

# 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, December 2012<sup>1</sup>**

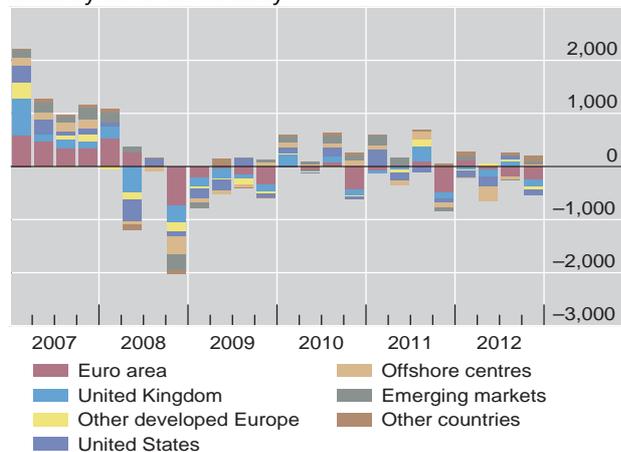
In billions of US dollars

	Vis-à-vis developed countries	Vis-à-vis offshore centres	Vis-à-vis emerging markets					All countries
			Total	Africa	Asia	Europe	Latin America	
<b>Amounts outstanding</b>								
<b>Total claims</b>	<b>24,824</b>	<b>4,256</b>	<b>3,786</b>	<b>490</b>	<b>1,677</b>	<b>885</b>	<b>733</b>	<b>33,625</b>
<b>Total cross-border claims</b>	<b>22,166</b>	<b>3,652</b>	<b>3,187</b>	<b>484</b>	<b>1,352</b>	<b>727</b>	<b>624</b>	<b>29,276</b>
Loans	15,323	2,944	2,464	438	1,053	526	447	20,815
Securities	4,663	573	394	19	163	85	126	5,815
Claims on banks	13,685	2,067	1,666	214	829	377	246	17,598
Claims on non-banks	8,480	1,586	1,520	269	523	349	378	11,679
US dollar	8,329	2,259	1,278	276	391	186	424	11,916
Euro	9,410	254	441	79	49	289	24	10,259
<b>Foreign currency claims on residents</b>	<b>2,659</b>	<b>604</b>	<b>599</b>	<b>6</b>	<b>325</b>	<b>158</b>	<b>109</b>	<b>3,862</b>
<b>Estimated exchange rate-adjusted changes during the quarter<sup>2</sup></b>								
<b>Total claims</b>	<b>-531</b>	<b>51</b>	<b>49</b>	<b>-13</b>	<b>40</b>	<b>13</b>	<b>9</b>	<b>-386</b>
<b>Total cross-border claims</b>	<b>-472</b>	<b>34</b>	<b>43</b>	<b>-12</b>	<b>39</b>	<b>5</b>	<b>11</b>	<b>-345</b>
Loans	-453	1	6	-15	22	-11	10	-441
Securities	20	28	25	2	11	9	3	118
Claims on banks	-468	-34	32	2	27	1	2	-467
Claims on non-banks	-3	68	10	-14	12	4	9	122
US dollar	-102	33	-9	-7	0	-6	5	-79
Euro	-319	-18	-7	-9	3	-1	1	-296
<b>Foreign currency claims on residents</b>	<b>-59</b>	<b>17</b>	<b>6</b>	<b>-1</b>	<b>1</b>	<b>8</b>	<b>-2</b>	<b>-36</b>
<b>Amounts outstanding</b>								
<b>Total liabilities</b>	<b>21,141</b>	<b>4,969</b>	<b>3,122</b>	<b>867</b>	<b>1,299</b>	<b>431</b>	<b>525</b>	<b>32,120</b>
<b>Total cross-border liabilities</b>	<b>18,124</b>	<b>4,059</b>	<b>2,517</b>	<b>858</b>	<b>902</b>	<b>311</b>	<b>445</b>	<b>24,946</b>
Deposits	15,229	3,882	2,418	848	863	305	403	21,767
Securities	1,429	90	22	3	9	1	9	1,543
Liabilities to banks	12,899	2,612	1,556	546	593	220	196	17,234
Liabilities to non-banks	5,225	1,446	960	312	309	91	249	7,712
US dollar	7,120	2,574	1,391	569	354	133	335	11,164
Euro	7,298	403	320	125	58	98	40	8,153
<b>Foreign currency liabilities to residents</b>	<b>3,018</b>	<b>911</b>	<b>606</b>	<b>9</b>	<b>396</b>	<b>120</b>	<b>80</b>	<b>4,534</b>
<b>Estimated exchange rate-adjusted changes during the quarter<sup>2</sup></b>								
<b>Total liabilities</b>	<b>-489</b>	<b>38</b>	<b>-20</b>	<b>-6</b>	<b>2</b>	<b>-3</b>	<b>-12</b>	<b>-608</b>
<b>Total cross-border liabilities</b>	<b>-443</b>	<b>4</b>	<b>-44</b>	<b>-5</b>	<b>-20</b>	<b>-4</b>	<b>-15</b>	<b>-493</b>
Deposits	-428	-18	-46	-6	-20	-5	-16	-502
Securities	4	-3	1	0	0	0	0	2
Liabilities to banks	-397	-29	-49	7	-37	-6	-14	-492
Liabilities to non-banks	-46	33	5	-12	17	2	-1	-1
US dollar	-70	-5	-20	6	-14	1	-14	-88
Euro	-328	-15	-36	-14	-19	-2	0	-392
<b>Foreign currency liabilities to residents</b>	<b>-47</b>	<b>34</b>	<b>24</b>	<b>-1</b>	<b>22</b>	<b>1</b>	<b>3</b>	<b>11</b>

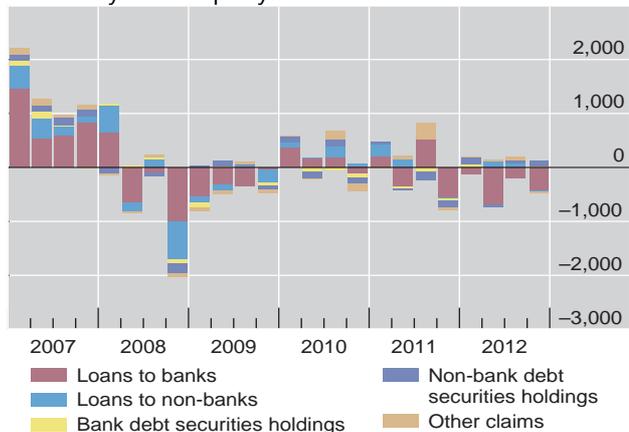
**Cross-border positions**

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 <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, December 2012<sup>1</sup>**

