



# Transition Risk Impact Measurement

*Identify, Assess and Mitigate the Climate Transition Risks*

A fresh take on risk and valuation

Incorporate transition risk into credit risk management - with Finalyse by your side

TRANSITION RISK PD TOOL

ESG SCORE CARD

TRANSITION RISK

STRESS TESTING

SCENARIO ANALYSIS

We equip financial institutions with advanced, data-driven assessments—ESG scorecards, scenario analysis, and PD model stress testing—to identify, assess, mitigate, and report climate transition risks, while supporting sustainable growth in a transitioning economy.

As regulations tighten and market expectations shift, measuring transition risks becomes essential. Investors, executives, and policymakers need clear, reliable insights to stay compliant, protect financial stability, and meet sustainability goals. Our tools help institutions respond with precision and lead confidently through the climate transition.



For more information, visit

[www.finalyse.com/banking/transition-risk-measurement](http://www.finalyse.com/banking/transition-risk-measurement)

## Benefits

- **Stress testing and Resilience Building:** Simulates how bank's portfolios, balance sheets, and business models perform under various transition scenarios. Highlights vulnerabilities and helps to build resilience, ensuring that banks are better prepared for the potential shocks.
- **Enhanced Credit Risk Management:** A robust risk assessment helps banks avoid lending to clients or businesses that may face financial instability due to climate transition policies, thus reducing the risk of defaults.
- **Competitive Advantage:** Banks can proactively manage their transition risks to gain a competitive edge by positioning themselves as leaders in sustainable finance.
- **Regulatory Compliance:** Ensures adherence to evolving sustainability regulations.
- **Long Term Sustainability:** A transition risk assessment aligns banks' operations with broader societal goals like reducing carbon emissions and meeting the Paris Agreement targets.

## Motivation

As the global shift towards a low-carbon economy accelerates, transition risk assessments have become essential for financial institutions to navigate the evolving landscape. Transition risk assessments enable banks to identify and understand the risks associated with regulatory changes, technological advancements, and market shifts related to climate action.

By proactively evaluating how these factors might impact their portfolios and business strategies, banks can make informed decisions, reduce exposure to high-risk sectors, and seize opportunities in emerging sustainable markets. Ultimately, a robust transition risk assessment helps financial institutions future-proof their operations, ensure regulatory compliance, and demonstrate their commitment to long-term sustainability, all while mitigating financial shocks from the transition to a greener economy.

Finalyse enables you to assess and quantify transition risk with limited implementation efforts and costs.

AMSTERDAM

BRUSSELS

BUDAPEST

DUBLIN

LUXEMBOURG

PARIS

WARSAW

