

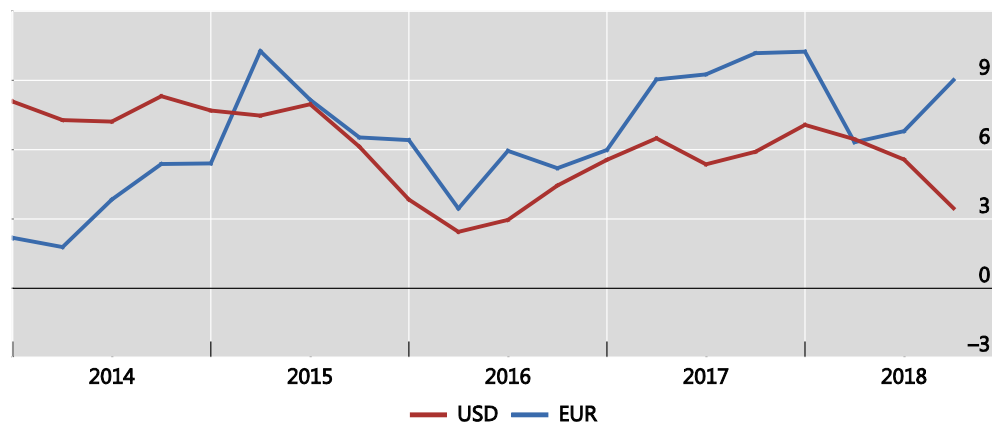


31 January 2019

Statistical release: BIS global liquidity indicators at end-September 2018

- The annual growth rate of US dollar credit to non-bank borrowers outside the United States slowed down to 3%, compared with its most recent peak of 7% at end-2017. The outstanding stock stood at [\\$11.5 trillion](#).
- In contrast, euro-denominated credit to non-bank borrowers outside the euro area rose by 9% year on year, taking the outstanding stock to [€3.2 trillion](#) (equivalent to \$3.7 trillion). Euro-denominated credit to non-bank borrowers located in emerging market and developing economies (EMDEs) grew even more strongly, up by 13%.

Growth of US dollar credit slows while euro credit accelerates



Graph 1: Annual growth of foreign currency-denominated credit to non-resident non-banks ([interactive graph](#)), in per cent.

Source: BIS global liquidity indicators (Tables [E2.1](#) and [E2.2](#)).

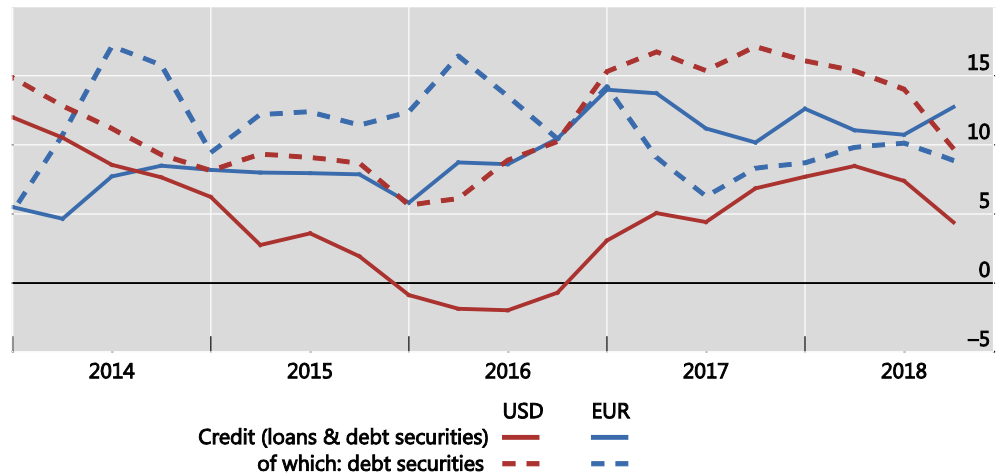
The annual growth rate of US dollar credit to non-bank borrowers outside the United States slowed to 3% at end-Q3 2018. This compares with its most recent peak of 7% at end-2017 and is the slowest growth seen since mid-2016 (Graph 1, red line). The outstanding stock stood at [\\$11.5 trillion](#).¹ The slowdown was especially marked for debt securities, the annual growth rate of which fell to [6%](#) at end-September 2018 from 11% at end-2017. The growth of US dollar-denominated loans slowed to 1% annually, from 3% at end-2017.