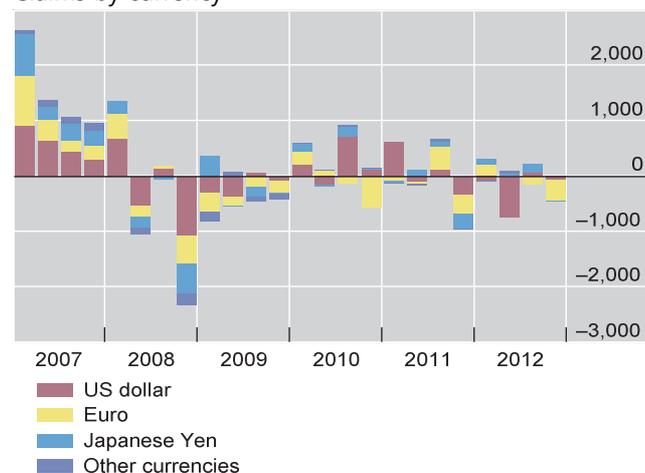
In billions of US dollars

	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>3,538</b>	<b>3,754</b>	<b>995</b>	<b>1,637</b>	<b>706</b>	<b>2,396</b>	<b>4,411</b>	<b>4,456</b>	<b>4,004</b>	<b>1,436</b>	<b>33,620</b>
on banks	2,183	2,103	620	707	348	1,457	2,464	1,854	2,599	747	18,881
on related foreign offices	1,233	1,147	233	447	221	1,023	1,612	1,026	1,562	222	10,664
on other banks	918	949	386	247	124	430	824	826	1,001	471	7,959
on official monetary institutions	32	7	0	12	2	5	27	2	36	55	258
on non-banks	1,355	1,651	375	930	358	939	1,947	2,602	1,405	689	14,739
US dollar	997	1,221	128	413	210	1,305	1,784	2,513	2,627	1,077	14,595
Euro	1,894	1,982	762	921	332	472	1,627	566	678	127	11,186
Other currencies	647	550	105	303	164	619	1,000	1,376	699	233	7,839
<b>Estimated exchange rate-adjusted changes during the quarter<sup>2</sup></b>											
<b>Total claims</b>	<b>-81</b>	<b>-104</b>	<b>-6</b>	<b>-4</b>	<b>7</b>	<b>-123</b>	<b>-190</b>	<b>101</b>	<b>-13</b>	<b>13</b>	<b>-433</b>
on banks	-27	-67	1	5	-25	-119	-155	38	-64	4	-522
on related foreign offices	6	-29	4	56	-17	-109	-52	77	-78	5	-197
on other banks	-35	-37	-2	-60	-7	35	-88	-40	33	-3	-257
on official monetary institutions	1	-2	0	9	-1	-45	-15	1	-19	2	-68
on non-banks	-54	-37	-7	-9	32	-5	-34	64	51	9	90
US dollar	-35	-9	-3	23	-19	-47	-89	56	-7	-1	-51
Euro	-75	-90	-4	-22	21	-68	-59	39	-20	-3	-375
Other currencies	29	-5	2	-4	6	-8	-41	7	13	17	-7
<b>Amounts outstanding</b>											
<b>Total liabilities</b>	<b>3,424</b>	<b>3,111</b>	<b>839</b>	<b>2,125</b>	<b>747</b>	<b>2,605</b>	<b>4,692</b>	<b>2,685</b>	<b>4,455</b>	<b>1,509</b>	<b>33,142</b>
to banks	1,792	1,765	550	534	399	1,446	2,290	1,539	2,322	786	17,072
to related foreign offices	942	1,122	160	366	163	1,073	1,465	825	1,404	173	9,415
to other banks	757	568	364	135	206	357	715	649	725	584	6,821
to official monetary institutions	93	76	26	33	30	16	111	65	193	28	837
to non-banks	1,633	1,345	289	1,592	348	1,159	2,402	1,145	2,133	723	16,070
US dollar	1,128	1,277	124	532	253	1,304	1,706	1,743	3,167	1,052	15,258
Euro	1,762	1,183	654	1,178	389	584	1,563	336	605	134	10,486
Other currencies	534	651	61	415	106	716	1,423	606	683	322	7,398
<b>Estimated exchange rate-adjusted changes during the quarter<sup>2</sup></b>											
<b>Total liabilities</b>	<b>-71</b>	<b>-91</b>	<b>-15</b>	<b>-31</b>	<b>-18</b>	<b>-161</b>	<b>-137</b>	<b>98</b>	<b>-51</b>	<b>34</b>	<b>-526</b>
to banks	-60	-73	-4	-19	-17	-100	-97	47	-71	1	-527
to related foreign offices	4	-20	-10	31	-13	-117	-29	57	-83	1	-230
to other banks	-55	-44	0	-51	-14	35	-58	-20	13	-5	-280
to official monetary institutions	-8	-9	5	1	10	-17	-11	10	-1	6	-17
to non-banks	-11	-18	-11	-12	-1	-61	-40	51	21	33	2
US dollar	15	-15	6	-3	8	-71	-92	91	-32	20	27
Euro	-74	-70	-22	-31	-17	-70	-46	30	-28	0	-484
Other currencies	-11	-6	0	3	-10	-20	1	-23	9	13	-68

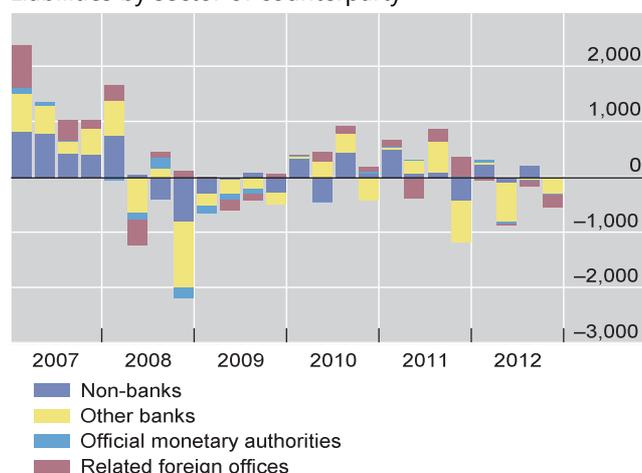
**International positions of BIS reporting banks**

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 <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, December 2012<sup>1</sup>**

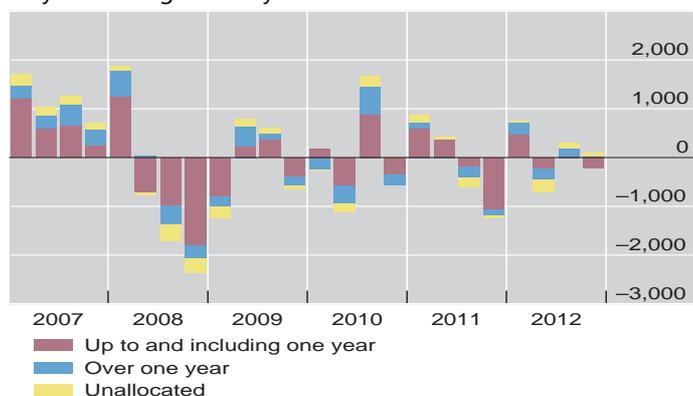
Amounts outstanding, in billions of US dollars

