
Joint Release

**Board of Governors of the Federal Reserve System
Office of the Comptroller of the Currency
U.S. Securities and Exchange Commission**

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Agencies Release Recommendations
of Working Groups on Public Disclosure

A private-sector working group today recommended enhanced and more frequent public disclosure of financial information by banking and securities organizations.

Market risk information previously disclosed annually should be disclosed quarterly and the content of these disclosures should be improved, the group said. Additional credit risk information on wholesale credit exposures also should be made available quarterly, it said.

The Working Group on Public Disclosure, established in April by the Board of Governors of the Federal Reserve System, was chaired by Walter V. Shipley, retired chairman of Chase Manhattan Bank. He delivered the group's findings in a letter to Board member Laurence H. Meyer. Copies were provided to Comptroller of the Currency John D. Hawke, Jr., and Securities and Exchange Commission Chairman Arthur Levitt, Jr. The OCC and SEC participated with the Board in support of the effort.

In addition to calling for more frequent public disclosure, the working group said financial information should be disclosed based on a firm's internal methodologies and exposure categories. It said quantitative information on a firm's risk exposure should be balanced with qualitative information describing its risk management process.

Public disclosures should vary among institutions to reflect legitimate differences in internal management processes and disclosure practices should change in step with innovations in firms' risk management and measurement practices, the group said.

Mr. Shipley, in the letter to Gov. Meyer, said the outcome of the group's deliberations "creates a common platform to move ahead with suitable steps towards enhanced public disclosure."

(more)

Gov. Meyer, Comptroller Hawke and Chairman Levitt, in their reply, said, “We ... think that your recommendation for disclosure of credit risk based on banks’ internal ratings is especially useful.”

“We hope that the working group’s work encourages all large banks and securities firms to adopt enhanced practices for public disclosure,” they wrote.

“We look forward to continued discussion with market participants about public disclosure. In particular, we thank the members of the group for their offer to participate in future advisory efforts.”

The members of the working group, in addition to Mr. Shipley, were: Clemens Boersig, Deutsche Bank AG, Frankfurt, Germany; Patrick de Saint-Aignan, Morgan Stanley Dean Witter, New York; Dina Dublon, J.P. Morgan Chase & Co., New York; Douglas Flint, HSBC Holdings PLC, London; James Hance, Bank of America Corp., Charlotte, N.C.; Ross Kari, Wells Fargo Corp., San Francisco; Thomas H. Patrick, Merrill Lynch and Co., New York; Marcel Rohner, UBS AG, Zurich, Switzerland; Charles W. Scharf, Bank One Corporation, Chicago; Todd S. Thomson, Citigroup, New York, and Barry L. Zubrow, Goldman Sachs and Co., New York.

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