



# Banks' climate-related disclosures (Phase 1)

Benchmarking how banks reported in 2021 annual reports

—  
April 2022



# Purpose of this report

This report outlines the key trends observed on climate-related disclosures within the 2021 annual reports of some of the major banks around the world. It offers insights to investors, regulators, preparers and other stakeholders that are interested in these disclosures within a bank's annual report.

We performed benchmarking of the climate-related disclosures included in the 2021 annual reports of 35 major banks. The banks we have selected span across the UK and Europe, Australia, Canada, Asia and the US.

This report is issued as part of Phase 1 of our analysis. The disclosures made in other standalone reports will be the focus of our follow up report in Phase 2 of our analysis.

Executive summary	3
Scope and approach	4
Disclosure progress in 2021	6
What about financial statements?	7
What about future progress globally?	8
Financial reporting	9
Governance	15
Strategy	20
Risk management	27
Credit risk	31
Metrics and targets	36

# Executive summary

Users need numbers to track and compare progress towards climate-related goals, but banks are still on a journey

## Disclosure progress in 2021

Banks' progress in disclosing climate-related matters in annual reports has slowed down in 2021

Where there is heightened regulation this generally results in enhanced climate-related disclosures in annual reports

See pages 6-8

## Governance

Banks have set up their governance structures – 80% of banks say climate-related matters are overseen by the board



See pages 15-19

## Risk management

Banks continue to focus on risk management – 77% of banks disclose that they are integrating climate-related risks into their wider risk management framework



See pages 27-30

## Financial reporting

Climate-related disclosures in the financial statements are less common

Improving connectivity between the financial statements and the front part of the annual report is key

Auditor's reports on financial statements are starting to mention 'climate'



See pages 9-14

## Strategy

Banks continue to commit large amounts to sustainable financing – however it is unclear where banks see the opportunities in the medium to long term



See pages 20-26

## Metrics and targets

Metrics and targets on financed emissions remain vague in the annual reports – a single globally accepted methodology for calculating these metrics would help banks deliver improved clarity



See pages 36-40

## Credit risk

Banks are integrating climate-related risks into their credit risk policies and processes



See pages 31-35

# Scope and approach

## Phase 1 and Phase 2

In Phase 1, our benchmarking focuses on the key trends observed in the climate-related disclosures in the 2021 annual reports of banks.

In Phase 2, we will review the climate-related disclosures of these banks in other standalone reports – such as the Task Force on Climate-Related Financial Disclosures (TCFD) report or Environment, Social and Governance (ESG) report. It is in these standalone reports that many of the banks have disclosed their detailed climate-related disclosures aligned with the TCFD framework. In Phase 2, we will assess the relative progress made by banks in aligning their disclosures with the TCFD framework.

Therefore, our combined analysis in Phase 1 and Phase 2 will provide insights into how banks are making their climate-related disclosures in the annual reports and other standalone reports.

## Details of Phase 1 of our benchmarking analysis

### Which banks are included in our benchmarking analysis?

There are 35 major banks included in the benchmarking analysis. This consists of five major banks in the UK, seven in Europe, four in Australia, five in Canada, eight in Asia (across China, Japan, India), and six in the US.

### Which reports have we reviewed?

We reviewed the 2021 annual reports of the 35 banks in our analysis during Phase 1 as outlined below.

- We reviewed the online 'glossy' version of the 2021 annual reports, except for a few instances where these were not available publicly at the time of conducting our Phase 1 benchmarking analysis and relevant regulatory filings were reviewed (such as Form 10-K).
- Where the 2021 annual reports are available in more than one language, we reviewed the English version.
- The 2021 annual reports for many of the banks in our analysis cover the year ended 31 December 2021. However, the 2021 annual reports of the banks in Australia, Canada, India and Japan cover a different annual period

# Scope and approach (continued)

## How did we perform the benchmarking analysis?

Our benchmarking analysis focuses on the following key areas: financial reporting; governance, strategy, risk management, credit risk and metrics and targets.

We reviewed the nature and extent of the climate-related disclosures made by the banks in these key areas within their 2021 annual reports, and compared these disclosures between the banks in our analysis.

It is important to note that we have exercised a certain level of **judgement** when assessing the disclosures of the banks in our analysis.

## Details of Phase 1 of our benchmarking analysis (continued)

### Disclosure assessment

In certain parts of our report, we have made an assessment of whether the disclosures over a certain area are 'more detailed', 'less detailed' or 'no disclosures' are provided. When making this assessment, we applied the following key criteria.

- **Disclosures are more detailed:** banks provide information that may be relevant for the users of the annual reports and is not disclosed by the banks assessed as 'less detailed'.
- **Disclosures are less detailed:** banks do not provide information that may be relevant for the users of the annual reports and is disclosed by the banks assessed as 'more detailed'.
- **No disclosures:** banks provide no information on the area assessed.

### Benchmarking analysis in 2020

This is the second year that we are conducting this benchmarking analysis – details of our analysis from the previous year can be found below.

- Phase 1: [Climate risk is financial risk – For banks it's a board-level issue](#)
- Phase 2: [Climate disclosure at banks – Risks are clear, but what are the opportunities?](#)



# Disclosure progress in 2021

## **Banks' progress in disclosing climate-related matters in annual reports has slowed down in 2021**

In our benchmarking last year, we noted significant improvements in the climate-related disclosures in the front part<sup>1</sup> of the 2020 annual reports when compared to the previous years. However, if we look at the 2021 annual reports of 35 major banks, the banks' progress in disclosing climate-related matters has slowed down in the 2021 annual reports.

## **Where there is heightened regulation this generally results in enhanced climate-related disclosures in the annual reports**

Phase 1 of our benchmarking analysis has found that in countries where there is regulation (or even regulatory guidance) on banks' climate-related disclosures, coverage in the annual reports is markedly enhanced. We will see if this is also the trend when we look at the other standalone reports of banks in Phase 2 of our benchmarking analysis.



## **Which banks are ahead of the curve in their climate-related disclosures in the annual reports?**

- For the second year running, UK banks are ahead of the pack when it comes to the nature and extent of relevant information provided in annual reports. In 2021 the TCFD recommendations became mandatory for UK premium listed banks on a comply or explain basis (which includes a statement in the annual report on whether/how they have complied with the TCFD recommendations)<sup>2</sup>. This is reflected in the nature and extent of the climate-related disclosures we see in the 2021 annual reports of the UK banks compared to the other banks.
- Regulators in Australia and certain regulators in Europe have issued guidance on climate-related disclosures and emphasised the importance of considering climate-related matters in annual reports. Although the disclosures may not always be at the same level of detail as the UK banks, we see that many of the banks in these jurisdictions have more and enhanced climate-related disclosures compared to banks in other jurisdictions.
- Certain other jurisdictions appear to be catching up and have increased the disclosures around climate-related information. However, these tend to be jurisdictions where the base level of information has been historically lower.

