

# Statistical Annex

## The international banking market

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## The BIS international financial statistics summary tables

The BIS publishes a variety of international financial statistics, most of them on a quarterly basis. They cover banking statistics on both a locational and a consolidated basis, debt securities issues in both domestic and international markets, and statistics on derivatives traded on exchanges and over the counter. The main purpose of the statistics is to provide a measure of the size and structure of key segments of the global financial market and to monitor their development. A summary of the most recent data is presented in seven tables (see below).<sup>1</sup>

### 1. International banking statistics (Tables 1A, 1B, 2A and 2B)

The locational reporting system provides quarterly data on the international financial claims and liabilities of banks resident in the 44 reporting countries on a gross basis. The methodology is consistent with the principles underlying the compilation of national accounts, balances of payments and external debt statistics. Breakdowns are provided in terms of instrument, currency, sector and vis-à-vis country. The currency breakdown allows the BIS to approximate global bank credit flows adjusted for exchange rate fluctuations.

The consolidated banking statistics cover banks' worldwide on-balance sheet claims, on both a contractual (immediate borrower) and an ultimate risk basis (ie net of risk mitigants such as guarantees and collateral). Positions are reported by head offices in their home country and include all branches and subsidiaries on a worldwide consolidated basis, net of inter-office accounts. Breakdowns are available in terms of instrument, sector, maturity and vis-à-vis country. Information is also available on key off-balance sheet items such as guarantees extended, credit commitments and derivative contracts. Currently 31 countries provide consolidated banking data.

While the locational statistics are appropriate for measuring lending flows in a given period, the consolidated statistics are more suited to gauging the size of banks' country and liquidity risk exposures. The data are compiled by the BIS on the basis of national data reported by the respective central banks, which in turn collect these data from the internationally active banks in their jurisdiction.

### 2. Debt securities statistics (Tables 3A and 3B)

Securities statistics are harmonised with recommendations from the Handbook on Securities Statistics Part 1 (jointly released by BIS, ECB and IMF; available at the IMF web site [www.imf.org/external/np/sta/wgsd/pdf/051309.pdf](http://www.imf.org/external/np/sta/wgsd/pdf/051309.pdf)). There are three datasets, each covering a different market of issue: international debt securities, domestic debt securities and total debt securities.

The sectoral breakdown presents data based on the sector of the borrower itself and not on the sector of the parent of the borrower or any guarantor. "General government" comprises central government and other governments, while "Financial corporations" comprises commercial banks, central bank, and other financial institutions.

The compilation methodology was changed in December 2012 for the full history of the statistics. For statistics compiled according to the old methodology, see the detailed Annex Tables in pre-December 2012 version of the *BIS Quarterly Review*.

### 3. Derivatives statistics (Table 4)

Semi-annual data are compiled for activity in over-the-counter (OTC) markets whilst quarterly data are available on activity in exchange-traded markets. The data on OTC derivatives are based on the reporting to the BIS by central banks in major financial centres that in turn collect the information on a consolidated basis from reporting dealers headquartered in their respective country, while those on exchange-traded derivatives are obtained from market sources.

The derivatives data cover notional amounts outstanding and gross market values for a number of risk categories: foreign exchange, interest rates, equity-linked, commodities and credit default swaps. Gross credit exposure in OTC markets after bilateral netting is also available.

<sup>1</sup> More detailed tables and options to download the data in time series form are available at [www.bis.org/statistics/index.htm](http://www.bis.org/statistics/index.htm).

**Table 1A: International positions of banks by residence of counterparty, June 2013<sup>1</sup>**

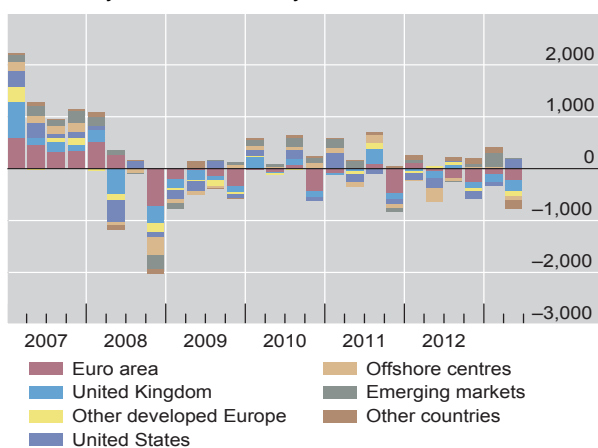
In billions of US dollars

|  | Vis-à-vis advanced economies | Vis-à-vis offshore centres | Vis-à-vis emerging market economies |            |              |            |               | All countries |
|--|------------------------------|----------------------------|-------------------------------------|------------|--------------|------------|---------------|---------------|
|  |                              |                            | Total                               | Africa     | Asia         | Europe     | Latin America |               |
| <b>Amounts outstanding</b>   |                              |                            |                                     |            |              |            |               |               |
| <b>Total claims</b>  | <b>23,629</b>                | <b>4,185</b>               | <b>4,072</b>                        | <b>487</b> | <b>1,918</b> | <b>914</b> | <b>753</b>    | <b>32,615</b> |
| <b>Total cross-border claims</b>   | <b>20,989</b>                | <b>3,537</b>               | <b>3,433</b>                        | <b>479</b> | <b>1,580</b> | <b>735</b> | <b>639</b>    | <b>28,251</b> |
| Loans  | 14,714                       | 2,854                      | 2,714                               | 435        | 1,265        | 556        | 459           | 20,362        |
| Securities   | 4,321                        | 543                        | 398                                 | 17         | 189          | 74         | 118           | 5,472         |
| Claims on banks  | 12,791                       | 1,999                      | 1,860                               | 210        | 996          | 388        | 266           | 16,838        |
| Claims on non-banks  | 8,199                        | 1,538                      | 1,573                               | 269        | 584          | 348        | 373           | 11,414        |
| US dollar  | 8,233                        | 2,175                      | 1,422                               | 274        | 479          | 219        | 450           | 11,888        |
| Euro   | 8,828                        | 253                        | 451                                 | 83         | 60           | 286        | 22            | 9,705         |
| <b>Foreign currency claims on residents</b>                                    | <b>2,640</b>                 | <b>648</b>                 | <b>639</b>                          | <b>8</b>   | <b>337</b>   | <b>179</b> | <b>115</b>    | <b>3,927</b>  |
| <b>Estimated exchange rate-adjusted changes during the quarter<sup>2</sup></b> |                              |                            |                                     |            |              |            |               |               |
| <b>Total claims</b>  | <b>-491</b>                  | <b>-50</b>                 | <b>36</b>                           | <b>-1</b>  | <b>67</b>    | <b>1</b>   | <b>-30</b>    | <b>-522</b>   |
| <b>Total cross-border claims</b>   | <b>-470</b>                  | <b>-70</b>                 | <b>23</b>                           | <b>-1</b>  | <b>59</b>    | <b>-8</b>  | <b>-27</b>    | <b>-515</b>   |
| Loans  | -226                         | -52                        | 49                                  | -2         | 61           | -4         | -5            | -235          |
| Securities   | -173                         | -19                        | -9                                  | 0          | 10           | -5         | -13           | -193          |
| Claims on banks  | -289                         | -20                        | 25                                  | -5         | 42           | 0          | -12           | -285          |
| Claims on non-banks  | -181                         | -50                        | -2                                  | 4          | 17           | -8         | -14           | -231          |
| US dollar  | 31                           | -59                        | -4                                  | -2         | 16           | -6         | -12           | -31           |
| Euro   | -308                         | -13                        | 3                                   | 2          | 1            | 3          | -3            | -315          |
| <b>Foreign currency claims on residents</b>                                    | <b>-21</b>                   | <b>20</b>                  | <b>13</b>                           | <b>0</b>   | <b>8</b>     | <b>9</b>   | <b>-4</b>     | <b>12</b>     |
| <b>Amounts outstanding</b>   |                              |                            |                                     |            |              |            |               |               |
| <b>Total liabilities</b>   | <b>20,541</b>                | <b>5,026</b>               | <b>3,154</b>                        | <b>882</b> | <b>1,274</b> | <b>451</b> | <b>547</b>    | <b>31,587</b> |
| <b>Total cross-border liabilities</b>  | <b>17,663</b>                | <b>4,105</b>               | <b>2,554</b>                        | <b>871</b> | <b>880</b>   | <b>334</b> | <b>468</b>    | <b>24,567</b> |
| Deposits   | 14,889                       | 3,920                      | 2,455                               | 860        | 836          | 328        | 431           | 21,502        |
| Securities   | 1,482                        | 91                         | 22                                  | 3          | 11           | 1          | 7             | 1,597         |
| Liabilities to banks   | 12,122                       | 2,626                      | 1,606                               | 560        | 579          | 250        | 217           | 16,523        |
| Liabilities to non-banks   | 5,542                        | 1,478                      | 948                                 | 312        | 302          | 84         | 251           | 8,044         |
| US dollar  | 7,279                        | 2,692                      | 1,430                               | 582        | 331          | 167        | 350           | 11,476        |
| Euro   | 6,950                        | 388                        | 300                                 | 119        | 53           | 86         | 41            | 7,775         |
| <b>Foreign currency liabilities to residents</b>                               | <b>2,878</b>                 | <b>922</b>                 | <b>601</b>                          | <b>11</b>  | <b>394</b>   | <b>117</b> | <b>79</b>     | <b>4,400</b>  |
| <b>Estimated exchange rate-adjusted changes during the quarter<sup>2</sup></b> |                              |                            |                                     |            |              |            |               |               |
| <b>Total liabilities</b>   | <b>-256</b>                  | <b>62</b>                  | <b>-56</b>                          | <b>-12</b> | <b>-29</b>   | <b>-13</b> | <b>-2</b>     | <b>-324</b>   |
| <b>Total cross-border liabilities</b>  | <b>-189</b>                  | <b>53</b>                  | <b>-45</b>                          | <b>-13</b> | <b>-30</b>   | <b>-9</b>  | <b>7</b>      | <b>-190</b>   |
| Deposits   | -65                          | 48                         | -42                                 | -14        | -31          | -8         | 11            | -67           |
| Securities   | 8                            | 5                          | -3                                  | 0          | -2           | 0          | -2            | 9             |
| Liabilities to banks   | -414                         | 39                         | -49                                 | -16        | -38          | -3         | 6             | -427          |
| Liabilities to non-banks   | 224                          | 14                         | 5                                   | 3          | 7            | -6         | 1             | 236           |
| US dollar  | 131                          | 69                         | -37                                 | -16        | -39          | 13         | 5             | 162           |
| Euro   | -197                         | -9                         | -16                                 | -3         | 3            | -14        | -2            | -226          |
| <b>Foreign currency liabilities to residents</b>                               | <b>-67</b>                   | <b>9</b>                   | <b>-12</b>                          | <b>1</b>   | <b>1</b>     | <b>-5</b>  | <b>-10</b>    | <b>-70</b>    |

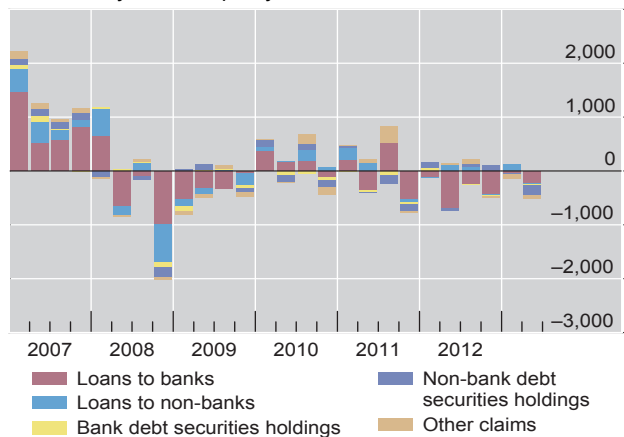
### Cross-border positions

#### Exchange rate-adjusted changes in stocks

#### Claims by vis-à-vis country



#### Claims by counterparty and instrument



<sup>1</sup> Detailed breakdowns and time series data are available at [www.bis.org/statistics/bankstats.htm](http://www.bis.org/statistics/bankstats.htm) (Tables 1-7B). <sup>2</sup> Taking into account exchange rate effects on outstanding balances in non-dollar currencies.

