

ANNUAL ACCOUNTS

2021

 **EBA** | EUROPEAN
BANKING
AUTHORITY

Accounting Officer's Certificate

on the Annual Accounts

I acknowledge my responsibility for the preparation and presentation of the annual accounts of the European Banking Authority in accordance with Article 102 of the Framework Financial Regulation¹.

I hereby certify that the annual accounts of the European Banking Authority for the year 2021 have been prepared in accordance with Title IX of the Framework Financial Regulation and the accounting rules adopted by the Commission's Accounting Officer, as are to be applied by all the institutions and Union bodies.

I have obtained from the Authorising Officer, who certified its reliability, all the information necessary for the production of the accounts that show the European Banking Authority's assets and liabilities and the budgetary implementation.

Based on this information and on such checks as I deemed necessary to sign off the accounts, I have a reasonable assurance that the accounts present fairly, in all material aspects, the financial position, the results of the operations and the cash-flow of the EBA.

Paris, 2 June 2022

Jordi Climent-Campins
Accounting Officer

¹ COMMISSION DELEGATED REGULATION(EU) 2019/715 of 18 December 2018 on the framework financial regulation for the bodies set up under the TFEU and Euratom Treaty and referred to in Article 70 of Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council.

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Abbreviations

| | |
|---------|---|
| ABAC | Accrual Based Accounting (accounting system used at the EBA) |
| AML | Anti-money laundering |
| BoS | Board of Supervisors |
| CA | Commitment appropriations |
| EAR | EU Accounting Rule |
| EBA | European Banking Authority |
| EC | European Commission |
| ECB | European Central Bank |
| EEA | European Economic Area |
| EFTA | European Free Trade Association |
| EIOPA | European Insurance and Occupational Pensions Authority |
| ESAs | European Supervisory Authorities |
| ESMA | European Securities and Markets Authority |
| ESP | European Supervisory Platform |
| EU | European Union |
| EUCLID | European Centralised Infrastructure for Supervisory Data |
| FinTech | Financial technology |
| FISMA | Directorate-General for Financial Stability, Financial Services and Capital Markets |
| FR | Financial Regulation |
| FWC | Framework Contract |
| FX | Foreign exchange rate |
| ICT | Information and communication technologies |
| IPSAS | International Public Sector Accounting Standard |
| IT | Information and technology |
| MB | Management Board |
| NCA | National Competent Authority |
| PA | Payment appropriations |
| PSD | Payment Services Directive |
| P&L | Profit and loss account |
| RAL | Reste à liquider (share of a committed amount not yet paid) |
| SI | Significant Institutions |
| SPD | Single Programming Document |
| SSM | Single Supervisory Mechanism |
| WP | Annual Work Programme |

Background information

The European Banking Authority

The European Banking Authority ('the EBA' or 'the Authority') is an independent EU agency established by Regulation (EU) No 1093/2010 of the European Parliament and of the Council of 24 November 2010, amended by Regulations (EU) No 1022/2013, No 2018/1717 and No 2019/2175 of the European Parliament and of the Council. The EBA started its operations on 1 January 2011, taking over all existing and ongoing tasks and responsibilities from the Committee of European Banking Supervisors (CEBS).

The EBA has a broad mandate which includes preventing regulatory arbitrage, guaranteeing a level playing field in regulation, strengthening international supervisory coordination, promoting supervisory convergence, enhancing consumer protection and providing advice to the EU institutions in the areas of banking, payments and e-money regulation as well as on issues related to corporate governance, auditing and financial reporting. As an integral part of the European System of Financial Supervisors (ESFS), the EBA works in close cooperation with its sister authorities, the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA) in the Joint Committee, and with the European Systemic Risks Board (ESRB).

Funding

The EBA is financed by European Union funds and through contributions by EU and EFTA Member States made in accordance with the weighting of votes laid down in Article 3(3) of the Protocol (No 36) on transnational transitions (recital 68 of the EBA Regulation).

The Authority's structure

The European Banking Authority is governed by its Board of Supervisors and its Management Board. The Board of Supervisors is responsible for taking the main decisions relating to the EBA's mandate and work. The Management Board takes decisions relating to the EBA's operations and the execution of its annual work programme. The Authority is represented by the Chairperson, who is responsible for preparing the work of the Board of Supervisors and chairing its meetings, as well as those of the Management Board. The Chairperson's term of office is five years and may be extended once.

The EBA Executive Director is in charge of preparing and implementing the annual work programme under the guidance of the Board of Supervisors and under the control of the Management Board. The Executive Director's term of office is five years and may be extended once. The Executive Director's mandate started in September 2020.

As at the reporting date, the EBA is organised in five directorates:

- ⇒ Prudential Regulation and Supervisory Policy;
- ⇒ Innovation, Conduct and Consumers;
- ⇒ Economic and Risk Analysis;
- ⇒ Data Analytics, Reporting and Transparency;
- ⇒ Operations;

aside from other independent dedicated units. The EBA works in turn with experts from national authorities within a number of working groups and task forces to carry out its tasks.

The annual work programme, published on the EBA's website every year, describes the objectives and specific tasks to be carried out by the departments and units of the Authority.

Highlights of the year

During the financial year 2021, the EBA underwent a series of key events with an impact in its financial statements, including:

- ⇒ The EBA has ensured full business continuity during the Covid-19 pandemic and related restrictions in 2021.
- ⇒ There has been a high level of procurement activity, with a significant portion of inter-institutional cooperation.
- ⇒ The Anti Money-Laundering IT project has moved to its development phase.

In summary, a total of EUR 45 900 thousand were paid in 2021, representing a 7% decrease in relation to the previous reporting period. The budget execution rate for 2021 was 98.51% (99.17% in 2020).

Financial Statements

Statement of financial position

| | Note | 2021 | 2020 |
|---|---------------|-------------------|-------------------|
| ASSETS | | | |
| Non-current Assets | | | |
| <i>Intangible fixed assets</i> | II.1.a | | |
| Computer software | | 2,779,769 | 2,942,476 |
| <i>Tangible fixed assets</i> | II.1.b | | |
| Plant and equipment | | 21,103 | 11,466 |
| Computer hardware | | 98,139 | 112,701 |
| Furniture | | 474,152 | 443,658 |
| Other fixtures and fittings | | 3,623,214 | 4,257,514 |
| <i>Long term receivables and recoverables</i> | II.1.c | | |
| Contribution from the Host State | | 2,850,000 | 3,425,000 |
| Total | | 9,846,376 | 11,192,815 |
| Current Assets | | | |
| Current receivables | II.2.a | 1,456,183 | 2,069,625 |
| Sundry receivables | II.2.b | 7,150,343 | 4,411,182 |
| Deferred charges and accrued income | II.2.c | 1,843,135 | 1,590,523 |
| Cash and cash equivalents | II.2.d | 3,137 | 2,574 |
| Total | | 10,452,798 | 8,073,903 |
| TOTAL ASSETS | | 20,299,174 | 19,266,718 |
| LIABILITIES | | | |
| Non-current Liabilities | | | |
| Provisions for risks and charges | II.3 | 1,192,830 | 1,199,405 |
| Deferred revenue | II.4 | 6,860,522 | 8,147,122 |
| Total | | 8,053,352 | 9,346,528 |
| Current Liabilities | | | |
| Provisions for risks and charges | II.3 | - | 1,514,037 |
| Current payables | II.5.a | 2,881,425 | 3,661,387 |
| Sundry payables | II.5.b | - | - |
| Payables towards EU entities | II.5.c | 996,460 | 858,651 |
| Deferred revenue | II.4 | 1,320,279 | 1,286,600 |
| Total | | 5,198,164 | 7,320,674 |
| TOTAL LIABILITIES | | 13,251,517 | 16,667,201 |
| TOTAL NET ASSETS | | 7,047,657 | 2,599,517 |

Statement of financial performance

| | Note | 2021 | 2020 |
|--|--------------|-------------------|-------------------|
| OPERATING RESULT | | | |
| Operating revenue | III.1 | | |
| Contribution from the Member States | | 29,403,779 | 28,103,650 |
| Contribution from EFTA countries | | 909,492 | 798,399 |
| EU Balancing subsidy | | 17,822,883 | 16,955,123 |
| Foreign currency conversion gains | | 22,246 | 745,429 |
| Other miscellaneous revenue | | 1,591,004 | 1,294,795 |
| Total | | 49,749,405 | 47,897,396 |
| Operating Expenses | III.2 | | |
| Staff expenses | III.2.a | 28,540,039 | 27,094,079 |
| Building and related expenses | III.2.b | 2,502,321 | 2,667,296 |
| Other expenses | III.2.c | 12,231,244 | 8,133,850 |
| Depreciation and amortisation | III.2.d | 2,001,229 | 1,906,756 |
| Foreign currency conversion losses | III.2.e | 25,445 | 306,731 |
| Total | | 45,300,278 | 40,108,711 |
| OPERATING RESULT | | 4,449,127 | 7,788,684 |
| NON-OPERATING RESULT III.3 | | | |
| Financial revenue | | 302 | 1,352 |
| Financial expenses | | 1,288 | 158,917 |
| NON-OPERATING RESULT | | (986) | (157,565) |
| Result from Ordinary Activities | | 4,448,141 | 7,631,119 |
| Result from Extraordinary items | | - | - |
| ECONOMIC RESULT FOR THE YEAR | | 4,448,141 | 7,631,119 |

Cash flow statement

| | 2021 | 2020 |
|--|--------------------|--------------------|
| CASHFLOW FROM ORDINARY ACTIVITIES | | |
| Surplus/(Deficit) from ordinary activities | 4,448,141 | 7,631,119 |
| Depreciation and amortisation | 2,001,229 | 1,906,756 |
| Increase/(decrease) in provisions | (1,520,612) | (10,747,200) |
| (Increase)/decrease in receivables | (1,803,332) | (8,914,030) |
| Increase/(decrease) in accounts payable | (779,962) | 679,038 |
| Increase/(decrease) in liabilities to cons. entities | 137,810 | (172,377) |
| Increase/(decrease) in deferred income | (1,252,921) | 4,156,084 |
| Net cashflow from operating activities | 1,230,353 | (5,460,610) |
| CASHFLOW FROM INVESTING ACTIVITIES | | |
| (Increase)/decrease in fixed assets | (1,229,791) | (1,503,602) |
| Net cashflow from investing activities | (1,229,791) | (1,503,602) |
| NET INCREASE/(DECREASE) IN CASH | 562 | (6,964,212) |
| Cash at the beginning of the period | 2,574 | 6,966,785 |
| Cash at the end of the period | 3,137 | 2,574 |

Statement of changes in net assets

| | Accumulated surplus | Net surplus/(deficit) for the period | Total Net Assets |
|---------------------------------------|---------------------|--------------------------------------|------------------|
| Balance as at 31 December 2021 | 2,599,517 | | 2,599,517 |
| Economic result for the year | | 4,448,141 | 4,448,141 |
| Balance as at 31 December 2021 | 2,599,517 | 4,448,141 | 7,047,657 |

Notes to the Financial Statements

I. Significant accounting policies

1. Accounting principles

The annual accounts of the European Banking Authority comprise the financial statements and the reports on the implementation of the budget.

The objective of the annual accounts is to provide information on the financial position, performance and cash flows of the EBA in a way that is useful to a wide range of stakeholders and other users.

The overall considerations (or accounting principles) to be followed when preparing the financial statements are laid down in the EU Accounting Rule 1 'Financial Statements' and are the same as those described in IPSAS 1: fair presentation, accrual basis, going concern, consistency of presentation, materiality, aggregation, offsetting, prudence and comparative information. The qualitative characteristics of the financial reporting are relevance, faithful representation (reliability), understandability, timeliness, comparability and verifiability.

