

3 Bank JSC Novi Sad*

GHG Emissions in the bank portfolio (PCAF) 2020

Industry-by-industry calculation of carbon-related credit exposure.

Method

Source: Partnership for Carbon Accounting Financials (PCAF)

The Bank uses the Global GHG Accounting and Reporting Standard for the Financial Industry to estimate greenhouse gas emissions in its loan portfolio.

Date of data: 31.12.2020

Overview

The Bank is not exposed in carbon-intensive industries such as oil, metal, aviation and therefore has a relatively low carbon-intensive loan portfolio. In line with 3c initiative, the Bank aims to publish the emissions in the loan portfolio since this is where we can help achieving the SDGs and goals set in the Paris Agreement. This is the first year the Bank is reporting on greenhouse gas emissions in its loan portfolio. Emissions in the agro/micro SME loan portfolio are at **21,705** tons of CO₂ equivalents and carbon intensity is at **274,5** tons of CO₂ equivalents per EUR million (customers' Scope 1 and 2 emissions).

Assumptions

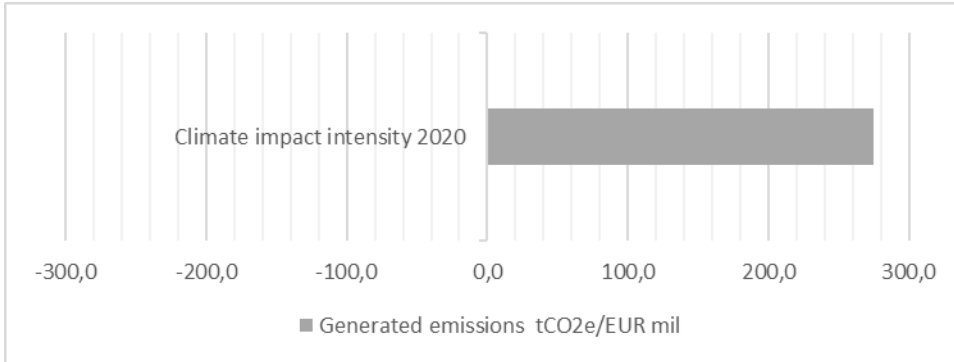
The analysis is based on regional countries emission factors at an industry group level (NACE code). For entrepreneurs and agro, an emission factor based on loan volume and assets volume is used. The method differentiates between direct emissions (Scopes 1 and 2) and emissions upstream in the value chain (Scope 3).

Climate impact by industry 2020

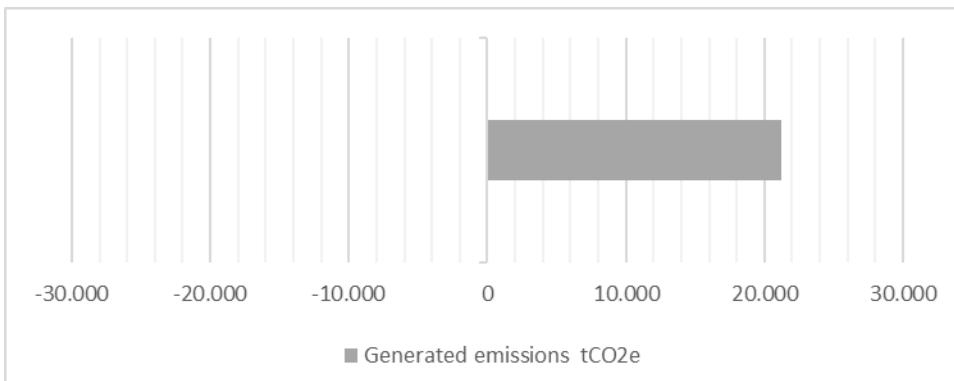
INDUSTRY (Agriculture and Micro SME)	Exposure EUR millions	SCOPE 1 tCO₂e	SCOPE 2 tCO₂e	TOTAL tCO₂e	Climate impact intensity tCO₂e/EUR mil
AGRICULTURE	41,7	19.429	196	19.624	470,4
SERVICES	15,8	754	276	1.030	65,1
TRADE	7,9	95	0	95	12,0
MANUFACTURING	7,8	533	18	551	70,6
TRANSPORTATION	5,8	383	23	406	69,4
Grand Total	79,1	21.193	512	21.705	274,5

- From November 22nd 2021, Opportunity bank JSC Serbia changed its name to 3 Bank JSC Novi Sad.

Climate impact in emission intensity 2020



Climate impact of our loans 2020



Results

Based on a climate risk analysis of the loan portfolio, which shows that we have the greatest climate risk and opportunities for influence within mixed farming, dairy, hog and trucking segments. The analysis shows that agriculture and associated services have the greatest direct emissions in our portfolio. Agriculture is our largest industry, and given our geographical location and industry mix, it is expected that agriculture scores high. Banks portfolio GHG emissions is calculated based on Agriculture and Micro SME and entrepreneur’s portfolio. Most significant nominal contribution for direct scopes of emissions is to Mixed farming group, however, most intensive GHG emissions are found to be in Dairy cattle and Milk production group. Assessment is performed using the Option 3: Economic activity-based emissions by available data for industries from countries from the region.

Production : 3 Bank JSC Novi Sad - 2020 GHG Emissions in the bank portfolio (PCAF)

Published : May 2021

Text: 3 Bank JSC – Novi Sad

Contact: If you have comments or questions about this report, please contact office@obs.rs - SDG Office

This document can be downloaded from www.3bank.rs