

## Research Note

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# Key Trends in the Size and Composition of OTC Derivatives Markets in the Second Half of 2025

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The latest data from the Bank for International Settlements (BIS) over-the-counter (OTC) derivatives statistics shows an increase in notional outstanding of OTC derivatives during the second half of 2025 compared to the same period in 2024. Notional outstanding rose across all major asset classes, including interest rate derivatives (IRD), foreign exchange (FX), equity and commodity derivatives.

Heightened uncertainty on trade, monetary policy and geopolitical outlook supported increased hedging activity, contributing to the expansion in notional outstanding. After declining in 2023 and 2024, gross market value and gross credit exposure also rose in 2025.

Global OTC derivatives notional outstanding rose by 20.7% at the end of 2025 versus the previous year. Gross market value increased by 29.5%, while gross credit exposure, which represents gross market value after netting, rose by 13.2%.

Close-out netting continued to significantly reduce mark-to-market exposures, lowering total exposure by 85.3% at year-end 2025. Credit exposure was further mitigated by collateral posted for both cleared and non-cleared transactions.

Initial margin (IM) posted for cleared IRD and credit default swaps (CDS) at major central counterparties (CCPs) reached \$423.5 billion at year-end 2025 compared to \$389.8 billion the previous year. The leading derivatives market participants also collected \$1.6 trillion of IM and variation margin (VM) for non-cleared derivatives exposures, up by 9.3%.

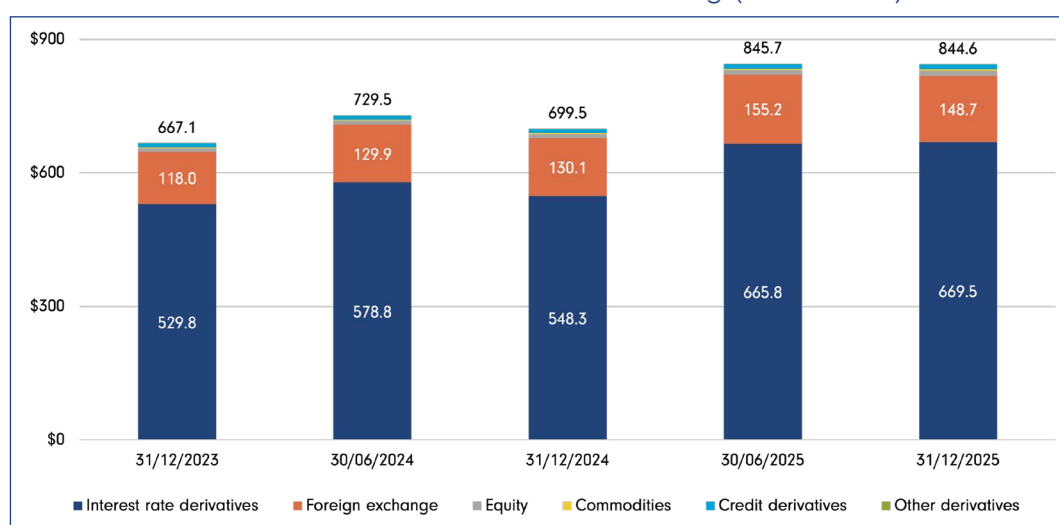
## KEY GLOBAL TRENDS

Global OTC derivatives notional outstanding rose to \$844.6 trillion at the end of December 2025<sup>1</sup>, representing a 20.7% increase versus the end of 2024<sup>2</sup> and a 0.1% drop from mid-year 2025. The slight decline from the middle of 2025 reflects a seasonal pattern, in which notional outstanding typically rises in the first six months of the year and drops in the second half.

While equity derivatives posted the highest year-on-year growth rate in percentage terms, the overall increase in notional outstanding was primarily driven by IRD and FX derivatives due to their significantly larger size in absolute terms.

IRD notional outstanding increased by 22.1% to \$669.5 trillion at the end of 2025 compared to \$548.3 trillion a year earlier, while FX derivatives notional outstanding grew by 14.3% to \$148.7 trillion from \$130.1 trillion. Equity and commodity derivatives notional outstanding rose by 34.1% and 15.7% to \$11.9 trillion and \$2.8 trillion, respectively. Credit derivatives notional outstanding rose by 22.1% to \$11.3 trillion at year-end 2025 versus \$9.2 trillion at the end of 2024 (see Chart 1).

**Chart 1:** Global OTC Derivatives Notional Outstanding (US\$ trillions)



Source: BIS OTC Derivatives Statistics

Total OTC derivatives gross market value increased by 29.5% to \$22.8 trillion at the end of 2025 compared to year-end 2024<sup>3</sup>. Gross market value equaled 2.7% of notional outstanding compared to 2.5% at the end of 2024 (see Chart 2).

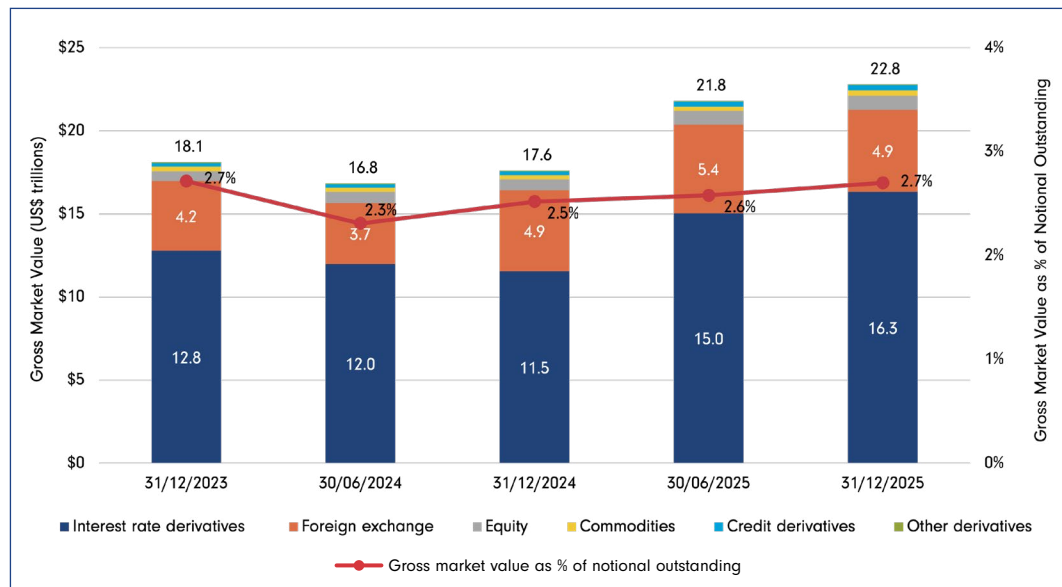
IRD gross market value rose by 41.4% to \$16.3 trillion at year-end 2025 compared to \$11.5 trillion a year earlier, while FX derivatives gross market value grew by 1.3% to \$4.9 trillion.

