A photograph of a curved, modern building with a grid of windows. In the foreground, a row of various national flags is flying on tall poles. The flags include those of Italy, France, Germany, Spain, the United Kingdom, and others. The sky is blue with some light clouds.

# International role of the European financial system through the lens of the Triennial Survey

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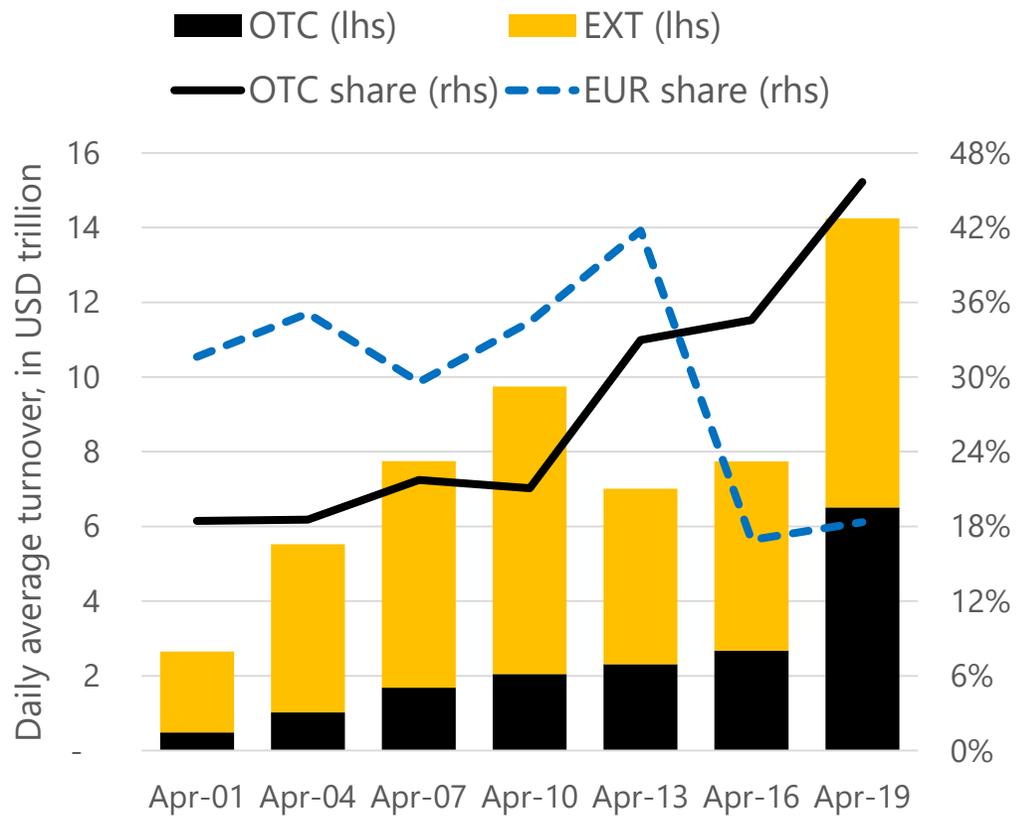
\* The views expressed in these slides are those of the presenter and do not necessarily reflect those of the BIS.

## BIS Triennial Central Bank Survey

- Unique snapshot of activity in (opaque) FX and OTC derivatives markets
- 1300 dealers, 53 countries, 10'000+ data points/country (instrument, currency, counterparty, maturity, execution method)
- Every three years since 1986
- Coordinated by the BIS under the guidance of central banks' Markets Committee and Committee on the Global Financial System
- <https://www.bis.org/statistics/rpfx19.htm>

