



**Statement by François Villeroy de Galhau,
Governor of the Banque de France
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One Planet Summit

François Villeroy de Galhau: “Central banks are concerned with "greening" the financial system. This may be unexpected, but it's not a fashion. This is a conviction: climate stability is, in the long run, part of the determinants of financial stability, which is our responsibility.

And so we at the Banque de France have decided to act concretely: we are creating in Paris today a dedicated network of supervisors and central banks. This is an effective network consisting of 8 central banks and supervisors from three continents - People's Bank of China, Monetary Authority of Singapore, Bank of Mexico, and in Europe, along with us, the Bank of England, the German Bundesbank and the Dutch and Swedish supervisors. And this network is of course open to new participants - all committed to sharing their analyses and innovations in order to reinforce two key incentives:

1) How to develop the **opportunities** related to the financing of the transition? "Green bonds" and "climate-aligned bonds" are developing but it is necessary to go further, beyond just bond-based financing, and even faster [almost USD 1 trillion of outstanding green bonds and alike as of 2017, but financing needs are set to rise to USD 95 trillion by 2030], while preserving the integrity of labels and markets when faced with possible temptations of "green washing".

2) How to measure the long-term **risks** associated with climate change? You can take a snapshot: this corresponds to the disclosure of existing exposures, either voluntary according to the Task Force [on Climate-Related Financial Disclosure (TCFD) of the FSB] chaired by Michael Bloomberg, or mandatory which is already the case in France. And you can also take a more dynamic video: we are starting to envisage forward-looking stress tests for insurance companies and banks, based on scenarios of physical and economic change.

Concretely, our Network plans to roll out two initiatives in 2018: a high-level conference in April in Amsterdam, co-organised with our Dutch and British colleagues; a stock-taking publication of lessons learnt and future working programme. You can count on the Banque de France, which provides the secretariat of this Network, to move from theory – which is needed- to operational practice, which is even more necessary.”