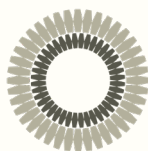


Λ S B Λ

ASSOCIATION OF SUPERVISORS
OF BANKS OF THE AMERICAS

ANNUAL REPORT 2019

"Strengthening banking regulation and supervision in the Americas"



Λ S B Λ

ASSOCIATION OF SUPERVISORS
OF BANKS OF THE AMERICAS

ANNUAL REPORT 2019

Mexico City, Mexico.



I am pleased to present the 2019 Annual Report, in my capacity as Chairman of the Board of Directors of the Association of Supervisors of Banks of the Americas. The activities during this year were focused on achieving the strategic objectives established by the Association's Board of Directors: i) to increase and keep up to date the technical capabilities of the Association's member institutions; ii) to strengthen the Association's cooperation with regional and international organizations and institutions, as well as among its own members; iii) to become the regulatory and research benchmark on banking topics in the Americas and the Caribbean, and iv) to promote the improvement of the Association's internal processes.

In 2019, the activities of the banking supervisory authorities in the region were carried out in an economic environment characterized by a slowdown in the main advanced economies - with the exception of the United States - and in some emerging ones. The slowdown in global economic activity was the result of the escalation in trade tensions, a situation that negatively affected manufacturing production and the volume of global trade, the uncertainty generated by Brexit, and the increase in geopolitical tensions in the Middle East. With regard to our region, it is necessary to add the increase in economic, political, and social uncertainty observed in some countries in this hemisphere. This situation was reflected in a downward revision in growth expectations for 2019 and 2020. Meanwhile, the Caribbean economies and financial systems experienced significant negative effects due to natural disasters that took place, as well as the persistence of problems derived from de-risking activities from some of the global banks that operate in the region. Despite an economic environment of low growth and high risks, the region was characterized by an absence of inflationary pressures and significant resilience in sectors, such as services. The absence of inflationary pressures granted a wide margin of maneuver for the implementation of more accommodative monetary policies. In addition, despite the fact that 2019 was a year characterized by the slowdown in economic activity, financial markets in the region showed their resiliency and abundant liquidity, which allowed them to address the negative conditions. In retrospect, the region showed to be more resilient against negative shocks compared to what was observed twenty or thirty years ago

During 2019, the Association's members continued to work on the implementation of international standards. The conclusion of the Basel III final package gave rise to a process of analysis and implementation of the elements of this framework in the region, while supervisors concentrated their efforts on making some changes to prudential regulation and IFRS 9. On the other hand, new technologies, payment methods, and the growing importance of cyber-attacks were placed among the most important developments on the agendas of banking supervisors. Some authorities, particularly those in the Caribbean and Central American region, continued their efforts to implement anti-money laundering and combating the financing of terrorism standards.

By 2020, the supervisory and regulatory agenda of ASBA members, according to the annual survey conducted by the Association in November 2019, would focus on the implementation processes of Basel III and on issues related to new technologies, including: Fintech, cybersecurity, payment systems, and outsourcing technology providers. However, these policy initiatives did not contemplate the effects on world economic activity arising from the appearance of the COVID-19 virus during the first quarter of 2020. The health emergency and deterioration of economic conditions, which have occurred while drafting this report, as well as the lockdown established in practically all the countries in the region, will significantly modify the priorities of the Association's members and, therefore, the activities that the Association will carry out during 2020.

Paulo Sérgio Neves de Souza

Chairman of the Board of Directors

Association of Supervisors of Banks of the Americas

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1

ABOUT US

The Association of Supervisors of Banks of the Americas, ASBA, represents 42 financial supervisory authorities from 36 countries in North America, the Caribbean, Central America, South America, and Spain; thus, contributing to the strengthening of banking regulation and supervision, as well as financial stability in the Americas.

Throughout its history, ASBA has been relied upon as the reference forum where the supervisory authorities of the hemisphere analyze, debate, exchange experiences and information regarding the implementation of international standards and regional financial stability.

In addition, the Association's activities have among its main objectives to promote cooperation, both among its members and with related organizations and entities worldwide, the provision of training programs, as well as the generation of lines of study and research, energizing projects that serve the needs of the entities that comprise the Association.

By combining the strengths of the supervisory agencies in the Americas, ASBA assumes the dual function of representing the region before international organizations, while positioning itself as an effective strategic ally for them in the region.

ASSEMBLY OF THE ASSOCIATION OF SUPERVISORS OF BANKS OF THE AMERICAS



Participants in the XXII Annual Assembly and the XIV High Level Meeting of the Association, held in September 2019 in Lima, Peru.

ASSOCIATE MEMBERS

Financial Services Regulatory Commission	Antigua & Barbuda	Banque de la République d'Haïti	Haïti
Banco Central de la República Argentina	Argentina	Comisión Nacional de Bancos y Seguros	Honduras
Centrale Bank van Aruba	Aruba	Bank of Jamaica	Jamaica
Central Bank of the Bahamas	Bahamas	Comisión Nacional Bancaria y de Valores	México
Central Bank of Barbados	Barbados	Superintendencia de Bancos y de Otras Instituciones Financieras	Nicaragua
Central Bank of Belize	Belize	Eastern Caribbean Central Bank	Organization of Eastern Caribbean States
Autoridad de Supervisión del Sistema Financiero	Bolivia	Superintendencia de Bancos de Panamá	Panamá
Banco Central do Brasil	Brasil	Banco Central del Paraguay	Paraguay
Financial Services Commission	British Virgin Islands	Superintendencia de Banca, Seguros y AFP	Perú
Cayman Islands Monetary Authority	Cayman Islands	Oficina del Comisionado de Instituciones Financieras	Puerto Rico
Comisión para el Mercado Financiero	Chile	Superintendencia de Bancos de la República Dominicana	República Dominicana
Superintendencia Financiera de Colombia	Colombia	Central Bank van Suriname	Suriname
Superintendencia General de Entidades Financieras	Costa Rica	Central Bank of Trinidad and Tobago	Trinidad and Tobago
Banco Central de Cuba	Cuba	Turks & Caicos Islands Financial Services Commission	Turks & Caicos
Centrale Bank van Curaçao en Sint Maarten	Curaçao	Board of Governors of the Federal Reserve System	United States
Superintendencia de Bancos	Ecuador	Federal Deposit Insurance Corporation	United States
Superintendencia del Sistema Financiero	El Salvador	Office of the Comptroller of the Currency	United States
Banco de España	España	Banco Central del Uruguay	Uruguay
Superintendencia de Bancos	Guatemala	Superintendencia de las Instituciones del Sector Bancario	Venezuela
Bank of Guyana	Guyana		

COLLABORATOR

Banco Central de Reserva de El Salvador	El Salvador	Comisión Nacional de Microfinanzas	Nicaragua
Comisión Nacional para la Protección y Defensa de Servicios Financieros	México		

BOARD OF DIRECTORS



Chairman

Paulo Sérgio Neves de Souza

Director of Supervision, Banco Central do Brasil



Vice Chairman

Jorge Castaño Gutiérrez

Superintendent, Superintendencia Financiera de Colombia



Andean Region

Socorro Heyzen

*Superintendent, Superintendencia de
Banca, Seguros y AFP, Perú*



Southern Cone Region

Juan Pedro Cantera Senci3n

*Superintendent of Financial Services,
Banco Central del Uruguay*



Central American Region

Ethel Deras

*President, Comisi3n Nacional de Bancos
y Seguros, Honduras*



North American Region

Jos3 Antonio Quesada

*Vice President of Regulatory Policy,
CNBV, M3xico*



Caribbean Region

Ingeborg Geduld-Nijman

*(until September 2019)
Director of Prudential Supervision,
Centrale Bank van Suriname*



Michelle Francis-Pantor

*(starting October 2019)
Deputy Inspector Banks, Non-Banks
& Payment Systems, Central Bank of
Trinidad and Tobago*

1. ABOUT US

To strengthen governance, transparency, protect the interests of members, as well as to promote opportunities, dialogue, and analysis, the Board of Directors has the support and advice of the Consultative Committees, comprised by representatives of the different regional groups.

COMMITTEES OF THE BOARD OF DIRECTORS



TECHNICAL COMMITTEE

Chairman: Luis Figueroa

CMF, Chile

Members: Brazil, Colombia, Costa Rica, Spain, Mexico, Peru, FED (USA), Jamaica



AUDIT COMMITTEE

Chairman: José Ramón Canales

CNBV, México

Members: Mexico, Colombia, OCC (USA)



TRAINING COMMITTEE

Chairman: Galo Cevallos

FDIC, USA

Members: Brazil, Spain, Guatemala, Mexico, Peru, FED (USA), Jamaica

The Technical Committee is an advisory body whose mission is to provide advice to the Board of Directors for the adoption of a technical program supported by research, monitoring of the implementation of international standards, analysis of regional financial stability, dialogue, and coordination.

The Audit Committee is the body supporting the Board of Directors, which ensures that there is a transparent and reliable corporate governance in the Association, in order to protect the interests of Associate Members and Collaborator Members

The Training and Technical Cooperation Committee is an advisory body whose mission is to advise and guide the Association's Board of Directors and to support its purpose of providing opportunities for the development of relevant capabilities.

GENERAL SECRETARIAT

Secretary General

Pascual O'Dogherty

Administration and Finance

Maricarmen Morales

Rubén Torres

Programs and Projects

Adrián Acosta

Nancy Vallejo

Research and Implementation

Marcos Fabián

Antonio Pineda

Emmanuel González

Communication

Coordination

María José Baqueiro

Administrative Assistant

Georgina Olivares

Information Systems

Verónica Fuentes



ASBA's General Secretariat, the Association's operational management body, has its permanent headquarters in Mexico City. Among his functions, the Secretary General coordinates a team of expert professionals, specialized in the different areas of work, at the service of the Association's Members.



XCII Board of Directors, September 30, 2019 held in Lima, Peru.

2

EXECUTIVE SUMMARY

21

Training courses



574 participants
31 countries

ASBA's training activities aim to attend the needs raised by Associate Members in the "2019 Annual Survey of Identification of Training Needs." The training program, which offers a robust curriculum of in a variety of bank supervision and regulatory subjects, seeks to complement Members' internal capacity building efforts.

21

Forums and Seminars in the International Agenda



ASBA's international presence and participation during 2019 has been planned and carried out in line with the objective of strengthening the Association's position before other international organizations and institutions with related interests, reinforcing its own identity profile and in representation of the organizations that comprise it.

