ON Climate | COMMERCIAL REAL ESTATE (CRE)

Calculate and report on financed emissions and credit risk to develop climate mitigation strategies

ON Climate provides lenders the ability to assess climate transition risk on their loan book. Climate and credit risk teams get access to immediate and actionable intelligence on your CRE (investment) portfolio down to the individual borrower and collateral level, enabling you to:

— Calculate financed emissions across your entire CRE (investment) loan book without wasting time in collecting emission data from your customers

— Mitigate regulatory risk by identifying climate risk in your portfolio early, allowing you to create effective climate transition risk strategies

— Incorporate climate risk measurement into your regular portfolio management and underwriting process

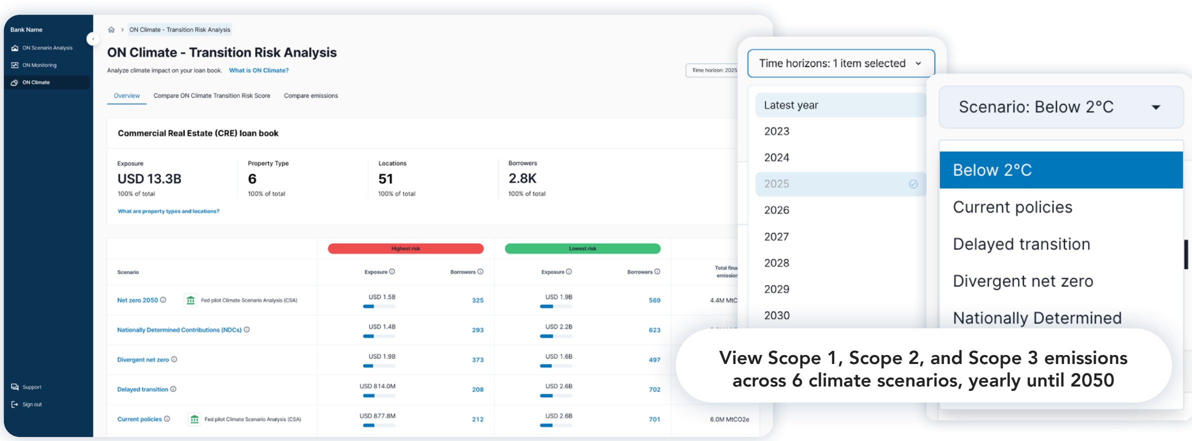
— Increase customer retention and wallet share by giving your front line the information they need to facilitate meaningful conversation with customers on climate risk

Value proposition:

1 Identify and report on financed emissions in your loan book, without wasting time on data collection

— Calculate emissions at the portfolio, property type (6 covered: Multi-family, Office, Retail, Hotel, Industrial, Warehouse), location (all states), and borrower levels, while adhering to PCAF score 3 and 4 reporting using whole-building approach

— Analyze and report on Scope 1, Scope 2 and Scope 3 financed emissions (yearly figures till 2050) across six NGFS climate scenarios for strategic planning while keeping the cost of reporting low



2 Identify climate risk in your portfolio early and mitigate regulatory risk

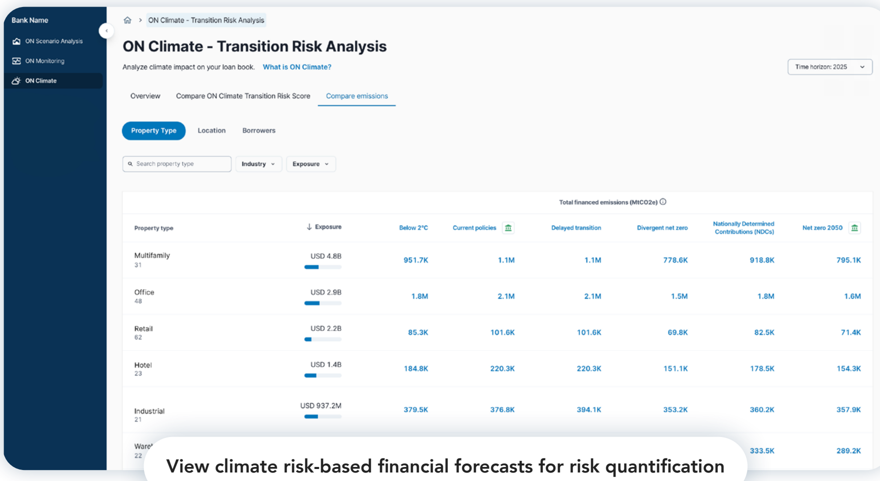
— Plan ahead for market changes and formulate targeted risk mitigation strategies by identifying high risk property types, locations, and borrowers in your loan book

