Workstream on Supervision

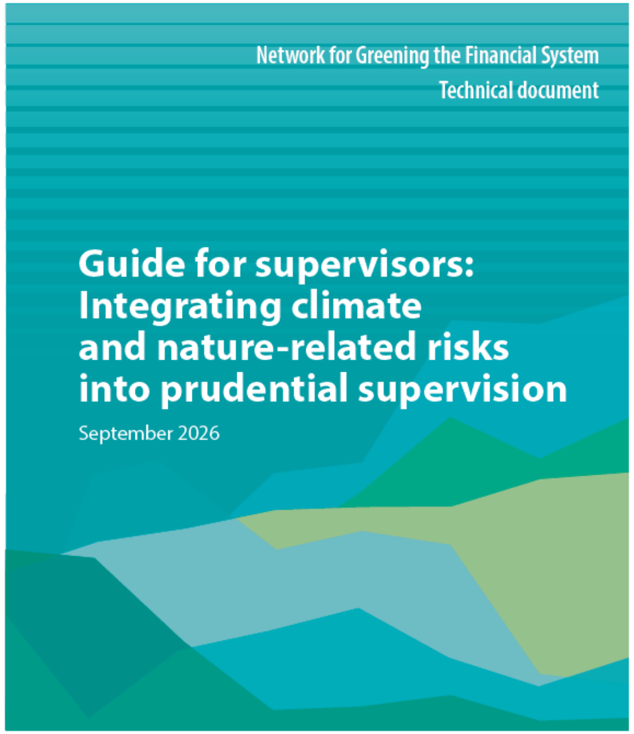
2026 NGFS Guide for Supervisors

Public Outreach Event
21 September 2026

The 2026 Guide for Supervisors updates the 2020 framework to reflect evolving risks and supervisory practices

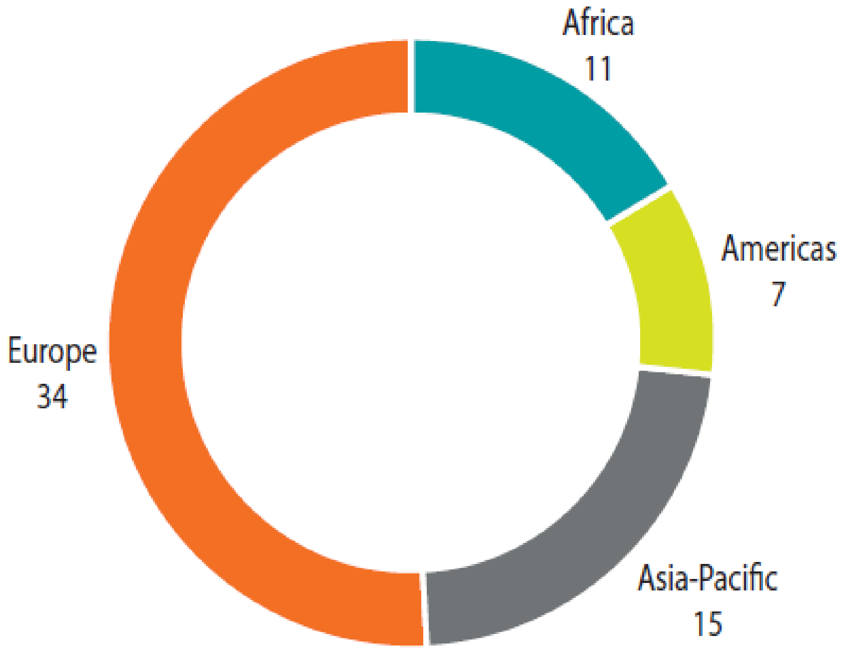
THE GUIDE IN BRIEF

- **Updates the framework introduced in 2020**, while retaining continuity with the first Guide
- **Incorporates recent developments** in climate- and nature-related financial risks and supervisory practices
- **Draws on a broad practical evidence base**, including an NGFS survey of 67 supervisory authorities and case studies from NGFS members
- **Adopts a progressive and proportionate approach**, recognising differences in mandates, institutional arrangements, resources and jurisdictional contexts
- **Is not intended to set supervisory standards**, but provides practical approaches that supervisors can adapt to their circumstances and other stakeholders can draw on