In contrast, euro-denominated credit to non-bank borrowers outside the euro area expanded rapidly (blue line). After slowing in the first half of 2018, growth picked up again in Q3 2018, taking the outstanding stock to a record high of [€3.2 trillion](#)

¹ The above estimates of US dollar credit do not include borrowing through [foreign exchange swaps and forwards](#), which create debt-like obligations. Such borrowing is similar in size to, and probably exceeds, borrowing through loans and debt securities.

(equivalent to \$3.7 trillion) at end-September 2018. The annual growth of both – bank loans (+12%) and debt securities (+7%) – was [strong](#).

Euro credit to EMDEs continued to outpace US dollar credit



Graph 2: Annual percentage change in US dollar- and euro-denominated credit to non-banks in EMDEs ([interactive graph](#)), in per cent.

Source: BIS global liquidity indicators (Tables [E2.1](#) and [E2.2](#)).

The trend in foreign currency credit to EMDEs was similar to the global one, with US dollar credit slowing and euro-denominated credit accelerating. US dollar-denominated credit to EMDEs grew by 4% in the year to end-September 2018 (Graph 2, solid red line). Its outstanding stock stood at [\\$3.7 trillion](#). Net issuance of debt securities during Q3 2018 was close to zero, which brought their annual growth rate down to [10%](#), from 17% at end-Q3 2017. Loans grew by 1% over the previous year.

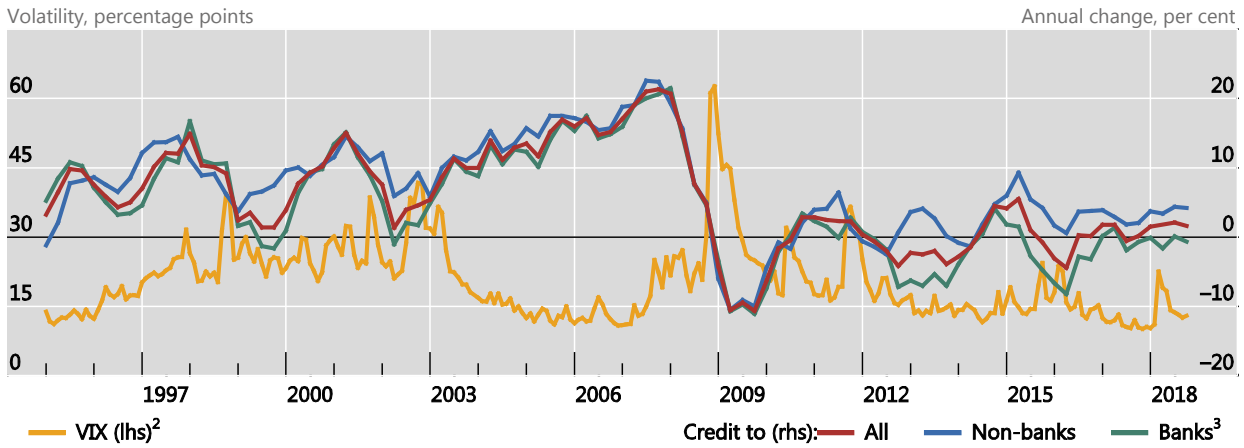
Euro-denominated credit to EMDEs (solid blue line) continued to grow at a much faster annual pace ([13%](#)) than US dollar credit. The expansion was mainly driven by loans, which grew by 15% over the year to end-September 2018. The growth of debt securities also remained high.