<sup>1</sup> 'Front part' throughout this report refers to the directors' report and areas of the annual report other than the financial statements and notes. 'Financial statements' refers to the financial statements and notes of the annual report.

<sup>2</sup> In December 2020, the Financial Conduct Authority (FCA) introduced a rule for commercial companies with a UK premium listing to disclose, on a comply or explain basis, against the recommendations of the TCFD. A company that falls within the scope of this rule must include a statement in the annual financial report in relation to their compliance with the rule. See the FCA's [announcements](#) for further details on this requirement.

# What about financial statements?

## Improving connectivity between the front part and the financial statements is key

Users of annual reports are increasingly looking for information about the impacts of climate-related risks and opportunities for banks – they want to understand how these impacts (often disclosed in the front part of annual reports) filter through to the financial statements.

For example, banks disclose details of various green products they are offering in the front part – these may have accounting and disclosure implications in the financial statements.

## Currently, it's all about the front part – disclosures in the financial statements are less common

Banks continue to focus on climate-related matters in the front part of their 2021 annual reports. A minority of banks provide disclosures in the financial statements. A minority also disclose that they have assessed the climate-related impacts on the overall financial statements as immaterial, or certain impacts (such as the impact on measurement of expected credit losses - ECLs) as immaterial. See pages 10-11.

For a majority of banks, there remains little detail on how these matters will impact existing financial statement disclosures, and connectivity between the financial statements and other climate-related information provided elsewhere in annual reports could be enhanced.



## Relevant disclosure considerations for banks

The following articles from the KPMG International Standards Group contain disclosure considerations for certain topics that may be relevant for banks.

Topic	Related articles
Disclosure of climate-related impacts	<a href="#">Have you disclosed the impacts of climate-related matters clearly?</a>
Measurement of ECLs	<a href="#">What's the impact on expected credit losses?</a>
Accounting for green products	<a href="#">Do green loans meet the SPPI criterion?</a>
Impairment of non-financial assets	<a href="#">What's the impact on cash flow projections used for impairment testing of non-financial assets?</a>
Useful lives and residual values of Property, Plant and Equipment (PP&E) and intangible assets	<a href="#">What's the impact on useful lives and residual values of PP&amp;E and intangible assets?</a>
Going concern assessments	<a href="#">What's the impact on the going concern assessment and related disclosures?</a>

# What about future progress globally?

The newly formed International Sustainability Standards Board (ISSB™) released two proposed IFRS® Sustainability Disclosure Standards (the proposals) in March 2022<sup>3</sup>.

The US Securities and Exchange Commission (SEC) also issued proposed climate reporting rules in March 2022<sup>4</sup>.

These proposals mark a new era for reporting.



If the recent proposals are adopted, we are likely to see more extensive climate-related disclosures by companies globally (including banks).

- **Move towards more global consistency:** the SEC's proposed disclosures are not the same as the ISSB's sustainability disclosure proposals – but they are both built from or inspired by the framework of the TCFD and its four pillars – governance; strategy; risk management; and metrics and targets.
- **Consideration of financial statement impacts, and enhanced connectivity between financial statements and other information on climate-related matters:**
  - the proposals issued by the ISSB would require climate-related disclosures to be made as part of a company's general purpose financial reporting and published at the same time as the financial statements. This may be in the management commentary (in the front part of the annual report) or a separate report providing sustainability information. Nevertheless, the proposals would require a company to disclose how sustainability-related financial information relates to information in its financial statements; and
  - the SEC proposal would require certain metrics and other disclosures in the Form 10-K and registration statements, including in the audited financial statements.
- **More progress in climate-related disclosures sooner than later:**
  - individual jurisdictions will decide whether and when to adopt the IFRS Sustainability Disclosure Standards proposed by the ISSB but a rapid route to full adoption is expected in a number of jurisdictions. Some public and private companies may choose to adopt them voluntarily – e.g. in response to investor or societal pressure – and so reporting could be impacted as soon as 2022 year ends;
  - the SEC's proposed rules consist of mandatory climate-related disclosures with audit and attestation requirements. If the final rules are effective by December 2022, they could begin to apply to SEC filings in 2024; and
  - there are other developments taking place in certain jurisdictions – for example the European Financial Reporting Advisory Group (EFRAG) is developing European Sustainability Reporting Standards (ESRSs) which are expected to become mandatory for certain companies across the European Union (EU).

<sup>3</sup> Refer to our [New on the Horizon](#) publication for more information.

<sup>4</sup> Refer to our talk book [Understanding the SEC's climate proposals](#) for more information.



# Financial reporting



# Financial reporting – Key observations

100%

of the banks provide climate-related disclosures within their 2021 annual reports

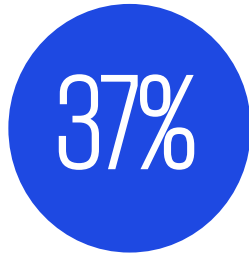
100%

of the banks provide climate-related disclosures mainly in the front part of their 2021 annual reports

## Key observations

- Heightened regulation generally results in enhanced disclosures in the annual reports – as noted on page 6. Although all the banks provide disclosures of climate-related matters in their 2021 annual reports, the nature and extent of information disclosed varies significantly across the banks in our analysis and appears to be driven by whether there is regulation (or regulatory guidance) in a country or region.
- Consistent with our benchmarking last year, all of the banks provide their climate-related disclosures mainly in the front part of their 2021 annual reports. Disclosures in the financial statements are less common – see page 11.
- The banks that use the four pillars of the TCFD framework (governance, strategy, risk management, and metrics and targets) for their disclosures in the annual reports generally include more detailed information about climate-related impacts in the front part, which users may find useful.
- The climate-related disclosures often appear throughout the front part of the annual reports in various sections. Generally, climate-related disclosures are incorporated within the management commentary sections that discuss the bank's wider risk management, governance and strategic activities. This helps users to understand how climate-related matters are considered by management in the key aspects of a bank's business and integrated with its strategy and risk management processes.
- Often the climate-related information provided in the annual reports includes cross references to information in other standalone reports for the detail – such as the TCFD report and the ESG report. Therefore, users of the annual report are often required to navigate through multiple reports to obtain an understanding of the climate-related information provided by a bank.

