

Press release

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FSB welcomes Second Implementation Progress Report by the Enhanced Disclosure Task Force

The Financial Stability Board (FSB) welcomes the publication of the second progress report by the Enhanced Disclosure Task Force (EDTF) which assesses the implementation in major banks' 2013 annual reports of the recommendations made in the EDTF's 2012 report 'Enhancing the Risk Disclosures of Banks'. The EDTF's principles and recommendations for improved bank risk disclosures and leading disclosure practices are designed to provide relevant and timely information to investors and other users, which can contribute, over time, to improved market confidence in financial institutions. The FSB views the principles and recommendations as a valuable step to improve the quality of risk disclosures.

The survey results confirm that significant progress has been made towards implementing the EDTF recommendations in 2013 disclosures. The banks' self-assessment is that they have disclosed 73% of the information set out in the EDTF Recommendations, a substantial increase from 2012, with particular improvement in quantitative disclosures, where the implementation rate increased from 40% to 70% on an aggregate basis.

As in the 2013 survey, investors and analysts (the User Group) within the EDTF undertook a further review of the disclosures. This assessment confirmed that banks have made substantial progress in implementing the EDTF recommendations over the past year, although there is still a gap between the users' assessment and the banks' own self-assessment. The User Group assessed 50% of the recommendations reviewed as being fully implemented and 29% partly implemented. They also noted that levels of implementation were highest in countries where regulators have been most active in promoting adoption.

The FSB encourages banks to continue to strive to improve risk disclosures, and calls on supervisory authorities to take further steps to foster awareness of the EDTF Principles and Recommendations by banks and markets in their national jurisdictions, to continue to assist in strengthening confidence of investors and other stakeholders in banks' reporting. The EDTF noted the proposed changes to the Basel Committee's Pillar 3 and the implementation of the new IASB and FASB financial instrument standards as steps that will lead to further changes in disclosures, and suggested that a review and updating of the EDTF recommendations may be necessary in the future. The EDTF is an important driver for continuing improvement in risk disclosures, and the FSB has asked the EDTF to undertake another survey in 2015, of the level and quality of disclosures in 2014 annual reports.

Notes to editors

The EDTF was formed in 2012 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 analysts, 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.

The second EDTF progress report comprises an overall summary, a detailed Progress Report on Implementation of Disclosure Recommendations and an Appendix of Examples of Leading Disclosure Practices. Due to the large size of the computer file for the appendices, the report without Appendix 3 and 4 can be downloaded [here](#). [Appendix 3](#) and Appendix 4 ([Part 1](#), [Part 2](#), [Part 3](#)) can be downloaded separately.

The original Report Enhancing the Risk Disclosures of Banks, dated 29 October 2012, can be found [here](#), and the first progress report, covering disclosures in 2012 annual reports, can be found [here](#). The co-chairs of the EDTF are: Hugo Bänziger, Managing Partner, Lombard Odier; 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.

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 2012](#), [10 May 2012](#), [29 October 2012](#), and [21 August 2013](#) 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 England. 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.