The Guide was developed based on a survey of NGFS supervisors and a series of case studies illustrating a range of supervisory approaches

RESPONSES IN ABSOLUTE TERMS TO THE NGFS SURVEY ON SUPERVISORY PRACTICES



Source: NGFS (2026), Guide for Supervisors: Integrating Climate and Nature-related Risks into Prudential Supervision, September 2026

- The Guide is based on a range of existing supervisory approaches, informed by a **survey of NGFS supervisors and a series of case studies**
- While not exhaustive, the case studies illustrate practices observed across jurisdictions
- The stocktaking survey, conducted in early 2026, gathered **67 responses, representing 70% of NGFS country members**. The NGFS is composed of 95 member countries as of June 2026

Evolving risks and supervisory practices called for an updated Guide

EVOLVING RISK LANDSCAPE

- **Climate and nature-related financial risks** have become increasingly evident
- **Extreme weather events** can result in significant economic losses and financial-system spillovers
- **The interactions between climate change, nature degradation and financial risks** are receiving greater attention

EVOLVING SUPERVISORY PRACTICES

- **Supervisors have gained experience** in assessing and addressing climate and nature-related financial risks
- **Supervisors are increasingly embedding these risks** into their core supervisory frameworks and processes
- **Scenarios, stress testing and climate-related disclosure frameworks** have continued to develop

The 2026 Guide combines a familiar structure with a broader supervisory agenda and new topics

STRUCTURE OF THE GUIDE

1. Climate and nature-related risks as a source of financial risk
2. Awareness raising, organisational arrangements and capacity building for supervisors
3. Assessing and quantifying climate and nature-related risks
4. Supervisory guidance for financial institutions
5. Prudential framework and tools
6. Looking forward

UPDATED CONTENT AND KEY FEATURES

- **Incorporation of developments in nature-related risks, transition planning, adaptation, stress testing and disclosures;** among others
- **Progressive and proportionate approach,** recognising differences in mandates, institutional arrangements and resources
- **Draws on an NGFS survey of 67 supervisory authorities, member case studies and technical boxes** contributed by NGFS workstreams, task forces, expert networks and external stakeholders

Supervisors should understand how climate and nature-related financial risks transmit and identify those likely to be material

WHAT THE GUIDE HIGHLIGHTS

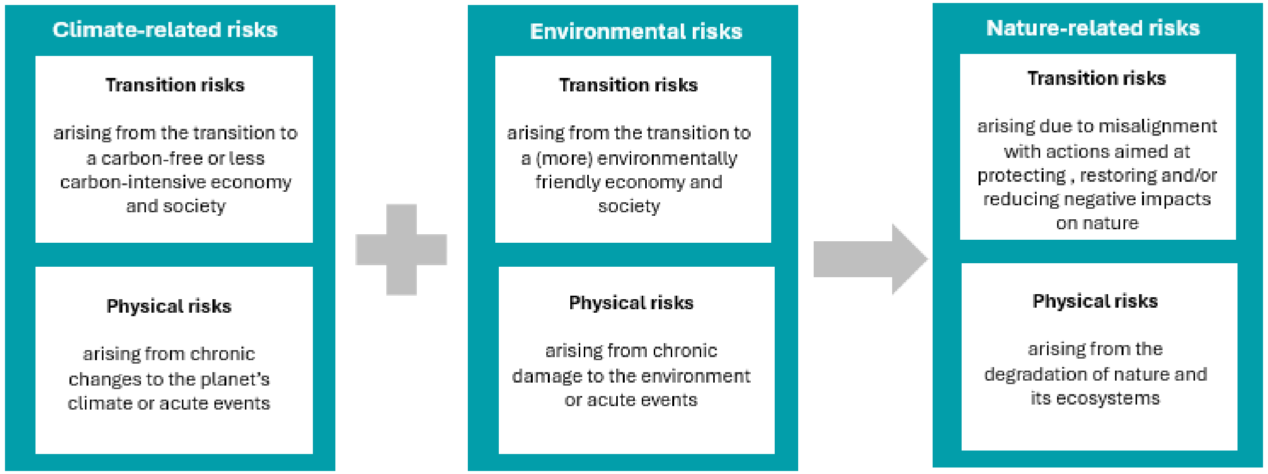
- **Understanding climate and nature-related financial risks** provides a foundation for supervisory action
- **Physical and transition risks** transmit through established financial risk categories, including credit, market, liquidity, operational and underwriting risks
- **Climate-nature nexus** may compound and amplify financial impacts

