

“From Awareness to Application: What Changed After Our CCPT Training Sessions?”

Transforming Climate Risk Assessment from
Compliance to Strategic Insight



The Real Transformation Wasn't Just Knowledge — It Was Mindset

- **Workshops Launched:** Successful sessions in KL and Penang
- **Participants:** Relationship Managers handling diverse SME portfolios
- **Focus:** Climate Change Physical and Transition (CCPT) risk assessment
- **Outcome:** A fundamental shift from compliance thinking to strategic risk insight



Change #1: From “Compliance Exercise” to “Credit Insight Tool”

- **Initial View:** CCPT seen as just another reporting requirement.
- **The Shift:** Live credit scenarios (GP1–GP5) transformed the perspective.
- **New Questions:** “Is this client transitioning?”, “Are we financing resilience or stranded risk?”
- **Outcome:** CCPT became a strategic **Risk Diagnostic Tool**, not just a taxonomy.



Change #2: From Data Paralysis to Proxy-Based Assessment

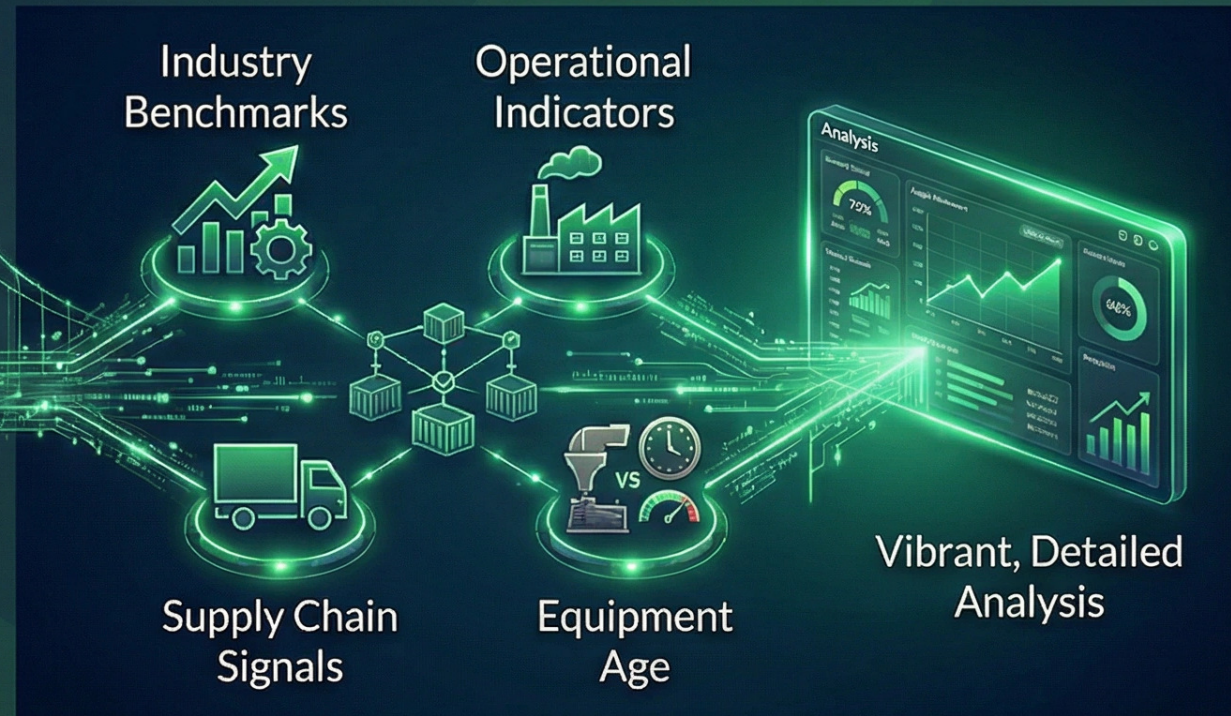
“SMEs Don’t Have Data” → “Let’s Use Proxies”

Problem

“We don’t have ESG data.”



