermath of the COVID-19 pandemic (December 2020), in particular strengthening data standardisation and transparency for the secondary markets in NPLs. The EBA will also work on forthcoming mandates from the new Directive on credit servicers and credit purchasers, and the recovery of collateral (NPL Directive) once it is finalised.

Regarding securitisation, the new European framework for the STS securitisations regulation and accompanying amendment of Chapter 5 of the CRR, which came into force in January 2019, set out a large number of mandates for the EBA to develop technical standards, GL and reports. The Capital Market Recovery Package, which came into force in April 2021, added new mandates on STS on synthetic securitisations and NPE securitisations. The EBA will also do follow-up work related to the new directive on covered bonds.

Main outputs

- Credit risk: maintain credit-related lists, including the identification of the eligibility of public-sector enterprises for the credit-risk framework
- Credit risk: monitor and promote the consistent application of credit risk and credit-risk modelling, including the implementation of the IRB roadmap
- Credit risk: support Q&A on credit risk
- Credit risk: support the implementation of the Basel III credit-risk standards

Ongoing

<ul style="list-style-type: none"> • Credit risk: monitor impact of COVID-19 on credit risk (incl. GL on public moratoria) • Credit risk: prepare Basel III-related mandates • NPLs: monitor the implementation of the EBA's loan origination GL • NPLs: enhanced and user-friendly NPE data templates to support the emerging EU secondary market NPEs • NPLs: support effective NPE management as set out in the EBA's NPE GL including customer-centric approach to NPE management • NPLs: follow-up on the EU action plan for tackling NPLs in Europe • Securitisation: monitor market development and promote the consistent application of frameworks on securitisation and covered bonds • Securitisation: implement the Covered Bonds Directive 	
<ul style="list-style-type: none"> • Securitisation: RTS on performance-related triggers • Securitisation: RTS on synthetic excess spread (STS synthetic) 	Q1
<ul style="list-style-type: none"> • Securitisation: RTS on homogeneity (STS synthetic) • Securitisation: GL on calculation of K IRB for dilution and credit risk • Securitisation: GL on the harmonised interpretation and application of the requirements set out in Articles 26b to 26e (STS synthetic) • Securitisation: monitoring report on capital treatment of NPEs securitisation 	Q2
<ul style="list-style-type: none"> • Securitisation: ITS on the mapping of external credit assessment institution (ECAI) credit assessment for securitisation positions 	Q3
<ul style="list-style-type: none"> • Credit risk: preparation of 2022 benchmarking portfolios – update of ITS • Credit risk: 2021 benchmarking report on IRB models • Large exposures: RTS on the definition of group of connected clients • Securitisation: report on hierarchy-of-approaches practises for calculation of risk weights (CRR Article 254(8))⁶ • Securitisation: report on equivalence regime for covered bonds 	Q4

Activity 5 – Market risk, investment firms and service risks, and operational risk

Contributing to priority

VP1

Description

The work on market risk focuses on the development of technical standards, GL and reports regarding the calculation of capital requirements for market risk, credit valuation adjustment and CCR. Market risk can be defined as the risk of losses in on- and off-balance-sheet positions that arise from adverse movements in market prices. From a regulatory perspective, market risk stems from all the positions included in banks' trading books, as well as from commodity and foreign exchange risk positions in the whole balance sheet. The EBA's work will focus on the finalisation of the new framework for market risk capital requirements⁷, following the implementation of the FRTB in CRR II/CRD V and the Commission delegated act.

⁶ If sufficient data is available.

⁷ <https://eba.europa.eu/sites/default/documents/files/documents/10180/2844544/ab272ad0-f256-4d70-9563-376e1d772feb/EBA%20roadmap%20for%20the%20new%20market%20and%20counterparty%20credit%20risk%20approaches.pdf?reply=1>

The work on investment firms will focus on the finalisation of the remaining mandates stemming from the new regulatory regime for investment firms (IFR/IFD). The ACP provided advice to the EBA in this area which is currently under scrutiny.

In addition, the EBA's work in relation to operational risk focuses on the monitoring of regulatory operational risk requirements and preparatory work for the implementation of the new operational risk framework, the Standardised Measurement Approach, which is part of the final Basel III framework.

