
EBA REPORT

ON CERTAIN TAXONOMY KEY
PERFORMANCE INDICATORS AND
OTHER ASPECTS OF THE DISCLOSURES
DELEGATED ACT UNDER ARTICLE 8 OF
THE TAXONOMY REGULATION

EBA/REP/2026/19

OCTOBER 2026

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Abbreviations

CapEx	Capital expenditure
CSRD	Corporate Sustainability Reporting Directive
EIOPA	European Insurance and Occupational Pensions Authority
ESA	European Supervisory Authority
ESMA	European Securities and Markets Authority
GAR	Green Asset Ratio
KPI	Key performance indicator
M&A	mergers and acquisitions
MTF	multilateral trading facility
OpEx	operational expenditure
OTF	organised trading facility

Executive summary

On 4 March 2026, the European Commission requested the European Supervisory Authorities (ESAs) to develop targeted technical advice to support the review of the Commission Delegated Regulation (EU) 2021/2178, hereafter referred to as the Disclosures Delegated Act. In this report, the EBA presents its technical advice to the European Commission with a view to improving the usability, relevance and proportionality of the Taxonomy disclosures and in the context of the overall efforts to simplify and increase the efficiency of the regulatory framework.

The analysis and conclusions presented in this report address issues raised in the European Commission's call for advice, some of which are specific to the EBA's remit, while others are of a horizontal nature, on which the EBA provides advice in coordination with the other ESAs. In the development of the analysis and conclusions the EBA consulted stakeholders and received their feedback and technical input. Based on this, the EBA puts forward the following:

- **Limiting the Fees and Commissions KPI to capital markets-related activities**

The EBA assessed various services included within the scope of the Fees and Commissions KPI and proposes a refined scope focused on capital market activities in response to the request. However, due to the limited relevance of this KPI and significant operational challenges, the EBA advises the European Commission to remove the KPI from Taxonomy disclosure requirements. As an alternative, the European Commission may consider introducing a simpler and more meaningful KPI, with the objective of capturing credit institutions' intermediation activities in capital markets, and aligned with metrics used in market practice.

- **Connecting the Trading Book KPI to market liquidity**

The EBA presents a review of the Trading Book KPI with a focus on the provision of market liquidity through market making. However, due to the limited informative value of this KPI and significant operational challenges in its application, the EBA advises the European Commission to remove the Trading Book KPI from the requirements. As an alternative, the European Commission may consider a simpler KPI for the market making activities of credit institutions.

- **Narrowing the 'other services' KPI of investment firms**

The EBA advises narrowing the services included in the KPI to those most relevant to capital markets and further considering a shift from a revenue-based metric to an asset value-based measure, with a view to achieving greater alignment with similar KPIs for asset managers and the asset management activities of credit institutions.

- **Aligning the grandfathering rules with the approach under the EU Green Bond Standard**

The EBA supports the European Commission's proposal to align grandfathering rules between the two regulations for debt securities issued in accordance with the EU Green Bond Regulation. However, this alignment should take into account structural differences between the financial instruments. Consequently, the EBA advises the European Commission to allow unlimited grandfathering for other financial instruments such as use-of-proceeds loans and advances at the point of origination.

- **Considering OpEx for the calculation of the KPIs of financial institutions**

The ESAs are of the opinion that the potential voluntary use by financial undertakings in their KPIs of OpEx information disclosed by non-financial undertakings would be of limited use and could increase complexity and administrative burden, while providing only marginal additional value and potentially reducing comparability of disclosed KPIs. As a result, the ESAs advise the European Commission not to introduce the voluntary use of the OpEx KPI in the Taxonomy disclosures of financial undertakings.

- **Development of simple but meaningful rules for disclosing Taxonomy KPIs at group level and for subsidiary disclosures**

The ESAs are of the opinion that the current rules as set out in the existing regulation, which are based on the prudential scope of consolidation for credit institutions, should remain in place but require further clarification to ensure efficient, accurate, harmonised and transparent application. The ESAs advise determining the main reporting regime primarily by reference to the nature of the parent undertaking, subject to a specific rule for financial conglomerates and other mixed groups. Additional disclosures should be provided for secondary activities of a different nature where their cumulative consolidated turnover reaches 10%, unless those activities are already adequately captured by the main reporting regime or serve exclusively intragroup needs. The ESAs also advise against calculating a single KPI combining different financial and non-financial activities carried out by a group.

- **Recommendations for other targeted simplifications and improvements**

In addition to these issues raised, the European Commission invited the EBA to investigate and propose other targeted improvements considered beneficial. To that end, the EBA advises the European Commission to consider aligning the methodology and design of the KPIs for asset managers, credit institutions' off-balance sheet assets under management information and investment firms' 'other services' KPI. The KPIs could reflect the value of assets related to the activity or service provided based on a harmonised methodology converging the content of information for the fiduciaries. Finally, the EBA recommends a number of clarifications and simplifications to disclosure requirements and templates for credit institutions.

1. Introduction

1.1. Background

1. In March 2026, the European Commission requested¹ the European Supervisory Authorities (ESAs) to develop technical advice on certain Taxonomy key performance indicators (KPIs) of the Disclosures Delegated Act² under the Taxonomy Regulation³. The ESAs' technical advice is expected to inform the European Commission's review of that Delegated Act.
2. The envisaged technical review of the Disclosures Delegated Act by the European Commission complements the amendments introduced to that Delegated Act as part of the Omnibus simplification package⁴. The latter introduced several amendments to disclosure requirements, including, amongst other things, simplified disclosure templates for credit institutions and investment firms and postponed the disclosure of Fees and Commissions and Trading Book KPIs for credit institutions.
3. The Omnibus simplification package refocused the scope of Taxonomy disclosure requirements on financial and non-financial undertakings that have more than 1000 employees with a net turnover of at least EUR 450 million.⁵
4. In the scope of its request, the European Commission invited the EBA to investigate and provide technical input on the following issues:
 - a. **limiting the Fees and Commissions KPI to capital markets-related activities:** the EBA could explore ways to narrow down the scope of the Fees and Commissions KPI to activities related to capital markets, such as those related to securities issuance, M&A and corporate finance and services supporting the issuance and trading of green

¹ Reference to the CfA (Ref. Ares(2026)2366154) on the EBA website ([link](#)).

² Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation, OJ L 443, 10.12.2021, p. 9.

³ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, OJ L 198, 22.6.2020, pp. 13–43.

⁴ Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives, OJ L, 2026/73, 8.1.2026

⁵ The amendment allows large undertakings with an average of more than 1000 employees and a net turnover not exceeding EUR 450 million during the financial year to disclose information under Article 8 of the Taxonomy Regulation in a more flexible way.

- (Taxonomy-aligned) securities (reception, transmission and execution of orders, clearing and settlement, custody);
- b. **connecting the Trading Book KPI to market liquidity:** the EBA could explore ways to narrow down the scope of the Trading Book KPI to providing market liquidity through market making, with a clear focus on providing liquid markets for green (Taxonomy-aligned) securities;
 - c. **narrowing the ‘other services’ KPI of investment firms:** the scope of the ‘other services KPI’ of investment firms could be narrowed down in line with the Fees and Commissions KPI of credit institutions;
 - d. **five-year grandfathering period for financial exposures in terms of compliance with Taxonomy criteria (in case criteria are revised and the investee company does not comply with new rules):** the EBA, in cooperation with ESMA and EIOPA, could explore ways to align rules with the approach under the EU Green Bond Standard⁶.
5. In addition to the specific points addressed to the EBA, the European Commission invited the ESAs to provide technical input on the following horizontal issues:
- a. **OpEx for the computation of the KPIs of financial institutions:** explore ways to allow financial institutions to use on a voluntary basis the OpEx KPI reported by counterparties for computing in their KPIs their exposures to non-financial undertakings;
 - b. **group level Taxonomy reporting:** explore the development of simple but meaningful rules for reporting Taxonomy KPIs at group level for groups providing both non-financial and financial services (group treatment), or different financial activities and services (insurance, lending, investment) and for subsidiary reporting. This should ensure that there is a common approach for group treatment involving non-financial and financial undertakings.
6. The EBA, together with other ESAs, are also invited to explore and propose other targeted simplifications and improvements to any general Taxonomy reporting rules.

1.2. Objective and approach

- 7. The objective of Taxonomy disclosures is to create a standardised and transparent framework showing the extent to which market activities are environmentally sustainable in accordance with the Taxonomy Regulation.
- 8. By providing transparent and standardised information to investors about the environmental performance of assets and economic activities of financial and non-financial undertakings, the

⁶ Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds, OJ L, 2023/2631

regulatory framework aims to support market growth for environmentally sustainable activities, improve funding conditions for these activities, and help mitigate greenwashing.

9. The EBA's assessment of the technical issues presented in this report is based on the principles highlighted by the European Commission in its request.⁷ In addition to these principles, the EBA's assessment of the technical issues takes into account the following:
 - a. relevance, decision-usefulness, and adequacy of the information for the objective of Taxonomy disclosures for the users of Taxonomy-related sustainability information such as investors, analysts, policymakers, non-governmental organisations and other stakeholders;
 - b. materiality of information and proportionality of requirements for preparers, considering both the costs to preparers and the usefulness of the information to users; and
 - c. simplification and burden reduction objectives related to sustainable finance regulation and policy initiated in the context of the Omnibus package.

1.3. Process

10. Although the ESAs submitted their technical advice to the European Commission separately, they closely cooperated and coordinated to ensure consistency across their responses. The ESAs therefore provided common responses to the horizontal issues in their respective final documents.
11. In developing its advice, the EBA completed a public consultation to receive stakeholder feedback on the EBA's preliminary analysis and proposals on the issues raised in the European Commission's request.⁸ The EBA's technical advice to the European Commission accounts for the stakeholder feedback received in the consultation. The Annex (including Figure 6, Figure 7 and Table 5) provides an overview of the stakeholder participation to the consultation and a summary of the feedback.
12. Furthermore, where applicable and possible, the EBA used supervisory data to conduct evidence-based analysis to support qualitative arguments with quantitative information. In the absence of ad-hoc data collection and call for evidence specific to this exercise, supervisory data provide an adequate source of information to estimate, to the extent possible, the magnitude and materiality of the KPIs for credit institutions and investment firms.

⁷ This refers to Part 3 (Principles) of the Call for Technical Advice (Ref. Ares(2026)2366154). It covers the principles related to autonomy, reliable samples of qualitative and quantitative data, justified solutions, cooperation between the ESAs, cooperation with other EU bodies, absence of conflict of interest, gathering the views of relevant market participants, and no legal text form of the ESAs' technical advice.

⁸ In July, the EBA published a Discussion Paper on Taxonomy disclosures launching a public consultation which took place between 1 July and 12 August and included a public hearing.

1.4. Content

13. The structure and content of this report are organised by the issue to be addressed in accordance with the European Commission's call for technical advice. Each issue is addressed in a separate section, containing the analysis and advice. In each case, the analysis refers to current requirements related to the issue in question, presents the assessment of technical aspects and considerations on the magnitude, materiality and relevance of the issue, where applicable and possible.

2. Analysis of the issues and technical advice

2.1. Fees and Commissions KPI

2.1.1. Current requirements

14. The Disclosures Delegated Act requires credit institutions to disclose information on services other than lending and asset management associated with economic activities that qualify as environmentally sustainable under the Taxonomy Regulation. Accordingly, credit institutions are required to disclose the Fees and Commissions KPI based on the content of the financial information reported to supervisors in accordance with Implementing Regulation (EU) 2024/3117 (FINREP).⁹

15. The table below presents the list of services included in the Fees and Commissions KPI of credit institutions under Taxonomy disclosures together with the mapping of these services to the relevant datapoints in supervisory reporting.¹⁰

Table 1 Fees and Commissions KPI: mapping between Taxonomy disclosure requirements and supervisory reporting

Services indicated under Taxonomy disclosures	Corresponding datapoints in supervisory reporting, FINREP template 22.1		Corresponding instructions in supervisory reporting
(a) issuance or other services related to third party securities	0030	Issuances	'Issuances' shall include fees and commissions received for the involvement in the origination or issuance of securities not originated or issued by the institution.
	0050	Other fee and commission income in relation to securities	'Other fee and commission income in relation to securities' shall include fees and commissions generated by the institution providing other services related with securities not originated or issued by the institution.

⁹ Commission Implementing Regulation (EU) 2024/3117 of 29 November 2024 laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to supervisory reporting of institutions and repealing Commission Implementing Regulation (EU) 2021/451

¹⁰ The EBA is currently reviewing the ITS on supervisory reporting (Commission Implementing Regulation (EU) 2024/3117) – Module on FINREP. This may have an impact on the datapoints linked to the Fees and Commissions KPI under Taxonomy disclosures.

(b) reception, transmission and execution on behalf of customers of orders to buy or sell securities	0040	Transfer orders	'Transfer orders' shall include fees and commissions generated by the reception, transmission and execution on behalf of customers of orders to buy or sell securities.
(c) merger and acquisition undertakings advisory services	0052	M&A advisory	'M&A advisory' shall include fees and commissions for advisory services surrounding corporate clients' mergers and acquisitions activities.
(d) undertakings finance services related to capital market advisory for undertakings, clients or other	0053	Treasury services	'Treasury services' shall include fees and commissions for corporate finance services related to capital market advisory for corporate clients.
	0054	Other fee and commission income in relation to corporate finance activities	'Other fee and commission income in relation to corporate finance activities' shall include all other corporate finance related fees and commissions.
(e) private banking related fees	0055	Fee based advice	'Fee based advice' includes fees and commissions charged for advisory services to clients such as private banking related fees that are not directly linked to asset management. M&A advisory fees shall not be included here, but under 'Corporate Finance. M&A advisory'.
(f) clearing and settlement services	0060	Clearing and settlement	'Clearing and settlement' shall include fee and commission income (expenses) generated by (charged to) the institution where participating in counterparty, clearing and settlement facilities.
(g) custody and other related services	0080	Custody [by type of customer]	'Custody' shall include fee and commission income (expenses) generated by (charged to) the institution where providing these services.
(h) payment services	0131	Payment services	'Payment services' shall include fee and commission income (expenses) generated by (charged to) the institution where it provides (receives) payment services as referred to in Annex I of the Directive (EU) 2015/2366. Information on the fee and commission income shall be reported separately for current accounts, credit cards, debit cards and other card payments, transfers and other payment orders as well as other fee and commission income in relation to payment services. 'Other fee and commissions income in relation to payment services shall include, among others, charges for the use of the institution's ATM network by cards not issued by the institution. Information on fee and commission expenses on credit, debit and other cards shall be reported separately as well.
(i) fee and commission income for distribution of products issued by entities outside the prudential group to its current customers	0140	Customer resources distributed but not managed [by type of product]	'Customer resources distributed but not managed [by type of product]' shall comprise fee and commission income for distribution of products issued by entities outside the prudential group to its current customers. This information shall be reported by type of product.
(j) loan servicing activities	0190	Loan servicing activities	Fees from 'Loan servicing activities' shall include, on the income side, the fee and commission income generated by the institution providing loan servicing services and on the expense side, the fee and commission expense charged to the institution by loan service providers.
(k) foreign exchange services and international transactions	0213	Foreign exchange	'Foreign exchange' includes fee and commission income (expenses) for foreign exchange services (including exchange of foreign banknotes or coins, fees on international currency cheques, bid-ask-spread) and fee income from / expenses on international transactions; where the income

			(expenses) attributable to foreign exchange transactions can be separated from the other credit/debit card related fee income, this item shall also include foreign-exchange related fees and commissions generated via credit or debit cards.
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16. The numerator of the KPI includes the fees and commissions income from in-scope activities and services other than lending and asset management provided to undertakings associated with Taxonomy-aligned economic activities. This is estimated by weighting the fees and commissions income from each counterparty with the proportion of turnover and CapEx associated with Taxonomy-aligned economic activities of the undertaking contributing to the relevant environmental objective as disclosed by that undertaking. For financial undertakings, the ratio for the counterparty to be applied is the same as for the KPIs for these undertakings. The denominator is the total amount of fees and commissions income from undertakings from products or services other than lending and asset management.
17. Credit institutions have not yet started disclosing this KPI. Article 10 of the Disclosures Delegated Act requires the disclosure of the Fees and Commissions KPI by credit institutions from 1 January 2026 and subsequently Commission Delegated Regulation (EU) 2026/73 amending Delegated Regulation (EU) 2021/2178 further postpones the disclosure date of this KPI to 1 January 2028.

