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Participation of Financial Institutions in the Processes of Financial Stabilisation and Sustainable Development

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ABSTRACT

Objective: The aim of the article is to present the most important legal regulations in the field of ESG and their impact on the conditions of financial stability and the implementation processes of sustainable development in financial institutions.

Research Design & Methods: The research methods focus on presenting and assessing changes in ESG and climate disclosure scores for institutions in the global economy and green asset ratio (GAR) indicators for EU/eurozone countries. Empirical data come from online reports and databases from the Working Group on Climate-related Financial Disclosure (TCFD), Financial Stability Board (FSB), European Board Authority (EBA) and European Insurance and Occupational Pensions Authority (EIOPA), and Sustainalytics. The main period of analysis covers the years 2022–2024.

Findings: Data from the TCFD and FSB show that banks and insurance companies demonstrate the highest level of ESG disclosure, including in the area of strategy. Institutions from Europe, Asia-Pacific, and North America are leading the disclosure curve. Among EU/EEA countries, Slovakia, Iceland, and Luxembourg demonstrated the highest level of transformation activity in terms of the share of GAR in assets in 2023–2024.

Implications/Recommendations: Financial institutions actively shape the conditions for financial stability and sustainable development because they are subject to legal regulations in these areas. Financial and economic outcomes depend on the efficiency of financial institutions' management boards and the effectiveness of mitigating systemic risks (ESG, climate) in these areas. According to the Fit-for-55 report, financial institutions would incur the lowest costs under the baseline scenario.

Contribution: The analysis fills a gap in the research on the role of financial institutions in the global economy, including in the EU/EEA, in shaping the conditions for financial stability when implementing ESG transformation processes revealed, among others, in reporting and changes to GAR indicators.

Article type: original article.

Keywords: financial institutions, financial stability, ESG, legal regulations, disclosures, GAR.

JEL Classification: G15, G18, Q54, K22, K23.

1. Introduction

Financial stability is crucial for market participants to be able to work towards sustainable development (environmental, social, and corporate social responsibility, ESG), and financial institutions are key players in this regard. These institutions serve as channels for capital transfer and the implementation of most real-world processes in the economy.

The global consensus on the adoption of international regulations for sustainable development was defined by the UN in 2015 (Sustainable Development Goals, SDGs) (UN, 2015) and the Paris climate agreement (COP21), and signed by international institutions and countries. Legal regulations regarding ESG, taxonomy, and non-financial reporting have a broad impact on financial accounting.

Financial intermediaries such as banks, insurance companies, investment funds, pension funds, and others are implementing ESG regulations into their processes, management systems, strategies, and business models. European Union countries are leading ESG changes in the global economy through their legislative and implementation efforts, primarily by banks based in the EU/EEA.

The expansion of ESG regulations in the last decade in the global economy and the obligations of institutions to implement them have had both positive and negative effects on their functioning, depending on the efficiency of processes and exposure to risk.

ESG implementation processes are underway at varying degrees of advancement in individual countries and institutions, which determines varying levels of financial stability, development conditions, and financial costs. Therefore, it is important to identify the results of ESG regulation implementation in terms of taxonomy, disclo-

sures, and, for example, the share of green assets in total assets (green asset ratio, GAR).

The aim of the article is to present the most important legal regulations in the field of ESG and their impact on the level of financial stability and the implementation processes of sustainable development in financial institutions.

The paper is structured around an introduction, a literature and research review, and a catalogue of key legal regulations in the field of sustainable finance. The empirical section presents the results of the ECB's work, identifying key challenges and differences between institutions regarding reporting, ESG disclosures, and financial stability. The discussion addresses research on the impact of financial stability on sustainable development and the effectiveness of ESG indicators for risk reduction in institutions. The executive summary includes a summary and conclusions.

2. Literature and Research Review

Financial system stability is understood as a state in which the financial system performs its functions continuously and effectively, even in the event of unexpected and adverse disruptions of a significant scale (NBP, 2025). This is important because such disruptions can affect the operations of institutions and the real economy.

Economic and financial literature emphasises the fact that maintaining financial stability is a necessary condition for sustainable economic development. The financial sector is one of the fundamental elements of economic systems, influencing the pace and development of the economy. Therefore, the actions these institutions undertake to both maintain stability and effectively utilise resources for economic development are crucial.