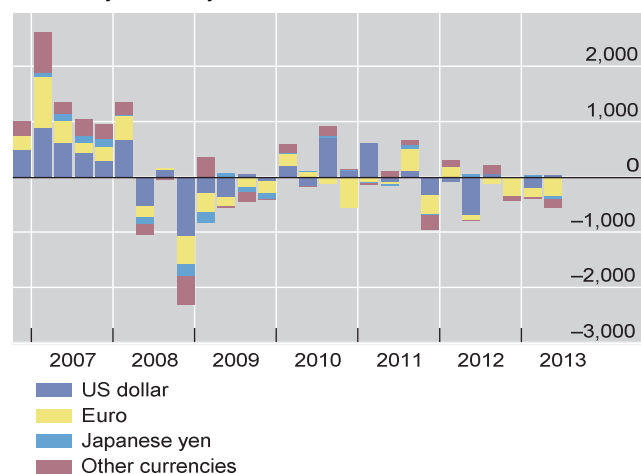
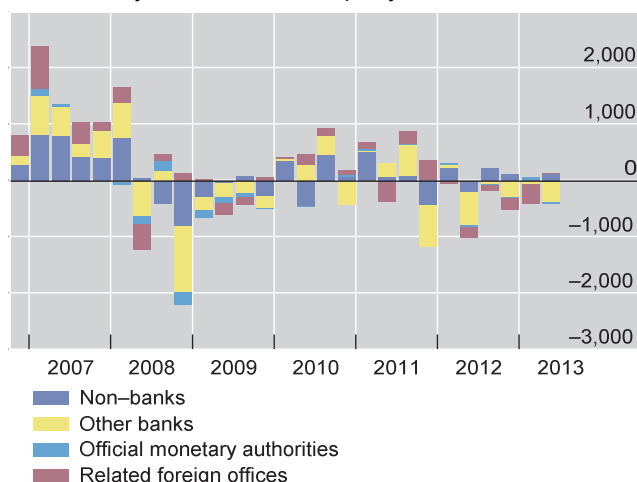
**Table 1B: International positions of banks by nationality of head office, June 2013<sup>1</sup>**

In billions of US dollars

|  | Nationality of banks |              |            |              |            |              |                |              |               |                  | All countries |
|--|----------------------|--------------|------------|--------------|------------|--------------|----------------|--------------|---------------|------------------|---------------|
|  | France               | Germany      | Italy      | Netherlands  | Spain      | Switzerland  | United Kingdom | Japan        | United States | Emerging markets |               |
| <b>Amounts outstanding</b>   |                      |              |            |              |            |              |                |              |               |                  |               |
| <b>Total claims</b>  | <b>3,663</b>         | <b>3,615</b> | <b>891</b> | <b>1,541</b> | <b>686</b> | <b>2,268</b> | <b>4,261</b>   | <b>4,210</b> | <b>3,743</b>  | <b>1,489</b>     | <b>32,551</b> |
| on banks   | 2,263                | 2,050        | 549        | 681          | 338        | 1,361        | 2,340          | 1,803        | 2,378         | 797              | 18,238        |
| on related foreign offices   | 1,198                | 1,038        | 221        | 404          | 210        | 910          | 1,455          | 922          | 1,431         | 234              | 9,847         |
| on other banks   | 1,037                | 993          | 328        | 267          | 126        | 447          | 840            | 878          | 911           | 506              | 8,148         |
| on official monetary institutions  | 28                   | 20           | 0          | 10           | 1          | 3            | 45             | 3            | 37            | 57               | 243           |
| on non-banks   | 1,400                | 1,565        | 342        | 860          | 348        | 908          | 1,921          | 2,407        | 1,365         | 692              | 14,313        |
| US dollar  | 1,195                | 1,178        | 134        | 434          | 224        | 1,235        | 1,883          | 2,392        | 2,436         | 1,146            | 14,691        |
| Euro   | 1,852                | 1,929        | 665        | 830          | 327        | 475          | 1,469          | 573          | 687           | 124              | 10,566        |
| Other currencies   | 616                  | 508          | 92         | 277          | 135        | 559          | 908            | 1,245        | 621           | 219              | 7,294         |
| <b>Estimated exchange rate-adjusted changes during the quarter<sup>2</sup></b> |                      |              |            |              |            |              |                |              |               |                  |               |
| <b>Total claims</b>  | <b>133</b>           | <b>-53</b>   | <b>-30</b> | <b>-86</b>   | <b>-10</b> | <b>-81</b>   | <b>-54</b>     | <b>-178</b>  | <b>-67</b>    | <b>3</b>         | <b>-474</b>   |
| on banks   | 114                  | 7            | -27        | -10          | -3         | -61          | -47            | -24          | -52           | 21               | -140          |
| on related foreign offices   | 74                   | -22          | 7          | 9            | -3         | -39          | -11            | -21          | 0             | -5               | -70           |
| on other banks   | 45                   | 22           | -34        | -23          | 1          | -21          | -32            | -4           | -53           | 26               | -63           |
| on official monetary institutions  | -5                   | 7            | 0          | 3            | 0          | 0            | -3             | 0            | 1             | 0                | -7            |
| on non-banks   | 19                   | -61          | -3         | -76          | -7         | -20          | -8             | -153         | -16           | -18              | -334          |
| US dollar  | 169                  | -18          | -7         | -11          | 5          | -49          | 61             | -104         | -34           | 11               | 69            |
| Euro   | -8                   | -20          | -20        | -72          | -9         | -9           | -70            | -30          | -7            | -7               | -328          |
| Other currencies   | -28                  | -15          | -4         | -2           | -6         | -22          | -45            | -44          | -27           | -1               | -214          |
| <b>Amounts outstanding</b>   |                      |              |            |              |            |              |                |              |               |                  |               |
| <b>Total liabilities</b>   | <b>3,519</b>         | <b>3,005</b> | <b>677</b> | <b>1,544</b> | <b>675</b> | <b>2,518</b> | <b>4,480</b>   | <b>2,552</b> | <b>4,360</b>  | <b>1,556</b>     | <b>31,628</b> |
| to banks   | 1,892                | 1,709        | 464        | 536          | 427        | 1,301        | 2,122          | 1,639        | 2,197         | 870              | 16,816        |
| to related foreign offices   | 1,085                | 1,040        | 188        | 330          | 151        | 909          | 1,335          | 806          | 1,237         | 183              | 8,871         |
| to other banks   | 708                  | 573          | 262        | 176          | 249        | 375          | 684            | 767          | 760           | 670              | 7,092         |
| to official monetary institutions  | 99                   | 97           | 15         | 29           | 26         | 17           | 103            | 66           | 200           | 17               | 852           |
| to non-banks   | 1,627                | 1,295        | 213        | 1,008        | 248        | 1,218        | 2,359          | 914          | 2,164         | 686              | 14,812        |
| US dollar  | 1,367                | 1,266        | 118        | 518          | 243        | 1,269        | 1,802          | 1,653        | 3,069         | 1,096            | 15,346        |
| Euro   | 1,628                | 1,150        | 500        | 654          | 346        | 584          | 1,408          | 350          | 621           | 142              | 9,052         |
| Other currencies   | 523                  | 589          | 59         | 372          | 86         | 665          | 1,270          | 549          | 670           | 317              | 7,230         |
| <b>Estimated exchange rate-adjusted changes during the quarter<sup>2</sup></b> |                      |              |            |              |            |              |                |              |               |                  |               |
| <b>Total liabilities</b>   | <b>117</b>           | <b>-65</b>   | <b>-20</b> | <b>-89</b>   | <b>-20</b> | <b>-41</b>   | <b>-22</b>     | <b>-56</b>   | <b>-10</b>    | <b>7</b>         | <b>-248</b>   |
| to banks   | 70                   | -53          | -17        | -7           | 0          | -72          | -49            | -21          | -146          | 20               | -336          |
| to related foreign offices   | 162                  | -8           | 38         | -19          | -1         | -41          | -13            | -23          | -43           | -7               | -9            |
| to other banks   | -94                  | -48          | -49        | 15           | 1          | -31          | -27            | 5            | -87           | 31               | -285          |
| to official monetary institutions  | 1                    | 3            | -5         | -3           | -1         | 0            | -9             | -2           | -16           | -4               | -42           |
| to non-banks   | 47                   | -13          | -3         | -81          | -19        | 31           | 27             | -35          | 136           | -13              | 88            |
| US dollar  | 192                  | -23          | -9         | -29          | -4         | -9           | 58             | -23          | 1             | -8               | 193           |
| Euro   | -57                  | -21          | -11        | -45          | -15        | 0            | -34            | -26          | -4            | 0                | -261          |
| Other currencies   | -18                  | -22          | 0          | -14          | -1         | -32          | -47            | -7           | -7            | 15               | -180          |

**International positions of BIS reporting banks**

Exchange rate-adjusted changes in stocks

**Claims by currency**

**Liabilities by sector of counterparty**


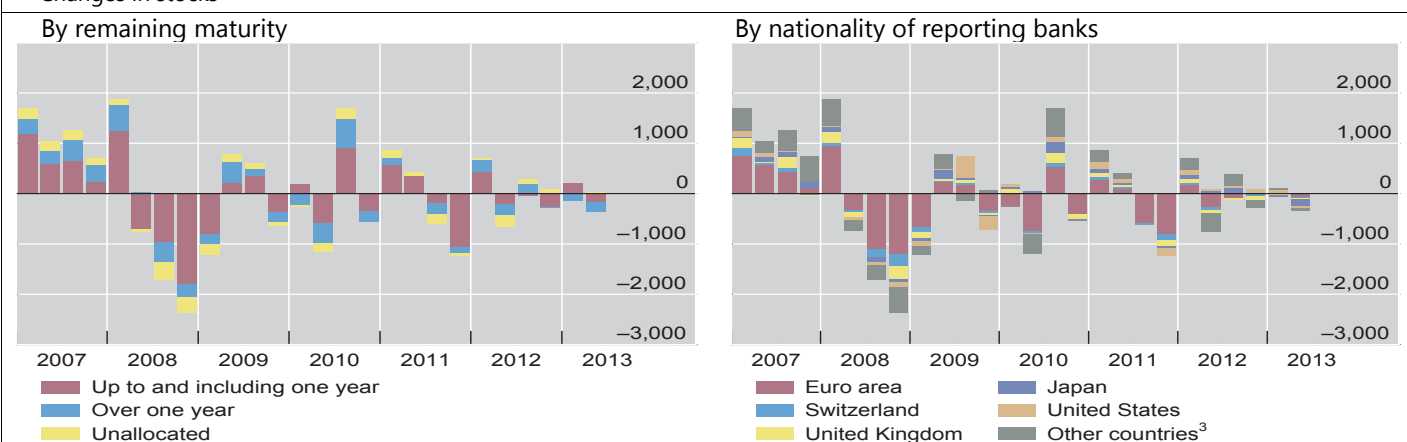
<sup>1</sup> Detailed breakdowns and time series data are available at [www.bis.org/statistics/bankstats.htm](http://www.bis.org/statistics/bankstats.htm) (Tables 8A–8B). <sup>2</sup> Taking into account exchange rate effects on outstanding balances in non-dollar currencies.

