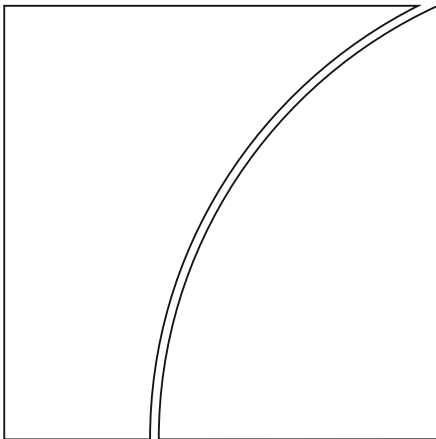




BANK FOR INTERNATIONAL SETTLEMENTS



Statistical release

BIS international banking statistics at end-March 2017

Monetary and Economic Department

July 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 can be downloaded from the BIS website (http://www.bis.org/statistics/rppb1707_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-March 2017

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Data are subject to change. Revised data will be released concurrently with the forthcoming *BIS Quarterly Review* on 17 September 2017. The international banking statistics at end-June 2017 will be released no later than 23 October 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 the quarter ending in March 2017:

- Cross-border banking activity rebounded in Q1 2017, partly reversing the decline observed in the second half of 2016. Claims rose by \$427 billion between end-December 2016 and end-March 2017, up 2% year on year.
- Lending to non-bank borrowers drove the rebound. Claims on non-bank financial institutions were especially strong, rising by \$218 billion in Q1 2017 and 8% year on year.
- Cross-border lending to emerging market economies (EMEs) grew by \$151 billion in Q1 2017, the largest increase since Q1 2014. The rise was driven by a few countries, most notably China and the Czech Republic, which saw exceptionally large inflows.

2. International banking activity rebounded in Q1 2017

After two consecutive quarters of contractions, international banking activity rebounded between end-December 2016 and end-March 2017. Banks' cross-border claims rose by \$427 billion, or 2% year on year, taking total cross-border bank assets to \$27.7 trillion at end-March 2017.

Cross-border lending to EMEs picked up strongly, rising by \$151 billion in the first quarter of 2017 and growing by 8% on a year-on-year basis. Similarly, credit to offshore centres increased by \$98 billion, or 5% year on year. Lending to advanced economies also rose, by \$195 billion in Q1 2017, but this increase was not enough to offset the declines recorded in the previous two quarters.

The global rebound was driven roughly equally by cross-border claims denominated in euros and US dollars, which increased by \$183 billion and \$188 billion, respectively, in Q1 2017. On a year-on-year basis, claims denominated in US dollars grew by 3%, but those in euros continued to contract (-2%), extending the trend observed since Q4 2015. Claims denominated in yen fell by \$65 billion between end-December 2016 and end-March 2017, contracting 1% year on year.

Credit to non-banks led the rise in cross-border lending

Credit to the non-bank sector drove the rebound in international banking activity in Q1 2017. It was up by \$290 billion from the previous quarter (+3% year-on-year).

The increase in credit to the non-bank sector in Q1 2017 was directed mostly to non-bank financial institutions, such as securities dealers, insurance companies, central counterparties, institutional investors, hedge funds and special purpose entities. Banks' claims on that sector rose by \$218 billion, boosting the year-on-year growth rate to 8%. These claims now represent about 18% of banks' outstanding claims on all borrowers at end-March 2017.

In terms of instrument, the increase in credit to non-banks was largely in the form of loans, which increased by \$229 billion, while banks' holdings of debt securities issued by non-bank entities rose by only \$53 billion. In terms of borrowers' location, the rise in credit to non-banks was largely directed to borrowers located in the United States (+\$112 billion), the United Kingdom (+\$75 billion) and offshore financial centres (+\$71 billion).

Interbank activity also picked up in Q1 2017, in contrast to its downward trend since mid-2015. Cross-border interbank claims, which include intragroup positions, rose by \$184 billion. This took their annual growth rate into positive territory (2%) at end-March 2017.

Lending to emerging market economies picked up significantly

The rebound in international banking activity was particularly noticeable vis-à-vis EMEs, which saw banks' cross-border claims on their residents rise by \$151 billion in Q1 2017. This represented the largest increase observed since Q1 2014. Claims were up 8% year on year, in contrast to early 2016, when credit to EMEs had contracted by 9% year on year. Claims on Asia and the Pacific were up the most (+\$129 billion), followed by emerging Europe (+\$26 billion) and Africa and the Middle East (+\$3 billion). By contrast, lending to Latin America decreased by \$7 billion.

This increase in lending to EMEs was driven by a small number of borrowing countries, most notably China. Claims on that country rose by \$92 billion between end-2016 and end-March 2017, marking the largest quarterly expansion in the last three years and partly reversing the previous several quarters of contraction.¹ Intragroup positions, which include positions between the mainland and offshore offices of Chinese banks, rose by \$30 billion in Q1 2017. The latest quarterly increase took the outstanding stock of cross-border bank claims on China to \$850 billion as of end-March 2017, still 23% lower than the end-September 2014 peak of \$1.1 trillion.

Claims on other Asian countries also picked up at end-March 2017. Lending was directed, in particular, to borrowers located in Chinese Taipei (+\$15 billion) and Korea (+\$10 billion), growing by 25% and 7% year on year, respectively.

Cross-border credit to emerging Europe in Q1 2017 was boosted by an exceptionally large \$22 billion increase in claims on borrowers in the Czech Republic. The quarterly surge took the year-on-year growth rate of cross-border lending to the country to 65%. It was mainly driven by loans to (related and unrelated) banks and came primarily in the form of euro-denominated claims. These developments may have been driven by anticipation of the Czech National Bank's removal of the koruna's currency cap against the euro.²

In contrast to developments in emerging Asia and emerging Europe, claims on Latin America and the Caribbean dropped for the third consecutive quarter, falling by \$7 billion in Q1 2017. The decline was led by a reduction in claims on Mexico (-\$6 billion) and Venezuela (-\$1 billion), down 3% and 8% year on year, respectively.

¹ See R McCauley and C Shu, "Dollars and renminbi flowed out of China", *BIS Quarterly Review*, March 2016, pp 26–7, www.bis.org/publ/qtrpdf/r_qt1603u.htm.

² See Czech National Bank, "Statement of the Bank Board for the press conference following the monetary policy meeting", 2 February 2017, www.cnb.cz/en/monetary_policy/bank_board_minutes/2017/170202_prohlaseni.html. On 6 April 2017, the Czech National Bank announced its decision to end its exchange rate commitment.

