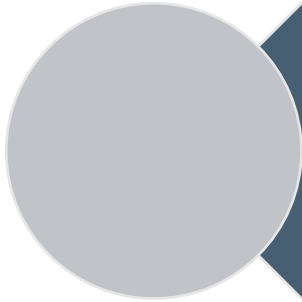


NZBAG Online-Event-Reihe:

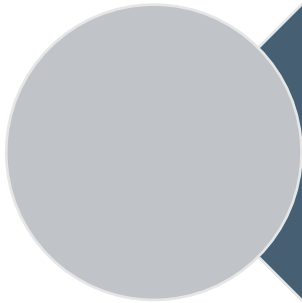
Portfolio-Ausrichtung an den Pariser Klimazielen messen

7. Oktober 2021

Agenda



Vorstellung der Net Zero Banking Alliance
Germany



Messung der Performance auf sektoraler
und Portfolio Ebene

01

Vorstellung der Net Zero Banking Alliance Germany

Kooperation von acht Banken zum Klimaschutz



BNP PARIBAS

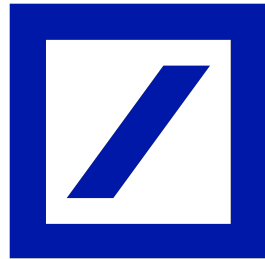


Die Initiativbank

COMMERZBANK



ING



DKB

Deutsche Kreditbank AG

LB  **BW**



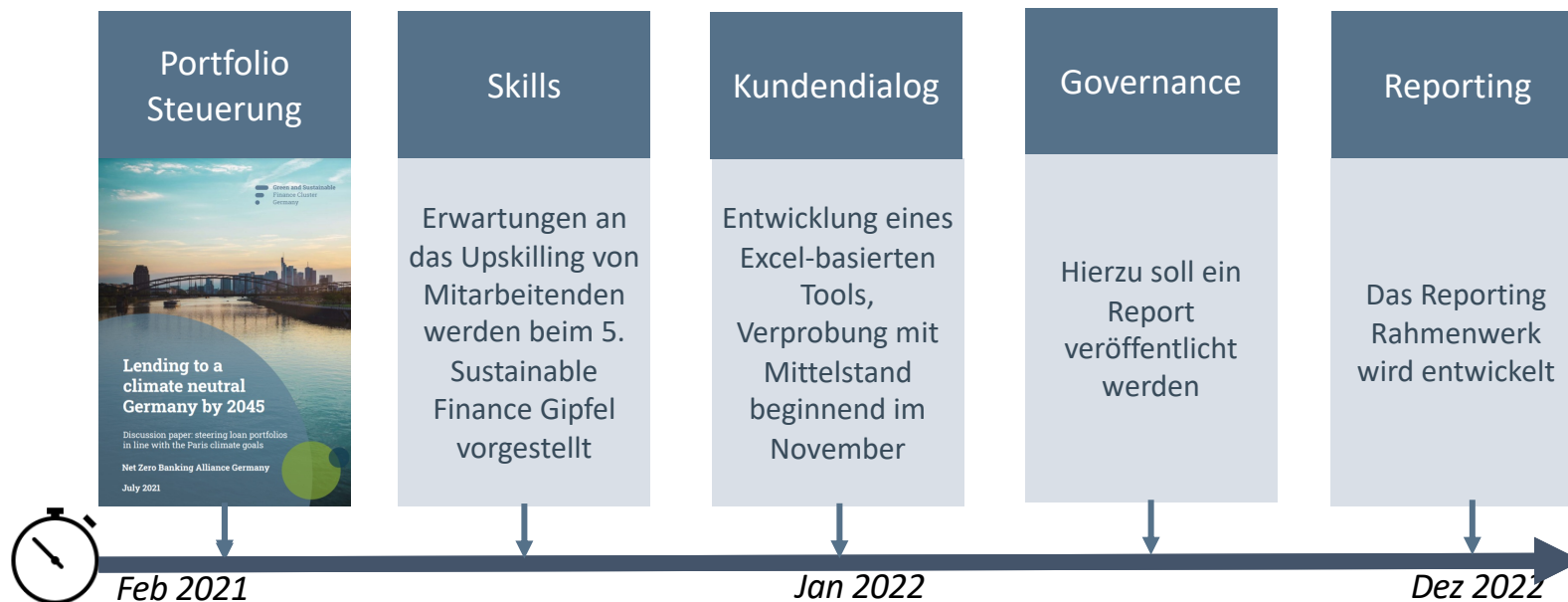
UmweltBank

Mein Geld macht grün.

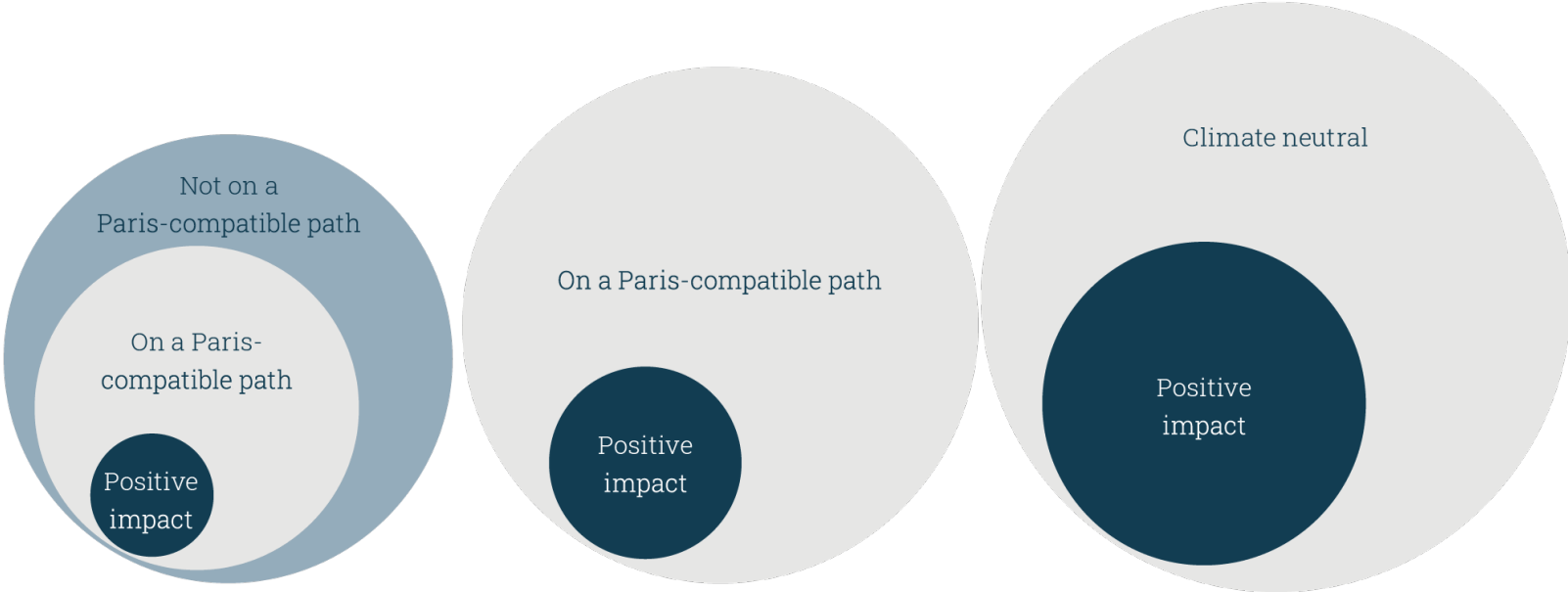
Die Net Zero Banking Alliance Germany



Methoden und Standards auf sektoraler Ebene zur Steuerung von Portfolios im Einklang mit den Klimazielen entwickeln.



