



EUROPEAN BANKING AUTHORITY

SUMMARY OF THE
ANNUAL REPORT 2013



EBA

EUROPEAN
BANKING
AUTHORITY

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SUMMARY OF THE ANNUAL REPORT 2013

Executive summary

Three years since its establishment in the aftermath of the financial crisis, the European Banking Authority (EBA) continues to play an important role in restoring trust in the banking system. In 2013 the EBA made significant progress in contributing to the development of harmonised and binding prudential rules for banks and achieved positive results in fostering a common supervisory approach for the banking sector. By providing comparable and transparent data on the European Union (EU) banking system, the EBA has also contributed to market discipline and financial stability in the EU.

Building the single rulebook

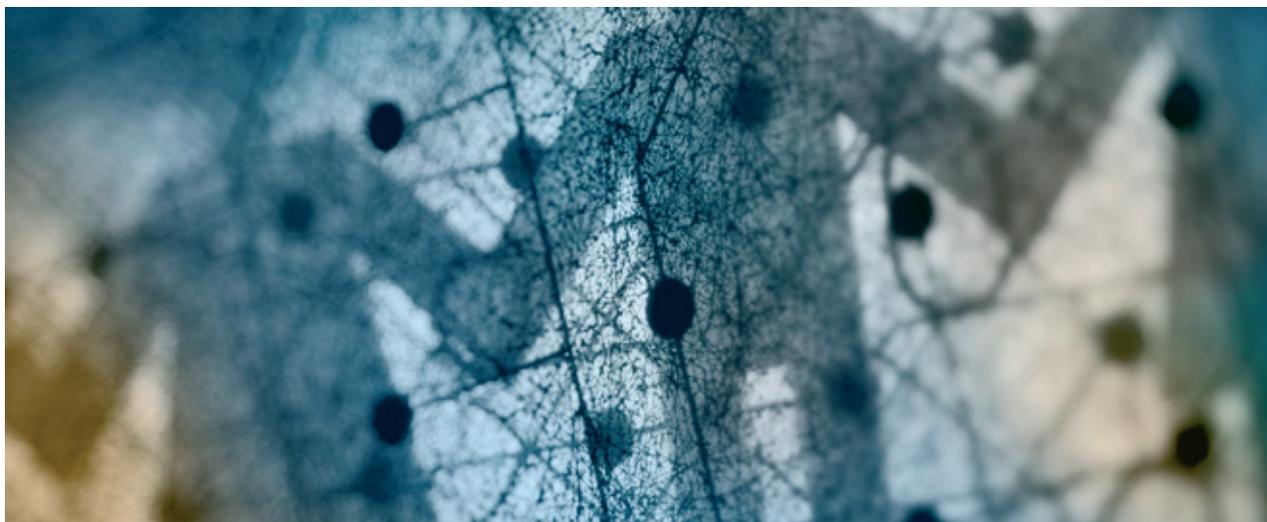
In 2013 the EBA made strong progress in its contribution to the single rulebook, which will provide a single set of harmonised prudential rules for banks across the EU. During the year, the EBA was mandated to develop technical standards and advise the European Commission across a range of crucial areas as a result of new legislation which came into force in July, the revised capital requirements directive (CRD IV) and regulation (CRR), which transpose Basel III into the EU legal framework. The EBA also started working on the recovery and resolution of banks in the EU.

Developing technical standards

The EBA drafted technical standards on bank capital which provided, among other things, greater clarity on the definition of capital and its disclosure by financial institutions.

Another key task for the EBA has been to put in place a common reporting framework across the EU. For supervisors to assess risks and compare banks in an effective manner, uniform reporting is of fundamental importance. A common reporting framework will facilitate supervisory reporting, especially for cross-border groups within the EU, and will contribute to improving EU banks' IT infrastructure. The implementing technical standards (ITS) on supervisory reporting are expected to enter into force in 2014.

The CRD IV introduced stricter rules as regards bank remuneration policies in order to ensure sound management and prudent long-term risk taking in the EU banking sector. The EBA was asked to prepare two draft regulatory technical standards (RTS); both were submitted to the European Commission in 2013. The first RTS aimed to identify staff whose professional activities have a material impact on their institution's risk profile. The second assessed how financial institutions can struc-

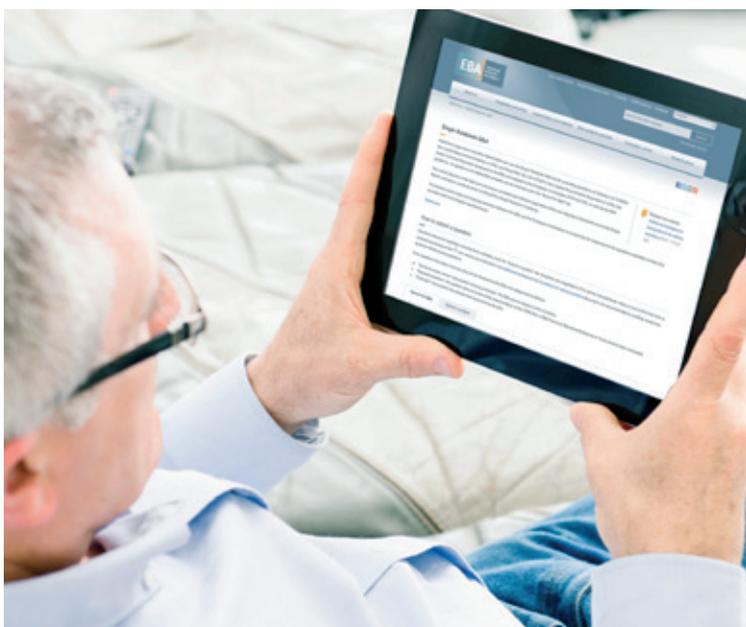


ture variable remuneration awards. The EBA also published a report on the aggregated figures for high earners in the banking sector between 2010 and 2012; this regular data collection exercise feeds into the overall work of the EBA on remuneration in the EU banking sector.

