Brussels, 12 August 2026
PH/MM

EACB response to the EBA's consultation On certain Taxonomy key performance indicators and other aspects of the Disclosures Delegated Act under Article 8 of the Taxonomy Regulation

August 2026

The **European Association of Co-operative Banks** (EACB) is the voice of the cooperative banks in Europe. It represents, promotes and defends the common interests of its 27 member institutions and of cooperative banks in general. Cooperative banks form decentralised networks which are subject to banking as well as cooperative legislation. Democracy, transparency and proximity are the three key characteristics of the cooperative banks' business model. With 2,500 locally operating banks and 40,000 outlets cooperative banks are widely represented throughout the enlarged European Union, playing a major role in the financial and economic system. They have a long tradition in serving 228 million customers, mainly consumers, retailers and communities. The cooperative banks in Europe represent 91 million members and 737,000 employees and have a total average market share of about 20%.

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Introduction

The EACB welcomes the Commission and ESA's efforts to simplify the Disclosures Delegated Act, as the current disclosure requirements make Taxonomy reporting by credit institutions complex and difficult for stakeholders to navigate. Please find hereunder our responses to the EBA's consultation questions, as well as our concerns regarding the Taxonomy disclosures framework more generally under Question 19.

Responses to the EBA's consultation questions

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).

Q2. Do you agree with the analysis presented?

EACB response: The analysis of the Fees and Commissions KPI regarding its **relevance** (Section 2.1.4, Relevance of the KPI) highlights a distinct variation in stability between the GAR and Fees and Commissions KPI metrics and demonstrates that the latter suffers from high volatility and market sensitivity due to price fluctuations. Furthermore, the analysis outlines operational challenges, cost-benefit concerns regarding Taxonomy alignment within the flow metric, and potential data privacy risks. The findings of this analysis substantiate the removal of this KPI, which aligns in this respect with our view.

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 10% materiality threshold;
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.

EACB response: We do not believe that the **Commissions and Fees KPI** would provide meaningful additional information beyond the existing KPIs - this KPI provides only a weak link to actual sustainable finance activities. Instead, it is likely to increase complexity and make Taxonomy disclosures more difficult to interpret, while the added value to stakeholders would be very limited. The KPI would depend on market conditions and interest/funding rates in a given year. A fees-based KPI might also have the unintended consequence of incentivizing higher fees for taxonomy-aligned activities. We also note that reporting of this KPI has currently been postponed until 2028.

Narrowing down its scope would only result in additional challenges, as already underlined by EBA, including:

- Confidentiality: the disclosures may reveal the fees and commissions charged by a credit institution for a single service provided to a client;
- FINREP: as EBA is considering deleting the datapoint related to the four activities in the FINREP template, they would no longer be available.

A voluntary disclosure will not resolve the issues presented above.

Given its limitations, we do not consider that qualitative disclosure requirements on the fees and commissions would add value for investors. For audit and assurance purposes, any qualitative disclosure is likely to need to be supported by quantitative evidence and therefore would still involve operational challenges and costs for banks. We therefore support the EBA's proposal to delete the Fees and Commissions KPI.

Q4. Should additional items from FINREP Template 22.1 also be included in the revised KPI? Please consider in particular those 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'.

EACB response:
Additional items in the KPI would not be relevant based on Taxonomy objectives (competitiveness and simplification). Any additional item would be an additional burden.
In terms of coherence, if the EBA has assessed that the information should be deleted in FINREP, there is no reason to include it in the Taxonomy reporting.
In our opinion, this KPI should be deleted. Furthermore, we see no need to include additional items from FINREP Template 22.1.

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

EACB response:

Given that this KPI is not a technically relevant indicator, it would only create complexity and an additional cost to be produced by banks, without any added value.
The implementation of the Fees and Commissions KPI would require significant operational complexity across financial institutions.