3

Technical Discussion Meetings

(Cybersecurity, IFRS 9, Outsourcing)



The Technical Discussion Meetings promoted by ASBA have generated analysis on relevant topics and promoted the exchange of information on strategies conducted by authorities in the region, covering topics, such as Cybersecurity, Outsourcing, and IFRS 9. The Meetings have framed various work sessions for the discussion and preparation of publications and reference documents that are accessible in ASBA's Virtual Library.

2

Conferences and Seminars

(Regional Policy for the Banking Sector, Regulated and Non-regulated Financial Institutions)



During 2019, the General Secretariat, in coordination with the Technical Committee, have promoted two Conferences and Seminars on Regional Policy for the Banking Sector, and on Regulated and Non-regulated Financial Institutions. The dialogue created from these forums has brought together supervisors and representatives from the financial industry to gather information and exchange opinions on cybersecurity and crisis management.

2

Policy Implementation Meetings (PIM)



(FinTech, Cybersecurity, and
Crisis simulation exercises)

In response to current challenges that authorities and the financial industry in the region are facing, ASBA along with the FSI, organized two Policy Implementation Meetings to address topics, including FinTech, Cybersecurity, and Crisis Simulation. The analysis of the economic conditions facing the region, the risk assessment, and the exchange of experiences on the types of approaches being implemented, strengthen the joint and particular vision of the region.

3

Working groups

(Fintech, De-risking,
Financial Education)



To promote the exchange of experiences and knowledge, ASBA has promoted the creation of three Research and Working Groups comprising representatives of associate members and experts from external entities and institutions who share related interests and concerns, to analyze current issues related to Fintech, De-risking, and Financial Education.

10

Publications



ASBA's Library has continued to grow during 2019, adopting literature and documentation relevant to the interests of the Members. Along with this, and during this period, ABSA has generated three reports on the technical meetings on IFRS 9, Fintech, as well as Cyber Risk and Cybersecurity; two documents related to the Working Groups on Fintech and Financial Cooperation, and the document on the 2019 Banking Supervisory Expectations in the Americas. The quarterly publication

of the Journal of the Banking Supervisor and the weekly Recommended Readings provide the supervisory community of the region with up to date information on relevant topics.



XIV High-Level Meeting of the Association, September 2019 held in Lima, Peru.

3

2019 OBJECTIVES

The Association's Board of Directors, with the agreement of the Assembly and in line with the 2018-2021 Strategic Plan, have established the following as strategic objectives for fiscal year 2019:

- To increase and keep up to date the technical capabilities of the Association's Member Institutions.
- To strengthen exchange and cooperation relationships between members, as well as with regional and international organizations and institutions related to the Association.
- To become the regulatory and research point of reference on banking topics in the region.
- To promote the continuous improvement of the Association's internal processes.

For fiscal year 2019, the Association's Board of Directors, with the agreement of the Assembly and in line with the 2018-2021 Strategic Plan, established the following as strategic objectives:

1. To increase and keep up to date the technical capabilities of the Association's Member Institutions.
2. To strengthen exchange and cooperation relationships between members, as well as with regional and international organizations and institutions related to the Association.
3. To become the regulatory and research point of reference on banking topics in the region.
4. To promote the continuous improvement of the Association's internal processes

To increase and keep up to date the technical capabilities of the Association's Member Institutions.

In order to meet the objectives of this strategy, work began to redesign the Continental Training Program to better reflect Members' training needs and expectations. Thus, the Training and Technical Cooperation Committee (TTCC) considered it a priority to provide courses with a better structure. Likewise, the TTCC considered that some of the basic courses offered by the FSI-Connect could serve as foundation courses for the Continental Training Program offered by the Association to its Associate Members.

To redesign and update the Continental Training Program, the former Secretary General, Rudy Araujo, was commissioned to carry out a diagnosis of the program and developed recommendations for its update, based on his long experience organizing the Association's training courses. The aforementioned diagnosis was submitted for consideration by the Training Committee at its meeting held in Mexico City on April 23 and 24. At this meeting, it was agreed to gather all those responsible for training, in the various member institutions, in a meeting to establish the objectives and guidelines of the work to be conducted. This meeting was scheduled to take place in February 2020 in the city of Miami. A total of 36 officials, from the institutions that are part of the Association, registered to participate in this meeting, in addition to representatives from the FSI and OSFI from Canada, who were also invited.

In order to comply with the operational initiative to promote the use of more economic technologies (e-learning) to provide training to a wider audience, a "blended" course was organized on "Financial Sector Oversight." The first part of this course will be carried out remotely and the second in person. This course was organized by the IMF. The first part was held from October 2019 to February 2020 with the attendance of 34 participants from 11 countries. The face-to-face part was scheduled to take place in Panama City in March 2020.

During 2019, the Association continued to promote the "Risk Management" and "Cybersecurity" certifications, which are part of the collaboration agreement signed by the Association with the Risk Management Club of Spain and FELABAN

The Training Committee and the Board of Directors analyzed the possibility of creating a certification (accreditation) program for ASBA members, concluding that this should not be the task of the Association.

To strengthen exchange and cooperation relationships between members, as well as with regional and international organizations and institutions related to the Association.

During 2019, efforts were made to increase the participation of some members in the activities of the Association, and an outreach was carried out with OSFI from Canada, who was an active member of the Association until December 2015.

To become the regulatory and research point of reference on banking topics in the region.

During 2019, research work continued on topics related to Fintech, the prevention of money laundering and terrorist financing, de-risking, cybersecurity, accounting standards, among others.

To promote the continuous improvement of the Association's internal processes.

During 2019, various actions were carried out to improve the Association's internal controls and processes. Among these, an improvement in per diem policies, obtaining business debit cards, changing the Association's banking institution to have a more robust and controlled digital platform, conducting the process to obtain a corporate credit card in the name of the Association; also expense reduction policies were implemented and an inventory of fixed assets was created. As for financial matters, the "unrestricted" resources were separated, as these come from the contributions of the Association's members, from the "restricted" resources that are conditioned to be disbursed in accordance with pre-established programs, as these come from international organizations, among others.



Problem Bank Supervision School, July 2019, held in Lima, Peru.

4

TRAINING, INTERNSHIPS, AND HORIZONTAL COOPERATION PROGRAMS

The Continental Training Program (CTP) originated in the 1994 Summit of the Americas, where the region's finance ministers recognized the need for strong supervision and regulation to support the development and progressive integration of their financial markets.

The objectives of the CTP are:

- To improve the supervisory capacity of the regulatory authorities in the region by offering homogeneous training - at the highest level - focused on the most relevant supervisory topics.
- To gather training efforts under a single initiative that ensures efficiency.
- To establish a permanent program that complements the training efforts of each member regulatory authority, as well as provides training and professional development on emerging initiatives in banking supervision.

4. TRAINING, INTERNSHIPS, AND HORIZONTAL COOPERATION PROGRAMS

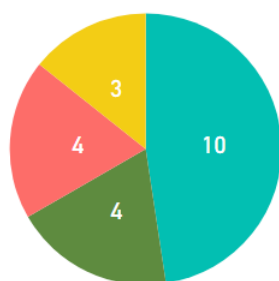
Continental Training Program

The Program is structured in accordance with the results of the “2019 Annual Survey for the Identification of Training Needs 2019,” distributed in June 2018. Based on the responses of Associate Members and the analysis conducted by the Training and Technical Cooperation Committee, the distribution of the offer of training activities is carried out among the different regions that comprise the Association.

During 2019, a total of 21 courses were held, of which four were basic level, ten intermediate level, three advanced, and four expert or specialized (Graph 1).

Graph 1
Number of courses per level

Nivel ● Intermedio ● Básico ● Especializado ● Avanzado



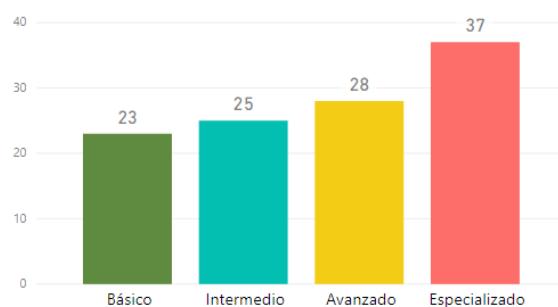
The highest number of average participants per course corresponded to those at the specialized level, followed by those at the advanced level (see graph 2a and 2b).

In Central America, as well as in the Andean and Southern Cone regions, the preference was for intermediate-level courses. On the other hand, in the Caribbean the greatest participation was in specialized courses. However, the large attendance in specialized courses in the Caribbean is explained by the courses organized under the IDB de-risking program in which commercial bank employees also participated

In the courses offered during 2019, a total of 574 students participated. The largest number of participants came from the Central America region (226), followed by the Southern Cone region (118), the Caribbean with 115, the Andean region with 83, and North America (Mexico) with 32 (See Graph 3a).

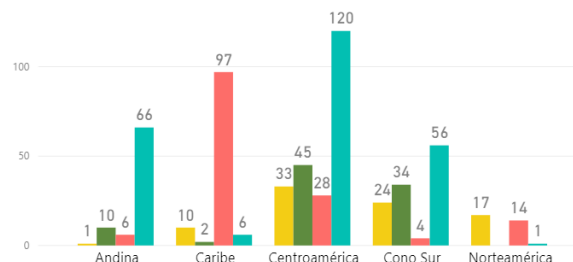
The courses took place in Peru (3), Brazil (2), Mexico (2), Chile (2), Paraguay (2), Panama (2), El Salvador (2), Guatemala (1), Bolivia (1), The Bahamas (1), Jamaica (1), Costa Rica (1), and Uruguay (1). The region where the attendance of members and non-members of the Association was the highest was by Central America (177), followed by the Southern Cone (136), and the Andean region (112). See Graph 3b.

