
PEER REVIEW ON PILLAR 3 DISCLOSURES



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List of abbreviations

ACPR	Autorité de contrôle prudentiel et de résolution (French Prudential Supervision and Resolution Authority)
AktG	Aktiengesetz (Stock Corporation Act)
BdI	Banca d'Italia (Bank of Italy)
BdP	Banco de Portugal (Bank of Portugal)
CA	Competent Authority
CI	Credit institution
CRR	Capital Requirements Regulation
EBA	European Banking Authority
ECB	European Central Bank
EEA	European Economic Area
FAQ	Frequently asked questions
Finansinspektionen	Swedish Financial Supervisory Authority
FR	France
IT	Italy
ISP	Institutional Protection Scheme
JST	Joint supervisory team
KNF	Komisja Nadzoru Finansowego (Polish Financial Supervision Authority)
LSI	Less significant (credit) institution
MS	Member State
NCA	National Competent Authority
P3DH	Pillar 3 Data Hub
PL	Poland
PRC	Peer Review Committee
PT	Portugal

RGICSF	Portuguese Legal Framework of Credit Institutions and Financial Companies
SAQ	Self-assessment questionnaire
SE	Sweden
SI	Significant Institution
SNCI	Small and non-complex institution
SSM	Single Supervisory Mechanism
SSMnet	ECB/SSM internal supervisory knowledge sharing platform
SREP	Supervisory review and evaluation process
TCB	Third-country branch
ToR	Terms of reference

Executive summary

The EBA reviewed how a selected number of competent authorities implemented and supervised the disclosure of Pillar 3 requirements in the reference period from 1 June 2023 to 30 June 2025 to evaluate compliance with the legal requirements and effectiveness of supervisory practices.

The peer review was performed to assess the effectiveness and degree of supervisory convergence of issues relating to prudential disclosures and market discipline, assessing compliance by institutions with Pillar 3 disclosure requirements in Part Eight of the CRR and in Article 45i of the BRRD and the related EBA implementing technical standards.

It focuses on the application of the respective requirements across four major areas:

- The effectiveness of competent authorities' integration of the requirements in terms of Pillar 3 disclosure and the related institutions' formal policies, internal processes, systems and controls into their supervisory manuals, guidelines, or similar;
- The effectiveness of competent authorities' arrangements for supervising and reviewing institutions' Pillar 3 prudential disclosures, their formal policies, internal processes, systems and controls, and the implementation of the requirements as specified in the CRR, BRRD and the relevant ITS and Guidelines;
- The effectiveness of competent authorities' implementation of processes for the assessment of institutions' Pillar 3 disclosures (a sample of templates to be selected by the PRC) and related formal policies, internal processes, systems and controls;
- The effectiveness of competent authorities' supervision of institutions' compliance with Pillar 3 disclosure requirements (a sample of templates to be selected by the PRC) and related formal policies, internal processes, systems and controls and the measures taken to ensure that compliance.

The peer review found that, by and large, most requirements checked have been fully or largely incorporated into the supervisory framework by most supervisors reviewed, with three supervisors having incorporated the requirements to a very high standard.

One supervisory authority was rated 'partially applied' under every benchmark but started work to improve their tools to supervise and monitor Pillar 3 requirements more consistently. One supervisor was mostly rated 'not applied', which is linked to the fact that there are no specific processes and methodologies in place to regularly assess credit institutions' compliance with Pillar 3 requirements. The competent authority deems that the risk of non-compliance with the latter as not a significant risk to financial stability and focusses its supervisory resources on other topics.

The EBA will conduct a follow-up peer review of the implementation of the measures included in the report in two years, including on the general recommendations addressed to all CAs.

1. Introduction

1.1. Role of peer reviews

One of the EBA's tasks is to conduct peer reviews of the activities of competent authorities (CAs), to further strengthen consistency and effectiveness in supervisory outcomes across the EU.

Peer review reports set out the main findings and conclusions gained from reviewing and comparing the application of certain (parts of) regulations, guidelines or general topics from a number of different CAs – one or multiple topics combined. They also identify follow-up measures for CAs that are considered appropriate, proportionate and necessary as a result of the peer review. Follow-up measures are of a general nature and are applicable to all CAs, including those that were not subject to this peer review, unless specified otherwise or not applicable in their jurisdiction (if, for example, the issue analysed does not exist).

1.2. Topic of this peer review

This peer review is performed to assess the effectiveness and degree of supervisory convergence of issues relating to prudential disclosures and market discipline, assessing compliance by institutions with Pillar 3 disclosure requirements in Part Eight of the CRR and in Article 45i of the BRRD and the related EBA implementing technical standards.

The peer review aims to assess the steps CAs have taken to incorporate disclosure requirements under Part Eight of the CRR and under Article 45i of the BRRD in their jurisdiction, as well as under relevant Guidelines and/or other non-binding frameworks such as instructions and/or circulars and how these requirements are supervised.

In particular, the peer review will focus on the following provisions:

- Article 13 and Part Eight of Regulation (EU) No 575/2013 and EBA implementing ITS;
- Article 45i paragraphs 3, 4, 6 and 7 of Directive 2014/59/EU and EBA implementing ITS.

1.3. Methodology

This is a targeted peer review focusing on six CAs:

- France (FR) – Autorité de contrôle prudentiel et de résolution (ACPR);
- Italy (IT) – Banca d'Italia;
- Poland (PL) – Polish Financial Supervision Authority (KNF);
- Portugal (PT) – Banco de Portugal (BdP);
- Sweden (SE) – Swedish Financial Supervisory Authority (Finansinspektionen);

- European Central Bank (ECB) / Single Supervisory Mechanism (SSM).

The methodology used for the selection aimed at creating a balanced group of CAs including non-SSM jurisdictions with institutions of all sizes and SSM jurisdictions with a significant number of large subsidiaries and institutions under their direct supervision, including medium and small and non-complex institutions.

The ECB is included in the sample given the breadth of CIs under its supervision, in particular significant institutions, and as Pillar 3 requirements are generally required to come from the highest level of consolidation.

The report consists of six chapters. Chapter 1 presents an overall introduction including a methodology. The report continues in Chapter 2 with general explanations on the context of the peer review, in particular to explain the different legal and supervisory set-ups in the MS of the targeted CAs, as well as the peculiarities arising from these. Chapters 3, 4, 5, and 6 look at the four different benchmarks to be evaluated under the peer review, presenting all relevant findings and drawing the conclusions from those findings, as well as best practices.

The scope of the peer review remains firmly within the prudential responsibilities of the assessed CAs. The report does not assess the role of other national actors being responsible for checking and/or enforcing gender diversity issues, focusing only on the expectations placed on supervisors under the EU's legislative and regulatory framework (and the respective EBA guidelines).

The aim of the peer review is to evaluate compliance with the legislative and regulatory frameworks, as well as identifying potential supervisory risks arising from non-compliance with the latter, taking into account risk-based supervision, all while acknowledging that different CAs set different supervisory priorities based on the materiality of identified risks and resource availabilities. The peer review also aims to assess the effectiveness and the degree of supervisory convergence reached among supervisors. While the EBA expects all supervisory requirements to be followed by CAs, the PRC can, however, in certain cases take into account specific characteristics or challenges of national banking markets, as well as different methodologies for CAs to achieve the supervisory requirements. However, the ratings in general will be guided by compliance with the legislative requirements and the elements CAs are required to check.

1.4. Benchmarking

For the purposes of this peer review, four supervisory benchmarks were identified which reflect the key objectives of the peer review and the expectations towards CAs with respect to Pillar 3 disclosures. The reference period set by the PRC for the peer review was from 1 June 2023 to 30 June 2025.

This peer review focuses on supervisory activities in relation to credit institutions (CIs) only. The four benchmarks are:

1. The effectiveness of CAs' integration of the requirements in terms of Pillar 3 disclosure and the related institutions' formal policies, internal processes, systems and controls into their supervisory manuals, guidelines, or similar;
2. The effectiveness of CAs' arrangements for supervising and reviewing institutions' Pillar 3 prudential disclosures, their formal policies, internal processes, systems and controls, and the implementation of the requirements as specified in the CRR, BRRD and the relevant ITS and Guidelines;
3. The effectiveness of CAs' implementation of processes for the assessment of institutions' Pillar 3 disclosures and related formal policies, internal processes, systems and controls;
4. The effectiveness of CAs' supervision of institutions' compliance with Pillar 3 disclosure requirements and related formal policies, internal processes, systems and controls and the measures taken to ensure that compliance.

The Peer Review Committee (PRC) also identified individual criteria per benchmark that aim to set out the key factors used in reaching a judgment on the effectiveness of supervision in achieving the benchmark. These criteria are not a checklist; they are used as pointers/references to make sure the benchmarks are graded based on tangible elements. The following table summarises the outcome of the benchmarking:

	FR	IT	PL	PT	SE	ECB
(1) Effectiveness of integration of all relevant Pillar 3 requirements into CAs' supervisory manuals, guidelines, or similar	FA	FA	PA	FA	NA	FA
(2) Effectiveness of arrangements for supervising and reviewing institutions' Pillar 3 prudential disclosures, policies, internal processes and systems and controls	FA	FA	PA	FA	NA	LA
(3) Effectiveness of implementation of processes for the assessment of institutions' Pillar 3 disclosures and related formal policies, internal processes, systems and controls	FA	FA	PA	FA	NA	LA
(4) Effectiveness of supervision of institutions' compliance with Pillar 3 disclosure requirements	LA	FA	PA	FA	PA	LA

Legend:

Fully applied: all assessment criteria are met without significant deficiencies

FA

Largely applied: some of the assessment criteria are met with some deficiencies, which do not raise any concerns about the overall effectiveness of the competent authority, and no material risks are left unaddressed

LA

Partially applied: some of the assessment criteria are met with deficiencies affecting the overall effectiveness of the competent authority, resulting in a situation where some material risks are left unaddressed

PA

Not applied: the assessment criteria are not met at all or to an important degree, resulting in a significant deficiency in the application of the provision

NA

2. Background information

2.1 Introduction

For the purpose of this peer review, it is important to look at the different supervisory and organisational set-ups in the respective Member State (MS) as they can differ and can affect the way the respective CAs address the elements of Pillar 3 supervision.

To put the analysis outlined below into context, it is important to look at the different possible supervisory set-ups in the respective Member States. For banking union Member States within the Single Supervisory Mechanism (SSM), there are:

- Significant institutions (SIs) under direct ECB supervision;
- Less significant institutions (LSIs) supervised by national supervisors, in close cooperation with the ECB.

For non-SSM countries, the national supervisor is in charge of the supervision, although there might be subsidiaries of their local CIs under direct supervision of the SSM and consequently cooperation between supervisors is necessary. Conversely, a parent company from an SSM Member State can have subsidiaries supervised by national supervisors in a non-SSM Member State. These different organisational set-ups were taken into account by the Peer Review Committee (PRC) when assessing the respective benchmarks.

The above explanations in conjunction with the details below are important as they can be considered in the PRC's ratings of the different benchmarks/criteria for the different MS/CAs. They do not, however, aim to provide an integral mapping of interactions between banking laws and national laws in the MS of the selected CAs.

2.2 Specific CA/MS observations and characteristics

France (FR)

There are no specific observations with regard to national specificities in terms of banking sector or legislation for ACPR.

Italy (IT)

There are no specific observations with regard to national specificities in terms of banking sector or legislation for Banca d'Italia.

Poland (PL)

PL distinguishes between its commercial and its cooperative banks. The difference is the form of their activity – i.e. whether it is joint stock company (under the Commercial Companies Code) or a cooperative (under cooperative law). When assessing the respective benchmarks, the distinction will be continued to be made, while the respective ratings will consider both aspects together.

Portugal (PT)

There are no specific observations with regard to national specificities in terms of banking sector or legislation for Banco de Portugal.

Sweden (SE)

Swedish law and Finansinspektionen's regulations require banks to disclose detailed information on capital adequacy and capital requirements, with reference to the CRD and CRR, within their financial statements, which are subject to audit. The rationale for this longstanding legislation is that key information mandated under Pillar 3 is considered to be in the public interest and should therefore be subject to the scrutiny associated with statutory audit.

ECB (SSM)

There are no specific observations with regard to any national specificities for the ECB.

2.3 Overview of credit institutions under review¹

The following gives an overview of number and type of CIs the respective CAs have under their supervision, limited to those CIs subject to Pillar 3.

France (FR)

In terms of breakdown of CIs subject to P3 requirements in FR, the numbers are the following:

- 13 large institutions (SIs) at the highest level of consolidation in the EEA, supervised by the ECB;
- 55 large subsidiaries (SIs) not at the highest level of consolidation in the EEA, supervised by the ECB;
- 52 regular / other institutions (LSIs) at the highest level of consolidation in the EEA, supervised by ACPR;

¹ Data as of 30 June / 1 July 2025.

- 42 SNCIs (LSIs) at the highest level of consolidation in the EEA, supervised by ACPR.

Italy (IT)

In terms of breakdown of CIs subject to P3 requirements in IT, the numbers are the following:

- 12 large institutions (SIs) at the highest level of consolidation in the EEA, supervised by the ECB;
- 8 large subsidiaries (SIs) not at the highest level of consolidation in the EEA, supervised by the ECB;
- 48 regular / other institutions (LSIs) at the highest level of consolidation in the EEA, supervised by Banca d'Italia;
- 65 SNCIs (LSIs) at the highest level of consolidation in the EEA, supervised by Banca d'Italia.

Poland (PL)

In terms of breakdown of CIs subject to P3 requirements in PL, the numbers are the following:

- 4 large institutions at the highest level of consolidation in the EEA;
- 6 large institutions (subsidiaries) not at the highest level of consolidation in the EEA;
- 15 regular / other institutions at the highest level of consolidation in the EEA;
- 482 SNCIs at the highest level of consolidation in the EEA.

