Brussels, 31 July 2026

# EBF Response to EBA consultation Article 8 DDA

**Q1. Please identify your organisation (if applicable) and indicate the capacity in which you are responding to this consultation:**

a. user of sustainability information;

b. preparer of sustainability information;

c. both user and preparer of sustainability information;

**d. other (please specify).**

EBF is neither directly a user nor a preparer of the sustainability information. Banks that have contributed to this response provided input both as preparers and users of sustainability information.

**Q2. Do you agree with the analysis presented?**

We broadly agree with the analysis. The paper correctly identifies several areas where the current framework creates significant implementation costs while providing limited additional decision-useful information to investors and other stakeholders. In particular, we support the focus on simplification, proportionality and operational feasibility.

**Q3. In your view, which of the options presented in the analysis (paragraph 36) is the most viable? Please explain your rationale.**

a. **removing the Fees and Commissions KPI from the Taxonomy disclosure requirements or replacing it with qualitative disclosure requirements considering a 10% materiality threshold;**

**We strongly support option (a) – Removing Fees and Commission KPI.**

The KPI **does not provide sufficiently meaningful, comparable or decision-useful information** to justify the significant implementation effort required. Its outcome is heavily influenced by market conditions, transaction volumes and pricing structures rather than reflecting a credit institution's contribution to sustainability.

The KPI is based on fees and commissions recognised during the reporting period and therefore reflects flows, whereas the Taxonomy framework is primarily designed around stock-based exposures. Consequently, the **KPI is not directly comparable with the other Taxonomy KPIs.**

Importantly, the Fees and Commissions KPI seeks to provide a view of taxonomy alignment of services other than lending or asset management, such as fees perceived from issuances, transfer orders, or clearing and settlement. However, **fee income is influenced by transaction volumes, pricing policies and market conditions rather than by sustainable financing decisions**. Our understanding is also that sustainability aspects are not factored in when deciding whether these services will be provided or not, unlike in credit-granting decisions. This KPI relates primarily to services that are not core to financial institutions' capital reallocation efforts or sustainability strategies. As a result, the practical **decision-usefulness of these disclosures is assessed to be limited, and they should be permanently removed.** This comment applies regardless of the scope of the KPI, i.e. even if it were to be limited to capital markets-related services.

Maintaining the KPI would generate additional implementation costs, increase reporting complexity and create unnecessary compliance risks without providing commensurate benefits.

In addition, **we do not support replacing the KPI with qualitative disclosure requirements**. Such disclosures would also require institutions to perform analyses, establish governance and control processes, and produce supporting documentation, thereby creating additional operational and audit burdens without delivering a commensurate increase in transparency or usefulness for users.

**b. narrowing down the scope of the KPI to following four activities identified in this analysis and adjust the disclosure requirements accordingly also introducing the 10% materiality threshold to be applied in relation to total operating income.**

- **issuance or other services related to third party securities,**
- **mergers and acquisition undertakings advisory services,**
- **undertakings finance services related to capital market advisory for undertakings, clients or other, and**
- **distribution of products issued by entities outside the prudential group to its current customers.**

**In your response, where applicable, please assess whether voluntary disclosure of this KPI would be meaningful and feasible, and hence should be considered.**

We strongly believe that the Fees and Commissions KPI should be removed, as it does not provide sufficiently meaningful, comparable or decision-useful information to justify the significant implementation effort required. However, if for some reason this KPI is retained and restricted to capital markets activities (which is not our preferred option), we recommend, at a minimum, excluding **the "*distribution of products issued by entities outside the prudential group*"**. This recommendation is based on the same rationale that underpins the EBA's proposed removal of banking-related fees and custody services. Credit institutions have **no influence over the nature of the financial product issued by third parties,** and this service is not subject to the capital reallocation efforts of the credit institutions.

