

8 April 2013

## PRESS RELEASE

### ECB PUBLISHES SURVEY ON CORRESPONDENT BANKING IN EURO

The European Central Bank (ECB) has today published for the first time its regular survey on correspondent banking in euro.

Correspondent banking relationships play an important role in the processing of payment transactions in euro. Given their relevance for the smooth functioning of payment systems, correspondent banking services have been within the scope of the Eurosystem's oversight activity since the establishment of the ECB. A total of eight surveys have been carried out since 1999 in order to monitor the importance, size and development of correspondent banking. The Governing Council of the Eurosystem has decided to publish its eighth survey in order to increase transparency in its oversight activities with regard to correspondent banking and to share its results with other stakeholders.

The survey confirmed that correspondent banking remains an important channel for effecting payments in euro. As in previous surveys, both the number and value of payments processed were very large. For instance, the total daily turnover of euro transactions settled through correspondent banking arrangements averaged more than €1.1 trillion.

The survey also confirmed the growing concentration in correspondent banking, with the largest four correspondent banks representing more than 80% of the total value turnover. This warrants the attention of payment system overseers, as disruption in any of the larger and most interconnected correspondent banks could quickly spillover to interdependent payment systems. In particular, liquidity and credit risks pose a significant threat, since intraday credit exposures are usually uncollateralised.

The Eurosystem has not introduced specific oversight requirements for correspondent banks in order to avoid any double regulation of banks. It has instead relied on banking supervision, working together with supervisors at national, European and global levels. The prospective transfer of the task of supervision of euro area credit institutions to the ECB may further facilitate such close cooperation in the aim of ensuring that risks in correspondent banking are consistently and uniformly covered in the euro area.

The report is available on the ECB's website ([www.ecb.europa.eu](http://www.ecb.europa.eu)).

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