The latest divergence between US dollar and euro credit to EMDEs is part of a longer trend. Over the past five years, euro credit has expanded at an average annual rate of 10%, compared with 4% for US dollar credit. The gap between the two currencies was even larger for bank loans: 9% annual growth for the euro segment versus around zero for the US dollar segment.

Annex: Charts

Growth of international bank credit¹

Graph A1



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

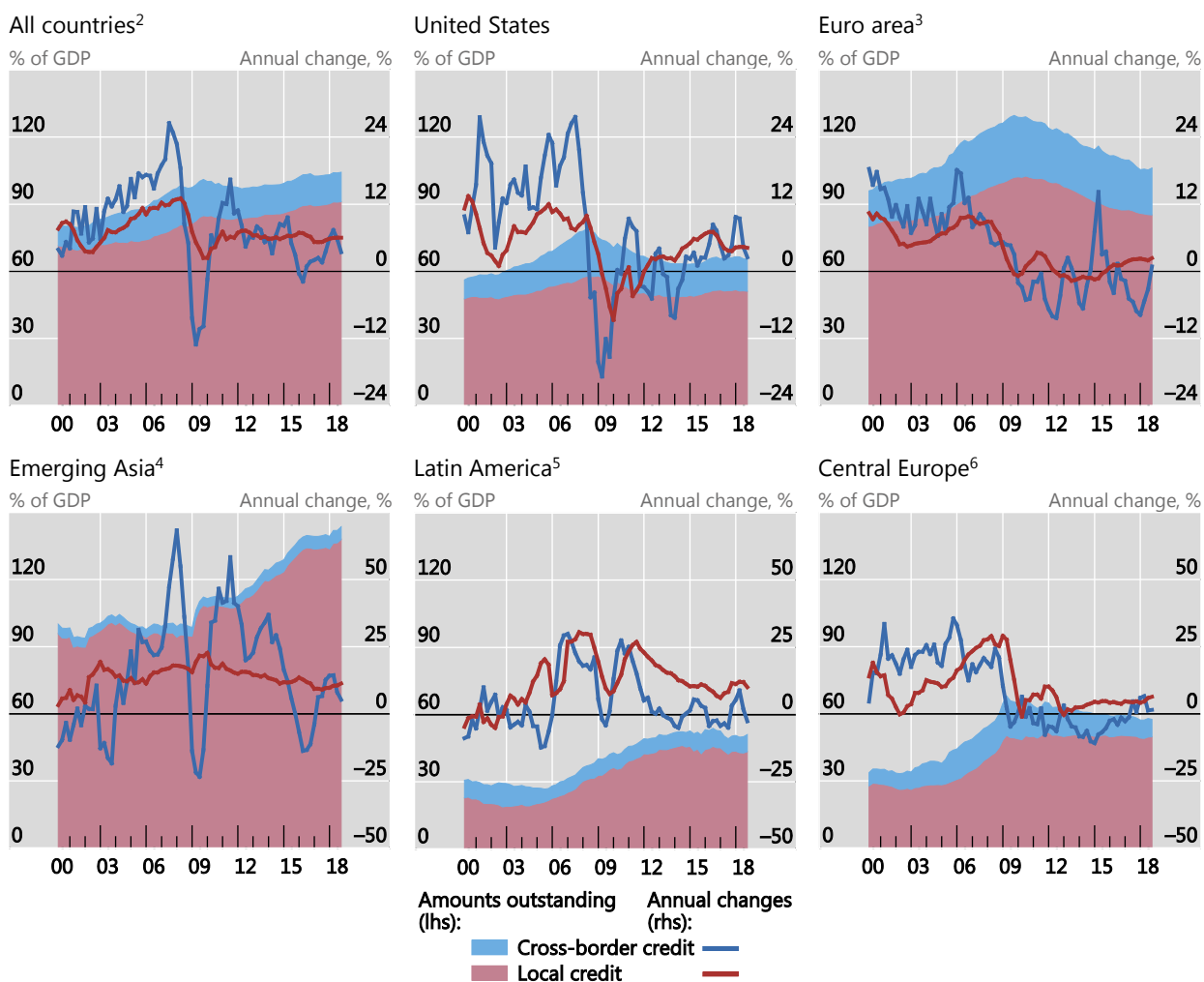
¹ LBS-reporting banks' cross-border claims plus local claims in foreign currencies. ² Chicago Board Options Exchange S&P 500 implied volatility index; standard deviation, in percentage points per annum. ³ Including intragroup transactions.