<sup>1</sup> Bank for International Settlement (BIS) OTC Derivatives Statistics, [https://data.bis.org/topics/OTC\\_DER/tables-and-dashboards](https://data.bis.org/topics/OTC_DER/tables-and-dashboards)

<sup>2</sup> Year-on-year comparisons are affected by two measurement factors. Notional outstanding from mid-year 2025 reflects the expanded reporting base of the 2025 BIS Triennial Central Bank Survey, while year-end 2024 figures do not. According to the BIS, additional reporting dealers accounted for about 11% of notional outstanding at mid-year 2025 compared to 9% in the 2022 survey. In addition, amounts denominated in currencies other than US dollars are converted to US dollars at end-of-period exchange rates, so the depreciation of the US dollar during 2025 increased the reported value of contracts denominated in euro, sterling and other currencies

<sup>3</sup> Gross market value is the sum of the absolute values of all outstanding derivatives contracts with either positive or negative replacement values evaluated at market prices prevailing on the reporting date. See the BIS Glossary, [www.bis.org/statistics/glossary.htm?&selection=312&scope=Statistics&c=a&base=term](http://www.bis.org/statistics/glossary.htm?&selection=312&scope=Statistics&c=a&base=term)

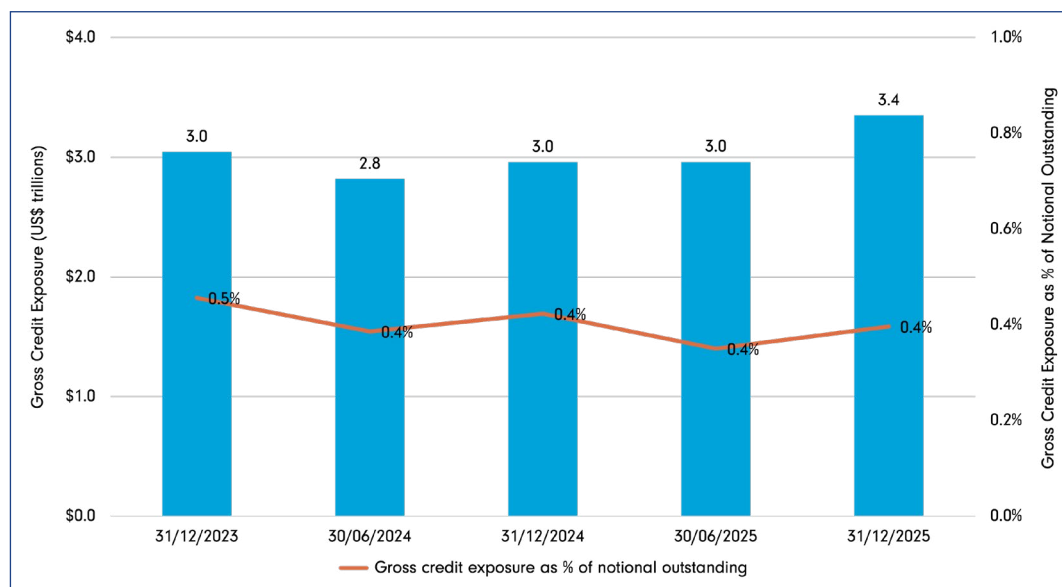
**Chart 2:** Gross Market Value of Global OTC Derivatives



Source: BIS OTC Derivatives Statistics

Gross credit exposure of OTC derivatives, which is a more accurate measure of counterparty credit risk, increased by 13.2% at year-end 2025, totaling \$3.4 trillion and accounting for 0.4% of notional outstanding (see Chart 3)<sup>4</sup>.

**Chart 3:** Gross Credit Exposure of Global OTC Derivatives

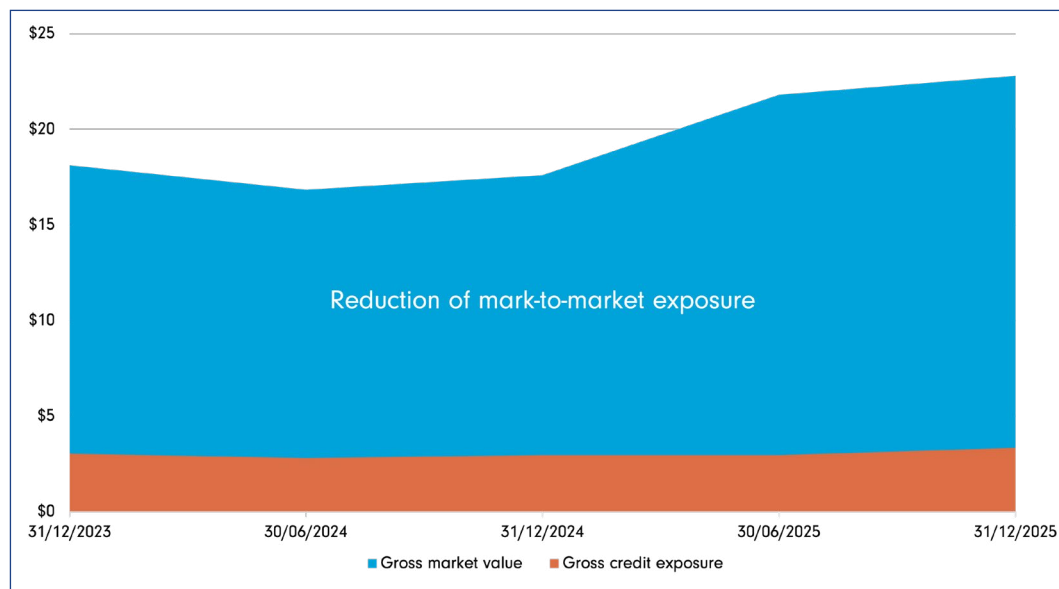


Source: BIS OTC Derivatives Statistics

As a result of close-out netting, market participants shrank their mark-to-market exposure by 85.3% at year-end 2025 (see Chart 4). The remaining gross credit exposure is further reduced by the collateral market participants post for cleared and non-cleared transactions.

