

ESG in Bank Treasury

in cooperation with PWC Switzerland



Joint Session of the ALM and Sustainable Finance Talks

CAS Sustainable Finance

CAS Sustainable Finance
Bedeutung der Thematik Nachhaltigkeit in der Gesellschaft, Wirtschaft und Finanzbranche



- Was zeichnet eine nachhaltige Entwicklung aus und wie kann sie die Gesellschaft und Wirtschaft beeinflussen?
- Welche Rolle wird den Banken bei der Verhinderung des Klimawandels beigemessen?
- Wie sind institutionelle Investoren und Privatleger:innen von Nachhaltigkeitstrends betroffen?
- Was bedeutet Impact Investing und wie vermeidet man Greenwashing?
- Weshalb sind sogenannte Green Loans oder an Nachhaltigkeit gekoppelte Kredite für Firmenkund:innen interessant?

Offene Fragen im Zusammenhang mit Sustainable Finance (Nachhaltigkeit im Bankgeschäft) türmen sich derzeit in noch bis vor kurzem ungeahnte Höhen. Spätestens seit dem Pariser Klimavertrag von 2015 ist klar, dass der Finanzindustrie eine Schlüsselrolle für die Transformation der Wirtschaft in Richtung Nachhaltigkeit zukommt. Die umfassende Regulierungsinitiative der EU, aber auch die steigenden Anforderungen, welche die Politik in der Schweiz an die Finanzindustrie richtet, verdeutlichen dies eindrücklich. War das Berücksichtigen von ESG vor einigen Jahren noch wenigen Pionieren vorbehalten, so ist es heute Mainstream.

Fazit: Die Finanzbranche bewegt sich mit Hochgeschwindigkeit in Richtung Sustainable Finance.

https://www.fhnw.ch/de/weiterbildung/wirtschaft_info/wirtschaft@fhnw.ch

CAS Sustainable Finance | FHNW

Monthly Talks

CAS Bank Treasury Risk Management

International Double Degree: CAS Bank Treasury Risk Management and The BTRM Certificate of Bank Treasury Risk Management



The regulatory environment Bank Treasurers are operating in is continuously changing – Keep your knowledge updated and earn an International qualification in Bank Treasury Risk Management

The International Double Degree CAS Bank Treasury Risk Management and The BTRM Certificate of Bank Treasury Risk Management is a six month, part time course designed to empower individuals working in, or intending to work in, every aspect of bank balance sheet, risk management and asset liability management (ALM).

- In recent years and since the 2007-08 Global Financial Crisis (GFC), Asset and Liability Management became a focus area for banks. The efficient management of financial resources such as capital, funding and liquidity developed to be a key success factor for the steering of economic performance.
- In a period of prolonged low interest rates, profitability of banking books continues to deteriorate. The maturity transformation business, creating margin from the difference between rates paid on the liability side and rates received from the lending side, is under pressure. Treasurers are confronted with new, highly profit relevant challenges.
- With the growth of complexity in treasury, regulators also expect a stronger governance over this function raising the need for enhanced knowledge of organizational optimization.

https://www.fhnw.ch/de/weiterbildung/wirtschaft_info/wirtschaft@fhnw.ch

CAS Bank Treasury Risk Management and The BTRM Certificate of Bank Treasury Risk Management | FHNW

For Monthly Talks:
Please register on
program website!

Today's Cooperation Partner: Matthieu Patrice, Director, PwC

Matthieu Patrice

- **Role:** Leading Financial Services Treasury at PwC Switzerland; with the firm since 9 years
- **Professional background:** Investment banking & ALM; prior to PwC UBS IB Fixed Income Trading & Debt Capital Markets Origination
- **Academic:** UZH, Banking & Finance; CFA & FRM



Phone:

+41 79 878 01 67

Email:

matthieu.patrice@pwc.ch



Silke Waterstraat

- **Activities at FHNW:** Lecturer Financial Management (Corporate Treasury, Banking, Management Accounting), practice-oriented research, program lead CAS Sustainable Finance and CAS BTRM
- **Practical experience:** Group Treasury at UBS, portfolio management / research at Basler Kantonalbank



Phone:

+41 61 279 18 38

Email:

silke.waterstraat@fhnw.ch



Content

I. ESG in Bank Treasury: An Overview

II. ESG in Bank Treasury: Selected Focus Topics

III. Q&A



I. ESG in Bank Treasury: An Overview

Roadmap on Sustainable Finance (EBA, 2022)



Liquidity and Funding

Transfer Pricing – Incentivization of ESG

HQLA – ESG Investment Framework, Climate Risk Assessment

Issuances – Green bonds, green repos, green CP and respective governance frameworks

Green deposits – Providing green loans to clients refinanced with green deposits

Stress Testing – Climate related financial risks in liquidity and funding stress testing

Capital Management / IRRBB & FX / Regulatory

Pillar 3 ESG disclosures (e.g., ICAAP) – Inclusion of ESG

Stress Tests – ECB climate stress test

Banking Book – Credit risk sustainability on client level

Green derivatives – linking FX hedging to sustainability targets

....

Literature

ABN Amro (2022): Integrated Annual Report. (BB, p. 113; liquidity stress testing, p. 123ff)

ABN Amro (2022): Pillar 3 Report. (BB, p. 195ff)

ABN Amro (2022): Green savings deposits available again ([ABN AMRO's Green Savings Deposit available again - ABN AMRO Bank](#))

Baker, C. (2022): Derivatives and ESG (<https://onlinelibrary.wiley.com/doi/abs/10.1111/ablj.12215>)

Bloemendaal, Sharon (2023). Sustainability in Treasury at ING. Lecture in the CAS Sustainable Finance

Crédit Agricole (2021): ESG – CACIB Sustainable Finance Conference ([CReDIT AGRICOLE S.A. \(credit-agricole.com\)](#))

CEPS (2020): Derivatives in Sustainable Finance ([Derivatives in Sustainable Finance – CEPS](#))

Deutsche Bank (2022): How ESG-linked FX hedging works ([How ESG-linked FX hedging works – Deutsche Bank \(db.com\)](#))

EBA (2022): The EBA Roadmap on Sustainable Finance. [EBA Roadmap on Sustainable Finance.pdf \(europa.eu\)](#)

European Commission (2020): EU Taxonomy Navigator ([EU Taxonomy Navigator \(europa.eu\)](#))

Natixis (2020): Green Weighting Factor ([Microsoft PowerPoint - GWF_202010_EN_public info \(observatoiredelafinancedurable.com\)](#))

SEB (2021): Annual and Sustainability Report (internal funding cost, p.63)

UK ALMA (2019): Liquidity buffer management ([ALMA 06062019 V3.pptx \[Lecture seule\] \(ukalma.org.uk\)](#))