**Table 2A: Consolidated claims, immediate borrower basis, June 2013<sup>1</sup>**

Amounts outstanding, in billions of US dollars

|  | Vis-à-vis advanced economies |               |              |              | Vis-à-vis offshore centres | Vis-à-vis emerging market economies |            |              |              |               | All countries |
|--|------------------------------|---------------|--------------|--------------|----------------------------|-------------------------------------|------------|--------------|--------------|---------------|---------------|
|  | Total                        | United States | Euro area    | Japan        |                            | Total                               | Africa     | Asia         | Europe       | Latin America |               |
| <b>Foreign claims</b>                                    | <b>21,777</b>                | <b>5,896</b>  | <b>8,661</b> | <b>1,109</b> | <b>2,745</b>               | <b>5,752</b>                        | <b>627</b> | <b>2,378</b> | <b>1,445</b> | <b>1,301</b>  | <b>30,522</b> |
| <b>International claims</b>                              | <b>13,409</b>                | <b>2,420</b>  | <b>6,320</b> | <b>739</b>   | <b>2,177</b>               | <b>3,440</b>                        | <b>427</b> | <b>1,639</b> | <b>821</b>   | <b>553</b>    | <b>19,274</b> |
| Up to and including one year                             | 6,761                        | 882           | 2,947        | 612          | 1,141                      | 1,827                               | 199        | 1,068        | 302          | 257           | 9,803         |
| Over one year  | 4,281                        | 886           | 2,275        | 44           | 654                        | 1,298                               | 204        | 422          | 435          | 238           | 6,314         |
| Unallocated by maturity                                  | 2,367                        | 652           | 1,098        | 83           | 382                        | 315                                 | 25         | 149          | 83           | 58            | 3,156         |
| <b>Local currency claims</b>                             | <b>8,368</b>                 | <b>3,475</b>  | <b>2,342</b> | <b>370</b>   | <b>568</b>                 | <b>2,312</b>                        | <b>200</b> | <b>739</b>   | <b>625</b>   | <b>748</b>    | <b>11,249</b> |
| <b>Local currency liabilities</b>                        | <b>6,179</b>                 | <b>2,549</b>  | <b>1,982</b> | <b>200</b>   | <b>476</b>                 | <b>1,720</b>                        | <b>175</b> | <b>465</b>   | <b>499</b>   | <b>581</b>    | <b>8,377</b>  |
| <b>Unadjusted changes during the quarter<sup>2</sup></b> |                              |               |              |              |                            |                                     |            |              |              |               |               |
| <i>Foreign claims</i>                                    | -126                         | 163           | -6           | -44          | -19                        | -92                                 | -14        | 24           | -8           | -93           | -224          |
| <i>International claims</i>                              | -327                         | -116          | -7           | -47          | -15                        | -16                                 | -7         | 39           | -11          | -37           | -344          |
| <i>Local currency claims</i>                             | 201                          | 279           | 1            | 2            | -4                         | -76                                 | -7         | -15          | 3            | -56           | 121           |
| <i>Local currency liabilities</i>                        | 49                           | -15           | 58           | 3            | -18                        | -52                                 | -3         | -19          | 2            | -31           | -21           |
| <b>Nationality of reporting banks:</b>                   |                              |               |              |              |                            |                                     |            |              |              |               |               |
| <b>Foreign claims</b>                                    |                              |               |              |              |                            |                                     |            |              |              |               |               |
| <b>Domestically owned banks (total)</b>                  | <b>18,183</b>                | <b>5,483</b>  | <b>7,045</b> | <b>709</b>   | <b>2,636</b>               | <b>5,113</b>                        | <b>582</b> | <b>1,943</b> | <b>1,379</b> | <b>1,209</b>  | <b>26,170</b> |
| Euro area  | 7,422                        | 1,468         | 3,903        | 156          | 396                        | 2,157                               | 209        | 303          | 1,072        | 574           | 10,112        |
| Switzerland  | 1,170                        | 578           | 294          | 66           | 213                        | 157                                 | 28         | 68           | 19           | 42            | 1,550         |
| United Kingdom   | 2,373                        | 1,104         | 898          | 82           | 592                        | 910                                 | 207        | 507          | 69           | 127           | 3,918         |
| Japan  | 2,136                        | 1,131         | 573          | .            | 567                        | 380                                 | 32         | 256          | 35           | 58            | 3,084         |
| United States  | 1,991                        | .             | 789          | 343          | 492                        | 773                                 | 69         | 343          | 94           | 267           | 3,284         |
| Other countries <sup>3</sup>                             | 3,091                        | 1,202         | 587          | 63           | 376                        | 735                                 | 39         | 466          | 90           | 140           | 4,223         |
| <b>Other foreign banks</b>                               | <b>3,594</b>                 | <b>412</b>    | <b>1,617</b> | <b>400</b>   | <b>110</b>                 | <b>639</b>                          | <b>45</b>  | <b>435</b>   | <b>66</b>    | <b>92</b>     | <b>4,352</b>  |
| <b>International claims, all maturities</b>              |                              |               |              |              |                            |                                     |            |              |              |               |               |
| <b>Domestically owned banks (total)</b>                  | <b>9,920</b>                 | <b>2,031</b>  | <b>4,776</b> | <b>340</b>   | <b>2,068</b>               | <b>2,804</b>                        | <b>385</b> | <b>1,204</b> | <b>754</b>   | <b>461</b>    | <b>15,029</b> |
| Euro area  | 4,162                        | 515           | 2,376        | 100          | 359                        | 1,034                               | 150        | 222          | 519          | 142           | 5,691         |
| Switzerland  | 547                          | 110           | 267          | 18           | 198                        | 124                                 | 25         | 54           | 18           | 26            | 879           |
| United Kingdom   | 1,035                        | 346           | 528          | 38           | 247                        | 430                                 | 88         | 248          | 49           | 45            | 1,756         |
| Japan  | 1,640                        | 755           | 538          | .            | 523                        | 285                                 | 32         | 165          | 34           | 55            | 2,448         |
| United States  | 1,327                        | .             | 695          | 141          | 440                        | 439                                 | 52         | 198          | 65           | 124           | 2,234         |
| Other countries <sup>3</sup>                             | 1,208                        | 305           | 372          | 43           | 300                        | 492                                 | 38         | 317          | 69           | 68            | 2,021         |
| <b>Other foreign banks</b>                               | <b>3,489</b>                 | <b>389</b>    | <b>1,544</b> | <b>399</b>   | <b>110</b>                 | <b>636</b>                          | <b>43</b>  | <b>435</b>   | <b>66</b>    | <b>92</b>     | <b>4,245</b>  |
| <b>International claims, short-term</b>                  |                              |               |              |              |                            |                                     |            |              |              |               |               |
| <b>Domestically owned banks (total)</b>                  | <b>4,587</b>                 | <b>683</b>    | <b>2,089</b> | <b>263</b>   | <b>1,071</b>               | <b>1,437</b>                        | <b>177</b> | <b>758</b>   | <b>277</b>   | <b>225</b>    | <b>7,167</b>  |
| Euro area  | 1,902                        | 241           | 893          | 65           | 178                        | 386                                 | 53         | 110          | 157          | 66            | 2,506         |
| Switzerland  | 310                          | 48            | 154          | 10           | 146                        | 71                                  | 19         | 30           | 9            | 14            | 529           |
| United Kingdom   | 492                          | 150           | 264          | 23           | 151                        | 252                                 | 41         | 159          | 31           | 21            | 899           |
| Japan  | 222                          | 85            | 65           | .            | 51                         | 106                                 | 6          | 81           | 8            | 11            | 379           |
| United States  | 999                          | .             | 507          | 132          | 376                        | 331                                 | 42         | 163          | 44           | 82            | 1,726         |
| Other countries <sup>3</sup>                             | 662                          | 158           | 206          | 34           | 170                        | 290                                 | 16         | 214          | 29           | 31            | 1,127         |
| <b>Other foreign banks</b>                               | <b>2,174</b>                 | <b>199</b>    | <b>858</b>   | <b>349</b>   | <b>70</b>                  | <b>390</b>                          | <b>22</b>  | <b>311</b>   | <b>25</b>    | <b>32</b>     | <b>2,635</b>  |

**International claims of BIS reporting banks on an immediate borrower basis<sup>4</sup>**

 Changes in stocks<sup>2</sup>


<sup>1</sup> Detailed breakdowns and time series data are available at [www.bis.org/statistics/consstats.htm](http://www.bis.org/statistics/consstats.htm) (Tables 9A–9B and BIS WebStats). <sup>2</sup> Quarterly difference in outstanding stocks, excluding effects of breaks in series, not adjusted for exchange rate movements. <sup>3</sup> Domestically owned banks in other reporting countries. <sup>4</sup> Worldwide consolidated positions of domestically owned banks and unconsolidated positions of foreign banks in 30 reporting countries.

**Table 2B: Consolidated claims, ultimate risk basis, June 2013<sup>1</sup>**

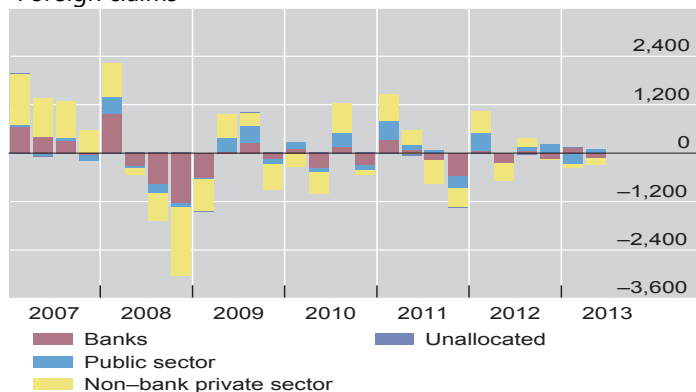
Amounts outstanding, in billions of US dollars

|  | Vis-à-vis advanced economies |               |              |            | Vis-à-vis offshore centres | Vis-à-vis emerging market economies |            |              |              |               | All countries |
|--|------------------------------|---------------|--------------|------------|----------------------------|-------------------------------------|------------|--------------|--------------|---------------|---------------|
|  | Total                        | United States | Euro area    | Japan      |                            | Total                               | Africa     | Asia         | Europe       | Latin America |               |
| <b>Foreign claims</b>                                    | <b>17,842</b>                | <b>5,486</b>  | <b>6,867</b> | <b>730</b> | <b>1,995</b>               | <b>4,939</b>                        | <b>532</b> | <b>1,893</b> | <b>1,333</b> | <b>1,181</b>  | <b>25,027</b> |
| Banks  | 3,889                        | 750           | 1,611        | 252        | 147                        | 971                                 | 75         | 551          | 198          | 148           | 5,019         |
| Public sector  | 4,094                        | 1,622         | 1,583        | 202        | 211                        | 1,205                               | 128        | 401          | 309          | 368           | 5,675         |
| Non-bank private sector                                  | 9,718                        | 3,067         | 3,643        | 274        | 1,614                      | 2,743                               | 329        | 940          | 813          | 662           | 14,146        |
| Unallocated  | 141                          | 48            | 30           | 1          | 23                         | 19                                  | 1          | 2            | 14           | 3             | 187           |
| <b>Cross-border claims</b>                               | <b>9,010</b>                 | <b>2,061</b>  | <b>4,540</b> | <b>286</b> | <b>1,219</b>               | <b>2,154</b>                        | <b>289</b> | <b>996</b>   | <b>502</b>   | <b>367</b>    | <b>12,628</b> |
| <b>Local claims in all currencies</b>                    | <b>8,832</b>                 | <b>3,425</b>  | <b>2,327</b> | <b>444</b> | <b>776</b>                 | <b>2,785</b>                        | <b>243</b> | <b>898</b>   | <b>831</b>   | <b>813</b>    | <b>12,399</b> |
| <b>Unadjusted changes during the quarter<sup>2</sup></b> |                              |               |              |            |                            |                                     |            |              |              |               |               |
| Foreign claims   | -135                         | 125           | -16          | -16        | 13                         | -102                                | -16        | 4            | -8           | -82           | -204          |
| Cross-border claims                                      | -302                         | -145          | -31          | -8         | 0                          | -25                                 | -9         | 19           | -10          | -25           | -309          |
| Local claims in all currencies                           | 167                          | 270           | 15           | -7         | 12                         | -77                                 | -7         | -15          | 2            | -57           | 105           |
| <b>Nationality of reporting banks<sup>3</sup></b>        |                              |               |              |            |                            |                                     |            |              |              |               |               |
| <b>Foreign claims</b>                                    |                              |               |              |            |                            |                                     |            |              |              |               |               |
| <b>Total</b>   | <b>17,842</b>                | <b>5,486</b>  | <b>6,867</b> | <b>730</b> | <b>1,995</b>               | <b>4,939</b>                        | <b>532</b> | <b>1,893</b> | <b>1,333</b> | <b>1,181</b>  | <b>25,027</b> |
| Euro area  | 7,340                        | 1,464         | 3,823        | 152        | 328                        | 2,104                               | 196        | 297          | 1,035        | 576           | 9,903         |
| France   | 2,180                        | 536           | 1,234        | 86         | 113                        | 446                                 | 116        | 108          | 186          | 36            | 2,749         |
| Germany  | 2,145                        | 470           | 1,000        | 46         | 118                        | 310                                 | 42         | 108          | 122          | 38            | 2,626         |
| Italy  | 576                          | 29            | 474          | ...        | 11                         | 212                                 | 9          | 10           | 189          | 3             | 809           |
| Spain  | 862                          | 207           | 237          | 5          | 15                         | 542                                 | 3          | 12           | 60           | 467           | 1,464         |
| Switzerland  | 1,210                        | 600           | 310          | 68         | 141                        | 145                                 | 18         | 67           | 21           | 39            | 1,508         |
| United Kingdom   | 2,396                        | 1,086         | 921          | 95         | 548                        | 932                                 | 202        | 525          | 72           | 132           | 3,918         |
| Japan  | 2,133                        | 1,202         | 530          | .          | 380                        | 371                                 | 28         | 249          | 33           | 61            | 2,884         |
| United States  | 2,048                        | .             | 782          | 373        | 358                        | 775                                 | 65         | 349          | 94           | 266           | 3,222         |
| Other countries  | 2,715                        | 1,134         | 500          | 41         | 241                        | 612                                 | 22         | 406          | 77           | 107           | 3,590         |
| <b>Cross-border claims</b>                               |                              |               |              |            |                            |                                     |            |              |              |               |               |
| <b>Total</b>   | <b>9,010</b>                 | <b>2,061</b>  | <b>4,540</b> | <b>286</b> | <b>1,219</b>               | <b>2,154</b>                        | <b>289</b> | <b>996</b>   | <b>502</b>   | <b>367</b>    | <b>12,628</b> |
| Euro area  | 3,762                        | 506           | 2,239        | 80         | 251                        | 753                                 | 128        | 204          | 315          | 105           | 4,895         |
| France   | 1,072                        | 130           | 681          | 36         | 85                         | 213                                 | 66         | 75           | 47           | 26            | 1,379         |
| Germany  | 1,483                        | 267           | 839          | 29         | 103                        | 227                                 | 41         | 70           | 81           | 35            | 1,865         |
| Italy  | 234                          | 21            | 151          | ...        | 9                          | 44                                  | 3          | 10           | 28           | 3             | 298           |
| Spain  | 179                          | 21            | 108          | 5          | 12                         | 44                                  | 3          | 11           | 5            | 26            | 280           |
| Switzerland  | 519                          | 115           | 280          | 20         | 104                        | 112                                 | 16         | 54           | 20           | 23            | 746           |
| United Kingdom   | 1,016                        | 343           | 523          | 33         | 144                        | 352                                 | 58         | 208          | 46           | 40            | 1,555         |
| Japan  | 1,657                        | 850           | 496          | .          | 311                        | 235                                 | 25         | 122          | 31           | 57            | 2,203         |
| United States  | 1,187                        | .             | 683          | 130        | 282                        | 386                                 | 44         | 174          | 61           | 106           | 1,897         |
| Other countries  | 870                          | 247           | 319          | 23         | 127                        | 316                                 | 19         | 233          | 28           | 36            | 1,332         |
| <b>Other potential exposures<sup>4,5</sup></b>           |                              |               |              |            |                            |                                     |            |              |              |               |               |
| Derivatives contracts                                    | 2,715                        | 691           | 982          | 88         | 102                        | 155                                 | 31         | 65           | 25           | 34            | 2,988         |
| Guarantees extended                                      | 6,915                        | 931           | 2,691        | 253        | 236                        | 1,354                               | 152        | 452          | 475          | 276           | 9,069         |
| Credit commitments                                       | 2,728                        | 964           | 933          | 38         | 199                        | 559                                 | 68         | 198          | 130          | 164           | 3,495         |

