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NGFS PRESS RELEASE

NGFS 1st anniversary and announcement of five new Members

The Central Banks and Supervisors Network for Greening the Financial System (NGFS) was launched at the Paris One Planet Summit on 12 December 2017. On this anniversary, Members are pleased to welcome in their “coalition of the willing” the following institutions: the European Banking Authority, Banco de Portugal, Norges Bank, Reserve Bank of New Zealand and Sveriges Riksbank. Since its inception the NGFS has grown from 8 original Members, to 24 Members and 5 Observers, representing 5 continents.ⁱ

During the first year, the NGFS has achieved several important milestones. After establishing a solid governance framework, the Network has developed its work programme for 2018-2020, and created three technical workstreams to structure the works.ⁱⁱ The NGFS also published on 11 October 2018 its first Progress Report summarizing the preliminary findings of its stock take exercise of national, regional and international initiatives. In that report, NGFS Members acknowledge that climate-related risks are a source of financial risk and that authorities and financial institutions need to develop new analytical and supervisory approaches to be able to integrate these issues into their operations. Some Members see environmental risk as a source a financial risk as well.

The NGFS has evolved into an effective platform for exchanging experiences on green finance amongst its Members and Observers and cooperates closely with other stakeholders. In addition to convening meetings, the NGFS has organised several events, including the high-level conferences in Amsterdam (April), at the Annual World Bank/IMF Meetings in Bali (October), and various NGFS workstream activities in Amsterdam, Berlin, Beijing, London, and Singapore. Finally, the NGFS has also

opened a dialogue with the industry through separate workshops in Singapore and Vienna.

Frank Elderson, chairman of the NGFS: “The achievements of the NGFS and the rapid expansion of its membership within a year have exceeded my expectations. It is a significant breakthrough that the very broad NGFS membership has signed up to the acknowledgement that climate-related risks are a source of financial risk and therefore fall squarely within their mandates. I look forward to consolidating the work over the next year and achieving tangible results”.

As greening the financial system is a global challenge, the NGFS recognizes the importance of involving all relevant institutions, academic representatives and other stakeholders in its work. Banco de México will organise an outreach event on 22 January 2019 with central banks and supervisors from the region. Other regional outreaches will be planned. The NGFS will also organize a structured dialogue with relevant stakeholders and academia.

Looking ahead, the NGFS will continue its agenda in three workstreams focused on (i) supervisory and disclosure practices, (ii) macro financial and financial stability impacts of climate-related risks and (iii) the role of central banks in the scaling up of green finance. A first comprehensive report will be presented at a high level conference to be held in Paris on 17 April 2019. This report will in particular put forward some best practices and policy options, and set out some areas where further work is needed.

ⁱ With these new Members, the total membership consists of the following institutions: Banco de España, Banco de México, Banco de Portugal, Bank Al Maghrib, Bank of England, Bank of Finland, Bank Negara Malaysia (Central Bank of Malaysia), Banque centrale du Luxembourg, Banque de France / Autorité de Contrôle Prudentiel et de Résolution (ACPR), Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin), De Nederlandsche Bank, Deutsche Bundesbank, European Banking Authority, European Central Bank, Finansinspektionen (Swedish FSA), Japan FSA, Monetary Authority of Singapore, National Bank of Belgium, Norges Bank, Oesterreichische Nationalbank, People's Bank of China, Reserve Bank of Australia, Reserve Bank of New Zealand and Sveriges Riksbank
The following institutions are observers: Bank for International Settlement, European Bank for Reconstruction and Development, Organisation for Economic Cooperation and Development, Sustainable Insurance Forum, World Bank Group and International Finance Corporation-supported Sustainable Banking Network.

ⁱⁱ The mandates of the three workstreams can be found on the NGFS website.