Vision eines Paris-kompatiblen Kreditportfolios



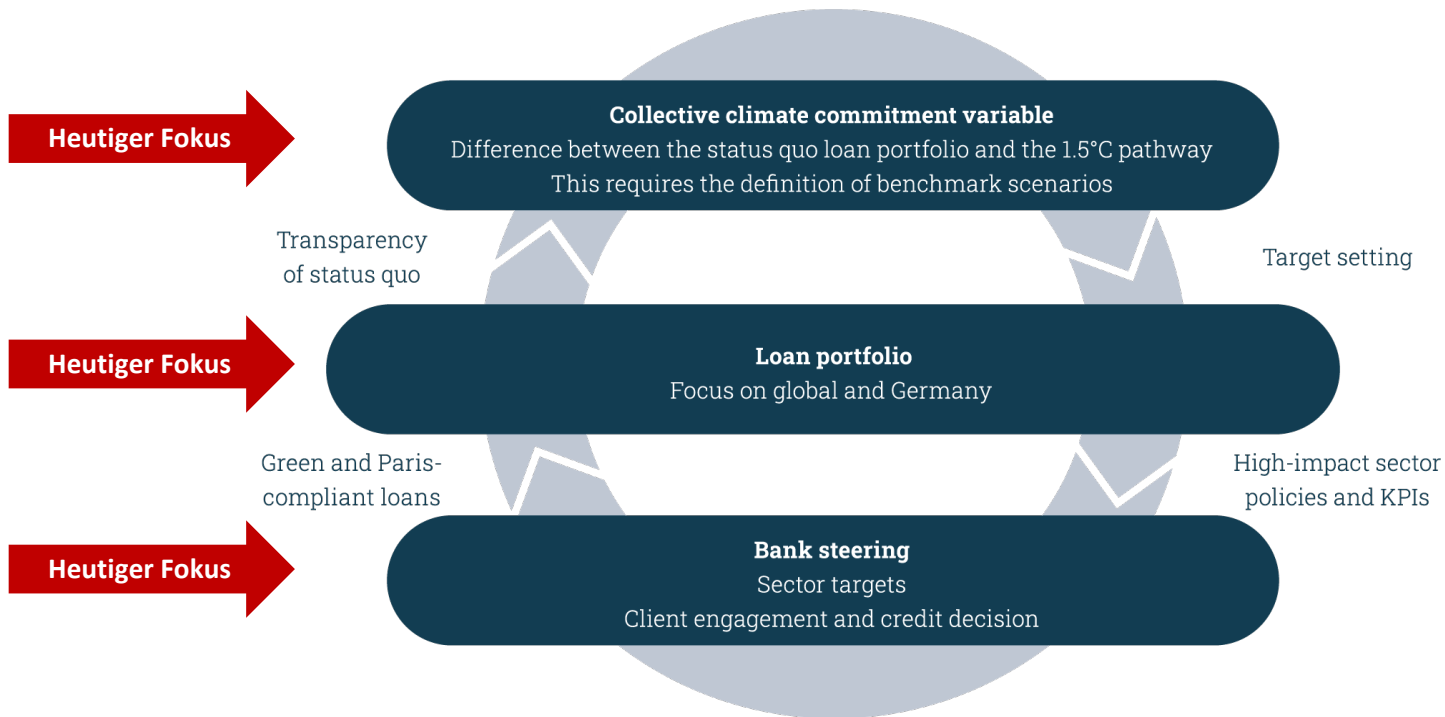
Portfolio as of today

Portfolio 2030

Portfolio 2050

- Green and Sustainable
- Finance Cluster
- Germany

Von globalen Zielen zur Kreditentscheidung



02

Messung der Performance auf sektoraler und Portfolio Ebene

Messgrößen dienen der Portfolio-Steuerung entlang eines Dekarbonisierungspfades.