<sup>4</sup> Gross credit exposure adjusts gross market value for legally enforceable netting agreements, but not for collateral. See the BIS Glossary, [www.bis.org/statistics/glossary.htm?&selection=312&scope=Statistics&c=a&base=term](http://www.bis.org/statistics/glossary.htm?&selection=312&scope=Statistics&c=a&base=term)

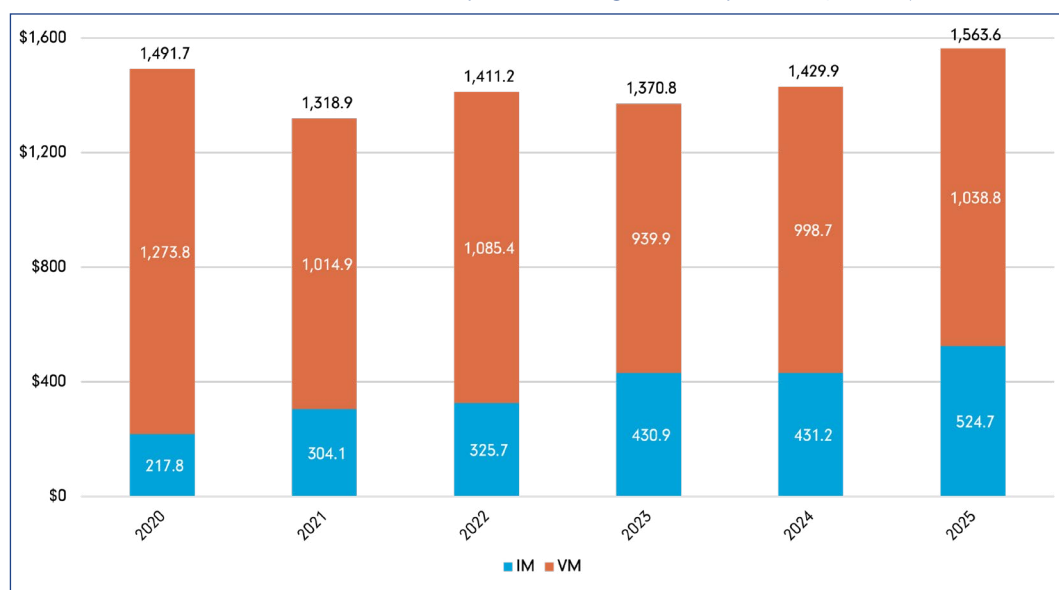
**Chart 4:** Reduction of Mark-to-market Exposure (US\$ trillions)



Source: BIS OTC Derivatives Statistics

IM and VM collected by leading derivatives market participants subject to regulatory margin requirements for non-cleared derivatives totaled \$1.6 trillion at year-end 2025, 9.3% higher than the year before. This included \$524.7 billion of IM and \$1.0 trillion of VM. In comparison, IM and VM collected at year-end 2024 totaled \$431.2 billion and \$998.7 billion, respectively (see Chart 5)<sup>5</sup>.

**Chart 5:** Total Collateral Received by ISDA Margin Survey Participants (US\$ billions)

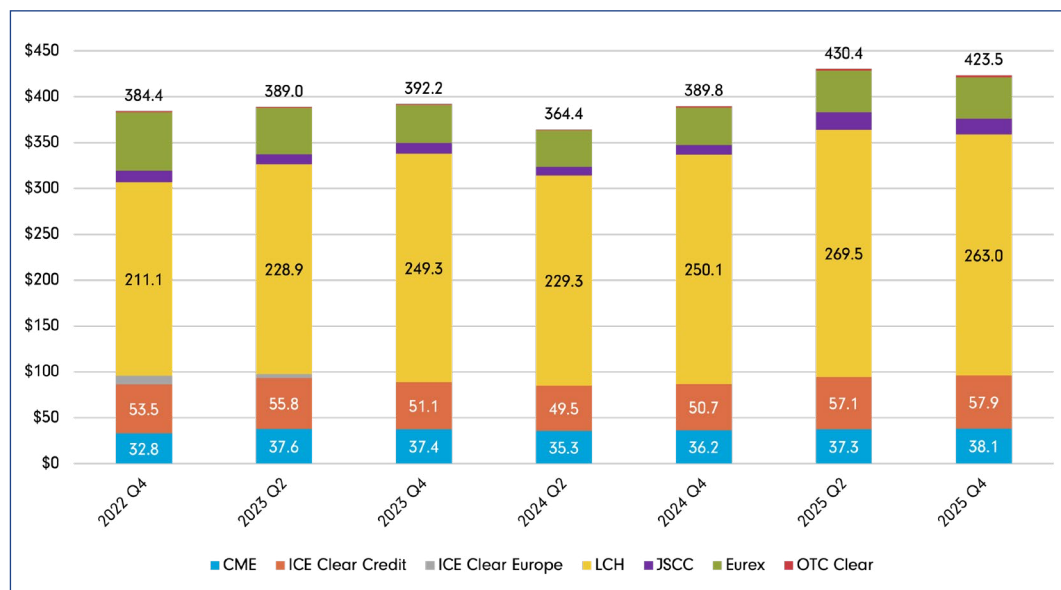


Source: ISDA Margin Survey

<sup>5</sup> ISDA Margin Survey Year-end 2025, [www.isda.org/a/nl6iE/ISDA-Margin-Survey-Year-end-2025.pdf](http://www.isda.org/a/nl6iE/ISDA-Margin-Survey-Year-end-2025.pdf)

Market participants posted \$423.5 billion of required IM for cleared derivatives (including IRD and CDS) at all major CCPs in the fourth quarter of 2025<sup>6,7</sup>. This represents an 8.7% increase compared to \$389.8 billion in the fourth quarter of 2024 (see Chart 6).

**Chart 6:** Required IM Posted for Cleared IRD and CDS (US\$ billions)



Source: CCP Quantitative Disclosures

<sup>6</sup> This amount reflects the initial margin (IM) required by central counterparties (CCPs) as reported in their quantitative disclosures to the Committee on Market Infrastructures and the International Organization of Securities Commissions. Market participants typically post IM amounts that exceed the minimum requirements, so the actual IM posted is likely to be higher than these reported figures. All numbers are converted to US dollars based on the exchange rates at the end of each quarter, <https://www.x-rates.com/historical>

