



19 October 2017

Statistical release: BIS international banking statistics at end-June 2017

The latest BIS locational and consolidated banking statistics refer to end-June 2017. The statistics can be browsed in the [BIS Statistics Explorer](#), searched in the [BIS Statistics Warehouse](#), viewed as [PDF tables](#) or downloaded in a single [CSV file](#). Technical terms are explained in the [online glossary](#).

Data are subject to change. Publication dates for revisions and updates are announced in the [release calendar](#). Questions about the BIS international banking statistics may be addressed to statistics@bis.org.

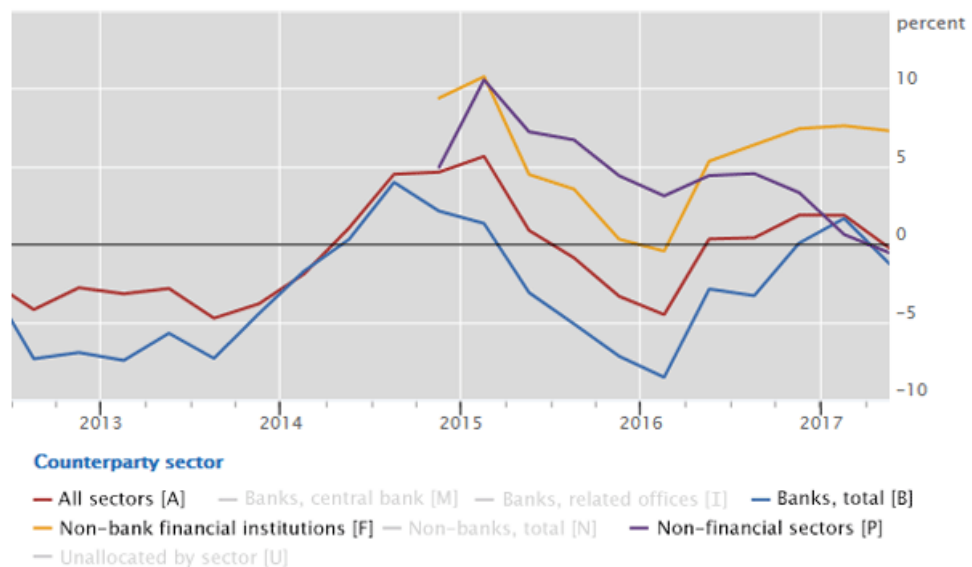
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1. Highlights from the latest statistics

- Cross-border bank credit contracted by [\\$91 billion](#) between end-March and end-June 2017, despite continued growth in credit to non-bank financial institutions.
- Lending denominated in euros was especially weak, falling by [\\$161 billion](#) in Q2 2017.
- Cross-border lending to China rose for the third quarter in a row, up [\\$78 billion](#) in Q2, taking its annual growth to [25%](#).

Cross-border credit contracts despite growth in lending to non-bank financials



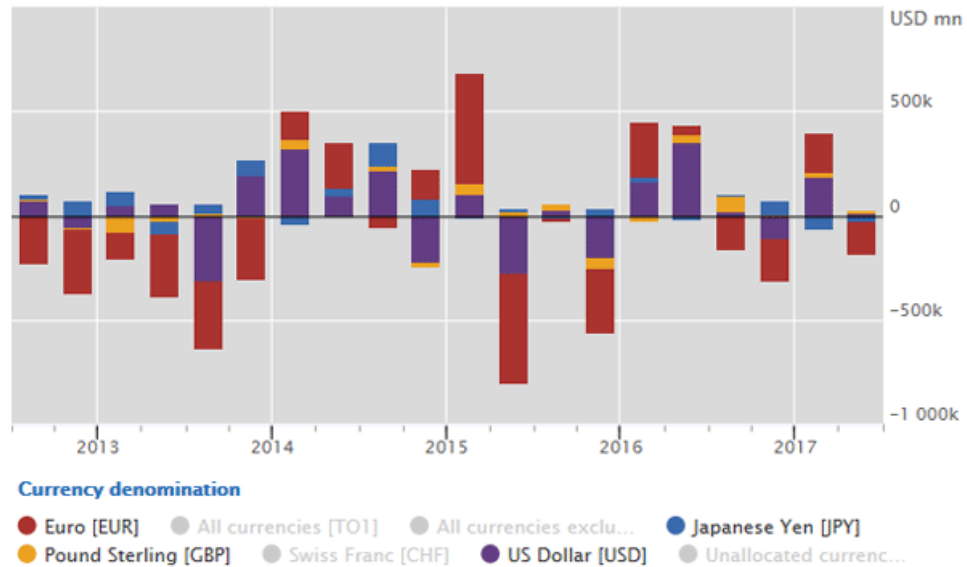
Graph 1: Annual percentage change in banks' cross-border claims ([interactive graph](#)).

Source: BIS locational banking statistics ([Table A6.1](#)).

The rebound in international banking activity seen at the start of 2017 proved temporary. Cross-border bank credit weakened again in Q2 2017, contracting by [\\$91 billion](#) from the previous quarter. This reduced the annual growth rate from about [2%](#) at end-March 2017 to [zero](#) at end-June 2017 (see Graph 1).