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Fee and commission income is typically recorded in different IT systems and databases from the exposure data used for the banking book Taxonomy KPIs. Existing processes, interfaces and controls established for banking book reporting can therefore only be used to a limited extent. Institutions would need to develop additional processes, data interfaces and control frameworks specifically for the Fees and Commissions KPI, resulting in significant implementation and ongoing maintenance costs.
The costs also depend on the number of transactions and financial instruments that need to be assessed. They increase further where Taxonomy information is not available internally and must be obtained from external market data providers, potentially for a large number of individual instruments or products.

Q6. Do you agree with the analysis presented?

EACB response:
We agree with the limits presented by EBA. As mentioned before, given the objectives of competitiveness and simplification, we consider that the KPI should be removed.
The Trading Book KPI is highly challenging to implement, while the benefits of the resulting information appear questionable. In particular, it does not adequately reflect the real-world impact of financing activities. We also note that reporting of this KPI has currently been postponed until 2028.
We understand that the EBA analyses the Trading Book KPI (Section 3.1.4, Relevance of the KPI) as having low relevance and utility for assessing a credit institution’s long term sustainability strategy or capital allocation. Unlike the GAR the Trading Book consists of highly volatile, short-term activities that are not intended to direct stable capital flows to any specific types of activities and may not reflect institution’s long-term strategy in the context of sustainable finance. Furthermore, the EBA highlights severe operational hurdles, noting that institutions lack the time and information required to assess the taxonomy alignment of rapid, high-volume trades.
The findings of this analysis substantiate the removal of this KPI, which aligns with our view in this respect.

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

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

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

EACB response: We do not believe that the **Trading Book KPI** would provide meaningful additional information beyond the existing KPIs. Instead, it is likely to increase complexity and make Taxonomy disclosures more difficult to interpret, while the added value to stakeholders would be very limited. The Trading Book KPI is not relevant for Taxonomy reporting. The short-term nature of the trading book is incompatible with the long-term logic of Taxonomy alignment. The TB KPI is only a snapshot at a point in time and may not provide accurate information about liquidity or sustainability intent. This KPI does not reflect how trading is managed, it relies on complex methodologies and data processes which banks do not currently have, and it may yield volatile or non-comparable results between entities. This means it offers limited utility to the market or supervisors compared to its cost.

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For audit and assurance purposes, any qualitative disclosure is likely to need to be supported by quantitative evidence and therefore would still involve operational challenges and costs for banks. We agree with the arguments presented in paragraph 57: "Trading Book KPI mainly reflects short-term secondary market activity and may not accurately indicate how credit institutions finance or allocate capital to Taxonomy-aligned activities". We are aligned with paragraph 66: limiting the scope of this KPI to certain market activities would reduce its relevance. Therefore it is better to delete the KPI rather than having a partial and incomplete image of the trading portfolio.
We therefore support the EBA's proposal to delete this KPI. We would advise to remove the KPI completely, without replacing it by a qualitative disclosure requirement, even on a voluntary basis.

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

EACB response:
Given that this KPI is not a technically relevant indicator, it would only create complexity and an additional cost to be produced by banks, without any added value.

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

EACB response:

Yes.

We agree with the analysis and the conclusion to narrow down the KPI to those investment services that are most directly linked to capital market activities and that may, at least to some extent, influence capital allocation decisions.

At the same time, the ability of portfolio management and investment advice activities to steer capital flows towards Taxonomy-aligned activities should not be overstated. Investment decisions ultimately remain dependent on clients' investment objectives, risk preferences and market opportunities. The sustainability profile of the available investment universe is determined primarily by issuers and market developments rather than by the intermediary providing advisory or portfolio management services. Consequently, the KPI can only provide a limited indication of an investment firm's contribution to the channelling of capital towards sustainable economic activities.

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 of 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.

EACB response:

Yes.

We agree with limiting the KPI to the following four services:

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

These services are the most closely linked to capital allocation decisions and are therefore the most relevant in the context of Taxonomy disclosures. They may influence the selection, structuring or distribution of financial instruments and can therefore have a closer connection to the financing of Taxonomy-aligned activities than other investment services.

