



BANK FOR INTERNATIONAL SETTLEMENTS



Statistical release

BIS international banking statistics at end-December 2016

Monetary and Economic Department

April 2017

Tools to access and download the BIS international banking statistics:

- [BIS website](#) – tables in PDF of the BIS's most current data
- [BIS Statistics Explorer](#) – a browsing tool for pre-defined views of the BIS's most current data
- [BIS Statistics Warehouse](#) – a search tool for customised queries of the BIS's most current data

Data behind the charts in this release, including those in Annexes A and B, can be downloaded from the BIS website (www.bis.org/statistics/rppb1704_charts.zip).

Definitions of technical terms used in this release can be found in the Glossary on the BIS website (www.bis.org/statistics/glossary.htm).

Questions about the BIS international banking statistics may be addressed to statistics@bis.org.

This release is available on the BIS website (www.bis.org/statistics/provdata.htm).

BIS international banking statistics at end-December 2016

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Data are subject to change. Revised data will be released concurrently with the forthcoming *BIS Quarterly Review* on 6 June 2017. The international banking statistics at end-March 2017 will be released no later than 21 July 2017.

The term "country" as used in this release also covers territorial entities that are not states as understood by international law and practice but for which data are separately and independently maintained.

1. Highlights

Highlights from the BIS international banking statistics for Q4 2016:

- International banking activity weakened in the last quarter of 2016, with cross-border claims dropping by \$280 billion ([view data](#)). The decline was driven primarily by lending to non-banks and unrelated banks, while intragroup business picked up ([view data](#)).
- This weakness reflected mainly a fall in cross-border lending to advanced economies. In contrast, cross-border bank claims on emerging market economies (EMEs) was relatively stable, inching down by \$9 billion ([view data](#)). Lending to Latin America and emerging Europe declined, while claims on Africa and the Middle East and emerging Asia and Pacific rose ([view data](#)).

2. The international banking market weakened in Q4 2016

International banking activity eased in the last quarter of 2016. According to the BIS locational banking statistics, the cross-border claims of BIS reporting banks dropped by \$280 billion between end-September and end-December 2016 (Graph A.1, top panels).¹ Despite that decline, the year-on-year growth rate remained positive, with cross-border bank lending increasing by \$504 billion during 2016.

All instrument categories contributed to the contraction in Q4 2016. Banks' holdings of debt securities fell by \$105 billion, with the annual rate of growth slowing from 3% at end-September to 2% at end-December 2016. Loans declined by \$156 billion and other instruments by \$31 billion. Nevertheless, their annual growth rates picked up, reaching 1% and 4%, respectively, at end-December 2016 (Graph A.1, bottom panels).

Across borrowing sectors, the downturn during the fourth quarter of 2016 was due to lower lending to non-banks, which dropped for the first time since the first quarter of the year. Claims on non-banks fell by \$211 billion, due mainly to a \$120 billion contraction in lending to non-bank financial institutions, which include hedge funds, money market funds, pension funds and insurance companies.² Nevertheless, the annual growth rate remained positive at 4%. Meanwhile, activity between banking offices remained broadly unchanged in Q4 2016, due to offsetting changes in claims on related offices (+\$167 billion) and unrelated banks (-\$111 billion).

On a consolidated basis, bank credit to the official sector – which, unlike the System of National Accounts, includes not only claims on governments but also deposits with central banks – dropped from 27% of outstanding foreign claims at end-September to 26% at end-December 2016.³

From a currency perspective, euro-denominated lending accounted for most of the aggregate fall in Q4 2016. Despite the \$207 billion contraction in euro-denominated claims, their annual rate of decline slowed from -2% at end-September to -1% at end-December 2016. Lending denominated in US dollars also contracted over the quarter, falling by \$81 billion. Meanwhile, yen credit rose by \$68 billion.

¹ The locational banking statistics are structured according to the location of banking offices and capture the activity of all internationally active banking offices in the reporting country regardless of the nationality of the parent bank. Banks record their positions on an unconsolidated basis, including those vis-à-vis their own offices in other countries. Quarterly changes in outstanding amounts are adjusted for the impact of exchange rate movements between the ends of the respective quarters and for methodological breaks in the data series.

² For more information on sector definitions and other technical terms, see the [Glossary](#) on the BIS website.

³ The BIS consolidated statistics on an ultimate risk basis exclude intragroup positions and take into account risk transfers.

Claims denominated in both currencies however, were up on an annual basis, growing by 3% and 5%, respectively, during 2016.

Cross-border claims on offshore centres rose in Q4 2016

Although overshadowed by the decline in lending to advanced economies, cross-border claims on offshore financial centres increased by \$37 billion in Q4 2016.⁴ This took their annual rate of growth back into positive territory for the first time in the last five quarters.

The quarterly increase in business with offshore centres was driven mostly by higher claims on non-banks (+\$29 billion), with lending to non-bank financial institutions up by \$38 billion. From an instrument perspective, the overall rise was driven by higher holdings of debt securities (+\$24 billion) and other instruments (+\$12 billion), resulting in annual growth rates of 8% and 12%, respectively, as of end-December 2016.

The currency breakdown available in the BIS locational banking statistics indicates that US dollar-denominated claims on offshore centres dropped by \$67 billion over Q4 2016 (–2% year-on-year). Meanwhile, claims denominated in euros and Japanese yen picked up, rising \$46 billion and \$41 billion, respectively. This took their annual growth rates to a respective 21% and 7%. Historically, cross-border banking flows to offshore financial centres have been denominated primarily in US dollars. However, yen-denominated claims have gained ground in recent years. Their outstanding stock has increased from \$336 billion at end-2008 to \$585 billion at end-December 2016, overtaking euro-denominated claims in the process.

Borrowers located in the Cayman Islands, Hong Kong SAR and Singapore were the largest recipients of cross-border banking credit extended to offshore centres in Q4 2016. The increase in lending to Hong Kong SAR and Singapore was due mainly to inter-office positions. In contrast, the rise in claims on the Cayman Islands was primarily driven by lending to the non-bank financial sector; half of this amount was denominated in Japanese yen. Japanese banks have increasingly channelled investment through investment fund special purpose vehicles registered in the Cayman Islands, contributing to the rise in cross-border claims to the territory.⁵

Claims on emerging markets relatively stable

In contrast to the fall recorded for advanced economies, cross-border bank claims on EMEs were relatively stable in Q4 2016. Despite the \$9 billion drop, the annual growth rate at end-December 2016 was positive (1%) for the first time since early 2015. Cross-border claims on Latin America and Caribbean (–\$16 billion) and emerging Europe (–\$13 billion) declined during Q4 2016. By contrast, claims on Africa and Middle East and emerging Asia and Pacific rose by \$13 billion and \$7 billion, respectively.