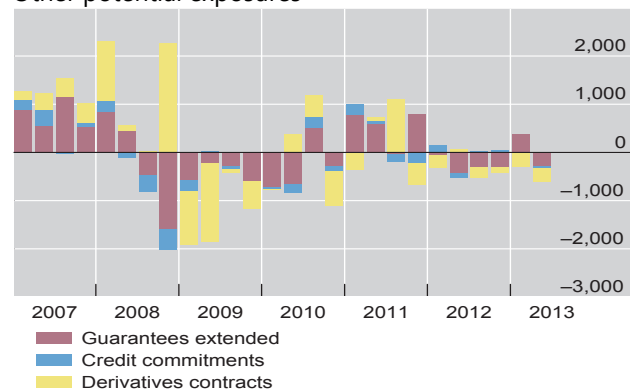
### Consolidated claims and other potential exposures of BIS reporting banks on an ultimate risk basis

 Changes in stocks<sup>2</sup>

#### Foreign claims



#### Other potential exposures<sup>4,5</sup>

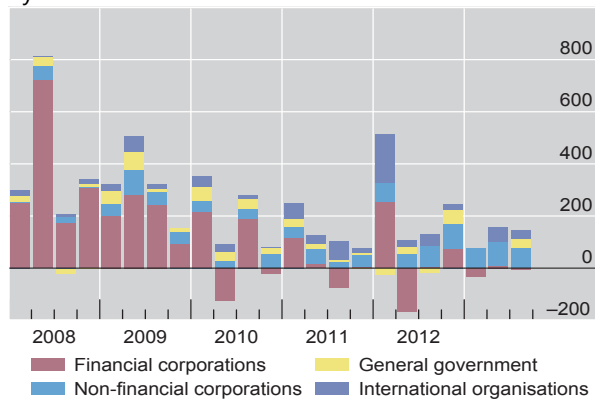
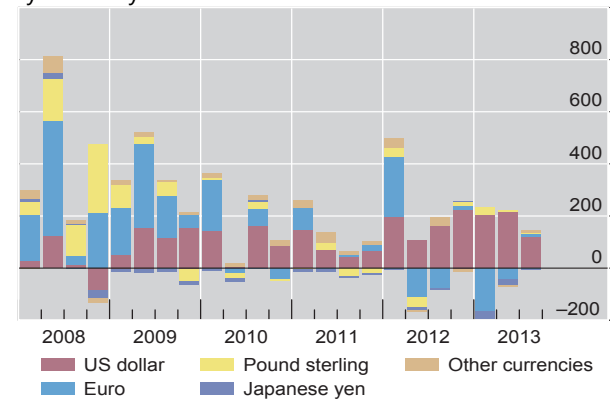


<sup>1</sup> Detailed breakdowns and time series data are available at [www.bis.org/statistics/consstats/htm](http://www.bis.org/statistics/consstats/htm) (Tables 9C–9E). <sup>2</sup> Quarterly difference in outstanding stocks, excluding effects of breaks in series, not adjusted for exchange rate movements. <sup>3</sup> Worldwide consolidated positions of domestically owned banks of 24 reporting countries. <sup>4</sup> Not included in foreign claims. <sup>5</sup> Derivatives relate to positive market values recorded as on- or off-balance sheet items. Credit commitments and guarantees are recorded as off-balance sheet items.

**Table 3A: International debt securities issuance, September 2013**

In billions of US dollars

|  | Developed countries |               |              |            | Off-shore centres | Emerging markets |            |            |            |               | Int'l organisations | All countries |
|--|---------------------|---------------|--------------|------------|-------------------|------------------|------------|------------|------------|---------------|---------------------|---------------|
|  | Total               | United States | Euro area    | Japan      |                   | Total            | Africa     | Asia       | Europe     | Latin America |                     |               |
| <b>Amounts outstanding</b>             |                     |               |              |            |                   |                  |            |            |            |               |                     |               |
| <b>Total issues</b>                    | <b>17,583</b>       | <b>2,043</b>  | <b>9,494</b> | <b>207</b> | <b>1,804</b>      | <b>1,667</b>     | <b>213</b> | <b>448</b> | <b>429</b> | <b>576</b>    | <b>1,443</b>        | <b>22,496</b> |
| <b>Money market instruments</b>        | <b>783</b>          | <b>12</b>     | <b>466</b>   | <b>2</b>   | <b>78</b>         | <b>16</b>        | <b>6</b>   | <b>7</b>   | <b>1</b>   | <b>1</b>      | <b>19</b>           | <b>896</b>    |
| Financial corporations                 | 701                 | 8             | 415          | 2          | 78                | 16               | 6          | 7          | 1          | 1             | 0                   | 795           |
| Non-financial corporations             | 41                  | 4             | 25           | 0          | 0                 | 0                | 0          | 0          | 0          | 0             | 0                   | 42            |
| General government                     | 41                  | 0             | 26           | 0          | 0                 | 0                | 0          | 0          | 0          | 0             | 0                   | 41            |
| US dollar                              | 285                 | 1             | 160          | 0          | 39                | 10               | 4          | 4          | 1          | 1             | 16                  | 350           |
| Euro                                   | 304                 | 7             | 212          | 0          | 11                | 2                | 0          | 2          | 0          | 0             | 0                   | 318           |
| Other currencies                       | 193                 | 3             | 94           | 1          | 28                | 4                | 2          | 2          | 0          | 0             | 3                   | 228           |
| <b>Bonds and notes</b>                 | <b>16,800</b>       | <b>2,031</b>  | <b>9,028</b> | <b>205</b> | <b>1,726</b>      | <b>1,651</b>     | <b>207</b> | <b>441</b> | <b>428</b> | <b>575</b>    | <b>1,424</b>        | <b>21,600</b> |
| Financial corporations                 | 13,779              | 1,774         | 7,326        | 155        | 1,594             | 459              | 58         | 206        | 84         | 112           | 0                   | 15,832        |
| Non-financial corporations             | 2,157               | 252           | 1,080        | 45         | 76                | 476              | 72         | 135        | 63         | 207           | 0                   | 2,709         |
| General government                     | 864                 | 5             | 622          | 5          | 56                | 713              | 78         | 98         | 281        | 256           | 0                   | 1,632         |
| US dollar                              | 4,785               | 1,357         | 1,384        | 112        | 1,330             | 1,251            | 175        | 351        | 254        | 472           | 415                 | 7,781         |
| Euro                                   | 8,645               | 409           | 6,723        | 11         | 151               | 212              | 16         | 11         | 139        | 47            | 636                 | 9,645         |
| Other currencies                       | 3,370               | 264           | 921          | 82         | 244               | 187              | 16         | 80         | 35         | 56            | 373                 | 4,174         |
| Floating rate                          | 5,244               | 403           | 2,966        | 26         | 518               | 67               | 14         | 21         | 13         | 19            | 122                 | 5,950         |
| Fixed rate                             | 11,308              | 1,542         | 5,982        | 153        | 1,156             | 1,542            | 186        | 395        | 412        | 549           | 1,302               | 15,308        |
| Equity-related                         | 248                 | 87            | 81           | 26         | 51                | 42               | 8          | 24         | 3          | 7             | 0                   | 342           |
| <b>Net issuance during the quarter</b> |                     |               |              |            |                   |                  |            |            |            |               |                     |               |
| <b>Total issues</b>                    | <b>36</b>           | <b>-39</b>    | <b>-1</b>    | <b>20</b>  | <b>13</b>         | <b>56</b>        | <b>8</b>   | <b>20</b>  | <b>8</b>   | <b>19</b>     | <b>33</b>           | <b>139</b>    |
| <b>Money market instruments</b>        | <b>18</b>           | <b>2</b>      | <b>2</b>     | <b>0</b>   | <b>6</b>          | <b>2</b>         | <b>1</b>   | <b>1</b>   | <b>1</b>   | <b>-1</b>     | <b>-2</b>           | <b>23</b>     |
| Financial corporations                 | 5                   | 2             | -4           | 0          | 6                 | 2                | 1          | 1          | 1          | -1            | 0                   | 12            |
| Non-financial corporations             | 1                   | 0             | 0            | 0          | 0                 | 0                | 0          | 0          | 0          | 0             | 0                   | 1             |
| General government                     | 12                  | 0             | 6            | 0          | 0                 | 0                | 0          | 0          | 0          | 0             | 0                   | 12            |
| US dollar                              | 17                  | 0             | 4            | 0          | 3                 | 1                | 0          | 1          | 1          | -1            | 0                   | 21            |
| Euro                                   | 4                   | 2             | 5            | 0          | -1                | 0                | 0          | 0          | 0          | 0             | -2                  | 1             |
| Other currencies                       | -3                  | 0             | -7           | 0          | 4                 | 1                | 0          | 1          | 0          | 0             | 0                   | 1             |
| <b>Bonds and notes</b>                 | <b>19</b>           | <b>-41</b>    | <b>-3</b>    | <b>20</b>  | <b>7</b>          | <b>54</b>        | <b>8</b>   | <b>19</b>  | <b>7</b>   | <b>19</b>     | <b>36</b>           | <b>115</b>    |
| Financial corporations                 | -39                 | -44           | -25          | 14         | 4                 | 16               | 1          | 12         | 0          | 3             | 0                   | -20           |
| Non-financial corporations             | 57                  | 3             | 24           | 5          | 1                 | 18               | 2          | 4          | -1         | 12            | 0                   | 76            |
| General government                     | 0                   | 0             | -3           | 0          | 2                 | 21               | 5          | 3          | 9          | 4             | 0                   | 23            |
| US dollar                              | 39                  | -33           | 19           | 17         | 14                | 39               | 8          | 14         | 4          | 13            | 4                   | 96            |
| Euro                                   | -22                 | -5            | -22          | 1          | -3                | 7                | 0          | 0          | 4          | 3             | 30                  | 12            |
| Other currencies                       | 1                   | -2            | 0            | 2          | -3                | 8                | 0          | 5          | -1         | 4             | 2                   | 7             |
| Floating rate                          | -17                 | -7            | -7           | 4          | 4                 | 6                | -1         | 3          | 0          | 3             | 10                  | 3             |
| Fixed rate                             | 26                  | -37           | 2            | 14         | 3                 | 49               | 9          | 16         | 8          | 16            | 25                  | 103           |
| Equity-related                         | 10                  | 3             | 2            | 2          | 0                 | -1               | -1         | 0          | 0          | 0             | 0                   | 9             |