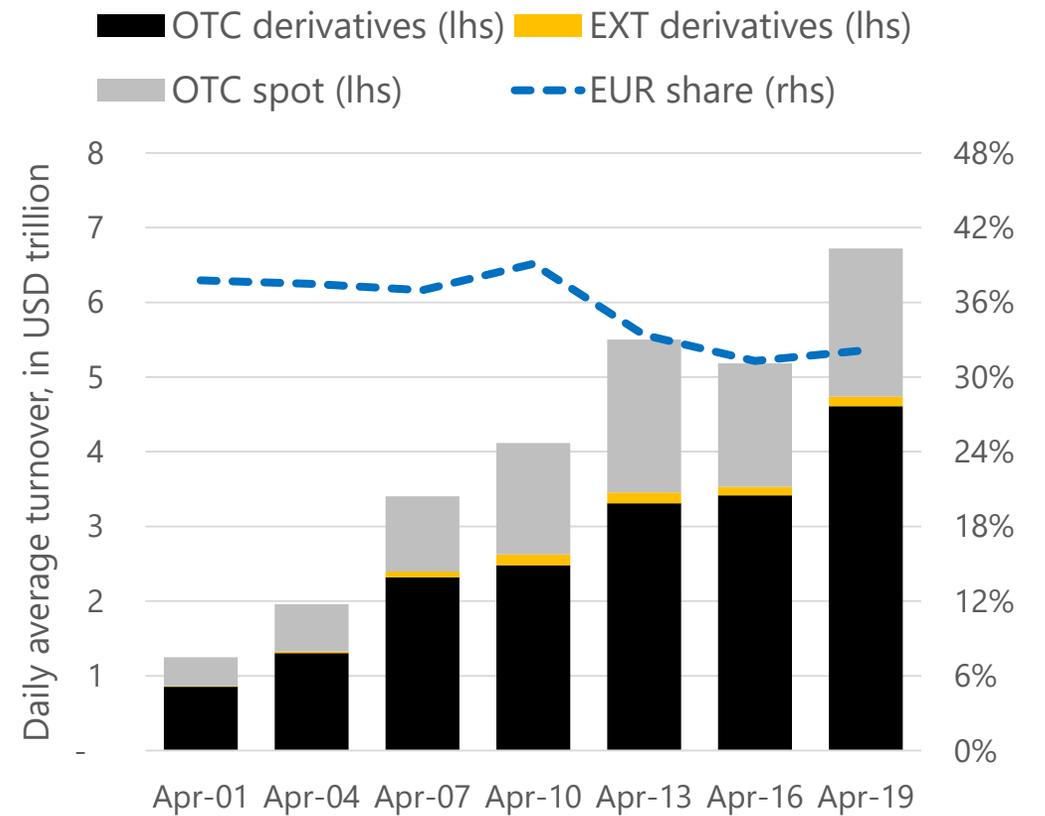
# OTC markets continue to grow ...

## Interest rate derivatives