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Regulatory Blog

By PwC Deutschland | 27. Mai 2025

EBA's New Disclosure Package: Unpacking the Impact on disclosure of ESG Risks, Shadow Banking and Equity Exposure

The draft ITS specifies the new requirements for the implementation of Articles 449a, 449b and 438, which have been newly added or revised by CRR III.

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On May 22, 2025, the EBA published its **Draft ITS on disclosure for ESG risks, equity exposures and the aggregate exposure to shadow banking entities** (EBA/CP/2025/07) and thus supplements the disclosure requirements set out in Regulation (EU) 2024/3172, introducing requirements that go beyond the Basel III framework. The draft ITS specifies the new requirements for the implementation of Articles 449a, 449b and 438, which have been newly added or revised by CRR III. This marks a major step forward in the implementation of Step 2 of the Pillar 3 disclosure framework, extending ESG-related disclosure obligations to **all CRR institutions**, (whose existing disclosure requirements are also being revised and expanded). The proposed ITS will also apply to:

- large non-listed institutions,
- other institutions,
- small and non-complex institutions (SNCIs) and
- large subsidiaries.

The EBA proposes a proportionate approach for ESG disclosure that reflects the size and complexity of institutions.

- **Large listed and non-listed institutions** will be required to disclose the full set of templates, largely based on the templates already applicable under the existing Pillar 3 ITS – with clarifications and a wide range of additions and adjustments within almost every template.
- A simplified set of templates must be disclosed by **Other listed institutions** and **large subsidiaries**
- **Small and non-complex institutions (SNCIs)** – whether listed or not – as well as **other non-listed institutions**, will only be required to disclose a reduced and essential set of information.

Furthermore, the EBA proposes to address proportionality for **large institutions** by allowing them to **reduce the frequency** for certain qualitative and quantitative disclosures to an **annual basis**, where materiality does not justify more frequent disclosure. The table below shows the disclosure requirements for ESG risks depending on the size and complexity of the institution.

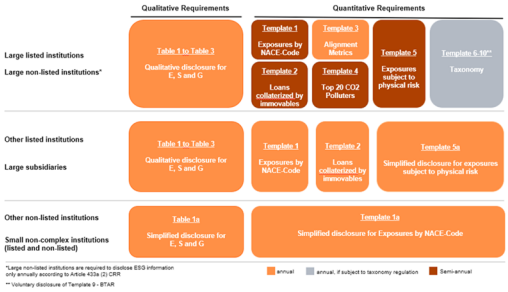

Table 1: Overview of proportionality of ESG disclosure requirements (Source: PwC)

The first reference date for the ESG disclosure will be the**31 December 2026**. According to the timeline

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presented in the draft, more than one year remains for the institutions to adapt their current disclosures or implement any new requirements arising from this EBA draft ITS.

Transitional provisions for **Large, listed institutions:** The institutions which are under the scope of the existing ITS shall apply these amending Draft ITS with reference date as of 31 December 2026. For the transitional period, they shall continue preparing their disclosure requirements in accordance with Regulation (EU) 2024/3172, with the **exception of the templates** related to the Green Asset Ratio (GAR) and Taxonomy Regulation (**templates 6 - 10**), for which the disclosure obligations are suspended until end 2026.

The existing 10 templates have been extensively revised in the draft ITS. In some cases, new rows and columns have been added. Particularly noteworthy are the following:

- Updated sector classification using new NACE Rev. 2.1 nomenclature (e.g. template 1 and 5),
- New disclosure of covered bonds and the EPC label (template 2),
- New disclosure requirements for alignment metrics in template 3 as value of the intensity metric at the baseline year, revised focus on 2030 targets emission intensity metrics and additional targets beyond 2030 (if applicable)
- New definition of four specific climate hazards for the physical risks, replacing the acute/chronic distinction in template 5
- Harmonisation of templates 7 and 8 with those of the Taxonomy Regulation and
- a completely revised template 10 for risk-mitigating measures.

With the new EBA Draft ITS on disclosure, institutions now have clarity on the timing and scope of ESG-related disclosures required under Article 449a CRR as amended by CRR III. However, the revised tables and templates require institutions to have a highly granular and consistent ESG data infrastructure in order to be able to meet both regulatory expectations and stakeholder needs. Even for large institutions with mature ESG reporting, the EBA's revised ITS represents a substantial evolution. The name of the game is strategic adaptation: integrating clarifications, anticipating future requirements, and harmonizing across overlapping frameworks.

Disclosure of equity exposure, shadow banks and non-performing & forborne exposure

The EBA Draft ITS also covers the new disclosure requirements to equity exposure, shadowing banking as well as clarification for disclosure of non-performing and forborne exposures. The first reference date is the same as for ESG disclosure the 31 December 2026. The following bullets outlines the key elements of the new disclosure requirements as specified in the EBA Draft ITS:

- new disclosure requirements on the aggregate exposure to shadow banking entities as of Article 449b CRR III;

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- amended disclosure requirements on equity exposures as of Article 438 (e) CRR III;
- amended disclosure requirements on ‘credit quality of loans and advances to non-financial corporations by industry’ (template EU CQ5),
- some clarifications regarding the application of the credit risk templates to listed SNCI and other non-listed institutions in accordance with Articles 433b and 433c CRR III.

With the EBA Draft ITS, institutions must now disclose their **aggregate exposure to shadow banks**. The disclosure requirements have been kept as simple as possible and only the aggregate on-/off-balance sheet exposure and pre- and post-CRM exposure need to be disclosed without naming names. However, this requirement is not totally new, as it already exists in the current large exposures reporting framework. In particular, Article 394 (2) of CRR II requires institutions to report the ten largest exposures to institutions and ten largest exposures to shadow banks. The new disclosure requirements for shadow banks will make the public more aware of the extent of shaw banking exposure. Consequently, the quality of data and the need for consistent definitions e.g. in reporting and disclosure will become increasingly significant.

The changes to the IRB approach introduced by CRR III are accompanied by changes to the disclosure of equity exposure, as these will no longer be included in the IRBA according to Article 133 (3) and 495a (3) CRR III. As a result, template EU CR 10.5 has now been changed to include the total amount of **equity exposures**. Furthermore, the columns have been adjusted to comply with the disclosure requirements of Article 438 (e) CRR.

CRR III has amended the articles 433b and 433c by requiring **listed small and non-complex institutions** and **non-listed other institutions** to disclose the information of Article 442 points (c) and (d) on non-performing and forborne exposures on an annual basis. However, institutions already provide this information using the templates contained in the Guidelines on disclosure of non-performing and forborne exposures (EBA/GL/2018/10), as amended by EBA/GL/2022/13. With the implementation of the ITS, the above-mentioned EBA guidelines will be considered repealed.

The draft ITS is currently under **consultation until 22 August 2025**. It will then be finalized and submitted to the European Commission for adoption, with the amended Commission Implementing Regulation (EU) 2024/3172 expected in the **fourth quarter of 2025**.

Is your institution prepared for the next stage of ESG disclosure? Contact us! We leverage our in-depth expertise to support you through the implementation process. Let’s tackle the complexity of CRR III together – with practical solutions and proven expertise.

Get ongoing updates on the topic via regulatory horizon scanning in our research application, PwC Plus. Read more in our "**Services and Offerings**" section.

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Schlagwörter

Bankenaufsicht (Europäische und Internationale Organisationen), Basel III, Capital Requirements Directive (CRD VI), Capital Requirements Regulation (CRR III), Compliance, Credit Risk, Credit Valuation Adjustment (CVA), ESG, Framework, Meldewesen - Banken, Risk Management Banking, Schattenbank, Sustainability Risk, Sustainable Finance (SF), leverage ratio

Kontakt

Martin Neisen
Frankfurt am Main
martin.neisen@pwc.com

Christoph Himmelmann
Frankfurt am Main
christoph.himmelmann@pwc.com