**Net international debt securities issuance**
**By sector**

**By currency**




**Table 3B: Domestic and total debt securities, June 2013**

In billions of US dollars

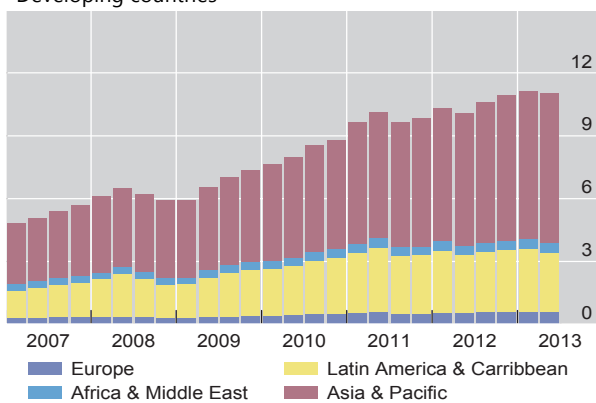
| Domestic debt securities              |               |        |                |        |          |          |        |              |        |           |           |           |
|---------------------------------------|---------------|--------|----------------|--------|----------|----------|--------|--------------|--------|-----------|-----------|-----------|
|                                       | China         | Brazil | Korea          | Mexico | Malaysia | Thailand | Turkey | South Africa | Russia | Israel    | Indonesia | Singapore |
| <b>Amounts outstanding</b>            |               |        |                |        |          |          |        |              |        |           |           |           |
| All issuers                           | 4,048         | 1,995  | 1,266          | 568    | 334      | 306      | 222    | 196          | 254    | 222       | 114       | 109       |
| Financial corporations                | 1,759         | 579    | 355            | 163    | 60       | 155      | 15     | 43           | 64     | 47        | 15        | ...       |
| Non-financial corporations            | 923           | 146    | 492            | 44     | 126      | 47       | 1      | 25           | 78     | 45        | 8         | ...       |
| General government                    | 1,366         | 1,271  | 419            | 361    | 147      | 104      | 205    | 128          | 112    | 130       | 92        | 109       |
| Short-term                            | ...           | ...    | 97             | 98     | 55       | 65       | 11     | 28           | 0      | 1         | ...       | 41        |
| Long-term                             | ...           | ...    | 1,169          | 470    | 278      | 240      | 210    | 166          | 254    | 129       | ...       | 68        |
| Unallocated                           | 4,048         | 1,995  | 0              | 0      | 0        | 0        | 0      | 2            | 0      | 92        | 114       | 0         |
| <b>Exchange rate adjusted changes</b> |               |        |                |        |          |          |        |              |        |           |           |           |
| All issuers                           | 90            | 45     | 29             | 19     | 0        | 7        | 2      | 8            | 11     | 4         | 6         | -7        |
| Financial corporations                | -12           | 18     | 3              | 4      | -3       | 2        | 0      | 1            | 3      | 0         | 1         | ...       |
| Non-financial corporations            | 42            | 7      | 12             | 3      | -2       | 1        | 1      | 1            | 3      | 0         | 1         | ...       |
| General government                    | 59            | 20     | 15             | 12     | 4        | 4        | 2      | 7            | 5      | 3         | 5         | -7        |
| Short-term                            | ...           | ...    | 5              | 3      | -5       | -2       | 0      | 1            | ...    | 0         | ...       | -7        |
| Long-term                             | ...           | ...    | 25             | 16     | 4        | 9        | 2      | 7            | 11     | 3         | ...       | 0         |
| Unallocated                           | 90            | 45     | 0              | 0      | 0        | 0        | 0      | 0            | 0      | 0         | 6         | 0         |
| Total debt securities                 |               |        |                |        |          |          |        |              |        |           |           |           |
|                                       | United States | Japan  | United Kingdom | France | Germany  | Italy    | Spain  | Netherlands  | Canada | Australia | Ireland   | Denmark   |
| <b>Amounts outstanding</b>            |               |        |                |        |          |          |        |              |        |           |           |           |
| All issuers <sup>1</sup>              | 35,803        | 12,933 | 5,684          | 4,568  | 4,209    | 3,915    | 2,360  | 2,290        | 2,116  | 1,827     | 1,185     | 800       |
| Financial corporations                | 14,437        | 2,677  | 2,857          | 1,824  | 1,922    | 1,494    | 1,280  | 1,691        | 469    | 1,125     | 1,026     | 614       |
| Non-financial corporations            | 6,740         | 795    | 658            | 612    | 165      | 144      | 26     | 138          | 368    | 199       | 3         | 33        |
| General government                    | 14,390        | 9,461  | 2,166          | 2,131  | 2,121    | 2,277    | 1,054  | 462          | 1,279  | 503       | 155       | 154       |

**Outstanding amounts**

In trillions of US dollars

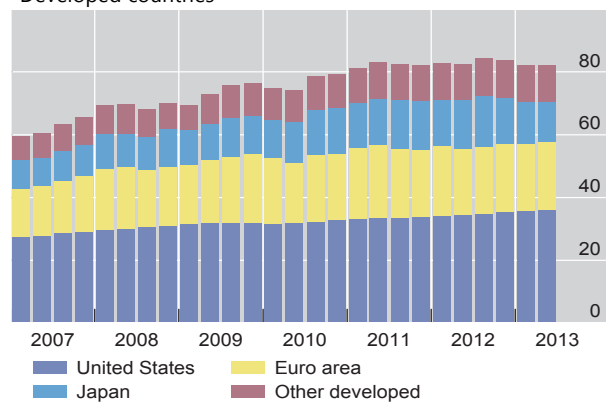
**Domestic debt securities**

Developing countries



**Total debt securities**

Developed countries



<sup>1</sup> All issuers include households and non-profit institutions serving households.

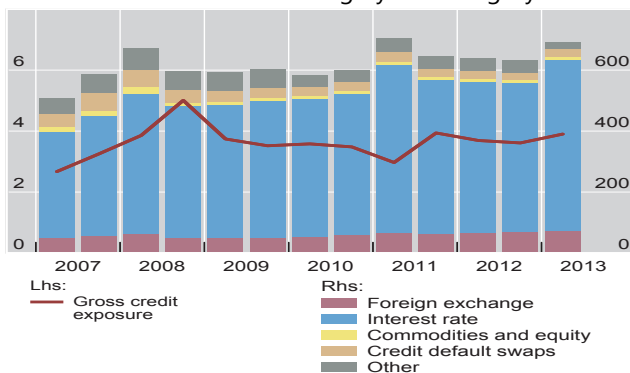
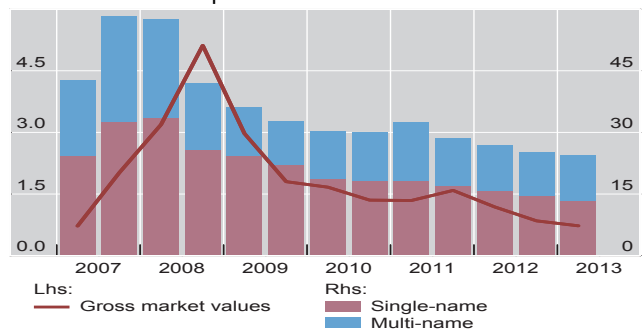
**Table 4: Global OTC derivatives market, end-June 2013<sup>1</sup>**

In billions of US dollars

|  | Forwards and swaps |                        |                                   |                              | Options       |                        |                                   |                              |
|--|--------------------|------------------------|-----------------------------------|------------------------------|---------------|------------------------|-----------------------------------|------------------------------|
|  | Total              | with reporting dealers | with other financial institutions | with non-financial customers | Total         | with reporting dealers | with other financial institutions | with non-financial customers |
| <b>Notional amounts outstanding</b>      |                    |                        |                                   |                              |               |                        |                                   |                              |
| <b>All contracts<sup>2</sup></b>         | <b>621,526</b>     | <b>117,770</b>         | <b>458,066</b>                    | <b>44,053</b>                | <b>71,382</b> | <b>38,809</b>          | <b>26,390</b>                     | <b>5,272</b>                 |
| <b>Foreign exchange</b>                  | <b>59,075</b>      | <b>24,289</b>          | <b>26,122</b>                     | <b>8,663</b>                 | <b>14,046</b> | <b>6,401</b>           | <b>5,635</b>                      | <b>2,010</b>                 |
| US dollar                                | 52,348             | 22,916                 | 22,870                            | 6,563                        | 11,960        | 5,460                  | 4,755                             | 1,745                        |
| Euro                                     | 20,739             | 8,081                  | 8,860                             | 3,798                        | 3,660         | 1,756                  | 1,267                             | 637                          |
| Japanese yen                             | 10,715             | 5,114                  | 4,192                             | 1,409                        | 4,502         | 2,347                  | 1,675                             | 480                          |
| Pound sterling                           | 7,125              | 2,668                  | 3,225                             | 1,232                        | 1,319         | 527                    | 615                               | 178                          |
| Other                                    | 27,221             | 9,799                  | 13,097                            | 4,326                        | 6,650         | 2,712                  | 2,957                             | 981                          |
| Up to one year                           | 42,259             | 15,598                 | 20,379                            | 6,282                        | 11,418        | 4,995                  | 4,782                             | 1,642                        |
| Over one year                            | 16,816             | 8,691                  | 5,744                             | 2,381                        | 2,628         | 1,406                  | 853                               | 369                          |
| <i>Memo: Exchange-traded<sup>3</sup></i> | 225                | .                      | .                                 | .                            | 116           | .                      | .                                 | .                            |
| <b>Interest rate</b>                     | <b>511,903</b>     | <b>74,812</b>          | <b>403,772</b>                    | <b>33,319</b>                | <b>49,396</b> | <b>29,413</b>          | <b>17,464</b>                     | <b>2,520</b>                 |
| US dollar                                | 153,887            | 21,103                 | 123,951                           | 8,833                        | 15,142        | 7,744                  | 6,496                             | 901                          |
| Euro                                     | 203,162            | 20,676                 | 169,699                           | 12,787                       | 24,194        | 15,935                 | 7,145                             | 1,114                        |
| Japanese yen                             | 49,867             | 12,532                 | 32,384                            | 4,951                        | 5,204         | 3,322                  | 1,700                             | 182                          |
| Pound sterling                           | 43,290             | 4,634                  | 36,199                            | 2,457                        | 3,044         | 1,759                  | 1,156                             | 130                          |
| Other                                    | 61,696             | 15,867                 | 41,538                            | 4,291                        | 1,812         | 654                    | 966                               | 192                          |
| Up to one year                           | 205,032            | 24,642                 | 168,402                           | 11,988                       | 14,205        | 7,414                  | 6,084                             | 707                          |
| Over one year                            | 306,870            | 50,170                 | 235,369                           | 21,331                       | 35,191        | 21,999                 | 11,380                            | 1,813                        |
| <i>Memo: Exchange-traded<sup>3</sup></i> | 23,804             | .                      | .                                 | .                            | 38,373        | .                      | .                                 | .                            |
| <b>Equity</b>                            | <b>2,321</b>       | <b>715</b>             | <b>1,308</b>                      | <b>297</b>                   | <b>4,501</b>  | <b>1,603</b>           | <b>2,345</b>                      | <b>553</b>                   |
| <i>Memo: Exchange-traded<sup>3</sup></i> | 1,166              | .                      | .                                 | .                            | 4,466         | .                      | .                                 | .                            |
| <b>Commodities</b>                       | <b>1,579</b>       | <b>...</b>             | <b>...</b>                        | <b>...</b>                   | <b>879</b>    | <b>...</b>             | <b>...</b>                        | <b>...</b>                   |
| <b>Credit default swaps</b>              | <b>24,349</b>      | <b>13,728</b>          | <b>10,429</b>                     | <b>193</b>                   | <b>...</b>    | <b>...</b>             | <b>...</b>                        | <b>...</b>                   |
| <b>Unallocated</b>                       | <b>22,299</b>      | <b>4,225</b>           | <b>16,435</b>                     | <b>1,581</b>                 | <b>2,561</b>  | <b>1,392</b>           | <b>947</b>                        | <b>189</b>                   |
| <b>Gross market values</b>               |                    |                        |                                   |                              |               |                        |                                   |                              |
| <b>All contracts</b>                     | <b>17,519</b>      | <b>5,118</b>           | <b>11,117</b>                     | <b>1,285</b>                 | <b>2,237</b>  | <b>1,305</b>           | <b>734</b>                        | <b>198</b>                   |
| <b>Foreign exchange</b>                  | <b>2,084</b>       | <b>825</b>             | <b>880</b>                        | <b>380</b>                   | <b>339</b>    | <b>167</b>             | <b>116</b>                        | <b>56</b>                    |
| US dollar                                | 1,771              | 758                    | 745                               | 268                          | 280           | 136                    | 96                                | 47                           |
| Euro                                     | 559                | 173                    | 234                               | 152                          | 63            | 30                     | 19                                | 14                           |
| Japanese yen                             | 495                | 231                    | 180                               | 84                           | 190           | 104                    | 57                                | 29                           |
| Pound sterling                           | 194                | 62                     | 77                                | 55                           | 13            | 6                      | 5                                 | 3                            |
| Other                                    | 1,149              | 426                    | 524                               | 199                          | 133           | 58                     | 55                                | 20                           |
| <b>Interest rate</b>                     | <b>13,830</b>      | <b>3,599</b>           | <b>9,418</b>                      | <b>814</b>                   | <b>1,325</b>  | <b>888</b>             | <b>382</b>                        | <b>55</b>                    |
| US dollar                                | 4,374              | 1,305                  | 2,848                             | 221                          | 384           | 255                    | 113                               | 15                           |
| Euro                                     | 6,496              | 1,433                  | 4,654                             | 409                          | 762           | 518                    | 216                               | 28                           |
| Japanese yen                             | 651                | 249                    | 374                               | 28                           | 63            | 46                     | 16                                | 1                            |
| Pound sterling                           | 1,009              | 257                    | 670                               | 81                           | 95            | 59                     | 28                                | 8                            |
| Other                                    | 1,301              | 354                    | 872                               | 75                           | 21            | 10                     | 9                                 | 3                            |
| <b>Equity</b>                            | <b>206</b>         | <b>42</b>              | <b>132</b>                        | <b>32</b>                    | <b>487</b>    | <b>200</b>             | <b>208</b>                        | <b>79</b>                    |
| <b>Credit default swaps</b>              | <b>725</b>         | <b>455</b>             | <b>260</b>                        | <b>10</b>                    | <b>...</b>    | <b>...</b>             | <b>...</b>                        | <b>...</b>                   |
| <b>Unallocated</b>                       | <b>674</b>         | <b>197</b>             | <b>428</b>                        | <b>49</b>                    | <b>86</b>     | <b>50</b>              | <b>28</b>                         | <b>8</b>                     |