<sup>7</sup> LCH includes LCH Ltd and LCH SA

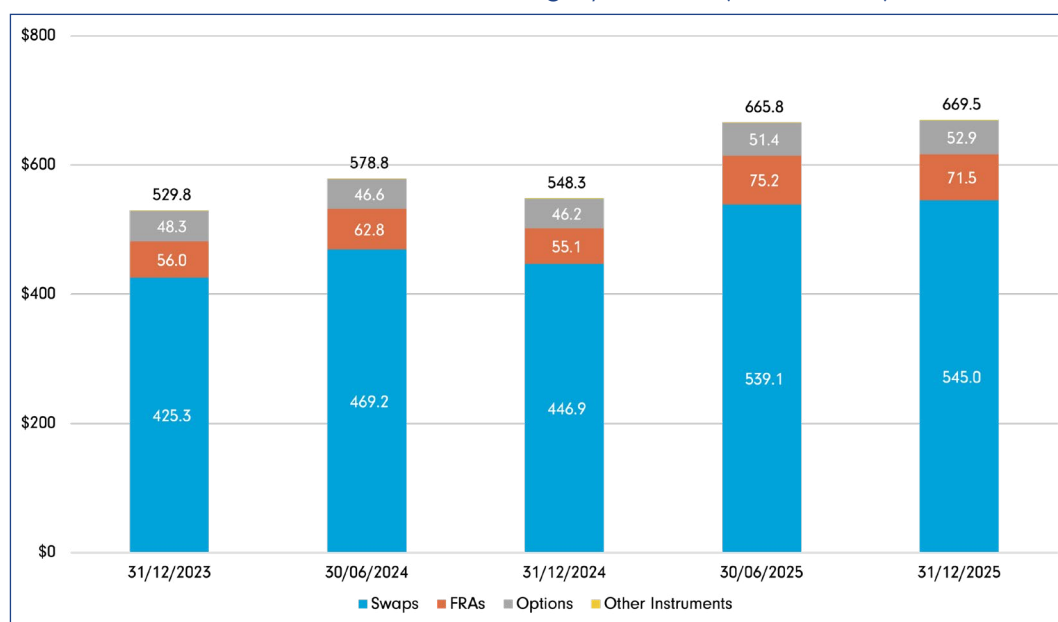
## INTEREST RATE DERIVATIVES

### Global Notional Outstanding

IRD notional outstanding totaled \$669.5 trillion and accounted for 79.3% of global OTC derivatives notional outstanding at year-end 2025. IRD notional outstanding rose by 22.1% compared with year-end 2024 and increased by 0.6% versus mid-year 2025 (see Chart 1).

Interest rate swaps (IRS) notional outstanding grew by 22.0% to \$545.0 trillion and accounted for 81.4% of total IRD notional outstanding at the end of 2025. Forward rate agreement (FRA) notional outstanding climbed by 29.7% and options notional outstanding increased by 14.5%. FRA and options notional outstanding was \$71.5 trillion and \$52.9 trillion at year-end 2025, respectively (see Chart 7).

**Chart 7:** Global IRD Notional Outstanding by Product (US\$ trillions)



Source: BIS OTC Derivatives Statistics

Euro-denominated IRD notional outstanding totaled \$245.1 trillion at year-end 2025, up by 30.4% versus the end of 2024. It comprised 36.6% of total IRD notional outstanding compared to 34.3% a year ago.

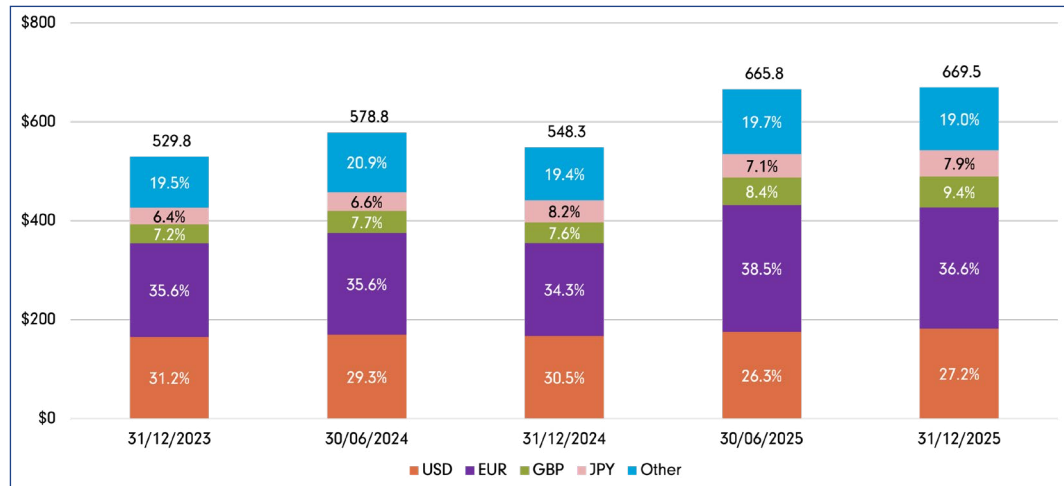
US-dollar-denominated IRD notional outstanding rose by 8.9% to \$182.0 trillion, accounting for 27.2% of total IRD notional outstanding at year-end 2025 compared to 30.5% a year earlier.

Sterling-denominated IRD notional outstanding increased by 49.7% to \$62.7 trillion, accounting for 9.4% of total notional outstanding at the end of 2025 compared to 7.6% at year-end 2024.

Yen-denominated IRD notional outstanding totaled \$52.6 trillion and accounted for 7.9% of total IRD notional outstanding.

IRD notional outstanding denominated in other currencies grew by 19.5% to \$127.1 trillion, comprising 19.0% of total IRD notional outstanding (see Chart 8).

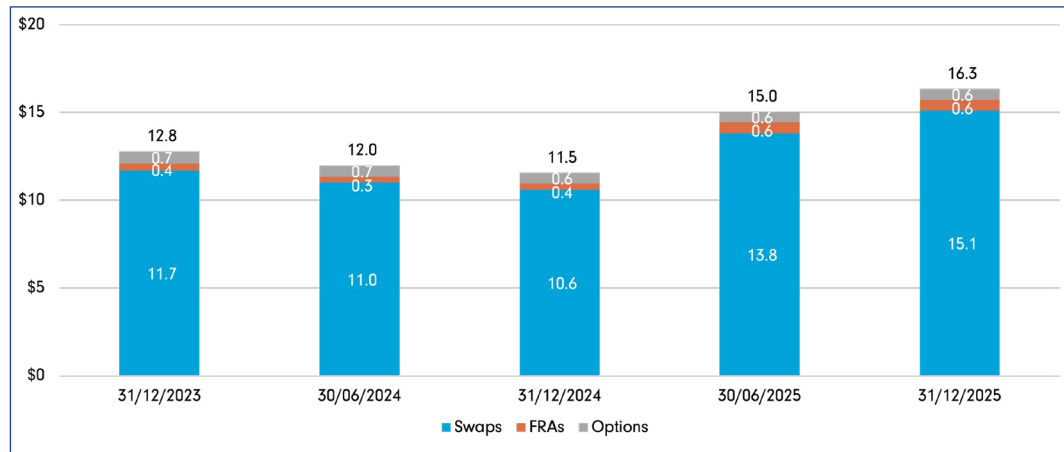
**Chart 8:** Global IRD Notional Outstanding by Currencies (US\$ trillions)



Source: BIS OTC Derivatives Statistics

Total IRD gross market value increased by 41.4% to \$16.3 trillion at year-end 2025 versus \$11.5 trillion at year-end 2024. IRS gross market value climbed by 42.6% to \$15.1 trillion from \$10.6 trillion (see Chart 9).

