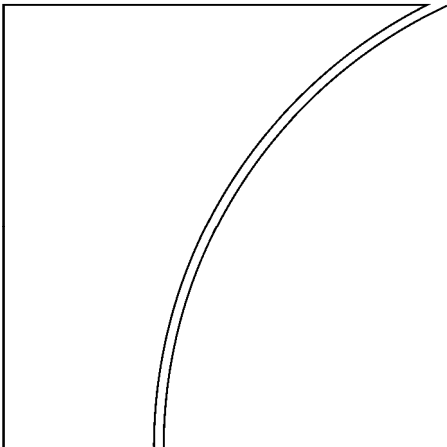




BANK FOR INTERNATIONAL SETTLEMENTS



## **Statistical commentary on provisional locational and consolidated international banking statistics at end-September 2009**

Monetary and Economic Department

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## Contents

Locational banking statistics (Table 1).....	1
Consolidated bank assets on an immediate borrower basis (Table 2) .....	2
Consolidated bank assets on an ultimate risk basis (Table 3).....	3
Breaks in series and major data revisions processed in Q3 2009.....	7



# Release of preliminary locational and consolidated banking statistics

## Third quarter of 2009

Data for the third 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 1 March 2010.

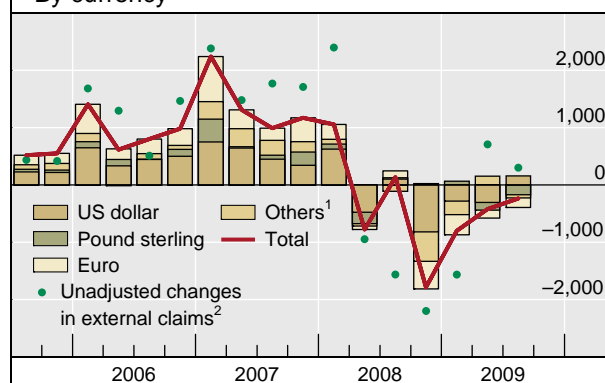
### Locational banking statistics (Table 1)<sup>1</sup>

Banks' external claims continued to decline in the third quarter of 2009 but fell by less than in the previous three quarters. Claims in US dollars increased for the first time in one year. Brisk activity with non-banks in emerging markets was balanced by reduced credit to non-banks in developed countries. Banks' foreign currency claims on residents also declined.

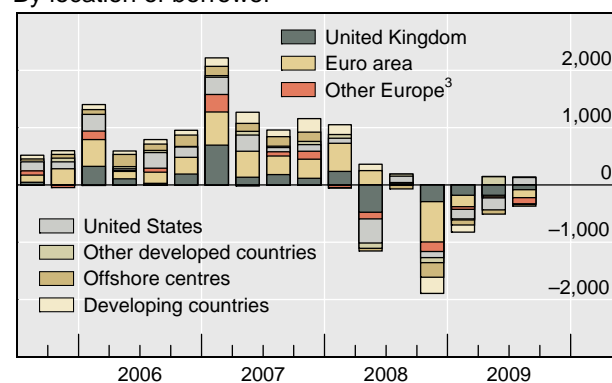
#### Changes in external claims of BIS reporting banks

In billions of US dollars, adjusted for exchange rate movements

##### By currency



##### By location of borrower



<sup>1</sup> Including the yen and Swiss franc. <sup>2</sup> Before correcting for breaks in series and exchange rate effects on outstanding balances denominated in currencies other than the US dollar. <sup>3</sup> Developed countries.

Source: Locational banking statistics by residence.