In Latin America, claims on borrowers located in Brazil and Mexico decreased the most. Cross-border claims on Brazil fell by \$9 billion, due primarily to a decline in interbank claims (–\$15 billion). In contrast, the \$6 billion fall in cross-border lending to Mexico reflected mainly a reduction in lending to non-financial institutions (–\$5 billion).

⁴ For a list of countries grouped under offshore centres, see [Table A3](#).

⁵ See Inoue, Y Yoshizaki, K Sasamoto and K Shiotani, "Enhancements to the BIS international banking statistics and highlights of the results of the statistics in Japan", *Bank of Japan Review*, March 2017, www.boj.or.jp/en/research/wps_rev/rev_2017/data/rev17e01.pdf.

Within emerging Europe, claims on Turkey saw the largest contraction, dropping by \$9 billion in Q4 2016. The fall affected mostly claims on banks, which have declined by a cumulative \$17 billion during 2016, taking the outstanding stock to \$89 billion at end-December 2016.

Cross-border bank claims on China picked up during Q4 2016, rising by \$16 billion. Interbank activity, especially among unrelated offices, accounted for most of the increase. In contrast, cross-border lending to emerging Asia excluding China dropped by \$9 billion.

Annexes

A Locational banking statistics: charts

Cross-border claims, by sector, currency and instrument

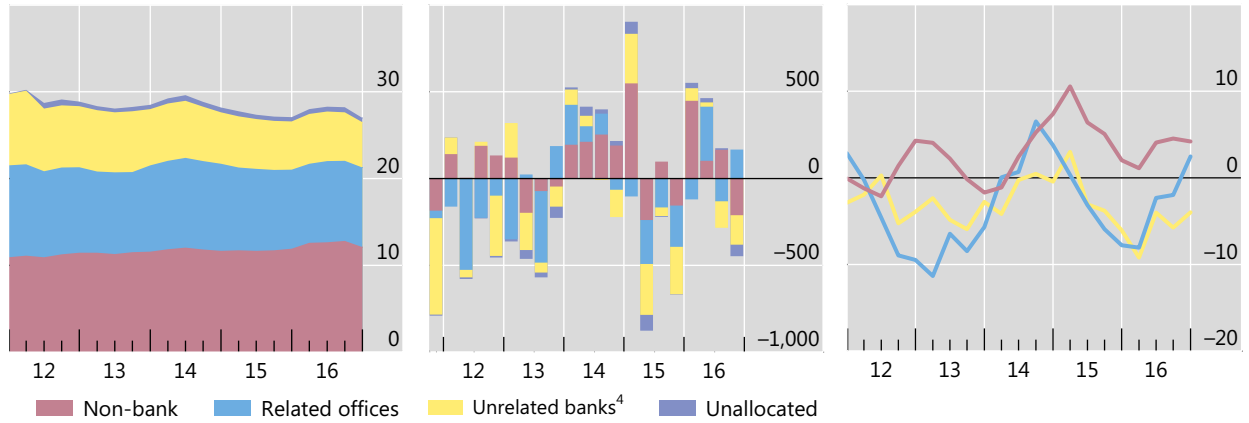
Graph A.1

Amounts outstanding, in USD trn¹

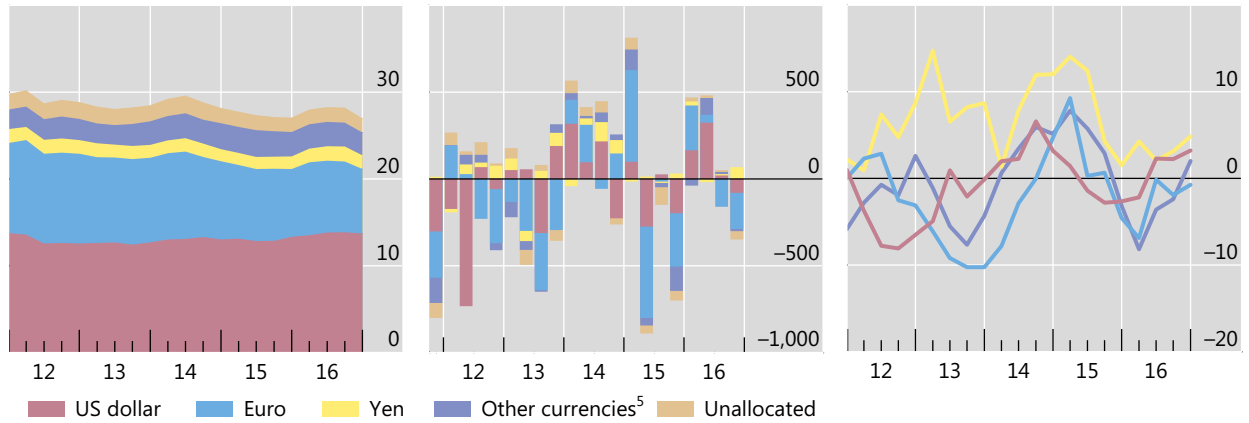
Adjusted changes, in USD bn²

Annual change, in per cent³

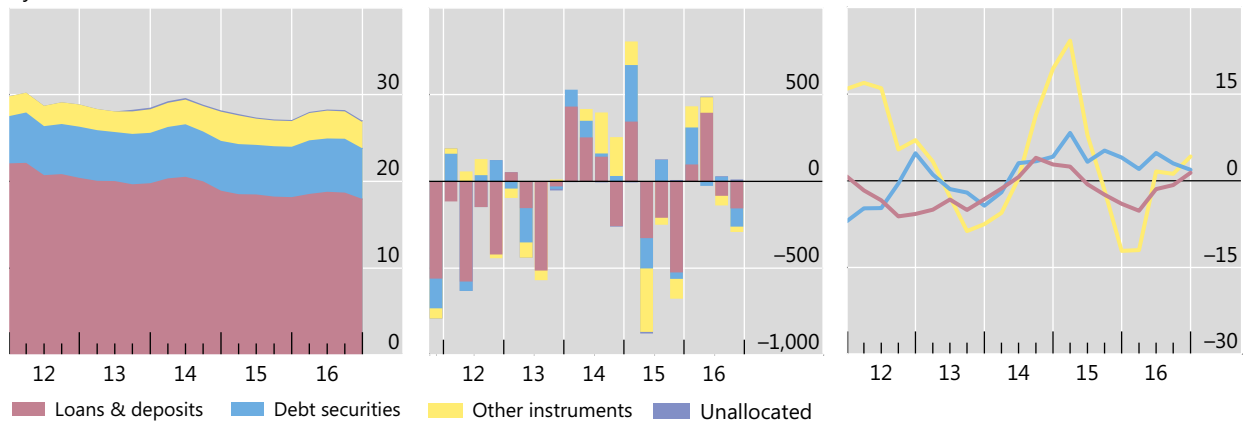
By sector of counterparty



By currency



By instrument



¹ At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Quarterly changes in amounts outstanding, adjusted for exchange rate movements between quarter-ends and methodological breaks. ³ Geometric mean of quarterly percentage changes. ⁴ Includes central banks and banks unallocated by subsector between intragroup and unrelated banks. ⁵ Other reported currencies, calculated as all currencies minus US dollar, euro, yen and unallocated currencies. The currency is known but reporting is incomplete.