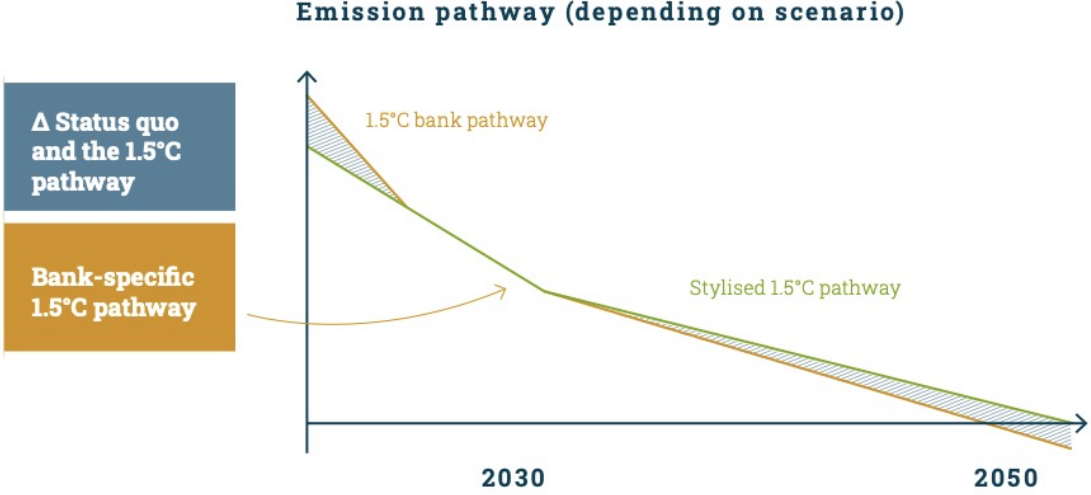


Figure 6: A decarbonisation pathway for loan portfolios

Source: NZBAG

Dreistufiger Prozess zur Messung der Ausrichtung eines Portfolios.

Aggregation sektorale Performance auf Portfolio-Ebene



Abweichung der Performance von der Sektor-Benchmark



Aggregation der Performance auf Kreditebene

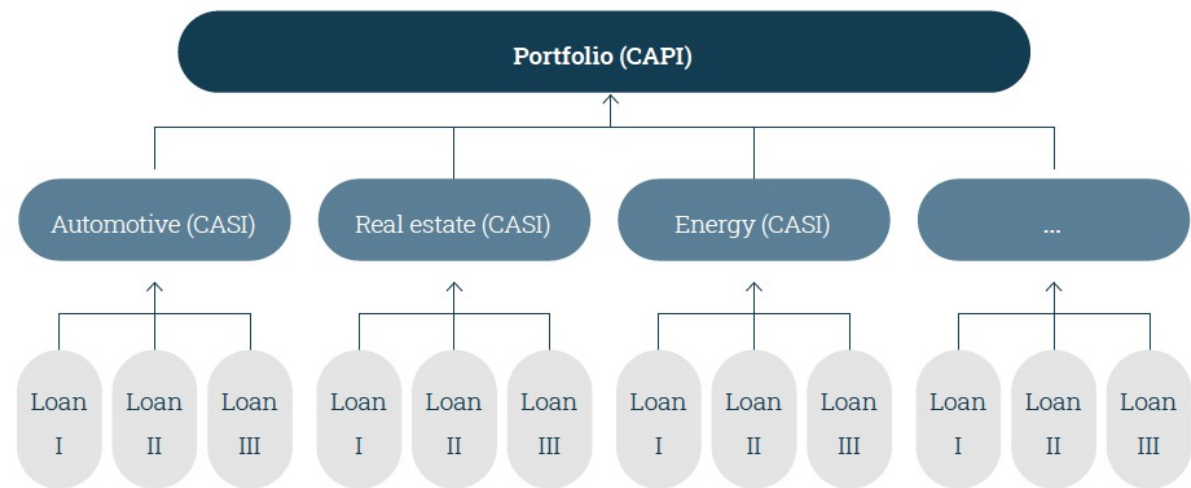


Figure 7: A three-step approach to portfolio alignment

Source: NZBAG

Stufe 1: Zur Messung der Klima-Performance können verschiedene KPIs dienen.

