



EBA WORK PROGRAMME 2021

EBA/REP/2020/26

EBA

EUROPEAN
BANKING
AUTHORITY

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LIST OF ABBREVIATIONS

AML	anti-money laundering
AMLD	Anti-Money Laundering Directive
AST	assistant
AT1	Additional Tier 1
BCBS	Basel Committee on Banking Supervision
BoS	Board of Supervisors
BRRD	Banking Recovery and Resolution Directive
CA	competent authority
CCR	counterparty credit risk
CET1	Common Equity Tier 1
CFT	combating the financing of terrorism
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
DGS	deposit guarantee scheme
DGSD	Deposit Guarantee Schemes Directive
EBA	European Banking Authority
ECA	European Court of Auditors
ECB	European Central Bank
EFIF	European Forum of Innovation Facilitators
EFTA	European Free Trade Association
EMAS	Eco Management and Audit Scheme
EIOPA	European Insurance and Occupational Pensions Authority
ESA	European Supervisory Authority
ESMA	European Securities and Markets Authority
ESG	environmental, social and governance
ESRB	European Systemic Risk Board
EU	European Union
EUCLID	European Centralised Infrastructure for Supervisory Data
FinTech	financial technology
FRTB	fundamental review of the trading book
FTE	full-time equivalent
GL	guidelines
HR	human resources
IFD	Investment Firm Directive
IFR	Investment Firm Regulation
IFRS 9	International Financial Reporting Standard 9
IMA	internal models approach

IMF	International Monetary Fund
IRB	internal ratings-based
IRRBB	interest rate risk in the banking book
IT	information technology
ITS	implementing technical standards
JC	Joint Committee
KPI	Key Performance Indicator
LCR	liquidity coverage ratio
ML/TF	money laundering/terrorist financing
MREL	minimum requirement for own funds and eligible liabilities
NCA	national competent authority
NPL	non-performing loan
PSD2	revised Payment Services Directive
Q&A	questions and answers
RTS	regulatory technical standards
SA	standardised approach
SNE	seconded national expert
SREP	supervisory review and evaluation process
STS	simple, transparent and standardised
TA	temporary agent
TBC	to be confirmed
TLAC	total loss-absorbing capacity
VAT	value-added tax
VOA	Valuation Office Agency

MISSION STATEMENT

1. The European Banking Authority (EBA) is an independent EU Authority which works to ensure an effective and consistent level of prudential regulation and supervision across the European banking sector. Its overall objectives are to maintain financial stability in the EU and to ensure the integrity, efficiency and orderly functioning of the banking sector.
2. The EBA is part of the European System of Financial Supervision (ESFA) made up of three supervisory authorities: the European Securities and Markets Authorities (ESMA), the European Banking Authority and the European Insurance and Occupational Pensions Authority (EIOPA). The system also comprises the European Systemic Risk Board (ESRB) as well as the Joint Committee of the European Supervisory Authorities and the national supervisory authorities.
3. The EBA is independent, but accountable to the European Parliament, the European Council of the European Union and the European Commission.
4. Whilst the national supervisory authorities (and in the near future the European Central Bank for those countries participating in the new Single Supervisory Mechanism, a key pillar of the the so-called 'Banking Union') remain in charge of supervising individual financial institutions, the role of the EBA is to improve the functioning of the internal market by ensuring appropriate, efficient and harmonised European supervision and regulation.
5. The main task of the EBA is to contribute, through the adoption of Binding Technical Standards and Guidelines, to the creation of the European Single Rulebook in banking. The Single Rulebook aims at providing a single set of harmonised prudential rules for financial institutions throughout the EU, helping create a level playing field and providing high protection to depositors, investors and consumers.
6. The Authority also plays an important role in promoting convergence of supervisory practices to ensure a harmonised application of prudential rules. The EBA is also mandated to assess risk and vulnerabilities in the EU banking sector through, in particular, regular risk assessment reports and pan-European Stress Tests.
7. Other tasks set out in the EBA's mandate include investigating insufficient application of EU law by national authorities, decision-making in emergency situations, mediating disagreements between competent authorities in cross-border situations, and acting as an independent advisory body to the European Parliament, the Council or the Commission.

THE EBA'S STRATEGIC PRIORITIES

8. The EBA agreed with its Management Board and Board of Supervisors on key priorities for the organisation in 2021, and has consequently based this programming on these priorities. The outbreak of the COVID-19 (Coronavirus) pandemic has created significant immediate challenges to society and to the banking sector. Consequently, the EBA 2020 work programme was adjusted to take into account this environment, addressing the immediate concerns, while delivering on existing mandates and delaying some. The EBA also revisited its planning for 2021, reprioritised its tasks, and identified a new horizontal priority to address the aftermath of COVID-19.
9. Notwithstanding the difficulties posed by this extraordinary situation, the EBA will work hard in 2021 to ensure timely delivery of all the mandates received from co-legislators. One key adjustment to the 2020 work programme was to postpone the EU-wide stress test exercise from 2020 to 2021 to allow banks to focus on and ensure continuity of their core operations and support customers early in the pandemic. The 2021 EU-wide stress test exercise will be key to assessing the resilience of financial institutions to further adverse market developments, particularly relevant in 2021 in the context of the COVID-19 crisis.
10. The EBA's activities group the EBA deliverables in the forthcoming year derived from the tasks specified in the EBA Regulation and from the relevant EU banking sector legislation. These include the tasks stemming from the ESAs review legislation as well as recent regulatory changes in response to the current economic situation.
11. The preparation of this document is an essential exercise to determine the focus of the EBA's work in 2021 and where it should allocate its resources. The specific priorities and deadlines are subject to the approval of the EBA's Board of Supervisors, before 30 September 2020, on the basis of a proposal by the Management Board.
12. Cognisant of the difficult current economic environment, the EBA stands also ready to adjust its work further should exceptional demands posed by the COVID-19 crisis require it, whilst ensuring its core mandate of maintaining a robust prudential framework to foster financial stability and protection for depositors and consumers.
13. The work programme also identifies potential areas for improvement in the future, including the possible amendment or extension of current mandates. These changes would be dependent on the legislative modifications and the approval of the EBA's governing bodies.
14. This programming also observes the Union Strategic Priorities defined by the EBA for period 2020-2022, namely the sustainability of business models and adequate governance structures. Concretely, these have been addressed in strategic priority II (Reviewing and upgrading the EU-wide EBA stress testing framework), III (Becoming an integrated EU data hub, leveraging on the enhanced technical capability for performing flexible and comprehensive analyses) and horizontal priority a) (Establishing a culture of sound and effective governance and good conduct in financial institutions).

15. This work programme benefits for the first time from the input of the newly established Advisory Committee on Proportionality (ACP). One of the tasks of the ACP is to provide recommendations on how the work programme can be improved to take account of specific differences prevailing in the sector. For this first year, the Committee submitted a letter of recommendations to the EBA BoS where it selected five topics for which it suggested possible enhancements of proportionality measures that are i) the IFD/IFR for Investment firms, ii) the revised SREP Guidelines, iii) the Guidelines on internal governance, iv) the cost of compliance study and v) the disclosure templates on ESG risks. This input of the ACP will be incorporated during the execution of the 2021 Work Programme and assessed by the Committee when providing its ex post comments to be included in the 2021 EBA Annual Report.