2.1.2. Elements of the KPI related to capital markets

18. In its targeted Call for Advice, the European Commission requested the EBA to explore ways to narrow down the scope of the Fees and Commissions KPI to activities related to capital markets such as those related to securities issuance, M&A and corporate finance and services supporting the issuance and trading of green, Taxonomy-aligned securities (reception, transmission and execution of orders, clearing and settlement, custody). This requires the identification of activities and services related to capital markets and where these activities and services may have a clear connection to sustainable finance in which credit institutions can act as enablers facilitating capital flows towards sustainable investment.
19. Such an assessment is presented in Table 2 and suggests that four of the 11 elements in the Fees and Commissions KPI may potentially be relevant for capital markets in the context of sustainable finance. These include:
- a. issuance or other services related to third party securities (a);
 - b. mergers and acquisition undertakings advisory services (c);
 - c. undertakings finance services related to capital market advisory for undertakings, clients or other (d); and
 - d. distribution of products issued by entities outside the prudential group to its current customers (i).
20. Other elements in the KPI are mostly transactional with no direct impact on the underlying financial asset associated with the economic activity. In those cases, the service provided by the credit institution does not have a direct effect on the nature of the investment, including its sustainability characteristics.

Table 2 Assessment of credit institutions' services in terms of their relevance to capital markets

Element of the KPI	Assessment
(a) issuance or other services related to third party securities	This relates to credit institution's services to support their clients with various financial securities such as bond issuances, equity issuances and structuring. These services, which appear on the income statement, are linked to capital markets. Through this service credit institutions may support the channelling of capital and directing investment into Taxonomy-aligned economic activities.
(b) reception, transmission and execution on behalf of customers of orders to buy or sell securities	The service relates to credit institutions' investment services on behalf of their clients. While the ultimate decision to invest in a financial product may have sustainability impact, the preference on the investment is driven by the client while the credit institution has an administrative role.
(c) mergers and acquisition undertakings advisory services	Credit institutions advise their clients to consolidate companies or assets through various financial transactions. Through these advisory services credit institutions may support growth and reshape undertakings' portfolios towards Taxonomy-aligned economic activities and integrate sustainable finance instruments, e.g. advice on green bond issuance, into these deals. As a result, credit institutions' advisory services may in some cases influence capital flows towards sustainability.
(d) undertakings finance services related to capital market advisory for undertakings, clients or other	This service is directly related to capital markets and through advisory services to corporate clients, credit institutions may indirectly support investment in Taxonomy-aligned activities.
(e) private banking related fees	M&A advisory, corporate advisory and asset management activities are excluded from this service. For this reason, the scope of this service in terms of its relevance to capital market activities for sustainable investment purposes may be limited.
(f) clearing and settlement services	As part of the financial market infrastructure functions, this service aims to ensure an accurate, secure and efficient completion of a transaction in the post-execution phase. It involves different elements such as validation, matching buyer and seller obligations, managing counterparty risk as well as the delivery of the security or the funds. This service has no impact on the underlying financial asset.
(g) custody and other related services	'Custody assets' refer to the services of safekeeping and administration of financial instruments for the account of clients provided by the institution and services related to custodianship such as cash and collateral management. Custody services typically include the settlement, safekeeping, and reporting of clients' marketable securities and cash. This service overall relates to transaction services provided to clients and has no impact on the underlying financial asset. There is no direct link between this service and potential reallocation of capital to sustainable activities.
(h) payment services	'Payment services' refer to the collection on behalf of customers of payments generated by debt instruments that are neither recognised on the balance sheet of the institution nor originated by it. Payment services aim to enable the execution of payment transactions, transfer of funds, settling of obligations, and secure and efficient management of payment flows. This service is purely transactional and there is no direct link between credit institutions' payment services and the potential reallocation of capital to sustainable activities.
(i) fee and commission income for distribution of products issued by entities outside the prudential group to its current customers	This activity can be related to capital markets when the financial products issued outside the prudential group and distributed by the credit institution are securities, funds and similar financial products. This is an activity where the credit institution has a role in facilitating capital allocation. While the credit institution has no influence over the nature of the financial product issued, it has a choice on which instruments to include in this offer.
(j) loan servicing activities	Loan servicing is the administrative management of the loan from the point of disbursement until its full reimbursement. It covers sending monthly payment statements, collecting monthly payments, maintaining records of payments and balances, collecting and paying taxes and insurance emitting funds to the note holder, and following up on any delinquencies. While the loan itself can be assessed against Taxonomy criteria, the servicing is a sustainability-neutral function.
(k) foreign exchange services and international transactions	The services help clients to conduct their cross-border activities and manage currency-related risks effectively. The service has no direct impact on the underlying financial asset or transaction in terms of its Taxonomy alignment.

2.1.3. Materiality of the KPI

21. The Disclosures Delegated Act introduces a materiality threshold for the disclosure of the Fees and Commissions KPI. Credit institutions may omit disclosing the relevant KPIs required in the Regulation where the cumulative value of the net turnover generated by the activities covered in those KPIs is below 10% of the total net turnover of that credit institution. In addition to this, a credit institution may omit assessing Taxonomy eligibility and alignment of the fees and commission income where the cumulative value of that income is below 10% of the value of all fees and commissions income related to specific economic activities that are included in the denominator of the KPI.
22. The following analysis aims to show the scale and materiality of the Fees and Commissions KPI in relation to net operating income¹¹. Such analysis would also inform proportionality considerations, and the assessment of a proportionate design and application of regulatory requirements. The analysis is based on a sample of 125 institutions that reported FINREP supervisory data to the EBA at the highest level of consolidation in the EU as of September 2025 and are subject to the CSRD requirements. This sample represents 64% of total assets, proxied by the leverage ratio assets in the EU.¹²
23. Supervisory data indicate that the total income generated from fees and commissions in the banking sector is approximately EUR 157 billion constituting 37% of the net operating income.¹³ Figure 1 shows the composition of the fees and commission income. Approximately EUR 94 billion, representing 60% of total fees and commissions income, are generated from services covered in the Fees and Commissions KPI as identified in the previously presented mapping (Table 1). This is 22% of the net operating income.¹⁴ These relative figures on CSRD eligible sample of credit institutions match those obtained from the same analysis of the full FINREP sample and are representative of that sample.

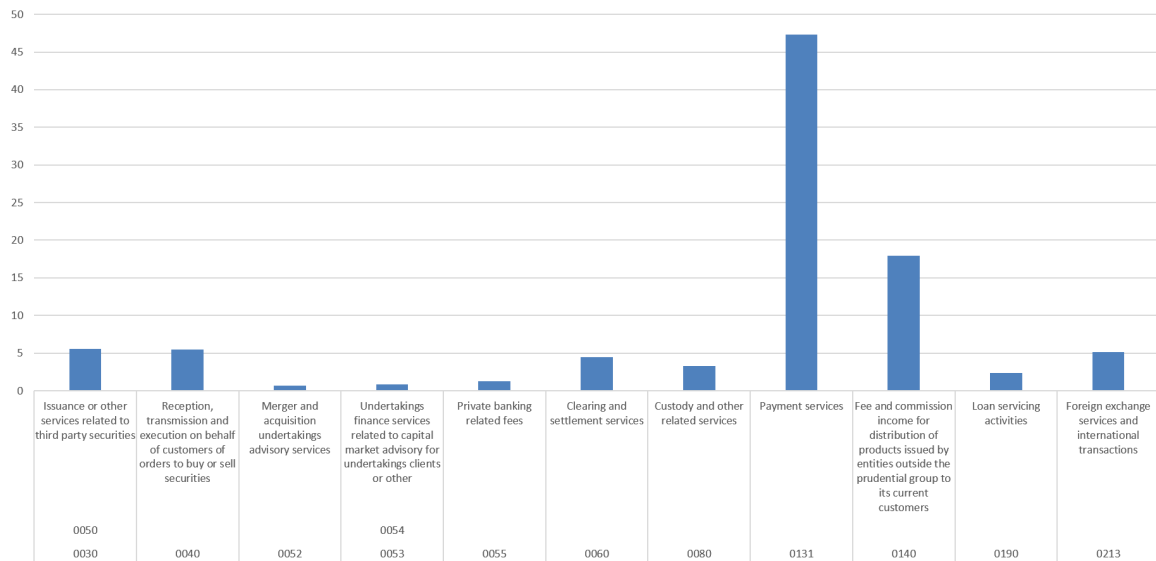
¹¹ Supervisory data do not include credit institutions' turnover figures. Operating income is therefore considered the most consistent available metric for assessing the KPI's scale and materiality. Furthermore, a more granular and precise analysis is not possible due to the lack of counterparty-level information needed to calculate the KPI denominator for each credit institution.

¹² The overall sample of institutions in FINREP is 329 covering 84% of total assets in the EU/EEA. The statistics for CSRD eligible institutions in the overall FINREP sample is compared to the statistics of the overall FINREP sample throughout the analysis to provide a comparative perspective. Such comparative perspective provides an additional robustness check to the analysis. The comparative statistics based on the overall FINREP sample (not shown in this report) do not indicate any significant divergence.

¹³ This global figure covers all services in the fees and commission information in supervisory reporting and does not filter out the services included in the fees and commission KPI designed in the Taxonomy disclosures. Operating income is the P&L figure reported by institutions including both income and expenses.

¹⁴ The remainder is based on income generated from other services and activities such as asset management, structured finance, loan commitments and financial guarantees given, loans granted, and commodities.

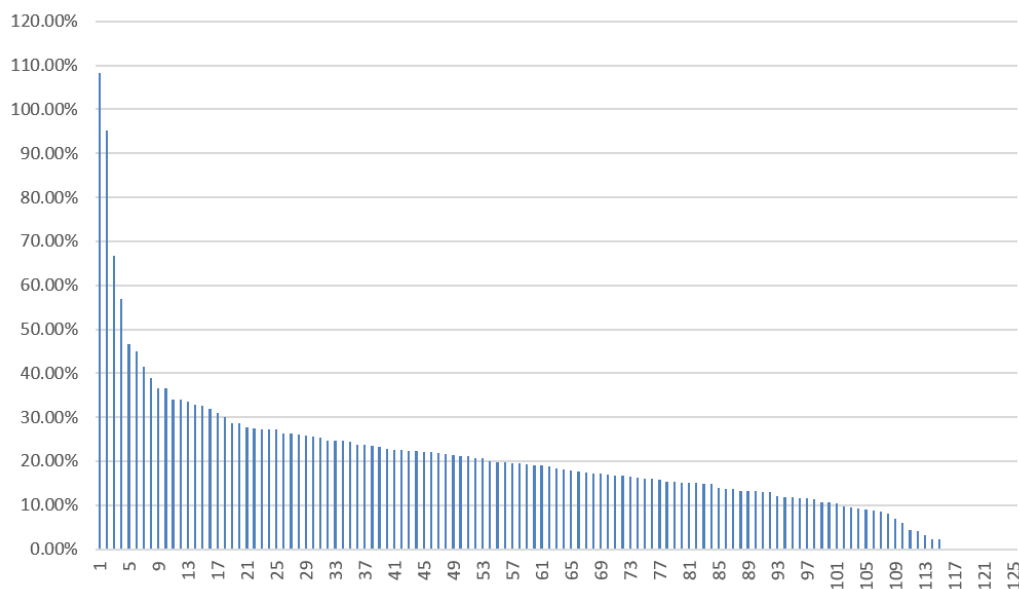
Figure 1: Composition of the fees and commissions income (in EUR billion)



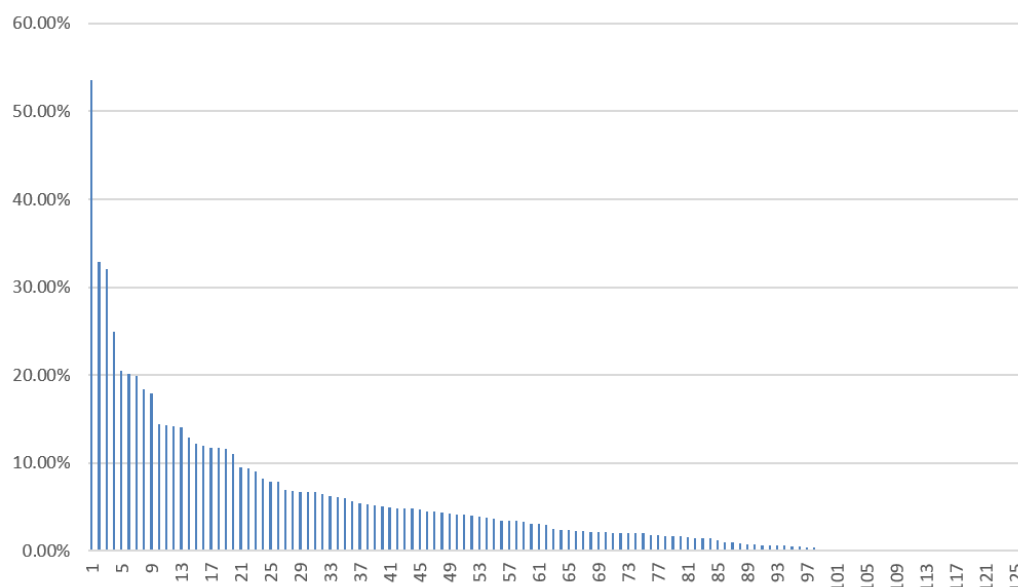
Notes and source: i) 125 institutions as of September 2025 reference date; ii) FINREP data, EBA calculations and Bloomberg list to identify credit institutions subject to CSRD (post-Omnibus criteria apply – Bloomberg methodology is under development and not final at the time of drafting); iii) numbers on the x-axis refer to the FINREP template 22.1 datapoint coordinates.