Graph 2a
Average number of participants per course level

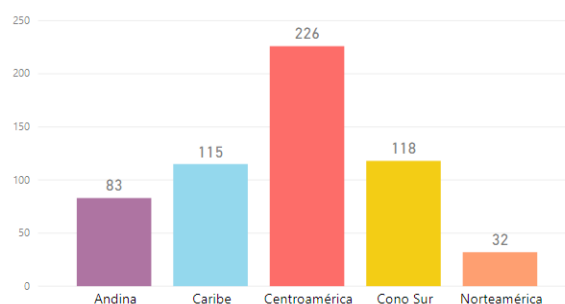


Graph 2b
Number of participants by region of origin and level

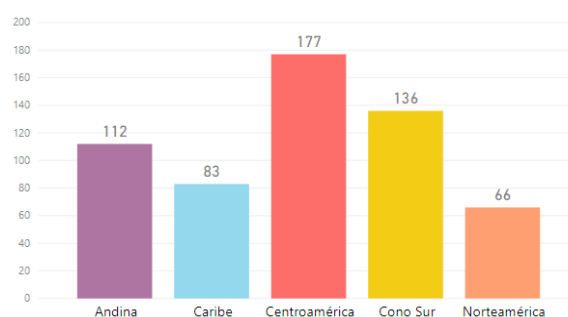
Nivel ● Avanzado ● Básico ● Especializado ● Intermedio



Graph 3a
Number of participants by region of origin



Graph 3b
Number of participants by region hosting the course

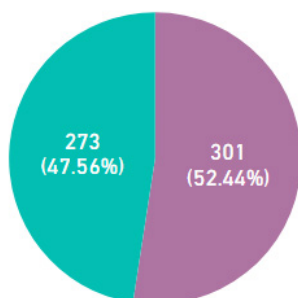


4. TRAINING, INTERNSHIPS, AND HORIZONTAL COOPERATION PROGRAMS

Fifty two percent of the participants were women and 48 percent were men (Graph 4.a). The relative higher participation of women corresponded to the Caribbean region (Graph 4.b).

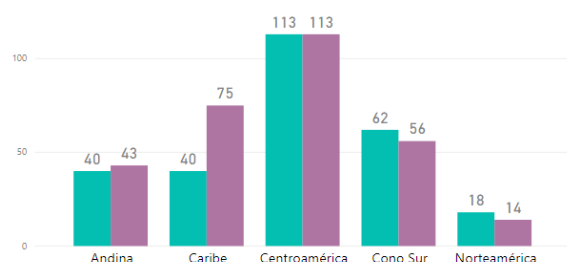
Graph 4a
Number of participants by gender

Género ● Mujer ● Hombre



Graph 4b
Number of participants by region of origin and gender

Género ● Hombre ● Mujer



The country that contributed the largest number of participants from Central America was El Salvador (73), followed by Panama (56), Guatemala (42), Costa Rica (39), and Honduras (11). In the Southern Cone, the participation of Paraguay stands out (53), followed by Uruguay (27), Brazil (25), and Chile (13). In the Andean Region, the largest participations corresponded to Peru (54) and Bolivia (22), followed by Colombia (4) and Ecuador (3). See Table 5.

Cost of the Program

The direct cost per participant in each course is affected by the location where the course takes place (i.e. cost of airline tickets and accommodation for the instructors), and the rent of the spaces or catering when the hosting member cannot provide them. For this reason, the cost is much lower when the institution that provides the instructors does not require reimbursement of the incurred expenses, such is the case of the Banco de España and the FSI.

The courses that took place in the Caribbean were part of the commitments made by the Association, as a counterpart to the

IDB in the de-risking project. In these courses, the consultants hired by the Association for such project participated as instructors. The courses held in Mexico, Chile, and Jamaica were the courses that attracted the largest number of participants from other countries.

Table 5
Number of participants by country of origin in courses held in the same country, in the same region, and in other regions

País del Participante	Total de Participantes	Número de Participantes en su País	Número de Participantes en su Región	Número de Participantes en otras Regiones
Andina	83	63	69	14
Bolivia	22	18	20	2
Colombia	4	0	1	3
Ecuador	3	0	1	2
Perú	54	45	47	7
Caribe	115	45	82	33
Aruba	2	0	1	1
Bahamas	28	26	26	2
Barbados	1	0	1	0
Belize	6	0	4	2
British Virgin Islands	7	0	3	4
British West Indies	1	0	1	0
Cayman Islands	3	0	1	2
Curazao	10	0	2	8
Guyana	7	0	7	0
Haiti	8	0	6	2
Jamaica	23	19	19	4
St. Kitts	5	0	3	2
Suriname	7	0	4	3
Trinidad and Tobago	3	0	1	2
Turks and Caicos	4	0	3	1
Centramérica	226	122	153	73
Costa Rica	39	20	27	12
El Salvador	73	45	53	20
Guatemala	42	23	29	13
Honduras	11	0	3	8
Nicaragua	4	0	1	3
Panamá	56	34	40	16
República Dominicana	1	0	0	1
Cono Sur	118	86	95	23
Brasil	25	21	22	3
Chile	13	5	10	3
Paraguay	53	40	41	12
Uruguay	27	20	22	5
Norteamérica	32	31	31	1
México	32	31	31	1
Total	574	347	430	144

4. TRAINING, INTERNSHIPS, AND HORIZONTAL COOPERATION PROGRAMS

The following is a brief summary of the main characteristics of the 21 training courses held during 2019:

1. **Regional Seminar on Basel III and Implementation Challenges** (*CEMLA, ASBA, FSI, and Banco Central do Brasil*). Intermediate level. Sao Paulo, Brazil, March 14 and 15.

The Seminar updated participants on the revisions to the Basel III international regulatory framework, discussing challenges and sharing experiences related to the implementation of the Basel III standards. Participants: Cayman Islands, Colombia, Costa Rica, El Salvador, Panama, and Peru.



Regional Seminar on Basel III, Sao Paulo, Brazil.

2. **Course on Bank Analysis and Inspection** (*Board of Governors of the Federal Reserve System*). Basic Level. Lima, Peru, March 18 through 22.

The course combined presentations with a case study that simulates the experience of working in a team that conducts a bank inspection. Participants: Bolivia, Brazil, Colombia, Costa Rica, El Salvador, Guatemala, Haiti, Panama, Paraguay, Dominican Republic, Uruguay, and Peru (24 participants).

3. **Risk-based Supervision and Risk Assessment** (*Board of Governors of the Federal Reserve System*) Intermediate Level. San Salvador, El Salvador, April 1 through 5.

The seminar focused on the processes and techniques to develop a risk assessment, used as preparation to define the scope and supervisory plan of the inspection, focused on the areas identified as high risk. Participants: Bolivia, Costa Rica, Curazao, El Salvador, Guatemala, Panama, Paraguay (30 participants).

4. **Regional Conference on Banking, Accounting, and Finance** (*CEMLA, ASBA, FLAR, and BdE*). Intermediate Level. Santiago de Chile, Chile, April 4 and 5.

The forum discussed current bank accounting topics between Central Banks and financial supervisory authorities in Latin American and the Caribbean. Participants: Bolivia, El Salvador, Guatemala (4 ASBA participants).

5. **Efforts to reduce the negative impact caused by the loss of correspondent bank relationships in the Caribbean: The role of supervisors and financial institutions** (*ASBA*). Specialized Level. Nassau, The Bahamas, May 6 through 8.

The training addressed, from a practical point of view, the risk of losing correspondent bank relationships in the Caribbean region. Participants: Aruba, Barbados, Belize, British Virgin Islands, Haiti, Peru, Suriname, Turks and Caicos, The Bahamas, St. Kitts & Nevis, British West Indies (45 participants).

6. **Credit Risk Advanced Measurement and Assessment** (*Board of Governors of the Federal Reserve System*) Advanced Level. Mexico City, Mexico, May 13 through 17.

The seminar provided participants with an overview of the advanced measurement and management of credit risk, from an internal management and supervisory perspective, as well as advanced risk measurement and management systems used by banks to monitor credit risk. Participants: Chile, Costa Rica, Curazao, St. Kitts & Nevis, El Salvador, Guatemala, Mexico, Panama, Paraguay (30 participants).



Risk-based Supervision, El Salvador.

7. **Banking Risks: Supervisory Review Process** (*Banco de España*). Intermediate level. Santa Cruz, Bolivia, May 28 through 30.

The course contributed to the deepening of the participants knowledge on the supervisory review process, risk management, and their relationship with capital consumption, as well as liquidity control. Participants: Costa Rica, Guatemala, Honduras, Mexico, Paraguay, Peru, Uruguay, Bolivia (28 participants).

8. **Seminar on Anti-Money Laundering** (*Board of Governors of the Federal Reserve System*). Basic Level. San Salvador, El Salvador, June 10 through 14.

The seminar was designed to provide banking supervisors with an understanding of the importance of reviewing the operational, legal, and reputational risks associated with money laundering and terrorist financing, and their impact on the overall bank rating assessment. Participants: Chile, Costa Rica, Guatemala, Honduras, Paraguay, Peru, El Salvador (31 participants).

- 9. Effective Communication for Financial Institution Supervisors** (*Board of Governors of the Federal Reserve System*). Specialized Level. Panama City, Panama, July 15 through 18.

This seminar provided participants with an overview in the training of “soft skills,” including interpersonal skills, team dynamics, the value of divergent views, and questioning techniques. Participants: Aruba, Belize, Cayman Islands, Colombia, Costa Rica, Nicaragua, Paraguay, Peru, Turks and Caicos, Panama (30 participants).

- 10. Problem Bank Supervision School** (*Office of the Comptroller of the Currency*). Intermediate Level. Lima, Peru, July 22 through 26.

The objective of the course was to recognize emerging problems in banks, identify appropriate supervisory strategies and enforcement measures, as well as determining resolution alternatives. Participants: Costa Rica, Curazao, Guatemala, Honduras, Panama, Paraguay, Uruguay, Peru (28 participants).



Technology Operations and Risk Management, Paraguay

- 11. Technology Operations and Risk Management** (*Board of Governors of the Federal Reserve System*). Basic Level. Asunción, Paraguay, August 5 through 8.

The seminar provided training in the supervision of technology risk in financial institutions, introducing key concepts on technology risk, risk management, and integrated supervision. Participants: El Salvador, Guatemala, Nicaragua, Panama, Uruguay, and Paraguay (30 participants).

- 12. Consolidated Supervision and Risk Integration** (*Board of Governors of the Federal Reserve System*). Advanced Level. Asunción, Paraguay, August 19 through 23.

The seminar provides supervisory techniques and practices to assess enterprise-risk management and to analyze the financial strength of a consolidated organization through a risk-based approach. Participants: Chile, Costa Rica, Guatemala, Panama, Suriname, Trinidad & Tobago, and Paraguay (29 participants).

- 13. Bank Accounting** (*CEMLA, ASBA, and BdE*). Basic Level. Santiago de Chile, Chile, August 26 through 29.