The EBA has worked on market risk to clarify some of the requirements of the CRD IV package and issued a number of technical standards in this field. These include the treatment of non-delta risks for options and definitions of the term 'market' when applied to the calculation of the overall net position in equity instruments under the market risk standardised rules. This will assist in the consistent application of the market risk framework, especially for smaller banks.

The EBA also consulted on the prudent valuation of banks' fair-valued positions and proposed methodologies to be used by both smaller and larger institutions. In order to calibrate the approach a quantitative impact study (QIS) was conducted. The final draft RTS will be submitted to the European Commission in early 2014.

In order to harmonise capital requirements across the EU, the EBA started to focus on credit risk and delivered a number of technical standards in this area. This work will continue in 2014 with deadlines for more than 20 regulatory standards to be submitted to the European Commission before 31 December 2014.



Increased focus on recovery and resolution

In 2013 the EBA increased its focus on recovery and resolution in view of the forthcoming bank recovery and resolution directive (BRRD). In particular, it issued a recommendation on the development of recovery plans and held consultations on three draft regulatory products on recovery planning. These provided a basis for the development of recovery plans within supervisory colleges — in many cases for the first time — and for an EBA benchmarking exercise to identify best practices in these plans. Final regulatory products on recovery planning will be prepared shortly after the official publication of the BRRD in 2014, with consultations on the wide range of other regulatory products following in the second half of the year. The EBA's work required under the BRRD will provide the necessary underpinnings for credible and clear cooperation and convergence on the development of resolution strategies and resolution plans.

Proportionality principle

The EBA wants to ensure that the principle of proportionality is respected in the single rulebook. It acknowledges the diversity that is inherent within the EU banking system. To this end the EBA hosted a workshop on proportionality measures for regulatory purposes in October. Proportionality will remain an underlying principle across the full body of the EBA's work and activities.

Single rulebook Q & A process

To facilitate the implementation of the CRD IV/CRR the EBA launched a Q & A tool in 2013, in cooperation with the Commission. The tool offers an interface for national supervisory authorities and financial institutions, to facilitate the understanding of the rules and ensure the single rulebook is implemented consistently.

Providing the European Commission with technical advice

The CRD IV package also requires the EBA to provide technical advice to the European Commission, which has responsibility for adopting delegated legislative acts. In this regard, the liquidity coverage requirement, for which the Commission is preparing a delegated act, has been a key area of focus for the EBA in 2013.

The EBA published a report on the impact of the liquidity coverage requirement and a report defining the high-quality liquidity assets (HQLAs) which institutions need to hold to meet the liquidity coverage requirement.

Moreover, in 2013, the EBA provided the Commission with technical advice on the opportunity to introduce a prudential filter, in the context of possible treatment of unrealised gains for instruments measured at fair value.

The EBA contributed to securitisation and covered bonds in the course of the year, and in 2014 it will develop a wide-ranging report on covered bonds. The EBA also focused on securitisation, specifically regarding prudent implementation of the own funds requirements, and also on retention rules. The EBA aims to encourage market participants to move towards a more transparent and uniform securitisation market. In 2014 the EBA is expected to continue its work in order to promote a safe and stable securitisation market.

Fostering supervisory convergence across the EU

Promoting a common supervisory approach in the banking sector across the EU is one of the EBA's priorities. In 2013 the EBA continued its work on strengthening supervisory convergence through its activities on risk-weighted assets (RWAs), for instance, but also by fostering the efficiency of colleges of supervisors.

Work on consistency of risk-weighted assets

To ensure that prudential rules are applied consistently across all EU Member States, the EBA has assessed internal modelling governance related to different types of risk.

The EBA is mandated to report to the Commission on how to reconcile financial institutions' methodologies under the internal ratings-based (IRB) approach, with the need for more comparable capital requirements. The significant differences in terms of how supervisors validate IRB models have greatly affected the comparability of RWAs across the EU.

This is a preparatory step before full benchmarking exercises can be run on an ongoing basis in the EU. Therefore, in 2013 the EBA

undertook substantial work to analyse the issue of comparability and published several important studies, including a top-down report on the consistency of IRB capital requirements, a report on the low default portfolio benchmarking exercise, a report on the procyclicality of banks' capital requirements and a report on the variability of RWAs for market risk portfolios.

Colleges of supervisors

Colleges of supervisors are established for banks with subsidiaries or significant branches in other Member States, and are vitally important for the efficient supervision of cross-border banks. The work the EBA conducted in 2013 has helped to increase cooperation and efficiency within colleges. In 2013 the EBA focused on the quality of joint risk assessments and decisions where improvements were noted. The EBA will work closely with the Single Supervisory Mechanism (SSM) and the colleges to ensure a smooth transition in 2014 when the SSM takes responsibility for the oversight of banks in the euro area.

As part of the single rulebook, several technical standards were also prepared by the EBA in the area of home-host cooperation and supervision of cross-border banking groups.

Fostering convergence will remain a priority for the EBA in the coming years. The EBA has been tasked with developing a single supervisory handbook to promote best practices in supervisory processes and methodologies across the EU. While not legally binding, the national competent authorities will be expected to follow the handbook.



Increasing transparency and restoring confidence in banks

Through the collection of data on the EU banking sector and various measures to increase transparency, the EBA aims to restore confidence in the banking sector. The EBA wants to ensure that EU banks keep strong capital positions, and that their risks and vulnerabilities are clearly identified.

Providing data on banks in the EU

The EBA has been working on the development of IT infrastructure to accommodate regulatory reporting data. This will facilitate the reporting process for banks, and it will enable the EBA to gather data on banks across the EU.