Main outputs	<ul style="list-style-type: none"> • Market risk: prepare the implementation of the FRTB – 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 	Ongoing
	<ul style="list-style-type: none"> • Market risk: report on the impact/calibration of SA-CCR, simplified SA-CCR and OEM 	
	<ul style="list-style-type: none"> • Market risk: regular updates to the list of diversified stock indices, incl. any additional relevant indices and applying the ITS quantitative methodology 	
	<ul style="list-style-type: none"> • Market risk: monitor and promote consistent application of market risk requirements 	
	<ul style="list-style-type: none"> • Market risk: Q&A support on market risk, market infrastructure and CCR 	
	<ul style="list-style-type: none"> • Operational risk: monitor and promote the consistent application of operational risk and investment firms' requirements 	
	<ul style="list-style-type: none"> • Operational risk/investment firms: Q&A support on operational risk and investment firms 	
	<ul style="list-style-type: none"> • Investment firms: RTS on liquidity risk measurement 	
	<ul style="list-style-type: none"> • Investment firms: GL to specify the criteria when exempting Article 12(1) investment firms (class 3) from the liquidity requirements 	Q2
	<ul style="list-style-type: none"> • Market risk: Prepare the 2022 benchmarking portfolios – update of ITS 	Q3
<ul style="list-style-type: none"> • Market risk: 2021 benchmarking report on market risk models 	Q4	
<ul style="list-style-type: none"> • Investment firms: GL on benchmarking of internal models 		

Activity 6 – Supervisory review and convergence

Contributing to priority	
Description	<p>The EBA will work on the finalisation of the Pillar 2 framework stemming from the new CRD/CRR and IFD frameworks and other regulatory developments affecting the review of the Guidelines for the supervisory review and evaluation process (SREP). This will rely on the EBA's ongoing monitoring and assessment of the convergence of supervisory practices (e.g. in the application of the proportionality principle, determination of additional capital requirements). The EBA will also enhance policy developments on emerging risks and areas such as AML or ESG. The EBA received input from the ACP in this regard, which will be addressed in the current (SREP IFD) or the next (SREP CRD) reviews.</p>

Main outputs	<ul style="list-style-type: none"> • Supervisory review: second review GL on common procedures and methodologies for SREP 	Q1
	<ul style="list-style-type: none"> • Supervisory review: report on convergence of supervisory practices in 2021 	Q2
	<ul style="list-style-type: none"> • Supervisory review: GL on common SREP under IFD • Supervisory review: RTS on Pillar 2 add-ons under IFD 	
	<ul style="list-style-type: none"> • Supervisory review: Revise RTS-ITS on the functioning of supervisory colleges and on cooperation between CAs, financial intelligence units and other authorities 	Q4

Activity 7 – Internal governance and remuneration

Contributing to priority	VP1
Description	<p>Directive 2013/36/EU as amended by Directive 2019/878/EU requires that institutions have robust governance arrangements, including a clear organisational structure; well-defined lines of responsibility; and effective risk management processes, control mechanisms and remuneration policies. The internal governance should be appropriate for the nature, scale and complexity of the institution. The remuneration policy should be gender neutral. The EBA has been finalising several mandates to review or issue draft guidelines and RTS in the areas of governance and remuneration for institutions and investment firms.</p> <p>The EBA is also asked to monitor and benchmark diversity practices at EU level. In the area of remuneration, the EBA is required in this context to monitor the use of remuneration practices. In 2022, the EBA will review the organisation of such monitoring exercises, including through the update of guidelines under CRD on high earner and benchmarking data collection, development of new guidelines under IFD and integration of aspects on the gender pay gap as mandated under CRD V.</p>
Main outputs	<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 <p>Ongoing</p> <hr/> <ul style="list-style-type: none"> • GL on high earners under CRD • GL on high earners under IFD <p>Q2</p> <hr/> <ul style="list-style-type: none"> • GL on benchmarking remuneration and gender pay gap under CRD and IFD • Data collection higher approved ratio <p>Q3</p> <hr/> <ul style="list-style-type: none"> • Report on remuneration benchmarking exercise (2019 and 2020 data) and high earners (2020) • Report on diversity benchmarking <p>Q4</p>

Activity 8 – Recovery and resolution

Contributing to priority	VP1
Description	<p>Starting from 2022, the Authority will monitor convergence in the implementation of identified topics of the resolution framework, mirroring a similar exercise performed for the prudential framework through the extension of the focus limited thus far to resolution colleges' activity. The EBA will continue to monitor the building up of MREL</p>

Activity 8 – Recovery and resolution

resources in the European banking sector, in particular, and will produce a report on the distribution of cross-holdings of eligible liabilities among G-SIIs and O-SIIs, and work on the development of further GLs on resolvability assessment. While the EBA expects to receive a proposal from primary legislation, it will strengthen its monitoring role and focus on critical elements of the secondary legislation that may be in need of review on the basis of the practical experience gained.

In the context of crisis preparedness, the EBA will continue to monitor evolving practices in relation to recovery planning, focusing in particular on improving the usability of the recovery plans, their content and the determination of the overall recovery capacity. It will maintain its focus on the crisis management continuum and on the quality of cooperation between supervisory and resolution authorities.

