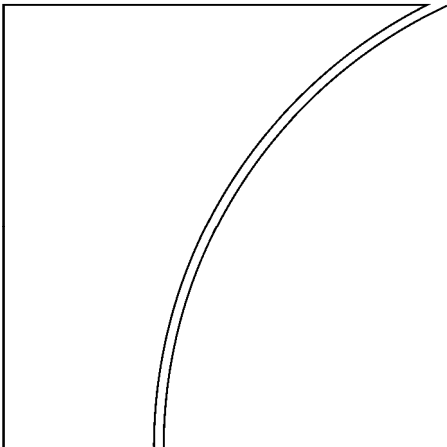




BANK FOR INTERNATIONAL SETTLEMENTS



Statistical commentary on provisional locational and consolidated international banking statistics at end-March 2009

Monetary and Economic Department

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Release of preliminary locational and consolidated banking statistics

First quarter of 2009

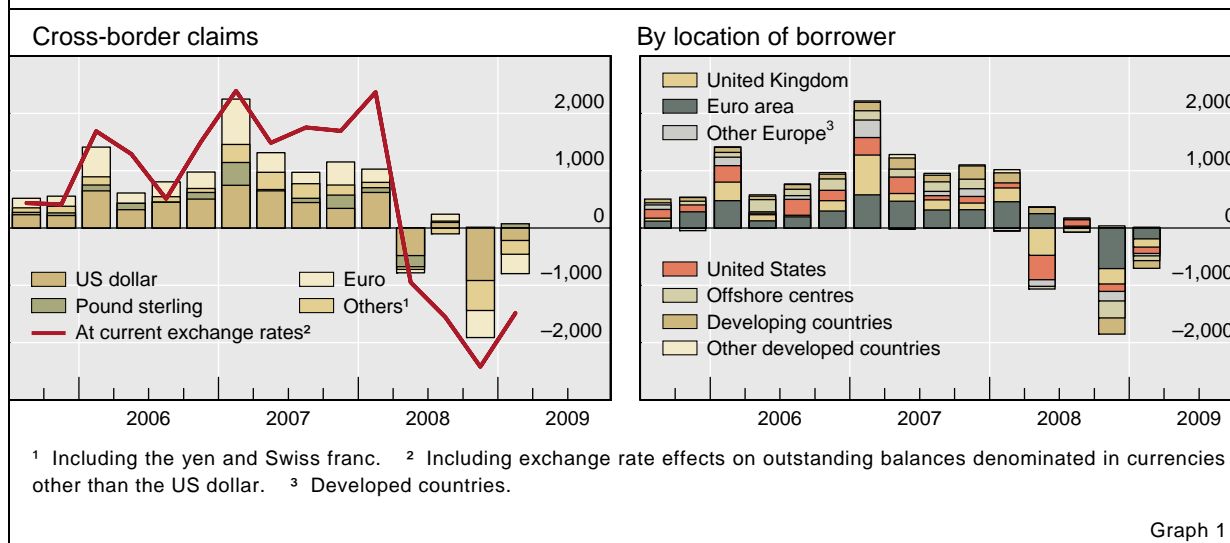
Data for the first quarter of 2009 are provisional. Final data, with a detailed analysis of the recent trends, will be published in the forthcoming *BIS Quarterly Review*, to be released on 14 September 2009.

Locational banking statistics¹ (Table 1)

After a sharp drop of 5.7% (\$1.9 trillion) in the previous quarter, banks' external claims declined at a slower pace in the first quarter of 2009 – by 2.3% (\$0.7 trillion) – to \$29.4 trillion (all values in Table 1 reported at quarterly *constant* exchange rates)². Claims denominated in yen shrank 15% (\$205 billion), of which \$137 billion represented claims on other banks. Interbank claims denominated in US dollars and euros were also down by 2% (\$150 billion) and 3% (\$264 billion) respectively. In comparison, external claims on the non-bank sector declined by only 1% (\$149 billion).