Institutions can, in principle, decide which products they wish to distribute. In practice, however, the product range often includes a broad spectrum of products from specific cooperation partners, including funds both with and without sustainability features. In retail business in particular, this involves a **large number of transactions** with small individual amounts, which are available for reporting purposes only in **aggregated form.**

The calculation of the Taxonomy KPI for funds is based on the assets held within the fund. The composition of these assets may fluctuate significantly over time, and the institution, acting as a distribution service provider, has no influence over this. In addition, **information on the taxonomy ratios of funds is usually available only in isolated cases** through external data providers. As a result, the relevant KPI cannot be determined at all, or only with considerable effort; comparability across institutions is not ensured, and the informative value of the KPI remains limited due to overlapping factors.

**Q4. Should additional items from FINREP Template 22.1 also be included in the revised KPI? Please consider in particular that (i) have been assessed as unrelated to capital market activities, e.g. 'custody and other related services', and (ii) those that have not been mapped to the Fees and Commissions KPI, such as 'structured finance', 'loans granted', 'commodities'.**

**We do not support extending the scope of the KPI to additional FINREP Template 22.1 items.**

Expanding the KPI would further **increase complexity** while failing to address its fundamental methodological limitations. The KPI **remains a flow-based indicator**, whereas the Taxonomy framework primarily assesses stock-based financing exposures. Including additional fee and commission categories would therefore not improve its relevance or comparability.

Moreover, additional items such as custody services, structured finance, loans granted or commodities do not necessarily demonstrate a direct contribution to sustainable capital allocation. Their inclusion would increase implementation costs, create additional compliance risks and further reduce the competitiveness of EU institutions without generating meaningful benefits for investors or supervisors. Given these limitations, we believe that the scope of the KPI should not be expanded.

**Q5. Do you have evidence and/or arguments on potential costs and benefits associated with disclosing the Fees and Commissions KPI?**

**The introduction of the Fees and Commissions KPI would imply significant new investments and operational costs,** and the **costs of implementing and maintaining this KPI would substantially outweigh any potential benefits.**

Nearly **similar burdens** would arise even if the KPI were replaced **by qualitative disclosure** requirements, as meaningful qualitative reporting would still require dedicated analyses and supporting processes. **We therefore believe that neither quantitative nor qualitative disclosure requirements are justified in this area.**

In our opinion, the principle of proportionality is not taken into consideration in the current fees and commissions reporting requirement. According to the existing Disclosure Delegated Act (EU) 2021/2178, taxonomy alignment "*shall be estimated by weighting the fees and commission income from each counterparty with the proportion of turnover and CapEx associated with Taxonomy-aligned economic activities of the undertaking contributing to the relevant environmental objective as disclosed by the undertaking".*

The **income-based reporting implies that the reporting is based on a huge number of transactions** during the year, unlike GAR and GIR, where "only" year-end exposures/investments are the basis for calculation of the KPI. The reporting on fees and commission services KPI would present **significant challenges and constitute a significant reporting burden.**

ESG reporting functions have historically focused on on-balance-sheet assets (loans, securities), and fees and commissions activities are primarily managed through systems designed for revenue accounting, risk measurement, and market performance, which do not classify activities according to sustainability criteria or EU Taxonomy alignment.

**Therefore, to produce the required disclosures, significant effort would be needed to consolidate and standardise data across multiple systems**. This would require **substantial involvement from IT development** teams and solution architects, as well as considerable time for design and implementation. **This KPI requires additional data collection, governance processes and internal controls** while producing information that is heavily influenced by transaction volumes and pricing rather than by sustainable financing activities.

In addition, the revenue stream/-model differ for the different activities/services covered by the reporting requirement, where details of counterparties in underlying transactions cannot be made available for some activities/services, thus **complete reporting in accordance with the requirements cannot be fulfilled.**

Furthermore, the limited implementation of the CSRD and the reduced reporting scope following the Omnibus package continue to **limit the availability of reliable Taxonomy data.** This reduces the robustness and comparability of the KPI while increasing operational complexity. For instance, determining whether a commission or trading activity is "taxonomy-eligible" and "taxonomy-aligned" requires knowledge of the underlying economic activity (NACE code, substantial contribution thresholds, DNSH criteria, social safeguards), but **such information is not commonly available to banks for most underlying activities**.

Overall, **removing the KPI** would simplify the framework, reduce compliance costs and legal uncertainty, improve the competitiveness of EU financial institutions and be fully consistent with the European Commission's simplification agenda.