**Global OTC derivatives<sup>4</sup>**

Notional amounts outstanding by risk category


**Credit default swaps**

<sup>1</sup> Detailed breakdowns and time series data are available at <http://www.bis.org/statistics/derstats.htm> (Tables 19, 20A–C, 21A–C, 22A–C and 23A–B). <sup>2</sup>

 Due to incomplete counterparty breakdowns for the commodity derivatives, components do not add up to the total. <sup>3</sup> Futures and options. Data on exchange-traded and OTC derivatives are not directly comparable; the former refers to open interest while the latter refers to gross positions. <sup>4</sup> In trillions of US dollars.

## Notes to tables

Data for the most recent period are provisional. Data on changes in stocks have been calculated by converting the relevant stocks into their original currencies using end-of-period exchange rates and subsequently converting the changes in stocks into US dollar amounts using period average rates. Flow and turnover data have been calculated by converting flows and turnover in original currencies into US dollar amounts using period average exchange rates.

Tables 1A–1B The data in Tables 1A–1B (the locational BIS banking statistics) cover banks' unconsolidated gross international on-balance sheet assets and liabilities. These data are based on the residence of the reporting institution and therefore measure the activities of all banking offices residing in each reporting country. Such offices report exclusively on their own unconsolidated business, which thus includes international transactions with any of their own affiliates. BIS reporting banks include banks residing in the G10 countries, plus Australia, Austria, the Bahamas, Bahrain, Bermuda, Brazil, the Cayman Islands, Chile, Chinese Taipei, Curacao, Cyprus, Denmark, Finland, Greece, Guernsey, Hong Kong SAR, India, Indonesia, Ireland, Isle of Man, Jersey, Korea, Luxembourg, Macao SAR, Malaysia, Mexico, the Netherlands Antilles (till Q3 2010), Norway, Panama, Portugal, Singapore, South Africa, Spain and Turkey. Breakdowns by currency are compiled from actual reported data and do not include any estimates done by the BIS for reporting countries that provide incomplete or partial currency information. Table 1A provides aggregated figures by residence of banks in all reporting countries. Table 1B provides figures by nationality of banks in reporting countries. The nationality statistics are prepared by regrouping the locational data into categories based on the control or ownership of the banking offices in question. Thus, for a reporting country, total assets and total liabilities of all banks reported under locational by residence statistics should be equal to the total assets and total liabilities of all banks reported under nationality statistics. Detailed tables, including time series data in CSV files, guidelines and information on breaks in series in the locational banking statistics, are available on the BIS website under [www.bis.org/statistics/bankstats.htm](http://www.bis.org/statistics/bankstats.htm).

Tables 2A–2B The consolidated statistics are based mainly on the country of incorporation of the reporting institutions and measure the international lending activities of banks' head offices in the reporting countries and all their offices at home and abroad, with positions between offices of the same bank being netted out. The data in Table 2A cover BIS reporting banks' worldwide consolidated claims on an immediate borrower basis. These contractual claims are not adjusted for risk mitigants, such as guarantees and collateral. The 31 reporting countries comprise the G10 countries plus Australia, Austria, Brazil, Chile, Chinese Taipei, Denmark, Finland, Greece, Hong Kong SAR, India, Ireland, Luxembourg, Mexico, Norway, Panama, Portugal, Singapore, Spain and Turkey. The data in Table 2B cover BIS reporting banks' worldwide consolidated claims on an ultimate risk basis. These contractual claims are adjusted for risk mitigants, such as guarantees and collateral. The reporting population is a subset of 24 countries which reports both sets of data and comprises Australia, Austria, Belgium, Canada, Chile, Chinese Taipei, Finland, France, Germany, Greece, India, Ireland, Italy, Japan, the Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. In table 2B, German banks' foreign claims vis-à-vis developed countries are on an immediate borrower basis. The data in Table 2A cover both foreign and international claims, while Table 2B covers foreign claims only. International claims are defined as BIS reporting banks' cross-border claims in all currencies plus the local claims of their foreign affiliates in foreign currency. Foreign claims include, in addition, reporting banks' foreign affiliates' local claims in local currency, as shown below.

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### Types of claims

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|                                 |  |  |  |
|---------------------------------|--|--|--|
| <b>A</b><br>Cross-border claims | <b>B</b><br>Local claims of foreign affiliates in foreign currency | <b>C</b><br>Local claims of foreign affiliates in local currency | <b>D</b><br>Domestic claims in the reporting country |
|---------------------------------|--|--|--|

***International claims*** (A + B)

***Foreign claims*** (A + B + C)

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The shaded area indicates claims excluded from the consolidated banking statistics; bold italics indicate claims published within the consolidated banking statistics.

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Austria and Portugal report on a partially consolidated basis. Detailed information on breaks in series in the consolidated banking statistics is available on the BIS website under [www.bis.org/statistics/consstats.htm](http://www.bis.org/statistics/consstats.htm).

Tables 3A–3B Securities statistic are harmonised with recommendations from the Handbook on Securities Statistics Part 1 (jointly released by BIS, ECB and IMF; available at the IMF web site, [www.imf.org/external/np/sta/wgsd/pdf/051309.pdf](http://www.imf.org/external/np/sta/wgsd/pdf/051309.pdf)). There are three datasets, each covering different market of issue: international debt securities, domestic debt securities and total debt securities.

The sectoral breakdown presents data based on the sector of the borrower itself and not on the sector of the parent company of the borrower or any guarantor. “General government” comprises central governments and other governments, while “Financial corporations” comprises commercial banks, central banks, and other financial institutions.

Detailed information about the compilation of the statistics on domestic and total debt securities is available on the BIS website.

Table 4 The data in Table 4 cover the activity recorded in the global over-the-counter (OTC) and exchange-traded derivatives markets. The data on exchange-traded derivatives are obtained from market sources, while those on OTC derivatives are based on the reporting to the BIS by central banks in major financial centres that in turn collect the information on a consolidated basis from reporting dealers headquartered in their respective countries.

The data on OTC derivatives are available in terms of notional amounts outstanding, gross market values and gross credit exposure. Gross credit exposure excludes credit default swap contracts for all countries except the United States. These statistics are adjusted for inter-dealer double-counting and cover foreign exchange, interest rate, equity, commodity and credit derivatives.

For the exchange-traded derivatives, data on open interest measured in terms of US dollars are available for the main financial derivatives contracts (interest rate, currency and equity-linked derivatives).

Information on the methodology used to compile these statistical sets and a more detailed description of their coverage can be found on pages 18 to 21 of the Guide to the international financial statistics, available at [www.bis.org/publ/bispap14.htm](http://www.bis.org/publ/bispap14.htm)

## Special Features in the BIS Quarterly Review

|                |  |  |
|----------------|--|--|
| September 2013 | How have banks adjusted to higher capital requirements?  | B Cohen                                      |
| September 2013 | CoCos: a primer  | S Avdjiev, A Kartasheva & B Bogdanova        |
| September 2013 | Interest rate pass-through since the financial crisis  | A Illes & M Lombardi                         |
| September 2013 | Mind the gap? Sources and implications of supply-demand imbalances in collateral asset markets                       | I Fender & U Lewrick                         |
| September 2013 | Database for policy actions on housing markets   | I Shim, B Bogdanova, J Shek & A Subelyte     |
| June 2013      | A template for recapitalising too-big-to-fail banks  | P Melaschenko & N Reynolds                   |
| June 2013      | Total credit as an early warning indicator for systemic banking crises   | M Drehmann                                   |
| June 2013      | Looking at the tail: price-based measures of systemic importance   | C Zhou & N Tarashev                          |
| March 2013     | Central bank asset purchases and inflation expectations  | B Hofmann & F Zhu                            |
| March 2013     | Financial conditions and economic activity: a statistical approach   | M Erdem & K Tsatsaronis                      |
| March 2013     | Hedging in derivatives markets: the experience of Chile  | F Avalos & R Moreno                          |
| March 2013     | How much does the private sector really borrow - a new database for total credit to the private non-financial sector | C Dembiermont, M Drehmann & S Muksakunratana |
| December 2012  | Natural catastrophes and global reinsurance  | S von Dahlen & G von Peter                   |
| December 2012  | The euro area crisis and cross-border bank lending to emerging markets   | S Avdjiev, Z Kuti & E Takáts                 |
| December 2012  | On the liquidity coverage ratio and monetary policy implementation   | M Bech & T Keister                           |
| December 2012  | Enhancements to the BIS debt securities statistics   | B Gručić & P Wooldridge                      |

## Recent BIS publications<sup>1</sup>

### BIS Papers

#### **Market volatility and foreign exchange intervention in EMEs: what has changed? October 2013**

[www.bis.org/publ/bppdf/bispap73.htm](http://www.bis.org/publ/bppdf/bispap73.htm)

Huge swings in capital flows to and from emerging market economies (EMEs) over the past five years have led many countries to re-examine their foreign exchange market intervention strategies. Quite unlike their experiences in the early 2000s, several countries that had at different times resisted appreciation pressures suddenly found themselves having to intervene against strong depreciation pressures.

This volume, summarising the discussion and papers presented at the meeting of Deputy Governors of major EMEs in Basel on 21–22 February 2013, addresses three questions. First, what is the role of a flexible exchange rate in stabilising the economy and promoting financial development while preserving stability? Second, how have the motives and strategy behind the interventions changed since the 2008 global financial crisis? Finally, is intervention effective and, if so, how can its efficacy be measured?

The general conclusion is that a flexible exchange rate can play a crucial role in smoothing output volatility in EMEs. But a highly volatile exchange rate can increase output volatility and itself become a source of vulnerability. Most official forex interventions in recent years have aimed to stem volatility, rather than to achieve a particular exchange rate. The majority view was that exchange rate intervention needs to be consistent with the monetary policy stance. Persistent, one-sided intervention, associated with a sharp expansion of central bank and commercial bank balance sheets, creates risks for the economy.