# Financial reporting – Getting into more detail



of the banks mention climate in the notes to the financial statements

## Notes to the financial statements that mention climate include the following

*Financial risk management (focusing on credit risk)*



*Accounting policies (including critical estimates and judgements)*



*Goodwill*



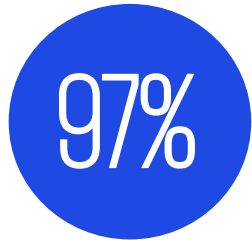
*Deferred tax assets*



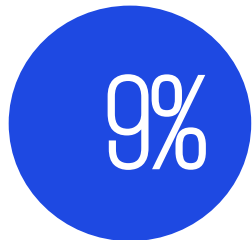
## Getting into more detail

- A small number of banks mention climate in the notes to the financial statements.
  - All the banks that mention climate in the financial statements are from the UK, Australia or Europe.
  - The nature and extent of information disclosed in the financial statements by these banks is often minimal – e.g. disclosing in a single statement that climate-related impacts have been considered in the cash flow projections used for goodwill impairment assessments.
- Banks that mention 'climate' in the financial statements include the following.
  - Two of the banks disclose they have concluded that there are no material impacts on the overall financial statements, and one discloses there are limited impacts in the immediate term. A few banks disclose certain financial statement impacts as immaterial – such as the impact on ECL measurement (see page 34).
  - Two of the banks disclose details of management's consideration of climate-related impacts throughout the various notes to the financial statements. These include disclosures in various notes such as the basis of preparation (consideration in going concern assessment), accounting policies (including critical estimates and judgements), segment analysis, net fee and commission income, goodwill, deferred tax assets and financial risk management (focusing on credit risk).
  - The other banks disclose their climate considerations with respect to certain areas (or specific notes) to the financial statements, with financial risk management (focusing on credit risk) and accounting policies being the two most common notes where climate-related impacts are mentioned.
- For banks, the natural place to include climate-related disclosures in the financial statements is in the ECL and/or fair value measurement notes. However, climate change may not yet have a material impact on these measurements given the shorter time horizon that is taken into account in such measurements compared to the longer climate-related risk time horizon.
- Although we don't see many banks providing climate-related disclosures in their financial statements yet, this trend may change sooner rather than later – particularly as the climate-related activities of banks continue to grow and if climate reporting proposals turn into mandatory reporting frameworks.

# Financial reporting – Other observations



of the banks use the TCFD<sup>5</sup> framework in the annual report and/or other standalone reports



of the banks state they include all the information related to the TCFD disclosures in the annual report

<sup>5</sup>The TCFD was established by the Financial Stability Board in 2015 to respond to the threat posed by climate change to the stability of the global financial system. The purpose of the task force is to improve corporate reporting on climate-related risks and enable financial stakeholders – investors, lenders and insurers – to factor climate-related risks into their decisions. The TCFD-recommended climate-related disclosures were published in 2017 (and updated in 2021).

## Other observations

- 97% of banks in our analysis use the TCFD<sup>5</sup> framework to provide climate-related disclosures within the annual report and/or in other standalone reports.
- The TCFD disclosures became subject to a mandatory comply or explain regime in the UK in 2021 for premium listed companies such as all the UK banks in our analysis – see page 6. Banks in most other jurisdictions currently use the TCFD framework on a voluntary basis.

### *Where do banks provide their TCFD disclosures?*

- The TCFD recommends that organisations provide their TCFD disclosures in their mainstream (i.e. public) annual financial filings.
- Many of the banks disclose a summary of their TCFD disclosures in the annual reports with their detailed TCFD disclosures included in other standalone reports such as the TCFD disclosures report or the climate report.
- 9% of banks in our analysis state that they include all the information related to the TCFD disclosures in their annual reports – i.e. without using other standalone reports which might be available at a different date to the financial statements. The benefit of adopting this approach is that the climate-related disclosures are made available at the same time as the financial statements.

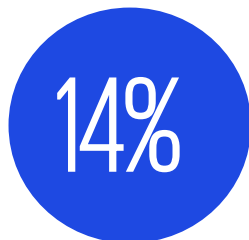
### *Are there other reporting frameworks considered by the banks?*

- Some banks disclose in their annual report that they used or considered other reporting frameworks when disclosing their climate-related information. The ones commonly mentioned include the following.
  - The Global Reporting Initiative (GRI) standards
  - The Sustainability Accounting Standards Board (SASB) standards
  - Streamlined Energy and Carbon Reporting – applicable in the UK
  - The National Greenhouse and Energy Reporting Act 2007 – applicable in Australia

# Financial reporting – Auditor’s reports



of the auditor’s reports of banks mention climate either within or outside the KAMs



of the auditor’s reports of banks mention climate within the KAMs

<sup>6</sup>: Key Audit Matters (KAMs) are included in the auditor’s reports of banks where audits are performed in accordance with International Standards of Auditing (ISAs). KAMs are those matters that, in the auditor’s professional judgment, were of most significance in the audit of the financial statements of the current period. KAMs are selected from matters communicated with those charged with governance.

<sup>7</sup>: For banks where audits are performed in accordance with PCAOB requirements, the auditor’s reports include Critical Audit Matters (CAMs). CAMs are matters arising from the audit of the financial statements that was communicated or required to be communicated to the audit committee and that relates to accounts or disclosures that are material to the financial statements, and involved especially challenging, subjective, or complex auditor judgment.

The KAMs/CAMs included in the auditor’s reports may vary across the banks based on specific facts and circumstances relating to a bank. There are also differences in the definition of KAMs and CAMs (as noted above), which may impact whether climate is mentioned in KAMs and CAMs.

## Auditor’s reports

- The auditor’s reports on the financial statements are starting to mention climate.
- 26% of the auditor’s reports of banks mention climate in their 2021 financial statements. This represents all the banks in the UK and this trend is also observed in the auditor’s reports of some of the banks in Australia and Europe in our analysis. This consists of those auditor’s reports that mention climate either within or outside the KAMs<sup>6</sup>.
  - 14% of the auditor’s reports mention climate in KAMs. Here climate has not been included as a separate KAM – rather, it has been mentioned in KAMs on other areas – most commonly mentioned within the KAM related to the measurement of ECLs.
  - Some auditor’s reports include a dedicated section on climate (separate to KAMs) – usually where an overview is provided on the audit scope. Here, the auditor’s reports describe how climate-related matters have been considered in the audit, in particular when performing risk assessment procedures.
  - Commentary mentioned in the auditor’s reports includes the following.
    - Performing a risk assessment of climate-related risks on the financial statements and audit approach. Specific areas mentioned include:
      - involving climate specialists to understand the impact of climate on the bank;
      - understanding management’s process and assessment of climate-related risks; and
      - making inquiries of management about assumptions including climate-related risk considerations used in going concern models.
    - Considering the impact of climate-related risks as part of the audit procedures on measurement of ECLs, generally where mentioned in the KAMs.
- Banks in the US, Canada and Asia in our analysis currently do not mention climate in the auditor’s reports either within or outside the CAMs<sup>7</sup>/KAMs.



# Financial reporting – Assurance reports

34%

of the banks disclose that they obtained an assurance report on certain climate-related information provided in the annual report

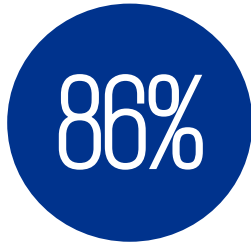
## Assurance reports

- More banks are obtaining assurance over climate-related information which sits outside the financial statements and in the front part of the annual reports.
  - 34% of banks disclose that they obtained an assurance report on certain climate-related information provided in the annual report. This includes all banks in the UK and some banks in Australia and Europe.
  - Generally, these assurance reports provide limited assurance over certain quantitative metrics in the front part of the annual report – such as the greenhouse gas (GHG) emissions related to a bank's operations.
  - Some banks have included the assurance reports in their annual report.
- This is an area in which we may see further developments in the coming years. The recently issued SEC proposals include certain requirements for companies to obtain limited and reasonable assurance of specific climate-related information which sits outside the financial statements. ESRs are also expected to include a requirement for sustainability information to be assured (limited assurance initially and reasonable assurance at a later stage).
- Some banks also disclose in their annual report that they obtained assurance on information in other standalone reports. In Phase 2 of our benchmarking analysis, we will look at this in further detail.