**Q6. Do you agree with the analysis presented**

The Materiality analysis performed for the different KPIs is beneficial for the assessment of relevance of the KPIs. The analysis correctly identifies some of the conceptual and operational limitations of the Trading Book KPI.

However, based on the Draft Commission Notice (published 2025-12-17), clarifying that "net turnover generated by the activities covered by those KPIs" is "delimited by the scope of the denominator of the corresponding KPI", our understanding is **that this implies even more stringent boundaries (lower materiality %) than indicated in the analysis**, i.e. the numerator should cover only turnover generated by the transactions with/investments in/exposures to counterparties subject to CSRD reporting.

**Q7. In your view, which of the options presented in the analysis (paragraph 68) is the most viable? Please explain your rationale.**

a. **removing the Trading Book KPI or replacing it with qualitative disclosure requirements on the trading portfolio also considering the materiality threshold**;

**We strongly support option (a) – Removing Trading Book KPI.**

The informative value of a Trading Book KPI, whose trading volume is heavily influenced by external factors such as market liquidity, the creditworthiness of market participants and general market movements, is limited. The KPI is therefore **not suitable for comparing institutions and provides little meaningful information** about an institution's sustainable finance strategy.

The Trading Book KPI suffers from **important conceptual and operational limitations:**

- While most Taxonomy KPIs measure stock-based exposures, the Trading Book KPI is based **on trading flows** (absolute purchases and absolute sales during the reporting period). It reflects short-term trading activity, whereas the Taxonomy is designed to assess financing supporting the transition to a sustainable economy Given the **absence of intention to hold such positions and the short-term nature** of trading strategies, particularly when additional hedging strategies such as credit derivatives are taken into account, a Trading Book KPI is not suitable as a KPI for sustainable investments.
- Trading activities, including proprietary trading, client facilitation, arbitrage, hedging and market making, are **primarily driven by liquidity provision, risk management and client demand.** In particular, transactions executed on behalf of clients **do not represent investment decisions taken by the institution** itself. Sustainability aspects are not factored in when deciding whether these services will be provided or not, unlike credit granting decisions.
- The KPI is also **inherently volatile**. Because it is based on trading flows and fair value transactions, the reported ratio may **fluctuate significantly due to changes in market prices, trading volumes or client activity,** even where the institution's sustainable finance strategy remains unchanged. The resulting indicator is therefore **heavily influenced by market turnover, price volatility and clients' trading decisions** rather than by banks' own sustainability strategies, limiting its usefulness for investors and supervisors. A Trading Book KPI focused on turnover is **not suitable for comparisons**, either over time or across institutions, because of the dominant role of external factors. This lack of informative value cannot be offset by additional qualitative explanations intended to contextualise the quantitative KPI.
- The KPI **does not distinguish between fundamentally different trading activities** such as proprietary trading, client facilitation, arbitrage, hedging or market making, despite their different economic purposes. As a result, it is not an appropriate indicator of a bank's contribution to financing sustainable activities.

We also **do not support replacing the KPI with qualitative disclosure requirements**. Such disclosures would require additional analyses, governance processes and documentation while providing limited additional insight to users. In our view, this would create costs and complexity without a clear benefit.

As this KPI relates to services **that are not core to financial institutions' capital reallocation efforts or sustainability strategies**, the practical decision-usefulness of these disclosures is assessed to be limited. The KPI is therefore questioned in its entirety, and the **reporting requirement should be permanently removed**.

**The comment applies regardless of the scope of the KPI, i.e. even if limited to only covering capital markets-related services.**

b. **narrowing down the scope of the KPI to providing market liquidity through market making, with a clear focus on providing liquid markets for green (Taxonomy-aligned) securities.**

This option would **increase a significant burden and require disproportionate effort from banks.** Specifically, market-making transactions would need to be captured separately, and the relevant products would need to be assessed with regard to their taxonomy-eligibility and taxonomy-alignment. In addition, the volume of market-making transactions in taxonomy-aligned assets is determined predominantly by client demand and market factors rather than by the institution itself, which would make this KPI irrelevant for steering and strategy purposes.

