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Bundesverband Öffentlicher Banken Deutschlands e. V.
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Verband deutscher Pfandbriefbanken e. V.

Die Deutsche Kreditwirtschaft

Comments

on the consultation paper on ITS on disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities

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Contact:
Charly Gräfe
Associate
Telephone: +49 30 1663- 1758
E-mail: charly.graefe@bdb.de

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The **German Banking Industry Committee** is the joint committee operated by the central associations of the German banking industry. These associations are the Bundesverband der Deutschen Volksbanken und Raiffeisenbanken (BVR), for the cooperative banks, the Bundesverband deutscher Banken (BdB), for the private commercial banks, the Bundesverband Öffentlicher Banken Deutschlands (VÖB), for the public banks, the Deutscher Sparkassen- und Giroverband (DSGV), for the savings banks finance group, and the Verband deutscher Pfandbriefbanken (vdp), for the Pfandbrief banks. Collectively, they represent approximately 1,700 banks.

Coordinator:
Bundesverband deutscher Banken e.V.
Burgstraße 28 | 10178 Berlin | Germany
Telephone: +49 30 1663-0
www.die-deutsche-kreditwirtschaft.de
www.german-banking-industry.org

Comments on the consultation paper on ITS on disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities

The EBA wishes to collect input on the Draft Implementing Technical Standards (ITS) amending Commission Implementing Regulation (EU) 2024/3172, as regards the disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities.

General comments on this proposal

As part of the Omnibus Initiative, there are plans to simplify sustainability reporting (CSRD), in particular by adjusting its scope. These simplifications should also be reflected in the disclosure requirements for Pillar 3. It would make sense to align the scope of Pillar 3 with the CSRD, which could require the legislator to amend the CRR.

We welcome that the EBA is taking into account proportionality concerns and that it has already considerably reduced disclosure requirements for SNCIs compared to large institutions. However, these reduced requirements should also apply to other institutions (e.g. other listed institutions and large subsidiaries).

The Omnibus Initiative will result in less data being available in future, which is why the EBA's approval of proxy usage is particularly welcome. For much emissions data, especially in Scope 3, proxies are currently the only realistic way to map ESG factors. At the same time, the EBA should refrain from providing overly detailed information on the use of proxies as this would not provide any additional insights but make processing the data considerably more difficult.

With regard to the initial disclosure date for ESG risks, we would like to point out that Article 449a(3) sentence 2 CRR stipulates that disclosure requirements must not go beyond the reporting requirements. We therefore request clarification as to whether ESG disclosure requirements for newly applicable institutions will only apply once the corresponding reporting framework has been implemented. Since the reporting framework forms the basis for disclosures, particularly for SNCIs, no technical implementation and therefore no disclosures can be submitted by SNCIs and/or by the EBA for SNCIs without the establishment of final reporting requirements. Bearing in mind that a consultation on ESG reporting requirements would take place at a later date and an implementation period of at least 12 months (from the final draft to the start of the reporting period) is needed, an initial reporting reference date, and thus the first disclosure, on 31 December 2026 does not appear feasible. Furthermore, it is essential that the ITS disclosure and on ESG reporting requirements are both consistent and aligned with other EU regulations. Publication of the consultation paper on reporting requirements should take place after the initial assessment and take into account feedback from the disclosure consultation.

In order to give all institutions that are not currently subject to disclosure requirements the opportunity to adapt their internal processes for the required collection of data for the ESG disclosure, and to implement a harmonised schedule for ESG reporting as a whole, we propose postponing the initial disclosure and reporting of ESG requirements under this ITS until 31 December 2027.

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The proposed disclosure requirements set out in the new draft ITS – in particular regarding Scope 1 to Scope 3 emissions, NACE sector classification, transition and physical risks and equity exposures – clearly overlap with:

- the **CSRD**, which requires ESG metrics and qualitative explanations with similar content,
- the **Green Asset Ratio (GAR)** in accordance with the taxonomy regulation
- and the **ESG risk assessment** in accordance with the MaRisk amendment of 2024.

Much of the required information is already collected via the CSRD, ESG stress tests and other data queries. The additional disclosure in the ITS does not, therefore, lead to greater risk transparency, but rather to redundant repetition without the option of linking or cross-referencing.

In summary, we are therefore calling for:

- permission to link to existing CSRD content (e.g. via link to ESAP),
- a uniform, simplified disclosure frequency (annually for all templates and all institutions),
- the deletion of superfluous templates (e.g. Templates 6–10).

We welcome the taxonomy-related clarifications provided in the EBA no action letter.

If taxonomy disclosures are still required in the Pillar 3 report, even though supervisory authorities and all stakeholders will be able to access taxonomy disclosures in the management reports via ESAP, the current amendments to the delegated act on Article 8 of the Taxonomy Regulation should be taken into account.

We refer to the quick fix already published in the omnibus procedure and the amendment to the EU taxonomy adopted by the EU Commission, according to which significantly fewer institutions are required to collect data for determining the Green Asset Ratio (GAR) and financial companies subject to reporting requirements are allowed to suspend of taxonomy templates until 31 December 2027.

