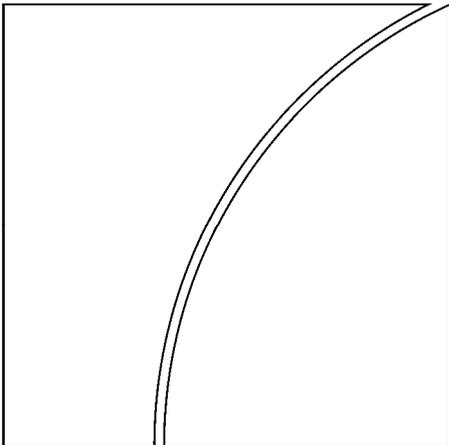




BANK FOR INTERNATIONAL SETTLEMENTS



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

Monetary and Economic Department

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Release of preliminary locational and consolidated banking statistics

Fourth quarter of 2009

Data for the fourth quarter of 2009 are provisional. Final data, with a detailed analysis of recent trends, will be published in the forthcoming *BIS Quarterly Review*, to be released on 14 June 2010. Data of banks resident in South Africa have been included for the first time.

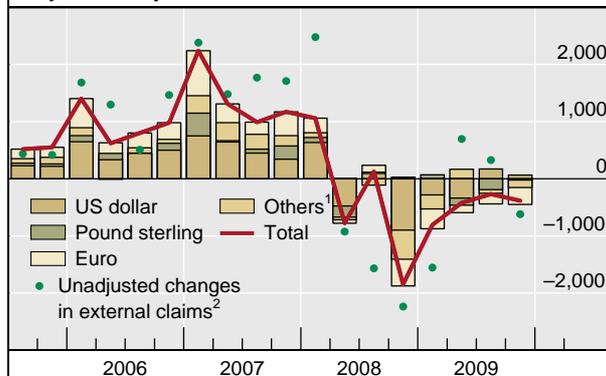
Locational banking statistics (Table 1)¹

Triggered by a contraction in lending to both banks and non-banks in developed countries (–2.2%), banks’ external claims in exchange-rate adjusted terms continued to fall (–1.3%) in the fourth quarter of 2009, extending four consecutive quarterly declines in cross-border activity. However, claims on emerging economies and on offshore centres picked up in the quarter under review and banks’ foreign currency claims on residents increased for the first time in a year.

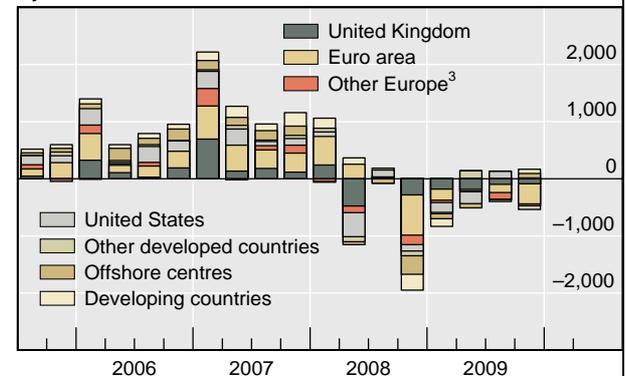
Changes in external claims of BIS reporting banks

In billions of US dollars, adjusted for exchange rate movements and breaks in series

By currency



By location of borrower



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

Source: Locational banking statistics by residence.

Graph 1

- **Sector:** Banks’ external claims continued to decline in the fourth quarter of 2009, falling by 1.3% (\$385 billion). Claims on the non-bank sector in developed countries dropped by \$276 billion (3.3%), the largest decrease since the fourth quarter of 2008. Cross-border claims on banks in developed countries shrank by 1.6%, or

¹ 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.

\$248 billion, reversing the moderating trend of the previous three quarters of 2009. Overall, banks reduced their lending to other banks for the fifth consecutive quarter (by \$174 billion, or 1%). In contrast, claims rose vis-à-vis non-banks in offshore centres (\$56 billion, up 4.4%) and in emerging countries (\$13 billion, up 1%).