24. Institution-level analysis shows that that fees and commissions income from all the services covered by the KPI, as currently designed in the disclosure requirements, exceeds 10% of net operating income for around 80% of credit institutions (Figure 2 – upper panel).¹⁵

Figure 2: Credit institutions' fees and commissions income as a share of net operating income (all activities – upper panel; capital market-relevant activities – lower panel)



¹⁵ This figure is highly affected by the fees and commissions generated from 'Payment services' which is the largest element in the KPI. When 'Payment services' is excluded from the analysis the share of institutions reaching the 10% materiality threshold goes down to 39%.



Notes and source: i) Upper panel refers to all fees and commissions income covered by the KPI and lower panel refers to fees and commissions income related to four capital markets-relevant activities in accordance with the analysis; ii) 125 institutions as of September 2025 reference date; iii) FINREP data, EBA calculations and Bloomberg list to identify credit institutions subject to CSRD (post-Omnibus criteria apply – Bloomberg methodology is under development and not final at the time of drafting).

25. When the KPI is limited to four capital markets-related activities, as outlined in Section 2.1.2, its aggregate share of net operating income falls to 5.9% for the analysed sample of 125 banks. This corresponds to EUR 40 billion for the first nine months of the reference year.

2.1.4. Relevance of the KPI

26. The relevance of the Fees and Commissions KPI, even if narrowed down to capital markets-related activities, may show some limitations as an indicator for credit institutions' Taxonomy-aligned sustainable activities.
27. The Fees and Commissions KPI is based on information coming from the income statement measuring income and expenses accrued during the disclosure period which represent flows. The interpretation and use of the Fees and Commissions KPI may be challenging, considering various dynamics that would drive the levels of fees and commissions for related activities each year. The fees and commissions income generated from the four services considered is typically not an integral part to a financial instrument and arises from providing these services. As a result, their amount depends on transaction price. This is different for example than the gross carrying amount of assets qualified on the banking book and covered in the GAR which are measured at amortised cost¹⁶.
28. Overall, the values of fees and commissions and, in turn, the value of the KPI are sensitive to fluctuations in business activity, competitive pressure and pricing, resulting in higher volatility. The KPI capturing various (short-term) dynamics affecting the level of fees and commissions

¹⁶ In broader terms, supervisory data show that in aggregate over 90% of assets on credit institutions' balance sheets are measured at amortised cost. The remainder is measured either at fair value through other comprehensive income (4%) or fair value through profit or loss (6%).

income received from services will not be able to isolate and accurately reflect the Taxonomy alignment value of the service or the credit institution's sustainability strategy.

29. A fees and commissions-based metric would primarily capture a credit institution's business and revenue structure. Given the absence of a robust link between fees and commissions and the credit institution's efforts to finance Taxonomy-aligned activities, the relevance of the KPI as a measure of contribution to Taxonomy-aligned activities is limited. For instance, if a credit institution aims to attract Taxonomy-aligned activities by offering lower fees, this would lead to a low value in the KPI.
30. Another limitation to the comparability of the Fees and Commissions KPI, even if narrowed down to capital markets-related activities, may come from operational challenges, such as granularity of credit institutions' information and differences in the pricing structure and the allocation of certain fees and commissions to predefined categories. At least some institutions will not have the information available at the required structure and granularity. In addition to creating challenges in assessing Taxonomy alignment, this entails relatively high implementation costs, while the resulting KPI values are expected to be low. It is however also acknowledged that these operational challenges reflect the current state of sustainability reporting and may be progressively addressed and mitigated as data availability, quality and reporting practices improve over time.
31. Finally, the disclosure of fees and commissions income from services that are assessed to be related to capital markets such as issuance or other services related to third party securities and mergers and acquisition undertakings advisory services may reveal confidential information. This may occur when a credit institution discloses the Fees and Commissions KPI based on a low number of issuances and advisory services. For example, given the relatively low number of issuances in accordance with the EU Green Bond Regulation the disclosures may reveal the fees and commissions charged by a credit institution for a single service provided to a client.

2.1.5. Technical advice

32. In its Call for Advice the European Commission requested the EBA to explore ways to simplify and improve the usability of the Fees and Commissions KPI by narrowing down the scope of the KPI to activities related to capital markets. The analysis presented shows that amongst the list of activities related to credit institutions' fees and commissions income, there are four that can be directly linked to capital market activities. The activities may also have a link with the underlying asset, highlighting their relevance in the context of transparency regarding capital that is allocated to sustainable economic activities. These are:
 - a. issuance or other services related to third party securities (a);
 - b. mergers and acquisition undertakings advisory services (c);
 - c. undertakings finance services related to capital market advisory for undertakings, clients or other (d); and
 - d. distribution of products issued by entities outside the prudential group to its current customers (i).

33. The EBA is of the opinion that while these service-based activities of credit institutions may in some cases be relevant for the growth of Taxonomy-aligned economic activities, the overall design of the KPI should be considered in terms of three aspects:
- a. the limitations of the KPI as a decision-useful indicator for the purpose of Taxonomy disclosures from user's point of view;
 - b. the materiality of the KPI and costs associated with its computation with respect to its benefits, from preparer's point of view; and
 - c. the overall objective to simplify the regulatory framework and improve its usability.
34. Based on these considerations, the EBA advises that the European Commission remove the Fees and Commissions KPI from the Taxonomy disclosure requirements.
35. The EBA recognises that the removal of this KPI may create an information gap in Taxonomy disclosure requirements on credit institutions' activities and services related to capital markets. As a result, the European Commission may consider assessing the introduction of a simpler and more proportionate KPI, reflecting established market practices and available data, such as sustainable finance league tables covering capital market activities and services supporting Taxonomy-aligned economic activities. This, e.g. capital markets intermediation KPI, could include the underwriting of third-party securities financing Taxonomy-aligned activities, M&A advisory transactions involving undertakings engaged in Taxonomy-aligned activities, and other advisory services related to the structuring of Taxonomy-aligned financial instruments.
36. A template designing such KPI could be based on and include the following features:
- a. Scope: the KPI covers the three activities and services analysed under the Fees and Commissions KPI, namely (a), (c) and (d).
 - b. Disclosure metric 1 (transaction number): the KPI covers (i) the number of Taxonomy-aligned transactions (number of deals) with eligible undertakings over (ii) the total number of transactions (number of deals) with eligible undertakings during the disclosure period.
 - c. Disclosure metric 2 (transaction value): the KPI covers (i) the aggregate value of Taxonomy-aligned transactions (aggregate deals value) with eligible undertakings over (ii) the total aggregate value (aggregate deals value) of transactions with eligible undertakings during the disclosure period.
37. A materiality threshold specific to this KPI could be introduced based on the capital market value of the underlying transactions. For example, credit institutions may omit assessing whether the economic activities supported under these capital markets-related activities and services are Taxonomy eligible or Taxonomy aligned where the cumulative (aggregated deal) value of those underlying transactions is below 10% of all transactions that are included in the denominator of the KPI.
38. Should such an approach be pursued, the EBA stands ready to assist the European Commission in developing the relevant methodology and templates.

2.2. Trading Book KPI

2.2.1. Current requirements

39. The Disclosures Delegated Act requires credit institutions to disclose quantitative information and KPIs that show to what extent the institution is trading with environmentally sustainable assets and to what extent it is contributing to promoting the trading of this type of assets.
40. The Trading Book KPI¹⁷ in disclosure requirements is constructed as:
- a. total trading during the disclosure period in Taxonomy-aligned instruments, including absolute purchases plus absolute sales of environmentally sustainable securities measured at fair value (numerator); and
 - b. total trading during the disclosure period of instruments, including total absolute purchases plus total absolute sales measured at fair value (denominator).
41. The scope of the instruments for the KPI is limited to debt securities and equity instruments. The numerator of the KPI comprises absolute purchases and absolute sales of Taxonomy-aligned securities and the denominator comprises total absolute purchases and total absolute sales of securities. The numerator of the KPI is estimated by weighting the gross carrying amount of debt securities and equity instruments purchased and sold from each counterparty with the proportion of turnover and CapEx associated with Taxonomy-aligned economic activities of the undertaking contributing to the relevant environmental objective as disclosed by that undertaking. For financial undertakings, the ratio for the counterparty to be applied is the same as the relevant KPIs for these counterparties.
42. Additionally, in accordance with Annex XI of the Disclosures Delegated Act, credit institutions that are not required to disclose quantitative information for trading exposures, are required to disclose qualitative information on the alignment of trading portfolios with the Taxonomy Regulation, including overall composition, trends observed, objectives and policy.
43. Credit institutions have not yet started disclosing the Trading Book KPI. Article 10 of the Disclosures Delegated Act requires the disclosure of the Trading Book KPI by credit institutions from 1 January 2026 and subsequently Commission Delegated Regulation (EU) 2026/73 amending the Disclosures Delegated Act further postpones the disclosure date of this KPI to 1 January 2028.

2.2.2. Connecting the KPI to market liquidity

44. In its targeted Call for Advice the European Commission requested the EBA to explore ways to narrow down the scope of the Trading Book KPI to providing market liquidity through market making, with a clear focus on providing liquid markets for green (Taxonomy-aligned) securities.

¹⁷ The Trading Book KPI is based on trading volume information in the Basel Committee G-SIB assessment reporting instructions ([link](#)).

45. Connecting the Trading Book KPI to market liquidity requires a qualitative assessment of whether or to what extent credit institutions can act as market makers for Taxonomy-aligned debt securities and equity instruments.
46. Credit institutions' trading portfolios reflect several activities such as proprietary trading, client facilitation, arbitrage trading or hedging activities in various commodities and financial instruments. Article 4 of Directive 2014/65/EU defines 'market maker' as a person who holds himself out on the financial markets on a continuous basis as being willing to deal on own account by buying and selling financial instruments against that person's proprietary capital at prices defined by that person.
47. Commission Delegated Regulation (EU) 2017/578¹⁸ establishes technical standards for market making agreements and schemes, aiming to enhance liquidity, predictability, and stability in EU financial markets, especially during stressed conditions. The Commission Delegated Regulation (EU) 2017/578, amongst other things, aims to set requirements for investment firms engaged in algorithmic market making and for trading venues facilitating such activities.¹⁹
48. More specifically that Regulation introduces obligations to enter into a market making agreement stating 'Investment firms shall enter into a market making agreement regarding the financial instrument or instruments in which they pursue a market making strategy with the trading venue or venues at which this strategy takes place [...]'²⁰, and requires that the content of market making agreements include the 'financial instrument or instruments covered by the agreement'²¹. Accordingly, the agreement should specify the instruments to which the institution's market making obligations apply. This specification may cover specific equity instruments or bonds that are sustainable and further aligned with the Taxonomy Regulation.
49. Against this background, credit institutions as market makers participate in financial markets and continuously provide both bid prices and ask prices for a security or asset, thereby supplying ongoing liquidity to the market.
50. Market making activities relate to credit institutions' positions held for trading primarily in the secondary markets and can cover instruments such as environmentally sustainable bonds aligned with the Taxonomy Regulation and equity instruments issued by corporate undertakings with Taxonomy-aligned activities. Credit institutions can support growth for such activities and undertakings by providing liquidity.

¹⁸ Commission Delegated Regulation (EU) 2017/578 of 13 June 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council on markets in financial instruments with regard to regulatory technical standards specifying the requirements on market making agreements and schemes OJ L 87, 31.3.2017, pp. 183 – 188.

¹⁹ As stated in recital (38) of Directive 2014/65/EU, *credit institutions that are authorised under Directive 2013/36/EU should not need another authorisation in order to provide investment services or perform investment activities.*

²⁰ Article 1 of Commission Delegated Regulation (EU) 2017/578.

²¹ Article 2, point (a) of Commission Delegated Regulation (EU) 2017/578.

51. The trading book may cover the trading of a large range of instruments, issuers and sectors. While the trading book covers all types of instruments and counterparties including those located in third countries, current Taxonomy disclosure requirements already limit the scope of the KPI to debt securities and equity instruments issued by non-financial and financial corporates in the scope of the CSRD. A potential approach to refocus credit institutions' Trading Book KPI is to narrow down its scope to credit institutions' market making activities.

2.2.3. Materiality of the KPI

52. The Disclosures Delegated Act introduces materiality threshold for the disclosure of the Trading Book KPI. The Omnibus simplification package²² amended the materiality threshold for the Trading Book KPI. It replaced the previous significant trading portfolio thresholds, based on Articles 94(1) and 325(a)(1) of Regulation (EU) No 575/2013¹³, with a materiality threshold based on the financial materiality of the relevant economic activities. Activities representing no more than 10% of total turnover and total assets are considered not financially material for this purpose.
53. At global level, credit institutions may omit disclosing the relevant KPIs required in the Regulation where the cumulative value of the net turnover generated by the activities covered in those KPIs is below 10% of the total net turnover of that credit institution. In addition, credit institutions may omit assessing whether financial assets whose use of proceeds is known held for trading are Taxonomy-eligible or Taxonomy-aligned where the cumulative value of those assets is below 10% of all financial assets held for trading whose use of proceeds is known that are included in the denominator of the KPI.
54. The following analysis aims to show the scale and materiality of the trading book assets.²³ The analysis is based on a sample of 125 credit institutions that reported FINREP supervisory data to the EBA as of September 2025 and are subject to the CSRD requirements, representing 64% of total assets, proxied by credit institutions' leverage ratio exposures in the EU.²⁴
55. The gross carrying amount of total assets held for trading is EUR 5 trillion in the EU/EEA banking sector representing 22% of their total assets. Figure 3 shows the distribution of the size of credit institutions' trading book. Debt securities and equity instruments are 39% of total trading book

²² Annex V, second paragraph of the Commission Delegated Regulation (EU) 2026/73, amended Annex V, Section 1.2.4, third paragraph of the Commission Delegated Regulation (EU) 2021/2178, as follows: 'Credit institutions shall disclose quantitative information and KPIs that show to what extent the institution is trading with environmentally sustainable assets and to what extent it is contributing to promoting the trading of this type of assets.'

²³ Due to a lack of supervisory data at greater granularity, such as transaction-level and counterparty-level information, total assets are used as the reference for the analysis.

²⁴ The overall sample of institutions in FINREP is 329 covering 84% of total assets in the EU/EEA. The statistics for CSRD eligible institutions in the overall FINREP sample is compared to the statistics of the overall FINREP sample throughout the analysis to provide a comparative perspective. Such comparative perspective would provide an additional robustness check to the analysis. The comparative statistics based on the overall FINREP sample (not shown in the report) do not indicate any significant divergence.

assets, while the remaining are derivatives and loans and advances. Debt securities and equity instruments held on the trading book are 3% and 2% of the total (banking book and trading book) assets, respectively.