The financial statements show all charges and income for the financial year, based on accrual accounting rules that comply with the EU Accounting Rules, and are designed to establish the financial position in the form of a balance sheet as at 31 December.

The budgetary accounts give a detailed picture of the implementation of the budget. They are based on a modified cash accounting principle.

2. Basis of preparation

The financial statements are prepared on a going concern basis as there is no indication that the Authority will not continue to operate in its current state for the twelve months from the date of establishing these accounts. The reporting period elapses between 1 January to 31 December.

Impact of the COVID-19 pandemic on the Authority's operations

During 2021, the different measures to combat the COVID-19 pandemic adopted by France and other European countries have still resulted in changes in the EBA spending pattern and the way the Authority manages its financial transactions and reporting. Notably the following matters are to be highlighted:

- ⇒ Reduced expenses as a result of the Authority's inability to implement certain spending or programmes to the extent foreseen, mainly due to reduced staff missions and in-house conferences.

- ⇒ Changes in the spending pattern due to the adaptation of the EBA to the new restrictions and environment as well as to new ways in which the transactions are conducted.
- ⇒ Significant transfers between budget categories to cope with higher costs related to some IT activities and some mandates.

Whilst uncertain, it is deemed unlikely that the impact of the COVID-19 pandemic will have a material adverse effect on the Authority's financial condition or liquidity in future reporting periods.

Russian invasion of Ukraine in 2022

In accordance with EU accounting rule 19, *Events after Reporting Date*, the Russian invasion of Ukraine that began in February 2022 is a non-adjusting event, thus not requiring any adjustments to the figures reported in these financial statements at 31 December 2021. For subsequent reporting periods, the conflict may affect the recognition and measurement of some assets and liabilities on the balance sheet and also of some revenue and expenses recognised in the statement of financial performance. Based on the facts and circumstances at the time of preparation of these financial statements, in particular the evolving situation, the financial effect of the war in Ukraine cannot be reliably estimated.

Functional and reporting currency

The euro is the functional and reporting currency of the Authority and amounts shown in the financial statements are presented in euros (EUR) unless indicated otherwise. Any slight differences versus the actual balances are due to rounding.

Currency and basis for conversion

Foreign currency transactions are recorded in euros using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the re-translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial performance. Different conversion methods apply to property, plant and equipment and intangible assets, which retain their value in euros at the date when they were purchased.

Year-end balances of monetary assets and liabilities denominated in foreign currencies are translated into euros on the basis of the European Central Bank (ECB) exchange rates applying on 31 December.

Use of estimates

In accordance with IPSAS and other generally accepted accounting principles, the financial statements include amounts based on estimates and assumptions by management based on the most reliable information available. Significant estimates include, but are not limited to, amounts for provisions, accounts receivables, accrued income and charges, contingent assets and liabilities, and degree of impairment of intangible assets and property, plant and equipment. Actual results could differ from those estimates.

Changes in estimates are reflected in the period in which they become known.

3. Balance sheet

Non-current assets

Non-current fixed assets encompass all acquisitions made since 1 January 2011 and still in use at the closing date.

Internally generated intangible assets are capitalised when the Management Board has authorised a project with an asset value higher than EUR 250 000 and when it complies with the relevant criteria laid down in the EU accounting rules. The capitalisable costs include all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management (development). Costs associated with research activities, non-capitalisable development costs and maintenance costs are recognised as expenses when incurred.

All property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition or construction of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits or service potential associated with the item will flow to the Authority and its cost can be measured reliably. Repairs and maintenance costs are charged to the statement of financial performance during the financial period in which they are incurred.

Assets under construction are not depreciated as these assets are not yet available for use.

Fixed assets depreciation is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

| Type of asset | Straight line depreciation rate |
|-----------------------------|---------------------------------|
| Hardware and software | 25 % |
| Audio-visual equipment | 10% to 25 % |
| Movable furniture | 10 % to 25% |
| Other fixtures and fittings | 10 % to 12 % |

Gains or losses on disposals are determined by comparing proceeds less selling expenses with the carrying amount of the disposed asset and are included in the statement of financial performance.

Leases

Lease of fixed assets where the Authority has substantially all the risks and rewards of ownership are classified as financial leases. There are no items to be reported under this category.

Leases where the lessor retains a significant portion of the risks and rewards inherent to ownership are classified as operating leases. Payments made under operating leases are charged to the statement of financial performance on a straight-line basis over the period of the lease. This is the case for rent paid.

Receivables and recoverables

Receivables and recoverables from non-exchange transactions are carried at original amount (adjusted for interests and penalties) less write-down for impairment. A write-down for impairment is established when there is objective evidence that the Authority will not be able to collect all amounts due according to the original terms of the recoverables. The amount of the write-down is the difference between the asset's carrying amount and the recoverable amount. The amount of the write-down is recognised in the statement of financial performance.

Cash and cash equivalents

Cash only encompasses cash in hand, as there are no other cash equivalents or liquid investments with original maturities of three months or less to be reported. Currently, the Authority has contracts with two commercial banking entities.

Payables

Included under accounts payable are both amounts related to exchange transactions such as the purchase of goods and services and to non-exchange transactions e.g. amounts to be paid back to the funding entities as a result of balancing subsidies.

Payables arising from the purchase of goods and services are recognised at invoice reception for the original amount and corresponding expenses are entered in the accounts when the supplies or services are delivered and accepted by the Authority.

Provisions

Provisions are recognised when the Authority has a present legal or constructive obligation towards third parties as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. The amount of the provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date. Where the provision involves a large number of items, the obligation is estimated by weighting all possible outcomes by their associated probabilities ('expected value' method).

Provisions for onerous contracts are measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Accrued and deferred revenue and charges

Transactions and events are recognised in the financial statements in the period to which they relate.

All revenue due to the Authority according to existing contractual arrangements and not yet cashed, will lead to the recognition of an accrued revenue in the financial statements. In addition, when the EBA

has authorised and cashed amounts relating to activities not yet incurred, the revenue will be deferred and recognised in subsequent accounting periods.

In accordance with EU Accounting Rule 10 supplemented by paragraph 19 of IPSAS 19 (Provisions, contingent liabilities and contingent assets), accruals recognise the amounts to be paid for goods or services that have been received or supplied but which have not yet been paid, invoiced or formally agreed with the supplier, including amounts due to employees (for instance, amounts relating to accrued vacation pay). Accrued charges are determined based on estimates received from the Authorising Officer as a result of the analysis of the budget amounts carried to the next year. These accruals are reported under current liabilities-current payables.

4. Statement of financial performance

Revenue

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the entity, which represents an increase in net assets. The EBA's revenue is in full of a non-exchange nature, meaning that it is composed by economic inflows for which the transferor provides resources to the Authority without the recipient entity providing approximately equal value directly in exchange.

The EBA's revenue consists of contributions received from the EU and from the EU National Competent Authorities (NCAs), increased by the EFTA NCAs' contributions and the amount of the employer's contribution of the European pension scheme to be financed by the EU and the EFTA NCAs, in compliance with Article 83(a)(2) of the Staff Regulations and CEOS (SR) applicable to the European Banking Authority.

Pursuant to Article 16(5) of the EBA Financial Regulation, the EU contribution constitutes a balancing subsidy to the budget of the Authority. As a result, it is recognised as revenue in the amount necessary to cover budget expenditure. The difference between the amount actually received and the balancing contribution has to be returned to the European Commission and booked as a liability.

Contributions from the National Competent Authorities are recognised as revenue when these resources are adopted together with the budget by the Board of Supervisors.

Expenditure

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrence of liabilities that result in decreases in net assets/equity. EBA's expenditure consists in full of exchange expenses.

Expenses arising from the purchase of goods and services are recognised when the supplies are delivered and accepted by the Authority. They are valued at original invoice cost.

At year-end, incurred eligible expenses already due to the beneficiaries but not yet reported are estimated and recorded as accrued expenses.

5. Contingent assets and liabilities

In line with EU Accounting Rule 10, the term 'contingent' is used for liabilities and assets that are not recognised because their existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Authority.

6. Other

Employee benefits

The staff of the Authority is entitled to pension rights according to the pension scheme as defined in the Staff Regulations and CEOS of the European Communities. The corresponding pension benefits are managed and paid by the European Commission. In compliance with Article 83(a) of the SR, the contribution needed to fund the scheme is financed by the General Budget of the European Communities and no employer contribution is paid by the Authority, except for the part financed by the Member States and the EFTA National Competent Authorities pursuant to Article 83(a)(2) of the SR. As a result of this, no pension liability is recognised in the balance sheet of the Authority.

7. Consolidation

The accounts of the European Banking Authority are fully consolidated with the EU annual accounts.

II. Statement of financial position

1. Non-current assets

Non-current assets are fixed assets used and controlled by the Authority and are composed of tangible, intangible and other non-current assets.

Intangible fixed assets

| | Computer software | Intangible assets under construction | Total |
|--|--------------------|--------------------------------------|--------------------|
| Gross carrying amounts on 01.01.2021 | 5,449,193 | 95,592 | 5,544,785 |
| Additions | - | 985,597 | 985,597 |
| Disposals | - | - | - |
| Transfers between headings | - | - | - |
| Other changes | - | - | - |
| Gross carrying amounts on 31.12.2021 | 5,449,193 | 1,081,189 | 6,530,382 |
| Accumulated amortisation and impairment on 01.01.2021 | (2,602,309) | - | (2,602,309) |
| Amortisation | (1,148,304) | - | (1,148,304) |
| Disposals | - | - | - |
| Transfers between headings | - | - | - |
| Other changes | - | - | - |
| Accumulated amortisation and impairment on 31.12.2021 | (3,750,613) | - | (3,750,613) |

Intangible fixed assets relate to internally generated software and computer software licences. Internally generated software corresponds to development costs incurred in the implementation of projects in relation with the mission of the Authority.

Additions of internally generated software in 2021 correspond (for EUR 724 150) to the Collaboration Platform project, as well as to the AML software for an amount of EUR 261 447 (both systems are still under development at the reporting date).

Tangible fixed assets

Tangible fixed assets include mainly furniture, fixtures and IT equipment.

| | Plant and equipment | Furniture | Computer hardware | Fixtures and fittings | Assets under construction | Total |
|--|---------------------|------------------|-------------------|-----------------------|---------------------------|--------------------|
| Gross carrying amounts on 01.01.2021 | 34,955 | 822,094 | 529,666 | 5,442,128 | - | 6,828,843 |
| Additions | 14,854 | 131,280 | 71,191 | 26,868 | - | 244,194 |
| Disposals | - | (9,670) | (6,075) | (699) | - | (16,444) |
| Transfers between headings | - | - | - | - | - | - |
| Gross carrying amounts on 31.12.2021 | 49,809 | 943,705 | 594,782 | 5,468,297 | - | 7,056,593 |
| Accumulated amortisation and impairment on 01.01.2021 | (23,489) | (378,436) | (416,965) | (1,184,614) | - | (2,003,504) |
| Depreciation | (5,217) | (97,319) | (81,057) | (660,645) | - | (844,238) |
| Disposals | - | 6,203 | 1,379 | 175 | - | 7,757 |
| Transfers between headings | - | - | - | - | - | - |
| Accumulated amortisation and impairment on 31.12.2021 | (28,706) | (469,553) | (496,643) | (1,845,084) | - | (2,839,986) |

The fixtures and fittings reported by the Authority encompass, inter alia, the cost of returning the offices to their original state at the termination of the lease as requested by the contract. In this case, the estimated re-instatement cost booked as a fixed asset for the premises adds up to EUR 1 192 830.

