
Joint Release

**Federal Deposit Insurance Corporation
Federal Reserve Board of Governors
Office of the Comptroller of the Currency**

FOR IMMEDIATE RELEASE

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The Basle Committee on Banking Supervision, with the agreement of the central bank Governors of the Group of Ten countries, is today issuing for public comment a paper containing a set of Principles for the Management of Interest Rate Risk.

This paper emphasizes the need for banks to maintain adequate risk management practices and identifies specific, agreed upon principles that supervisors will consider in evaluating a bank's management of interest rate risk.

The document addresses the importance of board of director and senior management oversight of a comprehensive risk management process that effectively identifies, measures, monitors, and controls a bank's risk exposure. It is fully consistent with the Joint Agency Policy Statement on Interest Rate Risk issued in the United States in June 1996 by the federal banking agencies and circulated to all U.S. insured commercial banks. U. S. banks should continue to comply with the joint agency statement.

Copies of the Committee's proposal are available at the offices of the Federal Reserve, the Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation. The statement is also available on the Internet Web Site of the Bank for International

Settlements at <http://www.bis.org>. Comments are requested by April 15, 1997, and may be sent directly to the Basle Committee Secretariat at the BIS or to any of the three bank regulatory agencies.

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