

Joint Release

SENIOR SUPERVISORS GROUP

Senior financial supervisors from five countries today issued a report that assesses a range of risk management practices among a sample of major global financial services organizations.

This report – Observations on Risk Management Practices during the Recent Market Turbulence – summarizes a joint review that supervisors initiated this past autumn. The seven supervisory agencies participating in this project are the French Banking Commission, the German Federal Financial Supervisory Authority, the Swiss Federal Banking Commission, the U.K. Financial Services Authority, and, in the United States, the Office of the Comptroller of the Currency, the Securities and Exchange Commission, and the Federal Reserve.

The report also reflects the results of a roundtable discussion that participating supervisory agencies held with industry representatives on February 19, 2008, at the Federal Reserve Bank of New York.

Supervisors undertook this effort to evaluate the effectiveness of current risk management practices during this period of stress. These observations could then be used in supervising individual firms and in assessing potential future changes in supervisory requirements, guidance and expectations.

This work was also undertaken in response to a request from the Financial Stability Forum, whose mission is to promote international financial stability, improve the functioning of markets, and reduce systemic risk. The Financial Stability Forum has established a Working Group on Market and Institutional Resilience that is preparing a separate report to the Finance Ministers and Central Bank Governors of the G-7 countries on the underlying causes of recent financial market turmoil and will make appropriate recommendations.