Main outputs	<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 	Ongoing
	<ul style="list-style-type: none"> • Report on the amounts and distributions of holdings of eligible liabilities instruments held by G-SIIs or O-SIIs⁸ and potential impediments to resolution and the risk of contagion in relation to those holdings • Impact assessment of the MREL (Article 45I.2 BRRD) 	Q2

Activity 9 – Market access, authorisation and equivalence

The EBA will continue monitoring the regulatory perimeter and authorisation practices and reports on the treatment of third-country branches. The EBA will continue developing the framework for the implementation of the Intermediate Parent Undertaking, via the drawing up of templates for data collection to assess and monitor the reach of the threshold for the establishment of the IPU and to facilitate cross-border cooperation between CAs supervising subsidiaries and branches of third-country groups.

With regard to authorisation of credit institutions, it will finalise the RTS on information for authorisation. In respect of monitoring of regulatory perimeter, among other things, it will collect information on the types of non-bank entities that are allowed to collect deposits under national law (See Article 9(3) CRD). The EBA will also deliver the Report on the withdrawal of authorisation due to serious breaches of AML/CFT rules under the AML Council Action Plan. As to qualifying holdings, the EBA will follow-up on the Peer Review of the Guidelines on the assessment of the acquisition of qualifying holdings.

The EBA will also continue monitoring the current framework of prudential waivers.

⁸ Global systemically important institutions (G-SIIs) and Other systemically important institutions (O-SIIs)

Activity 9 – Market access, authorisation and equivalence

	<p>With regard to equivalence, the EBA will assess the regulatory and supervisory frameworks of third countries and their equivalence with the EU framework, provide an opinion to the Commission and monitor, together with the Commission, the ongoing equivalence of countries covered by the Commission’s equivalence decisions. The EBA will enter into cooperation agreements with the CAs of third countries, covering prudential, conduct and crisis-management cooperation.</p>	
Main outputs	<ul style="list-style-type: none"> • Cooperation agreements with third-country authorities on supervision, resolution, conduct and AML/CFT 	Ongoing
	<ul style="list-style-type: none"> • Monitor regulatory perimeter and new financial activities across the EU • 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

Activity 10 – Sustainable Finance

Contributing to priority	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 2px 5px;">VP1</div> <div style="border: 1px solid green; padding: 2px 5px;">HP1</div> </div>	
Description	<p>The EBA will continue to contribute to the Commission’s work on sustainable finance (particularly via the Platform on sustainable finance), and deliver on mandates in the CRD/CRR, IFD/IFR, and in the Commission’s action plan for sustainable finance. New mandates on sustainable finance are expected from the Commission’s legislative and non-legislative initiatives, in particular, related to the Renewed Sustainable Finance Strategy (expected H1 2021).</p> <p>The EBA will continue building its ESG risk assessment tools to be able to efficiently monitor ESG risks in the banking sector and development of the green financial market. The work of the EBA in this area is aligned with the advice received from the ACP.</p>	
Main outputs	<ul style="list-style-type: none"> • Contribution to Commission activities in this area (including Platform on Sustainable Finance) 	Ongoing
	<ul style="list-style-type: none"> • Discussion paper on a potential prudential treatment of assets linked with sustainability objectives 	Q1
	<ul style="list-style-type: none"> • GL on ESG risk management • Monitoring system for ESG risks in the banking sector 	Q4

Activity 11 – Innovation and FinTech⁹ (without MiCA and DORA¹⁰)

Contributing to priority	VP4
Description	<p>The EBA will continue to monitor financial innovation and identify areas warranting a regulatory or supervisory response. In line with the EBA’s FinTech Roadmap and the Commission’s Digital Finance Strategy, work will focus on: (i) the regulatory perimeter; (ii) the business model impact, risks and opportunities of FinTech and platformisation for financial institutions; and (iii) regulatory obstacles to innovative technologies and business models.</p> <p>The EBA will continue supporting i) the FinTech Knowledge Hub to facilitate information and experience-sharing, raise awareness and foster FinTech knowledge transfer; and ii) the Forum of European Innovation Facilitators (information-sharing among national innovation facilitators).</p>
Main outputs	<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 <p style="text-align: right;">Ongoing</p> <ul style="list-style-type: none"> • ESA opinion on Digital Finance on non-bank lending (call for advice) Q1 • Crowdfunding Regulation: RTS on information to clients (Article 19(7)) • Advise 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.) Q3

Activity 12 – Consumer and depositor protection

Contributing to priority	VP4
Description	<p>The EBA seeks to foster a consistent level of consumer protection in all EU Member States, by identifying and addressing consumer detriment in the banking sector, monitoring and assessing the retail conduct of financial institutions in its regulatory remit, delivering the EU law mandates, and contributing to supervisory convergence and consistent consumer outcomes.</p> <p>Furthermore, the EBA contributes to enhanced depositor protection in the event of a bank failure, by completing, within the EU crisis-management framework, the Single Rulebook, facilitating cross-border cooperation between deposit guarantee schemes (DGSs), acting as a hub for DGS data collection and analysis, monitoring the financing and resilience of DGSs, and contributing to the review of the existing Deposit Guarantee Schemes Directive (DGSD).</p>

⁹ This section does not take into account the Commission’s Digital Finance Strategy of September 2020 which outlines key areas of legislative and non-legislative initiatives that may also result in mandates for the EBA, especially on digital operational resilience and crypto-assets: the EBA’s possible resulting activities are described in Annex I).