Changes in claims of BIS reporting banks

In billions of US dollars, at constant exchange rates



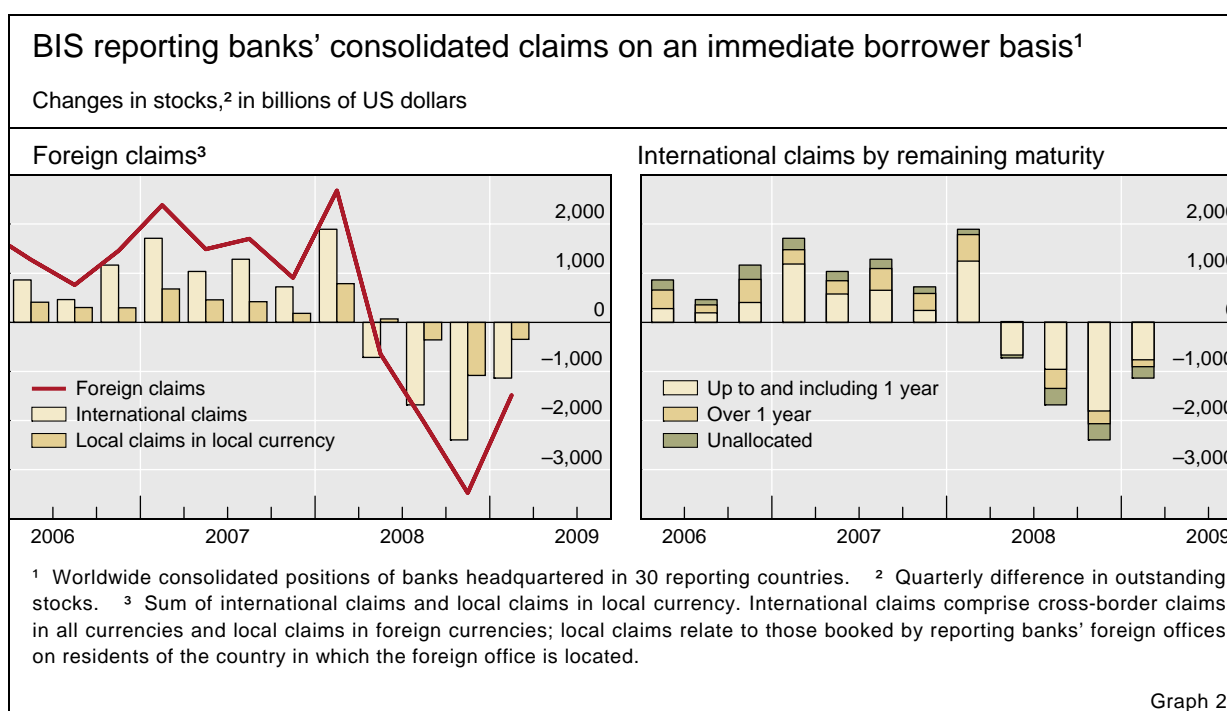
¹ The locational statistics are structured by residence of the banks' offices; they provide details on the currency distribution and the liability and asset structure of cross-border banking. The reported changes in claims by location are net of breaks shown in the Annex at the end of the release.

² At *current* exchange rates, which reflect the depreciation of the euro and other currencies relative to the US dollar, amounts outstanding dropped by \$1.5 trillion.

- *Sector:* Claims on non-banks dropped by only \$149 billion or 1% (compared to \$961 billion or 8% in the fourth quarter of 2008). Interbank claims dropped by \$571 billion or 3% (after \$937 billion or 4% in the fourth quarter).
- *Location of counterparties:* Cross-border bank claims on borrowers in developed countries declined by 2% (\$515 billion) after a fall of 5% in the fourth quarter of 2008. Claims on non-banks in emerging economies in Asia and Europe fell by 3% and 4% respectively.
- *Instruments:* Banks' holdings of other banks' securities dropped by \$58 billion (3%), with holdings of US dollar securities declining by \$40 billion (9%).
- *Currencies:* Banks' cross-border claims denominated in US dollars and euros decreased by \$186 billion (2%) and \$321 billion (3%) respectively. Yen-denominated cross-border claims contracted sharply by 15% (\$205 billion), while sterling- and Swiss franc-denominated claims increased by 4% and 1% respectively.
- *Foreign currency claims on residents of reporting countries:* Such claims in dollars and euros decreased by \$164 billion (9%) and \$94 billion (9%) respectively. Yen denominated claims on residents declined by \$7 billion (5%) after a fall of \$58 billion in the fourth quarter of 2008.