# Governance



# Governance



86% of the banks disclose information on their governance of climate-related matters

## How do the disclosures on governance compare between the banks?<sup>8</sup>



86% of the banks include disclosures around their governance of climate-related risks and opportunities within their 2021 annual reports.

However, the nature and extent of disclosures on governance vary between the banks – 32% of banks provide more detailed disclosures to the users of the annual reports compared to the others.

Generally, the banks acknowledge the roles that their boards and senior management play when it comes to climate-related matters. However, the banks with the more detailed disclosures provide information on the following:

- details of the specific climate-related matters on which the board provides oversight;
- details of the responsibility delegated by the board to specific committees such as the risk committee;
- details of the responsibilities held by senior management including the CEO and CRO; and
- whether and to what extent senior management's remuneration is impacted by climate-related targets and metrics.

<sup>8</sup> See page 5 for further details on how we have assessed the disclosures as 'more detailed', 'less detailed' or 'no disclosures' provided.

# Governance – Board level

## Board oversight

% of banks disclosing climate change as a matter overseen by the board:



## Board committees

% of banks disclosing the roles and responsibilities of its board committees over climate-related matters:

### Risk committee



### Audit committee



## Key observations

- It is clear from the disclosures in the annual reports that climate-related matters are at the forefront of board agendas, with 80% of the banks disclosing climate change as a matter overseen by the board of directors.
- The common areas where banks disclose that their board provides oversight over climate-related matters are noted below.
  - Climate strategy: includes setting, approving and monitoring the bank's climate strategy, establishing metrics and targets and monitoring progress against these.
  - Climate-related risks: includes monitoring and overseeing climate-related risks in line with the bank's business strategy and risk appetite, often with a focus on the bank's reputational risk.
- Some banks disclose details of climate-related roles and responsibilities held by the board committees. Generally, banks in our analysis disclose that:
  - risk committees are responsible for integrating climate-related risk within the wider risk management framework, as well as managing and monitoring these risks; and
  - audit committees are responsible for assessing and approving the climate-related disclosures in the annual report and other standalone reports.
- Some banks disclose that their board members have received training on various climate-related matters during the year to ensure they are aware of these matters, and to assist them in their understanding and assessment of the climate-related risks and opportunities impacting the bank.

# Governance – Management level

## Management roles and responsibilities

% of banks disclosing that they have assigned climate-related roles and responsibilities to management:



## Key management personnel

% of banks disclosing that they have assigned climate-related roles and responsibilities to certain key management personnel in the annual report:

### CEO



### CRO



### Other management roles and responsibilities



## Key observations

- It's not just the board that's getting more involved, as management also play an important role. 86% of banks disclose that they have assigned climate-related roles and responsibilities to management.
- Most often, the chief executive officer (CEO) and chief risk officer (CRO) are responsible for executing a bank's climate strategy and managing its climate-related risks. A minority of banks provide details of the roles and responsibilities of the CEO and CRO.
  - These banks disclose that the CEO is the primary member of the executive management team who is responsible for overseeing the execution of the bank's climate strategy.
  - These banks identify the CRO as the senior manager who is responsible for identifying, managing and monitoring the risks arising from climate-related matters. This includes ensuring that these risks are adequately reflected in the wider risk management framework of a bank.
- Some banks also disclose other management roles and responsibilities – examples of such roles and responsibilities that banks in our analysis disclose include the following.
  - The group sustainability officer is responsible for planning and executing the bank's sustainability initiatives in line with its strategy.
  - The climate risk management committee oversees the bank's risk activities globally relating to climate risk management, including physical and transition risks. The CRO is usually part of this committee.
  - The climate strategy steering committee (or net-zero committee) oversees the direction of the bank's climate-related commitments and progress against its net-zero goals within its strategy. The CEO and the business unit managers are usually part of this committee.



# Governance – Remuneration

## Remuneration

% of banks disclosing that senior management are remunerated based on climate-related metrics and targets



## Key observations

- 51% disclose senior management are remunerated based on climate-related metrics and targets.
- Currently, most of these banks link remuneration to their progress towards sustainable financing commitments and reducing their own operational emissions. Remuneration has not yet been linked to quantitative targets on matters such as reducing financed emissions or reducing exposures in high carbon-intensive industries.
- Therefore, it is often unclear to users of the annual reports how and to what extent senior management are held accountable for their climate-related roles and responsibilities, and ultimately achieving the bank's net-zero goals.
- Additionally, the banks often do not disclose in their annual reports the quantitative details of their progress to date in relation to their climate-related metrics and targets – see pages 36-40. This makes it challenging for users of the annual reports to assess the effectiveness of a bank's governance over climate-related matters, and whether and how it holds senior management accountable for achieving these metrics and targets.

# Strategy



# Strategy



86% of the banks disclose information on their climate strategy in the annual reports. When looking at the details of the disclosures made by the banks, many of the banks provide less detailed disclosures on climate strategy.

What is apparent in the disclosures across the banks is that they are continuing to commit large amounts to green or sustainable financing. This often appears as the focal point of their climate strategy. However, it is less apparent what the banks see as the climate-related opportunities in the medium to long term – this holds true for banks that have more detailed and less detailed disclosures. Without this information, it is often challenging for users of the annual reports to assess how robust their strategies are.

When we compare the nature and extent of information on climate strategy, 14% of the banks in our analysis provide more detailed disclosures on their climate strategy. These banks provide information on the following aspects of their climate strategy which we often don't see in the banks with the less detailed disclosures.

- Information on their strategy around certain carbon-intensive sectors including targets set around sectors such as coal.
- Details of scenario analysis – what is the status of developing these, what scenarios are being used, and what insights were gained from results to date.
- Clear identification of climate-related opportunities – although the opportunities identified appear to be more current or short term opportunities.