¹⁰ See Annex 1.

	<p><i>Depositor protection</i></p> <ul style="list-style-type: none"> • Publish data on uses of DGS funds, including in bank failures, and data on covered deposits and financial means available to DGSs • Monitor the liquidations that involved a DGS payout • Assess notifications received under the DGSD • Possible follow-up on the EBA's mandate in DGSD Article 19(6) • Q&A support on DGSD • Prepare to deliver the mandates that may be conferred on the EBA in the revised DGSD <p><i>Consumer protection</i></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 • 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 	Ongoing
Main outputs	<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

Activity 13 – Payment services

Description	The EBA contributes to efficient, secure and easy retail payments across the EU, by developing the mandates conferred on the EBA in EU directives and regulations and by contributing to their common interpretation and supervision.	
Main outputs	<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 EU Commission's review of PSD2 	Ongoing

Activity 13 – Payment services

- Final Guidelines on limited network exclusions under PSD2

Q1

Activity 14 – Anti-money laundering and combating the financing of terrorism

Contributing
to priority

VP5

Description

The EBA contributes to the integrity, transparency and orderly functioning of financial markets, including by preventing the use of the financial system for the purposes of money laundering and terrorist financing (ML/TF). As a result of the new tasks arising from the ESAs' Review, in 2022, the EBA will use a newly established AML/CFT database to improve the quality of AML/CFT monitoring and the coordination and information amongst CAs. It may perform the first EU-wide Article 9A risk assessments.

Main outputs	<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 	Ongoing
	<ul style="list-style-type: none"> • Incorporate AML/CFT issues into prudential fit and proper and governance GL • Third report on the functioning of AML/CFT colleges • Final Guidelines on digital identities and electronic onboarding • Third report on the EBA's implementation reviews of national approaches to AML/CFT supervision 	<p>Q1</p> <p>Q3</p> <p>Q4</p>

Risk assessment and data

Activity 15 – Reporting and transparency

Contributing
to priority

VP3 HP1

Description

To maintain a high-quality and efficient supervisory reporting framework, including a data point model and validation rules, the EBA will continue to provide regular updates, to maintain the relevance of the reporting framework. In 2022, the EBA is expected to complete a key milestone, the feasibility study on integrated reporting, which should contribute to a more consistent and integrated system for collecting statistical, resolution and prudential data, with a view to achieving efficiency gains and reducing reporting costs for institutions' data. The ACP provided input to this project which will be assessed alongside the feedback received from its public consultation. Moreover,

Activity 15 – Reporting and transparency

revision of the CRR (CRR III) is expected to result in amendments to the EBA reporting framework.

The EBA will continue work to improve the comparability and standardisation of Pillar 3 disclosures, including the extension of the ITS on Pillar 3 disclosures when relevant, and the monitoring of institutions' Pillar 3 reports. Standardisation and quality of Pillar 3 information is fostered by ensuring consistency and integration between Pillar 3 and supervisory reporting data, and a mapping between prudential disclosures and supervisory reporting data points is provided through a mapping tool. The EBA will continue to work on ESG disclosures in the context of the Pillar 3 ITS, and coordinate the work on non-financial reporting at the EU, with our consultative role on CSRD standards and on disclosures under Article 8 of Taxonomy Regulation, and at international level with Basel.

The revision of the CRR (CRR III) may include a mandate for the EBA to establish a Pillar 3 data hub, which will centralise public prudential disclosures for all EU institutions, in order to further promote comparability of public prudential information and market discipline and facilitate compliance with Pillar 3 requirements by smaller institutions.

Last but not least, as part of the EBA work on proportionality, the EBA will monitor the implementation of its recommendations in virtue of the study of the cost of compliance. Notably, the EBA received advice from the ACP in this regard, some of which has already been implemented, such as simplified net stable funding ratio (NSFR) reporting for SNCI, removal of maturity buckets in LE for SNCIs and simplifications in leverage ratio reporting for SNCIs.

Main outputs	<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 CSRD • Guidance on implementation of disclosures under Article 8 Taxonomy Regulation (if required) • Preparations for the Pillar 3 data hub • Monitor Pillar 3 disclosures¹¹ • Monitoring implementation of recommendation of the cost-of-compliance study 	Ongoing
	<ul style="list-style-type: none"> • Reporting templates on IPU / third-country branches 	Q1
	<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

¹¹ Own-initiative project.