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

Cross-border claims, by borrowing region

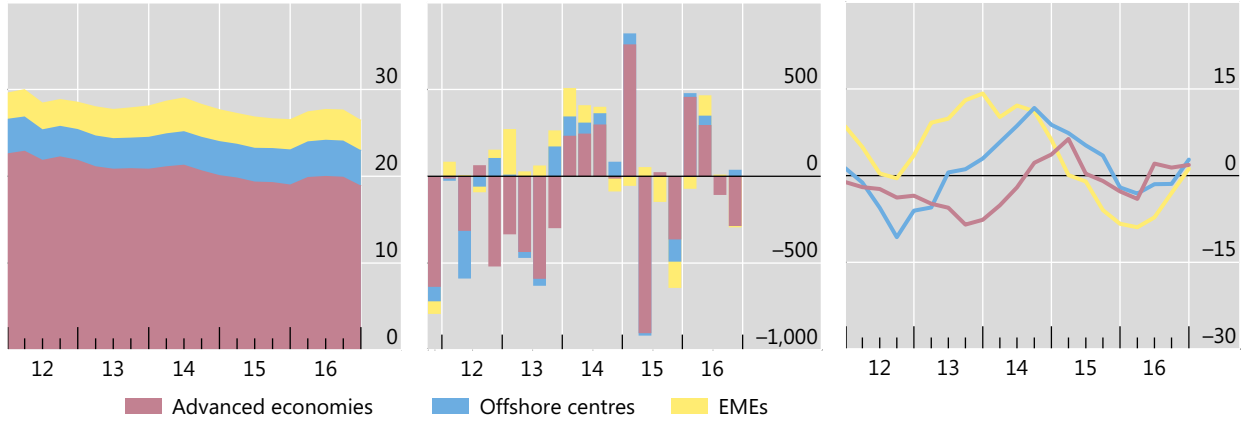
Graph A.2

Amounts outstanding, in USD trn¹

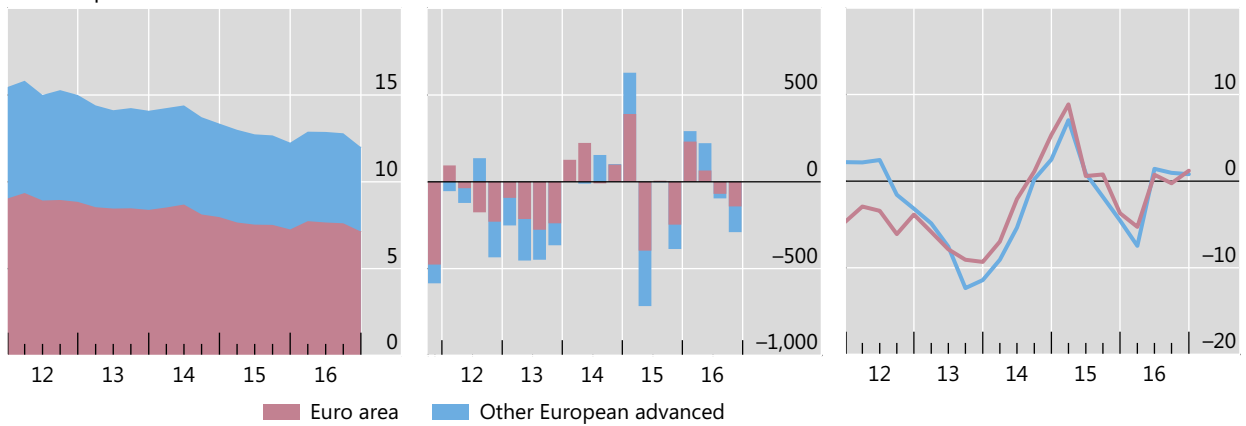
Adjusted changes, in USD bn²

Annual change, in per cent³

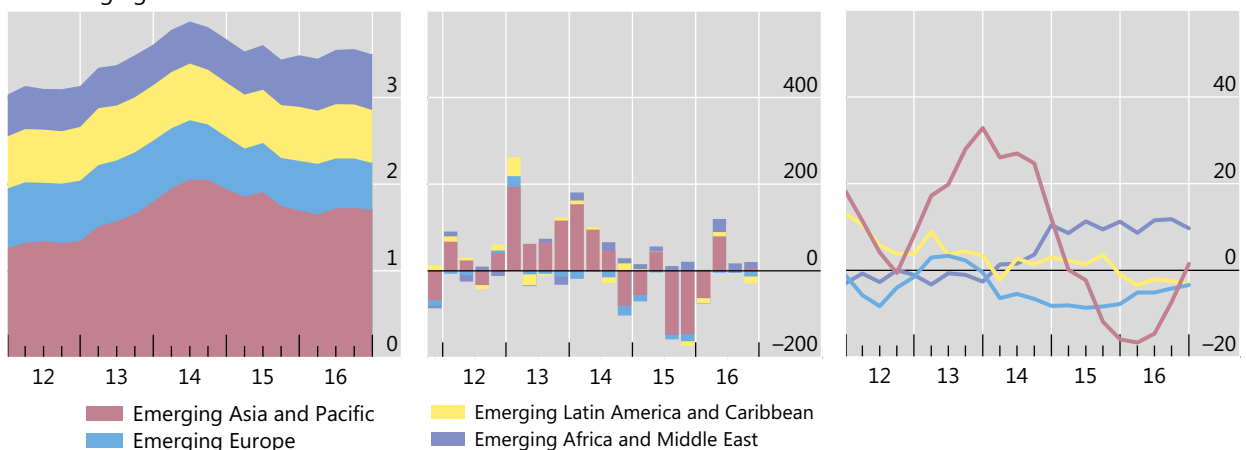
On all countries



On Europe



On emerging market economies



¹ At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ³ Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

