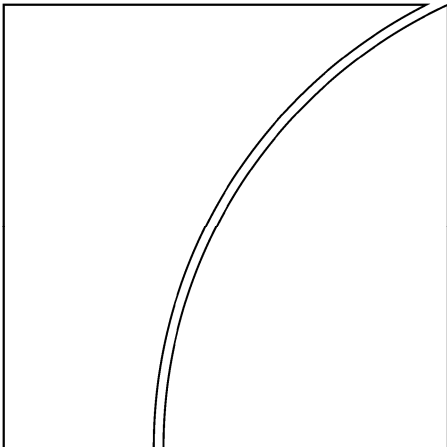




BANK FOR INTERNATIONAL SETTLEMENTS



**Statistical commentary on  
preliminary locational and  
consolidated international  
banking statistics at  
end-June 2011**

Monetary and Economic Department

October 2011

Queries concerning this release should be addressed to the authors listed below:

Statistical commentary:	Karsten von Kleist e-mail: <a href="mailto:karsten.von-kleist@bis.org">karsten.von-kleist@bis.org</a>	tel: +41 61 280 8408
Locational banking statistics (data):	Carlos Mallo e-mail: <a href="mailto:carlos.mallo@bis.org">carlos.mallo@bis.org</a>	tel: +41 61 280 8256
Consolidated banking statistics (data):	Stephan Binder e-mail: <a href="mailto:stephan.binder@bis.org">stephan.binder@bis.org</a>	tel: +41 61 280 8410

Bank for International Settlements  
Monetary and Economic Department  
CH-4002 Basel, Switzerland

Fax: +41 61 280 9100 and +41 61 280 8100

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# Release of preliminary BIS international banking statistics

## Second quarter of 2011

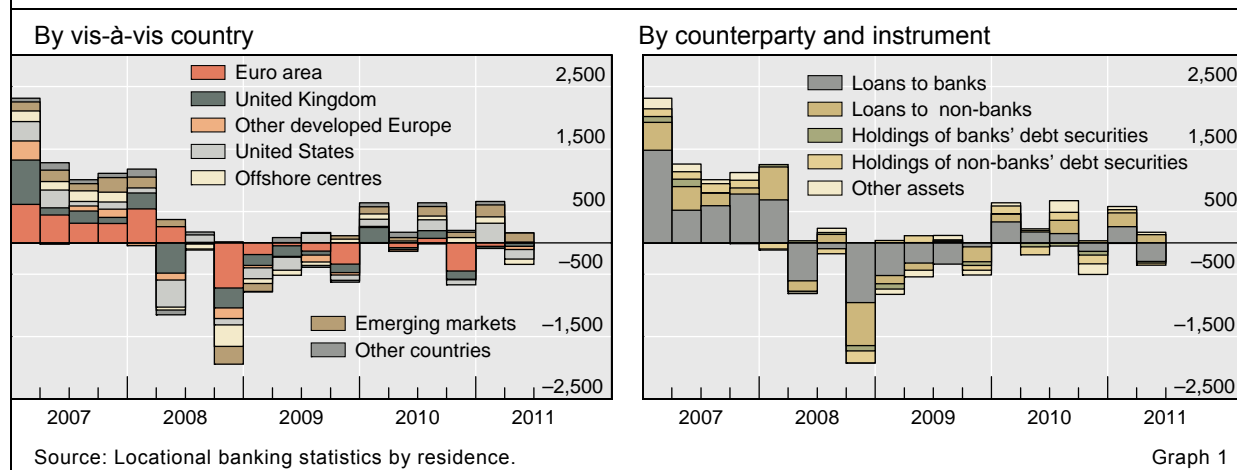
Data for the second quarter of 2011 are provisional and subject to change. Final data, with a detailed analysis of recent trends, will be published in the forthcoming *BIS Quarterly Review*, to be released on 12 December 2011.