Sources: Bloomberg; BIS locational banking statistics (LBS).

Global bank credit to the private non-financial sector, by residence of borrower

Banks' cross-border credit plus local credit in all currencies¹

Graph A2



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

¹ Cross-border claims of LBS-reporting banks to the non-bank sector plus local claims of all banks to the private non-financial sector. Weighted averages of the economies listed, based on four-quarter moving sums of GDP. ² Australia, Canada, Denmark, Japan, New Zealand, Norway, Russia, Saudi Arabia, South Africa, Sweden, Switzerland, Turkey and the United Kingdom, plus the countries in the other panels. ³ Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Portugal and Spain. ⁴ China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Singapore and Thailand. ⁵ Argentina, Brazil, Chile and Mexico. ⁶ The Czech Republic, Hungary and Poland.

Sources: BIS statistics on credit to the non-financial sector; BIS locational banking statistics (LBS); BIS calculations.

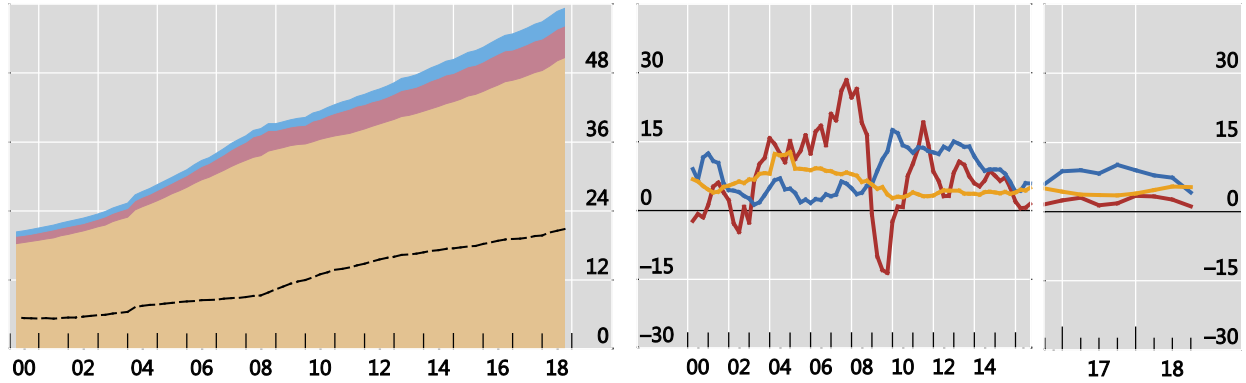
Global credit to the non-financial sector, by currency

