
ECB climate stress-testing: past solutions and challenges ahead

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Abstract

This session will start focusing on past climate stress test experiences at the ECB, in particular on the ECB economy-wide climate stress test: it will analyse which challenges were identified to properly quantify climate risks in the balance-sheet of non-financial corporates and in banks' portfolios (from the choice of the stress test approach, to data availability and modelling), and which solutions were implemented to overcome them. The discussion will then move to what's coming next in terms of climate stress tests, with a focus on new modelling developments, applications of climate stress test results for financial stability monitoring, and challenges still unsolved and ahead of us.

Keywords: climate stress test ECB challenges financial stability

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