The EBA is uniquely placed to look at banks across the EU from a micro-prudential perspective. The EBA produces two risk assessment reports a year that analyse the risks and vulnerabilities of the European banking system and contribute to cross-sector reports published by the Joint Committee of the European Supervisory Authorities (ESAs). Additionally, the EBA continued to provide information on a regular basis to national supervisors. In 2013 the EBA also made public its risk dashboard, which looks at the evolution of key risk indicators from 56 banks across the EU. This helps identify key areas of risk and key trends in banks' risk profiles. Providing market participants with consistent and comparable data on banks is essential to promote stability and transparency in financial markets and restore confidence in the EU banking system.

Strengthening capital provisions in order to foster confidence

In 2013 the EBA issued a recommendation on the preservation of banks' core tier 1 (CT1) capital during the transition to CRD IV with the aim of ensuring that banks keep the nominal amount of capital they have built. This is a follow-up to the EBA's recommendation on the recapitalisation exercise in 2012, which resulted in an increase in banks' capital positions of more than EUR 200 billion.

As part of the process of rebuilding confidence in banks, the EBA's Board of Supervisors has asked national competent authorities to undertake asset quality reviews (AQRs) of asset classes considered to be of high risk. This was followed by the publication of recommendations to ensure consistency in the AQRs across the EU in 2014, including the AQR that will be conducted by the newly established SSM.

In 2014 the EBA will coordinate an EU-wide stress test, providing national competent authorities with a single methodology to enable them to undertake a rigorous assessment of banks' resilience under adverse scenarios. In addition to the benefits from improved supervisory assessment and actions that will promote the resilience of the banking system, the publication of the results will promote transparency and help dispel uncertainty on the state of EU banks, thus fostering confidence in the banking system.

Promoting transparency

In 2013 the EBA disclosed updated information on 64 European banks across the European Economic Area (EEA). The data is based on 730 000 data points, including capital, RWAs and sovereign exposure. The aim of the disclosure exercise was to promote greater understanding of capital positions and exposure of EU banks, thus contributing to market discipline and financial stability.

As part of its commitment to promote transparency and market discipline, the EBA monitored banks' implementation of pillar 3 disclosures, identified best practices and recommended the adoption of corrective actions. Moreover, it promoted the disclosure and transparency of information related to RWAs in order to address concerns regarding the reliability of RWAs.

Increasing the reliability of Euribor

The EBA worked in close cooperation with the European Securities and Markets Authority (ESMA) on the potential for manipulation of Euribor. In order to increase the reliability of Euribor, the EBA issued recommendations in 2013 to harmonise supervisory practices for oversight of the Euribor submission process.

Protecting consumers and monitoring financial innovation

The EBA plays a key role in consumer protection by promoting transparency, simplicity and fairness in the market for financial products, with a focus on mortgages, personal loans, savings products, credit/debit cards, current accounts and payment services. The EBA also monitors new and existing financial activities with a view to promoting the safety and soundness of markets.

Protecting consumers

The EBA has conducted extensive work on mortgages, with publications including an 'Opinion on good practices for responsible mortgage lending' and an 'Opinion on good practices for the treatment of borrowers in mortgage payment difficulties'. In addition, the EBA has developed and consulted on its first RTS on consumer protection, by setting the minimum amount of professional indemnity insurance for mortgage credit intermediaries.

Furthermore, the EBA published its consumer trends annual report, which will help define the authority's priorities for 2014. The report identifies the following areas of concern for consumers:

- transparency and consumer fees;
- scope for mis-selling of financial products;
- foreign currency loans, payment protection insurance and complex products;
- security of technologies used for banking services;
- new forms of fundraising such as crowdfunding.

In 2013 the three ESAs worked together to prepare a single set of requirements to handle complaints for consumers using financial products and services across the three sectors of banking, investment and insurance. They also published a joint position on product oversight and governance processes, in relation to the manufacturing of financial prod-



ucts. In 2014 the EBA will continue this work and develop more detailed requirements specific to banking products such as mortgages, personal loans and credit cards.

Monitoring financial innovation

As part of the EBA's analysis of financial innovation from the point of view of consumer protection, it has issued an opinion on good practices for risk management of exchange traded funds (ETFs), to contribute to ensuring that financial institutions manage adequately the potential risks associated with ETFs. The EBA also published a warning to consumers about the dangers of investing in contracts for difference. Most importantly, the EBA issued a warning about the risks of virtual currencies such as bitcoins. This was a strong and timely signal from the EBA to make consumers aware of the fact that virtual currencies are not yet regulated and present considerable risks when used as a means of payment. The next step will be to assess whether virtual currencies can and ought to be regulated.



Policy analysis and coordination

Guaranteeing the quality of the EBA's products

All regulatory and oversight products developed by the EBA (including technical standards, guidelines, opinions and recommendations) are carefully evaluated internally. The EBA has a separate horizontal unit which provides legal advice and guidance to ensure that policy decisions are informed by high-quality data analysis and that impact assessments are duly performed.

The EBA consults and exchanges views with stakeholders during the preparation of regulatory and oversight products. Typically there is an official consultation paper to which market participants can respond in writing. The EBA also organises public hearings on all its regulatory products. Additionally, the EBA systematically consults the Banking Stakeholder Group (BSG) to take into account the perspective of market participants, the banking industry, consumer organisations, users of financial products and academics in its work.

The work of the horizontal unit also included the coordination of sectoral and cross-sectoral supervisory training activities offered to national competent authorities. As part of the EBA's objective to develop a common supervisory culture, 12 sectoral and 19 cross-sectoral training events were organised to disseminate sound supervisory practices in the EU in 2013.

Another key aspect of the EBA's work is to conduct peer reviews of national competent authorities, to address areas such as the adequacy of national authorities' resources, governance practices, the consistency between the application of EU law and supervisory practice, and the identification of best practice. In 2013 the EBA organised and conducted a peer review in relation to the adherence of national competent authorities to specific aspect of the EBA's guidelines on stress testing.