CASE STUDIES

Member case studies show approaches ranging from international references to formal jurisdiction-specific definitions

DEFINITIONS USED IN THE GUIDE

The NGFS defines nature-related risks as an umbrella term covering climate related and broader environmental risks*



*The Guide often refers to "climate and nature-related risks" without implying double counting. This recognises existing climate-related supervisory work while including broader risks arising from nature degradation.

Supervisors should consider how climate and nature-related risks relate to their mandates and establish strategies and arrangements

EMBEDDING RISKS WITHIN SUPERVISORY ORGANISATIONS

1 SUPERVISORS' MANDATE

Direct integration through inclusion in the legal or regulatory framework

Indirect integration through recognition of the relevance for core mandate objectives

2 GOVERNANCE AND STRATEGIC ROADMAP

High-level commitment (dedicated board-level or executive committee, oversight by a designated senior official)

Strategic roadmap (integration of climate and nature in existing roadmap or creation of standalone strategy)

3 ORGANISATIONAL ARRANGEMENTS

Internal coordination network (low capacity)

Dedicated units (intermediate)

Hub-and-spoke arrangements (advanced)

Decentralised/integrated approach (expert)

AWARENESS RAISING

- Internal (staff training)
- External (cooperation with academics, administrations, industry representatives)

Source: NGFS (2026), Guide for Supervisors: Integrating Climate and Nature-related Risks into Prudential Supervision, September 2026

IN PRACTICE

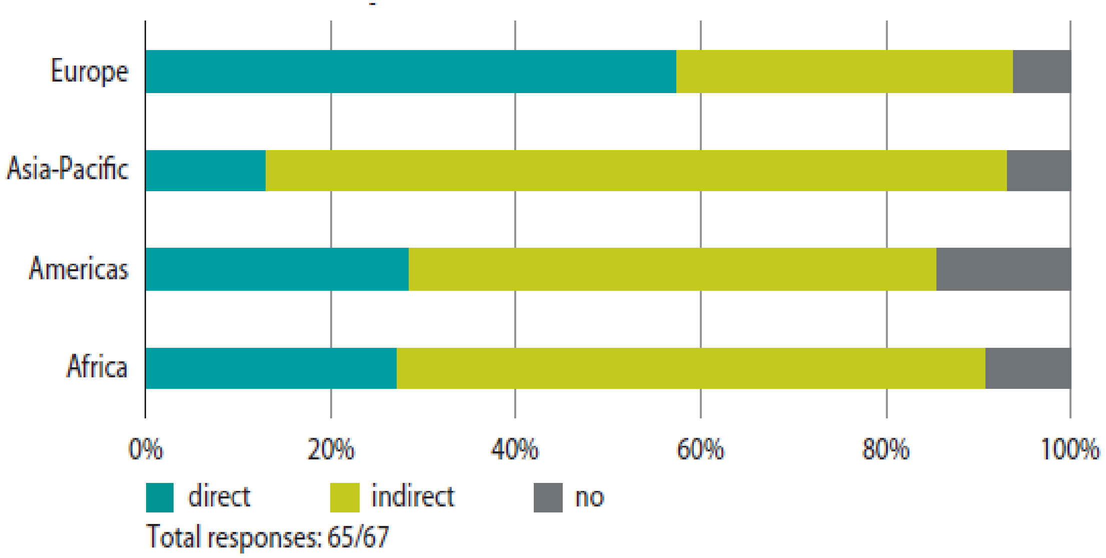
77% of NGFS survey respondents indicated that climate-related risk assessment was covered by their supervisory mandate