For these reasons, **we do not consider this KPI suitable in any form in terms of comparability, volatility or its informative value regarding the institution's sustainability strategy**

**In your response, where applicable, please assess whether voluntary disclosure of this KPI would be meaningful and feasible, and hence should be considered.**

We do not believe the disclosure would be meaningful or feasible, even if voluntary.

**Q8. Do you have evidence and/or arguments on potential costs and benefits associated with disclosing the Trading Book KPI?**

**Given that this KPI is not a relevant indicator, it would only create complexity and add burden for banks, without any added value.**

The principle of proportionality is not taken into consideration in this reporting requirement. Due to the **presumed large transaction volume**, assessment of issuer-specific use-of-proceeds-based information would imply extensive manual work with transaction-specific data, which is operationally unfeasible.

The operational burden associated with the Trading Book KPI is substantial. The methodology is operationally complex:

- The KPI is based on absolute purchases and absolute sales, **requiring institutions to capture large trading volumes** that do not necessarily represent the economic substance of trading activities.
- The KPI also relies on **Taxonomy data that remain only partially available** due to the limited implementation of the CSRD and the reduced reporting population following the Omnibus package.[1] Even if CSRD reporting became more widespread, the KPI would continue to provide limited decision-useful information while creating

[1] For instance, determining whether a trading activity is "taxonomy-eligible" and "taxonomy-aligned" requires knowledge of the underlying economic activity (NACE code, substantial contribution thresholds, DNSH criteria, social safeguards). However, such information is not commonly available to banks for most underlying activities.

significant implementation costs**. Costs increase further if taxonomy information for a significantly larger number of instruments has to be purchased** from external market data providers.

- Assessment of Trading book compliance with Taxonomy regulations based on information linked to use of proceeds (UoP) will require **assessment of large transaction volumes** and thus extensive manual work with transaction-specific data regarding compliance with TSC, DNSH and MS. The greater the number of transactions that must be analysed, the higher the expected cost.
- Similar implementation costs would also arise if institutions were required to provide qualitative disclosures instead of the KPI. **We therefore believe that both the quantitative KPI and any mandatory qualitative replacement should be avoided**

ESG reporting functions **have historically focused on on-balance-sheet assets** (loans, securities). This KPI would also require **significant investments in IT systems, data sourcing, governance and internal controls** to capture and reconcile large volumes of trading transactions. The limited availability of reliable Taxonomy information for traded instruments further increases these costs.

Trading Book activities **are also primarily managed through systems designed for revenue accounting, risk measurement, and market performance,** which do not classify activities according to sustainability criteria or EU Taxonomy alignment.

Overall, the Trading Book KPI provides **limited and incremental information** compared with existing sustainability disclosures, while imposing disproportionate implementation costs. Its removal would therefore be consistent with the objectives of the European Commission's simplification agenda and would contribute to preserving the competitiveness of EU financial institutions.

**Q9. Do you agree with the analysis presented and the conclusion to narrow down the investment firms' KPI?**

**We question the need for this KPI**.

Investment services are **already subject to comprehensive regulatory frameworks,** including MiFID II and the revised EBA Guidelines on Product Oversight and Governance (EBA/GL/2026/07), which ensure that firms act in the best interests of clients. The KPI provides limited additional decision-useful information while increasing implementation costs, data requirements and reporting complexity. **Consideration should be given to removing the KPI entirely as part of the broader simplification agenda**.

**Should this KPI be retained, it should remain strictly limited to the four activities identified by the EBA.** The methodology should continue to reflect the actual services provided by investment firms and should avoid introducing indicators that could inadvertently influence firms' commercial or advisory activities**.**

A narrower scope will improve consistency, comparability and proportionality while reducing unnecessary reporting complexity. It is also consistent with the European Commission's simplification agenda and avoids extending the Taxonomy framework to services that have only an indirect relationship with sustainable capital allocation.