- *Location of counterparties:* Claims on non-banks in Asia and Latin America further increased by \$14 billion (5%) and \$6 billion (2%), respectively. The \$524 billion reduction in claims on banks and non-banks in developed countries was accounted for mostly by the euro area (67%), the United Kingdom (16%), the United States (13%), Switzerland (7%) and Japan (6%).
- *Currencies:* Cross-border claims denominated in US dollars were stable, while claims in other currencies continued to fall, by \$372 billion (euro (−2.3%), Swiss franc (−4.5%) and yen (−8.7%)). Foreign currency claims on residents of reporting countries in US dollars, euros, Swiss francs and sterling increased for the first time in 2009, by \$73 billion, or 2.2%, while claims in yen fell by \$13 billion, or 6.3%.

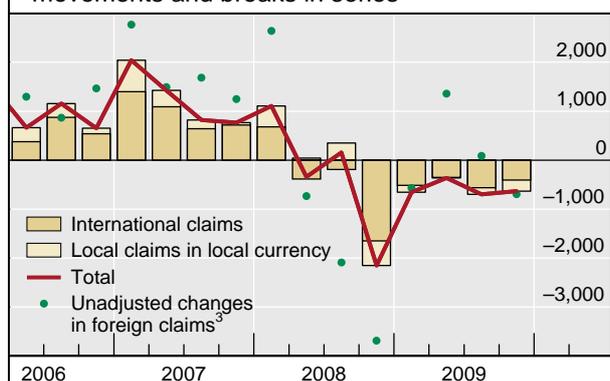
Consolidated bank claims on an immediate borrower basis (Table 2)²

Outstanding consolidated international claims (which exclude inter-office business) fell by \$525 billion compared with the previous quarter, a fifth of this being driven by the 2–3% exchange rate depreciation of claims in euros and yen.³ Local claims in local currency of banks' foreign offices also dropped, by \$227 billion (exchange rate adjusted), in the fourth quarter. The overall drop is reflected in all maturity categories.

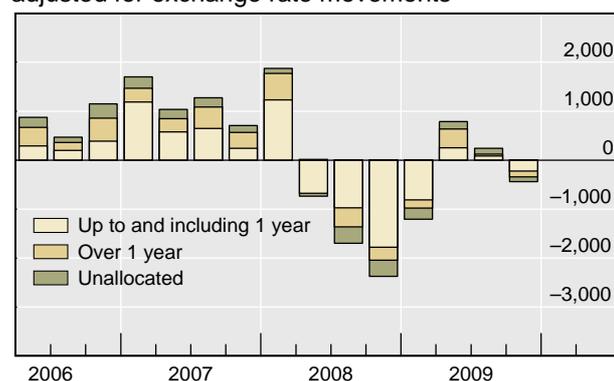
BIS reporting banks' consolidated claims¹

Changes in stocks, in billions of US dollars

Foreign claims,² adjusted for exchange rate movements and breaks in series



International claims by remaining maturity,³ not adjusted for exchange rate movements



¹ Consolidated positions of banks headquartered in 30 reporting countries. ² Estimated exchange rate adjusted changes in stocks. ³ Quarterly difference in outstanding stocks, not adjusted for exchange rate movements. Foreign claims are the sum of international claims and local claims in local currency; international claims comprise cross-border claims in all currencies and local claims in foreign currencies; local claims are claims booked by reporting banks' foreign offices on residents of the countries in which the foreign office is located.

Graph 2

² Tables 2 and 3 are not adjusted for statistical breaks (see Annex).

³ 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 again most pronounced in the United States (\$122 billion), Japan (\$73 billion) and Germany (\$36 billion), adjusted for exchange rate movements. Local claims in Greece, which had decreased by \$2.1 billion in the previous quarter, fell by another \$1 billion. Limited increases were reported in Hong Kong SAR (\$17 billion), Finland, China, Denmark, Mexico and Singapore (between \$7 and 5 billion each).