The overall weakness in international banking activity in Q2 2017 was driven by declines in cross-border claims against banks ([-\\$74 billion](#)) and non-financial borrowers ([-\\$111 billion](#)). In contrast, credit to [non-bank financial institutions](#) increased, continuing the expansion that started in early 2016. The latest quarterly increase of [\\$127 billion](#) took its annual growth rate to [7%](#) at end-June 2017. The largest increases in Q2 2017 were to non-bank financial institutions in the United States ([\\$47 billion](#)) and the United Kingdom ([\\$43 billion](#)).

Euro lending falls while sterling lending expands

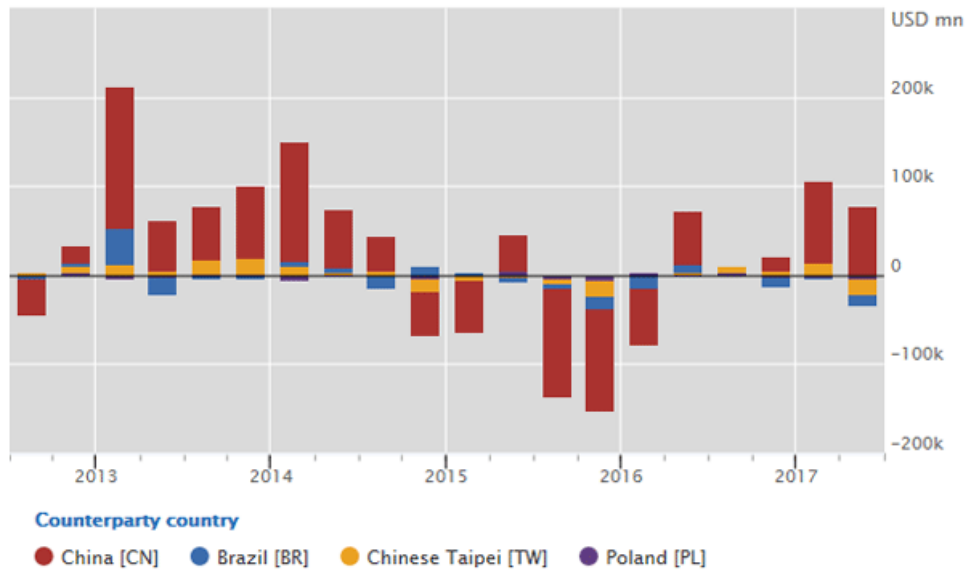


Graph 2: [Adjusted changes](#) in banks' cross-border claims ([interactive graph](#)).
Source: BIS locational banking statistics ([Table A6.1](#)).

Lending denominated in euros was especially weak. After [adjusting](#) for breaks in series and exchange rate movements, euro-denominated cross-border claims declined by [\\$161 billion](#) between end-March and end-June 2017, which reduced their annual growth rate to [-4%](#). The fall in euro-denominated claims was concentrated against borrowers in the euro area ([-\\$124 billion](#)) and the United Kingdom ([-\\$32 billion](#)).

In contrast, cross-border credit in sterling expanded by [\\$13 billion](#) in the second quarter of 2017, continuing a trend which started in mid-2016 (see Graph 2). Meanwhile, US dollar- and yen-denominated claims were broadly flat in Q2 2017.

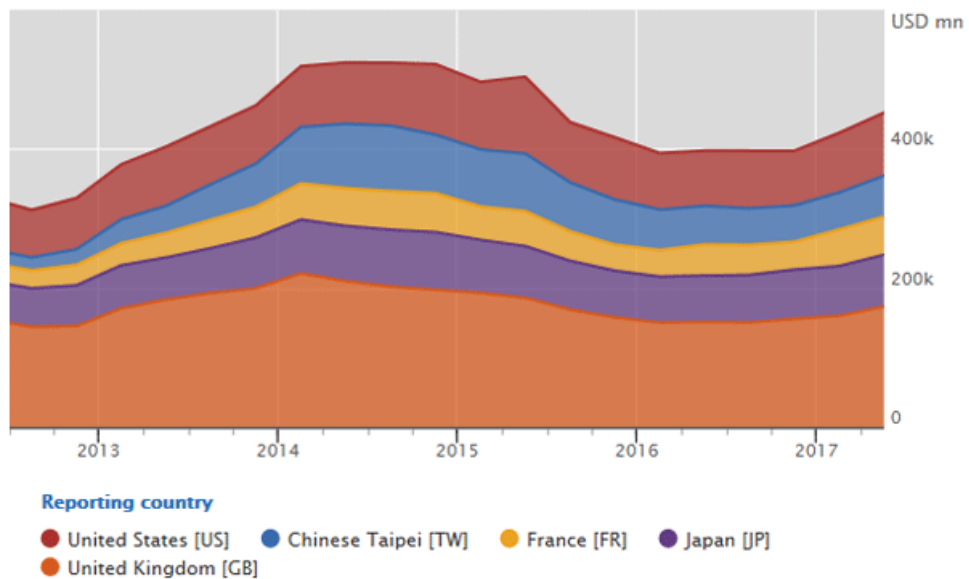
Lending to most emerging market economies declines, except to China



Graph 3: [Adjusted changes](#) in banks' cross-border claims ([interactive graph](#)).
Source: BIS locational banking statistics ([Table A3](#)).