In recent years, ESG regulations have been introduced to support sustainable development and financial stability. However, institutions vary in their implementation processes, in their operational activities, and in their strategic plans. Delays and overly ambitious ESG implementation can also be a source of disruption for a diverse group of institutions. Therefore, analyses and research in this area are important to understand the current situation. A better understanding of the scale and scope of financial institutions' participation in financial stability and sustainable development would allow for adjustments to these frameworks for optimisation. Due to the relatively short implementation period and the lack of empirical research, developing these areas is considered justified.

The market destabilisation resulting from the 2007+ financial crisis led to the establishment of, among others, the Financial Stability Oversight Committee in the United States and the European Financial Stability Board. These are regional agencies of the Financial Stability Board, established in April 2009 by the G20. Since then, both in the literature and in economic practice, financial system risk

has been increasingly perceived not only as external but also as internal, requiring supervision to ensure conditions for growth. The materialisation of systemic risk can result from the correction of previously accumulated imbalances in the financial system or the real economy (Borio, 2012, p. 23), or from a sudden shock generating a positive feedback mechanism (Dąbrowski, 2016).

Chiaramonte *et al*. (2022) conducted a study on the impact of ESG strategies on the stability of banks in the EU, using a difference-in-differences model. They found that banks' engagement in such strategies is associated with greater stability, i.e., a lower risk of default, during crisis years. The authors found that ESG strategies encourage more prudent banking activity, building more stable relationships with the financial community and strengthening reputation. These aspects are crucial for mitigating the potential negative impact of adverse events that typically occur during crises.

According to Saïdane and Abdallah (2020), regarding the relationship between financial stability and the stability of European banks over the period 2005–2017, using the panel vector autoregression method with the generalised method of moments (GMM) and the Granger causality test, the research results indicate the existence of a bidirectional causal relationship between stability and bank stability.

Climate risk may be a source of financial instability. This risk can negatively impact households and businesses and is therefore transferred to financial entities, which determine the level of risk (e.g., credit, counterparty, or liquidity) and the required capital buffers. A consequence of a short-term or large-scale escalation of climate risk may be the need for financial support under bailout conditions (ECB/ESRB Project Team, 2023; Kosztowniak, 2023).

As noted by Coleton *et al*. (2020) and Mobiquity (2021, 2023), the manner and scale of incorporating ESG issues into the strategy of financial institutions result from an individual assessment of the significance of motives (their own, stakeholders' expectations, the scale of ESG risk, the perception of benefits, supervisory expectations or regulatory incentives), as well as barriers and limitations related to the integration of these issues or the possibility of their implementation.

On the one hand (the positive side), financial institutions perceive ESG factors as an opportunity to expand their product offerings, differentiate themselves in the market, and build their brand, which will ultimately translate into increased company value and stakeholder satisfaction. On the other hand (the negative side), exposure to ESG risk may be associated with increased risk in the institution's operational or strategic activities, as well as in interactions with counterparties in the value chain.

Consistent with Kong *et al*.'s (2020) study of the impact of banking system stability on sustainable development over the period 2000–2016, as well as in the

periods before and after the global financial crisis, the use of system GMM shows that banking system stability has a significant impact on sustainable development.

Di Tommaso and Thorton (2020) conducted a study on the impact of ESG activities on risk-taking in European banks. The study found that high ESG performance was associated with a moderate reduction in risk in banks with high or low risk-taking, and this effect depended on the characteristics of the board.

Research by Ozili and Iorember (2023) shows that financial institutions operating in a stable financial system are inclined to support the implementation of the SDGs. An analysis of 26 countries from 2011 to 2018 using the system GMM method shows that European and Asian countries have a high sustainability index compared to African countries.

The research by Fu, Lu and Pirabi (2023) on the relationship between green finance and sustainable development shows that:

– it is important to use CO_2 neutral practices,

– ESG factors should be incorporated into investment decisions,

– effective communication strategies can increase public awareness and support for climate policies,

– it is advisable to align financial incentives, promote transparency and take social equity into account in green finance initiatives.

3. Major Legal Regulations in the Area of Sustainable Finance

The European Commission (EC) defines sustainable finance (or financing) as the process of integrating ESG aspects into investment decisions in the financial sector, leading to long-term investments in sustainable economic activities and projects (ESMA, 2023; EC, 2024a).