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

Cross-border claims of BIS reporting banks declined by 0.6% (\$185 billion) in the second quarter of 2011, after a moderate increase in the first quarter.<sup>2</sup> Their cross-border liabilities fell by a similar amount (\$188 billion). The decline reflects a reduction in claims (mainly loans) on banks in developed countries (–\$296 billion) and offshore centres (–\$86 billion). Growth in bank claims on emerging market economies (EMEs) remained positive for the ninth consecutive quarter. The fall in overall cross-border claims was visible mainly in US dollar positions, while euro-denominated cross-border claims were almost unchanged.

### Cross-border assets of BIS reporting banks

Exchange rate and break adjusted changes in stocks, in billions of US dollars



- Developed countries:** Banks' cross-border claims on residents of developed countries declined by \$258 billion in the second quarter of 2011. The reduction was driven by claims on banks in the United States (–\$128 billion) and in the United Kingdom (–\$94 billion) and on banks and non-banks in Germany (–\$25 billion and –\$28 billion). Notable increases were recorded on banks and non-banks in France (\$56 billion and \$43 billion) as well as on non-banks in the United Kingdom (\$40 billion).

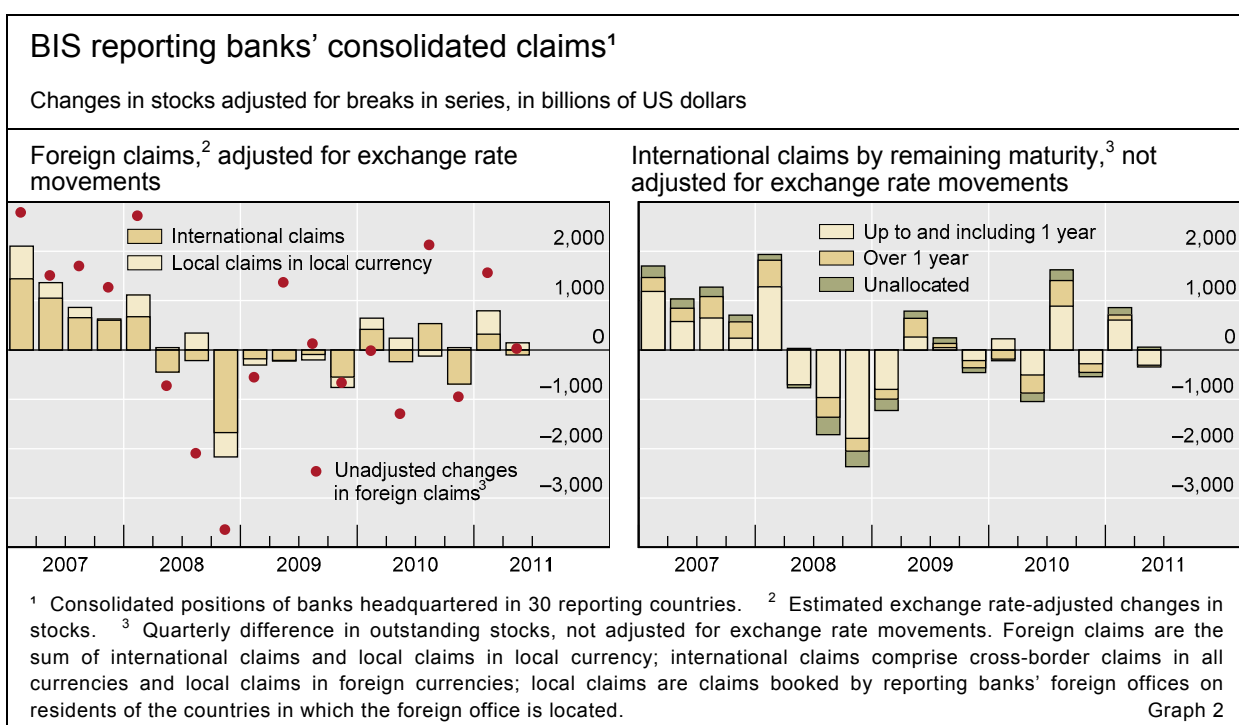
<sup>1</sup> Structured by residence of the banks' offices, the locational statistics provide details of the currency distribution for the claims and liabilities structure of cross-border banking, and of positions vis-à-vis residents of the reporting countries in foreign currencies. All changes in locational 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.