Figure 3: Composition of credit institutions' trading book (aggregate)

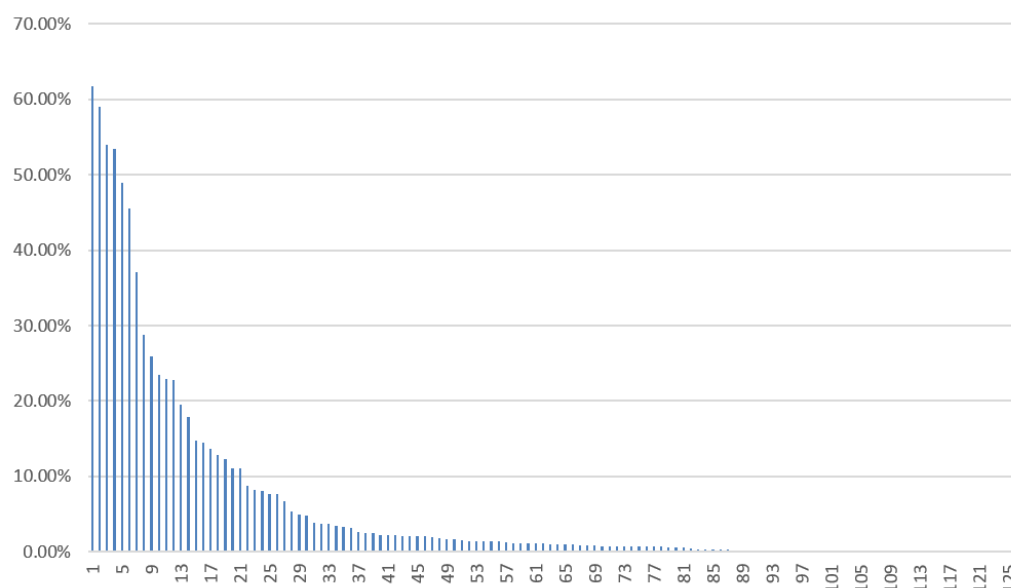
	Amount (EUR)	Share
Total assets	22,705,858,699,710	
Financial assets trading (total)	2,900,308,432,022	Relative to total trading assets
Derivatives	1,053,669,035,520	36%
Equity instruments	417,113,302,072	14%
Debt securities	713,955,377,135	25%
Loans and advances	715,570,716,294	25%
Total liabilities + Equity	22,705,858,699,710	
Financial liabilities trading (total)	2,115,395,778,228	Relative to total trading liabilities
Derivatives	996,574,723,431	47%
Short positions	304,103,264,393	14%
Deposits	713,075,100,140	34%
Debt securities issued	59,476,822,215	3%
Other financial liabilities	42,165,868,046	2%
		Relative to total assets
Total trading book	5,015,704,210,250	22%

Notes and source: i) 125 institutions as of September 2025 reference date; ii) FINREP data, EBA calculations and Bloomberg list to identify credit institutions subject to CSRD (post-Omnibus criteria apply – Bloomberg methodology is under development and not final at the time of drafting).

56. Furthermore, an analysis of the materiality of credit institutions' trading book portfolios in relation to total assets shows that currently 21 credit institutions, representing 17% of all institutions that fall under the scope of the CSRD would have a trading portfolio (covering all instruments) larger than 10% of their total assets (Figure 4).²⁵

²⁵ This yields a comparable but different result in relation to the previous threshold set out in the Disclosures Delegated Act. This is presented in Table 6 in the Annex.

Figure 4: Size of credit institutions' trading book as a share over total assets



Notes and source: i) 125 institutions as of September 2025 reference date; ii) FINREP data, EBA calculations and Bloomberg list to identify credit institutions subject to CSRD (post-Omnibus criteria apply – Bloomberg methodology is under development and not final at the time of drafting).

2.2.4. Relevance of the KPI

57. In general, while trading activities can contribute to supporting market liquidity, including for Taxonomy-eligible and Taxonomy-aligned instruments, the Trading Book KPI mainly reflects short-term secondary market activity and may not accurately indicate how credit institutions finance or allocate capital to Taxonomy-aligned activities.
58. The Trading Book KPI, compared to GAR which covers assets on the banking book, represents a different way credit institutions manage their assets. The primary purpose of the banking book is relationship banking and long-term financial intermediation. This requires an ongoing relationship with borrowers and corporate clients. This differs from trading book where credit institutions act primarily as a dealer, broker, market maker and enter short-term transactions. Client engagement is largely limited to the execution of client trades, hedging, liquidity provision and market access.
59. Due to their short-term and volatile nature, trading activities and assets assigned in the trading book are in principle not intended to direct stable capital flows to any specific types of activities and may not reflect institution's long-term strategy in the context of sustainable finance. As a result, the Trading Book KPI based on the state of accounts as of any specific date is not a meaningful and decision-useful indicator to assess the sustainability strategy and commitments of a credit institution.
60. In addition, the actual trading volume would be determined by factors that are, at least partially, external to credit institutions, such as market size and liquidity (demand and supply), size of the investment, credit rating of the issuer or similar, and the KPI would capture more general market movements. As a result, the sustainability features of the underlying asset and

economic activity are, in most cases, not expected to be a primary driver for trading activities and are not directly related to credit institutions' strategies in sustainable finance.

61. Potential operational challenges for credit institutions may also be present. While the trading book covers a large number of short-term transactions, credit institutions would often not have access to all information and time necessary to assess the Taxonomy alignment of the underlying economic activity related to the issuer. This reasoning is applicable to all aspects of the trading book including also the market making activities.
62. The Trading Book KPI could be reconsidered with the aim to focus on market liquidity through market making, where contribution to sustainability objectives would be considered through providing liquid markets for Taxonomy-aligned securities. Such KPI could target specifically credit institutions that are registered on a trading venue in order to deal on its own account in at least one financial instrument tradable in line with the conditions set out in the market making programmes of regulated trading venues. These credit institutions registered as market makers would then need to calculate the KPI based on the Taxonomy alignment of the financial instruments covered under market making activities, which would depend on the Taxonomy alignment of the underlying economic activity. Given the current scope of the Taxonomy disclosures, potential further narrowing down of this KPI could be considered to market making for eligible instruments issued by eligible undertakings, such as bonds issued by an undertaking subject to CSRD.

2.2.5. Technical advice

63. In its Call for Advice the European Commission requested the EBA to explore ways to narrow down the scope of the Trading Book KPI to providing market liquidity through market making, with a clear focus on providing liquid markets for green (Taxonomy-aligned) securities.
64. The Trading book of credit institutions involves a wide range of trading activities and assets. In terms of types of instruments, the current regulation is already limiting the scope to eligible financial and non-financial corporate issuances of debt securities and equity instruments.
65. In addition to this, market making activities of the credit institution are only one component of the trading book activities and market making is only one of the several ways credit institutions provide liquidity in markets and institutions' prime brokerage activities such as securities lending, credit intermediation are other channels through which institutions provide market liquidity. Engaging in market making activities depends on the risk appetite, strategy, capabilities and the business drive of the credit institution and the modalities of the trade, including covered instruments, and are bound by written market making agreements with trading venues.
66. A market making refocused KPI could be formulated as the share of the value of Taxonomy aligned instruments bound by market making agreements (numerator) over the value of all instruments bound by market making agreements (denominator) in a given disclosure period. Such a KPI could reflect the value and share of Taxonomy-aligned client transactions facilitated by institutions. These figures would be reflected in the KPI regardless of how long the instruments are held on credit institution's market making desk. The implementation of this KPI would also be subject to the existing materiality considerations. The EBA stands ready to

support the European Commission, if deemed necessary, on this issue as part of the review of the Disclosures Delegated Act.

67. The EBA is of the opinion that while the trading book may be a significant component in some credit institutions' business models, and these credit institutions can support market growth for Taxonomy-aligned investments by providing market liquidity through market making, the overall design and impact of the KPI should be considered in terms of three aspects:
- a. the limitations of the KPI as an indicator for the purpose of Taxonomy disclosures from users' and investors' point of view;
 - b. the materiality of the KPI, and operational challenges and costs associated with its computation with respect to its benefits, from the preparer's point of view; and
 - c. the overall objective to simplify and improve the regulatory framework.
68. Based on these considerations, the EBA advises that the European Commission remove the Trading Book KPI from Taxonomy disclosures.

2.3. 'Other services' KPI for investment firms

2.3.1. Current requirements

69. The Disclosures Delegated Act requires investment firms to disclose a KPI indicating the extent to which their investment services and activities other than dealing on own account are eligible under and aligned with the Taxonomy Regulation. These investment services and activities together with dealing on own account activities are defined in accordance with Section A of Annex I to Directive 2014/65/EU and part of supervisory reporting.
70. Investment firms' dealing on own account activities are presented in a separate KPI due to their different nature. Dealing on own account means trading against proprietary capital²⁶ resulting in the conclusion of transactions in one or more financial instruments. In dealing on own account activities investment firms keep the investment assets on their books, while other investment services and activities, which are in the scope of the KPI under this analysis, are conducted on behalf of investment firms' clients. Accordingly, the latter has no direct impact on the investment firm's own capital and asset allocation, and the KPI in question is related to fees and commissions, and other monetary benefits investment firms may receive from their clients in return for their services.
71. Investment services and activities included in investment firms' 'other services' KPI are presented in Table 3 together with their definitions.

²⁶ In practice dealing on own account may also comprise an investment firm's dealing on own account on behalf of clients when the investment firm deals on a client's behalf while keeping the assets on its own books.

Table 3 Elements of investment firms' 'other services' KPI²⁷

Element of the KPI	Definition in accordance with Article 4 of Directive 2014/65/EU except for (a), (f) and (g), where descriptions are based on commonly used understanding
(a) Reception and transmission of orders in relation to one or more financial instruments	reception of an order from a client or results from decision to acquire or dispose of a specific financial instrument in accordance with a discretionary mandate provided by one or more clients
(b) Execution of orders on behalf of clients	acting to conclude agreements to buy or sell one or more financial instruments on behalf of clients and includes the conclusion of agreements to sell financial instruments issued by an investment firm or a credit institution at the moment of their issuance
(d) Portfolio management	managing portfolios in accordance with mandates given by clients on a discretionary client-by-client basis where such portfolios include one or more financial instruments
(e) Investment advice	the provision of personal recommendations to a client, either upon its request or at the initiative of the investment firm, in respect of one or more transactions relating to financial instruments
(f) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	commitment to take up financial instruments and finding investors for securities on behalf of the seller and may involve commitment to take up those securities where other investors do not acquire them
(g) Placing of financial instruments without a firm commitment basis	as in (f) finding investors for securities on behalf of the seller but without commitment to take up those securities where other investors do not acquire them
(h) Operation of an MTF	'multilateral trading facility' or 'MTF' means a multilateral system, operated by an investment firm or a market operator, which brings together multiple third-party buying and selling interests in financial instruments – in the system and in accordance with non-discretionary rules – in a way that results in a contract in accordance with Title II of this Directive
(i) Operation of an OTF	'organised trading facility' or 'OTF' means a multilateral system which is not a regulated market or an MTF and in which multiple third-party buying and selling interests in bonds, structured finance products, emission allowances or derivatives are able to interact in the system in a way that results in a contract in accordance with Title II of this Directive

72. The numerator of the KPI includes the weighted average of the total revenue including the fees, commissions and other monetary benefits, generated from these investment services and activities in relation to the aggregate value of the Taxonomy-eligible, and turnover and CapEx Taxonomy-aligned economic activities within the activities of the clients. The denominator is the total revenue from services provided to undertakings.

2.3.2. Elements of the KPI related to capital markets

73. In line with the request for credit institutions' Fees and Commissions KPI, the European Commission requested the EBA to explore ways to narrow down the scope of the investment firms' KPI other than dealing on own account to activities related to capital markets. This calls for the identification of services related to capital markets and where the activity may have a clear connection to environmentally sustainable finance in which investment firms, through their services, can act as enablers facilitating capital flows towards sustainable investment.

²⁷ Letters in the first column refer to the list of investment services and activities presented Taxonomy disclosure requirements. It excludes (c) dealing on own account.

74. Such an assessment is presented in Table 4 and suggests that the KPI can be limited to four elements as they appear to be relevant for capital markets in the context of sustainable finance. These include:

- a. portfolio management (d);
- b. investment advice (e);
- c. underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis (f); and
- d. placing of financial instruments without a firm commitment basis (g).

75. Other elements in the KPI are mostly transactional where the investment firm through this service has no direct impact on the underlying financial asset associated with the economic activity. In those cases, the service provided by the investment firm does not have a direct effect on the nature of the investment, including its sustainability characteristics.

Table 4 Assessment of investment firms' services in terms of their relevance to capital markets

Element of the KPI	Assessment
(a) Reception and transmission of orders in relation to one or more financial instruments	In this service, the investment firm acts as an intermediary between the client and the agent operating in the market. The service typically includes obtaining client instructions, receiving an order and transmitting the order to the relevant third party for execution. While the nature of the financial instrument being transmitted can be Taxonomy-eligible and Taxonomy-aligned, the investment firm's service has no direct impact on the underlying asset.
(b) Execution of orders on behalf of clients	This service typically involves taking a client order, deciding how the order will be executed, placing or matching the trade, and completing the transaction for the client. The order may be executed through various means such as on an MTF or by dealing on own account. While the investment firm is responsible for carrying out the trade, through this service it has no direct impact on the underlying asset.
(d) Portfolio management	The investment firm is charged with managing portfolios in accordance with mandates given by their clients. In practice this involves the firm making investment decisions on the client's behalf and the firm can execute transactions without obtaining prior approval for each single trade. In this service, the investment firm has the discretion to decide on the investment actions within the limits of the agreed mandate and investment strategy. While the power to take an investment decision is shared between the client and the investment firm, in this service the investment firm has some discretion and influence over the investment that can be linked to Taxonomy-eligible and Taxonomy-aligned activities.
(e) Investment advice	The investment firm can suggest to clients a course of action in relation to investment preferences including risk tolerance, objectives, financial considerations. While the ultimate decision does not lie with the investment firm and the investment advice is defined as a response to a client's enquiry for a specific investment decision, investment advice can support channelling capital towards Taxonomy-eligible and Taxonomy-aligned activities. ESMA issued a supervisory briefing on understanding of investment advice under MiFID II. ²⁸
(f) Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis	This service broadly relates to cases where an investment firm helps an issuer raise capital, e.g. for commercial purposes in primary markets, by committing to distribute securities to investors, and assumes financial risk if the securities are not fully sold. This service may relate to sustainable financial instruments, such as green bonds and syndicated offerings. Sustainability features of the instrument may play a role in the investment firm's servicing decisions, and while the investment firm's is acting on behalf of its client, its involvement may have a direct impact on the underlying asset.

