



The Chairman's closing remarks

Speech by William Coen
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Ladies and gentlemen,

The time has come to close this conference.

I would like to once again express my sincere thanks and *shoukran* to Governor Mubarak Al Mansoori and the Central Bank of the United Arab Emirates for hosting this conference. You have spoiled us with your generous hospitality and impeccable organisation.

In discussing financial developments, an article in the Financial Times noted the following:

"The international financial system has if anything become more sensitive...regulators are more aware of the risks and are moving to tackle them through the new regulatory initiatives...one most hope that the bank regulators will not require the incentive of further dangerous failures to tackle adequately the challenges they face".¹

This article was published in July 1979, and was part of the FT's coverage of the first ICBS! But I think we can agree that the message continues to ring true. As I remarked in my speech yesterday, there are no shortages of risks and challenges ahead. Our success in managing these risks will depend in part on the extent to which we do not forget the lessons of financial crises. A key indicator of success will be whether we adequately reflect the lessons of financial crises.

In closing the first ICBS, my predecessor, Peter Cooke, offered a few general observations, and noted the following:

"While there are clearly a great diversity of rules and laws within which our supervisory activities are carried out and a great diversity of banking systems and national and international market places to which those rules and laws are applied, there are many aspects of supervisory principles and practices that are common to us all. It is a science or, more properly I would suggest, an art which has many aspects which we can all agree are of common relevance".²

His observation continues to hold true almost forty years later. What has made this conference a success is the belief among all participants that, in an increasingly international banking system, a broad-based cooperative effort to come together and discuss regulatory and supervisory issues is fundamental.

I am most grateful to all the speakers over the past two days, including Sir John Vickers, current and former Governors and Heads of Supervision, and the Chairs of the workshops. Just as importantly, I would like to thank the participants at large for their remarks and interventions, which have made this conference such a success.

¹ See Financial Times (1979).

² See Cooke (1979).



Let me quickly recap some of the key messages we have heard over the past two days:

- First, it is important that we don't forget the lessons of the past. There are no shortages of risks on the horizon and challenges ahead. For example, we covered cyber risk, fintech and the many supervision and implementation challenges ahead. In this regard, complexity and proportionality will be issues that will remain on our agenda over the coming years.
- John Dugan outlined the many actions that banks and supervisors have taken to increase the resilience of the financial system.
- John Laker warned us about the risks of complacency, and the importance of trust in financial institutions.
- Philipp Hildebrand asked why banks have not changed their business models more significantly than what many would have expected, particularly in markets where the current business models do not seem sustainable and where price-to-book ratios have been persistently low.
- Nout Wellink mentioned the challenges of managing very large and complex banks. He also noted the importance of technology in addressing these challenges.
- And Sir John Vickers told us to "mind-the-gap". That is the gap between what most economic studies find is the optimal level of bank capital and where we landed with the minimum Basel III standards.

Finally, what has made this conference a success is the belief among all participants that, in an increasingly international banking system, a broad-based cooperative effort to come together and discuss regulatory and supervisory issues is fundamental.

I wish you all a safe journey home, and I look forward to the success of the next ICBS in 2020!

References

Cooke, P (1979): "The Chairman's Closing Remarks", delivered at the International Conference of Banking Supervisors, London, 5-6 July.

Financial Times (1979): "A new world order for banks", 31 July.

Coen, W (2018): "Looking ahead by looking back", keynote speech at the International Conference of Banking Supervisors, 28 November.