

Climate-related Financial Risk

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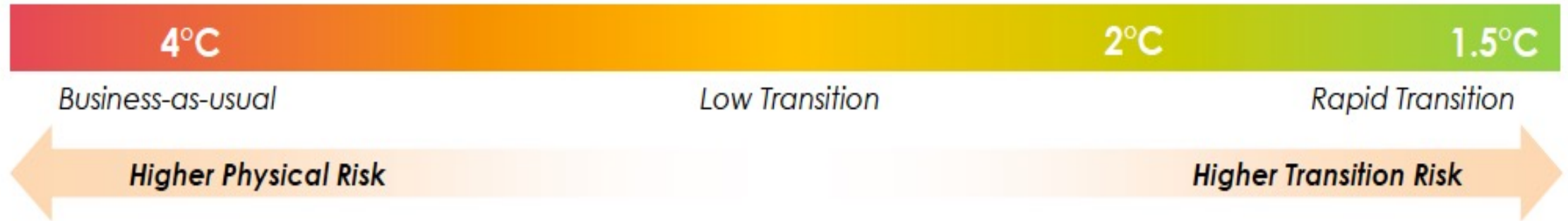
Banque Misr, Egypt

Sustainability and Sustainable Finance Forum,UAB, 17-19 March 2023, Sharm Elsheikh

Climate Change Risks

Physical Risk

Transition Risk



Climate Change Risks

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graph TD; A[Climate Change Risks] --> B[Physical Risk]; A --> C[Transition Risk]; B --> D[Financial Risks]; C --> D;
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Physical Risk

