

**Release of provisional
locational and consolidated banking statistics
at end-December 2005**

25 April 2006

Detailed tables with provisional locational and consolidated banking data for 2005 Q4 are to be published today on the BIS website. A more detailed commentary, based on revised data, will be provided in the next *BIS Quarterly Review* on 12 June 2006.¹

Locational banking statistics (Table 1)

- Cross-border claims expanded by \$568 billion to \$21.1 trillion.² In contrast with the slower growth of cross-border loans recorded over the last two quarters, banks' securities purchases accelerated to \$241 billion, mainly vis-à-vis developed countries. Yen-denominated lending increased markedly, by \$53 billion, as a result of new business with developed countries and offshore centres.
- Cross-border bank liabilities expanded by only \$363 billion, as non-banks in the developed countries drew down some deposits built up in the previous quarter. Interbank deposits from banks in offshore centres, denominated mainly in US dollars, increased by \$119 billion.

Consolidated banking statistics on a contractual basis (Table 2)

- Reported worldwide foreign claim aggregates remained broadly unchanged in US dollar terms at \$21.4 trillion.³ German banks reported a large decline in claims (12%), as did, to a lesser extent, UK, Swiss and Irish banks, but this was offset by increases reported by Spanish (7%), Canadian (6%) and Japanese (5%) banks.⁴
- The maturity structure of lending to emerging market economies lengthened (on a residual maturity basis), despite an absolute increase in short-term claims.
- Expanded reporting coverage accounted for a \$47 billion (43%) rise in the outstanding stock of foreign claims for banks headquartered in Denmark in the current quarter.
- Following the introduction of a new reporting system, the 2005 Q3 claims of banks headquartered in Spain have been revised. Total foreign claims stood at \$ 852 billion in 2005 Q4, up 18% from the level a year earlier. Short-term international claims grew by 15% over the same period. Data for 2005 Q1 are still under revision.

¹ The revised Q3 locational data published in the March 2006 *BIS Quarterly Review* for total assets differed by less than 0.1% from the preliminary data published in January 2006.

² The \$568 billion change excludes a \$100 billion increase in stocks due to an inter-office transfer of business into the euro area, in which local domestic currency positions (not reported in the locational data) were reclassified as reportable cross-border positions.

³ This total refers to all reporting banks, ie the consolidated worldwide assets of banks with headquarters in the 30 reporting countries plus foreign bank offices from non-reporting countries resident in the reporting countries. The consolidated banking statistics do not provide a currency breakdown of international claims, but the outstanding stock of claims will have declined slightly in dollar terms because of a 2% and 4% strengthening of the dollar against the euro and yen, respectively, during 2005 Q4. This suggests that the underlying growth rate of claims was slightly positive.

⁴ See Table 9B in the detailed tables of this provisional statistical release.

Consolidated banking statistics on an ultimate risk basis⁵ (Table 3)

- Total claims on an ultimate risk basis, ie claims reallocated to the country of residence of the ultimate obligor, remained largely unchanged at \$17.5 trillion.
- Overall contingent claims from derivative contracts with positive market values changed little, standing at \$2.2 trillion. Broken down by head office, however, they declined strongly for UK, Dutch and Swiss banks, with increases attributable mainly to French and Belgian banks. Additional funding obligations for guarantees also raised French, Swiss and Belgian banks' contingent exposures, while guarantees provided by German banks fell by 20%.
- Credit commitments were up 2% quarter on quarter, with the strongest increases for US banks (13%), followed by UK (8%) and Swiss banks. The largest declines were reported by French banks (16%), followed by German and Italian banks.

⁵ Ultimate risk data are reported by a smaller sample of domestically owned banks, ie those headquartered in one of the 24 reporting countries submitting data on an ultimate risk basis. See P McGuire and P Wooldridge, "The BIS consolidated banking statistics: structure, uses and recent enhancements", *BIS Quarterly Review*, September 2005, for a detailed description.

Table 1: Cross-border claims of BIS reporting banks									
Exchange rate adjusted changes in amounts outstanding, in billions of US dollars ¹									
	vis-à-vis Developed Countries		vis-à-vis Offshore Centres		vis-à-vis Developing Countries		vis-à-vis All Countries ³		Stocks out-standing
	2005 Q3	2005 Q4	2005 Q3	2005 Q4	2005 Q3	2005 Q4	2005 Q3	2005 Q4	end-Dec
Total cross-border claims	430	418	38	67	68	72	535	568	21,111
By Sector									
on banks	244	249	-8	58	46	21	279	344	13,376
on non-banks	186	169	45	9	22	51	256	224	7,735
by Instrument									
Loans	298	110	2	56	61	51	362	224	15,184
Securities	90	218	29	12	10	8	132	241	4,834
Other stocks	41	90	6	-1	-3	13	41	104	1,094
by Currency									
US dollar	210	145	-24	25	42	25	232	194	8,645
Euro	164	132	7	13	7	20	175	153	7,877
Yen	-22	33	24	19	0	0	2	53	910
Other currencies ²	78	109	31	10	18	28	125	168	3,679
Memo item: local claims in foreign currency	14	-33	8	-23	4	1	27	-55	2,782
Total cross-border liabilities	366	82	21	133	115	79	652	363	19,870
By Sector									
on banks	261	178	3	119	93	49	478	417	14,715
on non-banks	105	-96	18	14	23	30	174	-54	5,155
by Instrument									
Deposits	375	93	19	130	113	80	532	295	17,195
Securities	3	2	-1	-1	1	0	122	85	2,210
Other stocks	-13	-14	3	4	1	0	-2	-17	465
by Currency									
US dollar	240	82	-15	86	66	45	320	226	9,014
Euro	112	-37	0	7	9	11	221	15	6,326
Yen	-27	2	9	6	3	0	-14	13	702
Other currencies ²	41	34	27	34	38	23	126	109	3,828

¹ Not adjusted for seasonal effects. ² Including unallocated currencies. ³ Including claims on international organisations. Excluding claims on Residents.

