



PRESS RELEASE

CMF successfully wrapped up its 7th Annual Conference on Financial Development and Stability

The event brought together academics, specialists, and regulators to discuss issues related to an inclusive, sustainable, and stable development of the financial system.

Representatives of the World Bank participated in the Conference to address the main findings of the Financial Sector Assessment Program.

September 9, 2022 — The Financial Market Commission (CMF) wrapped up today its 7th Conference of Financial Development and Stability. The event, held since 2015, aims to encourage discussion among the public, the academia, supervised entities, and regulators themselves on topics about an inclusive, sustainable, and stable development of the financial system.

This year's Conference was split in [three thematic sessions scheduled for August 26, September 2 and September 9, 2022](#). The first covered household indebtedness and consumer protection, while the others delved into digital financial inclusion and the promotion of savings, respectively. Said topics follow the findings of the World Bank's Financial Sector Assessment Program (FSAP), whose results for Chile were published last July. The Conference featured a trio of Senior Specialists from the World Bank as keynote speakers: Gian Boeddu, Jennifer Chien, and Ivor Istuk.

Over 300 participants attended each of the Conference's sessions.

Fomenting Household Savings

Virginia Brandon, World Bank Representative for Chile, delivered an opening speech highlighting the recent FSAP applied to the country. Though Chile's financial system works well and has a sound regulatory framework, there is still room for improvements. Among them are the importance of generating incentives to increase the supply and demand of green capital market instruments.

"As it has been addressed in this series of webinars, the country has challenges to face in view of the increase in household indebtedness; improve financial consumer protection; and take advantage of digital financial inclusion opportunities, particularly to generate more attractive and competitive products to increase household savings," Mrs. Brandon said.

After this opening speech, World Bank Specialist Ivor Istuk gave a keynote presentation on the "Measures to Foment Savings" stated on the FSAP. "There is a huge opportunity to expand the range and attractiveness of savings services for individuals, taking advantage of the benefits offered by the digital revolution," Istuk stated. Some recommendations are:

- Facilitate the environment to develop digital savings products.
- Promote a digital approach to financial inclusion through the digitalization of payments and transfers.
- Establish a regulatory framework for digital financial services.
- Improve digital banking infrastructure and promote interoperability.
- Implement financial education strategies with greater emphasis on the importance of savings.

Per Istuk, successful worldwide experiences in promoting digital savings allow the unbundling of the value chain, in which banks partner with non-bank entities to develop and distribute products. This increases access points, lowers costs, encourages the development of more flexible and accessible products, and increases competition.

Savings Challenges in Chile

CMF Deputy Chairman Mauricio Larraín moderated a panel on savings challenges in Chile. Diana Mejías, Senior Specialist in Financial Inclusion at the Corporación Andina de Fomento (CAF), stated that cognitive biases make people associate savings with pain and buying with pleasure, in addition to digital credit offers that emphasize impulsive behaviors.

Enrique Marshall, former vice-president of the Central Bank of Chile and a professor at the Pontificia Universidad Católica de Valparaíso, showed the leap in savings in Chile in the 1980s reveals that it is possible to implement promotion policies, particularly in the non-pension segment which has shown a sharp decline. Marshall also stressed that extending the practice of saving is more important than the amounts accumulated. BancoEstado Chairwoman Jessica López delved into the advances made by the state-owned bank in financial inclusion, particularly in adjustable savings products. And Central Bank Advisor Stephany Griffith-Jones emphasized the need to improve the attractiveness of savings accounts, an issue to which the Bank's recent regulatory amendments contribute, and complement traditional products with digital solutions that make savings automatic, entertaining, and attractive.

Role of the CMF

Nancy Silva, Head of the Commission's General Directorate of Studies, Statistics & Data, delivered the Conference's closing speech. She thanked the people who attended the event for "these three sessions to reflect on the inclusion and development of the financial system, and its effects on people, who are an essential

part of it." She also underlined the CMF's role on publishing new categories of personal indebtedness to help close gaps in the evaluation of household indebtedness and consumer protection in Chile, and the Commission's upcoming participation during October in Financial Education Month activities. Other noteworthy events include the next version of the CMF's Regional Statistics Report, with a strong emphasis on variables that measure inclusion; and the 2nd National Survey of Financial Capabilities applied to the Chilean population, as well as the first focused on small-and-medium enterprises. Both studies will be carried out in a joint effort with the CAF.

Mrs. Silva stated that one of the recommendations repeatedly brought up during the three sessions of the Conference was the need to maintain a public-private dialogue and promote concrete actions to improve the financial education of the population. "We want to keep contributing on these areas as the CMF, and we will soon open new instances of dialogue, with specific questions on responsible indebtedness and financial client protection, financial inclusion, and savings. All of you are invited to participate," she concluded.

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