

**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.