We do not support extending the KPI to additional services such as execution of orders on behalf of clients, reception and transmission of orders, or the operation of MTFs and OTFs. These activities are primarily operational or transactional in nature and do not affect the sustainability characteristics of the underlying investments. Including such services would increase reporting complexity without improving the informational value of the KPI. The revised KPI should therefore remain focused on those services where a discernible link to capital allocation decisions can reasonably be established.

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?

EACB response:

Yes.

We consider it more appropriate for the KPI to reflect the value of assets covered by the investment services rather than the monetary benefits generated.

A revenue-based KPI is significantly influenced by pricing structures, fee arrangements, transaction volumes, market conditions and business models. As a result, it may not provide a reliable or comparable indication of the extent to which investment services are associated with Taxonomy-aligned economic activities. Two firms supporting similar volumes of sustainable investments could report materially different KPI outcomes solely due to differences in remuneration structures.

An asset-based approach would better reflect the economic substance of the activities concerned and provide users with more meaningful information on the volume of assets linked to Taxonomy-aligned activities. It would also reduce volatility, improve comparability across firms and over time, and align the methodology with existing Taxonomy KPIs applicable to asset managers and the off-balance sheet AuM KPI for credit institutions.

For these reasons, we support revising the KPI so that it is based on the value of assets covered by the relevant investment services rather than on fees, commissions or other monetary benefits generated by those services.

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

EACB response:
We support the EBA's efforts to simplify taxonomy reporting, and agree that proportionality, simplicity and minimisation of reporting burden should be the overriding considerations guiding the final rules.

On grandfathering and alignment with the EU Green Bond Regulation, we would caution against aligning the grandfathering rules with the approach set out in the EU Green Bond Regulation for its own sake. The EU GB Regulation's grandfathering clause was designed for the specific characteristics of green bonds, and most of our financing instruments are not subject to it and differ materially in maturity profile. The core issue is not whether the grandfathering period is set at five or seven years, but the operational complexity that any misaligned treatment creates for both counterparts and institutions. In practice, this means the EBA should ensure that the final approach does not require a single loan to be divided into a grandfathered and a non-grandfathered portion, particularly given that loan maturities are often significantly longer than the grandfathering periods under discussion. We reiterate our request for a full grandfathering clause applying to the entire maturity of the relevant financing and activities, rather than a split or time-limited treatment.

On the frequency of alignment assessment, for the same reasons, we believe the alignment percentage for use of proceeds loans should be identified once for the whole lifetime of the transaction, rather than being subject to periodic re-assessment. Under the proposed rule, a financial institution would need to obtain a re-assessment from the borrower, creating burden for both parties. In real estate financing, whether corporate or retail, the assessment is typically performed once, at the point the client provides the EPC. Obtaining an updated EPC later is difficult and often impossible, as there is no legal obligation to provide one; some institutions have attempted this, including with client incentives, without success.

For use of proceeds bonds, the financial sector should be able to rely on the alignment rates disclosed by the issuer, with any updates following the issuer's own disclosure cadence under the applicable bond regulatory framework, rather than an independent re-assessment triggered by the financial institution. Financial institutions depend on the Taxonomy assessment performed and disclosed by the issuer, similarly to general purpose instruments, where institutions depend on alignment rates disclosed annually by counterparts, and typically have no bilateral relationship with the issuer, sourcing alignment rates via a data provider instead. This is particularly relevant given that some bonds are not subject to the EU Green Bond Regulation, meaning it would be unworkable to expect a review or update of the Taxonomy alignment assessment that is not itself required of the issuer. Equity instruments and general purpose bonds are not affected by this point, as they already rely on alignment rates disclosed annually by the issuer.