**Chart 9:** Global IRD Gross Market Value by Product (US\$ trillions)



Source: BIS OTC Derivatives Statistics

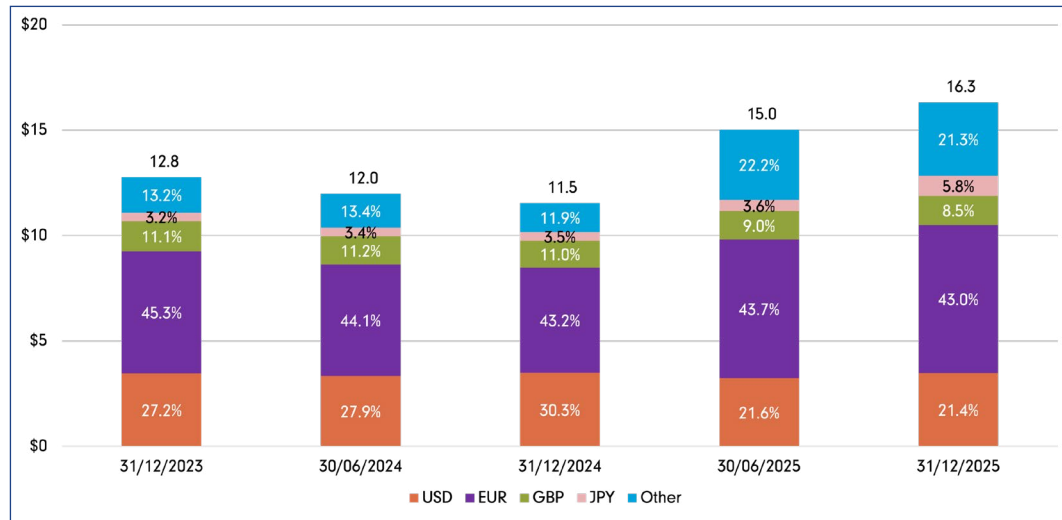
Euro-denominated IRD gross market value rose by 40.7% to \$7.0 trillion from \$5.0 trillion, accounting for 43.0% of total IRD gross market value at year-end 2025 compared to 43.2% a year earlier.

US-dollar-denominated IRD gross market value fell by 0.3% to \$3.5 trillion and accounted for 21.4% of total IRD gross market value at year-end 2025 compared to 30.3% at year-end 2024.

Sterling-denominated IRD gross market value increased by 8.9% to \$1.4 trillion, accounting for 8.5% of total IRD gross market value at the end of 2025 versus 11.0% at year-end 2024.

IRD gross market value of contracts denominated in currencies other than the euro, US dollar, sterling and yen grew to \$3.5 trillion at year-end 2025 from \$1.4 trillion a year earlier. Their share of total IRD gross market value rose to 21.3% from 11.9% (see Chart 10).

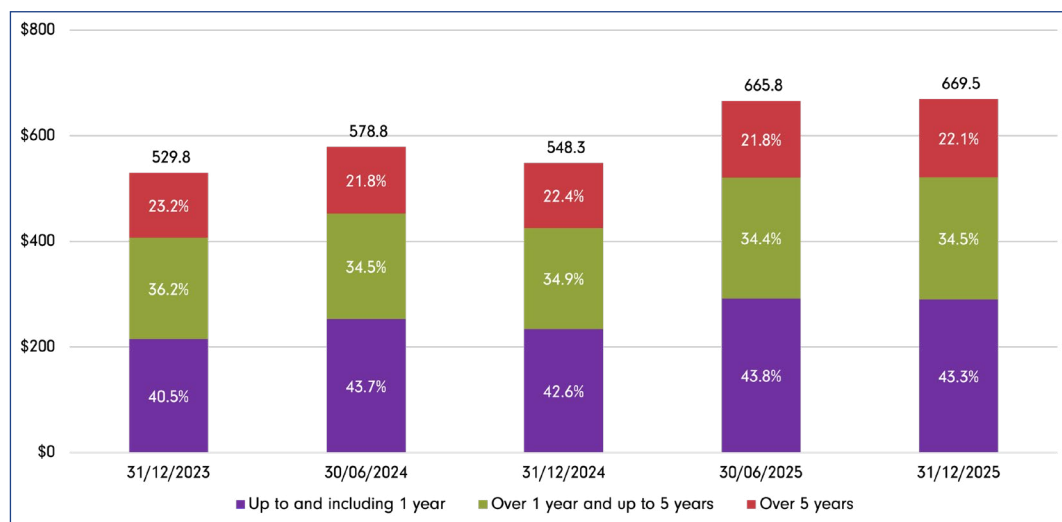
**Chart 10:** Global IRD Gross Market Value by Currency (US\$ trillions)



Source: BIS OTC Derivatives Statistics

IRD contracts with a remaining maturity up to and including one year totaled \$290.0 trillion and accounted for 43.3% of global IRD notional outstanding at year-end 2025. IRD notional outstanding with a remaining maturity over one year and up to five years was \$231.1 trillion (34.5% of total notional outstanding) and contracts with a remaining maturity over five years totaled \$148.2 trillion (22.1% of total notional outstanding) (see Chart 11).

**Chart 11:** Global IRD Notional Outstanding by Remaining Maturity (US\$ trillions)

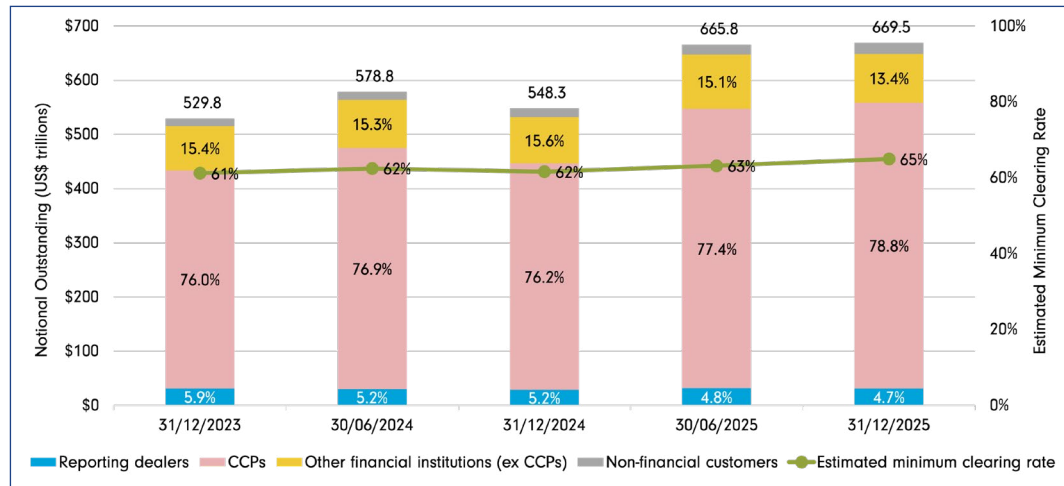


Source: BIS OTC Derivatives Statistics

The share of IRD notional cleared by CCPs was 78.8% in the second half of 2025, totaling \$527.3 trillion. The estimated minimum clearing rate for IRD was 64.9% at year-end 2025 compared to 61.6% a year earlier (see Chart 12)<sup>8</sup>.