Graph A3

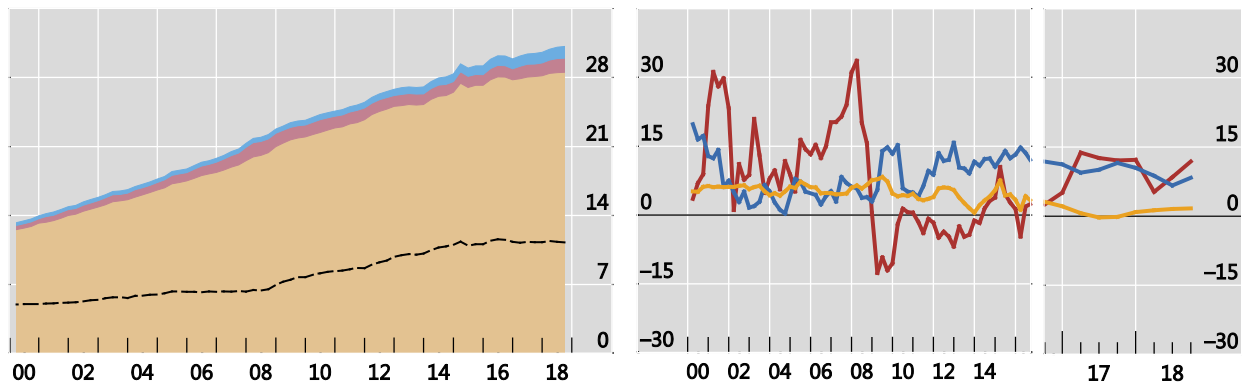
Amounts outstanding, in trillions of currency units¹

Annual change, in per cent²

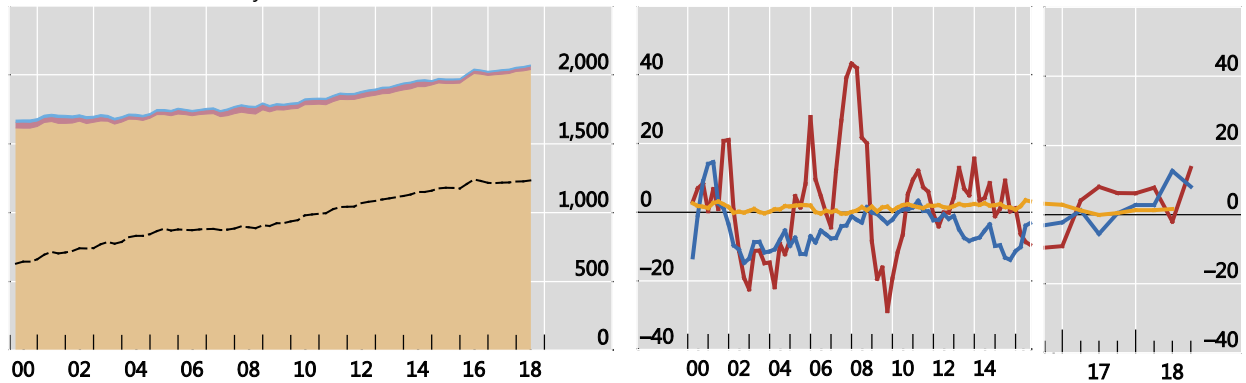
Credit denominated in US dollars



Credit denominated in euros



Credit denominated in yen



Credit to residents³
 Credit to non-residents:

 Of which:

 Credit to government

 Loans⁵

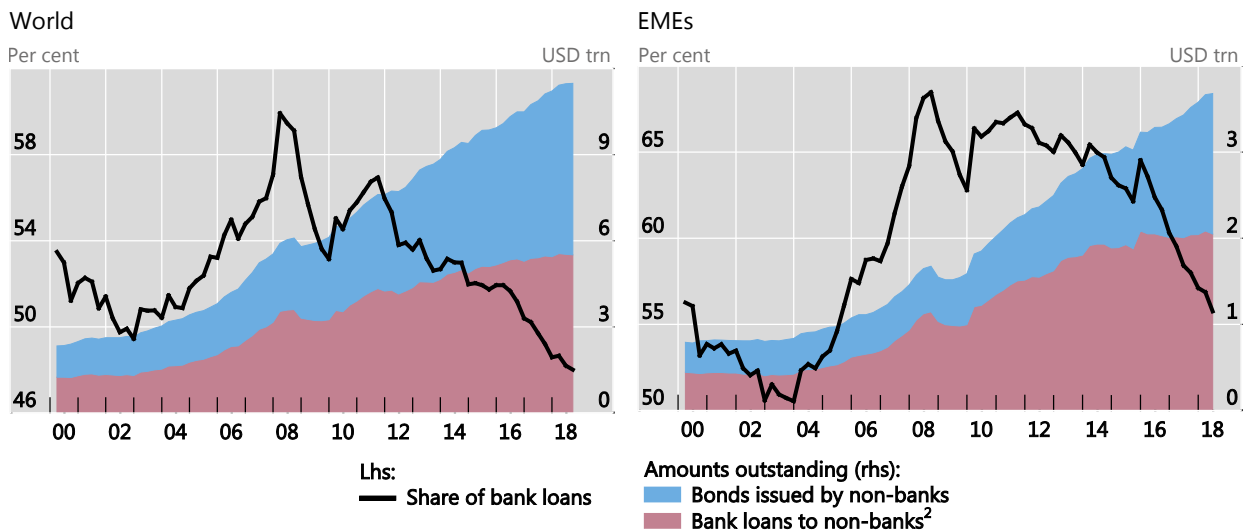
Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

