Statistical Annex

The international banking market

Securities markets

Derivatives markets

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).①

1 International banking statistics (Tables A1, A2, B1 and B2)

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 C1 and C2)

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). 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 D)

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.

① More detailed tables and options to download the data in time series form are available at www.bis.org/statistics/index.htm.

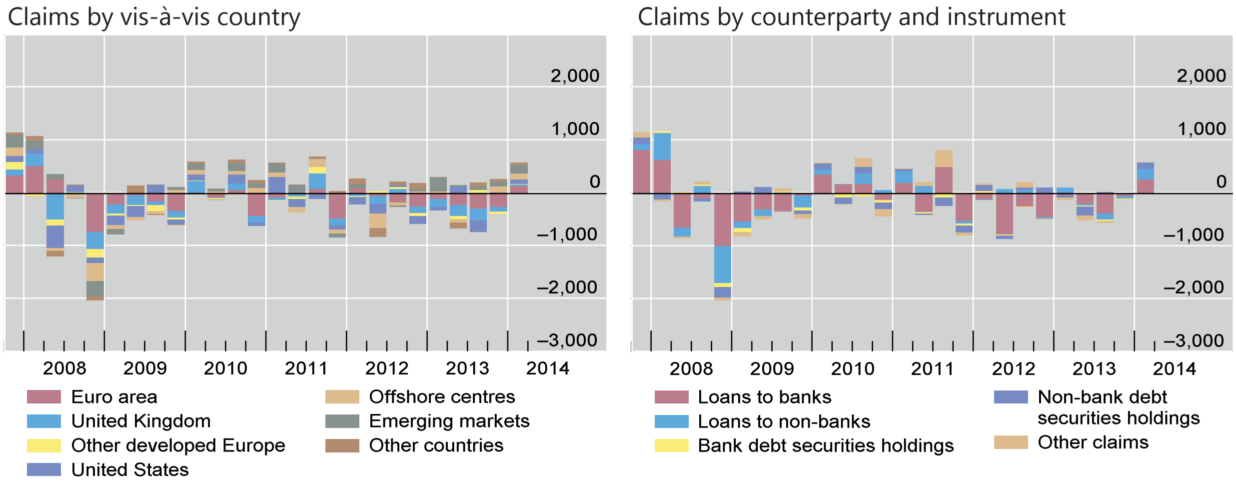
Table A1: International positions of banks by residence of counterparty, March 2014[1]

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	
			Amounts outstanding					
Total claims	**23,856**	**4,786**	**4,526**	**504**	**2,329**	**922**	**771**	**33,809**
Total cross-border claims	**21,348**	**3,875**	**3,834**	**495**	**1,966**	**719**	**654**	**29,385**
Loans	14,393	3,030	3,017	449	1,560	540	468	20,510
Securities	4,626	604	468	18	267	67	116	5,953
Claims on banks	13,001	2,149	2,167	213	1,302	382	270	17,436
Claims on non-banks	8,347	1,725	1,667	281	664	337	385	11,949
US dollar	8,170	2,313	1,524	283	567	216	457	12,066
Euro	8,842	298	457	78	63	288	29	9,803
Foreign currency claims on residents	**2,508**	**911**	**692**	**9**	**364**	**203**	**116**	**4,111**
			Estimated exchange rate-adjusted changes during the quarter[2]					
Total claims	**210**	**149**	**175**	**19**	**152**	**-14**	**18**	**550**
Total cross-border claims	**272**	**115**	**166**	**17**	**154**	**-14**	**9**	**580**
Loans	199	110	149	15	141	-11	3	459
Securities	79	8	13	2	11	-3	2	123
Claims on banks	136	62	139	12	124	-3	6	298
Claims on non-banks	136	54	27	5	30	-11	3	282
US dollar	202	62	77	14	52	-1	12	345
Euro	113	19	6	2	2	0	2	160
Foreign currency claims on residents	**-62**	**33**	**9**	**2**	**-2**	**0**	**9**	**-20**
			Amounts outstanding					
Total liabilities	**20,972**	**5,290**	**3,480**	**939**	**1,472**	**468**	**601**	**32,929**
Total cross-border liabilities	**18,037**	**4,124**	**2,751**	**927**	**994**	**329**	**500**	**26,016**
Deposits	14,940	3,851	2,599	886	946	314	453	21,668
Securities	1,634	100	31	6	13	1	11	2,584
Liabilities to banks	12,615	2,607	1,715	584	650	236	245	17,846
Liabilities to non-banks	5,423	1,518	1,036	343	344	94	256	8,170
US dollar	7,252	2,677	1,550	636	383	151	380	11,828
Euro	6,973	397	294	101	52	103	38	8,204
Foreign currency liabilities to residents	**2,935**	**1,166**	**729**	**12**	**477**	**138**	**101**	**4,829**
			Estimated exchange rate-adjusted changes during the quarter[2]					
Total liabilities	**225**	**56**	**103**	**21**	**46**	**14**	**23**	**421**
Total cross-border liabilities	**245**	**49**	**78**	**21**	**32**	**14**	**11**	**411**
Deposits	185	34	74	20	31	14	8	331
Securities	16	6	2	1	0	0	1	25
Liabilities to banks	161	25	60	7	29	8	16	219
Liabilities to non-banks	84	24	18	14	3	6	-5	192
US dollar	80	58	42	13	8	5	16	194
Euro	149	10	6	-1	1	9	-2	184
Foreign currency liabilities to residents	**-19**	**7**	**25**	**0**	**14**	**0**	**11**	**13**

Cross-border positions

Exchange rate-adjusted changes in stocks



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

Table A2: International positions of banks by nationality of head office, March 2014[1]