Engaging with non-EU countries

The EBA has regular contact with third countries' regulatory and supervisory authorities, think tanks and international financial standard setters. Additionally, the EBA has been participating on a regular basis in the European Commission's financial markets regulatory dialogues, including in dialogues with Russia, Japan and the United States.

The EBA has cooperated with several institutional bodies such as the Banking Committee on Banking Supervision (BCBS) and the Financial Stability Board (FSB), and has had regular exchanges with the International Monetary Fund (IMF).

Joint committee

The three ESAs coordinate their activities, especially on issues that are cross-sectoral by nature. In 2013 the joint committee focused in particular on consumer protection, cross-sectoral risk monitoring and the review of the European System for Financial Supervision (ESFS).

Operations

Financial management

In 2013 the EBA implemented a number of improvements to ensure better management and control of financial resources, with the objective of improving budget execution. The success of the EBA's work in the financial management area was confirmed by a number of audits performed in 2013, which revealed no major issues, reflecting the diligent following up of previous recommendations and the continuous improvement of processes at the EBA. The budget execution (total funds committed/total budget) in 2013 was 90 %, which was an improvement compared to the previous year.

Human resources

By recruiting 25 temporary agents and 10 seconded national experts, the total number of staff increased to 124 by the end of 2013, retaining the geographical diversity and gender balance which is crucial to the make-up of the EBA.

Communication

The EBA's press and communication activities continued to provide stakeholders and the media with accessible information in a timely and effective manner, with the objective of raising awareness and understanding of the EBA's role, objectives and activities, as well as fostering interaction among all interested parties. A key achievement was the launch of a redesigned website in June, which features a more user-friendly navigation and easier access to information and essential resources, as well as new and revamped sections on the EBA's regulatory activities, on the single rule-book and its Q & A tool and a consumer corner.

Information technology

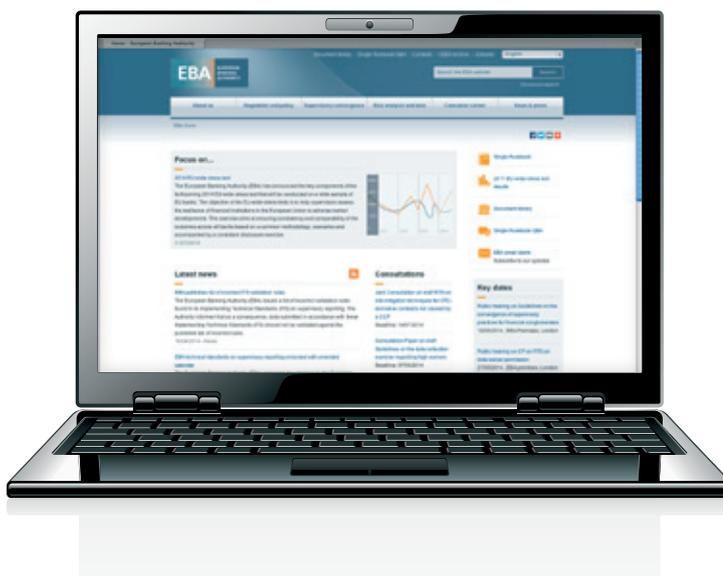
In 2013 the major IT infrastructure services project was successfully completed, forming the foundation for current and future IT services.

Substantial effort went into implementing a number of projects in line with the approved IT strategy, including:

- the release of the financial and common regulatory framework in order to enhance the comparability of regulatory information and to harmonise the regulatory standards in the EU;
- the implementation of the near real-time-based Credit Institutions Register;
- the improvement, maintenance and operation of a technical platform for gathering supervisory information.

Internal control standards

Visible progress was also made in relation to the implementation of the internal control standards. The Internal Audit Service (IAS) of the European Commission visited the EBA at the beginning of the year and concluded that significant progress has been made in implementing the internal control standards. The EBA has put in place an action plan to address the areas where the review made recommendations for improvement.



Highlights in 2013

JANUARY

ESMA and the EBA take action to strengthen Euribor and benchmark rate-setting processes

The EBA consults on principles for benchmark-setting processes in the EU

The EBA recommends that major EU cross-border banking groups develop recovery plans

The EBA publishes a risk assessment report on the EU banking system (January 2013)

FEBRUARY

The EBA publishes a discussion paper on retail deposits subject to higher outflows for the purposes of liquidity reporting under the CRR

The EBA consults on the process to define highly liquid assets in the LCR

EBA interim report on the consistency of RWAs in the banking book

ESMA and the EBA warn investors about contracts for difference

MARCH

The EBA publishes its opinion on good practices for ETF risk management

The ESAs publish a joint letter to the European Commission on the possible regulatory framework for benchmark activities

The EBA consults on draft RTS for recovery plans

The EBA consults on draft RTS on conditions for assessing the materiality of extensions and changes of internal approaches for credit, market and operational risk

The EBA publishes updates to the credit institution register

The EBA publishes updates on draft ITS on supervisory reporting requirements

The EBA publishes its consumer trends report

The EBA consults on the data point model related to the draft ITS on supervisory reporting requirements for leverage ratio

The EBA consults on the data point model related to the draft ITS on supervisory reporting requirements for liquidity coverage and stable funding

The EBA publishes the results of the Basel III monitoring exercise as of 30 June 2012

The EBA consults on asset encumbrance reporting

The EBA consults on draft ITS on supervisory reporting on forbearance and non-performing exposures

APRIL

The Joint Committee of the European Supervisory Authorities (ESAs) calls for action on cross-sectoral risks

MAY

The EBA recommends that supervisors conduct AQRs and adjust the next EU-wide stress test timeline