Annexes

A Locational banking statistics: charts

Cross-border claims, by sector, currency and instrument

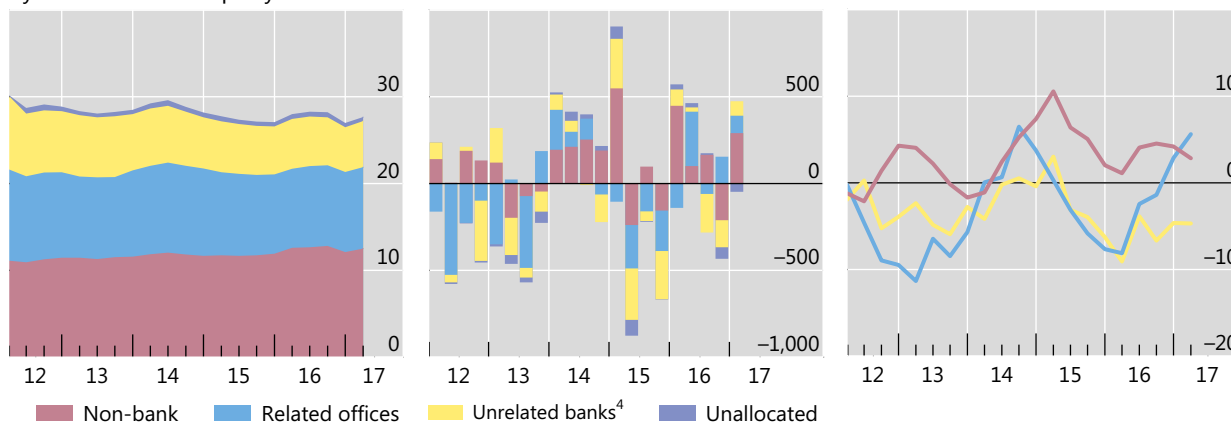
Graph A.1

Amounts outstanding, in USD trn¹

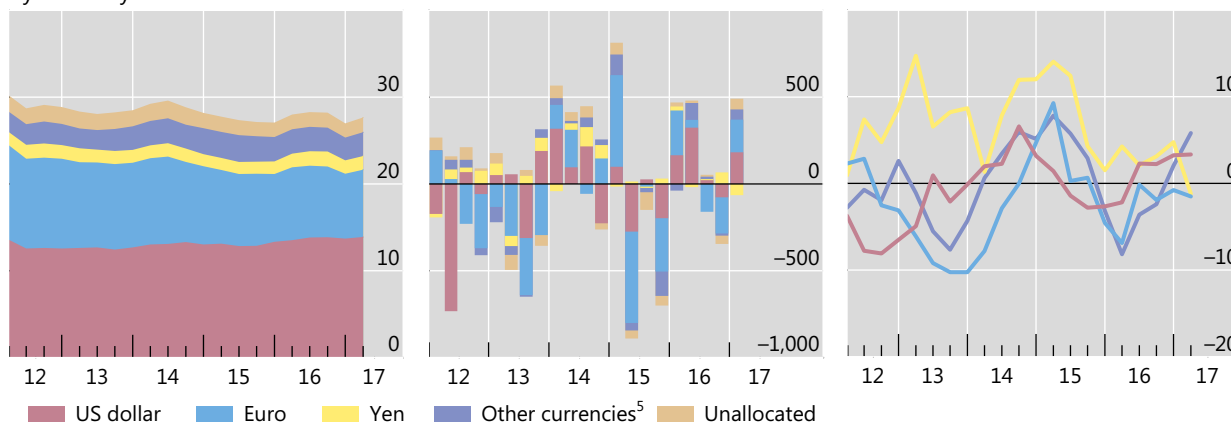
Adjusted changes, in USD bn²

Annual change, in per cent³

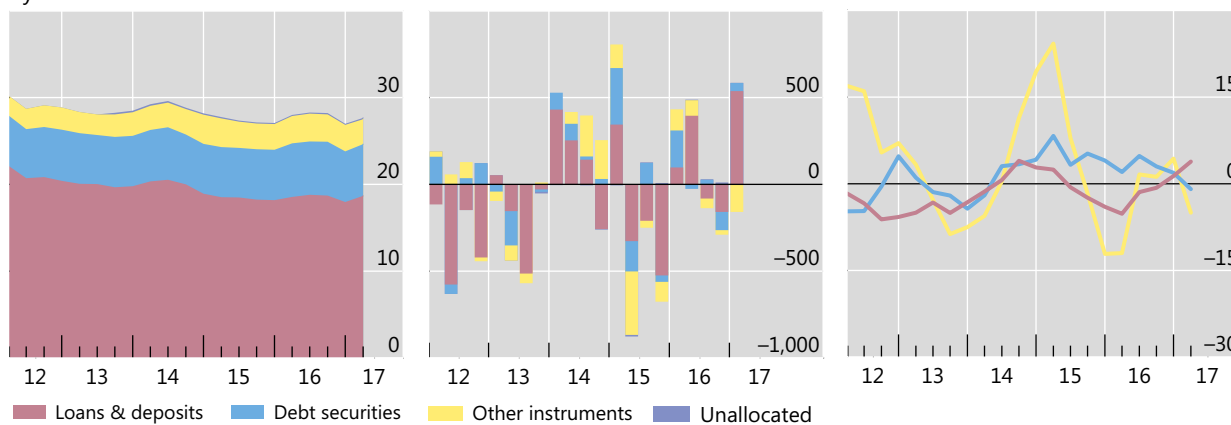
By sector of counterparty



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