²⁸ ESMA35-43-3861, 11 July 2023

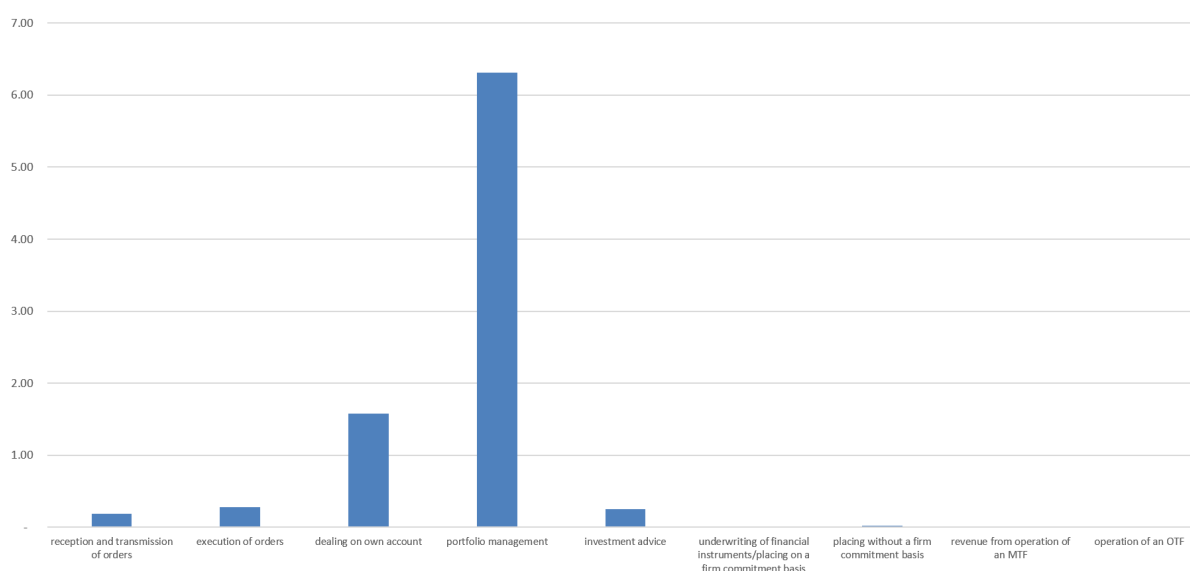
(g) Placing of financial instruments without a firm commitment basis	Similarly to the service (f) above, the investment firm helps an issuer raise capital but in this case without commitment that it does not guarantee sale of the financial instrument. The investment firm's involvement through this service may have a direct impact on the underlying asset.
(h) Operation of an MTF	This is a purely operational service where trades are matched according to predetermined rules. The operator cannot arbitrarily choose which trades occur. The investment firm's operation of an MTF does not have a direct impact on the underlying asset.
(i) Operation of an OTF	Similarly to the service (h) above, operation of an OTF is a purely operational service where trades are matched according to predetermined rules. While the investment firm operating the OTF may exercise some discretion, this is limited to the operational aspects. The investment firm's operation of an OTF does not have a direct impact on the underlying asset.

2.3.3. Materiality of the KPI

76. The Disclosures Delegated Act introduces that investment firms may omit assessing whether the revenue from investment services and activities, other than dealing on own account, relating to specific economic activities is Taxonomy-eligible or Taxonomy-aligned where the cumulative value of that revenue is below 10% of all revenue from investment services and activities, other than dealing on own account relating to specific economic activities that are included in the denominator of the KPI.

77. Supervisory data indicate that the total gross revenue from investment services in the scope of the Taxonomy disclosures is EUR 8.7 billion²⁹ of which over 18% or EUR 1.6 billion is related to dealing on own account activities. As a result, total annual gross revenue generated from services included under the scope of the investment firms' 'other services' KPI is EUR 7 billion of which portfolio management is 90%. Figure 5 shows the composition of total annual gross revenue of investment firms generated from these services.

Figure 5: Composition of revenues for investment firms (in EUR billion)



Notes and source: supervisory reporting data for 141 investment firms as of September 2025 reference date.

²⁹ Supervisory data with a reference date of end-September 2025 cover 141 investment firms.

2.3.4. Relevance of the KPI

78. The KPI on investment services and activities is important given these activities and services' potential to steer capital towards sustainable finance, particularly through portfolio management and investment advice, as well as the underwriting and placement of financial instruments. However, this ability is subject to limitations. Investment decisions ultimately depend on clients' objectives, risk preferences and market opportunities, while the sustainability profile of the available investment universe is primarily determined by issuers and market developments rather than by the intermediary investment firms.
79. Furthermore, this KPI applies to all investment firms that fall under the scope of the CSRD. Current (prudential) rules for investment firms classify these firms into three categories, 'Class 1', 'Class 2' and 'Class 3' categories, based on their size, activities and systemic importance.³⁰ Accordingly, investment firms that perform dealing on own account or underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis and meet a EUR 30 billion threshold for their consolidated assets are categorised as 'Class 1' firms, and investment firms that perform dealing on own account or underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis and meet a EUR 15 billion threshold in terms of their consolidated assets or meet a EUR 5 billion threshold and are designated by their competent authorities following specific criteria are categorised as 'Class 1 minus' firms. While 'Class 1' firms must apply to be authorised as credit institutions, "Class 1 minus" firms remain authorised as investment firms.
80. This KPI is in practice relevant not only for investment firms but also for eligible standalone credit institutions and credit institution-led groups offering investment services (see Section 2.6 on group reporting). Due to lack of clear evidence and data available to the EBA, the universe of standalone investment firms that are not credit institutions, i.e. 'Class 1' investment firms, falling under the scope of the Taxonomy disclosures is unclear. Given their size and the scope of the CSRD, the EBA expects that only a small share of investment firms, which are not credit institutions including 'Class 1 minus', 'Class 2' and 'Class 3' investment firms, would fall under the scope of Taxonomy disclosure requirements.
81. The 'other services' KPI for investment firms yields revenue-based information and is sensitive to the pricing of these services. The arguments presented above regarding the Fees and Commission KPI for credit institutions would be generally applicable also in this case. Accordingly, consideration may be given to amending this KPI to reflect the value of assets covered by these services rather than the monetary benefits generated. A KPI reflecting the value of asset under management, whether discretionary or non-discretionary, would cover two principal activities of portfolio management and investment advice. It would also align with the design of existing KPIs applicable to other financial undertakings, including the off-balance sheet asset under management KPI for credit institutions and the KPI for asset managers.³¹

³⁰ For an overview of the prudential framework for investment firms, see the [link](#).

³¹ Supervisory reporting for investment firms captures information on exposure amounts for assets under management and income information for other services such as portfolio management and investment advice.

2.3.5. Technical advice

82. In its Call for Advice the European Commission requested the EBA to explore ways to narrow down the scope of the investment firms' KPI other than dealing on own account to activities related to capital markets, similarly as for the Fees and Commission KPI of credit institutions.
83. The EBA advises the European Commission to narrow down the KPI to the following four services that can be directly linked to capital market activities where at the same time the service has a link with the underlying asset and through this service the investment firm may influence the flow of capital to sustainable economic activities:
- a. portfolio management (d);
 - b. investment advice (e);
 - c. underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis (f); and
 - d. placing of financial instruments without a firm commitment basis.
84. In addition to this, the EBA recommends the European Commission to consider replacing the KPI with one based on the value of assets under management rather than income generated. This revision could form part of a broader review encompassing the methodology and requirements for the off-balance sheet KPI for credit institutions and the KPI for asset managers to improve consistency and comparability across KPIs.

2.4. Grandfathering rules for financial exposures

2.4.1. Current requirements

85. In the context of the Taxonomy Regulation, the qualification of financial products as Taxonomy-aligned means that the proceeds of a financial product are required to finance an economic activity in accordance with the technical screening criteria applicable at origination, while the grandfathering provision determines the period within which the proceeds must be aligned with any revised criteria subsequently adopted.
86. The provision on grandfathering in paragraph 5 of Article 7 of the Disclosures Delegated Act as amended by the Omnibus package³² allows financial institutions to continue qualifying Taxonomy-aligned instruments under the old rules until five years after the revision of the technical screening criteria.

Box 1 Grandfathering rules under the Disclosures Delegated Act

Disclosures Delegated Act - Article 7 (Disclosure rules common to all financial undertakings), paragraph 5

³² Commission Delegated Regulation (EU) 2026/73 of 4 July 2025 amending Delegated Regulation (EU) 2021/2178 as regards the simplification of the content and presentation of information to be disclosed concerning environmentally sustainable activities and Delegated Regulations (EU) 2021/2139 and (EU) 2023/2486 as regards simplification of certain technical screening criteria for determining whether economic activities cause no significant harm to environmental objectives.

Where the technical screening criteria laid down in the delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852 are amended, the loans and instruments whose use of proceeds is known and that are held by financial undertakings that finance taxonomy-aligned economic activities or assets, shall in the absence of alignment of the financed economic activities or assets with the amended technical screening criteria, be reported as such under this Regulation until five years after the date of application of the delegated acts that amend those technical screening criteria.

87. The grandfathering provision specified in Article 8 of the EU Green Bond Regulation³³, which applies exclusively to bonds, differs from the provision specified in the Disclosures Delegated Act. The grandfathering provision of the EU Green Bond Regulation covers exclusively unallocated proceeds of European green bonds and proceeds of European green bonds financing an eligible CapEx that have not yet met the Taxonomy requirements. These activities are limited to a seven-year grandfathering period. The EU Green Bond Regulation also sets out requirements for cases where the proceeds are allocated to a portfolio of fixed assets or financial assets, and further transparency requirements relate to the application of grandfathering rules.

Box 2 Grandfathering rules under EU Green Bond Regulation

EU Green Bond Regulation – Article 8 (Application of the technical screening criteria and grandfathering)

1. Where issuers allocate the proceeds of European Green Bonds to the uses set out in Articles 4(1) and 4(3), they shall ensure that:

(a) those proceeds are allocated in alignment with the technical screening criteria applicable at the time of issuance of the bond;

(b) where technical screening criteria are amended after the issuance of the bond, the following proceeds be allocated in alignment with the amended technical screening criteria no later than seven years after the date of application of the amended criteria:

(i) proceeds that are not yet allocated; and

(ii) proceeds that are covered by a CapEx plan in accordance with Article 7, that have not yet met the taxonomy requirements.

2. Where issuers allocate proceeds in accordance with the portfolio approach, issuers shall include in their portfolio only those assets whose underlying economic activity is aligned with any technical screening criteria which were applicable at any point during the seven years prior to the date of publication of the allocation report.

3. Where the proceeds of an outstanding bond are at risk of not being aligned with paragraph 1, point (b)(ii), the issuer shall draw up, submit to external review by an external reviewer and publish a plan for aligning them to the extent possible with the amended technical screening criteria and for mitigating to the extent possible the negative consequences of the lack of full alignment with the amended technical screening criteria. The issuer shall publish that plan before expiry of the period set out in paragraph 1, point (b).

4. Alignment with the relevant technical screening criteria shall be demonstrated in the allocation report referred to in Article 11.

2.4.2. Cases for grandfathering

88. Grandfathering rules in both the Disclosures Delegated Act and the EU Green Bond Regulation are applicable only to financial instruments with known use of proceeds. Credit institutions, investment firms, asset managers and insurance and reinsurance undertakings invest in economic activities of non-financial and financial undertakings through largely investing in the

³³ Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds, OJ L, 2023/2631

issuances of the investee companies' debt securities and equity instruments. In addition to this, credit institutions originate loans and advances to finance Taxonomy-aligned economic activities of non-financial and financial undertakings. Grandfathering rules would then apply to all these instruments in the scope of the Taxonomy disclosure requirements as long as they are use-of-proceeds instruments.

89. To make a case for grandfathering in the scope of this analysis, differences between the two regulations and the specifics of the respective financial instruments they cover should be highlighted.
90. Article 4 of the EU Green Bond Regulation allows the so-called 'gradual approach'. This approach allows issuers to allocate the bond proceeds to eligible and aligned economic activities³⁴ until the maturity of that bond. In practice this means that an issuer may issue the bond before all the qualifying assets or projects exist or before all expenditure has been incurred. The proceeds can therefore initially remain unallocated while the issuer is building or acquiring the relevant assets or incurring qualifying expenditure.
91. Grandfathering rules in the EU Green Bond Regulation cover unallocated proceeds related to financial products financing Taxonomy-aligned economic activities and exclude from the scope allocated proceeds allowing unlimited grandfathering for proceeds that have already been allocated before the change in the rules. The Disclosures Delegated Act does not include an explicit reference to a similar gradual approach for other financial instruments that is available for bonds in the EU Green Bond Regulation and hence neither explicitly recognises unallocated proceeds nor introduces different treatment for allocated and unallocated proceeds, which suggests that the grandfathering period covers the alignment of all proceeds.
92. Allocated proceeds are funds raised through a financial instrument, or a tranche of that financial instrument, and designated for financing specific economic activities or assets, irrespective of whether they have been disbursed and recognised on the balance sheet or remain undisbursed and recorded as off-balance-sheet exposures.
93. When considering the application, in the context of the Disclosures Delegated Act, of the grandfathering provision designed for bonds issued under the EU Green Bond Regulation to other instruments, such as for loans and advances, it should be recognised that the issuance of bonds under the EU Green Bond Regulation and the origination of loans and advances have different structural characteristics. For the use of proceeds exposures, the assessment of Taxonomy eligibility and alignment is, in practice, performed at the time the contract is concluded. A Taxonomy-aligned loan therefore constitutes a loan with a specified use of proceeds, whereby the proceeds are earmarked to finance a Taxonomy-aligned economic activity, irrespective of whether the loan has been fully or only partially disbursed at origination.
94. By contrast, in the case of bond issuances under the EU Green Bond Regulation, the contractual terms may allow proceeds to remain temporarily unallocated, for example, by being held in a

³⁴ In accordance with that Regulation these are the activities that are either environmentally sustainable, and therefore aligned with the environmental objectives set out in Regulation (EU) 2020/852, or that contribute to the transformation of activities so that they can fulfil the criteria in order to become environmentally sustainable.

dedicated account or in cash or cash equivalents, before being allocated to Taxonomy-aligned activities. Consequently, extending the grandfathering provision to financial instruments other than bonds issued under the EU Green Bond Regulation, such as loans and advances, would require consideration of whether any proceeds may be considered unallocated, which does not seem to be the case.

95. Furthermore, extending the grandfathering rules designed for bond issuances under the EU Green Bond Regulation to all financial instruments under Taxonomy disclosure requirements, including bonds that are not issued in line with the EU Green Bond Regulation, may increase operational burden for credit institutions and other financial institutions. Under EU Green Bond Regulation, issuers are subject to certain transparency requirements, including post-issuance disclosure and updates on the Taxonomy alignment of the activities financed, subject to grandfathering provisions. Such provisions are not in place for other instruments such as loans and advances and debt securities issued outside the EU Green Bond Regulation framework. The issuers' obligations for debt insurance outside the EU Green Bond Regulation framework are bound by the legal terms and conditions of the bonds as well as relevant documents. While credit institutions would rely on the disclosures of these issuers for their investments in bonds issued under the EU Green Bond Regulation, for most of their transactions they would be required to collect the relevant information bilaterally from each counterparty for each transaction after issuance and potentially after full disbursement.