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

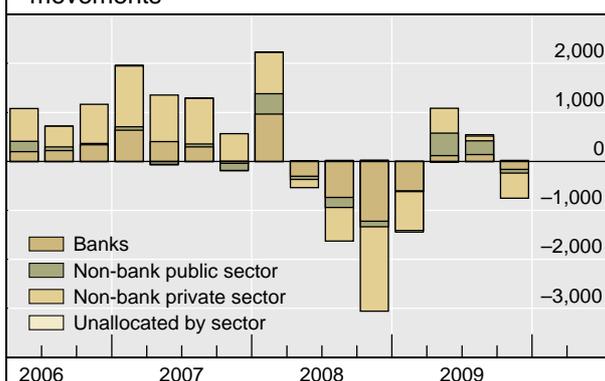
On an *ultimate risk basis*, which takes into account net risk transfers across borrowing countries, the contraction in lending reduced the interbank credit share in total foreign claims, while the shares of lending to the public and non-bank sectors expanded slightly. Other exposures, of which derivatives, also declined significantly at the end of December.

- Sectoral exposures:* Banks in offshore and developing economies lowered their exposure to the bank sector by 2–3 percentage points.
- Other exposures:* After stabilising in the previous quarter, the positive market value of *derivatives* claims in banks' trading book on residents of developed countries declined by 12% (\$519 billion). Derivatives claims on offshore centres and emerging markets decreased further, by 15% and 11%, respectively. *Guarantees*, which include CDS, dropped by 7%, mainly vis-à-vis developed countries.

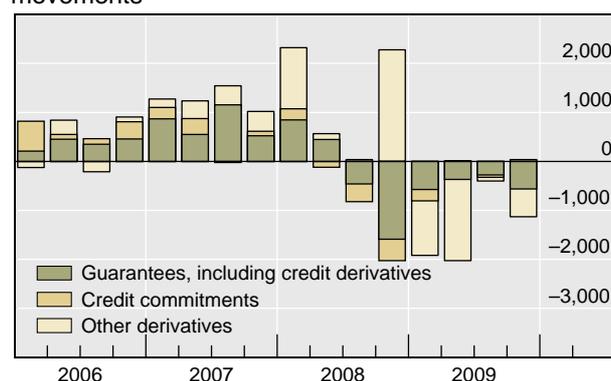
BIS reporting banks' consolidated claims on an ultimate risk basis¹

Changes in stocks,² in billions of US dollars

Foreign claims,³ not adjusted for exchange rate movements



Other exposures,⁴ not adjusted for exchange rate movements



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 emerging markets		Vis-à-vis all countries ^{1,2}		Stocks at end-Dec 2009
	Q3 2009	Q4 2009	Q3 2009	Q4 2009	Q3 2009	Q4 2009	Q3 2009	Q4 2009	
Total external claims	-238	-524	-29	81	6	74	-267	-385	30,045
By sector									
On banks	-168	-248	-23	25	-29	61	-220	-174	19,271
On non-banks	-70	-276	-6	56	35	13	-47	-212	10,774
By instrument									
Loans	-312	-304	3	85	-24	59	-350	-176	21,644
Securities	21	-145	-32	1	22	11	16	-138	6,443
Other stocks	53	-75	-1	-5	8	4	68	-71	1,958
By currency									
US dollar	133	-127	45	84	-18	30	154	2	11,853
Euro	-143	-230	-37	-15	-9	2	-182	-271	11,551
Yen	-58	-100	-23	-4	-2	1	-84	-102	1,042
Other currencies ³	-170	-67	-14	15	35	40	-154	-14	5,599
<i>Memo: Local claims in foreign currency</i>	-99	88	-23	5	34	-33	-88	60	3,760
Total external liabilities	-196	-222	-82	-14	-7	-6	-203	-285	28,095
By sector									
On banks	-237	-118	-57	-47	-11	-5	-245	-217	20,774
On non-banks	41	-104	-25	33	3	-2	42	-68	7,321
By instrument									
Loans	-198	-195	-80	-12	-5	-10	-276	-236	23,086
Securities	12	35	-5	1	-3	0	78	28	4,052
Other stocks	-10	-62	3	-2	1	3	-5	-78	956
By currency									
US dollar	159	22	14	-3	-8	17	195	72	12,260
Euro	-145	-102	-54	-6	-11	-10	-194	-174	9,341
Yen	-49	-104	-7	-4	1	-2	-62	-113	914
Other currencies ³	-161	-38	-34	-1	11	-11	-143	-70	5,579