Defining specific priorities for 2021

I. Supporting deployment of the risk reduction package and the implementation of effective resolution tools

16. The full implementation of the new CRD/CRR, BRRD and IFD/IFR legislative packages, which assign several mandates to the EBA with the aim of further strengthening the resilience and resolvability of EU banks and investment firms, will remain a fundamental priority in 2021. At the end of 2019, the EBA received more than 100 new mandates. Many of these mandates are required to be in place in less than 2 years. The remaining ones either have a recurring nature, reflecting the role of the EBA in monitoring the good and convergent implementation of the Single Rulebook in the EU, or take into account a forward-looking perspective, whereby the EBA operates as an agent to observe and advise.
17. The EBA will deliver mandates according to the priorities set in 2019 and outlined in the different roadmaps. The roadmap for the new market and counterparty credit risk approaches¹ provides a comprehensive overview of EBA deliverables in this area and outlines EBA intentions with the view of ensuring a smooth implementation of the new approaches in the EU. The EBA also published the roadmaps on the risk reduction package² whose mandates are mainly focused in the areas of governance and remuneration, large exposures, resolution as well as reporting and disclosure. Besides clarifying the sequencing of mandates and the rationale behind their prioritisation, the roadmaps aim at providing a preliminary understanding of the mandates combined with some policy guidance. Through this work, the EBA will contribute to making the European Single Rulebook more comprehensive, proportionate and apt to reflect developments in the banking sector.

¹ <https://eba.europa.eu/eba-publishes-its-roadmap-for-the-new-market-and-counterparty-credit-risk-approaches-and-launches-consultation-on-technical-standards-on-the-ima-under>

² <https://eba.europa.eu/eba-publishes-its-roadmap-risk-reduction-measures-package>

18. The EBA will also prepare technical standards, guidelines and reports to support the timely implementation of the new prudential regime for investment firms³. This new dedicated and tailored regime uses key metrics, such as total assets under management or daily trading flows, to identify the risks posed by these firms, which, because of the risks to customers and markets, will be subject to going-concern and gone-concern capital requirements. Similarly, other aspects, such as liquidity requirements, concentration limits, risks arising from trading activities, and reporting and disclosure requirements, are essential for ensuring a healthy environment for investors that rely on these services.
19. The EBA will also continue to work to foster the increase of the loss absorbency capacity of the EU banking system. Banks' resolvability has improved since the implementation of the BRRD and will benefit from enhanced legislative provisions. The EBA will ensure that the legislative framework is completed primarily by delivering to the Commission a number of RTS aimed at ensuring appropriate setting and reporting of minimum requirements for own funds and eligible liabilities (MRELS). Moreover, taking advantage of recent years' experience and maximising its core mission and role, the EBA is developing a broad range of initiatives in order to facilitate the sufficient convergence and operationalisation of the various stages in recovery and resolution. The EBA will perform in-depth analyses of the resolvability assessment and the identification of impediment practices, and of the consistency of the criteria applied to determining the criticality of services and functions.
20. Beyond best practices and convergence monitoring, the EBA will facilitate the operationalisation of the resolution tools and the interactions with securities and competition laws. The EBA will continue to consider the important links between the recovery and resolution phases focusing in particular on the important aspects of recovery indicators and early intervention measures. Finally, the EBA will ensure that colleges are prepared for highly stressed situations and that they approach key topics in a fair and effective manner, in particular when it comes to key operational aspects of resolution plans, removing impediments to resolvability and to the setting of MRELS.

II. Reviewing and upgrading the EU-wide EBA stress testing framework

21. Following the COVID-19 outbreak, the EBA decided to postpone the EU-wide stress test to 2021⁴, as a measure to alleviate the immediate operational burden for banks at this challenging juncture, and also to prolong discussions on the future changes to the framework.
22. The 2021 exercise will follow a similar structure in terms of methodology, sample and timing of the 2020 exercise stable. The methodology will likely remain the same, except for only few clerical errors corrected and the incorporation of certain issues (related to FX, moratoria and public guarantees and other changes in the regulation) that have become more salient and merit being addressed in a more structured way than by the FAQs FX.

³https://eba.europa.eu/sites/default/documents/files/document_library/Regulation%20and%20Policy/Investment%20firms/884436/EBA%20Roadmap%20on%20Investment%20Firms.pdf

⁴<https://eba.europa.eu/eba-statement-actions-mitigate-impact-covid-19-eu-banking-sector>

23. The 2021 exercise will support the EBA work on the Union Strategic Supervisory Priority on business models' sustainability by providing accurate quantitative and qualitative information on the EU banking sector's financial health.
24. The EBA has started a reflection on more structural long-term changes, the EU-wide stress test will continue to be a microprudential exercise with an objective of risk identification for both supervisors and banks, and will continue to provide information to the market on the health of the banking system. The aim is to make this exercise more integrated into supervisory processes and to incentivise banks even more to further develop their risk management frameworks.
25. As a first step, the EBA organised several workshops and roundtables to discuss the lessons learnt and potential new approaches with all the relevant stakeholders, including academia and industry. A discussion paper was published in January 2020 on the long-term changes in stress testing, so as to formally collect input from stakeholders. Based on the feedback received, the EBA, in conjunction with the CAs and the single supervisory mechanism, will design a new methodology to be introduced for the 2023 EU-wide stress test at the earliest.

III. **Becoming an integrated EU data hub, leveraging on the enhanced technical capability for performing flexible and comprehensive analyses**

26. From 2021 onwards, the EBA will be in a position to provide external stakeholders, including CAs and EU legislators, with more timely and comprehensive evidence-based analyses. Since the main purpose of the EU data hub project was to provide more comprehensive impact and proportionality assessments, the EBA expects an increase in data requests from NCAs and external stakeholders. In addition, with higher representativeness achieved, the risk and policy measures will be more reliable and will help to retain the diversity in the EU banking landscape.
27. The EBA will be a data hub at the service of competent authorities and the public. As endorsed by the EBA's Board of Supervisors, quantitative Pillar 3 data will be integrated with supervisory reporting data to the greatest possible extent, and the EBA will act as a hub for Pillar 3 disclosure.
28. Currently the scope of the data to be reported is limited to supervisory data and to master data, which populate the Credit Institution Register and the Payment Institution Register. This scope is to be expanded soon. Among other requirements, in 2020 the EBA will have to collect resolution data for the entire banking population. With the new CRD/CRR package, a new register for investment firms will be established and some supervisory data will be collected for these entities too. The EBA will strengthen its role in the AML/CFT supervision by national authorities, and it will have to strengthen its role in the collection, analysis and dissemination of information related to ML/TF risks and to AML/CFT supervision. The EBA will collect payment fraud data under the EBA Guidelines on fraud reporting. Impacts on resources will come from channels relating to data exploration, dissemination and analysis, and may also derive from the outcome of a feasibility study on an integrated EU reporting framework. These additional requirements will be fulfilled using the same EUCLID platform.

29. Finally, the EBA data hub is also key in the EBA work on the Union Strategic Supervisory Priority on business models' sustainability as this data hub will be the starting point to the EBA analytical work necessary to support the analytical work on banks' business models.

IV. Contributing to the sound development of financial innovation and operational resilience in the financial sector

30. In 2021 the EBA will continue to focus on ensuring technological neutrality in regulation and supervisory approaches. This will be done by monitoring developments and 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. Specific areas of work will include platformisation, regulatory and supervisory technologies, further work on operational resilience, and understanding developments in crypto-assets, artificial intelligence and big data.

V. Building the infrastructure in the EU to lead, coordinate and monitor AML/CFT supervision

31. The ESA review has increased substantially the role and mission of the EBA with regard to AML/CFT as of 2020. The EBA will continue to lead policy development and promote effective and consistent policy implementation by NCAs. Qualitative and quantitative information will be gathered by the EBA in 2021 in order to build a database to foster the exchange of information between NCAs and support the new AML colleges. It will also allow the EBA to identify vulnerabilities and to direct requests to NCAs to investigate and address them. The risk strategy will support thematic risk assessments of NCAs to ensure EU-level risks are effectively addresses.

VI. Providing the policies for factoring in and managing ESG risks

32. The need to promote better disclosure, governance and risk management of ESG risk factors will be pressing in 2021. The EBA will produce the report on the incorporation of ESG into the risk management of institutions and supervision, setting out policy direction, indicators and methods on ESG-related governance, risk management and supervision. The EBA will also prepare the ITS on ESG disclosures in Pillar 3 outlining the qualitative and quantitative information on environmental (e.g climate), social and governance factors. In addition, the EBA will support and monitor market efforts to improve approaches to scenario analysis and stress testing, while gathering evidence around the 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.