	Vis-à-vis developed countries				Vis-à-vis offshore centres	Vis-à-vis emerging markets					All countries
	Total	United States	Euro area	Japan		Total	Africa	Asia	Europe	Latin America	
<b>Foreign claims</b>	<b>22,476</b>	<b>5,789</b>	<b>8,936</b>	<b>1,197</b>	<b>2,703</b>	<b>5,654</b>	<b>663</b>	<b>2,182</b>	<b>1,443</b>	<b>1,366</b>	<b>30,795</b>
<b>International claims</b>	<b>14,134</b>	<b>2,647</b>	<b>6,475</b>	<b>799</b>	<b>2,140</b>	<b>3,291</b>	<b>446</b>	<b>1,441</b>	<b>814</b>	<b>590</b>	<b>19,661</b>
Up to and including one year	7,059	920	2,981	690	1,105	1,689	211	898	304	276	9,847
Over one year	4,727	1,067	2,379	48	656	1,267	208	393	418	247	6,680
Unallocated by maturity	2,347	659	1,116	61	379	334	26	150	92	67	3,134
<b>Local currency claims</b>	<b>8,342</b>	<b>3,142</b>	<b>2,461</b>	<b>398</b>	<b>563</b>	<b>2,363</b>	<b>217</b>	<b>741</b>	<b>629</b>	<b>776</b>	<b>11,134</b>
<b>Local currency liabilities</b>	<b>6,128</b>	<b>2,469</b>	<b>1,973</b>	<b>195</b>	<b>491</b>	<b>1,766</b>	<b>189</b>	<b>480</b>	<b>499</b>	<b>599</b>	<b>8,287</b>
<b>Unadjusted changes during the quarter<sup>2</sup></b>											
<i>Foreign claims</i>	-255	-28	-66	5	55	94	-12	40	30	35	-331
<i>International claims</i>	-113	-20	27	28	38	47	-9	20	5	30	-117
<i>Local currency claims</i>	-141	-8	-92	-23	17	48	-3	20	25	5	-214
<i>Local currency liabilities</i>	-111	-35	49	-48	10	20	-3	0	15	8	-182
<b>Nationality of reporting banks:</b>											
<b>Foreign claims</b>											
<b>Domestically owned banks (total)</b>	<b>18,582</b>	<b>5,358</b>	<b>7,181</b>	<b>760</b>	<b>2,603</b>	<b>5,109</b>	<b>610</b>	<b>1,845</b>	<b>1,378</b>	<b>1,276</b>	<b>26,257</b>
Euro area	7,404	1,346	3,876	160	376	2,166	217	281	1,069	599	10,061
Switzerland	1,214	625	281	69	217	162	28	68	24	41	1,604
United Kingdom	2,520	1,085	1,015	113	593	919	224	480	69	146	4,075
Japan	2,269	1,204	579	.	585	369	33	244	32	59	3,223
United States	2,043	.	768	348	494	794	69	351	89	284	3,358
Other countries <sup>3</sup>	3,133	1,098	661	70	337	699	38	420	93	147	3,937
<b>Other foreign banks</b>	<b>3,894</b>	<b>431</b>	<b>1,755</b>	<b>437</b>	<b>100</b>	<b>545</b>	<b>53</b>	<b>337</b>	<b>65</b>	<b>90</b>	<b>4,538</b>
<b>International claims, all maturities</b>											
<b>Domestically owned banks (total)</b>	<b>10,351</b>	<b>2,240</b>	<b>4,800</b>	<b>363</b>	<b>2,040</b>	<b>2,749</b>	<b>395</b>	<b>1,104</b>	<b>749</b>	<b>500</b>	<b>15,237</b>
Euro area	4,204	585	2,312	97	342	1,021	152	205	513	151	5,682
Switzerland	554	116	254	22	199	132	26	56	23	27	894
United Kingdom	1,170	355	618	65	247	414	95	214	51	54	1,874
Japan	1,807	870	540	.	541	280	33	158	32	57	2,628
United States	1,313	.	656	138	443	443	52	196	59	136	2,226
Other countries <sup>3</sup>	1,301	314	420	41	269	459	38	276	71	75	1,933
<b>Other foreign banks</b>	<b>3,783</b>	<b>407</b>	<b>1,675</b>	<b>436</b>	<b>100</b>	<b>542</b>	<b>50</b>	<b>337</b>	<b>65</b>	<b>89</b>	<b>4,424</b>
<b>International claims, short-term</b>											
<b>Domestically owned banks (total)</b>	<b>4,699</b>	<b>722</b>	<b>2,045</b>	<b>271</b>	<b>1,042</b>	<b>1,369</b>	<b>189</b>	<b>660</b>	<b>277</b>	<b>242</b>	<b>7,112</b>
Euro area	1,921	294	817	59	168	365	55	87	156	67	2,489
Switzerland	315	45	144	15	145	70	20	27	10	14	531
United Kingdom	574	155	321	36	147	227	48	124	30	26	952
Japan	207	74	61	.	56	100	7	78	8	7	363
United States	976	.	465	131	380	346	43	164	44	95	1,718
Other countries <sup>3</sup>	706	155	238	31	147	261	16	181	30	34	1,058
<b>Other foreign banks</b>	<b>2,360</b>	<b>198</b>	<b>935</b>	<b>419</b>	<b>63</b>	<b>321</b>	<b>22</b>	<b>238</b>	<b>27</b>	<b>34</b>	<b>2,735</b>

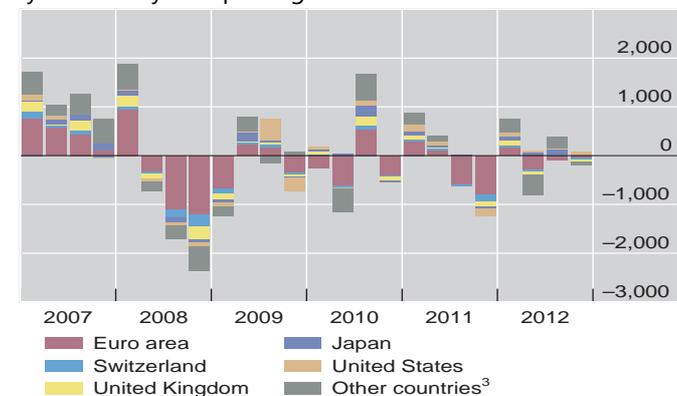
**International claims of BIS reporting banks on an immediate borrower basis<sup>4</sup>**

 Changes in stocks<sup>2</sup>

By remaining maturity



By nationality of reporting banks



<sup>1</sup> Detailed breakdowns and time series data are available at <http://www.bis.org/statistics/constats.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, December 2012<sup>1</sup>**

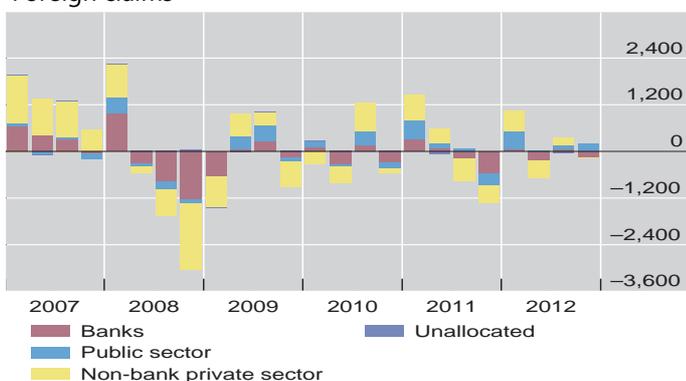
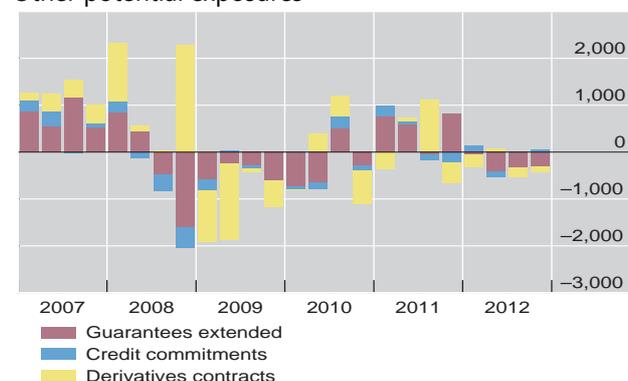
Amounts outstanding, in billions of US dollars