Whereas banks' cross-border claims on advanced economies fell by [\\$178 billion](#) in Q2 2017, those on emerging market economies (EMEs) increased by [\\$69 billion](#). This expansion primarily reflected a [\\$78 billion](#) rise in lending to China (see Graph 3). In contrast, cross-border credit to most other EMEs declined. The largest contractions were against borrowers in Chinese Taipei ([-\\$16 billion](#)), Brazil ([-\\$13 billion](#)) and Poland ([-\\$5 billion](#)).

Consolidated bank claims on China climb again



Graph 4: Banks' outstanding foreign claims on an ultimate risk basis ([interactive graph](#)).
Source: BIS consolidated banking statistics ([Table B4](#)).

The Q2 2017 rise in lending to China was the third consecutive quarterly increase. It took the annual growth rate to [25%](#), which was a marked turnaround from the large contractions in 2015 and early 2016. Most of the latest increase in cross-border claims on China took the form of interbank lending as well as [intragroup](#) activity between the mainland and overseas offices of Chinese and foreign banks. Even if intragroup activities are excluded, foreign banks' claims on China are once again increasing. According to the BIS consolidated banking statistics (which include foreign banks' cross-border claims on China as well as the local claims of their mainland affiliates), the outstanding consolidated claims of foreign banks rose to [\\$750 billion](#) on an [ultimate risk](#) basis at end-June 2017, up from a low of [\\$656 billion](#) in early 2016 but still below their 2014 peak. The banking systems with large [claims on China](#) include the United Kingdom, the United States, Japan, Chinese Taipei and France (see Graph 4).

2. Data quality

The [reporting guidelines](#) set out requirements for the reporting of the BIS locational and consolidated banking statistics. The consistency of banks' reporting practices with the guidelines varies across reporting countries. Key discrepancies are highlighted in countries' summaries of their [banks' reporting practices](#).

The latest statistics include some data repeated from previous quarters, so as to improve the comparability across quarters of aggregates composed of data reported by all countries. The reporting countries for which data are carried forward from the previous quarter are shown in Table 1.

End-June 2017 data repeated from previous quarters

Table 1

Locational banking statistics (LBS)		Consolidated banking statistics (CBS)	
LBS-reporting country	Period carried forward	CBS-reporting country	Period carried forward
The Bahamas (LBS by nationality)	End-December 2013	Denmark	End-September 2016
Curaçao	End-March 2017	Panama	End-March 2017
Isle of Man	End-March 2017	Spain	End-March 2017
Panama	End-March 2017		
Spain	End-March 2017		

For a complete list of countries that report the international banking statistics, see the [BIS website](#).

3. Revisions and breaks

The international banking statistics are subject to revision and are affected 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.

Data on break sizes are shown in the [BIS Statistics Explorer](#), under measure B. For a summary of breaks in the locational banking statistics (LBS), see [Table A2](#) and [Table A4](#), and in the consolidated banking statistics (CBS) [Table B1](#).

Significant revisions and breaks included for the first time with the statistics at end-June 2017 are explained below. At the request of reporting countries, the size of some breaks or revisions is not shown for confidentiality reasons (indicated in the published data by “\”).

Locational banking statistics: revisions and breaks

No significant breaks or revisions were reported in Q2 2017.

Consolidated banking statistics: revisions and breaks

Austria completed its implementation of the enhancements recommended by the Committee on the Global Financial System, which resulted in a break in series at end-June 2017.¹ Austria reported a more granular sectoral breakdown of claims on an immediate counterparty and ultimate risk basis, as well as new instrument details for consolidated liabilities and equity. In addition, Austria revised its reporting practices to align them more closely with the BIS’s guidelines. The changes in reporting practices that had the largest impact on reported data included: a widening of the consolidation perimeter of internationally active banks to capture all banking entities; a change in the reporting basis for claims from net of provisions to gross of provisions; and the exclusion of non-financial assets. These changes are most apparent in the breakdowns of CBS-reporting banks’ claims on emerging Europe, where Austrian banks are among the largest foreign bank creditors.

France improved the allocation of French banks’ domestic claims (on residents of France) by type of claim. A small part of claims previously classified as local claims in foreign currency were reallocated to local claims in local currency. This reallocation increased French banks’ local claims on France in local currency by about \$800 billion at end-June 2017 but did not change their total claims.

The **United Kingdom** reported a large break for positions on many African countries. A UK bank sold its African subsidiary and consequently stopped consolidating the assets and liabilities of this subsidiary. The African subsidiary is based in a country that does not report to the BIS consolidated banking statistics, and as a result the claims of this bank are no longer captured in the CBS. If adjusted for this break, CBS-reporting banks’ foreign claims on Africa and the Middle East would have increased

¹ For an explanation of the enhancements, see S Avdjiev, P McGuire and P Wooldridge, “Enhanced data to analyse international banking”, *BIS Quarterly Review*, September 2015, pp 53–68, www.bis.org/publ/qtrpdf/r_qt1509f.htm.