Table 2: Consolidated claims on a contractual (immediate borrower) basis

In billions of US dollars

	Vis-à-vis Developed countries		Vis-à-vis Offshore centres		Vis-à-vis Emerging markets		Total ⁵	
	Q3 2005	Q4 2005	Q3 2005	Q4 2005	Q3 2005	Q4 2005	Q3 2005	Q4 2005
Foreign claims¹	17,493	17,331	1,546	1,530	2,334	2,417	21,457	21,360
<i>by type of claim</i>								
-International claims ²	11,707	11,552	1,252	1,242	1,302	1,359	14,343	14,233
As % of foreign claims	(66.9)	(66.7)	(81.0)	(81.2)	(55.8)	(56.2)	(66.8)	(66.6)
-Local claims ³	5,786	5,779	294	288	1,032	1,058	7,114	7,127
As % of foreign claims	(33.1)	(33.3)	(19.0)	(18.8)	(44.2)	(43.8)	(33.2)	(33.4)
Breakdown of international claims								
<i>by maturity</i>								
-Up to and including 1 year	6,446	6,245	578	559	627	650	7,686	7,487
As % of international claims	(55.1)	(54.1)	(46.2)	(45.0)	(48.2)	(47.9)	(53.6)	(52.6)
-Over 1 year and up to 2 years	484	512	38	34	65	68	590	617
As % of international claims	(4.1)	(4.4)	(3.1)	(2.7)	(5.0)	(5.0)	(4.1)	(4.3)
-Over two years	3,035	2,998	385	407	480	507	3,920	3,933
As % of international claims	(25.9)	(26.0)	(30.8)	(32.7)	(36.8)	(37.3)	(27.3)	(27.6)
- Unallocated	1,743	1,796	250	243	130	134	2,147	2,196
As % of international claims	(14.9)	(15.5)	(20.0)	(19.5)	(10.0)	(9.8)	(15.0)	(15.4)
Risk transfers⁴								
Inward risk transfers	1,021	997	42	48	90	90	1,155	1,138
Outward risk transfers	887	881	267	258	168	169	1,324	1,310
Net risk transfers	142	168	-423	-432	-174	-161	-464	-434
Foreign claims (after net risk transfers reported by 26 countries)	17,635	17,499	1,123	1,099	2,161	2,256	20,993	20,926

¹ Foreign claims of *all* banks (domestic and foreign banks) in 30 reporting countries. ² Cross-border claims denominated in all currencies plus local claims of foreign offices denominated in foreign currencies; for US banks, cross-border claims only. ³ Local claims of foreign offices denominated in local currencies; for US banks, local claims in all currencies. ⁴ While 30 countries reports claims on contractual basis, 26 countries provide risk transfers information. Inward risk transfers minus outward risk transfers do not equal net risk transfers because some countries report only net risk transfers. ⁵ Includes positions vis-à-vis international organisations and unallocated.

Table 3: Consolidated foreign claims and other contingent exposures on an ultimate risk basis

In billions of US dollars

	Vis-à-vis Developed countries		Vis-à-vis Offshore centres		Vis-à-vis Emerging markets		Total ⁵	
	Q3 2005	Q4 2005	Q3 2005	Q4 2005	Q3 2005	Q4 2005	Q3 2005	Q4 2005
<i>Memo:</i> Foreign claims (after net risk transfers reported by 26 countries, Table 2)	(17,635)	(17,499)	(1,123)	(1,099)	(2,161)	(2,256)	(20,993)	(20,926)
Foreign claims after net risk transfers ¹	14,702	14,437	1,020	980	1,999	2,029	17,768	17,492
o/w local claims	6,224	6,168	366	338	1,145	1,164	7,747	7,685
As % of foreign claims	(42.3)	(42.7)	(35.9)	(34.5)	(57.2)	(57.4)	(43.6)	(43.9)
By sector								
-Banks	4,646	4,356	118	118	392	397	5,164	4,878
As % of foreign claims	(31.6)	(30.2)	(11.6)	(12.0)	(19.6)	(19.6)	(29.1)	(27.9)
-Public sector	2,746	2,742	50	47	425	417	3,256	3,240
As % of foreign claims	(18.7)	(19.0)	(4.9)	(4.8)	(21.2)	(20.6)	(18.3)	(18.5)
-Non-bank private sector	6,888	6,945	811	775	945	979	8,656	8,712
As % of foreign claims	(46.9)	(48.1)	(79.5)	(79.1)	(47.3)	(48.2)	(48.7)	(49.8)
-Unallocated	421	393	40	41	238	237	692	661
As % of foreign claims	(2.9)	(2.7)	(4.0)	(4.1)	(11.9)	(11.7)	(3.9)	(3.8)
Other exposures								
Derivatives contracts ²	2,054	2,003	70	69	115	120	2,246	2,198
Guarantees extended ³	1,224	1,239	115	99	135	136	1,481	1,480
Credit commitments ⁴	3,055	3,106	344	364	342	355	3,751	3,833

¹ Based on data of *domestically owned* banks in 24 countries which submitted both sets of data in Q3 and Q4 of 2005 and also provide risk transfers and detailed breakdown and contingent exposures. ² Excluding Austria and Chile. Positive market values only. ³ Excluding United States. ⁴ Excluding Chile. ⁵ Includes positions vis-à-vis international organisations and unallocated.