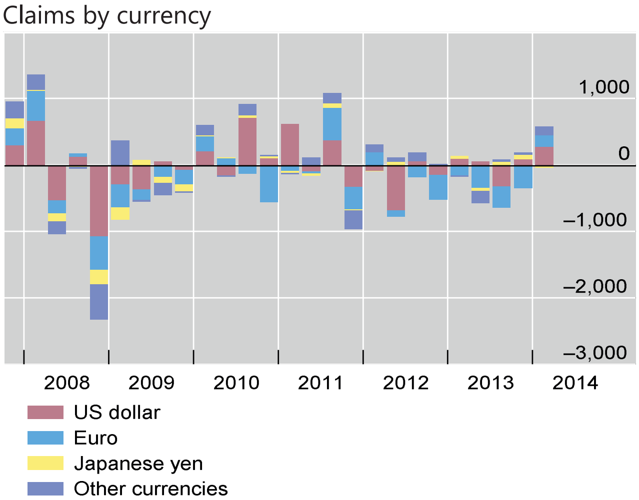
In billions of US dollars

	Nationality of banks										All countries
	France	Germany	Italy	Nether-lands	Spain	Switzer-land	United Kingdom	Japan	United States	Emerging markets	
	Amounts outstanding										
Total claims	**3,780**	**3,639**	**902**	**1,707**	**740**	**2,528**	**3,944**	**4,505**	**3,721**	**1,639**	**33,769**
on banks	2,396	2,049	553	784	369	1,452	2,021	1,857	2,295	838	18,600
on related foreign offices	1,411	1,070	227	464	232	995	1,275	1,103	1,474	322	10,724
on other banks	961	946	325	297	134	452	703	752	770	449	7,576
on official monetary institutions	25	34	1	22	3	6	42	3	51	67	299
on non-banks	1,384	1,589	350	923	371	1,076	1,923	2,648	1,426	801	15,169
US dollar	1,176	1,170	155	448	259	1,228	1,685	2,573	2,349	1,247	14,863
Euro	1,914	1,949	655	948	336	547	1,239	600	709	137	10,698
Other currencies	691	520	93	312	144	752	1,020	1,332	663	256	8,208
	Estimated exchange rate-adjusted changes during the quarter[2]										
Total claims	**130**	**66**	**8**	**116**	**46**	**-70**	**-11**	**-39**	**74**	**53**	**561**
on banks	98	45	9	53	28	-52	-41	-82	3	26	206
on related foreign offices	58	33	11	13	18	-39	69	-53	26	39	269
on other banks	33	4	-2	27	9	-12	-111	-29	-38	-11	-88
on official monetary institutions	7	7	0	12	2	-1	1	0	15	-2	26
on non-banks	32	21	-1	63	18	-17	31	43	72	27	355
US dollar	9	68	10	21	31	-41	-37	11	49	46	284
Euro	97	-5	1	73	11	-3	1	-14	2	-2	167
Other currencies	24	3	-3	22	5	-25	25	-36	23	8	110
	Amounts outstanding										
Total liabilities	**3,714**	**3,311**	**714**	**1,680**	**735**	**2,640**	**4,082**	**2,642**	**4,461**	**1,745**	**32,909**
to banks	2,007	1,647	423	582	469	1,345	1,835	1,694	2,297	915	17,101
to related foreign offices	1,192	1,009	198	377	177	963	1,195	892	1,319	242	9,297
to other banks	715	554	208	177	252	363	523	721	753	635	6,840
to official monetary institutions	100	83	17	29	41	19	118	81	226	38	965
to non-banks	1,708	1,664	291	1,097	265	1,295	2,246	948	2,164	830	15,808
US dollar	1,346	1,204	150	552	286	1,282	1,683	1,742	3,152	1,225	15,846
Euro	1,753	1,507	507	733	360	614	1,173	363	597	157	9,660
Other currencies	615	599	57	395	88	744	1,226	538	712	363	7,403
	Estimated exchange rate-adjusted changes during the quarter[2]										
Total liabilities	**89**	**50**	**28**	**71**	**37**	**-48**	**-27**	**-136**	**76**	**60**	**374**
to banks	29	49	17	4	24	-72	19	-99	4	31	163
to related foreign offices	24	-16	9	-4	18	-65	128	-58	71	27	197
to other banks	10	68	3	3	8	-7	-98	-48	-58	1	-25
to official monetary institutions	-5	-3	4	5	-1	0	-11	7	-9	3	-9
to non-banks	60	2	11	66	12	24	-46	-37	72	29	211
US dollar	-38	35	12	22	29	-33	30	-77	48	48	395
Euro	85	9	11	50	7	0	12	-18	-5	0	354
Other currencies	41	6	5	-1	0	-15	-70	-41	33	13	-375

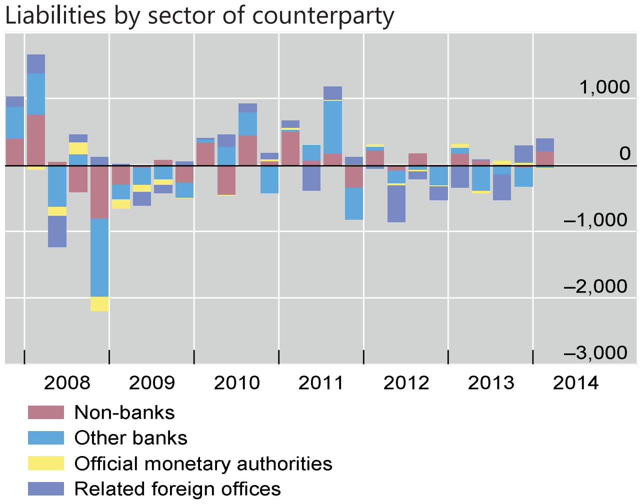
International positions of BIS reporting banks

Exchange rate-adjusted changes in stocks

Claims by currency



Liabilities by sector of counterparty



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

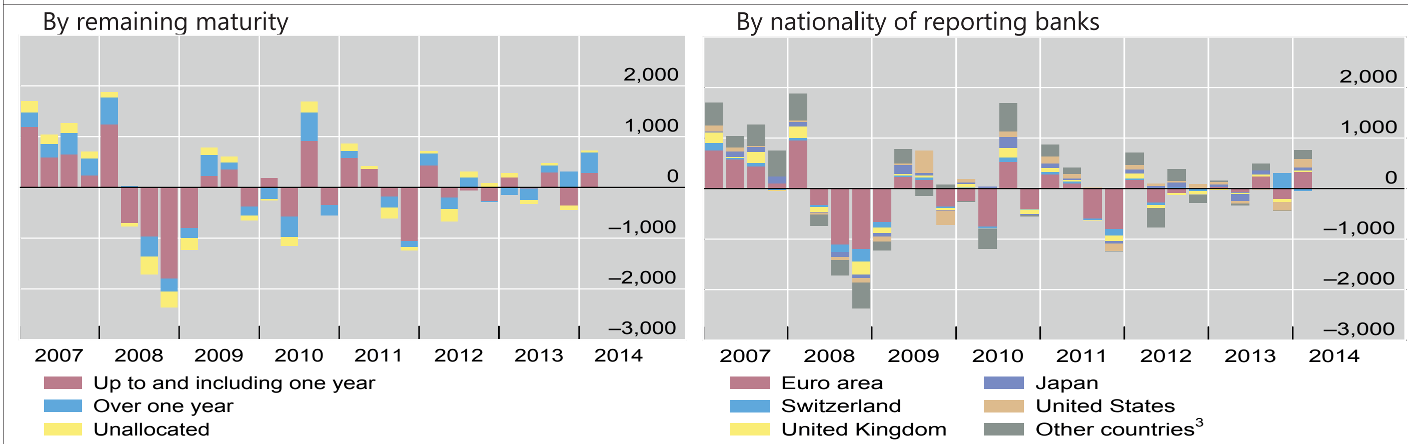
Table B1: Consolidated claims, immediate borrower basis, March 2014[1]

