Statistical release: BIS global liquidity indicators at end-September 2019

- US dollar credit to non-bank borrowers outside the United States grew by 5% year on year at end-September 2019, to reach $12.1 trillion.
- Euro-denominated credit outside the euro area continued to expand at a fast pace (9%). In contrast, the growth rate of yen-denominated credit outside Japan fell to 1%.
- Strong debt securities issuance drove expansions in US dollar and euro credit to emerging market and developing economies (EMDEs). US dollar credit to EMDEs grew at an annual rate of 3% (to reach $3.8 trillion); euro credit to EMDEs expanded by 9% (to reach €0.7 trillion).

Euro-denominated credit outside the euro area continued to expand rapidly

US dollar credit to non-bank borrowers outside the United States grew by 5% year on year (yoy) (Graph 1, red line) to reach $12.1 trillion at end-September 2019. In terms of the main components, the growth rate of bank loans (6% yoy) exceeded that of debt securities (4% yoy) for a third consecutive quarter. This represents a notable reversal of the pattern observed during most of the post-Great Financial Crisis period, when US dollar debt securities outpaced loans.

Euro-denominated credit to borrowers outside the euro area grew by 9% yoy (Graph 1, blue line), pushing the outstanding stock up to €3.5 trillion (equivalent to $3.8 trillion) at end-September 2019. Meanwhile, the yoy growth rate of yen-denominated credit outside Japan fell sharply to 1% (yellow line). This took the outstanding stock to ¥48.6 trillion (equivalent to $0.5 trillion).
Debt securities drove growth in foreign currency credit to EMDEs

The yoy growth rate of US dollar credit to residents of EMDEs rose slightly, to 3%, as of end-September 2019 (Graph 2, solid red line). This was driven by international debt securities, which grew at 9% yoy (dotted red line). By contrast, dollar-denominated bank loans to EMDEs contracted by 2% yoy. Since the start of 2015, the yoy growth rate of dollar loans to EMDEs has been negative in 13 (out of 19) quarters.

Differences across EMDE regions remained substantial. At one extreme, dollar credit to Africa and the Middle East continued to expand very rapidly (by 13% yoy at end-September, up from 11% at end-June). At the other extreme, dollar credit to emerging Europe continued to contract, albeit at a slightly slower pace (–8% as of end-September) than at end-June (–9%). Between those two extremes, credit to Latin America and the Caribbean grew at 3% yoy while that to emerging Asia remained flat.

Euro-denominated credit to EMDEs rose at an annual rate of 9% as of end-September 2019 (solid blue line). As with dollar credit, the expansion was driven by international debt securities, which grew by 16% yoy (dotted blue line). The annual growth rate of bank loans dipped to 5% at end-September 2019, down from an average of 9% over the five years up to end-September 2018.

Graph 2: Annual percentage change of US dollar- and euro-denominated credit to non-banks located in EMDEs (interactive graph for USD and EUR).

Source: BIS global liquidity indicators Table E2.1 and Table E2.2.
Annex

US dollar credit outside the United States$^1$

Annual change, in per cent

Further information on the BIS global liquidity indicators is available at [www.bis.org/statistics/about_gli_stats.htm](http://www.bis.org/statistics/about_gli_stats.htm).

$^1$ Annual growth of US dollar-denominated credit to non-banks outside the United States.

$^2$ Annual growth of the US dollar nominal effective exchange rate (NEER). An increase indicates an appreciation of the US dollar NEER.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics; BIS effective exchange rate statistics; BIS calculations.
Global bank credit to the private non-financial sector, by residence of borrower

Banks’ cross-border credit plus local credit in all currencies

Graph A2

<table>
<thead>
<tr>
<th>All countries²</th>
<th>United States</th>
<th>Euro area³</th>
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<tbody>
<tr>
<td>% of GDP</td>
<td>Annual change, %</td>
<td>% of GDP</td>
</tr>
<tr>
<td>120</td>
<td>24</td>
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<td>30</td>
</tr>
<tr>
<td>0</td>
<td>-24</td>
<td>0</td>
</tr>
</tbody>
</table>

Emerging Asia⁴ | Latin America⁵ | Central Europe⁶ |
| % of GDP       | Annual change, % | % of GDP   | Annual change, % | % of GDP | Annual change, % |
| 120            | 50           | 120        | 50           | 120      | 50             |
| 90             | 25           | 90         | 25           | 90       | 25             |
| 60             | 0            | 60         | 0            | 60       | 0              |
| 30             | -25          | 30         | -25          | 30       | -25            |
| 0              | -50          | 0          | -50          | 0        | -50            |

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

Amounts outstanding, in trillions of currency units

Credit denominated in US dollars

Credit denominated in euros

Credit denominated in yen

Annual change, in per cent

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 States\(^1\)  

**Graph A4**

<table>
<thead>
<tr>
<th>World</th>
<th>EMDEs</th>
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<tbody>
<tr>
<td>Per cent</td>
<td>Per cent</td>
</tr>
<tr>
<td>USD trn</td>
<td>USD trn</td>
</tr>
</tbody>
</table>

Further information on the BIS global liquidity indicators is available at [www.bis.org/statistics/about_gli_stats.htm](http://www.bis.org/statistics/about_gli_stats.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.

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Foreign currency credit to non-banks in EMDEs

**Graph A5**

**US dollar-denominated credit by region**

**Foreign currency credit to selected EMDEs\(^1\)**

Further information on the BIS global liquidity indicators is available at [www.bis.org/statistics/about_gli_stats.htm](http://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.