	Vis-à-vis developed countries				Vis-à-vis offshore centres	Vis-à-vis emerging markets					All countries
	Total	United States	Euro area	Japan		Total	Africa	Asia	Europe	Latin America	
<b>Foreign claims</b>	<b>18,365</b>	<b>5,436</b>	<b>6,996</b>	<b>786</b>	<b>1,933</b>	<b>4,900</b>	<b>566</b>	<b>1,780</b>	<b>1,316</b>	<b>1,238</b>	<b>25,416</b>
Banks	3,966	753	1,604	255	134	879	76	463	184	155	4,988
Public sector	4,223	1,530	1,650	281	207	1,242	147	377	322	395	5,812
Non-bank private sector	10,051	3,105	3,720	248	1,567	2,758	342	938	797	682	14,441
Unallocated	125	48	22	1	25	21	1	2	13	5	174
<b>Cross-border claims</b>	<b>9,481</b>	<b>2,287</b>	<b>4,555</b>	<b>317</b>	<b>1,190</b>	<b>2,071</b>	<b>304</b>	<b>896</b>	<b>481</b>	<b>390</b>	<b>12,956</b>
<b>Local claims in all currencies</b>	<b>8,883</b>	<b>3,149</b>	<b>2,441</b>	<b>469</b>	<b>743</b>	<b>2,829</b>	<b>262</b>	<b>884</b>	<b>835</b>	<b>848</b>	<b>12,459</b>
<b>Unadjusted changes during the quarter<sup>2</sup></b>											
Foreign claims	-130	-12	-27	-19	32	89	-13	40	32	31	23
Cross-border claims	19	-16	47	4	9	30	-15	23	7	15	90
Local claims in all currencies	-149	4	-75	-23	23	59	2	16	25	15	-67
<b>Nationality of reporting banks<sup>3</sup></b>											
<b>Foreign claims</b>											
<b>Total</b>	<b>18,365</b>	<b>5,436</b>	<b>6,996</b>	<b>786</b>	<b>1,933</b>	<b>4,900</b>	<b>566</b>	<b>1,780</b>	<b>1,316</b>	<b>1,238</b>	<b>25,416</b>
Euro area	7,329	1,351	3,799	154	320	2,110	212	275	1,024	599	9,863
France	2,067	406	1,184	91	100	444	127	102	178	37	2,617
Germany	2,155	497	996	46	124	303	46	96	122	39	2,620
Italy	607	31	498	.	12	218	10	13	192	3	843
Spain	875	204	233	3	16	548	3	10	50	485	1,481
Switzerland	1,277	671	294	68	128	145	17	67	22	40	1,561
United Kingdom	2,553	1,081	1,031	130	552	936	219	497	70	149	4,083
Japan	2,286	1,296	532	.	373	357	30	235	32	61	3,016
United States	2,156	.	764	373	343	790	66	354	88	282	3,330
Other countries	2,763	1,037	576	60	217	562	22	353	80	106	3,562
<b>Cross-border claims</b>											
<b>Total</b>	<b>9,481</b>	<b>2,287</b>	<b>4,555</b>	<b>317</b>	<b>1,190</b>	<b>2,071</b>	<b>304</b>	<b>896</b>	<b>481</b>	<b>390</b>	<b>12,956</b>
Euro area	3,786	552	2,169	75	247	732	134	180	304	114	4,869
France	1,040	126	617	36	75	203	67	71	38	27	1,325
Germany	1,507	306	828	26	107	220	45	59	81	35	1,873
Italy	259	20	172	.	11	37	4	6	24	3	312
Spain	171	23	99	3	12	47	3	10	5	29	272
Switzerland	533	144	265	21	89	113	14	54	21	25	744
United Kingdom	1,149	347	615	61	146	340	65	180	46	49	1,677
Japan	1,846	985	493	.	321	240	27	125	30	58	2,407
United States	1,214	.	651	128	273	379	45	171	54	109	1,907
Other countries	953	259	363	33	114	267	19	187	26	35	1,351
<b>Other potential exposures<sup>4,5</sup></b>											
Derivatives contracts	3,299	825	1,225	118	100	152	33	55	22	41	3,569
Guarantees extended	6,287	577	2,544	228	218	1,210	135	372	451	251	8,061
Credit commitments	2,743	926	930	35	211	560	68	184	138	170	3,517

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

 Changes in stocks<sup>2</sup>

Foreign claims

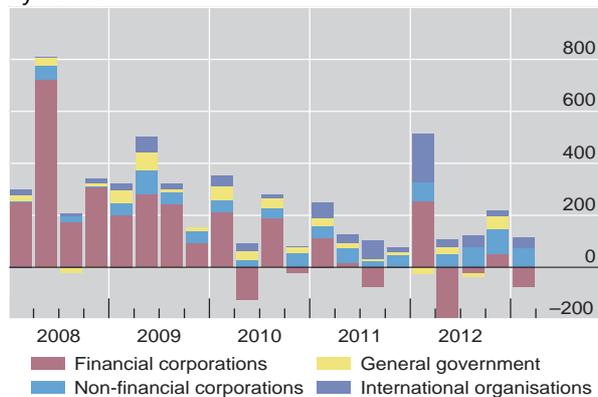
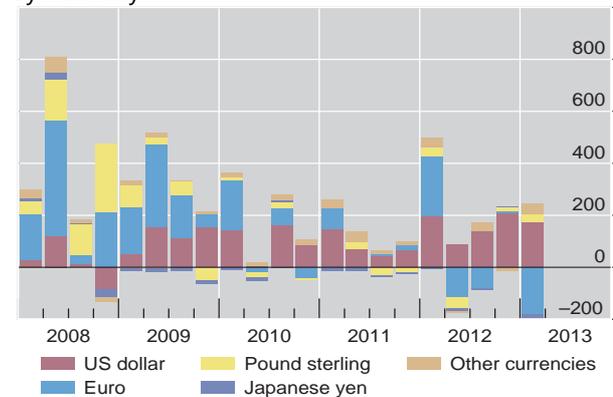

 Other potential exposures<sup>4,5</sup>


<sup>1</sup> Detailed breakdowns and time series data are available at <http://www.bis.org/statistics/constats/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, March 2013<sup>1</sup>**

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>16,879</b>	<b>1,977</b>	<b>9,056</b>	<b>184</b>	<b>1,728</b>	<b>1,528</b>	<b>196</b>	<b>397</b>	<b>394</b>	<b>541</b>	<b>1,371</b>	<b>21,506</b>
<b>Money market instruments</b>	<b>744</b>	<b>9</b>	<b>439</b>	<b>1</b>	<b>61</b>	<b>13</b>	<b>4</b>	<b>6</b>	<b>0</b>	<b>3</b>	<b>16</b>	<b>834</b>
Financial corporations	668	6	396	1	61	13	4	6	0	3	0	742
Non-financial corporations	32	2	21	0	0	0	0	0	0	0	0	32
General government	44	0	23	0	0	0	0	0	0	0	0	44
US dollar	270	1	149	0	34	9	3	4	0	2	10	323
Euro	284	4	192	0	10	1	0	1	0	0	3	298
Other currencies	190	3	99	1	18	2	1	1	0	0	3	214
<b>Bonds and notes</b>	<b>16,135</b>	<b>1,968</b>	<b>8,617</b>	<b>183</b>	<b>1,667</b>	<b>1,515</b>	<b>192</b>	<b>391</b>	<b>394</b>	<b>539</b>	<b>1,355</b>	<b>20,672</b>
Financial corporations	13,332	1,722	7,045	142	1,546	416	53	183	76	104	0	15,293
Non-financial corporations	1,975	241	969	37	71	419	66	115	53	185	0	2,465
General government	828	4	603	4	50	678	73	90	265	250	0	1,557
US dollar	4,552	1,301	1,330	90	1,276	1,138	154	304	235	446	404	7,371
Euro	8,270	406	6,389	9	144	192	18	9	124	41	534	9,141
Other currencies	3,313	260	898	84	246	184	19	78	35	52	417	4,160
Floating rate	5,110	404	2,858	23	511	65	18	20	12	15	103	5,789
Fixed rate	10,800	1,489	5,688	136	1,102	1,408	166	347	379	516	1,251	14,562
Equity-related	226	76	71	24	53	42	8	24	3	7	0	322
<b>Net issuance during the quarter</b>												
<b>Total issues</b>	<b>-67</b>	<b>-41</b>	<b>-54</b>	<b>10</b>	<b>29</b>	<b>34</b>	<b>4</b>	<b>9</b>	<b>8</b>	<b>12</b>	<b>44</b>	<b>40</b>
<b>Money market instruments</b>	<b>10</b>	<b>1</b>	<b>7</b>	<b>0</b>	<b>11</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-12</b>	<b>10</b>
Financial corporations	10	0	8	0	11	1	1	0	0	0	0	22
Non-financial corporations	6	1	4	0	0	0	0	0	0	0	0	6
General government	-6	0	-5	0	0	0	0	0	0	0	0	-6
US dollar	12	0	11	0	3	1	1	0	0	0	-8	8
Euro	-11	1	-12	0	3	0	0	0	0	0	-1	-9
Other currencies	10	1	8	0	5	0	0	0	0	0	-3	11
<b>Bonds and notes</b>	<b>-77</b>	<b>-42</b>	<b>-61</b>	<b>10</b>	<b>18</b>	<b>33</b>	<b>4</b>	<b>9</b>	<b>8</b>	<b>12</b>	<b>56</b>	<b>30</b>
Financial corporations	-128	-45	-84	10	16	17	2	5	7	3	0	-95
Non-financial corporations	46	3	29	-1	3	16	-1	6	2	8	0	64
General government	5	0	-5	0	-1	1	3	-1	-1	0	0	5
US dollar	78	-21	34	11	24	33	5	7	11	10	28	163
Euro	-137	-22	-87	0	-4	-7	-1	-1	-5	0	-21	-168
Other currencies	-18	1	-7	-2	-2	6	0	3	2	1	49	35
Floating rate	-64	-4	-59	2	-6	-1	-1	0	0	0	13	-59
Fixed rate	-22	-44	-10	9	24	37	5	12	8	12	43	82
Equity-related	10	6	9	-1	-1	-2	0	-2	0	0	0	7

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

**By currency**


<sup>1</sup> Compilation methodology changed in December 2012 for the full history of the statistics; see "Enhancements to the BIS debt securities statistics", BIS Quarterly Review, December 2012.