Portugal (PT)

In terms of breakdown of CIs subject to P3 requirements under Banco de Portugal's supervision, the numbers are the following:

- 5 large institutions at the highest level of consolidation in the EEA (3 SI supervised by the ECB and 2 LSI supervised by BdP);
- 3 large subsidiaries (SIs) not at the highest level of consolidation in the EEA, supervised by the ECB;
- 2 other subsidiaries supervised by the ECB;
- 7 regular / other institutions at the highest level of consolidation in the EEA supervised by BdP;
- 13 SNCIs at the highest level of consolidation in the EEA supervised by BdP.

Sweden (SE)

In terms of breakdown of CIs subject to P3 requirements in SE, the numbers are the following:

- 7 large institutions at the highest level of consolidation in the EEA (6 groups and 1 institution);
- 1 large institution (subsidiary) not at the highest level of consolidation in the EEA;
- 16 regular / other institutions at the highest level of consolidation in the EEA (6 groups and 10 institutions);
- 92 SNCIs at the highest level of consolidation in the EEA (13 groups and 79 institutions).

ECB

ECB had at the reference date 114 SIs at top entity level under its supervisory remit.

3. Benchmark 1: Effectiveness of integration by CAs of the requirements of Pillar 3 disclosure and the related institutions' formal policiesIntroduction

Benchmark 1 assesses whether the CAs have made sure, in an effective manner, that all relevant requirements on Pillar 3 disclosures have been integrated in their supervisory manuals, guidelines, or similar, as well as into their supervisory planning.

The respective legal reference is Article 97(2) of the CRD.

3.1 Effective integration of all relevant Pillar 3 requirements into CAs' supervisory manuals, guidelines, or similar and due documentation and implementation of the processes internally

France (FR)

ACPR updates and publishes at least on an annual basis a public notice, which sets out the general principles governing supervisory disclosure requirements under Pillar 3. This notice refers to the Commission ITS on disclosure (2021/637) and the ITS on ESG risk disclosure (2022/2453)² which explain the expected information requirements and describes how ACPR intends to supervise

² These legal references take into account the reference period the peer review covers, i.e. 1 July 2023 to 30 June 2025. At the time of publication of the peer review, both ITS had been repealed and replaced by Regulation (EU) 2024/3172.

compliance with the latter. Internal documentation is based on the public notice. Both internal and external documentation are reviewed and updated at least annually, usually triggered by regulatory changes.

ACPR uses several communication channels to keep supervisory teams updated of the Pillar 3 requirements. These comprise ACPR intranet, emails as well as an internal press review.

Regulatory expectations relating to Pillar 3 are also included in annual trainings dedicated to all ACPR supervisors. The relevant supervisory team in charge of the day-to-day monitoring and supervision of an institution also reviews the Pillar 3 disclosures of that institution.

Italy (IT)

Banca d'Italia has embedded the list of Pillar 3 disclosure requirements in the internal governance and documentation framework. Bdl maintains a dedicated CRR-aligned analysis checklist that is used to evaluate the adequacy of the compliance with Pillar 3 requirements by the LSIs it supervises. The checklist maps each disclosure item to the relevant CRR article(s) and other relevant regulation(s), specifies its applicability at entity and consolidated level, the disclosure frequency, the data owner, the references to the source, as well as the control and approval workflow. The checklist also includes fields for materiality assessments, waivers or exemptions, and remediation actions where gaps are identified.

The methodology and modalities of the supervisory assessment of Pillar 3 disclosures are described in an internal guideline (Circular 269), which sets out the requirements to verify organisational safeguards, analyse public disclosures for completeness, accuracy and timeliness, and document the outcomes in the supervisory file at both group and entity level. These guidelines also prescribe escalation and potential follow-up in case significant deficiencies are identified. For remuneration disclosures, the guidelines make reference to a dedicated review tool and quality scoring to ensure consistency.

The internal guidelines for the supervisory analysis of banks' Pillar 3 compliance are reviewed on an annual basis. The guidelines are updated whenever there are regulatory changes, in particular material changes that necessitate either adjustments to Bdl's analytical practices and methodologies or are broadening the scope of the review to cover additional disclosure topics or risk dimensions. There is a dedicated working group responsible for updating these guidelines.

Bdl uses various channels to keep supervisory teams aware of the relevant documentation and processes. All newcomers complete a mandatory training, and documentation is kept available and up to date on the dedicated intranet portal. For significant changes, Bdl runs dedicated seminars to inform and guide staff. The relevant analyst assigned to the supervision of a CI is also responsible for the review of the adequacy of Pillar 3 disclosures of that institution as part of the annual work programme. The Pillar 3 review is a part of the overall SREP assessment.

Poland (PL)

For its commercial banking department, KNF included Pillar 3 as an element of the SREP assessment. KNF is now in the process of developing a holistic approach for the verification of the quality of banks' Pillar 3 disclosures.

In the cooperative banking department, the list of Pillar 3 requirements is derived from the respective legal provisions (i.e. Commission Implementing Regulation (EU) 2021/637) and referred to in the SREP manual, instructing that the Pillar 3 disclosures are reviewed as part of capital management. The SREP manual is subject to review and update every year, reflecting regulatory changes and changes in areas of supervisory attention for the year.

On-site examinations regarding disclosures are performed in accordance with the approach described in on-site examination instructions (separate sections dedicated to the disclosures in credit risk, liquidity, capital adequacy and market risk) and also include checklists (pointing specific issues within the different types of risks to be examined).

KNF publishes instructions and internal documentation in its Internal Regulations Portal and informs relevant departments via email. KNF also organises annually a workshop dedicated to SREP, but there is no particular focus on Pillar 3. KNF has recently conducted a dedicated survey on Pillar 3 ESG risk disclosures.

KNF has an overall internal system for documenting questions to banks and the answers received, as well as remarks from analysts and assessment results including any findings. For Pillar 3, KNF checks in particular the information policy and whether there were any changes to it during the previous year (because if that policy is not accurate, then disclosures will not be accurate either). In terms of resources, there are no dedicated positions to specific Pillar 3 supervision, but the supervision of this topic is part of regular supervisory tasks.

Portugal (PT)

BdP has integrated the list of Pillar 3 disclosure requirements in its internal documentation. This document includes the applicable regulatory framework, outlines the main elements of the assessment procedure and sets out the disclosure requirements per type of institution, including the applicable CRR articles, EBA templates and data quality assessment through mapping tool availability. The document consolidates all key information on Pillar 3 disclosures and supports the teams working on the topic. It is structured as a handbook presentation and serves as a practical working guide for the supervisory teams.

This document is updated on an annual basis to ensure regulatory alignment with disclosure requirements. It is reviewed in the first half of the year to ensure any required updates are incorporated before the annual Pillar 3 supervisory review in the second half of the year. The updates are reviewed and approved according BdP's decision making process and reporting hierarchies.

BdP uses various communication channels to keep supervisory teams informed of the internal documentation and any updates, including a central documentation repository, a dedicated MS Teams group, email notifications, and team meetings and workshops, if necessary. Previous workshops were organised in November 2022 to inform supervisory teams of changes in the new EBA ITS, as well as in January 2024 to remind supervisory teams of the Pillar 3 framework. Both horizontal team members and supervisory teams are conducting Pillar 3 supervision.

Sweden (SE)

Finansinspektionen carries out on-going banking supervision to a large extent in line with the SREP Guidelines and methods are developed for different risk areas broadly divided along the same lines as the SREP Guideline. Supervision of institutions' Pillar 3 disclosures is not called out specifically in Finansinspektionen's internal supervisory methods.

As Finansinspektionen does not consider non-compliance with Pillar 3 requirements to qualify as a significant risk to financial stability and the functioning of the Swedish financial sector, it does not regularly allocate resources to the supervision of CIs' Pillar 3 disclosures. CIs with identified shortcomings of compliance with Pillar 3 requirements would be treated on a case-by-case basis.

Finansinspektionen conducted a thematic review of the CIs' compliance with Pillar 3 ESG templates in 2024, following the introduction of ESG in Pillar 3 requirements.

The Swedish law requires CIs to disclose detailed accounts of capital adequacy and capital requirements as required in the CRD and CRR. These disclosures are included in CIs' financial statements and are audited.

ECB

ECB has integrated JST assessment of banks' compliance with Pillar 3 disclosure requirements into its internal supervisory knowledge sharing platform (SSMnet), with further specifications available in an operational guidance. These documents lay out the three different types of assessments comprised in ECB's integrated, proportional and risk-based approach towards assessing banks' compliance with Pillar 3 requirements. These assessments are:

- (1) The annual reconciliation exercise conducted by the Directorate General Statistics – Banking Supervision Data Division (DG S/SUP) targeting the most relevant regulatory ratios and an annually defined focus area;
- Ad-hoc reviews of further risk areas of concern (qualitative or quantitative) defined and executed at (2) JST or (3) horizontal level.

In 2022, the ECB launched a review of several SSM procedures to improve efficiency and to streamline processes. Before that, individual JSTs were required to do line by line assessments of the templates. As reporting templates were changed every year, the JST templates also had to be updated, which was a resource intensive task, and not commensurate from a risk perspective.

There are no pre-set obligations for JSTs to do line-by-line assessments of the templates (no simple tick-the-box exercises), but if necessary larger (non-annual) ad-hoc exercises can now be carried out alongside the yearly horizontal checks.

With regard to updating the respective guidance, a review of the SSM's approach to monitoring Pillar 3 disclosures took place in 2022, with the aim of streamlining the process and making the most productive use of supervisors' time. While the update of the operational guidance is more formal and has to be submitted to Supervisory Board approval, more practical internal guidance can be updated at any time and be made available to supervisors in the internal supervisory knowledge sharing platform. The respective article in SSMnet was initially published in April 2022 and last updated in April 2025.

There is a general annual internal process to update internal supervisory guidance on annual/bi-annual basis – however, the Pillar 3 process is updated only when there is a need. The updates rely on three different processes:

- The annual targeted assessment of quantitative disclosure;
- The horizontally triggered assessments;
- The JST-triggered assessments.

Alongside the communication channels already mentioned to keep supervisory teams informed of the internal documentation and any updates, topical workshops can be organised on an ad-hoc basis during the annual reconciliation exercise. Standard training and ad-hoc brownbag sessions are also organised.

Allocation of resources in supervision follows a risk-based approach, based on SSM priorities, with horizontal functions and vertical supervision / JSTs involved:

- The horizontal policy function engages on high-level policy issues that may arise from time to time with regard to Pillar 3 (the current discussion on climate is an example) rather than on a day-to-day basis. Otherwise, any views on Pillar 3 disclosure are viewed as the responsibility of the relevant subject-matter experts rather than from a Pillar 3 perspective. DGS-SUP allocates sufficient staff for its annual reconciliation exercise.
- The resources for the individual JST assessments are defined autonomously by the JST conducting the assessment, who are given a wide margin of discretion to define a meaningful scope; for JSTs the allocation follows an internal approach to allocate resources based on risk priorities for each bank.

3.2 Assessment of Benchmark 1

France (FR)

ACPR has appropriate processes to ensure, in an effective manner, the relevant Pillar 3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar.

The processes have been duly documented and implemented: ACPR's supervisory framework, including manuals, guidelines or other relevant documents, as well as their supervisory planning integrate the relevant requirements.

Based on the above, the PRC rated ACPR as **'fully applied'** for Benchmark 1.

Italy (IT)

Banca d'Italia has appropriate processes to ensure, in an effective manner, the relevant Pillar 3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar.

The processes have been duly documented and implemented: Bdl's supervisory framework, including manuals, guidelines or other relevant documents, as well as their supervisory planning integrate the relevant requirements.

Based on the above, the PRC rated Banca d'Italia as **'fully applied'** for Benchmark 1.

Poland (PL)

KNF has partially integrated Pillar 3 disclosure requirements into their supervisory manuals, guidelines, or similar. In the cooperative banking department, there is a list identifying institutions subject to Pillar 3 requirements to checked and the topic is included in the SREP manual. In the commercial banking department, the topic has been deprioritised and there are no clear requirements or guidance on the supervision of Pillar 3 disclosures.

The processes have been duly documented and implemented in the cooperative banking department: the supervisory manual as well as their supervisory planning integrate the relevant requirements. The processes and their documentation are currently being developed in the commercial banking department.

Based on the above, the PRC rated the KNF as **'partially applied'** for Benchmark 1.

Portugal (PT)

BdP has appropriate processes to ensure, in an effective manner, the relevant Pillar 3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar. The processes have been duly documented and implemented: BdP's supervisory framework, including manuals, guidelines or other relevant documents, as well as their supervisory planning integrate the relevant requirements.

Based on the above, the PRC rated Banco de Portugal as **'fully applied'** for Benchmark 1.

Sweden (SE)

Finansinspektionen has not defined appropriate processes to ensure that the relevant Pillar 3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar. Finansinspektionen carries out on-going supervision to a large extent in line with the SREP Guideline

where supervision of CIs’ compliance with Pillar 3 requirements is not explicitly called out. Finansinspektionen has not defined specific methods within its SREP specifically for supervision of Pillar 3 disclosure requirements. While a thematic review of Pillar 3 ESG templates was conducted in 2024, there is no general methodology or processes to ensure CIs’ compliance with Pillar 3 disclosure requirements.

Based on the above, the PRC rated Finansinspektionen as **‘not applied’** for Benchmark 1.

ECB

ECB has appropriate processes to ensure, in an effective manner, that the relevant Pillar 3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar. The processes have been duly documented and implemented into ECB’s supervisory framework, including manuals, guidelines or other relevant documents, and reviews / updates of the latter are also completed when necessary. While ECB has integrated regular Pillar 3 disclosure checks into its supervisory planning, those are not fully comprehensive anymore as the checklist approach has been abandoned in 2022.

Based on the above, the PRC rated ECB as **‘largely applied’** for Benchmark 1.

	FR	IT	PL	PT	SE	ECB
Criterion 1: Effectiveness of integration of all relevant Pillar 3 requirements into CAs’ supervisory manuals, guidelines, or similar and due documentation and implementation of the processes internally	FA	FA	PA	FA	NA	FA
Overall score for Benchmark 1	FA	FA	PA	FA	NA	FA

3.3 Conclusions / follow-up measures / best practices

The supervision of Pillar 3 requirements is well established in most of the reviewed CAs.