Focus on horizontal priorities for 2021

33. Stemming from the horizontal strategic priorities, the EBA will take special care of the following in 2021.

a. Establishing a culture of sound and effective governance and good conduct in financial institutions

34. The EBA will work to ensure that issues around governance, conduct, including the treatment of customers and AML/CFT, as well as sustainability factors, are adequately captured in relevant supervisory frameworks, in particular ensuring that governance and conduct issues are sufficiently addressed including through the internal control framework of financial institutions. This horizontal priority is a reflection of the Union Strategic Supervisory Priority on adequate governance arrangements that was adopted by the BoS in March 2020 for the 2021 work programmes.

b. Addressing the aftermath of COVID-19

35. The EBA will be active in monitoring and mitigating the effects of Covid-19 on EU banks, promoting coordinated actions of competent authorities. The EBA will intensify the assessment of asset quality as well as monitoring the use of moratoria and public guarantees in order to ensure that risk metrics remain reliable and that banks can support the recovery and cope with potentially increasing losses. Depending on the evolution of the pandemic and economic conditions, it will be also paramount that banks are given clarity on the timing of lifting divided restrictions and re-building capital buffers.

36. In addition, COVID-19 will be a catalyst for the EBA to become a fully digital agency in the years ahead. The objective of becoming a Digital Agency has already been included in the IT Strategy, which was approved by the BoS in December 2019. The EBA ensured business continuity during the pandemic, but its next step will be to upgrade its systems and processes so that performance, data security, flow of information to CAs, public and other institutions and safety environment for its employees is improved and made more resilient.

KPI's 2021

1. Supporting deployment of the risk reduction package and the implementation of effective resolution tools

Indicator	Weight	Short description	Target in 2021	Type
Number of technical standards, guidelines, report delivered ⁵	100%	Number of technical standards, guidelines and reports delivered on time stemming from the implementation of the risk reduction package	9	Output

2. Reviewing and upgrading the EU-wide EBA stress testing framework

Indicator	Weight	Short description	Target in 2021	Type
Upgrade the ST methodology	100%	EBA to decide on the new stress test framework	Yes	Output

3. Becoming an integrated EU data hub, leveraging on the enhanced technical capability for performing flexible and comprehensive analyses

Indicator	Weight	Short description	Target in 2021	Type
Ratio of banks reporting supervisory data to the EBA	100%	% of banks covering the EU financial assets	100%	Impact

4. Contributing to the sound development of financial innovation and operational resilience in the financial sector

Indicator	Weight	Short description	Target in 2021	Type
A Proportion of policy responses to material risk findings in the area of innovation	80%	Proportion of policy responses (recommendation, GL, warning, etc.) issued by EBA in relation to material risk issues stemming from financial innovation	80%	Outcome/ results
B Interaction with stakeholders in the context of the EBA Fintech hub	20%	Amount 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	Impact

⁵ Target

1. Art. 74(3) of the CRD: Guidelines on sound remuneration policies and proportionally gender-neutral pay
2. Art. 75(3) of the CRD: Guidelines on data collection of high earners
3. Art. 75(2) of the CRD: Guidelines on benchmarking of remuneration practices
4. Art. 74(3) of the CRD: Guidelines on internal governance
5. Art. 91(12) of the CRD: Guidelines on the assessment of the suitability of the members of the Management body and key function holders
6. Art. 396(3) of the CRR: Guidelines specifying the exceptional circumstances under which the large exposure limits may be breached and corrective measures
7. Article 394(4) on draft RTS specifying the criteria for the identification of shadow banking entities
8. Art. 97(4a) of the CRD: Guidelines to specify how similar risk profiles shall be assessed for the purposes of the SREP
9. Art. 78 (8) CRD: EBA shall develop draft implementing technical standards to specify: (a) the template, the definitions and the IT-solutions to be applied in the Union for the reporting referred to in paragraph 2; (b) the benchmark portfolio or portfolios referred to in paragraph.

5. Building the infrastructure in the EU to lead, coordinate and monitor AML/CFT supervision

Indicator	Weight	Short description	Target in 2021	Type
A Ratio of technical standards, guidelines, opinions, advices, and reports delivered by the EBA, over all such instruments conferred on the EBA. ⁶	60%	The EBA has to deliver a number of legal instruments in fulfilment of mandates under EU law or requests by the EU Council, EU Parliament or EU Commission.	90%	Output
B Ratio of EU jurisdictions assessed through EBA staff-led AML supervision reviews, over all EU jurisdictions	20%	The EBA is carrying out staff-led reviews of competent authorities' approaches to the supervision of AML requirements across all 27 EU Member States. Each review takes 6-8 weeks to prepare, carry out and complete, involves a 3-4 day on-site visit, and is followed up with an authority-specific feedback letter. The task will take several years to complete, started in 2019Q3, and had to be suspended in 2020Q2 due to COVID-19 related travel restrictions. By end 2021, the EBA aims to have carried out a review of the authorities in at least half of the 27 EU Member States. However, the speed of progress is not entirely in the EBA's control, as the timing of the reviews needs to accommodate related reviews by the Council of Europe, FATAF and Moneyval.	50%	Output
C Ratio of number of AML college meetings attended by the EBA, over all such meetings known to the EBA.	10%	In fulfilment of its enhanced mandate to lead, coordinate and monitor the fight against money laundering and terrorist financing (ML/TF) in the EU, the EBA will inter alia attend meetings of AML colleges organised by national competent authorities. During college meetings, national authorities coordinate their AML supervision approach towards a particular legal entity. The EBA will be attending as an observer, ensure a consistent application of the EBA 'Colleges' Guidelines that the EBA had issued in 2019 in support of such colleges, and will write feedback letters to the authority that organised the college. The EBA aims to attend 70% of the colleges meetings it has been made aware of, up to a maximum of 15 per calendar year.	70%	Output
D Ratio of number of national AML authorities supplied with access credentials to the EBA's new AML database, over all national AML authorities	5%	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 2021Q2, with the IT development of the database completed by end 2021. The KPIs therefore is to 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 to the database over all authorities that are legally entitled to access the database.	100%	Output
E Availability of the EBA's central database; percentage Uptime	5%	Once developed, the EBA's central database should be accessible to NCAs and EBA staff at 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. Once the functionality of the database is known at the end of 2020, additional KPIs can be defined that apply from 2022 onwards.	100%	Output

⁶ Target:

- Final GL on compliance officers
- Incorporation of AML aspects into three prudential GLs
- Report on EBA staff-led reviews of NCAs' approaches to AML supervision
- Final revised GL on risk-based supervision
- Final Draft RTS under Article 9a (use of data)
- Final Draft RTS under Article 9a (data base information)

6. Providing the policies for factoring in and managing ESG risks

Indicator	Weight	Short description	Target in 2021	Type
Timely delivery of mandates	100%	Number of technical standards and guidelines delivered on time relating Environmental, Social and Governance factors	9	Output

EBA ACTIVITIES

Activity 1: Capital

Description	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.
Main outputs	<ul style="list-style-type: none"> • Maintenance of standardised templates on Additional Tier 1 (AT1) instruments • Analysis of interactions with loss absorbency requirements • Assessment of post-CRR instruments and review of pre-CRR instruments • Monitoring of the AT1 issuances and related calls • Maintenance and publication of the EBA CET1 list • Questions and answers (Q&A) support on capital
	Ongoing
	Q3/Q4

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

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 options and national discretions, using ongoing monitoring of the practical implementation and providing guidance where necessary. In the area of the interest rate risk in the banking book (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"> • Delivering regulatory products and updating liquidity requirements • Monitoring national practices on liquidity and national options and discretion, in particular monitoring the concrete implementation of the liquidity coverage ratio (LCR) rules and definitions • Monitoring of notifications related to liquidity and follow-up actions • Update of the list of credit institutions waived from the 75% inflow cap under Article 33(5) of the LCR Delegated Act • Monitoring of interdependent assets and liabilities for the net stable funding ratio; • Monitoring of interdependent inflows and outflows for the LCR • Q&A support on liquidity risk and interest rate risk in the banking book • Work on GL/RTSs on IRRBB.
	Ongoing
	Q4
	Q4
	Q4