trading



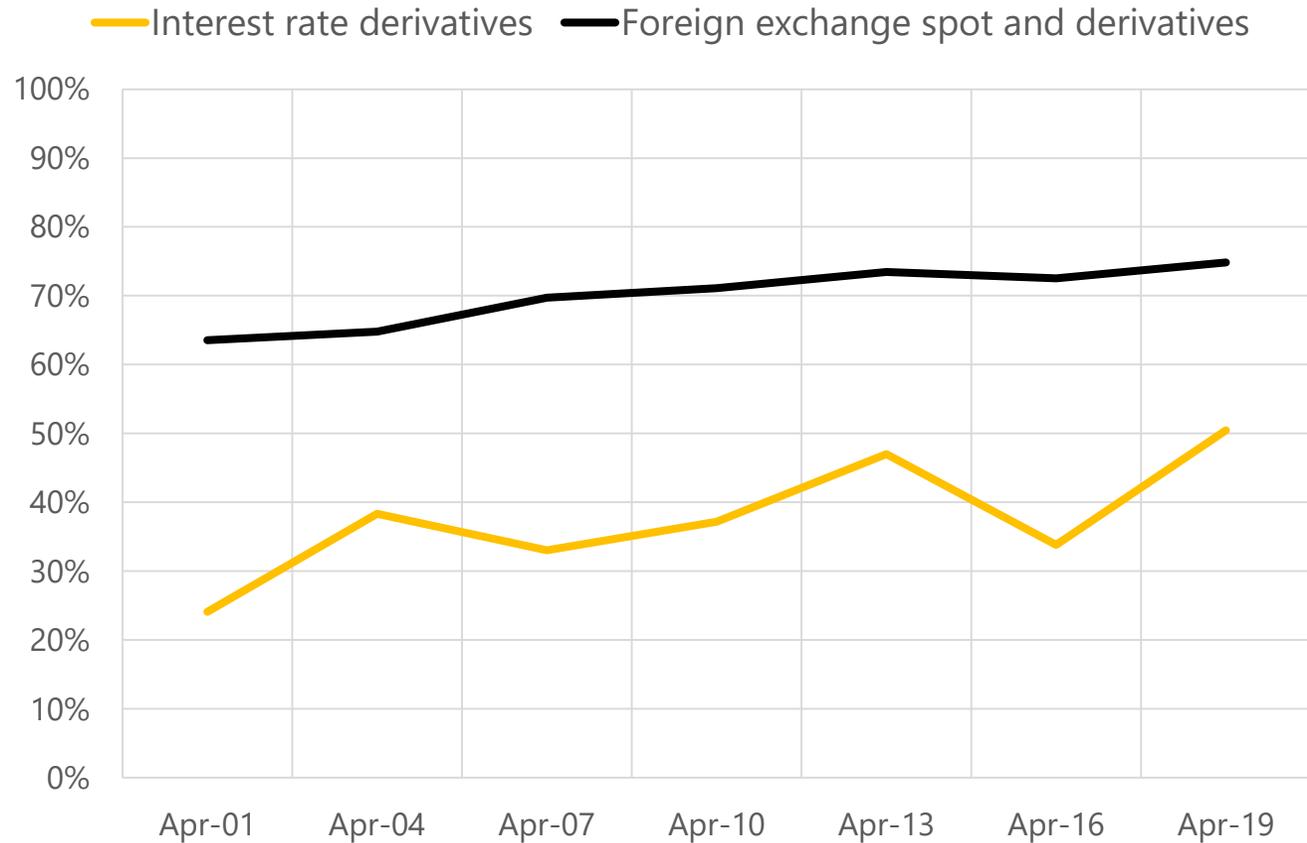
OTC = over-the-counter; EXT = exchange-traded