Best practices identified in under Benchmark 1 are the following:

- Include the Pillar 3 disclosure assessment as a dedicated task in the SREP process (Banca d’Italia and KNF) and in regular supervisory work to ensure that appropriate attention and resources are allocated to this topic;
- Conduct a regular review of both the actual Pillar 3 disclosures published by banks as well as the completeness and accuracy of internal CA documentation (Banca d’Italia, KNF, and BdP);
- Organise regular trainings and/or workshops on the Pillar 3 topic to ensure that supervisors are informed of the supervisory task and aware of any recent developments (ACPR and BdP).

In terms of individual **follow-up measures**, the following is suggested:

- It is recommended that KNF ensure that there are appropriate processes in place to ensure, in an effective manner, that the relevant P3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar. KNF should also ensure that the processes have been duly documented and implemented: The CA's supervisory framework, including manuals, guidelines or other relevant documents, as well as their supervisory planning, should integrate the relevant requirements. KNF should in addition ensure, where relevant and as proportionate, that the same supervision of Pillar 3 disclosure integrated in the supervisory framework and planning in the cooperative banking department is also in place in the commercial banking department.
- It is recommended that Finansinspektionen ensure that it has appropriate processes to ensure, in an effective manner, that the relevant P3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar. Finansinspektionen should also ensure that the processes have been duly documented and implemented: The CA's supervisory framework, including manuals, guidelines or other relevant documents, as well as their supervisory planning, should integrate the relevant requirements.

In terms of **general recommendation(s)** addressed to all CAs, the PRC recommends that CAs ensure, in a commensurate way (in line with the landscape of CIs submitted to P3 requirements under their remit), the integration of all relevant Pillar 3 requirements into their supervisory manuals, guidelines, or similar, as well as ensuring the due documentation and implementation of these processes internally.

4. Benchmark 2: Effectiveness of arrangements for supervising and reviewing institutions' Pillar 3 prudential disclosures, policies, internal processes, and systems and controls

4.1 Introduction

Benchmark 2 assesses whether CAs have ensured, in an effective manner, that CIs' implementation of all relevant requirements in terms of Pillar 3 disclosures and related formal policies, internal processes, and systems and controls over time are supervised.

The respective legal references are Articles 433a, 433b, 433c of the CRR and Articles 97(1), (3) and (4) of the CRD.

4.2 Due processes to identify and maintain the list of institutions subject to Pillar 3 disclosure requirements updated

France (FR)

ACPR keeps a dashboard in place, which includes all the relevant information for each supervised entity and it serves to determine the list of CIs subject to Pillar 3 requirements, such as: name of the CI, internal identifier, banking status (credit rating agency, IF or other), regulatory status (SI, LSI or non-SSM), level of consolidation, CRR classification (SNCI or not), any exemptions and whether or not a Pillar 3 publication is expected (based on the analysis carried out in the previous year). The list is updated on an on-going basis (similar to the public notice mentioned under Benchmark 1) within the unit and it forms the basis for a more specific 'monitoring table for reporting entities' which focuses on the Pillar 3 requirements applicable to the supervised CIs. The monitoring table is produced annually and audited internally by the supervisors in charge of the day-to-day supervision of CIs and then by the head of department. It is available to the staff of the unit only.

Italy (IT)

Banca d'Italia keeps a 'master list' including all the relevant information for each supervised entity. The list contains, for example, the legal name and identifier, group/consolidation perimeter, prudential classification and size/complexity indicators, listing status (listed or not listed), home or host status and resolution footprint, and the resulting disclosure obligations (Pillar 3 of the CRR or, where applicable, an alternative framework). The master list is periodically updated by the Regulation and Macroprudential Analysis Directorate (RAM), in accordance with a defined calendar and whenever deemed necessary as, for example, following regulatory changes or reclassifications of CIs. It is available to supervisory analysts and used for planning, adequacy testing, and communication with the supervised CIs. The process is documented in Banca d'Italia's internal supervisory guidance and in the methodology note that governs the Pillar 3 adequacy assessment. The documentation also describes how exceptions are handled (e.g. in case a CI's status changes intra-year, or where temporary transitional provisions affect the disclosure scope).

Poland (PL)

For its commercial banks, KNF has a list of CIs subject to Pillar 3 disclosure requirements based on their characteristics: size, listing status and OSII status. However, the determining factors for the Pillar 3 disclosure obligations will be built in a dedicated tool for the supervision of the Pillar 3 disclosures.

For its cooperative banks, a list of 'SNCIs' that are subject to simplified P3 disclosures is compiled annually and approved by the Chief of KNF Board. The list is then distributed to all the supervisory analysts of the Cooperative Banking Department (CBD) who notify banks in case of any change in the classification as SNCI. In 2025, all cooperative banks belonging to the Institutional Protection Scheme (ISP) were classified as SNCIs.

Portugal (PT)

BdP has a list of CIs subject to Pillar 3 disclosure requirements coming from the internal classification procedure. The latter is used to classify the CIs into SNCI, large and others in accordance with the CRR provisions. The list also considers the information on the listing status available on the website of the national securities and markets regulator and the information submitted to ECB via RIAD.

Sweden (SE)

Finansinspektionen does not have specific processes and methodologies in place to assess on on-going basis CIs' compliance with Pillar 3 requirements since the risk of non-compliance with the latter does not normally qualify as a significant risk to financial stability and the functioning of the Swedish financial sector. Swedish law and Finansinspektionen's regulations require banks to disclose detailed information on capital adequacy and capital requirements, with reference to the CRD and CRR, within their financial statements, which are subject to audit. Therefore Finansinspektionen does not regularly allocate resources to institutions' P3 disclosures assessment.

ECB

For the purposes of its annual reconciliation exercise, ECB uses the list of SIs at the highest level of consolidation and identifies the CIs subject to P3 disclosure requirements, considering also any legal exemptions. The list is prepared by the horizontal function (DGS/SUP) and updated on an annual basis, based on the results of the previous reconciliation exercise. The list is shared with the vertical functions (JSTs) that are responsible for supervision and communication with the supervised CIs. The horizontal function guarantees that the processes are implemented consistently across all the JSTs.

4.3 Appropriate processes to supervise compliance by the relevant CIs with the supervisory framework

The PRC had identified three main processes to be supervised:

- Data quality assessment (e.g. against supervisory reporting data based on mapping tool);
- Possible selection of templates to be analysed;
- Assessment of the adequacy and appropriateness of CI's internal governance and internal controls in place to produce the Pillar 3 information.

France (FR)

The selection of the Pillar 3 templates to be reviewed is conducted on a case-by-case basis by the respective 'file manager' (team lead in charge of the P3 campaign) using the information included in the monitoring table (e.g. listed/unlisted and SNCI/non-SCNI profiles). Once the templates are selected, the data quality assessment is performed by: (i) using a tool / internal template which helps verify the compliance of the supervised CIs with the CRR disclosure requirements and (ii)

carrying out a manual reconciliation of the published Pillar 3 disclosures data with the supervisory reporting data.

Each supervised CI is reviewed by at least one supervisor and one analyst to ensure accuracy and completeness of the initial analysis. During the regular discussions with the supervised CIs, supervisors also check whether an internal governance and control system has been put in place to produce Pillar 3 information. However, in case no data quality or timeliness issues are detected, supervisors do not further investigate CIs' governance and internal controls.

In case of negative findings, supervisors issue recommendations or request remedial actions within a defined timeline. If a republication of the Pillar 3 disclosures report is requested, the follow-up process is the same as that used for other supervisory processes, with a division of the roles between supervisors issuing the requests/recommendations and other supervisors in charge of the follow-ups. Over the last three years, no serious findings were detected but some recommendations on Pillar 3 disclosure requirements were given.

Any exemption decision for Pillar 3 disclosure requirements in accordance with Article 7 of the CRR is usually linked to a solvency exemption decision, and these can occur during the authorisation process or at any time during the lifetime of the banking licence. The Pillar 3 exemption final decision is taken by the ACPR College after the relevant supervisors' analysis of the request submitted by the CI. The supervisors in charge of the follow-up then notify the CI of the decision taken by the ACPR College. So far, the only cases of exemptions have concerned LSIs consolidated by an entity regulated and supervised by the ACPR and third-country branches which are included in the consolidated publication of the parent.

Italy (IT)

The prudential classification of each supervised CI included in the master list is mapped with the CRR/EBA Pillar 3 ITS requirements to determine exactly which templates are in scope with the related frequency. This produces an 'applicability matrix' that is used as a Pillar 3 review plan. All CIs subject to Pillar 3 disclosures requirements are reviewed in full against the set of applicable disclosure templates. However, the severity of checks depends on the prudential relevance of the template for each supervised CI.

The Pillar 3 assessment is integrated in the regular SREP assessment. Operationally, the supervisory analysts assess the CIs' compliance with the CRR disclosure requirements. They reconcile Pillar 3 figures with supervisory reporting data and risk reports by using a checklist that refers directly to the CRR/EBA ITS (Regulation (EU) 2021/637) and translates each requirement into concrete tests with Yes/No/N.A. outcomes and fields for evidence (files/URLs, page references). The supervisory analysts document the checks and the findings are also collected in a register in which all the documentation related to supervised CIs are archived and officially recorded. The register also includes links to CIs' websites to prove timing, location, and stability of the P3 disclosures.

Within the SREP assessment, Banca d'Italia also assesses the adequacy and appropriateness of CIs' governance and controls put in place to produce the Pillar 3 disclosures. Specifically, the process starts by collecting evidence such as organisational charts; mandates of the Board/committees;

policies on public disclosure (including materiality, confidentiality and approval rules); roles and responsibilities, records of previous issues and remedial actions. Then, the process considers the consistency and completeness of data quality checks made and the accuracy of the descriptions of governance and risk management in the Pillar 3 qualitative narrative information. This assessment is conducted at least annually and whenever deemed necessary in case of any regulatory changes, significant organisational events, or recurrent disclosure issues.

Within the SREP process, any finding is rated for materiality and translated into remedial actions with a defined timeline. The process involves the managers in charge of the supervised CI and can be escalated to the Directorate depending on the materiality of the finding.

In case a CI revises and republishes its Pillar 3 disclosures report, a case-by-case approach is followed. Notably, the relevant supervisory analysts make an individual assessment to understand the nature and the impact of the change and the compliance with any previous supervisory requests. The focus of this assessment is the CI's regulatory adequacy and any risks to financial stability.

The exemption from Pillar 3 disclosure requirements in accordance with Article 7 of the CRR is not permitted for Italian LSIs.

Poland (PL)

For its commercial banks, KNF is developing a centralised tool for its horizontal teams to assess the completeness and correctness of the quantitative disclosures. The results are then provided to the supervisory analysts responsible for the CIs. The tool will be fed by both the mapping tool and the signposting tool published on the EBA website. At a later stage, the tool might also include checks on the P3 qualitative disclosures. However, the exact timeline for the finalisation of this tool is not yet defined.

For cooperative banks, KNF does not have a dedicated tool but supervisors assess CIs' compliance with the CRR disclosures requirements and randomly check consistency between supervisory reporting data and Pillar 3 data.

For both commercial and cooperative banks, any ad-hoc P3 data quality checks, assessment of the CIs' governance and internal control frameworks to produce the P3 information and follow-up process are part of the SREP process.

There is no exemption process for Pillar 3 disclosure requirements in accordance with Article 7 of the CRR, and KNF did not grant any exemptions from the application of Pillar 3 requirements so far.

Portugal (PT)

At BdP the horizontal functions (the Supervision Methodologies and the Innovation and Information Management units) carry out completeness checks to ensure that the supervised CIs reported all the required Pillar 3 disclosures templates in compliance with the CRR disclosures requirements and the respective CI's classification. These checks rely on the 'frequency of the

disclosure' file published by the EBA. Afterwards, the horizontal functions performed data quality reviews to ensure consistency between the information disclosed and the information reported to BdP (Finrep/Corep). These assessments are primarily based on the EBA mapping tool. Qualitative information and quantitative information not available in the EBA mapping tool are reviewed on a case-by-case basis, depending on supervisory judgement.

The monitoring of the completeness, and quality of reporting and disclosures data is also used to assess the adequacy and appropriateness of CIs' internal governance and internal controls to produce Pillar 3 information. This assessment also relies on a review of the statements on the adequacy of the processes to produce the Pillar 3 information by the Compliance function, the Supervisory Body and the Management Body, as required under Banco de Portugal Notice No. 3/2020, as well as on a review of the periodic independent assessments on the adequacy of those processes produced by an external entity.

When data quality issues are detected by the horizontal functions, CIs are requested to resubmit their disclosures and/or reporting data and a validation of the amendments is performed to ensure the completeness and consistency of information. If the CI fails to remediate the identified issues, the latter are reported to the relevant supervisory teams, which may then consider taking supervisory measures. These teams also ensure the necessary follow-up process.

The exemption decision for Pillar 3 disclosure requirements in accordance with Article 7 of the CRR is not applicable in PT as the scope of the Pillar 3 assessment covers only LSIs that disclose at the highest-level of consolidation. The only case of exemption from the application of Pillar 3 requirements pursuant Article 10 of the CRR is related to a CI permanently affiliated to a central body established in the same member state. The case was regulated in the Banco de Portugal's Notice No. 05/2014.

Sweden (SE)

Finansinspektionen uses a holistic approach to assess and monitor CIs' data governance, independently of whether data is used to produce Pillar 3 information or any other internal/external information. Specific Pillar 3 data quality checks may be carried out on a case-by-case basis, as in a thematic review on the Pillar 3 ESG templates in 2024. The latter was conducted on seven Swedish CIs subject to the reporting requirements on sustainability risks with the aim to better understand the potential exposure to sustainability risks, checking the reliability of the data provided and using it in the context of the SREP.

No processes or decisions for Pillar 3 disclosure requirements pursuant Articles 7 and 11(6) of the CRR are in place. However, Finansinspektionen previously required one CI to perform a sub-consolidation under Article 11(6) of the CRR.