CASE STUDIES

Member case studies strategic roadmaps ranging from overarching strategic priorities to phased action plans with implementation timelines

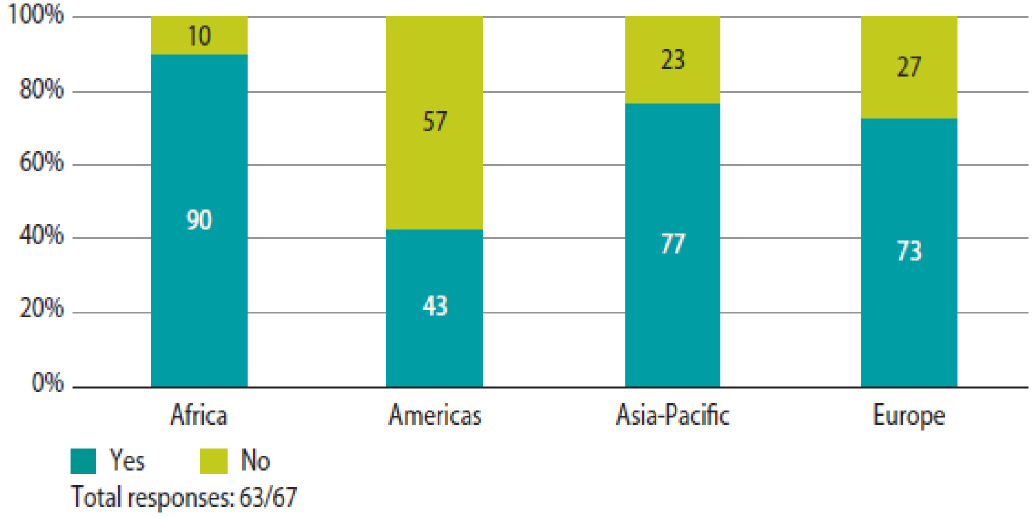
Climate-related financial risk are increasingly embedded in supervisory mandates and strategic roadmaps for supervisors

DIRECT OR INDIRECT REFERENCES TO CLIMATE-RELATED RISKS IN SUPERVISORS' MANDATE



Source: NGFS (2026), Guide for Supervisors: Integrating Climate and Nature-related Risks into Prudential Supervision, September 2026

USE OF A STRATEGIC ROADMAP BY SUPERVISORS



Source: NGFS (2026), Guide for Supervisors: Integrating Climate and Nature-related Risks into Prudential Supervision, September 2026

Supervisors can combine qualitative and quantitative approaches to identify exposures and assess potential losses

HOW TO ASSESS CLIMATE AND NATURE-RELATED RISKS

	1 Data needs	2 Risk Measurement	3 Risk Monitoring	4 Residual risks
Foundation	Assess data availability, quality and sources	Conduct qualitative assessment and sector/region risk mapping	Conduct surveys and self-assessments	Assess current mitigation and adaptation measures
Intermediate	Develop standard reporting frameworks	Develop KRIs and portfolio analysis	Conduct thematic reviews to assess the quality of the risk framework	Assess forward-looking adaptation and mitigation strategies
Advanced	Collect granular exposure data through enhanced reporting	Support counterparty analysis and stress testing	Fully integrate these risks into prudential framework	Quantify the residual risk and integrate adaptation and mitigation measures into scenario design

Source: NGFS (2026), Guide for Supervisors: Integrating Climate and Nature-related Risks into Prudential Supervision, September 2026

IN PRACTICE

NGFS SURVEY

75% of supervisors have conducted banking-sector assessments of physical and/or transition risks across financial risk categories

The remaining 25% are developing a framework.