At the EU level, the European Commission announced in 2018 the EU Action Plan on Sustainable Finance (EC, 2018), setting out a wide range of regulations in this area, as well as the European Green Deal in 2019 (EC, 2024b), which aims to achieve climate neutrality for the continent by 2050.

One of the first important legislative documents was the Non-financial Information Disclosure Directive (NFRD, Directive 2014/95/EU), which set out the basis for non-financial reporting.

Later came the Regulation on the Disclosure of Information on Sustainable Finance (SFDR, Regulation (EU) 2019/2088) on disclosure of information on sustainable investments by participants in the financial market and Regulation 2020/852/EU of the European Parliament and of the Council, known as the Taxonomy.

Another important step in improving regulations on sustainable finance was the Corporate Sustainability Reporting Directive (CSRD, Directive (EU) 2024/1760),

the aim of which is to achieve climate neutrality of institutions and entities operating in the EU by 2050.

It is worth noting that the CSRD has a significant impact on banks' strategies. In addition to sustainability reporting and non-financial disclosure, the directive also impacts the terms of value creation strategies and opportunities for building competitive advantage.

European Sustainability Reporting Standards (ESRS, Commission Delegated Regulation (EU) 2023/2772) were adopted on 31 July 2023. These standards were defined as the only reporting standards under the CSRD Directive. For ESG risk disclosures under Pillar III, technical standards initially defined in 2021 (EBA, 2021a, 2021b) and revised in 2022 (EBA, 2022) apply.

In 2024, the Directive of the European Parliament and of the Council on corporate due diligence for sustainable development and amending the Directive (EU) (Corporate Sustainability Due Diligence Directive, CSDDD) (Directive (EU) 2024/1760), which introduces a due diligence obligation to counteract the negative impacts of business activities on human rights and the environment.

On 8 January 2025, EBA published guidelines on the management of environmental, social and governance (ESG) risks (EBA, 2025b), applicable from 11 January 2026, with the exception of small institutions, which will be covered by them by 11 January 2027 at the latest:

– identification and measurement of ESG risks,

– standards for managing and monitoring ESG risks and governance.

In 2025 important banks in Europe, including Poland, have already started the process of systematically implementing EBA regulations regarding the integration of ESG risks with traditional risks.

ESG objectives in the strategies of financial institutions focus on (Kosztowniak, 2025):

– environmental targets – including green asset indicators (GAR), the indicator of compliance of the banking portfolio with the EU Taxonomy (Banking Book Taxonomy Alignment Ratio), the number and volume of financing that meets the environmental objectives set out in article 9 of the Taxonomy Regulation (2020/852), and the calculation of the bank's carbon footprint (at levels 1, 2, 3),

– social purpose – such as activities for the benefit of the community and society, employee relations and improvement of working conditions, customer protection and product liability, and human rights,

– corporate governance objectives – including ethical considerations, risk strategies and management, inclusiveness and transparency.

Regulations regarding reporting by financial institutions in the area of sustainable development are supplemented by, among others:

– Global Reporting Initiative (GRI Standards) reporting standards (GRI Sustainability Taxonomy, 2025),

– Integrated Reporting Guidelines (International Integrated Reporting Council; IIRC, 2025),

– recommendations of the Working Group on Climate-related Financial Disclosures (TCFD, 2017).

4. Results of the European Central Bank's Work on Sustainable Development

The European Central Bank (ECB) is conducting key work on ESG issues, integrating ESG risks into financial and non-financial risk management and conducting climate stress tests (Germann, Kusmierczyk & Puyo, 2023). According to the ECB, risks related to climate change and rapid transformation are increasing, impacting monetary policy and the stability of financial systems.

In 2023, ECB worked on its Climate and Nature Plan 2024–2025, setting out strategic climate goals and three main areas for action: managing the transition to a green economy, understanding the increased physical impacts of climate change, and making progress on nature-related risks (ECB, 2023a).

The ECB's analysis of the impact of carbon pricing on the economy found moderate negative impacts on banks. It indicated that euro area companies invest during the transition period and bank lending conditions are more stringent for companies with high emissions and without credible transition plans (Ferdinandusse *et al*., 2023).

In 2023, the ECB published its first financial reports on the climate impact of Eurosystem corporate assets. The documents show that the carbon intensity of reinvestments fell by more than 65% in the 12 months following the start of planned reinvestments in October 2022 (ECB, 2023b). Furthermore, an analysis of the impact of climate change on the monetary policy transmission mechanism, with implications for monetary policy showed that, while the transition increases the cost of credit and reduces lending for all firms, its recessionary impact is milder for low-carbon firms and those committed to decarbonisation (Altavilla *et al*., 2023).