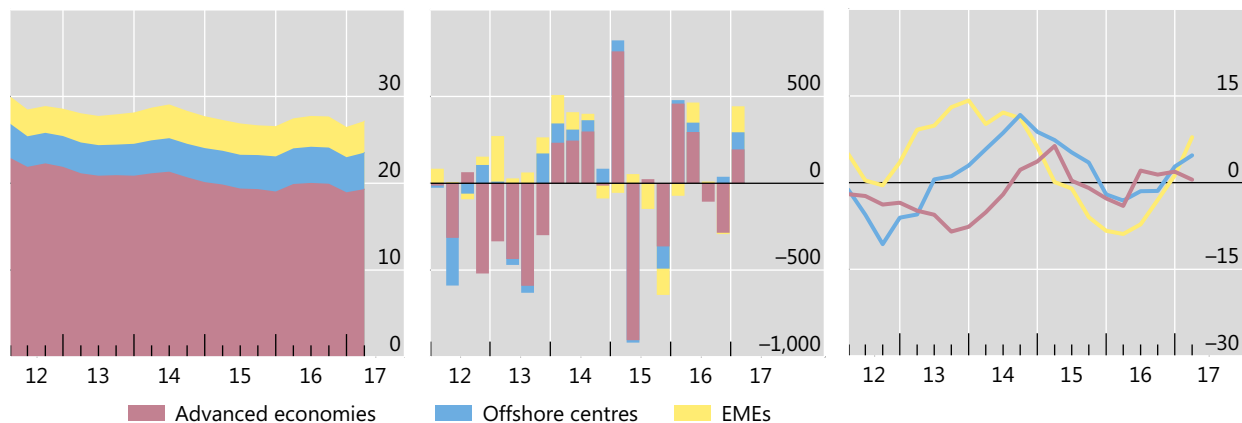
Graph A.2

Amounts outstanding, in USD trn¹

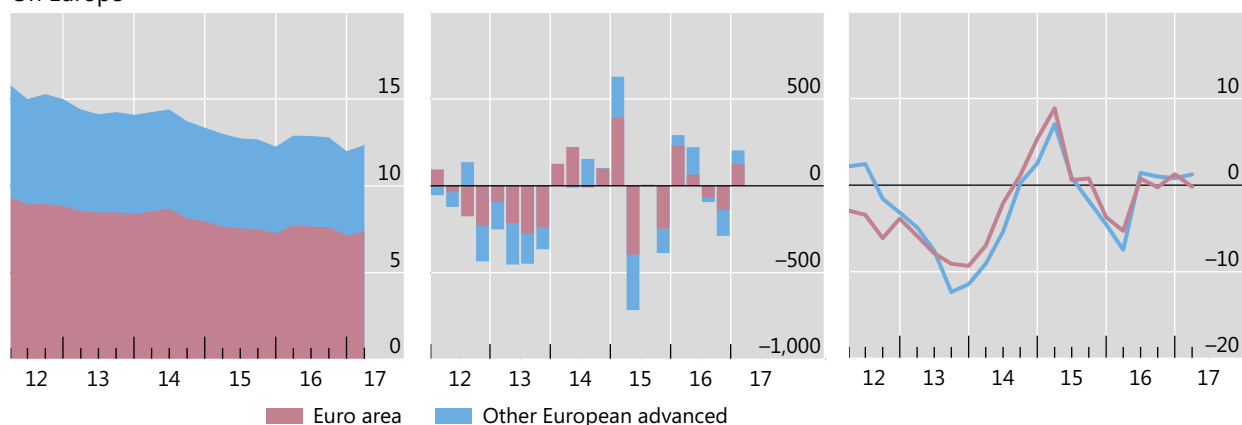
Adjusted changes, in USD bn²

Annual change, in per cent³

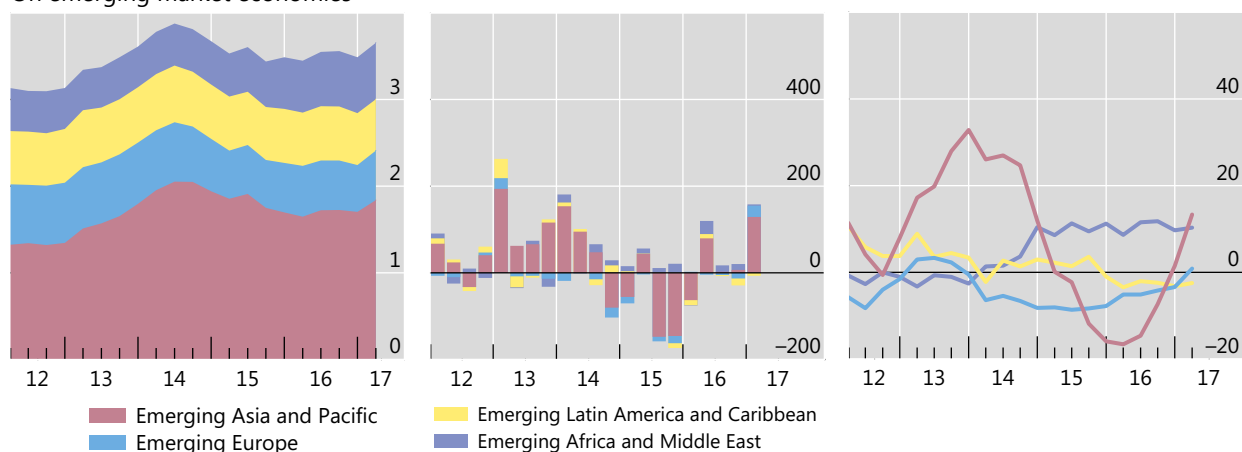
On all countries



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

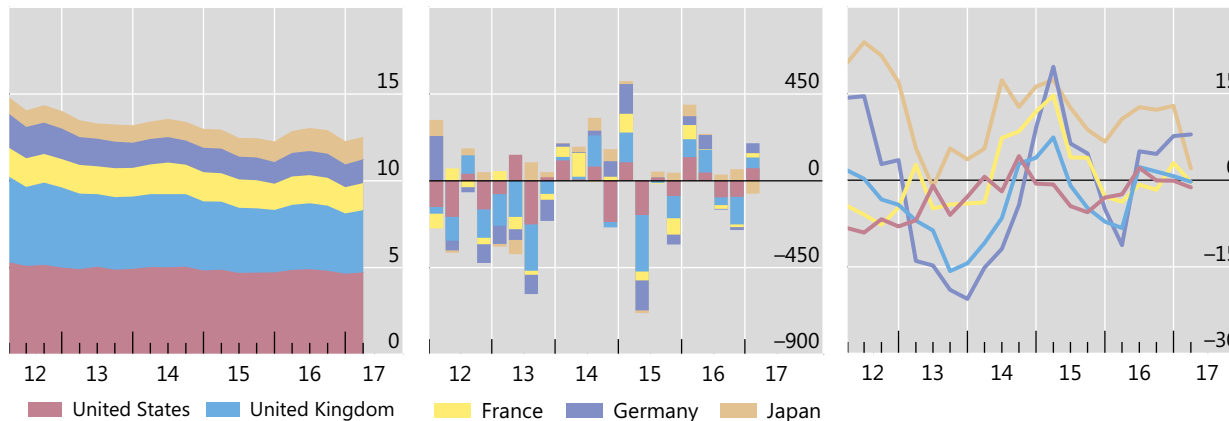
Graph A.3