Sector	KPI ^{29/29}	Sector benchmark in 2023 ^{30/30}	Rationale
Automotive	Share of zero tailpipe emission vehicles sold	15%	The transition to a zero-emission transport system will require vehicle fleets that do not combust fossil fuels.
Buildings	Buildings with a given or higher energy performance certificate (EPC). ³¹		Nine (one per company)
Utilities	Share of renewable energy sold	50%	A large share of electric energy, heating, and cooling will need to come from renewable sources in a decarbonised economy.

Table 3: Sector-specific KPIs relevant to an exemplary portfolio **Source:** NZBAG

Dreistufiger Prozess zur Messung der Ausrichtung eines Portfolios.

Aggregation sektorale Performance auf Portfolio-Ebene



Abweichung der Performance von der Sektor-Benchmark



Aggregation der Performance auf Kreditebene

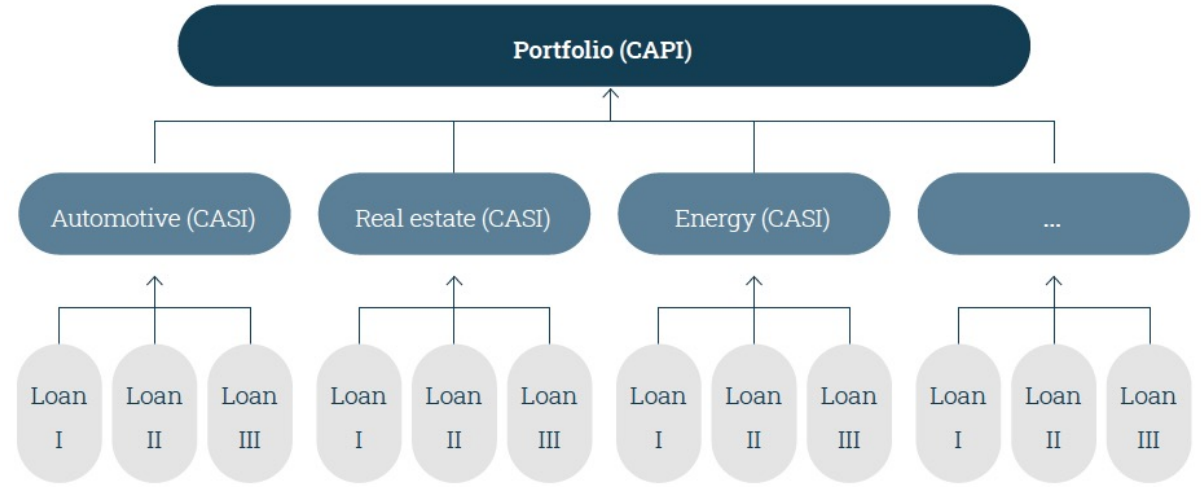


Figure 7: A three-step approach to portfolio alignment

Source: NZBAG

Stufe 2: Beispiel für Abweichung der Klima-Performance von der Sektor-Benchmark.