Finally, we would ask for clarification that, in accordance with Article 433a(2) CRR, large non-listed institutions are only required to disclose the EU CQ1 Template annually, contrary to the information provided on page 33, Table 3 of the consultation paper.

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Disclosures on ESG

1. Do you have any comments on the proposed set of information for Large institutions?

   The disclosure requirements could be designed more efficiently.

   In addition to the comments on other questions, please consider the following:

   We generally welcome changes which could improve the ESG reporting. The numerous changes and extensions of data requirements, as well as modifications in the presentation (adding/removing columns and rows), result in increased efforts, because every single change must be processed, such as modification of systems, instructions, validation rules, controls, etc.

   In addition, a group-wide communication is required in this regard, etc. Against this background, the proposed changes should be carefully evaluated from a cost-benefit perspective before they are officially classified as requiring implementation.

   Any significant change to reporting and disclosure frameworks requires different time periods for implementation depending on the individual bank processes. Even differences in frequency mean changes to internal reporting procedures, data quality controls and often require additional adjustments by external providers. We would welcome the EBA following the approach used e.g. by IASB to define the first disclosure reference date:
   a date with a sufficient implementation period (12-24 months) could be mandatory and an earlier implementation (to enable the usage of simplifications) should be allowed.

2. Do you have any comments on the simplified set of information for Other listed institutions and Large subsidiaries?

   Not the simplified but the essential set of information (designed for other non-listed institutions) should apply to other listed institutions and large subsidiaries with an option to disclose the full templates, if easier because of the parallel integration into the group disclosures.

3. Do you have any comments on the essential set of information proposed for SNCI and other non-listed institutions?

   CRR III extended the scope of disclosure requirements on ESG risks to include all institutions. In order not to excessively burden smaller institutions, the EBA’s mandate was limited. According to Article 449a(3) 1st subparagraph, second sentence CRR, the EBA’s mandate is limited to the (quantitative) information specified in Article 430(1)(h) CRR. For SNCIs and other non-capital-market-oriented institutions, the consultation paper provides for, among other things, the disclosure of Table 1A. This disclosure form requires extensive qualitative information and therefore goes beyond the requirements of Article 430(1)(h) CRR, which requires the reporting of exposures, i.e. quantitative information. We therefore request that Table 1A is deleted.

   In addition, non-capital-market-oriented SCNIs generally only have to disclose a few key metrics in accordance with Article 447 CRR. This principle should also apply to disclosures of ESG risks. In our opinion, the disclosure of Template 1A is therefore too comprehensive.

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We consider the geographical division of Template 1A into five regions to be problematic for smaller institutions that operate mainly on a regional basis. We are calling for this to be deleted, in particular for reasons of confidentiality (see also Q15).

4. Do you have any comments on the proposed approach based on materiality principle to reduce the frequency (from semi-annual to annual) of specific Templates (qualitative, Template 3, and Templates 6-10) for large listed institutions?

We support the EBA's intention to reduce the frequency of certain disclosure requirements for reasons of materiality. Core processes in risk management and business planning (relevant for qualitative tables), as well as the setting of climate targets (relevant for qualitative tables and Template 3), are generally conducted on an annual basis. The additional informational value of semi-annual disclosure compared to annual disclosure is also very limited for the quantitative Templates.

We maintain our view that **an annual disclosure frequency for all** ESG Templates is sufficient, for the following reasons:

- The relevant exposures are based on contracts with average maturities of five to ten years. As a result, only a small portion of the portfolio changes within a six-month period.
- The portfolio composition in Templates 1, 2, 4, and 5 is generally stable, as are the ESG metrics (Scope 1–3 emissions, EPC/EP scores, physical risks).
- ESG metrics based on banks' internal methodologies are typically validated or recalibrated annually, meaning that semi-annual disclosure does not provide meaningful additional information.
- The primary users of Pillar 3 disclosures also generally operate on an annual assessment cycle and are unlikely to systematically process interim reports.

While the proposed ESG disclosures could in general provide valuable information to the market, the marginal benefit of semi-annual reporting compared to annual reporting is very low. An annual frequency would, therefore, be appropriate and equally informative.

Regarding Templates 6–8 (see also question 30)**:**
We are strongly in favour of deleting Templates 6-8 in Pillar 3. A complete removal of these templates is justified, as they are of limited relevance for steering purposes and do not provide a risk perspective while unreasonably duplicating information. In particular:

- The content of these templates is already disclosed in the CSRD report as part of the management report and will be centrally accessible for stakeholders including supervisory authorities via ESAP in the very near future. The transparency objective is thus already achieved. The principle of reporting only once should be followed.
- A simplification via references cannot be implemented. References from the Pillar 3 report to other reports are not permitted.

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- Conversely, references from the CSRD report are not practical, as the Pillar 3 report is ususally not published simultaneously on the exact same date as the annual report. Often, the same staff are involved in preparing both reports, requiring a sequential finalisation process.