The course addresses issues related to financial assets and liabilities, as well as the calculation of credit losses in accordance with International Financial Reporting Standards (IFRS). In addition, the course also reviews considerations on capital and financial results of central banks. Participants: Chile, Uruguay (6 ASBA participants)

- 14. Banking Crisis and Resolution** (*Federal Deposit Insurance Corporation*). Intermediate Level. Lima, Peru, September 16 through 20.

The course intends to familiarize bank supervisors, deposit insurers, and resolution authorities with tools used for problem bank identification, as well as with the management and resolution of failed banks. Participants: Costa Rica, Ecuador, El Salvador, Jamaica, Nicaragua, Panama, Paraguay, Peru, Uruguay (32 participants).

- 15. Credit Risk Analysis** (*Federal Deposit Insurance Corporation*). Intermediate Level. Guatemala City, Guatemala, September 23 through 26.

The course covers the assessment of the quality of a bank's loan portfolio to determine the overall safety and soundness of a financial institution. Participants: Costa Rica, El Salvador, Panama, Paraguay, Guatemala. (30 participants).

- 16. Operational Risk Supervision** (*Federal Deposit Insurance Corporation*). Intermediate Level. Montevideo, Uruguay, September 30 - October 4.

The course introduces operational risk from the perspective of the banking supervisor, in order to understand how to evaluate operational risk management frameworks, the challenges associated with their implementation, and how to promote solid operational risk management practices in banks. Participants: Brazil, Costa Rica, Curazao, El Salvador, Paraguay, Uruguay (27 participants).

- 17. Technology Risk and Cybersecurity** (*Banco de España*). Intermediate Level. Sao Paulo, Brazil, October 8 through 10.

The objective of the course was to provide an overview of the risks related to technologies available in financial institutions, as well as the introduction of control techniques in different technology risk scenarios with special focus on cybersecurity. Participants: Brazil, Chile, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Panama (33 participants).

- 18. Balance Sheet and Liquidity Risk Management** (*Office of the Comptroller of the Currency*). Advanced Level. Panama City, Panama, October 21 through 25.

This seminar aims to broaden the participants' understanding of balance sheet risk management and the analysis of the investment portfolio; as well as the evaluation of liquidity risk plans and contingency financing; risk management of the investment portfolio; interest rate risk management; and the identification of tools that allow for a risk analysis of the balance sheet. Participants: Costa Rica, Curazao, El Salvador, Guatemala, Jamaica, Paraguay, Peru, Panama (26 participants).

- 19. Non-Performing Loans Management: Accounting (IFRS 9) and Prudential Aspects** (Banco de España). Intermediate Level. San José, Costa Rica, October 22 through 24.

The seminar presents the accounting and prudential aspects of non-performing loans management (NPLs). Participants: Costa Rica, El Salvador, Guatemala, Honduras, Panama, Paraguay, Uruguay (30 participants).

- 20. Efforts to reduce the negative impact of the loss of correspondent bank relationships in the Caribbean: The role of supervisors and financial institutions (ASBA)**. Specialized Level. Kingston, Jamaica, November 19 through 21.

The training addressed, from a practical point of view, the risk of losing correspondent bank relationships in the Caribbean region. Participants: Cayman Islands, Curazao, Guyana, Haiti, Jamaica, Suriname, Trinidad & Tobago, Turks and Caicos (38 participants).

- 21. Fintech Training Program (ASBA)**. Specialized Level. Mexico City, Mexico, December 16 through 18.

This course consists on training to disseminate the documents elaborated and the knowledge obtained during the development of the FinTech project. Participants: Bahamas, Brazil, British Virgin Islands, Chile, Costa Rica, Curazao, El Salvador, Guatemala, Honduras, Mexico, Panama, Peru, St. Kitts and Nevis, Suriname. (36 participants).

Internship Service and the Horizontal Cooperation Service. The objective of the TCP is to facilitate the technical development of banking supervisory authorities, by sharing specialized technical resources for predetermined periods of time and purposes, taking advantage of the accumulated experience of Associate Members.

Technical Cooperation

During 2019, As detailed below, a Technical Cooperation took place between two member institutions of the Association in order to delve into the new definitions of the Basel III framework for the measurement of market risks, covering technical and practical aspects to prepare the implementation of the standards.

The New Basel III Regulation for the Measurement of Market Risks in the Trading Book and the New Basel Standards for the Measurement of Interest Rate Risks in the Banking Book

Cooperating Agency: Banco de España

Beneficiary: SBIF, Chile

Period: April 1 through 5, 2019

Place: Madrid, Spain

The objective was to acquire deeper knowledge about the standards established by Basel for the quantification of market risks (FRTB) and structural interest rate risks on the balance sheet (IRRBB), in technical and practical aspects based on the experience and knowledge of the Banco de España in this topic.

Other activities of the Training Program.

Meeting of the Training and Technical Cooperation Committee (ASBA). Mexico City, Mexico, April 23 and 24. Participants: Training and Technical Cooperation Committee (Brazil, Guatemala, Peru, USA, Jamaica)

Internships and Technical Cooperation

The Technical Cooperation Program (TCP) is comprised by the



Participants in the XXII Annual Assembly, held in September 2019 in Lima, Peru.

5

RESEARCH, PROJETS, AND TECHNICAL GROUPS

In 2019, the technical agenda addressed topics, such as Fintech, money laundering and combating terrorism, cybersecurity, bank resolution and crisis management, accounting standards, proportionality in regulation, financial education, and climate-related risks.

During 2019, the General Secretariat, in coordination with the Association's Technical Committee, continued working on the Fintech and Loss of Banking Correspondent Relationship projects that were started in previous years.

Furthermore, the Association started a collaboration with the German Foundation (Sparkassenstiftung für internationale Kooperation) to carry out a financial education project. Consequently, the following projects are being carried out by ASBA with financial resources provided by external sources:

- Regulation for Responsible and Competitive Financial Sector Innovation.
- Strengthening Financial Transparency: Rebuilding Trust in Correspondent Banking in the Caribbean.
- Measuring Instruments for the Regulation and Implementation of Financial Education Policies.

In addition to the above, ASBA is participating, following an invitation by the FSI, in a crisis simulation exercise. ASBA's technical groups are also focused on cybersecurity, supervisory proportionality, financial education, and climate change. Each of these projects and their related activities are briefly described below.

Fintech

The Fintech Project, with support from IDB-Mexico, started in 2017 and consists of four components. In 2019, the third component was completed: Regulation for Responsible and Competitive Financial Sector Innovation, and the first part of the fourth component: Dissemination and Training. During 2019, three documents were prepared:

- Global Fintech Regulation and Supervision Practices (published in December 2019)
- Consumer Protection in the New Financial Technology Innovation Environment: Regulatory and Supervisory Consideration (to be published in April 2020)
- Prudential Regulation in the New Financial Technology Environment: Alternatives for Regulation and Supervision (to be published in April 2020)

The main activities carried out are briefly described below.

IDB-Mexico Project: Regulation for Responsible and Competitive Financial Sector Innovation

i. Meeting of the Working Groups. Mexico City, Mexico, March 26 through 28.

Representatives from Panama, Honduras, Curazao, Brazil, Peru, Chile, Bolivia, Mexico, Costa Rica, and Spain participated in the Working Group. During the meeting, the results of intermediate reports were presented, prompt comments were received by the members of the Working Groups, and the participation of representatives from the Fintech sector was valuable to learn about their experience in relation to the regulation of these entities.ii.

ii. Dialogue with the Regulated and Non-regulated Industry. Mexico City, June 25.

As part of this project, a dialogue was coordinated with the regulated and non-regulated regulated industry on responsible and sustainable innovation in the Fintech sector. Representatives of multilateral and private banks, Fintech operators, academia, think tanks, and ASBA members participated in the meeting.



The objective of the dialogue was to bring together supervisors and representatives from the regulated and non-regulated financial industry to gather their opinion on ASBA's proposals for regulatory guidelines and supervisory practices, as well as on consumer protection and transparency for the incorporation of Fintech developments in the regulated sector. The dialogue was attended by representatives of multilateral and private banks, Fintech operators, academia, think tanks, and ASBA Associate Members. The participation of BBVA Spain, Sparkassenstiftung, Fintech Hub Mexico, BITSO, CGAP, CAF, CIDE Mexico, and Mercado Libre stand out.

iii. Consumer Protection in the New Technology Innovation Environment: Regulatory and Supervisory Considerations.

As part of the project with IDB-Mexico, we worked on a document that focuses on the non-prudential analysis of Fintech regulation and supervision. For the development of regulatory and supervisory recommendations, a study was carried out on marketing practices, information disclosure and transparency, from which best practices and opportunities for improvement were identified, always considering, as a point of reference, the protection of consumers of the identified products or services. Having reviewed the collected information, the identified experiences in other jurisdictions, the advice of the Working Group and ASBA's technical team, the document presents a proposal for minimum regulatory and supervisory considerations that are applicable to Fintech products and services in the region. Document to be published in 2020.

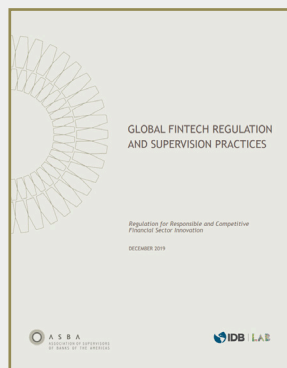
iv Fintech Prudential Regulatory and Supervisory Considerations.

The objective of this component is to promote the introduction of new innovative technologies in a responsible, sustainable, transparent, and competitive manner into the financial sector, from a prudential point of view.

The first published paper compiles and analyzes global practices related to the regulation and supervision of Fintech's business models, products, and services.

To achieve this, financial authorities' current regulatory and supervisory practices were reviewed, based on a survey distributed to ASBA members, on regulations and approaches related to Fintech.

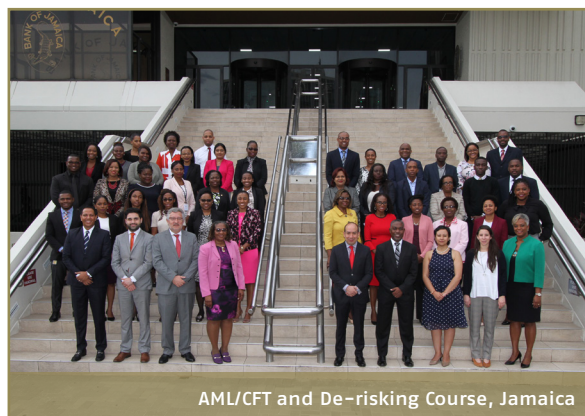
A total of 56 jurisdictions spread across the five continents, including 11 ASBA members, were examined.