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	
Foreign claims	**22,760**	**6,221**	**9,001**	**1,198**	**2,982**	**6,181**	**656**	**2,723**	**1,478**	**1,324**	**32,283**
International claims	**14,030**	**2,611**	**6,600**	**822**	**2,382**	**3,732**	**440**	**1,899**	**810**	**582**	**20,504**
Up to and including one year	6,871	937	2,887	691	1,206	2,066	202	1,313	298	253	10,226
Over one year	4,904	1,055	2,586	67	746	1,387	212	462	435	278	7,188
Unallocated by maturity	2,255	618	1,127	64	430	278	27	124	77	50	3,090
Local currency claims	**8,729**	**3,610**	**2,401**	**376**	**601**	**2,449**	**215**	**824**	**667**	**742**	**11,779**
Local currency liabilities	**6,345**	**2,461**	**2,101**	**182**	**484**	**1,807**	**179**	**506**	**536**	**586**	**8,902**
	Unadjusted changes during the quarter[2]										
Foreign claims	*790*	*322*	*311*	*38*	*80*	*243*	*27*	*183*	*4*	*30*	*1,142*
International claims	*429*	*116*	*239*	*-26*	*70*	*195*	*17*	*153*	*5*	*20*	*722*
Local currency claims	*362*	*206*	*72*	*64*	*10*	*48*	*10*	*30*	*0*	*9*	*420*
Local currency liabilities	*347*	*149*	*98*	*10*	*-1*	*15*	*2*	*-1*	*3*	*11*	*421*
Nationality of reporting banks:	**Foreign claims**										
Domestically owned banks (total)	**19,102**	**5,774**	**7,290**	**731**	**2,849**	**5,395**	**604**	**2,156**	**1,409**	**1,227**	**27,694**
Euro area	7,964	1,626	4,049	218	437	2,291	224	355	1,111	600	10,907
Switzerland	1,374	640	389	.	229	138	30	.	.	.	1,773
United Kingdom	2,221	1,022	840	100	621	951	213	543	63	132	3,844
Japan	2,299	1,257	603	.	644	448	33	317	39	59	3,391
United States	2,041	.	806	329	496	756	64	335	103	254	3,314
Other countries[3]	3,203	1,230	603	84	422	811	39	605	93	181	4,463
Other foreign banks	**3,657**	**447**	**1,710**	**467**	**133**	**786**	**52**	**567**	**69**	**98**	**4,589**
	International claims, all maturities										
Domestically owned banks (total)	**10,498**	**2,204**	**4,971**	**356**	**2,248**	**2,950**	**391**	**1,332**	**743**	**484**	**16,045**
Euro area	4,405	558	2,418	115	395	1,103	154	273	522	154	6,119
Switzerland	750	177	364	26	214	136	28	60	20	28	1,132
United Kingdom	1,004	307	533	43	255	448	90	263	46	49	1,758
Japan	1,787	863	572	.	595	312	33	186	38	55	2,694
United States	1,352	.	703	136	442	410	47	180	63	121	2,224
Other countries[3]	1,201	299	381	36	348	542	39	371	55	77	2,119
Other foreign banks	**3,532**	**407**	**1,629**	**466**	**133**	**781**	**50**	**567**	**67**	**98**	**4,459**
	International claims, short–term										
Domestically owned banks (total)	**4,577**	**704**	**1,969**	**243**	**1,122**	**1,514**	**171**	**857**	**274**	**214**	**7,294**
Euro area	2,001	280	833	74	215	446	56	154	166	70	2,702
Switzerland	394	73	185	11	171	93	19	46	12	16	679
United Kingdom	437	130	243	13	155	261	41	170	28	22	854
Japan	198	68	61	.	56	122	6	94	12	10	375
United States	915	.	443	120	321	261	31	135	34	62	1,507
Other countries[3]	634	153	205	24	204	331	18	258	22	34	1,177
Other foreign banks	**2,295**	**233**	**918**	**448**	**83**	**552**	**31**	**456**	**25**	**39**	**2,932**

International claims of BIS reporting banks on an immediate borrower basis[4]

Changes in stocks[2]



[1] Detailed breakdowns and time series data are available at www.bis.org/statistics/consstats.htm (Tables 9A–9B) and BIS WebStats. [2] Quarterly difference in outstanding stocks, excluding effects of breaks in series, not adjusted for exchange rate movements. [3] Domestically owned banks in other reporting countries. [4] Worldwide consolidated positions of domestically owned banks and unconsolidated positions of foreign banks in 31 reporting countries.

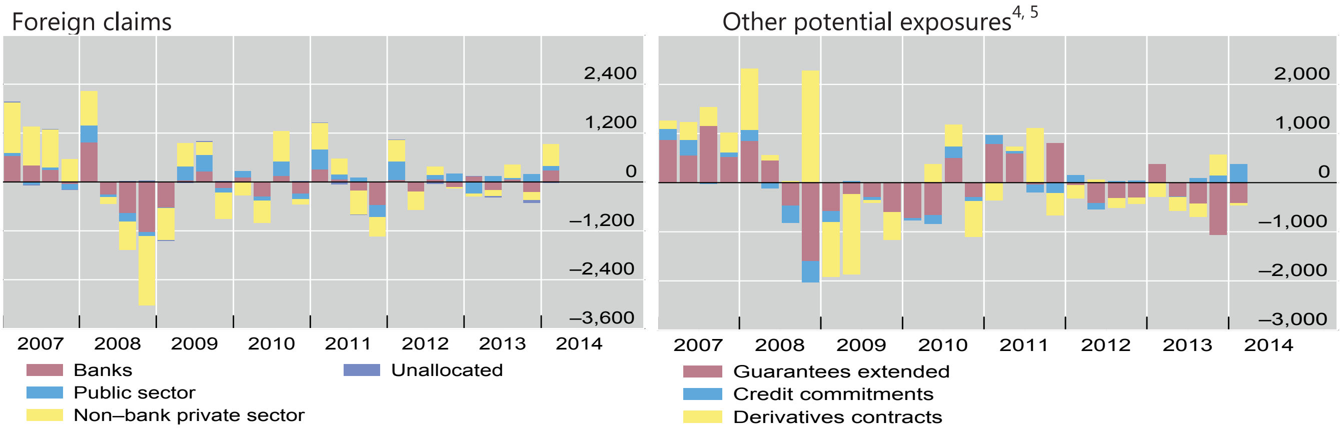
Table B2: Consolidated claims, ultimate risk basis, March 2014[1]

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	
Foreign claims	**18,457**	**5,769**	**7,004**	**718**	**2,209**	**5,133**	**532**	**2,110**	**1,340**	**1,150**	**26,109**
Banks	3,746	683	1,626	188	193	1,059	78	662	183	135	5,010
Public sector	4,480	1,886	1,633	253	226	1,190	114	411	310	355	6,140
Non–bank private sector	10,186	3,184	3,730	276	1,787	2,869	339	1,035	836	659	14,896
Unallocated	45	16	16	1	3	14	1	2	11	1	63
Cross–border claims	**9,495**	**2,447**	**4,662**	**276**	**1,343**	**2,160**	**270**	**1,098**	**453**	**339**	**13,307**
Local claims in all currencies	**8,962**	**3,322**	**2,342**	**442**	**866**	**2,973**	**262**	**1,012**	**888**	**811**	**12,803**
	Unadjusted changes during the quarter[2]										
Foreign claims	*680*	*286*	*211*	*31*	*40*	*149*	*20*	*111*	*-3*	*21*	*899*
Cross–border claims	*296*	*91*	*157*	*-30*	*17*	*76*	*7*	*73*	*-13*	*8*	*418*
Local claims in all currencies	*384*	*195*	*55*	*61*	*24*	*73*	*13*	*38*	*11*	*12*	*481*
Nationality of reporting banks[3]	**Foreign claims**										
Total	**18,457**	**5,769**	**7,004**	**718**	**2,209**	**5,133**	**532**	**2,110**	**1,340**	**1,150**	**26,109**
Euro area	7,745	1,622	3,908	221	347	2,202	198	354	1,066	584	10,505
France	2,485	605	1,304	158	118	500	121	148	192	39	3,117
Germany	2,076	510	897	40	132	285	30	117	117	21	2,555
Italy	618	38	507	...	11	227	9	14	201	3	869
Spain	919	244	244	7	15	570	3	11	67	489	1,546
Switzerland	1,247	654	340	.	101	6	6	.	.	.	1,354
United Kingdom	2,255	1,002	872	112	581	970	209	561	64	136	3,858
Japan	2,315	1,315	578	.	471	440	29	311	38	62	3,225
United States	2,035	.	797	331	418	758	60	343	102	253	3,233
Other countries	2,860	1,177	509	55	291	757	30	541	70	116	3,935
	Cross–border claims										
Total	**9,495**	**2,447**	**4,662**	**276**	**1,343**	**2,160**	**270**	**1,098**	**453**	**339**	**13,307**
Euro area	3,851	542	2,243	100	231	763	116	255	296	95	5,054
France	1,242	151	722	58	74	245	67	105	45	29	1,577
Germany	1,377	286	763	24	98	191	28	77	66	20	1,727
Italy	246	18	166	...	9	48	3	13	29	3	315
Spain	195	21	112	7	13	44	3	10	4	27	294
Switzerland	798	398	315	.	77	4	4	.	.	.	879
United Kingdom	1,015	303	551	45	142	367	60	223	40	44	1,577
Japan	1,821	946	548	.	392	252	26	133	35	57	2,465
United States	1,107	.	687	101	335	355	38	162	52	103	1,819
Other countries	902	258	318	31	166	419	27	324	29	39	1,513
	Other potential exposures[4, 5]										
Derivatives contracts	3,436	647	1,222	112	103	138	28	57	25	28	3,687
Guarantees extended	6,863	1,204	3,285	222	305	1,193	167	379	399	247	8,602
Credit commitments	3,219	1,039	1,088	97	260	541	73	178	130	161	4,085

