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Press-release

Banks want to be at the forefront of the fight against climate change

”We need close collaboration between policymakers and the financial sector.”

Christian Ossig
Chief Executive

- New German government must set a swifter and more ambitious course for greater climate protection
- Enshrine the role of the financial sector in the coalition agreement
- Association survey: sustainability is rapidly gaining strategic importance for banks

Shortly before the COP26 world climate conference in Glasgow, the private banks have set out their position on how to successfully involve the financial sector in climate protection policy - also against the backdrop of the ongoing coalition talks in Berlin. “If we are to still meet our Paris climate targets, we need close collaboration between policymakers, the business

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community and the financial sector. Banks want to be at the forefront of the fight against climate change – it won't succeed without us," said Christian Ossig, Chief Executive of the Association of German Banks, in Berlin today.

"The European Union has rightly launched a number of initiatives which include the financial sector in efforts to steer the transformation of the economy towards more climate protection – with the help, for example, of sustainability standards and transparency requirements. This role should be reflected in the incoming government's coalition agreement, too." It was conspicuously absent from the joint paper issued by the Social Democrats (SPD), Greens and liberal Free Democrats (FDP) paving the way for formal coalition talks.

It is nevertheless equally clear that restructuring cannot be achieved by the banking sector alone. "The banks are already taking on the key role they need to play. But we need input from the state as well, in the form, for example, of appropriate CO2 pricing, a suitable regulatory framework and, naturally, economic impetus. Banks are working side by side as partners of businesses on this," Ossig added.

Torsten Jäger, Head of Sustainability at the Association of German Banks, highlighted the scale of the challenges, which also result from the EU's Green Deal: "In Europe, 70 per cent of investments are financed by credit. Given that an estimated 350 billion euros per year in investment will be needed for the sustainable transformation of the economy, banks simply have to be involved." The importance this issue has now assumed for the financial sector is also demonstrated by a survey that the association recently conducted among its members.

"Sustainable finance is rapidly gaining momentum: 80 per cent of the banks now stress that climate change is already having an impact on their institution and their activities. Even one year ago, 60 per cent thought there would be no relevant consequences for their bank," Jäger said of the survey's findings. "The survey clearly shows that sustainability is becoming an integral part of their lending operations and an issue raised in discussions with customers." Essentially, it was also about risk management going forward: "It's obviously in a bank's own interests that its customers will continue to have viable business models in the coming years," said Torsten Jäger.

The report "[Sustainable finance - the contribution of the private banks](#)", which includes the results of the recent survey, is available at en.bankenverband.de.