Activity 16 – Risk analysis

Contributing to priority	VP2 HP2
Description	<p>The EBA will continue the work of monitoring market trends and the main developments in the banking sector. The objective is to identify, in a forward-looking fashion, vulnerabilities and potential risks that may affect EU banks, and to identify possible policy actions to address them. In 2022, the EBA will continue to pay particular attention to risks stemming from the aftermath of COVID-19, especially the adequacy of banks' provisioning. In addition, it will try to draw some lessons about market-making capacity of EU banks in crisis times (e.g. in market segments that experienced bouts of illiquidity). Finally, the EBA will support the implementation of the macroprudential framework in the EU.</p>
Main outputs	<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 <p style="text-align: right;">Ongoing</p> <hr/> <ul style="list-style-type: none"> • Call for advice on the review of the EU Macroprudential Framework • JC spring risk report <p style="text-align: right;">Q1</p> <hr/> <ul style="list-style-type: none"> • Funding plans report • Asset encumbrance report • JC autumn risk report <p style="text-align: right;">Q3</p> <hr/> <ul style="list-style-type: none"> • Annual risk assessment report on the European banking system <p style="text-align: right;">Q4</p>

Activity 17 – Stress testing

Contributing to priority	VP1 VP2 HP2
Description	<p>To support the analysis of potential risks and vulnerabilities in the EU, the EBA initiates and coordinates EU-wide stress tests, in cooperation with the ESRB. These allow the assessment of the resilience of financial institutions to adverse market developments and feed into the microprudential and macroprudential assessments and decisions of the relevant CAs.</p> <p>An EU-wide stress test will be carried out by the EBA in 2023, relying on methodologies, scenarios and key assumptions to be developed with the ESRB, the CAs and the Commission in 2022. The EBA will be making changes to the methodology centralising some risk areas by introducing top-down elements, building on input received on its Discussion Paper on the future changes to the EU-wide stress test¹². In the longer-term, the EBA will also explore how to embed climate risk into its stress-test framework.</p>
Main outputs	<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 <p style="text-align: right;">Ongoing</p>

¹² <https://eba.europa.eu/eba-consults-future-eu-wide-stress-test-framework>

Activity 18 – Economic analysis and impact assessment

Contributing to priority	<div style="display: flex; gap: 10px;"> <div style="border: 1px solid black; padding: 2px 5px;">VP3</div> <div style="border: 1px solid black; padding: 2px 5px;">VP4</div> <div style="border: 1px solid black; padding: 2px 5px;">VP5</div> </div>
Description	<p>Informed, proportionate and evidence-based policymaking requires comprehensive impact assessments. Economic analysis and impact assessments support the development of the EBA’s regulatory products and are necessary inputs for the EBA’s advice to the Commission, and a key contribution to the debate on regulatory reforms.</p>
Main outputs	<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 <p style="text-align: right;">Ongoing</p> <hr/> <ul style="list-style-type: none"> • CRD V/CRR II Basel III monitoring report Q3 • Annual report on the impact and phase in of the LCR Q4 • Policy research workshop

Activity 19 – Data infrastructure, statistical tools, ad hoc data collections

Contributing to priority	<div style="border: 1px solid black; padding: 2px 5px;">VP3</div>
Description	<p>In close cooperation with the CAs and drawing on synergies, the EBA has upgraded its infrastructure in order to provide a reliable, secure and efficient platform (EUCLID) to collect and process micro and aggregated data for all financial institutions.</p> <p>The inclusion of data on smaller institutions and specialised business models will allow the introduction of more proportionality in the EBA’s work, resulting in more comprehensive analyses and better impact assessments. The EBA aims to reduce the burden for banks and CAs by maximising on already reported supervisory data when supporting ad hoc data collections.</p> <p>The data will support: the EBA’s quantitative analyses underpinning the development of the Single Rulebook; risk and vulnerability analyses of the banking sector; EU-wide transparency exercises; the assessment of regulatory proposals as part of the EBA risk reports and advice to legislators on future regulation; and the impact assessment of the EBA regulatory products.</p> <p>The EBA will provide analytical tools for risk analysis and develop and maintain its risk dashboards and interactive tools, and a list of EBA risk indicators. It will promote the use of reported data by providing tools and training for data users. This will involve ensuring the consistent application of reporting requirements through the application of validation rules and quality checks.</p>

Activity 19 – Data infrastructure, statistical tools, ad hoc data collections

	<p>The EBA will provide high-quality data, at the aggregate and bank-by-bank levels, on a need-to-know basis, to a wide range of stakeholders (investors, analysts, academics and the general public), and improve banks' own disclosures within and beyond Pillar 3.</p> <p>The EBA expects to finalise its multi-annual data strategy during summer 2021 and will work on its implementation which will, inter alia, root all EBA policy work in data and support members and the public in their data needs.</p>	
Main outputs	<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. 	Ongoing
	<ul style="list-style-type: none"> • Risk dashboards and other tools for internal and external data users 	Quarterly
	<ul style="list-style-type: none"> • Update macro and bank-specific risk dashboards 	Q4