Across grandfathering and assessment frequency alike, our overarching request is that the final rules should avoid mechanisms (whether a split grandfathering treatment or a repeated re-assessment obligation) that require institutions or their clients to re-derive or update alignment information that is, in practice, difficult or impossible to obtain after the point of origination or issuance. We would welcome consistency with the EU GBS or other frameworks where it can be

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achieved without triggering this kind of burden, but avoiding operational burden and one-off, durable treatment of alignment data should take precedence over formal alignment.

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

EACB response:
We support the prudential consolidation approach. A combined KPI at group level may produce misleading results, as not all credit institutions engage in activities such as insurance business. The prudential consolidation approach therefore provides a more meaningful and comparable basis for reporting.

We agree that a weighted KPI aggregating various KPI should not be added to current requirements. Rather than bringing additional value, it could dilute information provided by current KPIs.

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.

Moreover, this KPI could result in a double counting of certain activities, as certain individual KPI already consolidate all activities (ex : insurance). This KPI does not enable better comparability among credit institutions, as reporting practices and business models are diverging.

We do not support the development of simplified templates for material subsidiaries. Since these entities will soon be exempted from sustainability reporting and consequently from Taxonomy KPI production at subsidiary level, introducing new templates would create unnecessary burden. Moreover, such templates would contradict the simplification benefits of the forthcoming exemption, as group-level Taxonomy reporting would still incorporate subsidiary KPIs. Maintaining reporting requirements at the consolidated group level only would be more proportionate.

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?

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.

EACB response:
Yes, the main KPI disclosed by the parent undertaking should be used.
The parent undertaking's primary KPI (the Green Asset Ratio for credit institutions) already reflects the group's principal activity and provides investors with a meaningful, comparable indicator of the institution's alignment with the Taxonomy. We have not identified investor

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demand for alternative or aggregated KPIs that would deviate from this approach. Creating additional methodologies would introduce unnecessary complexity and reduce the transparency and usability of sustainability information for investors, contradicting the simplification objectives set out in the Taxonomy framework.
The GAR should be based on the prudential consolidation scope, as per current rules. This provides an appropriate view of financing activity (banking book portfolio), which is credit institutions' main activity. Therefore, we prefer to incorporate the assets of the insurance undertaking, solely through the equity method.
Integrating all insurance activities would introduce significant methodological complexity and distort the KPI's meaningfulness. The GAR is designed to reflect credit institutions' ability to finance sustainable activities through their lending portfolios. Insurance portfolios operate under different regulatory frameworks, investment objectives, and risk management approaches. Merging these two distinct activities would obscure the sustainability profile of both, reducing the transparency and usability of the resulting metric for investors and stakeholders.

Q15. Which KPIs you do 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?

EACB response:
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 be not aligned with the simplification and competitiveness objectives).

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? 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.

EACB response:
We agree with the EBA's assessment. Introducing OpEx reporting would add significant complexity and require the collection of new data that is currently only available to a limited extent. At the same time, it is unlikely to provide substantial additional information compared with the existing GAR methodology. OpEx financing should not be explicitly incorporated in the methodology for calculating financial undertakings' KPIs, whether on a voluntary basis or not.
This would indeed increase the complexity of the framework and create additional burden for the preparers of information with no benefits for the users. 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

Furthermore, another change to the GAR calculation methodology would further reduce comparability over time.

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.

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EACB response:
As indicated by EBA, most assets management firms will not publish any more information, as the Omnibus package has introduced the exemption of publication for all subsidiaries. If a credit institution has assets management activities (whether operated through a subsidiary or not) the information is already given in the "off balance sheet" template.
Merging the two templates and requiring credit institutions to produce all the information expected for assets managers would result in an important burden, going against the simplification effort allowed by the Omnibus package.
The template should not be more complicated than the one prevailing for credit institutions.
Materiality rules should also be maintained at the group level.

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?

EACB response:
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?

• Loans granted to Households and local administration:
EU Taxonomy assessment to be based only on substantial contribution criteria
(usual rationale re lack of available information, client categories not subject to Taxonomy disclosure, …)

• Use of proceeds (UoP) financing: Banks should be able to 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

• Remove all flow KPIs: 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).