Long-term receivables and recoverables

| | 2021 | 2020 |
|----------------------------------|------------------|------------------|
| Contribution from the Host State | 2,850,000 | 3,425,000 |
| Total | 2,850,000 | 3,425,000 |

Due to the Authority's move to Paris, the French government agreed to provide a contribution of EUR 8.5 million to the EBA – this contribution is comprised of EUR 1.5 million for development costs, which the EBA has put towards the cost of fitting out the Paris offices, and EUR 7 million for rent and building charges over the nine-year period of the Authority's lease in Paris. At the end of 2021, the Authority had already received EUR 5 million, consisting of EUR 1 500 000 to cover for fit-out costs and EUR 3 575 000 to cover for rental related charges².

As at 31 December 2021, the EBA has therefore an open receivable amounting EUR 3 425 000, out of which EUR 575 000 will be received in 2022 and EUR 2 850 000 from 2023 till 2027.

2. Current assets

Current receivables

| | 2021 | 2020 |
|--------------------------------------|------------------|------------------|
| Contribution from the Host State | 575,000 | 575,000 |
| VAT recoverable | 881,183 | 1,347,616 |
| Other receivables from Member States | - | 147,008 |
| Total | 1,456,183 | 2,069,624 |

The recoverable VAT relates to payments to suppliers made during the year 2021 and still to be refunded by the French authorities. Other receivables from the Member States include outstanding contributions from NCAs at the reporting date.

For further information on the Contribution from the Host State, please refer to "Long-term receivables and recoverables (Note II.1.c).

Sundry receivables

| | 2021 | 2020 |
|--------------------------------------|------------------|------------------|
| Amounts to be regularised from staff | (4,267) | 97,737 |
| Liaison bank account with the EC | 7,154,610 | 4,300,276 |
| Other amounts to recover | - | 13,169 |
| Total | 7,150,343 | 4,411,182 |

² 2021 was the first year the EBA operated fully from its premises in France. The London premises were officially closed on 7 December 2020, and therefore have no further impact in the reporting period.

Deferred charges and accrued income

| | 2021 | 2020 |
|------------------|------------------|------------------|
| Deferred charges | 1,843,135 | 1,590,523 |
| Accrued income | - | - |
| Total | 1,843,135 | 1,590,523 |

Deferred charges relate mainly to rental and operational expenses.

Cash and cash equivalents

| | 2021 | 2020 |
|---------------------------|--------------|--------------|
| ING Belgium (EUR account) | 3,137 | 2,574 |
| Total | 3,137 | 2,574 |

Since September 2020, the EBA is using the central treasury services provided by the European Commission. Consequently, the cash available to the Authority is now disclosed as a sundry receivable. The remaining funds at the ING bank account correspond to the balance of the imprest account.

3. Provisions for risks and charges

| | 2020 | Variations | 2021 | Thereof | |
|--|------------------|--------------------|------------------|------------------|----------|
| | | | | Non-current | Current |
| Cost related to the move to the new seat | 1,514,037 | (1,514,037) | - | - | - |
| Paris – Re-instatement cost of the offices | 1,199,405 | (6,575) | 1,192,830 | 1,192,830 | - |
| Total | 2,713,442 | (1,520,612) | 1,192,830 | 1,192,830 | - |

The variations in the estimations of the provisions above can be further split as follows:

| | Additions | Elapsed | Reversed | Other | Total |
|--|---------------|------------------|--------------------|----------|--------------------|
| Cost related to the move to the new seat | 83,388 | (110,338) | (1,487,086) | - | (1,514,037) |
| Paris – Re-instatement cost of the offices | - | - | (6,575) | - | (6,575) |
| Total | 83,388 | (110,338) | (1,493,661) | - | (1,520,612) |

The cost related to the move encompasses the removal of the personnel of the Authority and their families from London to Paris in accordance with the Staff Regulations, as well of the move of IT equipment, the latter of which elapsed in full in the course of 2019. Staff were expected to move and claim back the relevant costs and allowances within a year from the Authority's cessation to operate in London. However, due to the measures taken by many EU Member States in response to the COVID-19 pandemic, which significantly impacted citizens' mobility, the Appointing Authority decided to extend such deadline an extra year (i.e. until 31 May 2021) in line with the recommendations from the European Commission. The costs already claimed and accepted by staff at the reporting date have been reversed against expenses; whereas the costs allocated to staff who either left the Authority before submitted any claim or did not request their reimbursement have been reversed against revenue.

In accordance with the lease agreement in force for the EBA premises in Paris, the Authority is due to re-instate the offices to their original condition by reimbursing the landlord at the end of the lease term. Such a payment will consist on a flat rate per square metre, indexed in line with the *Index des loyers des activités tertiaires* (ILAT).

4. Deferred revenue

| Description | 2020 | Additions | Reversed | 2021 | Thereof non-current | |
|--|------------------|---------------|--------------------|------------------|---------------------|------------------|
| | | | | | 2021 | 2020 |
| Paris – Landlord contribution to fit-out costs | 1,363,146 | - | (185,307) | 1,177,839 | 992,532 | 1,177,839 |
| Paris – Landlord capital sum | 202,169 | - | (27,483) | 174,686 | 147,203 | 174,686 |
| Paris – Rent free period | 2,149,677 | - | (296,507) | 1,853,170 | 1,556,663 | 1,853,170 |
| Paris – French contribution to rental costs | 5,718,731 | - | (777,303) | 4,941,428 | 4,164,124 | 4,941,428 |
| NCA advance contribution 2022 | - | 33,679 | - | 33,679 | - | - |
| Total | 9,433,722 | 33,679 | (1,286,600) | 8,180,801 | 6,860,522 | 8,147,122 |

The lease agreement for the premises in Paris provided for a landlord contribution equivalent to the rental value of roughly 21 months (EUR 4 552 240). This contribution was due to cover for fit-out costs (EUR 1 916 271) and to benefit of a rent-free period worth EUR 2 636 682. Out of the first amount, EUR 1 668 775 qualified for capitalisation, whereas the remainder has been categorised as capital sum (EUR 247 496).

The deferred income recognised via the rent-free period and the capital sum incentives are reversed evenly over the duration of the lease.

The totality of the rent-free period contribution has been utilised by the reporting date. The reversal of the recognised deferred revenue against rent expenses in 2021 amounts EUR 296 507.

In June 2018, the French Government confirmed its support to the relocation process of the Authority to Paris. The agreement included a EUR 1.5 million contribution to cover for the cost of fitting-out the new premises, used in full by the date the Authority took office in France, and an extra EUR 7 million to pay for rental expenses, out of which EUR 575 000 were received in 2021 and EUR 3.25 million are outstanding as receivables at the reporting date. The total contribution is reversed against rental expenses evenly over the duration of the lease (9 years) in accordance with the matching principle and IPSAS 23.

The pension contribution outturn for 2021 resulted in a surplus. As a consequence, the respective amount of EUR 33 679 has been considered as deferred revenue and will be deducted from the NCA 2022 general contribution to the EBA budget.

5. Current liabilities

Current payables

| | 2021 | 2020 |
|--|------------------|------------------|
| Payables to suppliers | 102,528 | 994,922 |
| Accrued charges – untaken annual leave | 792,586 | 982,642 |
| Accrued charges – other | 1,986,311 | 1,683,822 |
| Total | 2,881,425 | 3,661,387 |

Other accrued charges correspond to invoices to be received at 31 December 2021 for services rendered in 2021, mainly for IT operational services.

Sundry payables

| | 2021 | 2020 |
|-----------------|----------|----------|
| Sundry payables | - | - |
| Total | - | - |

Payables towards EU entities

| | 2021 | 2020 |
|---------------------------------------|----------------|----------------|
| European Commission balancing subsidy | 996,460 | 858,651 |
| Other payables towards EU entities | - | - |
| Total | 996,460 | 858,651 |

The contribution to repay to the European Commission corresponds to the budgetary result for the financial year 2021, which was determined on a modified cash basis. The detailed calculation is presented in the budget result (see section “Budget implementation reports”).

In 2021, the EBA was financed by Union funds (EUR 18 506 940) and contributions from Member States and EFTA countries (EUR 30 625 669). According to Articles 16(5) and 17(1) of the EBA Financial Regulation, the Union contribution paid to the Authority constitutes a balancing contribution which is accounted for as pre-financing. If the balance of the budget result account is positive, it is to be repaid to the Commission up to the amount of the Union contribution paid during the year.

The EBA has therefore allocated 100% of the surplus to the European Commission. In 2023, and in accordance with the agreements reached between the ESAs and the European Commission, should those still remain applicable, the Authority will recover the 60% of this budget result, which will be deducted from the Member States’ and EFTA countries’ contribution for 2023.

III. Statement of financial performance

In 2021, the Authority has closed the year with an economic surplus of EUR 4 448 141.

1. Operating revenue

The Authority's 2021 revenue comes from the following sources:

| | 2021 | 2020 |
|------------------------------------|-------------------|-------------------|
| Contribution from EU Member States | 29,403,779 | 28,103,650 |
| Contribution from EFTA Countries | 909,492 | 798,399 |
| EU Balancing Subsidy | 17,822,883 | 16,955,123 |
| Foreign currency conversion gains | 22,246 | 745,429 |
| Other administrative revenue | 1,591,004 | 1,294,795 |
| | 49,749,405 | 47,897,396 |

The 2021 budgeted contributions from National Competent Authorities amounted to EUR 30 625 669.

The contribution actually paid in 2021 by the Directorate-General for Financial Stability, Financial Services and Capital Market Union amounted to EUR 18 846 550 including the re-imbusement of the Member States' and Observers' share in the 2019 Budgetary surplus (EUR 312 404) and the amount to be repaid to the UK relating to its proportion on this item (EUR 27 206).

In accordance with Article 17(1) of the EBA Financial Regulation, the unused part of this contribution, which corresponds to EUR 996 460 in the 2021 budget result, has to be reimbursed to the European Commission. The difference of EUR 17 822 883 is recognised as operating revenue.

Other administrative revenue includes EUR 1 493 661 stemming from the unused part of the provisions for risks and charges open in the books at the start of the reporting period (see section II.3).

2. Operating expenses

Staff expenses

| | 2021 | 2020 |
|---------------------------------|-------------------|-------------------|
| Salaries and related allowances | 27,420,288 | 25,774,238 |
| Social contributions | 708,866 | 762,362 |
| Staff perquisites | 410,884 | 557,479 |
| | 28,540,039 | 27,094,079 |

Building and related expenses

| | 2021 | 2020 |
|-----------------------|------------------|------------------|
| Rent | 1,730,026 | 1,787,756 |
| Rent related expenses | 772,295 | 879,540 |
| | 2,502,321 | 2,667,296 |

The expenditure for rent has already been discounted by the reversal of the different items of deferred revenue impacting this cost category (refer to section II.4).

Other expenses

| | 2021 | 2020 |
|---------------------------------|-------------------|------------------|
| Office supplies | 201,474 | 206,540 |
| Communications and Legal | 286,202 | 320,261 |
| Recruitment | 36,745 | 24,280 |
| Training | 321,623 | 201,855 |
| Travel | 8 | 9,137 |
| Experts and related expenditure | 431,077 | 298,065 |
| IT support costs | 4,766,199 | 3,152,237 |
| Other services | 774,621 | 800,293 |
| Operational activities | 5,413,295 | 3,121,183 |
| | 12,231,244 | 8,133,850 |

The increase in the “Other expenses” category (+50%) was driven by the rise in IT support costs and Operational activities expenses, due to a year of continued IT transformation to align with EBA’s strategic objectives and the need to upgrade existing capabilities. Growing IT support costs reflected the beginning of migration into Cloud and the developments to ensure the business continuity of the Authority during the COVID pandemic. Operational activities include IT expenses corresponding essentially to IT Infrastructure costs, licence maintenance and consultancy working on the various IT projects for their part not capitalised.