Coordination and support

Activity 20 – Policy coordination, communication, and training

	<p>The unit will continue to support the EBA's governing bodies (BoS and MB), the Banking Stakeholder Group, the ESAs' JC and Board of Appeal; peer reviews with the CAs; the definition and execution of the EBA's work programme; and the EBA's interactions with the EU and international institutions (e.g. GHOS/BCBS, IMF).</p>	
Description	<p>The EBA will update its communication strategy, deliver a new visual identity and start revamping its website in order to support its mandates.</p> <p>The EBA will enhance the Q&A process and tools underpinning the Single Rulebook.</p> <p>To facilitate the competent authorities' acquisition of the Single Rulebook, the EBA will extend its training offer in prudential and resolution areas and on emerging risks.</p>	
Main outputs	<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' Regulation • Union Strategic Priorities 2022-2023 plan • Peer review: implementation of the 2-year work programme 	Ongoing

Activity 20 – Policy coordination, communication, and training

<ul style="list-style-type: none"> • Q&A: maintain the interactive external interface of the Single Rulebook, coordinate and publish answers to stakeholders on the Single Rulebook • Training for EU competent authorities 	
<ul style="list-style-type: none"> • Multi-annual work programme (2023-2025 horizon) 	Q1
<ul style="list-style-type: none"> • Consolidated annual activity report 2021 • Annual report 2021 	Q2
<ul style="list-style-type: none"> • Peer review: on the EBA GL on ICT risk assessment under SREP • 2023 Annual work programme 	Q3
<ul style="list-style-type: none"> • Peer review: EBA GL on authorisation and registration under PSD2 (EBA GL/2017/09) 	Q4

Activity 21 – Legal and compliance

Description	<p>Provision of legal analysis and support, and risk and compliance functions. This includes: analysis and support on draft regulatory products; carrying out investigations into potential breaches of EU law and dispute resolution between CAs; representing the EBA before the Board of Appeal and the Court of Justice; providing data protection officer, ethics, anti-fraud and risk management functions; and ensuring that the EBA operates in accordance with its founding regulation and with all other applicable laws.</p> <p>In 2022, particular focus will include continued enhancement of risk and compliance functions including digitisation, enhancement of the comply/explain notification process and supporting the EBA's work on: development of the Single Rulebook for Prudential Regulation of Banks; sound implementation of MICA and DORA; prevention and countering of ML/TF; enhancement of the Q&A process and Interactive Single Rulebook; supervisory independence and the ESAs' Review.</p>
Main outputs	<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

Activity 22 – Finance, procurement and accounting

Description	<p>The activity will aim to enhance further budget acquisition, monitoring and execution through electronic workflows for finance, procurement and accounting processes, and through leveraging the implementation of the EBA collaboration platform. It will also continue the implementation of the systems and processes required to support fee-financing arising from the digital finance LFS, in coordination with the ESMA and the EIOPA.</p>
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Activity 22 – Finance, procurement and accounting

	<p>This will look, in particular, at activity-based budgeting/costing systems, where possible building on the work of other agencies in this area.</p> <p>The execution of the 2022 procurement plan and its possible adjustments will be closely monitored. The implementation of the Public Procurement Management Tool (developed by the Joint Research Centre with the Commission’s Directorates-General for Informatics and for Budget with some other agencies) should be completed within the year.</p>	
Main outputs	<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 	Ongoing
	<ul style="list-style-type: none"> • IT system for managing fees 	Q4

Activity 23 – Human resources

Description	<p>The EBA will focus on the fulfilment of the establishment plan, the further development of the technical and soft skills of its staff, the further improvement of HR processes, the updating of existing internal policies and the introduction of new ones, and the adoption of the pending HR implementing rules in accordance with the Staff Regulations</p>	
Main outputs	<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 	Ongoing

Activity 24 – Information technology

Contributing to priority	 	
Description	<p>The activity will continue to deliver digital solutions, services and technology leadership to enable the EBA to achieve its mission and to support its everyday operations as a trusted business partner. Digital services and solutions will: support the data hub, enhancing data collection and dissemination; enhance tools for developing and maintaining the reporting framework; and enable efficient collaboration with and support core business processes. From an infrastructure and security perspective, the aim is to operate in a cloud infrastructure, with an enhanced risk management and response framework.</p>	
Main outputs	<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 	Ongoing

Activity 24 – Information technology

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- Support and enhancement of analytics 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
-

Activity 25 – Corporate support

Description	This activity will further develop internal measures to ensure that the EBA's activities are subject to control, and to report to management on the achievement of the EBA's objectives. It will continue to support the EBA's core functions based on specialised knowledge and best practices, to serve internal stakeholders and business partners.	
Main outputs	<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. 	Ongoing
	<ul style="list-style-type: none"> • Annual business continuity exercise 	Q1

ANNEX I: MICA AND DORA LEGISLATIVE PROPOSALS

The level 2 mandates and timeframe of the deliverables listed below are subject to the outcome of the co-legislative process. The current status quo is that these legislative proposals will be confirmed in June 2022 and thus its first deliverables will be included in the 2023 work programme.

