

Final remarks of a remarkable conference

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Good afternoon everyone! I want to thank you all for participating in the 19th International Conference for Banking Supervisors.

Today concludes a busy week for the Basel Committee and our international community of central bankers and banking supervisors. The Basel Committee has finalized the main outstanding issues relating to its post crisis reforms, which will be submitted to the Governors and Heads of Supervision for endorsement in early 2017.

Important modifications have been determined for the standard approach for credit risk, the internal ratings based approach for credit risk, the operational risk framework, the leverage ratio framework and an aggregate capital “output” floor. The Committee has worked hard to improve risk sensitivity and reduce variability in risk weightings, while not significantly increasing capital requirements.

We have learned about the expected impact of these reforms via the results of the cumulative quantitative impact study and have heard from experts about the implementations of reforms in advanced economies and emerging markets.

We were able to take a deep dive on many issues related to the reforms in our day 1 and day 2 workshops. Finally we discussed the importance of sustainability in banking, both for financial stability and from the perspective of environmental and social responsibility.

These important themes will go with us as we return to our home countries. We will also keep in mind the country level responsibility we all face in ensuring that we have effective, intrusive banking supervision that we understand what is really going on at the banks and the risks being assumed both on balance sheet and off balance sheet. We also go home with the knowledge that more needs to be done to increase financial education and transparency in order to reduce information asymmetries and reduce risks in our financial systems.

Let me close by thanking the Basel Committee for your hard work in completing these post crisis reforms. I also want to congratulate the staff of the Bank for International Settlements and the Superintendency of Banks and Financial Institutions of Chile for their hard work in putting together this conference. Lastly, I want to thank all the speakers, panelists, workshop chairs and heads of regional groups that have led important discussions on Basel III implementation and its implications.

I hope you have all enjoyed your time in Chile and that this has been a productive and interesting conference for all. Until we meet again, farewell and safe travels.