Activity 3: Leverage ratio

Description	The leverage ratio allows CAs to assess the risk of excessive leverage in their respective institutions. The EBA is working on regular updates of technical standards on reporting and disclosure of the leverage ratio.
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Main outputs	<ul style="list-style-type: none"> • Monitoring and promoting the consistent application of the leverage ratio • Monitoring of notifications related to the leverage ratio and follow-up actions • Delivering regulatory products that update leverage ratio requirements where necessary. 	Ongoing
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Activity 4: Loss absorbency

Description	Total loss-absorbing capacity (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 subsidiaries 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.	
Main outputs	<ul style="list-style-type: none"> • Monitoring of TLAC/MREL issuances • Report on monitoring of MREL eligible liabilities issuances – update 	Ongoing Q4

Activity 5: Accounting and audit

Description	The EBA supports high-quality accounting and auditing standards. The EBA aims to facilitate effective 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"> • Monitoring and promoting consistent application of IFRS 9, and work on the interaction with prudential requirements including monitoring the institutions' practices in the COVID-19 circumstances in order to understand better the impact of IFRS 9 on capital requirements • Monitoring the use of transitional provisions • Continuing the work on the modelling aspects of IFRS 9 and their related impact on capital, using a benchmarking exercise, as per roadmap.⁷ • Monitoring the ongoing quantitative impact of the application of IFRS 9 through selected indicators • Continuation of integration of the IFRS9 benchmarking in the ITS on benchmarking, and monitoring the institutions' practices in the current circumstances in order to understand better the impact of IFRS 9 on capital requirements as well as the way banks are applying judgment in the assessment of the level of and changes in credit risk of their exposures • Monitoring accounting standards and comment letters to the International Accounting Standards Board, where needed • Delivering regulatory products and technical advice to the Commission on the topics requested. 	Ongoing
	<ul style="list-style-type: none"> • Report on the monitoring of LCR implementation • Follow-up report on IFRS 9 qualitative implementation • Feedback on IFRS 9 benchmarking of models 	Q1/Q2
	<ul style="list-style-type: none"> • EBA to issue GL specifying the activities that are a direct extension of banking, activities ancillary to banking, and similar activities 	Q2/Q3

⁷ <https://eba.europa.eu/sites/default/documents/files/documents/10180/2551996/ccbf23ae-4b1a-4af7-bb5e-44d51ae58dfb/Roadmap%20for%20IFRS%209%20deliverables.pdf?retry=1>

Activity 6: Large exposures

Description	The EBA work will focus on the CRR II amended provisions for large exposures, with a view to developing the mandates according to a dedicated roadmap ⁸ . The use of options and national discretions will continue to be monitored.	
Main outputs	<ul style="list-style-type: none"> • RTS on the identification of shadow banking entities • GL specifying the exceptional circumstances under which the large exposures limits may be breached, and corrective measures 	Q4

Activity 7: Credit risk

Description	<p>The EBA's work in relation to credit risk focuses on the development of technical standards, GL and reports regarding the calculation of capital requirements under the SA and the internal ratings-based (IRB) approach for credit risk in respect of all the business activities of an institution, excluding the trading book business, under CRD V/CRR II.</p> <p>The EBA will focus on the implementation of the IRB roadmap and will continue to monitor its effects after application, ensuring supervisory consistency and increasing transparency.</p>	
Main outputs	<ul style="list-style-type: none"> • Maintenance of credit-related lists, including the identification of the eligibility of public-sector enterprises for the credit risk framework • Monitoring and promoting the consistent application of credit risk and credit risk modelling, including the implementation of the IRB roadmap • Q&A support on credit risk • Support of the implementation of the Basel III standards in the area of credit risk 	Ongoing
	<ul style="list-style-type: none"> • Monitoring credit risk related issues of COVID-19 including GL on public moratoria 	
	<ul style="list-style-type: none"> • EBA revised decision on the use of unsolicited credit assessments 	Q1
	<ul style="list-style-type: none"> • Amendments to ITS ECAI mapping under Art.136 CRR and Solvency II • Preparation of 2022 benchmarking portfolios – update of ITS • Development of RTS on collective investment undertakings under Article 132 of CRR II 	Q2
	<ul style="list-style-type: none"> • 2021 benchmarking report on IRB models 	Q4

Activity 8: Market risk

Description	<p>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 counterparty credit risk (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.</p> <p>The EBA's work will focus on the implementation of the new framework for market risk capital requirements, following the implementation of the FRTB in CRR II/CRD V and the Commission delegated act.</p>	
Main outputs	<ul style="list-style-type: none"> • Preparatory work on the implementation of the FRTB – Phase IV: regulatory products whose substance will be derived from the monitoring of the application of the revised frameworks: – RTS on emerging markets and advanced economies – RTS on material extensions and changes under the IMA 	Ongoing

⁸ <https://eba.europa.eu/eba-publishes-its-roadmap-risk-reduction-measures-package>

- RTS on the assessment methodology for the IMA
 - RTS on extraordinary circumstances for being permitted to continue using the IMA
 - RTS on extraordinary circumstances for being permitted to limit the backtesting add-on
 - GL on the meaning of exceptional circumstances for the reclassification of a position
 - Report on the impact and relative calibration of the SA for CCR, the simplified SA for CCR and original exposure method
 - Report on the impact and relative calibration of the SA-CCR; simplified SA-CCR and OEM
 - Regular updates to the list of diversified stock indices, incorporating any additional relevant indices and applying the quantitative methodology outlined in the ITS
 - Monitoring and promoting consistent application of market risk requirements
 - Q&A support on market risk, market infrastructure and CCR
-
- 2020 benchmarking report on market risk models.⁹ Q1
 - RTS on initial margin model validation.¹⁰
-
- Annual update to the list of closely correlated currencies, incorporating any additional relevant currencies and applying the quantitative methodology outlined in the ITS Q2/Q3
 - RTS on PDs and LGDs for default risk model under the IMA
-
- Preparation of 2022 benchmarking portfolios – update of ITS Q3
-
- RTS on instruments exposed to residual risk
 - RTS on gross jump-to-default amounts Q4
 - 2021 Benchmarking report on market risk models
-

Activity 9: Operational risk and investment firms

Description	The main priority in this area will be the development of mandates stemming from the new regulatory regime for investment firms (IFR/IFD), which is to be implemented in 2021. 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 Measured Approach, which is part of the final Basel III framework.	
Main outputs	<ul style="list-style-type: none"> • Implementation of IFR/IFD regime – preparatory work Phase IV: review all existing guidelines, database sanctions and notifications, and other mandates: <ul style="list-style-type: none"> – EBA central database and website with links to administrative penalties – GL on benchmarking of remuneration practices – GL on the application of sound and gender neutral remuneration policies – GL on supervisory information on high earners – GL on liquidity risk – GL on procedures and methodologies for the supervisory review and evaluation process (SREP) – Review of all the existing EBA guidelines applicable to investment firms 	Ongoing

⁹ Delayed by 1 months from 2020 work programme.

¹⁰ Delayed from 2020 work programme.