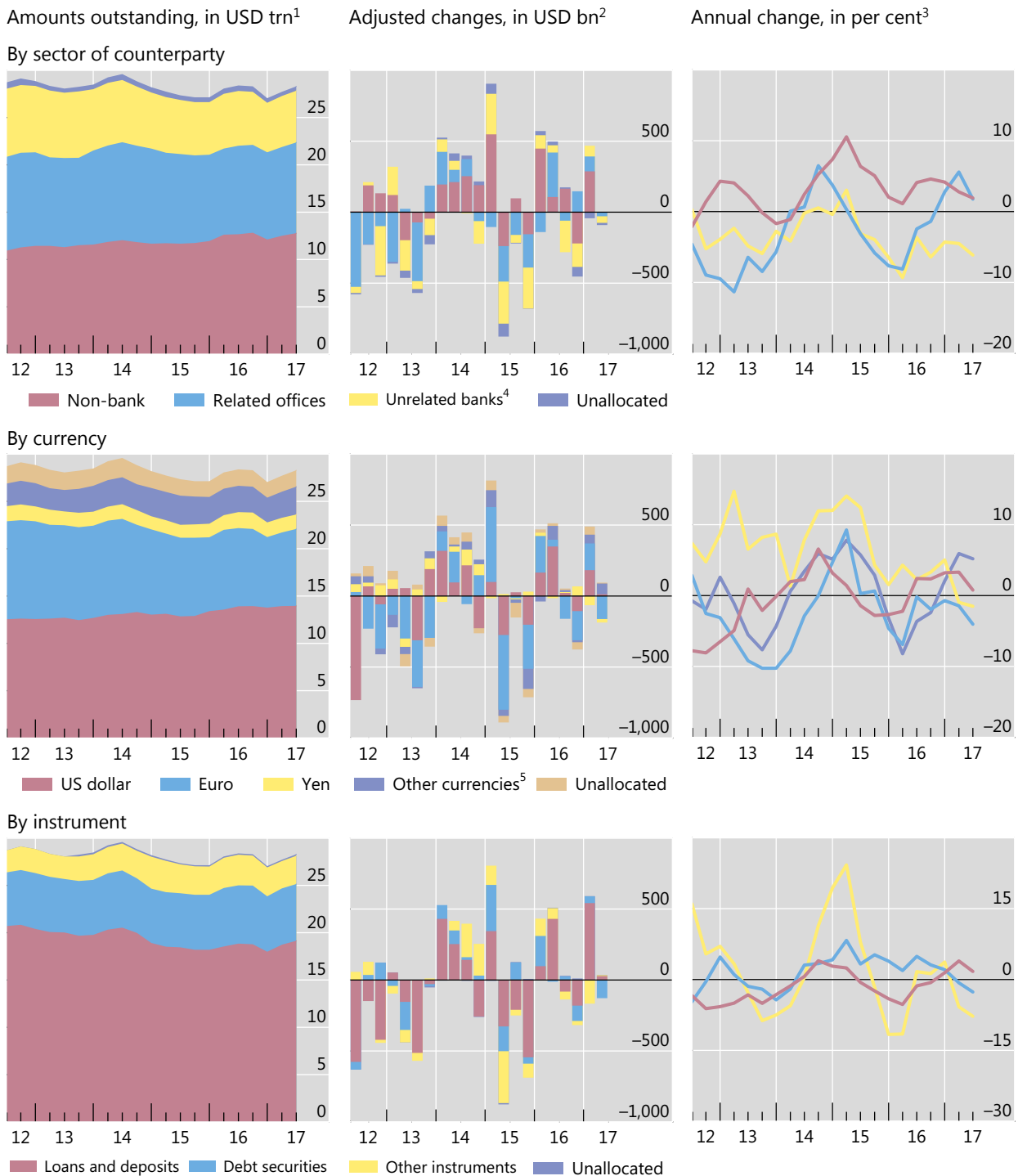
by several billion dollars in Q2 2017, whereas the unadjusted data show a decline of [\\$56 billion](#). The break had an especially large impact on outstanding foreign claims on Botswana (–\$0.9 billion on an immediate counterparty basis), Ghana (–\$1.1 billion), Kenya (–\$1.6 billion) and South Africa (–\$60.1 billion).