Amounts outstanding, in USD trn¹

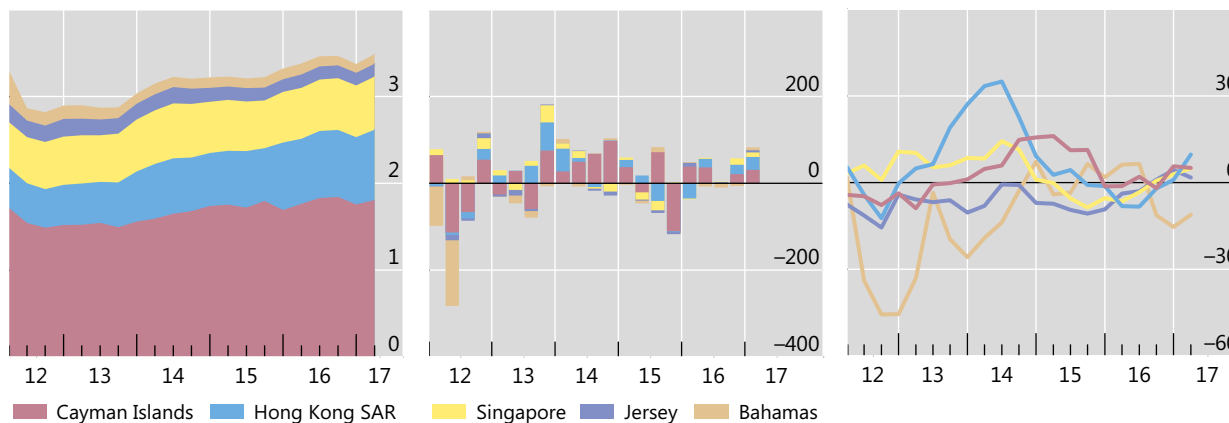
Adjusted changes, in USD bn²

Annual change, in per cent³

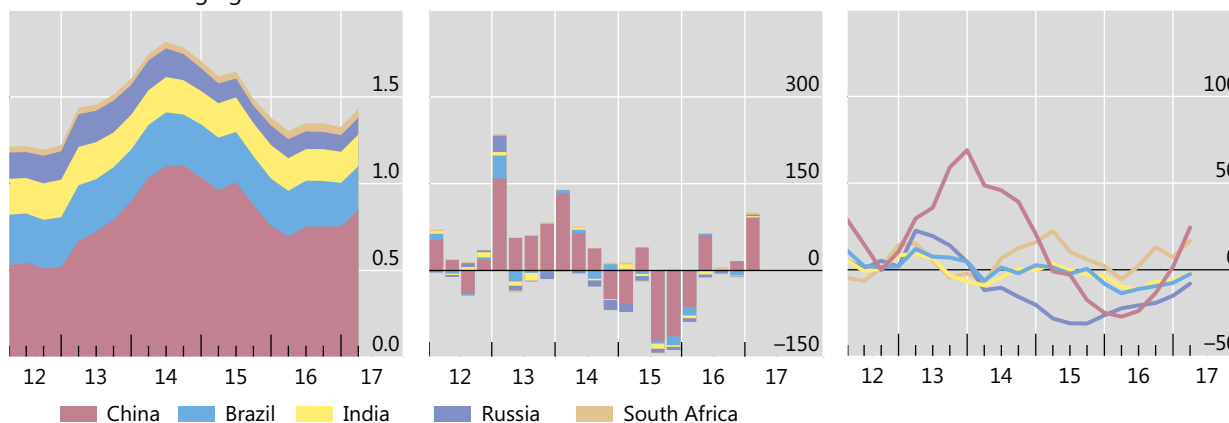
On selected advanced economies



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.

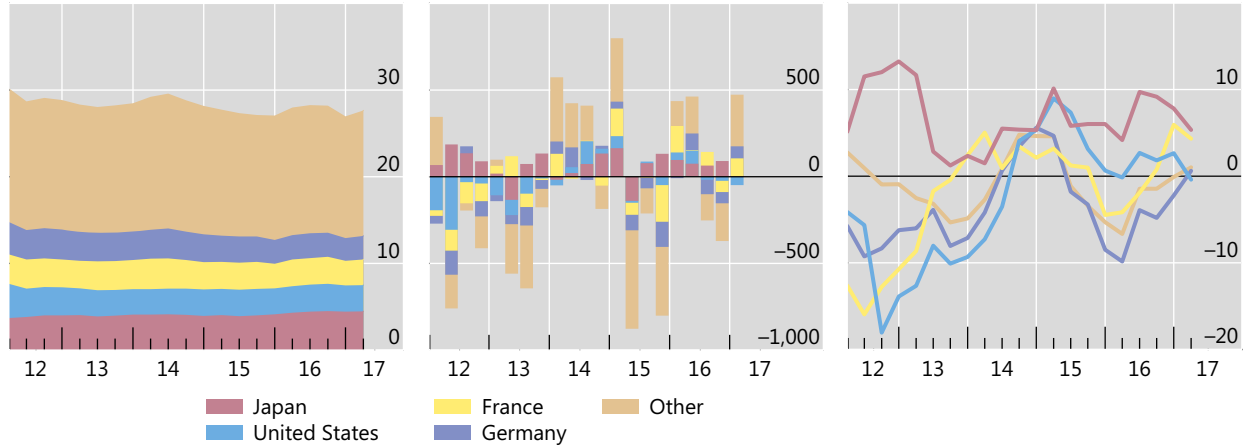
Cross-border claims, by nationality of reporting bank and currency of denomination Graph A.4