Solution



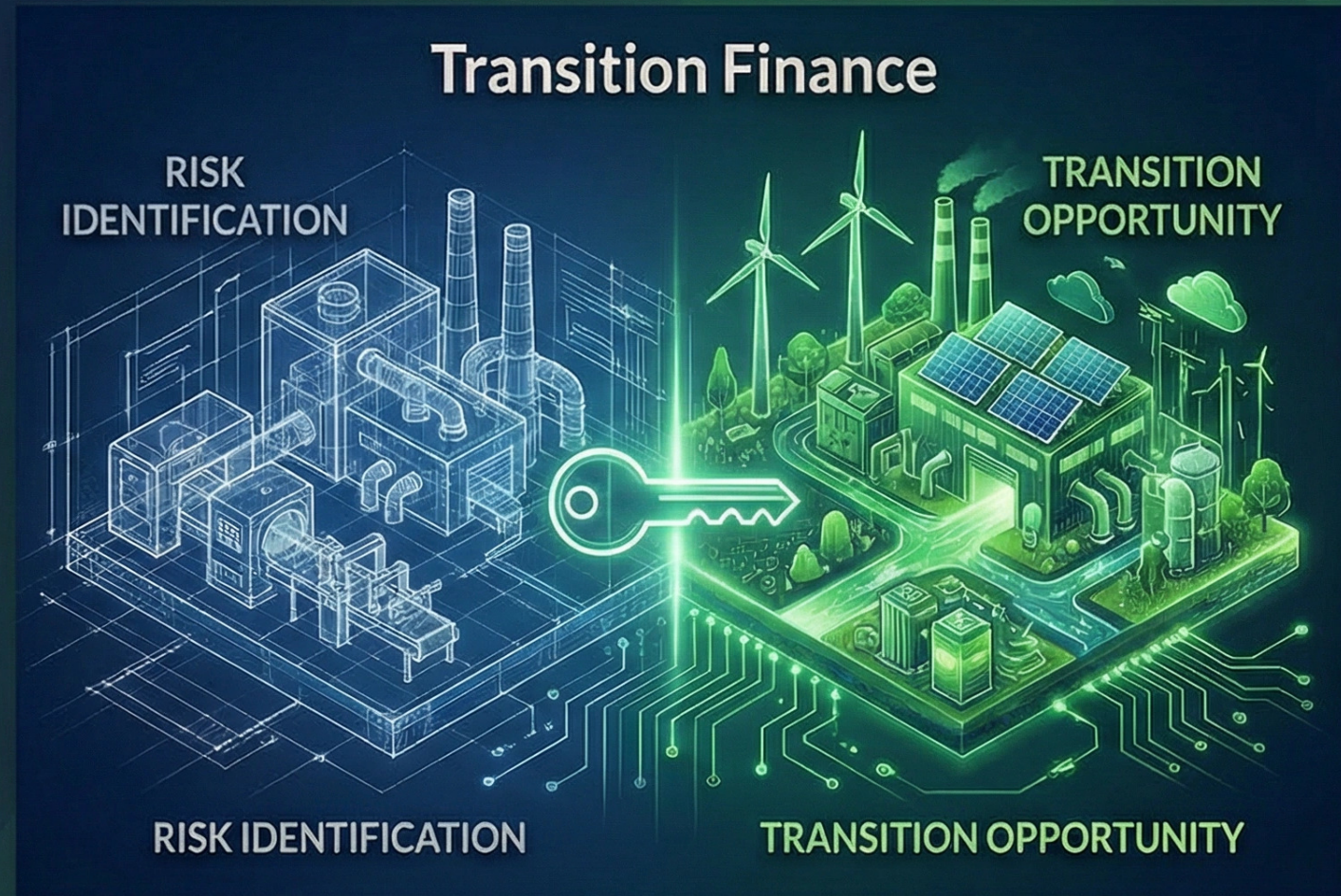
Outcome: No client left behind.

Change #3: From “Risk” to “Transition Opportunity”

Key Insight: Accurate CCPT tagging became a gateway to advisory conversations.

Key Points:

- Equipment upgrades
- Process efficiency improvements
- Product diversification
- Supplier engagement



Climate Risk Is Not Theoretical — It Is Operational, Sector-Specific, and Portfolio-Relevant

A Personal Reflection: 30+ Years in Banking

Operational Impact

Climate risk directly affects cash flow, asset values, and business continuity within typical loan tenures.



Sector Specificity

Risk profiles vary dramatically. Manufacturing vs. Logistics vs. Agriculture.



Portfolio Relevance

Not just 'green' lending. It permeates every sector and every credit decision.



“When RMs understand that climate risk is embedded in their existing portfolio, transformation happens at the desk.”