Transition Risk

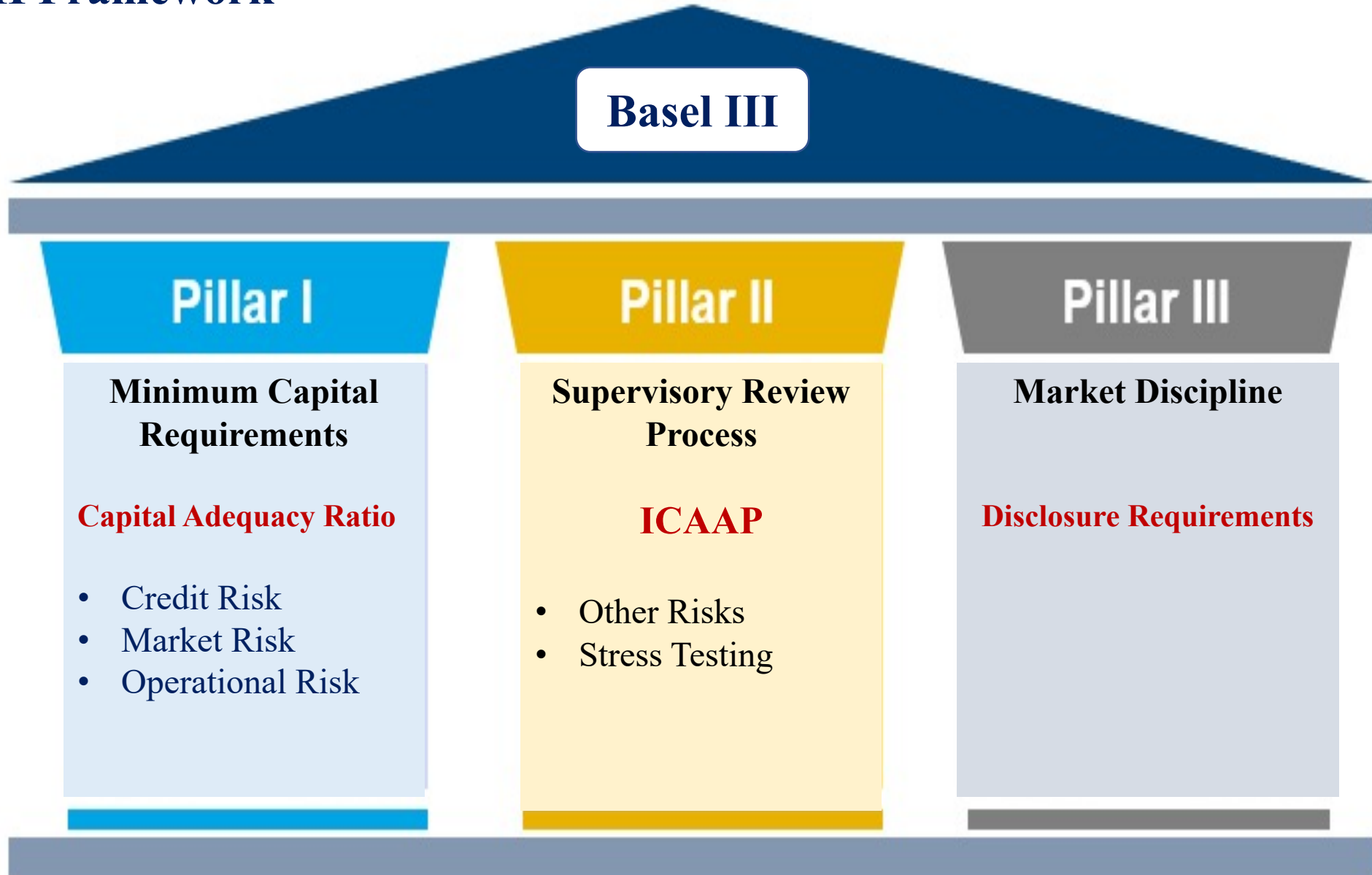
Financial Risks

Financial Risks

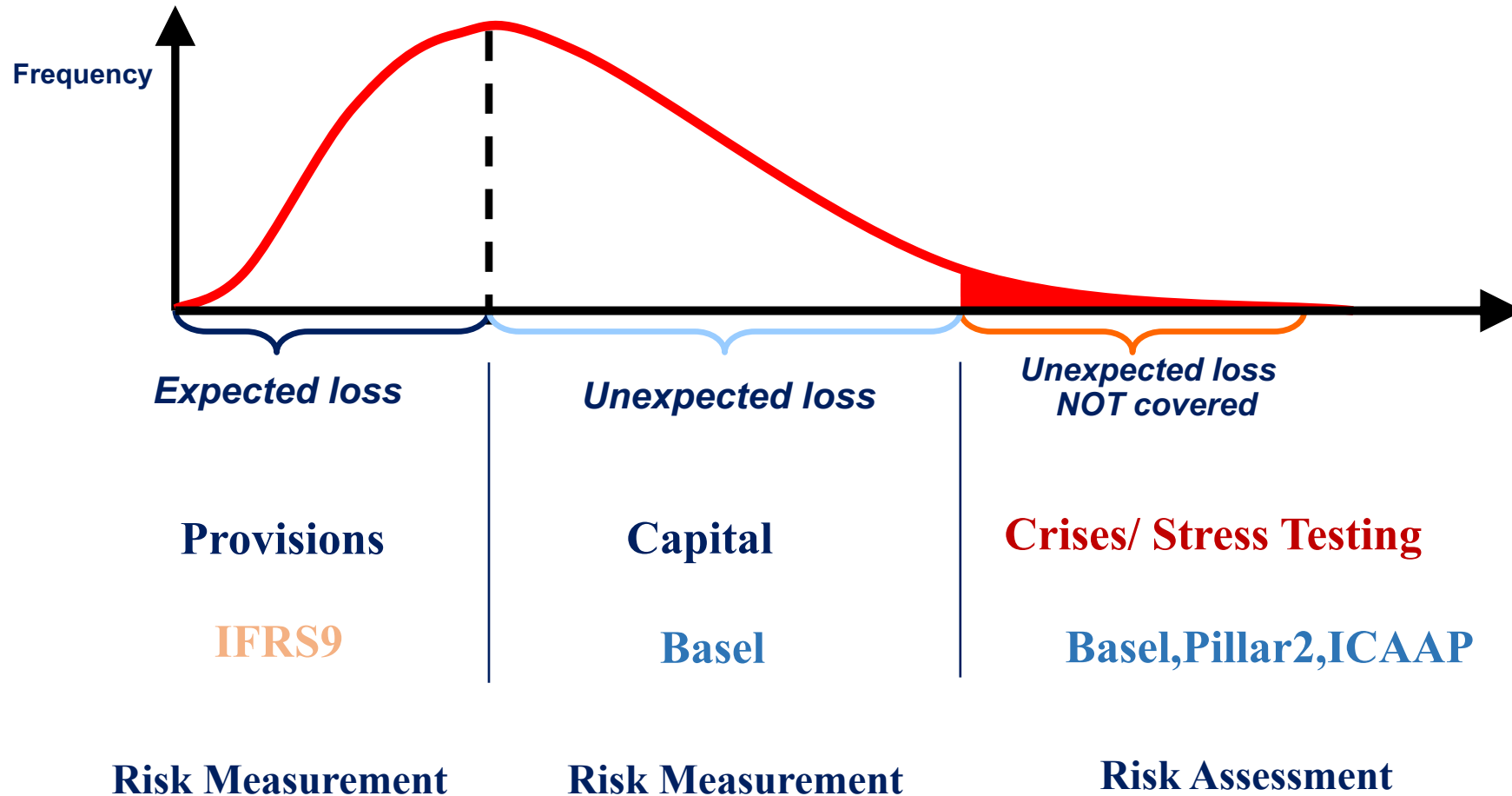


Provisions

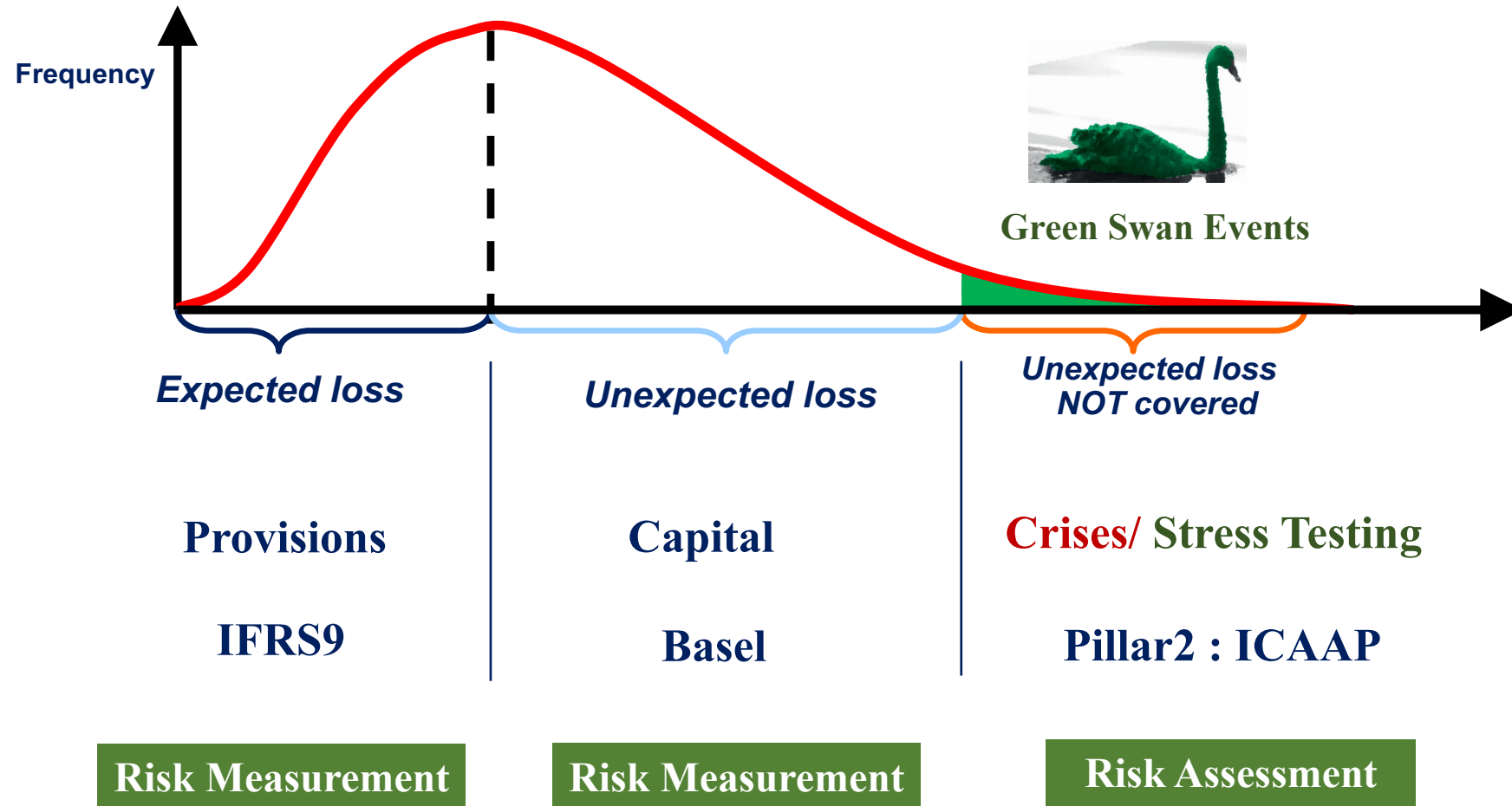
Basel III Framework



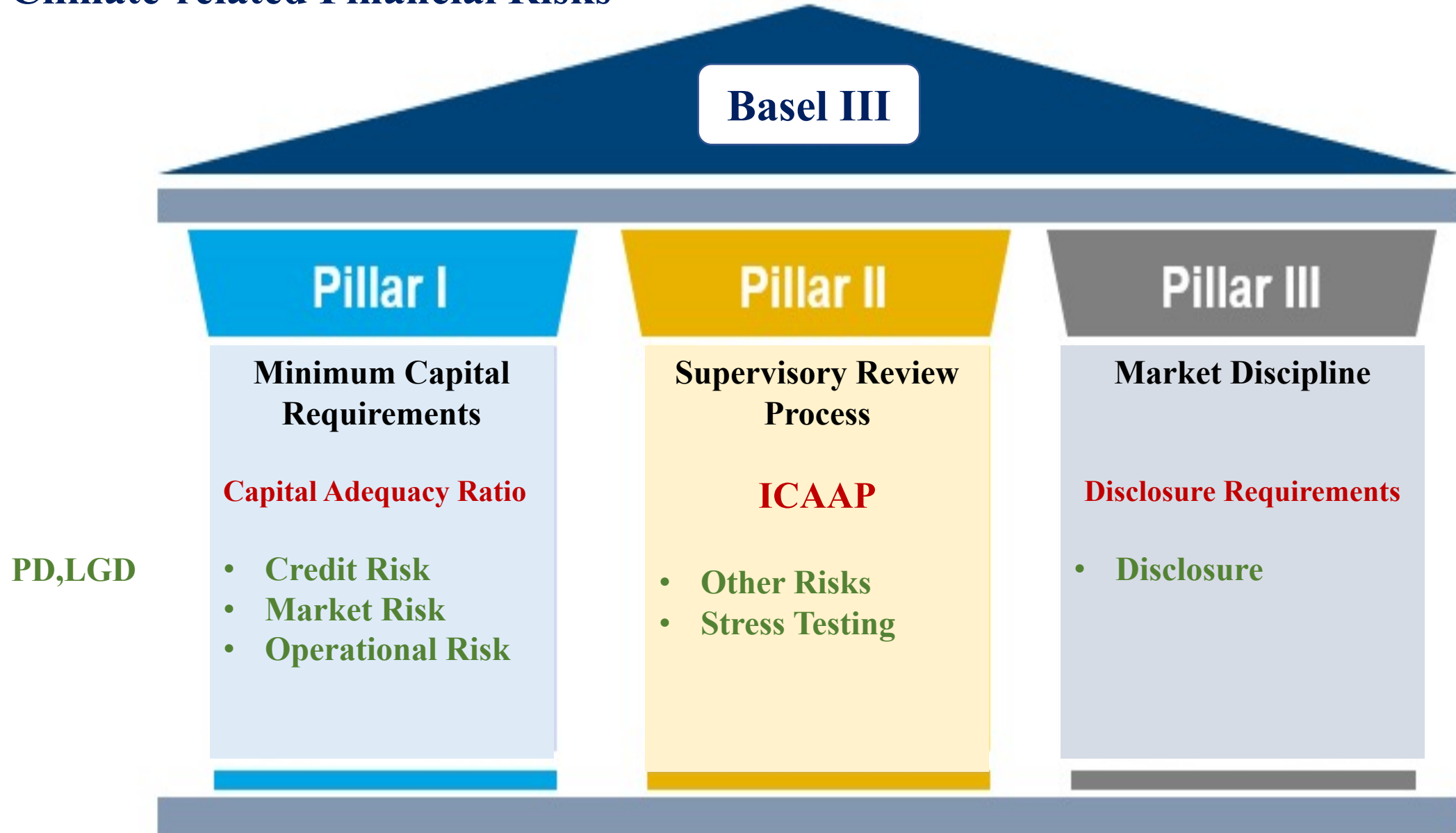
Risk Management