Cross-border claims, by borrowing country

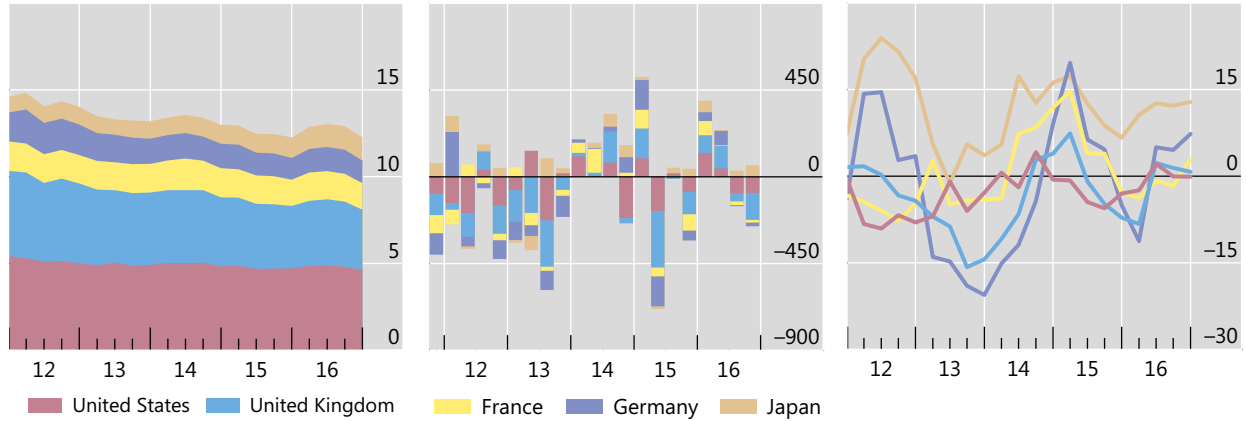
Graph A.3

Amounts outstanding, in USD trn¹

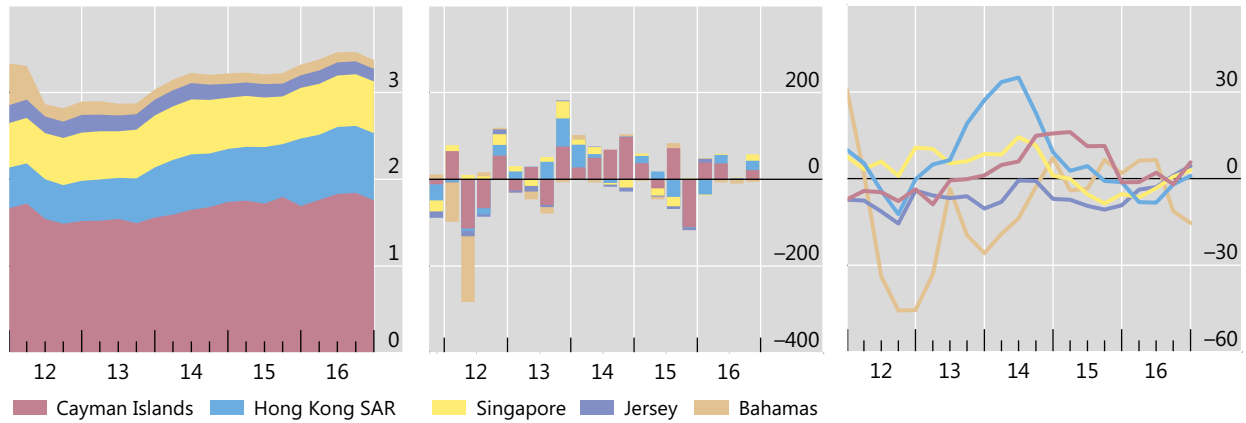
Adjusted changes, in USD bn²

Annual change, in per cent³

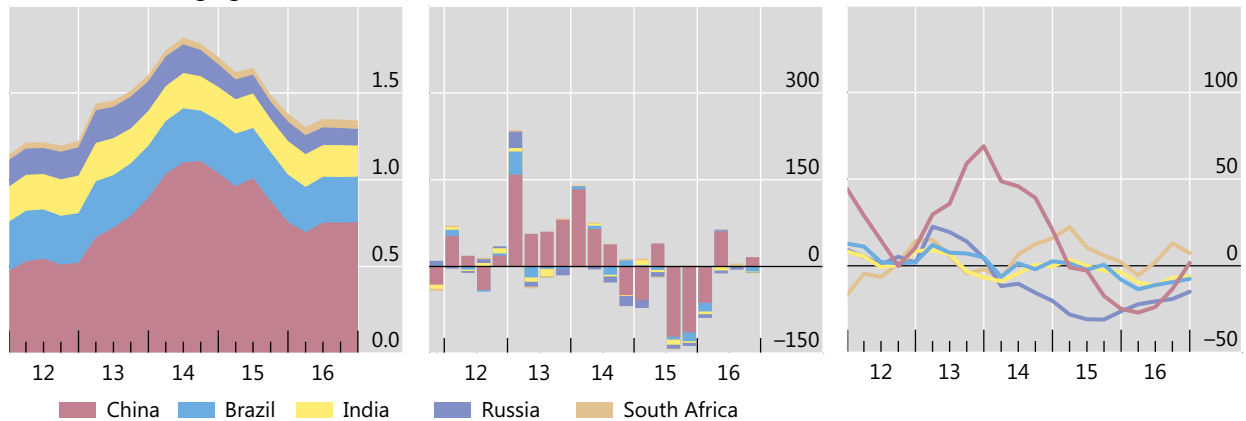
On selected advanced economies



On selected offshore centres



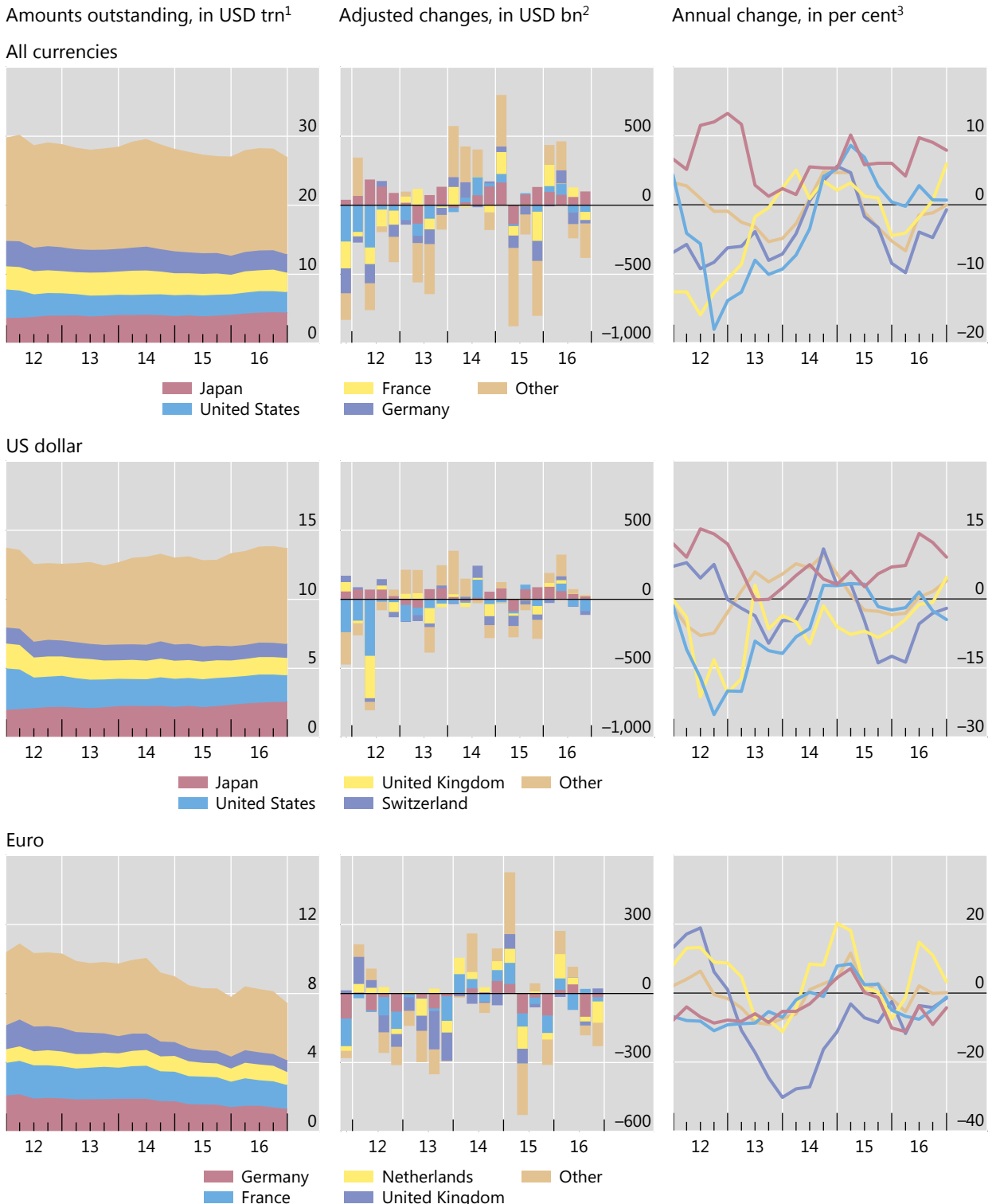
On selected emerging market economies



¹ At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ³ Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

Cross-border claims, by nationality of reporting bank and currency of denomination Graph A.4



