

# PRA SS5/25 IS HERE

Is your climate scenario analysis ready for the “granular era”?

The PRA has raised the bar. High-level narratives are no longer enough. You need precise transmission channels.



Swipe to see  
the methodology



# FROM MACRO SCENARIOS TO BALANCE SHEET SHOCKS

**We don't just guess.  
We model the chain of causality.**

Our approach links NGFS\* global variables directly to your specific portfolio exposures using a consistent, mathematically sound transmission framework.

- ✓ Consistent across Assets & Liabilities
- ✓ Aligned with IPCC^ & NGFS V4
- ✓ PRA SS5/25 compliant

\* Network for Greening the Financial System

^ Intergovernmental Panel on Climate Change



**FROM MACRO SCENARIOS TO BALANCE SHEET SHOCKS**



# FROM MACRO TO MICRO

Our mathematically sound transmission framework



## GLOBAL SCENARIOS



**ORDERLY**



**DISORDERLY**



**HOT HOUSE**

## TRANSMISSION FACTORS



**TEMPERATURE**



**GDP**



**AGRICULTURAL  
YIELDS**



**CARBON PRICE**



**WEATHER  
EVENTS**



**ACCIDENTS**

**BALANCE  
SHEET  
IMPACT**

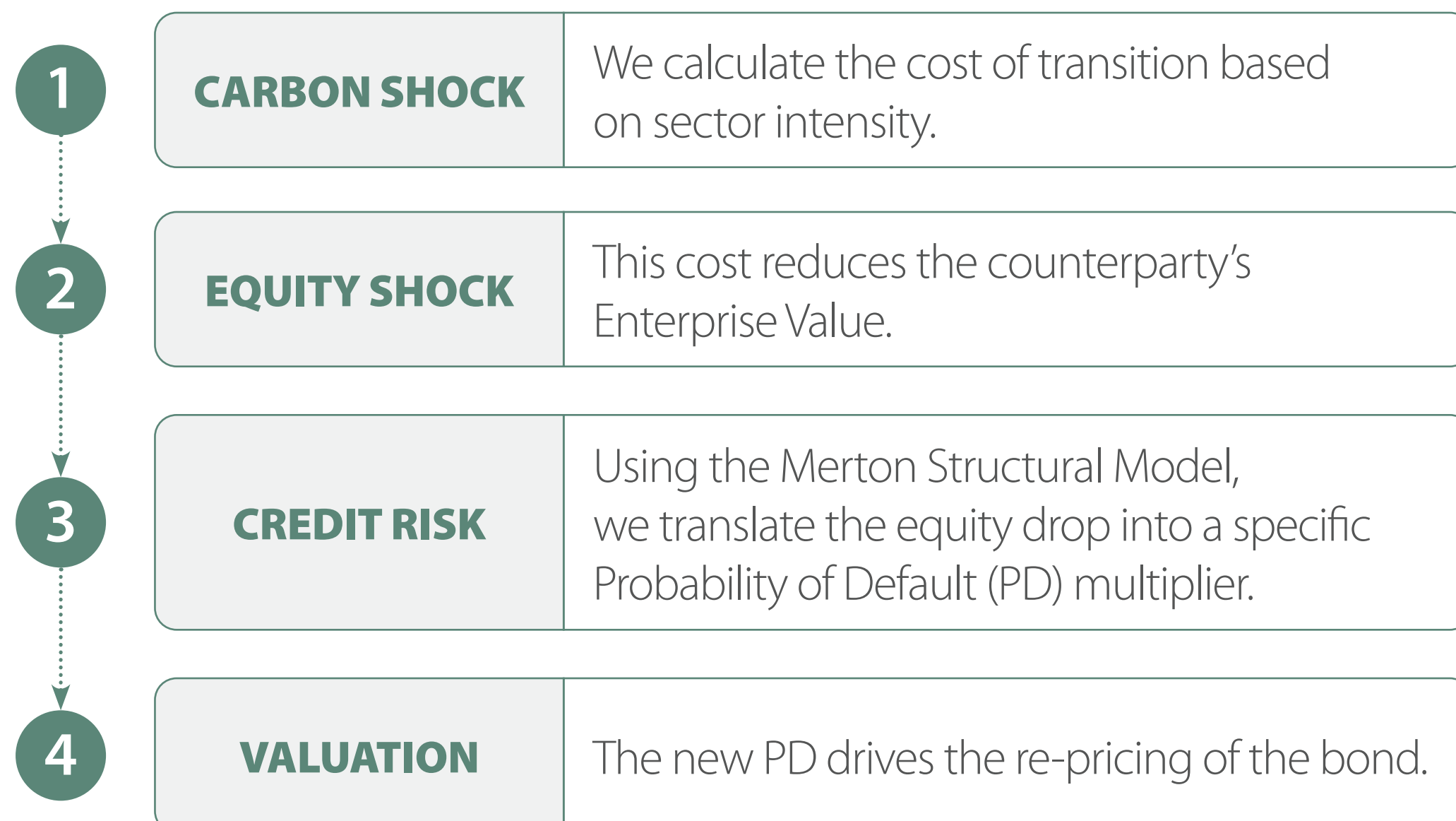