<sup>9</sup>See page 5 for further details on how we have assessed the disclosures as 'more detailed', 'less detailed' or 'no disclosures' provided

# Strategy – Net-zero goals

## Net-zero goals

% of banks disclosing they are focused on becoming net zero by 2050 (or earlier):



## Areas of focus

% of banks disclosing that their climate strategy focuses on the following areas:

### Financed emissions



### Green/sustainable financing



### Operational emissions



### New technology and innovation



## Key observations

- Most banks have a climate strategy centred around becoming a net-zero bank by 2050 (or earlier), focused on achieving net zero for their financed emissions and operational emissions. These banks usually disclose that they have aligned their net-zero commitments with the goals of the Paris Agreement – the international treaty on climate change adopted in 2015.
- Banks in our analysis disclose four focus areas to reach net zero:
  - Financed emissions – Many of the banks disclose that they aim to reduce the impact of their financing activity to net zero by 2050. Some include interim 2030 targets that focus on reducing the emissions of their financing in certain sectors – see page 40 for further details.
  - Green or sustainable financing – Many of the banks have committed significant amounts to green or sustainable financing. This includes providing green or sustainable products and services to customers, such as green bonds – see page 23 for details.
  - Operational emissions – Many of the banks disclose that they are aiming to achieve net zero in their own operations, usually by 2030. These banks include information on how they aim to achieve this, such as sourcing 100% renewable electricity for their operations.
  - New technology and innovation – Some banks disclose that they are investing in new technology and innovation focused on climate-based solutions. These solutions often involve partnering with fintech start-ups or collaborating with businesses in other industries. Such technology and innovation ranges from ‘introducing carbon-tracking features for customers in the mobile banking app’ to ‘investing in climate technology companies’.

# Strategy – Green or sustainable financing

## Common products and services

% of banks disclosing that they are offering the following products or services:

*Green or sustainable bonds (liabilities)*



*Green loans (assets)*



## Key observations

- Green or sustainable financing is a big part of a bank's climate strategy.
  - Banks have committed to provide large amounts of green or sustainable financing, with targets ranging from a few billion to as much as \$1 trillion (USD) by 2030 (or earlier).
  - A significant aspect of green or sustainable financing is the offering of green or sustainable products and services.
- Although banks have committed large amounts to green or sustainable financing, there is no universally-accepted definition of these. There are ongoing initiatives in certain jurisdictions to provide guidance in this area – such as the Sustainable Finance Disclosure Regulation (SFDR) and the EU Taxonomy on sustainable activities. However, the current diversity in practice on what is green or sustainable makes it harder to compare these targets (and related metrics) in the industry.
  - Additionally, it is not always clear when reading a bank's annual report what is included in green or sustainable financing. This can be even more challenging for users of the annual reports to assess whether these large amounts of financing are being directed towards investments or projects that will make a significant difference in achieving net zero globally.
- Those banks that provide more detailed disclosures in this area appear to include a wide range of products and services under the umbrella of green or sustainable financing – for example green loans, green or sustainability bonds, green deposits, and advisory services for financing in sustainable energy projects.
- The two most commonly mentioned products or services by the banks in their annual reports are the following.
  - Green loans (including green mortgages), made available to finance or re-finance new and/or existing eligible green projects or activities or solutions – e.g. preferential rates to customers purchasing energy efficient homes or purchasing electric vehicles.
  - Green or sustainable bonds issued by banks where the proceeds are used to fund green or sustainable businesses, projects or activities.
- Other products and services that banks disclose include sustainability-linked derivatives, corporate finance advisory services in renewable energy, and green deposits.



# Strategy – Climate-related opportunities

## Climate-related opportunities

% of banks that clearly identify climate-related opportunities in their disclosures – i.e. clearly labelled as opportunities:



## Key observations

- Climate-related matters create both opportunities and risks for banks. In line with the banks' traditional focus on risks, they generally provide detailed information on the climate-related risks in their annual reports (see pages 27-30). However, not all the banks clearly identify their climate-related opportunities in their annual reports.
- Where opportunities have been identified, most banks focus on the large amounts of green or sustainable financing they have committed and the opportunities these create – such as their new product and service offerings (see page 23).
- However, it is often challenging for users to navigate this information (in particular the large green and sustainable financing amounts disclosed) to fully understand what the banks see as their climate-related opportunities in the medium to long term.
  - For instance, what do the banks identify as the more structural opportunities and competitive advantages to achieve their net-zero goals in the medium and long term – and which sectors of their lending and investment portfolios do they see these opportunities in?
- When it comes to the strategy around carbon-intensive sectors, most banks have not clearly identified the specific sectors in which they see their climate-related opportunities. This might be because most banks are still mapping and measuring their financed emissions to fully comprehend the sector impacts across their financing activities.
  - Some targets have been set around specific segments such as thermal coal (see page 40). However, without knowing the quantitative details of financed emissions, it is challenging for users of the annual reports to understand how these sector-based targets fit in with the wider net-zero goals of their strategy – i.e. the impact these sector-based targets will have and when their impacts can be seen.

# Strategy – Climate scenario analysis

## Climate scenario analysis:

% of banks disclosing that they have performed a climate scenarios analysis, or that they have started such an analysis:



% of banks that disclose the scenarios used in the scenario analysis:



% of banks that disclose insights from the results of their scenario analysis performed to date:



## Key observations

- Scenario analysis is an important and useful tool for understanding strategic implications of climate-related risks and opportunities.
- 71% of banks disclose in their annual reports that they have performed climate scenario analysis or they have started developing such analysis.
- 31% of the banks disclose the scenarios that they are using, and 17% of the banks disclose insights from results to date (either qualitative or quantitative).
  - Developing climate scenario analysis that is meaningful is easier said than done – for instance, there are data availability and granularity challenges that banks are facing.
  - Therefore, it can be difficult for users of the annual reports to clearly understand the impacts of climate-related matters across a bank's business activities and assess the resilience of their strategies.
- When looking at the level of detail provided by the banks on scenario analysis, those banks in jurisdictions which have implemented regulatory requirements or exercises around climate scenario analysis generally provide more detailed disclosures – most notably, many of the UK banks as they participated in the Bank of England's Climate Biennial Exploratory Scenario in 2021.
- Where banks provide information on scenario analysis, many of these banks disclose that they use the scenarios published by the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). These banks generally use a three-scenario approach utilising the following scenarios from the NGFS: Orderly, Disorderly and Hot House World.

# Strategy – Climate scenario analysis (continued)

## Climate scenario analysis

% of banks disclosing details of how their climate scenario analysis interacts with other scenario analysis already disclosed in the financial statements:



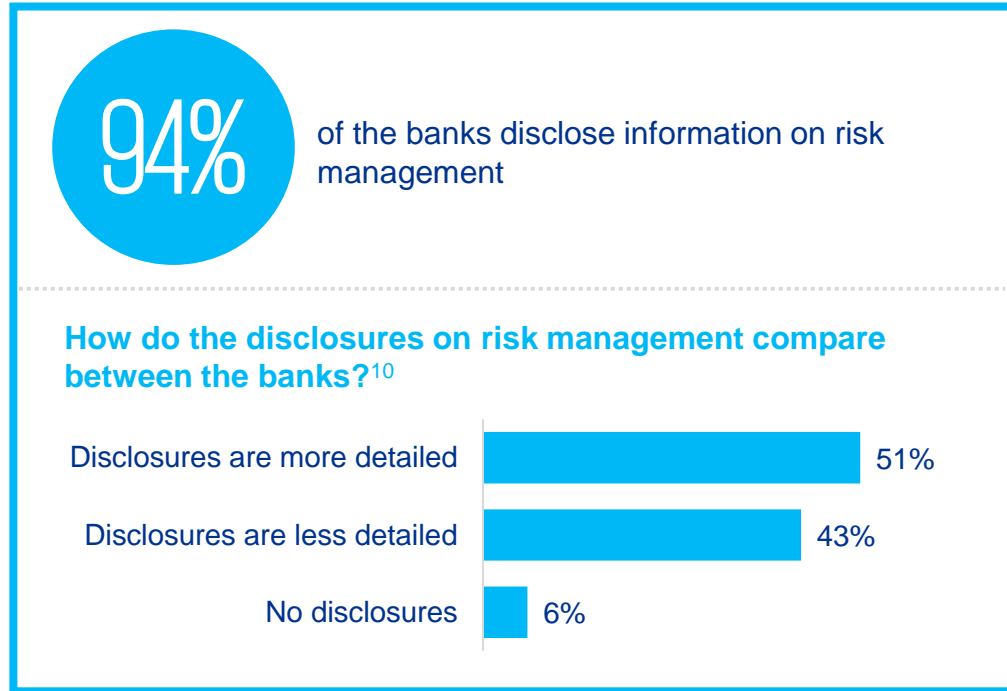
## Key observations (continued)

- Currently, it is not clear how climate scenario analysis interacts with other scenario analysis already disclosed within the financial statements.
- In particular, it is not clear in the disclosures (yet) whether and how the economic scenarios used in ECL measurements have been adjusted for climate-related risks.
  - The impact on ECLs currently may be limited because the most significant effects of climate-related matters are expected to emerge over the medium to longer term. However, even in such cases – given the expectations of the users of annual reports – banks may need to consider disclosing key assumptions related to climate-related risks.

# Risk management



# Risk management



Banks are aware of climate-related risks. We can see this in the disclosures made – particularly when it comes to describing the risks they have identified, and disclosing whether these impact their other risks. This is not surprising given the banks’ traditional focus on risk management. Accordingly, we see that 94% of the banks disclose information on risk management in the annual reports.

The nature and extent of information on risk management varies between the banks. The banks with the more detailed disclosures generally provide the following information when compared to those with less detailed disclosures.

- Identifying and describing the climate-related risks and potential business impacts of these, as well as disclosing how the bank is managing its climate-related risks.
- Identifying and describing other risks which are impacted by climate-related risks, in particular describing the impacts on credit risk.
- Whether/how climate-related risks are integrated into the overall risk management framework of identification, assessment, management and reporting of risks.

<sup>10</sup> See page 5 for further details on how we have assessed the disclosures as 'more detailed', 'less detailed' or 'no disclosures' provided



# Risk management – Climate-related risks

## Impact on the bank

% of banks disclosing that climate-related risk could have material or adverse impacts on their businesses:



## Wider risk management framework

% of banks disclosing they are integrating climate-related risks into their wider risk management framework:



## Impact on other risks:

% of banks disclosing that climate-related risks impact on other types of risks:

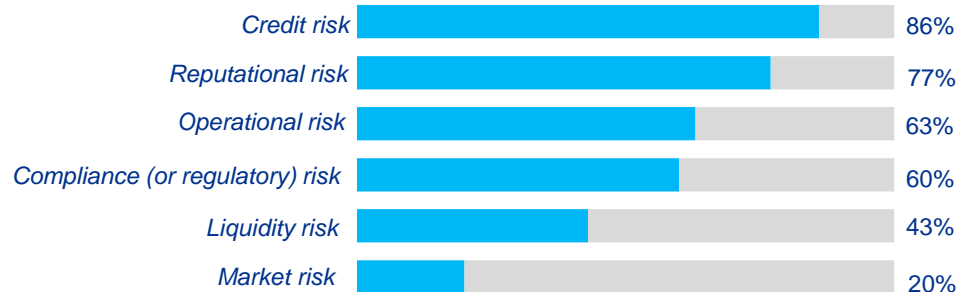


## Key observations

- Many of the banks in our analysis are starting to see climate-related risks as a 'business as usual' risk on par with their traditional risks. In particular, they acknowledge in their 2021 annual reports that climate-related risks could have material or adverse impacts on their businesses (where impacts could be categorised as financial or non-financial).
- 77% of the banks disclose in their annual reports that they are integrating climate-related risks into their wider risk management framework, and they are starting to follow the more 'business as usual' processes of identification, assessment, management and reporting of these risks.
- Many banks also acknowledge that climate-related risks have an impact on their other risks – most commonly associated risks include credit, reputational, operational and compliance risk, whilst the impacts on liquidity and market risks are not always mentioned.
- Within risk management, credit risk gets the most attention in the disclosures, with banks detailing how they are integrating climate-related risks into their credit risk policies and processes – see page 33.

## Types of risks impacted

% of banks disclosing that climate-related risks impact on other types of risks:



# Risk management – Physical and transition risks

## Physical and transition risks

% of banks acknowledging they could be impacted by both physical risks and transition risks:



## Key observations

- Most banks follow the TCFD risk categorisation by splitting the climate-related risks on their businesses into either physical risks or transition risks.
- Banks in our analysis disclose the following potential impacts related to physical risks.
  - Banks acknowledge physical risks can result in financial loss to the banks if they impact the borrower's ability to repay their loans whilst decreasing the value of collateral – e.g. due to flood risk.
  - They acknowledge that climate-related risks could result in a decline in the value of assets held as collateral, which may impact on their ability to recover funds when loans default.
  - Banks also recognise that there may be further implications if their own assets or operations are impacted by extreme weather or chronic changes in weather patterns.
  - Banks in Australia specifically disclose in their annual reports that parts of the country are prone to extreme weather events (such as drought) which can be widespread due to climate change.
- In terms of transition risks, banks in our analysis disclose the following potential impacts.
  - Banks acknowledge that certain customer segments (e.g. oil and gas) may be negatively impacted by decreasing investor appetite and customer demand for carbon intensive products and services. Some segments may also be impacted by climate-related litigation, and changes to regulations/government policies around climate-related matters. Therefore, there may be increased customer defaults in certain sectors which are significantly impacted by transition risks.
  - Banks also disclose that they could face increased regulatory, reputational and legal scrutiny as a result of their climate-related commitments.

# Credit risk



# Credit risk

74%

of the banks provide details about the climate-related impacts on their credit risk (qualitative and/or quantitative details)

## How do the disclosures on credit risk compare between the banks?<sup>11</sup>



Climate-related risks may impact the expected cash flows to be received from a loan and, therefore, the banks' exposure to credit losses.

A majority of banks disclose details about the climate-related impacts on credit risk (qualitative and/or quantitative details). However, when we compare these disclosures between the banks in our analysis, 26% of banks provide more detailed disclosures than others.