2.4.3. Technical advice

96. The European Commission requested the EBA, in cooperation with ESMA and EIOPA, to explore ways to align grandfathering rules with the approach under the EU Green Bond Regulation.
97. The EBA is of the opinion that aligning the grandfathering period and scope for financial exposures with the approach under the EU Green Bond Regulation would improve consistency and predictability. This is especially the case for long-term debt securities but also for credit institutions' Taxonomy-aligned loans that are funded through the proceeds of debt securities issued in line with the Taxonomy Regulation. The application of this approach to all relevant use-of-proceeds financial instruments in the scope of the Disclosures Delegated Act would further improve consistency in the overall sustainable finance framework.
98. The EBA is of the opinion that extending the grandfathering rules designed for bond issuances under EU Green Bond Regulation to all financial instruments within the scope of the Disclosures Delegated Act would require clear identification of allocated and unallocated proceeds, especially for loans and advances, where all use of proceeds loans and advances could be considered as allocated at origination.
99. Accordingly, the EBA advises that the European Commission:
- a. amend the Disclosures Delegated Act to remove Article 7(5), which introduces outright grandfathering rules for all financial instruments with no exception for unlimited grandfathering;
 - b. provide for unlimited grandfathering of financial instruments that, at origination, are assessed to be financing Taxonomy-aligned economic activities; and

- c. ensure full alignment of the grandfathering rules between the Disclosures Delegated Act and the EU Green Bond Regulation for financial instruments issued under the EU Green Bond Regulation.

2.5. Voluntary use of OpEx in financial KPIs (horizontal issue)

2.5.1. Current requirements

100. Current requirements in the Disclosures Delegated Act do not explicitly envisage the use of the OpEx KPI disclosed by non-financial undertakings into the Taxonomy disclosures of financial undertakings. In accordance with Annex V and Annex VII of the Disclosures Delegated Act credit institutions and investment firms compute and disclose financial KPIs based on turnover and CapEx KPIs associated with the underlying economic activities and assets. This approach is also applied for the computation and disclosure of the KPIs related to other financial undertakings including asset managers and insurance and reinsurance undertakings.
101. OpEx is relevant and applicable for non-financial undertakings and an OpEx-based KPI is required to be computed and disclosed by non-financial undertakings only. There are no specific disclosure requirements for financial institutions' lending and investment activities in non-financial undertakings operational expenditure.

2.5.2. Implications of use of OpEx in financial KPIs

102. The European Commission requested the EBA together with other ESAs to investigate OpEx for the computation of the KPI of financial undertakings. More precisely, the ESAs are invited to explore ways to allow financial undertakings to use on a voluntary basis the OpEx KPI disclosed by counterparties for computing their exposures to non-financial undertakings.
103. This could improve the usefulness and relevance of the OpEx KPI for financial markets, if a company decides to report it, by facilitating credit institutions to finance the Taxonomy-aligned working capital of non-financial undertakings. This could also have the positive effect of increasing the GAR. Inclusion of OpEx-based financing can be operationalised in credit institution's KPI, i.e. GAR, as illustrated Box 3.

Box 3 Numerical illustration of incorporating OpEx in GAR

A non-financial company reported 18% of Taxonomy-aligned CapEx and 32% of Taxonomy-aligned OpEx for financial year 2024. The shaded cells for CapEx and OpEx in the table below are directly reported by the non-financial undertaking.

Under the current methodology, a credit institution lending to this undertaking should use the CapEx KPI to assess its Taxonomy alignment, i.e. the loan is 18% Taxonomy-aligned. If the OpEx is included in the computation, the credit institution could, on a voluntary basis, use the combined weighted average of Taxonomy-aligned CapEx and OpEx KPIs of 27%, instead of 18% for CapEx to compute its GAR. If the loan is a short-term loan for financing working capital, the credit institution could, on a voluntary basis, use the 32% of OpEx instead of 18% of CapEx to compute its GAR. By using higher OpEx figures, the Taxonomy alignment ratio of the loan would increase. Such an approach would not envisage an OpEx-based KPI for financial undertakings, e.g. OpEx-based GAR but would allow the inclusion of OpEx-based financing explicitly in the existing CapEx-based KPI, CapEx-based GAR.

FY2024	Total (monetary amount)	Aligned (monetary amount)	Aligned (in percentage)
CapEx	3 897	706	18.1%

OpEx	7 472	2 405	32.2%	
CapEx + OpEx	11 369	3 111	27.4%	

104. This example illustrates a possible methodology to include the OpEx KPI in the respective financial undertakings' Taxonomy disclosure requirements. This methodology would entail combining the OpEx KPI with the CapEx KPI through a weighted-average methodology.
105. The ESAs have assessed the potential benefits and drawbacks of using such a methodology. A weighted-average KPI could provide a practical means of combining information that may initially appear similar, namely CapEx and OpEx linked to sustainable activities. However, the ESAs note that combining CapEx and OpEx raises conceptual concerns from an accounting perspective. CapEx represents the value of assets whose utility is realised over multiple years, whereas OpEx reflects expenditure relating to the utility consumed during the disclosure period. Accordingly, a weighted-average KPI would combine two distinct dimensions: (i) the undertaking's investment in sustainable activities; and (ii) its expenditure on such activities during the current disclosure period.
106. As a result, even on a voluntary basis, an explicit inclusion of non-financial undertakings' OpEx-based financing in the computation of financial undertakings' KPIs would increase the complexity of the framework, create additional burden for the preparers of information with relatively small benefits for the users of information, reduce comparability, and could also increase the risk of greenwashing and accusations of greenwashing against the preparers of information.
107. Additionally, the question regarding the voluntary use of the OpEx KPI in financial undertakings' reporting is interrelated with the question of whether and how this KPI may be amended or redefined in a future review of the Disclosures Delegated Act.³⁵

2.5.3. Technical advice

108. The EBA advises the European Commission not to introduce the voluntary use of the OpEx KPI in the disclosures of financial undertakings, particularly in the disclosures of credit institutions and investment firms.

2.6. Group-level reporting (horizontal issue)

2.6.1. Current requirements

109. The Disclosures Delegated Act defines a set of templates and KPIs for the activities of non-financial and financial undertakings including credit institutions, investment firms, asset managers and insurance and reinsurance undertakings.
110. Annex V of the Disclosures Delegated Act, which defines the content of the KPIs to be disclosed by credit institutions, requires credit institutions to disclose KPIs on the basis of the

³⁵ This is a point that is addressed to and being investigated by ESMA as part of the same request by the European Commission.

scope of their prudential consolidation determined in accordance with Regulation (EU) No 575/2013, Part One, Title II, Chapter 2, Section 2.

111. This requirement establishes that financial holding companies³⁶ and mixed financial holding companies³⁷ that are required to comply with these requirements on the basis of their consolidated situation should carry out a full consolidation of all institutions and financial institutions that are their subsidiaries. Joint arrangements and investments in associates are generally accounted for using the equity method. The same consolidation requirements would also apply to credit institutions-led financial conglomerates³⁸.
112. The prudential scope of consolidation is the basis of credit institutions' financial reporting to their supervisors. As a result, the scope of consolidation for the purposes of Taxonomy disclosures is based on the existing regulatory framework and practices.

Box 4 Prudential scope of consolidation in accordance with Regulation (EU) No 575/2013

(Prudential) consolidated situation, in accordance with point 47 of paragraph 1 of Article 4 of Regulation (EU) No 575/2013 means *the situation that results from applying the requirements of this Regulation in accordance with Part One, Title II, Chapter 2 to an institution as if that institution formed, together with one or more other entities, a single institution.*

The implementation of the prudential scope of consolidation relies fundamentally on the definitions provided in Article 4(1) of the Regulation (EU) No 575/2013, which establishes key concepts such as 'parent undertaking', 'subsidiary' or 'financial institution', which are instrumental in determining the scope and the method of consolidation of a prudential group.

Given the risk-based perspective and purpose of the prudential scope of consolidation framework, the scope established for the regulation generally only includes subsidiary undertakings that qualify as institutions or financial institutions, while excluding insurance or non-financial subsidiaries that do not give rise to comparable risks. This differs from the accounting perspective in which consolidation aims to represent a true and fair view of the group's financial position and performance. In this regard, the scope of consolidation is typically defined following the concept of 'control', and encompasses all subsidiaries controlled by the parent undertaking, irrespective of their business activities. Joint arrangements and investments in associates are generally accounted for using the equity method.³⁹

113. While the scope of consolidation for Taxonomy disclosure purposes is defined, this approach does not lead to a single KPI reflecting different financial activities of the group in aggregate. For example, a credit institution-led financial holding that issues loans and advances, and at the same time conducts both asset management and investment firm activities through their subsidiaries would need to disclose information in accordance with Articles 3, 4 and 5 of the Disclosures Delegated Act. There is no explicit requirement in the Disclosures Delegated Act requiring the parent undertaking to aggregate and compute these activities reflected in different KPIs in one single KPI.

³⁶ In accordance with point 20 of paragraph 1 of Article 4 Regulation (EU) No 575/2013.

³⁷ In accordance with point 21 of paragraph 1 of Article 4 Regulation (EU) No 575/2013.

³⁸ In accordance with point 14 of Article 2 Directive 2002/87/EC.

³⁹ EBA/REP/2026/01.

114. The European Commission issued a notice⁴⁰ to introduce one single KPI for such cases. Accordingly, the KPI introduced in that notice would represent the weighted average of the corresponding KPIs of different activities with weightings in accordance with the proportion of turnover derived from the corresponding activities in the total consolidated turnover of the financial conglomerate or the mixed group.
115. For the treatment of subsidiary undertakings in the context of group disclosures, paragraph 9 of Article 19a of Directive (EU) 2022/2464 sets the conditions to exempt subsidiary undertakings from the disclosure obligations *if such undertaking and its subsidiary undertakings are included in the consolidated management report of a parent undertaking, drawn up in accordance with Articles 29 and 29a of that Directive*. It is also specified under paragraph 4 of Article 29a of Directive (EU) 2022/2464 that *where the reporting undertaking identifies significant differences between the risks for, or impacts of, the group and the risks for, or impacts of, one or more of its subsidiary undertakings, the undertaking shall provide an adequate understanding of, as appropriate, the risks for, and impacts of, the subsidiary undertaking or subsidiary undertakings concerned*.

2.6.2. Implications of the prudential scope of consolidation

116. Most financial conglomerates in the EU/EEA are led by credit institutions⁴¹ and apply the prudential scope of consolidation for their Taxonomy disclosures. This implies that a credit institution-led financial conglomerate, subject to financial materiality threshold, is required to disclose in their consolidated report, in addition to the information and KPIs required under Annex VI of the Disclosures Delegated Act: (i) the information and KPIs required under Annex IV, if the credit institution-led financial conglomerate conducts asset management activities through a subsidiary, (ii) the information and KPIs required under Annex VIII, if the credit institution-led financial conglomerate conducts investment activities through a subsidiary.
117. In this case, the assets (and liabilities) of the subsidiaries under the control of the parent credit institution, e.g. a credit institution with more than 50% of the voting rights, are fully consolidated in the credit institution's balance sheet. Where a credit institution has a subsidiary that is an insurance or non-financial undertaking, or holds a participation in such an undertaking, the subsidiary or participation is accounted for using the equity method. In practice, the investee's individual assets (and liabilities) are not consolidated line-by-line, but the investment appears as a single line item on the balance sheet. This means that the equity participation of the credit institution in the insurance undertaking would be counted for in the GAR as part of the equity instruments. Box 5 provides a numerical illustration of the use of equity method in the context of Taxonomy group disclosures.

⁴⁰ Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice) (C/2024/6691) (8.11.2024), see points 7 (related to financial conglomerates), 9 (mixed groups) and 11 (exposure to the parent undertaking of a mixed group or financial conglomerate).

⁴¹ The list of financial conglomerates 2025 (JC 2025 90) ([link](#)).

Box 5 Example for the use of equity approach in the context of Taxonomy group disclosures

Bank-led financial conglomerate A (undertaking A) owns 40% of an insurance undertaking B (undertaking B). Bank-led financial conglomerate A purchased these shares in insurance undertaking B for EUR 100 million.

This EUR 100 million appears on undertaking A's balance sheet as an investment accounted under equity method. In Taxonomy disclosures for credit institutions (Annex VI), this is disclosed by undertaking A in line 6, that is equity instruments under financial undertakings in templates related to the calculation of the GAR.

If insurance undertaking B has additional income of EUR 10 million in a year, i.e. if undertaking A's share in undertaking B's profit or loss account increase, undertaking A will have a line item in its income statement reporting EUR 4 million of income (this is 40% of EUR 10 million). Undertaking A's balance sheet account for its investment in insurance undertaking B will increase by EUR 4 million to EUR 104 million.

For Taxonomy disclosures, i.e. the calculation of the GAR, the gross carrying amount of equity instruments on undertaking A's balance sheet representing the investment in undertaking B is multiplied by the relevant Taxonomy alignment KPI of undertaking B.

If undertaking B's Taxonomy alignment KPI is 3% then the Taxonomy alignment of the balance sheet assets disclosed by undertaking A would be EUR 3.1 million (3% of EUR 104 million).

118. Where the credit institution has an insurance or non-financial subsidiary, the way the subsidiary is presented in the consolidated situation is defined in paragraph 7 of Article 18 of Regulation (EU) No 575/2013. The consolidation can be presented either through the equity method or another method depending on criteria set out in that Regulation. Furthermore, the EBA Guidelines (EBA/GL/2026/01) on ancillary services undertakings specifying the criteria for the identification of activities referred to in Article 4(1)(18) of Regulation (EU) No 575/2013 provide criteria that should be used to determine whether an undertaking performs activities that qualify as direct extension of banking within the meaning of Article 4(1)(18)(a) of Regulation (EU) No 575/2013. As a result, these Guidelines have implications on the way credit institutions apply the prudential scope of consolidation also in the context of Taxonomy disclosures.
119. Assets of the asset managers and investment firms as subsidiaries of a financial group led by a credit institution, such as buildings, software and other intangible assets are consolidated in the balance sheet of the credit institution. However, the assets under management and other related services and activities conducted by these subsidiaries are not reflected in the consolidated situation. As a result, these activities are not integrated directly in the GAR because in this case the assets are not owned by the credit institutions but by their clients.
120. Finally, regarding the implications of the European Commission notice⁴² introducing one single KPI in addition to the Taxonomy disclosure requirements, for groups led by credit institutions, the turnover-weighted KPI could overestimate the Taxonomy alignment at single group level. This is particularly relevant for financial conglomerates, where insurance and, where applicable, non-financial activities are first accounted for through the equity method within the prudential consolidation scope and then included in the weighted KPI based on the turnover generated by those activities. Similar, shortcomings may arise where subsidiaries are

⁴² Commission Notice on the interpretation and implementation of certain legal provisions of the Disclosures Delegated Act under Article 8 of the EU Taxonomy Regulation on the reporting of Taxonomy-eligible and Taxonomy-aligned economic activities and assets (third Commission Notice) (C/2024/6691) (8.11.2024), see points 7 (related to financial conglomerates), 9 (mixed groups) and 11 (exposure to the parent undertaking of a mixed group or financial conglomerate).

asset managers or investment firms, given their direct link with credit institutions' off-balance-sheet AuM KPI.

