



First G20 Finance Ministers And Central Bank Governors Meeting

SESSION II

26 February 2021

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PRESS CONFERENCE



Remarks by Governor Visco

Good afternoon,

- Today we had a very productive **session on financial stability and financial inclusion**. All delegates provided valuable contributions to the discussion and expressed **broad support for the Italian G20 Presidency's priorities** in these areas.
- We had a more in-depth discussion on **the lessons learned during the pandemic** from a financial stability perspective. This is the first initiative of the work programme agreed with the Financial Stability Board for 2021. We focused on **the main areas that will be covered in its assessment**, namely financial institutions' use of capital and liquidity buffers, the impact of pro-cyclicality on financial and prudential standards, and the functioning of operational resilience arrangements and crisis management frameworks under the strain of the pandemic. With the pandemic still ongoing, we acknowledge that **any assessment of lessons learned will inevitably be preliminary** and tentative. But it is important to start this work now, in order to understand **whether the regulatory reforms introduced after the global financial crisis are working as intended**, and whether they have contributed to enhancing the resilience of the



banking sector under the first major test presented by the pandemic.

The analysis will help to identify policy issues of international relevance and assess whether some adjustments to the existing framework may be necessary. The initial findings will be discussed by Finance Ministers and Central Bank Governors (FMCBG) in July and the final report will be delivered to the G20 Summit in October.

- The Italian Presidency's finance agenda for 2021 includes a number of other key priorities, among which an **initiative to strengthen the resilience of nonbank financial intermediaries** and work to **implement the G20 roadmap on enhancing cross-border payments**. These issues were not discussed today. We will provide you with more detailed information on these items as they are taken up in future G20 FMCBG meetings.
- Today we also focused on **financial inclusion**. The outbreak of the COVID-19 pandemic appears to have disproportionately affected the most vulnerable individuals and firms across the globe, with many of them experiencing severe losses of income and proving unable to withstand the financial distress because of low or inexistent liquid reserves. We shared the **need to analyse and address the gaps that emerged during the crisis**, also in relation



to the acceleration of digitalization in payments and financial services.

- **The new sources of finance and new payment channels can help to make headway with financial inclusion**, but there is also a shared understanding about the risk of new forms of exclusion that needs to be adequately addressed.
- **Digital infrastructures, financial and digital literacy, and customer protection are all necessary** and complementary elements that will play a part in shaping the transformation towards a more resilient and inclusive financial system, leveraging the opportunities offered by technology.
- We all agreed that **the G20 has a shared responsibility to facilitate a more equal and widespread access to responsible financial products and services** as an essential pillar to support strong, sustainable, balanced and inclusive growth.
- Finally, concerning work on climate-related issues, a consensus was reached on an important new initiative as **Finance Ministers and Governors agreed to relaunch the Sustainable Finance Study Group** chaired jointly by China and the US (and possibly transform it into a working group). A detailed work plan of the Group will be



finalized in the coming weeks. The FSB will also work on data availability and disclosure standards for companies.

- We are now ready to take your questions.