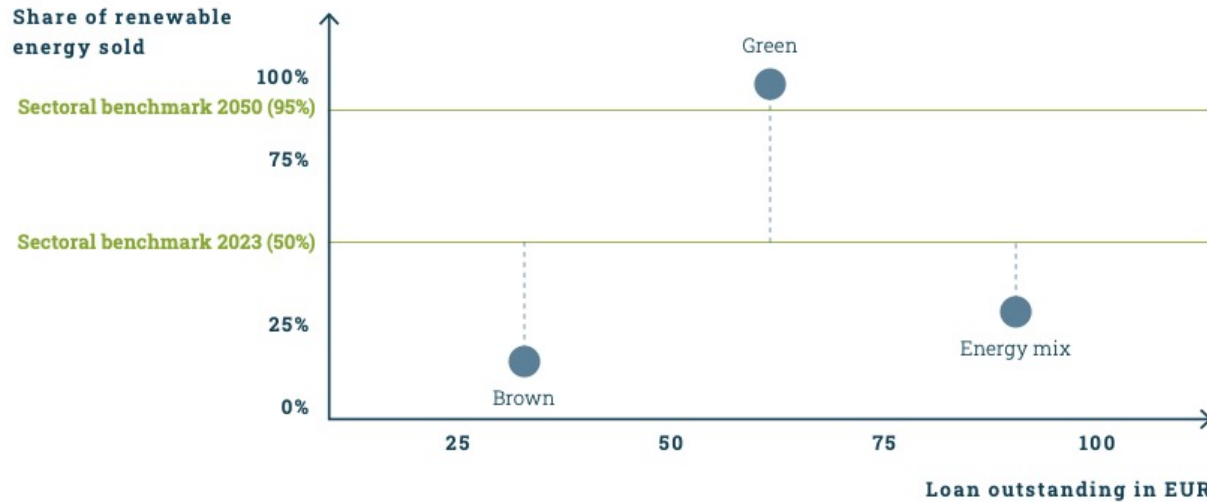


Figure 8: Demonstration of the Climate Action Sector Indicator (CASI)

Source: NZBAG

Die Benchmark hängt von gewähltem Klimaszenario und der KPI ab.

Stufe 2: Um Abweichung der Sektor-Performance von Sektorbenchmark zu messen wird Unternehmensperformance aggregiert .

Sector	Sector weight in portfolio	CASI
Automotive	45%	0.26
Buildings	14%	-0.85
Utilities	41%	-0.10

Table 5: CASI of an exemplary portfolio

Source: NZBAG

Dreistufiger Prozess zur Messung der Ausrichtung eines Portfolios.

Aggregation sektorale Performance auf Portfolio-Ebene



Abweichung der Performance von der Sektor-Benchmark



Aggregation der Performance auf Kreditebene

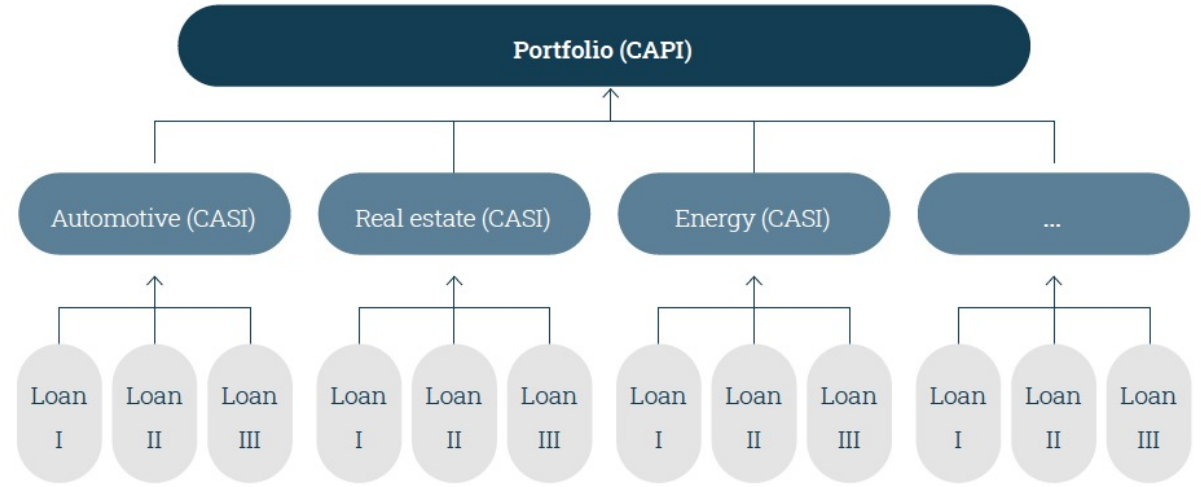


Figure 7: A three-step approach to portfolio alignment

Source: NZBAG

Stufe 3: Aggregation der sektoralen Performance auf Portfolio-Ebene.