2.6.3. Technical advice

121. The European Commission requested the ESAs together with other ESAs to explore the development of simple but meaningful rules for disclosing Taxonomy KPIs at group level for groups providing both non-financial and financial services (group treatment), or different financial activities and services (insurance, lending, investment) and for subsidiary disclosures. This should ensure that there is a common approach for group treatment involving non-financial and financial undertakings.
122. The EBA is of the opinion that the current rules for credit institutions and credit institution-led groups such as financial conglomerates, financial holding companies and mixed financial holding companies should remain unchanged and that they should also apply in a consistent manner to other cases.
123. Mixed-group disclosures should be based, as a starting point, on the Taxonomy disclosures framework as defined by the Disclosures Delegated Act based on the nature and scope of consolidation with respect to the parent undertaking and complemented by additional information that is necessary to reflect the Taxonomy profile of the group as a whole, e.g. in a credit institution-led financial conglomerate with a material insurance business, additional information on the insurance subsidiary may be necessary.
124. Accordingly, the ESAs advise the European Commission to remove the need to compute a weighted KPI aggregating various activities carried out by groups and specify the approach proposed in the following:
 - a. Mixed groups and financial conglomerates should disclose the Taxonomy KPIs relevant for the type of activity of the parent undertaking following the rules set out in the Disclosures Delegated Act. Where the group is identified as a financial conglomerate under Directive 2002/87/EC⁴³, the KPIs should be those that are relevant for the undertaking leading the financial conglomerate based on the criteria set out in that Directive. When the parent undertaking is a financial holding and the group is not identified as a financial conglomerate, the main disclosures should follow the requirements corresponding to the scope of the dedicated regulatory regime, where available – e.g. the regime applicable to financial holding companies as defined in Article 4(1), point (20) of Regulation (EU) No 575/2013 and subject to prudential regulation for credit institutions. Where no such regime exists, the main disclosures should follow the requirements for non-financial undertakings.

⁴³ Directive 2002/87/EC of the European Parliament and of the Council of 16 December 2002 on the supplementary supervision of credit institutions, insurance undertakings and investment firms in a financial conglomerate and amending Council Directives 73/239/EEC, 79/267/EEC, 92/49/EEC, 92/96/EEC, 93/6/EEC and 93/22/EEC, and Directives 98/78/EC and 2000/12/EC of the European Parliament and of the Council, OJ L 35, 11.2.2003, p. 1

- b. The proposed simplified approach, based on the parent undertaking's main KPIs, may result in a material loss of information where secondary activities conducted by subsidiaries falling outside the main KPIs represent a significant share of the group's overall activities and are not exclusively serving the group's internal needs. In such cases additional KPIs capturing these secondary activities should be disclosed.
- 125. In addition, the EBA advises the European Commission to consider identifying secondary KPIs subject to the following conditions:
 - i. the nature of the subsidiary and its activities differ from those of the parent undertaking and its activities;
 - ii. the cumulative value of the net turnover generated by the activities of the subsidiary is at least 10% of the total net turnover of the group;
 - iii. the activities of the subsidiary are not integrated within the group disclosures at consolidated level with sufficient transparency.
- 126. Additional information based on relevant KPIs provided by subsidiaries could take a simplified form as compared to the full templates. The EBA stands ready to assist the European Commission in this task in case this approach is pursued.

2.7. Disclosures of asset management and investment activities

- 127. Asset management and investment firm activities are similar activities conducted by different undertakings defined in the requirements: asset managers, credit institutions and investment firms. According to the Disclosures Delegated Act:
 - a. asset managers are required to disclose the template for the KPI of asset managers in Annex IV;
 - b. credit institutions are required to disclose the template for the KPI on off-balance sheet exposures including financial guarantees and assets under management in Annex VI; and
 - c. investment firms are required to disclose the template for the KPI on 'other than dealing on own account services' in Annex VIII.
- 128. Considering the EBA's advice to the European Commission regarding investment firms' 'other services' KPI presented in Section 2.3., an assessment of the three KPIs related to asset management and investment firm activities could be further harmonised in methodology and design in order to improve the comparability and usability of Taxonomy disclosures.
- 129. More specifically, the KPIs could reflect the value of assets related to the activity or service provided based on a harmonised methodology converging the content of information for the fiduciaries. However, several aspects need to be taken into account while designing a common approach including converging templates, for example:

- a. potential differences in the context of asset management between the business models of credit institutions, asset managers and investment firms;
 - b. the degree of responsibility for investment decisions, and accordingly, the share of discretionary and non-discretionary asset management activities of the undertakings; and
 - c. inclusion of other off-balance sheet item, i.e. financial guarantees, separately in the template for credit institutions.
130. Consideration to harmonise KPIs for asset management and investment firm activities is linked with the issue on group reporting assessed in Section 2.6. Such harmonisation would also provide consistency between the cases where the asset management and investment services are conducted by a separate undertaking, e.g. a subsidiary in a group, or provided by a dedicated department of the parent undertaking.

2.7.1. Technical advice

131. The EBA advises the European Commission to consider evaluating potential harmonisation of disclosure requirements and templates for asset managers KPI, credit institutions off-balance sheet KPI and investment firms 'other services' KPI. The EBA stands ready to support the European Commission with this assessment, as necessary.

2.8. Templates for credit institutions

132. In its Call for Advice the European Commission invited ESAs to propose other targeted simplifications and improvements to any general Taxonomy disclosures rules. In the public consultation, in addition to other targeted questions, the EBA invited stakeholders to submit their comments and proposals to simplify and improve other aspects of the Taxonomy disclosure requirements.
133. Stakeholders highlighted several points related to credit institutions' disclosure templates in Annex VI. The EBA presents them below for the European Commission's consideration:
- a. Annex VI of the Disclosures Delegated Act introduced a set of templates for the credit institutions. In relation to the GAR, credit institutions are required to populate Template 1 on the gross carrying amount of assets related to economic activities, separately for the stock and flow. In Templates 3 and 4 credit institutions are required to disclose the percentage share of these assets again separately for the stock and flow, respectively. As the percentage share information presented in Templates 3 and 4 can be calculated from the gross carrying amount figures presented in Template 1 the EBA is of the opinion that further consideration can be given to delete Templates 3 and 4 from the requirements. Key percentage share figures, i.e. GAR for stock and flow would not be lost as they are also disclosed in Template 0, Summary of KPIs to be disclosed by credit institutions under Article 8 of the Taxonomy Regulation.
 - b. Template 1 requires credit institutions to disclose information on assets not covered for GAR calculation (row 21) and undertakings and entities not subject to CSRD (row 25). Currently, credit institutions' assets towards households (row 11) and local

government financing (row 15) are disclosed under undertakings and entities not subject to CSRD (row 25). This may create a reconciliation problem between the numerator and denominator where these assets are not subject to CSRD but part of the GAR. The EBA is of the opinion that the template can be improved with the inclusion of additional rows for these assets under undertakings and entities not subject to CSRD (row 25). This would improve the transparency in the reading of the information.

- c. Limiting the scope of the GAR to undertakings subject to CSRD means that the information needed for the preparers to conduct a Taxonomy assessment is available and can be collected from counterparties. This is also true for the assets financing real estate located in the EU in line with the relevant EU Regulation. Equivalent information of the assessment may not be available for assets outside the EU and this may affect comparability of information across disclosures. Consequently, the EBA is of the opinion that the template and the overall disclosure requirements can be improved through two alternative solutions: (i) credit institutions' assets financing real estate outside the EU can be excluded from the scope of the GAR, or (ii) an additional breakdown to reflect the gross carrying amount of EU and non-EU assets can be added. In any case either option would improve the clarity and transparency of the disclosures.
- d. Template 2 requires credit institutions to disclose information on the Taxonomy eligibility and alignment of their 10 largest exposures by economic sectors. Footnote 1 to the template does not explicitly limit the scope of the disclosure to undertakings subject to CSRD. The EBA is of the opinion that this can be clarified to improve the instructions.
- e. Template 2, in addition to the top 10 exposures by industry sectors, requires credit institutions to disclose information on the Taxonomy eligibility and alignment of their exposures in nuclear and fossil gas activities. Article 8 paragraphs 6 and 7 of the Disclosures Delegated Act requires credit institutions to disclose the proportion of their activities in these sectors in the denominator of the KPIs. Template 2 includes datapoints for credit institutions' disclosures of their exposures in nuclear and fossil gas activities in gross carrying amounts but does not dedicate specific datapoints to disclose the proportions that these exposures constitute over total exposures in that sector, as required in paragraphs 6 and 7 of Article 8 of the Disclosures Delegated Act.

2.8.1. Technical advice

134. The EBA advises the European Commission to consider the following points:

- a. removing Template 3 (GAR KPI stock) and Template 4 (GAR KPI flow) for the KPIs of credit institutions in Annex VI as presented in paragraph 133 point a;
- b. providing clarity by reviewing Template 1 (Assets for the calculation of GAR) to highlight the location of credit institutions' assets towards households (row 11) and local government financing (row 15) in relation to undertakings and entities not subject to CSRD (row 25) as presented in paragraph 133 point b;
- c. reviewing Template 1 (Assets for the calculation of GAR) either by excluding credit institutions' assets financing real estate outside the EU from the scope of the GAR or

adding datapoints to reflect separately the gross carrying amount of EU and non-EU assets in the template as presented in paragraph 133 point c;

- d. clarifying the scope of the assets to be disclosed in Template 2 (GAR sector information) in relation to CSRD companies as presented in paragraph 133 point d; and
- e. clarifying the expected location of disclosures regarding the proportions of assets in nuclear and fossil gas activities as required in Article 8, paragraphs 6 and 7 as presented in paragraph 133 point e.

ANNEX

Figure 6 Share of respondents by stakeholder group

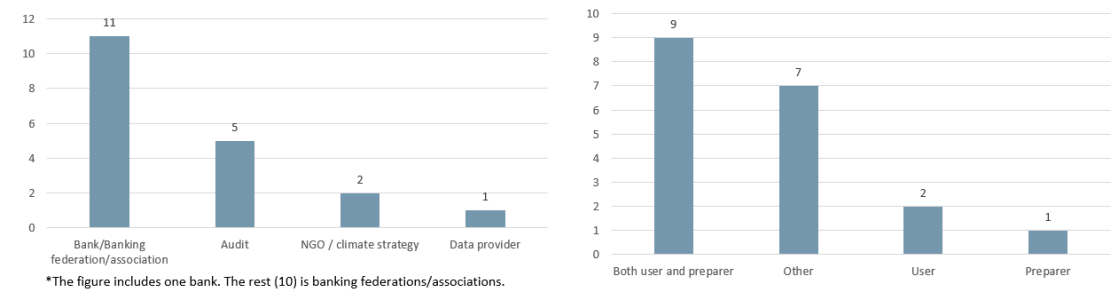


Figure 7 Reply quotes per question and stakeholder group

	Fees and Commissions KPI				Trading Book KPI			Investment firms' KPI			Grandfathering period	Group-level reporting			Use of OpEx	Other issues		General consultation
	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13	Q14	Q15	Q16	Q17	Q18	Q19
Replies per question:	16	18	16	13	17	18	13	13	13	10	13	18	16	15	19	14	12	16
Reply quote:	84%	95%	84%	68%	89%	95%	68%	68%	68%	53%	68%	95%	84%	79%	100%	74%	63%	84%
Share of stakeholder group per question:																		
Preparer	6 %	6 %	0 %	8 %	6 %	6 %	8 %	0 %	8 %	0 %	8 %	6 %	6 %	7 %	5 %	7 %	8 %	6 %
User	13 %	11 %	13 %	15 %	12 %	11 %	15 %	15 %	15 %	20 %	15 %	11 %	13 %	13 %	11 %	14 %	17 %	13 %
Both user and preparer	50 %	50 %	56 %	69 %	53 %	50 %	69 %	54 %	46 %	60 %	62 %	50 %	56 %	53 %	47 %	64 %	67 %	56 %
Other	31 %	33 %	31 %	8 %	29 %	33 %	8 %	31 %	31 %	20 %	15 %	33 %	25 %	27 %	37 %	14 %	8 %	25 %

Table 5 Consolidated feedback table

Issue-related main comments			Other specific comments
Majority view	Minority view		
Issue 1: Fees and Commissions KPI			
• Agreement with the EBA analysis of capital market-related activities • Strong support to remove the Fees and Commissions KPI • Key rationales include, amongst others: ◦ Limited decision-usefulness; ◦ Flow-based nature of the KPI ◦ High implementation and compliance costs; ◦ Potential unintended consequences (risk of incentivising higher fees for Taxonomy-aligned deals); ◦ Redundancy with other disclosures or market data (e.g. league tables and CSRD); ◦ Confidentiality risks; ◦ Misalignment with simplification goals. • Narrowing down the KPI's scope is not considered sufficient to address the KPI's fundamental shortcomings. • Rejection of qualitative and/or voluntary disclosures as alternatives, citing lack of comparability, auditability, and risk of greenwashing. • As regards the potential inclusion of further FINREP items, the broad view was that this would add complexity without improving the KPI's usefulness.	• Support for retaining a mandatory KPI with narrowed scope. • Key arguments include, amongst others: ◦ Need for transparency on capital market activities; ◦ Volatility in the values of the flow-based KPI and confidential concerns as presented in the analysis can be mitigated via multi-year averages; ◦ Policy alignment: the KPI could track intermediation of EU budget guarantees (e.g., InvestEU, ECF) post-2028; ◦ Cost-benefit trade-offs: deleting the KPI now may require rebuilding it later at higher cost. • Proposed safeguards for narrowed KPI: ◦ Limit scope to four identified capital markets services; ◦ Apply a 10% materiality threshold; ◦ Retain FINREP datapoints for the four services to avoid additional costs. ◦ Use multi-year presentations. • Support for voluntary reporting as alternative.	• Inconsistency with FINREP: EBA's proposal to delete FINREP datapoints conflicts with potential Taxonomy reporting requirements (e.g. deletion of Template 22.1 datapoints would remove granular fee data). • Drafting and legal issues, e.g. consistency of the presented approach with Annex V; error in Template 6 ("use of proceeds known" column to be removed) • Lack of granular Taxonomy alignment data from clients (especially SMEs/non-EU entities). • Phase in KPI implementation alongside EuGB/securitisation review (2025–2026).	
Issue 2: Trading Book KPI			
• Agreement with the EBA analysis and proposed draft advice • Strong support to remove the Trading Book entirely rather than retained or modified. • Key reasons include, amongst others: ◦ Limited decision-usefulness; ◦ Limited relevance of trading activities for demonstrating bank's strategic contribution to sustainable finance; ◦ Difficulty to reconcile with the stock-based approach of other Taxonomy indicators; ◦ Operational and data challenges; ◦ Lack of reliable counterparty Taxonomy data. • Disproportionate costs vs. benefits: high implementation costs are deemed unjustified given the KPI's low relevance to sustainability goals and its volatility.	• Support for retaining a modified version of the KPI, limited to market-making activities for Taxonomy-aligned securities. • Key arguments include, amongst others: ◦ Transparency on banks' contribution to secondary-market liquidity for sustainable instruments; ◦ Policy relevance for scaling sustainable finance; ◦ Operational feasibility (market-making agreements are documented and auditable); ◦ Ratio-based design to mitigate volatility. • Benefits already outweigh the costs. Benefit of the KPI to be even further increased as EuGB instruments scale. • Voluntary disclosure could be acceptable where institutions consider it relevant.	• Questionable relevance of the KPI: The connection between trading activity and sustainable finance is too indirect, as it relies mainly on the assumption that trading improves the liquidity of sustainable securities. • Methodological concerns: Proposed calculation and weighting methodology go beyond what is set out in the EU Taxonomy rules, including by introducing additional sub-KPIs for specific activities. • Audit/compliance risks: The KPI's design cannot be traced back to standard FINREP reporting templates/financial statements. • Materiality and threshold concerns: Call for clarification regarding the materiality assessment and application of 10% materiality threshold. • Data and technical challenges: Lack of granular counterparty data for short-term trades. Trading systems do not contain	