Many of the banks acknowledge the credit risk impacts in their disclosures within the annual report and they outline measures they have already taken to consider climate-related risks in their credit risk policies and processes. The banks with the more detailed disclosures provide quantitative details to the users of the annual reports – such as their lending exposures in climate-intensive sectors (an area in which we observe the detail currently sits mainly in the unaudited front part of the annual reports).

One common area where we don't (yet) see detailed disclosures is ECL measurement – or at least not in the financial statements along with the other ECL disclosures.

<sup>11</sup> See page 5 for further details on how we have assessed the disclosures as 'more detailed', 'less detailed' or 'no disclosures' provided

# Credit risk – Policies and processes

## Credit risk policies and processes

% of banks disclosing that they have already integrated (or started to integrate) climate-related risks in their credit policies and processes:



## Key observations

- Many of the banks acknowledge that their lending portfolios are exposed to climate-related risks which can have an impact on the associated credit risk. The key credit risk impacts described by the banks include the following.
  - Increased frequency and severity of climate events could impact the customer's ability to repay loans, resulting in increased defaults to the bank and potentially reducing collateral values.
  - Government and regulatory actions as well as failure to comply with environmental legislation could impact the ability of some customers to generate long-term returns, lead to certain assets being stranded or impact their ability to repay loans.
  - Where customers do not hold appropriate levels of insurance for physical assets, this may impact the value that banks can recover from climate-related events such as natural disasters.
- 60% of banks disclose that they have already integrated (or started to integrate) climate-related risks in their credit policies and processes, particularly when it comes to their policies and processes around credit assessments of borrowers. Some of the key measures disclosed by the banks include the following.
  - Introducing mandatory climate-related considerations in credit assessments of borrowers.
  - Changes in credit policy to restrict exposures in certain carbon-intensive sectors.
  - Enhanced due diligence procedures introduced for customers in certain carbon-intensive sectors.
  - Use of customer questionnaires to better understand the climate-related risks impacting wholesale customers and their climate strategies (including transition plans).



# Credit risk – ECL measurement

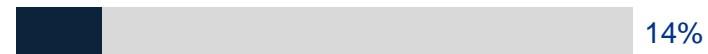
## ECL measurement – reference to climate-related risks

% of banks disclosing that they have considered climate-related risks in measuring ECLs:



## ECL measurement – disclosure of impacts

% of banks disclosing they have assessed that the impacts on measuring ECLs are immaterial:



## Key observations

- Climate-related risks may impact the expected cash flows to be received from a loan and consequently the banks' exposures to credit losses. Borrower-specific attributes, physical risks and transition risks, either individually or in combination, may impact expected cash flows as well as the range of potential future economic scenarios considered in measuring ECLs.
- 23% of banks disclose that they have considered climate-related risks in their ECL measurement, and 14% of banks state that they have assessed these impacts as immaterial.
- For banks, a key area for disclosure of climate-related risks in the financial statements would be in the notes related to ECL measurement. The impact of climate-related risk factors on ECL measurement will vary depending on the severity and timing of expected climate-related risks, their direct and indirect impacts on the borrower and the lender's loan portfolio, and the duration of the loan portfolio.
  - Given the shorter time horizon that is taken into account in measuring ECLs compared to the longer time horizons related to climate change, there may not be a material impact on ECL measurement today. This may be a reason why none of the banks in our analysis disclose quantitative impacts of climate-related risks on its ECLs.
- However, even if the current period impacts are not yet material, it may be important for banks to demonstrate how they have considered climate-related impacts by disclosing:
  - the significant judgements made by management in assessing the impact of climate-related risks on ECL;
  - the main areas of ECL measurement which are impacted by the climate-related risks – e.g. how forward-looking information is incorporated into the ECL measurement; and
  - the key climate-related areas of estimation uncertainty impacting ECLs.

# Credit risk – Lending exposures

## Lending exposures

% of banks disclosing the amount and/or percentage of lending exposures in carbon-intensive sectors:



## Key observations

- 23% of banks disclose the amount and/or percentage of lending in carbon-intensive sectors within the annual reports.
- Carbon-intensive sectors which are commonly mentioned by the banks include the following.
  - Coal
  - Oil and gas
  - Agriculture
  - Power generation
  - Transport
  - Residential mortgages
  - Commercial real estate
- For these sectors, banks generally disclose the amount (in dollars or equivalent currency) and/or percentage of gross lending exposures in carbon-intensive sectors at the 2021 reporting date.
- A minority of banks provide the quantitative details for both 2021 and 2020, which allows users of the annual reports to see whether their exposures in these sectors have increased or decreased. The banks that provide such disclosures state that their exposures have decreased.
- A minority of banks disclose quantitative details of their financed emissions in the annual reports – see page 39. Most banks are still quantifying their financed emissions, and therefore don't present a full picture when it comes to the banks' lending exposures in carbon-intensive sectors – e.g. the amount of absolute emissions associated with a certain sector; the amount of lending in this sector; and how the bank considered the absolute emissions when lending to this sector (and setting its sector-specific lending targets).

# Metrics and Targets

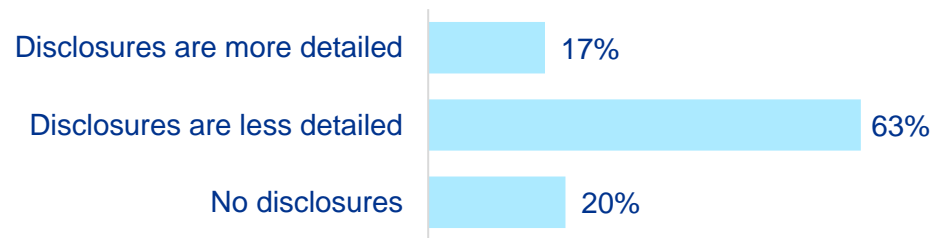


# Metrics and targets

80%

of the banks disclose information on metrics and targets

## How do the disclosures on metrics and targets compare between the banks?<sup>12</sup>



80% of the banks disclose information on their climate-related metrics and targets in the annual reports. The nature and extent of information disclosed varies significantly between the banks in our analysis.

One area which is still vague in the annual reports of all banks is 'financed emissions'. At the same time, calculating financed emissions is complex, particularly when there is no universally accepted methodology for measuring these – see page 39.

A minority of banks in our analysis provide more detailed disclosures. These banks generally disclose the following information to the users of the annual reports.

- More information on financed emissions – such as the methodology that the bank is using (or intends to use) and quantitative details of financed emissions (or preliminary numbers) of at least certain sectors.
- Sector specific targets for carbon-intensive sectors – in particular, those sectors related to fossil fuels.

However, many banks provide less detailed disclosure or no disclosure on climate-related metrics and targets in the annual report. In the end it's about the numbers – metrics need to be quantified, targets further defined and progress tracked. Without the numbers, it is difficult for users of the annual report to understand and assess the extent of the banks' commitments and progress in achieving them, or to make informed comparisons between the banks.