If a complete deletion is not feasible, we recommend including a risk-based justification and a cost-benefit analysis in the final EBA report. Alternatively, at least Templates 7 and 8 could be omitted, retaining only a significantly simplified version of Template 6.

Regarding other templates:

- Template 9 is voluntary and therefore does not require a specified disclosure frequency.
- Due to the recent adjustments to the GAR calculation, the BTAR Template (Template 9) appears to be obsolete and could be removed.
- Template 10 should also be voluntary or required only if significant measures are in place.

5. Do you have any comments on the transitional provisions and on the overall content of section 3.5 of the consultation paper?

In general, we support the suspension of Templates 6–10 and welcome the transitional provisions as a temporary relief measure. They should be extended until December 2027 (cf. the amended Delegated Act under Article 8 of the Taxonomy Regulation).

However, the proposed transitional provisions in the consultation paper do not explicitly address the taxonomy-related disclosures in Templates 1 and 4 ("of which environmentally sustainable (CCM)"). These data points are closely linked both conceptually and procedurally to the EU taxonomy Templates. Banks should, therefore, be exempted from reporting these data points in Templates 1 and 4 – as soon as possible and for as long as Templates 6–10 are not mandatory. To provide legal certainty, the EBA should explicitly clarify this in the ITS. We welcome the published no action letter.

We believe that taxonomy disclosures will not be comparable over an extended period for the following reasons:

- Ongoing adjustments to the taxonomy itself in the coming years,
- as well as reliance on the latest available data from counterparties, which leads to a significant time lag before calculation methods are fully synchronised across the entire portfolio and disclosures become consistent over time.

This dynamic supports either the removal or, at least, the suspension of taxonomy disclosures for a significantly longer period.

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If taxonomy disclosures are to remain mandatory under Pillar 3, the following should be considered:

- According to the amended Delegated Act under Article 8 of the Taxonomy Regulation, it is possible to suspend taxonomy reporting until 31 December 2027 if no information on activities under Articles 3 and 9 is disclosed (no "claim" of taxonomy associated activities).
- In this context, it should be ensured that Pillar 3 requirements (Templates 1, 4, and 6–10) do not preclude this suspension option. There needs to be a clarification here that Pillar 3 disclosures are not considered to be such a "claim". Otherwise, two requirements (EBA ITS and the option in Delegated Act) would be not compatible with each other. Another solution would be to explicitly classify as compliant the complete removal of all taxonomy related information in qualitative and quantitative Pillar 3 disclosures beginning on the reference date of 30 June 2025 and beyond.
- The EBA's transitional period should be adjusted from 31 December 2026 to 31 December 2027 accordingly.

In addition, under the amended Delegated Act, it is permissible to include voluntary taxonomy disclosures from counterparties in the GAR. As a result, the BTAR Template would become obsolete and should be removed.

We would also encourage the EBA to confirm that the transitional provisions apply to the EBA's ESG data ad-hoc collection (EBA/DC/498), as mentioned during the public hearing and in the no action letter. Specifically, the submission obligations for Templates D_06.00.a to D_10.00, as well as all other taxonomy-related information, should be suspended until at least the end of 2026 – or preferably until the end of 2027 in line with the above-mentioned Delegated Act. After the implementation of supervisory ESG reporting, these ad-hoc data requirements should be discontinued permanently.

In general, we'd like to point out that the relief measures are only helpful and effective if they are put in place early enough, at the right time, and are accepted by all supervisory authorities and auditors.

6. Do you have any comments on the proposed amendments to Table 1 and Table 3?

   From our point of view, the amendments to Table 1 and Table 3 should be omitted, as the changes are unnecessary and would require adjustments from banks that are already reporting.

7. Do you have any further suggestions on Table 1A?

   CRR III extended the scope of disclosure requirements on ESG risks to include all institutions. In order not to excessively burden smaller institutions, the EBA's mandate was limited. According to Article 449a(3) 1st subparagraph, second sentence CRR, the EBA's mandate is limited to the (quantitative) information specified in Article 430(1)(h) CRR. For SNCIs and other non-listed institutions, the consultation paper provides for, among other things, the disclosure of Table 1A. This disclosure form requires extensive qualitative information and therefore goes beyond the requirements of Article 430(1)(h) CRR, which expects the reporting of exposures, i.e. quantitative information. We therefore request that Table 1A is deleted.

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In addition, non-listed SCNIs generally only have to disclose a few key metrics in accordance with Article 447 CRR. This principle should also apply to disclosures of ESG risks. In our opinion, the disclosure of Template 1A is therefore too comprehensive.

We consider the geographical breakdown of Template 1A into five regions to be problematic for smaller institutions that operate mainly on a regional basis. We are calling for this to be deleted, in particular for reasons of confidentiality (see also Q3).