ECB

The selection of the Pillar 3 templates subject to the annual reconciliation exercise depends on the SSM priorities (e.g. liquidity and climate risks) and regulatory developments. Afterwards, only the templates for which an exact EBA mapping exists are selected for the review. In terms of process,

the horizontal function (DGS/SUP) prepares a proposal of selected templates that is validated by local management and supervisors through an internal working group (Supervisory Data and Analytics Working Group). In the years from 2023 to 2025, the SSM supervisory priorities were climate risks; therefore the templates included in the ITS on P3 ESG disclosures were selected and validated by the Climate Risk Coordination Group and relevant Senior Management.

The Pillar 3 assessment exercise starts with the check of whether the disclosures have been published as expected on CIs' websites. If the P3 disclosures reports are not available, the horizontal teams inform the JSTs that will further investigate any shortcomings and communicate with CIs by using internal assessment templates drafted by DGS/SUP.

During the annual reconciliation exercise, ECB makes consistency checks between supervisory reporting data and Pillar 3 data relying on the EBA's mapping tool, and also various data quality and plausibility checks on the data published by banks (e.g. the identification of outliers, e.g. SIs most exposed to transitional and/or physical risks or to top polluting companies). The checks on CI's compliance with the CRR disclosures requirements are made on a regular basis (albeit not in their totality – i.e. using a selective approach as to which requirements to check), as jointly agreed by the horizontal (Statistics and Horizontal Line supervision) and vertical functions (JSTs) in a particular area of disclosure. The process was streamlined in 2022 and ECB no longer requires a full review each year.

Following these checks, the JSTs are requested to send the results to the supervised CIs. The latter are requested to provide feedback on the findings and indicate a date by which corrections to the data are expected to be completed.

The focus of the annual reconciliation exercise is on quantitative Pillar 3 disclosures templates, while the adequacy of CIs' internal governance and internal controls is assessed through the broader risk data aggregation and risk reporting (RDARR) activities of JSTs and horizontal functions. Non-compliance with Pillar 3 regulation is considered when focusing on risk culture as potential signal of lack of communication/transparency towards CIs' stakeholders and potential impact on governance arrangements.

The exemption process from Pillar 3 disclosure requirements in accordance with Article 7 of the CRR is described in the 'ECB Guide on options and discretions available in Union law' (July 2025) which specifies the factors to consider to grant waivers to subsidiary CIs and parent CIs, and the documents to be submitted by CIs. No exemption has been given so far, except for the specific case of ESG Pillar 3 disclosures requirements, where the SSM Supervisory Board took the decision to follow the advice provided by the EBA to the CAs in its no action letter until the new ITS is effective. A FAQ to provide clarity on this decision was published on the ECB Banking Supervision website in December 2025.

4.4 Documentation of processes

This point is covered under Benchmark 1.

4.5 Assessment of Benchmark 2

France (FR)

On criterion 2, ACPR has appropriate processes to ensure, in an effective manner, the monitoring of the CIs subject to Pillar 3 disclosure requirements and the supervision of CIs' compliance with the Pillar 3 disclosure framework. ACPR is consequently rated 'fully applied' on criterion 2.

This includes for criterion 3 assessments on the completeness, consistency and quality of the Pillar 3 data published and on the adequacy of the internal governance and control systems to produce these data, with appropriate follow-up processes in case of any negative findings and requests of remedial actions. ACPR is consequently rated 'fully applied' on criterion 3.

Based on the above, the PRC rated ACPR as **'fully applied'** for Benchmark 2.

Italy (IT)

On criterion 2, Banca d'Italia has appropriate processes to ensure, in an effective manner, the monitoring of the CIs subject to Pillar 3 disclosure requirements and the supervision of CIs' compliance with the Pillar 3 disclosure framework. Banca d'Italia is consequently rated 'fully applied' on criterion 2.

This includes, for criterion 3, assessments on the completeness, consistency and quality of the Pillar 3 data published, and on the adequacy of the internal governance and control systems to produce these data, with appropriate follow-up processes in case of any negative findings and requests of remedial actions. Banca d'Italia is consequently rated 'fully applied' on criterion 3.

Based on the above, the PRC rated Banca d'Italia as **'fully applied'** for Benchmark 2.

Poland (PL)

On criterion 2, KNF has largely implemented processes to ensure, in an effective manner, the monitoring of the CIs subject to Pillar 3 disclosure requirements and the supervision of the CIs' compliance with the Pillar 3 disclosure framework. KNF is consequently rated 'largely applied' on criterion 2.

On criterion 3, KNF monitors the CIs subject to Pillar 3 disclosure requirements; however it does not have specific tools for assessing the completeness and the correctness of the quantitative Pillar 3 data disclosed by CIs. Random consistency checks between Pillar 3 data and supervisory reporting data (reconciliation) are performed. Pillar 3 requirements checks and assessments of the adequacy of CIs' governance and internal controls are performed on ad-hoc basis as part of the SREP process. KNF is consequently rated 'partially applied' on criterion 3.

In the commercial banking department, KNF is developing a dedicated tool for the supervision of Pillar 3 disclosures by using the information included in the EBA mapping tool and the EBA signposting tool.

Based on the above, the PRC rated the KNF as **'partially applied'** for Benchmark 2.

Portugal (PT)

On criterion 2, BdP has appropriate processes to ensure, in an effective manner, the monitoring of the CIs subject to Pillar 3 disclosure requirements and the supervision of CIs' compliance with the Pillar 3 disclosure framework. BdP is consequently rated 'fully applied' on criterion 2.

This includes for criterion 3 assessments on the completeness, consistency and quality of the Pillar 3 data published and on the adequacy of the internal governance and control systems to produce these data, with appropriate follow-up processes in case of any negative findings and requests of remedial actions. BdP is consequently rated 'fully applied' on criterion 3.

Based on the above, the PRC rated Banco de Portugal as **'fully applied'** for Benchmark 2.

Sweden (SE)

On criterion 2, Finansinspektionen has not defined appropriate processes to ensure, in an effective manner, the monitoring of the CIs subject to Pillar 3 disclosure requirements and the supervision of CIs' compliance with the Pillar 3 disclosure framework. Finansinspektionen is consequently rated 'not applied' on criterion 2.

While Finansinspektionen uses a holistic approach to assess and monitor CIs data governance, and regulatory requirements for audit of capital information exist, specific Pillar 3 data quality checks may only be carried out on a case-by-case basis, as in a thematic review. Finansinspektionen does not regularly allocate resources for the supervision of Pillar 3 disclosure requirements, so no appropriate processes to supervise compliance by the relevant CIs with the supervisory framework are in place (criterion 3).

Finansinspektionen is consequently rated 'not applied' on criterion 3.

Based on the above, the PRC rated Finansinspektionen as **'not applied'** for Benchmark 2.

ECB

On criterion 2, ECB has appropriate processes to ensure, in an effective manner, the monitoring of the CIs subject to Pillar 3 disclosure requirements and the supervision of CIs' compliance with the Pillar 3 disclosure framework. ECB is consequently rated 'fully applied' on criterion 2.

For criterion 3, the ECB checks on CI's compliance with P3 requirements on a regular basis, albeit not in their totality (i.e. using a selective approach as to which requirements to check). The selected Pillar 3 data is checked for completeness, consistency and quality. The adequacy of the internal governance and control systems to produce these data is also verified, with appropriate follow-up processes in case of any negative findings and requests of remedial actions. ECB is consequently rated 'largely applied' on criterion 3.

Based on the above, the PRC rated ECB as ‘**fully applied**’ for Benchmark 2.

	FR	IT	PL	PT	SE	ECB
Criterion 2: Due processes to identify and maintain the list of institutions subject to Pillar 3 disclosure requirements updated	FA	FA	LA	FA	NA	FA
Criterion 3: Appropriate processes to supervise compliance by the relevant CIs with the Pillar 3 disclosures framework	FA	FA	PA	FA	NA	LA
Overall score for Benchmark 2	FA	FA	PA	FA	NA	LA

4.6 Conclusions / follow-up measures / best practices

Almost all the reviewed CAs have implemented appropriate processes for supervision of Pillar 3 disclosure requirements.

Best practices identified under Benchmark 2 are the following:

- Keep a list including all the relevant information to identify the CIs subject to Pillar 3 disclosure requirements and periodically updating it to reflect any regulatory or institution-related changes (e.g. ACPR, Bance d’Italia or BdP).
- Develop specific tools (e.g. checklist and internal templates) for the supervision of CIs’ compliance with the Pillar 3 disclosure framework and for the data quality and consistency checks, based on the information available on the EBA website (mapping tool, signposting tool, frequency of disclosure files) (e.g. Bance d’Italia, KNF or ECB).

In terms of individual **follow-up measures**, the following is suggested:

- It is recommended that KNF finalise the development of its internal tool for the supervision of the compliance with Pillar 3 disclosure by its commercial banks. A similar tool should be developed for its cooperative banks. Within the SREP process, it is also recommended that the CA carry out regular Pillar 3 assessments that could be calibrated in relation to the risks that the supervised CIs may pose to the financial stability and the proper functioning of the Polish financial sector. Lastly, in case of any findings, follow-up processes should be set up by leveraging on other existing supervisory processes.
- It is recommended that Finansinspektionen keep an updated list of CIs subject to Pillar 3 disclosure requirements. Within the SREP process, specific tools should be developed for regular Pillar 3 assessments and follow-up processes in case of any findings. The severity of the checks can be calibrated with the risks that the supervised CIs may pose to the financial stability and the proper functioning of the SE financial sector.

In terms of **general recommendation(s)** addressed to all CAs, the PRC recommends that CAs keep an updated list including all the relevant information to identify the CIs subject to Pillar 3 disclosure requirements and to ensure that appropriate and commensurate (in line with the landscape of CIs submitted to P3 requirements under their remit) processes are in place to supervise the relevant CIs' compliance with the Pillar 3-related supervisory framework. In particular, this is with regard to data quality assessments, the possible selection of templates to be analysed, and the assessment of the adequacy and appropriateness of CI's internal governance and internal controls in place to produce the Pillar 3 information.

5. Benchmark 3: Effective implementation of processes for the assessment of institutions' Pillar 3 disclosures and related formal policies, internal processes, systems and controls

5.1 Introduction

Benchmark 3 assesses whether CAs have implemented effective processes for the assessment and verification of CIs' Pillar 3 disclosures and related formal policies, internal processes, systems and controls.

The analysis examines the extent to which the CAs have incorporated into their SREP the assessment and verification of Pillar 3 disclosures prepared by the supervised CIs, as well as the way the supervisory teams document the various steps of this process.

The respective legal references are Article 97(1), (3) and (4) of the CRD.

5.2 Integration of assessment and verification of Pillar 3 disclosures requirements into SREP with the definition of annual supervisory examination programme / consideration of Pillar 3 supervisory framework

France (FR)

ACPR has recently started an annual review of Pillar 3 disclosures, hence the assessment and verification of Pillar 3 disclosures have not yet been specifically mentioned in the supervisory planning. In addition to this, as no significant deviation has been identified so far, the need to include this review in the SREP was not deemed necessary.

A list detailing all the requirements to be met by the LSIs under ACPR supervision allows for the verification by supervisors of whether all the information required is being disclosed by CIs. This covers quantitative and qualitative information. So far, no relevant issues have been identified.

In compliance with the documented internal policies, an annual review of Pillar 3 disclosures is conducted. The intensity and granularity of the review to be performed can be adapted as needed, following a risk-based approach. For the years 2023 and 2024, the thematic reviews for LSIs and TCBs included the following:

- Full review of applicable requirements. No prioritisation is needed as these CIs are subject to limited disclosure requirements;
- Development of support material for supervisors (assessment and issuing findings / recommendations templates; Q&As).

All the findings from these exercises were documented accordingly. Given the satisfactory results observed in the 2023 and 2024 reviews, in 2025 the intensity of the supervisory activities on Pillar 3 has been reduced. Additional assessments can however still be performed under transversal / thematic reviews.

As regards the cross-referencing to other available supervisory information, all the quantitative Pillar 3 figures are cross-checked with supervisory reporting data while the qualitative information is assessed by the supervisors and consistency checks are performed with ICAAP.

So far, no need to coordinate with other supervisory authorities has been identified – hence this process has not yet been implemented or documented.

The implemented processes are assessed by the CA as effective and well documented – hence no review of these processes is currently envisaged.

Italy (IT)

Banca d'Italia has explicitly included the review of Pillar 3 compliance in internal guidelines that also prescribe how supervisory teams must perform this assessment. The guidance integrates Pillar 3 into SREP planning. Two complementary checks are required: (i) verification of internal governance to produce and control disclosures and (ii) the analysis of published information for completeness, accuracy, timeliness and frequency considering the CRR requirements and the respective ITS on Pillar 3 disclosures. In the past three years, the review of Pillar 3 was explicitly embedded in the supervisory planning for the SREP. The assessment was carried out as part of the mandatory financial statements analysis and was complemented by checks on the governance and compliance arrangements.

The reviews performed consider the whole Pillar 3 supervisory framework. Consequently, no prioritisations or rotation plans are needed. Qualitative information is assessed with each block mapped to the relevant quantitative templates to have a single and holistic view for each CI and each risk under assessment. When information is omitted based on materiality or a CI invokes 'confidential/proprietary' reasons, the respective rationale is documented so reviewers can assess the individual cases and conclude on whether there are justified reasons to not disclose the elements at stake. This individual assessment considers the full set of supervisory information collected over the year. In case the review indicates that the information should be disclosed, the

CA would require a completion or correction of the Pillar 3 report. To date, no such cases were identified.

Cross-referencing is treated as part of the SREP, so Pillar 3 disclosures can be reviewed in conjunction with other supervisory materials. ICAAP, ILAAP and stress-testing results should be consistent with Pillar 3 information. For instance, risk governance narratives and capital / RWA tables are assessed against ICAAP (concrete examples of this were provided by the CA). Pillar 3 is not treated separately, and every key disclosure is analysed in connection with other supervisory information. Consistency across different sources of information is necessary for a positive adequacy judgement.

