



KPMG Launches Physical Risk Assessment Platform for Hong Kong Banking Industry

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KPMG is proud to announce the launch of an innovative cloud-based platform solution developed in collaboration with the Hong Kong Monetary Authority (HKMA) and XDI (Cross Dependency Initiative). A first of its kind on this scale in the international banking sector, the platform improves how authorized institutions (AIs) in the Hong Kong SAR manage climate risks by providing on-demand physical climate risk analysis. The deployment of the platform will be carried out in a phased manner. The beta version is already live, with the final version planned for release early next year.

The HKMA Physical Risk Assessment Platform leverages advanced technology to provide comprehensive physical risk assessments. This includes a climate risk-related database and an analytical tool, enabling the Hong Kong banking sector to perform physical risk assessment for various hazards. It offers scenario analysis tools, forward-looking data analytics, and interactive risk assessments, that help AIs identify potential vulnerabilities and implement effective risk mitigation strategies. The platform, leveraging XDI's Climate Risk Hub technology, allows banks to assess the potential impact of physical risks on residential and commercial buildings in Hong Kong under different climate scenarios.

It is crucial for banks to integrate climate considerations into their broader risk frameworks and align their strategies with the evolving climate landscape to foster long-term resilience.

KPMG is a global organisation of independent professional services firms providing audit, tax and advisory services in 143 countries and territories. KPMG China has offices in 31 cities including Hong Kong, with more than 14,000 partners and staff.

Our Risk Advisory team brings together deep expertise and innovative solutions to assist Financial Institutions in integrating sustainability into their core strategies. Through the new HKMA Physical Risk Assessment Platform and our broader advisory services, we strive to foster a resilient and sustainable financial ecosystem in Hong Kong. We view this collaboration as a pivotal step in providing high quality advisory support to our clients, supporting the broader mission to enhance climate resilience in the financial sector.

To learn more about KPMG's ESG solutions visit [Environmental, Social and Governance - KPMG China](#).

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