8. Do you have any comments on the proposed additions and deletions to the sector breakdown?

   In general, we understand the rationale behind the adjustments to the breakdown of the NACE sectors that make a large contribution to climate change and the underlying intention to provide the best possible transparency in this regard. Please see questions 9ff. for individual comments.

   The column "Of which exposures towards companies excluded from EU Paris-aligned Benchmarks" could be also deleted because of the data gap if the CSRD scope is amended. The breakdown of the scopes seems to be unnecessary as well; from a risk perspective the total amount of financed emissions is sufficient.

9. Do you have any views with regards to the update of the Templates to NACE 2.1?

   - **Non-financial corporations:**
     In the instructions, the scope of application of the Template remains limited to non-financial corporations. However, it is unclear whether and in which cases exposures in other customer groups (e.g. line 53: "L – Financial and insurance activities" or line 54: "Exposures to other sectors (NACE codes I, J, K, N-V)") need to be reported in Template 1. The specific requirements need to be clarified here.

   - **Economically sustainable exposures (column c):**
     Economically sustainable exposures are to be entered in column c of Template 1. It is our understanding that this includes both taxonomy-aligned exposures as well as those categorised as economically sustainable according to BTAR rules (see instructions referring to Articles 10 and 16, but not Article 8 of the Taxonomy Regulation).
     We request clarification as to whether this understanding is correct. If it is correct, we suggest clarifying in the instructions that determining the portion of economically sustainable exposures that exceeds the GAR assessment is voluntary.

     In addition, it must be assessed whether the BTAR is still relevant at all, as according to the delegated act adopted by the EU Commission, voluntary taxonomy disclosures from business partners not subject to reporting requirements may also be included in the GAR in future.

     While Templates 6 to 9 – if not deleted – will only need to be disclosed annually in future, large institutions will still be required to disclose Template 1 every six months, providing that taxonomy information is not deleted. When filling in column c, institutions would still have to update their taxonomy compliance disclosures every six months exclusively for Pillar 3. In order to actually achieve the planned simplification, Templates 1 and 4 should also only be disclosed annually.

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- **NACE code classification:**
  For all templates containing a NACE reference, the current requirement stipulates that, in the case of holding companies, the NACE sector of the specific company receiving the financing must be taken into account, particularly in the case of non-financial corporates. Similarly, for SPVs, the NACE sector of the parent company is definitive. Joint exposures are categorised according to the 'most relevant debtor'. However, this level of detail does not exist in other reporting regulations (e.g. FINREP), which makes comparability and semantic integration between the various reporting schemes difficult. We are therefore calling for a standardisation and harmonisation of the definitions.

10. Do you have any views with regards to NACE code K – Telecommunication, computer programming, consulting, computing infrastructure and other information service activities, and in particular K 63 – Computing infrastructure, data processing, hosting and other information service activities, whether these sectors should be rather allocated in the Template under section Exposures towards sectors that highly contribute to climate change?

11. Do you have any comments on the inclusion of row "Coverage of portfolio with use of proxies (according to PCAF)"?

    We welcome the possibility of using proxies in cases where bilateral data is not available.

    Column k already indicates the share of exposures per NACE code for which GHG emissions are available. In addition, the new line 57 should indicate the share of the portfolio for which proxies (based on PCAF) were used, both for total emissions and separately for Scope 1, Scope 2 and Scope 3.

    Total emissions are already calculated as the reciprocal of the values in column k. However, the additional detailed information for each scope leads to considerable additional effort without offering any corresponding added value from a risk perspective. We would therefore call for these differentiated requirements to be removed.

12. Do you have any further comments on Template 1?

13. Do you have any comments or alternative suggestions on Template 1A for SNCIs and other institutions that are not listed, regarding the sector breakdown?

    Rows 2 and 17 are "of which" sub-positions of row 1. However, both row 1 and row 17 are currently highlighted in bold, despite representing different levels of granularity. We recommend adjusting this formatting for clarity.

    It is unclear whether row 1 represents the sum of rows 2, 17, 22, 23 and 24. Summation rows should be clearly marked as such in the IT solutions.

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14. Do you have any additional suggestions how to adjust Template 1A for SNCIs and other institutions that are not listed?

    The IT solutions for Template 1A are not sufficiently clear to ensure correct and comparable reporting. Disclosure of physical risks is defined as follows: "Institutions shall disclose the total gross carrying amount of exposures subject to physical risk." It is unclear on what basis physical risks are to be measured. One possible approach might be to measure them based on real estate collateral and/or the location of the borrower (e.g. if there is no real estate collateral). Further explanations on this and examples similar to the sample entries for energy efficiency certificates for Template 2 (Section 6) should also be added to the IT solutions for Template 1A.

15. Do you have any further comments on Template 1A?

    The primary purpose of specifying certain sectors at NACE levels 2 and 3 is to gather information on institutions' exposures to the fossil fuel sector. However, in its current form, Template 1A also requires reporting of physical risks at this granular sectoral level. To ensure consistency for large institutions, we recommend removing or deactivating (greying out) the physical risk cells for NACE level 2 and 3 sectors - specifically the area covering rows 7–11 and 20 and columns b–g.