— Analyze ON Transition Risk Score (highest to lowest) alongside your existing credit risk ratings and stack rank the portfolio for priority deep dives and climate focused review

— Use shorter NGFS timelines of 3-5 years to make climate decisions on your portfolio now OR define a custom transition pathway to stress test the impact of an accelerated climate transition timeline on your portfolio

— Analyze the impact on borrowers with requirements to comply with existing regulatory laws (or guidelines) in 4 states/cities

— Understand the impact of climate risk on borrower financials and credit health and extract climate risk-based financial forecasts for risk quantification



View climate risk-based financial forecasts for risk quantification

3 Strengthen relationships with customers, improve retention, and increase wallet share by helping borrowers transition to a low carbon economy

— Understand the drivers (technology, regulatory) of transition risk for borrowers to inform meaningful conversations with borrowers around decarbonizing their properties

— Lend into more decarbonizing assets/locations and lower overall emissions to improve your NPS and brand value

Scope 3

FINANCED EMISSIONS

Report on Scope 1, Scope 2, and Scope 3 financed emissions quickly without costly and time-consuming data collection exercise.

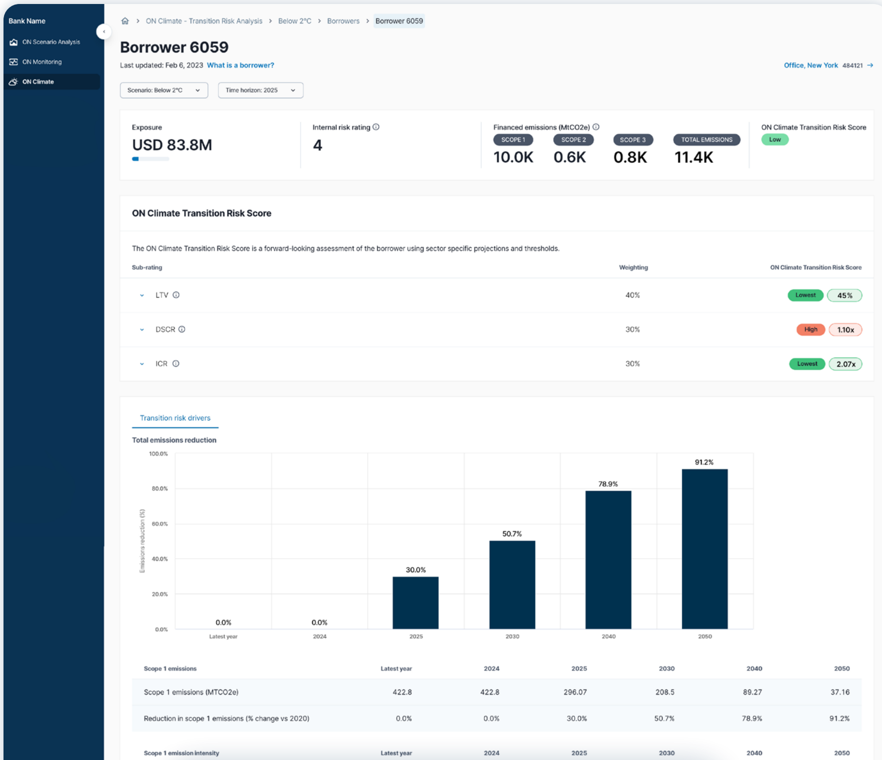
6

CLIMATE SCENARIOS

Use climate models aligned with recognized industry and accounting standards such as NGFS, and PCAF to avoid future risk and create effective climate transition risk strategies.

> “We are partnering with OakNorth Credit Intelligence to help develop our climate scenario analysis capability, quantify our climate risk in commercial lending, guide future conversations with our commercial borrowers, and enable us to continue our climate leadership through disclosure.”

MIKE FAILLO
FIFTH THIRD BANK



Drivers of transition risk in a borrower's business models

ON CLIMATE HELPS BANKS EVALUATE AND REPORT ON CLIMATE IMPACT EARLY

ON Climate provides lenders with the information they need to determine the impact climate could have on their CRE loan book. By quickly identifying the most vulnerable asset classes / locations, banks can develop effective transition risk strategies that will help them avert future losses and build loan portfolios that are more resilient to transition risk.

Request a demo

OakNorth CREDIT INTELLIGENCE