**Table 3B: Domestic and total debt securities, December 2012<sup>1</sup>**

In billions of US dollars

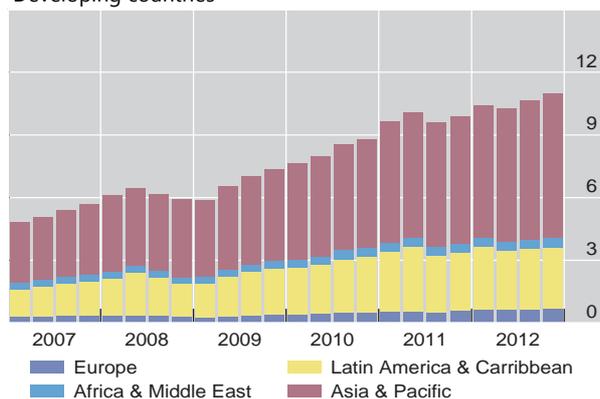
Domestic debt securities												
	China	Brazil	Korea	Mexico	Malaysia	Thailand	Turkey	South Africa	Russia	Israel	Indonesia	Singapore
<b>Amounts outstanding</b>												
All issuers	3,777	2,140	1,280	539	352	291	233	218	244	209	130	117
Financial corporations	1,688	600	370	162	76	144	15	51	55	43	14	...
Non-financial corporations	805	157	498	42	130	46	1	28	69	43	7	...
General government	1,284	1,382	412	336	147	101	217	139	120	123	110	117
Short-term	...	...	87	98	72	68	13	30	...	1	...	49
Long-term	...	...	1,193	442	280	223	220	188	104	122	...	68
Unallocated	3,777	2,140	0	0	0	0	0	0	140	86	130	0
<b>Exchange rate adjusted changes</b>												
All issuers	111	79	19	9	7	7	1	6	24	9	2	-1
Financial corporations	23	-1	4	6	-2	7	1	0	5	1	2	...
Non-financial corporations	63	11	13	1	4	1	1	1	5	2	0	...
General government	25	68	2	2	6	0	-1	5	14	6	1	-1
Short-term	...	...	2	1	-2	0	1	-2	...	0	...	1
Long-term	...	...	17	8	9	7	-1	8	7	7	...	-2
Unallocated	111	79	0	0	0	0	0	0	17	3	2	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>2</sup>	35,155	14,592	5,683	4,532	4,355	3,894	2,424	2,337	2,101	2,015	1,322	920
Financial corporations	14,437	3,126	2,654	1,882	2,027	1,572	1,430	1,768	456	1,233	1,199	725
Non-financial corporations	6,435	910	800	601	150	139	22	131	357	212	4	34
General government	14,042	10,556	2,224	2,049	2,178	2,183	972	438	1,288	569	119	162

## Outstanding amounts

In trillions of US dollars

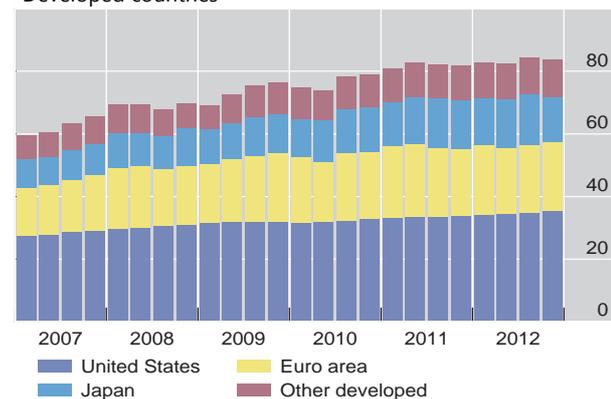
### Domestic debt securities

#### Developing countries



### Total debt securities

#### Developed countries



<sup>1</sup> Compilation methodology changed in December 2012 for the full history of the statistics; see "Enhancements to the BIS debt securities statistics", BIS Quarterly Review, December 2012. <sup>2</sup> All issuers include households and non-profit institutions serving households.

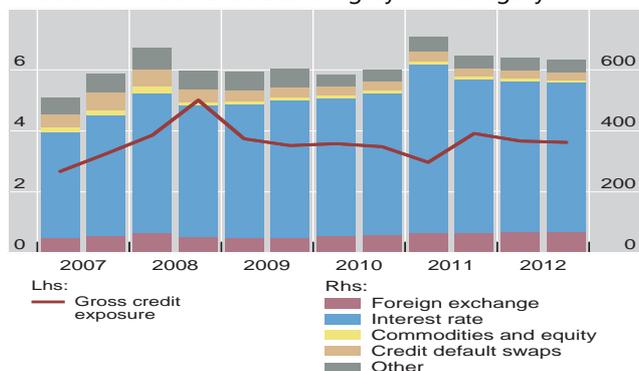
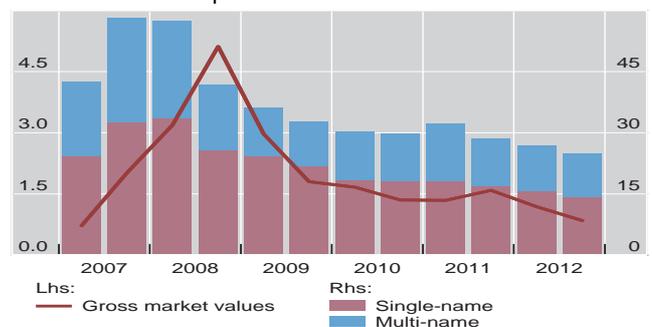
**Table 4: Global OTC derivatives market, end-December 2012<sup>1</sup>**