## Foreign exchange trading

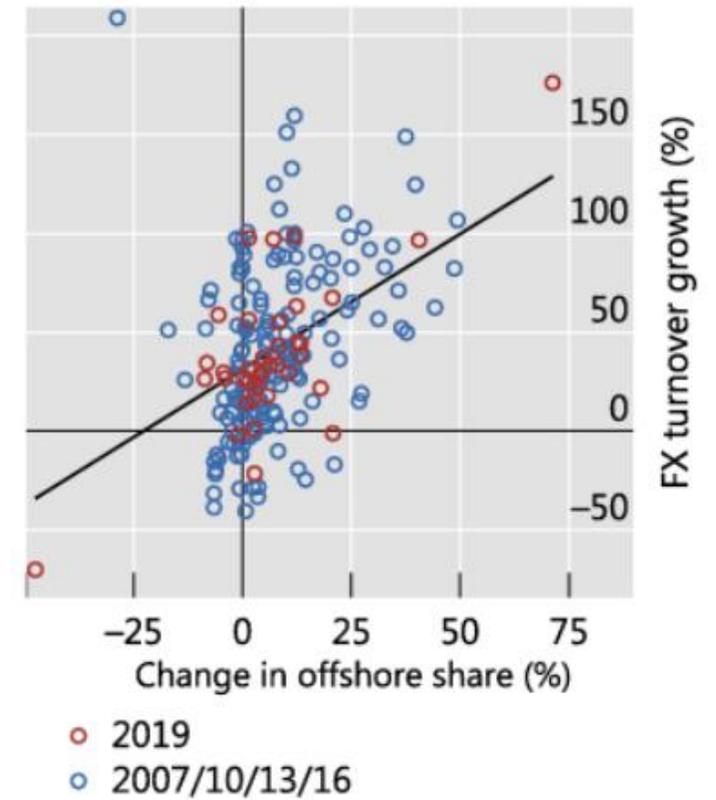


# ... propelled by offshore trading

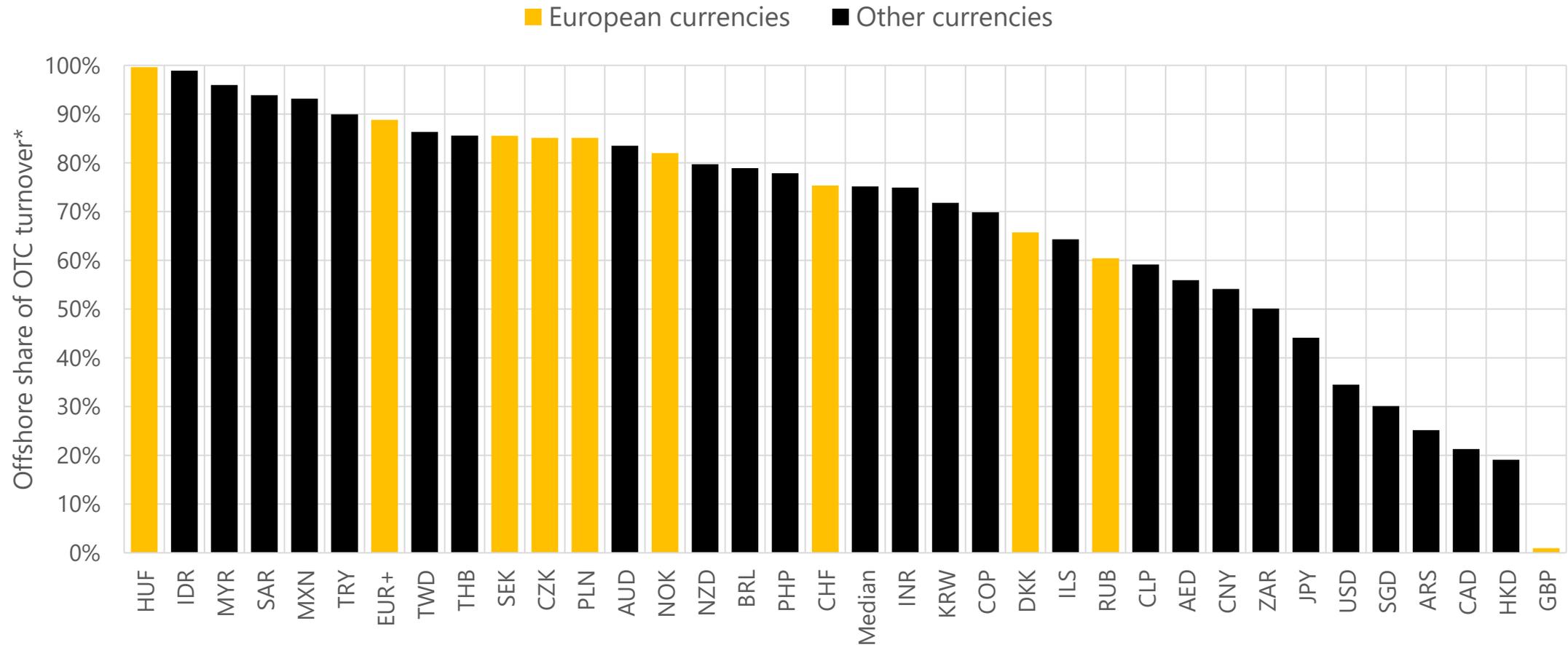
## Offshore share of OTC turnover



## Offshore trading and turnover growth<sup>4, 6</sup>



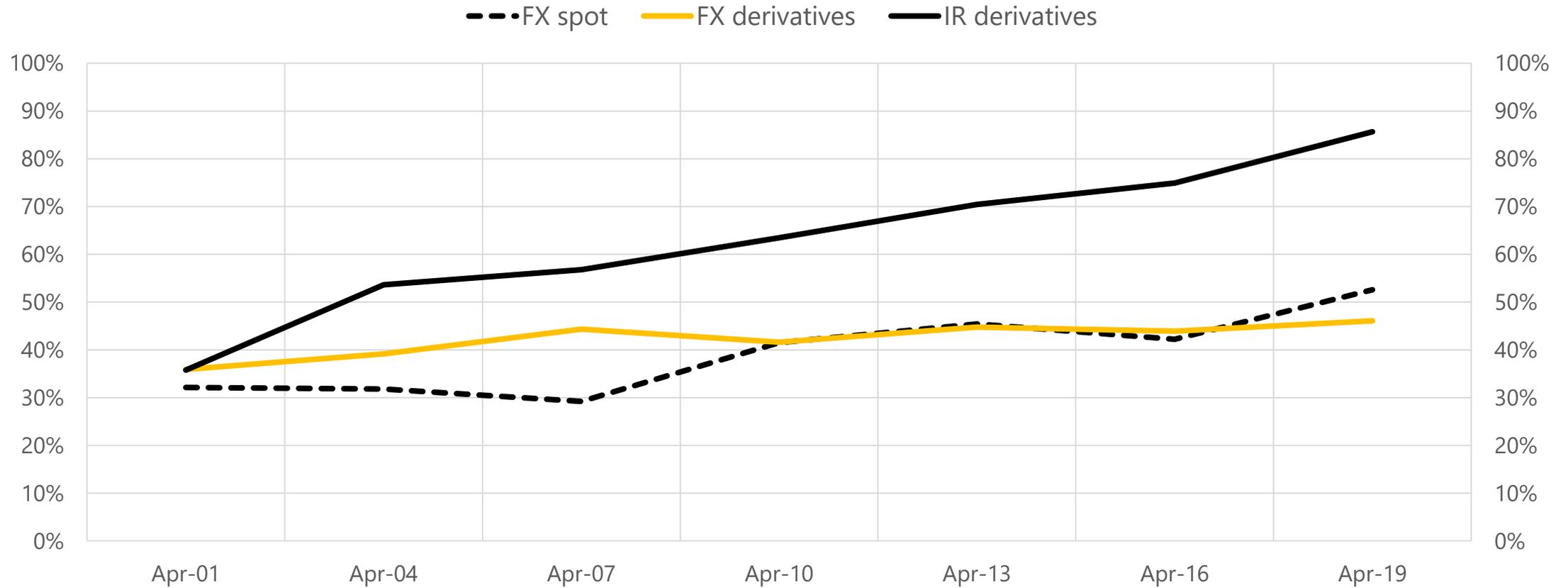
## IR derivatives denominated in European currencies trade mostly offshore ...



\* Offshore dealers' share of turnover in April 2019. Offshore trading is overestimated because it includes cross-border trades between dealers abroad and customers onshore. + For EUR, offshore trading includes cross-border trades between counterparties within the euro area.