    Since Template 1A is designed for smaller institutions, which typically operate in more limited geographic areas, combining a detailed geographical and sectoral breakdown may result in data that could be traced back to individual companies. We, therefore, propose that Template 1A should not require a breakdown into five geographic areas (columns c–g). Only the total exposure to physical risk in column b should be reported, and columns c–g should be deleted accordingly.

    Finally, we find the references to international and EU policy frameworks and available benchmarks in IT solutions, Part 3, Section 2 unclear. The documents are mentioned, but further requirements or references to the documents are not given in the text. In addition, international non-binding frameworks, such as TCFD or GRI are included, whereas newer – and binding – EU rules, such as the CSRD or ESRS are not mentioned. We recommend deleting this paragraph. Where relevant, we consider it appropriate to include a reference to requirements that institutions within the scope are obliged to comply with (CRDVI, CSRD, EBA requirements) in the specific instructions.

16. Should Template 2 in addition include separate information on EPC labels estimated and about the share of EPC labels that can be estimated?

    The information on estimated EP scores is sufficient. EP scores are necessary because EPC labels are not implemented uniformly across the EU; their specific implementation (e.g., scale, methodology, validity period) varies from country to country. For this reason, additional information on EPC labels does not provide substantial added value. Since both EPC labels and EP scores can be converted into one another, it does not make sense to allow estimates only for EP scores. A harmonised approach to the use of estimates would be more appropriate and would also ensure consistency with the nearly identical table used in the STE surveys. If an EU-wide standardised mapping between EPC labels and EP scores is desired, the EBA would need to define clear guidelines for this.

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Additionally, we do not see any added value in the largely redundant presentation of columns b–g and h–o. The current structure of columns h–o complicates interpretation and reduces comparability across banks, making it, in our view, obsolete.

17. Should rows 2, 3 and 4 and 7, 8 and 9 for the EP score continue to include estimates or should it only include actual information on energy consumption, akin to the same rows for EPC labels?

    Under the current disclosure format, stakeholders receive a direct and comprehensive overview of the energy efficiency of real estate-backed exposures. This holistic view of property quality would be lost if only reported data were included in rows 2 to 4 and 7 to 9, and information on estimated energy performance values were shown separately in row 5.

    In our view, the information on data quality for energy performance values is already sufficiently disclosed through row 5 (or row 10) and column g1; thus, no changes to the current disclosure structure are necessary. If estimated EP scores were no longer included in rows 2, 3, and 4 as well as in rows 7, 8 and 9, the proposed additional columns g1 and g2 would become redundant and serve no practical purpose.

    Yes, rows 2, 3, 4 and 7, 8, 9 should continue to include estimated EP scores. The same approach should also apply to the EPC label section (see question 16).

18. Do you have any comments on the inclusion of information on covered bonds?

    We welcome the proposed scope of the requested information on cover pools. The established breakdown by EP scores and EPC labels, along with the information on estimates, provides investors with an appropriate level of insight into the energy efficiency of the properties securing the cover assets.

    However, the purpose of Article 14 of the Covered Bonds Directive is to ensure transparency regarding banks' covered bond programmes by requiring sufficiently detailed disclosures that enable investors to assess the profile and risks of these programmes.

    This objective is already achieved through the publication of detailed information on cover pools, as set out in paragraph 2 of Article 14 of the Covered Bonds Directive, which currently includes information on market risk, credit risk and liquidity risk. To provide a consistent and comprehensive view of all risks relevant to investor decisions regarding cover pools on a quarterly basis, information on ESG risks should be included via an extension of the dedicated transparency framework for covered bonds. This approach is more appropriate as ESG risk information on cover pools is only relevant to covered bond investors. Including this data in the general ESG risk disclosures within the overall disclosure report does not add informational value, since these exposures are already reflected in rows 2–4.

    In our view, amending Template 2 of the Pillar 3 framework to include the proposed row "of which: part of a cover pool of covered bonds" would not be useful in meeting investors' expectations. It does not facilitate ESG risk analysis for covered bond investors as they would need to consult two separate reports (the special transparency report on the cover pool and Template 2 of the Pillar 3 disclosures) to gather all relevant information.

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19. Do you have any comments on the breakdown included in columns b to g on the levels of energy performance?

    The breakdown included in columns b to g on the levels of energy performance is implementable for banks.

20. Do you have any further comments on Template 2?

    The instructions on the disclosure of gross carrying amounts for real estate collateral in Template 2 (Section 6) of the IT solutions are very helpful. However, it is unclear why the distribution of the gross carrying amounts deviates from FINREP reporting requirements. This prevents comparability with the F13.00 forms and semantic integration between ESG reporting and FINREP.

    The distribution of carrying amounts should be standardised across the reporting formats.

    In our view, it would also be more efficient and helpful for comparability if uniform entry requirements were to apply to identical tables in disclosure and STE.