73% of respondents report having conducted climate scenario analysis and stress testing

CASE STUDIES

Member case studies illustrate approaches ranging from qualitative screening and exposure mapping to granular analysis and stress testing

Supervisors should establish, implement and monitor expectations for managing climate and nature-related risks

IMPLEMENTING & MONITORING SUPERVISORY GUIDANCE

Based on

- International guidance (e.g., BCBS, IAIS)
- National supervisory expectation
- Public consultation
- Proportionality principle

Main areas covered

Governance
- *Board oversight*
- *Roles and responsibilities*

Strategy
- *Long-term resilience*
- *Transition planning*

Risk mgmt
- *Identification*
- *Assessment*
- *Monitoring*

Scenarios
- *Scenario analysis*
- *Stress testing*

Disclosures
- *Pillar 3 reporting*
- *ISSB/TCFD*

Implementation & Monitoring

1 Rising awareness & sharing guidance
- *Meeting*
- *Industry-wide forum*
- *Workshop*
- *Guidance publication*

2 Assessing market readiness
- *Questionnaire*
- *Self-assessment exercise*
- *Structured survey*

3 Implementation phase
- *Technical note*
- *Training program*
- *Capacity building initiative*

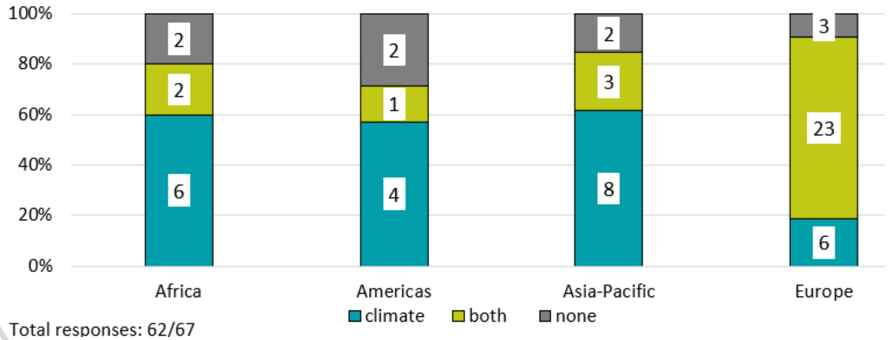
4 Engagement & monitoring
- *Implementation plan*
- *Non-binding and binding supervisory requirement*

Source: NGFS (2026), Guide for Supervisors: Integrating Climate and Nature-related Risks into Prudential Supervision, September 2026

IN PRACTICE

NGFS SURVEY

Most respondents have defined supervisory expectations, but their scope differs across regions.



Total responses: 62/67

CASE STUDIES

Member case studies illustrate approaches ranging from guidance to ongoing monitoring and formal supervisory requirements.

The Guide outlines key new topics for the establishment, implementation and monitoring of supervisory expectations

PROPORTIONALITY

- Supervisory guidance on climate and nature-related risks often **starts at a high level and evolves** as understanding of different issues mature
- Guidance may vary depending on an **institution's size, complexity, resources and risk profile**

(!) A smaller size does not necessarily imply lower climate or nature-related risks

- Proportionality recognises that institutions require **time to develop** and embed effective risk management practices

TRANSITION PLANNING

- Current **focus on transition planning**, rather than the plan itself.
- **Three approaches** adopted by supervisors:
  - Providing **dedicated guidance** on transition planning
  - **Embedding** transition planning guidance within broader supervisory frameworks for climate-related risks
  - Asking FIs to develop and disclose transition plans on a **voluntary basis** or by drawing on **internationally recognised frameworks** and guidance
- Supervisory guidance is beginning to emerge to include **nature targets and risks**

NATURE-RELATED RISKS

- Nature-related risks remain **only partially integrated** into supervisory guidance but supervisory practices are **beginning to evolve** in this direction generally
- Around **40%** of surveyed authorities reported considering nature-related risks in addition to climate- related risks

Supervisors should ensure adequate management of climate and nature-related risks and consider prudential action

PRUDENTIAL FRAMEWORK AND TOOLS

Addressing climate and nature-related risks across Banking and Insurance sectors

Micro-prudential

Framework

- ✓ *Pillar 1*
- ✓ *Pillar 2 (SRP/ORSA)*
- ✓ *Pillar 3 (disclosures)*

Tools

- *Thematic Review*
- *Transition Plan*

Macro-prudential

Framework

- ✓ *Risk identification and monitoring*
- ✓ *Vulnerability assessment*
- ✓ *Policy and regulatory responses*

