



Press Release  
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## **CEBS PUBLISHES A FOLLOW-UP REPORT ON BANKS' TRANSPARENCY IN THEIR HALF YEAR INTERIM RESULTS**

The Committee of European Banking Supervisors (CEBS) has published today the findings of an analysis following up on the application of its recommendations in the ['Report on banks' transparency on activities and products affected by the recent market turmoil'](#) published on 18 June 2008.

In the follow-up report, CEBS compares the disclosures by the 22 banks covered in the analysis (19 of which are from the EU) in their 2008 second quarter results with the good practices<sup>1</sup> CEBS identified in the June report, which were endorsed at the July ECOFIN meeting.

The main findings of the report are as follows:

- Around 80% of the banks provide detailed disclosures on the impact of the market turmoil and on exposure levels. For about half of the banks this is an improvement in comparison to the last assessment, especially in terms of granularity. CEBS is of the view that for these areas the disclosures are moving towards the good practices identified in the June report.
- Disclosures on business models and to a lesser extent on risk management practices as well as accounting and valuation practices are less detailed. Most institutions included in the sample still have to improve their disclosures in these areas, although CEBS realises that the timing of the June report may not have allowed all institutions to take the CEBS good practices wholly into account.

The report conveys the following main messages:

- Institutions need to make further efforts to bring their disclosures into line with the good practices identified in the June report. This includes making explicit statements when the exposures and the impact of the market turmoil are very small or zero. These efforts should lead to satisfactory results in forthcoming disclosures.
- The good practices continue to be particularly relevant and helpful in contributing to restoring confidence, especially in these nervous market conditions, and should be further promoted by CEBS's members.

Before deciding on concrete follow-up measures, CEBS will carry out further work and analysis:

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<sup>1</sup> The good practices cover disclosures on the impact of the market turmoil on results and on exposure levels - which are in line with the recommendations of the Financial Stability Forum (FSF) – as well as information on business models, risk management practices, and accounting and valuation practices.

- Consideration will be given to how the good practices should be applied in the longer run, not only since disclosure practices develop over time but also because 'high risk' areas requiring specific attention change.
- Together with the outcome of the present exercise, a further review (in 2009) of banks' 2008 year end annual reports and Pillar 3 disclosures will prove helpful in guiding CEBS on any further measures to be taken.
- Finally, more focus will be put in future work on the quality of disclosures.

Press Contact:

Efstathia Bouli

Communications Officer

Tel: +44 207 382 1780

E-mail: [efi.bouli@c-eps.org](mailto:efi.bouli@c-eps.org)

*Committee of European Banking Supervisors (CEBS) is comprised of high level representatives from the banking supervisory authorities and central banks of the European Union. CEBS main tasks are to advise the Commission in the field of banking activities, to contribute to the consistent implementation of Community Directives and to the convergence of supervisory practices and to enhance supervisory co-operation. The Committee is chaired by Ms Kerstin af Jochnick. The CEBS Secretariat is based in London. The Secretary General of the Committee is Mr Arnoud Vossen.*