Available in:
<https://bit.ly/31k7Dsh>

November 2019. The objective of the course is to reduce the impact of correspondent banking relationships in the Caribbean.

- Design of a website to raise awareness about risk elimination in the Caribbean. The website will be ready during the first semester of 2020.
- Development of a Communication and Negotiation Strategy for De-risking Mitigation in the Caribbean Region. The final report will be available during the first semester of 2020.



The second document contains a set of guidelines and supervisory practices for FinTech products, services, and business models that financial authorities can use to select appropriate responses to these types of developments. These guidelines are intended for those involved in the design of FinTech strategies. However, they can help other authorities understand the broader effects that FinTech may have beyond the usual financial regulatory and supervisory perimeters. Document to be published in 2020.

v. Course on Fintech Regulatory and Supervisory Consideration in the Americas. Mexico City, December 16 through 18.

As part of this FinTech project, a training session was conducted to disseminate the documents produced and the knowledge obtained during the development of the project. 36 officials from 14 countries participated (this course was part of the CTP).

AML/CFT and De-risking

IDB-Caribbean Project: Strengthening Financial Transparency: Rebuilding Trust in Correspondent Banking in the Caribbean.

The general objective of this project is to identify and, where appropriate, improve the level of financial compliance and transparency in Caribbean countries, to help prevent and mitigate the risk of loss of correspondent banking relationships through various activities. In 2019 the following activities were carried out:

- Provision of two courses for supervisors and commercial bankers on AML/CTF and De-risking that took place in Nassau, The Bahamas in May 2019 and in Kingston, Jamaica in

Cybersecurity

i. Technical Discussion Meeting on Regional Approaches to Cybersecurity (Videoconference).

On April 2, 2019, the Technical Discussion Meeting on Regional Approaches to Cybersecurity, organized by ASBA, was held. The meeting consisted of four sessions: National Cybersecurity Strategy and the role of the regulator; Response to cyber-incidents and data sharing; Prevention and Audits; and Key elements for regulation.

The authorities in the region are aware of the relevance of cybersecurity. Most of the large and medium economies in the region have approved national cybersecurity strategies in the last two years. In addition, the discussion and establishment of new cybersecurity rules are in the center of attention of the authorities. Document available at: <https://bit.ly/31iVYKj>

ii. Policy Implementation Meeting on Cybersecurity and Fintech Developments. Mexico, June 2019.

The purpose of the meeting was to analyze and exchange experiences on the challenges that technological innovation and cyber risks represent for the authorities and the financial industry in the region. The meeting focused on: the latest technological advances and the improved use of digitization; the identification of preconditions for the development of a financial ecosystem that includes new technologies; main challenges related to corporate governance and risk management, non-prudential challenges, cultural change and timeliness of regulatory response; types of regulatory and supervisory approaches, such as new laws versus incremental

approaches or the use of technology for supervisors (suptech).

Bank Resolution and Crisis Management

i. Policy Implementation Meeting on Crisis Simulation: Bank Crisis Management. September 2019.

The meeting served to analyze and exchange experiences on the role that institutional arrangements and the operation of banking resolution frameworks in the region play in the resolution of non-viable systemic and non-systemic banks. The session also addressed issues related to the role of financial safety net participants and the importance of crisis simulation exercises. The discussion focused on the following topics: bank crisis resolution, managing the insolvency of non-systemic banks, liquidity support under stress, the role of deposit fund insurers, and the importance of implementing crisis simulation exercises.

Proportionality

i. Technical Discussion Meeting on Proportionality

The committee expressed interest in becoming more involved in the design of projects and in providing guidance to define research objectives and products. Therefore, it was proposed to carry out this type of meetings in which the Technical Committee can review and debate a particular topic and define what type of resources ASBA can develop, so that they are useful and practical for the majority of Members.

On this occasion, a discussion was designed on the issue of proportionality and how ASBA could contribute to its associate members. In particular, what kind of guidance will be useful for jurisdictions when designing and implementing a proportionality strategy? What specific issues regarding proportionality in regulation and supervision should we focus on? What is the relevance and how feasible is it to implement a proportionality framework in the short/medium term in countries in the Americas?

For the time being, it was concluded that we would observe the ongoing work of the Basel Committee on the issue of proportionality, which includes a simplified approach to Basel III as well as case studies on proportionality approaches, in order not to duplicate efforts and wait for a wider global consensus.

Financial Education

i. Project financed by Sparkassenstiftung für internationale Kooperation - Measuring Instruments for the Regulation and Implementation of Financial Education Policies

The objective of this project is to understand the relationship between supervisory and regulatory authorities, the standards that emerge from them, and financial education. In addition, we expect to design instruments that would allow for the identification of principles, norms, procedures, and best practices in the implementation of

financial education strategies in both public and private entities. During 2019, the following activities were conducted:

- Literature review on financial education programs that have been developed or are being developed in the region, emphasizing the following: preliminary diagnostic practices, institutional arrangements and definition of responsibilities, monitoring and evaluation of financial education initiatives.
- Conceptual and technical development of a measuring tool to assess the level of involvement of the authorities in financial education.
- Implementation of the tool in a pilot phase with seven regulatory and supervisory authorities.
- Preparation of an implementation guide of the tool.

Climate Change Risk

i. Meeting on supervisory approaches on risks, natural disasters, and the implementation of climate risk management. FSI/CGBS/ASBA. June 2019.



In this meeting, attendees discussed relevant topics for countries in the Caribbean and Latin American, which have a high degree of exposure to the impact of natural disasters. The meeting focused on the following topics: Impact of climate change on financial institutions; Integration of climate risks in banking supervision; Supervisory expectations for climate risk management by financial companies; Climate risk management; The banking perspective; Climate risk management; Modeling potential climate-related losses: Example from the insurance sector; Methodology for climate risk assessments: The UK Example and climate-related financial disclosures.

Technical Discussion Meeting on regional approaches in the implementation of IFRS 9.

The meeting sought to answer practical questions on specific issues on the implementation of IFRS 9 from a regional perspective. In this sense, some of the conclusions of this meeting are:

- The feasibility evaluation phase of the implementation of IFRS 9 is still ongoing in most jurisdictions in the Americas;
- The prudential approach will continue to prevail in the jurisdictions in the region, whether they decide to implement IFRS 9 completely or partially;

- Most jurisdictions seek to converge to the adoption of IFRS 9.

However, the main frictions with current regulations focus on the provisioning practices of credit instruments. One of the options to address the friction between current accounting regulations and the adoption of IFRS 9, is to adopt the standard partially or through a proportional approach, as in the case of Brazil.

Paper available at: <https://bit.ly/31wLasr>

ASBA Publications

i. Journal of the Banking Supervisor

During 2019, four editions of the Journal of the Banking Supervisor were published on the Association's website (www.asbasupervision.org), and were distributed electronically. This publication includes a compendium of the principles, standards and other regulatory guidelines published by the main standard-setting organizations, as well as documents on research and analysis that are of interest to those involved and who participate in the financial markets: regulatory and supervisory authorities, private sector, academics, and the general public.

ii. Banking Regulation and Supervision Expectation in the Americas 2019

In general, financial authorities in the region maintain a certain common vision in their expectations regarding the economic, financial, social, and political events that could take place during 2019, as well as the impact these might have on the development of financial systems and supervisory practices or processes.

Financial authorities in the region pay close attention to the uncertainty generated by various economic and socio-political situations. In particular, the normalization of monetary policy in advanced economies, increased protectionist trade policies, volatility in the prices of raw materials, and electoral processes in various countries of the region. All of these considerations are particularly important in an environment in which most of the countries remain exposed to the impact of external factors and without room for maneuver in their fiscal policies.

Among the topics directly related to the development of the financial sector are: the implementation processes of international standards, the continuous emergence of new technologies, and the issues of integrity and de-risking stand out.

Paper available at: <https://bit.ly/3i03Rds>

iii. Recommended Readings

Continuing with the dissemination of information and best practices, a series of recommended readings were published on a weekly basis on topics of interest to the regional supervisory community.



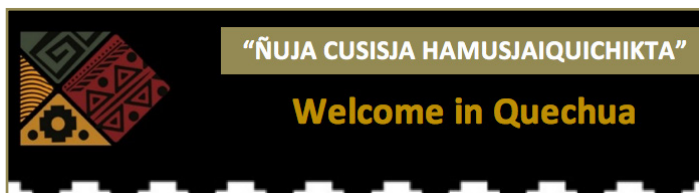
XXII Session of the Association's Annual Assembly, October 2019 held in Lima, Peru.

6

INTERNATIONAL DIALOGUE AND PROMOTION OF REGIONAL FINANCIAL STABILITY

As part of the international dialogue agenda, the Association works with international standard-setting organizations, such as the Basel Committee, international organizations including the Inter-American Development Bank and the Caribbean Development Bank, foundations and technical cooperation institutions, such as the German Savings Banks Foundation, Sparkassen, as well as regional entities from Central America and the Caribbean, in addition to the Federación Latinoamericana de Bancos.

Among the most important activities carried out in the framework of international dialogue are the High-Level Meeting, the Policy Implementation Meetings (PIMs), and the Public-Private Dialogue



XIV High-Level Meeting

During October 1 and 2, 2019, officials from financial supervisory and regulatory authorities from around the world, as well as representatives of associations, multilateral organizations, and entities from the financial sector, met in the city of Lima, Peru, in the framework of the XIV High-Level Meeting, in order to share and discuss regulatory and supervisory priorities, mainly in the Americas.



XIV High-Level Meeting, Lima, Peru.

As every year, the event was jointly organized by the Association of Supervisors of Banks of the Americas (ASBA), the Basel Committee on Banking Supervision (BCBS), and the Financial Stability Institute (FSI), acting on this occasion as host was the *Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones* from Peru (SBS - Peru).

Mrs. Socorro Heysen, Superintendent of the Banking, Insurance, and Private Pension Fund Administrators of Peru, welcomed all participants and pointed out that this meeting celebrates the 20th anniversary of the establishment of ASBA, which took place on May 15, 1999. Mrs. Heysen highlighted that, throughout these years, ASBA has been a fundamental forum for the dissemination and implementation of international banking supervision standards, and for the development of institutions responsible for bank supervision throughout our region, managing to strengthen the bonds of cooperation and friendship between the regulatory bodies of the region and the supervisors from the rest of the world.