Amounts outstanding, in USD trn¹

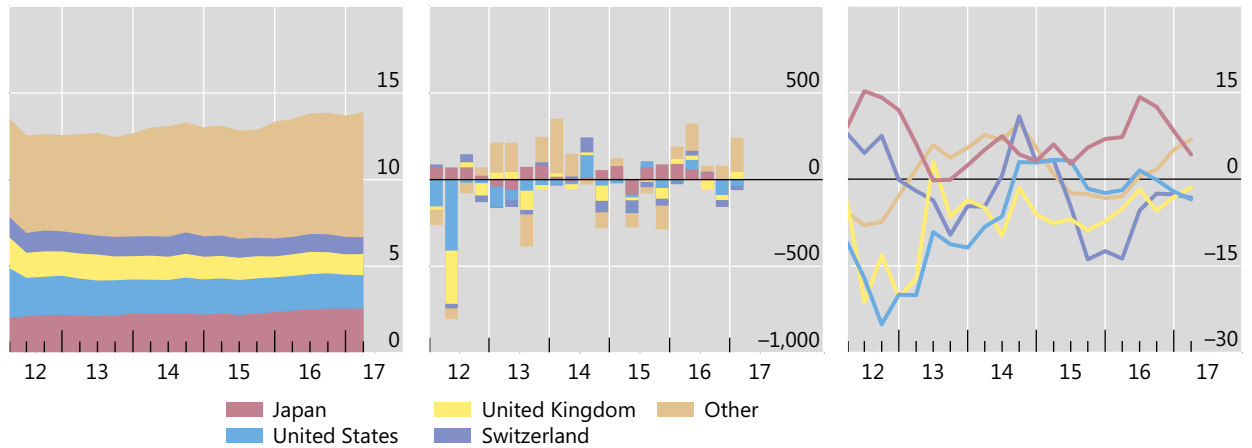
Adjusted changes, in USD bn²

Annual change, in per cent³

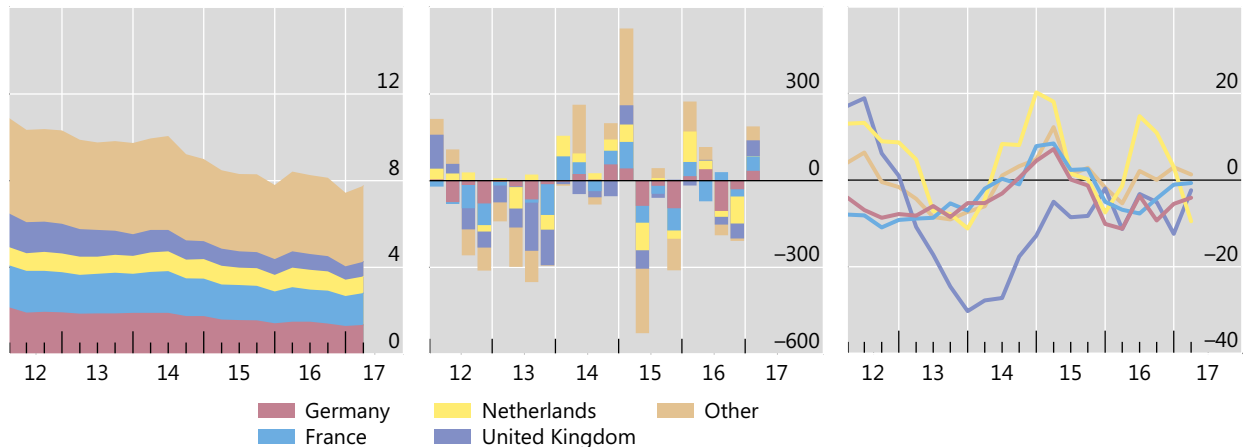
All currencies



US dollar



Euro



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

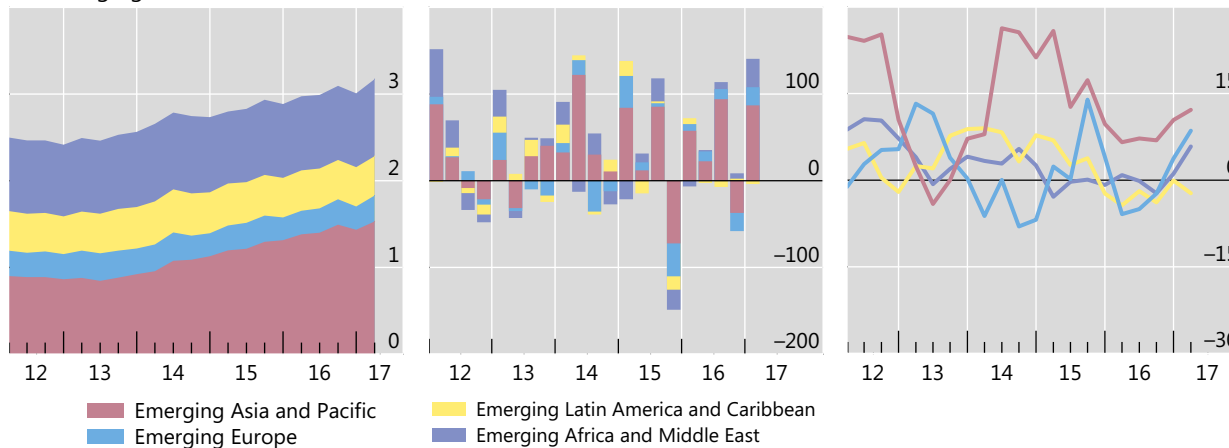
Graph A.5

Amounts outstanding, in USD trn¹

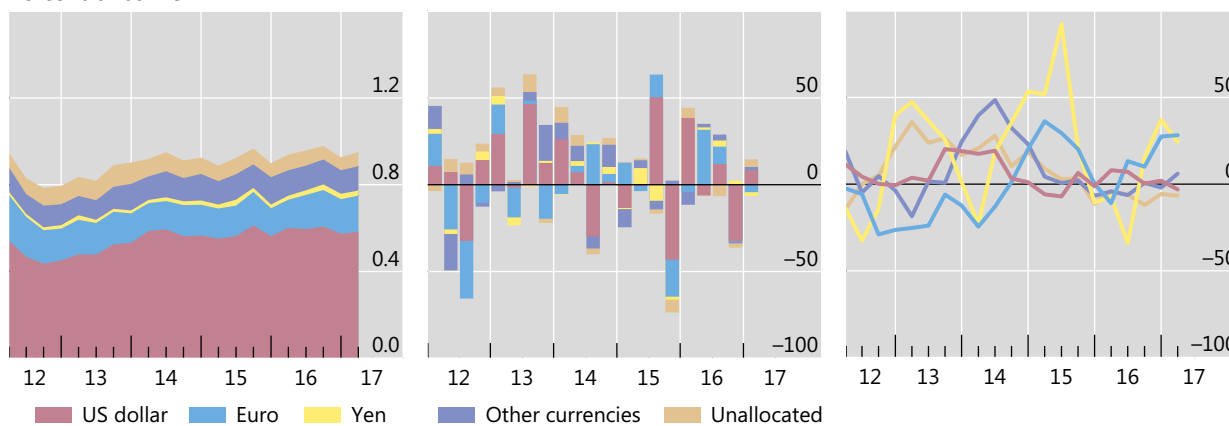
Adjusted changes, in USD bn²

Annual change, in per cent³