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 not adjusted for statistical breaks

	Vis-à-vis developed countries		Vis-à-vis offshore centres		Vis-à-vis emerging markets		Total ¹	
	Q3 2009	Q4 2009	Q3 2009	Q4 2009	Q3 2009	Q4 2009	Q3 2009	Q4 2009
Foreign claims on immediate borrower basis (30 countries) ²	24,660	23,859	2,099	2,110	4,313	4,412	31,165	30,469
International claims ³	16,264	15,700	1,675	1,661	2,429	2,486	20,460	19,935
Local claims ⁴	8,395	8,159	425	449	1,884	1,926	10,705	10,534
As % of foreign claims	(34.0)	(34.2)	(20.2)	(21.3)	(43.7)	(43.6)	(34.3)	(34.6)
Breakdown of international claims by maturity								
Up to and including one year	8,133	7,817	779	771	1,066	1,141	9,996	9,748
As % of international claims	(50.0)	(49.8)	(46.5)	(46.4)	(43.9)	(45.9)	(48.9)	(48.9)
Unallocated	2,625	2,492	306	310	233	235	3,203	3,072
As % of international claims	(16.1)	(15.9)	(18.3)	(18.7)	(9.6)	(9.4)	(15.7)	(15.4)
Risk transfers ⁵								
Inward risk transfers	1,104	984	85	88	162	162	1,357	1,241
Outward risk transfers	983	942	323	333	246	260	1,552	1,536
Net risk transfers	120	43	-410	-418	-113	-138	-413	-518
Foreign claims (after net risk transfers reported by 26 countries) ⁶	24,779	23,902	1,689	1,691	4,201	4,274	30,752	29,951
Of which: domestically owned banks ⁷	20,746	19,896	1,616	1,616	3,968	4,026	26,409	25,617

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 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 ¹	
	Q3 2009	Q4 2009	Q3 2009	Q4 2009	Q3 2009	Q4 2009	Q3 2009	Q4 2009
Foreign claims after net risk transfers (24 countries) ²	20,284	19,452	1,585	1,590	3,923	3,986	25,869	25,105
Of which: local claims in all currencies	9,088	8,729	530	557	2,242	2,267	11,867	11,559
As % of foreign claims	(44.8)	(44.9)	(33.5)	(35.0)	(57.1)	(56.9)	(45.9)	(46.0)
By sector								
Banks	5,292	5,004	119	131	692	698	6,111	5,841
As % of foreign claims	(26.1)	(25.7)	(7.5)	(8.2)	(17.6)	(17.5)	(23.6)	(23.3)
Public sector	3,731	3,582	132	151	861	887	4,775	4,675
As % of foreign claims	(18.4)	(18.4)	(8.3)	(9.5)	(21.9)	(22.2)	(18.5)	(18.6)
Non-bank private sector	11,087	10,710	1,316	1,282	2,350	2,382	14,758	14,379
As % of foreign claims	(54.7)	(55.1)	(83.1)	(80.6)	(59.9)	(59.8)	(57.0)	(57.3)
Unallocated	175	155	18	26	20	20	225	210
As % of foreign claims	(0.9)	(0.8)	(1.1)	(1.7)	(0.5)	(0.5)	(0.9)	(0.8)
Other exposures								
Derivatives contracts ³	4,222	3,665	172	145	194	173	4,603	3,996
Guarantees extended	7,400	6,902	450	378	735	741	8,586	8,022
Credit commitments ⁴	2,751	2,773	374	361	593	611	3,723	3,748

¹ Including positions vis-à-vis international organisations and unallocated. ² 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. ³ Excluding Chile; positive market values only. ⁴ Excluding Chile.