For cross-border groups, auditable records of the coordination with EU and with non-EU authorities are kept. For groups requiring multi-authority coordination, the CA participates in the relevant colleges of supervisors. These colleges are organised at least annually and the complete files with the respective documentation are properly stored. The CA also maintains bilateral / multilateral coordination outside the college cycle. Finally, when needed, relevant information is exchanged with other authorities under the applicable information-sharing / collaboration agreements or memoranda of understanding (MoUs).

The checklist in use by supervisors is up to date, and there is no plan to review the current process as it is considered by the CA to be efficient and effective.

Poland (PL)

KNF considers the review of the internal governance for Pillar 3 disclosures as part of the SREP, so the documentation is prepared in the context of the SREP activities. Each assessment area is analysed every three years. However, if needed, analysts can check disclosures more frequently than established under the supervisory assessment program. The review normally covers quantitative and qualitative information.

The main focus of the assessment under SREP is on internal governance. KNF deems that for commercial banking entities, no comprehensive review of completeness of disclosures is needed. For the cooperative banks, the completeness of disclosures is analysed on an on-going basis, especially as regards any abuse / omission of information. Disclosed information is also reviewed during the on-site inspections (infringements of Pillar 3 requirements in cooperative banks were also revealed during on-site inspections of capital adequacy, assets quality, liquidity risk and management areas). No yearly rotating plans to assess the whole framework are defined and documented. As regards prioritisation of templates to be revised, no documented rationale is available for commercial banking activities. As regards the cooperative banking department, expert judgement is applied when deciding the priority, but no internal procedure or guidance is available to provide guidance on how to apply this judgement and ensure consistency.

For the commercial banking entities, there was a comprehensive evaluation in 2025 dedicated to ESG disclosures. The same is valid for the cooperative entities that were subject to an annual review of ESG disclosures between 2023 and 2025. Normally, for these entities, disclosures are checked at least every three years, depending on the intensity of the SREP process.

No cross-references between Pillar 3 disclosures and other supervisory information are considered in the assessments performed. However, the SREP process covers reporting information and other materials³ provided by CIs.

In terms of coordination with other supervisory authorities as regards commercial banking entities, it should be noted that Pillar 3 topics were not part of the colleges' agendas in the last three years. As regards cooperative institutions, the CA considers that no coordination is needed.

Going forward, the CA intends to review the processes and respective documentation also considering the implementation of the P3DH. The intention is to cover the completeness of the disclosures, their accuracy as well as their consistency.

Portugal (PT)

BdP has established under its supervisory planning the annual review of compliance with Pillar 3 requirements for all LSIs. The approach followed ensures that Pillar 3 disclosure requirements are considered throughout the year and within the SREP framework.

The completeness check performed ensures that all required templates are disclosed by CIs. The data quality review put in place ensures that all information disclosed is consistent with supervisory data. Quantitative information not available in the mapping tool and qualitative information are reviewed on a case-by-case basis, depending on supervisory judgement. So far, no CI has omitted information based on materiality, proprietary or confidentiality considerations.

Cross-references between Pillar 3 disclosures and other supervisory information are assessed on a case-by-case basis, depending on other ongoing supervisory initiatives with an emphasis on consistency and alignment across regulatory products.

The scope of LSIs does not encompass CIs with relevant cross-border activities (either within or outside the EU) and therefore this coordination is not necessary.

A new AI-based tool is being implemented to enhance the efficiency of Pillar 3 disclosures assessment.

Sweden (SE)

Finansinspektionen has not considered the review of Pillar 3 disclosures in their internal supervisory methods, as it is not rated as high risk. Hence, it is not covered by the SREP activities. CIs are expected to have internal arrangements to ensure compliance with all the regulatory requirements, including the disclosure of Pillar 3 information to the market. The CA does not have any review role on this process.

³ For cooperative banks, for example, action strategies, policy instructions, financial plans, management reports, quantitative forms in the area of operational risk, interest rate in the banking book, and liquidity. For commercial banks, as part of the SREP process, banks submit both plans and reports on internal audits, ICAAP and ILAAP reports, as well as additional non-reporting information of a qualitative and quantitative nature, complementing the mandatory reporting used to assess the bank. These may cover P3 but it is not very common as P3 is not (so far) the main focus of banks.

In the view of the CA, the non-compliance with Pillar 3 requirements does not qualify as a significant risk to financial stability and the functioning of the financial sector, and therefore no resources are allocated to this activity. There are no plans to review this approach.

No cross-reference assessment with other supervisory information is routinely carried out.

ECB

The ECB has not performed a global / general a Pillar 3 disclosures assessment within the SREP in the last three years. However, when conducting the assessment on the internal governance (element 2 of the SREP methodology), JSTs are invited to assess the consistency amongst the different data sets produced by the CI as regards supervisory, accounting and reporting data. As such, review of the Pillar 3 disclosures can be included under this SREP component and then be documented by each JST as part of the SREP activities.

The ECB has not implemented a process to conduct a complete review of the Pillar 3 reports published by the supervised CIs. The assessment of these reports' completeness is performed on an ad-hoc basis when deemed necessary (either by the individual JST or via a horizontal request directed to all the JSTs). As regards the qualitative information, no comprehensive assessment of narratives is performed. The narratives are analysed when there is a negative finding on quantitative data. No documentation is available as regards the plan to perform a complete review of the Pillar 3 disclosures.

Annually, a reconciliation is carried out between the Pillar 3 quantitative figures and the supervisory reporting data. The area of focus is defined on a yearly basis in line with the supervisory priorities set for that year, also considering availability of resources. Following the established SSM supervisory priorities for 2023–2025, the Pillar 3 disclosures on climate risk were revised considering the respective ITS and the ECB Guide on climate-related and environmental risks. In that context, selected ESG templates and qualitative tables were assessed during this period (with reference to year-end 2022, 2023 and 2024). The selection of these templates is validated by ECB management and the respective working group. The prioritisation of ESG templates is validated by the Climate Risk Coordination Group.

Cross-references between Pillar 3 figures and other supervisory information (e.g. ICAAP and stress test results) are not conducted on a regular basis. For the exercise on ESG, a comparison with bank internal documentation was performed, but this was a one-off exercise. JSTs have the discretion to analyse more in depth any topic based on priorities and identified risks.

The coordination with other Supervisory Authorities as regards Pillar 3 is performed via the EBA when presenting the findings of the reconciliation exercise to the Transparency Subgroup.

While so far the ECB annual plan to review Pillar 3 disclosures has been decided based on the supervisory priorities, going forward the implementation of the EBA P3DH will facilitate the retrieval of Pillar 3 information and, as such, facilitate the reconciliation with supervisory data. The ECB is currently assessing how the current process could be improved and documented. An extension of the scope of Pillar 3 review is being considered.

5.3 Steps taken by supervisory teams are properly documented

France (FR)

As regards the internal documentation of the different steps under the established processes, the following was mentioned by the CA:

- **Preparatory phase / documentation:** ACPR maintains a checklist with all the CRR disclosure requirements to be met by supervised entities which is available to supervisors. This checklist is updated to reflect all the regulatory developments. All the documentation with findings from previous assessments are available to all the supervisors. Ideally, all documents are made available to all supervisors to allow some consistency in the analysis and benchmarking of the results obtained.
- **Documentation of analysis performed:** The templates filled in by the supervisors for each supervised CI and all the interactions with those CIs are saved to maintain an audit trail. A horizontal team confirms that activities are being conducted as planned and all documents all relevant interactions in internal folders created for this purpose. Findings are compared transversally by the horizontal function.
- **Issues escalation process:** There is no separate escalation process for Pillar 3 issues as it falls within the regular process followed by ACPR's offsite supervisory team. This is documented in a specific internal document setting the processes related to prudential supervision, whose scope includes Pillar 3 framework.
- **Framework review coverage:** The templates used by supervisors to review Pillar 3 disclosures cover all the requirements applicable to LSIs.

Italy (IT)

As regards the internal documentation of the different steps under the established processes, the following was mentioned by the CA:

- **Preparatory phase / documentation:** Banca d'Italia maintains a checklist to be used as guidance for the assessment of Pillar 3 disclosures, mirroring the regulatory structure and including governance aspects, frequency and publication formats, dates, location and accessibility of Pillar 3 disclosures. All cases requiring supervisory intervention are recorded in the internal registers. An internal summary table aggregating all identified Pillar 3 deficiencies across LSIs is available. This list is not available to all analysts due to data protection rules. However, if a deficiency is identified management can check whether similar cases existed in the past and what type of measures were applied. Under this scenario, to ensure alignment access to the documentation can be granted.
- **Documentation of analysis performed:** Supervisory teams must document evidence and expert judgement in the supervisory files available on the internal platform. Using the checklist

previously mentioned, supervisors must record 'yes/no/N.A.' for each disclosure requirement. Precise cross-references have to be made to pages, templates and datapoints, always attaching the underlying evidence (files or URLs). The outcome of this work corresponds to a concise opinion that summarises the compliance status, highlights deficiencies and sets out remediation actions with target dates. SREP results undergo comparisons to peers by the horizontal function to ensure methodological consistency during the assessment process.

- **Issues escalation process:** As the Pillar 3 review is part of the SREP assessment, the approvals follow a defined hierarchy (team lead or senior manager responsible for the technical assessment; then head of division and head of directorate).
- **Framework review coverage:** The whole Pillar 3 framework is revised annually.

Poland (PL)

As regards the internal documentation of the different steps under the established processes, the following was mentioned by KNF:

- **Preparatory phase / documentation:** There are no specific guidelines available to supervisors. All analysts are informed whether CIs under their remit are classified as SNCIs and/or whether the CRR requirements have to be considered when reviewing the disclosures. For the commercial banking department, a template listing Pillar 3 requirements is available. This is not the case for the cooperative banking department⁴. For the commercial banking department, no list of issues with Pillar 3 disclosures is available as, so far, no major issues have been identified. The cooperative banking department compiles and maintains a list summarising all the recommendations issued as part of the SREP. This list is made available to all the analysts.
- **Documentation of analysis performed:** If irregularities are found during an on-site inspection, these are always documented in the on-site examination report and a formal after-examination recommendation is issued with actions expected from banks. Some examples of communications sent to banks were provided by the CA. However, it is unlikely that a formal recommendation would be issued for any Pillar 3 matters. This would more likely be discussed and solved via the supervisory dialogue. The outcome of the SREP assessment – and hence any Pillar 3 findings – is documented in a dedicated IT system.
- **Issues escalation process:** Any issues identified would be further investigated as any other SREP issue. No issues identified in the ESG review.
- **Framework review coverage:** There is no evidence of documentation demonstrating how all the relevant CRR Part Eight requirements are planned to be subject to review by supervisors.

⁴ The cooperative banking department plans on developing a list of Pillar 3 requirements in 2026.

Portugal (PT)

As regards the internal documentation of the different steps under the established processes, the following was mentioned by the CA:

- **Preparatory phase / documentation:** The horizontal function at BdP provides guidance to the supervisory teams on how to conduct the review of the Pillar 3 disclosures. A checklist is maintained for data quality checks. Standardised files are populated to conduct the Pillar 3 consistency assessment. These files enable comparability between Pillar 3 information and supervisory data. In addition, the Pillar 3 framework handbook includes a template for supervisors to document their assessment, ensuring a consistent approach across different supervisory teams. All information on identified issues is available to all analysts in shared folders. These records serve as a reference point to the work in the following year. A Word document lists the main findings on data quality per institution.
- **Documentation of analysis performed:** Where deficiencies or non-compliance is identified, follow-up actions and / or applicable supervisory measures are communicated to CIs. The Pillar 3 assessment contributes to the overall SREP assessment (Element 2 – Internal Governance and Risk Management). The analysis and verification work is documented in Excel and Word formats. An individual report on the outcome is prepared by the horizontal function and shared with supervisory teams for subsequent review and analysis. Supervisory teams challenge the results obtained and bilateral discussions normally take place to prepare the final findings. In March 2023, the Pillar 3 process was also subject to an independent review conducted by BdP's internal audit as part of a broader review of its LSI prudential supervision.
- **Issues escalation process:** Complex issues are escalated by the supervisory teams to senior management via the standard decision-making framework, ensuring adequate review and discussion of the most appropriate supervisory actions.
- **Framework review coverage:** The whole disclosures framework is covered by the implemented reviews.

Sweden (SE)

As regards the internal documentation of the different steps under the established processes, the following was mentioned by Finansinspektionen:

- **Preparatory phase / documentation:** SE-FSA does not conduct regular Pillar 3 assessments, so no list of previously identified issues is available.
- **Documentation of analysis performed:** Pillar 3 disclosures are not revised. A thematic review on ESG disclosures was conducted in 2024 and the respective report was published on the CA's website.

- **Issues escalation process:** Complex cases identified would be discussed in the context of the supervisory dialogue and follow the usual escalation process (involvement of Bank Supervisory Committee under the presidency of the Executive Director that decides the right course of action).
- **Framework review coverage:** No Pillar 3 review is conducted and no plans to review this approach.

ECB

As regards the internal documentation of the different steps under the established processes, the following was mentioned by the CA:

- **Preparatory phase / documentation:** To provide JSTs with standardised guidance, when running the annual reconciliation exercise two horizontal requests are issued: (i) to check that Pillar 3 reports were published and (ii) to assess any misalignments between Pillar 3 and supervisory data. This is a regular process also documented in the final report. Ad-hoc assessments performed by JSTs are done at their own discretion. A list of most identified Pillar 3 issues in previous reviews is not made available to JSTs. However, patterns identified each year are documented in the final report of the annual reconciliation.
- **Documentation of analysis performed:** The analysis conducted (annual reconciliation between Pillar 3 disclosures and supervisory data) is documented by the ECB internally and published externally. The respective results are also presented to the respective ECB working group composed of NCAs and with the EBA via the Transparency Subgroup.
- **Issues escalation process:** A specific ex-ante procedure to escalate complex Pillar 3 issues to Senior Management is not implemented. In case any findings are identified, it would follow the usual escalation process similarly to any other supervisory topic.
- **Framework review coverage:** Beyond the annual reconciliation exercise, there is no additional documentation demonstrating how all the relevant CRR Part Eight requirements are planned to be verified given the followed risk-focused approach. However, the implementation of the EBA Pillar 3 data hub will facilitate the retrieval of Pillar 3 information and an extension of this review. An update of the respective process documentation is being considered.