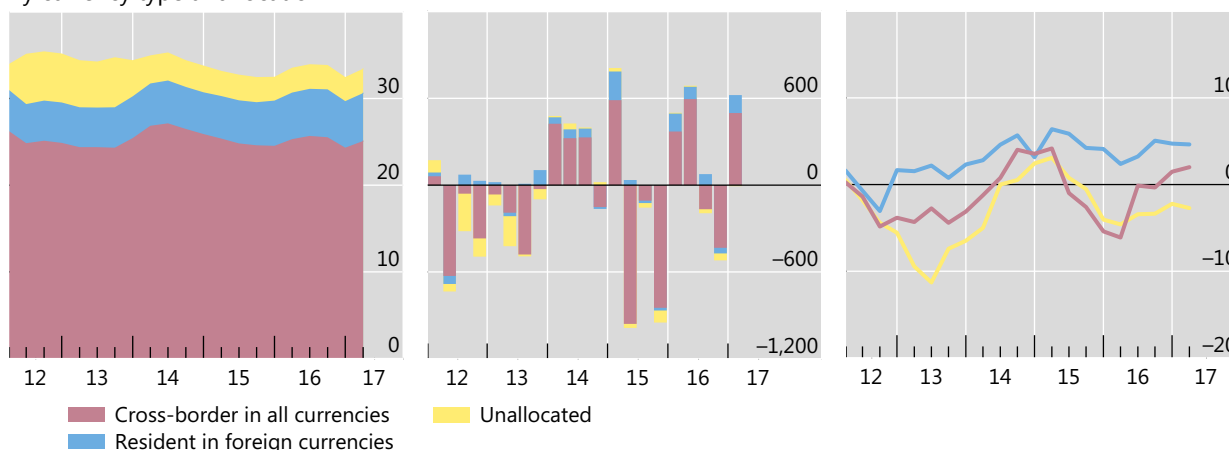
To emerging market economies



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

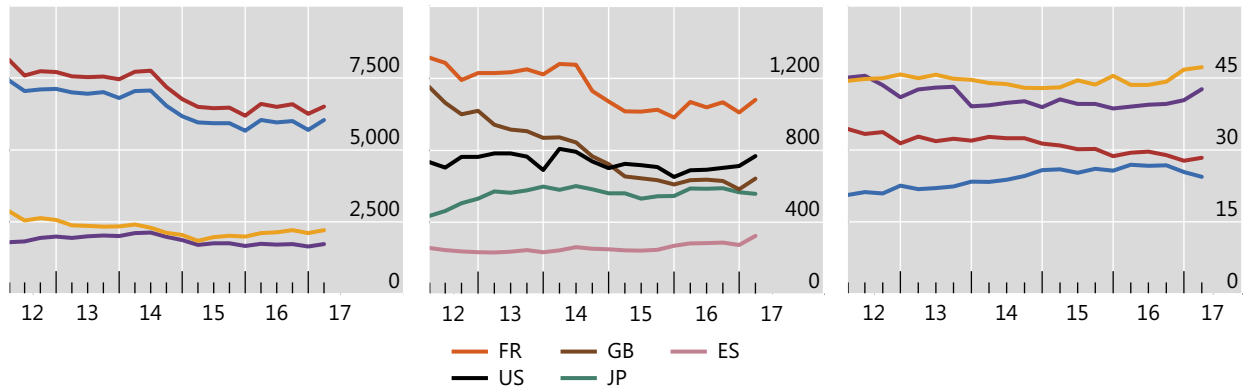
Graph B.1

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

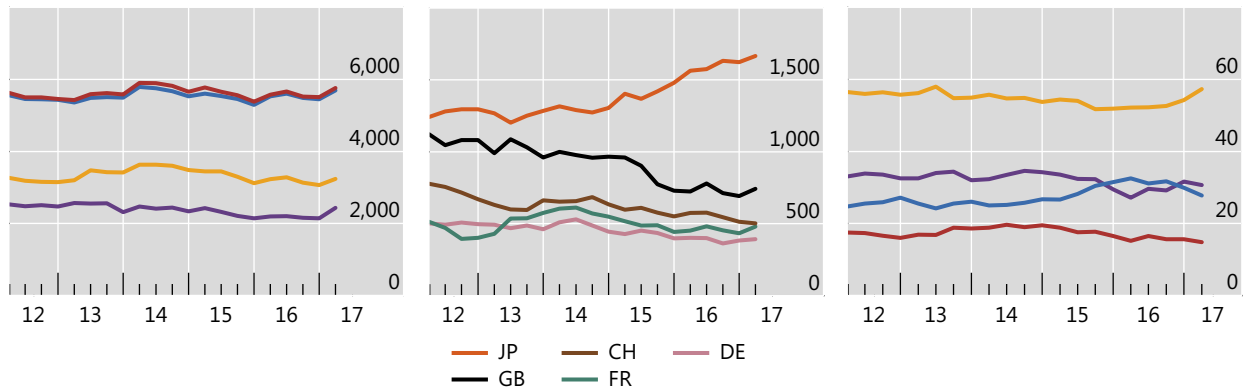
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

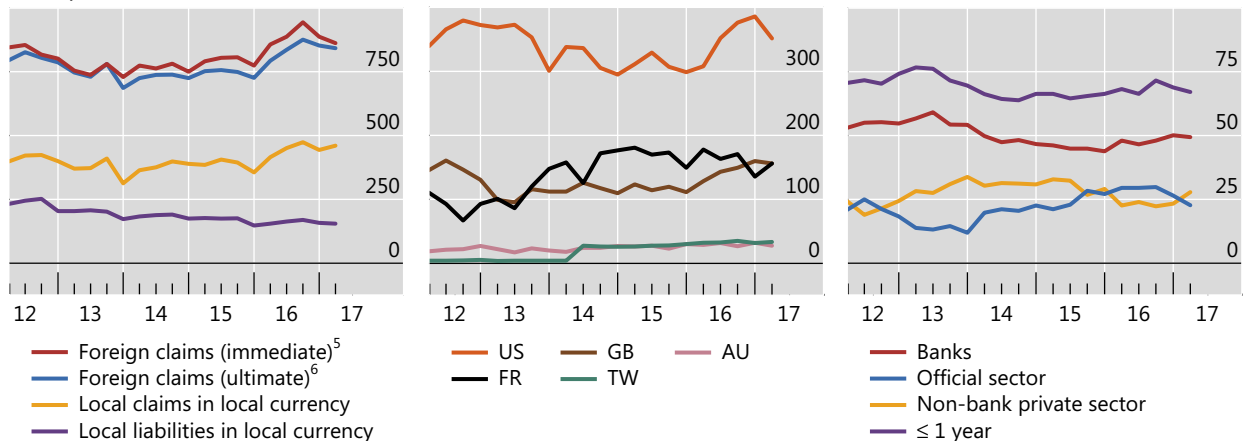
On the euro area



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.