Project costs for their part not capitalised amount to EUR 804 259. Costs incurred for other projects which do not meet the requirements for capitalisation amount to EUR 1 997 536.

The total commitment appropriations executed in 2021 relating to budget lines directly connected with information and technology costs have amounted to 13.2 million euro, in contrast with the respective 2020 figure (9.3 million euro).

Fixed asset related expenses

| | 2021 | 2020 |
|---|------------------|------------------|
| Depreciation of tangible fixed assets | 844,238 | 714,570 |
| Depreciation of intangible fixed assets | 1,148,304 | 1,191,860 |
| Amounts written-off | 8,687 | 326 |
| | 2,001,229 | 1,906,756 |

Foreign currency conversion losses

| | 2021 | 2020 |
|------------------------------------|---------------|----------------|
| Foreign currency conversion losses | 25,445 | 306,731 |
| | 25,445 | 306,731 |

The Authority permanently closed its premises in London in December 2020, thus very significantly reducing its exposure non-euro currencies (in the past, the EBA was particularly exposed to GBP fluctuations). This has resulted in a substantial decrease in the foreign currency conversion losses in 2021.

3. Non-operating result

| | 2021 | 2020 |
|---|--------------|------------------|
| Non-operating revenue | | |
| Bank interest received | 8 | 1,352 |
| Other financial income | 294 | - |
| | 302 | 1,352 |
| Non-operating expenses | | |
| Bank charges | 1,288 | 39,672 |
| Unwinding of the discount related to the provisions | - | 119,245 |
| | 1,288 | 158,917 |
| Total non-operating activities (net) | (986) | (157,565) |

Given that the premises in London were definitively closed at the end of 2020, in 2021 there are no longer unwinding costs for the related provisions, which has resulted in a significant variation in the non-operating result of the Authority between these two periods.

IV. Other significant disclosures

1. Contingent liabilities

Contingent liabilities include the part of the outstanding budgetary commitments which have not yet been recognised as expenses at 31 December 2021.

| | 2021 | 2020 |
|---|------------------|------------------|
| Budgetary commitments carried forward to 2022 | 7,132,162 | 4,130,831 |
| (Less) Expenses already recognised in 2021 | (2,076,628) | (1,712,367) |
| | 5,055,534 | 2,418,465 |

2. Events after the reporting date

At the date on which the accounts are authorised, no material issue came to the attention of the Accounting Officer of the Authority or were reported to him that would require separate disclosure under this section. The annual accounts and related notes were prepared using the most available information and this is reflected in the information presented above.

3. Operating lease commitments

Following an open competitive selection procedure, the Authority signed a 9-year office lease agreement for the new offices in Paris that entered into force on 10 May 2019, with a break clause that can be exercised after the completion of the 6th year of the lease.

The commercial terms of the agreement included a negotiated contribution from the landlord of EUR 4 552 240 in an amendment to the contract signed on 31 October 2018. Out of this contribution, EUR 1 916 271 elapsed in order to cover for fit-out costs, and the remainder of EUR 2 636 682 has been drawn up in the form of a rent-free period (see Note II.4). Should the Authority exercise the early break clause, the EBA would be liable for paying the landlord a flat-rate supplement corresponding to a sum equivalent to the marketing advantages.

In accordance with the lease agreement, and in substitution of a security deposit, the Authority gave the Landlord a bank guarantee equivalent to three months' rent.

The future contractual payments are scheduled as follows:

| <i>Tour Europlaza (Paris)</i> | <1 year | 2-5 years | >5 years | Total |
|-------------------------------|------------------|-------------------|----------|-------------------|
| Rent | 2,601,280 | 8,758,598 | - | 11,359,878 |
| Building charges and taxes | 749,472 | 1,763,826 | - | 2,513,299 |
| Other equipment | - | 1,916,271 | - | 1,916,271 |
| Bank guarantee (commission) | 1,322 | 3,112 | - | 4,434 |
| | 3,352,075 | 12,441,808 | - | 15,793,882 |

4. Related party disclosures

| Highest grades description | Grade |
|----------------------------|-------|
| Chairperson | AD 15 |
| Executive Director | AD 14 |

The remuneration equivalent to the grades of the key management personnel in the table can be found in the Official Journal of the European Union, 2021/C 501/05 of 13 December 2021.

V. Financial risk management

Financial instruments comprise cash, current receivables and recoverables, current payables, amounts due to and from consolidated entities. Financial instruments give rise to liquidity, credit, interest rate and foreign rate currency risks. Information about which and how they are managed is set out below. Deferred and accrued charges and income are not included.

The carrying amounts of financial instruments are as follows:

| | 2021 | 2020 |
|--|-------------------|------------------|
| Financial assets | | |
| Long term receivables | 2,850,000 | 3,425,000 |
| Current receivables | 1,456,183 | 2,069,625 |
| Sundry receivables | 7,150,343 | 4,411,182 |
| Cash and cash equivalents | 3,137 | 2,574 |
| | 11,459,663 | 9,908,381 |
| Financial liabilities | | |
| Long term payables | 1,192,830 | 1,199,405 |
| Current payables | 102,528 | 994,922 |
| Sundry payables | - | - |
| Payables towards EU entities | 996,460 | 858,651 |
| | 2,291,819 | 3,052,978 |
| Total net financial instruments | 9,167,844 | 6,855,402 |

EAR 11: Revised EAR effective for periods beginning on or after 1 January 2021

In 2020, the Accounting Officer of the European Commission adopted the revised EAR 11 '*Financial Instruments*', which is mandatorily effective as of 1 January 2021. The revised EAR 11 is based on the new IPSAS 41 '*Financial Instruments*', the amended IPSAS 28 '*Financial Instruments: Presentation*' and the amended IPSAS 30 '*Financial Instruments: Disclosures*'. It establishes the financial reporting principles for financial assets and financial liabilities. In accordance with the transition provisions of the revised EAR 11, the entity accounts for any changes from the initial application, on 1 January 2021. The revised EAR 11 does not require the restatement of prior periods.

Changes from the application of the revised EAR 11

The impacted financial instruments of the entity are the receivables from exchange transactions. In accordance with the revised EAR 11 requirements, the entity has classified these receivables as '*financial assets at amortised cost*'. The entity has applied the impairment requirements of the revised EAR 11 to the receivables, but no recognition of loss allowance in the accumulated surplus or deficit on 1 January 2021 was needed.

After due consideration of the effect of the revised EAR 11, the Accounting Officer has concluded that it results in no material impact in these annual accounts.

1. Liquidity risk

Liquidity risk arises from the ongoing financial obligations, including settlement of payables. The Authority manages liquidity risk by continually monitoring forecasted and actual cashflows. EU budget principles ensure that overall cash resources for a given year are always sufficient for the execution of all payments. Details of contractual maturities for assets and liabilities form an important source of information for the management of liquidity risk.

The table below provides detail on the contractual maturity of all financial instruments of the Authority:

| <i>At 31.12.2021</i> | On demand | <1 year | 1-2 years | >2 years | Total |
|--|------------------|------------------|------------------|------------------|-------------------|
| Long term receivables | - | - | 1,150,000 | 1,700,000 | 2,850,000 |
| Current receivables | - | 1,456,183 | - | - | 1,456,183 |
| Sundry receivables | 7,150,343 | - | - | - | 7,150,343 |
| Cash and cash equivalents | 3,137 | - | - | - | 3,137 |
| Total financial assets (A) | 7,153,479 | 1,456,183 | 1,150,000 | 1,700,000 | 11,459,663 |
| Long term payables | - | - | - | 1,192,830 | 1,192,830 |
| Current payables | - | 102,528 | - | - | 102,528 |
| Sundry payables | - | - | - | - | - |
| Payables to EU entities | - | 996,460 | - | - | 996,460 |
| Total financial liabilities (B) | - | 1,098,989 | - | 1,192,830 | 2,291,819 |
| Cumulative liquidity gap (A-B) | 7,153,479 | 7,510,674 | 8,660,674 | 9,167,844 | 9,167,844 |

2. Credit risk

Credit risk is the risk of loss due to a debtor's/borrower's non-payment of a loan or other line of credit (either the principal or interest or both) and other failure to meet a contractual obligation. The default events include a delay in repayments, restructuring of borrower repayments and bankruptcy.

Treasury resources are kept with the EC since September 2020. The EBA recovers contributions from national supervisory authorities and the European Commission two or more times per year to ensure appropriate cash management and to maintain a minimum cash balance on its bank account. This is with a view to limit its risk exposure. Requests to the European Commission are accompanied by cash forecasts. Following the externalisation of the treasury to the EC, the counterparty risk to which the EBA is exposed is minimized.

The table below shows the maximum exposure to credit risk by the EBA:

| <i>At 31.12.2021</i> | 2021 | 2020 |
|-----------------------|-------------------|------------------|
| Long term receivables | 2,850,000 | 3,425,000 |
| Current receivables | 1,456,183 | 2,069,625 |
| Other receivables | 7,150,343 | 4,411,182 |
| Cash in banks | 3,137 | 2,574 |
| | 11,459,663 | 9,908,381 |

The Authority's open receivables are mainly issued against sovereign entities.

3. Market risk

Market risk can be split into interest rate risk and currency risk.

Interest rate risk

The EBA does not borrow any money and has its treasury services externalised to the EC. As a result, it is not exposed to interest rate risk.

Currency risk

Currency risk is the risk that the EBA's operations or its investment's value will be affected by changes in exchange rates.

The following table summarises the currency in which the EBA's monetary assets and liabilities are denominated:

| <i>As at 31.12.2021</i> | EUR | Other EUR equivalent | Total (EUR) |
|---------------------------------------|-------------------|----------------------|-------------------|
| Receivables from Member States | 4,306,183 | - | 4,306,183 |
| Other receivables | (4,267) | - | (4,267) |
| Receivables from other EU entities | 7,154,610 | - | 7,154,610 |
| Cash and cash equivalents | 3,137 | - | 3,137 |
| Total monetary assets (C) | 11,459,663 | - | 11,459,663 |
| Payables to third parties | 1,295,359 | - | 1,295,359 |
| Payables to other EU entities | 996,460 | - | 996,460 |
| Total monetary liabilities (D) | 2,291,819 | - | 2,291,819 |
| Net Position (C)-(D) | 9,167,844 | - | 9,167,844 |

Budget implementation reports

I. Budget principles, structure and implementation

1. Budgetary principles

The establishment and implementation of the Authority's budget shall comply with the principles of unity and budget accuracy, annuality, equilibrium, unit of account, universality, specification, sound financial management and transparency as provided for in the Authority's Financial Regulation.

Principle of unity and budget accuracy

The budget is the instrument which, for each financial year, forecasts and authorises the revenue and expenditure considered necessary for the Authority's activities. No revenue shall be collected and no expenditure effected unless booked to a line in the budget. An appropriation must not be entered in the budget if it is not for an item of expenditure considered necessary. No expenditure may be committed or authorised in excess of the appropriations authorised by the budget.

Principle of annuality

The appropriations entered in the budget shall be authorised for one financial year which shall run from 1 January to 31 December, inclusive. Commitments shall be entered in the accounts on the basis of the legal commitments entered into up to 31 December. Payments shall be entered in the accounts for a financial year on the basis of the payments effected by the Accounting Officer by 31 December of that year at the latest.

Principle of equilibrium

The Authority's budget revenue and payment appropriations must be in balance. Commitment appropriations may not exceed the amount of the voted budget, plus own revenue and any other revenue. The Authority may not raise loans.

Principle of unit of account

The budget shall be drawn up and implemented in euro and the accounts shall be presented in euro.