**Q10. Do you agree with limiting the KPI to the following four elements for the purpose of Taxonomy disclosures?**

- **Portfolio management;**
- **Investment advice;**
- **Underwriting of financial instruments and/or placing of financial instruments on a firm commitment basis; and**
- **Placing financial instruments without a firm commitment basis.**

**Please explain if you think that other services, e.g. execution of orders on behalf of clients, should be included in the revised KPI.**

**We do not support extending the KPI to services such as execution of orders or reception and transmission of orders**. These activities are execution services performed on the basis of clients' instructions. Investment firms do not influence the investment decision itself and therefore have only a limited role in directing capital towards Taxonomy-aligned activities. Including these services would increase reporting complexity without materially improving the relevance of the KPI.

**Q11. Do you consider it more appropriate for the KPI to reflect the value of assets under management covered by the investment services rather than the monetary benefits generated?**

**We do not support replacing the current revenue-based KPI with an Assets under Management (AuM)-based KPI**. Such a change would fundamentally modify the purpose of the indicator. The current KPI measures the investment services effectively provided during the reporting period, whereas an AuM-based KPI would primarily measure the size of assets under management rather than the services performed.

Moreover, **we do not consider that the value of assets under management is an appropriate proxy for an investment firm's contribution to sustainable finance**. Portfolio managers and investment advisers act in the best interests of their clients and must comply with clients' investment objectives, risk appetite and suitability requirements under MiFID II. Their role is not to maximise the Taxonomy alignment of portfolios but to provide suitable investment services in accordance with clients' mandates.

Using an AuM-based KPI could therefore create **unintended incentives** by encouraging institutions to favour Taxonomy-aligned assets to improve their reported KPI rather than focusing exclusively on clients' objectives. Such an outcome would not be consistent with the client-centric principles underpinning MiFID II or the revised EBA Guidelines on Product Oversight and Governance (EBA/GL/2026/07).

In addition, the proposed methodology would **significantly increase implementation complexity and compliance costs**. Institutions continue to face important data limitations due to the phased implementation of the CSRD and the reduction of its scope following the Omnibus package. A substantial proportion of investee companies will remain outside the CSRD reporting perimeter for several years, limiting the availability, consistency and reliability of Taxonomy data.

Finally, the expected benefits do not appear to justify the additional operational burden. An AuM-based KPI would require significant IT developments, new governance processes and extensive data collection while providing limited additional information to investors and supervisors.

**Q12. Do you agree with the analysis presented and the conclusion to align the grandfathering rules with the approach set out in the EU Green Bond Regulation?**

**Members share the same view that** institutions should **not be required to reassess legacy transactions** or obtain information that is unavailable or cannot reasonably be collected after origination, as well as that **activities and financing that have been assessed as Taxonomy-aligned should remain classified as such throughout the entire maturity period of the financing (e.g., until the loan matures). Specifically,** members share the same opinion on the fact that:

- **For use-of-proceeds instruments, taxonomy alignment should generally be assessed at origination and should not trigger repeated reassessments during the life of the exposure nor when the EPC expires**. For instance, in real estate financing, the assessment should be performed only once when the client provides an EPC. It is very difficult, and often even impossible, to obtain an updated EPC later on, even after providing incentives for clients. In addition, **financial institutions should not be required to re-verify EPCs' validity ex-post**, as the energy performance of a building can reasonably be assumed to remain unchanged in the absence of modifications. Any reassessment would impose an undue burden on both clients and financial institutions.
- **Post-origination verifications should not require systematic collection of additional documentation where Taxonomy alignment was already verified at origination based on valid evidence**, regular monitoring is in place, and the asset's environmental characteristics are not expected to change materially. In such cases, completed Taxonomy assessments should remain valid for the entire loan term to avoid duplication, unnecessary burden and operational inefficiencies. Where a financing activity was Taxonomy-aligned at the time of

origination, this status should remain valid throughout the lifetime of the exposure.