The EBA consults on draft RTS on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets

The EBA consults on draft ITS on institution-specific prudential requirements

The EBA consults on draft RTS on the assessment of recovery plans

The EBA consults on draft RTS specifying the range of scenarios to be used in recovery plans

The EBA consults on draft RTS for the definition of material risk takers for remuneration purposes

The EBA consults on draft RTS and ITS on passport notifications

The EBA consults on draft RTS and ITS on securitisation retention rules

The EBA consults on draft RTS on the definition of 'market' and on option risks under the standardised approach for market risk

The EBA consults on draft guidelines on capital measures for foreign currency lending

The EBA consults on draft RTS and ITS on liquidity

The EBA consults on RTS for own funds (part III)

JUNE

ESMA and the EBA publish final principles on benchmarks

The EBA launches its newly redesigned website

The EBA publishes good practices for responsible mortgage lending and the treatment of borrowers in payment difficulties

The EBA publishes its 2012 annual report

The EBA consults on draft ITS on closely correlated currencies and on appropriately diversified indices

The EBA consults on draft guidelines on technical aspects of the management of interest-rate risk arising from non-trading activities (IRRBB)

The Joint Committee of the ESAs holds its first Consumer Protection Day

JULY

The EBA appoints its new alternate chairperson and Management Board members

The EBA launches a new single rulebook Q & A tool

The EBA consults on draft RTS in relation to credit valuation adjustment risk

The EBA consults on draft RTS and ITS on information exchange between home and host competent authorities

The EBA consults on draft ITS on supervisory disclosure

The EBA consults on draft RTS on prudent valuation

The EBA consults on draft ITS on the hypothetical capital of a central counterparty

The EBA presents data on high earners in EU banks

The EBA consults on draft RTS on own-funds requirements for investment firms

The EBA publishes its report on risks and vulnerabilities of the EU banking sector (June 2013)

The EBA consults on draft RTS on close correspondence for own-issued covered bonds

The EBA publishes a recommendation on the preservation of capital

The EBA launches a QIS exercise on prudent valuation

The EBA publishes the first final draft RTS on own funds and credit risk adjustment

The EBA publishes final draft ITS on supervisory reporting requirements

The ESAs publish draft RTS on the consistent application of calculation methods under the FICOD

The EBA consults on draft RTS related to the specific risk of debt instruments in the trading book

AUGUST

The EBA consults on draft guidelines on retail deposits subject to different outflows for the purpose of liquidity reporting

The EBA launches a discussion on possible treatments of unrealised gains measured at fair value

The EBA publishes its second interim report on the consistency of RWAs in the banking book of EU banks

SEPTEMBER

The EBA consults on draft RTS on methods for identifying the geographical location of relevant credit exposures

The ESAs highlight cross-sectoral risks

The EBA consults on draft XBRL taxonomy for secondary reporting

The EBA publishes results of the Basel III monitoring exercise as of the end of 2012

The EBA publishes final draft RTS on close correspondence for own-issued covered bonds

OCTOBER

The Joint Committee of the ESAs publishes the 2014 work programme

The EBA issues the work programme for 2014

The EBA publishes the end of term report of its BSG

The Joint Committee of the ESAs publishes a list of financial conglomerates

The EBA publishes final draft ITS on NPLs and forbearance reporting requirements

The EBA consults on draft RTS and ITS related to liquidity requirements

The EBA consults on draft guidelines on the discount rate for variable remuneration

The EBA consults on draft ITS on disclosure for leverage ratio

The EBA consults on the use of the legal entity identifier (LEI)

The EBA publishes a risk dashboard of the EU banking sector

The EBA publishes final draft ITS on asset encumbrance

NOVEMBER

ESMA and the EBA consult on complaints-handling guidelines for the investment and banking sectors

The ESAs consult on the removal of mechanistic reliance on credit ratings

The EBA publishes a peer review on the implementation of the stress testing guidelines

The EBA publishes a response to the report by Philippe Maystadt 'Should IFRS standards be more European?'

The EBA consults on draft RTS on own funds

The ESAs publish a joint position on product oversight and governance processes

The EBA presents data on high earners in EU banks for 2012

DECEMBER

The EBA publishes XBRL taxonomy for remittance of supervisory reporting by competent regulatory authorities

The EBA publishes final draft RTS on conditions for assessing the materiality of extensions and changes of internal approaches for credit and operational risk

The EBA publishes final draft RTS on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets

The EBA publishes guidelines on retail deposits subject to different outflows for the purpose of liquidity reporting

The EBA publishes a follow-up review of banks' transparency in their 2012 reports

The EBA consults on methodology for global systemically important institutions

The EBA warns consumers about virtual currencies

The EBA agrees on a definition of identified staff for remuneration purposes

The EBA publishes final draft RTS and ITS on passport notifications
The EBA publishes final draft RTS on own funds
The EBA publishes final draft ITS on joint decisions on institution-specific prudential requirements
The EBA publishes final draft RTS and ITS on information exchange between home and host competent authorities
The EBA publishes the outcome of the 2013 EU-wide transparency exercise
The EBA consults on significant credit risk transfer for securitisation transactions
The EBA publishes final draft RTS and ITS on securitisation retention rules
The EBA publishes final draft RTS and ITS on market risk
The EBA publishes reports on the comparability of RWAs and pro-cyclicality
The EBA publishes final draft ITS on metrics for monitoring additional liquidity
The EBA consults on the minimum amount of professional indemnity insurance for mortgage credit intermediaries
The EBA launches a discussion on the methodology for the assessment of liquidity and funding risk under supervisory review
The EBA publishes final draft ITS on the reporting of the hypothetical capital of a central counterparty (CCP)
The EBA publishes final draft ITS on supervisory disclosure
The EBA publishes technical advice on possible treatments of unrealised gains
The EBA consults on harmonised definitions and templates for the funding plans of credit institutions
The EBA publishes a report on the risks and vulnerabilities of the EU banking sector
The EBA publishes final draft RTS for the identification of the geographical location of credit exposures
The EBA consults on the disclosure of encumbered and unencumbered assets
The EBA publishes reports on liquidity
The EBA publishes final guidelines on capital measures for FX lending to unhedged borrowers under the SREP
The EBA publishes final draft RTS on market risk and CVA risk