Figure 9: Interpretation of CAPI (and CASI)

Source: NZBAG

Example: The CAPI of an exemplary portfolio is -0.04 ,³⁸ which is close to aligning with the Paris climate goals. However, it is important to note the differences in sectoral climate performance highlighted by CASI when developing measures to improve CAPI.

Climate Action Sector Indicator (CASI)

$$CASI_{iy} = \sum_{j=1}^n \frac{\text{Company climate indicator}_{jy} - \text{sector benchmark}_{iy}}{\text{sector benchmark}_{i2050} - \text{sector benchmark}_{iy}} \times \frac{\text{EUR outstanding}_{jy}}{\text{EUR outstanding sector}_{jy}}$$

where: i = sector
 j = company
 y = respective year

if: $\text{sector benchmark}_{iy} = \text{sector benchmark}_{i2050}$ then: $\text{Company climate indicator}_{jy} - \text{sector benchmark}_{iy}$

Messung der Klimaperformance eines Sektors

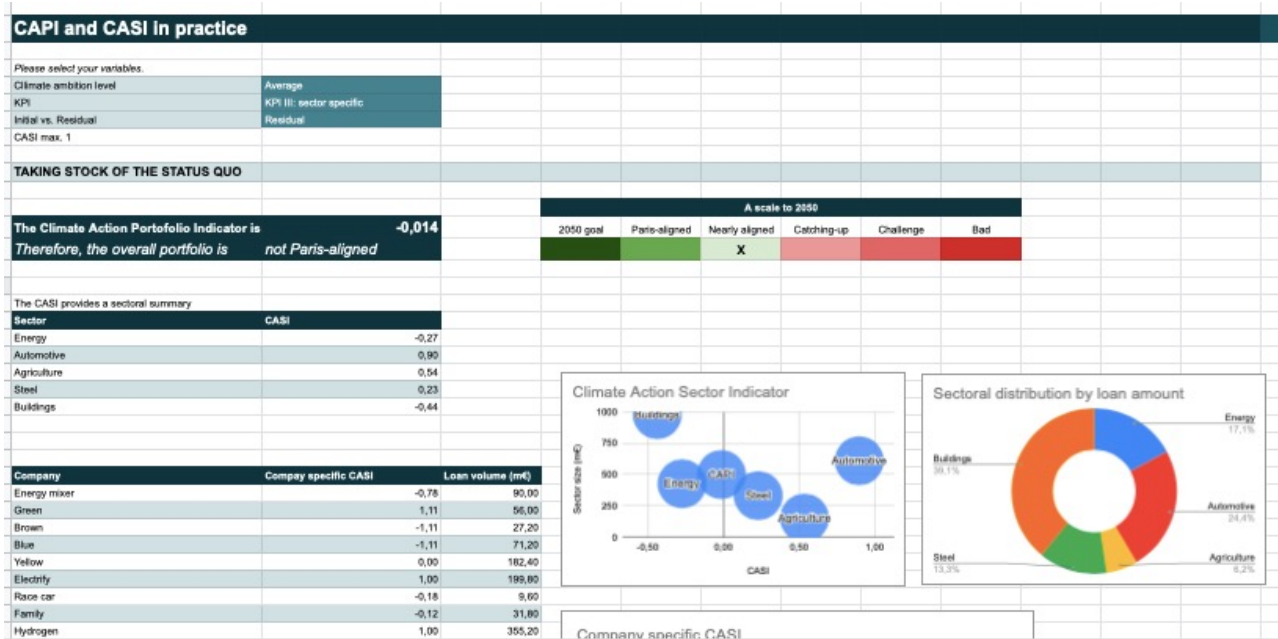
Climate Action Performance Indicator (CAPI)

$$CAPI = \sum_{i=1}^n (CASI_i \times \text{Sectoral portfolio weight}_i \times \# \text{ of sectors} \times \text{emission share of sector})$$

where: $i = \text{sector}$

Aggregation des CASI auf sektorübergreifende Kreditportfolioebene

Open-Source Demonstration der CAPI / CASI Kalkulationen



https://docs.google.com/spreadsheets/d/1hZKn3c_9jxA2KOceho9h1GCUacwlsuXYDIWXlxcxXns/edit#gid=1152702985%0A

CAPI und CASI helfen den Status Quo und die Zukunft zu analysieren.