<sup>8</sup> The estimated minimum clearing rate adjusts for potential double-counting of interdealer trades novated to CCPs. It is calculated as  $(CCP / 2) / (1 - (CCP / 2))$ , where CCP represents the share of notional amounts outstanding that dealers report against CCPs. The true clearing rate is likely to be higher as many trades will be initiated with CCPs

**Chart 12:** Global IRD Notional Outstanding by Counterparties (US\$ trillions)



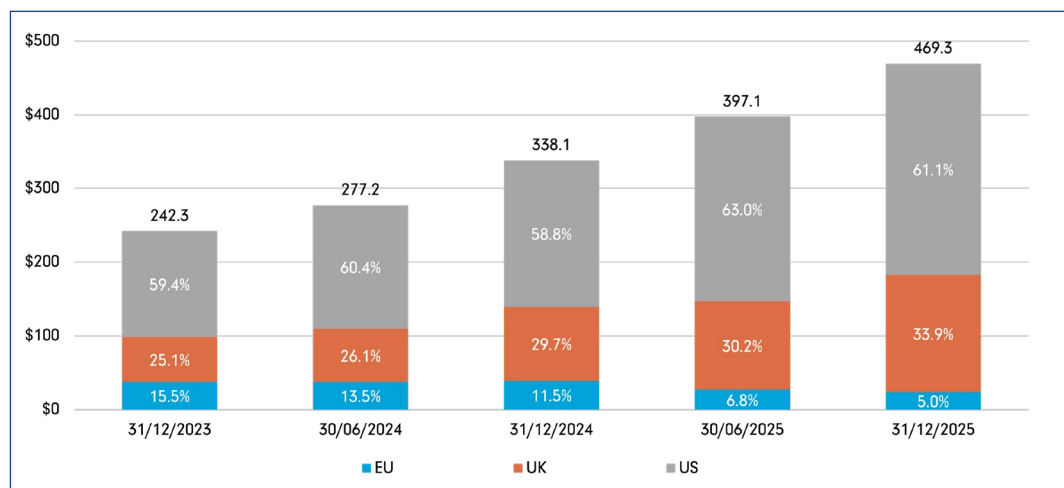
Source: BIS OTC Derivatives Statistics

**IRD Trading Activity Reported in the EU, UK and US**

ISDA SwapsInfo data shows that trading in IRD products reported in the EU, UK and US increased by 38.8% to \$469.3 trillion in the second half of 2025 from \$338.1 trillion in the second half of 2024<sup>9</sup>.

US-reported IRD traded notional accounted for 61.1% of combined EU, UK and US traded notional, while the EU and UK comprised 5.0% and 33.9%, respectively (see Chart 13).

**Chart 13:** IRD Traded Notional Reported in the EU, UK and US (US\$ trillions)



Source: DTCC SDR, European APAs and TVs

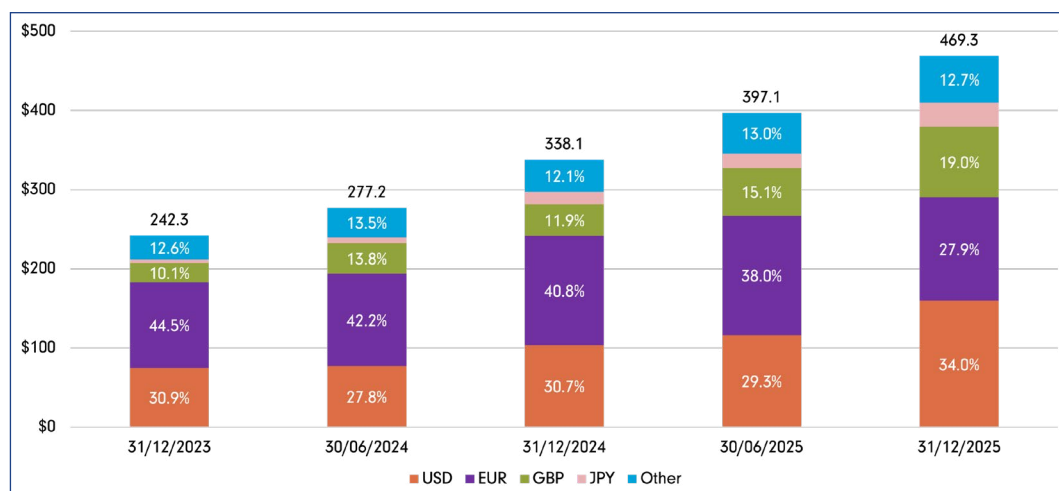
US-dollar-denominated IRD traded notional rose by 54.0% to \$159.6 trillion, accounting for 34.0% of total IRD traded notional in the second half of 2025 versus 30.7% in the second half of 2024.

<sup>9</sup> US IRD trading activity is measured using data from the Depository Trust & Clearing Corporation swap data repository. This data includes only transactions that are subject to reporting requirements under US Commodity Futures Trading Commission regulations. European IRD trading activity is measured based on traded notional reported by approved publication arrangements and trading venues in the EU and UK. The most recent data on IRD trading activity is available on the ISDA SwapsInfo website, <http://swapsinfo.org>

Euro-denominated IRD traded notional dropped by 5.0% to \$131.0 trillion, representing 27.9% of total IRD traded notional in the second half of 2025 compared to 40.8% the year before.

Sterling-denominated IRD traded notional grew by 122.0% to \$89.0 trillion accounting for 19.0% of total IRD traded notional in the second half of 2025 compared to 11.9% in the second half of 2024 (see Chart 14).