Likewise, Mr. Fernando Restoy, Chairman of the Financial Stability Institute, shared some reflections on the topics that would be

discussed in the sessions. Among these, he questioned whether it is necessary to adapt supervision and regulation to entities of different sizes, complexities, and business models, since this could generate a greater fragmentation of the market. In addition, he pointed out that, in the case of problem bank institutions, supervision should not be conducted as to avoid the exit of banks that are about to go bankrupt. What supervisors should do is develop appropriate tools to manage the failure of a bank in an orderly manner. Finally, referring to crisis management frameworks, he noted that what works for sophisticated economies may not work for other simpler systems.

Mr. Paulo Sérgio Neves de Souza, Chairman of the Board of Directors of ASBA, gave a warm welcome on behalf of the Association to all present and thanked Peru for the support and collaboration in organizing the event.

Next, Mr. Agustín Carstens, General Manager of the BIS, commented on the BIS's medium-term strategic plan called Innovation BIS 2025, and stressed that this new strategy requires changes in the way in which they have been working today and in the topics they cover, in order to address the priorities that are part of the authorities' agenda worldwide, including issues related to innovation and technology in the financial system.

Finally, Mr. Pablo Hernández de Cos, Governor of the Banco de España and Chairman of the BCBS, stressed that the work of the Basel Committee seeks to achieve the complete and consistent implementation of the reforms; identify new risks and define the regulatory response; as well as evaluate and monitor the impact of post-crisis reforms; however, this point is complex given that not all of its reforms have been fully implemented as of this date.

On the last point, the BCBS seeks to: a) to evaluate whether the objectives of the reforms were met; b) to identify the interaction between the different proposed reforms; and c) to identify any additional and unintended consequences that may have arisen from the implementation of the reforms.

Regarding the application of proportionality, it was highlighted that the Basel framework has been defined for its application to internationally active banks, and its application to 100% of banks has not been strictly proposed. However, the BCBS contemplates standardized methods to be applied by any bank, but the question remains whether these methods are simple enough to be applied by small banks.

Session 1: Institutional arrangements for Financial Sector Authorities - diversity of mandates and emerging challenges

This session discussed the current supervisory architecture around the world and how it has evolved since the international financial crisis (IFC) that began in 2008, the authorities' experience in managing multiple mandates that could conflict with each other, as well as some considerations that should be given to the technological

developments in financial services.



XIV High-Level Meeting, Lima, Peru.

Mr. Jermy Premio, FSI Senior Advisor, commented on the results of the document: FSI Insights on policy implementation N° 8 - Financial supervisory architecture: what has changed after the crisis? Published in April 2018.

He stated that the sectoral model of financial supervision predominates among the authorities, in which there is an authority for each supervised system that oversees over both prudential aspects and market conduct. However, since the IFC, some jurisdictions have migrated from the sector model to a more integrated one. In the region, two countries that have gone through this integration process have been Chile and Colombia.



XIV High-Level Meeting, Lima, Peru.

In this regard, Mr. Joaquín Cortéz, Chairman Commissioner and Head of Service, CMF, Chile explained that, in his country, until the end of 2017, supervision was organized by sectors: Superintendency of banks, securities and insurance, and pension. However, as of June 2018, the Superintendencies merged and changed the corporate governance from a one-person supervisor to a board of five commissioners, four of which are proposed by the executive branch and approved by congress for a period of six years, and one is appointed by the executive branch for four years.

It was highlighted that the main expected benefits of this merger are: improving compliance and transparency of processes; strengthening the monitoring and supervision of financial conglomerates;

generating synergies of specialized knowledge among supervisors; ensuring consistency in risk regulation among different supervised entities; and extending the benefits of an independent sanctioning process. On the other hand, it was mentioned that the risk of this integrated model is manifested in the potential conflict between the objective of market conduct and the prudential objective.

In the case of Colombia, the presentation was made by Mrs. Luz Ángela Barahona, Deputy Delegate, from the Superintendencia Financiera de Colombia, who indicated that the characteristics of the Colombian market led to the integration process of the Banking Superintendency and the Superintendency of Colombian Securities. This integration allowed the elimination of regulatory and supervisory arbitration: a) duplication of regulated aspects generated that some common issues were regulated differently; b) avoidance of conflicts of competence between supervisors; and c) improved coordination and communication.

Finally, in this first session, Mr. Andrés Portilla, director of the Institute of International Finance, commented on the challenge presented by technological evolution and the new emerging responsibilities for regulatory and supervisory policy, which require authorities to have the necessary capacities and seek flexible approaches that can rapidly adapt to new risks and responsibilities.

Special Presentation – Economic Outlook for Latin America

In this event, there was a special presentation by Mr. Julio Velarde, president of the Banco Central de Reserva del Perú (BCRP), on the economic prospects for Latin America. He remarked that in the last two decades growth in Latin America had been below world average, and that the rhythm shown in 2018-2019 would not be enough to reach more developed economies. On the other hand, he mentioned that in recent decades the fundamentals and macroeconomic management had improved in the region, thus improving resilience to international crises. Consequently, the increase in the terms of trade has reduced public debt as a percentage of GDP (although not in all countries in the region), while the adoption of explicit inflation targeting in several countries in addition to countercyclical monetary policies have reduced the volatility of economic growth and inflation.

Session 2: Coordination and cooperation among financial authorities – preserving financial stability

During this session, the importance of coordination between different authorities, both local and external, to maintain financial stability was highlighted. After the 2008 IFC, some countries established a Financial System Stability Committee comprised by different state agencies to monitor the financial system, assess threats to its stability and standard operation, and coordinate response mechanisms.

Thus, for example, Mr. José Antonio Quesada, vice-chairman of the Comisión Nacional Bancaria y de Valores of Mexico, commented that the Financial System Stability Council was established in 2010 to evaluate on a monthly basis the evolution of profitability, liquidity

and leverage indicators, and performs stress tests to assess the vulnerability of the financial system to various scenarios.

For her part, Ms. Maurene Simms, Deputy Governor responsible for the Division of Supervision of Financial Institutions, highlighted the role of the Bank of Jamaica to promote and maintain financial stability, and detailed the necessary steps to ensure continuous and timely coordination and cooperation, between the authorities responsible for macro and micro prudential supervision.

Subsequently, Ms. Sandra Lee, director of the Office of Policy Planning of the Federal Reserve Bank of New York, reported that before the financial crisis, the main channel for coordination between agencies was the “President’s working group on financial markets,” which focused on financial markets and not on the financial system as a whole, and only incorporated four supervisory agencies (UST, Federal Reserve, SEC, CFTC). Following the IFC, the US Financial Stability Oversight Council (FSOC), comprised by a group of federal and state financial regulators, was implemented and focused on comprehensively monitoring the stability of the United States’ financial system.

On the other hand, both Mexico and Jamaica commented that, given the increase in threats from cyber-attacks, it was necessary to increase coordination between authorities and even to evaluate expanding the regulatory perimeter. Along the same lines, for example, Mr. Wiebe Ruttenber, Senior Adviser of DG Market Infrastructure & Payments, indicated that in Europe there is a structure dedicated to maintaining cyber resistance, while the FSOC in the United States can designate non-bank entities as systemically important institutions and submit them to the consolidated supervision of the Federal Reserve.



XIV High-Level Meeting, Lima, Peru.

Finally, the panel commented on the importance of having a structure that allows information to be shared between authorities, creates bridges between them, and offers different perspectives that complement each other, each one from their own scope of specialization. However, the panel also recognized that, in times of crisis, these coordination efforts, even if they are formalized, in many cases are difficult.

Session 3: Supervisory Review Process (Pillar 2) and the implementation of the proportionality approach

Panelists shared their experience in implementing the supervisory review process under Basel’s Pillar 2, the tools they use and how they have been applying a proportionality approach in the use of these tools, when applicable



XIV High-Level Meeting, Lima, Peru.

Mr. Charles W. Littrell, Inspector of Banks & Trust Companies of the Central Bank of The Bahamas, stressed that the Basel accords are not written for the majority of banks that are supervised in the region. Regarding the application of proportionality, he stated that for small and non-complex entities (e.g. local entities) it might be convenient to start with larger capital requirements (Pillar 1) before thinking about Pillar 2, applying international standards but in its most simplified version, adapted to the particularities of each country (structure of the financial industry, depth of the capital market, specific risks –climate, concentrations, informality, etc.-). He concluded his presentation by stating that the implementation strategy in small countries could be: to comply with international standards, but with the simplest approach to compliance, which allows for an inexpensive supervision scheme and with more conservative rules.

Among the panelists was Mr. Jorge Mogrovejo, SBS Deputy Superintendent of Banking and Microfinance, who explained the SBS supervision process and how it includes the four principles of Pillar 2. He explained how this capital supervisory process is integrated (whose main component is IASC) with an individual planning process and one for the financial system as a whole, which determines the supervision priorities for the following months and establishes a strategy to achieve them; the inspection process (whose main activity is on-site field visits); and the internal classification process. All of them supported by continuous monitoring of the financial situation, main risks and relevant events, as well as supervisory actions and corrective actions, if any.

Mr. Dilip Patro, Section Chief of Complex Institutions Supervision and Resolution of the FDIC, detailed the history of capital rules in the United States, showing how they have evolved from a scheme without numerical standards (before 1980), to the implementation of Basel III and the incorporation of post CFI changes. He also explained that Pillar 2 in the United States does not imply an

additional capital requirement. Capital requirement is determined using the regulatory requirements of Pillar 1, and Pillar 2 is a parallel process that focuses on the capital adequacy self-assessment that each entity performs in their capital planning process.

On the other hand, and based on a FSI working document, Mr. Vincent Duckwitz commented that after the 2008 IFC several proportionality approaches have been adopted with respect to the requirements of Pillar 2 based on size, risk profile and complexity in financial institutions, and the importance of supervisory judgment under this approach (to differentiate the intensity of supervision based on size and risk, to assess management and control functions, to require additional capital buffers, among others). This varies from a principles-based supervision (which gives the supervisor more discretion) to another based on guidelines (less flexible).