Consolidated bank assets on an immediate borrower basis (Table 2)

In the first quarter of 2009, international consolidated claims of BIS reporting banks registered their fourth consecutive quarterly contraction, declining by \$1.1 trillion, after a record drop of \$2.4 trillion in the previous quarter (all values in Table 2 reported at *current* exchange rates). Local claims in local currencies decreased by only 0.7%. A number of countervailing effects were at work in this quarter: an expanded reporting population in the US, exchange rate movements and net changes in credit. All changes provided in the text and graphs below exclude the effect of the larger reporting population.



- *Local claims in local currency*: These remained unchanged at \$10 trillion. Excluding the impact of the expanded reporting population and exchange rate movements, net reductions in credit amounted to \$75 billion, most pronounced in the United States, Luxembourg and Germany. Limited net increases were reported mainly in Spain, Mexico and Korea.
- *Maturities*: The share of long-term claims increased by 1 percentage point.
- *Net risk transfers*: After taking into account risk transfers (protection bought with credit derivatives in the banking book, other guarantees and collateral), banks' foreign exposures were reduced by a net \$254 billion, to \$29.6 trillion.

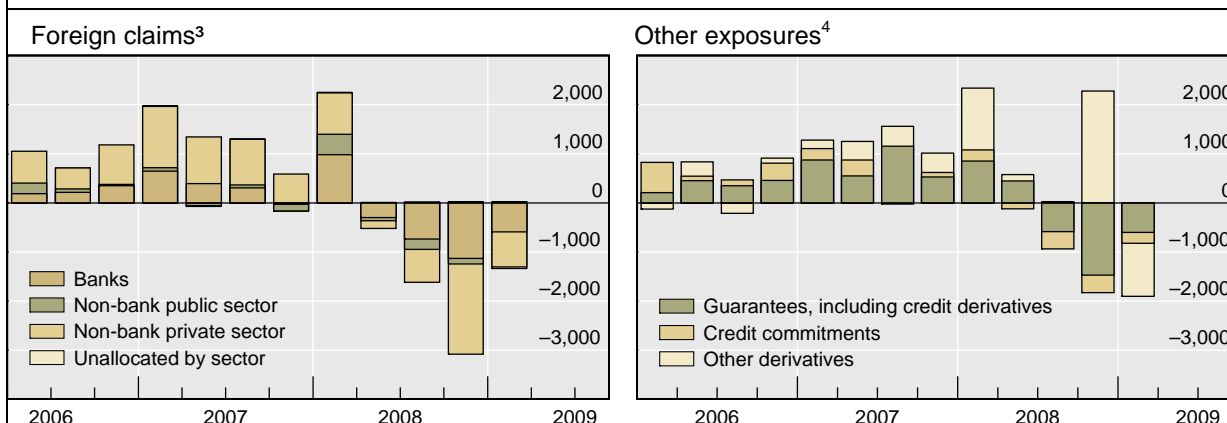
Consolidated foreign claims and other contingent exposures on an ultimate risk basis (Table 3)

Foreign claims on an *ultimate risk basis* amounted to \$24.8 trillion at *current* exchange rates after taking into account net risk transfers (see above). Amounts outstanding were largely unchanged because the expansion of the reporting population in the United States was balanced by a reduction in other banks' foreign claims (data are for a subset of domestically owned banks in 24 reporting countries).

- *Ultimate risk claims*: The share of banks' ultimate risk claims on the bank sector dropped by 1 percentage point. The change was most pronounced in offshore centres.
- Due to market conditions, the positive market value of *derivatives* claims in banks' trading book declined by 15% (\$1.1 trillion), partially reversing the substantial increase in the fourth quarter of 2008; outstanding stocks decreased to only \$6.4 trillion due to the expanded reporting population. Outstanding *guarantees extended* (including credit derivatives) declined by \$600 billion (Graph 3), whereas total amounts outstanding (Table 3) increased by \$1 trillion due to expanded reporting.

