



**Responsible  
Alpha**

**SPECIAL TOPICS  
COMPLIANCE & RISK SOLUTIONS FOR  
FINANCIAL INSTITUTIONS**

*Responsible Alpha is a B Corp certified, sustainability consultancy specializing in sustainable finance and transition strategies, merging 180 years of global experience with local expertise. We have deep experience empowering all organizations to transition to a net positive economy by 2050.*

**COMPLIANCE & RISK MANAGEMENT SOLUTIONS**

At Responsible Alpha, one of our core competencies is the specialization in regulatory compliance and risk management solutions for financial institutions. We transform regulatory challenges into strategic advantages that are measurable across the following areas:

- IFRS 17 & IFRS 9 Standards Compliance
- Sustainability Reporting & Climate Risk Disclosures
- Advanced Credit & Market Risk Management
- Basel III Framework Compliance & Capital Optimization
- MaRisk Compliance & Risk Management Frameworks
- AT4.2 Compliance: Risk Management Governance
- Operational Risk (Regulation (EU) 575/2013 including amendments)
- Credit Risk (AT 4.2)
- Stress Testing & Scenario Analysis (AT 4.2)

Mike Kroll Ph.D.  
Director

**OUR EXPERTS**

Gabriel Thoumi  
CFA, FRM, Certified Ecologist  
CEO



**TRUSTED BY**



**Net Zero  
Financial Service  
Providers Alliance**



**Responsible Alpha partners with all organizations on their transition to a net positive economy by 2050**

**CONTACT US**

**Web** responsiblealpha.com  
**E-Mail** gthoumi@responsiblealpha.com  
**Phone** +1 (612) 327 0189

**Vienna • Washington, DC**



**Certified**



**Corporation**

**NAICS Codes**  
541611, 541618, 541620, 541690,  
523940, 523999, 525990, 611430

**UEI Number**  
KCV9C33UJ7E5

**CAGE Code**  
9N4S1



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### IFRS 17 & IFRS 9 Standards Compliance

- **IFRS 17:** Our tailored solutions for insurance contract accounting ensure precise implementation of IFRS 17, offering custom measurement models and disclosure methods to enhance financial transparency.
- **IFRS 9:** We help financial institutions optimize their IFRS 9 financial instrument processes with advanced ECL modeling and classification methodologies, ensuring compliance and improving asset management.

### Sustainability Reporting & Climate Risk Disclosures

- **IFRS S1/S2 compliance:** Expert guidance on IFRS S1/S2 compliance. Sustainability-related financial disclosures and climate reporting, align with global reporting standards and enhance transparency.

### Advanced Credit & Market Risk Management

- **Credit Risk Modeling:** Our sophisticated credit risk models integrate traditional PD/LGD/EAD frameworks with forward-looking economic indicators and emerging climate-related risks. Hereby we optimize capital allocation and improving decision-making for our clients.
- **Market Risk Management:** We apply advanced Value at Risk (VaR) methodologies, stress testing, and sensitivity analyses to evaluate complex market interactions.

### Basel III Framework Compliance & Capital Optimization

- **Basel III Requirements:** Capital-efficient strategies across all material risk categories, ensuring compliance with Pillar 1 and Pillar 2.

### MaRisk Compliance & Risk Management Frameworks

At Responsible Alpha, we specialize in MaRisk compliance for financial institutions, set out by the German Banking Supervisory Authority (BaFin) regulations. The MaRisk (Minimum Requirements for Risk Management) standard outlines guidelines for effective risk management in banking institutions, and we ensure that our client's business operations meet the highest standards of AT4.2 and ESG integration.

### AT4.2 Compliance: Risk Management Governance

One of the pivotal aspects of MaRisk compliance is AT4.2, which emphasizes the importance of a robust risk management framework. Under AT4.2, institutions are required to establish clear, effective governance structures that ensure the proper identification, assessment, and monitoring of risks. This includes not only operational and credit risks but also the management of market, liquidity, and compliance risks within the organization.



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(continued)

We assist financial institutions in meeting these critical governance standards by:

- **Developing Risk Management Frameworks:** Developing risk management frameworks that ensure compliance with AT4.2, incorporating specific roles and responsibilities for risk officers and committees.
- **Implementing Structured Risk Reporting:** Implementing structured risk reporting and oversight mechanisms that align with BaFin's expectations for transparency and accountability.
- **Establishing Guidelines:** Establishing clear guidelines for managing risk limits, including ensuring these limits are reviewed regularly to adapt to changing market and business conditions.
- **ESG Risk Integration:** Addressing emerging regulatory demands

Under the MaRisk guidelines, ESG considerations are incorporated into risk management frameworks to address the potential financial impacts of climate change, social responsibility, and corporate governance.

### Compliance Services

- **Incorporation of ESG Risk:** Incorporating ESG factors into risk management processes, ensuring that climate-related risks are considered in credit and market risk models, particularly as they pertain to environmental impact and governance.
- **Development of ESG Risk Assessment Methodologies:** Development of ESG risk assessment methodologies that enable the quantification of potential climate-related financial risks.
- **Framework Design:** Framework design for climate risk disclosures in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and new European sustainability reporting standards.

### Risk Framework Implementation Services

- **Risk Strategy and Governance (AT4.2):** We develop governance structures to ensure the alignment of your risk strategy with MaRisk's requirements, integrating both traditional financial and emerging ESG risks into a cohesive framework.
- **Operational Risk (Regulation (EU) 575/2013 including amendments):** We design frameworks to identify, assess, and mitigate operational risks, compliant to CRR. Our services in operational risk includes advice on operational resilience as set out in DORA (Regulation (EU) 2022/2554).
- **Credit Risk (AT 4.2):** We optimize credit risk management processes, ensuring full integration with MaRisk's credit risk regulations and aligning with ESG factors in credit assessments, especially considering the financial implications of climate change and sustainability.
- **Stress Testing & Scenario Analysis (AT 4.2):** We support our clients in implementing stress testing and scenario analysis processes that align with regulatory guidelines, with a dedicated focus on ESG factors such as climate-related risks, to stress-test potential market fluctuations and liquidity constraints.



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