21. Do you have any comments on Template 3?

    In our view, the sectors that have had to be entered up to now should remain the same. The reference to sectors from TCFD requires institutions to conduct additional reviews and analyses. Also, Template 3 is limited to exposures to non-financial corporations and SME exposures. It is therefore not clear why the TCFD sub-industries ‘Banks and insurance firms’ have any relevance at all. In our view, NACE sector entries should remain in Template 3 so they can also be transferred to other ESG disclosures. The introduction of an additional industry classification based on GICS or TCFD sub-industries will result in considerable additional effort for institutions.

    The instruction for column k should be better formulated. The explanation “Reference year (e.g. 2040, 2050 or other) being the year in which the bank has set a target” is contradictory. The year in which the bank has set a target can only refer to a date in the past.

    In general, the removal of template 3 should be considered as to methodology challenges and more relevance for impact than for risk perspective.

22. Do you have any comments with the proposals on Template 4 and the instructions?

    We agree with the additional guidance on this Template, which is consistent with our understanding of the present disclosure requirements.

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23. Do you have any views on whether this Template could be improved with some more granular information in the rows, by requesting e.g. split by sector of counterparty or other?

    In our view, no extensions or additional dimensions should be included in Template 4. The more granular the required disclosures become, the more problematic they are from a business strategy perspective.

    Expanding the current information on the 20 most carbon-intensive corporates through further breakdowns would not provide added value for the intended users of the Pillar 3 disclosure report that would justify the significant additional effort. Moreover, the share of exposures captured by this Template is very low across banks. Given this low relative materiality, we see no benefit in increasing the level of detail.

    Any discussion on introducing more granular information could be revisited at a later stage, depending on data availability after the finalisation and initial implementation years of the Omnibus proposals. Banks should be given sufficient time to stabilise their reporting systems following a very dynamic period of sustainable finance regulatory changes.

24. Do you have any further comments on Template 4?

    Template 4 requires the disclosure of exposures to the 20 largest, most CO_2-intensive counterparties. However, the data used to determine the top 20 counterparties is usually several years old. It cannot be ruled out that the identified counterparties have adapted their business models and strategies in response to climate change and now invest more heavily in renewable technologies.

    In future, the source of the TOP 20 list used should be specified. In the interests of taking a uniform approach, we would call for a list to be published by (or on behalf of) the EBA that can be used by every institution.

25. Do you have any comments on the proposal using NUTS level 3 breakdown for Large institutions and NUTS level 2 for Other listed institutions and Large subsidiaries? Would NUTS level 2 breakdown be sufficient for Large institutions as well?

    We understand the EBA's objective to harmonise the regional breakdown of exposures subject to physical risks. However, the proposed changes require mandatory disclosure across twelve Templates with different regional breakdowns. This represents a significantly higher burden for reporting banks compared to the current requirements under Implementing Regulation (EU) 2022/2453.

    We assume that physical events (e.g., heatwaves, droughts) generally affect larger regions (such as NUTS 2 regions), rather than smaller administrative areas (such as cities or districts).

    To achieve a balanced approach between transparency, comparability and reporting burden, we consider a breakdown at the NUTS 2 level to be appropriate for large credit institutions. We strongly oppose any further breakdown to the NUTS 3 level.

    From our perspective, NUTS 3 level reporting does not meet the objectives of Pillar 3 disclosures for the following reasons:

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- **Excessive granularity:** Large, geographically diversified banks typically do not have significant concentrations in individual NUTS 3 regions. Without a materiality threshold, banks would have to disclose regions representing as little as 2–3% of their total portfolios.
- **Lack of comparability:** A highly detailed breakdown does not enhance comparability across banks. In practice, only a few NUTS 3 regions would appear among the top exposures of multiple banks, making the data difficult for external stakeholders to interpret.
- **Low risk relevance:** NUTS 3 is an administrative classification and does not adequately reflect actual physical risk exposure. For example, a major flood-prone river may span several NUTS 3 regions.

For meaningful comparability, we propose defining the geographical units as follows if a bank has material exposures in multiple countries

- Total exposures
- EU exposures
- The country with the largest exposures, and any other country representing more than 20% of total exposures (materiality threshold)

Additionally, we propose summarising information on the top ten exposures to climate risks in a single table.

Furthermore, we note that NUTS codes are generally not used in other reporting frameworks. The only exception is the AnaCredit reporting, which will be replaced by IReF after 2029. Instead of NUTS codes, national postal codes should be used, as they are more understandable for market participants. If necessary, the EBA could perform the mapping from postal codes to NUTS codes internally.

26. Do you have any comments on the instructions for the accompanying narrative and on whether they are comprehensive and clear?

The instructions in paragraphs 5 and 6 of the Annex XL, listing all aspects of the narrative disclosure requirements are comprehensive enough to clearly define the regulatory expectations for the narrative explanations accompanying Template 5.

However, the extensive information including rationale and justifications that must be disclosed leads to high additional effort compared to the narrative accompanying the current Template 5. In our opinion, more principle-based instructions would be sufficient.