Annexes

A. Locational banking statistics: charts

Cross-border claims, by sector, currency and instrument

Graph A.1



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

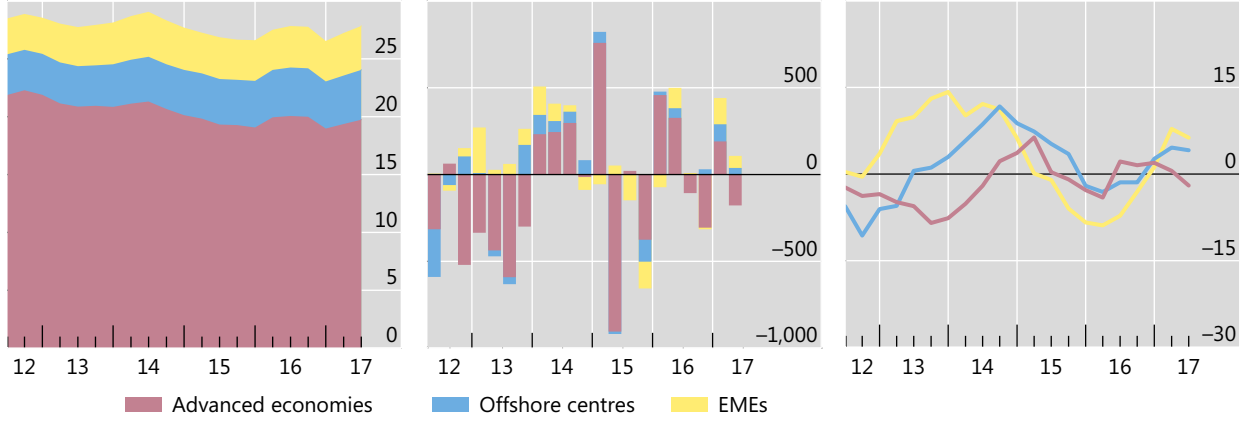
Graph A.2

Amounts outstanding, in USD trn¹

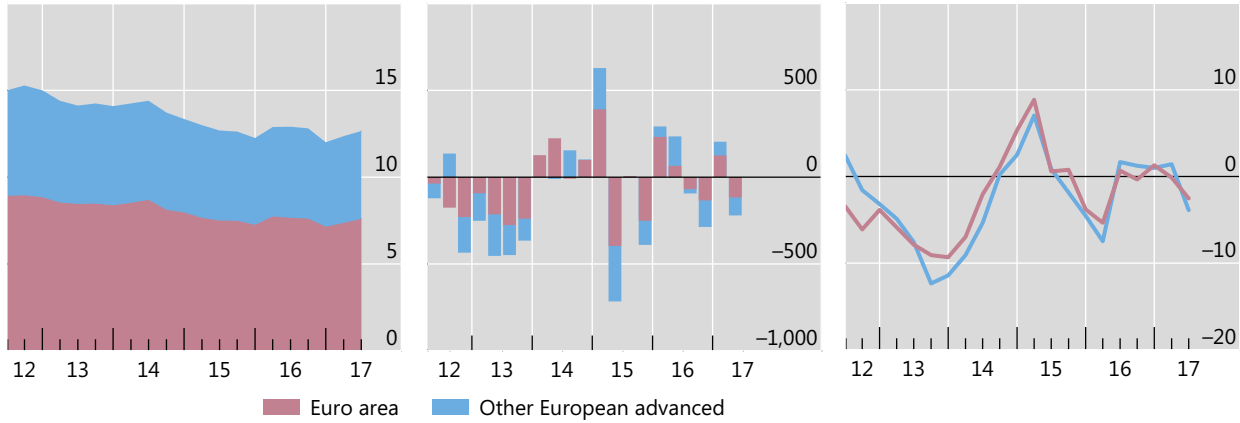
Adjusted changes, in USD bn²

Annual change, in per cent³

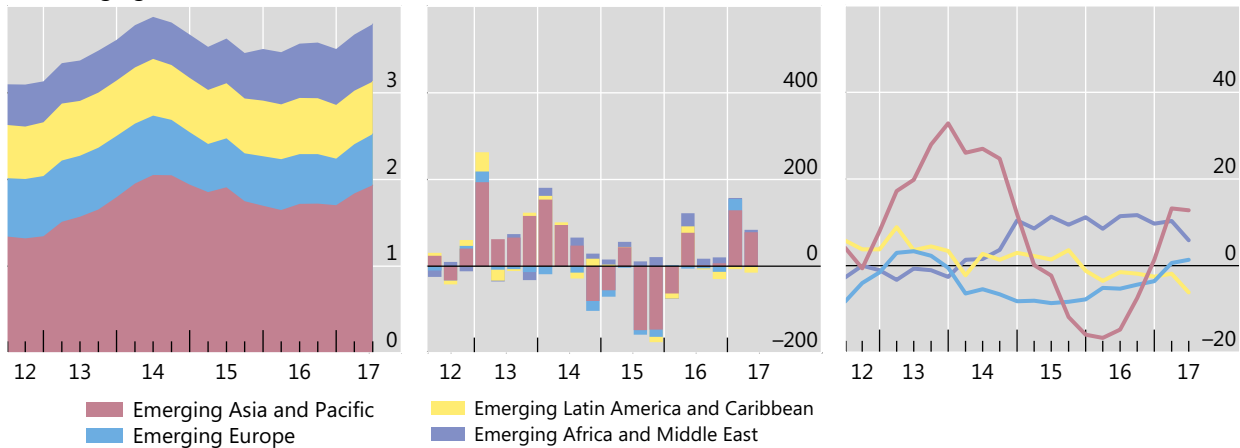