However, members continue to have divergent views on whether to align the grandfathering rules between the Taxonomy Disclosures Delegated Act and the EU Green Bond Regulation. While **there are members who principally support aligning the grandfathering rules** under the Taxonomy Disclosures Delegated Act with the approach set out in the EU Green Bond Regulation, **there are also members who disagree with the conclusion to align grandfathering rules between these two regulations.**

**Members that support aligning grandfathering rules believe** that the proposed approach would ensure greater consistency across the EU sustainable finance framework, facilitating implementation. Specifically, in their view, this approach would ensure a uniform interpretation of green debt across sustainable finance regulations; improve operational planning by enabling institutions to adjust data, systems, and methodologies, with no retroactive impact; prevent the risk of losing alignment for previously compliant positions; ensure legal certainty and strengthen market credibility. However, they also believe that proposed alignment should preserve proportionality, legal certainty and sufficient transitional arrangements.

**Members that are not in favor of aligning grandfathering rules believe** that there is no reason for alignment with the EU Green Bond Regulation, given that most of the instruments are not subject to this regulation and the issue at stake is not the length of the grandfathering period (5 or 7 years), but operational complexity and burden both for counterparties and financial institutions if grandfathering rules were aligned. Furthermore, the EU Green Bond Regulation, including the grandfathering clause, is tailored to the relevant activities, and it does not apply to banks' lending activities, whose characteristics are different (e.g., maturity). Therefore, the grandfathering clause should be applied fully to banks' financing and activities during their entire maturity.

- **As regards use of proceeds bonds**, the financial sector should rely on the alignment rates disclosed by the issuer, and any update of alignment rates disclosed by the issuer during the bond duration, depending on the applicable bond regulatory framework. The financial sector depends on the EU taxonomy assessment performed and disclosed by the issuer, similarly to general purpose instruments where there is dependence on alignment rates disclosed annually by counterparts. The financial institution does not have a bilateral relationship with the bond issuer and usually collects alignment rates via a data provider. Moreover, some bonds are not subject to the EU Green Bond Regulation: it would be very complex for a financial institution to get a review of EU Taxonomy alignment assessment, which would not be required from the issuer.

- **Equity instruments and general-purpose bonds** are not concerned by this question, since, as general-purpose instruments, they rely on the annual alignment rates disclosed by the issuer.

**Q13. Do you agree with the analysis presented and proposed conclusions?**

**We agree to maintain the current approach.**

In particular, we agree that the Taxonomy framework should continue to rely on sector-specific KPIs reflecting the nature of the activities performed by the reporting entity. **Taxonomy KPIs applicable to financial undertakings differ significantly from those applicable to non-financial undertakings**. Aggregating these measures at consolidated group level would increase operational complexity while providing limited comparability and limited additional value for users of disclosures. The existing KPIs have been developed for different financial sectors and are based on distinct methodologies, underlying assets and objectives. Consequently, **aggregating them into a single group-level metric would not improve transparency** and could instead reduce the usefulness and comparability of disclosures. From a simplification perspective, reporting should primarily remain focused on the predominant business segment.

In addition, there is a **technical issue related to the weighting factor**, as banks' revenues are managed in terms of Net Banking Income while turnover is not meaningful: from a technical point of view, it is not possible to compute an aggregate KPI since there is no relevant common revenue indicator to be used as a weighting factor.

Additional disclosures should **only be considered where subsidiaries carry out materially different activities that are not already adequately reflected in the consolidated reporting.** Introducing an explicit materiality threshold would provide greater legal certainty and promote a more consistent application across institutions.

If the decision is made to retain the proposed reporting requirement, **despite the fact that it would create an additional burden and that the Taxonomy FAQs go beyond the requirements set out in the Disclosure Delegated Act, which does not require either a conglomerate KPI or the disclosure of subsidiaries KPI**, we recommend that a financial conglomerate, (e.g. credit institution-led group), should be able to **choose to include** the relevant disclosures also for large subsidiaries (based on the mentioned exemption rule), i.e. disclosing the relevant KPIs for GAR, asset management activity KPI and asset management KPI related to life insurance activities. Counterparties can choose to use either each respective above-mentioned KPI, or the group consolidated KPI, whichever is most relevant.

For the purpose of identifying material subsidiaries, where the businesses /entities are of different nature, necessitating use of different KPIs (according to the ESAs opinion b. in paragraph 111), the suggested revenue-based thresholds and weights need to be reconsidered and clarified.