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

Changes in stocks[2]



[1] Detailed breakdowns and time series data are available at www.bis.org/statistics/consstats/htm (Tables 9C–9E). [2] Quarterly difference in outstanding stocks, excluding effects of breaks in series, not adjusted for exchange rate movements. [3] Worldwide consolidated positions of domestically owned banks of 25 reporting countries. [4] Not included in foreign claims. [5] 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 C1: International debt securities issuance, June 2014

In billions of US dollars

	Developed countries				Off-shore centres	Emerging markets					Int'l organi-sations	All countries
	Total	United States	Euro area	Japan		Total	Africa	Asia	Europe	Latin America		
	Amounts outstanding											
Total issues	**17,848**	**2,117**	**9,584**	**226**	**1,930**	**1,791**	**230**	**471**	**456**	**634**	**1,565**	**23,134**
Money market instruments	**790**	**9**	**438**	**5**	**95**	**18**	**7**	**8**	**3**	**0**	**15**	**918**
Financial corporations	714	8	386	5	95	18	7	8	3	0	0	826
Non-financial corporations	42	1	30	0	0	0	0	0	0	0	0	42
General government	35	0	22	0	0	0	0	0	0	0	0	35
US dollar	280	1	154	2	45	12	4	5	3	0	8	345
Euro	301	5	184	1	10	3	1	2	0	0	1	316
Other currencies	209	3	100	2	39	3	2	1	0	0	5	257
Bonds and notes	**17,058**	**2,108**	**9,147**	**221**	**1,835**	**1,773**	**223**	**463**	**453**	**634**	**1,550**	**22,216**
Financial corporations	13,799	1,760	7,334	168	1,690	514	69	222	101	122	0	16,002
Non-financial corporations	2,390	343	1,180	48	90	504	71	134	66	233	0	2,984
General government	869	4	632	6	56	753	83	106	286	279	0	1,678
US dollar	4,975	1,439	1,453	130	1,442	1,326	183	356	272	515	436	8,180
Euro	8,692	401	6,748	8	139	241	22	15	146	57	719	9,791
Other currencies	3,391	268	946	83	254	206	18	92	34	62	395	4,245
Floating rate	5,169	413	2,938	28	544	64	10	26	11	17	152	5,928
Fixed rate	11,582	1,577	6,111	161	1,234	1,665	204	411	437	613	1,399	15,880
Equity-related	307	117	98	32	57	44	9	26	5	4	0	408
	Net issuance during the quarter											
Total issues	**139**	**46**	**37**	**13**	**64**	**60**	**12**	**13**	**7**	**28**	**22**	**285**
Money market instruments	**39**	**-1**	**10**	**2**	**7**	**1**	**1**	**-1**	**1**	**0**	**-1**	**47**
Financial corporations	21	-1	-4	2	7	1	1	-1	1	0	0	30
Non-financial corporations	3	0	2	0	0	0	0	0	0	0	0	3
General government	15	0	11	0	0	0	0	0	0	0	0	15
US dollar	18	0	11	1	5	1	1	-1	1	0	-3	21
Euro	13	0	-2	0	-2	0	0	0	0	0	1	12
Other currencies	8	-1	0	0	4	0	0	0	0	0	1	13
Bonds and notes	**99**	**47**	**27**	**12**	**57**	**59**	**11**	**14**	**5**	**29**	**23**	**238**
Financial corporations	30	11	-4	6	53	26	5	6	7	8	0	109
Non-financial corporations	59	36	19	5	4	24	7	5	0	11	0	86
General government	11	0	12	1	0	10	-1	3	-1	9	0	21
US dollar	96	49	20	11	60	42	8	8	6	21	-6	192
Euro	2	-1	2	-2	-8	12	4	2	0	7	28	34
Other currencies	1	-1	6	3	5	4	-1	4	0	1	1	12
Floating rate	-9	11	-15	1	18	-5	-2	0	-1	-2	9	12
Fixed rate	92	26	40	5	39	65	12	16	6	30	14	210
Equity-related	17	10	2	5	0	-1	1	-2	0	0	0	16