On all countries



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

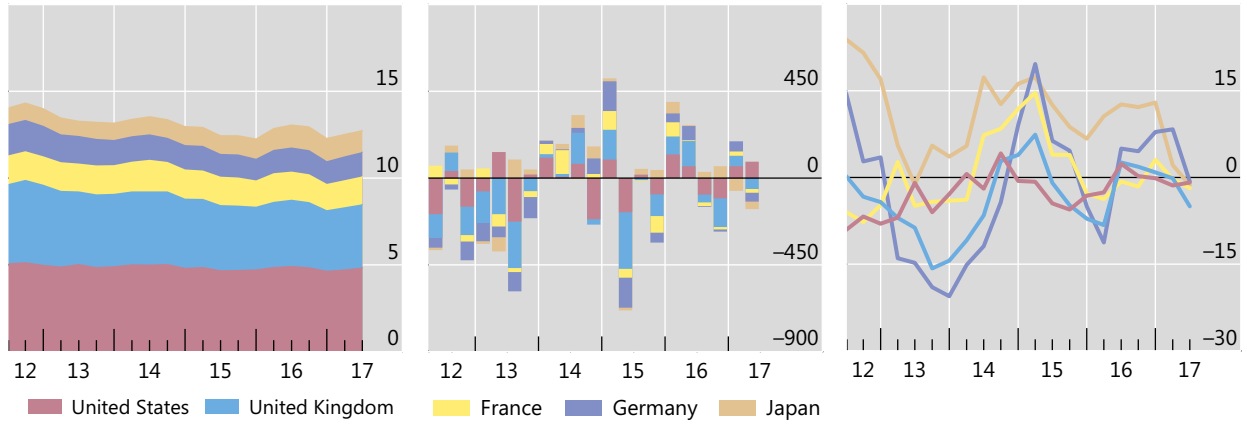
Graph A.3

Amounts outstanding, in USD trn¹

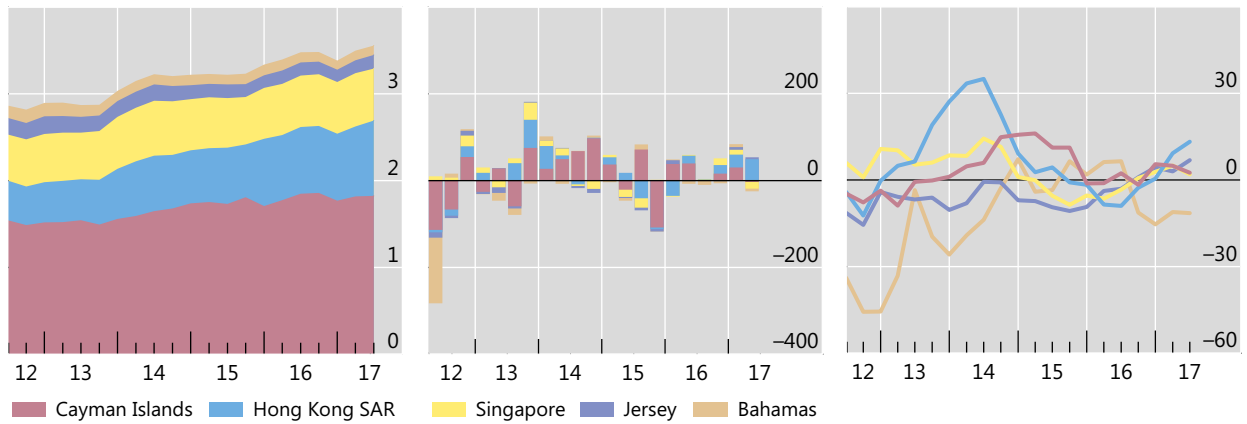
Adjusted changes, in USD bn²

Annual change, in per cent³

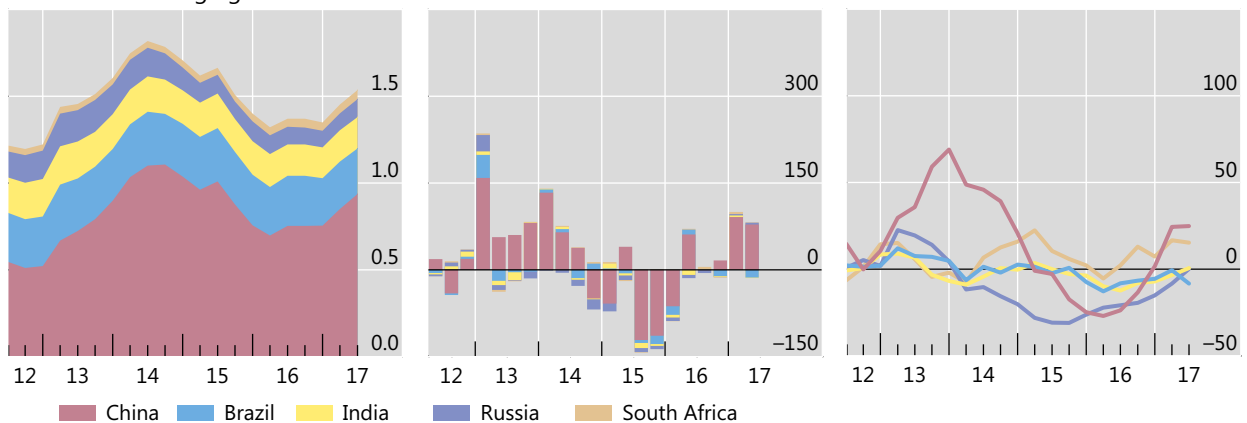
On selected advanced economies



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.