¹ At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ³ Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

Cross-border liabilities of reporting banks

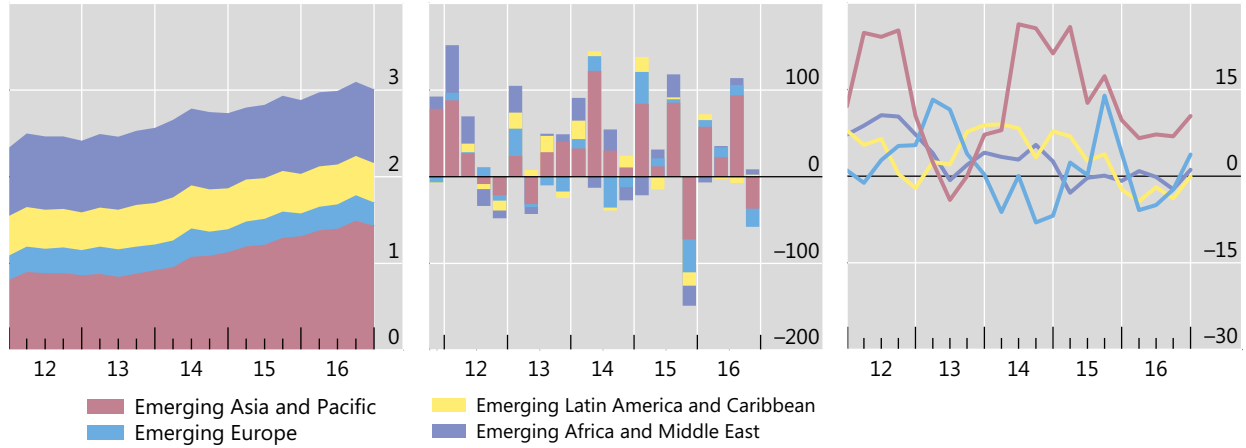
Graph A.5

Amounts outstanding, in USD trn¹

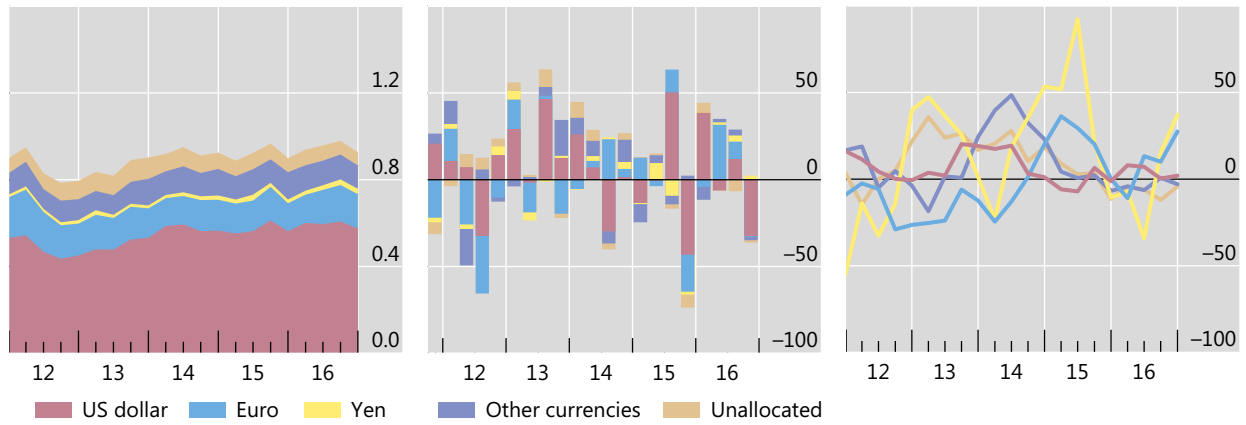
Adjusted changes, in USD bn²

Annual change, in per cent³

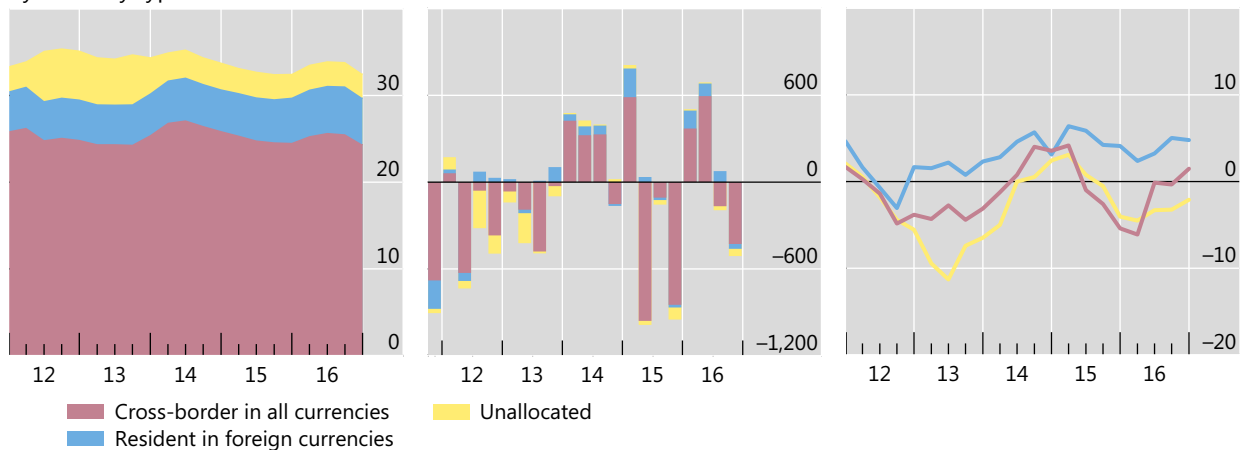
To emerging market economies



To central banks



By currency type and location



¹ At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ³ Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