Net international debt securities issuance

By sector — By currency

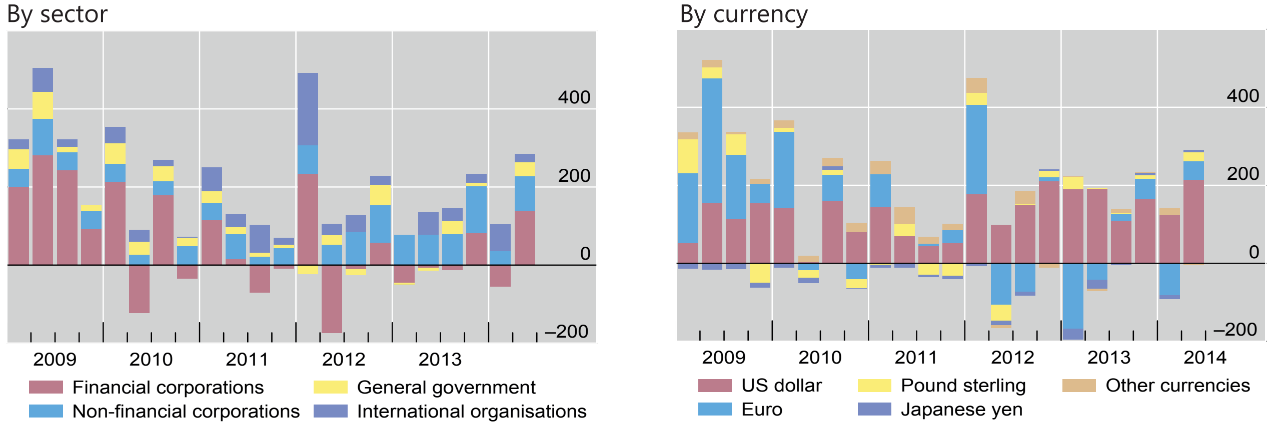


Table C2: Domestic and total debt securities, March 2014

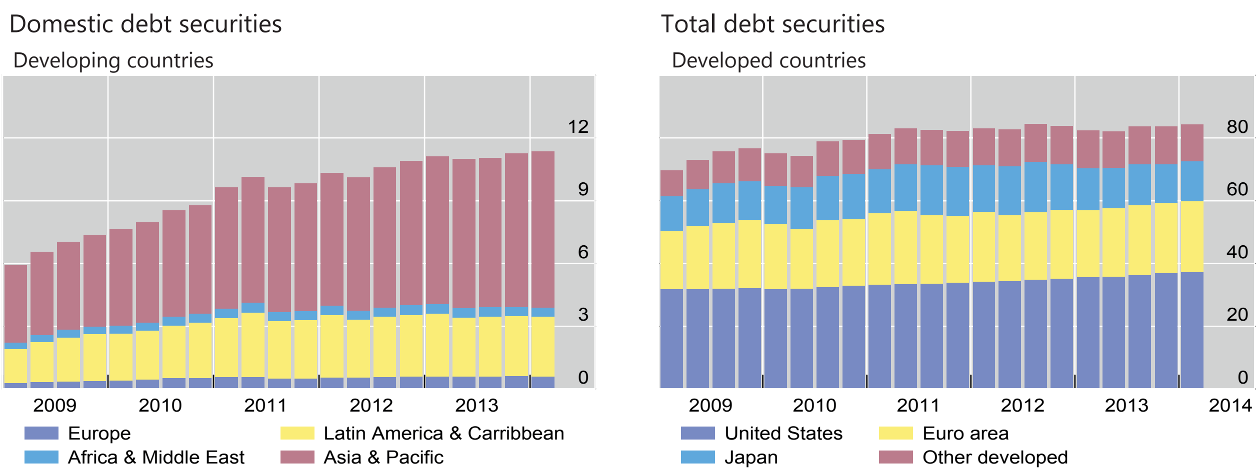
In billions of US dollars

	China	Brazil	Korea	Mexico	Malaysia	Thailand	Turkey	South Africa	Russia	Israel	Indonesia	Singapore
	Domestic debt securities											
Amounts outstanding												
All issuers	4,127	...	1,418	625	341	284	203	201	263	217	116	86
Financial corporations	1,819	...	397	173	57	126	15	42	73	30	14	...
Non-financial corporations	823	...	544	49	125	51	2	25	74	48	7	...
General government	1,485	...	477	403	159	108	187	133	116	139	95	86
Short-term	...	...	109	107	48	60	11	26	...	1	...	17
Long-term	...	...	1,309	518	293	225	193	175	263	138	...	69
Unallocated	4,127	...	0	0	0	0	0	0	0	78	116	0
Exchange rate adjusted changes												
All issuers	76	...	24	19	6	16	3	4	2	1	7	-13
Financial corporations	71	...	6	1	-3	1	0	1	4	-1	0	...
Non-financial corporations	12	...	-3	1	1	3	0	0	-2	0	0	...
General government	-7	...	22	17	7	13	3	3	0	1	7	-13
Short-term	...	...	14	-2	-3	4	0	0	...	0	...	-13
Long-term	...	...	11	20	8	12	3	3	2	2	...	1
Unallocated	76	...	0	0	0	0	0	0	0	0	7	0

	United States	Japan	United Kingdom	France	Germany	Italy	Spain	Netherlands	Canada	Australia	Ireland	Denmark
	Total debt securities											
Amounts outstanding												
All issuers[1]	37,212	12,622	6,013	4,885	4,323	4,065	2,354	2,419	2,131	1,925	1,182	886
Financial corporations	14,611	2,561	2,915	1,905	1,897	1,431	1,155	1,802	514	1,148	1,014	687
Non-financial corporations	7,299	720	657	652	176	177	32	135	389	215	10	35
General government	15,075	9,341	2,439	2,328	2,250	2,456	1,167	482	1,227	563	157	163

Outstanding amounts

In trillions of US dollars



[1] All issuers include households and non-profit institutions serving households.

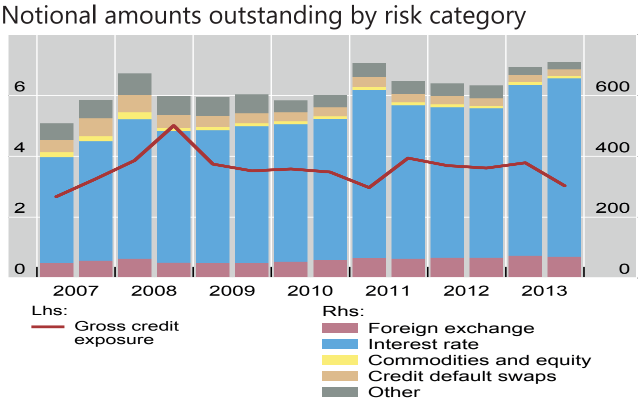
Table D: Global OTC derivatives market, end-December 2013[1]

In billions of US dollars

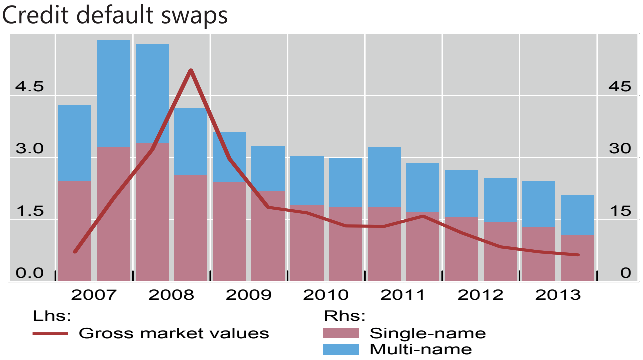
	Forwards and swaps				Options			
	Total	with reporting dealers	with other financial institutions	with non-financial customers	Total	with reporting dealers	with other financial institutions	with non-financial customers
	Notional amounts outstanding							
All contracts[2]	**641,543**	**106,848**	**507,817**	**25,361**	**68,639**	**38,936**	**25,121**	**3,812**
Foreign exchange	**58,666**	**25,366**	**25,531**	**7,769**	**11,886**	**5,840**	**5,022**	**1,025**
US dollar	51,129	23,703	21,768	5,658	9,891	4,876	4,149	865
Euro	21,999	8,913	9,257	3,829	3,178	1,555	1,178	444
Japanese yen	10,351	5,215	3,941	1,195	3,771	2,074	1,473	225
Pound sterling	7,917	3,125	3,565	1,226	872	462	290	120
Other	25,937	9,777	12,529	3,631	6,060	2,712	2,954	394
Up to one year	41,687	16,215	20,066	5,407	9,511	4,500	4,254	756
Over one year	16,979	9,151	5,465	2,363	2,376	1,340	768	268
Memo: Exchange-traded[3]	*244*	.	.	.	*143*	.	.	.
Interest rate	**535,099**	**65,961**	**452,824**	**16,314**	**49,264**	**30,236**	**16,786**	**2,242**
US dollar	158,209	18,935	134,311	4,963	15,583	8,110	6,641	832
Euro	216,188	18,456	192,554	5,179	24,879	17,041	6,717	1,121
Japanese yen	48,704	9,511	36,214	2,979	4,169	2,758	1,335	76
Pound sterling	49,214	4,305	43,999	910	3,000	1,731	1,188	81
Other	62,784	14,754	45,747	2,283	1,633	596	906	131
Up to one year	184,217	19,281	161,406	3,530	14,085	7,622	5,809	654
Over one year	350,882	46,680	291,419	12,784	35,180	22,614	10,977	1,588
Memo: Exchange-traded[3]	*24,191*	.	.	.	*32,794*	.	.	.
Equity	**2,277**	**634**	**1,463**	**180**	**4,283**	**1,463**	**2,411**	**409**
Memo: Exchange-traded[3]	*1,492*	.	.	.	*5,751*	.	.	.
Commodities	**1,464**	**...**	**...**	**...**	**742**	**...**	**...**	**...**
Credit default swaps	**21,020**	**11,053**	**9,779**	**188**	**...**	**...**	**...**	**...**
Unallocated	**23,018**	**3,834**	**18,220**	**910**	**2,463**	**1,397**	**901**	**137**
	Gross market values							
All contracts	**16,361**	**4,379**	**10,810**	**1,172**	**2,022**	**1,202**	**645**	**176**
Foreign exchange	**2,011**	**868**	**791**	**351**	**273**	**143**	**96**	**35**
US dollar	1,706	806	663	237	211	117	67	27
Euro	638	218	252	168	69	29	29	11
Japanese yen	569	290	193	87	152	94	41	17
Pound sterling	245	84	102	59	11	5	4	2
Other	863	339	372	152	104	41	50	12
Interest rate	**12,865**	**2,936**	**9,186**	**743**	**1,174**	**806**	**317**	**50**
US dollar	4,006	964	2,854	188	306	214	80	12
Euro	6,129	1,229	4,508	392	709	492	189	28
Japanese yen	643	221	393	29	53	41	12	1
Pound sterling	1,205	242	889	74	89	52	29	8
Other	883	281	543	59	17	8	7	2
Equity	**202**	**37**	**141**	**24**	**498**	**206**	**207**	**84**
Credit default swaps	**653**	**369**	**276**	**9**	**...**	**...**	**...**	**...**
Unallocated	**629**	**168**	**416**	**45**	**78**	**46**	**25**	**7**