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>564,385</b>	<b>134,547</b>	<b>383,855</b>	<b>44,208</b>	<b>68,193</b>	<b>38,889</b>	<b>23,944</b>	<b>4,366</b>
<b>Foreign exchange</b>	<b>57,138</b>	<b>23,979</b>	<b>24,669</b>	<b>8,490</b>	<b>10,220</b>	<b>4,856</b>	<b>4,162</b>	<b>1,203</b>
US dollar	49,745	22,305	21,059	6,381	7,855	3,528	3,350	977
Euro	20,241	7,774	8,646	3,822	3,556	1,844	1,222	490
Japanese yen	10,641	5,318	3,866	1,457	3,471	1,764	1,365	341
Pound sterling	7,323	2,882	3,186	1,255	502	218	194	89
Other	26,326	9,678	12,582	4,066	5,058	2,358	2,192	508
Up to one year	40,697	15,616	18,878	6,203	7,438	3,175	3,358	905
Over one year	16,441	8,362	5,792	2,287	2,782	1,681	804	298
<i>Memo: Exchange-traded<sup>3</sup></i>	231	.	.	.	105	.	.	.
<b>Interest rate</b>	<b>441,351</b>	<b>86,973</b>	<b>322,095</b>	<b>32,283</b>	<b>48,351</b>	<b>29,923</b>	<b>15,981</b>	<b>2,448</b>
US dollar	135,725	23,385	103,162	9,178	12,950	7,166	4,977	808
Euro	163,114	23,813	128,562	10,740	24,249	15,984	7,183	1,082
Japanese yen	48,754	16,257	27,175	5,322	6,058	4,105	1,736	217
Pound sterling	39,153	6,974	29,540	2,639	3,092	1,927	1,031	133
Other	54,606	16,544	33,657	4,405	2,002	741	1,054	207
Up to one year	177,677	30,708	136,661	10,308	12,995	7,163	5,130	702
Over one year	263,674	56,265	185,434	21,975	35,356	22,759	10,851	1,746
<i>Memo: Exchange-traded<sup>3</sup></i>	22,683	.	.	.	25,947	.	.	.
<b>Equity</b>	<b>2,045</b>	<b>597</b>	<b>1,121</b>	<b>327</b>	<b>4,207</b>	<b>1,552</b>	<b>2,226</b>	<b>429</b>
<i>Memo: Exchange-traded<sup>3</sup></i>	1,252	.	.	.	2,331	.	.	.
<b>Commodities</b>	<b>1,658</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>929</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>Credit default swaps</b>	<b>25,069</b>	<b>14,149</b>	<b>10,720</b>	<b>200</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>Unallocated</b>	<b>37,125</b>	<b>8,850</b>	<b>25,250</b>	<b>2,908</b>	<b>4,486</b>	<b>2,558</b>	<b>1,575</b>	<b>287</b>
<b>Gross market values</b>								
<b>All contracts</b>	<b>21,759</b>	<b>6,712</b>	<b>13,419</b>	<b>1,628</b>	<b>2,595</b>	<b>1,582</b>	<b>785</b>	<b>228</b>
<b>Foreign exchange</b>	<b>2,050</b>	<b>817</b>	<b>838</b>	<b>395</b>	<b>254</b>	<b>125</b>	<b>71</b>	<b>58</b>
US dollar	1,674	742	661	271	194	95	54	45
Euro	687	218	296	173	72	33	22	17
Japanese yen	681	341	240	101	145	75	37	34
Pound sterling	198	58	83	58	9	4	2	3
Other	860	276	396	187	87	43	28	16
<b>Interest rate</b>	<b>17,128</b>	<b>4,850</b>	<b>11,206</b>	<b>1,072</b>	<b>1,706</b>	<b>1,174</b>	<b>463</b>	<b>69</b>
US dollar	5,438	1,789	3,354	295	498	354	126	18
Euro	8,091	1,920	5,621	549	976	668	271	37
Japanese yen	835	349	454	32	76	58	17	1
Pound sterling	1,492	363	1,031	98	124	80	35	9
Other	1,272	428	747	98	31	14	14	3
<b>Equity</b>	<b>157</b>	<b>30</b>	<b>94</b>	<b>33</b>	<b>448</b>	<b>169</b>	<b>194</b>	<b>85</b>
<b>Credit default swaps</b>	<b>848</b>	<b>529</b>	<b>309</b>	<b>10</b>	<b>...</b>	<b>...</b>	<b>...</b>	<b>...</b>
<b>Unallocated</b>	<b>1,576</b>	<b>486</b>	<b>972</b>	<b>118</b>	<b>188</b>	<b>115</b>	<b>57</b>	<b>16</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. Locational by residence and nationality statistics of the latest quarter for Bahamas relate to 2012Q2. 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> Cross-border claims	<b>B</b> Local claims of foreign affiliates in foreign currency	<b>C</b> Local claims of foreign affiliates in local currency	<b>D</b> Domestic claims in the reporting country
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***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

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 Gruic & P Wooldridge
September 2012	Do debt service costs affect macroeconomic and financial stability?	M Drehmann & M Juselius
September 2012	Taylor rules and monetary policy: a global "Great Deviation"?	B Hofmann & B Bogdanova
September 2012	Credit in times of stress: lessons from Latin America	C Montoro & L Rojas-Suarez
September 2012	Have public bailouts made banks' loan books safer?	M Brei & B Gadanez
June 2012	Countercyclical policies in emerging markets	E Takáts
June 2012	Eurodollar banking and currency internationalisation	D He & R McCauley
June 2012	The expansion of central bank balance sheets in emerging Asia: A Filardo & J Yetman what are the risks?	
March 2012	The impact of Federal Reserve asset purchase programmes: another twist	J Meaning and F Zhu
March 2012	FX volume during the financial crisis and now	M Bech
March 2012	Bank stock returns, leverage and the business cycle	K Tsatsaronis & J Yang

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

### BIS Papers

#### **Central bank finances**

**April 2013**

[www.bis.org/publ/bppdf/bispap71.htm](http://www.bis.org/publ/bppdf/bispap71.htm)

This paper looks at the relevance of a central bank's own finances for its policy work. Some central banks are exposed to significant financial risks, partly due to the environment in which they operate, and partly due to the nature of policy actions. While financial exposures and losses do not hamper central banks' operational capabilities, they may weaken the effectiveness of central bank policy transmission. Against this backdrop, the paper analyses the determinants of a central bank's financial position and the possible implications of insufficient financial resources for policymaking. It also provides a conceptual framework for considering the question of whether central banks have sufficient financial resources.

### BIS Working Papers

#### **The 2011 FDIC assessment on banks managed liabilities: interest rate and balance-sheet responses**

**Lawrence L Kreicher, Robert N McCauley and Patrick McGuire**

[www.bis.org/publ/work413.htm](http://www.bis.org/publ/work413.htm)

The global financial crisis led to discussion of corrective bank taxes to promote financial stability. This paper interprets the widening of the FDIC assessment base from deposits to assets less equity for US-chartered banks in April 2011 as such a corrective or Pigovian tax. In terms of yields, banks shifted its cost to wholesale funders, benefiting floating-rate borrowers, while the linkage between onshore and offshore dollar money markets weakened. In terms of quantities, US-chartered banks shifted funding to more stable deposits. At the same time, the US branches of non-US banks, which were unaffected by the widened assessment base, increased US assets, funding their take-up of most of the Fed's reserve injection of \$600 billion offshore. Thus, a new internationally uncoordinated policy had the expected effect on US banks' funding structure, but also redistributed dollar intermediation to non-US banks that continue to rely on wholesale funding. The implication for global financial stability is at best ambiguous.

#### **Structural bank regulation initiatives: approaches and implications**

**Leonardo Gambacorta and Adrian Van Rixtel**

[www.bis.org/publ/work412.htm](http://www.bis.org/publ/work412.htm)

The paper examines the basic rationale and features of the proposals adopted to separate specific investment and commercial banking activities (Volcker rule, Vickers and Liikanen proposals). In particular, it focuses on the likely implications of such initiatives for: (i) financial stability and systemic risk; (ii) banks' business models; and (iii) the international activities of global banks.

#### **Financial sector ups and downs and the real sector in the open economy: Up by the stairs, down by the parachute**

**Joshua Aizenman, Brian Pinto and Vladyslav Sushko**

[www.bis.org/publ/work411.htm](http://www.bis.org/publ/work411.htm)

We examine how financial expansion and contraction cycles affect the broader economy through their impact on real economic sectors in a panel of countries over 1960–2005. Periods of accelerated growth of the financial sector are more likely to be followed by abrupt financial contractions than are periods of slower financial sector growth. Sharp fluctuations in the financial sector have strongly asymmetric effects,

<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)).

with the majority of real sectors adversely affected by contractions, but not helped by expansions. The adverse effects of financial contractions are transmitted almost exclusively through the financial openness channel, with precautionary foreign exchange reserve holdings serving as a key buffer.

### **Is China or India more financially open?**

**Guonan Ma and Robert N McCauley**

[www.bis.org/publ/work410.htm](http://www.bis.org/publ/work410.htm)

Measures of de facto capital account openness for China and India raise the question whether the Chinn-Ito measure of de jure capital account openness is useful and whether the Lane-Milesi-Ferretti measure of de facto openness ranks the two countries correctly. We examine eight dimensions of de facto capital account openness. Four measures based on onshore and offshore prices test the law of one price. Among the four quantity measures, we introduce two new ones into the debate: the openness of consolidated banking systems and the internationalisation of currencies. Generally, the measures show both economies becoming more financially open over time. In six of the eight dimensions, the Indian economy appears to be more open financially. Nevertheless, policy continues to segment onshore and offshore markets in both and policymakers face challenges in further financial integration.