Yet there was no consensus about the effectiveness of forex intervention. Whereas intervention was viewed as an instrument that could in principle curb forex volatility and support market functioning, many participants were sceptical about its effectiveness in practice. While intervention may work mainly through the signalling channel, some of its effectiveness may be due to the fact that it was combined with other measures to moderate capital flows or prevent the build-up of certain positions in the foreign exchange market. In several cases, intervention had no persistent effects on the exchange rate and might have even exacerbated exchange rate volatility.

### BIS Working Papers

#### **Can non-interest rate policies stabilise housing markets? Evidence from a panel of 57 economies**

**Kenneth N Kuttner and Ilhyock Shim**

[www.bis.org/publ/work433.htm](http://www.bis.org/publ/work433.htm)

Using data from 57 countries spanning more than three decades, this paper investigates the effectiveness of nine non-interest rate policy tools, including macroprudential measures, in stabilising house prices and housing credit. In conventional panel regressions, housing credit growth is significantly affected by changes in the maximum debt-service-to-income (DSTI) ratio, the maximum loan-to-value ratio, limits on exposure to the housing sector and housing-related taxes. But only the DSTI ratio limit has a significant effect on housing credit growth when we use mean group and panel event study methods. Among the policies considered, a change in housing-related taxes is the only policy tool with a discernible impact on house price appreciation.

<sup>1</sup> Requests for publications should be addressed to Bank for International Settlements, Press & Communications, Centralbahnplatz 2, CH-4002 Basel. These publications are also available on the BIS website ([www.bis.org](http://www.bis.org)).

## **Liquidity regulation and the implementation of monetary policy** **Morten Bech and Todd Keister**

[www.bis.org/publ/work432.htm](http://www.bis.org/publ/work432.htm)

In addition to revamping existing rules for bank capital, Basel III introduces a new global framework for liquidity regulation. One part of this framework is the liquidity coverage ratio (LCR), which requires banks to hold sufficient high-quality liquid assets to survive a 30-day period of market stress. As monetary policy typically involves targeting the interest rate on loans of one of these assets - central bank reserves - it is important to understand how this regulation may impact the efficacy of central banks' current operational frameworks. We introduce term funding and an LCR requirement into an otherwise standard model of monetary policy implementation. Our model shows that if banks face the possibility of an LCR shortfall, then the usual link between open market operations and the overnight interest rate changes and the short end of the yield curve becomes steeper. Our results suggest that central banks may want to adjust their operational frameworks as the new regulation is implemented.

## **Transmitting global liquidity to East Asia: policy rates, bond yields, currencies and dollar credit** **Dong He and Robert N McCauley**

[www.bis.org/publ/work431.htm](http://www.bis.org/publ/work431.htm)

We review extant work on the transmission of monetary policy, both conventional and unconventional, of the major advanced economies to East Asia through monetary policy reactions, integrated bond markets and induced currency appreciation. We present new results on the growth of foreign currency credit, especially US dollar credit, as a transmission mechanism. Restrained growth of dollar credit in Korea contrasts with very rapid growth on the Chinese mainland and in Hong Kong SAR.

## **Asymmetric effects of FOREX intervention using intraday data: evidence from Peru** **Erick Lahura and Marco Vega**

[www.bis.org/publ/work430.htm](http://www.bis.org/publ/work430.htm)

Asymmetric effects of Central Bank foreign exchange (Forex) intervention have not been extensively studied in the literature, even though in practice Central Bank's motives for purchasing and for selling foreign currency may differ. This paper studies asymmetric effects of Central Bank interventions under the premise that policy authorities view depreciations and appreciations as having asymmetric implications. Using undisclosed intraday data for Peru from 2009 to 2011, this paper shows that Central Bank interventions in the foreign exchange market have a significant and asymmetric effect on interbank exchange rates. Specifically, central bank intervention is more effective in reducing the interbank exchange rate than in raising it.

## **On central bank interventions in the Mexican peso/dollar foreign exchange market** **Santiago García-Verdú and Miguel Zerecero**

[www.bis.org/publ/work429.htm](http://www.bis.org/publ/work429.htm)

In recent years the Bank of Mexico has made a series of rules-based interventions in the peso/dollar foreign exchange market. We assess the effectiveness of two specific interventions that occurred in periods of great stress for the Mexican economy. The aims of these two interventions were, respectively, to provide liquidity and to promote orderly conditions in the foreign exchange market. For our analysis, we follow the framework implemented by Dominguez (2003) and Dominguez (2006), an event-style microstructure approach. We use the bid-ask spreads as a measure of liquidity and of orderly conditions. In general, our results show no indication of an effect in the opposite direction from the one intended for the first intervention and are fairly conclusive regarding a significant reduction on the bid-ask spread for the second intervention.

## **The impact of pre-announced day-to-day interventions on the Colombian exchange rate**

**Juan José Echavarría, Luis Fernando Melo, Santiago Téllez and Mauricio Villamizar**

[www.bis.org/publ/work428.htm](http://www.bis.org/publ/work428.htm)

The adoption of a managed regime assumes that interventions are relatively successful. However, while some authors consider that foreign exchange interventions are not effective, arguing that domestic and foreign assets are close substitutes, others advocate their use and maintain that their effects can even last for months. There is also a lack of consensus on the related question of how to intervene. Are dirty interventions more powerful than pre-announced constant ones? This paper compares the effects of day-to-day interventions with discretionary interventions by combining a Tobit-GARCH reaction function

with an asymmetric power PGARCH(1,1) impact function. Our results show that the impact of pre-announced and transparent US\$ 20 million daily interventions, adopted by Colombia in 2008-2012, has been much larger than the impact of dirty interventions adopted in 2004-2007. We find that the impact of a change in daily interventions (from US\$20 million to US\$ 40 million) raises the exchange rate by approximately Col \$2, implying that actual interventions of US\$ 1000 million increase the exchange rate in one day by 5.50%. We also find a positive impact of capital controls.

### **Interventions and inflation expectations in an inflation targeting economy**

**Pablo Pincheira**

[www.bis.org/publ/work427.htm](http://www.bis.org/publ/work427.htm)

In this paper we explore the role that exchange rate interventions may play in determining inflation expectations in Chile. To that end, we consider a set of nine deciles of inflation expectations coming from the survey of professional forecasters carried out by the Central Bank of Chile. We consider two episodes of preannounced central bank interventions during the sample period 2007–12.

### **Order flow and the real: indirect evidence of the effectiveness of sterilised interventions**

**Emanuel Kohlscheen**

[www.bis.org/publ/work426.htm](http://www.bis.org/publ/work426.htm)

This study presents indirect evidence of the effectiveness of sterilized interventions in Brazil based on the complete records of daily customer order flow data reported by Brazilian dealers, as well as foreign exchange intervention data over a time span of 10 years (2002–11). We find that the effect of USD sales by end-users on the BRL/USD was much stronger on days in which the BCB did not intervene in the spot foreign exchange market.

## **Basel Committee on Banking Supervision**

### **Fundamental review of the trading book - second consultative document**

**October 2013**

[www.bis.org/publ/bcbs265.htm](http://www.bis.org/publ/bcbs265.htm)

The Basel Committee on Banking Supervision has today issued a second consultative paper on the fundamental review of capital requirements for the trading book. The paper comprises a detailed set of proposals for a comprehensive revision of the market risk framework. This initiative forms part of the Committee's broader agenda to reform regulatory standards for banks in response to the financial crisis. The May 2012 consultative paper set out a number of specific measures to improve trading book capital requirements. These initial proposals reflected the Committee's overall objective of designing a new regulatory framework that addresses weaknesses in risk measurement under the current internal models-based and standardised approaches, with a view to promoting consistent implementation across jurisdictions.

This second consultative document provides more detail on the approaches introduced in May 2012, and sets out a draft text for a revised market risk framework. It has been informed by comments received on the first consultative paper, and lessons learnt from the Committee's recent investigations into the variability of market risk-weighted assets.

The key features of the proposed revised framework include:

- A revised boundary between the trading book and banking book. The new approach aims to create a less permeable and more objective boundary that remains aligned with banks' risk management practices, and reduces the incentives for regulatory arbitrage.
- A revised risk measurement approach and calibration. The proposals involve a shift in the measure of risk from value-at-risk to expected shortfall so as to better capture "tail risk", and calibration based on a period of significant financial stress.
- The incorporation of the risk of market illiquidity, through the introduction of "liquidity horizons" in the market risk metric, and an additional risk assessment tool for trading desks with exposure to illiquid, complex products.
- A revised standardised approach that is sufficiently risk-sensitive to act as a credible fallback to internal models, and is still appropriate for banks that do not require sophisticated measurement of market risk.
- A revised internal models-based approach, encompassing a more rigorous model approval process, and more consistent identification and capitalisation of material risk factors. Hedging and diversification recognition will also be based on empirical evidence that such practices are effective during periods of stress.



- A strengthened relationship between the standardised and the models-based approaches. This is achieved by establishing a closer calibration of the two approaches, requiring mandatory calculation of the standardised approach by all banks, and requiring mandatory public disclosure of standardised capital charges by all banks, on a desk-by-desk basis.
- A closer alignment between the trading book and the banking book in the regulatory treatment of credit risk. This involves a differential approach to securitisation and non-securitisation exposures.

The Committee is also considering the merits of introducing the standardised approach as a floor or surcharge to the models-based approach. However, it will only make a final decision on this issue following a comprehensive Quantitative Impact Study, after assessing the impact and interactions of the revised standardised and models-based approaches.

**Point Liquidity stress testing: a survey of theory, empirics and current industry and supervisory practices**  
**BCBS Working paper no 24**

**October 2013**

[www.bis.org/publ/bcbs\\_wp24.htm](http://www.bis.org/publ/bcbs_wp24.htm)

Stress-testing is an important tool in developing a complete picture of an institution's liquidity risk profile. What constitutes a good stress test is, however, not universally clear. Practices still differ widely, not only in the supervisory community, but also in the banking industry. The Research Task Force's Workgroup on Liquidity Stress-Testing was mandated to draft a survey on current practices, identify gaps and - where possible - suggest ways forward.

This survey has been written with the broader supervisory community in mind. The Workgroup believes this would include a wide range of functions: for example, micro-prudential line supervisors, staff of supervisory institutions involved with liquidity stress tests, macroprudential regulators and supervisors. Many of the findings are, however, also relevant for risk managers in banks, given their role in measuring their institution's liquidity risk profile and enforcing risk limits. The key messages could also be helpful in future efforts to develop more guidance with regard to liquidity stress-testing.

**Basel III Regulatory Consistency Assessment Programme (RCAP)**

**October 2013**

[www.bis.org/publ/bcbs264.htm](http://www.bis.org/publ/bcbs264.htm)

Implementation of the Basel III framework is a key global regulatory reform priority. Full and consistent implementation within the internationally agreed timeframe is aimed at strengthening the resilience of the banking system, improving market confidence in regulatory ratios and promoting a level playing field.

To facilitate the implementation process, the Basel Committee adopted in 2012 a comprehensive *Regulatory Consistency Assessment Program* (RCAP). The RCAP consists of two distinct but complementary work streams to *monitor* the timely adoption of Basel III standards, and to *assess* the consistency and completeness of the adopted standards including the significance of any deviations in the regulatory framework. It also facilitates an effective dialogue among Basel Committee members and informs its broader standards-development work.

The assessment work is carried out on a jurisdictional as well as on a thematic basis. Currently, the focus of the RCAP is on risk-based capital. This will expand from 2015 to cover Basel III standards on liquidity, leverage and systemically important banks (SIBs).

Based on the experience with the RCAP to date the Basel Committee has updated the procedures and process for conducting *jurisdictional* assessments under the RCAP. The RCAP methodology describes the complete assessment programme and also introduces the RCAP questionnaire, which member jurisdictions complete ahead of the assessment and update it regularly. Both the assessment methodology document and the RCAP questionnaire will help all regulators, supervisors and financial stability authorities to evaluate their own progress with implementation of Basel III framework and identify areas for improvement. The document will be kept under review and updated as the scope of the RCAP expands to include all aspects of the Basel III framework.

**Progress report on implementation of the Basel regulatory framework**

**October 2013**

[www.bis.org/publ/bcbs263.htm](http://www.bis.org/publ/bcbs263.htm)

This updated *Progress report on implementation of the Basel regulatory framework* provides a high-level view of Basel Committee members' progress in adopting Basel II, Basel 2.5 and Basel III, as of end September 2013.

It focuses on the status of domestic rule-making processes to ensure that the Committee's capital standards are transformed into national law or regulation according to the internationally agreed

timeframes. The Committee believes that disclosure will provide additional incentive for members to fully comply with the international agreements. This report updates the Committee's August 2013 report to G20 Leaders on implementation of the Basel regulatory framework.