<sup>2</sup> Taking into account the appreciation against the US dollar of outstanding claims denominated in euros (+1.4%), yen (+3%) and Swiss francs (+9%) during the second quarter of 2011, the underlying change was negative (–\$185 billion) versus an unadjusted increase of \$155 billion in amounts outstanding.

- **Emerging markets:** Cross-border lending activity with emerging market countries grew for the ninth quarter in a row (by \$145 billion), but at a somewhat lower pace than in the previous quarter (\$194 billion). Most of the increase was concentrated on banks and non-banks in China (\$45 billion and \$23 billion), in Brazil (\$22 billion) and in India (\$9 billion).
- **Funding:** The decline in banks' cross-border liabilities in the second quarter of 2011 was largely due to a fall in interbank positions (–\$242 billion). This was most pronounced for US dollars (–\$244 billion). Net new issuance of debt securities by banks totalled \$47 billion, after a seasonal high of \$185 billion in the previous quarter.
- Banks' local claims in foreign currencies on residents in offshore and EME reporting countries continued to grow (\$66 billion). Local liabilities in foreign currency (deposits by residents) rose by \$45 billion.

### Consolidated bank claims on an immediate borrower basis (Table 2)<sup>3</sup>

Reporting banks' consolidated international claims adjusted for exchange rate movements declined slightly in the second quarter of 2011 (–0.5%), after a moderate increase of 1.6% in the previous quarter. Local claims in local currency increased somewhat.



- **Local office positions in local currency:** In parallel with the adjusted 1.3% increase in banks' foreign offices' local currency claims (Graph 2, left-hand panel),<sup>4</sup> local currency liabilities went up by 0.7% in the first quarter.

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

<sup>4</sup> The estimated effect of the dollar's appreciation on outstanding international claims in other major currencies is based on the currency distribution of the locational banking statistics. The currency adjustment for local positions in local currency is calculated for each individual currency, taking into account exchange rate movements against the US dollar in the current quarter.

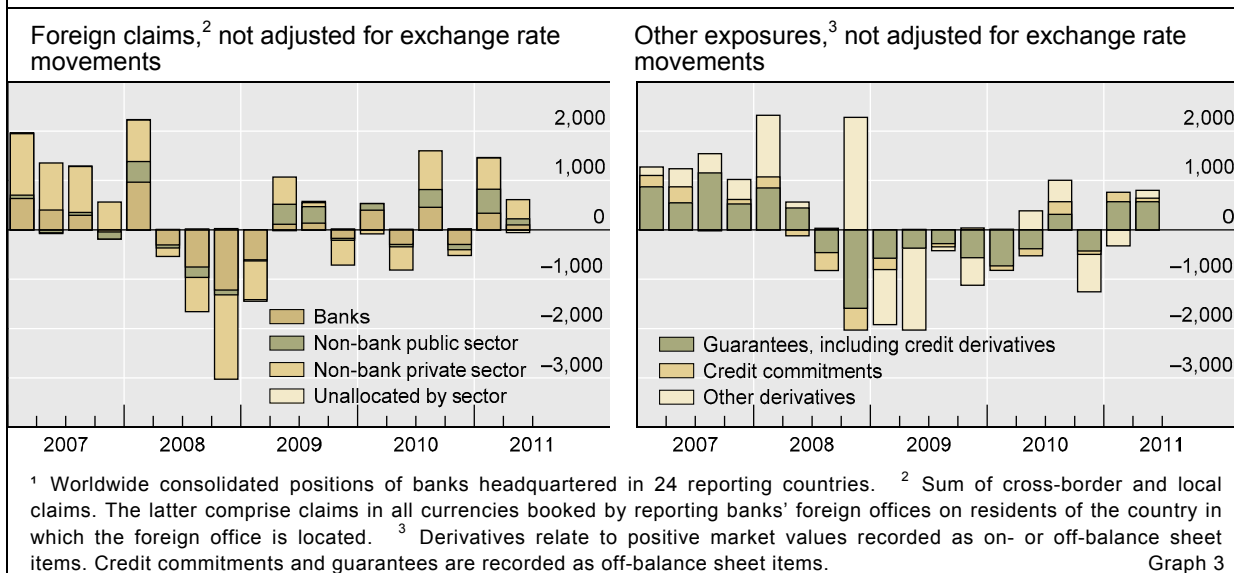
- *Maturity structure:* The share of short-term claims fell in all regions (Graph 2, right-hand panel). This could indicate a slowdown in new interbank credit, since the share of international interbank claims fell by 2 percentage points to 39%. The decline in short-term claims was particularly marked in Japan, with the short-term share falling by 8 percentage points, from 82% to 74%.