**Chart 14:** EU, UK and US IRD Traded Notional by Currency (US\$ trillions)



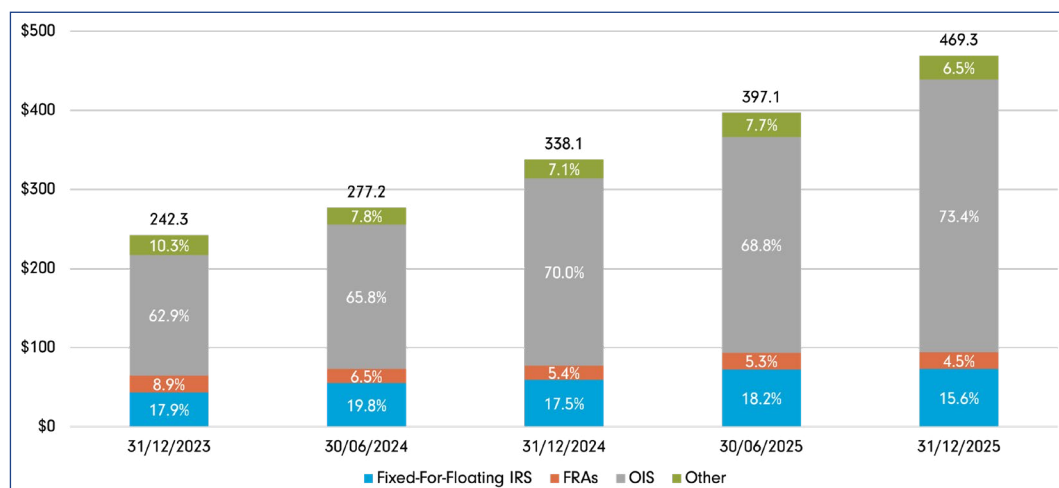
Source: DTCC SDR, European APAs and TVs

Overnight index swaps traded notional grew by 45.6% to \$344.5 from \$236.6 and represented 73.4% of total EU, UK and US traded notional.

Fixed-for-floating IRS traded notional increased by 23.3% to \$73.0 trillion from \$59.2 trillion, accounting for 15.6% of combined EU, UK and US traded notional.

FRA traded notional grew by 17.2% to \$21.3 trillion from \$18.2 trillion, making up 4.5% of combined EU, UK and US traded notional (see Chart 15).

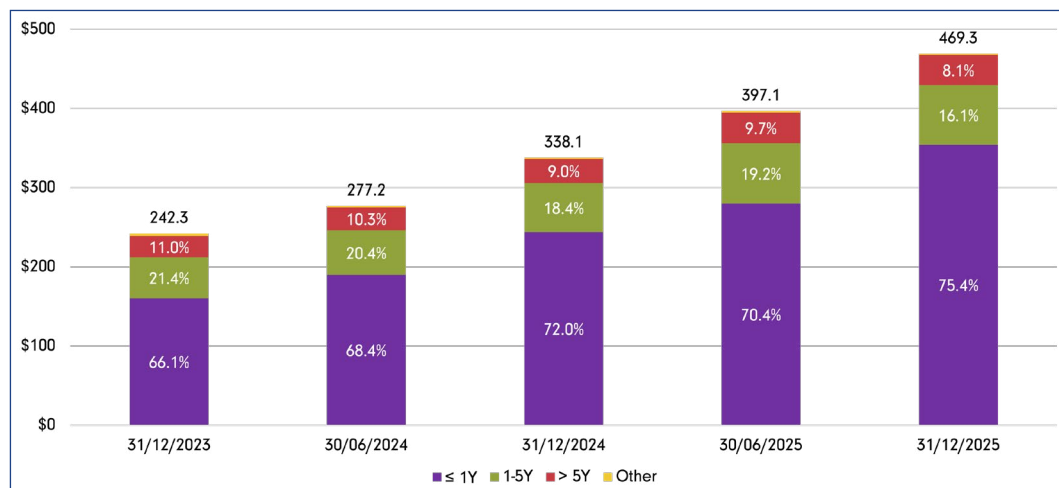
**Chart 15:** EU, UK and US IRD Traded Notional by Product (US\$ trillions)



Source: DTCC SDR, European APAs and TVs

In the second half of 2025, 75.4% of combined IRD trading was in contracts with a tenor up to and including one year compared to 72.0% in the second half of 2024<sup>10</sup>. Contracts with a tenor over one year and up to five years accounted for 16.1% of total IRD traded notional, while contracts with a tenor over five years totaled 8.1% (see Chart 16).

**Chart 16:** EU, UK and US IRD Traded Notional by Tenor<sup>11</sup> (US\$ trillions)



Source: DTCC SDR, European APAs and TVs

<sup>10</sup> Tenor is calculated as the difference between the effective date and the end date

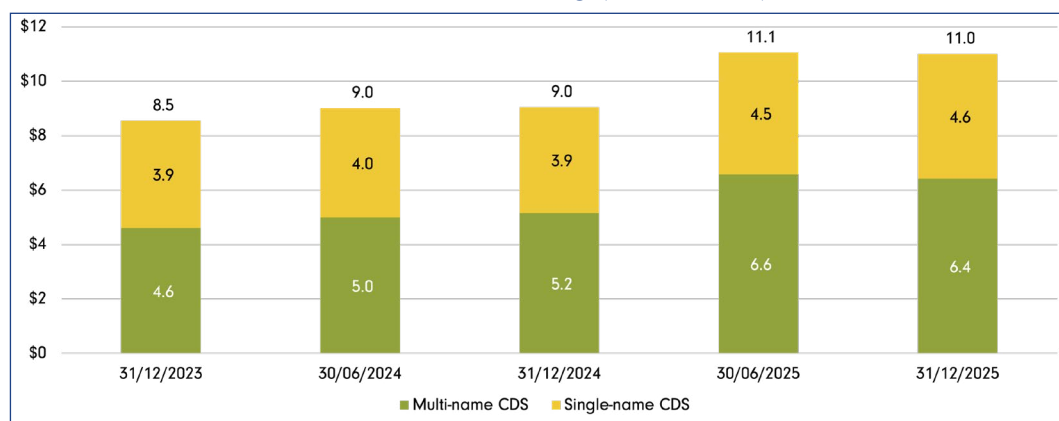
<sup>11</sup> Other category includes transactions that don't have tenor data specified in the database

## CREDIT DERIVATIVES

### Global Notional Outstanding

According to the BIS data, global CDS notional outstanding (including single- and multiple-name CDS) increased by 21.7% to \$11.0 trillion at year-end 2025 versus year-end 2024. It declined by 0.4% compared to mid-year 2025. Single-name CDS notional rose by 18.1% to \$4.6 trillion, while multiple-name CDS notional increased by 24.4% to \$6.4 trillion (see Chart 17).