The ECB's analysis of banking supervision also found that, while credit institutions supervised by the Single Supervisory Mechanism have made significant progress on climate, many institutions have not achieved the expected progress in terms of environmental risk management practices (Elderson, 2023). Studies on transition risks and the links between climate and nature show that almost 75% of corporate loans in the euro area (almost EUR 3.24 trillion) were granted to borrowers with a high degree of dependence on ecosystem services (Ceglar *et al*., 2023).

5. Challenges and Differences between Institutions in Reporting, ESG Disclosures, and Financial Stability

One of the main challenges in the practice of implementing ESG is ensuring the appropriate link between non-financial reporting and financial reporting, including in the context of International Financial Reporting Standards (IFRS), which are mandatory for most financial institutions.

The impact of accounting on financial stability can occur through three channels: transparency, the response of institutions to accounting information, and the definition of prudential requirements for financial institutions.

Based on the analysis of IFRS and their interactions with risks related to, for example, the relationship between financial institutions and non-financial entities, four important problems related to financial stability and accounting risk, i.e.:

– incomplete consideration of climate risk in prices,

– impact on the initial and subsequent valuation of non-financial assets and liabilities,

– taking climate factors into account when modelling for expected credit losses,

– disclosing information on how risks, e.g., climate risks, are treated in financial statements.

According to data from the TCFD (2023) and FSB (2023), banks and insurance companies showed similar levels of ESG disclosures in the fiscal year 2022. However, the majority of these disclosures concerned strategy, including the impact of risks and opportunities, for banks (52%) and insurance companies (45%). Financial institutions disclosed significantly more than non-financial entities. Within the non-financial sector, entities from the energy, construction, and transportation sectors demonstrated the highest disclosure activity (Table 1).

In regional terms, in 2022, the highest level of ESG disclosures, including indicators assessing climate risks, were reported by institutions and companies from Europe (leaders), followed by those from the Asia-Pacific region and North America (Table 2).

The importance of addressing climate change in financial institutions and its impact on financial stability in EU countries is underscored by the results of the Fit-for-55 report prepared by the EBA (2023), EIOPA (2025), ESMA, and the ECB. The report includes a calculation of financial losses over the 2023–2030 period under three scenarios:

– baseline (B) implemented in accordance with the assumptions from 2023, with additional costs related to the green transformation,

– the first negative scenario (A1), where investors sell off the assets of companies with high CO_2 emissions, which hinders their green transformation,

– the second negative scenario (A2) is reinforced by other macrofinancial factors.

Table 1. Disclosures by Sector for the Financial Year 2022 (% of Companies)

Disclosure in Accordance with TCFD Recommendations		Banking (466)	Insurance (237)	Energy (430)	Buildings (543)	Trans-portation (323)	Agricul-ture, Food, Forest (370)	Tech-nology, Media (382)	Consumer Goods (359)
Management	Management supervision	41	43	58	61	40	31	19	35
	The role of management	28	28	38	35	24	19	13	19
Strategy	Risks and opportunities	52	45	54	55	33	32	17	28
	Impact on the organisation	23	27	38	35	24	25	12	16
	Strategy resilience	5	6	10	9	4	6	2	4
Risk management	Risk identification and assessment processes	26	29	27	29	18	15	6	13
	Risk management processes	32	32	32	29	23	19	9	21
	Integration with overall risk management	25	21	20	16	13	9	4	8
Metrics and goals	Climate-related indicators	43	40	58	63	43	42	30	43
	Scope 1, 2, 3 greenhouse gas emissions	40	37	54	75	39	36	28	38
	Climate goals	33	33	57	61	44	39	25	38
Average		32	31	41	43	28	25	15	24

Notes: Numbers in parentheses indicate the size of the population covered by the survey.

Source: the author, based on TCFD (2023), FSB (2023).

