

Press release

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FSB welcomes Report of the Enhanced Disclosure Task Force

The Financial Stability Board (FSB) welcomes the publication of the Report of the Enhanced Disclosure Task Force (EDTF) and views it as a valuable step to improve the quality of risk disclosures. The EDTF's principles and recommendations for improved bank risk disclosures and leading disclosure practices are designed to provide timely information useful to investors and other users, which together with current regulatory developments and standard setter recommendations can contribute, over time, to improved market confidence in financial institutions.

The FSB encourages banks to continue to strive to improve risk disclosures.

The EDTF was formed in May at the initiative of the FSB. The task force represents a unique private sector initiative – one that brings together on a global basis, senior officials and experts from financial institutions, investors, and audit firms – to develop recommendations for enhancing risk disclosure practices by major banks starting with end-year 2012 annual risk disclosures and continuing into 2013 and beyond.

Notes to editors

The EDTF report, *Enhancing the Risk Disclosures of Banks*, can be found [here](#).

The report includes an Appendix B with examples of recommended disclosures. Due to the large size of the computer file for the appendix (12 megabytes), the EDTF report without Appendix B can alternatively be downloaded [here](#) and Appendix B of examples can be found separately [here](#).

The co-chairs of the EDTF are: Hugo Bänziger, Chairman, Board of Directors, Eurex Group; Russell Picot, Group General Manager and Group Chief Accounting Officer, HSBC Holdings plc; and Christian Stracke, Managing Director, Member of Investment Committee, and Global Head of Credit Research Group, PIMCO.

The importance to market confidence of useful disclosures by financial institutions about their risk exposures and risk management practices has been underscored in recent years and, thus, the need for improvement in risk disclosure has been the subject of a number of FSB initiatives. In 2008, the Financial Stability Forum (predecessor to the FSB) recommended, in its report on Enhancing Market and Institutional Resilience, improved disclosures about

structured credit products and certain other risk exposures that were of concern to market participants at that time.

In March 2011, the FSB published a thematic peer review report of risk disclosure practices by financial institutions in FSB member jurisdictions. The report recommended that the FSB should facilitate work by investors, industry representatives and auditors to develop principles for useful risk disclosures as market conditions and risk profiles change.

To that end, in December 2011, the FSB organised an international roundtable on risk disclosures that brought together a broad spectrum of interested participants both from the public and private sectors. Taking account of the views expressed at the roundtable and the recommendations set forth in the thematic review report, the FSB agreed to facilitate the formation of the EDTF (i) to develop principles for enhanced disclosures, based on current market conditions and risks, including ways to enhance the comparability of disclosures, and (ii) to identify leading practice risk disclosures presented in annual reports for end-year 2011.

As requested by the FSB, the EDTF has maintained extensive outreach with regulatory and standard setting bodies and with industry groups at key stages as it developed its report.

The FSB's earlier press releases issued on [20 March](#) and [10 May](#), which includes the initial composition of the EDTF, provide further background to this risk disclosure initiative.

The FSB has been established to coordinate at the international level the work of national financial authorities and international standard setting bodies and to develop and promote 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. Through the six regional groups, the FSB will be able to develop global financial policy initiatives in a more inclusive process.

The FSB is chaired by Mark Carney, Governor of the Bank of Canada. Its 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.financialstabilityboard.org.