Tools

- *Early Warning Indicator*
- *Scenario Analysis, Climate Stress Test*
- *Systemic buffers, temporary relief measures*

Source: NGFS (2026), Guide for Supervisors: Integrating Climate and Nature-related Risks into Prudential Supervision, September 2026

IN PRACTICE

NGFS SURVEY

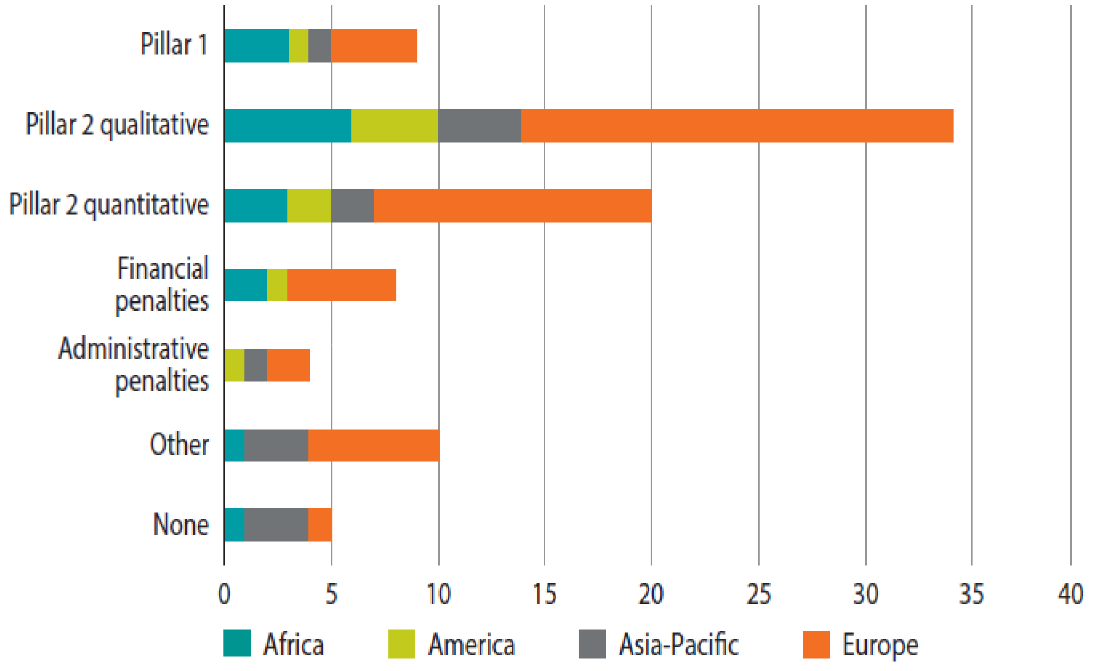
- Qualitative Pillar 2 measures are the option most frequently considered by surveyed supervisors, followed by quantitative Pillar 2 measures
- Dedicated Pillar 1 measures and penalties are considered less frequently

CASE STUDIES

Member case studies cover supervisory review processes, targeted prudential measures, and developments in taxonomy

In the NGFS survey, supervisors most frequently consider qualitative Pillar 2 measures, followed by quantitative measures

OPTIONS CONSIDERED BY SUPERVISORS SURVEYED TO MITIGATE CLIMATE AND NATURE-RELATED RISKS



Total responses: 54/67

Source: NGFS (2026), Guide for Supervisors: Integrating Climate and Nature-related Risks into Prudential Supervision, September 2026

Supervisory integration has advanced, while further work is needed to strengthen approaches and address emerging risks

THE NGFS INTENDS TO CONTINUE ADVANCING WORK IN THE FOLLOWING AREAS

- **Support integration into supervisory processes** through good practices and capacity building
- **Improve data and methodologies** for more granular, standardised and forward-looking supervisory assessments
- **Advance integrated climate and nature risk analysis**
- **Integrate adaptation and mitigation further** into supervisory frameworks
- **Strengthen supervisory responses to emerging risks,** including litigation, legal and reputational risks
- **Promote prudent use of supervisory frameworks**

Thank you