5.4 Assessment of Benchmark 3

France (FR)

With regard to criterion 4, ACPR has conducted comprehensive reviews of Pillar 3 disclosures, covering all the requirements to be met by these institutions, even if not integrated in the SREP. Cross referencing to other supervisory information is performed. At the moment, no coordination with other supervisory authorities was deemed necessary. On this basis, ACPR is rated as 'largely applied' for criterion 4.

With regard to criterion 5, these assessments are documented in pre-defined templates and subject to horizontal review consistency checks. All relevant processes are documented in internal documents. The findings for all the CIs is made available to all supervisors. No list with common findings on Pillar 3 reviews is made available to all supervisors (findings need to be consulted on an individual basis). Overall, it is considered that the documentation of the processes and analysis performed is adequate, proportionate and effective. On this basis, ACPR is rated as 'fully applied' for criterion 5.

Based on the above, the PRC rated ACPR as **'fully applied'** for Benchmark 3.

Italy (IT)

With regard to criterion 4, Banca d'Italia has integrated the Pillar 3 review in the SREP, this review conducted annually and covering the whole Pillar 3 framework. All the relevant aspects related to the publication are properly verified by the supervisory teams. The CA maintains a good coordination with other supervisory authorities. On this basis, Banca d'Italia is rated as 'fully applied' for criterion 4.

With regard to criterion 5, Banca d'Italia adequately documented the processes to be followed by supervisors when assessing Pillar 3 disclosures. Detailed guidance is available to analysts. Documentation templates were developed, and it was demonstrated that these templates are used by supervisors when assessing an institution. Processes and documentation presented and mentioned by the CA are considered effective, efficient and complete. On this basis, Banca d'Italia is rated as 'fully applied' for criterion 5.

Based on the above, the PRC rated Banca d'Italia as **'fully applied'** for Benchmark 3.

Poland (PL)

With regard to criterion 4, KNF has included the review of Pillar 3 disclosures as part of the SREP process. This review is planned to occur every three years. There is no current plan on how it is intended to perform a comprehensive review of disclosures, covering all requirements under Part Eight of the CRR. Pillar 3 disclosures are revised without clear cross references to other supervisory information. There is no clear evidence of coordination with other supervisory authorities. On this basis, KNF is rated as 'partially applied' for criterion 4.

With regard to criterion 5, the CA maintains a checklist with the Pillar 3 requirements that shall be met by commercial banking institutions. On the reviews performed, notably on ESG, it is not evident how the challenging of the results is performed and by whom. A dedicated list to Pillar 3 issues identified in previous reviews is not available to analysts. While the CA has implemented processes and prepared some documentation, it is considered that a review of the current processes, including the preparation of guidance to analysts and the enlargement of the scope, could benefit the effectiveness of the Pillar 3 disclosures review. On this basis, KNF is rated as 'partially applied' for criterion 5.

Based on the above, the PRC rated the KNF as '**partially applied**' for Benchmark 3.

Portugal (PT)

With regard to criterion 4, the Pillar 3 review is integrated in the SREP, conducted annually and covering the whole Pillar 3 framework and all the LSIs. BdP considers cross-referencing in their Pillar 3 assessment. On this basis, BdP is rated as 'fully applied' for criterion 4.

With regard to criterion 5, BdP has adequately documented the processes for the assessment of Pillar 3 disclosures by supervisors. Horizontal functions prepare guidance which is shared with the supervisory teams. The first analysis is also prepared in a centralised manner, followed by the review and challenging by each one of the supervisory teams. Documentation is performed in a standardised manner which allows comparability and consistency. The CA intends to introduce some AI elements to make the process more efficient. The documentation presented demonstrates that the processes currently in place are quite effective and complete. On this basis, BdP is rated as 'fully applied' for criterion 5.

Based on the above, the PRC rated Banco de Portugal as '**fully applied**' for Benchmark 3.

Sweden (SE)

Finansinspektionen has not implemented a review process of Pillar 3 disclosures prepared by the supervised entities. No evidence was made available on possible current plans to review this approach. A thematic review on ESG disclosures was performed and the respective report was published on the CA's website.

Based on the above, the PRC rated Finansinspektionen as '**not applied**' for both criteria and overall for Benchmark 3.

ECB

With regard to criterion 4, the ECB does not specifically mention Pillar 3 disclosures in the SREP, but this can be done under the JSTs' assessment of the Internal Governance. If performed, JSTs would document the assessment and conclusions reached in the SREP documentation. There is no evidence of documentation setting the plan for a complete review of the Pillar 3 disclosures performed by institutions, except for the documentation concerning the annual reconciliation exercise. However, the implementation of the EBA Pillar 3 Data Hub will provide significant support for the collection of this data and an extension of the Pillar 3 review will then be considered. On this basis, ECB is rated as 'partially applied' for criterion 4.

Regarding criterion 5, it is considered that the documentation produced on the analysis performed is robust and is available internally and externally. The results are subject to an adequate level of challenging, especially by the National Competent Authorities. Specific Pillar 3 documentation of the escalation of issues process is missing. In case findings are identified, the usual escalation process is followed, similarly to any other supervisory topic. The documentation of processes and the assessments performed is considered adequate, also taking into account that SIs are subject to

more Pillar 3 requirements with higher level of complexity. On this basis, ECB is rated as 'largely applied' for criterion 5.

Based on the above, the PRC rated ECB as '**largely applied**' for Benchmark 3.

	FR	IT	PL	PT	SE	ECB
Criterion 4: Integration of assessment and verification of Pillar 3 disclosures requirements into SREP	LA	FA	PA	FA	NA	PA
Criterion 5: Steps taken by supervisory teams are properly documented	FA	FA	PA	FA	NA	LA
Overall score for Benchmark 3	FA	FA	PA	FA	NA	LA

5.5 Conclusions / follow-up measures / best practices

Most of the CAs have properly documented the processes and assessment of Pillar 3 disclosures performed by the supervised entities.

Best practices identified under Benchmark 3 are the following:

- CAs can prepare standardised templates to be used by the supervisory teams to document the assessment/analysis performed when assessing Pillar 3 disclosures. This allows consistency on the type of assessment performed and comparability of results achieved (BdP and ECB).
- Maintain and distribute a list of findings identified in previous years. This information is considered key to better prepare future reviews, highlighting aspects where a more in-depth analysis might be justified (e.g. Banca d'Italia, KNF or ECB).
- Involve horizontal function in the process to ensure that a proper level of internal challenging of results is in place (e.g. ACPR, Banca d'Italia or BdP).
- Present findings to other supervisory authorities / bodies, leading to technical discussions of the issues identified and possible identification of needed regulatory answers (e.g. ECB).

In terms of **individual follow-up measures**, the following is suggested:

- It is recommended that KNF consider planning and organising comprehensive reviews of Pillar 3 disclosures. Cross-referencing with other relevant supervisory materials should be considered. It should also be assessed whether coordination with other supervisory authorities is required or should occur more frequently, particularly in the context of colleges of supervisors. When reviewing Pillar 3 disclosures, an appropriate level of scrutiny and challenge of the results should be ensured, as well as providing analysts with clear guidance on how to conduct the review, including a list of issues identified in previous reviews.

- It is recommended that Finansinspektionen establish and adequately document processes for conducting regular, comprehensive reviews of the Pillar 3 information disclosed by the supervised entities. In doing so, the best practices outlined above could be considered.

In terms of **general recommendation(s)** addressed to all CAs, the PRC recommends that CAs integrate the assessment and verification of Pillar 3 disclosures requirements, in a proportionate way, into their SREP for those CIs under their remit concerned, and ensure that the steps taken by the supervisory teams in the context of Pillar 3 requirements are adequately documented.

6. Benchmark 4: Effectiveness of the supervision of compliance by institutions with Pillar 3 disclosure requirements

6.1 Introduction

Benchmark 4 assesses whether CAs have ensured that the supervision of CIs' compliance with Pillar 3 disclosure requirements and related formal policies, internal processes, systems and controls and the measures taken to ensure that compliance is effective.

The respective legal references are Articles 102(1) (a), 104(1)(m) and 106 of the CRD.

6.2 Processes for communication to institutions of the outcome of the assessment

France (FR)

ACPR communicates Pillar 3 assessment outcomes through email and supervisory meetings with CIs, with timeframes of one to three months between assessment completion and communication. The CA operates on a four-eyes principle whereby every CI has at least one analyst and one supervisor conducting simultaneous checks, including Pillar 3 assessments. This dual-review approach provides an internal quality assurance mechanism and ensures that supervisory judgement regarding the appropriateness of remediation measures is exercised with adequate oversight.

Pillar 3 compliance is verified annually with intensity varying by risk-based approach. Communications include reminders of disclosure obligations, notifications of inconsistencies, and informal discussions. No Pillar 3 weakness has been reflected in SREP or Pillar 2 measures over the previous three years. All staff within the ACPR's supervisory division have access to all documents stored on the internal server regarding Pillar 3 subjects, with access to documentation for CIs supervised by different persons routinely authorised to ensure consistency and enable benchmarking across the supervisory portfolio.

Italy (IT)

Banca d'Italia has implemented comprehensive processes for communicating Pillar 3 assessment outcomes to CIs through formal supervisory letters that contain specific legal references to breached requirements, detailed descriptions of deficiencies and their impact on market discipline, and clear specifications for required corrective actions with identified owners and deadlines.

Annual SREP assessments are completed by end of August with communication to the Head of Supervision by end of September, including a comprehensive Pillar 3 assessment and correctness checks through COREP and FINREP reconciliation. All LSIs are analysed, and not sampled, and the consolidated level is always reviewed except for CIs that are non-relevant within a banking group.

Supervisory letters contain specific legal references to breached CRR articles and ITS templates. An 'evidence register' functions as a centralised system where all official documentation is archived with immutable protocol dates, providing robust audit trails.

Poland (PL)

KNF has established basic processes for communicating Pillar 3 assessment outcomes to institutions, though the approach differs between the Commercial Banking Department and Cooperative Banking Department. The Commercial Banking Department issues general letters to all Pillar 3 publishing banks with current review observations (if any), while severe deficiencies may adversely affect SREP scores. Within the Cooperative Banking Department, if any irregularities are identified, formal recommendations are issued via a SREP assessment. The bank then has one month to prepare a schedule for implementing the recommendations. Implementation is monitored and verified by analysts on an ongoing basis or during the next SREP cycle. The Department also sends general ('pastoral') letters to all cooperative banks highlighting the identified problems.

Portugal (PT)

BdP communicates P3 outcomes through supervisory letters separate from SREP letters, typically within one to three months after checks have been completed. Communications identify discrepancies between disclosed and reported information, assess impact on market discipline, and issue supervisory measures requesting remediation within approximately 30 days depending on severity. The legal basis is established in RGICSF (Legal Framework of Credit Institutions and Financial Companies) Articles 116 and 116-C. The horizontal analysis by the Innovation and Supervisory Planning division serves as key input to supervisory team assessments. The letters reinforce the need for CIs to enhance processes for preparing, validating and disclosing information, assess previously issued supervisory measures, and issue new supervisory measures as appropriate.

In the 2024 Pillar 3 assessment, 22 out of 23 less significant CIs were requested to republish information.

Sweden (SE)

Finansinspektionen has not established a regular communication process for Pillar 3 assessment outcomes, reflecting the authority's assessment that non-compliance does not normally constitute significant financial stability risk and therefore hardly any Pillar 3 related compliance checks are performed. A thematic review of Pillar 3 ESG templates (May to November 2024) covering seven CIs resulted in informal requests to / exchanges with CIs to adjust or complement reporting.

ECB

ECB employs an approach through annual reconciliation exercises, horizontal assessments, and individual JST assessments. Results are published on the Banking Supervision website and circulated to the EBA's Transparency Subgroup and communicated to the individual SIs via JSTs. In particular, SIs receive a request to verify Pillar 3 publications and provide corrections by a given deadline. The annual exercise typically takes six to seven months. Material mismatches are discussed within teams with two thresholds established: EUR 100 million absolute threshold and 20 per cent relative difference threshold. To eliminate mismatches, the ECB has formally recommended the European Commission and co-legislators to amend existing level 1 regulation and extend 'the EBA's mandate to derive P3 data from supervisory reporting for all banks and increase the coherence of supervisory reporting and disclosure frameworks more broadly'⁵.

6.3 Processes to follow up on findings

France (FR)

ACPR applies standard follow-up processes to Pillar 3 findings consistent with other offsite supervisory activities. Monitoring tables are maintained for each CI with audit trails recorded in dedicated folders, providing evidence of systematic follow-up processes. The IT portal 'ACPR Portal' frames all interactions with CIs, providing supervisors access to historical communications, enabling ACPR maintain continuity in follow-up activities. Escalation ranges from informal discussions through email recommendations for low severity issues to registered letters signed at appropriate management levels for more serious cases. Mise en demeure (formal notice) and financial sanctions are not typically employed for Pillar 3 matters as email recommendations prove sufficiently effective.

Italy (IT)

Banca d'Italia's supervisory framework provides for the systematic recording of all remediation plans and their implementation status in the supervisory dossier, enabling the authority to track patterns of non-compliance and identify CIs requiring intensified supervision. Verification of remediation is conducted systematically with supervisory teams confirming corrections and testing control enhancements. Escalation is triggered by missed deadlines, recurring deficiencies, or

⁵ See recommendation #17 in the report '[Simplification of the European prudential regulatory, supervisory and reporting framework](#)'.

material misstatements. Closure occurs only when satisfactory evidence of remediation is provided and effectiveness confirmed.

Poland (PL)

KNF requires banks to submit implementation schedules for recommendations within one month. Quarterly fulfilment reports are fed into a tracking system enabling ongoing monitoring. Implementation is monitored and verified by analysts on an ongoing basis or during the next SREP cycle. KNF has also established escalation procedures defined in the Banking Law, providing for warnings following unimplemented recommendations and, if warnings prove ineffective, specific penalties (including fines and suspension of duties for supervisory or management board members for periods not exceeding 12 months) can be imposed. On-site examinations verify effectiveness of internal controls applied by CIs to prepare Pillar 3 information.