Principle of universality

Total revenue shall cover all expenditure. All revenue and expenditure shall be entered in full without any adjustment against each other.

Principle of specification

The appropriations in their entirety shall be earmarked for specific purposes by title and chapter; the chapters shall be further subdivided into articles and items. The Executive Director may authorise transfers from one article to another within each chapter.

Principle of sound financial management

Budget appropriations shall be used in accordance with the principle of sound financial management, that is to say, in accordance with the principles of economy, efficiency and effectiveness.

The principle of economy requires that the resources used by the Authority for the pursuit of its activities shall be made available in due time, in appropriate quantity and quality and at the best price. The principle of efficiency is concerned with the best relationship between resources employed and results achieved. The principle of effectiveness is concerned with attaining the specific objectives set and achieving the intended results.

Principle of transparency

The budget shall be drawn up and implemented and the accounts presented in compliance with the principle of transparency. The budget, as finally adopted, shall be published in the Official Journal of the European Communities and amending budgets shall be published in an appropriate way within two months of their adoption.

2. Types of appropriations

The Authority makes use of non-differentiated appropriations for both its administrative (Title I & II) and operational expenditure (Title III).

3. Description of the budget accounts

Following the provisions of the Financial Rules of the Authority, the budget accounts shall provide a detailed record of the budget implementation and shall record all budget revenue and expenditure operations (voted appropriations, commitments and payments of the financial year, entitlements established).

The content of the budget accounts, also called budget lines, is adopted annually by the Board of Supervisors, taking into account the general budgetary nomenclature and the Authority's rules on the structure and presentation of the statement of expenditure.

Title I budget lines are related to staff expenditure: salaries and allowances of the staff members working for the Authority and all other entitlements such as removal expenditures, installation costs. Title I also includes recruitment costs incurred by the Authority. Interim staff, training, staff perquisites and administrative mission costs are incorporated also under Title I.

Title II budget lines relate to all buildings, equipment, IT and other miscellaneous administrative expenditure.

Title III budget lines provide for the implementation of all the activities carried out in the frame of the missions and tasks assigned to the Authority by its founding Regulation. The accounts under this Title are sub-divided into the main activities performed in each area such as organisation of meetings, training, coordination missions, supervisory activities, etc.

II. Budget result for the financial year

| | 2021 | 2020 |
|---|-------------------|--------------------|
| Revenue | | |
| European Commission balancing subsidy | 18,506,940 | 17,660,140 |
| Recovery of the N-2 surplus | 312,404 | 153,633 |
| Contribution from the Member States | 29,550,787 | 28,315,964 |
| Contribution from the EFTA countries | 909,492 | 798,399 |
| Contribution from the Host State | 575,000 | 500,000 |
| Bank interests | 8 | 1,352 |
| Other income | 166,463 | 79,184 |
| Total Revenue | 50,021,094 | 47,508,673 |
| Expenditure | | |
| <i>Title I: Staff</i> | | |
| Payments | 29,848,485 | 27,652,363 |
| Appropriations carried over | 380,098 | 472,842 |
| <i>Title II: Administrative expenses</i> | | |
| Payments | 7,955,837 | 14,457,546 |
| Appropriations carried over | 3,108,413 | 1,988,129 |
| <i>Title III: Operating expenditure</i> | | |
| Payments | 4,068,801 | 2,447,967 |
| Appropriations carried over | 3,809,821 | 1,715,902 |
| Total Expenditure | 49,171,454 | 48,734,748 |
| RESULT FOR THE FINANCIAL YEAR | 849,641 | (1,226,075) |
| Cancellation of unused appropriations carried over from previous years | 86,867 | 360,807 |
| Adjustment for carry-over of appropriations arising from assigned revenue | 63,153 | 1,834,177 |
| Exchange differences for the year | (3,200) | (110,256) |
| BALANCE OF THE RESULT ACCOUNT | 996,460 | 858,653 |

III. Reconciliation between the budget result and the economic result

| | 2021 | 2020 |
|---|------------------|------------------|
| ECONOMIC OUTTURN | 4,448,141 | 7,631,119 |
| Adjustment for accrual items | | |
| Adjustment for accrual cut-off N-1 | (1,110,452) | (1,831,148) |
| Adjustment for accrual cut-off N | 328,861 | 680,323 |
| Unpaid invoices at year end but booked in charges | 52,819 | 258,372 |
| Depreciation and amortisation | 2,001,229 | 1,906,756 |
| Provisions | (1,514,037) | (10,747,201) |
| Recovery orders booked in revenue not yet cashed | - | (147,488) |
| Pre-financing given in previous years and cleared in N | - | - |
| Pre-financing received in previous years and cleared in N | - | - |
| Payments made from carry-over of N-1 appropriations | 4,026,852 | 4,809,219 |
| Other | (2,319) | 66,993 |
| Adjustment for budgetary items | - | |
| Asset acquisitions (less unpaid amounts) | (1,229,791) | (1,487,779) |
| Pre-financing paid in N and open at 31.12.N | - | (13,169) |
| Pre-financing received in N and open at 31.12.N | 996,460 | 858,650 |
| Recovery orders issued before N and cashed in N | 147,008 | 359,320 |
| Cashed recovery orders issued against balance sheet items | - | 496,571 |
| Payment appropriations carried over to N+1 | (7,298,331) | (4,176,872) |
| Cancellation of unused n-1 appropriations | 86,867 | 360,807 |
| Adjustment for carry-over of assigned revenue from N-1 | 63,153 | 1,834,177 |
| BUDGET RESULT | 996,460 | 858,650 |

IV. Budget Accounts

1. Revenue

| Item | Income appropriations | | | Entitlements established | | | Revenue | | | Outstanding |
|--------------------------------------|-----------------------|-----------------|-------------------|--------------------------|----------------|-------------------|-------------------|----------------|-------------------|-------------|
| | Initial budget | Amend. budget | Final budget | Current year | Carried over | Total | Current year | Carried over | Total | |
| Contribution from Member States NCAs | 29,765,036 | (59,057) | 29,705,979 | 29,705,984 | 147,008 | 29,852,993 | 29,705,984 | 147,008 | 29,852,993 | - |
| Total Title I | 29,765,036 | (59,057) | 29,705,979 | 29,705,984 | 147,008 | 29,852,993 | 29,705,984 | 147,008 | 29,852,993 | - |
| Contribution from the EU | 18,506,940 | - | 18,506,940 | 18,506,940 | - | 18,506,940 | 18,506,940 | - | 18,506,940 | - |
| Total Title II | 18,506,940 | - | 18,506,940 | 18,506,940 | - | 18,506,940 | 18,506,940 | - | 18,506,940 | - |
| Contribution from Observer NCAs | 921,518 | (1,828) | 919,690 | 919,691 | - | 919,691 | 919,691 | - | 919,691 | - |
| Total Title III | 921,518 | (1,828) | 919,690 | 919,691 | - | 919,691 | 919,691 | - | 919,691 | - |
| Contribution from the Host State | - | - | - | 575,000 | - | 575,000 | 575,000 | - | 575,000 | - |
| Total Title V | - | - | - | 575,000 | - | 575,000 | 575,000 | - | 575,000 | - |
| Bank interest | - | - | - | 8 | - | 8 | 8 | - | 8 | - |
| Total Title VI | - | - | - | 8 | - | 8 | 8 | - | 8 | - |
| Miscellaneous Revenue | - | - | - | 166,463 | - | 166,463 | 166,463 | - | 166,463 | - |
| Total Title IX | - | - | - | 166,463 | - | 166,463 | 166,463 | - | 166,463 | - |
| GRAND TOTAL | 49,193,494 | (60,885) | 49,132,609 | 49,874,085 | 147,008 | 50,021,094 | 49,874,085 | 147,008 | 50,021,094 | - |

2. Commitment and payment appropriations (breakdown and changes)

| Line | Item | Budget appropriations | | | Additional appropriations | | | Total approp. available | |
|------|--|------------------------|------------------|-----------|---------------------------|-------------|------------------|-------------------------|------------|
| | | Initial adopted budget | Amending budgets | Transfers | Final adopted budget | Carry-overs | Assigned revenue | | Total |
| 1100 | Basic salaries | 14,291,160 | - | (197,656) | 14,093,504 | - | 33,630 | 33,630 | 14,127,134 |
| 1101 | Family allowances | 1,516,788 | - | (48,431) | 1,468,357 | - | - | - | 1,468,357 |
| 1102 | Expatriation and foreign residence allowances | 2,177,760 | - | (27,798) | 2,149,962 | - | - | - | 2,149,962 |
| 1110 | Seconded national experts | 1,180,665 | - | (118,066) | 1,062,599 | - | - | - | 1,062,599 |
| 1111 | Contract agents | 3,144,394 | - | (179,112) | 2,965,282 | - | - | - | 2,965,282 |
| 1112 | Trainees | 462,672 | - | (33,944) | 428,728 | 1,792 | - | 1,792 | 430,520 |
| 1130 | Insurance against sickness | 585,240 | - | (19,280) | 565,960 | - | - | - | 565,960 |
| 1131 | Insurance against accidents and occupational disease | 65,628 | - | (2,049) | 63,579 | - | - | - | 63,579 |
| 1132 | Insurance against unemployment | 226,944 | - | (7,308) | 219,636 | - | - | - | 219,636 |
| 1133 | Employers pension contribution | 2,066,689 | (60,885) | - | 2,005,804 | - | - | - | 2,005,804 |
| 1142 | Other allowances and repayments | 251,630 | - | (3,435) | 248,195 | - | - | - | 248,195 |
| 1160 | Salary weighting | 3,832,371 | - | (152,979) | 3,679,392 | - | - | - | 3,679,392 |
| 1200 | Expenditure on recruitment procedures | 64,559 | - | - | 64,559 | - | - | - | 64,559 |
| 1210 | Travel expenses of recruited staff and family | 15,040 | - | (13,057) | 1,983 | - | - | - | 1,983 |
| 1220 | Installation resettlement and transfer allowances | 252,000 | - | (164,778) | 87,222 | - | - | - | 87,222 |
| 1230 | Removal expenses | 192,400 | - | (14,000) | 178,400 | - | - | - | 178,400 |
| 1240 | Temporary daily subsistence allowances | 149,500 | - | (110,641) | 38,859 | - | - | - | 38,859 |
| 1290 | External services | 160,535 | - | 35,571 | 196,106 | 1,154 | - | 1,154 | 197,260 |
| 1300 | Administrative mission expenses | 83,784 | - | (83,758) | 26 | 38 | 414 | 452 | 478 |
| 1400 | Medical service | 107,825 | - | (35,121) | 72,704 | 8,595 | - | 8,595 | 81,299 |
| 1410 | Education contribution | 572,957 | - | (53,707) | 519,250 | 293,837 | 26,561 | 320,397 | 839,647 |