**Q14. Where a single KPI is required for the parent undertaking of a group, (e.g. for the calculation of investment KPIs or the GAR arising from the exposures to the parent undertaking or investments held by financial products disclosed under the SFDR):**

**i. Should the KPI disclosed by the parent undertaking, reflecting the group's main or prevalent activity, be used? If not, what alternative methodology should be applied?**

**Yes, the main KPI disclosed by the parent undertaking should be used**.

Additional disclosures by subsidiaries or intermediate parent undertakings should only be considered where:

- the subsidiary performs activities that are materially different from those of the parent undertaking;
- these activities are significant for the group; and
- the relevant information is not already reflected in the consolidated disclosures.

Conversely, **where the activities are already integrated into the group reporting or primarily serve internal group purposes** (e.g. captive insurance undertakings or internal service providers), **additional Taxonomy disclosures would provide limited incremental value** while increasing reporting costs.

Furthermore, consideration should be given to the current availability of Taxonomy data. Following the partial implementation of the CSRD under the Omnibus package, a significant proportion of counterparties and investee companies remain outside the reporting scope. Consequently, **institutions may not have access to sufficiently reliable information to produce additional subsidiary-level disclosures**.

The final framework should therefore **remain proportionate and avoid creating reporting obligations that cannot be reasonably fulfilled** because of data limitations outside institutions' control

**ii. In the case of a credit institution-led group, such as a financial conglomerate, should the consolidated KPI disclosed by the parent undertaking also incorporate the assets of the insurance (and non-financial) undertaking, rather than accounting for the insurance (and non-financial) undertaking solely through the equity method? Please justify your answer in terms of feasibility, usability and transparency of sustainability information.**

**The GAR should be based on the prudential financial consolidation scope**, as per current rules. This provides an appropriate view of financing activity (banking book portfolio), which is credit institutions' main activity. Integrating insurance assets would lead to less clear information. Moreover, the life insurance activity is currently included in the assets under management KPI for assets which are under discretionary management.

**Q15. Which KPIs do you think are necessary and should be required for groups with mixed activities where the credit institution is the parent company such as credit institution-led financial conglomerates, credit institution-led financial holding companies and relevant mixed financial holding companies?**

**The primary KPI should reflect the group's main business activity, i.e. the activity that is strategic and material for the group**. As regards credit institutions, **additional KPIs beyond the GAR, the Financial Guarantee KPI and the assets under management KPI would not create useful information for external stakeholders** and would create an additional burden (which would not be aligned with the simplification and competitiveness objectives).

Additional sector-specific KPIs should only be considered where subsidiaries perform materially different activities that exceed an appropriate materiality threshold.

**Q16. Do you agree with the analysis presented and the conclusion that OpEx financing should not be explicitly incorporated in the methodology for calculating financial undertakings' KPIs?**

**We agree with the analysis presented and the conclusion that OpEx financing should not be incorporated in the methodology** for calculating financial undertakings' KPIs. The rationale underpinning the recent amendments to the Disclosure Delegated Act already recognises that OpEx information can be of limited relevance even for non-financial undertakings themselves.

The inclusion of OpEx financing would **significantly increase the complexity** of the framework, reduce comparability and create additional audit and implementation challenges while providing only limited additional information to investors and supervisors

Incorporating OpEx financing would require **additional data collection** (availability and comparability issues will likely remain significant), **mapping of counterparties disclosure, IT developments, governance processes and internal controls**. These costs would be particularly significant given that institutions depend on information reported by counterparties, which is not always available or sufficiently granular.

**The practical usefulness of explicitly including OpEx financing will also be limited**. The OpEx KPI disclosed by non-financial undertakings is primarily designed to assess the operational expenditure of those undertakings and **does not necessarily provide additional decision-useful information when translated into financial institutions'**

**KPIs**. The resulting increase in reporting complexity would therefore not be matched by a corresponding improvement in transparency or comparability [TC1.1].

In addition, relying on a weighted OpEx-CapEx average KPI would include a bias since CapEx relates to investments, intended to release their utility over multiple years, while **OpEx relates to annual expenses**. Compared with CapEx financing, **OpEx financing generally represents a less stable and more heterogeneous category of financing,** making consistent identification, monitoring and reporting considerably more challenging.