- Monitoring and promoting consistent application of operational risk and investment firms' requirements
- Q&A support on operational risk and investment firms
- RTS on information exchange between CAs in different Member States
- RTS on the conditions for the establishment of a college of supervisors
- ITS to establish standard forms, templates and procedures for the supervisory information sharing Q4
- Report and, if appropriate, GL on the technical criteria for the SREP on a potential bespoke prudential treatment of assets

Activity 10: Supervisory review

Description The main EBA future actions in this area are condensed into the Pillar 2 roadmap¹¹, which explains the planned changes to the Pillar 2 framework that stem from the new CRD/CRR framework and other regulatory developments and affect the review of the common SREP guidelines (the Guidelines for the supervisory review and evaluation process). The work will also leverage on the EBA's ongoing monitoring and assessment of the convergence of supervisory practices, and the actual implementation of the guidelines. The aim is to ensure that the SREP GL are fully aligned with the new legislative framework. The review will also aim to streamline the GL, to facilitate their application. The EBA will focus on further policy development in line with the published Pillar 2 roadmap and the CRD V/CRR II package, and in relation to emerging risks and areas where an international practice has been developed. This will incorporate additional GL, recommendations and chapters of the single supervisory handbook.

- Main outputs**
- Supervisory risk taxonomy
 - Ongoing work on the single supervisory handbook
 - Delivering regulatory products to the Commission in relation to the CRD V/CRR II package Ongoing
 - Consideration of ML/TF risks from a prudential perspective
 - Preparatory work on the RTS and ITS on the functioning of colleges of supervisors and on institution-specific prudential requirements
 - Work on the inclusion of the ESG risks in the SREP
 - Annual report on supervisory convergence and colleges
 - GL specifying the manner of cooperation and information exchange between CAs, financial intelligence units and other authorities Q2
 - Second review GL on common procedures and methodologies for SREP Q4

Activity 11: Internal governance and remuneration

Description 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 to the nature, scale and complexity of the institution. The remuneration policy should be gender neutral. The EBA has several mandates to draft guidelines and RTS in the areas of governance and remuneration. 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.

- Main outputs**
- Monitoring and promoting consistent application of internal governance and remuneration regulations Ongoing

¹¹ <https://eba.europa.eu/eba-publishes-its-roadmap-risk-reduction-measures-package>

<ul style="list-style-type: none"> Delivering regulatory products in relation to the CRD V/CRR II and IFR/IFD package Support in the implementation of the IFD/IFR regime Q&A support on internal governance and remuneration Establishment by 3 ESAs of a system to the exchange of information on fitness and propriety assessments by the competent authorities (new Article 31a) 	
<ul style="list-style-type: none"> Review of the GL on the assessment of suitability of the members of the management board and key function holders (Amendments to existing GL to take into account amendments introduced by CRD 5 and IFD) Review of the GL on internal governance (Amendments to existing GL to take into account amendments introduced by CRD 5 and IFD) 	Q1/Q2
<ul style="list-style-type: none"> Review of the GL on sound remuneration to integrate gender neutral remuneration policies for institutions (Amendments to existing GL to take into account amendments introduced by CRD 5 and IFD) High earners (data for 2019) 	Q2/Q3
<ul style="list-style-type: none"> Review of the guidelines on data collection of high earners under CRD Review of the guidelines on benchmarking of remuneration practices GL to ensure consistency of information collected on remuneration 	Q4

Activity 12: Recovery and resolution

Description	<p>The revised BRRD II/CRR II legislation has mandated the EBA to develop a wide range of binding technical standards, GL and reports. The key work will focus on the development of the regulatory mandates that have been addressed by a specific resolution roadmap¹², including the production of an MREL report that monitors the building up of the MREL resources in the European banking sector.</p> <p>In the context of crisis preparedness, the EBA will continue to monitor evolving practices in relation to recovery planning, triggers for early intervention, and the determination of failing or likely to fail. It will also focus on improving synergies between recovery and resolution plans; increasing the quality of cooperation between supervisory and resolution authorities; and identifying good practices, potential friction points and things to avoid.</p>
Main outputs	<ul style="list-style-type: none"> Report on convergence in the area of resolution Quantitative report monitoring the build-up of MREL resources in the EU A combination of products in resolution planning, which includes: <ul style="list-style-type: none"> the relationship between recovery and resolution plans recovery indicators the operationalisation of resolution tools through crisis simulation exercises resolution reporting resolvability assessment and identification of impediments public interest assessment critical economic functions and critical services management of information systems Implementation of the BRRD II roadmap.

Activity 13: Reporting

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,
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¹² <https://eba.europa.eu/eba-publishes-its-roadmap-risk-reduction-measures-package>

to maintain the relevance of the reporting framework. The completion of a cost-of-reporting compliance report in 2021 will guide future changes to achieve cost reduction and efficiencies. The completion of work on a feasibility study of an integrated EU reporting framework, mandated by the CRR II, will be key to helping cover a wider scope of data and an efficient integrated system for collecting and sharing data. This will further increase standardisation, ensure common definitions, reduce redundancies and increase efficiency of reporting systems.

Main outputs	<ul style="list-style-type: none"> • Maintenance of ITS on supervisory reporting (legal act, templates, instructions) • Maintenance of validation rules, the data point model and XBRL taxonomies • Review of proportionality in the reporting framework • Project to improve data-modelling tools.¹³ 	Ongoing
	• Cost of compliance study	Q2
	• Feasibility study on integrated reporting	Q3

Activity 14: Transparency

Description	The EBA will continue work to improve the comparability and standardisation of Pillar 3 disclosures and the monitoring of institutions' Pillar 3 disclosures.	
Main outputs	<ul style="list-style-type: none"> • Monitoring of Pillar 3 disclosures.¹⁴ 	Ongoing
	<ul style="list-style-type: none"> • RTS on investment policy disclosures • Sustainable finance Pillar 3 - Amendment to P3 ITS 	Q2

Activity 15: Loan management and valuation

Description	The EBA will continue to support strengthened loan origination and management and will contribute to the European Council's action plan for tackling non-performing loans (NPLs) in Europe, as initiated in July 2017. ¹⁵ The Commission's proposal for a new directive on credit servicers, credit purchasers and the recovery of collateral, and amendments to the CRR set out some mandates for the EBA to develop ITS on NPL data and GL on valuation.	
Main outputs	<ul style="list-style-type: none"> • Assisting the implementation of the EBA's loan origination GL • Follow-up work from the Council's action plan for tackling NPLs in Europe 	Ongoing

Activity 16: Market access, authorisation and equivalence

Description	The EBA will continue monitoring regulatory perimeter and authorisation practices, and will prepare guidelines on common assessment methodology for authorisations and reports on the treatment of third country branches. The EBA will assess 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.	
Main outputs	<ul style="list-style-type: none"> • Cooperation agreements with third country authorities on supervision, resolution, conduct and AML/CFT • Monitoring of regulatory perimeter and new financial activities across the EU • Report on the treatment of third country branches (Article 21b of the CRD) 	Ongoing
		Q2

¹³ Own-initiative project

¹⁴ Own-initiative project

¹⁵ <http://www.consilium.europa.eu/en/press/press-releases/2017/07/11-conclusions-non-performing-loans/>

	<ul style="list-style-type: none"> • Review of RTS on authorisation 	Q3
	<ul style="list-style-type: none"> • EBA opinion on the equivalence of regulatory and supervisory frameworks of third countries • Reports on the assessment of the equivalence of regulatory and supervisory frameworks and ongoing monitoring of equivalence decisions, including the submission of an annual confidential report summarising the findings of its monitoring activities on equivalent third countries • GL on the equivalence of third country authorities' confidentiality requirements (supervision and resolution) • GL on common assessment methodology for the authorisation of institutions (Article 8 of the CRD) 	Q4

Activity 17: Banking markets, securitisation, covered bonds and sustainable finance