Annex

Breaks in series and major data revisions processed in Q4 2009

The changes in locational banking statistics discussed in the statistical commentary are net

A. Locational banking statistics by residence			Assets	Liabilities
In billions of US dollars				
Breaks in series¹				
Quarter(s)	Reporting country	Details		
Q3 2009	Australia	Some banks switched to new reporting system with significant impact on positions vis-à-vis non-banks (-\$7.4 billion for assets and -\$57.1 billion for liabilities)	4.6	12.6
Q4 2009	Guernsey	IFRS accounting revaluation	-3.4	-3.2
Q3 2009	South Africa	New reporting country	56.6	49.5
Q4 2009	Sweden	Change in reporting population	1.5	11.1
Q1 2009	United States	Primarily, inclusion of previously omitted interbank and non-bank loans	16.4	0.0
Q4 2008	United States	Break-in-series data revised. Reporter panel changes, including addition of new bank holding companies. Historically, only cross-border positions of brokers and dealers of former investment banks were included in the locational banking	144.6	57.8
Q3 2008	United States	Primarily, inclusion of previously omitted interbank and non-bank loans	6.4	0.0
Q2 2008	United States	Primarily, inclusion of previously omitted interbank and non-bank loans	20.9	38.1
Q1 2008	United States	Primarily, inclusion of previously omitted interbank and non-bank loans	74.3	158.6
Data revisions of previous quarters (inclusive of breaks in series)				
Quarter(s)	Reporting country	Details	Assets	Liabilities
Q2 2008	Cayman Islands	Reclassification of other claims to loans & deposits and revisions to non-bank positions	103.6	0.2
Q3 2008 - Q3 2009	Cayman Islands	Positions vis-à-vis non-banks revised	0.1 to 35.5	0.2 to 21.9
Q1 2004 - Q4 2008	Japan	Currency reclassification of liabilities	0	2.9 to 19.9
Q1 2009 - Q3 2009	Japan	Revision & currency reclassification of liabilities	0.1 to 0.3	15.9 to 16.4
Q4 2003 - Q1 2009	Macao SAR	Other positions reclassified to loans & deposits	7.2 to 18.3	0.4 to 3.3
Q1 2009	Sweden	Revisions to break-in-series & debt securities claims	4.7	0.0
Q1 2008 - Q3 2008	United States	Primarily, inclusion of previously omitted interbank and non-bank loans	81.2 to 103.3	164.5 to 221.9
Q1 2009 - Q3 2009	United States	Primarily, inclusion of previously omitted interbank and non-bank loans	29.6 to 73.5	14.6 to 44.8

¹ See <http://www.bis.org/statistics/breakstables17.pdf> for historical breaks in series.

B. Locational banking statistics by nationality**Assets****Liabilities**

In billions of US dollars

Breaks in series¹

Quarters	Reporting countries	Details		
Q3 2009	Australia	New reporting methodology by a bank	4.6	12.6
Q4 2009	Guernsey	New reporting methodology by a bank	-3.4	-3.2
Q3 2009	South Africa	New reporting country	56.6	49.5
Q1 2009	Sweden	Change in nationality of reporting bank	1.5	11.0
Q4 2009	Sweden	Change in nationality of reporting bank	3.8	22.7

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

Quarters	Reporting	Details		
Q2 2009 – Q3 2009	Netherlands	Rectification of reporting errors	0.8 to 1.0	1.3 to 1.6
Q1 2009 – Q3 2009	United Kingdom	Revisions from reporting banks	0 to 0.5	-1.7 to -0.7
Q3 2009	United States	Revisions from reporting banks	0.4	0.3