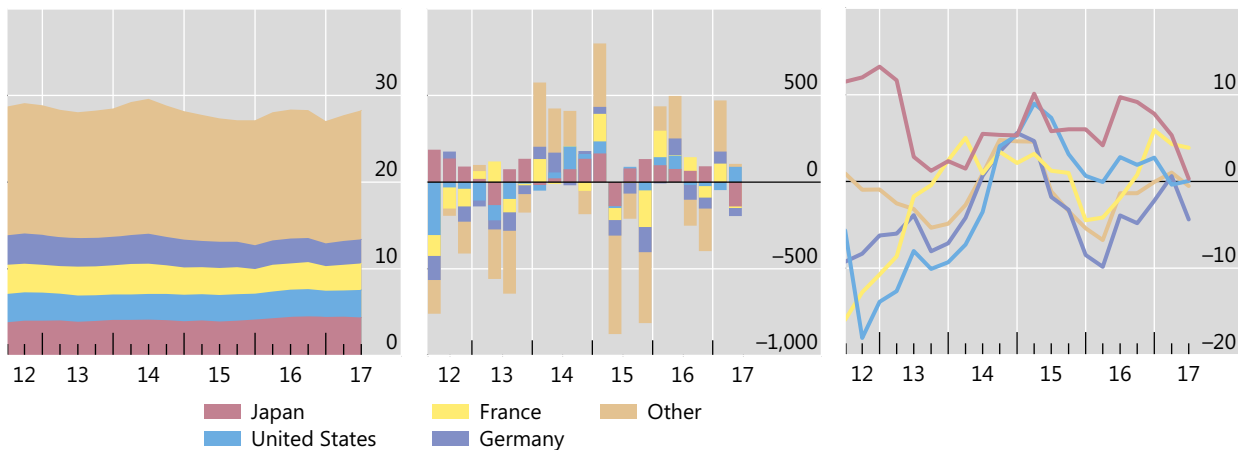
Cross-border claims, by nationality of reporting bank and currency of denomination Graph A.4