Climate Change Risks



Climate-related Financial Risks



Basel III

Pillar I

Minimum Capital Requirements

Capital Adequacy Ratio

- Credit Risk
- Market Risk
- Operational Risk

Pillar II

Supervisory Review Process

ICAAP

- Other Risks
- Stress Testing

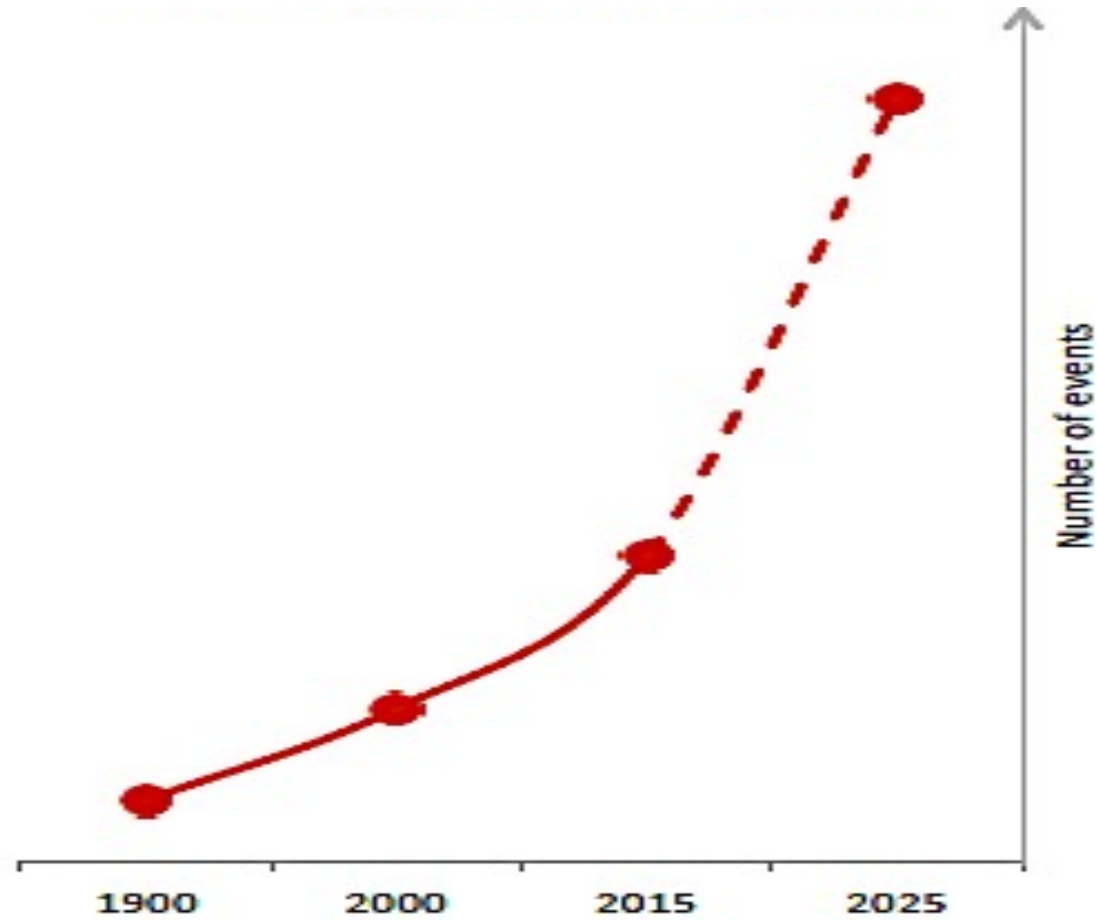
Pillar III

Market Discipline

Disclosure Requirements

Climate-related Financial Risks

Are Black Swans Actually Turning Green?



Future Black Swan Events

- **Natural Events**

- Economic

- Cyberattacks

Many expectations:

Increasing Number of **Green Swan** Events



Climate Risk Stress Testing

- Modelling the climate variables
- Measuring the impact of climate on macroeconomic variables
- Breakdown the overall macroeconomic impact across sectors
- Quantifying the combined impact on financial institutions

Thank You