Global OTC derivatives[4]

Notional amounts outstanding by risk category



Credit default swaps



[1] 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). [2] Due to incomplete counterparty breakdowns for the commodity derivatives, components do not add up to the total.[3] 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. [4] 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 A1–A2

The data in Tables A1–A2 (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 A1 provides aggregated figures by residence of banks in all reporting countries. Table A2 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.

Tables B1–B2

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 B1 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 B2 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 25 countries which reports both sets of data and comprises Australia, Austria, Belgium, Canada, Chile, Chinese Taipei, Finland, France, Germany, Greece, India, Ireland, Italy, Japan, Korea, the Netherlands, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, Turkey, the United Kingdom and the United States. The data in Table B1 cover both foreign and international claims, while Table B2 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.

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.

Types of claims

A	B	C	D
Cross-border claims	Local claims of foreign affiliates in foreign currency	Local claims of foreign affiliates in local currency	Domestic claims in the reporting country

International claims (A + B)

Foreign claims (A + B + C)

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

Tables C1–C2

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). 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 D

The data in Table D 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/bppdf/bispap14.htm.

Special features in the BIS Quarterly Review

March 2014	Financial structure and growth	Leonardo Gambacorta, Jing Yang & Kostas Tsatsaronis
March 2014	Forward guidance at the zero lower bound	Andrew Filardo & Boris Hofmann
March 2014	The credit-to-GDP gap and countercyclical capital buffers: questions and answers	Mathias Drehmann & Kostas Tsatsaronis
March 2014	Non-deliverable forwards: 2013 and beyond	Robert N McCauley, Chang Shu & Guonan Ma
March 2014	Non-US banks' claims on the Federal Reserve	Robert N McCauley & Patrick McGuire
December 2013	The anatomy of the global FX market through the lens of the 2013 Triennial Survey	D Rime & A Schrimpf
December 2013	FX market trends before, between and beyond Triennial Surveys	M Bech & J Sobrun
December 2013	FX and derivatives markets in emerging economies and the internationalisation of their currencies	T Ehlers & F Packer
December 2013	The OTC interest rate derivatives market in 2013	J Gyntelberg & C Upper
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

Recent BIS publications[1]

BIS Papers

The transmission of unconventional monetary policy to the emerging markets
August 2014

Papers in this volume were prepared for a meeting of senior officials from central banks held at the Bank for International Settlements on 6–7 March 2014.

Highly accommodative monetary policies in the major advanced economies and the questions about the exit from such policies have created major challenges for policymakers in emerging market economies (EMEs). Quite a few of EMEs that experienced rapid capital inflows and strong currency appreciation pressures during 2010–12 saw a sharp reversal in episodes of market volatility from May 2013 to February 2014.

This meeting of Deputy Governors focussed on three main questions: (i) how can external monetary conditions become a source of risks to monetary and financial stability in EMEs?; (ii) how should central banks respond to such shocks?; and (iii) can there be a greater international role for emerging market currencies? A key conclusion from the discussion is that asset prices and interest rates have become more correlated globally during the period of unprecedented monetary easing by advanced economies. One major worry was the risk of an abrupt reversal of capital inflows to EMEs. Central banks face difficult policy dilemmas in preserving financial stability while pursuing their monetary policy goals. It is hard for EME monetary authorities to counter a prolonged period of very low long-term interest rates and increased risk-taking in global financial markets.

BIS Working Papers

Filling in the blanks: network structure and interbank contagion
Kartik Anand, Ben Craig and Goetz von Peter

The network pattern of financial linkages is important in many areas of banking and finance. Yet bilateral linkages are often unobserved, and maximum entropy serves as the leading method for estimating counterparty exposures. This paper proposes an efficient alternative that combines information-theoretic arguments with economic incentives to produce more realistic interbank networks that preserve important characteristics of the original interbank market. The method loads the most probable links with the largest exposures consistent with the total lending and borrowing of each bank, yielding networks with minimum density. When used in a stress-testing context, the minimum-density solution overestimates contagion, whereas maximum entropy underestimates it. Using the two benchmarks side by side defines a useful range that bounds the cost of contagion in the true interbank network when counterparty exposures are unknown.

[1] 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).

Understanding the challenges for infrastructure finance
Torsten Ehlers

What is holding back infrastructure investment, even though real long-term interest rates are low and the potential supply of long-term finance is ample? The answer matters to policy makers, because infrastructure is a key determinant of the growth potential of an economy. This paper identifies some key obstacles for better and greater infrastructure finance and investment. One such obstacle is the lack of investable projects. Often, projects are not properly designed and contractual arrangements imply a distribution of risks and returns that create the wrong incentives among the various partners. The greater involvement of private investors and the design of economically rational financing structures can mitigate such problems. They also improve the efficiency and success of infrastructure projects. A pipeline of investable projects would allow large investors to commit a greater share of their financial resources to infrastructure. Tapping the vast resources of capital markets, which thus far have been underutilised, could significantly boost infrastructure finance. A greater variety of financial instruments for infrastructure finance would help to make infrastructure more attractive for a broader group of investors and would allow a better diversification of risks.