Description	<p>The new European framework for the simple, transparent and standardised (STS) securitisations regulation (the STS Regulation), which came into force in January 2019, sets out a large number of mandates for the EBA. The EBA's work on the STS Regulation will focus on technical standards, GL and reports for the new STS Regulation. There will also be follow-up work related to the new directive on covered bonds. In addition, the EBA will contribute to the Commission's work on sustainable finance, particularly regarding the taxonomy of sustainable finance and the green bonds standards, as well as to the work required by the specific mandates for the EBA that are included in the CRD, the CRR, the IFD and the IFR, and in the Commission action plan for sustainable finance. New mandates on securitisation and sustainable finance are expected from Commission's legislative and non-legislative initiatives, in particular related to STS synthetic securitisation and Renewed Sustainable Finance strategy.</p>	
Main outputs	<ul style="list-style-type: none"> • Monitoring market development and promoting the consistent application of frameworks on securitisation and covered bonds • Contribution to Commission activities in this area (including Platform on sustainable Finance) • Implementation of the Covered Bonds Directive • Preparatory work on GL on computation of IRB for dilution and credit risk • ESA Report on securitisation contribution to funding real economy and small and medium-sized enterprises, risk retention, third party certifiers, third country equivalent regimes and other topics 	Ongoing
	<ul style="list-style-type: none"> • Joint RTS on ESG disclosure standards for financial market participants 	Q1
	<ul style="list-style-type: none"> • Guidelines on estimates of probability of PD and LGD using IRC • Report on the incorporation of ESG into risk management and supervision 	Q2
	<ul style="list-style-type: none"> • RTS on the method for calculating the nominal amount for the undrawn part of a liquidity facility • ITS on the mapping of the external credit assessment institutions' credit assessment for securitisation positions • GL on practices on the hierarchy of approaches for calculation of risk weights 	Q4

Activity 18: Innovation and Digital Finance

Description	<p>The EBA will continue to monitor financial innovation and identify areas where a regulatory and supervisory response might be needed. In line with the EBA's FinTech Roadmap¹⁶, the EBA's work will focus on the following priority policy areas: (i) a regulatory perimeter and the European Forum of Innovation Facilitators; (ii) impacts on</p>	
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¹⁶ <https://eba.europa.eu/-/eba-publishes-its-roadmap-on-fintech>

the business models, and risks and opportunities for financial institutions from FinTech; (iii) operational resilience; and (iv) regulatory obstacles for innovative technologies and business models.

The EBA will continue its activities concerning the FinTech Knowledge Hub, in order to facilitate information and experience sharing, to raise awareness, to support the transfer of knowledge on FinTech, and to support information sharing among national innovation facilitators under the Forum of European Innovation Facilitators.

New mandates on digital finance, operational resilience and crypto assets are expected from Commission's legislative and non-legislative initiatives following the public consultations on these topics.

Main outputs	<ul style="list-style-type: none"> • Thematic reports on the monitoring of financial innovation and targeted reports on new developments • Thematic reports on business model changes, and risks and opportunities from FinTech, innovative products and emerging trends • Activities regarding the FinTech Knowledge Hub (workshops, roundtables, seminars) • Supporting the forum of European Innovation Facilitators and related activities • Follow-up work on digital operational resilience • Monitoring and coordination on crypto assets activities 	Ongoing
	<ul style="list-style-type: none"> • Report on Platforms • Report on regulatory technologies (RegTech) 	Q2

Activity 19: Consumer and depositor protection

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 mandates assigned to it in relevant EU law, 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 scheme (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>	
Main outputs	<p><i>Depositor protection</i></p> <ul style="list-style-type: none"> • Publication of the uses of DGS funds, including in bank failures, and data on covered deposits and the financial means available to DGSs • Monitor the liquidations that had a DGS pay-out • Assessment of notifications received under the DGSD • Having fulfilled in 2019 the EBA's mandate under Article 19(6) of the DGSD to support the Commission in its review of the DGSD, the assessment of the merits of additional own-initiative work to address urgent issues that had been identified <p><i>Consumer protection</i></p> <ul style="list-style-type: none"> • Answers to questions that the EBA receives on the DGSD through the EBA Q&A tool <p><i>Consumer protection</i></p> <ul style="list-style-type: none"> • Supervisory convergence work on EU requirements pertaining to consumer protection • Assessment of the need for regulatory or supervisory measures as a result of the EU Consumer Credit Directive being added to the EBA's scope of action 	Ongoing

<ul style="list-style-type: none"> • Input to potential reviews by the EU Commission of the EU Consumer Credit Directive and/or the EU Distant Marketing of Financial Services Directive • Answers to questions that the EBA receives on the Mortgage Credit Directive through the EBA Q&A tool 	
• EBA Consumer Trends Report 2020/21	Q1
• Final revised GL on DGS stress test	Q2
• Report on supervisory convergence of EBA GL on remuneration of sales staff	Q4

Activity 20: 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"> • Contributing to the EBA's statutory objective of supervisory convergence across the EU, in the area of payment services • Assessing and developing answers to the questions that the EBA receives in relation to the revised Payment Services Directive (PSD2), through its Q&A tool • Monitoring the consistent application and implementation of the RTS on strong customer authentication and common and secure communication, published as Commission Delegated Regulation (EU) 2018/389 and taking action where required • Monitoring the implementation of the GL on the fall-back exemption (EBA/GL/2018/07) and continuing, in this context, to fulfil the EBA's consultative role under Article 33(6) of the RTS on strong consumer authentication and common secure communications • Operating and maintaining the EBA register under PSD2 and ensuring that CAs keep the information up to date, as required under Article 14(2) of PSD2 • Monitoring the consistent implementation by CAs and financial institutions of the EBA GL on fraud reporting (EBA/GL/2018/05) and contributing to the compliant integration of the GL into the forthcoming reporting framework of the European Central Bank (ECB) • Reviewing the GL on authorisation (EBA/GL/2017/09), as required under Article 5(5) of PSD2 • Assessing the need for regulatory or supervisory measures as a result of the EU Interchange Fee Regulation being added to the EBA's scope of action 	Ongoing
	• Report on the work of the EBA working group on APIs (Application Programming Interface) under PSD2	Q2
	• Final Revised GL on major incident reporting	
	• Final GL on limited network exclusion under PSD2	Q3

Activity 21: Anti-money laundering and combating the financing of terrorism

Description	The EBA is working on cross-sectoral issues in AML/CFT that fall within the remit of the Joint Committee (JC) of the three ESAs, such as the GL on risk factors. The ESA review will strengthen our role in this area. Work is centred around the completion of the European Council action plan on AML, for which the EBA will be the lead. The EBA will also review the effectiveness of the approaches to the AML/CFT supervision of banks used by NCAs.	
Main outputs	<ul style="list-style-type: none"> • Executing the EBA's new tasks and powers, including establishing a database through which to collect information and identify vulnerabilities • Enhanced monitoring and requests for action • Deliverables resulting from the European Council action plan on AML, including an EBA database with EU sanctions information • Participation in AML colleges, to foster the exchange of information between national competent authorities, including the development of reports • Individual and thematic feedback to CAs on their approaches to AML supervision • AML-focused follow-up work that results from the EBA's roadmap on FinTech • Answers to the questions that the EBA receives in relation to Anti-Money Laundering Directive (AMLD4/AMLD5), through its Q&A tool • Execution of the EBA Cum-Ex Action Plan • Training activities 	Ongoing
	• Opinion on ML/FT risks in the financial sector in the EU	Q1
	• Incorporation of AML aspects into various prudential supervision GL, such as the GL on internal control and governance, the GL on fit and proper assessments, and the SREP GL;	
	• Second report on EBA staff-led reviews of NCAs' approaches to AML supervision	Q2
	<ul style="list-style-type: none"> • Final draft RTS under Article 9a (use of data) • Final draft RTS under Article 9a (data base information) • CP on draft GL on AML compliance officers 	
	• Final revised GL on risk-based supervision	Q3

Activity 22: Risk analysis

Description	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 addition, the EBA will support the implementation of the macroprudential framework in the EU.	
Main outputs	<ul style="list-style-type: none"> • Quarterly EU risk dashboards • Risk assessment questionnaires – twice per year • Internal updates on liquidity and market developments for the Board of Supervisors • Opinions on macroprudential measures 	Ongoing
	• JC spring risk report	Q1
	• RTS on the assessment of appropriate risk weights and appropriate minimum LGD values	Q2
	• JC autumn risk report	Q3