| | | | | | | | | | |
|-----------------------|--|-------------------|-----------------|--------------------|-------------------|------------------|----------------|------------------|-------------------|
| 1420 | Other socio medical contribution | 107,784 | - | - | 107,784 | 12,796 | 118 | 12,915 | 120,699 |
| 1500 | Learning and development | 572,769 | - | (58,913) | 513,856 | 154,630 | 24 | 154,654 | 668,510 |
| 1700 | Representation expenses receptions and events | 107,950 | - | (10,589) | 97,361 | - | - | - | 97,361 |
| Total Title I | | 32,189,044 | (60,885) | (1,299,051) | 30,829,108 | 472,842 | 60,747 | 533,589 | 31,362,697 |
| 2000 | Rental of building | 2,054,000 | - | (23,725) | 2,030,275 | 43 | 575,000 | 575,043 | 2,605,318 |
| 2010 | Insurance | 6,500 | - | 439 | 6,939 | - | - | - | 6,939 |
| 2020 | Utilities | 583,440 | - | (1,358) | 582,082 | 58,466 | - | 58,466 | 640,548 |
| 2030 | Maintenance cleaning and repairs | 290,510 | - | (29,210) | 261,300 | - | - | - | 261,300 |
| 2040 | Taxes and business rates | 238,530 | - | (44,188) | 194,342 | 48,843 | - | 48,843 | 243,185 |
| 2050 | Fitting out premises and refurbishment works | 130,000 | - | 70,788 | 200,788 | 33,201 | - | 33,201 | 233,989 |
| 2100 | Software packages and information systems | 705,077 | - | 198,810 | 903,887 | 5,706 | - | 5,706 | 909,593 |
| 2110 | Computing and telecommunications machinery equipment | 141,200 | - | 208,049 | 349,249 | 120,234 | - | 120,234 | 469,483 |
| 2120 | IT services consulting software development | 3,552,789 | - | 1,178,401 | 4,731,190 | 1,366,159 | - | 1,366,159 | 6,097,349 |
| 2300 | Stationery supplies and other administrative charges | 83,400 | - | (7,906) | 75,494 | 5,826 | - | 5,826 | 81,320 |
| 2320 | Legal advice and consultations | 185,000 | - | (141,700) | 43,300 | 18,405 | 27,047 | 45,452 | 88,752 |
| 2332 | Other administrative and consulting expenditure | 386,453 | - | 165,863 | 552,316 | 93,410 | - | 93,410 | 645,726 |
| 2410 | Telecommunication charges | 123,600 | - | (59,373) | 64,227 | 24,798 | 1,670 | 26,468 | 90,695 |
| 2500 | Communications publications and translation | 170,919 | - | 38,760 | 209,679 | 118,825 | - | 118,825 | 328,504 |
| 2501 | Website | 81,720 | - | 33,280 | 115,000 | 50,423 | - | 50,423 | 165,423 |
| 2502 | Press and policy monitoring services subscriptions | 143,104 | - | 8,571 | 151,675 | 43,790 | - | 43,790 | 195,465 |
| Total Title II | | 8,876,242 | - | 1,595,501 | 10,471,743 | 1,988,129 | 603,717 | 2,591,846 | 13,063,589 |
| 3100 | Seminars and workshops | 60,500 | - | (44,633) | 15,867 | - | - | - | 15,867 |
| 3110 | Operational missions of staff | 520,200 | - | (510,834) | 9,366 | - | 1,793 | 1,793 | 11,159 |
| 3111 | General operational meetings costs | 498,962 | - | (278,639) | 220,323 | 10,400 | - | 10,400 | 230,723 |
| 3120 | Operational consulting services | 1,122,604 | - | (164,995) | 957,609 | 528,497 | - | 528,497 | 1,486,106 |
| 3122 | Subscriptions to data services | 314,880 | - | (16,752) | 298,128 | 23,530 | - | 23,530 | 321,659 |

| | | | | | | | | | |
|------------------------|---|-------------------|-----------------|------------------|-------------------|------------------|----------------|------------------|-------------------|
| 3130 | Communication and publication activities | 1,030,900 | - | 615,359 | 1,646,259 | 34,783 | - | 34,783 | 1,681,042 |
| 3200 | Software packages and information systems | 669,163 | - | (126,702) | 542,461 | 108,537 | - | 108,537 | 650,998 |
| 3220 | IT services consulting software development | 3,911,000 | - | 230,745 | 4,141,745 | 1,010,155 | 74,912 | 1,085,066 | 5,226,811 |
| Total Title III | | 8,128,209 | - | (296,450) | 7,831,759 | 1,715,902 | 76,705 | 1,792,606 | 9,624,365 |
| GRAND TOTAL | | 49,193,495 | (60,885) | - | 49,132,610 | 4,176,872 | 741,169 | 4,918,041 | 54,050,651 |

3. Implementation of commitment appropriations

| Line | Item | Total appopr. available | from final adopted budget | Commitments made | | Total | Appropriations carried over to 2022 | | |
|------|--|-------------------------|---------------------------|------------------|-----------------------|------------|-------------------------------------|------------------|--------|
| | | | | from carry-overs | from assigned revenue | | Automatic carry-overs | Assigned revenue | Total |
| 1100 | Basic salaries | 14,127,134 | 14,093,504 | - | - | 14,093,504 | - | 33,630 | 33,630 |
| 1101 | Family allowances | 1,468,357 | 1,468,356 | - | - | 1,468,356 | - | - | - |
| 1102 | Expatriation and foreign residence allowances | 2,149,962 | 2,149,962 | - | - | 2,149,962 | - | - | - |
| 1110 | Seconded national experts | 1,062,599 | 875,012 | - | - | 875,012 | - | - | - |
| 1111 | Contract agents | 2,965,282 | 2,965,282 | - | - | 2,965,282 | - | - | - |
| 1112 | Trainees | 430,520 | 428,727 | 1,792 | - | 430,519 | - | - | - |
| 1130 | Insurance against sickness | 565,960 | 565,960 | - | - | 565,960 | - | - | - |
| 1131 | Insurance against accidents and occupational disease | 63,579 | 63,579 | - | - | 63,579 | - | - | - |
| 1132 | Insurance against unemployment | 219,636 | 219,636 | - | - | 219,636 | - | - | - |
| 1133 | Employers pension contribution | 2,005,804 | 2,005,804 | - | - | 2,005,804 | - | - | - |
| 1142 | Other allowances and repayments | 248,195 | 248,185 | - | - | 248,185 | - | - | - |
| 1160 | Salary weighting | 3,679,392 | 3,679,392 | - | - | 3,679,392 | - | - | - |
| 1200 | Expenditure on recruitment procedures | 64,559 | 34,763 | - | - | 34,763 | - | - | - |

| | | | | | | | | | |
|----------------------|--|-------------------|-------------------|----------------|----------|-------------------|----------|---------------|---------------|
| 1210 | Travel expenses of recruited staff and family | 1,983 | 1,982 | - | - | 1,982 | - | - | - |
| 1220 | Installation resettlement and transfer allowances | 87,222 | 87,221 | - | - | 87,221 | - | - | - |
| 1230 | Removal expenses | 178,400 | 87,784 | - | - | 87,784 | - | - | - |
| 1240 | Temporary daily subsistence allowances | 38,859 | 38,859 | - | - | 38,859 | - | - | - |
| 1290 | External services | 197,260 | 195,034 | 1,154 | - | 196,188 | - | - | - |
| 1300 | Administrative mission expenses | 478 | 14 | 38 | - | 52 | - | 414 | 414 |
| 1400 | Medical service | 81,299 | 27,491 | 1,893 | - | 29,384 | - | - | - |
| 1410 | Education contribution | 839,647 | 498,958 | 278,558 | - | 777,516 | - | 26,561 | 26,561 |
| 1420 | Other socio medical contribution | 120,699 | 58,172 | 12,026 | - | 70,199 | - | 118 | 118 |
| 1500 | Learning and development | 668,510 | 355,422 | 153,297 | - | 508,719 | - | 24 | 24 |
| 1700 | Representation expenses receptions and events | 97,361 | 18,735 | - | - | 18,735 | - | - | - |
| Total Title I | | 31,362,697 | 30,167,835 | 448,758 | - | 30,616,593 | - | 60,747 | 60,747 |
| 2000 | Rental of building | 2,629,978 | 2,030,271 | - | 599,703 | 2,629,974 | - | - | - |
| 2010 | Insurance | 6,939 | 6,939 | - | - | 6,939 | - | - | - |
| 2020 | Utilities | 626,043 | 582,081 | 6,368 | 5,610 | 594,059 | - | - | - |
| 2030 | Maintenance cleaning and repairs | 261,300 | 260,872 | - | - | 260,872 | - | - | - |
| 2040 | Taxes and business rates | 233,029 | 194,341 | 38,687 | - | 233,029 | - | - | - |
| 2050 | Fitting out premises and refurbishment works | 233,989 | 198,435 | 33,201 | - | 231,636 | - | - | - |
| 2100 | Software packages and information systems | 909,593 | 890,841 | 4,389 | - | 895,229 | - | - | - |
| 2110 | Computing and telecommunications machinery equipment | 469,483 | 339,027 | 120,233 | - | 459,260 | - | - | - |
| 2120 | IT services consulting software development | 6,097,349 | 4,725,400 | 1,345,652 | - | 6,071,052 | - | - | - |
| 2300 | Stationery supplies and other administrative charges | 81,320 | 74,861 | 5,554 | - | 80,415 | - | - | - |
| 2320 | Legal advice and consultations | 88,752 | 38,245 | - | - | 38,245 | - | 27,047 | 27,047 |
| 2332 | Other administrative and consulting expenditure | 645,726 | 550,625 | 87,972 | - | 638,597 | - | - | - |
| 2410 | Telecommunication charges | 90,695 | 62,127 | 21,072 | - | 83,200 | - | 1,670 | 1,670 |
| 2500 | Communications publications and translation | 328,504 | 209,679 | 118,095 | - | 327,774 | - | - | - |

| | | | | | | | | | |
|------------------------|--|-------------------|-------------------|------------------|----------------|-------------------|---|----------------|----------------|
| 2501 | Website | 165,423 | 115,000 | 39,939 | - | 154,939 | - | - | - |
| 2502 | Press and policy monitoring services subscriptions | 195,465 | 151,474 | 43,790 | - | 195,264 | - | - | - |
| Total Title II | | 13,063,589 | 10,430,219 | 1,864,951 | 605,313 | 12,900,484 | - | 28,717 | 28,717 |
| 3100 | Seminars and workshops | 15,867 | 15,866 | - | - | 15,866 | - | - | - |
| 3110 | Operational missions of staff | 11,159 | 5,034 | - | - | 5,034 | - | 1,793 | 1,793 |
| 3111 | General operational meetings costs | 230,723 | 198,712 | 9,100 | - | 207,812 | - | - | - |
| 3120 | Operational consulting services | 1,486,106 | 957,608 | 528,497 | - | 1,486,105 | - | - | - |
| 3122 | Subscriptions to data services | 321,659 | 297,543 | 22,715 | - | 320,258 | - | - | - |
| 3130 | Communication and publication activities | 1,681,042 | 1,643,017 | 34,138 | - | 1,677,155 | - | - | - |
| 3200 | Software packages and information systems | 650,998 | 542,394 | 108,537 | - | 650,930 | - | - | - |
| 3220 | IT services consulting software development | 5,226,811 | 4,141,744 | 1,010,155 | - | 5,151,899 | - | 74,912 | 74,912 |
| Total Title III | | 9,624,365 | 7,801,917 | 1,713,142 | - | 9,515,059 | - | 76,705 | 76,705 |
| GRAND TOTAL | | 54,050,651 | 48,399,971 | 4,026,852 | 605,313 | 53,032,137 | - | 166,169 | 166,169 |