Session 4: Discussion on lessons learned from previous banking crises

With a discussion format based on the speakers' experiences, session 4 sought to share lessons learned from past banking crises, the effectiveness of current resolution frameworks, and how they can be improved. The session was chaired by Mrs. Heysen and had two panelists with a recognized track record in the field of global financial systems, Mr. Fernando Restoy, and Mr. Luis Cortavarria. Some of the aspects discussed include the following:

- When it comes to the financial system, there are no small problems, rather misunderstandings ("they are big, but they seem small").
- While preventing crises through effective prudential supervision and adequate capital buffers helps, crises will happen sooner or later, so one must be prepared.
- Coordination among authorities is important, where their leaders play a crucial role in a scenario of generalized panic with the design of an effective plan. This coordination is facilitated by the existence of a Crisis Committee and pre-established communication channels.
- Communication management is key during periods of crisis, in which the impact on public opinion is quite bad. In addition, the uncertainty about the situation of banks and the safety of their deposits (or investments in the event of retail bondholders) adds the perception that authorities tend to bail out banks and bankers, who then do not pay the aid that had been received.
- The value of the assets must be determined, to accurately measure the problem (size of the capital loss). When supervisory numbers are not credible, having valuations from private firms can help restore public confidence.
- Bridge banks, as a resolution tool, run the risk of ending with two problems instead of one. The bank that was already bad and the new one, whose sale could take a long time.
- Bail-in is a mechanism that has important challenges for its

effective implementation. These challenges include: the fact that during a crisis it could accelerate the outflow of deposits, and the fact that a developed capital market is required to allow for the issuance of subordinated debt with the capacity to absorb losses.



XIV High-Level Meeting, Lima, Peru.

Session 5: Regulatory and Supervisory Priorities in the Region

During this session, each panelist by region presented the priorities of its region's regulators and supervisors. Among the main risks and priorities discussed, the following stood out:

- Alignment with international standards, but considering local characteristics and applying proportionality criteria.
- Innovation and new technologies in the financial market and their impact on regulation and supervision. The need to address cybersecurity risks was highlighted.
- Improvement of bank resolution frameworks. It is necessary to evaluate effective frameworks in various contexts, practical elements of cross-border cooperation, recommendations for institutional arrangements, use of public resources, among others.
- Risks derived from the international economic and political situation.
- A more risk-based approach to topics of prevention of money laundering and terrorist financing.
- Risks derived from climate change.

Finally, at the end of the High-Level Meeting, there was agreement on the importance of continuing close cooperation between the FSI, the BCBS, and the ASBA.

Financial Stability Institute

As every year and as part of the Association's Technical Agenda, various activities were carried out with the FSI, among which the High-Level Meeting that took place on September in Lima, Peru and the conference on "Management of Climate Risk" that took place in Miami, United States, in June stand out.

Inter-American Development Bank

The Association maintains a close collaboration relationship with the Inter-American Development Bank, which not only actively participates in the organization of some joint events, such as the Public-Private Dialogue, but particularly by providing resources, through the IDB-LAB, to finance research projects.



53rd FELABAN Annual Assembly, Miami, Florida.

Federación Latinoamericana de Bancos

The *Federación Latinoamericana de Bancos* (FELABAN) gathers the banking associations of the continent. Its objective is to promote and facilitate relationships between financial institutions in the Region. As part of the ASBA-FELABAN collaboration agreement, to foster dialogue between the authorities and the regional banking industry, it is usual practice for FELABAN representatives to attend institutional ASBA events and vice versa.



XVI Public Private Dialogue, Washington DC.

XIV Public Private Dialogue

In October 2019, the Regional Banking Sector Policy Dialogue was held in Washington D.C., United States of America, in partnership with the Inter-American Development Bank (IDB), and the *Federación Latinoamericana de Bancos* (FELABAN).

Basel Consultative Group

The Association is represented by the Secretary General before the Basel Consultative Group (BCG), which constitutes a forum for discussion at the highest level in which the Association participates. The objective of this forum is to present to the Basel Committee the topics of greatest relevance to entities that do not belong to this forum, as well as to ensure that its efforts contribute to the strengthening of banking regulation, supervision, and practices around the world, thus contributing to financial stability. This task is carried out by means of reports to the Committee and by influencing the work of the Committee and its subgroups.

International Agenda

During 2019, the Association participated in 21 international forums and seminars. The Secretary General attended 14, the Association's employees participated in seven, and ASBA members in three. Below is the list of events in which representatives of the Secretariat and the Association participated.

- 1. Green Finance Seminar for Central Banks and Supervisors of North, Central and South America** (Banco de México). Mexico City, Mexico, January 22 and 23.
- 2. 1st International Bank Conference for Regulators and Bankers** (Superintendencia de Bancos de Panamá) Panama, February 14 and 15.
- 3. 19th AML Compliance Conference** (FIBA), Miami, United States of America, March 11 through 13.
- 4. Conference for the FSI's 20th Anniversary** (FSI), Basel, Switzerland, March 12 and 13.
- 5. II Meeting of the Fintech Forum** (CEMLA), Mexico City, Mexico, March 27.
- 6. Efforts in reducing the negative impact of the loss of correspondent banking relationships in the Caribbean: the role of supervisors and financial institutions** (Inter-American Development Bank), Nassau, The Bahamas, May 6 through 8.
- 7. Second Meeting of the FELABAN Executive Committee** (FELABAN), Montevideo, Uruguay, May 30.
- 8. Meeting on the use of innovative technology in financial supervision** (FSI), Basel, Switzerland, June 4 through 6.
- 9. 3rd Central Banking Conference.** Bank Resolution, Curacao, June 6 and 7.



10. **XXXVII Conference of the Caribbean Group of Banking Supervisors – CARICOM (CGBS)**, Aruba, June 13 and 14.
11. **Meeting on Supervisory Approaches dealing with natural disasters and the implementation of climate risk management (ASBA-CGBS-FSI)**, Miami, United States of America, June 18 and 19.
12. **4th Deposit Insurance Forum of the Americas (FOGAFIN)**, Cartagena de Indias, Colombia, July 24 through 27.
13. **Forum on Cybersecurity in the Financial System in Mexico (CNBV - Aspen Institute)**, Mexico City, Mexico, August 28.
14. **Crisis Simulation: Banking Crisis Management (FSI, ASBA)**, Montevideo, Uruguay, September 10 through 12.



15. **Conference of the U.S. Federal Financial Institutions Examination Council (FFIEC)**, Washington DC, United States of America, September 24 through 26.
16. **Public Private Dialogue (ASBA, FELABAN, BID)**, Washington DC, United States of America, October 16 and 17.
17. **Meeting with representatives of banks and international organizations (Citibank, BBVA, BIS, IMF, IDB, IDB-LAB, and Financial Services Volunteer Corps (FSVC))**, Washington DC, United States of America, October 17 and 18.

18. **FOROMIC (IDB-LAB)**, Dominican Republic, October 30 to November 1.



19. **53rd Annual Assembly (FELABAN)**, Miami, United States of America, November 2 through 5.
20. **18th Financial Risk Congress (ASOBANCARIA)**, Cartagena, Colombia, November 14 and 15.
21. **PIM on capacity building in financial sector regulation and supervision (IMF, FSI)**, Washington DC, United States of America, November 22.



7

MEETINGS OF THE BOARD OF DIRECTORS AND THE ANNUAL ASSEMBLY

The Assembly is the highest authority of the Association and is integrated by all the representatives of the Associate Members.

The Board of Directors consists of a chairman, a vice chairman, and a representative for each of the five regions that comprise the Association: North America, Central America, the Caribbean, the Southern Cone, and the Andean region.

LXXXIX Meeting of the Board of Directors (ASBA), Mexico City, Mexico, January 31 and February 1

As part of the Board of Directors, the participants included: Paulo Sérgio Neves de Souza, Chairman; Jorge Alexander Castaño, Vice Chairman; Socorro Heysen, Andean Region Director; Ingeborg Geduld-Nijman, Caribbean Region Director; Ethel Deras, Director for Central America; Juan Pedro Cantera, Director of the Southern Cone, and Marco Antonio López, Director of North America and Chairman of the Audit Committee. As observers: José Ramón Canales, Member of the Audit Committee; Galo Cevallos, Chairman of the Training and Technical Cooperation Committee; Luis Figueroa, Chairman of the Technical Committee; Belline Santana, Deputy Head of Supervision, Banco Central do Brasil; Juan Serrano, General Supervisory Directorate, Banco de España; Richard Naylor, Associate Director, Board of Governors of the Federal Reserve System; Rose Kushmeider, Chief, FDIC; Maria Arevalo, Senior International Advisor, OCC; Erick Vargas, Superintendent, Superintendencia de Bancos de Guatemala and Pablo Marroquín, Advisor, Superintendencia de Bancos, Guatemala. For the General Secretariat: Pascual O'Dogherty, Secretary General; Maricarmen Morales, Marcos Fabián, Adrián Acosta, Nancy Vallejo, Antonio Pineda, Darío Trujano, and Rubén Torres.



LXXXIX Meeting of the Board (ASBA), Mexico City.

Technical Agenda

The use of Big Data to assess risks: The use of Information from Payment Systems for Stress Testing. Dr. Fabrizio López-Gallo, General Director for Financial Stability, Banco de México

Economic Outlook for the Region in 2019. Dr. Ana María Aguilar, BIS / Dr. Carlos Serrano, Chief Economist, BBVA

The Challenges for Banking in the Region. Mr. Alberto Gómez Alcalá, Executive Chairman, Asociación de Bancos de México / Dr. Carlos Serrano, Chief Economist, BBVA

XC Meeting of the Board of Directors (ASBA), Madrid, Spain, May 16 and 17



XC Meeting of the Board (ASBA), Madrid, Spain.

The participant for the Board of Directors included: Paulo Sérgio Neves de Souza, Chairman; Jorge Alexander Castaño, Vice Chairman; Socorro Heysen, Andean Director; Ingeborg Geduld-Nijman, Caribbean Director; Evasio Asencio in representation of Ethel Deras, Director for Central America, and Juan Pedro Cantera, Director for the Southern Cone. As observers: Francisco Monzón, Deputy Director General of Supervision, Banco de España; Oscar Velázquez (via telephone), Member of the Audit Committee; Galo Cevallos, Chairman of the Training and Technical Cooperation Committee; Luis Figueroa, Chairman of the Technical Committee; Belline Santana, Deputy Head of Supervision, Banco Central do Brasil; Juan Serrano, General Supervisory Directorate, Banco de España; Richard Naylor, Associate Director, Board of Governors of the Federal Reserve System; Rose Kushmeider, Chief, FDIC; Maria Arevalo, Senior International Advisor, OCC and Erick Vargas, Superintendent, Superintendencia de Bancos de Guatemala. For the General Secretariat: Pascual O'Dogherty, Secretary General and Adrián Acosta.