¹ Amounts outstanding at quarter-end. ² Based on quarterly break- and exchange rate-adjusted changes. ³ Credit to non-financial borrowers residing in the United States/euro area/Japan. National financial accounts are adjusted using BIS banking and securities statistics to exclude credit denominated in non-local currencies. ⁴ Excluding debt securities issued by special purpose vehicles and other financial entities controlled by non-financial parents. Euro-denominated debt securities exclude those issued by institutions of the European Union. ⁵ Loans by LBS-reporting banks to non-bank borrowers, including non-bank financial entities, comprise cross-border plus local loans.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.

US dollar-denominated credit to non-banks outside the United States¹

Graph A4



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/gli.htm.

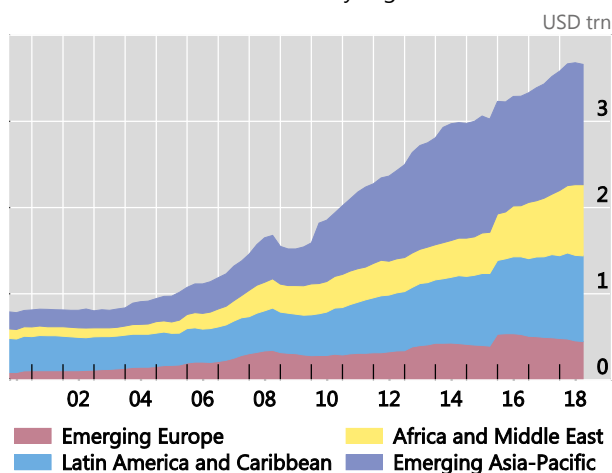
¹ Non-banks comprise non-bank financial entities, non-financial corporations, governments, households and international organisations. ² Loans by LBS-reporting banks to non-bank borrowers, including non-bank financial entities, comprise cross-border plus local loans.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.

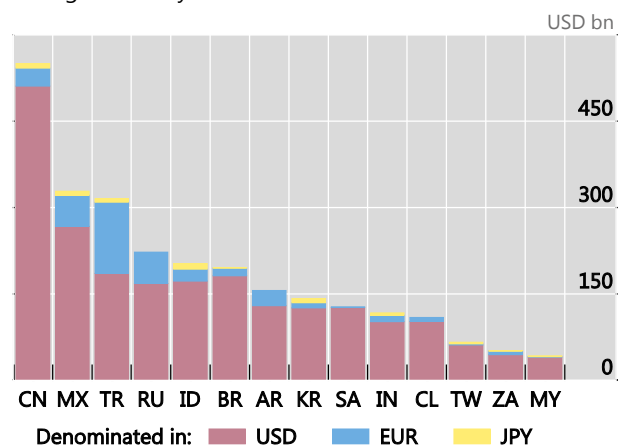
Foreign currency credit to non-banks in EMEs

Graph A5

US dollar-denominated credit by region



Foreign currency credit to selected EMEs¹



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

¹ Amounts outstanding for the latest available data.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics; BIS calculations.