| Line | Item | from final adopted budget | Appropriations lapsing | | Total |
|----------------------|--|---------------------------|------------------------|-----------------------|----------------|
| | | | from carry-overs | from assigned revenue | |
| 1100 | Basic salaries | - | - | - | - |
| 1101 | Family allowances | 1 | - | - | 1 |
| 1102 | Expatriation and foreign residence allowances | - | - | - | - |
| 1110 | Seconded national experts | 187,587 | - | - | 187,587 |
| 1111 | Contract agents | - | - | - | - |
| 1112 | Trainees | 1 | - | - | 1 |
| 1130 | Insurance against sickness | - | - | - | - |
| 1131 | Insurance against accidents and occupational disease | - | - | - | - |
| 1132 | Insurance against unemployment | - | - | - | - |
| 1133 | Employers pension contribution | - | - | - | - |
| 1142 | Other allowances and repayments | 10 | - | - | 10 |
| 1160 | Salary weighting | - | - | - | - |
| 1200 | Expenditure on recruitment procedures | 29,796 | - | - | 29,797 |
| 1210 | Travel expenses of recruited staff and family | 1 | - | - | 1 |
| 1220 | Installation resettlement and transfer allowances | 1 | - | - | 1 |
| 1230 | Removal expenses | 90,616 | - | - | 90,616 |
| 1240 | Temporary daily subsistence allowances | - | - | - | - |
| 1290 | External services | 1,072 | - | - | 1,072 |
| 1300 | Administrative mission expenses | 12 | - | - | 12 |
| 1400 | Medical service | 45,213 | 6,702 | - | 51,915 |
| 1410 | Education contribution | 20,291 | 14,986 | 293 | 35,570 |
| 1420 | Other socio medical contribution | 49,612 | 586 | 184 | 50,382 |
| 1500 | Learning and development | 158,434 | 1,333 | - | 159,767 |
| 1700 | Representation expenses receptions and events | 78,626 | - | - | 78,626 |
| Total Title I | | 661,273 | 23,606 | 477 | 685,356 |
| 2000 | Rental of building | 4 | - | - | 4 |
| 2010 | Insurance | - | - | - | - |
| 2020 | Utilities | 1 | 2 | 31,981 | 31,984 |
| 2030 | Maintenance cleaning and repairs | 428 | - | - | 428 |
| 2040 | Taxes and business rates | 1 | - | - | 1 |
| 2050 | Fitting out premises and refurbishment works | 2,353 | - | - | 2,353 |
| 2100 | Software packages and information systems | 13,046 | 1,317 | - | 14,363 |
| 2110 | Computing and telecommunications machinery equipment | 10,222 | - | - | 10,222 |
| 2120 | IT services consulting software development | 5,790 | 20,507 | - | 26,297 |
| 2300 | Stationery supplies and other administrative charges | 633 | 272 | - | 905 |
| 2320 | Legal advice and consultations | 5,055 | 18,405 | - | 23,460 |

| | | | | | |
|------------------------|--|----------------|---------------|---------------|----------------|
| 2332 | Other administrative and consulting expenditure | 1,691 | 5,396 | 43 | 7,130 |
| 2410 | Telecommunication charges | 2,100 | 3,387 | 339 | 5,825 |
| 2500 | Communications publications and translation | - | 730 | - | 730 |
| 2501 | Website | - | 10,485 | - | 10,485 |
| 2502 | Press and policy monitoring services subscriptions | 201 | - | - | 201 |
| Total Title II | | 41,524 | 60,501 | 32,362 | 134,388 |
| 3100 | Seminars and workshops | 1 | - | - | 1 |
| 3110 | Operational missions of staff | 4,333 | - | - | 4,333 |
| 3111 | General operational meetings costs | 21,611 | 1,300 | - | 22,911 |
| 3120 | Operational consulting services | 1 | - | - | 1 |
| 3122 | Subscriptions to data services | 586 | 815 | - | 1,401 |
| 3130 | Communication and publication activities | 3,242 | 645 | - | 3,887 |
| 3200 | Software packages and information systems | 68 | - | - | 68 |
| 3220 | IT services consulting software development | 1 | - | - | 1 |
| Total Title III | | 29,841 | 2,760 | - | 32,601 |
| GRAND TOTAL | | 732,638 | 86,867 | 32,839 | 852,345 |

4. Implementation of payment appropriations

| Line | Item | Total apppr. available | from final adopted budget | Payments made | | Total | Appropriations carried over to 2022 | | |
|------|--|------------------------|---------------------------|------------------|-----------------------|------------|-------------------------------------|------------------|--------|
| | | | | from carry-overs | from assigned revenue | | Automatic carry-overs | Assigned revenue | Total |
| 1100 | Basic salaries | 14,127,134 | 14,093,504 | - | - | 14,093,504 | - | 33,630 | 33,630 |
| 1101 | Family allowances | 1,468,357 | 1,468,356 | - | - | 1,468,356 | - | - | - |
| 1102 | Expatriation and foreign residence allowances | 2,149,962 | 2,149,962 | - | - | 2,149,962 | - | - | - |
| 1110 | Seconded national experts | 1,062,599 | 875,012 | - | - | 875,012 | - | - | - |
| 1111 | Contract agents | 2,965,282 | 2,965,282 | - | - | 2,965,282 | - | - | - |
| 1112 | Trainees | 430,520 | 421,321 | 1,792 | - | 423,113 | 7,406 | - | 7,406 |
| 1130 | Insurance against sickness | 565,960 | 565,960 | - | - | 565,960 | - | - | - |
| 1131 | Insurance against accidents and occupational disease | 63,579 | 63,579 | - | - | 63,579 | - | - | - |
| 1132 | Insurance against unemployment | 219,636 | 219,636 | - | - | 219,636 | - | - | - |
| 1133 | Employers pension contribution | 2,005,804 | 2,005,804 | - | - | 2,005,804 | - | - | - |
| 1142 | Other allowances and repayments | 248,195 | 248,185 | - | - | 248,185 | - | - | - |
| 1160 | Salary weighting | 3,679,392 | 3,679,392 | - | - | 3,679,392 | - | - | - |
| 1200 | Expenditure on recruitment procedures | 64,559 | 34,563 | - | - | 34,563 | 200 | - | 200 |
| 1210 | Travel expenses of recruited staff and family | 1,983 | 1,982 | - | - | 1,982 | - | - | - |
| 1220 | Installation resettlement and transfer allowances | 87,222 | 87,221 | - | - | 87,221 | - | - | - |
| 1230 | Removal expenses | 178,400 | 87,784 | - | - | 87,784 | - | - | - |
| 1240 | Temporary daily subsistence allowances | 38,859 | 38,859 | - | - | 38,859 | - | - | - |
| 1290 | External services | 197,260 | 146,540 | 1,154 | - | 147,694 | 48,494 | - | 48,494 |
| 1300 | Administrative mission expenses | 478 | - | 38 | - | 38 | 14 | 414 | 429 |
| 1400 | Medical service | 81,299 | 26,053 | 1,893 | - | 27,946 | 1,438 | - | 1,438 |
| 1410 | Education contribution | 839,647 | 456,070 | 278,558 | - | 734,628 | 42,889 | 26,561 | 69,450 |
| 1420 | Other socio medical contribution | 120,699 | 54,972 | 12,026 | - | 66,999 | 3,200 | 118 | 3,318 |

| | | | | | | | | | |
|-----------------------|--|-------------------|-------------------|------------------|----------------|-------------------|------------------|---------------|------------------|
| 1500 | Learning and development | 668,510 | 149,720 | 153,297 | - | 303,018 | 205,701 | 24 | 205,725 |
| 1700 | Representation expenses receptions and events | 97,361 | 8,728 | - | - | 8,728 | 10,007 | - | 10,007 |
| Total Title I | | 31,362,697 | 29,848,485 | 448,758 | - | 30,297,243 | 319,350 | 60,747 | 380,098 |
| 2000 | Rental of building | 2,629,978 | 2,030,271 | - | 599,703 | 2,629,974 | - | - | - |
| 2010 | Insurance | 6,939 | 6,939 | - | - | 6,939 | - | - | - |
| 2020 | Utilities | 626,043 | 548,576 | 6,368 | 5,610 | 560,555 | 33,505 | - | 33,505 |
| 2030 | Maintenance cleaning and repairs | 261,300 | 237,539 | - | - | 237,539 | 23,333 | - | 23,333 |
| 2040 | Taxes and business rates | 233,029 | 194,341 | 38,687 | - | 233,029 | - | - | - |
| 2050 | Fitting out premises and refurbishment works | 233,989 | 185,101 | 33,201 | - | 218,302 | 13,335 | - | 13,335 |
| 2100 | Software packages and information systems | 909,593 | 733,875 | 4,389 | - | 738,264 | 156,966 | - | 156,966 |
| 2110 | Computing and telecommunications machinery equipment | 469,483 | 111,500 | 120,233 | - | 231,734 | 227,527 | - | 227,527 |
| 2120 | IT services consulting software development | 6,097,349 | 2,476,896 | 1,345,652 | - | 3,822,548 | 2,248,504 | - | 2,248,504 |
| 2300 | Stationery supplies and other administrative charges | 81,320 | 62,349 | 5,554 | - | 67,903 | 12,512 | - | 12,512 |
| 2320 | Legal advice and consultations | 88,752 | 495 | - | - | 495 | 37,750 | 27,047 | 64,797 |
| 2332 | Other administrative and consulting expenditure | 645,726 | 325,925 | 87,972 | - | 413,896 | 224,700 | - | 224,700 |
| 2410 | Telecommunication charges | 90,695 | 58,362 | 21,072 | - | 79,435 | 3,765 | 1,670 | 5,435 |
| 2500 | Communications publications and translation | 328,504 | 111,879 | 118,095 | - | 229,974 | 97,800 | - | 97,800 |
| 2501 | Website | 165,423 | 115,000 | 39,939 | - | 154,939 | - | - | - |
| 2502 | Press and policy monitoring services subscriptions | 195,465 | 151,474 | 43,790 | - | 195,264 | - | - | - |
| Total Title II | | 13,063,589 | 7,350,523 | 1,864,951 | 605,313 | 9,820,788 | 3,079,696 | 28,717 | 3,108,413 |
| 3100 | Seminars and workshops | 15,867 | 15,866 | - | - | 15,866 | - | - | - |
| 3110 | Operational missions of staff | 11,159 | 5,034 | - | - | 5,034 | - | 1,793 | 1,793 |
| 3111 | General operational meetings costs | 230,723 | 57,083 | 9,100 | - | 66,183 | 141,629 | - | 141,629 |
| 3120 | Operational consulting services | 1,486,106 | 311,389 | 528,497 | - | 839,886 | 646,219 | - | 646,219 |
| 3122 | Subscriptions to data services | 321,659 | 273,598 | 22,715 | - | 296,313 | 23,945 | - | 23,945 |
| 3130 | Communication and publication activities | 1,681,042 | 1,132,177 | 34,138 | - | 1,166,315 | 510,840 | - | 510,840 |

| | | | | | | | | | |
|------------------------|---|-------------------|-------------------|------------------|----------------|-------------------|------------------|----------------|------------------|
| 3200 | Software packages and information systems | 650,998 | 372,437 | 108,537 | - | 480,974 | 169,957 | - | 169,957 |
| 3220 | IT services consulting software development | 5,226,811 | 1,901,218 | 1,010,155 | - | 2,911,372 | 2,240,527 | 74,912 | 2,315,438 |
| Total Title III | | 9,624,365 | 4,068,801 | 1,713,142 | - | 5,781,943 | 3,733,116 | 76,705 | 3,809,821 |
| GRAND TOTAL | | 54,050,651 | 41,267,809 | 4,026,852 | 605,313 | 45,899,974 | 7,132,162 | 166,169 | 7,298,331 |