Graph 1

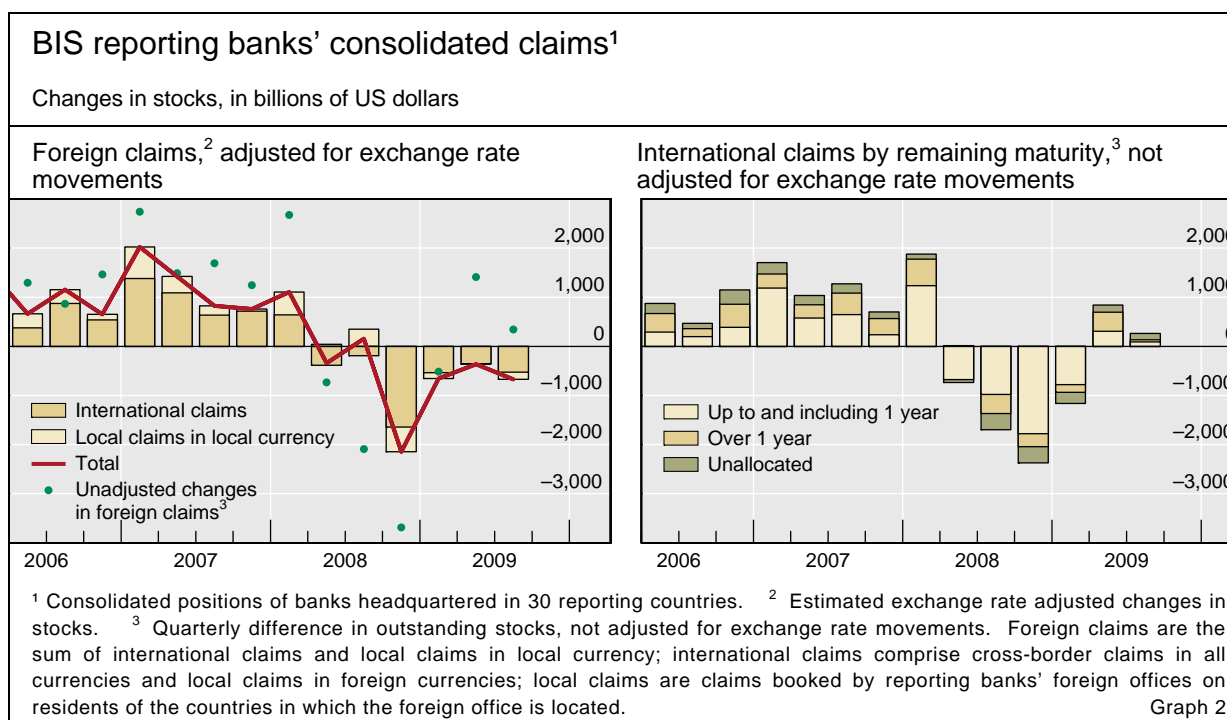
- Sector:** Banks' external claims continued to decline in the third quarter of 2009, falling by 1% (\$235 billion) to \$30.6 trillion. \$36 billion of new claims on non-banks in emerging markets (up 3%) were balanced by \$32 billion (down 0.4%) in reductions to non-banks in developed countries. Cross-border claims on banks in developed countries dropped by a further 1% (\$181 billion) after a 2% decrease in the second quarter of 2009, and total interbank claims continued to decrease, although at a reduced pace, for the fourth consecutive quarter, by \$224 billion or 1%.

<sup>1</sup> The locational statistics are structured by residence of the banks' offices; they provide details of the currency distribution and the liability and asset structure of cross-border banking. All changes in locational claims (in the text and in Table 1) exclude the effect of exchange rate movements and are net of statistical breaks as detailed in the Annex to this release.

- *Location of counterparties:* Claims on non-banks in Latin America and Asia increased by \$18 billion (7%) and \$16 billion (6%), respectively.
- *Instruments:* Loans declined across all regions, while holdings of securities picked up everywhere except in offshore centres.
- *Currencies:* Banks' cross-border claims denominated in US dollars increased for the first time since the third quarter of 2008, by \$154 billion or 1%. This was more than accounted for by a \$240 billion increase in US and Caribbean interbank claims on other Caribbean centres, the United States and the United Kingdom.
- *Foreign currency claims on residents of reporting countries:* Claims in US dollars, sterling, euros, Swiss francs and yen declined further, by \$88 billion or 2% (after \$65 billion in the previous quarter), while claims in other foreign currencies went up by \$32 billion (14%).

## Consolidated bank claims on an immediate borrower basis (Table 2)<sup>2</sup>

Outstanding unadjusted consolidated claims were slightly higher than in the previous quarter, but this was entirely driven by the 3–6% exchange rate appreciation of claims in non-dollar currencies. Correcting for this currency appreciation, banks' consolidated foreign claims (which exclude inter-office business) declined by an estimated \$525 billion (Graph 2, left-hand panel),<sup>3</sup> while the local claims in local currency of banks' foreign offices also fell, by \$149 billion, in the third quarter of 2009.



<sup>2</sup> Tables 2 and 3 are not adjusted for statistical breaks (see Annex).

<sup>3</sup> Estimate based on the currency distribution of the locational statistics by nationality.

- Local office claims in local currency:* Declines in the claims in local currency of foreign banks' local offices, which are reported only in the consolidated statistics, were most pronounced in the United States (\$61 billion), Japan (\$27 billion) and Germany (\$23 billion), adjusted for exchange rate movements. In emerging markets, local currency claims fell most in some eastern European countries (\$12 billion). Claims and liabilities vis-à-vis Venezuela decreased by \$12 billion on the sale of a foreign branch. The most substantial increases were reported in the United Kingdom, New Zealand, Luxembourg, Chile, India and China (\$51 billion, adjusted for exchange rate movements).

### Consolidated foreign claims and other contingent exposures on an ultimate risk basis (subset of 24 reporting countries; Table 3)<sup>3</sup>

On an *ultimate risk basis*, which takes into account net risk transfers across borrowing countries, the share of interbank credit in total foreign claims stabilised, after having fallen for five consecutive quarters. In addition, the share of lending to the public sector expanded slightly further, to 18.3% of total foreign claims.

- Sectoral exposures:* Dutch, Portuguese and Canadian banks reduced their exposure share to the non-bank private sector by 2–4 percentage points.
- Other exposures:* The positive market value of *derivatives* claims in banks' trading book on residents of developed countries levelled off, after declining by 26% (\$1.6 trillion) in the second quarter of 2009. In contrast, derivatives claims on offshore centres and emerging markets decreased by 14% and 12%, respectively.

#### BIS reporting banks' consolidated claims on an ultimate risk basis<sup>1</sup>

Changes in stocks,<sup>2</sup> in billions of US dollars

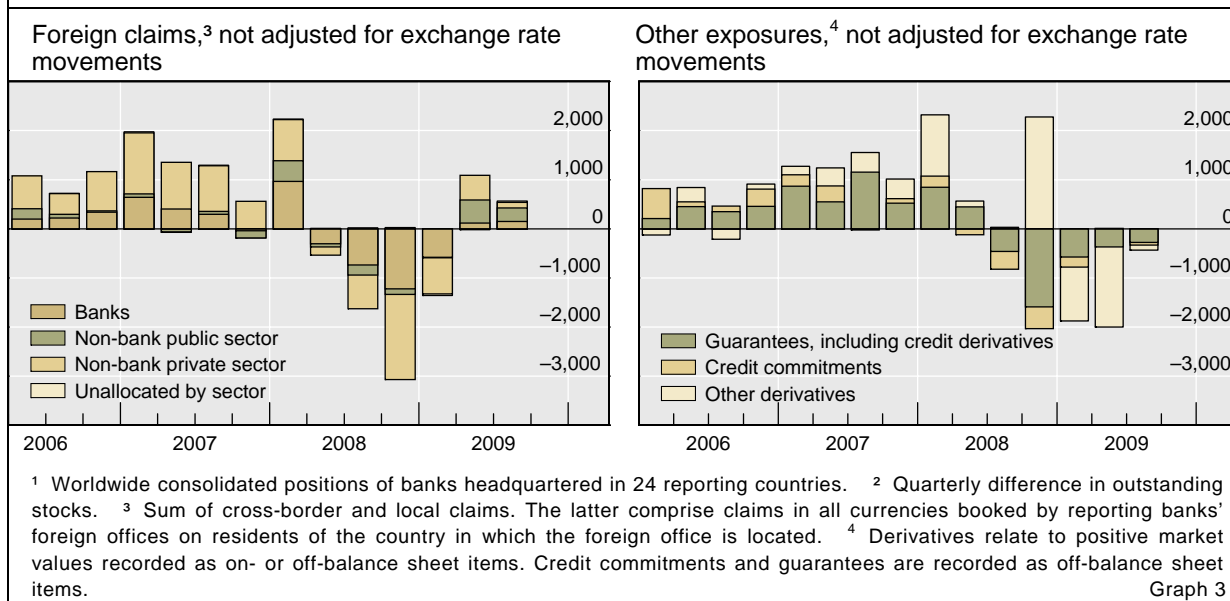


Table 1

**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 emerging markets		Vis-à-vis all countries <sup>1,2</sup>		Stocks at end-Sept 2009
	Q2 2009	Q3 2009	Q2 2009	Q3 2009	Q2 2009	Q3 2009	Q2 2009	Q3 2009	
Total external claims	-292	-213	-74	-30	5	11	-420	-235	30,575
By sector									
On banks	-372	-181	-29	-21	3	-25	-460	-224	19,532
On non-banks	80	-32	-45	-9	2	36	40	-11	11,043
By instrument									
Loans	-306	-302	-66	4	-14	-22	-410	-335	21,907
Securities	95	37	-6	-31	9	22	98	33	6,641
Other stocks	-81	52	-2	-3	11	11	-107	67	2,027
By currency									
US dollar	-225	129	-25	44	0	-14	-258	154	11,807
Euro	-76	-132	-33	-36	-4	-8	-124	-168	11,998
Yen	71	-59	21	-23	-5	-2	87	-86	1,166
Other currencies <sup>3</sup>	-62	-151	-38	-14	14	36	-125	-134	5,604
<i>Memo: Local claims in foreign currency</i>	-49	-99	-9	-23	-8	34	-65	-88	3,716
Total external liabilities	-321	-160	-157	-80	-79	-4	-490	-166	28,455
By sector									
On banks	-254	-241	-122	-57	-75	-7	-414	-250	21,002
On non-banks	-67	82	-34	-23	-4	2	-76	83	7,453
By instrument									
Loans	-276	-168	-162	-78	-79	-3	-526	-241	23,394
Securities	25	11	3	-5	-3	-3	153	73	4,033
Other stocks	-69	-3	3	3	2	1	-117	1	1,029
By currency									
US dollar	-169	165	-87	14	-25	-7	-216	202	12,156
Euro	-118	-134	-34	-53	-33	-12	-159	-182	9,630
Yen	68	-41	-12	-7	-2	1	58	-55	1,053
Other currencies <sup>3</sup>	-103	-149	-25	-34	-19	13	-173	-131	5,616

<sup>1</sup> Including claims on international organisations; excluding claims on residents. <sup>2</sup> Including unallocated data not individualised in the tables. <sup>3</sup> 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 not adjusted for statistical breaks.

	Vis-à-vis developed countries		Vis-à-vis offshore centres		Vis-à-vis emerging markets		Total <sup>1</sup>	
	Q2 2009	Q3 2009	Q2 2009	Q3 2009	Q2 2009	Q3 2009	Q2 2009	Q3 2009
Foreign claims on immediate borrower basis (30 countries) <sup>2</sup>	24,760	24,954	2,125	2,150	4,229	4,346	31,200	31,543
International claims <sup>3</sup>	16,333	16,498	1,703	1,728	2,412	2,466	20,534	20,783
Local claims <sup>4</sup>	8,427	8,456	421	423	1,817	1,881	10,666	10,760
As % of foreign claims	(34.0)	(33.9)	(19.8)	(19.7)	(43.0)	(43.3)	(34.2)	(34.1)
Breakdown of international claims by maturity								
Up to and including one year	8,225	8,262	790	800	1,047	1,089	10,082	10,169
As % of international claims	(50.4)	(50.1)	(46.4)	(46.3)	(43.4)	(44.1)	(49.1)	(48.9)
Unallocated	2,545	2,627	298	312	208	234	3,081	3,211
As % of international claims	(15.6)	(15.9)	(17.5)	(18.1)	(8.6)	(9.5)	(15.0)	(15.5)
Risk transfers <sup>5</sup>								
Inward risk transfers	1,102	1,104	110	87	143	163	1,360	1,358
Outward risk transfers	949	980	341	327	258	249	1,549	1,556
Net risk transfers	148	121	-413	-410	-137	-120	-408	-421
Foreign claims (after net risk transfers reported by 26 countries) <sup>6</sup>	24,908	25,075	1,712	1,740	4,092	4,226	30,792	31,122
Of which: domestically owned banks <sup>7</sup>	20,626	21,041	1,639	1,667	3,870	3,993	26,213	26,779

<sup>1</sup> Including positions vis-à-vis international organisations and unallocated. <sup>2</sup> Foreign claims of all banks (domestic and foreign) in 30 reporting countries. <sup>3</sup> Cross-border claims denominated in all currencies plus local claims of foreign offices denominated in foreign currencies. <sup>4</sup> Local claims of domestic banks' foreign offices denominated in local currencies. <sup>5</sup> 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. <sup>6</sup> After net risk transfers reported by 26 countries. <sup>7</sup> Claims reported by banks headquartered in BIS reporting countries, exclusive of (1) cross-border claims of subsidiaries and affiliates on residents in the headquarters (home) country, (2) cross-border claims of non-consolidated entities and (3) cross-border claims of entities whose headquarters 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 not adjusted for statistical breaks.

	Vis-à-vis developed countries		Vis-à-vis offshore centres		Vis-à-vis emerging markets		Total <sup>1</sup>	
	Q2 2009	Q3 2009	Q2 2009	Q3 2009	Q2 2009	Q3 2009	Q2 2009	Q3 2009
Foreign claims after net risk transfers (24 countries) <sup>2</sup>	20,176	20,580	1,609	1,635	3,832	3,949	25,692	26,239
Of which: local claims in all currencies	9,206	9,162	525	532	2,187	2,229	11,925	11,930
As % of foreign claims	(45.6)	(44.5)	(32.6)	(32.5)	(57.1)	(56.4)	(46.4)	(45.5)
By sector								
Banks	5,334	5,473	154	155	694	702	6,191	6,339
As % of foreign claims	(26.4)	(26.6)	(9.6)	(9.5)	(18.1)	(17.8)	(24.1)	(24.2)
Public sector	3,537	3,745	126	135	820	867	4,535	4,798
As % of foreign claims	(17.5)	(18.2)	(7.9)	(8.2)	(21.4)	(21.9)	(17.7)	(18.3)
Non-bank private sector	11,146	11,185	1,314	1,328	2,301	2,360	14,768	14,877
As % of foreign claims	(55.2)	(54.4)	(81.7)	(81.2)	(60.0)	(59.8)	(57.5)	(56.7)
Unallocated	158	176	14	18	18	20	198	226
As % of foreign claims	(0.8)	(0.9)	(0.9)	(1.1)	(0.5)	(0.5)	(0.8)	(0.9)
Other exposures								
Derivatives contracts <sup>3</sup>	4,293	4,243	196	169	223	197	4,724	4,624
Guarantees extended	7,881	7,667	503	446	745	737	9,130	8,850
Credit commitments <sup>4</sup>	2,834	2,829	410	377	606	590	3,856	3,801

<sup>1</sup> Including positions vis-à-vis international organisations and unallocated. <sup>2</sup> Based on data from domestically owned banks in 24 countries that submit both immediate borrower and ultimate risk basis data, provide data on risk transfers and give a detailed breakdown of foreign claims and contingent exposures. <sup>3</sup> Excluding Chile; positive market values only. <sup>4</sup> Excluding Chile.

## Annex

### Breaks in series and major data revisions processed in Q3 2009

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

<b>A. Locational banking statistics by residence</b>			<b>Assets</b>	<b>Liabilities</b>
In billions of US dollars				
<b>Breaks in series<sup>1</sup></b>				
Quarters	Reporting countries	Details		
Q3 2009	Germany	Reclassification of certain loans as trust business on behalf of a non-bank	-16.1	0.0
Q4 2008	Netherlands	Participation of Dutch government in a foreign bank resident in the Netherlands	0.0	-143.2
Q2 2009	United States	Previously unreported deposits with affiliates (break will be moved backwards once revisions to earlier periods are compiled)	11.3	8.9
Q2 2009	IBFs, US	Same as for the United States in Q2 2009	38.7	-141.7
<b>Data revisions of previous quarters (exclusive of breaks in series)</b>				
Quarters	Reporting countries	Details		
Q1 2008	Belgium	Revision from reporting banks	-0.3	-0.5
Q2 2008	Belgium	Revision from reporting banks	-0.6	-1.0
Q3 2008	Belgium	Revision from reporting banks	-1.1	-1.1
Q4 2008	Belgium	Revision from reporting banks	-1.7	-1.6
Q1 2009	Belgium	Revision from reporting banks	-2.0	-2.0
Q2 2009	Belgium	Revision from reporting banks	-3.3	-3.7
Q1 2009	Brazil	Revision from reporting banks	3.9	5.4
Q2 2009	Brazil	Revision from reporting banks	0.3	0.4
Q2 2008– Q2 2009	Hong Kong SAR	Revision from reporting banks (reclassification)	-0.3 to 2.5	-0.2 to 2.0
Q2 2009	Macao SAR	Reclassification of other positions to loans & deposits (assets: \$20.1bn, liabilities: \$3.7bn)	–	–
Q2 2009	Malaysia	Revision from reporting banks	0.2	1.0
Q1 2008	Netherlands	Revision from reporting banks	-17.0	5.2
Q2 2008	Netherlands	Revision from reporting banks	-17.7	5.0
Q3 2008	Netherlands	Revision from reporting banks	-11.3	7.7
Q4 2008	Netherlands	Revision from reporting banks	-8.1	8.0
Q1 2009	Netherlands	Revision from reporting banks	1.7	6.7
Q2 2009	Netherlands	Revision from reporting banks	-1.3	4.2
Q3 2008	Sweden	Reclassification of loans & deposits to other positions (assets: \$2.9bn, liabilities: \$1.2bn)	–	–
Q4 2008	Sweden	Reclassification of loans & deposits to other positions (assets: \$2.0bn, liabilities: \$1.0bn)	–	–
Q1 2009 & Q2 2009	Switzerland	Revisions from reporting banks (claims on monetary authorities increased by \$3.9bn)	0.5 & 0.7	0.0
Q1 2009 & Q2 2009	Turkey	Revision from reporting banks	0.4 & 0.6	0.3 & 0.4
Q2 2009	United Kingdom	Revision from reporting banks	-1.0	1.0

<sup>1</sup> See [www.bis.org/statistics/breakstables.pdf](http://www.bis.org/statistics/breakstables.pdf) for historical breaks in series.

**B. Locational banking statistics by nationality**  
In billions of US dollars

**Assets**

**Liabilities**

**Breaks in series<sup>1</sup>**

Quarters	Reporting countries	Details	Assets	Liabilities
Q3 2009	Germany	Reclassification of assets	-16.3	-
Q4 2005	Netherlands	Reclassification of assets and liabilities	6.4	-19.2
Q1 2007	Finland	Nationality reclassification	-	-
Q4 2004	Finland	Nationality reclassification	-	-

**Data revisions of previous quarters (exclusive of breaks in series)**

Quarters	Reporting countries	Details	Assets	Liabilities
Q1 2009	Brazil	Revisions from reporting banks	3.9	5.4
Q1 2008– Q2 2009	Belgium	Rectification of reporting errors	Between -3.3 and -0.3	Between -3.7 and -0.5
Q1 2009– Q2 2009	Guernsey	Rectification of reporting errors	Between -6.7 and 29.1	Between -6.3 and 27.4
Q4 2003– Q2 2009	Finland	Rectification of reporting errors	Between 2.7 and 3.1	Between 0.7 and 1.1
Q4 2008– Q2 2009	Hong Kong SAR	Revisions from reporting banks	-0.3 to 2.5	-0.2 to 2.0
Q1 2009	Malaysia	Revisions from reporting banks	0.1	0.9
Q1 2003– Q2 2009	Netherlands	Rectification of reporting errors	Between -32.1 and 7.6	Between 1.6 and 423.2
Q1 2009– Q2 2009	Singapore	Rectification of reporting errors	Between -5.3 and -5.8	Between -5.3 and -5.8
Q1 2009	United Kingdom	Revisions from reporting banks	-0.1	0.8
Q1 2009	United States	Revisions from reporting banks	11.3	8.9

<sup>1</sup> See [www.bis.org/statistics/breakstables.pdf](http://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 series <sup>1</sup>	International claims	Other positions
Q2 2001	Germany	One German bank acquired an Austrian bank	105.3	
		Local currency claims of foreign offices		28.3
		Local currency liabilities of foreign offices		17.7
Q4 2007	Germany	Acquisition of a foreign bank	62.4	
		Local currency claims of foreign offices		14.4
		Local currency liabilities of foreign offices		8.2
Q3 2009	Germany	Reclassification of certain loans as trust business on behalf of a non-bank	-15.4	
		Acquisition of a foreign bank		
		Local currency claims of foreign offices		0.6
		Local currency liabilities of foreign offices		0.4
Q4 2004	Finland	Sale of a domestic bank	-36.8	
		Local currency claims of foreign offices		-3.6
		Local currency liabilities of foreign offices		-12.1
Q1 2007	Finland	Sale of a domestic bank	-1.8	
		Local currency claims of foreign offices		-
		Local currency liabilities of foreign offices		-
Q4 2008	Italy	Acquisition of a foreign bank	1.2	
		Local currency claims of foreign offices		4.3
		Local currency liabilities of foreign offices		3.8
<b>Quarters</b>	<b>Reporting countries</b>	<b>Details of data revisions</b>		
Q4 2004	Germany	Recompilation of historical data	218.9	
		Local currency claims of foreign offices		243.6
Q2 2009	UK	Data revisions from reporting banks	-1.9	
Q3 2008	Japan	Data revisions from reporting banks	1.2	
Q2 2009	Austria	Data revisions from reporting banks	8.5	
Q1 2004	Finland	Nationality reclassification of reporting banks	-98.2 to 32.3	
Q2 2009		Local currency claims of foreign offices		0 to -7.6
		Local currency liabilities of foreign offices		0 to -23.4
Q1 2009	United States	Data revisions from reporting banks	-104.9	
		Local currency claims of foreign offices		23.9
		Local currency liabilities of foreign offices		-
		Outward risk transfers		13.6
		Inward risk transfers		-53.4
		Net risk transfers		-67.1
Q1 2009	Netherlands	Revision of data on new reporting population basis		
		Local currency claims of foreign offices		-25.3
		Local currency liabilities of foreign offices		-15.4
		Outward risk transfers		-9.7
		Inward risk transfers		-9.7
Q4 2008	Italy	Data revisions from reporting banks	-2.8	
Q1 2009	Italy	Data revisions from reporting banks	-1.7	
		Local currency claims of foreign offices		0.9
		Local currency liabilities of foreign offices		-1.2
Q1 2009	Italy	Data revisions from reporting banks		
		Local currency liabilities of foreign offices		0.2

<sup>1</sup> See [www.bis.org/statistics/breakstables.pdf](http://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 breaks in series <sup>1</sup>	Foreign claims	Other positions
Q4 2007	Germany	Acquisition of a foreign bank	86.3	
		Cross-border claims		59.1
		Local claims of foreign offices		27.2
Q3 2009	Germany	Reclassification of certain loans as trust business on behalf of a non-bank.	-16.9	
		Acquisition of a foreign bank.		
		Cross-border claims		-15.4
		Local claims of foreign offices		-1.5
Q1 2007	Finland	Sale of a domestic bank	-4.0	
		Cross-border claims		-3.8
		Local claims of foreign offices		-
Q4 2008	Italy	Acquisition of a foreign bank	5.5	
		Local claims of foreign offices		5.5
<b>Quarters</b>	<b>Reporting countries</b>	<b>Details of data revisions<sup>1</sup></b>	<b>Foreign claims</b>	<b>Other exposures</b>
Q4 2004	Germany	Recompilation of historical data	-41.2	
		Cross-border claims		-25.0
		Local claims of foreign offices		-16.2
Q3 2008	Japan	Data revisions from reporting banks	1.2	
Q2 2009	Austria	Data revisions from reporting banks	8.4	
		Cross-border claims		6.8
		Local claims of foreign offices		1.6
Q1 2005– Q2 2009	Finland	Nationality reclassification of reporting banks	-125.0 to 3.4	
		Cross-border claims		-125.0 to 3.4
		Local claims of foreign offices		0 to -7.6
Q3 2009	United States	Data revisions from reporting banks	-18.7	
		Cross-border claims		-9.1
		Local claims of foreign offices		-9.7
Q1 2009	United States	Data revisions from reporting banks	-129.0	
		Cross-border claims		-165.5
		Local claims of foreign offices		36.5
		Guarantees extended		1860.3
		Credit commitments		-1.1
Q1 2009	Netherlands	Data revisions from reporting banks	-25.3	
		Cross-border claims		-
		Local claims of foreign offices		-25.3
Q4 2008	Italy	Data revisions from reporting banks	-1.7	
		Cross-border claims		-1.7
Q1 2009	Italy	Data revisions from reporting banks	0.7	
		Cross-border claims		-0.2
		Local claims of foreign offices		0.9
Q2 2009	Italy	Data revisions from reporting banks	0.2	
		Cross-border claims		0.2

<sup>1</sup> See [www.bis.org/statistics/breakstables.pdf](http://www.bis.org/statistics/breakstables.pdf) for historical breaks in series.