B Consolidated banking statistics: charts

Consolidated claims of reporting banks on advanced economies

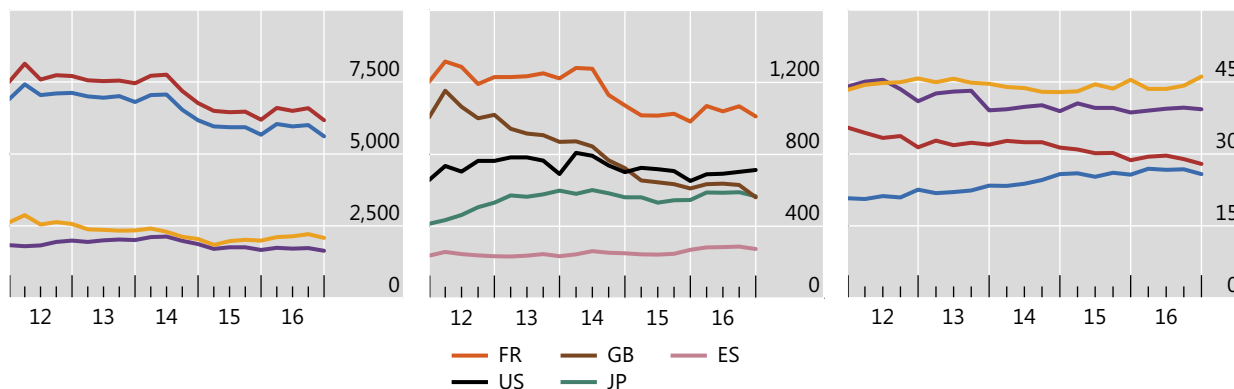
Graph B.1

Foreign claims and local positions, in USD bn^{1,2}

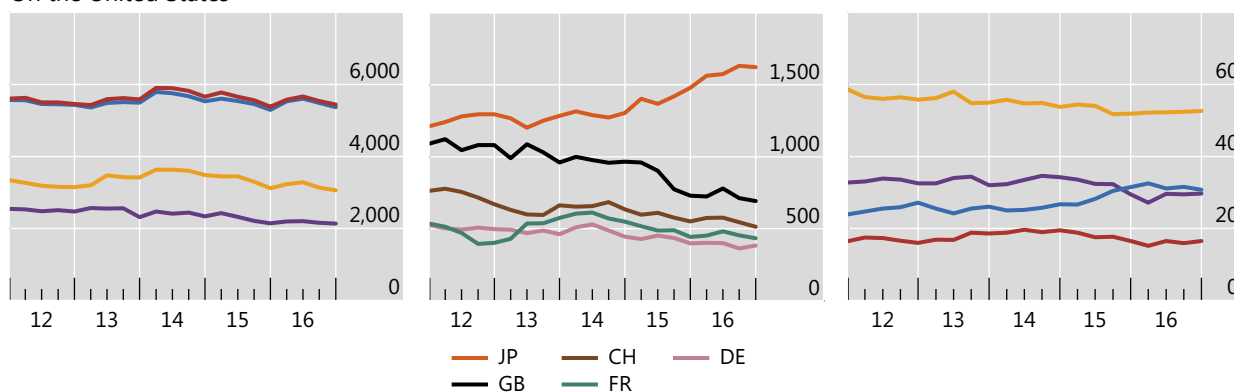
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

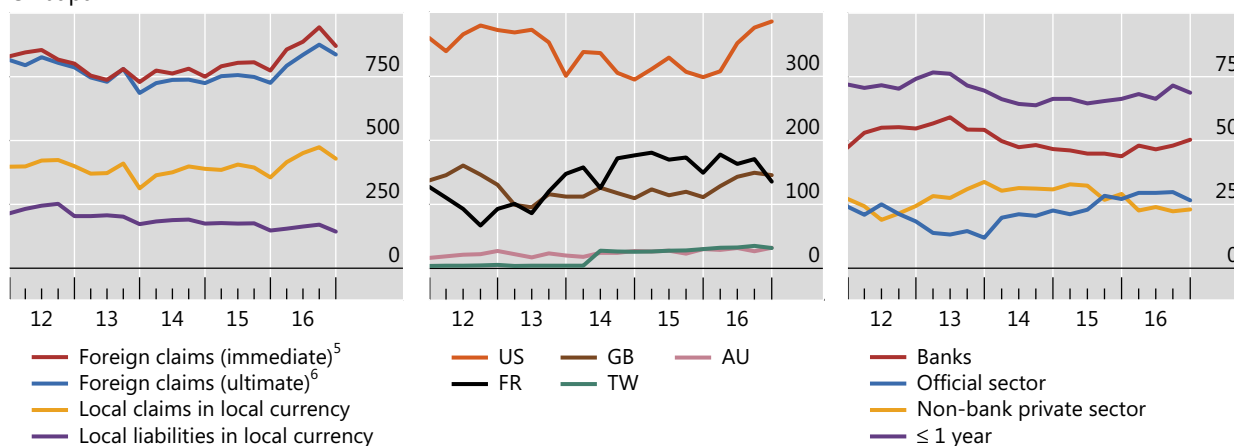
On the euro area



On the United States



On Japan



AU = Australia; CH = Switzerland; DE = Germany; ES = Spain; FR = France; GB = United Kingdom; JP = Japan; TW = Chinese Taipei; US = United States.

¹ Amounts outstanding at quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Excludes domestic claims. ³ Foreign claims on an ultimate risk basis, by nationality of reporting bank. The banking systems shown are not necessarily the largest foreign bank creditors on each reference date. ⁴ As a percentage of international claims outstanding. ⁵ On an immediate counterparty basis. Includes the unconsolidated claims of banks headquartered outside but located inside CBS-reporting countries. ⁶ On an ultimate risk basis.

Source: BIS consolidated banking statistics. Further information on is available at www.bis.org/statistics/bankstats.htm.