BIS reporting banks' consolidated claims on an ultimate risk basis¹

Changes in stocks,² in billions of US dollars



¹ Worldwide consolidated positions of banks headquartered in 24 reporting countries. ² Quarterly difference in outstanding stocks. ³ Sum of cross-border and local claims. The latter comprise claims in all currencies booked by reporting banks' foreign offices on residents of the country in which the foreign office is located. ⁴ Derivatives relate to positive market values recorded as on- or off-balance sheet items. Credit commitments and guarantees are recorded as off-balance sheet items.

Graph 3

Table 1

Changes in external claims and liabilities of BIS reporting banks (locational statistics)

In billions of US dollars, at constant quarterly exchange rates

	Vis-à-vis developed countries		Vis-à-vis offshore centres		Vis-à-vis developing countries		Vis-à-vis all countries ^{1, 2}		Stocks at end-March 2009
	Q4 2008	Q1 2009	Q4 2008	Q1 2009	Q4 2008	Q1 2009	Q4 2008	Q1 2009	
Total external claims	-1,354	-515	-298	-84	-282	-134	-1,898	-720	29,419
By sector									
On banks	-705	-411	-54	-61	-203	-106	-937	-571	19,054
On non-banks	-649	-104	-244	-23	-79	-29	-961	-149	10,365
By instrument									
Loans	-1,333	-427	-163	-47	-203	-106	-1,741	-579	21,394
Securities	-118	-20	-106	-27	-60	-18	-276	-46	6,074
Other stocks	97	-68	-29	-10	-19	-10	118	-95	1,950
By currency									
US dollar	-603	-137	-138	-6	-136	-48	-894	-186	11,819
Euro	-508	-241	-17	-56	8	-16	-503	-321	11,130
Yen	-130	-167	-50	-30	-9	-9	-191	-205	1,053
Other currencies ³	-114	30	-93	7	-145	-62	-310	-8	5,417
<i>Memo: Local claims in foreign currency</i>	-50	-266	-12	-21	-54	-18	-115	-304	3,672
Total external liabilities	-1,310	-134	-120	-147	-302	-22	-1,900	-265	27,730
By sector									
On banks	-940	137	63	-109	-277	-29	-1,296	32	20,681
On non-banks	-369	-271	-183	-38	-25	7	-604	-297	7,049
By instrument									
Deposits	-1,468	-78	-106	-151	-295	-20	-2,105	-239	23,296
Securities	-113	-13	-18	10	-4	0	-179	67	3,332
Other stocks	272	-43	4	-7	-4	-2	384	-93	1,102
By currency									
US dollar	-643	75	-20	-126	-162	-68	-958	-69	12,143
Euro	-452	-204	-8	-23	-78	30	-553	-166	9,034
Yen	-110	-143	2	-16	-5	-5	-123	-162	939
Other currencies ³	-105	137	-93	17	-57	21	-267	132	5,614

¹ Including claims on international organisations; excluding claims on residents. ² Including unallocated data not individualised in the tables. ³ Including unallocated currencies.

Table 2

Consolidated claims on a contractual (immediate borrower) basis

Amounts outstanding, in billions of US dollars at current quarterly exchange rates and percentages