EACB response:

- The EACB takes the view that only genuinely material information should be reported, in view of alleviating unnecessary burden and complexity, and reducing manual work. The current **materiality thresholds** should remain in place, even if additional measures to reduce reporting burdens are considered. Sufficient implementation time should be provided for any future changes.

- We support **simplifying the reporting templates and reducing the number of data points**. Careful consideration should be given to which information is genuinely relevant for disclosure, and which is merely nice-to-have background information.

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- The current **distinction between CapEx and turnover generates** limited value while [1]imposing significant operational burdens on credit institutions. It requires the duplication of reporting templates and unnecessarily complicates the collection of counterparty data. In addition, it adds complexity and reduces the overall clarity and usability of taxonomy disclosures. This issue should be addressed in the EBA's report.

- The **Do No Significant Harm** criteria should be revised. A revision should result in: 1. Simplification – fewer or less detailed criteria; 2. Development of standardized/clear processes on the basis of which proof of compliance with these criteria can be obtained; and 3. Anchoring directly in the legal framework for the construction industry to apply. Common application challenges that companies face include, in particular, impaired readability due to extensive cross-referencing to other EU legislative acts, uncertainties in interpreting qualitative DNSH criteria, difficulties in communicating complex DNSH criteria, and high external costs for expert assessments and consulting. Meanwhile, banks encounter obstacles regarding missing data—especially for non-reporting customers such as private clients, SMEs, and the public sector—as well as the high level of effort required for data collection and evaluation.[2] During the last review cycle, there was no significant simplification of the DNSH criteria. On the contrary, they were further specified, which we felt made them even more complex. While the criteria do not directly affect financial institutions, they do affect counterparties' ability to report Taxonomy alignment. The broader the availability of Taxonomy data from counterparties, the better credit institutions can meet their own reporting obligations.

- **Minimum Social Safeguards (MSS) criteria** should be considered fulfilled for EU companies and for all activities carried out within the EU, provided there are no indications that EU law has been violated. Evidence of compliance with the MSS (the current procedure that must always be adhered to for Taxonomy alignment) should only be required when the company operates outside the EU. Since many European SMEs that operate within the EU legal framework are already subject to comprehensive EU regulations. Therefore, requiring the same evidence for MSS compliance for their activities inside the EU continues to create unnecessary administrative burdens without adding significant value. This approach results in banks using European SMEs for KPIs e.g. GAR (Green Asset Ratio) calculations, while still ensuring MSS Standards are met for activities outside the EU where regulatory oversight may vary.

- The **Green Asset Ratio** (GAR) should be further refined. The metric should be developed in a way that genuinely enables meaningful comparisons between banks. It should also be stabilized, as frequent methodological changes risk undermining the KPI's credibility, making both peer comparisons and trend monitoring of the GAR essentially meaningless. This approach also risks undermining stakeholders' interest in following the progress of the green transition.

- **Consistent terminology and concepts** should be ensured to provide better legal certainty, similar to the approach taken under Pillar 3 and the EBA ITS on ESG disclosures.

- Whatever changes are ultimately adopted by the Commission, **sufficient implementation time** must be provided. The final templates should be made available

[1] Please refer to the EACB's response to the European Commission's consultation on the Taxonomy Climate and Environmental Delegated Acts, as regards to the application of DNSH to construction and renovation activities.
[2] See eg. concrete examples from Austria: "The 'Do No Significant Harm (DNSH)' criteria: Practical insights" of the Environment Agency Austria (Link: DNHS Criteria - Executive Summary)

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well in advance so that institutions can assess any new data requirements and aggregation capabilities that may be needed. The adopted amendments should be published in the Official Journal without delay - e.g., if a legal act is intended to apply to financial year 2027, it must be published in the Official Journal of the European Union during that same year—ideally by the summer at the very latest.

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The EACB trusts that its comments will be taken into account.

For further information or questions on this paper, please contact: