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ANNEX 2

ANNEX

to the

Commission Implementing Regulation

amending Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council as regards disclosure of environmental, social and governance risks (ESG risks)

ANNEX II

‘ANNEX XL - Instructions for disclosure of ESG risks

1. Institutions shall disclose the information referred to in Article 449a of Regulation (EU) No 575/2013 by following the instructions provided in this Annex. The instructions are to be used to complete the tables and templates which are set out in Annex XXXIX to this Regulation.
2. For the purposes of these instructions, the following terms shall be understood as follows:
 - (a) ‘environmental, social or governance (ESG) risks’ means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental, social or governance (ESG) factors on the institution’s counterparties or invested assets;
 - (b) ‘environmental risk’ means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of environmental factors on the institution’s counterparties or invested assets, including factors related to the transition towards the following environmental objectives:
 - (i) climate change mitigation;
 - (ii) climate change adaptation;
 - (iii) the sustainable use and protection of water and marine resources;
 - (iv) the transition to a circular economy;
 - (v) pollution prevention and control;
 - (vi) the protection and restoration of biodiversity and ecosystems;Environmental risk includes both physical risk and transition risk.
 - (c) ‘physical risk’, as part of the overall environmental risk, means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on the institution’s counterparties or invested assets;
 - (d) ‘transition risk’, as part of the overall environmental risk, means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of the transition to an environmentally sustainable economy on the institution’s counterparties or invested assets;
 - (e) ‘social risk’ means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of social factors on the institution’s counterparties or invested assets;
 - (f) ‘governance risk’ means the risk of losses arising from any negative financial impact on the institution stemming from the current or prospective impacts of governance factors on the institution’s counterparties or invested assets.
3. References to the international and Union policy frameworks and available benchmarks throughout these instructions include: the Paris Agreement adopted under the United Nations Framework Convention on Climate Change*¹ (the ‘Paris Agreement’), the Communication from the Commission on the European Green

Deal^{*2}, Directive 2013/34/EU of the European Parliament and of the Council^{*3}, Directive 2014/95/EU of the European Parliament and of the Council^{*4}, the Communication from the Commission - Guidelines on non-financial reporting: Supplement on reporting climate-related information^{*5}, the guidance made available by the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations^{*6}, the United Nations Environment Programme Finance Initiative (UNEP FI)^{*7}, the Global Reporting Initiative Sustainability Reporting Standards^{*8}, and the United Nations' Principles for Responsible Investment (UNPRI)^{*9}.

Table 1 – Qualitative information on Environmental risk: Free format text boxes for disclosure of qualitative information in Annex XXXIX.

4. Institutions shall use the following instructions to complete Table 1 – ‘Qualitative information on Environmental risk’ as set out in Annex XXXIX to this Regulation to describe the integration of environmental risks, including specific information on climate change risks and on other environmental risks, in their business strategy and processes, governance and risk management. This is for the purposes of Article 449a of Regulation (EU) No 575/2013, read in conjunction with Article 435 of that Regulation.

Legal references and instructions	
Row number	Explanation
	Business strategy and processes
(a)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), points (a) and (e), of that Regulation, institutions shall provide an explanation of how their business model, strategy and processes, and their financial planning integrate the risks stemming from environmental factors (i.e. environmental risks) and how those risks may evolve over time given changing technology, policy framework, business environment, stakeholder preferences, and changes in the physical environment itself.
(b)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (a) and points (c) to (f) of that Regulation, institutions shall set out the objectives, the targets and the limits for the assessment and management of environmental risks. Institutions shall explain the processes they use to set out those objectives, targets and limits. Institutions are to explain how those objectives, targets and limits are linked to the current international and Union policy framework, and to the available benchmarks.
(c)	In accordance with Article 449a of Regulation (EU) No 575/2013, institutions shall provide information on their current and future (planned) investment in environmentally sustainable activities and in activities and sectors aligned to the environmental objectives, including climate change objectives, set out in Article 9 of Regulation (EU) 2020/852. Where that information depends on the institution's own approach or is based on the institutions' internal terms of reference, institutions shall include in

	their disclosures a description of those approaches and internal terms of reference.
(d)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (d), of that Regulation, institutions shall provide information on the measures taken to mitigate the risks associated to environmental factors. Institutions are to consider the counterparty's capacity to manage environmental risks.
	Governance
(e)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (b), and Article 435(2), points (a), (b) and (c), of that Regulation, institutions shall provide information on the involvement of their management body in the supervision and management of environmental risks. Institutions are to take into account the potential transmission channels of such environmental risks (including physical, transition and liability risks).
(f)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2), point (d), of that Regulation, institutions shall provide information on how their management body integrates short-term, medium-term and long-term effects of environmental risks in the organisational structure of the institution for the purposes of risk management. Institutions are to explain how such exercise at management body's level is then reflected in their business lines and internal control functions.
(g)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2), points (a), (b) and (c), of that Regulation, institutions shall provide information on the organisation of their risk committees and on the allocation of tasks and responsibilities in the risk management framework to monitor and manage environmental risks, taking into account physical, transition and liability transmission channels.
(h)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2), point (e), of that Regulation, institutions shall provide information on the ways in which they include environmental risks into their internal reporting framework and structure, as well as information on the frequency of their internal reporting and information exchange on such risks.
(i)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2), point (e), of that Regulation, institutions shall provide information on whether environmental risks are included in their remuneration policy, and on the criteria and metrics used to determine the impact of environmental risk considerations on variable remunerations.
	Risk management
(j)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (f), of that Regulation, institutions shall

	<p>provide information on the integration of short-, medium- and long-term effects of environmental factors and risks in the risk tolerance framework. Institutions shall decide on the relevant time horizon in accordance with their own risk profile and exposures.</p>
(k)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (a), of that Regulation, institutions shall provide information on the methods, definitions and standards used to identify and manage environmental factors and risks, as well as the framework on which those standards, definitions and methods are based.</p> <p>Institutions shall explain how such methods, definitions and standards relate to the applicable international and Union policy framework and available benchmarks.</p>
(l)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (a), of that Regulation, institutions shall disclose:</p> <p>(a) the processes by which the institution identifies and monitors its activities and exposures which are sensitive and vulnerable to environmental risks, including any movable and immovable assets associated with such activities and exposures;</p> <p>(b) the processes by which the institution identifies and monitors environmental risks that are financially material or currently non-material with a prospect to become material in the future.</p> <p>Activities, exposures and assets which are sensitive and vulnerable to environmental risks shall include those related to agriculture, fisheries, forestry, energy sectors in combination with their geographical location, reliance on water or other environmental factors and risks, which may be vulnerable to different factors, including flood, draught, fires, and loss of biodiversity. They shall also include concentration of the counterparty's operations in endangered zones, and they shall be deemed to cover the entire value chain of the counterparty.</p> <p>When disclosing the information referred to in this point, institutions shall indicate the materiality (including double materiality) which is to be understood in the sense set out in the definitions contained in the report referred to in Article 98(8) of Directive 2013/36/EU of the European Parliament and of the Council^{*10} and shall cover the life-cycle of exposures, including loan origination together with creditworthiness assessment of the counterparty and monitoring.</p> <p>Institutions shall explain the extent to which such assessment covers the relevant transmission channels, including (i) lower profitability, (ii) lower real estate value, lower household wealth, (iii) lower asset performance, (iv) increase cost of compliance, and (v) increase legal costs.</p> <p>Institution that identify no environmental risks as material shall explain and substantiate why that is the case and describe the methods they used to reach such conclusion.</p>

(m)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (d), of that Regulation, institutions shall provide information on the activities, commitments, and exposures they have put in place to mitigate environmental risks.</p> <p>Institutions shall disclose the methods they use to identify risk mitigating measures and activities. In addition, they shall provide information on the extent to which those activities, commitments and exposures account for relevant transmission channels, including (i) lower profitability, (ii) lower real estate value, lower household wealth, (iii) lower asset performance, (iv) increase cost of compliance, and (v) increase legal costs.</p>
(n)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), points (a) and (f), of that Regulation, institutions shall provide information on the implementation tools that they use to identify and manage environmental risks. Such tools include stress testing, sensitivity analysis or other forward-looking indicators, applied at exposure-level, portfolio-level, counterparty-level or sectoral-level, depending on the materiality of the risk.</p> <p>The disclosed information shall indicate the assumptions and the methods underlying the relevant implementation tools. Institutions shall also indicate the time horizon used for the assessment of environmental risks on accounting and prudential metrics, that is short-term, medium-term or long-term time horizons.</p>
(o)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), points (a) and (f), of that Regulation, institutions shall describe the outcome of the assessment from the risk tool used in accordance with point 14.</p> <p>Institutions shall provide the estimated impact of environmental risk, including climate change risk, on the institution's solvency, regulatory capital requirements and liquidity risk profile in the framework of internal capital adequacy assessment process (ICAAP) and internal liquidity adequacy assessment process (ILAAP).</p>
(p)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, institutions shall provide information on the data and information available to them to carry out the risk management of environmental risks, the key data and information currently missing and measures they are taking to address the data gaps and to improve data quality and accuracy.</p>
(q)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013 in conjunction with Article 435(1), point (f), of that Regulation, institutions shall provide information on the limits they set on financing projects or counterparties which significantly harm environmental objectives in line with their business strategy.</p> <p>Those limits shall include limits set by the institutions at the point of origination and monitoring to avoid or mitigate environmental risks, and limits that indicate when a specific exposure would trigger corrective actions, further investigation, internal escalation, or exclusion from portfolio.</p>

(r)	<p>Institutions shall describe how they map and link the emergence of environmental risks on their balance sheet through credit risk, liquidity risk, market risk and operational risk.</p> <p>Institutions are to explain how they assess and manage the impact of transition to a low-carbon and climate-resilient economy to the prudential risk categories including credit risk, liquidity risk, market risk and operational risk.</p>
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Table 2 – Qualitative information on Social risk: Free format text boxes for disclosure of qualitative information in Annex XXXVII

5. Institutions shall use the following instructions to complete Table 2 – ‘Qualitative Information on Social risk’ set out in Annex XXXIX to this Regulation, in order to describe the integration of social risks in their business strategy and processes, governance and risk management, in accordance with Article 449a of Regulation (EU) No 575/2013 in conjunction with Article 435 of that Regulation.

Legal references and instructions	
Row number	Explanation
	Business strategy and processes
(a)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013 in conjunction with Article 435(1), points (a) and (e), of that Regulation, institutions shall describe how their business model, strategy, processes and financial planning integrate risks stemming from social factors (i.e. social risks) and how those risk evolve over time given changing technology, policy framework, business environment and stakeholders’ preferences.</p>
(b)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013 in conjunction with Article 435(1), point (a) and points (c) to (f), of that Regulation, institutions shall provide a description of whether their objectives, targets and limits for the assessment and management of social risks, and a description of the processes they use to set out those objectives, targets and limits.</p> <p>Institutions are to explain the linkages of those objectives, targets and limits to the applicable international and Union policy framework and to available benchmarks.</p> <p>Social aspects include human rights violation, labour rights, income inequality, lack of human rights, customer safety and protection, privacy, poverty and non-discrimination. Furthermore, climate change and transition to low carbon economy have social impacts that include changes to the job market. These include the decrease in the demand for certain jobs and skills, the emergence of new jobs and skills, consumers’ changing preferences, shareholders’ willingness to swiftly integrate of climate, environmental and social changes in their companies, as set out in paragraph 78 of the EBA report adopted under Article 98(8) of Directive 2013/36/EU.</p>

(c)	In accordance with Article 449a Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (d), of that Regulation, institutions shall describe how they take measures to mitigate risks associated with social factors, including understanding the counterparties' capacity to manage social risks and entering into a dialogue with them to mitigate social risks.
	Governance
(d)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (b), and Article 435(2), points (a), (b) and (c), of that Regulation, institutions shall describe how their management body is involved in the supervision and management of social risks. That information shall cover the rationale of the approach taken by the management body and take into account a number of social factors. Those factors include the institution's engagement towards the community and society, its relationships with employees and compliance with labour standards, customer protection and product responsibility, and human rights.
(e)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2), points (a), (b) and (c), of that Regulation, institutions shall describe how they organise their risk committees and how they allocate tasks and responsibilities in the risk management framework to monitor and manage social risks. Institutions shall provide information on both their internal and external resources devoted to the assessment of social risks.
(f)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2), point (e), of that Regulation, institutions shall describe how they include social risks into their internal reporting framework and structure, and set out the frequency of their internal reporting and information exchange on social risks.
(g)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2), point (e), of that Regulation, institutions shall provide information on whether social risks are included in their remuneration policy, as well as on the criteria and metrics used to determine the impact of social risk considerations on variable remunerations.
	Risk management
(h)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (a), of that Regulation, institutions shall provide information on what methods, definitions and standards they use for the identification and management of social factors and risks, as well as the framework on which those standards, definitions and methods are based. Institutions are to explain how those methods, definitions and standards relate to the current international and Union policy framework and available benchmarks.

(i)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (a), of that Regulation, institutions shall provide information on the process by which they identify and monitor their activities and exposures, which are sensitive to social risks, including via their counterparties, investment or asset management activities, and including any movable and immovable assets associated with those activities and exposures.</p> <p>Institutions shall provide information on the process by which they identify and monitor social risks that are financially material or currently non-material with a prospect to be material in the future.</p> <p>Such activities, exposures and assets sensitive to social risks may be related to counterparties breaching labour law, human rights or other social laws or rights that may face legal dispute. More precisely, sectors with enhanced social risk may include those with migrant workers, low wages, poor labour standards or poor working conditions negatively affecting communities and having an enhanced chance of being under public and political scrutiny.</p>
(j)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (a), of that Regulation, institutions shall provide information on the activities, commitments and assets that they have in place to mitigate social risks.</p>
(k)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (a), of that Regulation, institutions shall provide information on the implementation tools that they use for identification and management of social risks. Such tools include the scenario analysis, applied at exposure-level, portfolio-level, counterparty-level or sectoral-level and cover factors including migration, demographic trends, change in labour force and technological change.</p> <p>Social risks can also include change of consumer behaviour, issues around discrimination and social inclusiveness, scenario analysis on increasing inequality, social impact of climate change, climate change adaptation/mitigation and environmental degradation.</p> <p>Institutions shall provide information about the assumptions and methods used to perform such scenario analysis. Institutions shall indicate the time horizon used for the assessment of the social risk on the accounting and prudential metrics, i.e. short-term, medium-term or long-term time horizon.</p>
(l)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1), point (f), of that Regulation, institutions shall provide information on the limits they set out in relation to financing projects or counterparties which significantly harm the social objectives of their business strategy.</p> <p>Such limits shall include those set by institutions at the point of origination and monitoring to avoid or mitigate social risks as well as the limits that indicate when a specific exposure would trigger further investigation, internal escalation, corrective actions or exclusion from the portfolio.</p>
(m)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, institutions shall provide information on the ways in which they map and link the</p>

	<p>emergence of social risks on their balance sheet through credit risk, liquidity risk, market risk and operational risk.</p> <p>Institutions are to provide information on the ways in which they assess and manage the impact of relevant socially harmful events on the prudential risks categories including credit risk, liquidity risk, market risk and operational risk.</p>
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Table 3 – Qualitative information on Governance risk: Free format text boxes for disclosure of qualitative information in Annex XXXVII

6. Institutions shall use the following instructions to complete Table 3 – Qualitative information on Governance risk set out in Annex XXXIX to this Regulation in order to describe the integration of governance risks in their governance and risk management, in accordance with of Article 449a of Regulation (EU) No 575/2013, read in conjunction with Article 435 of that Regulation.

Legal references and instructions	
Row number	Explanation
	Governance
(a)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2) of that Regulation, institutions shall provide information on the ways in which they integrate the counterparty’s governance performance in their governance arrangements.</p> <p>The considerations on the counterparty’s governance performance are to cover the necessary steps of the decision-making, supervision and management processes of the counterparty at all levels, including committees of the highest governance body and committees responsible for decision-making on economic, environmental, and social topics.</p>
(b)	<p>Institutions shall explain how they take into account the role of the counterparty’s top governing body in non-financial reporting, including the top committee or functional position that formally reviews and approves the organisation’s sustainability report and ensures that all material topics are covered.</p>
(c)	<p>In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(2) of that Regulation, institutions shall provide information on how they integrate their counterparties’ governance performance in their governance arrangements.</p> <p>The considerations related to the governance performance of the institution’s counterparties are to cover all of the following:</p> <ul style="list-style-type: none"> (a) ethical considerations, including integrity of conduct, values and ethics, anti-bribery and anti-corruption measures, accountability and rule of law; (b) strategy and risk management, including strategy implementation, operational execution and monitoring, internal controls and risk management policies and procedures;

	<p>(c) inclusiveness; including, gender gap and representation of people from minority groups in the management, income gap;</p> <p>(d) transparency; including disclosures on discrimination, tax commitments and payments, disclosure on lobbying activities, and rules and practices;</p> <p>(e) management of conflict of interest, including processes for the highest governance body to ensure that any conflict of interest is avoided, managed and mitigated; and</p> <p>(f) internal communication on critical concerns, including how internal process of the counterparty operates for communicating critical concerns to the highest governance body.</p>
	Risk management
(d)	In accordance with Article 449a of Regulation (EU) No 575/2013, in conjunction with Article 435(1) of that Regulation, institutions shall provide information on how they integrate in their risk management arrangements the governance performance of their counterparties considering aspects set out in row 3.

Template 1 - Banking book - Indicators of potential climate change transition risk:
Quality of exposures by sector. Fixed format.

1. Institutions shall use the following instructions to complete template 1 set out in Annex XXXIX to this Regulation to provide information on the exposures that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy. For the purposes of Article 449a of Regulation (EU) No 575/2013:

- (a) institutions shall disclose information on their exposures towards non-financial corporates operating in carbon-related sectors, and on the quality of those exposures, including non-performing status, stage 2 classification, and related provisions as well as maturity buckets;
- (b) institutions shall start disclosing information on scope 1, 2 and 3 emissions of their counterparties, if already available, including qualitative information in the narrative accompanying this template on the methodology and sources used for the calculation of those emissions. Where institutions are not yet estimating their counterparties' emissions associated with their financing activities, including lending and investment activities, they shall disclose information on their plans to implement methodologies to estimate and disclose this information. Institutions shall start disclosing information in columns (i) to (k) of the template with first disclosure reference date as of 30 June 2024.

2. Institutions shall include in the narrative accompanying the template, explanations on the information disclosed and the changes compared to previous disclosure periods, as well as any implications that those exposures may have in terms of credit, market, operational, reputational and liquidity risks for the institutions.

3. Institutions shall include in the rows of the template the breakdown of the gross carrying amount of loans and advances, debt securities and equity instruments to non-financial corporations, other than those held for trading, by sector of economic activities using the Nomenclature of Economic Activities (NACE) codes, laid down in Regulation (EC) No 1893/2006 of the European Parliament and of the Council^{*11}, based on the principal activity of the counterparty. They shall also include subtotals that aggregate the gross carrying amount of exposures towards sectors and subsectors that highly contribute to climate change. In particular, reference is made to the sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006, which include the oil, gas, mining and transportation sectors, as sectors that highly contribute to climate change, as specified in Recital 6 of Commission Delegated Regulation (EU) 2020/1818^{*12}; and a subtotal of exposures towards "other sectors" not mentioned in that Recital.

4. The counterparty NACE sector allocation shall be based on the nature of the direct counterparty. Where the institutions' counterparty is a holding company, institutions shall consider the NACE sector of the specific obligor under the holding company (if different from the holding company) which receives the funding (i.e. the specific subsidiary of the holding company in question) rather than that of the holding company, particularly in those cases where the obligor that is benefiting from the financing is a non-financial corporate. Similarly, when the direct counterparty of an institution (the obligor) is a special purpose vehicle (SPV), institutions shall disclose the relevant information under the NACE sector associated with the economic activity of the parent company of the SPV. The classification of the exposures incurred jointly by more than one obligor shall be based on the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall

be driven by the characteristics of the more relevant or determinant obligor. Institutions shall disclose information by NACE codes with the level of granularity required in the rows of the template.

Columns	Instructions
a	<p><u>Total gross carrying amount</u></p> <p>Institutions shall disclose the gross carrying amount, referred to in Part 1 of Annex V to Implementing Regulation (EU) 2021/451, of those exposures towards non-financial corporates, including loans and advances, debt securities and equity instruments, classified in the accounting portfolios in the banking book in accordance with that Implementing Regulation, excluding financial assets held for trading or held for sale assets.</p>
b	<p><u>Of which exposures towards companies excluded from EU Paris-aligned Benchmarks</u></p> <p>Institutions shall disclose the gross carrying amount of those exposures towards counterparties that are excluded from the EU Paris-aligned benchmarks as specified in Article 12(1), points (d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818.</p>
c	<p><u>Of which environmentally sustainable (CCM)</u></p> <p>Institutions shall disclose exposures that qualify as environmentally sustainable because they are financing activities that contribute or enable the environmental objective of climate change mitigation in accordance with Articles 10 and 16 of Regulation (EU) 2020/852, as disclosed in template 7 of Annex XXXIX to this Regulation.</p> <p>Institutions shall start disclosing that information in 2024, with first disclosure reference date as of 31 December 2023, for exposures included in the numerator of the GAR.</p> <p>Institutions may start disclosing that information in 2025, with first disclosure reference date as of 31 December 2024, for those exposures included in the numerator of the BTAR but not in the numerator of the GAR.</p>
d	<p><u>Of which stage 2</u></p> <p>Institutions applying the International Financial Reporting Standards (IFRS) shall disclose the gross carrying amount of ‘Stage 2’ instruments as referred to in IFRS 9.</p> <p>The columns on ‘Of which stage 2’ shall not be disclosed by institutions that apply national generally accepted accounting principles based on Council Directive 86/635/EEC^{*13}.</p>
e	<p><u>Of which non-performing exposures</u></p> <p>Institutions shall disclose non-performing exposures as defined in Article 47a(3) of Regulation (EU) No 575/2013.</p>

f	<p><u>Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions</u></p> <p>Institutions shall disclose the amounts set out in Part 2, points 11, 69, 70, 71, 106 and 110, of Annex V to Implementing Regulation (EU) 2021/451.</p>
g	<p><u>Of which stage 2</u></p> <p>Institutions shall disclose the accumulated impairment amount of stage 2 exposures.</p> <p>Institutions applying IFRS are to disclose the gross carrying amount of ‘Stage 2’ instruments as set out in IFRS 9.</p> <p>The columns on ‘Of which stage 2’ shall not be disclosed by institutions that apply national generally accepted accounting principles based on Directive 86/635/EEC.</p>
h	<p><u>Of which non-performing exposures</u></p> <p>Institutions shall disclose non-performing exposures as referred to in Article 47a(3) Regulation (EU) No 575/2013.</p>
i	<p><u>GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)</u></p> <p>Where the information is available, institutions shall disclose the estimates of the scope of their 3 GHG emissions in CO2 tonnes (TCO2) as part of column (i). The disclosure covers all sectors and subsectors that highly contribute to climate change, including the oil, gas, mining and transportation sectors, - as specified in recital 6 of Delegated Regulation (EU) 2020/1818 - included in rows 2 to 52 of the template.</p> <p>Institutions shall base the estimation of scope 3 emissions on the information on emissions gathered from their counterparties and on the information on sector-average emissions intensity. The methods to compute the carbon emission of companies include the Global GHG Accounting and Reporting Standard for the Financial Industry, developed by the Partnership for Carbon Accounting Financials^{*14} (PCAF, of particular relevance for the TCFD), or the Carbon Disclosure Project^{*15}.</p> <p>Institutions shall estimate the scope 3 emissions per sector in a proportionate manner, including by taking their exposures (loans and advances, debt securities and equity holdings) towards the counterparty compared to the total liabilities (accounting liabilities and shareholders’ equity) of the counterparty.</p> <p>In the narrative part accompanying the template, institutions shall provide detailed explanations of the data sources used and of the methodology that they have applied for the estimation of their scope 3 GHG emissions. In particular, institutions shall explain whether they are disclosing any of the following:</p> <p>(a) reported emissions (emissions are collected from the borrower or investee company directly);</p>

	<p>(b) physical activity-based emissions (emissions are estimated by the reporting financial institution based on primary physical activity data collected from the borrower or investee);</p> <p>(c) economic activity-based emissions (emissions are estimated by the reporting financial institution based on economic activity data collected from the borrower or investee company).</p> <p>Where institutions are not yet estimating their counterparties' emissions associated to their financing activities, including lending and investment activities, they shall disclose information on their plans to implement methods to estimate that information. Institutions shall disclose the information in columns (i), (j) and (k) of the template with first disclosure reference date as of 30 June 2024.</p> <p>Institutions may decide to start disclosing this information earlier, i.e. with first disclosure reference date as of 31 December 2022.</p>
j	<p><u>Of which Scope 3 financed emissions</u></p> <p>Institutions shall disclose their counterparties' scope 3 emissions associated with institutions' lending and investment activities. Where institutions are not yet estimating their scope 3 emissions, they shall leave column (j) blank and, in the narrative part accompanying the template, they shall disclose their plans to implement methods to estimate and disclose that information.</p> <p>Institutions shall disclose their scope 3 emissions on a best effort basis, covering the most relevant sectors in line with PCAF approach and the phased-in approach for scope 3 emissions included in Article 5 of Delegated Regulation (EU) 2020/1818.</p> <p>Institutions shall disclose information on scope 3 emissions of the counterparty for all sectors included in the template with first reference date as of 30 June 2024.</p> <p>For sectors where data and methodological challenges exist, institutions shall follow the Greenhouse Gas Protocol and its 15 stages, both upstream and downstream.</p> <p>In line with the TCFD guidance on metrics and targets, institutions shall be transparent about the challenges to collect that type of information and avoid double counting to the extent possible.</p> <p>Institutions shall start disclosing information in column (j) of the template, with first disclosure reference date as of 30 June 2024.</p> <p>Institutions may decide to start disclosing this information earlier, i.e. with first disclosure reference date as of 31 December 2022.</p>
k	<p>GHG emissions (column (i)): gross carrying amount percentage of the portfolio derived from company-specific reporting</p> <p>Institutions shall indicate the percentage of the portfolio (gross carrying amount of the exposures) for which they have been able to estimate their counterparties' scope 1, 2 and 3 emissions associated with institutions' lending and investment activities based on information disclosed by their counterparties or reported to the institution on bilateral basis.</p>

l - p	<p><= 5 years; > 5 year <= 10 years; > 10 year <= 20 years; > 20 years; Average weighted maturity</p> <p>Institutions shall allocate the exposures to the relevant bucket depending on the remaining maturity of the financial instrument, taking into account the following:</p> <p>(a) where the amount is repaid in instalments, the exposure shall be allocated in the maturity bucket corresponding to the last instalment;</p> <p>(b) where an exposure has no stated maturity for reasons other than the counterparty having the choice of the repayment date, or in the case of equity holdings, the amount of this exposure shall be disclosed in the largest maturity bucket '> 20 years';</p> <p>(c) for the computation of the average maturity of the exposures, institutions shall weigh the maturity of each exposure by the gross carrying amount of the exposures.</p>
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Template 2: Indicators of potential climate change transition risk: Loans collateralised by immovable property collateral – Energy efficiency of the collateral. Fixed format.

1. Institutions shall use the following instructions to disclose the information required in 'Template 2: Banking book – Indicators of potential climate transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral', as set out in Annex XXXIX to this Regulation.

2. Directive 2010/31/EU of the European Parliament and of the Council^{*16} and Directive 2012/27/EU of the European Parliament and of the Council^{*17} promote policies that aim to achieve a highly energy efficient and decarbonised building stock by 2050. Directive 2010/31/EU introduced the Energy performance certificates (EPC) as instruments for improving the energy performance of buildings. Those certificates are referred to as a certificate recognised by a Member State or by a legal person designated by it, which indicates the energy performance of a building or building unit, calculated in accordance with that Directive.

3. This template shows the gross carrying amount, as referred to in Part 1 of Annex V to Implementing Regulation (EU) 2021/451, of loans collateralised with commercial and residential immovable property and of repossessed real estate collaterals, including information on the level of energy efficiency of the collaterals measured in terms of kWh/m² energy consumption (columns (b) to (g) of the template), in terms of the label of the energy performance certificate (EPC) of the collateral as referred to in Article 2, point (12), of Directive 2010/31/EU for Member States, or as defined in any relevant local regulation for those exposures outside the Union, where a mapping to the Union EPC label exists (columns (h) to (n)).

4. In particular, in columns (b) to (g), institutions shall disclose the gross carrying amount of exposures by energy efficiency buckets based on the specific energy consumption of the collateral in kWh/m², as indicated in the EPC label of the collateral or estimated by institutions in the absence of the EPC label. Institutions shall indicate in rows 5 and 10 of the template the extent to which those data are estimated and not based on EPC labels. In columns (h) to (n), institutions shall disclose the gross carrying amount of exposures grouped

by the EPC label of the collateral for those collaterals where the EPC is available to the institution.

5. When disclosing the EPC distribution of the collaterals, institutions shall disclose separately, in column (o), those exposures for which they do not have the EPC information of the collateral. Where institutions do not have the EPC information, but are using internal calculations to estimate the energy efficiency of the collateral, institutions are to disclose the percentage of the exposures without EPC label of the collateral for which they are providing estimates (the percentage is to be computed based on the gross carrying amount of the exposures). Institutions shall disclose the total gross carrying amounts by energy consumption level and by EPC label, with a breakdown by location (Union vs non-Union area) differentiating between loans collateralised by commercial immovable property, loans collateralised by residential immovable property and collateral obtained by taking possession.

6. In the case of exposures to entities located in third countries where there is no EPC label equivalent, institutions shall leave columns (h) to (n) blank. However, institutions shall disclose the information required in columns (o) and (p) and, when relevant, columns (b) to (g) with estimated data.

7. For those exposures linked to more than one collateral, such as two immovable properties, the energy efficiency information of the properties linked to the exposure shall be split and disclosed separately under energy efficiency levels (both for the KWh/m² of the collateral, columns (b) to (g), and for the EPC label, columns (h) to (n) corresponding to energy efficiency of each collateral). More specifically, institutions shall calculate the share of each collateral in the gross carrying amount of exposure based on the value of the collateral and disclose under the energy efficiency bucket linked to each collateral. For example, the institution has a loan with a gross carrying amount of EUR 100 000 collateralised by two properties: property A and property B. Property A has a collateral value of EUR 80 000 and EPC label A, while property B has a collateral value of EUR 70 000 and EPC label D. In this example, institutions should disclose EUR 53 333 (that is EUR 100 000 * [80 000 / (80 000 + 70 000)]) under EPC label A and EUR 46 667 (that is EUR 100 000 * [70 000 / (80 000 + 70 000)]) under EPC label D, both corresponding to the specific loan in question.

Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics. Flexible format (fixed columns, flexible rows).

1. Institutions shall use the following instructions to disclose the information required in ‘Template 3: Banking book - Indicators of potential climate change transition risk: Alignment metrics’, as set out in Annex XXXIX to this Regulation.

2. Institutions shall disclose in this template information on their alignment efforts with the objectives of the Paris Agreement for a selected number of sectors. The disclosures on the alignment shall capture the extent to which financial flows are consistent with a pathway towards low greenhouse gas emissions and climate-resilient development as referred to in the Paris Agreement. The economic scenario that describes that decarbonisation pathway is the International Energy Agency (IEA) Net Zero Emissions by 2050 Scenario (NZE2050)^{*18}. Institutions shall take into account that scenario. Given that the IEA provides scenarios at global level and some specific metrics at European level, institutions are to measure the distance from the IEA scenario benchmarks at global level and, where the specific European level metrics are available, at European level.

3. Institutions that are already estimating information on their sectoral alignment to the Paris Agreement shall disclose the information in this template. Institutions are to explain in the narrative part accompanying the template the method used and the data source. Those institutions that are not yet estimating their sectoral alignment shall disclose information on their plans to implement a method to estimate and disclose that information. In any case, institutions shall start disclosing the information included in this template with first disclosure reference date as of 30 June 2024.

4. Institutions shall disclose in this template:

- (a) Columns (a) and (b): these columns contain the sectors (IEA sectors) in column (a) under which rows 1-8 list the mandatory minimum set of sectors, and subsectors (NACE sectors in column (b) according to the minimum 'list of NACE sectors to be considered' as indicated in the template).
- (b) Where the institution's counterparty is a holding company, institutions shall consider the NACE sector of the specific obligor controlled by the holding company (if different from the holding company) which receives the funding rather than that of the holding company, particularly in those cases where the obligor is a non-financial corporate. Similarly, where the direct counterparty of the institution (the obligor) is a special purpose vehicle ('SPV'), institutions shall disclose the relevant information under the NACE sector associated with the economic activity of the parent company of the SPV.
- (c) The classification of the exposures incurred jointly by more than one obligor shall be based on the characteristics of the obligor that was the more relevant, or determinant, for the institution to grant the exposure. Institutions shall disclose information by NACE codes with the level of granularity required in column (b).
- (d) Column (c): the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451 of those exposures towards non-financial corporates in each of the sectors specified in columns (a) and (b), including loans and advances, debt securities and equity instruments, classified in the accounting portfolios in the banking book in accordance with that Implementing Regulation, excluding financial assets held for trading or held for sale assets.
- (e) Columns (d) and (e): alignment metric(s) applied by the institution and closest year of reference for the alignment metric(s) for each sector. Institutions shall use the alignment metric(s) that can be measured against the Net Zero Emissions by 2050 Scenario (NZE2050). Institutions are to ensure that the metrics allow to comprehensively disclose the institutions' financed production capacities and encompass all relevant carbon-intensive financed activities. Some sample metrics are included in the template. Institutions are to disclose several metrics for each sector that is relevant to their financing activity. These are to cover emission intensity metrics, technology mix-based metrics and production-based metrics. Institutions are to rely on the assessment of the underlying assets and activities linked to the financial instruments.

For loans whose use of proceeds is known, the value shall be included for the relevant sector and alignment metric. For loans whose use of proceeds is unknown, the gross carrying amount of the exposure shall be allocated to the relevant sectors and alignment metrics based on the counterparties' activity distribution, including by counterparties' turnover by activity.

Institutions shall add a row in the template for each relevant combination of sectors disclosed in column (b) and alignment metrics included in column (d).

- (f) Column (f): the point in time distance of the column (d) metric(s) to the 2030 data points of the Net Zero Emissions by 2050 Scenario (NZE2050), shall be expressed in percentage points. That distance shall represent the current degree of alignment with the scenario indicator for 2030 and shall be expressed as the difference between the indicator in column (d) and the IEA scenario projection for 2030, divided by the scenario benchmark indicator and converted into percentage terms.

Institutions can find the relevant information and the applicable scenario indicators for 2030 per sector on the IEA website. In particular, institutions shall refer to the “Net Zero by 2050 - A Roadmap for the Global Energy Sector” that the IEA publish on an annual basis^{*19}. The specific data points and indicators can be downloaded from the excel table included in the Net Zero by 2050 Scenario designed by the International Energy Agency

The exposures’ underlying activities shall be considered aligned where the level of the indicator is below that of the benchmark for decreasing benchmarks (carbon intensive activities) or above for increasing benchmarks (low carbon activities);

Distance

$$= \frac{\text{Metric at reference year} - (\text{IEA scenario metric in 2030})}{(\text{IEA scenario metric in 2030})} * 100$$

- (g) Column (g): institutions’ target for 3 years after the year of reference indicated in column (e) and the alignment metric indicated in column (d). Column (g) shall indicate the portfolio alignment path and targets that institutions plan to achieve to remain on track with the IEA scenario in the long term.

Template 4 - Banking book – Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms. Fixed format

1. Institutions shall use the following instructions to disclose the information required in ‘Template 4: Banking book – Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms, as set out in Annex XXXIX to this Regulation.
2. Institutions shall disclose in this template aggregate information on exposures towards the most carbon-intensive counterparties in the world. They shall include aggregated and anonymised information on the gross carrying amount of exposures towards up to 20 counterparties that are among the top 20 most carbon-intensive corporates worldwide. Information shall be based on publicly available reputable and accurate information. Examples of data sources to identify the top carbon-intensive companies include the Carbon Majors Database and Reports of the Carbon Disclosure Project and Climate Accountability Institute as well as Thomson Reuters.
3. Institutions shall disclose in the narrative accompanying the disclosure the source of the data they use. Where institutions are not able to identify exposures towards the top 20 carbon-intensive firms in the world, they shall explain why they have not indicated such exposures, including in the case in which they do not have any exposures towards the top 20 carbon-intensive firms in the world.

	Column	Instructions
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a	Gross carrying amount (aggregate)	<p>Gross carrying amount has the meaning referred to in Part 1 of Annex V to Implementing Regulation (EU) 2021/451. It includes loans and advances, debt securities and equity instruments, classified under the accounting portfolios in the banking book according to that Implementing Regulation, excluding financial assets held for trading and held for sale assets.</p> <p>Institutions shall include the aggregate exposures towards up to 20 counterparties of the institution that are among the top 20 most carbon-intensive corporates worldwide.</p>
b	Gross carrying amount towards the company compared to total gross carrying amount (aggregate)	<p>Institutions shall disclose the percentage resulting from the aggregate gross carrying amount indicated in column (a), divided by the total gross carrying amount of the institutions' exposures in the banking book, as referred to in Part 1 of Annex V to Implementing Regulation (EU) 2021/451, including loans and advances, debt securities and equity instruments in the banking book in accordance with that Implementing Regulation, excluding financial assets held for trading and held for sale assets.</p>
c	Of which environmentally sustainable (CCM)	<p>Institutions shall disclose the aggregate gross carrying amount of environmentally sustainable exposures contributing to the objective of climate change mitigation. That amount shall be based on the purpose of the activity funded, for special purpose lending, or on the counterparty's information on the level of alignment of its economic activities with Regulation (EU) 2020/852, for the objective of climate change mitigation (% of turnover contributing substantially to climate change mitigation).</p> <p>Institutions shall start disclosing this information with first disclosure reference date as of 31 December 2023.</p>
d	Average maturity	<p>Institutions shall disclose the average maturity of the exposures considered in the computation weighted by the gross carrying amount of the exposure.</p>
e	Number of top 20 polluting firms included	<p>Institutions shall indicate the number of top polluting companies included in the calculation of the aggregate gross carrying amount.</p>

Template 5 - Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk. Fixed format.

1. Institutions shall use the following instructions to disclose the information required in 'Template 5: Banking book – Indicators of potential climate change physical risk: Exposures subject to physical risk', as set out in Annex XXXIX to this Regulation.
2. Institutions shall include in this template information on exposures in the banking book, including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale, towards non-financial corporates, on loans collateralized with

immovable property and on repossessed real estate collaterals, exposed to chronic and acute climate-related hazards, with a breakdown by sector of economic activity (NACE classification) and by geography of location of the activity of the counterparty or of the collateral, for those sectors and geographical areas subject to climate change acute and chronic events.

3. For the identification of geographies prone to specific climate-related hazards, institutions shall use dedicated portals and databases. To obtain information on the characteristics of locations sensitive to climate-change events, institutions may use the data offered by Union bodies and by national government authorities including meteorological, environmental, statistical agencies or geoscience organisations. Examples of data sources to identify geographical areas subject to climate change related hazards include^{*20}: GFDRR - ThinkHazard! (covering heatwaves, water scarcity and stress, floods, wildfires, hurricanes, landslide); PREP – PREPdata (coastal flood, extreme heat, landslide, water scarcity and stress, wildfire); WRI - Aqueduct Water Risk Atlas (flood, coastal flood, water scarcity and stress) Swiss Re - CatNet® (flood, tropical cyclone (hurricane & typhoon), wildfire); World Bank - Climate Change Knowledge Portal (extreme heat, extreme precipitation, drought); PCA - Global Drought Risk platform (drought); NOAA - Historical hurricane tracks (tropical cyclone (hurricane & typhoon)).

4. When the counterparty is a holding company, institutions shall consider the NACE sector of the specific obligor controlled by the holding company (if different than the holding company itself) which receives the funding, particularly in those cases where the obligor is a non-financial corporate. Similarly, where the direct counterparty of the institution (the obligor) is an SPV, institutions shall disclose the relevant information under the NACE sector associated with the economic activity of the parent company of the SPV. The classification of the joint exposures towards more than one obligor shall be based on the characteristics of the obligor that was the most relevant for the institution to grant the exposure. The distribution of jointly incurred exposures by NACE codes shall be driven by the characteristics of the more relevant or determinant obligor.

5. Institutions shall disclose the information in this template on a best effort basis and explain in the narrative accompanying the template the sources of information and methods that they have used to identify exposures subject to climate-change physical risk.

Columns	Instructions
a	<p><u>Geographical area subject to climate change acute and chronic events</u></p> <p>Institutions shall cover geographical areas exposed to adverse impact from climate-change physical events. These geographical areas include the countries or other geographical or administrative regions where the counterparty’s activities or the collateral are located, and which are exposed to chronic or acute climate-change events. For geographical coverage of the exposures, institutions shall use the level of divisions indicated in Nomenclature of Territorial Units for Statistics (or NUTS)^{*1}, as appropriate.</p>
b	<p><u>Gross carrying amount</u></p> <p>Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451 of those exposures towards non-financial corporates (including loans and advances, debt securities and equity instruments), classified under the accounting portfolios</p>

¹ <https://ec.europa.eu/eurostat/web/nuts/background>

	in the banking book in accordance with that Implementing Regulation, excluding financial assets held for trading and held for sale assets.
c - o	<p><u>of which exposures sensitive to impact from climate change physical events</u></p> <p>Institutions shall disclose the gross carrying amount of exposures prone to impact from climate change physical events. The gross carrying amount of exposures prone to impact from climate change physical events may be equal to the full exposure amount disclosed in column (b) of this template or may be a part of that exposure amount.</p>
c - g	<p><u>Breakdown by maturity bucket</u></p> <p>Institutions shall allocate the exposures to the relevant bucket depending on the residual maturity of the financial instrument, taking into account the following:</p> <ul style="list-style-type: none"> (a) where the amount is to be repaid in instalments, the exposure shall be allocated in the maturity bucket corresponding to the last instalment; (b) where an exposure has no stated maturity for reasons other than the counterparty having the choice of the repayment date, the amount of this exposure shall be disclosed in column '> 20 years'; (c) to compute the average maturity of the exposure, institutions shall weigh the maturity of each exposure by the gross carrying amount of the exposures.
h	<p><u>of which exposures sensitive to impact from chronic climate change events</u></p> <p>Institutions shall disclose the gross carrying amount of exposures sensitive to impact from chronic climate-change events only, including hazards relating to gradual changes in weather and climate and having a possible impact on economic output and productivity.</p>
i	<p><u>of which exposures sensitive to impact from acute climate change events</u></p> <p>Institutions shall disclose the gross carrying amount of exposures sensitive to impact from acute climate change events only, including hazards that may cause sudden damage to properties, disruption of supply chains, and depreciation of assets.</p>
j	<p><u>of which exposures sensitive to impact both from chronic and acute climate change events</u></p> <p>Institutions shall disclose the gross carrying amount subject to impact from both chronic and acute climate change events, referred to in columns (h) and (i).</p>
k	<p><u>Of which stage 2</u></p> <p>Institutions applying IFRS shall disclose the gross carrying amount of 'Stage 2' instruments as defined in IFRS 9.</p>

	The columns on ‘Of which stage 2’ shall not be disclosed by institutions that apply national generally accepted accounting principles based on Directive 86/635/EEC.
l	<p><u>Of which non-performing exposures</u></p> <p>Institutions shall disclose the gross carrying amount of non-performing exposures as referred to in Article 47a(3) Regulation (EU) No 575/2013, which are prone to impact from climate change events.</p>
m, n, o	<p><u>Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions</u></p> <p>Institutions shall disclose the amounts referred to in Part 2, points 11, 69, 70, 71, 106 and 110, of Annex V to Implementing Regulation (EU) 2021/451.</p>
o	<p><u>of which Stage 2 exposures</u></p> <p>Column (m) shall contain the accumulated impairment amount of stage 2 exposures.</p> <p>Institutions applying IFRS shall disclose the gross carrying amount of ‘Stage 2’ instruments as defined in IFRS 9.</p> <p>The columns on ‘Of which stage 2’ shall not be disclosed by institutions that apply national generally accepted accounting principles based on Directive 86/635/EEC.</p>
N	<p><u>of which non-performing exposures</u></p> <p>Institutions shall disclose the amount of the accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions attributable to non-performing exposures, as referred to in Article 47a(3) Regulation (EU) No 575/2013.</p>

Template 6 – Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures. Fixed format.

1. Institutions shall provide in template 6 an overview of the KPIs calculated on the basis of templates 7 and 8 of Annex XXXIX, including the green asset ratio (GAR) as referred to in Commission Delegated Regulation (EU) 2021/2178^{*21}
2. While Delegated Regulation (EU) 2021/2178 requires entities to estimate and disclose the GAR twice, once based on the turnover taxonomy alignment of the counterparty (for non-financial corporates) for those exposures the purpose of which is not to finance specific identified activities (general purpose lending), and again based on the capital expenditure (CapEx) taxonomy alignment of the counterparty for the same general purpose lending exposures, in this template institutions shall only disclose the GAR once, based on the turnover alignment of the counterparty for the general purpose lending part only.
3. For the stock, GAR stock (climate change mitigation), GAR (climate change adaptation), GAR (climate change mitigation and climate change adaptation) shall correspond to the KPI included in columns (b), (g) and (l) respectively of Template 8, accordingly. Similarly, for the flow, GAR (climate change mitigation), GAR (climate change adaptation), GAR (climate change mitigation and climate change adaptation) shall correspond to the KPI included in row 1, columns (r), (w) and (ab) of the same Template 8.
4. Information on the coverage shall be included in Template 8, row 1, column (p) for GAR stock, and (af) for GAR flow.
5. Institutions shall disclose this information with first reference date as of 31 December 2023, which is the first disclosure reference date for the information on the GAR Delegated Regulation (EU) 2021/2178.

Template 7 - Mitigating actions: Assets for the calculation of GAR. Fixed format

1. Institutions shall use the following instructions to disclose the information required in ‘Template 7 - Mitigating actions: Assets for the calculation of GAR’, as set out in Annex XXXIX to this Regulation.
2. Institutions shall disclose in this template information on gross carrying amount of institutions’ loans and advances, debt securities and equity instruments on their banking book, with a breakdown of the information by type of counterparty, including financial corporations, non-financial corporations, households, local governments as well as real estate lending towards households, and the taxonomy eligibility and taxonomy alignment of the exposures with regard to the environmental objectives of climate change mitigation and climate change adaptation as referred to in Article 9, points (a) and (b), of Regulation (EU) 2020/852.
3. In particular, institutions shall include in this template information necessary for the calculation of the GAR in accordance with Delegated Regulation (EU) 2021/2178. While Delegated Regulation (EU) 2021/2178 requires institutions to estimate and disclose the GAR twice, once based on the turnover taxonomy alignment of the counterparty (for non-financial corporates) for those exposures the purpose of which is not to finance specific identified activities (general purpose lending), and again based on the CapEx taxonomy alignment of the counterparty for the same general purpose lending exposures, in this template institutions shall only disclose the GAR once based only on the turnover alignment of the counterparty for the general purpose lending part.

4. Based on that information, institutions shall calculate and disclose their GAR as referred to in Delegated Regulation (EU) 2021/2178. The information included shall relate to climate change mitigation and climate change adaptation as referred to in Article 9, points (a) and (b), of Regulation (EU) 2020/852.

5. Institutions shall disclose this information with first reference date as of 31 December 2023 that is the first disclosure reference date for the information on the GAR as referred to in Delegated Regulation (EU) 2021/2178.

Columns	Instructions
a	<p><u>Gross carrying amount</u></p> <p>Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451.</p>
b	<p><u>Of which: towards taxonomy relevant sectors</u></p> <p>Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451.</p> <p>Institutions shall disclose the gross carrying amount of eligible exposures towards sectors (4 level NACE codes) relevant for the corresponding environmental objective according to the Taxonomy, as specified in Annex I to the Commission Delegated Regulation (EU) 2021/2139^{*22}.</p> <p>Institutions shall disclose exposures towards relevant sectors under the objective of climate change mitigation in accordance with Article 9, point (a), and Article 10 of Regulation (EU) 2020/852.</p>
c	<p><u>Of which: environmentally sustainable</u></p> <p>Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451.</p> <p>Institutions shall disclose the gross carrying amount of eligible exposures that are environmentally sustainable, as specified in the Annex I to Delegated Regulation (EU) 2021/2139.</p> <p>Institutions shall disclose environmentally-sustainable exposures under the objective of climate-change mitigation in accordance with Article 9, point (a), and Article 10 of Regulation (EU) 2020/852.</p> <p>When the use of proceeds is known (specialised lending, including project finance loans, as referred to in Annex V to Implementing Regulation (EU) 2021/451), institutions shall disclose the extent to which the exposure is environmentally-sustainable. Such disclosure is based on the extent which the funded project substantially contributes to climate change mitigation, in accordance with Article 10 of Regulation (EU) 2020/852, or is an enabling activity in accordance with Article 16 of that Regulation, and meets the criteria specified in Article 3 of that Regulation. When the use of proceeds is unknown, institutions shall disclose the extent to which the exposure is environmentally sustainable by using the information received from the counterparty, in accordance with Article 8 of Regulation (EU) 2020/852, on the proportion of the turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 of that Regulation.</p>

	<p>Each exposure shall be considered only once and shall be allocated to only one environmental objective. Where the exposures are relevant for more than one environmental objective, the allocation shall be made to the most relevant objective.</p>
d	<p><u>Of which: specialised lending</u></p> <p>Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451.</p> <p>Specialised lending exposures shall be understood as referred to in Article 147(8) of Regulation (EU) No 575/2013. It includes exposures which are environmentally sustainable under the objective of climate-change mitigation in accordance with Article 9, point (a), and Article 10 of Regulation (EU) 2020/852.</p> <p>When the use of proceeds is known, in the case of specialised lending institutions shall disclose the extent to which the exposure is environmentally sustainable based on the extent and proportion to which the specific project funded qualify as contributing substantially to climate change mitigation (project specific information), in accordance with Article 10 of Regulation (EU) 2020/852, or as enabling activity in accordance with Article 16, and meets the criteria specified in Article 3 of that Regulation. Institutions shall provide transparent information on the kind of economic activities that are being funded through specialised lending. Where the same specialised lending exposure is relevant to two environmental objectives, institutions shall allocate it to the most relevant one.</p>
e	<p><u>Of which: transitional</u></p> <p>Article 10 of Regulation (EU) 2020/852.</p>
f	<p><u>Of which: enabling</u></p> <p>Article 16 of Regulation (EU) 2020/852.</p>
g	<p><u>Of which: towards taxonomy relevant sectors</u></p> <p>Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451.</p> <p>Institutions shall disclose the gross carrying amount of eligible exposures towards sectors (4 level NACE codes) relevant for the corresponding environmental objective according to the Taxonomy, as specified in Annex II to Delegated Regulation (EU) 2021/2139.</p> <p>Institutions shall disclose exposures towards relevant sectors under the objective of climate change adaptation in accordance with Article 9, point (b), and Article 11 of Regulation (EU) 2020/852.</p>
h	<p><u>Of which: environmentally sustainable</u></p> <p>Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451.</p>

	<p>Institutions shall disclose the gross carrying amount of eligible exposures that are environmentally sustainable, as specified in Annex II to Delegated Regulation (EU) 2021/2139.</p> <p>Institutions shall disclose environmentally-sustainable exposures under the objective of climate change adaptation in accordance with Article 9, point (b), and Article 11 of Regulation (EU) 2020/852.</p> <p>When the use of proceeds is known, in the case of specialised lending institutions shall disclose the extent to which the exposure is environmentally sustainable based on the extent and proportion to which the funded project qualifies as contributing substantially to climate change adaptation, in accordance with Article 11 of Regulation (EU) 2020/852, or as enabling activity in accordance with Article 16 of that Regulation, and meets the criteria specified in its Article 3 of that Regulation.</p> <p>Where the use of proceeds is unknown, institutions shall disclose the extent to which the exposure is environmentally sustainable by using the information from the counterparty, in accordance with Article 8 of Regulation (EU) 2020/852, on the proportion of the turnover derived from products or services associated with economic activities that qualify as environmentally sustainable under Articles 3 of that Regulation.</p> <p>Each exposure shall be considered only once and shall be allocated to only one environmental objective. Where the exposures are relevant for more than one environmental objective, exposures shall be allocated to the most relevant objective.</p>
i	<p><u>Of which: specialised lending</u></p> <p>Institutions are to disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451.</p> <p>Specialised lending exposures shall be understood as referred to in Article 147(8) of Regulation (EU) No 575/2013.</p> <p>Institutions shall disclose special lending exposures which are environmentally sustainable under the objective of climate change adaptation in accordance with Article 9, point (b), and Article 11 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the extent to which the exposure is environmentally sustainable by using the information from the counterparty.</p> <p>When the use of proceeds is known, in the case of specialised lending institutions shall disclose the extent to which the exposure is environmentally sustainable based on the extent and proportion to which the specific funded project qualifies as contributing substantially to climate change adaptation (project specific information), in accordance with Article 11 of Regulation (EU) 2020/852, or as enabling activity in accordance with Article 16 of that Regulation, and meets the criteria specified in its Article 3 of that Regulation. Institutions shall provide transparent information on the kind of economic activities that are being funded through specialised lending. Where the same specialised lending exposure can be relevant for two environmental objectives, the exposure shall be allocated to the most relevant one.</p>
j	<p><u>Of which: adaptation</u></p>

	Article 11 of Regulation (EU) 2020/852. These activities shall cover those that are not enabling activities.
k	<u>Of which: enabling</u> Article 16 of Regulation (EU) 2020/852.
l	<u>Of which: towards taxonomy relevant sectors</u> Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451. Institutions shall include the sum of column (b) and column (g) of this template.
m	<u>Of which: environmentally sustainable</u> Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451. Institutions shall include the sum of column (c) and column (h) of this template.
n	<u>Of which: specialised lending</u> Institutions shall disclose the gross carrying amount as defined in Part 1 of Annex V to Implementing Regulation (EU) 2021/451. Specialised lending exposures shall be understood as referred to in Article 147(8) of Regulation (EU) No 575/2013. Institutions shall include the sum of column (d) and column (i) of this template.
o	<u>Of which: transitional/adaptation</u> Article 10 and Article 11 of Regulation (EU) 2020/852. Institutions shall include the sum of column (e) and column (j) of this template.
p	<u>Of which: enabling</u> Article 16 of Regulation (EU) 2020/852. Institutions shall include the sum of column (f) and column (k) of this template.

Rows	Instructions
	<u>GAR - Covered assets in both numerator and denominator</u> Eligible exposures shall be those that are related to the counterparties and asset classes covered in the scope of the disclosure requirements in accordance with Article 8 of Regulation (EU) 2020/852.
1	<u>Loans and advances, debt securities and equity instruments not HfT eligible for GAR</u> Institutions shall disclose loans and advances, debt securities and equity instruments classified in the banking book, not held for trading and not held for sale as defined in Annex V to Implementing Regulation (EU) 2021/451.

2	<p><u>Financial corporations</u></p> <p>Institutions shall disclose the exposures referred to in Part 1, point 42, point (c) and point (d), of Annex V to Implementing Regulation (EU) 2021/451.</p>
3	<p><u>Credit institutions</u></p> <p>Institutions shall disclose the exposures referred to in Part 1, point 42, letter (c), of Annex V to Implementing Regulation (EU) 2021/451.</p>
4, 9, 13, 17, 21, 34, 40	<p><u>Loans and advances</u></p> <p>Institutions shall disclose the loans and advances referred to in Part 1, point 32, of Annex V to Implementing Regulation (EU) 2021/451.</p>
5, 10, 14, 18, 22, 37, 41	<p><u>Debt securities</u></p> <p>Institutions shall disclose the debt securities as referred to in Part 1, point 31, of Annex V to Implementing Regulation (EU) 2021/451.</p>
6, 11, 15, 19, 23, 38, 42	<p><u>Equity instruments</u></p> <p>Institutions shall disclose the equity instruments as referred to in Annex V to Implementing Regulation (EU) 2021/451. Equity instruments in the banking book include investments in associates, joint ventures and subsidiaries which are not fully or proportionally consolidated.</p>
7	<p><u>Other financial corporations</u></p> <p>Institutions shall disclose the exposures to other financial corporations as referred to in Part 1, point 42, letter (d), of Annex V to Implementing Regulation (EU) 2021/451.</p>
8	<p><u>Of which: investment firms</u></p> <p>Institutions shall disclose the exposures to investment firms as defined in Article 4, paragraph (1), point (2), of Regulation (EU) No 575/2013.</p>
12	<p><u>Of which: management companies</u></p> <p>Institutions shall disclose the exposures to management companies as defined in Article 4, point (19), of Regulation (EU) No 575/2013.</p>
16	<p><u>Of which: insurance undertakings</u></p> <p>Institutions shall disclose the exposures to insurance undertakings as defined in Article 4, paragraph (1), point (5), of Regulation (EU) No 575/2013</p>
20	<p><u>Non-financial corporations subject to NFRD disclosure obligations</u></p> <p>Institutions shall disclose the exposures to non-financial corporation as referred to in Part 1, point 42, letter (e), of Annex V to Implementing Regulation (EU) 2021/451, which are subject to disclosure obligations under Directive 2014/95/EU.</p>
28	<p><u>Of which: commercial real estate loans</u></p>

	Institutions shall disclose the exposures referred to in Part 2, point 173, letter (a), and point 239ix of Annex V to Implementing Regulation (EU) 2021/451.
24	<p><u>Households</u></p> <p>Institutions shall disclose the loans and advances as referred to in Part 1, point 42, letter (f), of Annex V to Implementing Regulation (EU) 2021/451.</p> <p>Institutions are to collect information from their counterparties bilaterally through the loan origination process, and the regular credit review and monitoring process.</p>
25	<p><u>Of which: loans collateralised by residential immovable property</u></p> <p>Institutions shall disclose the loans and advances collateralised by residential immovable property as referred to in Part 2, point 173, letter (a), of Annex V to Implementing Regulation (EU) 2021/451.</p> <p>The alignment of those exposures to Regulation (EU) 2020/852 shall only be assessed following a simplified approach for the objective of climate change mitigation in accordance with the technical screening criteria for buildings, namely renovation and acquisition and ownership in accordance with points 7.2., 7.3., 7.4., 7.5, 7.6., and 7.7. respectively, of Annex I to Delegated Regulation (EU) 2021/2139, based on the energy efficiency of the underlying collateral.</p>
26	<p><u>Of which: building renovation loans</u></p> <p>Institutions shall disclose the loans that are granted to households with the purpose of renovating their house.</p> <p>The alignment of these exposures to Regulation (EU) 2020/852 shall only be assessed following a simplified approach for the objective of climate change mitigation in accordance with the technical screening criteria for buildings, namely renovation and acquisition and ownership in accordance with points 7.2., 7.3., 7.4., 7.5, 7.6., and 7.7., respectively, of Annex I to Delegated Regulation (EU) 2021/2139, based on the energy efficiency of the underlying collateral.</p>
27	<p><u>Of which motor vehicle loans</u></p> <p>Institutions shall disclose the motor vehicle loans as referred to in Part 2, point 173, letter (b)(ii), of Annex V to Implementing Regulation (EU) 2021/451 and other loans granted for the acquisition of a motor vehicle assessed following a simplified approach for the objective of climate change mitigation in accordance with the technical screening criteria for financing, renting, leasing of vehicles in accordance with Section 6.5 of Annex I to Delegated Regulation (EU) 2021/2139, based on the energy efficiency of the underlying vehicle.</p>
28	<p><u>Local governments financing</u></p> <p>The addition of rows 29 and 30.</p>
29	<p><u>Housing financing</u></p> <p>Institutions shall disclose the loans granted by institutions to local government with the aim of funding the acquisition of public housing.</p>

30	<p><u>Other local government financing</u></p> <p>Institutions shall disclose the loans granted by institutions to local government with the aim of funding specialised lending exposures other than those resulting from the acquisition of public housing.</p>
31	<p><u>Collateral obtained by taking possession: residential and commercial immovable properties</u></p> <p>Institutions shall disclose the collateral obtained by taking possession as referred to in Part 2, point 341, of Annex V to Implementing Regulation (EU) 2021/451.</p>
32	<p><u>Total GAR assets</u></p> <p>This row shall be equal to row 1 of this template.</p>
	<p><u>Assets excluded from the numerator for GAR calculation (covered in the denominator)</u></p>
33	<p><u>EU Non-financial corporations (not subject to NFRD disclosure obligations)</u></p> <p>Institutions shall disclose exposures to non-financial corporation as defined in Part 1, point 42(e), of Annex V to Implementing Regulation (EU) 2021/451, which are located in the Union and not subject to disclosure obligations under Directive 2014/95/EU.</p>
37	<p><u>Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)</u></p> <p>Institutions shall disclose exposures to non-financial corporation as defined in Part 1, point 42(e) of Annex V to Implementing Regulation (EU) 2021/451, which are located outside the Union and not subject to disclosure obligations under Directive 2014/95/EU.</p>
	<p><u>Assets excluded from the numerator for GAR (covered in the denominator)</u></p>
41	<p><u>Derivatives</u></p> <p>Institutions shall disclose derivatives not held for trading as referred to in Part 1, Section 10, of Annex V to Implementing Regulation (EU) 2021/451.</p>
42	<p><u>On demand interbank loans</u></p> <p>Institutions shall disclose ‘Other demand deposits’ as referred in to Part 2, point 3, of Annex V to Implementing Regulation (EU) 2021/451.</p>
43	<p><u>Cash and cash-related assets</u></p> <p>Institutions shall disclose ‘Cash on hand’ as referred to in Part 2, point 1, of Annex V to Implementing Regulation (EU) 2021/451.</p>
44	<p><u>Other assets (including goodwill, commodities etc.)</u></p>

	Institutions shall disclose other assets in the balance-sheet of the institution not included in rows 41, 42 and 43 of this template.
45	<u>Total assets in the denominator (GAR)</u> This row shall be the sum of rows 32, 33, 37 and 41 to 44 of this template.
	<u>Other assets excluded from both the numerator and denominator for GAR calculation</u>
46	<u>Sovereigns</u> Institutions shall disclose general governments as referred to in Part 1, point 42, of Annex V to Implementing Regulation (EU) 2021/451, excluding exposures included in rows 29 and 30 of this template.
47	<u>Central bank exposures</u> Institutions shall disclose exposures towards central banks.
48	<u>Trading book</u> Institutions shall disclose financial assets held for trading or trading financial assets as defined in the applicable accounting principles.
49	<u>Total assets excluded from numerator and denominator</u> This row shall be the sum of rows 46, 47 and 48 of this template.
50	<u>Total assets</u> This row shall be the sum of rows 45 and 49 of this template.

Template 8 – GAR (%)

1. Institutions shall use the following instructions to disclose the information required in ‘Template 8 - GAR (%)’, as set out in Annex XXXIX to this Regulation.
2. Based on the information included in template 7, institutions shall disclose in this template the GAR as referred to in Delegated Regulation (EU) 2021/2178.
3. The purpose of this template is to show to what extent institutions’ activities qualify as environmentally sustainable in accordance with Articles 3 and 9 of Regulation (EU) 2020/852 so that stakeholders can understand the actions put in place by the institutions to mitigate climate change transition and physical risks.
4. While Delegated Regulation (EU) 2021/2178 requires institutions to estimate and disclose the GAR twice. Once, the disclosure is based on the turnover taxonomy alignment of the counterparty (for non-financial corporates) for those exposures the purpose of which is not to finance specific identified activities (general purpose lending). A second disclosure is based on the CapEx alignment to Regulation (EU) 2020/852 of the counterparty for the same general purpose lending exposures. In this template, institutions shall only disclose the GAR once, based on the turnover alignment of the counterparty for the general purpose lending part only.

5. Institutions shall start disclosing this information with first reference date as of 31 December 2023, which in line with the first reference date for the disclosure of the information on the GAR referred to in Delegated Regulation (EU) 2021/2178.

Columns	Instructions
a	<p><u>Proportion of assets funding taxonomy relevant sectors</u></p> <p>Institutions shall disclose the proportion of the stock of assets funding activities referred to in Regulation (EU) 2020/852 (i.e. eligible assets) in total stock of covered assets. This item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding taxonomy-relevant sectors referred to in Regulation (EU) 2020/852 for the objective of climate change mitigation as referred to in the instructions corresponding to column (b) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as defined in the instructions corresponding to column (a) of Template 7.</p>
b	<p><u>Of which: environmentally sustainable</u></p> <p>Institutions shall disclose the proportion of the stock of assets funding environmentally sustainable activities (i.e., aligned assets) in the stock of eligible assets. The item shall be expressed in percentage terms.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding environmentally sustainable activities for the objective of climate-change mitigation as referred to in the instructions corresponding to column (c) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered exposures as referred to in the instructions corresponding to column (a) of Template 7.</p>
c	<p><u>Of which: specialised lending</u></p> <p>Institutions shall disclose the proportion of the stock of assets categorised as specialised lending funding environmentally sustainable activities for the objective of climate change mitigation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as referred to in the instructions corresponding to column (d) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
d	<p><u>Of which: transitional</u></p> <p>Article 10 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the proportion of the stock of assets related to transitional activities for the objective of climate change mitigation in the stock</p>

	<p>of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as referred to in the instructions corresponding to column (e) of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
e	<p><u>Of which: enabling</u></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the proportion of the stock of assets related to enabling activities for the objective of climate change mitigation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as referred to in the instructions corresponding to column (f) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
f	<p><u>Proportion of assets funding taxonomy relevant sectors</u></p> <p>Institutions shall disclose the proportion of the stock of assets funding taxonomy-relevant activities (i.e. eligible assets) in total stock of covered assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding taxonomy-relevant sectors for the objective of climate change adaptation as referred to in the instructions corresponding to column (g) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
g	<p><u>Of which: environmentally sustainable</u></p> <p>Institutions shall disclose the proportion of the stock of assets funding environmentally sustainable activities (i.e. aligned assets) in the stock of eligible assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding environmentally sustainable activities for the objective of climate change adaptation as referred to in the instructions corresponding to column (h) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered exposures as referred to in the instructions corresponding to column (a) of Template 7.</p>
h	<p><u>Of which: specialised lending</u></p> <p>Institutions shall disclose the proportion of the stock of assets categorised as specialised lending funding environmentally sustainable activities for the objective of climate change adaptation in the stock of assets funding</p>

	<p>environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as referred to in the instructions corresponding to column (i) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
i	<p><u>Of which: adaptation</u></p> <p>Article 11 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the proportion of the stock of assets related to adaptation activities for the objective of climate change adaptation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as referred to in the instructions corresponding to column (j) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
j	<p><u>Of which: enabling</u></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the proportion of the stock of assets related to enabling activities for the objective of climate change adaptation in the stock of assets funding environmentally sustainable activities. The item shall be expressed in percentage terms.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as referred to in the instructions corresponding to column (k) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
k	<p><u>Proportion of assets funding taxonomy relevant sectors</u></p> <p>Institutions shall disclose the proportion of the stock of assets funding taxonomy-relevant activities (i.e. eligible assets) for the objectives of climate change mitigation and climate change adaptation, compared to the total stock of covered assets. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding taxonomy relevant sectors as referred to in the instructions corresponding to column (l) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
l	<p><u>Of which: environmentally sustainable</u></p> <p>Institutions shall disclose the proportion of the stock of assets funding environmentally sustainable activities for the objectives of climate change mitigation and adaptation in the stock of eligible assets. The item shall be expressed as a percentage.</p>

	<p>The numerator of the KPI shall be the gross carrying amount of eligible assets funding environmentally sustainable activities as referred to in the instructions corresponding to column (m) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered exposures as referred to in the instructions corresponding to column (a) of Template 7.</p>
m	<p><u>Of which: specialised lending</u></p> <p>Institutions shall disclose the proportion of the stock of assets categorised as specialised lending funding environmentally-sustainable activities for the objectives of climate change mitigation and adaptation in the stock of assets funding environmentally sustainable activities. The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of assets as referred to in the instructions corresponding to column (n) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered assets as referred to in the instructions corresponding to column (a) of Template 7.</p>
n	<p><u>Of which: transitional/adaptation</u></p> <p>Articles 10 and 11 of Regulation (EU) 2020/852.</p> <p>The percentage shall correspond to column (d) and column (i).</p>
o	<p><u>Of which: enabling</u></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>The percentage shall correspond to column (e) and column (j).</p>
p	<p><u>Proportion of total assets covered</u></p> <p>Institutions shall disclose the proportion of total assets covered by the GAR. The item shall be expressed in percentage terms.</p> <p>The numerator of the KPI shall be the gross carrying amount of the stock of covered assets as referred to in the instructions corresponding to column (1) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of total assets on institutions' balance sheet as referred to in the instructions corresponding to row 50 of Template 7.</p>
q	<p><u>Proportion of new assets funding taxonomy relevant sectors</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) funding taxonomy-relevant activities (i.e. eligible assets) for the objective of climate change mitigation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed as in percentage terms.</p>

	<p>The numerator of the KPI shall be the gross carrying amount of eligible new assets funding taxonomy relevant sectors as referred to in the instructions corresponding to column (b) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
r	<p><u>Of which: environmentally sustainable</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities for the objective of climate change mitigation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (c) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
s	<p><u>Of which: specialised lending</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) categorised as specialised lending funding environmentally sustainable activities for the objective of climate change mitigation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (d) of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
t	<p><u>Of which: transitional</u></p> <p>Article 10 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the proportion of the new assets (i.e. assets originated within the current disclosure period) related to transitional activities for the objective of climate change mitigation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p>

	<p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (e) of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered new assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
u	<p><u>Of which: enabling</u></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the proportion of the new assets (i.e. assets originated within the current disclosure period) related to enabling activities for the objective of climate change mitigation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (f) of Template 8.</p> <p>The denominator of the KPI shall be the gross carrying amount of covered new assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
v	<p><u>Proportion of new assets funding taxonomy relevant sectors</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) funding activities covered by Regulation (EU) 2020/852 for the objective of climate change adaptation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets funding taxonomy relevant sectors as referred to in the instructions corresponding to column (g) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
w	<p><u>Of which: environmentally sustainable</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities for the objective of climate change adaptation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed in percentage terms.</p>

	<p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (h) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
x	<p><u>Of which: specialised lending</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) categorised as specialised lending funding environmentally sustainable activities for the objective of climate change adaptation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (i) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
y	<p><u>Of which: adaptation</u></p> <p>Article 11 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the proportion of the new assets (i.e. assets originated within the current disclosure period) related to transitional activities for the objective of climate change adaptation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed in percentage terms.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (j) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
z	<p><u>Of which: enabling</u></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>Institutions shall disclose the proportion of the new assets (i.e. assets originated within the current disclosure period) related to enabling activities for the objective of climate change adaptation in total new eligible assets (i.e. assets originated within the current disclosure period) funding environmentally</p>

	<p>sustainable activities. New eligible assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed in percentage terms.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (k) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
aa	<p><u>Proportion of assets funding taxonomy relevant sectors</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) funding activities covered by the objectives laid down in Regulation (EU) 2020/852 of climate change mitigation and climate change adaptation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed in percentage terms.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets funding taxonomy relevant sectors as referred to in the instructions corresponding to column (l) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
ab	<p><u>Of which: environmentally sustainable</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) funding environmentally sustainable activities for the objective of climate change mitigation and climate change adaptation in total new eligible assets (i.e. eligible assets originated within the current disclosure period). New assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed in percentage terms.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (m) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
ac	<p><u>Of which: specialised lending</u></p> <p>Institutions shall disclose the proportion of new assets (i.e. assets originated within the current disclosure period) categorised as specialised lending funding environmentally sustainable activities for the objectives of climate change mitigation and climate change adaptation in total new assets (i.e. assets originated within the current disclosure period) funding environmentally</p>

	<p>sustainable activities. New assets shall be calculated net of repayments and other reductions.</p> <p>This item shall be expressed in percentage terms.</p> <p>The numerator of the KPI shall be the gross carrying amount of eligible new assets as referred to in the instructions corresponding to column (n) of Template 7.</p> <p>The denominator of the KPI shall be the gross carrying amount of new covered assets from those assets, as referred to in the instructions corresponding to column (a) of Template 7.</p>
ad	<p><u>Of which: transitional/adaptation</u></p> <p>Articles 10 and 11 of Regulation (EU) 2020/852.</p> <p>The percentage shall correspond to column (t) and column (y).</p>
ae	<p><u>Of which: enabling</u></p> <p>Article 16 of Regulation (EU) 2020/852.</p> <p>The percentage shall correspond to column (u) and column (z).</p>
af	<p><u>Proportion of new total assets covered</u></p> <p>Institutions shall disclose the proportion of new total assets covered by the GAR. New assets shall be calculated net of repayments and other reductions.</p> <p>The item shall be expressed as a percentage.</p> <p>The numerator of the KPI shall be the difference in the gross carrying amount of covered assets, as referred to in the instructions corresponding to row 1 of Template 7, between current disclosure period (t) and previous disclosure period (t-1).</p> <p>The denominator of the KPI shall be the difference in the gross carrying amount of new total assets, as referred to in the instructions corresponding to row 53 of Template 7, between current disclosure period (t) and previous disclosure period (t-1).</p>
Rows	Instructions
1	<u>GAR</u> as referred to in Delegated Regulation (EU) 2021/2178.
2	<u>Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation</u> GAR % for exposures in row 1 of Template 7.
3	<u>Financial corporations</u> GAR % for exposures in row 2 of Template 7.
4	<u>Credit institutions</u> GAR % for exposures in row 3 of Template 7.

5	<u>Other financial corporations</u> GAR % for exposures in row 7 of Template 7.
6	<u>Of which: investment firms</u> GAR % for exposures in row 8 of Template 7.
7	<u>Of which: management companies</u> GAR % for exposures in row 12 of Template 7.
8	<u>Of which: insurance undertakings</u> GAR % for exposures in row 16 of Template 7.
9	<u>NFCs subject to NFRD disclosure obligations</u> GAR % for exposures in row 20 of Template 7.
10	<u>Households</u> GAR % for exposures in row 24 of Template 7.
11	<u>Of which loans collateralised by residential immovable property</u> GAR % for exposures in row 25 of Template 7.
12	<u>Of which building renovation loans</u> GAR % for exposures in row 26 of Template 7.
13	<u>Of which motor vehicle loans</u> GAR % for exposures in row 27 of Template 7.
14	<u>Local government financing</u> GAR % for exposures in row 28 of Template 7.
15	<u>Housing financing</u> GAR % for exposures in row 29 of Template 7.
16	<u>Other local government financing</u> GAR % for exposures in row 30 of Template 7.
17	<u>Collateral obtained by taking possession: residential and commercial immovable properties</u> GAR % for exposures in row 31 of Template 7.

Template 9 - Mitigating actions: BTAR

1. Article 9 of Implementing Regulation (EU) 2021/2178 provides that the Commission reviews the application of that Regulation by 30 June 2024. The Commission is to assess in particular the need for any further amendments with regards to the inclusion of:

- (a) exposures to central governments and central banks in the numerator and denominator of key performance indicators of financial undertakings;
- (b) exposures to undertakings that do not publish a non-financial statement pursuant to Articles 19a or 29a of Directive 2013/34/EU in the numerator of key performance indicators of financial undertakings.

2. Institutions may choose to include in this template the following information. For those counterparties that are non-financial corporates and do not have disclosure obligations, institutions may disclose, on a reasonable effort basis and based on information already available and collected on a voluntary and bilateral basis from their counterparties or calculated using estimates, extended information on the taxonomy eligibility and taxonomy alignment as referred to in Regulation (EU) 2020/852 with regard to the environmental objectives of climate-change mitigation and adaptation, as referred to in Article 9, points (a) and (b), of Regulation (EU) 2020/852, of those exposures towards European non-financial corporations that are not subject to the disclosure obligations laid down in Directive 2013/34/EU and non-European non-financial corporations not subject to the disclosure obligations laid down in Directive 2013/34/EU. That information may be disclosed only once, based on counterparties’ turnover alignment for the general-purpose lending loans, as in the case of the GAR.

The first disclosure reference date of this template is as of 31 December 2024. Institutions are not required to disclose this information before 1 January 2025.

Template 9.1 - Mitigating actions: Assets for the calculation of BTAR

1. Institutions may disclose in this template the gross carrying among of the assets relevant for the calculation of the BTAR. This template shall only apply to counterparties that are not subject to disclosure obligations.

1	<p>TOTAL GAR ASSETS</p> <p><u>As disclosed in row 32 of template 7.</u></p>
2	<p><u>EU Non-financial corporations (not subject to NFRD disclosure obligations)</u></p> <p>Institutions shall disclose exposures to non-financial corporation as defined in Part 1, point 42(e), of Annex V to Implementing Regulation (EU) 2021/451, which are located in the Union and which are not subject to disclosure obligations under Directive 2013/34/EU.</p> <p>Where the counterparty is not subject to disclosures under Article 8 of Regulation (EU) 2020/852, for the calculation of the percentage of taxonomy-aligned exposures as referred to in Regulation (EU) 2020/852, institutions may, on a reasonable effort basis, collect information from their counterparties on a voluntary and bilateral basis through the loan origination, and regular credit review and monitoring process. Only where the counterparty is not able or willing to provide the relevant data, credit institutions shall make use of internal estimates and proxies and explain in the narrative accompanying the template the extend of use of those estimates and the kind of estimates applied. Where institutions are unable to collect on a voluntary and bilateral basis or estimate relevant information, or are unable to do it in a reasonable way that is not overly burdensome for them or their counterparties, they shall explain that fact in the</p>

	<p>narrative accompanying the template, explaining the reasons and counterparties affected.</p> <p>For disclosures involving corporates not subject to disclosure obligations under Directive 2013/34/EU, including small and medium enterprises (SMEs), when assessing general purpose lending/financing with unknown use of proceeds, institutions shall follow a simplified approach and focus their assessment on the main economic activity of the corporate, that is, on their main source of turnover, in order to determine the overall alignment of the exposures with Regulation (EU) 2020/852. In the case of specialised lending, the assessment shall be based on the extent to which the specific project funded qualifies as contributing substantially to climate change mitigation or adaptation (project specific information).</p>
4	<p><u>Of which: loans collateralised by commercial immovable property</u></p> <p>The exposures referred to in Part 2, point 173, letter (a), and point 239ix, of Annex V to Implementing Regulation (EU) 2021/451.</p> <p>The taxonomy-alignment as referred to in Regulation (EU) 2020/852 of those exposures shall only be assessed following a simplified approach, for the objective of climate change mitigation in accordance with the technical screening criteria for buildings, namely renovation and acquisition and ownership in accordance with points 7.2., 7.3., 7.4., 7.5, 7.6., and 7.7. respectively, of Annex I to Delegated Regulation (EU) 2021/2139, based on the energy efficiency of the underlying collateral.</p>
5	<p><u>Of which: building renovation loans</u></p> <p>Loans that are granted to SMEs and other non-financial corporations not subject to disclosure obligations under Directive 2014/95/EU with the purpose of renovating a building.</p> <p>The taxonomy alignment as referred to in Regulation (EU) 2020/852 of these exposures shall only be assessed following a simplified approach, for the objective of climate change mitigation in accordance with the technical screening criteria for buildings, namely renovation and acquisition and ownership in accordance with points 7.2., 7.3., 7.4., 7.5, 7.6., and 7.7. respectively, of Annex I to Delegated Regulation (EU) 2021/2139, based on the energy efficiency of the underlying collateral.</p>
8	<p><u>Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)</u></p> <p>Exposures to non-financial corporation as referred to in Part 1, point 42, letter (e), of Annex V to Implementing Regulation (EU) 2021/451, which are located outside the Union and not subject to disclosure obligations under Directive 2014/95/EU.</p> <p>Where institutions are providing that information in their disclosures under Article 8 of Regulation (EU) 2020/852 in accordance with Article 7(7) of</p>

	<p>Delegated Regulation (EU) 2021/2178, they shall disclose here the same information. Otherwise, institutions shall collect information from their counterparties on a bilateral basis through the loan origination, and regular credit review and monitoring process, or use the following proxies for the disclosure of information on non-EU exposures on a best-effort-basis:</p> <ul style="list-style-type: none"> (a) their own models and the classification of exposures according to them; in this case institutions shall explain the main features of the models applied; (b) where available, counterparties' public disclosures based on international standards (including TCFD); institutions shall in that case explain the type of information available and the standards applied; (c) other publicly available data. <p>Institutions are to explain in the narrative accompanying this template the sources used for the disclosure of this information. Where institutions are unable to collect on a bilateral basis or estimate relevant information or are unable to do it in a reasonable way that is not overly burdensome for them or their counterparties, they shall explain that fact in the narrative accompanying the template, explaining the reasons and counterparties affected.</p> <p>For this type of counterparties, when assessing general purpose lending/financing with unknown use of proceeds, institutions shall follow a simplified approach and focus their assessment on the main economic activity of the corporate, that is, on their main source of turnover, in order to determine the overall alignment of the exposures with Regulation (EU) 2020/852. In the case of specialised lending, the assessment shall be based on the extent and proportion to which the specific project funded qualify as contributing substantially to climate change mitigation or adaptation (project specific information), and for the real estate portfolio the assessment shall be conducted for the objective of climate change mitigation based on the energy efficiency of the underlying collateral and their alignment with criteria specified for the relevant activities in Regulation (EU) 2020/852.</p>
Row 12	<p>TOTAL BTAR ASSETS</p> <p>Sum of rows 1, 2 and 8</p>
Rows 13 to 19	<p>See definitions in template 7 (rows 41 to 50)</p>

Template 9.2 - BTAR %

1. Institutions may disclose in this template the percentage of BTAR assets as disclosed in template 1 compared to the total assets in the denominator of the BTAR as disclosed in row 17 of template 9.1.

Template 9.2 - BTAR %

2. This template contains a summary of the BTAR KPI, breakdown by climate change environmental objective, and total, and with the breakdown for stock and flow.

Template 10 – Other climate change mitigating actions that are not covered in Regulation (EU) 2020/852

1. This template covers other climate change mitigating actions and includes exposures of the institutions that are not taxonomy-aligned as referred to in Regulation (EU) 2020/852 according to templates 7 and 8 but that still support counterparties in the transition and adaptation process for the objectives of climate change mitigation and climate change adaptation. Those mitigating actions and activities shall include bonds and loans issued under standards other than the Union standards, including green bonds; sustainable bonds that are linked to aspects on climate change; sustainability-linked bonds that are linked to aspects on climate change; green loans; sustainability loans that are linked to aspects on climate change; sustainability-linked loans that are linked to aspects on climate change.
2. Institutions shall include in the narrative accompanying this template detailed explanations on the nature and type of mitigating actions reflected in this template, including information on the type of risks that they aim to mitigate, climate change objectives that they support and information on the related counterparties and the timing of the actions. They shall also explain why those exposures are not fully aligned with the criteria laid down in Regulation (EU) 2020/852, and are not sustainable in accordance with Regulation (EU) 2020/852 but still contribute towards mitigating climate change risk transition or physical risk, as well as any other relevant information that may help understand the risk management framework of the institution.
3. Institutions shall start disclosing the information included in the templates with first disclosure reference date as of 31 December 2022.

Columns	Instructions
a	<p><u>Type of financial instrument</u></p> <p>Institutions shall disclose the type of financial instrument as referred to in Annex V to Implementing Regulation (EU) 2021/451.</p>
b	<p><u>Type of counterparty</u></p> <p>Institutions shall disclose the type of counterparty as referred to in Part 1, point 42, of Annex V to Implementing Regulation (EU) 2021/451.</p>
c	<p><u>Gross carrying amount (million EUR)</u></p> <p>Institutions shall disclose the gross carrying amount as referred to in Part 1, point 34, of Annex V to Implementing Regulation (EU) 2021/451.</p>
d	<p><u>Type of risk mitigated (Climate change transition risk)</u></p> <p>Institutions shall disclose the type of risk that is being mitigated with that action: climate change transition risk.</p>
e	<p><u>Type of risk mitigated (Climate change physical risk)</u></p> <p>Institutions shall disclose the type of risk that is being mitigated with that action: climate change physical risk.</p>

f	<p><u>Qualitative information on the nature of the mitigating actions</u></p> <p>Institutions shall describe the nature of the mitigating actions by contributing to climate change mitigation referred to in Article 10 of Regulation (EU) 2020/852 and to climate-change adaptation referred to in Article 11 of that Regulation, and on the reasons why the exposures are not regarded as taxonomy-aligned for the purpose of the GAR.</p>
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*1 OJ L 282, 19.10.2016, p. 4.

*2 COM/2019/640 final.

*3 Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, amending Directive 2006/43/EC of the European Parliament and of the Council and repealing Council Directives 78/660/EEC and 83/349/EEC (OJ L 182, 29.6.2013, p. 19).

*4 Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups (OJ L 330, 15.11.2014, p. 1).

*5 C/2019/4490 (OJ C 209, 20.6.2019, p. 1).

*6 Recommendations of the Task Force on Climate-related Financial Disclosures, <https://www.fsb-tcfd.org/recommendations>.

*7 United Nations Environment Programme Finance Initiative (UNEP FI), <https://www.unepfi.org>;

*8 Global Reporting Initiative Sustainability Reporting Standards, <https://www.globalreporting.org/standards>;

*9 United Nations' Principles for Responsible Investment (UNPRI), <https://www.unpri.org>;

*10 Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms, amending Directive 2002/87/EC and repealing Directives 2006/48/EC and 2006/49/EC (OJ L 176, 27.6.2013, p. 338).

*11 Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

*12 Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17).

*13 Council Directive 86/635/EEC of 8 December 1986 on the annual accounts and consolidated accounts of banks and other financial institutions (OJ L 372, 31.12.1986, p. 1).

*14 <https://carbonaccountingfinancials.com/standard>;

*15 <https://www.cdp.net/en>;

*16 Directive 2010/31/EU of the European Parliament and of the Council of 19 May 2010 on the energy performance of buildings (OJ L 153, 18.6.2010, p. 13).;

*17 Directive 2012/27/EU of the European Parliament and of the Council of 25 October 2012 on energy efficiency, amending Directives 2009/125/EC and 2010/30/EU and repealing Directives 2004/8/EC and 2006/32/EC (OJ L 315, 14.11.2012, p. 1).;

*18 Net Zero Emissions by 2050 Scenario (NZE) – World Energy Model – Analysis - IEA Net Zero by 2050 – Analysis – IEA, <https://www.iea.org/reports/world-energy-model/sustainable-development-scenario>;

*19 2021 report can be found under this [link](#);

*20 For more examples, please refer to the UNEP FI and Acclimatise report: “Chartering New Climate. State-of-the-art tools and data for banks to assess credit risks and opportunities from physical climate change impacts”, September 2020, <https://www.unepfi.org/publications/banking-publications/charting-a-new-climate/> The report provides detailed information with regard to time periods covered, use of future scenarios, spatial resolution and coverage, format of outputs to be received from particular datasets as well as licensing and cost (please note that most portals and databases offer free-to-use access). Moreover, the report elaborates on different techniques of physical risk assessment and measurement, like e.g. heat mapping, correlation analysis, dedicated tools and analytics.;

*21 Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of

information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation (OJ L 443, 10.12.2021, p. 9).;

*22

Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives (OJ L 442, 9.12.2021, p. 1).;

*23

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (OJ L 302, 17.11.2009, p. 32).’