2013 in numbers

Public consultations:	56
Public hearings:	34
Final draft regulatory technical standards submitted to the European Commission:	36
Final draft implementing technical standards submitted to the European Commission:	21
Final guidelines published:	2
Recommendations to national competent authorities:	4
Opinions addressed to the Parliament, Council and Commission:	6
Technical advice to the Commission:	1
Comment letters on accounting addressed to the International Accounting Standards Board (IASB):	4
Comment letters on auditing addressed to the International Auditing and Assurance Standards Board (IAASB):	2
Peer review completed:	1
Board of Supervisors meetings:	10
Management Board meetings:	7
Banking Stakeholders Group meetings:	7

Key figures on regulation

Topic	Regulatory products
Anti-money laundering	Joint Committee's report on the anti-money laundering and counter financing of terrorism risk-based supervision
Basel III monitoring exercise	Report on Basel III monitoring exercise — Results based on data as of 30 June 2012
	Report on Basel III monitoring exercise — Results based on data as of 31 December 2012
Benchmark setting	Consultation on principles for benchmark-setting processes in the EU
	Recommendations on supervisory oversight of activities related to banks' participation in the Euribor panel
	ESMA and EBA principles for benchmark-setting processes in the EU
College of supervisors	Consultation on draft ITS on joint decisions on institution-specific prudential requirements
	Final draft ITS on joint decisions on institution-specific prudential requirements
Consumer protection and financial innovation	Consultation on draft RTS on professional indemnity insurance (PII) for mortgage credit intermediaries
	ESMA and EBA consultation on complaints handling guidelines for the investment and banking sectors
	Opinion on good practices for ETF risk management
	Opinion on good practices for the treatment of borrowers in mortgage payment difficulties
	Opinion on good practices for responsible mortgage lending
	Principles of the European supervisory authorities on manufacturers' product oversight and governance processes
	Investor warning on contracts for difference
	Warning on virtual currencies
	Report on consumer trends — Supervisory concerns regarding consumer protection issues in 2012/13
Credit risk	Consultation on draft RTS in relation to credit valuation adjustment risk
	Consultation on draft RTS on the method for the identification of the geographical location of the relevant credit exposures
	EBA, EIOPA and ESMA consultation on removal of mechanistic references to credit ratings in the ESAs' guidelines and recommendations
	Final draft RTS on the calculation of credit risk adjustments
	Final draft RTS on the method for the identification of the geographical location of the relevant credit exposures
EU capital exercise	Recommendation on the preservation of capital
	Recommendations on asset quality reviews

Topic	Regulatory products
Financial conglomerates	Final joint draft RTS on the uniform conditions of application of the calculation methods for determining the amount of capital required at the level of the financial conglomerate
Large exposures	Consultation on draft RTS on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets Final draft RTS on the determination of the overall exposure to a client or a group of connected clients in respect of transactions with underlying assets
Liquidity risk	Consultation on draft guidelines on retail deposits subject to different outflows for the purpose of liquidity reporting Consultation on draft ITS listing the currencies with an extremely narrow definition of central bank eligibility Consultation on draft ITS on additional liquidity monitoring metrics Consultation on draft ITS on currencies for which the justified demand for liquid assets exceeds their availability Consultation on draft RTS on additional liquidity outflows Consultation on draft RTS on derogations for eligible currencies Consultation on draft guidelines on harmonised definitions and templates for funding plans of credit institutions Consultation on the process to define highly liquid assets in the liquidity coverage ratio (LCR) Discussion paper on guidelines on retail deposits subject to different outflows for the purposes of liquidity reporting Final draft ITS on additional monitoring metrics for liquidity Final guidelines on retail deposits subject to different outflows for the purposes of liquidity reporting Report on appropriate uniform definitions of extremely HQLA and HQLA and on operational requirements for liquid assets Report on impact assessment for liquidity measures
Market infrastructure	Consultation on draft ITS on the hypothetical capital of a central counterparty (CCP) Final draft ITS on the hypothetical capital of a central counterparty (CCP)
Market risk	Consultation on draft RTS on the definition of market Consultation on draft RTS on non-delta risk of options in the standardised market risk approach Consultation on draft ITS on closely correlated currencies Consultation on draft RTS on the definition of materiality thresholds for specific risk in the trading book Consultation on draft ITS on appropriately diversified indices Consultation on draft RTS on prudent valuation Final draft RTS on the definition of market Final draft RTS on non-delta risk of options in the standardised market risk approach Final draft ITS on closely correlated currencies Final draft RTS on the definition of materiality threshold for specific risk in the trading book Final draft ITS on appropriately diversified indices