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

On an ultimate risk basis, which adjusts for net risk transfers across borrowing countries and sectors (but not for exchange rate changes), banks' consolidated foreign claims rose modestly, in particular vis-à-vis the non-bank private sector. Exposures resulting from the extension of guarantees, including credit derivatives, increased by \$800 billion.

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

Changes in stocks adjusted for breaks in series, in billions of US dollars



- *Sector and region:* A further increase in the share of claims on the public sector in the Latin America and Caribbean region, as well as in Asia and the Pacific, was balanced by decreases in other regions. The share of banks' total credit commitments granted to the public sector in European developed countries, which had tended to rise over the past two years, declined slightly to 47.5%.

**Table 1**  
**Changes in international assets 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</sup>		Stocks at end-June 2011
	2011-Q1	2011-Q2	2011-Q1	2011-Q2	2011-Q1	2011-Q2	2011-Q1	2011-Q2	
A. Total assets	210	-256	129	-44	259	169	634	-117	35,604
B. Cross-border assets	243	-258	100	-87	194	145	574	-185	31,567
By sector									
On banks	51	-296	62	-86	155	91	300	-288	19,786
On non-banks	192	38	39	-1	39	54	275	103	11,781
By instrument									
Loans	251	-214	95	-90	143	124	479	-166	23,013
Securities	7	-70	2	0	24	3	44	-59	6,161
Other stocks	-15	27	4	3	27	19	51	40	2,392
By currency									
US dollar	417	-161	40	-104	61	62	533	-200	12,812
Euro	-49	-13	5	-4	9	-5	-30	-16	11,409
Yen	-35	-32	13	2	-1	3	-23	-26	1,228
Other currencies <sup>2</sup>	-89	-52	42	20	126	85	94	57	6,117
C. Local assets in foreign currency	-34	2	28	42	65	24	60	68	4,038
D. Total liabilities	462	-120	83	-89	124	42	822	-143	34,414
E. Cross-border liabilities	390	-135	46	-117	68	41	656	-188	29,832
By sector									
On banks	207	-98	12	-165	51	13	400	-242	21,665
On non-banks	182	-37	33	48	17	27	255	54	8,167
By instrument									
Loans	375	-149	33	-127	69	38	472	-230	24,188
Securities	67	29	7	9	0	2	185	47	4,397
Other stocks	-52	-15	6	2	-2	1	-1	-5	1,247
By currency									
US dollar	393	-176	93	-117	61	44	593	-244	13,030
Euro	47	42	-27	-17	-21	-26	55	-12	9,780
Yen	-35	-32	-12	-6	2	-8	-49	-44	926
Other currencies <sup>2</sup>	-16	30	-9	23	25	31	57	111	6,095
F. Local liabilities in foreign currency	72	15	38	28	57	2	166	45	4,583

