Dear Governors, Deputy Governors, Executive Directors, and Board Members, Dear Chairs, Secretary Generals and Director Generals,
Dear Supervisors, Regulators and Market Participants,
And dear members of the organizing committee,
Dear Everyone,

Welcome to the first ever International Climate Risk Conference for Supervisors! It is our sincere pleasure to welcome you to the beautiful city of Amsterdam to discuss how climate-related risks could affect our financial institutions, and thus affect our mandate as a central bank and supervisor. This conference is organized not only by ourselves but also by the ACPR and the Bank of England, and the conference is an initiative of the Network for Greening the Financial System, which was launched in Paris in December of last year. This Network aims to strengthen the global response required to meet the goals of the Paris agreement and enhance the role of the financial system to manage risks and to mobilize capital for green and lowcarbon investments.

We are very proud to have representatives with us today from over 30 countries and from more than 50 supervisory organizations. We have participants from as far away as Australia, Japan, and Canada, and from as close to home as Germany, Belgium and Luxembourg. In short, we have a gathered a truly international crowd here today. And while some of you may have been active on this issue for a while, I can imagine that for many others today might the first time you are engaging with this issues. We hope it will be a fruitful exchange.

Now, I shan't dive into the details of how climate risks could affect our financial sector, as I'm sure we will be discussing those risks in the coming hours, with all the excellent speakers we have lined up. What I would like to share with you is why we have been active on this issue for a few years now. But it is only logical that some of you might have some scepticism about supervisors being worried about the climate. Maybe you will be less puzzled after I will have told you how we as central bankers and supervisors started worrying. It all revolves around our mission. I'm sure that some of you may have heard that already before. But it’s important to highlight this mission, because it explains perfectly why it makes sense for supervisors and central banks alike to pay attention to the issue of sustainability.

You see, De Nederlandsche Bank is the supervisor of banks, pension funds and insurance companies, but also the central bank, the resolution authority and the authority for the deposit guarantee scheme. And our mission is to safeguard financial stability and thus contribute to sustainable prosperity in the Netherlands. Financial stability is of course a key component of this mission. But financial stability is not an end goal in and of itself. Financial stability is a necessary precondition which allows the societies we serve to increase its living standards and prosperity. And as public authorities we exist for the general good of the societies we serve. But as the financial crisis has shown, we should not be myopic when it comes to this issue of prosperity. The prosperity we had created in the years before the financial crisis, had been based on excessive leverage. Our economies had seen too much credit growth, which was not adequately backed up by underlying strong economic and financial fundamentals of companies, households and even of governments.

In short, the prosperity had turned out to not be sustainable. And so, as we updated our mission statement in 2011, we knew that the word prosperity had to be qualified with the word ‘sustainable’. At first, our main thinking was in relation to the economic and financial crisis. Sustainable prosperity meant, for example, that banks should have sufficient buffers to absorb unexpected losses. But it soon became clear that the word sustainable, daily bread and butter stuff I would almost say, could have broader implications. If the way in which prosperity is created today results in significant ecological damage that prevents future generations from obtaining similar or higher levels of prosperity, today’s prosperity creation is not sustainable either, and runs thereby counter to our mission.

And this is at the core of today’s topic. We are almost all supervisors here. We all have an obligation to ensure that the institutions we supervise are able to meet their contractual obligations. Now and in the future. Our pension funds and insurance companies will still need to be able to pay out their obligations 50 years from now. While we also want our banks to be safe for decades to come. This means that we and the institutions we supervise need to take long term trends and risks into account. And that means paying attention to climate risks. Because couldn’t it be feasible that climate change or the energy transition could have an effect on the solidity and integrity of financial institutions or the financial system as a whole?

We think yes. And this is why we have been active on this issue. And this is why we are one of the founding members of this Network. And this is why we are hosting you here today.

Ladies and gentlemen, It’s an honor to be the host of not only the first ever conference on climate risks and supervision, but also the first ever conference of the Central Banks and Supervisors Network for Greening the Financial System.

We hope and are convinced it won’t be the last.