- Narrowing down the KPI's scope not considered sufficient to address the KPI's fundamental challenges. - Rejection of qualitative and/or voluntary disclosures as an alternative due to lack of standardisation and comparability.			infrastructure for sustainability assessment. Real-time assessment impracticality due to high transaction volumes.
Issue 3: 'Other services' KPI for investment firms			
- Support for narrowing the KPI's scope to four core services, as these directly influence capital allocation toward sustainable activities. - Alignment with simplification: Narrowing the KPI avoids extending Taxonomy requirements to peripheral services, supporting the EU's regulatory simplification agenda. - Support for exclusion of transactional services (e.g., execution of orders), as they are seen as client-driven or administrative, with no sustainability impact. - Preference for asset-based KPI, as it better reflects economic substance, improves comparability, and aligns with existing frameworks. Revenue-based approach distorts comparison due to differences in pricing structures.	- Caveats of narrowing the KPI's scope: Diverse service offerings make a single KPI impractical and non-comparable across firms. Targeted narrative disclosures or service-specific indicators proposed as alternative solution. - Call for complete removal of KPI, arguing the KPI is redundant (due to MiFID II/EBA POG GLs), operationally burdensome and of low benefit. - Opposition to asset-based KPI, citing misalignment with client-centric principles, fundamental change in purpose, high implementation costs and data gaps.	- Clear definitions of services/assets covered and reporting instructions are needed to ensure consistent application of the KPI across firms. - If further convergence is pursued, weighting methodology should align with asset managers' template for consistency and discretionary and advisory assets should be reported separately due to differing levels of firm influence. - Materiality thresholds should apply to avoid burdening (especially small) firms where activities are not material. - Underwriting/placing (flow activities) should capture the value of instruments placed to retain visibility of primary-market facilitation.	
Issue 4: Grandfathering period for financial exposures			
- Broad support for aligning the grandfathering treatment with the EU Green Bond Standard, ensuring a consistent interpretation of green debt across the EU framework and reducing unnecessary operational and reporting burden. - However, the length of the grandfathering period is not the main concern but the practical requirements. Respondents emphasise that repeated reassessments of exposures should be avoided where information cannot reasonably be obtained, particularly updated EPCs, and highlighting the associated data, operational, reporting and implementation burdens. - Single assessment at origination should be considered sufficient for use-of-proceeds instruments, where alignment was verified with valid evidence and there are no material changes. Unlimited grandfathering should be applied at origination. - For use-of-proceeds instruments, strong support for relying on the issuer-disclosed alignment rates rather than requiring banks to independently re-assess the underlying activities.	- Opposition to alignment, with some respondents arguing that the EuGB grandfathering approach is tailored to bonds and does not sufficiently reflect the different maturities, structures and operational characteristics of bank financing. - Concerns about loosening the standards, with some respondents warning that exposures could be treated as aligned under outdated criteria.	- Clarification request in the EBA analysis on grandfathering - if the rules are applied to all financial instruments: Clarification is sought on whether the grandfathering rules to specific-purpose loans, and how this interacts with unallocated proceeds and financing of eligible CapEx for these loans. - Unallocated proceeds / CapEx: Further guidance is requested on how grandfathering should apply to exposures involving unallocated proceeds at origination, use-of-proceeds known/unknown exposures and financing of eligible CapEx where the relevant allocation or technical criteria change after origination. - Misalignment with bank lending: EuGB's "allocation" concept does not translate well to bank financing, where proceeds are fully advanced at origination. - Data challenges: - EPC rules: clarification sought on need for ex-post validation if energy performance unchanged (as per Commissions FAQs)	
Issue 5 (horizontal): Group-level reporting			
- Agreement with the EBA analysis and preliminary proposals - Opposition to weighted or aggregated group-level KPI at group level. - Key arguments include, amongst others: - Heterogeneity of the underlying activities and KPIs;	- Support for full incorporation of insurance/non-financial assets, (one respondent arguing in favour of it). - Opposition to the introduction of subsidiary-specific thresholds/templates and support for the introduction of a wider materiality principles.	- Legal clarity and alignment: - Commission FAQs lack legal basis in the DDA; binding text is needed to resolve inconsistencies. - Align group-reporting with prudential consolidation rules.	

○ Double-counting risks in mixed groups (e.g., credit institutions with insurance/non-financial subsidiaries); ○ Limited decision-usefulness; ○ Technical infeasibility. • Support for sector-specific KPIs at group level, with the parent undertaking's KPI reflecting the group's core business activity. • Limited, simplified disclosures for material subsidiaries (if activities differ from parent's): Limited to a 10% materiality threshold and standardised. • No subsidiary-level disclosures if entities are exempt from standalone reporting. • Opposition to incorporating insurance/non-financial assets into GAR, with exiting equity method as the preferred approach. • Core group-level metrics for mixed groups: GAR for credit-institution-led groups and AuM KPI to complement GAR for groups with material asset management operations.		• Data challenges: CSRD phased rollout may leave gaps in subsidiary data, making disclosures impractical. • Proportionality: ○ 10% threshold should trigger additional disclosures, with exemptions for captive entities. ○ Simplified, machine-readable formats should replace full KPI templates. • Drafting and procedural suggestions: ○ Remove FAQ-based requirements or clarify them formally. ○ Contextual disclosures: Summarised information should replace full KPI templates, where possible.
Issue 6 (horizontal): Use of OpEx in financial KPIs		
• Support for the EBA analysis and the proposal not to include OpEx in the calculation of mandatory financial KPIs. • Key arguments include, amongst others: ○ Lack of decision-usefulness of OpEx information; ○ CapEx/turnover KPIs already capture material sustainability impacts; ○ Methodological flaws; ○ Data gaps. • Opposition to voluntary OpEx inclusion, as different institutions using different methodologies would reduce comparability. • Financial KPI framework should remain focused on turnover and CapEx, as proven and standardised metrics.	• Limited, conditional support for voluntary OpEx inclusion in order to close gaps for OpEx-heavy sectors (e.g., rail, water, forestry), where operational spending is critical but underrepresented. • Conditions: ○ Reform OpEx KPI first; ○ Strict transparency safeguards; ○ Restrict to company-reported data (no estimates). • Call to eliminate OpEx KPI entirely, with some respondents citing no proven demand and in the interest of simplification.	• Data challenges: Unreliable OpEx disclosures from non-financial undertakings; high costs to verify third-party data. • Methodological issues: Incompatible metrics: CapEx (long-term) vs. OpEx (short-term) mixing creates misleading alignment ratios. • Sectoral variability: OpEx relevance differs widely. • Operational burdens: New IT systems, controls, and audits required, with no clear benefit. • Risk of greenwashing: Institutions could cherry-pick OpEx to artificially boost alignment ratios. • In case OpEx is retained, ESMA must first reform OpEx KPI to standardise definitions, ensure cross-sector consistency and enable digital traceability.
Issue 7: Disclosures of asset management and investment activities		
• Opposition to unconditional merger of credit institutions' AuM KPI with asset managers' KPI. • Key arguments include, amongst other: ○ No clear user benefit but high implementation burden; ○ Fundamental business model differences; ○ Templates scope and granularity mismatch; ○ Risk of double-reporting. • Merging only justified if it significantly reduced complexity and reporting burden.	• Conditional support for merging credit institutions' AuM KPI with asset managers' KPI, citing potential simplification benefits. • Proposed safeguards: ○ Preserve distinctions in responsibility; ○ Limit scope to existing activities; ○ Application only to groups where AuM is material; ○ Retain only core AuM metrics. • Alternative proposals (instead of a full merger), for instance, dual-disclosure approach for mixed groups or common core definitions/terminology while preserving sector-specific add-ons.	• Differing scope and granularity methods complicate alignment. Merger would force credit institutions to adopt asset manager-specific rows irrelevant to their core activities. • System upgrades required to integrate asset managers' template and new audit controls needed to verify additional disclosures. If merger proceeds, it should be retained within the existing Annex V architecture. • Materiality and proportionality should continue to apply, particularly to immaterial activities and subsidiaries. • Keeping financial guarantees separate from AuM rather than being incorporated into a combined KPI.
Comments on other issues		
• General simplification and KPIs:		

- Strong demand to simplify the reporting framework, focusing on legal certainty, operational feasibility, and proportionality.
 - Mandatory disclosures should only cover decision-useful information—remove low-value KPIs unless clear investor demand exists.
 - Preference for stock-based indicators over flow-based KPIs (seen as less relevant).
 - KPIs should be assessed by function (e.g., stock, facilitation, liquidity) rather than compared to the Green Asset Ratio.
- Legal certainty and FAQs:
 - Clarify FAQs' legal status—avoid contradictions with binding texts; incorporate key interpretations into formal legislation.
 - Avoid overreliance on FAQs for substantive issues; use formal legislative processes instead.
- Materiality and proportionality:
 - Introduce an overarching materiality principle for eligibility/alignment assessments, allowing qualitative and quantitative factors.
 - Clarify the 10% de minimis threshold: reference period, assessment level, and documentation.
 - Extend materiality thresholds beyond Use of Proceeds (UoP) due to operational burden and impracticality of data collection for such analysis.
- GAR and alignment challenges:
 - GAR remains complex and resource-intensive due to structural/data limitations.
 - Proposed solutions: Measure GAR as Taxonomy-aligned vs. eligible assets (exclude non-eligible sectors from denominator); exclude non-EU retail exposures (no EPC/data equivalence); for households/local governments, assess alignment only vs. substantial contribution criteria (limited DNSH/ minimum social safeguards (MSS) data); use EPCs for simplified mortgage/vehicle loan assessments.
 - Stabilise GAR methodology to enable peer comparisons and trend analysis.
- Data and UoP lending:
 - Banks should rely on borrower-provided UoP loan data without duplicating verification efforts. Burden of proof should lie with clients/counterparties, not financial institutions.
 - Clarify deal-level granularity for UoP assessments; allow flexibility where data is limited.
 - Materiality thresholds for UoP often ineffective—consider excluding non-material portfolios/subsidiaries.
- DNSH and MSS:
 - Simplify DNSH criteria: reduce cross-referencing to other EU laws; develop standardised compliance processes.
 - Presume MSS compliance for EU companies/activities unless violations are evident; focus checks on non-EU activities.
 - Exempt household/local government financing from MSS assessments.
- Special purpose vehicles (SPVs):
 - Define SPVs in binding text to resolve ambiguities in reporting.
 - Clarify SPV types that are in scope. Treatment of financing “entities” vs. “assets”; whether partial SPV financing of eligible assets requires full denominator inclusion.
 - Address leasing undertakings not classified as financial but using financial reporting rules.
- Reporting templates:
 - Remove Templates 2 - 7 as they are not decision-useful and operationally burdensome. Some templates such as Templates 3 and 4 can be calculated from other templates presenting exposure values.
 - Clarify Template 1 (Assets for GAR calculation) allocations: Define row 25 as the default for non-CSR entities (households/local governments).
 - Exclude non-EU real estate exposures as it is not possible to collect necessary information for Taxonomy alignment of these exposures.
 - Define Template 2 (GAR sector information) scope: Clarify that only CSR-covered counterparties require sectoral breakdowns; exclude non-EU retail/local government exposures.
 - Clarify nuclear and gas exposure information: Add dedicated rows/columns in Template 2 to accommodate the requirements for disclosures on proportions as per Article 8 paragraphs 6 and 7.
- Technical and implementation:
 - Develop a Commission-hosted tool for: Guided questionnaires from machine-readable criteria; automated template validation/ESAP filing; public disclosure screening.
 - Ensure interoperability with EU budget tracking (e.g., InvestEU).
 - SME data layer: standardised tools (e.g., EIB Green Eligibility Checker) for voluntary self-declarations.
 - Implementation timeline: Publish final amendments by mid-2027 for 2028 application. Avoid N-1 comparatives for firms using Omnibus Delegated Act relief.

Table 6: Number of credit institutions subject to CSRD requirements and above the materiality thresholds

Country	Number of institutions subject to CSRD requirements	of which: Above threshold in Article 325	of which: Above threshold in Article 94	of which: Above any of the two thresholds
AT	11	1	1	0
BE	4	1	2	1
BG	2	0	0	0
CY	2	0	0	0
CZ	5	2	1	1
DE	58	8	6	6
DK	9	8	9	8
EE	1	0	0	0
ES	15	2	2	2
FI	6	1	1	1
FR	7	4	4	4
GR	5	1	2	1
HR	3	0	0	0
HU	2	0	0	0
IE	5	2	2	2
IS	3	0	0	0
IT	22	5	4	3
LI	1	0	0	0
LT	1	0	0	0
LU	3	0	0	0
LV	2	0	0	0
MT	4	0	0	0
NL	9	3	1	1
NO	1	0	0	0
PL	12	1	2	1
PT	4	0	1	0
RO	4	0	0	0
SE	9	2	1	1
SI	2	0	0	0
SK	4	0	0	0
Total EU	189	37	35	30

Notes and source: i) 189 institutions as of September 2025 reference date; ii) COREP data, EBA calculations and Bloomberg list to identify credit institutions subject to CSRD (post-Omnibus criteria apply - methodology is under development and not final at the time of drafting).



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