Activity 11 continued: if MiCA confirmed

Description	The Commission's Digital Finance Strategy was accompanied by a new legislative proposal on the regulation of crypto-assets (MiCA). Pursuant to MiCA (and subject to the outcome of the co-legislative process), the EBA is expected to be given new regulatory and supervisory tasks. The EBA will continue its monitoring of crypto-asset market developments with a view to continuing to promote consistency in regulatory and supervisory approaches across the EU. The EBA will also continue to provide inputs to the work of international standard-setters, including in relation to the prudential treatment of banks' exposures to crypto-assets and AML/CFT measures.
Main outputs	<ul style="list-style-type: none"> • Monitor crypto-asset activities. • Foster common regulatory/supervisory approaches through knowledge-sharing between industry and competent authorities (EBA's FinTech Knowledge Hub and the European Forum for Innovation Facilitators). • Provide technical inputs to EU and international relevant work streams.

Activity 11 continued: if DORA confirmed

Description	The Commission's Digital Finance Strategy was accompanied by legislative proposals on digital operational resilience (DORA); the EBA is expected to be given new regulatory and oversight tasks. The EBA will continue its work to ensure that the regulatory framework for ICT, security risk and cyber resilience is well-implemented, including with consistent supervisory practices. The EBA will continue to provide inputs to the work of international standard-setters in the area of operational resilience.
Main outputs	<ul style="list-style-type: none"> • Inputs to FinTech Knowledge Hub (workshops, roundtables, seminars) • Forum of European Innovation Facilitators; the Commission's ongoing work

ANNEX II: RESOURCE ALLOCATION PER ACTIVITY

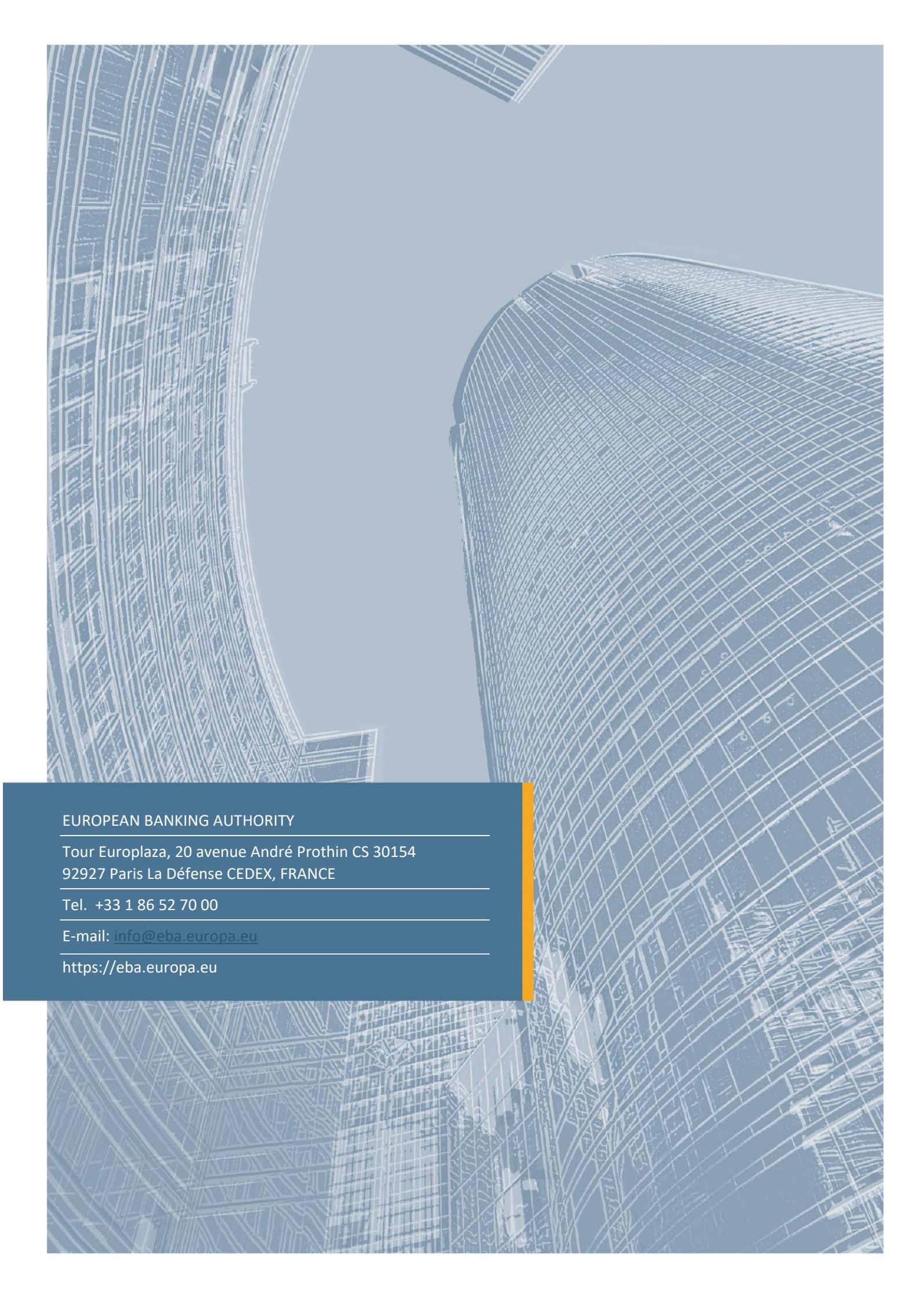
The table below summarises the resource allocation per activity and details the type of resource: TA, CA or SNE. The EBA foresees a total of 183 TAs, 50 CAs and 20 SNEs to undertake its activities in 2022, including senior management and support. These figures are as per the 2022 Draft Budget proposed by the European Commission and agreed by Council. The European Parliament has not yet given their opinion on this, so the final headcount and budget may vary from these figures.