27. Do you have any further comments on Template 5 and on its simplified version Template 5A?

Regarding Template 5:

Although we understand EBA’s motivation, the change in the breakdown of exposures subject to physical risks from the categories “acute vs. chronic” hazards to the four specific climate-related hazards set out in columns h to k of Template 5 leads to significant additional effort for the reporting banks.

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This is because:

- For other queries, questions still need to be answered that are aimed at differentiating between acute/chronic and do not allow the currently proposed differentiation regarding temperature, wind, etc.
- In addition, the data for the assessment of "solid mass-related" risks is in most cases currently not available.
- Even though some of the data are used for the taxonomy assessment, they are generally not currently available in the systems on which disclosures are based.
- In addition, it is unclear how to proceed in cases where exposures can be allocated to several of the risks listed.

Finally, the changes must be processed (e.g. modification of IT systems, instructions, validation rules, controls, etc.). A group-wide communication is required in this regard.

In addition to our comments above on Template 5, we suggest that the instructions to Template 5 should clarify whether mitigating actions should be deducted from the amounts disclosed for exposures subject to physical risk. If this is the case, it should also be specified which type of mitigating actions are deductible.

Overall, we conclude that concerning Template 5, the proposed amendments do not lead to any relief and therefore contradict the overarching aim to simplify the reporting process for credit institutions as set out in paragraph 2 of the consultation paper.

28. Do you have any comments on the proposal to fully align Templates on the GAR, that is, Templates 7 and 8, with those under the Taxonomy delegated act by replacing the Templates with a direct cross reference to the delegated act?

We welcome the principle of aligning the information in the templates mentioned with the Taxonomy Regulation. However, in our opinion, duplicating disclosure of the same templates in the sustainability report and in the disclosure report is unnecessary and would increase the amount of effort required in the creation process. It would therefore make sense, in our view, to dispense with publishing the templates in the CRR disclosure report altogether (see also our answer to question 4)

Regarding Templates 6–8:
We are strongly in favour of deleting Templates 6-8 and believe a complete removal of these templates is justified, as they are of limited relevance for steering purposes and do not provide a risk perspective while unreasonably duplicating information. In particular:

- The content of these templates is already disclosed in the CSRD report as part of the management report and will be centrally accessible for stakeholders including supervisory authorities via ESAP in the very near future. Thus, the transparency objective is already achieved. The principle of reporting only once should be followed.
- A simplification via references cannot be implemented. References from the Pillar 3 report to other reports are not permitted.

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- Conversely, references from the CSRD report are not practical, as the Pillar 3 report is generally not published simultaneously on the exact same date as the annual report. Often, the same staff are involved in preparing both reports, requiring a sequential finalisation process.

If a complete deletion is not feasible, we recommend including a risk-based justification and a cost-benefit analysis in the final EBA report. Alternatively, at least Templates 7 and 8 could be omitted, retaining only a significantly simplified version of Template 6.

29. Do you have any comments on the proposal related the BTAR and to keep it voluntary?

    Providing BTAR information – if this indicator is retained – should continue to be voluntary. We support this approach. Calculating the BTAR is complex and will be challenging given the data gap, particularly in the area of SME exposures. Each bank should be allowed to make its own decision based on its individual characteristics and preferences.

    The amended Delegated Act on Article 8 of the Taxonomy Regulation permits the inclusion of voluntary taxonomy information on business partners in the GAR. This makes the BTAR Template generally obsolete and it should be deleted.

30. Do you have any comments regarding the adjustments to Template 10?

    Template 10 should be voluntary or required only if significant measures are in place.

    We support the adjustments to the vertical structure (breakdown by rows) of the proposal for Template 10.

    However, we disagree with horizontal structure of the proposal for the following reason: From the theoretical perspective, we understand the intended extension of Template 10 to all environmental objectives. The differentiation by individual environmental objectives cannot be widely implemented in the short and medium terms.

    The current tools used by banks to assess sustainable investments, which do not fulfil the EU taxonomy criteria, typically do not provide results that allow a clear allocation of the financial assets to distinct environmental objectives. In this respect, it is not possible to provide the amounts for the individual columns of Template 10 without undue effort.

    We, therefore, propose not differentiating between environmental objectives, i.e. merging the draft columns b to g in Template 10 into one column.

31. Do you have any further comments on the Consultation Paper Pillar 3 disclosures requirements on ESG risk?

    According to the draft, large institutions within the scope of taxonomy reporting would be required to disclose the taxonomy Templates to fully align both frameworks. In principle, we support the proposal that banks not subject to taxonomy reporting requirements should not be obliged to disclose or report taxonomy data under the CRR.

    However, it remains unclear which definition of “large” is being applied – whether it follows the Accounting Directive or the CRR – as the balance sheet size criterion alone differs significantly between these definitions. This should be clearly clarified. To avoid discrepancies and unintended consequences from future adjustments to the scope of taxonomy reporting, we recommend omitting the taxonomy Templates from the Pillar 3

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report. Given that this information is already disclosed in the CSRD report, no loss of transparency would occur.