### **Wage and price dynamics in a large emerging economy: The case of China**

**Carsten A Holz and Aaron Mehrotra**

[www.bis.org/publ/work409.htm](http://www.bis.org/publ/work409.htm)

This study finds that the growth in labour costs in China is not passed through fully to final prices in China, neither in the tradable goods sector nor in the economy as a whole. This probably reflects the strong pressure on profit margins from a highly competitive environment, especially in manufactured goods. The potential implications of labour cost increases in China for global inflation pressures are also discussed.

### **The Great Financial Crisis: setting priorities for new statistics**

**Claudio Borio**

[www.bis.org/publ/work408.htm](http://www.bis.org/publ/work408.htm)

Every financial crisis brings in its wake demands for more information; the latest one is no exception. Because, in deceptively tranquil times, it is well-nigh impossible to foster the consensus necessary to improve data availability, such a window of opportunity must not be missed. To be sure, the main reason why crises occur is not lack of statistics but the failure to interpret them correctly and to take remedial action. But better statistics can no doubt be a big help. Priorities for new data collections include better property prices and, above all, comprehensive financial information for banks on a consolidated and global basis, covering their balance sheets but also their income statements. This could be usefully complemented with corresponding information on the international geography of these banks' operations and, for crisis management purposes, with much more timely and granular data on their bilateral exposures. The collection of information should be based on sound governance arrangements, flexible and cost-efficient. The BIS can play and is playing a very active role.

### **Do economies stall? The international evidence**

**Wai-Yip Alex Ho and James Yetman**

[www.bis.org/publ/work407.htm](http://www.bis.org/publ/work407.htm)

A "stalling" economy has been defined as one that experiences a discrete deterioration in economic performance following a decline in its growth rate to below some threshold level. Previous efforts to identify stalls have focused primarily on the US economy, with the threshold level being chosen endogenously, and have suggested that the concept of a stall may be useful for macroeconomic forecasting.

We examine the international evidence for stalling in a panel of 51 economies using two different definitions of a stall threshold (time-invariant and related to lagged average growth rates) and two complementary empirical approaches (insample statistical significance and out-of-sample forecast performance). We find that the evidence for stalling based on time-invariant thresholds is limited: only 12 of the 51 economies in our sample experience statistically significant stalls, and including a stall threshold generally results in only modest improvements to out-of-sample forecast performance. When we instead model the stall threshold as varying with average growth rates, the number of economies with statistically-significant stalls actually declines (to nine), but in 71% of the cases we examine, including a stall threshold results in an improvement in out-of-sample forecast performance.

## Basel Committee on Banking Supervision

### **Report to G20 Finance Ministers and Central Bank Governors on monitoring implementation of Basel III regulatory reform**

**April 2013**

[www.bis.org/publ/bcbs249.htm](http://www.bis.org/publ/bcbs249.htm)

Full, timely and consistent implementation of Basel III remains fundamental to building a resilient financial system, maintaining public confidence in regulatory ratios and providing a level playing field for internationally active banks. This report updates G20 Finance Ministers and Central Bank Governors on progress in adoption of the Basel III regulatory reforms since the Basel Committee on Banking Supervision issued its October 2012 report. The scope of this update is broader than previous progress reports to the G20. In addition to reporting on the steps taken by Basel Committee member jurisdictions towards implementing the Basel III capital standards, which was the focus of the last report, this update also covers developments in other Basel III regulatory standards, and banks' progress in bolstering their capital bases. The report also highlights specific implementation-related shortcomings that are surfacing, which require continued policy and operational attention.

### **Monitoring tools for intraday liquidity management - final document**

**April 2013**

[www.bis.org/publ/bcbs248.htm](http://www.bis.org/publ/bcbs248.htm)

This document is the final version of the Committee's *Monitoring tools for intraday liquidity management*. It was developed in consultation with the Committee on Payment and Settlement Systems to enable banking supervisors to better monitor a bank's management of intraday liquidity risk and its ability to meet payment and settlement obligations on a timely basis. Over time, the tools will also provide supervisors with a better understanding of banks' payment and settlement behaviour.

The framework includes:

- the detailed design of the monitoring tools for a bank's intraday liquidity risk;
- stress scenarios;
- key application issues; and
- the reporting regime

Management of intraday liquidity risk forms a key element of a bank's overall liquidity risk management framework. As such, the set of seven quantitative monitoring tools will complement the qualitative guidance on intraday liquidity management set out in the Basel Committee's 2008 *Principles for Sound Liquidity Risk Management and Supervision*. It is important to note that the tools are being introduced for monitoring purposes only and that internationally active banks will be required to apply them. National supervisors will determine the extent to which the tools apply to non-internationally active banks within their jurisdictions.

*Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools* (January 2013), which sets out one of the Committee's key reforms to strengthen global liquidity regulations does not include intraday liquidity within its calibration. The reporting of the monitoring tools will commence on a monthly basis from 1 January 2015 to coincide with the implementation of the LCR reporting requirements.

An earlier version of the framework of monitoring tools was issued for consultation in July 2012. The Committee wishes to thank those who provided feedback and comments as these were instrumental in revising and finalising the monitoring tools.

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

**April 2013**

[www.bis.org/publ/bcbs247.htm](http://www.bis.org/publ/bcbs247.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 March 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 October 2012 report to G20 Finance Ministers and Central Bank Governors on implementation of the Basel regulatory framework.

### **Supervisory framework for measuring and controlling large exposures**

**March 2013**

[www.bis.org/publ/bcbs246.htm](http://www.bis.org/publ/bcbs246.htm)

The Basel Committee on Banking Supervision has today published a proposed supervisory framework for measuring and controlling large exposures.

One of the key lessons from the financial crisis is that banks did not always consistently measure, aggregate and control exposures to single counterparties across their books and operations. And throughout history there have been instances of banks failing due to concentrated exposures to individual counterparties (eg Johnson Matthey Bankers in the UK in 1984, the Korean banking crisis in the late 1990s). Large exposures regulation has arisen as a tool for containing the maximum loss a bank could face in the event of a sudden counterparty failure to a level that does not endanger the bank's solvency.

A separate key lesson from the crisis is that material losses in one systemically important financial institution (SIFI) can trigger concerns about the solvency of other SIFIs, with potentially catastrophic consequences for global financial stability. The Committee is of the view that the large exposures framework is a tool that could be used to mitigate the risk of contagion between global systemically important banks, thus underpinning financial stability.

Finally, the consultation paper presents proposals to strengthen the oversight and regulation of the shadow banking system in relation to large exposures. In particular, the proposals include policy measures designed to capture bank-like activities conducted by non-banks that are of concern to supervisors.

The proposed new standard aims to ensure greater consistency in the way banks and supervisors measure, aggregate and control exposures to single counterparties. Acting as a backstop to risk-based capital requirements, the standard would supplement the existing risk-based capital framework by protecting banks from substantive losses caused by the sudden default of a counterparty or group of connected counterparties. The consultative paper would replace the Basel Committee's 1991 guidance Measuring and controlling large credit exposures.

### **Recognising the cost of credit protection purchased**

**March 2013**

[www.bis.org/publ/bcbs245.htm](http://www.bis.org/publ/bcbs245.htm)

The proposal set out in this consultative document would strengthen capital requirements when banks engage in certain high-cost credit protection transactions. The Committee has previously expressed concerns about potential regulatory capital arbitrage related to certain credit protection transactions. At that time it noted that it would continue to monitor developments with respect to such transactions and would consider imposing a globally harmonised minimum capital Pillar 1 requirement if necessary. After further consideration, the Committee decided to move forward with a more comprehensive Pillar 1 proposal.