Real Impact – Transformation at the Desk Level

Climate Competency Is Now Core to Modern Relationship Management

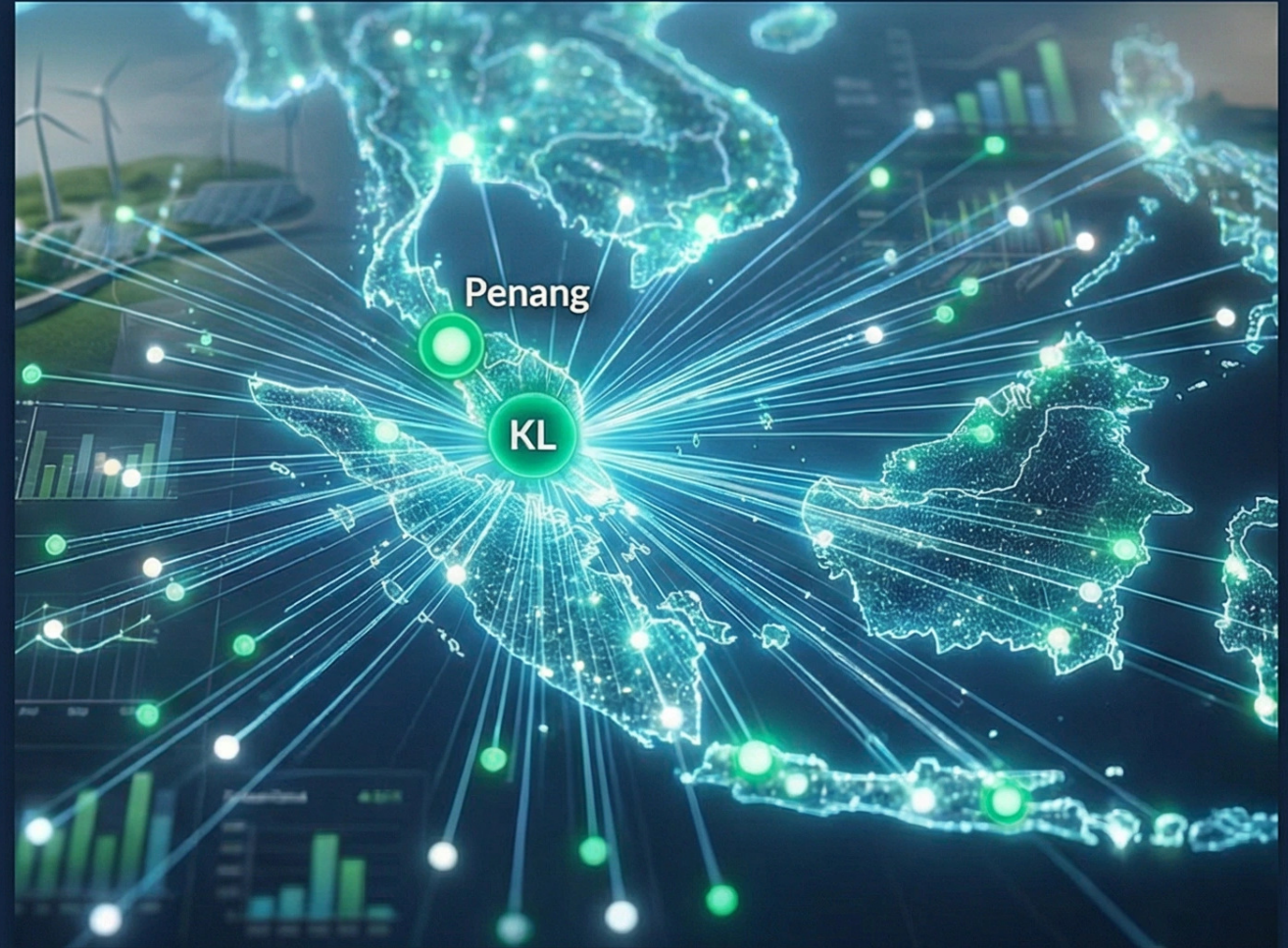
- **Credit Memos:** Now include transition risk analysis alongside financials.
- **Client Conversations:** Proactively addressing climate adaptation.
- **Portfolio Reviews:** Incorporating climate scenario thinking.
- **Cross-Selling:** Identifying opportunities through a climate lens.



The Journey Continues: Full Rollout Ahead

Moving from Pilot Success to Bank-Wide Climate Competency

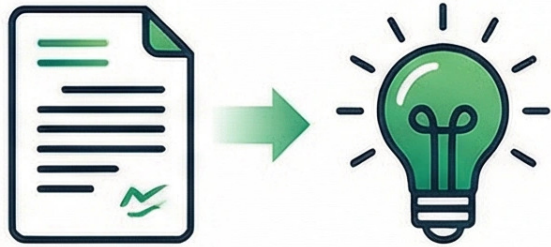
- **Current Status:** Pilot phase completed successfully (KL & Penang).
- **Next Phase:** Full rollout across the entire bank.
- **The Goal:** Equip every Relationship Manager to **think transition**.
- **Strategic Imperative:** Climate competency is core to Risk Management, Client Advisory, and Portfolio Resilience.



Key Takeaways: Three Transformations That Matter

Core shifts for Relationship Managers internalizing climate risk competency.

Compliance → Strategic Insight



From a **reporting exercise** to a credit risk diagnostic tool.

Data Paralysis → Proxy-Based Assessment



From 'no data' to **practical proxies** like benchmarks & operational indicators.

Risk Identification → Transition Opportunity



From classification to **advisory** conversations & transition finance.

Bottom Line: When RMs internalize climate risk, they don't just comply — they lead.