Spiegelung von
Veränderungen der
Portfoliostruktur

Einschätzung von Strategien
der Kreditnehmenden

Lock-In Effekte frühzeitig
erkennen, dank dynamischer
Sektorbenchmarks

Wir laden Sie herzlich zu den weiteren Veranstaltungen der Online-Event Reihe ein.

14. Oktober 2021, 17 Uhr: **Definition positiver Beiträge zum Klimaschutz –**
Wie kann die EU-Taxonomie dazu dienen, Klimaschutz durch Kreditportfolios zu messen



Hier finden Sie das Diskussionspapier:

<https://gsfc-germany.com/wp-content/uploads/2021/07/Lending-to-a-climate-neutral-Germany-by-2045.pdf>



Vielen Dank für Ihre Aufmerksamkeit. Wir freuen uns auf weitere Diskussionen.

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Antitrust guideline

The Green and Sustainable Finance Cluster Germany e.V. (“the Cluster”) is a platform that brings together stakeholders from the private and public finance sector, regulators, policymakers, NGOs, and academia. The Cluster supports the NZBAG with basic research and coordination to develop methods and processes to fulfil the Climate Self-Commitment of the Financial Sector.

The following antitrust guidelines are to be followed in the Cluster’s activities. The Cluster’s guidelines follow Article 101(1) of the Treaty on the Functioning of the European Union (TFEU) and Section 1 of the Act against Restraints of Competition (GWB).

“The positioning of Frankfurt as a financial center focused on climate-friendly and sustainable financial investments” as well as “the formation of a network [...] in which expertise regarding financial and risk issues related to sustainable and climate-related financial products is bundled” is the statutory purpose of the Cluster. This purpose is fulfilled by the constitution and subsequent basic research of the NZBAG on decarbonisation at the interface of (real) economy and banks. The aim of the antitrust guidelines is to prevent behaviour that could potentially lead to market distortion with respect to innovative technologies and companies or to a reduction in pressure to innovate.

Within the scope of the NZBAG’s activities, only activities that are pre-competitive and comply with the rules of the German Federal Ministry for Economic Affairs and Energy for the promotion of joint industrial research are undertaken. In this context, the entire financial sector is expected to benefit from this.

All official meetings of NZBAG-related activities shall be attended by an employee of the Cluster or, in individual cases, a comparably trained substitute. The employees shall, together with all participating companies and individuals, ensure compliance with antitrust rules.

Discussions within the NZBAG shall only take place regarding the research project. There shall be no exchange or coordination between the participating financial

institutions about:

- A possible individual and concrete utilisation of the results of the individual research projects, e.g., the transfer of findings and knowledge into products or processes relevant for competition.
- Confidential information on the activities of the participating companies; as opposed to information that is generally known to the public.
- Costs of research projects if they were carried out by the companies themselves.
- Individual technical know-how of a company that is not generally known (secret) and essential, and that is relevant for the further development or exploitation of the presented research results.
- Potential or planned own research and development of the respective companies, which builds on the presented results, as well as own comparable research.
- A limitation of a company’s own research and development in an area outside the specific research project, as well as a limitation of a company’s own research and development in the area of the specific research project after its completion.
- Aspects that would provide competitive advantages to a single company or multiple companies.
- The adaptation and competitive implementation of the results in products, processes or services takes place in the companies following the project.
- Disclosure of the results of the NZBAG’s work, e.g., via publications and specialist conferences is planned beyond the group of participants.

Within the framework of the NZBAG, there must – of course – be no exchange or agreements on topics that are illegal under antitrust law.