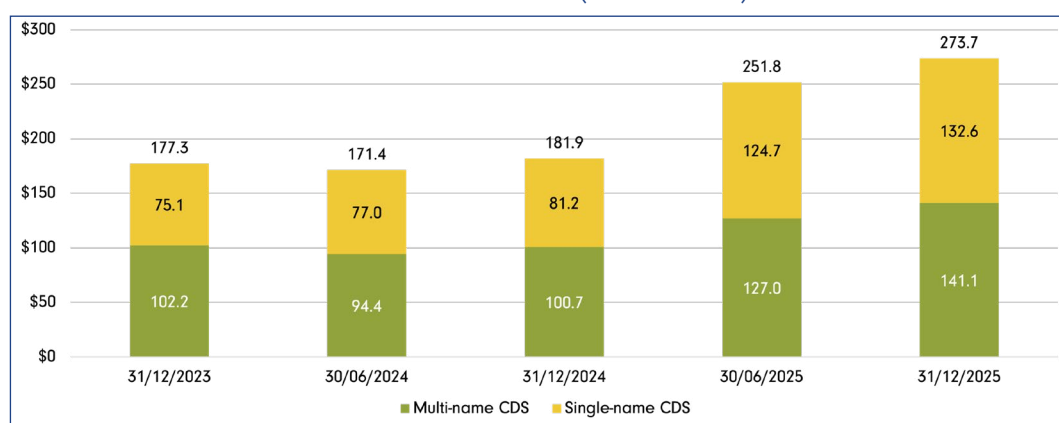
**Chart 17:** Global CDS Notional Outstanding (US\$ trillions)



Source: BIS OTC Derivatives Statistics

The gross market value of CDS climbed by 50.5% to \$273.7 billion at year-end 2025 from \$181.9 billion at year-end 2024. Single-name CDS gross market value increased by 63.4% to \$132.6 billion from \$81.2 billion and multiple-name CDS notional rose by 40.1% to \$141.1 billion from \$100.7 billion (see Chart 18).

**Chart 18:** Global CDS Gross Market Value (US\$ billions)

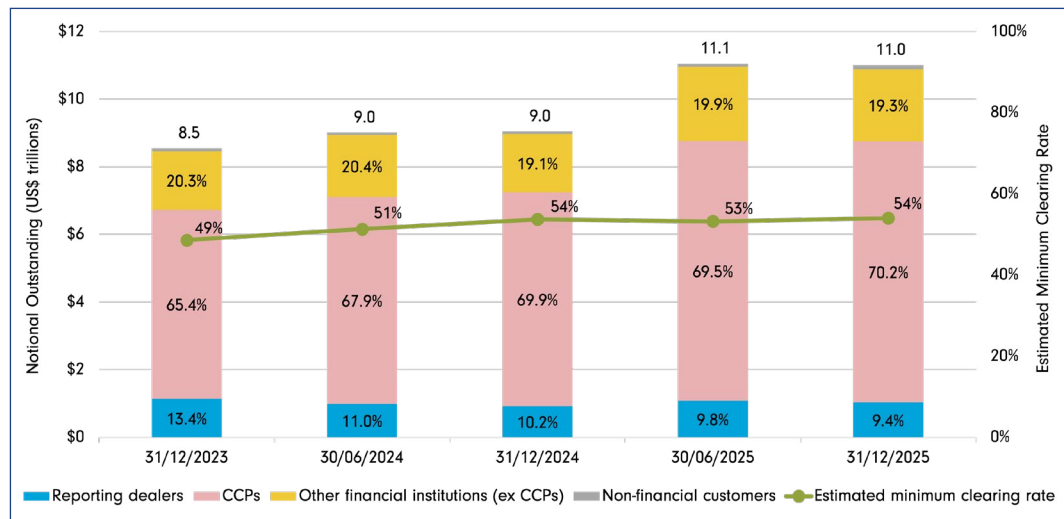


Source: BIS OTC Derivatives Statistics

The share of CDS notional outstanding cleared by CCPs was 70.2%, totaling \$7.7 trillion in the second half of 2025. The estimated minimum clearing rate for CDS contracts grew to 54.0% from 53.7% in the second half of 2024 (Chart 19)<sup>12</sup>.

<sup>12</sup>The estimated minimum clearing rate adjusts for potential double-counting of interdealer trades novated to CCPs. It is calculated as  $(CCP / 2) / (1 - (CCP / 2))$ , where CCP represents the share of notional amounts outstanding that dealers report against CCPs. The true clearing rate is likely to be higher as many trades will be initiated with CCPs

**Chart 19:** Global CDS Notional Outstanding by Counterparties (US\$ trillions)



Source: BIS OTC Derivatives Statistics

Previous editions of this report included an analysis of credit derivatives trading activity reported in the EU, UK and US based on ISDA SwapsInfo data. This analysis is not included in this edition. Financial Conduct Authority Policy Statement PS24/14 revised the UK post-trade transparency regime for OTC derivatives from December 1, 2025. The new framework redefines the scope of instruments subject to transparency and introduced delayed full volume disclosure for certain large trades until the end of the following quarter. Credit derivatives volumes reported in the UK declined significantly following implementation, and UK data for the second half of 2025 is incomplete and not comparable with prior periods.

## ISDA HAS RECENTLY PUBLISHED OTHER RESEARCH PAPERS:

### SwapsInfo First Quarter of 2026 Review

[www.isda.org/a/yd6iE/SwapsInfo-First-Quarter-of-2026-Review.pdf](http://www.isda.org/a/yd6iE/SwapsInfo-First-Quarter-of-2026-Review.pdf)

### ISDA Margin Survey Year-end 2025

[www.isda.org/a/nl6iE/ISDA-Margin-Survey-Year-end-2025.pdf](http://www.isda.org/a/nl6iE/ISDA-Margin-Survey-Year-end-2025.pdf)

### Interest Rate Derivatives Trading Activity Reported in EU, UK and US Markets: Full Year 2025 and the Fourth Quarter of 2025

[www.isda.org/a/JA6iE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-Full-Year-2025-and-the-Fourth-Quarter-of-2025.pdf](http://www.isda.org/a/JA6iE/Interest-Rate-Derivatives-Trading-Activity-Reported-in-EU-UK-and-US-Markets-Full-Year-2025-and-the-Fourth-Quarter-of-2025.pdf)

ISDA SwapsInfo enhances transparency in the OTC derivatives markets by transforming publicly available regulatory data into clear, accessible insights. The platform offers user-friendly interactive tools to analyze trading volumes for interest rate and credit derivatives, helping market participants, policymakers and researchers monitor developments across jurisdictions and product types. Users can easily chart market activity, explore trends over time and download data for further analysis.

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## FOR QUESTIONS ON ISDA RESEARCH, PLEASE CONTACT:

**Olga Roman**  
Head of Research  
[oroman@isda.org](mailto:oroman@isda.org)

**Melissa Yu**  
Assistant Director of Research  
[hyu@isda.org](mailto:hyu@isda.org)

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## ABOUT ISDA

Since 1985, ISDA has worked to make the global derivatives markets safer and more efficient. Today, ISDA has over 1,000 member institutions from 79 countries. These members comprise a broad range of derivatives market participants, including corporations, investment managers, government and supranational entities, insurance companies, energy and commodities firms, and international

and regional banks. In addition to market participants, members also include key components of the derivatives market infrastructure, such as exchanges, intermediaries, clearing houses and repositories, as well as law firms, accounting firms and other service providers. Information about ISDA and its activities is available on the Association's web site: [www.isda.org](http://www.isda.org). Follow us on [LinkedIn](#) and [YouTube](#).