	Vis-à-vis developed countries		Vis-à-vis offshore centres		Vis-à-vis emerging markets		Total ¹	
	Q4 2008	Q1 2009	Q4 2008	Q1 2009	Q4 2008	Q1 2009	Q4 2008	Q1 2009
Foreign claims on immediate borrower basis (30 countries) ²	24,159	23,671	1,997	2,084	4,057	4,044	30,276	29,869
International claims ³	16,080	15,635	1,619	1,704	2,337	2,357	20,099	19,766
Local claims in local currency ⁴	8,079	8,036	378	380	1,720	1,687	10,177	10,103
As % of foreign claims	(33.4)	(33.9)	(18.9)	(18.2)	(42.4)	(41.7)	(33.6)	(33.8)
Breakdown of international claims by maturity								
Up to and including one year	8,253	7,930	702	798	1,036	1,039	10,004	9,781
As % of international claims	(51.3)	(50.7)	(43.3)	(46.9)	(44.3)	(44.1)	(49.8)	(49.5)
Unallocated	2,589	2,398	317	291	197	177	3,128	2,896
As % of international claims	(16.1)	(15.3)	(19.6)	(17.1)	(8.4)	(7.5)	(15.6)	(14.7)
Risk transfers ⁵								
Inward risk transfers	1,081	1,155	74	103	130	138	1,289	1,398
Outward risk transfers	871	878	263	339	232	250	1,367	1,468
Net risk transfers	242	295	-399	-415	-135	-130	-295	-254
Foreign claims on ultimate risk (26 countries) ⁶	24,401	23,967	1,599	1,669	3,922	3,913	29,981	29,614
Of which: domestically owned banks ⁷	20,219	19,922	1,538	1,588	3,696	3,697	25,511	25,271

¹ Including positions vis-à-vis international organisations and unallocated. ² Foreign claims of all banks (domestic and foreign) in 30 reporting countries. ³ Cross-border claims denominated in all currencies plus local claims of foreign offices denominated in foreign currencies. ⁴ Local claims of domestic banks' foreign offices denominated in local currencies. ⁵ While 30 countries report claims on a contractual basis, 26 countries provide risk transfer information. Inward risk transfers minus outward risk transfers do not equal net risk transfers because some countries report only net risk transfers. ⁶ After net risk transfers reported by 26 countries. ⁷ Claims reported by banks headquartered in BIS reporting countries, exclusive of (1) cross-border claims of subsidiaries and affiliates on residents in the headquarter (home) country, (2) cross-border claims of non-consolidated entities and (3) cross-border claims of entities whose headquarter are outside the BIS reporting countries.

Table 3

**Consolidated foreign claims and other contingent exposures
on an ultimate risk basis**

Amounts outstanding, in billions of US dollars at current quarterly exchange rates and percentages

	Vis-à-vis developed countries		Vis-à-vis offshore centres		Vis-à-vis emerging markets		Total ¹	
	Q4 2008	Q1 2009	Q4 2008	Q1 2009	Q4 2008	Q1 2009	Q4 2008	Q1 2009
Foreign claims after net risk transfers (24 countries) ²	19,746	19,478	1,510	1,561	3,654	3,658	24,967	24,760
Of which: local claims in all currencies	8,723	8,747	480	482	2,068	2,046	11,278	11,282
As % of foreign claims	(44.2)	(44.9)	(31.8)	(30.9)	(56.6)	(55.9)	(45.2)	(45.6)
By sector								
Banks	5,674	5,336	168	146	689	687	6,538	6,175
As % of foreign claims	(28.7)	(27.4)	(11.1)	(9.4)	(18.9)	(18.8)	(26.2)	(24.9)
Public sector	3,156	3,216	92	104	707	724	3,992	4,089
As % of foreign claims	(16.0)	(16.5)	(6.1)	(6.7)	(19.3)	(19.8)	(16.0)	(16.5)
Non-bank private sector	10,718	10,761	1,233	1,290	2,236	2,228	14,190	14,282
As % of foreign claims	(54.3)	(55.2)	(81.6)	(82.7)	(61.2)	(60.9)	(56.8)	(57.7)
Unallocated	198	165	18	20	22	19	247	214
As % of foreign claims	(1.0)	(0.8)	(1.2)	(1.3)	(0.6)	(0.5)	(1.0)	(0.9)
Other exposures								
Derivatives contracts ³	6,523	5,763	322	297	308	298	7,169	6,371
Guarantees extended	5,589	5,848	272	297	761	1,458	6,622	7,604
Credit commitments ⁴	3,000	2,912	459	427	622	590	4,086	3,934

¹ Including positions vis-à-vis international organisations and unallocated. ² Based on data from domestically owned banks in 24 countries that submitted both Immediate Borrower and Ultimate Risk basis data in the fourth quarter of 2008 and first quarter of 2009, provided data on risk transfers, and gave a detailed breakdown of foreign claims and contingent exposures. ³ Excluding Chile; positive market values only. ⁴ Excluding Chile.