The follow-up documentation clarifies that KNF coordinates follow-up approaches across departments to ensure consistency. The Bank Inspection Department works in coordination with both banking departments regarding recommendations issued after inspection activities concerning disclosures, ensuring consistent supervisory messages and clear remediation guidance.

Portugal (PT)

BdP has defined follow-up procedures consistently applied across supervisory teams. A Findings and Measures database maintains detailed records for each supervisory measure, recording institution, measure number, status, risk type, origination, severity, nature of measure, last update, follow-up status, date of origin, overdue status, and escalation level. Follow-up is conducted at least annually and independent from other supervisory activities but may feed into SREP assessments and other thematic reviews. Supervisory teams follow defined follow-up procedures, verify whether measures properly addressed identified issues, and escalate where CIs do not comply within set timeframes.

Sweden (SE)

Finansinspektionen has not established formal follow-up procedures specific to Pillar 3 compliance. Identified problems within the thematic review resulted in the authority requesting banks to adjust or complement reporting. These requests, however, remained informal requests with quality issues remaining without formal follow-up documentation. No established tracking system or formal follow-up procedures specific to Pillar 3 findings exist.

ECB

If identified deficiencies are not corrected by a certain date, the JSTs are responsible for the follow-up measures which are decided on a case-by-case basis in view of the shortcomings.

ECB conducts materiality assessments to determine whether identified mismatches warrant escalation or formal supervisory action. Two thresholds have been established: EUR 100 million absolute threshold and 20 per cent relative difference threshold. Where binding prudential

requirements are breached, JST shall, in addition to the adoption of supervisory measures, also refer the most severe cases to the Enforcement and Sanctions Division(DG-SGO/ESA) (e.g. if the omission or misstatement could significantly affect the decisions of a user relying on that information, or the internal policies of the bank on public disclosure requirements are materially deficient).

Banks can request extensions for necessary technical amendments. Generally, JSTs and banks agree to correct identified misalignments. The 2024 publication shows 36 banks (approximately one-third assessed) republished 2024 Pillar 3 reports to correct mismatches by the cut-off date of 31 October 2025.

6.4 Remediation plans in case of non-compliance with follow-ups

France (FR)

ACPR has established a graduated remediation approach reflecting proportionality principles. Initial intervention involves email reminders; escalation to registered letters signed at appropriate management levels occurs based on severity or persistence. During the period from 2023 to 2024, several recommendations were issued by email for low to medium severity findings. CIs have not challenged implementation of remedial actions. All identified deficiencies have been resolved through informal remediation without escalation to formal measures. No formal remediation plan template has been documented.

Italy (IT)

Banca d'Italia implements formal remediation plans systematically whenever non-compliance is identified. A comprehensive gap and remediation matrix specifies the breached requirement by CRR article and ITS template, describes the deficiency and its impact on market discipline, and specifies corrective actions with identified owners and deadlines and detailed specifications for re-publication requirements and website archive updates. Following formal approval, communication occurs via supervisory letter with evidence requirements including corrected templates, reconciliations, and board attestations. Where disclosure is materially affected, prompt re-publication with change notes is required, clearly flagging amendments. Systematic recording in the supervisory dossier enables tracking of non-compliance patterns. The escalation procedures are clearly defined, with material misstatements triggering escalation in accordance with supervisory guidelines, potentially resulting in management meetings, additional requirements, intensified monitoring, or administrative measures where necessary.

Poland (PL)

KNF has established procedures for addressing non-compliance, though formality varies between departments. Within the Cooperative Banking Department, recommendations are issued with implementation schedules for the recommendations to be provided by banks within one month. If the KNF has no objections, implementation proceeds with analysts' ongoing monitoring (on a quarterly basis based on banks' reports). Escalation procedures are defined in the Banking Law, providing for warnings following unimplemented recommendations and, if ineffective, specific

penalties including fines and suspension of duties. However, no formal documented remediation plan template exists, and the approach varies between departments, with limited evidence of actual remediation actions taken in the Commercial Banking Department. Documentation of escalation procedures specific to Pillar 3 is limited, and pastoral letters mentioned to the PRC have not yet been implemented.

Portugal (PT)

BdP's remediation procedures are comprehensive and well-documented. During the assessment phase, BdP requests Compliance Function declarations and EBA ITS templates in Excel format to facilitate data quality verification. Where deficiencies are identified and not corrected during the Pillar 3 review, situations are reported to supervisory teams, which may consider issuing supervisory measures pursuant to Articles 116 and 116-C RGICSF. The 2024 Pillar 3 assessment demonstrates effectiveness, with 22 out of 23 LSIs requested to republish information based on identified deficiencies, with the vast majority complying and resubmitting corrected information within specified timeframes.

Follow-up documentation provided additional clarity on the remediation process employed by BdP. When data quality issues are identified during the horizontal analysis as part of the Pillar 3 review process, CIs receive a request to resubmit their disclosures and, where applicable, their FINREP and COREP data. A validation of the amendments is performed to ensure completeness and consistency of information. If CIs fail to remediate the identified situations, these situations are reported in the document submitted to the supervisory teams, which may then consider issuing supervisory measures. Subsequently, in the context of ongoing supervision, supervisory teams follow up on communicated Pillar 3 measures to assess whether they have been effectively addressed, including validation of the remediation in line with the established follow-up process of findings and measures.

Sweden (SE)

Finansinspektionen has not established formal remediation plans for addressing non-compliance with Pillar 3 disclosure requirements. The thematic review resulted only in informal requests to adjust or complement reporting, with no formal remediation plans documented and no systematic follow-up conducted. Any identified shortcomings in regulatory compliance are handled within Finansinspektionen's internal processes and in line with legal mandates, but no systematic follow-up procedures have been documented.

ECB

ECB has established procedures for addressing non-compliance through structured remediation processes at both horizontal and vertical supervisory levels. During annual reconciliation exercises, banks are requested to provide feedback on findings and indicate correction dates. Where binding prudential requirements are breached, JSTs shall, in addition to the adoption of supervisory measures, also refer the most severe cases to the Enforcement and Sanctions Division.

6.5 Assessment of Benchmark 4

France (FR)

Regarding criterion 6, ACPR has established appropriate processes for communicating Pillar 3 assessment outcomes to CIs through clear communication channels. The authority's supervisory framework includes standard follow-up processes applied to Pillar 3 findings in the same manner as other offsite supervisory activities – utilising the same internal rules, processes and tools consistently across all supervisory matters, and is based on a four-eyes principle. Based on the above, ACPR is rated 'largely applied' on criterion 6.

Regarding criterion 7, the remediation procedures established by ACPR, whilst informal in nature, have proven effective in achieving institutional compliance with identified recommendations. The graduated approach to escalation, ranging from email reminders to registered letters signed at appropriate management levels, ensures that supervisory intervention is proportionate to the severity of identified deficiencies. The monitoring systems maintained for each supervised institution, as well as the IT portal 'ACPR Portal' to document all supervisory activities, ensure that all necessary information remains available to supervisors. Based on the above, ACPR is rated 'largely applied' on criterion 7.

Regarding criterion 8, the remediation procedures established by ACPR, whilst informal in nature, have proven effective in achieving institutional compliance with identified recommendations. The graduated approach to escalation, ranging from email reminders to registered letters signed at appropriate management levels, ensures that supervisory intervention is proportionate to the severity of identified deficiencies. The absence of severe deficiencies identified to date, with no Pillar 3 weakness reflected in a SREP or Pillar 2 measure over the past three years, demonstrates the effectiveness of this proportionate approach. Given that no formal remediation plan template has been documented, ACPR is rated 'largely applied' on criterion 8.

Based on the above assessment, the PRC rates ACPR as '**largely applied**' for Benchmark 4.

Italy (IT)

Regarding criterion 6, Banca d'Italia has implemented comprehensive processes for communicating Pillar 3 assessment outcomes to CIs through formal supervisory letters that contain specific legal references to breached requirements, detailed descriptions of deficiencies and their impact on market discipline, and clear specifications for required corrective actions with identified owners and deadlines. Based on the above, Banca d'Italia is rated 'fully applied' on criterion 6.

Regarding criterion 7, the authority's supervisory framework includes structured follow-up procedures documented in supervisory dossiers, with each issue recorded including the breached requirement, severity, root cause, and remediation plan. Based on the above, Banca d'Italia is rated 'fully applied' on criterion 7.

Regarding criterion 8, the remediation plans established by Banca d'Italia are formal, standardised, and documented through comprehensive gap and remediation matrices. The verification of

remediation is conducted systematically, with supervisory teams confirming that corrections have been implemented and control enhancements have been tested. Based on the above, Banca d'Italia is rated 'fully applied' on criterion 8.

Based on the above, the PRC rated Banca d'Italia as '**fully applied**' for Benchmark 4.

Poland (PL)

Regarding criterion 6, KNF has established basic processes for communicating Pillar 3 assessment outcomes to CIs, though as previously described the approach differs between the Commercial Banking Department and Cooperative Banking Department, with the Commercial Banking Department often relying on general (pastoral) letters issued to all banks. Based on the above, KNF is rated 'partially applied' on criterion 6.

Regarding criterion 7, KNF has established escalation procedures defined in the Banking Law, providing for warnings following unimplemented recommendations and, if warnings prove ineffective, specific penalties including fines and suspension of duties for supervisory or management board members for periods not exceeding 12 months. The follow-up documentation clarifies that the KNF coordinates follow-up approaches across departments to ensure consistency. As previously described, deficiencies nonetheless exist in comprehensive formalisation and documentation specific to Pillar 3, shown by the distinction between commercial and cooperative banking approaches. Based on the above, KNF is rated 'largely applied' on criterion 7.

Regarding criterion 8, KNF has established procedures for addressing non-compliance, though formality varies between departments, and no formally documented remediation plan template exists. Based on the above, KNF is rated 'partially applied' on criterion 8.

KNF inspection activities (2023–2025) revealed 17, 16, and 3 infringements respectively, with over 100 irregularities across the period, resulting in after-inspection recommendations for control enhancements. The emphasis on control enhancements and process improvements addresses root causes rather than symptoms, contributing to sustained disclosure quality improvements.

Based on the overall above assessment, the Peer Review Committee rates the KNF as '**partially applied**' for Benchmark 4.

Portugal (PT)

Regarding criterion 6, BdP has established formal supervisory processes for communicating detailed Pillar 3 assessment outcomes to CIs through supervisory letters separate from SREP letters. BdP is consequently rated 'fully applied' on criterion 6.

Regarding criterion 7, the authority's follow-up procedures are well-documented and consistently applied, including a detailed Findings & Measures database containing records for each supervisory measure. BdP is consequently rated 'fully applied' on criterion 7.

Regarding criterion 8, BdP's remediation procedures are comprehensive and well-documented. If CIs fail to remediate identified situations, these situations are reported in the document submitted

to the supervisory teams, which may then consider the issuance of supervisory measures. Subsequently, issued are followed up on in the context of ongoing supervision by the respective supervisory teams, including validation of the resubmitted data. Based on the above, BdP is rated 'fully applied' on criterion 8.

Based on the above assessment, the Peer Review Committee rates BdP as '**fully applied**' for Benchmark 4.

Sweden (SE)

Regarding criterion 6, Finansinspektionen has not established a fixed communication process for Pillar 3 assessment outcomes with CIs. Consequently, no regular communication process exists for Pillar 3 assessment outcomes. Quality issues identified the thematic review were nonetheless addressed via constant exchanges with CIs. Based on those findings, Finansinspektionen is rated 'partially applied' on criterion 6.

Regarding criterion 7, Finansinspektionen has not established any formal follow-up procedures in case of negative Pillar 3 findings. Quality issues identified the thematic reviews were addressed but remained without formal follow-up documentation. Based on these findings, Finansinspektionen is rated 'partially applied' on criterion 7.

Regarding criterion 8, the authority has not established formal remediation plans or procedures specific to Pillar 3 compliance. No systematic follow-up procedures have been documented. Based on that finding, Finansinspektionen is rated 'not applied' on criterion 8.

Based on the above assessment, the PRC rates Finansinspektionen as '**partially applied**' for Benchmark 4.

ECB

Regarding criterion 6, the ECB has adopted a multi-layered approach to communicating Pillar 3 assessment outcomes, encompassing annual reconciliation exercises, horizontal assessments, and individual Joint Supervisory Team evaluations. Annual reconciliation exercise outcomes are published on the Banking Supervision website and distributed through internal reports to the EBA's Subgroup on Transparency. Individual JSTs exercise broad discretion in conducting ad-hoc assessments, with communication occurring through standard supervisory channels utilising risk-based prioritisation. The ECB is consequently rated 'largely applied' on criterion 6.

Regarding criterion 7, the follow-up process incorporates materiality assessments by JSTs to establish whether identified mismatches necessitate escalation or formal supervisory action. Two materiality thresholds apply: an absolute threshold of EUR 100 million and a relative difference threshold of 20 per cent.

Where CIs fail to remedy deficiencies within specified timeframes, JSTs may subsequently implement ad-hoc supervisory measures, determining on a case-by-case basis whether to direct banks through operational acts or ECB supervisory decisions to amend and republish Pillar 3 reports

or strengthen internal processes. The most serious cases are referred to the Enforcement and Sanctions Division, particularly where omissions or misstatements could materially influence user decisions or where internal disclosure policies are substantially inadequate. The ECB is consequently rated 'largely applied' on criterion 7.

Regarding criterion 8, banks may request extensions to accommodate necessary system modifications. Within Pillar 3 data assessment, JSTs and banks typically reaching consensus on misalignment remediation. This collaborative approach acknowledges that numerous Pillar 3 data quality deficiencies originate from technical or procedural causes and that cooperative resolution frequently achieves sustainable improvements. The ECB is consequently rated 'largely applied' on criterion 8.

The ECB notes that Pillar 3 Data Hub (P3DH) implementation will necessitate significant remediation framework modifications. Elimination of manual Pillar 3 data collection is expected to substantially reduce existing data quality issues.