Activity	TA	CA	SNE	Total	Cost (EUR)
Policy and convergence work					
Activity 1 – Capital, leverage ratio and loss absorbency	4	-	-	4	1 001 078
Activity 2 – Liquidity risk and interest rate risk in the banking book	2	-	-	2	527 662
Activity 3 – Accounting and audit	4	-	-	4	1 002 578
Activity 4 – Credit risk (incl. large exposures, origination, NPL, securitisation)	11	1	1	13	2 969 101
Activity 5 – Market and Operational risk, and Investment firms	6	-	1	7	1 618 968
Activity 6 – Supervisory review and convergence	4	1	1	6	1 312 146
Activity 7 – Internal governance and remuneration	4	-	-	4	1 001 078
Activity 8 – Recovery and resolution	4	-	-	4	1 001 078
Activity 9 – Market access, authorisation and equivalence	3	-	-	3	1 514 370
Activity 10 – Sustainable Finance	2	1	-	3	694 256
Activity 11 – Innovation and FinTech (without MiCA and DORA)	6	-	-	6	1 474 493
Activity 12 – Consumer and depositor protection	3	-	1	4	1 092 844
Activity 13 – Payment services	2	-	2	4	1 616 611
Activity 14 – Anti-money laundering and combating the financing of terrorism	6	4	-	10	2 140 870
Risk assessment and data					
Activity 15 – Reporting and transparency	6	1	-	7	1 941 087
Activity 16 – Risk analysis	4	-	2	6	1 740 284
Activity 17 – Stress testing	4	1	5	10	1 890 044
Activity 18 – Economic analysis and impact assessment	8	1	-	9	2 114 503
Activity 19 – Data infrastructure, statistical tools, ad hoc data collections	5	12	-	17	5 151 691
Coordination and support					
Activity 20 – Policy coordination, communication, Q&As and training	8	10	2	20	4 083 095
Activity 21 – Legal and compliance	11	1	4	16	3 646 804
Activity 22 – Finance, procurement and accounting	8 ¹³	2	-	10	2 291 268
Activity 23 – Human resources	4	2	-	6	1 344 437
Activity 24 – Information technology	15	1	-	16	5 263 648
Activity 25 – Corporate support	3	3	-	6	1 209 906
Management and support					
	25	9		34	
Total for SPD 2022 (without MICA and DORA)	162	50	19¹⁴	231	49 643 899
Additional SNE	-	-	1	1	70 800
MICA LFS	15	-	-	15	2 268 868
DORA LFS only ¹⁵	6	-	-	6	1 402 078
Total for SPD 2022	183	50	20	253	53 385 644

¹³ A shared accounting services arrangement has been reached with the ESMA to exploit synergies of both authorities now based in Paris. According to this deal, the EBA is providing 50% of the time of two accounting staff to the ESMA. The arrangement came into force in April 2021 and will be fully in place by July 2021.

¹⁴ In addition, the EBA benefits from five cost-free SNEs.

¹⁵ Following technical assessment, the EBA considers that the resources foreseen in the DORA LFS will be insufficient to duly carry out the proposed activities. The Authority estimates that at least an additional nine FTEs would be required.



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