### **Results of the Basel III monitoring exercise as of 31 December 2012 September 2013**

[www.bis.org/publ/bcbs262.htm](http://www.bis.org/publ/bcbs262.htm)

This report presents the results of the Basel Committee's Basel III monitoring exercise. The study is based on the rigorous reporting processes set up by the Committee to periodically review the implications of the Basel III standards for financial markets. The results of previous exercises in this series were published in March 2013, September 2012 and April 2012.

A total of 223 banks participated in the current study, comprising 101 large internationally active banks ("Group 1 banks", defined as internationally active banks that have Tier 1 capital of more than €3 billion) and 122 Group 2 banks (ie representative of all other banks).

The results of the monitoring exercise assume that the final Basel III package has been fully implemented, based on data as of 31 December 2012. That is, they do not take account of the transitional arrangements set out in the Basel III framework, such as the gradual phase-in of deductions from regulatory capital. No assumptions were made about bank profitability or behavioural responses, such as changes in bank capital or balance sheet composition. For that reason, the results of the study are not comparable to industry estimates.

Data as of 31 December 2012 show that shortfalls in the risk-based capital of large internationally active banks continue to shrink. The aggregate shortfall of Common Equity Tier 1 (CET1) capital with respect to the 4.5% minimum has narrowed to €2.2 billion, which is €1.5 billion lower than on 30 June 2012. At the CET1 target level of 7.0% (plus the surcharges on G-SIBs as applicable), the aggregate CET1 shortfall for Group 1 banks is €115.0 billion, which is €82.9 billion lower than previously. As a point of reference, the sum of after-tax profits prior to distributions across the same sample of Group 1 banks during 2012 was €419.4 billion.

Under the same assumptions, the capital shortfall for Group 2 banks included in the sample is estimated at €11.4 billion for the CET1 minimum of 4.5% and €25.6 billion for a CET1 target level of 7.0%. While this represents an increase compared to the previous period, this is mainly due to some Group 2 banks that are included for the first time (ie the sample has been expanded in size) together with a very small part of the sample that has posted an increase in shortfalls. The sum of Group 2 bank after-tax profits prior to distributions in 2012 was €29.5 billion.

The average CET1 capital ratios under the Basel III framework across the same sample of banks are 9.2% for Group 1 banks and 8.6% for Group 2 banks. This compares with the fully phased-in CET1 minimum requirement of 4.5% and a CET1 target level of 7.0%.

Basel III's Liquidity Coverage Ratio (LCR) was revised by the Committee in January 2013 and will come into effect on 1 January 2015. The minimum requirement will be set initially at 60% and then rise in equal annual steps to reach 100% in 2019. The end-December 2012 reporting period was the first data collection exercise for which a comprehensive calculation of the revised LCR standard could be conducted. Given that such data was not collected for the end-June 2012 period, period-over-period comparisons for the LCR are not provided; however, end-December 2012 data are used to provide a comparison of the revised LCR standard issued in January 2013 with the original LCR standard issued in December 2010.

The weighted average LCR for the Group 1 bank sample was 119%. For Group 2 banks, the average LCR was 126%. These figures compare to average LCRs of 95% and 99% for Group 1 banks and Group 2 banks, respectively, based on the December 2010 version of the LCR standards. For banks in the sample, 68% reported an LCR that met or exceeded a 100% minimum requirement, while 90% reported an LCR at or above a 60% minimum requirement.

Basel III's longer-term structural liquidity standard - the Net Stable Funding Ratio (NSFR) - is currently under review by the Basel Committee to address any unintended consequences prior to its implementation by 1 January 2018. Basel III monitoring results for the end-December 2012 reporting period give an indication of the impact of the standard's calibration based on the December 2010 text. The weighted average NSFR for the Group 1 bank sample improved slightly to 100%, compared with 99% at the June 2012 reporting date. For Group 2 banks, the average NSFR declined slightly to 99%, compared with 100% as of June 2012.

## Committee on Payment and Settlements Systems

### **Public quantitative disclosure standards for central counterparties - consultative report October 2013**

<http://www.bis.org/publ/cpss114.htm>

The Committee on Payment and Settlement Systems (CPSS) and the International Organization of Securities Commissions (IOSCO) have published for public comment a consultative document on the *Public quantitative disclosure standards for central counterparties*.

In order that the risks related to the use of central counterparties (CCPs) can be properly understood, CCPs need to make relevant information publicly available, as stated in the CPSS-IOSCO *Principles for financial market infrastructures*, published in April 2012.

To provide guidance on what should be disclosed by a CCP and other financial market infrastructures, CPSS and IOSCO published a *Disclosure framework* in December 2012, primarily covering qualitative data that need relatively infrequent updating (for example, when there is a change to a CCP's risk management framework). To complement that disclosure framework, the document now being published sets out guidance on the quantitative data that a CCP should disclose more frequently.

Taken together with the *Disclosure framework*, the proposed disclosures in this consultative document are intended to support the objectives of enabling stakeholders, including authorities, participants (direct, indirect and prospective) and the public, to: compare CCP risk controls, including financial condition and financial resources to withstand potential losses; have a clear, accurate and full understanding of the risks associated with a CCP; understand and assess a CCP's systemic importance and its impact on systemic risk; and understand and assess the risks of participating in CCPs (directly, and, to the extent relevant, indirectly).

### **Payment, clearing and settlement systems in Macedonia, FYR October 2013**

[www.bis.org/publ/cpss113.htm](http://www.bis.org/publ/cpss113.htm)

The Committee on Payment and Settlement Systems (CPSS) publishes - under the aegis of the Bank for International Settlements (BIS) - reference works on payment systems and other financial market infrastructures in both CPSS member and non-member countries. These publications are widely known as Red Books.

The present volume, the first edition of the Red Book for Macedonia, FYR, is another step towards increasing our understanding of the way payment, clearing and settlement systems work in different countries.

Financial market infrastructures that are resilient and effective enhance the stability of the financial system. They also reduce transaction costs in the economy, promote the efficient use of financial resources, improve financial market liquidity and facilitate the conduct of monetary policy.

Central banks have a strong interest in promoting safety and improving efficiency in financial market infrastructures. They play a key role in domestic payment system development and, in many cases, operate large-value payment systems. Central banks in many countries have been influential in improving public understanding of financial market infrastructures in their countries and public awareness of the various policy issues they raise.

We hope that this volume will contribute to the general understanding and awareness of financial market infrastructures and associated arrangements in Macedonia, FYR, both domestically and internationally.

### **Statistics on payment, clearing and settlement systems in the CPSS countries - Figures for 2012 - preliminary release**

**September 2013**

[www.bis.org/publ/cpss112.htm](http://www.bis.org/publ/cpss112.htm)

This is an annual publication that provides data on payments and payment, clearing and settlement systems in the CPSS countries.

This version of the statistical update contains data for 2012 and earlier years. There are detailed tables for each individual country as well as a number of comparative tables.

Please note that this publication contains some provisional data for 2012 while some others are not yet available.

## Speeches

### **Addressing risks to financial stability**

Speech by Mr Jaime Caruana, General Manager of the Bank for International Settlements, to the 49th SEACEN Governors' Conference and High-level Seminar, Kathmandu, Nepal, 21 November 2013

[www.bis.org/speeches/sp131126.htm](http://www.bis.org/speeches/sp131126.htm)

Regulatory reforms, in particular more capital and new liquidity buffers for banks, have made the financial system more resilient. Nonetheless, regulation typically cannot keep up with the pace of financial innovation. What is to be done? Two measures are suggested. First, supervision should be proactive and keep the systemic risk dimension in clear view. Second, monetary policy could help fill the "cracks" in the regulatory framework and constrain incentives for increased leverage. Finally, the monitoring of bank lending is not enough by itself but needs to be complemented by analysing patterns of financing through capital markets. The substantial recent growth of external bond issuance by Asian firms, usually in dollars, bears close watching.

### **Ebbing global liquidity and monetary policy interactions**

Speech by Mr Jaime Caruana, General Manager of the Bank for International Settlements, given at the Central Bank of Chile Fifth Summit Meeting of Central Banks on Inflation Targeting: "Global liquidity, capital flows and policy coordination", Santiago, Chile, 15 November 2013

[www.bis.org/speeches/sp131118a.htm](http://www.bis.org/speeches/sp131118a.htm)

This speech reconsiders monetary policy interactions in the light of the fresh evidence provided by the events of May through August 2013: (i) Some emerging market central banks found themselves raising policy rates to resist currency depreciation. (ii) Bond yields in emerging market local bond markets as well reflected or even amplified the backup in dollar yields. (iii) Emerging market currencies depreciated to varying extents, despite policy responses. (iv) The extension of dollar credit to borrowers outside the United States slowed, with a sharp decline in net bond issuance in the third quarter, and, in the second quarter, a reversal in bank flows in Latin America and a deceleration in those to Asia. (v) Measures of portfolio capital flows showed some reversals, but in addition investors hedged long currency positions in forward markets. Policymakers have an opportunity to prepare for any renewed financial market strains from the normalisation of monetary policy in major economies.

### **The changing nature of central bank independence**

Panel remarks by Mr Jaime Caruana, General Manager of the Bank for International Settlements, given at the Bank of Mexico international conference "Central bank independence – Progress and challenges", Mexico City, 14–15 October 2013

[www.bis.org/speeches/sp131017.htm](http://www.bis.org/speeches/sp131017.htm)

Central bank independence has traditionally aimed at insulating monetary policy from undue political pressure. Extraordinary monetary easing has given rise to new forces that might work against the timely normalisation of policy. One force emanates from financial markets and highly indebted private sectors and might be called the threat of "financial dominance". This is akin to the more traditional concept of fiscal dominance, which itself threatens unless governments get their finances under control. The second force arises from unrealistic expectations that central banks' prolonged monetary accommodation can deliver the only antidote to the pathologies we currently face. One may term this "expectations dominance". Central banks should decide the timing and pace of the inevitable normalisation without being unduly constrained by these pressures. What is ultimately at stake is their credibility in fulfilling their mandates.

### **Central bank independence - a path less clear**

Remarks by Mr Stephen G Cecchetti, Economic Adviser and Head of Monetary and Economic Department of the BIS, prepared for the International Conference held to commemorate the 20th anniversary of the autonomy of the Bank of Mexico, Mexico City, 14 October 2013

[www.bis.org/speeches/sp131014.htm](http://www.bis.org/speeches/sp131014.htm)

It is always a pleasure to return to Mexico City; especially so on this important occasion. Anniversaries are always a good time to reflect on the past in an effort to learn and to plan for the future. And, since this is an anniversary of autonomy, my task is to look at the history and the future of central bank independence. Before I start, let me be clear: I believe that central bank independence has served us well in the past, and will continue to serve us well in the future.

Of central bankers and mountaineers

As I come from a Swiss-based institution, an alpine analogy seems apt. Central bankers today are a bit like winter mountaineers who, after a lengthy walk through benign and predictable terrain, get hit by an avalanche. The survivors are now regrouping, trying to figure out how to proceed safely.

I grant that, being prudent, most central bankers would never go hiking on an avalanche-prone snowfield, but I'm sure you see the point. The question today is whether the techniques and institutional arrangements that kept us on the right path during the pre-crisis decades are still good enough. Or do we need to make adjustments for the rougher terrain ahead?

### **Assessing the macroeconomic impact of OTC derivatives regulatory reforms**

Lunch remarks by Mr Stephen G Cecchetti, Economic Adviser and Head of Monetary and Economic Department of the BIS, prepared for the Emerging Markets Dialogue on OTC derivatives Johannesburg, South Africa, 12–13 September 2013

[www.bis.org/speeches/sp130912.htm](http://www.bis.org/speeches/sp130912.htm)

Let me start by thanking the South African Reserve Bank, the National Treasury and the Financial Services Board for inviting me. It is a privilege to speak this afternoon at the Emerging Markets Dialogue on OTC derivatives. And, it is always a pleasure to return to South Africa.

Today I would like to discuss the findings of the Macroeconomic Assessment Group on Derivatives (MAGD). The Group, which I chaired, brought together nearly 30 member institutions of the Financial Stability Board (FSB), and worked in close collaboration with the IMF. We also took guidance from academics and other official sector working groups, and we consulted with private sector OTC derivatives users and infrastructure providers. The Group developed and employed models that provide an estimate of the benefits and costs of the proposed reforms. Its final report was published on 26 August 2013 and is available on the BIS website.

Before I turn to the Group's findings, let me offer a few examples to illustrate why OTC derivatives should be centrally cleared and collateralised. These are the stories of Amaranth Advisors, Long-Term Capital Management (LTCM) and American International Group (AIG).