However, ECB framework deficiencies persist. No predetermined escalation strategy exists specifically for Pillar 3 data assessment; escalation depends on JST materiality determination. Issues falling below materiality thresholds may not automatically proceed through formal escalation procedures. Point-in-time assessment reflects limitations and absence of automatic data collection technologies. No centralised database of common issues across all CIs exists, and whilst a lessons learned mechanism operates, documentation of procedure modifications derived from findings remains incomplete.

Based on the above, the PRC rated the ECB as '**largely applied**' for Benchmark 4.

	FR	IT	PL	PT	SE	ECB
Criterion 6: Processes for communication to institutions of the outcome of the assessment	LA	FA	PA	FA	PA	LA
Criterion 7: Processes to follow up on findings	LA	FA	LA	FA	PA	LA
Criterion 8: Remediation plans in case of non-compliance with follow-ups	PA	FA	PA	FA	NA	LA
Overall score for Benchmark 4	LA	FA	PA	FA	PA	LA

6.6 Conclusions / follow-up measures / best practices

Overall, it can be concluded that Benchmark 4 has been implemented to varying degrees across CAs. The peer review finds that competent authorities vary considerably in the effectiveness of their Pillar 3 follow-up frameworks. Four authorities (ACPR, KNF, BdP, and ECB) have established formal processes for communicating findings, monitoring remedial actions and escalating serious deficiencies, albeit with differing degrees of granularity and documentation. Banca d'Italia stands out for its comprehensive, well-documented chain of communication, follow-up and remediation, underpinned by detailed remediation matrices and audit trails. By contrast, Finansinspektionen has no structured communication or remediation procedures specific to Pillar 3, relying solely on ad-hoc thematic reviews and informal requests, which leaves material risks unaddressed.

Best practices identified under Benchmark 4 are the following:

- Use of a central 'Findings & Measures' database (BdP) to record issue severity, deadlines and completion status, enabling supervisors to prioritise and monitor remediation across all institutions;
- Systematic gap-and-remediation matrices (Banca d'Italia) linking each deficiency to specific CRR articles, ITS templates and clear corrective actions, with senior-management sign-off;
- Dual-review principle (ACPR), whereby an analyst and a supervisor independently verify each Pillar 3 finding before issuing requests, strengthening internal quality assurance.

In terms of **individual follow-up measures**, it is recommended that:

- ACPR integrate Pillar 3 findings into all its SREP framework to ensure consistent tracking of deficiencies.
- KNF harmonise its approaches across commercial and cooperative banking departments, adopting shared remediation plan templates to improve consistency and supervisory convergence.
- Finansinspektionen develop and formalise a Pillar 3 communication protocol, including standard letters or notices, clear deadlines and documented escalation tiers.
- ECB document an ex-ante escalation strategy for material mismatches, and to ensure horizontal functions are routinely informed of JST follow-up activities.

In terms of **general recommendation(s)** addressed to all CAs, the PRC recommends that CAs have standardised processes in place to communicate the outcome of the Pillar 3 assessments to CIs, including the measures to be taken in case of non-compliance. For such cases, CAs should also have adequate processes in place to follow up on the recommendations given to CIs, and be prepared to deal, in a structured way, with CIs which would be found not to comply with the expected remediation measures.

7. Conclusions and recommendations (Summary)

The assessment of the four benchmarks and verification of the application of the underlying requirements/criteria by the respective CAs provided an overall positive outcome with only a limited amount of ‘partially applied’ or ‘not applied’ final benchmark ratings. Nonetheless, several weaknesses were identified for some CAs on certain of the criteria.

7.1 Follow-up measures for individual CAs

The PRC has identified the following specific follow-up measures for individual CAs in the sample of the peer review based on the PRC’s findings:

Benchmark	CA(s)	Follow-up measures
BM 1	PL	It is recommended that KNF ensure that there are appropriate processes in place to ensure, in an effective manner, that the relevant P3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar. KNF should also ensure that the processes have been duly documented and implemented: The CA’s supervisory framework, including manuals, guidelines or other relevant documents, as well as their supervisory planning, should integrate the relevant requirements. KNF should in addition ensure, where relevant and as proportionate, that the same supervision of Pillar 3 disclosures – integrated in the supervisory framework and planning in the cooperative banking department is also in place in the commercial banking department.
BM 1	SE	It is recommended that Finansinspektionen ensure that it has appropriate processes to ensure, in an effective manner, that the relevant P3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar. Finansinspektionen should also ensure that the processes have been duly documented and implemented: The CA’s supervisory framework, including manuals, guidelines or other relevant documents, as well as their supervisory planning should integrate the relevant requirements.
BM 2	PL	It is recommended that KNF finalise the development of its internal tool for the supervision of the compliance with Pillar 3 disclosure by its commercial banks. A similar tool should be developed for its cooperative banks. Within the SREP process, it is also recommended that CA carry out regular Pillar 3 assessments that could be calibrated in relation to the risks that the supervised CIs may pose to the financial stability and the proper functioning of the Polish financial sector. Lastly,

		in case of any findings, follow-up processes should be set up by leveraging on other existing supervisory processes.
BM 2	SE	It is recommended that Finansinspektionen keep an updated list of CIs subject to Pillar 3 disclosure requirements. Within the SREP process, specific tools should be developed for regular Pillar 3 assessments and follow-up processes in case of any findings. The severity of the checks can be calibrated with the risks that the supervised CIs may pose to the financial stability and the proper functioning of the SE financial sector.
BM 3	PL	It is recommended that KNF consider planning and organising comprehensive reviews of Pillar 3 disclosures. Cross-referencing with other relevant supervisory materials should be considered. It should also be assessed whether coordination with other supervisory authorities is required or should occur more frequently, particularly in the context of colleges of supervisors. When reviewing Pillar 3 disclosures, an appropriate level of scrutiny and challenge of the results should be ensured, as well as providing analysts with clear guidance on how to conduct the review, including a list of issues identified in previous reviews.
BM 3	SE	It is recommended that Finansinspektionen establish and adequately document processes for conducting regular, comprehensive reviews of the Pillar 3 information disclosed by the supervised entities. In doing so, the best practices outlined above could be considered.
BM 4	ACPR	It is recommended that ACPR integrate Pillar 3 findings into all its SREP framework to ensure consistent tracking of deficiencies.
BM 4	KNF	It is recommended that KNF harmonise its approaches across commercial and cooperative banking departments, adopting shared remediation plan templates to improve consistency and supervisory convergence.
BM 4	SE	It is recommended that Finansinspektionen develop and formalise a Pillar 3 communication protocol, including standard letters or notices, clear deadlines and documented escalation tiers.
BM 4	ECB	It is recommended that ECB document an ex-ante escalation strategy for material mismatches, and to ensure horizontal functions are routinely informed of JST follow-up activities.

7.2 General follow-up measures for all CAs

The PRC has identified the following general follow-up measures / recommendations deemed useful to be adopted to increase the effectiveness and the degree of convergence of overall supervisory practices of all CAs:

Benchmark	CA(s)	Follow-up measures
BM 1	All CAs	CAs should ensure in a commensurate way (in line with the landscape of CIs submitted to P3 requirements under their remit) the integration of all relevant Pillar 3 requirements into their supervisory manuals, guidelines, or similar as well as to ensure the due documentation and implementation of these processes internally.
BM 2	All CAs	CAs should keep an updated list including all the relevant information to identify the CIs subject to Pillar 3 disclosure requirements and to ensure that appropriate and commensurate processes (in line with the landscape of CIs submitted to P3 requirements under their remit) are in place to supervise the relevant CIs' compliance with the Pillar 3-related supervisory framework – in particular with regard to data quality assessments, the possible selection of templates to be analysed and the assessment of the adequacy and appropriateness of CI's internal governance and internal controls in place to produce the Pillar 3 information.
BM 3	All CAs	CAs should integrate the assessment and verification of Pillar 3 disclosures requirements, in a proportionate way, in their SREP for those CIs under their remit concerned, to ensure that the steps taken by the supervisory teams in the context of Pillar 3 requirements are adequately documented.
BM 4	All CAs	CAs should have standardised processes in place to communicate the outcome of the Pillar 3 assessments to CIs, including the measures to be taken in case of non-compliance. For such cases, CAs should also have adequate processes in place to follow up on the recommendations given to CIs, and be prepared to deal, in a structured way, with CIs which would be found not to comply with the expected remediation measures.

7.3 Best practices

Best practices reflect supervisory practices carried out by some competent authorities that the PRC considers to make a strong contribution to effective supervisory outcomes. CAs can use these to

implement follow-up measures or otherwise strengthen their supervisory practices, but they are not expected to be implemented by all CAs.

The PRC has identified the following best practices:

Benchmark	CA(s)	Best practice
BM 1	All CAs	CAs could include the Pillar 3 disclosure assessment as a dedicated task in the SREP process and in regular supervisory work to ensure that appropriate attention and resources are allocated to this topic.
BM 1	All CAs	CAs could conduct a regular review of both the actual Pillar 3 disclosures published by banks and the completeness and accuracy of internal CA documentation.
BM1	All CAs	CAs could organise regular trainings and/or workshops on the Pillar 3 topic to ensure that supervisors are informed of the supervisory task and aware of any recent developments.
BM 2	All CAs	CAs could keep a list including all the relevant information to identify the CIs subject to Pillar 3 disclosure requirements and periodically update it to reflect any regulatory or institution-related changes.
BM 2	All CAs	CAs could develop specific tools (e.g. checklist and internal templates) for the supervision of the compliance with the Pillar 3 disclosure framework by CIs and for the data quality and consistency checks, based on the information available on the EBA website (mapping tool, signposting tool, and frequency of disclosure files).
BM 3	All CAs	CAs could prepare standardised templates to be used by the supervisory teams to document the assessment/analysis performed when assessing Pillar 3 disclosures. This allows consistency on the type of assessment performed and comparability of results achieved.
BM 3	All CAs	CAs could maintain and distribute a list of findings identified in previous years. This information is considered key to better prepare future reviews, highlighting aspects where a more in-depth analysis might be justified.
BM 3	All CAs	CAs could involve horizontal functions in the process to ensure that a proper level of internal challenging of results is in place.

BM 3	All CAs	CAs could share/present findings to other supervisory authorities/bodies, leading to technical discussions of the issues identified and possible identification of needed regulatory answers.
BM 4	All CAs	CAs could use of a central 'Findings & Measures' database to record issue severity, deadlines and completion status, enabling supervisors to prioritise and monitor remediation across all CIs.
BM 4	All CAs	CAs could establish systematic gap-and-remediation matrices (Banca d'Italia) linking each deficiency to specific CRR articles, ITS templates and clear corrective actions, with senior-management sign-off.
BM 4	All CAs	CAs could establish a dual-review principle, whereby an analyst and a supervisor independently verify each Pillar 3 finding before issuing requests, strengthening internal quality assurance.

Annex 1. Peer Review Committee

Peer reviews are carried out by *ad-hoc* peer review committees composed of staff from the EBA and members of competent authorities and chaired by the EBA staff.

This peer review was carried out by:

Jonathan Overett Somnier – Head of Legal and Compliance Unit (Co-Chair)

Pilar Gutierrez – Head of Reporting and Transparency Unit (Co-Chair)

Alex Herr – Legal Officer, Legal and Compliance Unit

Lidja Schiavo – Policy Expert, Reporting and Transparency Unit (DART- RT)

Raquel Ferreira – Senior Policy Expert, Reporting and Transparency Unit (DART- RT)

Anna Liimatta – Senior Data Science Expert – ECB/SSM

Seán Walsh – Senior Policy Expert – Central Bank of Ireland

Annex 2. Benchmarks and assessment criteria

Benchmark	Assessment criteria
1. The CAs have ensured, in an effective manner, the integration of all relevant requirements on Pillar 3 disclosure requirements in their supervisory manuals, guidelines, or similar, as well as their supervisory planning.	- CAs have appropriate processes to ensure, in an effective manner, that the relevant P3 disclosure requirements have been integrated in their supervisory manuals, guidelines, or similar. - The processes have been duly documented and implemented: The CAs' supervisory framework, including manuals, guidelines or other relevant documents, as well as their supervisory planning integrate the relevant requirements. Legal references: Article 97(2) of the CRD
2. The CAs have ensured, in an effective manner, supervision of the implementation of all relevant requirements by CIs in terms of Pillar 3 disclosures and related formal policies, internal processes, systems and controls over time.	- CAs have due processes to identify and maintain the list of institutions subject to Pillar 3 disclosure requirements updated. - CAs have appropriate processes to supervise compliance by the relevant CIs with the supervisory framework, including: - data quality assessment (e.g. against supervisory reporting data based on mapping tool); - possible selection of templates to be analysed; - assessment of the adequacy and appropriateness of CI's internal governance and internal controls in place to produce the Pillar 3 information. - These processes are duly documented. Legal references: Articles 433a, 433b, 433c of the CRR, Articles 97 (1), (3) and (4) of the CRD
3. The CAs have implemented effective processes for the	- CAs have included the assessment and verification of Pillar 3 disclosures requirements into their SREP with the definition of

assessment and verification of institutions' Pillar 3 disclosures and related formal policies, internal processes, .	annual supervisory examination programme / consideration of Pillar 3 supervisory framework. - All steps taken by supervisory teams are properly documented: - check of the publication of P3 reports; - selection of a sample of templates for analysis; - rotative plan to analyse a certain set of templates every year, also depending on the specific priorities for that year.
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Legal references: Article 97(1), (3) and (4) of the CRD

4. The CAs have ensured the effectiveness of the supervision of compliance by institutions with Pillar 3 disclosure requirements and related formal policies, internal processes, systems and controls, and the measures taken to ensure that compliance.

- CAs have appropriate processes for the communication to institutions of the outcome of the assessment and of findings.
- CAs have appropriate processes to follow up of findings.
- In the case of non-compliance, an adequate remediation plan has been adopted by the CAs.

Legal references: Article 102 (1) (a) CRD, Article 104 (1) (m), Article 106 of the CRD



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