

## **Piraeus Bank's pioneering Climate Risk Management Model**

Piraeus Bank is the 2nd largest bank in Greece, with particular know-how in the areas of medium-sized and small enterprises, consumer and mortgage credit, green banking, agricultural banking (following the recent acquisition of ATEbank), capital markets investment banking, and leasing.

During 2010-2012, Piraeus Bank ran the climabiz project (co-funded by the European Union through the financial instrument LIFE+). In the context of this project, Piraeus Bank developed the Climate Risk Management Model that allows for a fast and accurate calculation of climate risks and opportunities, as well as adaptation costs for Greek enterprises.

The Model is the result of a two year research work and is based on climatic forecasting models for Greece and the broader region. It can measure, in monetary terms, climate risks for businesses in the sectors of manufacturing, energy production, tourism, tertiary sector, agriculture and maritime transportation. Additionally, it can estimate, for the above sectors, the cost of adaptation practices to counter the impacts of climate change.

According to the results of this research, the most common types of risks include increase of operational costs due to the rise in fuel and electricity prices, the purchase of carbon emission allowances, the increase of raw material prices; whereas the opportunities include the increase in sales attributed to the new climatic conditions (e.g. more soft drinks consumption due to extended warmer days). Adaptation solutions tested by the Model involve energy saving practices in buildings (hotels, offices, hospitals), as well as industries, especially in regards to their production processes.

Piraeus Bank through its initiative "Climate Drives Business" is providing consulting services to clients, regarding climate risks and opportunities with the use of the Model. After running all necessary calculations on the Model, a full tailor made consultation as well as a set of potential solutions with a cost benefit analysis for adapting to climate change is provided to the clients.

Piraeus Bank strongly believes that this Model can provide an insight in the tangible consequences of climate change and a way forward, especially for small business that face today serious financial problems and seek viable solutions.

More information about the climabiz project can be found at [www.climabiz.gr](http://www.climabiz.gr).

29/03/2013