The FRBNY staff underlying inflation gauge: UIG
Marlene Amstad, Simon M Potter and Robert Rich

Monetary policymakers and long-term investors would benefit greatly from a measure of underlying inflation that uses all relevant information, is available in real-time, and forecasts inflation better than traditional underlying inflation measures such as core inflation measures. This paper presents the "Federal Reserve Bank of New York (FRBNY) Staff Underlying Inflation Gauge (UIG)" for CPI and PCE. Using a dynamic factor model approach, the UIG is derived from a broad data set that extends beyond price series to include a wide range of nominal, real, and financial variables. It also considers the specific and time-varying persistence of individual subcomponents of an inflation series. An attractive feature of the UIG is that it can be updated on a daily basis, which allows for a close monitoring of changes in underlying inflation. This capability can be very useful when large and sudden economic fluctuations occur, as at the end of 2008. In addition, the UIG displays greater forecast accuracy than traditional measures of core inflation.

A shadow policy rate to calibrate US monetary policy at the zero lower bound
Marco Jacopo Lombardi and Feng Zhu

The recent global financial crisis, the Great Recession and the subsequent implementation of a variety of unconventional policy measures have raised the issue of how to correctly measure the stance of monetary policy when policy interest rates reach the zero lower bound (ZLB). In this paper, we propose a new "shadow policy rate" for the US economy, using a large set of data representing the various facets of the US Federal Reserve's policy stance. Changes in term premia at various maturities and asset purchases by the Fed are key drivers of this shadow rate. We document that our shadow policy rate tracks the effective federal funds rate very closely before the recent crisis. More importantly, it provides a reasonable gauge of US monetary policy stance when the ZLB becomes binding. This facilitates the assessment of the policy stance against familiar Taylor rule benchmarks. Finally, we show that in structural vector autoregressive (VAR) models, the shadow policy rate helps identify monetary policy shocks that better reflect the Federal Reserve's unconventional policy measures.

Measuring economic slack: a forecast-based approach with applications to economies in Asia and the Pacific
James Morley

The presence of "economic slack" directly implies that an economy can grow quickly without any necessary offsetting slow growth or retrenchment in the future. Based on this link between economic slack and future economic growth, I argue for a forecastbased estimate of the output gap as a measure of economic slack. This approach has the advantage of being robust to different assumptions about the underlying structure of the economy and allows for empirical analysis of a Phillips Curve relationship between the output gap and inflation. I apply this approach to investigate economic slack and its relationship with inflation for selected economies in Asia and the Pacific, taking into account structural breaks in long-run growth and uncertainty about the appropriate forecasting model. The estimated output gap is highly asymmetric for most the economies and implies a convex Phillips Curve in many of the cases.

Globalisation, pass-through and the optimal policy response to exchange rates
Michael B Devereux and James Yetman

In this paper we examine how monetary policy should respond to nominal exchange rates in a New Keynesian open economy model that allows for a non-trivial role for sterilised intervention. The paper develops the argument against the backdrop of the evolving policy-making environment of Asian economies. Sterilised intervention can be a potent tool that offers policymakers an additional degree of freedom in maximising global welfare. We show that the gains to sterilised intervention are greater when goods market integration is low and exchange rate pass-through is high. However, increased financial internationalisation reduces the effectiveness of sterilised intervention, as the international policy trilemma becomes more relevant. Unsterilised intervention may also have a role to play, although the potential welfare gains from this are generally smaller.

Most central banks in Asia have actively used sterilised foreign exchange intervention as a policy tool to smooth exchange rates. But, over time, declining exchange rate pass-through and the increasing international integration of financial and goods markets will tend to reduce the efficacy of sterilised intervention. Given the limited effectiveness of unsterilised intervention, our model implies that the role of exchange rate movements in the optimal setting of monetary policy in Asia is decreasing.

Credit growth, monetary policy and economic activity in a Three-Regime TVAR Model
Stefan Avdjiev and Zheng Zeng

Monetary We employ a threshold vector autoregression (TVAR) methodology in order to examine the nonlinear nature of the interactions among credit market conditions, monetary policy, and economic activity. We depart from the existing literature on the subject along two dimensions. First, we focus on a model in which the relevant threshold variable describes the state of economic activity rather than credit market conditions. Second, in contrast to the existing TVAR literature, which concentrates exclusively on single-threshold models, we allow for the presence of a second threshold, which is overwhelmingly supported by all relevant statistical tests. Our results indicate that the dynamics of the interactions among credit market conditions, monetary policy and economic activity change considerably as the economy moves from one phase of the business cycle to another and that single-threshold TVAR models are too restrictive to fully capture the nonlinear nature of those interactions. The impact of most shocks tends to be largest during periods of sub-par economic growth and smallest during times of moderate economic activity. By contrast, credit risk shocks have the largest impact when output growth is considerably above it long-term trend.

Basel Committee on Banking Supervision

Foundations of the standardised approach for measuring counterparty credit risk exposures
August 2014

The Committee prepared this technical paper to explain the different modelling assumptions that were used in developing the standardised approach for measuring counterparty credit risk exposures (SA-CCR). The final standard was published in March 2014 (revised April 2014).

Principles for effective supervisory colleges
June 2014

The Basel Committee on Banking Supervision has today issued final Principles for effective supervisory colleges. The guidelines replace the Good practice principles on supervisory colleges, which the Committee published in October 2010 with a commitment to revise them after a period of practical implementation experience.

Supervisory colleges play an important role in the effective supervision of international banking groups. They can enhance information-sharing among supervisors, help the development of a shared agenda for addressing risks and vulnerabilities and provide a platform for communicating key supervisory messages among college members. The Principles aim to promote and strengthen the operation of colleges and have been revised to reflect observations on best practice. The revisions underscore the importance of continuous collaboration and information-sharing outside the formal college meetings. They also incorporate recent supervisory developments, such as the formation of crisis management groups (CMGs) and greater focus on macroprudential considerations.

The key changes include:

- Principle 1 now places greater emphasis on ongoing collaboration and information-sharing.
- Principle 2 reinforces the expectation that a balance be struck between core college effectiveness and host involvement.
- Principle 3 includes the expectation that home and host supervisors will put in place appropriate mechanisms and sufficient resources for effective and timely information exchange.
- Principle 6 encourages home and host supervisors to agree on what types of feedback they provide to banks and how.
- Principle 7 differentiates between banks that have CMGs, eg systemically important banks, and those that do not, and provides guidance on possible communication and coordination between the college and the CMG with respect to crisis preparedness.
- Guidelines for the sharing and use of macroprudential information have been incorporated into Principles 1, 2, 3, 5 and 7.

The Basel Committee released a consultative version of this paper for public comment in January 2014. During the consultation process, the Committee took into account the perspectives of home and host supervisors as well as of internationally active banks, and wishes to thank all those who contributed time and effort to express their views.

Review of the Pillar 3 disclosure requirements - consultative document
June 2014

The Basel Committee on Banking Supervision has today published for consultation a Review of the Pillar 3 disclosure requirements.

The Committee has long recognised the importance of effective disclosure to enhance market discipline and thereby promote a safe and sound banking system. However, the existing Basel framework Pillar 3 disclosure requirements, in particular those related to risk-weighted assets (RWA), have proven to be inadequate in a number of respects. A key shortcoming has been the lack of consistency across banks, both with respect to the form and granularity of the information disclosed and in the interpretation of disclosure requirements.

The proposed new standard promotes greater consistency in the way banks disclose information about risks, as well as their risk measurement and management. The aim of the revisions is to enable market participants to compare banks' disclosures of the capital ratio's denominator (ie RWA) and to assess more effectively a bank's overall capital adequacy. The disclosures are also a particular response to concerns about the opacity of internal model-based approaches to determining RWA. In most cases, the revisions do not require banks to disclose additional information but rather to present requirements in a more detailed and prescriptive way to facilitate comparability across banks.