Table 2. Disclosures by Region for the 2022 Financial Year (% of Companies)

Disclosure in Accordance with TCFD Recommendations		Asia Pacific (724)	Europe (616)	Latin America (111)	Middle East and Africa (271)	North America (1,388)
Management	Management supervision	37	55	34	22	44
	The role of management	18	47	20	10	25
Strategy	Risks and opportunities	29	56	37	17	45
	Impact on the organisation	24	44	18	12	22
	Strategy resilience	5	16	3	2	3
Risk management	Risk identification and assessment processes	15	47	12	10	14
	Risk management processes	24	43	25	15	20
	Integration with overall risk management	13	27	13	8	12
Metrics and goals	Climate-related indicators	50	78	34	31	35
	Scope 1, 2, 3 greenhouse gas emissions	45	73	31	27	31
	Climate-related goals	34	73	38	22	38
Average		27	51	24	16	26

Notes: Numbers in parentheses indicate the size of the population covered by the survey.

Source: the author, based on TCFD (2023), FSB (2023).

Although the report states that the risk of transformation will not threaten financial stability in the EU, especially in the second negative scenario (A2), losses for banks, insurers, pension and investment funds range from 10.9% to 21.5% (Table 3).

The varied activity of financial institutions in implementing taxonomy, particularly in financing green investments, is confirmed by EBA data (EBA, 2025a). In 2023–2024, the shares of GAR assets in total assets in individual EU/euro area countries varied quite significantly (see Table 4). The leaders in this respect were Slovakia (SK), Iceland (IS), and Luxembourg (LU), maintaining shares above the EU/euro area average (0.32%). The lowest shares were recorded by Croatia, Bulgaria,

and Greece (0.12–0.25%). However, in 2024 compared to 2023, the share of GAR assets in total assets increased in most countries, which indicates the gradual implementation of transformation processes (EBA, 2025a).

Table 3. Total Losses Relative to Exposures in Scope by Sector, 2023–2030 (in %)

Sector	First-round Effects			Amplification		
	B	A1	A2	B	A1	A2
Banking	8.82			0.03		
		6.68			0.05	
			10.90			0.09
Insurance	2.20			0.72		
		5.20	18.80		1.73	
						4.49
Institutions for Occupational Retirement Provision (IORP)	3.00					
		6.40				
			21.50			
Investment fund	4.10			2.56		
		6.20			5.12	
			16.20			9.15

Source: EIOPA (2025).

Table 4. Share of Taxonomy-aligned Assets, 2023–2024 (as % of GAR Assets)

Country (Code)	2023	2024
Slovakia (SK)	0.79	0.74
Iceland (IS)	0.54	0.55
Luxembourg (LU)	0.78	0.54
Norway (NO)	0.48	0.52
Sweden (SE)	0.74	0.50
Malta (MT)	0.44	0.43
Finland (FI)	0.39	0.41
Portugal (PT)	0.39	0.40
Netherlands (NL)	0.38	0.40
Belgium (BE)	0.36	0.40
Spain (ES)	0.37	0.37
Hungary (HU)	0.33	0.37
Latvia (LV)	0.37	0.35
Lithuania (LT)	0.33	0.35

Table 4 cnt'd

Country (Code)	2023	2024
Estonia (EE)	0.41	0.35
Cyprus (CY)	0.33	0.34
Denmark (DK)	.	0.34
European Union/euro area	0.32	0.32
France (FR)	0.31	0.29
Italy (IT)	0.27	0.29
Ireland (IE)	0.28	0.28
Germany (DE)	0.26	0.28
Poland (PL)	0.26	0.27
Australia (AT)	0.25	0.27
Romania (RO)	0.35	0.26
Albania (AL)	0.40	0.26
Greece (GR)	0.23	0.25
Bulgaria (BG)	0.23	0.23
Croatia (HR)	0.14	0.12

Source: EBA (2025a).

6. Discussion

Research on the importance of financial stability for sustainable development generally indicates a positive verification of this relationship, especially in the banking market of EU countries (Ozili & Iorember, 2023) and in countries with a developed financial system (Moldovan, 2015; Saïdane & Abdallah, 2020), and advanced sustainable development paths (Kong *et al*., 2020). Fu, Lu and Pirabi (2023) point to the positive importance of green investments in supporting sustainable development. These conclusions constitute arguments for the simultaneous support of the development of financial markets to achieve conditions of stability, which will contribute to the beneficial effects of sustainable development. The effects of mutual interdependence (so-called spillovers) are important here.