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- Funding plans report
 - Asset encumbrance report
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- Annual risk assessment report on the European banking system Q4
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Activity 23: Stress testing

Description	<p>One of the primary supervisory tools to conduct the analysis of potential risks and vulnerabilities is the EU-wide stress test exercise. The EBA Regulation gives the EBA powers to initiate and coordinate the EU-wide stress tests, in cooperation with the European Systemic Risk Board (ESRB). The aim of such tests is to assess the resilience of financial institutions to adverse market developments, as well as to contribute to the overall assessment of systemic risk in the EU financial system.</p> <p>The EBA's EU-wide stress tests are conducted in a bottom-up fashion, using consistent methodologies, scenarios and key assumptions developed in cooperation with the ESRB, the ECB and the Commission. The EBA is also exploring more fundamental changes to the stress test in the long term. As part of the long-term changes, the EBA will also aim to develop a dedicated climate change stress test.</p>	
Main outputs	<ul style="list-style-type: none"> • Ongoing work on the improvement of the stress test methodology • Preparatory work on the 2023 EU-wide stress test exercise • Ongoing work on the incorporation of climate risk into stress testing 	Ongoing
	<ul style="list-style-type: none"> • Stress Test Exercise 2021 	Q3

Activity 24: Data analysis and infrastructure

Description	<p>The EBA finalised its data infrastructure and analytical capabilities through a major project that started in 2017 and that finished in 2020. The EBA's objective – based on close cooperation with the CAs and exploiting all potentials for synergies – was to have a comprehensive European centralised infrastructure of supervisory data on the basis of its experience of the existing data hub, with the aim of governing, organising, managing and using information through common practices, methodologies, infrastructures and tools, for the full sample of EU credit institutions.</p> <p>The data will support the EBA's regulatory work focused on quantitative analysis, with the objective of strengthening the Single Rulebook. They will also be used for the risk and vulnerabilities analyses of the banking sector, for EU-wide transparency exercises, for the assessment of regulatory proposals, as part of EBA risk reports and advice to legislators on future regulation, and for the purpose of assessing the impact of EBA regulatory products.</p>	
Main outputs	<ul style="list-style-type: none"> • Going live with the new data infrastructure project (EUCLID) and decommission of the old one (ESP). • Providing support to all regulatory proposals through the quantitative analysis of data • Delivering regulatory products and technical advice to the Commission on the topics requested • Delivering quantitative analysis and developing analytical tools to underpin the development of regulatory products • Providing support for the EBA's data infrastructure 	Ongoing

Activity 25: Statistical tools

Description	<p>The EBA is expected to provide analytical tools for risk analysis, and to develop and maintain its risk dashboards and interactive tools, as well as a list of EBA risk indicators. The EBA will promote the use of reported data by providing tools and training for data users. This activity involves ensuring the consistent application of reporting requirements through the application of validation rules and quality checks.</p>	
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The EBA is required to disseminate high-quality data, at the aggregate and bank-by-bank levels, to a wide range of stakeholders (investors, analysts, academics and the general public), and to improve banks' own disclosures within and beyond Pillar 3.

Main outputs	<ul style="list-style-type: none"> • Interaction with CAs to ensure a smooth data flow and effective quality checking • Training on data and analysis tools shared with the EBA's and CAs' data users • Implementation of a full list of validation rules and additional quality checks for statistical analysis • Development of interactive and visualisation tools for internal and external data dissemination 	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"> • Transparency exercise 	Q4

Activity 26: Ad hoc data collections

Description	The EBA is expected to provide support for ad hoc data collections, with the aim of maximising the use of supervisory data reported to the EBA, in order to reduce the burden for banks and CAs.	
Main outputs	<ul style="list-style-type: none"> • Management of the data workflow, with templates to be pre-populated by the EBA whenever possible • Interaction with CAs to ensure a smooth data flow and effective quality checking • Development of interactive and visualisation tools for internal and external data dissemination • Statistical support for report drafting 	Ongoing

Activity 27: Management of the notification process

Description	<p>EU legislation, such as the AMLD, the BRRD, the CRD, the CRR, the DGSD and other current or forthcoming pieces of regulation, contains a number of articles that require CAs and other entities to supply the EBA with general or specific information on an ad hoc or regular basis.</p> <p>The majority of notifications are submitted to the EBA through the eGate portal, which provides a secure and flexible platform for the collection and storage of certain pieces of information from the CAs (notifications and sanctions) and other functional authorities. Traditional email communication plays a residual role. The EBA provides different functional mailboxes for different notifications. The address is communicated through the relevant committees, working groups and/or publications on the EBA website. The issuer should obtain the proper address. A simple email, with attachments if required, is sufficient and can be sent by any issuer.</p>	
Main outputs	<ul style="list-style-type: none"> • Managing the notifications mailbox and triaging emails, which may request clarifications and/or report notifications • Assessment of new legislation; further clarification of existing notifications (e.g. legal content); requests regarding the EBA eGate (e.g. regarding templates, functionalities and users); and representing the EBA at the subgroup on supervisory disclosure and information, which benefits from close cooperation with the EBA Legal Unit, relevant policy experts and the IT Unit • Monitoring the workflows triggered by each notification • Integrating the notifications into the EBA's data infrastructure • Maintenance of the eGate platform 	Ongoing

Activity 28: Economic analysis and impact assessment

Description	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, as well as a key contribution to the debate on regulatory reforms.	
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 published 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 	Ongoing
	<ul style="list-style-type: none"> • CRD V/CRR II Basel III monitoring report¹⁷ 	Q1 & Q3
	<ul style="list-style-type: none"> • Annual report on the impact and phase-in of the LCR • Policy research workshop • Report on the quantitative impact of the removal of, or the setting of a limit to, some exemptions to the large exposures framework 	Q4

Activity 30: Policy coordination and communication

Description	The EBA will continue to perform peer review exercises with CAs; provide support to the Banking Stakeholder Group, the ESAs' JC and the ESAs' Board of Appeal; provide support to the main EBA governing bodies, the Board of Supervisors and the Management Board; provide support in the planning, prioritising, monitoring, execution and following up of deliverables stemming from the EBA's work programme; and provide external coordination with EU institutions and external bodies, such as the BCBS and the IMF. The communication team will develop and implement a new communication strategy and enhance the EBA's internal press- and event-monitoring tool.	
Main outputs	<ul style="list-style-type: none"> • Supporting the EBA's participation in EU and international institutions/bodies • Development of internal policies/processes to support the EBA's activities • Support for the EBA's document management • Updating and implementing the communication strategy • Implementation of the legislative package of the ESA review 	Ongoing
	<ul style="list-style-type: none"> • Consolidated annual activity report 	Q2
	<ul style="list-style-type: none"> • Peer review on a package of guidelines on non-performing exposures 	Q3
	<ul style="list-style-type: none"> • Annual and multi-annual work programme 	Q3
	<ul style="list-style-type: none"> • Peer review on the guidelines on ICT risk assessment under SREP 	Q4

Activity 31: Q&As

Description	The EBA is committed to the maintenance and development of the Single Rulebook and the monitoring of its implementation, by providing support to stakeholders through Q&As.
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¹⁷ This will become an annual report, following approval by the Management Board.