The Committee welcomes comments on this consultative document. As a key aim of the review is to improve market discipline, the Committee would particularly welcome feedback from investors, analysts, rating agencies and other market users of Pillar 3 data. It would also welcome feedback from the audit community.

Comments on the proposals should be uploaded here by Friday 10 October 2014. Alternatively, comments may be sent by post to: Secretariat of the Basel Committee on Banking Supervision, Bank for International Settlements, CH-4002 Basel, Switzerland. All comments may be published on the website of the Bank for International Settlements unless a comment contributor explicitly requests confidential treatment.

Supervisory guidelines for identifying and dealing with weak banks - consultative report
June 2014

The Basel Committee is publishing for comment the consultative document Supervisory guidelines for identifying and dealing with weak banks. Once final, the guidelines will replace the 2002 Committee guidance on the topic. Comments are invited on all aspects of this consultative document by Friday 19 September 2014.

All supervisors face the problem of dealing with weak banks. Early identification and intervention is critical. This report provides a toolkit for supervisors and international financial institutions advising supervisors. It offers practical guidelines in the areas of problem identification, corrective action, resolution techniques and exit strategies and highlights the importance of:

- A clear operating framework to lessen the risk that legal and accounting gaps and political interference will undermine supervisory action.
- Prevention and early identification through financial reporting and monitoring, on-site examination, and regular liaison with auditors and bank management in order to remedy problems before a bank's solvency is threatened.
- Early preparation, including communication strategies and recovery and resolution plans, to support a quick response to a problem bank and limit disruption to the financial system.
- Close international cooperation among supervisors and other relevant authorities.

Comments on this consultative document may be uploaded here. Alternatively, comments may be sent to the following address: Basel Committee on Banking Supervision, Bank for International Settlements, Centralbahnplatz 2, CH-4002 Basel, Switzerland. All comments may be published on the website of the Bank for International Settlements unless a respondent marks their comment as confidential.

Committee on Payments and Market Infrastructures

Implementation monitoring of PFMIs: First update to Level 1 assessment report
May 2014

The Committee on Payment and Settlement Systems (CPSS) and the International Organization of Securities Commissions (IOSCO) continue to closely monitor the implementation of the Principles for financial market infrastructures (PFMIs) . The PFMIs (published by CPSS-IOSCO in April 2012) are international standards for payment, clearing and settlement systems, and trade repositories. They are designed to ensure that the infrastructure supporting global financial markets is robust and well placed to withstand financial shocks.

This report provides jurisdictions' updated self-assessments on progress towards adopting the legislation and other policies that will enable them to implement the 24 Principles for FMIs and the Responsibilities for authorities included in the PFMIs. It shows that significant progress has been made by the 28 participating jurisdictions since the initial Level 1 report in August 2013. The report also reveals that progress in implementing the PFMIs continues to vary according to the type of financial market infrastructure (FMI). Overall there is encouraging progress across all FMI types, with implementation well advanced for central counterparties, trade repositories and payment systems but less advanced for central securities depositories and securities settlement systems. In particular, implementation measures applicable to payment systems have shown the most progress since the initial Level 1 assessment. Additional updates to the Level 1 report are planned on a periodic basis

Speeches

Macroprudential frameworks: (too) great expectations?

Contribution by Mr Claudio Borio, Head of the Monetary and Economic Department of the Bank for International Settlements, to the 25th anniversary edition of Central Banking Journal, originally published on 5 August 2014.

Macroprudential frameworks are a welcome response to the Great Financial Crisis. As long argued by the BIS, a stronger systemic orientation is essential if financial stability is to be assured. But macroprudential measures are still very much work in progress. Much scope remains for improving the range of tools available, refining the balance between rules and discretion, and strengthening governance arrangements, both nationally and internationally. Moreover, the experience so far indicates that it would be imprudent to rely solely on macroprudential frameworks when seeking to tame financial booms and busts, with their enormous economic costs. Financial cycles are simply too powerful. Other policies, not least monetary and fiscal, should also play a role. Macroprudential frameworks must be part of the answer, but they cannot be the whole answer.

General Manager's speech: Stepping out of the shadow of the crisis: three transitions for the world economy

Speech delivered by Mr Jaime Caruana, General Manager of the BIS, on the occasion of the Bank's Annual General Meeting, Basel, 29 June 2014.

These Good morning, ladies and gentlemen

This year's Annual Report offers our views on current challenges and aims to examine policies that might help us step out of the long shadow of the crisis. Our approach is to seek a long-term perspective with a view to shedding light on both the build-up of financial imbalances pre-crisis and their lasting consequences.

In my remarks, I will focus on my own observations on the Annual Report. Claudio Borio, Head of the BIS's Monetary and Economic Department, and Hyun Song Shin, Economic Adviser and Head of Research, will elaborate afterwards on some specific points.

Seven years on, the Great Financial Crisis still casts this long shadow on the world economy. The good news is that the global economy is healing and global growth has picked up during the past year. Reforms have taken hold, if unevenly. The recovery in the advanced economies has broadened. The euro area has eventually emerged from recession, while the slowdown in emerging market economies (EMEs) seems to have abated. The consensus expectation is for global growth to gradually return to pre-crisis rates (Graph 1).

The less good news is that challenges continue to be serious and new risks are emerging. By historical standards, the upswing has disappointed. But this should not be surprising. Consumers, firms and banks in crisis-hit economies are still repairing their balance sheets and grappling with an overburden of debt. Private sector deleveraging is most advanced in the United States; in other countries, including large tracts of the euro area, it is still very much work in progress. During the boom, resources were misallocated on a huge scale, and it will take time to move them to new and more productive uses. Meanwhile, a number of EMEs have moved into the late stage of their own financial booms. While these booms have helped to extricate the global economy from the Great Recession, they are now confronting the EMEs with a range of economic risks. And these risks cannot be altogether offset by the additional room for policy manoeuvre that the EMEs have won for themselves over the last few years.

Redesigning the central bank for financial stability responsibilities

Speech by Mr Jaime Caruana, General Manager of the Bank for International Settlements, on the occasion of the 135th Anniversary Conference of the Bulgarian National Bank, Sofia, 6 June 2014.

Central banks are being redesigned to better deal with their financial stability responsibilities – in just five years, over 60 central banks' laws have been changed. Since much of the responsibility for financial stability policy is shared, integrating financial stability considerations into monetary policy, and vice versa, presents tough institutional challenges. Independence of action against the build-up of financial imbalances is important. It is crucial to avoid a bias towards inaction.

Financial regulation, complexity and innovation

Speech by Mr Jaime Caruana, General Manager of the Bank for International Settlements, prepared for the Promontory Annual Lecture, London, 4 June 2014

A lot has been achieved since the financial crisis in the area of banking regulation and supervision. Further important initiatives are under way, and the focus has rightly shifted to implementation. But in a highly dynamic world, imperfect knowledge leaves regulatory design permanently in catch-up mode. As the system evolves and new kinds of risks emerge, especially outside the banking system, we need to employ a multidisciplinary, proactive approach, involving a combination of thicker buffers, suitable incentives and more intrusive supervision. Such an approach can help us in addressing new risks, such as in shadow banking and capital markets.