

## Press release

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### FSB to consider lessons learned from recent banking-sector turmoil

The Financial Stability Board (FSB) today published a [letter from its Chair, Klaas Knot, to G20 Finance Ministers and Central Bank Governors](#), ahead of their meeting on 12-13 April.

The letter notes that the financial stability outlook has become more challenging in recent weeks, as a consequence of turmoil in the banking sector. The FSB's ongoing surveillance has highlighted vulnerabilities associated with elevated debt levels, business models based on the presumption of low and stable interest rates, stretched asset valuations, and the combination of leverage and liquidity mismatches in non-bank financial intermediation. Each of these vulnerabilities is sensitive to a tightening of financial conditions and slowing economic activity.

The letter notes that, while the financial reforms put in place following the 2008 Global Financial Crisis have assisted in making the banking sector as a whole better able to absorb adverse shocks, recent events provide important lessons for financial authorities, including for bank prudential and resolution frameworks. The FSB is working closely with the Basel Committee on Banking Supervision and other standard-setting bodies to comprehensively draw out these lessons and consequent policy priorities. At the same time, FSB members remain vigilant and stand ready to take policy measures to maintain the resilience of the global financial system. Alongside a focus on the banking system, the letter stresses the continued priority placed by the FSB on its programme of reforms to address vulnerabilities in – and enhance the resilience of – non-bank financial intermediation.

The letter introduces the cyber incident reporting recommendations, which have been finalised following a public consultation, and which the FSB will deliver to the G20 meeting.

#### Notes to editors

The FSB coordinates at the international level the work of national financial authorities and international standard-setting bodies and develops and promotes the implementation of effective regulatory, supervisory, and other financial sector policies in the interest of financial stability. It brings together national authorities responsible for financial stability in 24 countries and jurisdictions, international financial institutions, sector-specific international groupings of regulators and supervisors, and committees of central bank experts. The FSB also conducts outreach with approximately 70 other jurisdictions through its six Regional Consultative Groups.

The FSB is chaired by Klaas Knot, President of De Nederlandsche Bank. The FSB Secretariat is located in Basel, Switzerland, and hosted by the Bank for International Settlements.

For further information on the FSB, visit the FSB website, [www.fsb.org](http://www.fsb.org).