Call to Action – Building Climate-Competent Banking

The Future of Banking Is Climate-Informed, Transition-Focused, and Client-Centric

What Success Looks Like

- Every RM equipped with climate risk literacy
- CCPT integrated into standard credit workflows
- Transition finance embedded in client advisory
- Portfolio management informed by climate scenarios



The Path Forward



- Continue training and capacity building



- Develop sector-specific climate risk playbooks



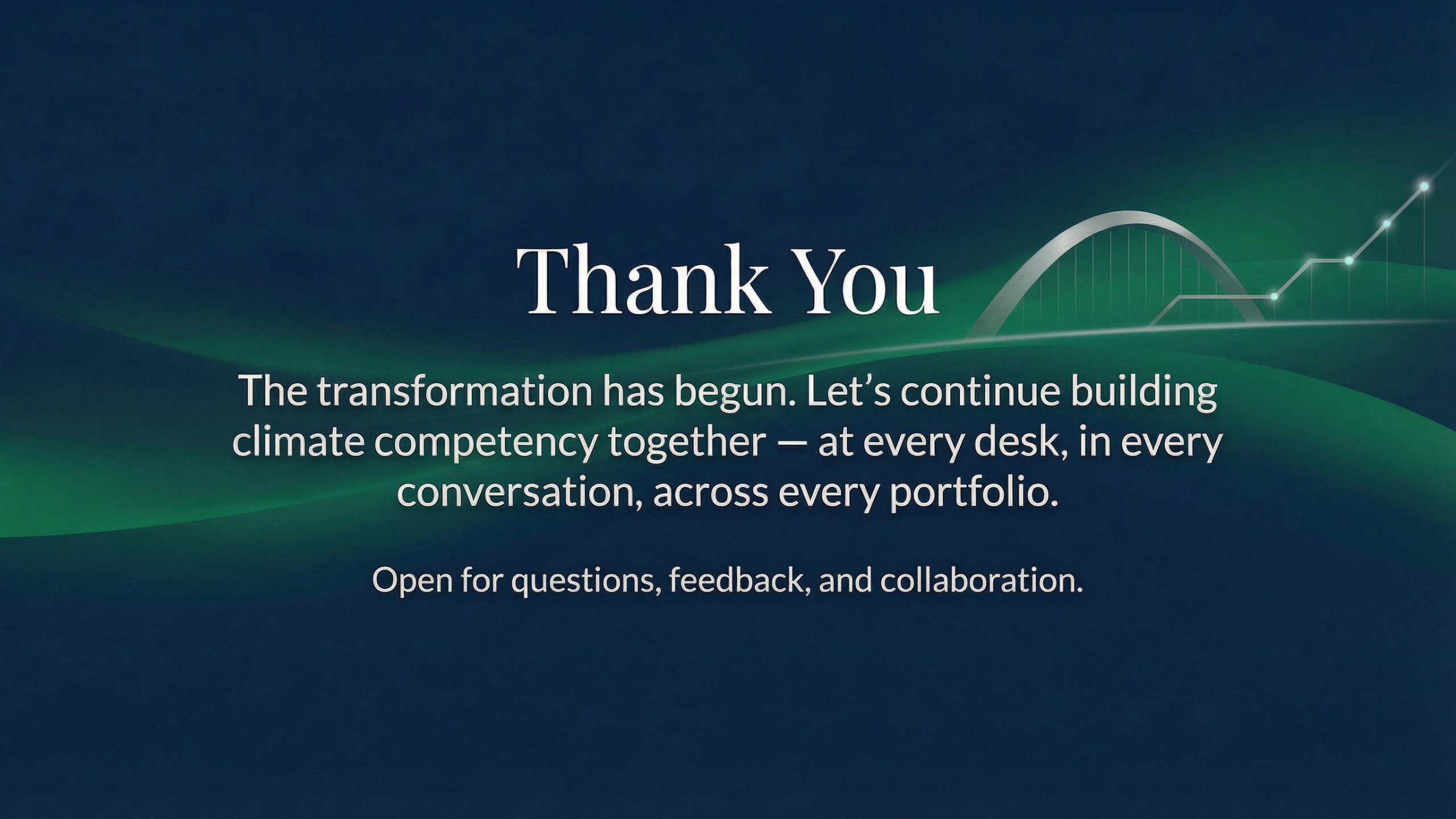
- Strengthen data infrastructure and proxy methodologies



- Foster a culture where climate competency is rewarded

Climate risk is not a separate agenda –
it is the future of credit risk management.

Thank You

The background features a dark blue gradient with stylized green hills. A white bridge with vertical supports is positioned behind the main text. To the right, a white line graph with several data points shows an upward trend.

The transformation has begun. Let's continue building climate competency together — at every desk, in every conversation, across every portfolio.

Open for questions, feedback, and collaboration.