Technical Agenda

Risk Management at the Centralized and Decentralized Level

Keiran Foan, Group Chief Risk Officer, Banco Santander

Economic and Financial Overview of the Latin American Region.

Jorge Sicilia, Chief Economist, BBVA

Presentation on Fintech. José Manuel Marqués, Head of the Financial Innovation Division, Banco de España

Presentation on FinCoNet. Fernando Tejada, Director of Market Conduct and Claims, Banco de España

XCI Meeting of the Board of Directors (ASBA), Bogotá, Colombia, August 15 and 16



XCI Meeting of the Board (ASBA), Bogotá, Colombia.

In this session the participants were: the Chairman Paulo Sérgio Neves de Souza; Jorge Alexander Castaño, Vice Chairman and host of the meeting; Socorro Heysen, Andean Director; Dirk Van Leeuwen in representation of Ingeborg Geduld-Nijman, Director for the Caribbean; Evasio Asencio in representation of Ethel Deras, Director for Central America; Juan Pedro Cantera, Southern Cone Director, and José Antonio Quesada, Director for North America. As observers: José Ramón Canales, Chairman of the Audit Committee (via telephone); Luis Figueroa, Chairman of the Technical Committee; Belline Santana, Deputy Head of Supervision, Banco Central do Brasil; Richard Naylor, Deputy Director, Board of Governors of the Federal Reserve System; Rose Kushmeider, Chief, FDIC; Teresa Rutledge, Chief – International Banking Supervision, OCC; and Luz Angela Barahona, Deputy Delegate, Superintendencia Financiera de Colombia. For the General Secretariat: Pascual O'Dogherty, Secretary General and Marcos Fabián



XCI Junta Directiva (ASBA), Bogotá, Colombia

Technical Agenda

Economic and financial environment in the region. *Alberto J. Bernal-León, EM Chief and Global Strategist in XP Invest.*

Risk management by a global bank. *Juan Carlos Estepa, Director of Certification, Nemesis*

Open Banking. *Lorenza Martinez, Accenture México.*

Sandbox. *Laura Clavijo Muñoz, Head of the Innovation Group, SFC, Colombia / Lorenza Martinez, Accenture Mexico.*

ASBA document report: Guidelines for the regulation and supervision of Fintechs in terms of market conduct and consumer protection. *Roberto Borrás, Partner in Garrigues and ASBA consultant.*

Cybersecurity. Mechanisms for information exchange on cyber events. *Luis Figueroa, Intendant of Bank Regulation, CMF, Chile / José Antonio Quesada, Vice Chairman of Regulatory Policy, CNBV, Mexico / Miguel Villalobos H., Delegate Superintendent of Operational Risks, SFC, Colombia.*

XCII Meeting of the Board of Directors (ASBA), Lima, Perú, September 30



XCII Meeting of the Board (ASBA), Lima, Perú.

The participants included: Paulo Sérgio Neves de Souza, Chairman; Socorro Heysen, Andean Director; Ingeborg Geduld-Nijman, Director for the Caribbean; Evasio Asencio in representation of Ethel Deras, Director for Central America; Juan Pedro Cantera, Southern Cone Director, and José Antonio Quesada, Director for North America. As observers: Luz Angela Barahona, Adjunct Delegate, Superintendencia Financiera de Colombia; Galo Cevallos, Chairman of the Training and Technical Cooperation Committee; Luis Figueroa, Chairman of the Technical Committee; Oscar Velázquez (via telephone), Member of the Audit Committee; Belline Santana, Deputy Head of Supervision, Banco Central do Brasil; Rose Kushmeider, Chief, FDIC; Maria Arevalo, International Senior Advisor, OCC; Erick Vargas, Superintendent, Superintendencia de Bancos de Guatemala; Juan Serrano, General Director for Supervision, Banco de España. As part of the General Secretariat: Pascual O'Dogherty, Secretary General; Maricarmen Morales, Marcos Fabián, Adrián Acosta, Nancy Vallejo, and María José Baqueiro.

Technical Agenda

During the sessions of the Board of Directors that coincide with holding the Assembly and High-Level Meeting, no technical agenda is contemplated.

XXII Annual Assembly

On October 2, 2019 the Association celebrated its Twenty-Second Meeting of the Annual Assembly which was held in Lima, Peru. The Assembly was chaired by Paulo Sérgio Neves de Souza, as Chairman of the Board of Directors and Socorro Heysen, Superintendent of the SBS of Peru as host of the meeting. The meeting was attended by the Chairman of ASBA, the representatives of the subregions that are part of the Association, and 26 members of the Association.

During the Assembly, the approval of the Minutes of the XXI session of the Annual Assembly held in Nassau, The Bahamas in 2018 were ratified. Likewise, the Annual Report and the Financial Statements corresponding to the fiscal year 2018, the Activities Report as of September 2019, and the 2020 Operational Plan and Budget were approved.

The Assembly acknowledged the election of Trinidad and Tobago as representative of the Caribbean region and of Ethel Deras Enamorado as representative of the Central American region for the period from September 2019 to the date of the Assembly's celebration corresponding to 2021, in accordance with Article 19 and with the powers described in Article 20 of the Association's Bylaws.



XXII ASBA's Annual Assembly, Lima, Peru.

The Assembly thanked Mrs. Ingeborg Geduld-Nijman for her participation and support as a member of the Board of Directors. On the other hand, Mr. Ricardo Fernández, Superintendent of Banks of Panama, extended the invitation to hold the XXIII Meeting of the Association's Annual Assembly in Panama City.

At the end of the Assembly, a recognition was given to the former Secretary General, Rudy Araujo Medinacelli, for his invaluable contribution to strengthening the regulation, supervision, and financial stability of banks in the Americas during the 18 years he was in charge of the General Secretariat.



XXII Asamblea Anual de ASBA, Lima, Perú

Mrs. Socorro Heysen, expressed her gratitude for the support received by the Association and the Superintendencia de Banca, Seguros y AFP in organizing the Annual Meeting.

The Chairman of the Board of Directors closed the XXII Annual Assembly Session, thanking the Associate Members and inviting the representatives to continue participating in the activities carried out by the Association.



9. LIST OF ACRONYMS

AML/CFT	<i>Anti-money laundering and combating financing of terrorism regulation</i>
ASBA	<i>Association of Supervisors of Banks of the Americas A.C.</i>
ASOBANCARIA	<i>Asociación Bancaria y de Entidades Financieras de Colombia / Banking and Financial Institutions' Association of Colombia</i>
Banxico	<i>Banco de México / Bank of Mexico</i>
Basel Committee/BCBS	<i>Basel Committee on Banking Supervision</i>
Basilea III	<i>Basel III Accords</i>
BBVA	<i>Banco Bilbao Vizcaya Argentaria</i>
BCG	<i>Basel Consultative Group</i>
BCRP	<i>Banco Central de la Reserva del Peru</i>
BdE	<i>Banco de España / Bank of Spain</i>
BITSO	<i>Platform to buy, sell, and use cryptocurrencies</i>
CAF	<i>Development Bank of Latin America</i>
CBD	<i>Caribbean Development Bank</i>
TTCC	<i>Training and Technical Cooperation Committee</i>
CEMLA	<i>Center for Latin American Monetary Studies</i>
CFTC	<i>Commodity Futures Trading Commission</i>
CGAP	<i>Consultative Group to Assist the Poor</i>
CGBS	<i>Caribbean Group of Banking Supervisors</i>
CIDE	<i>Centro de Investigación y Docencia Económica / Center for Research and Economic Teaching (Mexico)</i>
CMF	<i>Comisión para el Mercado Financiero de Chile / Financial Market Commission of Chile</i>
CNBV	<i>Comisión Nacional Bancaria y de Valores de México / National Banking and Securities Commission of Mexico</i>
FDIC	<i>Federal Deposit Insurance Corporation</i>
FED	<i>Federal Reserve Board</i>
FELABAN	<i>Federación Latinoamericana de Bancos / Latinoamerican Federation of Banks</i>
FFIEC	<i>Federal Financial Institutions Examination Council</i>
FIBA	<i>Florida International Bankers Association</i>
Fintech	<i>Financial technology</i>

FLAR	<i>Fondo Latinoamericano de Reservas / Latinoamerican Fundo of Reserves</i>
FSOC	<i>Financial Stability Oversight Council</i>
FOGAFIN	<i>Fondo de Garantías de Instituciones Financieras / Financial Institution Guarantee Fund</i>
FRTB	<i>Fundamental Review of the Trading Book</i>
FSI	<i>Financial Stability Institute</i>
FSI-Connect	<i>Financial Stability Institute online course platform</i>
FSVC	<i>Financial Services Volunteer Corps</i>
IASC	<i>International Accounting Standards Board</i>
IDB	<i>Inter-American Development Bank</i>
IDB-Lab	<i>Innovation laboratory at the IDB Group</i>
IMF	<i>International Monetary Fund</i>
IRRBB	<i>Interest rate risk in the banking book</i>
MAS	<i>Associate Members</i>
NPL	<i>Non-performing loans</i>
OCC	<i>Office of the Comptroller of the Currency</i>
OCDE	<i>Organization for Economic Cooperation and Development</i>
OSFI	<i>Office of the Superintendent of Financial Institutions of Canada</i>
PCT	<i>Technical Cooperation Program</i>
PIM	<i>Policy Implementation Meeting</i>
SBIF	<i>Superintendencia de Bancos e Instituciones Financieras de Chile / Superintendency of Banks and Financial Institutions of Chile</i>
SBS Perú	<i>Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones del Perú / Superintendency of Banks, Insurance and Private Pension Funds of Peru.</i>
SFC	<i>Superintendencia Financiera de Colombia / Financial Superintendency of Colombia</i>
Sparkassenstiftung	<i>Sparkassenstiftung für internationale Kooperation e.V./ Savings Bank Foundation for International Cooperation e.V.</i>
Suptech	<i>Technology used for supervision activities</i>
UST	

2019 ANNUAL REPORT

Association of Supervisors of Banks of the Americas (ASBA)

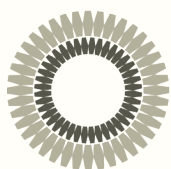
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