While the Committee recognises that the purchase of credit protection can be an effective risk management tool, the proposed changes are intended to ensure that the costs, and not just the benefits, of purchased credit protection are appropriately recognised in regulatory capital. It does this by requiring that banks, under certain circumstances, calculate the present value of premia paid for credit protection, which should be considered as an exposure amount of the protection-purchasing bank and be assigned a 1,250% risk weight.

### **External audits of banks - consultative document**

**March 2013**

[www.bis.org/publ/bcbs244.htm](http://www.bis.org/publ/bcbs244.htm)

The recent financial crisis not only revealed weaknesses in risk management, control and governance processes at banks, but also highlighted the need to improve the quality of external audits of banks. Given the central role banks play in contributing to financial stability, and therefore the need for market confidence in the quality of external audits of banks' financial statements, the Basel Committee is issuing for consultation this guidance on external audits of banks.

This document describes, through sixteen principles and explanatory guidance, supervisory expectations regarding audit quality and how that relates to the external auditor's work in a bank. Implementation of the principles and the explanatory guidance is expected to improve the quality of bank audits and enhance the effectiveness of prudential supervision which is an important element of financial stability.

This document sets out supervisory expectations of how:

- a. external auditors can discharge their responsibilities more effectively;
- b. audit committees can contribute to audit quality in their oversight of the external audit;
- c. an effective relationship between the external auditor and the supervisor, which allows greater mutual understanding about the respective roles and responsibilities of supervisors and external auditors, can lead to regular communication of mutually useful information; and
- d. regular and effective dialogue between the banking supervisory authorities and relevant audit oversight bodies can enhance the quality of bank audits.

This document enhances and supersedes the Committee's guidance The relationship between banking supervisors and bank's external auditors (2002) and External audit quality and banking supervision (2008). In addition to the proposed guidance, the Committee is publishing a letter to the International Auditing and Assurance Standards Board (IAASB) on areas where it believes International Standards on

Auditing could be enhanced. Serving as an observer on the Basel Committee group that developed the revised guidance, the IAASB provided helpful and meaningful input to this effort.

### **Regulatory Consistency Assessment Programme (RCAP) - Assessment of Basel III regulations – Singapore**

[www.bis.org/bcbs/implementation/l2\\_sg.pdf](http://www.bis.org/bcbs/implementation/l2_sg.pdf)

An assessment of the implementation of the capital standards under the Basel framework (Basel II, 2.5 and III) in Singapore was undertaken from July 2012 to March 2013. This was done under the Regulatory Consistency Assessment Programme (RCAP) of the Basel Committee and its Standards Implementation Group (SIG) with focus on Level 2 implementation.<sup>1</sup>

The RCAP Team was led by Mr Frank Pierschel of the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).<sup>2</sup> The assessment process comprised three distinct phases: (i) preparatory phase (July to August 2012), (ii) assessment phase (September to December 2012), and (iii) review phase (January to March 2013). The assessment phase included an on-site visit to Singapore from 3 to 7 December 2012. During the on-site visit, the RCAP Team held discussions with various officials of the Monetary Authority of Singapore (MAS). A discussion was also held with senior representatives of locally incorporated banks in Singapore to get the industry's perspective on implementation of the capital standards under the Basel framework in Singapore. The RCAP Team sincerely thanks the staff of MAS for the whole-hearted and meaningful cooperation extended to the Team throughout the assessment process.

### **Results of the Basel III monitoring exercise as of 30 June 2012 March 2012**

[www.bis.org/publ/bcbs243.htm](http://www.bis.org/publ/bcbs243.htm)

This report presents the results of the Basel Committee's Basel III monitoring exercise. The study is based on 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 April 2012 and September 2012. A total of 210 banks participated in the current study, comprising 101 Group 1 banks (ie those that have Tier 1 capital in excess of €3 billion and are internationally active) and 109 Group 2 banks (ie all other banks).

While the Basel III framework sets out transitional arrangements to implement the new standards, the monitoring exercise results assume full implementation of the final Basel III package based on data as of 30 June 2012 (ie they do not take account of the transitional arrangements such as the phase in of deductions). 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.

The study finds that based on data as of 30 June 2012 and applying the changes to the definition of capital and risk-weighted assets, the average Common Equity Tier 1 capital ratio (CET1) of Group 1 banks was 8.5%, as compared with the Basel III minimum requirement of 4.5%. In order for all Group 1 banks to reach the 4.5% minimum, an increase of €3.7 billion in CET1 would be required. The overall shortfall increases to €208.2 billion to achieve a CET1 target level of 7.0% (ie including the capital conservation buffer); this amount includes the surcharge for global systemically important banks where applicable. As a point of reference, the sum of profits after tax and prior to distributions across the same sample of Group 1 banks between 1 July 2011 and 30 June 2012 was €379.6 billion. Compared to the December 2011 exercise, the aggregate CET1 shortfall with respect to the 4.5% minimum for Group 1 banks has fallen by €8.2 billion. At the CET1 target level of 7.0%, the aggregate CET1 shortfall for Group 1 banks has fallen by €175.9 billion.

For Group 2 banks, the average CET1 ratio stood at 9.0%. In order for all Group 2 banks in the sample to meet the new 4.5% CET1 ratio, the additional capital needed is estimated to be €4.8 billion. They would have required an additional €16.0 billion to reach a CET1 target of 7.0%; the sum of these banks' profits after tax and prior to distributions between 1 July 2011 and 30 June 2012 was €22.9 billion.

## **Committee on Payment and Settlements Systems**

### **Authorities' access to trade repository data - consultative report April 2013**

[www.bis.org/publ/cpss108.htm](http://www.bis.org/publ/cpss108.htm)

The consultative report Authorities' access to trade repository data was published for public comment on 11 April 2013.

Trade repositories (TRs) are entities that maintain a centralised electronic record of over-the-counter (OTC) derivatives transaction data. TRs will play a key role in increasing transparency in the OTC

derivatives markets by improving the availability of data to authorities and the public in a manner that supports the proper handling and use of the data. For a broad range of authorities and official international financial institutions, it is essential to be able to access the data needed to fulfil their respective mandates while maintaining the confidentiality of the data pursuant to the laws of relevant jurisdictions.

The purpose of the report is to provide guidance to TRs and authorities on the principles that should guide authorities' access to data held in TRs for typical and non-typical data requests. The report also sets out possible approaches to addressing confidentiality concerns and access constraints. Accompanying the report is a cover note that lists the specific related issues for comment.

## Speeches

### **Hitting the limits of "outside the box" thinking? Monetary policy in the crisis and beyond**

Speech by Jaime Caruana, General Manager of the Bank for International Settlements, to OMFIF (Golden Series Lecture), London, 16 May 2013.

[www.bis.org/speeches/sp130516.htm](http://www.bis.org/speeches/sp130516.htm)

Central banks have had to "think outside the box" to address unprecedented financial instability and to provide monetary stimulus in trying times. Monetary accommodation has been critical to stabilise the financial system and the economy. But questions remain about the efficacy of such policies as long as balance sheets and structural headwinds are not more fully addressed. Monetary accommodation can only be as helpful as the balance sheet, fiscal and structural policies that accompany it. Looking ahead, central banks will continue to face daunting challenges as they navigate in uncharted waters, including how best to integrate new perspectives on the financial cycle and global spillovers into their monetary policy frameworks.

### **Insurance and financial stability: a Basel view**

Prepared remarks by Jaime Caruana, General Manager of the Bank for International Settlements, before the International Association of Insurance Supervisors, Bottmingen, Switzerland, 20 March 2013.

[www.bis.org/speeches/sp130408.htm](http://www.bis.org/speeches/sp130408.htm)

BIS General Manager Jaime Caruana speaks about the importance of the work that the International Association of Insurance Supervisors and the supervisory community are undertaking.

He highlights three major challenges:

- cooperation among different supervisors;
- the conceptual challenge of coping with systemic risk; and
- the economic environment, including the deterioration of the creditworthiness of many sovereigns and the protracted low rate environment, known as "low for long".