Di Tommaso and Thorton (2020) found that high ESG performance is associated with moderate risk reduction in banks with high or low risk taking, and this impact depends on management characteristics. These results are consistent with the "stakeholder" view of ESG activities. However, they note that high ESG performance is also associated with a decline in bank value, which is consistent with the concept of "overinvestment." This decline in bank value occurs despite a positive indirect relationship between ESG performance and bank value, through its impact on risk taking. Furthermore, the researchers conclude that there is a trade-off between bank

risk reduction and a more stable financial system on the one hand, and bank value on the other. This conclusion seems valid because it takes into account a prudent approach to profit and risk management.

Many financial institutions point to climate change as one of the greatest challenges to sustainable development in 2019. The Network of Central Banks and Supervisors for the Greening of the Financial System (NGFS), which brings together central banks and supervisors, has identified climate-related risks as a source of financial risk, and central banks and supervisors are tasked with ensuring the resilience of the financial system to these risks (ESRB, 2016; NGFS, 2020).

From a reporting perspective, the scope of ESG disclosure is crucial. The challenge lies in the time required to disclose information relative to its credibility, as ESG disclosures under Pillar III (EBA, 2022) for banks are extensive and require a multifaceted analysis of indirect exposure to CO_2-related risks.

Challenges in the macroprudential tools highlighted by the European Systemic Risk Board (ECB/ESRB Project Team, 2021) may include:

– the systemic dimension of climate risk,

– macroprudential tools with microprudential measures,

– calibration taking into account microprudential measures,

– the use of two macroprudential tools, i.e., the systemic risk buffer and bank business models (Ayadi, Challita & Cucinelli, 2023).

7. Conclusion

Financial institutions participate in shaping the conditions for financial stability and sustainable development because they are subject to legal regulations that determine these conditions. The more stable the financing conditions, the better the opportunities to support ESG transformation processes, and vice versa. Although support for ESG processes has been ongoing since the 1970s, these processes have intensified in the last decade. Therefore, analyses of the impact of legal regulations on the conditions for stability and supporting sustainable development, with the active participation of financial institutions, are crucial. Analyses of these processes focus on their effects, both positive and, particularly importantly, negative, which can lead to increased systemic risk, reduced financial stability, and sustainable development. Financial institutions are key players in these processes, serving as channels for the transfer of capital and risk in the real economy.

The following conclusions can be drawn from the review of literature, research, and the data presented:

– The impact of ESG regulations (taxonomy) on the financial stability and sustainable development opportunities of financial institutions is multifaceted. This stems from the fact that EU and international regulations significantly influence the strategies, business models, and accompanying reporting of financial institu-

tions. The TCFD, FSB, CSRD, CSDDD, and ESRS and EBA guidelines are of key importance.

– The impact of financial stability on sustainable development is generally positive, particularly in the EU banking market (Ozili & Iorember, 2023) and in countries with a developed financial system (Moldovan, 2015; Saïdane & Abdallah, 2020) and advanced sustainable development paths (Kong *et al*., 2020).

– Fu, Lu and Pirabi (2023) point to the positive impact of green investments in supporting sustainable development. Di Tommaso and Thorton (2020) found that high ESG performance is associated with moderate risk reduction in banks with high or low risk exposure, and this effect depends on the effectiveness of management actions.

– The need to manage ESG risks to ensure the financial stability of an institution is revealed in its transformation strategies, taking into account operational procedures and its organisational structure.

– Challenges in financial reporting primarily concern the correct valuation of assets and liabilities, rapid changes in company valuations that may lead to potential problems with financial stability, and the disclosure of accounting risks.

– EU supervisory authorities and the ESRB support the inclusion of ESG risk within systemic risk and the need for micro- and macro-economic oversight instruments. They also propose changes to existing ESG risk modelling, including climate and scenario analyses.

– The leaders in taxonomy implementation among financial institutions are banks and insurance companies from Europe, followed by North America and Asia-Pacific.

– The importance of implementing transformation in financial institutions and its impact on financial stability in EU countries is demonstrated by the results of the Fit-for-55 report, which indicate potential financial losses in these institutions between 2023 and 2030. According to the report, in the second negative scenario (A2), losses for banks, insurers, pension funds and investment funds could range from 10.9% to 21.5% of their exposure.

– The analysis of changes in GAR indicators in the assets of institutions in 2023–2024 shows that the fastest growth in transformation activities, through an increase in the number of green loans granted, was achieved by Slovakia, Iceland and Luxembourg among the EU/EEA countries.

Conflict of Interest

The author declares no conflict of interest.

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