Considering the Omnibus I simplification package, most institutions will have very limited – if any – exposure to companies reporting sustainability information under CSRD and ESRS. It is therefore crucial that this reality is reflected in Pillar 3 reporting requirements. Otherwise, the ESG disclosure requirements under Pillar 3 could create new ESG data demands on institutions' clients, which would be counterproductive to the objectives of Omnibus I.

We support the EBA's proposed proportionality approach, which distinguishes not only by size and complexity but also by whether the institution is listed. We encourage the EBA to apply similar proportionality considerations across other ESG areas, including risk management and scenario analysis.

Finally, we find it unhelpful that the ESG-related tables and Templates use generic names such as "Table 1" or "Template 1", while all other Pillar 3 tables and Templates follow a different naming convention. Other qualitative tables under Pillar 3 are typically named "Table EU [Topic Abbreviation][Sequential Letter]" and quantitative Templates are named "Template EU [Topic Abbreviation][Sequential Number]". We suggest applying this same naming approach to ESG-related Templates, so that the first qualitative table would be named "Table EU ESGA" and the first quantitative Template "Template EU ESG1", and so on.

Disclosure of the aggregate exposure to shadow banking entities

32. Are the new Template EU SB 1 and the related instructions clear to the respondents? If no, please motivate your response.

    We welcome the EBA's choice, given its explanations, to limit the scope of disclosure requirements to Option 7b, "aggregate exposure". This scope is sufficient to comply with the requirements in Article 449b CRR.

    We also welcome the initial disclosure deadline being set at 31 December 2026. This gives the institutions and their service providers sufficient time to implement the requirements. We assume these framework conditions will also apply to the new reporting process for aggregated shadow banking exposures. The new forms for reporting aggregate exposure to shadow banking entities is not yet available. We assume they will cover the same areas as the disclosure forms.

33. Do the respondents agree that the new Template EU SB 1 and the related instructions fit the purpose and meet the requirements set out in the underlying regulation?

    Due to the references in Article 449b to Article 394(2) CRR and since the RTS pursuant to Article 394(4) CRR applies to paragraph 2 in its entirety, the definition of shadow banking entities applicable to disclosures (introduced in CRR III, Article 4(1)(155)) is clearly regulated.

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Disclosure of equity exposures

34. Are the amended Template EU CR 10.5 and the related instructions clear to the respondents? If no, please motivate your response.

35. Do the respondents agree that the amended Template EU CR 10.5 and the related instructions fit the purpose and meet the requirements set out in the underlying regulation?

    We agree with the amended Template EU CR 10.5 and ask for the option to use it starting with the reference date 30 June 2025.

Mapping tool

36. Do the respondents consider that the "mapping tool" appropriately reflects the mapping of the quantitative disclosure Templates with supervisory reporting Templates??

    The mapping tool is only partially meaningful with respect to Template EU SB1, as the corresponding reporting Template C 37.00 has not yet been published and is still pending its first consultation. In this context, we would welcome an assurance that the upcoming consultation on the reporting Templates will not result in changes to the disclosure Template.

    The last published mapping tool includes Step 2. Please clarify the first reference date for this version of the mapping tool. Additionally, the most recent mapping tool is not consistent with the technical package of DPM 4.1 (e.g., Template EU CR 10.5). If a different version of the mapping tool should be used until the implementation of CRR 3 / Step 2, this should be clearly indicated and the corresponding version should be published on the DPM 4.1 webpage.

    In general, the mapping tool does not yet adequately reflect the link between quantitative disclosure Templates and supervisory reporting Templates. This is mainly due to the frequent instances marked as "no mapping available." We recommend a comprehensive review and adjustment of the tool to ensure a more complete and accurate mapping that aligns with regulatory expectations. We identified several inconsistencies in the mapping tool for Template EU CR5 and others leading to incorrect information.

    In this context, we would encourage the EBA to provide a permanent fast-track mechanism for feedback on issues related to the mapping tool.

    Additionally, we have the following comments on the Templates and validation rules provided with reporting framework 4.1:

    - The structure of Templates D03.01 and D03.02 differs slightly from Template 3 of the ITS on disclosure and from Templates K_43.01 and K_43.02 in reporting framework 4.1. Unless there is a compelling reason for these differences, we encourage aligning the structure, order and data content/units to avoid unnecessary sources of data errors.

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- Regarding Template D_07.00.a, the cells now enabled in rows 0240, 0250, 0260 and 0270 (in column 110) should continue to be greyed out, as in Template K_47.00.a. A subset “of which enabling” cannot be calculated if no taxonomy-eligible and taxonomy-aligned values (columns 070 & 080) are reported. The corresponding cells in Template D_08.00 remain correctly greyed out.
- Some validation rules are inconsistent and have occasionally been changed from correct to incorrect (e.g., v12723_m and v12724_m, where after the last update, sector I “Hotel / Service” was switched to an incorrect validation).