

Gabriel Makhoul: Opening remarks - "10th Annual Macroprudential Conference"

Opening remarks by Mr Gabriel Makhoul, Governor of the Central Bank of Ireland, at the 10th Annual Macroprudential Conference, jointly organised with the Deutsche Bundesbank, the Nederlandsche Bank, and the Sveriges Riksbank, Dublin, 22 June 2026.

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Good morning.

It is a pleasure to welcome you this morning to the Central Bank of Ireland and to the tenth annual Macroprudential Conference, organised jointly with the Deutsche Bundesbank, the Nederlandsche Bank, and the Sveriges Riksbank.

Let me begin by thanking the scientific committee for bringing together such a distinguished group of policymakers and researchers, and for developing a programme that is both ambitious and timely. Let me also note that it is the first time the conference is held in Ireland and that we are honoured to welcome you in Dublin today.

A tenth anniversary is an opportunity to take stock.

Since this conference first met in Stockholm in 2015, the financial system has changed significantly. Yet the fundamental purpose of macroprudential policy remains constant: to protect society from the wider costs of financial instability.

Households and businesses rely on the financial system to make payments, safeguard savings, manage risks, and finance investment. When the system functions well, it supports economic activity and enhances prosperity. When it fails, the consequences extend far beyond financial markets and financial institutions, affecting communities across society, and often falling most heavily on those least able to bear them.

Ireland's experience leaves us in little doubt about those costs.

It also however shows the value of building resilience before it is needed. Our macroprudential framework, introduced as Ireland emerged from the financial crisis more than ten years ago, now encompasses borrower-based measures, bank capital buffers, and measures for non-bank finance. These policies cannot prevent every shock, neither should they seek to prevent all risk-taking. Their role is to reduce the likelihood that shocks are amplified by the financial system and to ensure that essential services can continue when shocks occur.

Over the past decade, macroprudential policy has moved from a young discipline towards a more established part of our policy frameworks. And, over this period, our collective understanding of this relatively new field of policy has advanced significantly. Indeed, many of the attendees here today have been influential contributors to this advancement. But maturity must not mean complacency. The financial system is changing quickly, and our frameworks must continue to evolve with it.

The programme for the next two days illustrates the scale of that change.

It ranges from bank supervision and non-bank finance to cross-border payments, central bank balance sheets, resolution, stablecoins and cryptocurrencies. These may appear to be quite different subjects. Together, however, they describe a financial system in which risks can emerge in new places, move through new channels and crystallise with greater speed.

The opening session on Silicon Valley Bank is a reminder that vulnerabilities can build over time beneath apparently reassuring indicators. It asks us to distinguish between reacting to losses once they are incurred and responding to risks as they are taken.

That distinction captures a central challenge for financial stability policy. We need to be able to see risks forming before they crystallise, while recognising the limits of our knowledge and the costs of acting under uncertainty. This requires good data, sound models and effective supervision. It also requires intellectual openness: the willingness to test our assumptions, to draw lessons from experience, and to recognise where our understanding is incomplete.

But identifying risk within individual institutions is only part of the task.

Many of the boundaries around which financial policy was built are becoming increasingly blurry. Risks move between banks and non-banks, across markets and jurisdictions, and between the traditional financial system and new forms of digital finance. Cross-border payments remind us that the infrastructure through which finance operates is itself a source of both opportunity and risk.

The frontier of macroprudential research is increasingly found in these connections. We need to understand not only individual nodes, but also the network; not only first-round effects, but also amplification and feedback; not only the amount of risk, but where it is held, how it is financed and how it may move under stress.

This has practical consequences for policymaking.

Frameworks built for one structure of finance may become less effective as activity migrates elsewhere. Measures intended to strengthen one part of the system may shift risk into another. And new technologies can change behaviour more quickly than our data, models or rules can adapt.

The answer is not to pursue a financial system without change or without risk. Innovation, risk-taking and the movement of capital are essential to a productive economy. The task is to ensure that the financial system can adapt and innovate while remaining resilient.

Research is central to that task.

Historical research can reveal recurring patterns beneath apparently novel developments. Conceptual work can identify risks before the data are sufficient for precise measurement. Empirical work can map connections and test how shocks propagate. And policy evaluation can tell us whether measures work as intended,

where costs arise and how frameworks can be made simpler without weakening resilience.

No central bank can answer these questions alone. In fact today, we are publishing proposals to enhance the evaluation of our policy-making toolkit. Underpinned by serious research, careful analysis and wide engagement and consultation, we want to support robust, evidence-based decision-making and ensure that our policy interventions are proportionate, transparent, predictable, connected, forward-looking and agile, and support appropriate consideration of their impacts on the functioning of the wider financial system. I would welcome feedback on these from a range of stakeholders.

Finance is global, while our ability to observe and address vulnerabilities remains, in important respects, national and sectoral. Shared standards, comparable data, candid exchange and mutual trust allow national action to add up to global resilience. At a time when the international order is under strain, we should not take that infrastructure for granted. We should invest in it.

The same is true of cooperation between policymakers and academia. Good policy research combines institutional knowledge, high-quality data, methodological rigour and the freedom to challenge established thinking. No institution has a monopoly on those qualities.

At the Central Bank of Ireland, our Research Exchange Program is intended to make that cooperation practical. Through visiting scholars, research affiliates, scientific advisers and other partnerships, it connects our researchers and policy work with the wider research community. Applications for the next intake of visiting scholars are currently open and, given the expertise in this room, I would be delighted to see your engagement with the Central Bank of Ireland continue to flourish into the future.

This conference is itself an example of cooperation in practice. It brings together four central banks, an exceptional scientific committee, and participants with deep experience of research and policymaking. The fact that it has reached its tenth edition is an achievement. More importantly, it demonstrates a sustained commitment to learning together.

Over the past decade, macroprudential policy has become a more established part of the policy framework. The next decade will bring risks and innovations that we cannot fully anticipate today. Our enduring purpose must therefore be matched by a continued willingness to question, to adapt and to cooperate.

The discussions over the next two days will not resolve every question on the programme. Indeed, a successful research conference usually identifies new questions as quickly as it answers existing ones. But it can sharpen our understanding, challenge our assumptions and improve the choices we make.

The ambition of our research should match the importance of our responsibilities. Through rigorous research, honest reflection and international cooperation, we can

build a financial system better able to absorb shocks rather than amplify them, and better able to serve households, businesses and communities through periods of change.

Thank you. I wish you a productive and enjoyable conference