



# Climate Change Risk Management for Banking

*Prepare your risk management framework for the transition to a zero-carbon economy*

A fresh take on risk and valuation

How well is climate change risk integrated in your risk management framework?

RISK MANAGEMENT

CLIMATE CHANGE

SCENARIO ANALYSIS

EU TAXONOMY

ESG

The impact of climate change has an increasingly profound impact on society. Therefore, financial institutions are expected to play a major role in funding the transition to a zero-carbon economy.

In preparation, regulators are developing guidelines describing how financial institutions should incorporate climate risk into their existing strategy, governance, and risk management frameworks. This includes the assessment of both short-term and long-term impacts of physical and transition risk on the existing portfolios of the bank, as well as the disclosure of new KPIs related to climate risk management.

Finalyse has extensive experience in different fields of risk management and can guide its customers through the integration of climate change into existing strategy, governance, and risk management frameworks.



For more information, visit

[www.finalyse.com/climate-change-risk-management-for-banking](http://www.finalyse.com/climate-change-risk-management-for-banking)

## Benefits

- Benefit from Finalyse's extensive experience and expertise in the area of risk management for banking.
- Ensure compliance with the recommendations set out in the regulatory guidelines.
- Integrate climate risk into strategic and operational risk management decisions.

## Motivation

Finalyse's risk management team consists of talented professionals who will help you embark on your climate risk management journey through the following steps:

- Performing a GAP analysis detailing your current situation against regulation and market practice.
- Developing a roadmap for the integration of climate change risks into your governance, strategy, and risk management frameworks in alignment with the regulatory expectations (see ECB's 'Guide on Climate-related and environmental risks').
- Scenario analysis as a starting point to assess the exposure to climate risk.
  - » Scenario definition based on the core business and portfolios of the institution.
  - » Use scenario output as a measure to analyse impact on prudential risk categories and integration into existing risk models (including stress testing).
- Ensure mandatory climate risk disclosures such as GHG emissions, financed emissions, and Green Asset Ratio.

AMSTERDAM

BRUSSELS

BUDAPEST

DUBLIN

LUXEMBOURG

WARSAW