| Line | Item | Appropriations lapsing | | | Total |
|----------------------|--|---------------------------|------------------|-----------------------|----------------|
| | | from final adopted budget | from carry-overs | from assigned revenue | |
| 1100 | Basic salaries | - | - | - | - |
| 1101 | Family allowances | 1 | - | - | 1 |
| 1102 | Expatriation and foreign residence allowances | - | - | - | - |
| 1110 | Seconded national experts | 187,587 | - | - | 187,587 |
| 1111 | Contract agents | - | - | - | - |
| 1112 | Trainees | 1 | - | - | 1 |
| 1130 | Insurance against sickness | - | - | - | - |
| 1131 | Insurance against accidents and occupational disease | - | - | - | - |
| 1132 | Insurance against unemployment | - | - | - | - |
| 1133 | Employers pension contribution | - | - | - | - |
| 1142 | Other allowances and repayments | 10 | - | - | 10 |
| 1160 | Salary weighting | - | - | - | - |
| 1200 | Expenditure on recruitment procedures | 29,796 | - | - | 29,796 |
| 1210 | Travel expenses of recruited staff and family | 1 | - | - | 1 |
| 1220 | Installation resettlement and transfer allowances | 1 | - | - | 1 |
| 1230 | Removal expenses | 90,616 | - | - | 90,616 |
| 1240 | Temporary daily subsistence allowances | 0 | - | - | 0 |
| 1290 | External services | 1,072 | - | - | 1,072 |
| 1300 | Administrative mission expenses | 12 | - | - | 12 |
| 1400 | Medical service | 45,213 | 6,702 | - | 51,915 |
| 1410 | Education contribution | 20,291 | 14,986 | 293 | 35,570 |
| 1420 | Other socio medical contribution | 49,612 | 586 | 184 | 50,382 |
| 1500 | Learning and development | 158,434 | 1,333 | - | 159,767 |
| 1700 | Representation expenses receptions and events | 78,626 | - | - | 78,626 |
| Total Title I | | 661,273 | 23,606 | 477 | 685,357 |
| 2000 | Rental of building | 4 | - | - | 4 |
| 2010 | Insurance | - | - | - | - |
| 2020 | Utilities | 1 | 2 | 31,981 | 31,984 |
| 2030 | Maintenance cleaning and repairs | 428 | - | - | 428 |
| 2040 | Taxes and business rates | 1 | - | - | 1 |
| 2050 | Fitting out premises and refurbishment works | 2,353 | - | - | 2,353 |
| 2100 | Software packages and information systems | 13,046 | 1,317 | - | 14,363 |
| 2110 | Computing and telecommunications machinery equipment | 10,222 | 0 | - | 10,222 |
| 2120 | IT services consulting software development | 5,790 | 20,507 | - | 26,297 |
| 2300 | Stationery supplies and other administrative charges | 633 | 272 | - | 905 |

| | | | | | |
|------------------------|--|----------------|---------------|---------------|----------------|
| 2320 | Legal advice and consultations | 5,055 | 18,405 | - | 23,460 |
| 2332 | Other administrative and consulting expenditure | 1,691 | 5,396 | 43 | 7,130 |
| 2410 | Telecommunication charges | 2,100 | 3,387 | 339 | 5,825 |
| 2500 | Communications publications and translation | 0 | 730 | - | 730 |
| 2501 | Website | - | 10,485 | - | 10,485 |
| 2502 | Press and policy monitoring services subscriptions | 201 | - | - | 201 |
| Total Title II | | 41,524 | 60,501 | 32,362 | 134,388 |
| 3100 | Seminars and workshops | 1 | - | - | 1 |
| 3110 | Operational missions of staff | 4,333 | - | - | 4,333 |
| 3111 | General operational meetings costs | 21,611 | 1,300 | - | 22,911 |
| 3120 | Operational consulting services | 1 | - | - | 1 |
| 3122 | Subscriptions to data services | 586 | 815 | - | 1,401 |
| 3130 | Communication and publication activities | 3,242 | 645 | - | 3,887 |
| 3200 | Software packages and information systems | 68 | - | - | 68 |
| 3220 | IT services consulting software development | 1 | - | - | 1 |
| Total Title III | | 29,841 | 2,760 | - | 32,601 |
| GRAND TOTAL | | 732,639 | 86,867 | 32,839 | 852,345 |

5. Commitments outstanding at the end of the year

| Line | Item | Commitments outstanding at the end of 2020 | | | | Commitments of the current year | | | Total commitments outstanding |
|------|--|--|------------------------------|-----------|-------|---------------------------------|--------------|-------------------------|-------------------------------|
| | | Commitments carried forward | Decommitments/ Cancellations | Payments | Total | Commitments made | Payments | Commitments outstanding | |
| 1100 | Basic salaries | - | - | - | - | 14,093,504 | (14,093,504) | - | - |
| 1101 | Family allowances | - | - | - | - | 1,468,356 | (1,468,356) | - | - |
| 1102 | Expatriation and foreign residence allowances | - | - | - | - | 2,149,962 | (2,149,962) | - | - |
| 1110 | Seconded national experts | - | - | - | - | 875,012 | (875,012) | - | - |
| 1111 | Contract agents | - | - | - | - | 2,965,282 | (2,965,282) | - | - |
| 1112 | Trainees | 1,792 | - | (1,792) | - | 428,727 | (421,321) | 7,406 | 7,406 |
| 1130 | Insurance against sickness | - | - | - | - | 565,960 | (565,960) | - | - |
| 1131 | Insurance against accidents and occupational disease | - | - | - | - | 63,579 | (63,579) | - | - |
| 1132 | Insurance against unemployment | - | - | - | - | 219,636 | (219,636) | - | - |
| 1133 | Employers pension contribution | - | - | - | - | 2,005,804 | (2,005,804) | - | - |
| 1142 | Other allowances and repayments | - | - | - | - | 248,185 | (248,185) | - | - |
| 1160 | Salary weighting | - | - | - | - | 3,679,392 | (3,679,392) | - | - |
| 1200 | Expenditure on recruitment procedures | - | - | - | - | 34,763 | (34,563) | 200 | 200 |
| 1210 | Travel expenses of recruited staff and family | - | - | - | - | 1,982 | (1,982) | - | - |
| 1220 | Installation resettlement and transfer allowances | - | - | - | - | 87,221 | (87,221) | - | - |
| 1230 | Removal expenses | - | - | - | - | 87,784 | (87,784) | - | - |
| 1240 | Temporary daily subsistence allowances | - | - | - | - | 38,859 | (38,859) | - | - |
| 1290 | External services | 1,154 | - | (1,154) | - | 195,034 | (146,540) | 48,494 | 48,494 |
| 1300 | Administrative mission expenses | 38 | - | (38) | - | 14 | - | 14 | 14 |
| 1400 | Medical service | 8,595 | (6,702) | (1,893) | - | 27,491 | (26,053) | 1,438 | 1,438 |
| 1410 | Education contribution | 293,544 | (14,986) | (278,558) | - | 498,958 | (456,070) | 42,889 | 42,889 |

| | | | | | | | | | |
|-----------------------|--|------------------|-----------------|--------------------|----------|-------------------|---------------------|------------------|------------------|
| 1420 | Other socio medical contribution | 12,612 | (586) | (12,026) | - | 58,172 | (54,972) | 3,200 | 3,200 |
| 1500 | Learning and development | 154,630 | (1,333) | (153,297) | - | 355,422 | (149,720) | 205,701 | 205,701 |
| 1700 | Representation expenses receptions and events | - | - | - | - | 18,735 | (8,728) | 10,007 | 10,007 |
| Total Title I | | 472,365 | (23,606) | (448,758) | - | 30,167,835 | (29,848,485) | 319,350 | 319,350 |
| 2000 | Rental of building | - | - | - | - | 2,629,974 | (2,629,974) | - | - |
| 2010 | Insurance | - | - | - | - | 6,939 | (6,939) | - | - |
| 2020 | Utilities | 13,327 | (1,348) | (11,978) | - | 582,081 | (548,576) | 33,505 | 33,505 |
| 2030 | Maintenance cleaning and repairs | - | - | - | - | 260,872 | (237,539) | 23,333 | 23,333 |
| 2040 | Taxes and business rates | 48,843 | (10,156) | (38,687) | - | 194,341 | (194,341) | - | - |
| 2050 | Fitting out premises and refurbishment works | 33,201 | - | (33,201) | - | 198,435 | (185,101) | 13,335 | 13,335 |
| 2100 | Software packages and information systems | 5,706 | (1,317) | (4,389) | - | 890,841 | (733,875) | 156,966 | 156,966 |
| 2110 | Computing and telecommunications machinery equipment | 120,234 | (0) | (120,233) | - | 339,027 | (111,500) | 227,527 | 227,527 |
| 2120 | IT services consulting software development | 1,366,159 | (20,507) | (1,345,652) | - | 4,725,400 | (2,476,896) | 2,248,504 | 2,248,504 |
| 2300 | Stationery supplies and other administrative charges | 5,826 | (272) | (5,554) | - | 74,861 | (62,349) | 12,512 | 12,512 |
| 2320 | Legal advice and consultations | 18,405 | (18,405) | - | - | 38,245 | (495) | 37,750 | 37,750 |
| 2332 | Other administrative and consulting expenditure | 93,368 | (5,396) | (87,972) | - | 550,625 | (325,925) | 224,700 | 224,700 |
| 2410 | Telecommunication charges | 24,459 | (3,387) | (21,072) | - | 62,127 | (58,362) | 3,765 | 3,765 |
| 2500 | Communications publications and translation | 118,825 | (730) | (118,095) | - | 209,679 | (111,879) | 97,800 | 97,800 |
| 2501 | Website | 50,423 | (10,485) | (39,939) | - | 115,000 | (115,000) | - | - |
| 2502 | Press and policy monitoring services subscriptions | 43,790 | - | (43,790) | - | 151,474 | (151,474) | - | - |
| Total Title II | | 1,942,565 | (72,003) | (1,870,562) | - | 11,029,922 | (7,950,226) | 3,079,696 | 3,079,696 |
| 3100 | Seminars and workshops | - | - | - | - | 15,866 | (15,866) | - | - |
| 3110 | Operational missions of staff | - | - | - | - | 5,034 | (5,034) | - | - |
| 3111 | General operational meetings costs | 10,400 | (1,300) | (9,100) | - | 198,712 | (57,083) | 141,629 | 141,629 |
| 3120 | Operational consulting services | 528,497 | - | (528,497) | - | 957,608 | (311,389) | 646,219 | 646,219 |

| | | | | | | | | | |
|------------------------|---|------------------|-----------------|--------------------|----------|-------------------|---------------------|------------------|------------------|
| 3122 | Subscriptions to data services | 23,530 | (815) | (22,715) | - | 297,543 | (273,598) | 23,945 | 23,945 |
| 3130 | Communication and publication activities | 34,783 | (645) | (34,138) | - | 1,643,017 | (1,132,177) | 510,840 | 510,840 |
| 3200 | Software packages and information systems | 108,537 | - | (108,537) | - | 542,394 | (372,437) | 169,957 | 169,957 |
| 3220 | IT services consulting software development | 1,010,155 | - | (1,010,155) | - | 4,141,744 | (1,901,218) | 2,240,527 | 2,240,527 |
| Total Title III | | 1,715,902 | (2,760) | (1,713,142) | - | 7,801,917 | (4,068,801) | 3,733,116 | 3,733,116 |
| GRAND TOTAL | | 4,130,831 | (98,369) | (4,032,462) | - | 48,999,674 | (41,867,512) | 7,132,162 | 7,132,162 |

Financial systems and management

Since June 2011, the EBA has been using the accounting systems provided by the European Commission, which include ABAC Workflow for budgetary accounting, ABAC Accounting for financial reporting and ABAC Assets for the management of fixed assets. The ABAC system is the property of and is regularly validated by the Accounting Officer of the European Commission.

In December 2021, the financial systems of the EBA were validated by the Accounting Officer in compliance with Article 49(e) of the EBA Financial Regulation on the basis of work carried out by an independent accounting firm.

A full physical check of all IT items and all furniture items was performed in September-December 2019. A new fixed asset control exercise is scheduled to take place in Winter/Spring 2022 subject to the COVID-19 measures affecting the availability of the Authority's premises.