Considering the reduced scope of CSRD, **limiting the availability, completeness and consistency of OpEx-related Taxonomy information,** introducing mandatory OpEx financing reporting under these conditions would create additional operational challenges without ensuring robust or comparable disclosures.

We therefore support maintaining the current approach whereby OpEx financing is not explicitly incorporated into the methodology. **The CapEx and turnover KPIs give a suitable indication of the counterparties' investments made towards sustainable activities,** and the revenues generated from economic activities that are already aligned with the EU Taxonomy.

**Please provide your rationale for supporting the explicit inclusion of provisions allowing financial undertakings, on a voluntary basis, to use the OpEx KPI disclosed by their counterparties when calculating their own KPIs.**

We believe that such information provides limited additional value.

**Q17. Should the credit institution's AuM KPI (Annex V) and the KPI for asset managers (Annex II) be merged?**

**Please explain why and how, including the content of the information that should be retained in a potential merged KPI.**

**No. We do not support merging the AuM KPI for credit institutions with the KPI for asset managers**.

A merger would generate implementation effort without delivering clear benefits to users. At present, only a small number of asset managers are required to disclose under the Annex for asset managers. Therefore, aligning or standardising the templates would **not provide any practical benefit for credit institutions**. Any change to the existing template would, in turn, **create additional implementation effort** and should, in our view, be avoided. Institutions and asset managers should be free to decide whether to disclose under the Annex for asset managers or to continue disclosing the AuM KPI.

**Q18. What are your views on the design of off-balance sheet item reflecting financial guarantees to financial and non-financial undertakings in a potential merging of the asset management activities as presented?**

Should a merger be pursued, a **separate treatment for financial guarantees should be retained.** However, we are not in favour of any complexification of disclosure format for off-balance-sheet items (financial guarantees and AuM).

**Q19. Do you have any additional comments or suggestions to improve, simplify or clarify the disclosure requirements within the scope of this Call for Advice, including through redrafting of instructions, and clarification of definitions, or the streamlining of terminology?**

**We strongly encourage the European Commission and the ESAs to prioritize simplification, legal certainty and operational feasibility.** In particular, we recommend **removing low-value disclosure requirements, avoiding new KPIs unless a clear use case and investor demand can be demonstrated, simplifying DNSH assessments, strengthening proportionality mechanisms and ensuring stable regulatory requirements over longer periods.**

- **For Loans granted to Households and local administration**, we recommend the EU Taxonomy assessment to be based **only on substantial contribution criteria**.
- **For Use of Proceeds financing**, banks should be able **rely on borrower information of alignment** (percentages of eligibility and alignment for each objective), without financial institutions needing to collect supporting evidence or backtesting that each TSC is met.
- **All flow KPIs should be removed** as there is no flow accounting approach (no reconciliation link with financial statements) which the calculation could leverage (in particular for debt securities and equities instruments in the asset management KPI); moreover, some cases would require in-depth analysis to avoid misinterpretation (in particular, a positive flow KPI could result from negative flows in both denominator and numerator)
- In addition, we suggest **extending the 10% materiality threshold** which is currently limited to 'Use of Proceeds' exposures. Exposures should also be included in this threshold where the bank cannot determine, with reasonable effort, whether and, if so, which use of proceeds applies. Such an adjustment would significantly reduce the procedural burden, especially for very small subsidiaries where implementing specific technical reporting lines for taxonomy reporting may constitute a disproportionate effort.
- **We also seek clarity about FAQs on the EU Taxonomy.** The Commission's FAQs on the EU Taxonomy are not referenced in the Reg. (EU) 2026/73, creating uncertainty regarding their legal status, applicability and future updates.

Clarity is needed on how and when these FAQs will be adapted now that the revised DDA has entered into force, and on using the FAQ tool to further simplify the framework where appropriate.

While **the Green Asset Ratio (GAR)** is not directly addressed in either the analysis or the Call for Evidence, we would like to reiterate that, **despite the simplifying amendments,** it **continues to face structural limitations and data availability challenges and remains complex and resource-intensive to apply.**