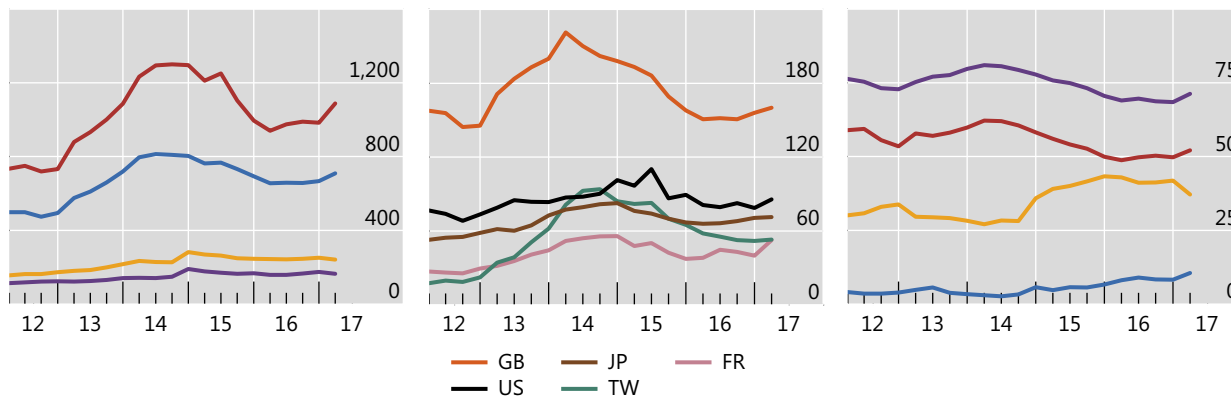
Source: BIS consolidated banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

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

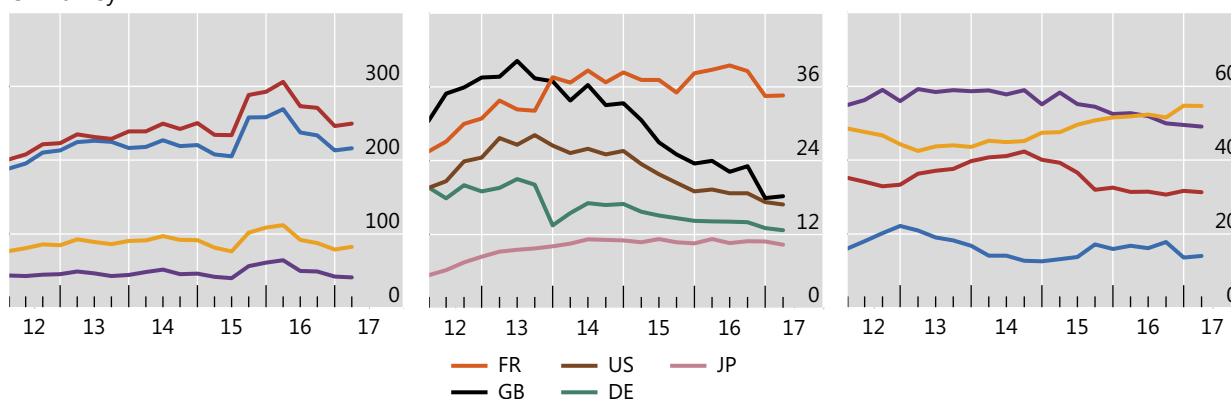
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

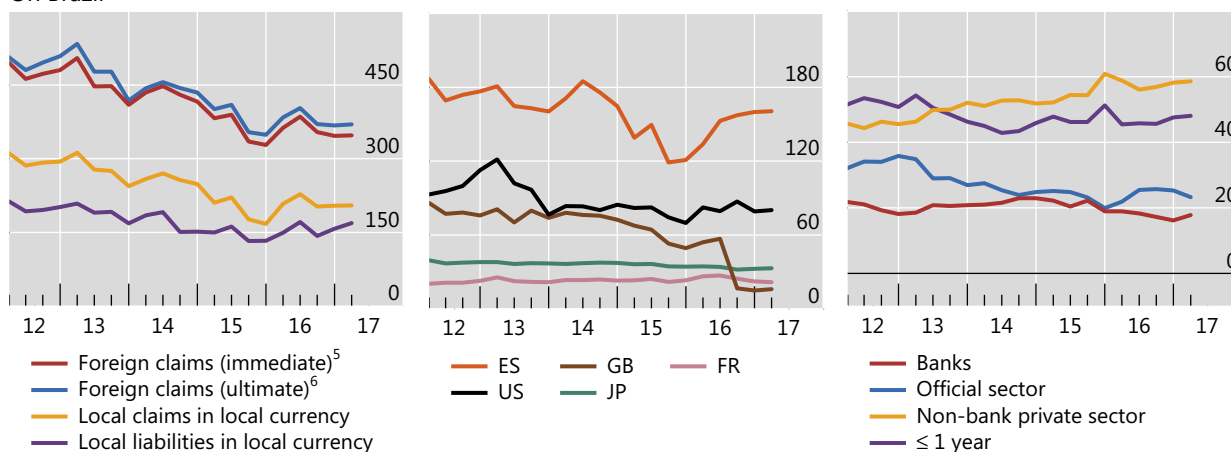
On China



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-March 2017. For the following reporting countries, the latest data are repeated from previous quarters:

- Locational banking statistics: *The Bahamas* (carried forward from end-December 2015); and *Curaçao* (carried forward from end-June 2016).
- Consolidated banking statistics: *Denmark* (carried forward from end-September 2016); and *Portugal* (carried forward from end-December 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-March 2017 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

Sweden reported a large increase in cross-border claims and liabilities at end-March 2017 arising from the reorganisation of a bank. Positions previously booked through affiliates abroad were transferred to offices in Sweden, resulting in declines in cross-border positions in countries where the affiliates were located, in particular **Finland**, and increases in cross-border positions reported by banks in Sweden. The reorganisation increased the outstanding cross-border claims and liabilities of banks in Sweden by upwards of \$130 billion at end-March 2017, and reduced those of banks in Finland by more than \$60 billion.

The **United Kingdom** completed its implementation of the enhancements recommended by the Committee on the Global Financial System, which resulted in a break in series in Q1 2014 and revisions to

subsequent quarters. In particular, from end-March 2014 the United Kingdom improved its reporting of the breakdown of banks by nationality and aligned the LBS reported on a nationality basis with those reported on a residence basis.³ These improvements resulted in a reallocation of claims and liabilities by sector and location in the LBS by nationality. For example, they led to an increase in the outstanding cross-border claims of banks in the United Kingdom by \$181 billion at end-March 2014. They led to an even larger increase in the outstanding cross-border liabilities of banks in the United Kingdom, of \$953 billion at end-March 2014, because liabilities previously classified as unallocated by location were reallocated to non-residents.