¹ See <http://www.bis.org/statistics/breakstables8.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 ¹	International claims	Other positions
Q1 2009	United States	Increase in reporting population, inclusion of the former Investment Banks	714.0	
		Local currency claims of foreign offices		229.3
		Local currency liabilities of foreign offices		257.0
Q3 2009	France	Merger of domestic banks	-202.2	
		Local currency claims of foreign offices		-30.8
		Local currency liabilities of foreign offices		-42.2
Q4 2009	France	Acquisition of a foreign bank	229.2	
		Local currency claims of foreign offices		234.2
		Local currency liabilities of foreign offices		138.0
Q4 2009	Belgium	Sale of a domestic bank	-241.6	
		Local currency claims of foreign offices		-82.7
		Local currency liabilities of foreign offices		-98.9
Q3 2009	Spain	Sale of foreign unit of a domestic bank	—	
		Local currency claims of foreign offices		-11.8
		Local currency liabilities of foreign offices		-10.7
Q4 2009	Switzerland	Reclassification of foreign unit of a domestic bank. Acquisition of domestic unit of foreign bank.	-76.2	
		Local currency claims of foreign offices		-75.5
		Local currency liabilities of foreign offices		-78.4
Q4 2009	Greece	Reclassification of inside-area foreign bank as domestic bank	39.4	
		Local currency claims of foreign offices		19.1
		Local currency liabilities of foreign offices		10.4
Q1 2007	Denmark	Acquisition of a foreign bank	2.0	
		Local currency claims of foreign offices		28.9
		Local currency liabilities of foreign offices		24.7
Q4 2009	Germany	Sale of foreign branches by domestic banks	-27.3	
		Local currency claims of foreign offices		-24.7
		Local currency liabilities of foreign offices		-10.6
Q4 2009	Austria	Acquisition of a foreign bank	-9.5	
		Local currency claims of foreign offices		10.2
Q4 2008	Netherlands	Acquisition of a foreign bank	29.4	
		Local currency claims of foreign offices		1.9
Quarters	Reporting countries	Details of data revisions	International claims	Other positions
Q1 2009 - Q3 2009	United States	Revision from reporting banks	-24.2 to -85.6	
		Local currency claims of foreign offices		-29.7 to -34.6
		Local currency liabilities of foreign offices		-20.5 to -29.3
Q3 2009	France	Revision from reporting banks	-202.2	
		Local currency claims of foreign offices		-30.8
		Local currency liabilities of foreign offices		-42.2
Q3 2009	Chinese Taipei	Revision from reporting banks	-19.6	

¹ See www.bis.org/statistics/breakstablescons.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 ¹	Foreign claims	Other positions
Q1 2009	United States	Increase in reporting population, including of the former Investment Banks	903.2	
		Cross-border claims		544.5
		Local claims of foreign offices		358.7
Q3 2009	France	Merger of domestic banks	-234.0	
		Cross-border claims		-204.0
		Local claims of foreign offices		-30.0
Q4 2009	France	Acquisition of a foreign bank	465.4	
		Cross-border claims		251.9
		Local claims of foreign offices		213.5
Q4 2009	Belgium	Sale of a domestic bank	-339.2	
		Cross-border claims		-238.5
		Local claims of foreign offices		-100.7
Q3 2009	Spain	Sale of foreign unit of a domestic bank	-11.8	
		Local claims of foreign offices		-11.8
Q4 2009	Switzerland	Reclassification of foreign unit of a domestic bank	-158.7	
		Cross-border claims		-57.6
		Local claims of foreign offices		-101.0
Q4 2009	Greece	Reclassification of inside area foreign bank as domestic bank	45.1	
		Cross-border claims		24.1
		Local claims of foreign offices		21.0
Q4 2009	Germany	Sale foreign branches by domestic banks. Change in classification between cross-border and local claims.	-51.9	
		Cross-border claims		18.3
		Local claims of foreign offices		-68.6
Q4 2008	Netherlands	Acquisition of a foreign bank	72.2	
		Cross-border claims		61.3
		Local claims of foreign offices		10.8
Quarters	Reporting countries	Details of data revisions	Foreign claims	Other positions
Q1 2009 - Q3 2009	United States	Revision from reporting banks	-83.6 to -105.2	
		Cross-border claims		-47.3 to -64.4
		Local claims of foreign offices		-36.4 to -43.9
Q3 2009	France	Revision from reporting banks	-234.0	
		Cross-border claims		-204.0
		Local claims of foreign offices		-30.0
Q3 2009	Chinese Taipei	Revision from reporting banks	-32.3	
		Cross-border claims		-32.3

¹ See <http://www.bis.org/statistics/breakstablecons.pdf> for historical breaks in series.