<sup>1</sup> Including positions vis-à-vis international organisations and unallocated data not individualised in the tables. <sup>2</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>	
	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011
Foreign claims on immediate borrower basis (30 countries) <sup>2</sup>	23,832	23,531	2,542	2,617	5,396	5,615	31,896	31,904
International claims <sup>3</sup>	15,392	14,922	2,020	2,076	3,064	3,176	20,601	20,313
Local claims <sup>4</sup>	8,440	8,609	522	541	2,332	2,439	11,295	11,591
As % of foreign claims	(35.4)	(36.6)	(20.5)	(20.7)	(43.2)	(43.4)	(35.4)	(36.3)
Breakdown of international claims by maturity								
Up to and including one year	7,991	7,590	999	1,043	1,613	1,656	10,633	10,321
As % of international claims	(51.9)	(50.9)	(49.5)	(50.3)	(52.7)	(52.2)	(51.6)	(50.8)
Unallocated	2,446	2,478	421	422	293	306	3,212	3,269
As % of international claims	(15.9)	(16.6)	(20.8)	(20.3)	(9.5)	(9.6)	(15.6)	(16.1)
Risk transfers <sup>5</sup>								
Inward risk transfers	1,439	1,531	122	125	208	228	1,784	1,905
Outward risk transfers	1,029	1,062	424	459	286	304	1,741	1,828
Net risk transfers	401	449	-516	-566	-116	-113	-214	-213
Foreign claims (after net risk transfers reported by 26 countries) <sup>6</sup>	24,233	23,979	2,026	2,051	5,281	5,502	31,682	31,692
Of which: domestically owned banks <sup>7</sup>	20,185	20,512	1,949	1,971	4,862	5,101	27,134	27,738

<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>	
	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011	Q1 2011	Q2 2011
Foreign claims after net risk transfers (24 countries) <sup>2</sup>	19,813	20,121	1,919	1,930	4,816	5,051	26,682	27,255
<i>Of which: local claims in all currencies</i>	9,025	9,240	692	709	2,710	2,847	12,431	12,802
As % of foreign claims	(45.6)	(45.9)	(36.0)	(36.7)	(56.3)	(56.4)	(46.6)	(47.0)
By sector								
Banks	5,045	5,103	179	180	933	970	6,166	6,261
As % of foreign claims	(25.5)	(25.4)	(9.3)	(9.3)	(19.4)	(19.2)	(23.1)	(23.0)
Public sector	3,815	3,819	177	189	1,181	1,277	5,273	5,401
As % of foreign claims	(19.3)	(19.0)	(9.2)	(9.8)	(24.5)	(25.3)	(19.8)	(19.8)
Non-bank private sector	10,755	11,058	1,531	1,531	2,681	2,780	14,989	15,394
As % of foreign claims	(54.3)	(55.0)	(79.8)	(79.3)	(55.7)	(55.0)	(56.2)	(56.5)
Unallocated	199	141	32	30	20	25	254	199
As % of foreign claims	(1.0)	(0.7)	(1.6)	(1.5)	(0.4)	(0.5)	(1.0)	(0.7)
Other potential exposures <sup>3</sup>								
Derivatives contracts <sup>4</sup>	3,069	3,194	126	128	165	194	3,380	3,537
Guarantees extended	6,152	6,664	263	253	1,015	1,080	7,577	8,147
Credit commitments <sup>5</sup>	2,907	2,969	233	221	586	609	3,728	3,803

<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> Not included in foreign claims.

<sup>4</sup> Excluding Chile; positive market values only. <sup>5</sup> Excluding Chile.