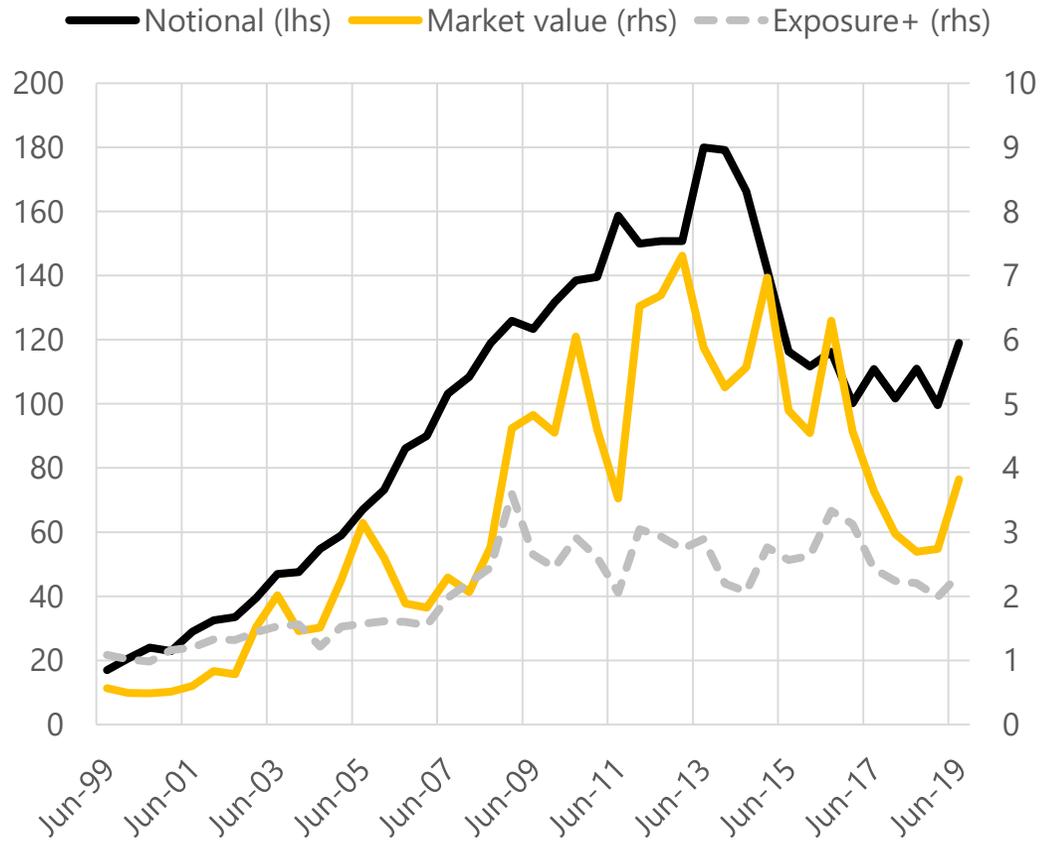
## ... mainly in London

UK dealers' share of EUR-denominated OTC trading (net-gross basis)

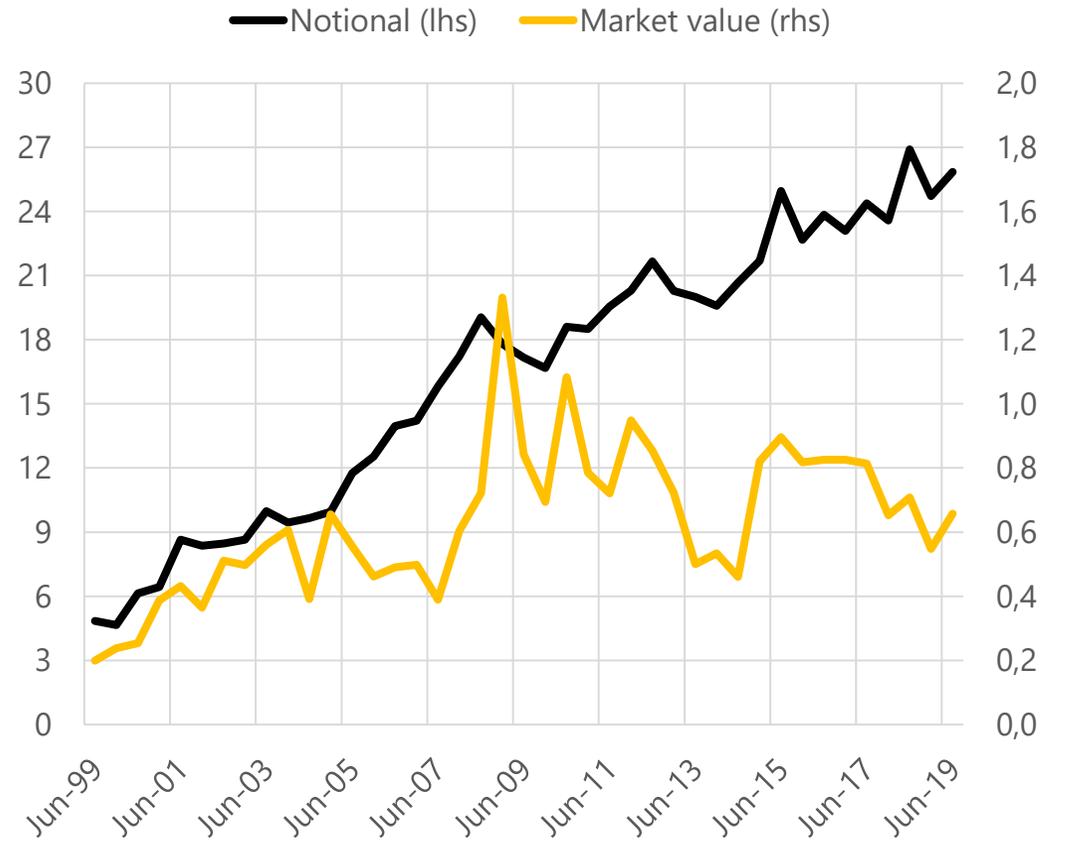


# Compression and clearing help to contain outstanding OTC exposures

## IR derivatives denominated in EUR\*



## FX derivatives denominated in EUR\*



\* Amounts outstanding at end-June and end-year, in EUR trillion. + Reporting dealers' credit exposures after adjusting for netting agreements but not for collateral; total for all risks, instruments and currencies.

## References

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