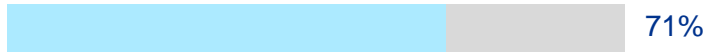
<sup>12</sup> See page 5 for further details on how we have assessed the disclosures as 'more detailed', 'less detailed' or 'no disclosures' provided

# Metrics and targets – Common focus areas

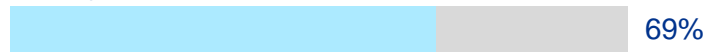
## Common focus areas – targets

% of banks disclosing the following targets:

*To provide a committed amount of green or sustainable financing by 2030 (or an earlier date)*



*To reduce operational emissions to net zero by 2050 (or earlier)*



*Financed emissions – see page 39*

## Common focus areas – quantitative metrics

% of banks disclosing quantitative details of their metrics related to:

*Amount achieved to date in green/sustainable financing*



*Metrics for operational emissions*



*Financed emissions – see page 39*

## Key observations

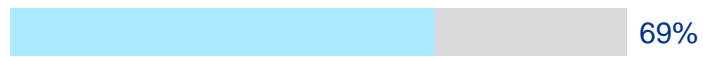
- There are three key areas where banks disclose information on climate-related metrics and targets in their annual reports:
  - financed emissions
  - green or sustainable financing; and
  - operational emissions.
- Common targets that banks disclose in these three areas are:
  - to reduce financed emissions to net zero by 2050 (or earlier);
  - to provide a committed amount of green or sustainable financing by 2030 (or an earlier date); and
  - to reduce operational emissions to net zero by 2030 (or earlier).
- In terms of the metrics that banks disclose to measure the targets in these three areas, the following observations can be made.
  - Financed emissions: a minority of banks disclose quantitative metrics on their financed emissions – see page 39 for details.
  - Green or sustainable financing: some banks disclose quantitative metrics – these include the amount of financing provided to date and/or during 2021.
  - Operational emissions: some banks disclose quantitative metrics, but the nature and extent of the metrics vary. The metrics disclosed by the banks in the annual reports are sometimes driven by local reporting requirements – for example the ‘Streamlined Energy and Carbon Reporting’ in the UK, and the ‘National Greenhouse and Energy Reporting Act 2007’ in Australia. Generally, these banks disclose a variety of metrics, ranging from energy consumption to GHG emissions.



# Metrics and targets – Financed emissions

## Financed emissions – targets

% of banks disclosing a target to reduce financed emissions by 2050 (or earlier):



## Financed emissions – metrics

% of banks disclosing quantitative details of their financed emissions:



## Key observations

- Financed emissions is one of the key metrics for measuring the climate-related impacts for banks.
- Although many banks have a target to make their financed emissions net zero by 2050 or sooner, it appears from information in the annual reports that banks are at different stages in terms of quantifying and disclosing these to the users.
- A minority have quantified and disclosed their financed emissions – these currently focus on a subset of their lending exposures (i.e. those in specific sectors).
- However, a majority of the banks do not disclose any quantitative details of their financed emissions in the annual reports – it appears from their disclosures that many of these banks have not started quantifying their financed emissions or they are only at the early stages of doing so.
- How are banks measuring their financed emissions?
  - There is currently no universally accepted methodology for measuring financed emissions. This makes it challenging to obtain consistency in terms of how banks measure these, and challenging for users to compare results when these become available across more banks in the future.
  - From the banks that disclose their methodology for measuring financed emissions, the methodology of the Partnership for Carbon Accounting Financials (PCAF) is the most commonly referenced sector-specific methodology.

# Metrics and targets – Sector focus

## Thermal coal

% of banks disclosing specific targets for thermal coal:



## Oil and gas

% of banks disclosing specific targets for oil and gas:



## Key observations

- Targets around fossil fuels are often vague with no metrics disclosed.
  - Targets: some banks currently disclose targets focused on very specific segments of their fossil fuel lending portfolios, with thermal coal mining and oil and gas being the commonly targeted segments. These banks generally disclose interim 2030 targets around fully phasing out or reducing their financing by a certain percentage in these sectors.
  - Metrics: the annual reports often do not disclose quantitative details on the banks' exposure to fossil fuels, including financed emissions and the amount of funding related to these. Without knowing the numbers, users of the annual reports are unable to assess whether the banks are focusing on the most relevant segments and whether the targets set by banks on fossil fuel exposures are appropriate.
- When it comes to understanding and assessing a bank's strategy around fossil fuels, the metrics and targets are important for users – in particular the financed emissions for carbon-intensive sectors which are often centred on fossil fuels.
  - Banks have not yet fully quantified their financed emissions across all their financing activities and identified all their high-emitting sectors. Once this has been done, they then need to further define their targets for these sectors (including fossil fuels) and start tracking their progress towards such targets.
  - Until this happens, it is difficult for users to fully understand and assess the extent of the impact of banks' commitments on achieving their net-zero goals – e.g. in relation to fossil fuels.

# Keeping in touch

## Contacts



### Andrea Schriber

Audit Quality Leader – Financial Services  
KPMG International Standards Group  
andrea.schriber@KPMGIFRG.com



### Silvie Koppes

Associate Partner  
KPMG in the UK  
silvie.koppes@KPMG.co.uk

Follow 'KPMG IFRS' on LinkedIn or visit [home.kpmg/ifrs](https://home.kpmg/ifrs) for the latest news.

Whether you are new to IFRS® Standards or a current user, you can find digestible summaries of recent developments, detailed guidance on complex requirements, and practical tools such as illustrative disclosures and checklists.

#### IFRS Today

Blog, podcasts and videos



#### News

Search all KPMG articles on IFRS Standards



#### Climate change financial reporting resource centre



#### Sustainability reporting



#### Guides to financial statements



#### Financial reporting in uncertain times resource centre



#### IFRS App

Download the app to your iOS or Android device



#### Insight into IFRS®

Helping you apply IFRS Standards to real transactions and arrangements





© 2022 KPMG IFRG Limited, a UK company, limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Standards Group is part of KPMG IFRG Limited.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited (“KPMG International”), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit [home.kpmg/governance](https://home.kpmg/governance).

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

*This publication contains copyright © material of the IFRS® Foundation. All rights reserved. Reproduced by KPMG IFRG Limited with the permission of the IFRS Foundation. Reproduction and use rights are strictly limited. For more information about the IFRS Foundation and rights to use its material please visit [www.ifrs.org](http://www.ifrs.org).*

Disclaimer: To the extent permitted by applicable law the ISSB Board and the IFRS Foundation expressly disclaims all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise (including, but not limited to, liability for any negligent act or omission) to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.

Information contained in this publication does not constitute advice and should not be substituted for the services of an appropriately qualified professional.

*‘IFRS®’, ‘IASB®’, ‘IFRIC®’, ‘IFRS for SMEs®’, ‘IAS®’ and ‘SIC®’ are registered Trade Marks of the IFRS Foundation and are used by KPMG IFRG Limited under licence subject to the terms and conditions contained therein. Please contact the IFRS Foundation for details of countries where its Trade Marks are in use and/or have been registered.*