Consolidated claims of reporting banks on emerging market economies

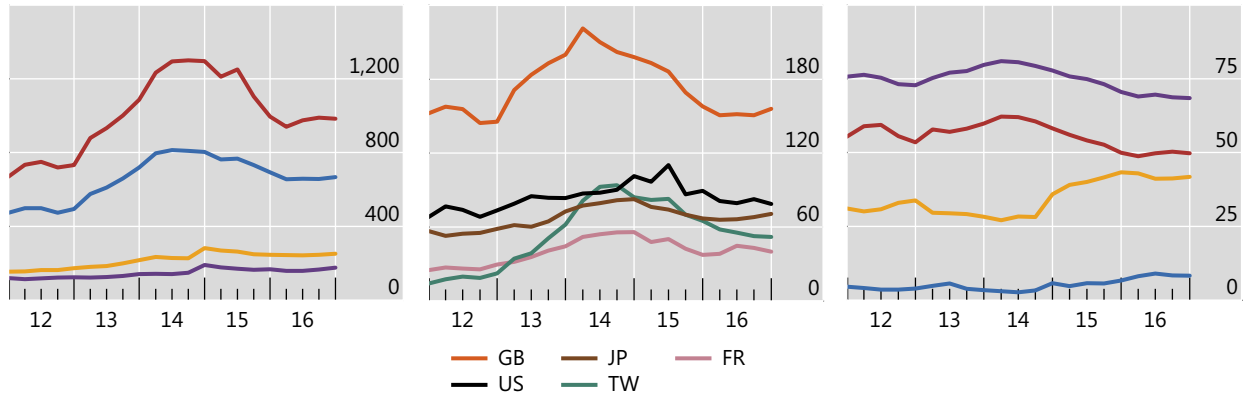
Graph B.2

Foreign claims and local positions,
in USD bn^{1,2}

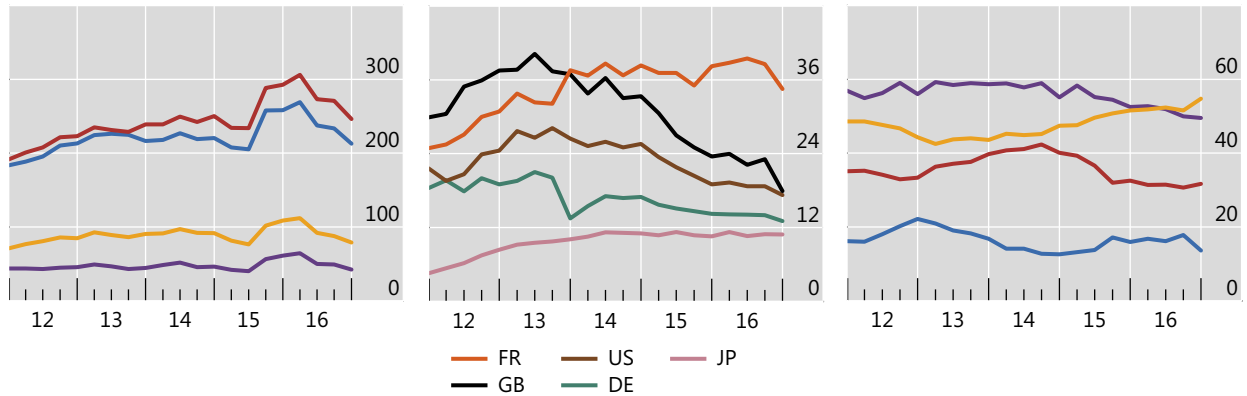
Foreign claims of selected creditors,
in USD bn^{1,3}

International claims, by sector and
maturity, in per cent⁴

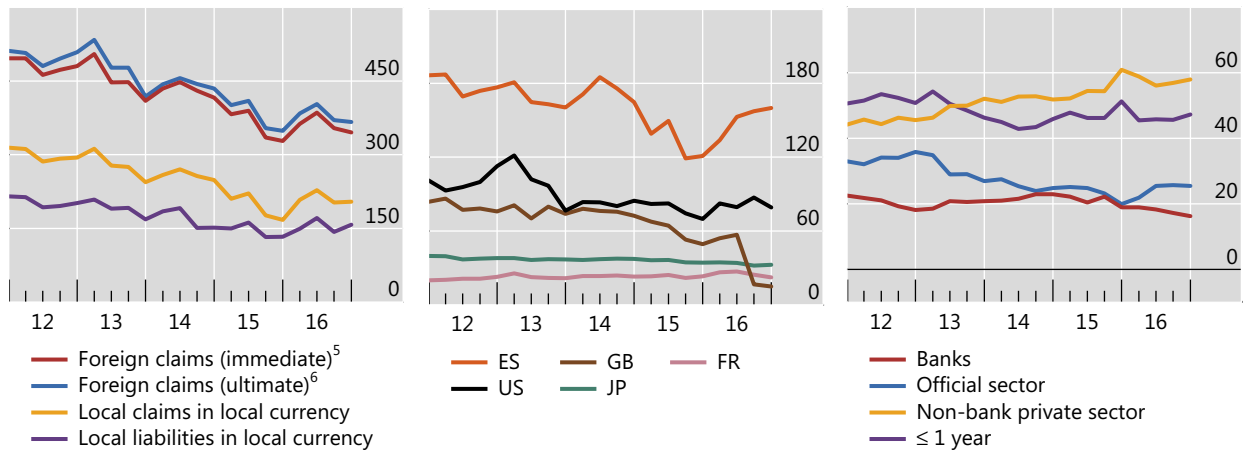
On China



On Turkey



On Brazil



DE = Germany; ES = Spain; FR = France; GB = United Kingdom; JP = Japan; TW = Chinese Taipei; US = United States.

¹ Amounts outstanding at quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Excludes domestic claims, ie claims on residents of a bank's home country. ³ Foreign claims on an ultimate risk basis, by nationality of reporting bank. The banking systems shown are not necessarily the largest foreign bank creditors on each reference date. ⁴ As a percentage of international claims. ⁵ On an immediate counterparty basis. Includes the unconsolidated claims of banks headquartered outside but located inside CBS-reporting countries. ⁶ On an ultimate risk basis.

Source: BIS consolidated banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

C Explanatory notes

Reporting practices

The [Guidelines for reporting BIS international banking statistics](#) set out requirements for the reporting of the locational and consolidated banking statistics. The consistency of banks' reporting practices with the Guidelines varies across reporting countries. Key differences are explained on the BIS website (www.bis.org/statistics/count_rep_practices.htm) and summarised in the *BIS Statistical Bulletin*.

Latest data

The latest international banking statistics refer to end-December 2016. For the following reporting countries, the latest data are repeated from previous quarters:

- Locational banking statistics: *The Bahamas* (carried forward from end-December 2015); *Curaçao* (carried forward from end-June 2016); and the *United Kingdom* (nationality statistics carried forward from end-June 2016).
- Consolidated banking statistics: *Brazil* (carried forward from end-June 2016) and *Denmark* (carried forward from end-September 2016).