# Annex

## Breaks in series and major data revisions processed in 2011-Q2

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

### A. Locational banking statistics by residence

In billions of US dollars

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

Quarter	Reporting country	Details	Assets	Liabilities
2011-Q2	Belgium	Restructuring process of reporting bank	20.7	18.5

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

Quarters	Reporting country	Details	Assets	Liabilities
2008-Q4	United Kingdom	Revisions from reporting banks	0.0	0.0
2009-Q1	United Kingdom	Revisions from reporting banks	0.0	0.0
2010-Q1	United Kingdom	Revisions from reporting banks	0.0	0.0
2010-Q2	United Kingdom	Revisions from reporting banks	0.0	-0.1
2010-Q2	Japan	Revisions from reporting banks	-9.9	-8.1
2010-Q3	Sweden	Revisions from reporting banks	-1.4	-1.4
2010-Q3	United Kingdom	Revisions from reporting banks	0.0	0.0
2010-Q3	Japan	Revisions from reporting banks	-12.0	-8.5
2010-Q4	Sweden	Revisions from reporting banks	-1.8	0.0
2010-Q4	United Kingdom	Revisions from reporting banks	0.0	0.0
2010-Q4	Canada	Revisions from reporting banks	0.0	0.0
2010-Q4	Japan	Revisions from reporting banks	-12.1	-8.8
2011-Q1	United Kingdom	Reported amounts outstanding revised in order to produce correct adjusted flow	-0.3	36.6
2011-Q1	Canada	Revisions from reporting banks	0.0	0.0
2011-Q1	Japan	Revisions from reporting banks	-5.4	-3.6
2011-Q1	Singapore	Revisions from reporting banks	-0.1	-0.1
2011-Q1	Malaysia	Revisions from reporting banks	-0.1	-0.5

<sup>1</sup> See [www.bis.org/statistics/breakstables17.pdf](http://www.bis.org/statistics/breakstables17.pdf) for historical breaks in series.

### B. Locational banking statistics by nationality

In billions of US dollars

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

Quarter	Reporting country	Details	Assets	Liabilities
2011-Q2	Belgium	Restructuring process of reporting bank	20.7	18.5
2011-Q2	Isle of Man	Reclassification of reporting institutions	-0.5	-0.3

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

Quarters	Reporting country	Details	Assets	Liabilities
2010-Q2 - 2011-Q1	Japan	Revisions from reporting banks	-12.0 to -5.4	-8.8 to -5.4
2007-Q1 - 2011-Q1	United Kingdom	Revisions from reporting banks	0.0 to 3.2	0.0 to -35.6

<sup>1</sup> See [www.bis.org/statistics/breakstables8.pdf](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

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

Quarter	Reporting country	Details	International claims	Other positions
2011-Q2	Germany	Reclassification of reporting institutions from inside area offices to inside area unconsolidated offices	1.5	
2011-Q2	Spain	Incorporation of data from a credit institution acquisition	1.1	
		Local currency claims of foreign offices		15.4
		Local currency liabilities of foreign offices		13.9

#### Large data revisions from reporting banks of previous quarters (excluding breaks in series)

Quarter	Reporting country	Details	International claims	Other positions
2008-Q3	United Kingdom	International claims	-23.2	
2008-Q3	United Kingdom	Net risk transfers		-2.5
2009-Q1	Sweden	International claims	-13.0	
2009-Q1	Sweden	Local currency claims on local residents		10.9
2009-Q1	Sweden	Local currency liabilities to local residents		4.6
2009-Q2	Sweden	International claims	-14.0	
2009-Q2	Sweden	Local currency claims on local residents		11.6
2009-Q2	Sweden	Local currency liabilities to local residents		5.4
2009-Q3	Sweden	International claims	-15.1	
2009-Q3	Sweden	Local currency claims on local residents		12.5
2009-Q3	Sweden	Local currency liabilities to local residents		6.1
2009-Q4	Sweden	International claims	-14.2	
2009-Q4	Sweden	Local currency claims on local residents		11.1
2009-Q4	Sweden	Local currency liabilities to local residents		5.3
2009-Q4	United Kingdom	International claims	37.7	
2010-Q1	Sweden	International claims	-13.5	
2010-Q1	Sweden	Local currency claims on local residents		10.4
2010-Q1	Sweden	Local currency liabilities to local residents		5.5
2010-Q2	Sweden	International claims	-17.8	
2010-Q2	Sweden	Local currency claims on local residents		15.3
2010-Q2	Sweden	Local currency liabilities to local residents		4.7
2010-Q2	Japan	International claims	8.9	
2010-Q3	Sweden	International claims	-16.6	
2010-Q3	Sweden	Local currency claims on local residents		16.6
2010-Q3	Sweden	Local currency liabilities to local residents		5.5
2010-Q3	Japan	International claims	10.7	
2010-Q4	Sweden	International claims	-18.4	
2010-Q4	Sweden	Local currency claims on local residents		16.6
2010-Q4	Sweden	Local currency liabilities to local residents		5.3
2010-Q4	Japan	International claims	11.7	
2011-Q1	Ireland	International claims	-2.4	
2011-Q1	Ireland	Local currency claims on local residents		-5.6
2011-Q1	Ireland	Local currency liabilities to local residents		-2.3
2011-Q1	Luxembourg	International claims	-37.8	
2011-Q1	United Kingdom	International claims	-2.9	
2011-Q1	United Kingdom	Local currency liabilities to local residents		2.5
2011-Q1	United Kingdom	Net risk transfers		-4.5
2011-Q1	Japan	International claims	5.3	