Topic	Regulatory products
Model validation	Consultation on draft RTS on the conditions for assessing the materiality of extensions and changes of internal approaches for credit, market and operational risk
	Final draft RTS on the conditions for assessing the materiality of extensions and changes of internal approaches for credit, market and operational risk
Other topics	Consultation on draft ITS on the format, structure, contents list and annual publication date of the supervisory information to be disclosed by competent authorities
	Final draft ITS on the format, structure, contents list and annual publication date of the supervisory information to be disclosed by competent authorities
Own funds	Consultation on draft RTS on own-funds requirements for investment firms
	Consultation on draft RTS on own funds (part 3)
	Consultation on draft RTS on own funds (part 4)
	Consultation on draft technical standards and guidelines for the identification of global systemically important institutions (G-SIIs)
	Discussion paper on technical advice to the Commission on possible treatments of unrealised gains measured at fair value
	Final draft ITS on disclosure for own funds
	Final draft RTS on own funds (part 1)
	Final draft RTS on own funds (part 2)
	Final draft RTS on own funds (part 3)
	Final draft RTS on own funds gain on sale
	Technical advice to the Commission on possible treatments of unrealised gains measured at fair value
Passporting and supervision of branches	Consultation on draft RTS and ITS on passport notifications
	Consultation on draft RTS and ITS on information exchange
	Final draft RTS and ITS on passport notifications
	Final draft RTS and ITS on information exchange
Recovery and resolution	Consultation on draft RTS on the content of recovery plans
	Consultation on draft RTS on the assessment of recovery plans
	Consultation on draft RTS specifying the range of scenarios to be used in recovery plans
Remuneration	Consultation on draft RTS for the definition of material risk takers for remuneration purposes
	Consultation on draft guidelines on the applicable notional discount rate for variable remuneration
	Final draft RTS on the definition of material risk takers for remuneration purposes
	Report on high earners (2010 and 2011 data)
	Report on high earners (2012 data)
Risk-weighted assets	Report on interim results of the EBA review of the consistency of risk-weighted assets in the banking book
	Report on interim results update of the EBA review of the consistency of risk-weighted assets in the banking book

Topic	Regulatory products
	<p>Third interim report on the consistency of risk-weighted assets – SMEs and residential mortgages</p> <hr/> <p>Summary report on comparability and pro-cyclicality of the IRB approach</p> <hr/> <p>Report on variability of market RWA</p> <hr/> <p>Report on the pro-cyclicality of capital requirements under the IRB approach</p> <hr/> <p>Report on the comparability of supervisory rules and practices</p>
Securitisation and covered bonds	<p>Consultation on draft RTS on close correspondence between the value of an institution's covered bonds and the value of the institution's assets relating to the institution's own credit risk</p> <hr/> <p>Consultation on draft ITS and RTS on securitisation retention rules</p> <hr/> <p>Consultation on draft guidelines on significant risk transfer (SRT) for securitisation transactions</p> <hr/> <p>Final draft RTS on close correspondence between the value of an institution's covered bonds and the value of the institution's assets relating to the institution's own credit risk</p> <hr/> <p>Final draft RTS on the retention of net economic interest and other requirements relating to exposures to transferred credit risk</p> <hr/> <p>Final draft ITS relating to the convergence of supervisory practices with regard to the implementation of additional risk weights</p>
Supervisory reporting	<p>Consultation on the data point model related to the technical standards on supervisory reporting requirements for leverage ratio</p> <hr/> <p>Consultation on the data point model related to the technical standards on supervisory reporting requirements for liquidity coverage and stable funding</p> <hr/> <p>Consultation on draft implementing technical standards (ITS) on asset encumbrance reporting</p> <hr/> <p>Consultation on draft implementing technical standards (ITS) on supervisory reporting on forbearance and non-performing exposures</p> <hr/> <p>Consultation on the draft XBRL taxonomy for second-level supervisory reporting</p> <hr/> <p>Consultation on a recommendation on the use of the legal entity identifier (LEI)</p>
	<p>Final draft ITS on supervisory reporting requirements</p> <hr/> <p>Final draft ITS on supervisory reporting on forbearance and non-performing exposures</p> <hr/> <p>Final draft ITS on supervisory reporting on asset encumbrance</p>
Supervisory review and evaluation process (SREP) and Pillar 2	<p>Consultation on draft guidelines on capital measures for foreign currency lending</p> <hr/> <p>Consultation on draft guidelines on technical aspects of the management of interest rate risk arising from non-trading activities (IRRBB)</p> <hr/> <p>Discussion paper on draft guidelines on supervisory review and evaluation process (SREP) and pillar 2</p> <hr/> <p>Final guidelines on capital measures for FX lending to unhedged borrowers under the SREP</p>
Transparency and Pillar 3	<p>Consultation on draft guidelines on disclosure of encumbered and unencumbered assets</p> <hr/> <p>Report on follow-up review of banks' transparency in their 2012 pillar 3 reports</p>

EBA regulatory products

TECHNICAL STANDARDS

The EBA drafts technical standards when it receives a mandate from the European institutions through a directive or a regulation (so-called 'Level 1' texts). These standards are technical in nature and their content is delimited by the mandate in the level 1 text. They contribute to the development of a Single Rulebook for banks in the EU.

The draft technical standards are formally adopted by the European Commission within three months – unless they are considered disproportionate or incompatible with Union law. The European Parliament and the Council have the right to scrutinise certain types of technical standards known as regulatory technical standards. Following publication in the Official Journal the standards become legally binding and apply directly in all Member States.

GUIDELINES AND RECOMMENDATIONS

These are issued in order to establish consistent, efficient and effective supervisory practices and ensure uniform application of EU Law.