In the tables available on the BIS website (www.bis.org/statistics/bankstats.htm), data that are not reported to the BIS, and therefore not available for publication, are indicated by "...". Null values may appear as not available where not reported. Data that are reported to the BIS but suppressed at the request of the reporting country to safeguard confidentiality are included in totals and indicated by "\".

Revisions and breaks

Data are subject to revision and are impacted by breaks in series – or changes in compilation – over time. Breaks in series may arise from: changes in the population of reporting institutions, including the addition of new reporting countries; changes in reporting practices; or methodological improvements. A summary of breaks is available on the BIS website for:

- the locational banking statistics by residence, www.bis.org/statistics/breakstables17.pdf;
- the locational banking statistics by nationality, www.bis.org/statistics/breakstables8.pdf; and
- the consolidated banking statistics, www.bis.org/statistics/breakstablescons.pdf.

Significant revisions and breaks included for the first time with the data for end-December 2016 are also summarised below. At the request of authorities in reporting countries, the size of some breaks or revisions is not shown for confidentiality reasons (indicated in the tables by "\").

Revisions and breaks in the locational banking statistics

Austria started to report additional details as part of the enhancements recommended by the CGFS.⁶ From end-December 2016, the positions of banks in Austria on the non-bank sector are further disaggregated into the non-bank financial sector and the non-financial sector. At the same time, Austria improved its coverage of banks' positions, in particular claims and liabilities captured under other instruments. These changes increased the outstanding cross-border claims and liabilities of banks in Austria by \$22 billion and \$41 billion, respectively, at end-December 2016.

⁶ See Committee on the Global Financial System, "Improving the BIS international banking statistics", *CGFS Publications*, no 47, November 2012, www.bis.org/publ/cgfs47.htm.

France reported a break at end-December 2016 arising from a change in how some banks record loans and deposits. Some banks in France changed their reporting of selected positions from a gross basis to a net basis, where liabilities are offset against assets. This reduced outstanding cross-border claims and liabilities by about \$107 billion.

The **United States** corrected its population of reporting institutions for data at end-September 2016, resulting in revisions. This correction makes end-September 2016 data consistent with the earlier change in the US reporting population, which was explained in the BIS Statistical release published in October 2016.⁷ The latest change reduced the outstanding claims of banks located in the United States by \$33 billion at end-September 2016 and their outstanding liabilities by \$133 billion.

Locational banking statistics by residence

Changes in amounts outstanding, in billions of US dollars

Breaks in series

Quarters	Reporting country	Details	Assets	Liabilities
2016-Q4	Austria	Cross-border positions	22.2	40.7
		Local positions	4.7	2.0
2016-Q4	Cayman Islands	Cross-border positions	-6.1	-3.2
		Local positions		-1.5
2016-Q4	France	Cross-border positions	-106.5	-106.7
2016-Q4	United States	Cross-border positions	6.3	
2016-Q3	United States	Cross-border positions	1.2	13.6

Large data revisions of previous quarters

Quarters	Reporting country	Details	Assets	Liabilities
2016-Q3	United States	Cross-border positions	-33.2	-133.0
2015-Q4	Jersey	Cross-border positions		-1.9
2016-Q3	Cayman Islands	Cross-border positions		-17.0
2016-Q3	Chinese Taipei	Cross-border positions		-14.7
2016-Q3	Mexico	Cross-border positions		6.2
2016-Q3	India	Cross-border positions	-3.7	

⁷ See BIS, "Statistical release: BIS international banking statistics at end-June 2016", October 2016, www.bis.org/statistics/rppb1610.pdf#page=14.

Locational banking statistics by nationality

Changes in amounts outstanding, in billions of US dollars

Breaks in series

Quarters	Reporting country	Details	Assets	Liabilities
2016-Q4	Austria	Cross-border positions		21.2
		Local positions		-3.2
2016-Q4	France	Cross-border positions	-106.5	-106.7
2016-Q4	Cayman Islands	Cross-border positions	-6.1	-3.2
		Local positions		-1.5
2016-Q4	United States	Cross-border positions	6.3	
2016-Q3	United States	Cross-border positions	1.2	13.6

Large data revisions of previous quarters

Quarters	Reporting country	Details	Assets	Liabilities
2016-Q3	Greece	Cross-border positions		1.1
		Local positions	1.1	
2016-Q3	Sweden	Cross-border positions		1.2
2016-Q2	Sweden	Cross-border positions		1.3
2016-Q1	Sweden	Cross-border positions		1.3
2016-Q3	United States	Cross-border positions	-33.2	-133.0
2015-Q4	Jersey	Cross-border positions		-2.0
2016-Q3	Cayman Islands	Cross-border positions		-17.0
2016-Q3	Chinese Taipei	Cross-border positions		-14.7
2016-Q3	Mexico	Cross-border positions		6.9
2016-Q3	Brazil	Cross-border positions	-7.9	6.0
		Local positions	-6.0	-13.3
2016-Q3	India	Cross-border positions	-4.8	

Revisions and breaks in the consolidated banking statistics

In the consolidated banking statistics, no large breaks or revisions were reported in Q4 2016.

Consolidated banking statistics on an immediate counterparty basis

Changes, in billions of US dollars

Breaks in series

Quarter	Reporting country	Details	Change
2016-Q4	Belgium	International claims	-2.2
		Local currency liabilities on local residents	-0.2
	Germany	Local currency claims on local residents	-0.1
		Local currency liabilities on local residents	-0.2
		Net risk transfers	0.2

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

Quarter	Reporting country	Details	Change
2016-Q3	India	International claims	-3.8
	United Kingdom	Local currency claims on local residents	-0.1
2016-Q2	Japan	International claims	0.1
		Net risk transfers	-0.6
2016-Q1	Japan	International claims	0.1
		Net risk transfers	-0.5
2015-Q4	Japan	Net risk transfers	-0.5

Consolidated banking statistics on an ultimate risk basis

Changes, in billions of US dollars

Breaks in series

Quarter	Reporting country	Details	Change
2016-Q4	Belgium	Foreign claims	-2.2
		Cross-border claims	-2.1
		Local claims of foreign offices in all currencies	-0.1

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

Quarter	Reporting country	Details	Change
2016-Q3	India	Foreign claims	-2.5
		Cross-border claims	-2.5
		Local claims of foreign offices in all currencies	0.1
2016-Q2	United Kingdom	Foreign claims	-0.1
		Local claims of foreign offices in all currencies	-0.1
		Foreign claims	-0.5
2016-Q1	Japan	Cross-border claims	-0.5
		Foreign claims	-0.5
2015-Q4	Japan	Cross-border claims	-0.5
		Foreign claims	-0.5