Main outputs	<ul style="list-style-type: none"> • Regular updates of the interactive Single Rulebook • Providing answers to stakeholders' questions on the implementation of the EU Single Rulebook in banking through the Q&A tool • Monitoring the implementation of published Q&As • Adjusting the scope of the Q&A process and tools to include new pieces of EU regulation. 	Ongoing
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Activity 32: Training for competent authorities

Description	Training is an important component in achieving a common supervisory and resolution culture and convergence in practice. The EBA will further extend its training programme for supervisors and for resolution assistance on the implementation of important policy products, on key topics relevant to the regulatory landscape, and on emerging risks requiring supervisory attention.	
Main outputs	<ul style="list-style-type: none"> • Development of a comprehensive training programme for EU supervisors and resolution and deposit guarantee authorities, to promote convergence of supervisory and resolution practices • Strengthening the EBA online training platform (the EBA learning hub) by updating current modules and launching new ones (eg. CFT/AML¹⁸) 	Ongoing

Activity 33: Legal services

Description	The EBA will continue to provide legal analysis and support to the EBA's core functions on institutional, operational, and banking and financial law issues. This includes analysis and support on draft regulatory products (technical standards, GL, recommendations and opinions), carrying out investigations into potential breaches of EU law investigations and dispute resolution between CAs, representing the EBA before the Board of Appeal and the Court of Justice, and ensuring that the EBA operates in accordance with its founding regulation and within all other applicable EU and national laws. In 2021, the unit will in particular focus on the sound implementation of the CRD V, CRR II and BRRD II packages; the EBA's extended role in AML/CFT; and supporting the enhancement of the interactive Single Rulebook.	
Main outputs	<ul style="list-style-type: none"> • Legal advice to the EBA's staff and boards across the EBA's core functions • Representation of the EBA before the Board of Appeal and the Court of Justice • Identification of potential breaches of EU law, with investigations and recommendations where appropriate • Settlement of disputes between CAs through mediation and the adoption of binding decisions • Monitoring the implementation of the legislative package of the ESA review. 	Ongoing

Activity 34: Finance, procurement and accounting

Description	<p>In the area of accounting and finance, the EBA will focus on ongoing enhancements in budget monitoring and execution, with improved efficiency thanks to the ongoing implementation of electronic workflows for finance, procurement and accounting processes.</p> <p>Concerning the area of procurement, the efforts will centre on close monitoring and timely delivery of all procurements as listed in the 2021 procurement plan, and other procurements arising in the year. We will also endeavour to finalise the implementation of the Public Procurement Management Tool, which is being developed by the Joint Research Centre (with Directorate-General for Informatics (DIGIT), Directorate-General for Budget (BUDG) and some other agencies).</p>	
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¹⁸ Under discussion.

Main outputs	<ul style="list-style-type: none"> • Execution of the 2021 annual budget • Establishment and acquisition of the 2022 budget • Establishment of the 2023 budget • Creation of the 2021 procurement plan • Implementation of the 2021 procurement plan • Production of the 2021 annual accounts 	Ongoing
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Activity 35: Human resources

Description	<p>In the area of human resources (HR), 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 update of existing and the introduction of new internal policies, and the adoption of the pending HR implementing rules in accordance with the Staff Regulations.</p> <p>The EBA will embark on the implementation of the Sysper system as the main HR tool, which will supersede the currently used Allegro system.</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 the HR processes • Update of existing and introduction of new internal policies • Migration from Allegro to Sysper 	Ongoing

Activity 36: Information technology

Description	<p>The IT Unit will continue to deliver digital solutions, services and technology leadership, to enable the EBA to achieve its mission and support its everyday operations. The IT Unit will work continuously in close collaboration with all units at the EBA, as a trusted business partner.</p> <p>From a digital services and solutions perspective, the IT Unit will enhance data collection and dissemination, contributing to the implementation of the EBA data hub. It will enhance the tools for developing and maintaining the reporting framework and will implement digital solutions to enable efficient collaboration and support core business processes. From an infrastructure and security perspective, the IT Unit aims to operate in a cloud infrastructure, with an enhanced risk management and response framework.</p>	
Main outputs	<ul style="list-style-type: none"> • Implementation of 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) • Data validation engine • AML solutions • Support and enhancement of analytics solutions • Collaboration platform • Support and tools for the Single Rulebook/sing posting • Implementation and on boarding of key enablers to cloud infrastructure • Access management and security enhancements • Supporting the annual business continuity exercise 	Ongoing

Activity 37: Corporate support

Description	<p>The focus of this activity will be the further development and improvement of a series of internal measures to ensure that the EBA's activities are subject to control, and to provide reasonable assurance to management of the achievement of the EBA's objectives. The EBA will continue to provide support services to the EBA's core functions, based on specialised knowledge and best practices, and to serve internal</p>	
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stakeholders and business partners. The EBA will also aim to achieve Eco Management and Audit Scheme (EMAS) certification by the end of 2021, following the project commencing in Q1 2020.

Main outputs	<ul style="list-style-type: none"> • Supporting the organisation of meetings, both internally and with external stakeholders • Facilities management • Internal control • Adhering to Health and safety requirements • Ensuring that the use/disposal of EBA assets and inventory is compliant, safe, economic and environmentally friendly 	Ongoing
	<ul style="list-style-type: none"> • Annual risk assessment exercise • Annual business continuity exercise • EMAS certification • Guidelines, Tools and Health Protocols to control building ingress and egress, and that promote ongoing safety and precautionary measures • Audit on measures applied under COVID 19 	
	<ul style="list-style-type: none"> • Annual business continuity exercise 	Q1

ANNEX I: 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 162 TAs, 50 CAs and 19 SNEs to undertake its 2021 activities, including the Senior Management and support. These figures are as per the 2021 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)
1 Capital	3	-	-	3	735 621
2 Liquidity risk & interest rate risk in banking book	1	-	-	1	260 024
3 Leverage ratio	1	-	-	1	260 024
4 Loss absorbency	1	-	-	1	260 024
5 Accounting and audit	3	-	-	3	828 017
6 Large exposures	1	-	-	1	260 024
7 Credit risk	6	1	-	7	1 622 388
8 Market risk	5	-	-	5	1 211 218
9 Operational risk and investment firms	2	-	1	3	758 077
10 Supervisory review	5	-	1	6	1 376 036
11 Internal governance and remuneration	2	-	-	2	497 823
12 Recovery and resolution	4	-	-	4	973 419
13 Reporting	5	1	-	6	1 621 286
14 Transparency	1	-	-	1	442 304
15 Loans management and valuation	2	-	-	2	475 597
16 Market access, authorisation and equivalence	3	-	-	3	713 395
17 Banking markets, securitisation, covered bonds and sustainable finance	4	1	2	7	1 406 484
18 Innovation and FinTech	5	-	-	5	1 382 901
19 Consumer and depositor protection	3	-	2	5	1 109 693
20 Payment services	2	-	1	3	749 871
21 Anti-money laundering and combating the financing of terrorism	5	2	1	8	1 696 395
22 Risk analysis	4	1	-	5	1 144 265
23 Stress testing	4	-	1	5	1 206 532
24 Data analysis and infrastructure	1	4	1	6	1 647 891
25 Statistical tools	2	4	-	6	1 188 783
26 Ad hoc data collections	1	3	-	4	777 613
27 Management of notification process	-	2	-	2	480 058
28 Economic analysis and impact assessment	8	1	-	9	2 095 459
29 Preparing for/mitigating potential risks and managing their materialisation around the withdrawal of the UK from the EU	1	-	-	1	237 798
30 Policy coordination and communication	2	5	2	9	2 041 703
31 Q&As	5	1	2	8	1 716 516
32 Training for competent authorities	-	3	-	3	821 275
33 Legal services	9	1	3	13	2 895 478
34 Finance, procurement and accounting	7	2	-	9	2 087 983
35 Human resources	4	2	-	6	1 236 537

36	Information technology	13	1	-	14	5 403 140
37	Corporate support	3	3	-	6	1 182 568
	Management and support	21	9	-	30	
	Total annual 2021 Work Programme (excl. ESAs review)	149	47	17	213	44 804 220
	ESA review resources and costs	6	1	1	8	1 743 899
	AML resources	2	2	-	4	1 747 793
	Additional support resources	5	-	1 ¹⁹	6	834 972
	Total annual 2021 Work Programme (incl. ESAs review & additional resources)	162	50	19²⁰	231	49 130 884

¹⁹ The Commission would support EBA having an extra SNE (not least taking into account the additional tasks for the EU wide stress test for banks).

²⁰ In addition, the EBA benefits from 5 cost free SNEs.



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