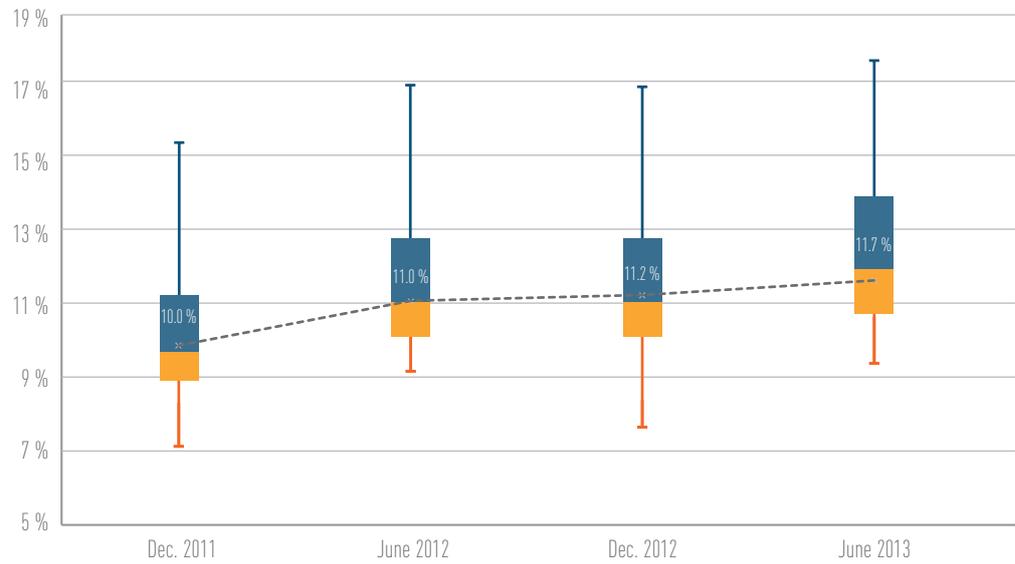
National authorities and financial institutions must make every effort to comply with the guidelines and recommendations (on a 'comply or explain basis'). National authorities must inform the EBA whether they comply with guidelines and recommendations and the EBA publishes summary tables of compliance together with reasons for non-compliance.

OPINIONS

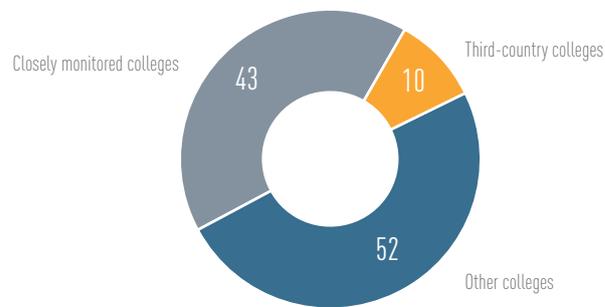
Through its opinions, the EBA provides its views on supervisory and regulatory matters to the European institutions and to national authorities. This includes 'technical advice' which the EBA provides to the Commission when it is preparing 'delegated acts' to supplement Level 1 texts. These delegated acts are very important as they provide additional detail on certain aspects of legislation, and the Commission takes into account the EBA's expert technical advice.

Key figures on oversight

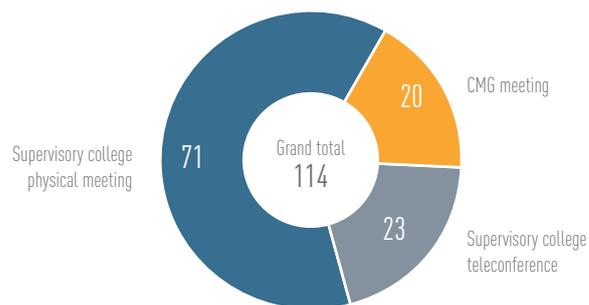
EBA core tier 1 capital ratio dispersion measures (median, average, interquartile range, 5th and 95th percentiles)



Number of colleges identified by the EBA in 2013



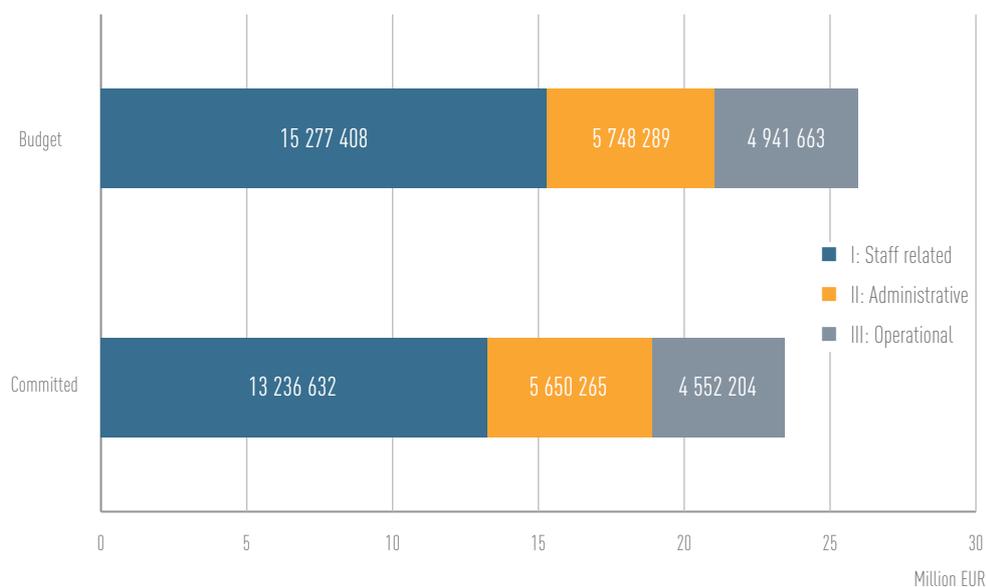
Number of college and crisis management group (CMG) meetings attended by EBA staff



Key figures on finance

Budget execution in 2013

Title	Budget	Committed	Committed %	Paid	Paid %
I: Staff related	15 277 408	13 236 632	87 %	12 985 781	98 %
II: Administrative	5 748 289	5 650 265	98 %	3 675 753	65 %
III: Operational	4 941 663	4 552 204	92 %	2 901 001	64 %
TOTAL	25 967 360	23 439 100	90 %	19 562 535	83 %



Key figures on human resources

Headcount growth



EUROPEAN BANKING AUTHORITY

Tower 42
25 Old Broad Street
London EC2N 1HQ

Tel. +44 2073821770
Fax: +44 207382177-1/2
E-mail: info@eba.europa.eu

<http://www.eba.europa.eu>



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