**ASSETS &  
LIABILITIES**

# QUANTIFYING TRANSITION RISK ON ASSETS

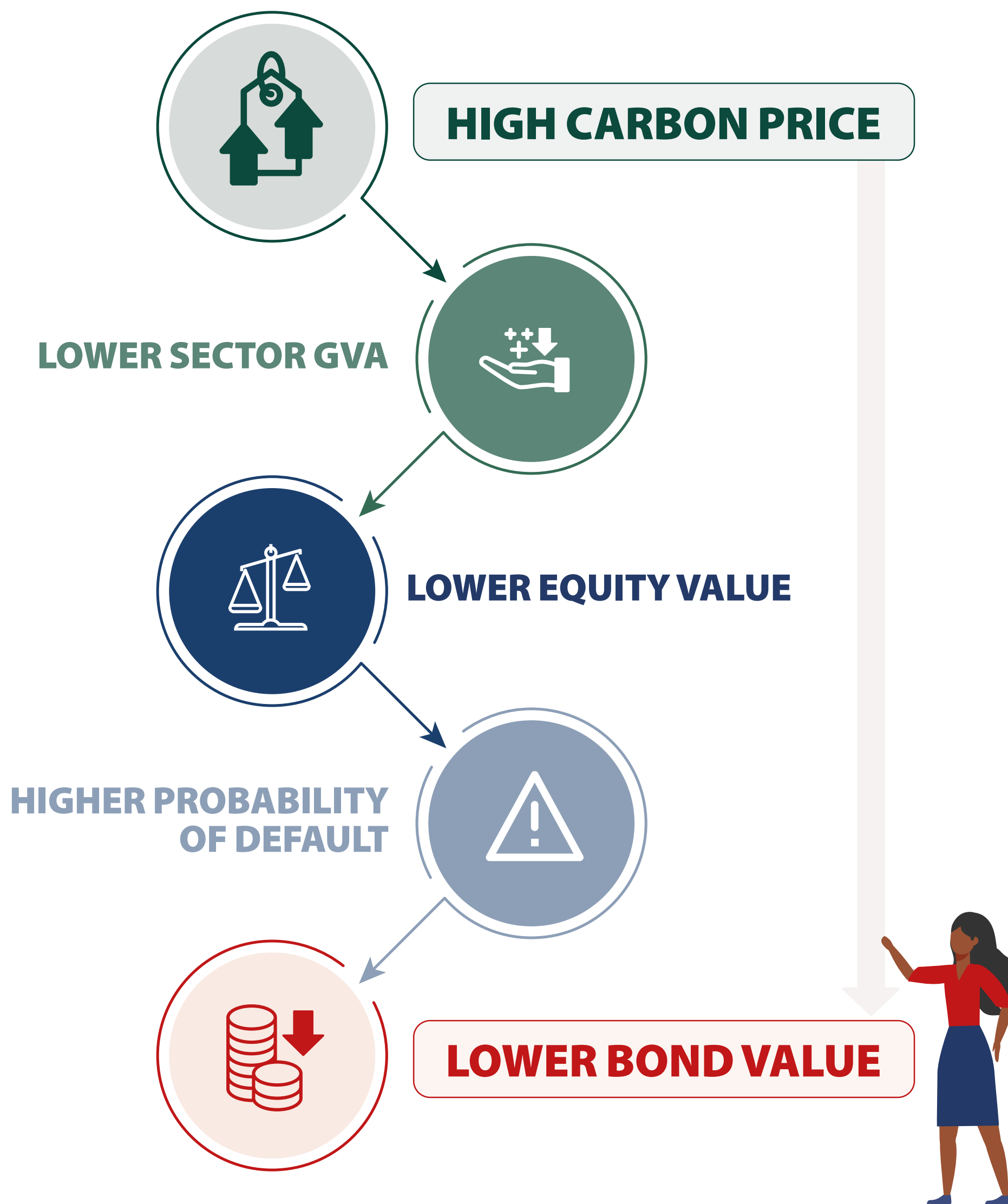
How does an increase in the carbon price affect your bond portfolio?



## The methodology:



**QUANTIFYING TRANSITION RISK ON ASSETS**



# LIABILITY MODELLING: GRANULAR AND SCIENTIFIC

We bridge the gap between climate science and claims inflation.

## The “Factor > Cause” approach:

We map climate drivers (*heatwaves, floods, vector-borne diseases*) directly to insurance risk drivers (*mortality, property damage, business interruption*).

**SCENARIO**

**FACTOR**

**CAUSE**

**PRODUCT**

  
**HOT HOUSE**

**+33%  
WEATHER  
EVENTS**

**+25%  
NATCAT  
CLAIMS**

**+4%  
PROPERTY  
INSURANCE**

# REGULATORY INSIGHT AND QUANTITATIVE RIGOUR

Meeting the PRA's June 2026 deadline requires more than just compliance – it requires a credible, data-driven implementation plan.

Sicsic Advisory x Elseware can provide the end-to-end solution:

- ✓ Gap analysis and governance
- ✓ Advanced scenario modelling
- ✓ Data gap “contingency solutions”

 [sicsicadvisory.com/contact](https://sicsicadvisory.com/contact)