Locational banking statistics by residence

Changes in amounts outstanding, in billions of US dollars

Quarters	Reporting country	Details	Assets	Liabilities
Breaks				
2017-Q1	Austria	Cross-border positions	1.8	1.5
		Local positions	-6.0	-1.2
2017-Q1	Finland	Cross-border positions	-124.9	-63.4
		Local positions	47.9	-5.2
2017-Q1	Sweden	Cross-border positions	148.2	138.8
		Local positions	55.2	43.1
2017-Q1	Canada	Local positions	7.2	3.5
2016-Q4	Canada	Cross-border positions		-1.1
		Local positions	-3.6	
2017-Q1	Chinese Taipei	Local positions	-1.5	-2.3
Large data revisions (exclusive of breaks in series)				
2016-Q1	Spain	Local positions	27.0	26.8
2016-Q4	Greece	Cross-border positions	-1.5	-1.3
2016-Q4	United Kingdom	Cross-border positions	1.1	-1.1
		Local positions		1.1
2016-Q4	Australia	Local positions	-7.7	
2016-Q3	Australia	Local positions	-9.8	
2016-Q2	Australia	Local positions	-4.5	
2016-Q4	Singapore	Local positions		-1.5
2016-Q4	Cayman Islands	Cross-border positions	4.3	4.3
2016-Q4	Brazil	Cross-border positions	-1.3	
2016-Q4	India	Cross-border positions		-4.6
		Local positions	-2.4	-8.9
2016-Q4	Korea	Cross-border positions	-1.0	
2016-Q3	Russia	Local positions	4.1	
2016-Q2	Russia	Local positions	3.2	
2016-Q1	Russia	Local positions	3.6	
2015-Q4	Russia	Local positions	2.3	

³ The United Kingdom started to report some of the enhancements in 2016, in particular those to the LBS on a residence basis. See BIS, "Statistical release: BIS international banking statistics at end-March 2016", July 2016, pp 13–14, www.bis.org/statistics/rppb1607.pdf#page=15.

Locational banking statistics by nationality
Changes in amounts outstanding, in billions of US dollars

Quarters	Reporting country	Details	Assets	Liabilities
Breaks				
2017-Q1	Austria	Cross-border positions	1.8	1.5
		Local positions	-6.0	-1.2
2017-Q1	Finland	Cross-border positions	-124.9	-63.4
		Local positions	47.9	-5.2
2017-Q1	Sweden	Cross-border positions	148.2	138.8
		Local positions	55.2	43.1
2014-Q1	United Kingdom	Cross-border positions	180.8	952.9
		Local positions	-396.0	-396.2
2017-Q1	Canada	Local positions	7.2	3.5
2016-Q4	Canada	Cross-border positions		-1.1
		Local positions	-3.6	
2017-Q1	Chinese Taipei	Local positions	-1.5	-2.3
Large data revisions (exclusive of breaks in series)				
2016-Q1	Spain	Local positions	27.0	26.8
2016-Q4	Greece	Cross-border positions	-1.5	-1.2
2016-Q2	United Kingdom	Cross-border positions	111.3	862.3
2016-Q1	United Kingdom	Cross-border positions	117.5	859.7
		Local positions		-1.1
2015-Q4	United Kingdom	Cross-border positions	118.1	858.8
		Local positions		1.7
2015-Q3	United Kingdom	Cross-border positions	133.7	921.4
2015-Q2	United Kingdom	Cross-border positions	148.2	915.8
2015-Q1	United Kingdom	Cross-border positions	142.7	887.3
2014-Q4	United Kingdom	Cross-border positions	135.2	906.7
2014-Q3	United Kingdom	Cross-border positions	136.8	948.3
2014-Q2	United Kingdom	Cross-border positions	162.1	974.5
2014-Q1	United Kingdom	Cross-border positions	156.3	944.6
2016-Q4	Australia	Local positions	-7.7	
2016-Q3	Australia	Local positions	-9.8	
2016-Q2	Australia	Local positions	-4.5	
2016-Q4	Singapore	Local positions		-1.5
2016-Q4	Cayman Islands	Cross-border positions	4.3	4.3
2016-Q4	Brazil	Cross-border positions	-1.3	
2016-Q4	India	Cross-border positions		-4.6
		Local positions	-2.4	-8.9
2016-Q4	Korea	Cross-border positions	-1.0	
2016-Q3	Russia	Local positions	4.1	
2016-Q2	Russia	Local positions	3.2	
2016-Q1	Russia	Local positions	3.6	
2015-Q4	Russia	Local positions	2.3	

Revisions and breaks in the consolidated banking statistics

The **Netherlands** reported revisions for end-December 2016, including a break arising from methodological improvements. Reporting practices of banks were harmonised to ensure that financial claims are reported on a gross basis, except in the case of financial claims resulting from derivative contracts, for which netting is carried out only when those contracts are with the same counterparty and are covered by a legally enforceable netting agreement.

Switzerland reported revised data at end-December 2016 arising from corrections by banks. The revisions reduced outstanding guarantees extended to residents outside Switzerland at end-December 2016 from \$553 billion to \$414 billion.

Consolidated statistics on an immediate counterparty basis

Changes in amounts outstanding, in billions of US dollars

Quarter	Reporting country	Details	Change	
Breaks				
2016-Q4	France	International claims	-0.4	
		Netherlands	International claims	181.6
		Local currency claims on local residents	4.9	
		Local currency liabilities to local residents	12.2	
		Net risk transfers	1.4	
2016-Q3	Brazil	International claims	1.4	
Large data revisions (exclusive of breaks in series)				
2016-Q4	Australia	International claims	-3.1	
		Brazil	International claims	-39.8
		Local currency claims on local residents	5.0	
		Local currency liabilities to local residents	-2.3	
		France	International claims	-0.4
		Korea	International claims	-0.3
			Local currency liabilities to local residents	0.4
		Netherlands	International claims	181.6
			Local currency claims on local residents	4.9
			Local currency liabilities to local residents	12.2
			Net risk transfers	1.4
		United Kingdom	International claims	-1.1
			Local currency claims on local residents	37.0
			Local currency liabilities to local residents	13.1
	2016-Q3	Australia	International claims	-3.4
Brazil		International claims	-18.8	
			Local currency claims on local residents	7.6
		Local currency liabilities to local residents	0.9	
2016-Q2	Australia	International claims	-3.2	
			Net risk transfers	-1.2
	Brazil	International claims	-6.1	
			Local currency claims on local residents	6.1
2016-Q1	Australia	International claims	-2.7	

Consolidated statistics on an ultimate risk basis

Changes in amounts outstanding, in billions of US dollars

Quarter	Reporting country	Details	Change
Breaks			
2016-Q4	Netherlands	Cross-border claims	185.1
		Local claims of foreign offices in all currencies	2.8
Large data revisions from reporting banks (exclusive of breaks in series)			
2016-Q4	Australia	Cross-border claims	-3.1
	Korea	Cross-border claims	-1.0
		Local claims of foreign offices in all currencies	0.4
	Netherlands	Cross-border claims	185.1
		Local claims of foreign offices in all currencies	2.8
	Switzerland	Guarantees extended	-139.3
	United Kingdom	Cross-border claims	-1.5
		Local claims of foreign offices in all currencies	37.4
		Guarantees extended	0.4
2016-Q3	Australia	Cross-border claims	-3.4
2016-Q2	Australia	Cross-border claims	-4.4
2016-Q1	Australia	Cross-border claims	-2.7