Annex

Breaks in series and major data revisions processed in Q1 2009

The changes in locational banking discussed in the statistical commentary are net of the breaks listed below

A. Locational banking statistics by residence

In billions of US dollars

Assets

Liabilities

Breaks in series¹

Quarters	Reporting countries	Details		
Q1 2009	Sweden	Inclusion of a few new reporting institutions	3.8	22.7

Data revisions of previous quarters

Quarters	Reporting countries	Details		
Q3 2008	Australia	Revisions from reporting banks	-39.2	-19.9
Q4 2008	Belgium	Revisions from reporting banks	-4.4	-0.3
Q4 2008	Brazil	Revisions from reporting banks	0.0	-0.3
Q4 2007	Hong Kong SAR	Revisions from reporting banks	0.1	0.2
Q2 2008 to Q4 2008	Hong Kong SAR	Revisions from reporting banks	Between 0.0 and 3.1	Between 0.0 and 4.2
Q4 2008	Italy	Revisions from reporting banks (reclassification of instruments between \$10 bn and \$94 bn)	0.1	2.1
Q1 2008 to Q4 2008	Japan	Revisions from reporting banks	Between 0.6 and 1.1	Between 0.0 and 0.6
Q4 2008	Malaysia	Revisions from reporting banks	0.1	0.1
Q4 2008	Sweden	Revisions from reporting banks	-2.8	-18.4
Q4 2008	Turkey	Revisions from reporting banks	0.1	0.1
Q2 2008 to Q4 2008	United Kingdom	Revisions from reporting banks	Between -11.9 and 0.1	Between -13.1 and 0.2
Q4 2008	United States	Revisions from reporting banks	-16.9	10.0
Q1 2008 to Q4 2008	US banks in Bahamas	Revisions from reporting banks (reclassification of positions by country)	0.0	0.0

B. Locational banking statistics by nationality

In billions of US dollars

Assets

Liabilities

Breaks in series¹

Quarters	Reporting countries	Details		
Q1 2009	Greece	Nationality reclassification	-	-
Q1 2009	Hong Kong SAR	Nationality reclassification	-	-
Q1 2009	Sweden	New reporting institutions	3.8	22.7

Data revisions of previous quarters

Quarters	Reporting countries	Details		
Q3 2008	Australia	Revisions from reporting banks	-39.2	-19.9
Q4 2008	Belgium	Revisions from reporting banks	-4.4	-0.3
Q2 2008 to Q4 2008	Japan	Revisions from reporting banks	Between 0.6 and 1.1	Between 0.0 and 0.6
Q4 2008	United States	Revisions from reporting banks	-21.6	7.5

¹ See www.bis.org/statistics/breakstables.pdf for historical breaks in series.