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

#### D. Consolidated statistics on an ultimate risk basis

Changes, in billions of US dollars

Quarter	Reporting country	Details of breaks in series <sup>1</sup>	Foreign claims	Other positions
2011-Q2	Spain	Incorporation of data from a credit institution acquisition	14.3	
		Cross-border claims		-5.8
		Local claims of foreign offices in all currencies		20.1
		Derivatives contracts		0.2
		Guarantees extended		0.5
		Credit commitments		2.35

#### Large data revisions from reporting banks of previous quarters (exclusive of breaks in series)

Quarter	Reporting country	Details	Foreign claims	Other positions
2008-Q3	United Kingdom	Foreign claims	-25.7	
2008-Q3	United Kingdom	Cross-border claims		-25.7
2009-Q1	Sweden	Foreign claims	-2.3	
2009-Q1	Sweden	Cross-border claims		-2.3
2009-Q2	Sweden	Foreign claims	-2.4	
2009-Q2	Sweden	Cross-border claims		-2.4
2009-Q3	Sweden	Foreign claims	-2.7	
2009-Q3	Sweden	Cross-border claims		-2.7
2009-Q4	Sweden	Foreign claims	-3.2	
2009-Q4	Sweden	Cross-border claims		-3.2
2010-Q1	Sweden	Foreign claims	-3.2	
2010-Q1	Sweden	Cross-border claims		-3.2
2010-Q2	Sweden	Foreign claims	-2.9	
2010-Q2	Sweden	Cross-border claims		-2.9
2010-Q2	Japan	Foreign claims	8.9	
2010-Q2	Japan	Cross-border claims		8.9
2010-Q3	United Kingdom	Guarantees extended		123.2
2010-Q3	United Kingdom	Credit commitments		-2.7
2010-Q3	Japan	Foreign claims	10.8	
2010-Q3	Japan	Cross-border claims		10.8
2010-Q4	United Kingdom	Guarantees extended		145.9
2010-Q4	United Kingdom	Credit commitments		-3.2
2010-Q4	Japan	Foreign claims	11.8	
2010-Q4	Japan	Cross-border claims		11.8
2011-Q1	Ireland	Foreign claims	-8.1	
2011-Q1	Ireland	Local claims of foreign offices in all currencies		-8.4
2011-Q1	United Kingdom	Foreign claims	-7.8	
2011-Q1	United Kingdom	Cross-border claims		-5.5
2011-Q1	United Kingdom	Local claims of foreign offices in all currencies		-2.3
2011-Q1	United Kingdom	Guarantees extended		169.7
2011-Q1	United Kingdom	Credit commitments		-6.6
2011-Q1	Japan	Foreign claims	5.3	
2011-Q1	Japan	Cross-border claims		5.3

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