C. Consolidated statistics on an immediate borrower basis
Changes in billions of US dollars

Quarters	Reporting countries	Details of breaks in series¹	International claims	Other positions
Q3 2008	Ireland	Four institutions change from reporting as Outside Area Foreign Office to Inside Area Foreign Office.	-40.1	
Q4 2008	Finland	Ceasing of overlapping reporting of foreign-owned reporters consolidated by other central banks.		-119.1
		Cross-border claims		-118.6
Q1 2009	Sweden	Change in reporting population.	2.5	
		Cross-border claims		2.3
		Local claims of foreign offices in all currencies		0.3
Q1 2009	Spain	Acquisition of foreign bank by domestic bank.	0.3	
		Local currency claims of foreign offices		69.1
		Local currency liabilities of foreign offices		69.0
Q1 2009	United States	Increase in reporting population, inclusion of the former Investment Banks.	800.8	
		Local currency claims of foreign offices		205.4
		Local currency liabilities of foreign offices		257.0
Quarters	Reporting countries	Details of data revisions		
Q2 2008	Ireland	Data revisions from reporting banks:		
		Outward risk transfers		-0.3
		Inward risk transfers		-0.3
Q3 2008	Ireland	Data revisions from reporting banks:	40.1	
		Outward risk transfers		-0.4
		Inward risk transfers		-0.4
Q3 2008	Australia	Data revisions from reporting banks:	-17.4	
		Local currency claims of foreign offices		-5.8
		Local currency liabilities of foreign offices		-4.7
Q4 2008	Sweden	Data revisions from reporting banks:	0	
		Local currency claims of foreign offices		1.5
		Local currency liabilities of foreign offices		0.9
Q4 2008	United Kingdom	Data revisions from reporting banks:	-0.9	
		Local currency claims of foreign offices		16.0
Q4 2008	Finland	Data revisions from central bank:	-119.1	
Q4 2008	France	Data revisions from reporting banks:	-9.6	
		Local currency claims of foreign offices		-2.0
		Local currency liabilities of foreign offices		11.5
Q4 2008	Japan	Data revisions from reporting banks:	2.0	
Q4 2008	Netherlands	Data revisions from reporting banks:	9.5	
		Local currency claims of foreign offices		-9.2
		Local currency liabilities of foreign offices		37.0
Q4 2008	Switzerland	Data revisions from reporting banks:	-3.5	
		Local currency claims of foreign offices		3.5
		Local currency liabilities of foreign offices		7.1
Q4 2008	Italy	Data revisions from reporting banks:	-43.6	
		Local currency claims of foreign offices		6.3
		Local currency liabilities of foreign offices		2.3

¹ See www.bis.org/statistics/breakstables.pdf for historical breaks in series.

D. Consolidated statistics on an ultimate risk basis
Changes in billions of US dollars

Quarters	Reporting countries	Details of data revisions²	Foreign claims	Other exposures
Q1 2008	Ireland	Data revisions from reporting banks:		
		Cross-border claims		-10.1
		Local claims of foreign offices		10.1
Q2 2008	Ireland	Data revisions from reporting banks		
		Cross-border claims		-18.7
		Local claims of foreign offices		18.7
Q3 2008	Ireland	Data revisions from reporting banks		
		Cross-border claims		-16.5
		Local claims of foreign offices		16.5
Q4 2008	Ireland	Data revisions from reporting banks		
		Cross-border claims		-28.7
		Local claims of foreign offices		28.7
Q3 2008	Belgium	Data revisions from reporting banks		
		Cross-border claims		-26.7
		Local claims of foreign offices		26.7
Q3 2008	Australia	Data revisions from reporting banks	4.1	
		Cross-border claims		-17.9
		Local claims of foreign offices		21.9
		Derivatives contracts		22.0
		Guarantees extended		3.4
		Credit commitments		18.4
Q4 2008	Italy	Data revisions from reporting banks	-8.3	
		Cross-border claims		-16.1
		Local claims of foreign offices		7.8
		Derivatives contracts		-3.1
		Guarantees extended		307.2
		Credit commitments		99.5
Q4 2008	Sweden	Data revisions from reporting banks	1.5	
		Local claims of foreign offices		1.5
		Guarantees extended		0.4
Q4 2008	United Kingdom	Data revisions from reporting banks	15.1	
		Cross-border claims		-0.9
		Local claims of foreign offices		16.0
		Derivatives contracts		-0.2
		Credit commitments		-37.4
Q4 2008	Finland	Data revisions from central bank	-118.6	
Q4 2008	France	Data revisions from reporting banks	-11.7	
		Cross-border claims		-26.4
		Local claims of foreign offices		14.6
		Credit commitments		3.2
Q4 2008	Japan	Data revisions from reporting banks	1.8	
		Cross-border claims		1.8
Q4 2008	Netherlands	Data revisions from reporting banks	0.3	
		Cross-border claims		0.3
		Derivatives contracts		0.3

¹ See www.bis.org/statistics/breakstables.pdf for historical breaks in series.