Amounts outstanding, in USD trn¹

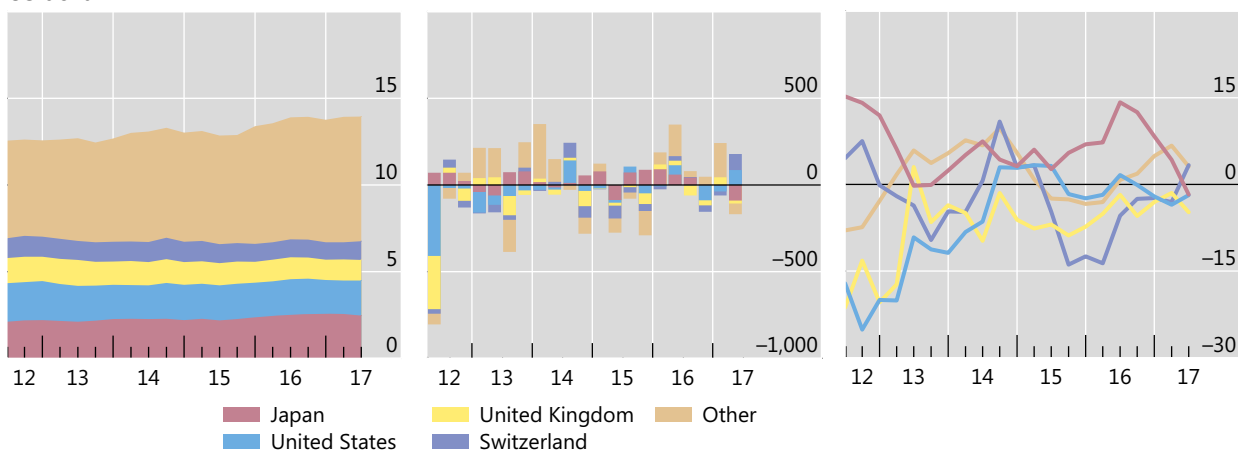
Adjusted changes, in USD bn²

Annual change, in per cent³

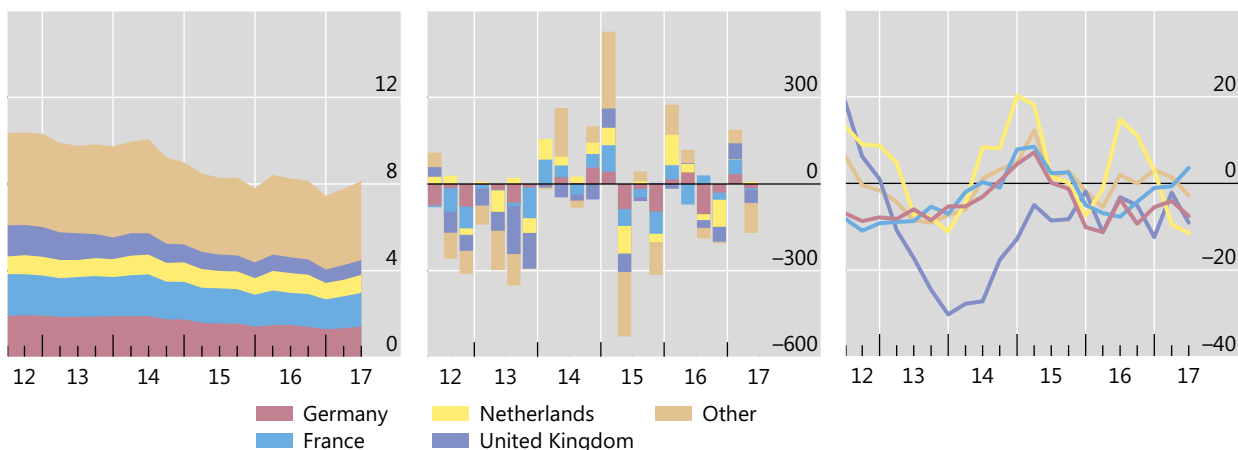
All currencies



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

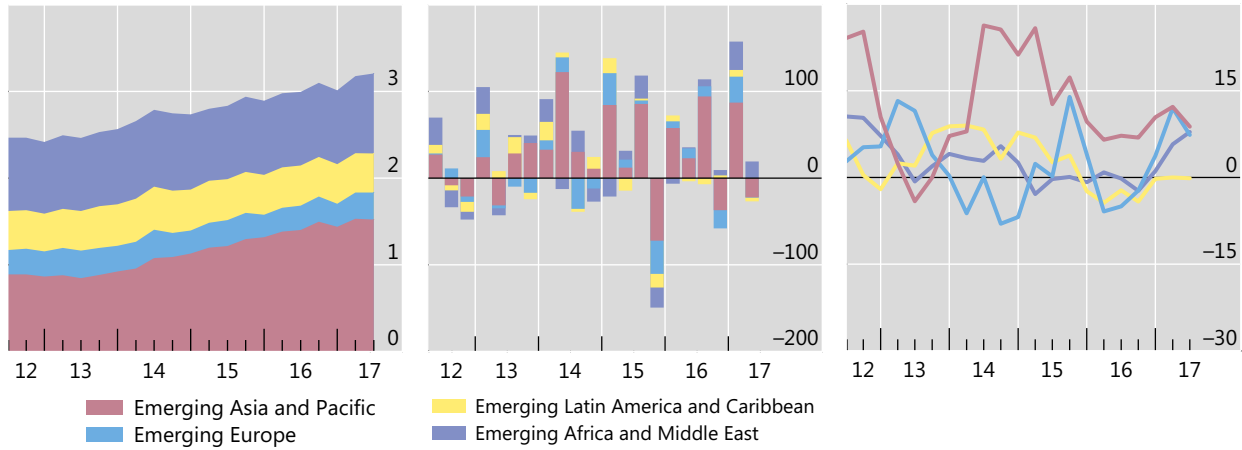
Graph A.5

Amounts outstanding, in USD trn¹

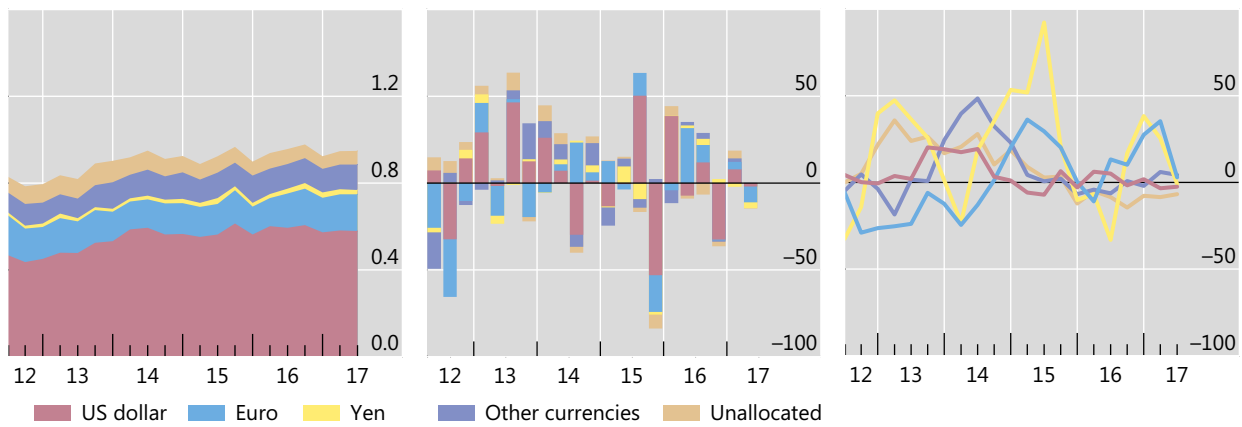
Adjusted changes, in USD bn²

Annual change, in per cent³

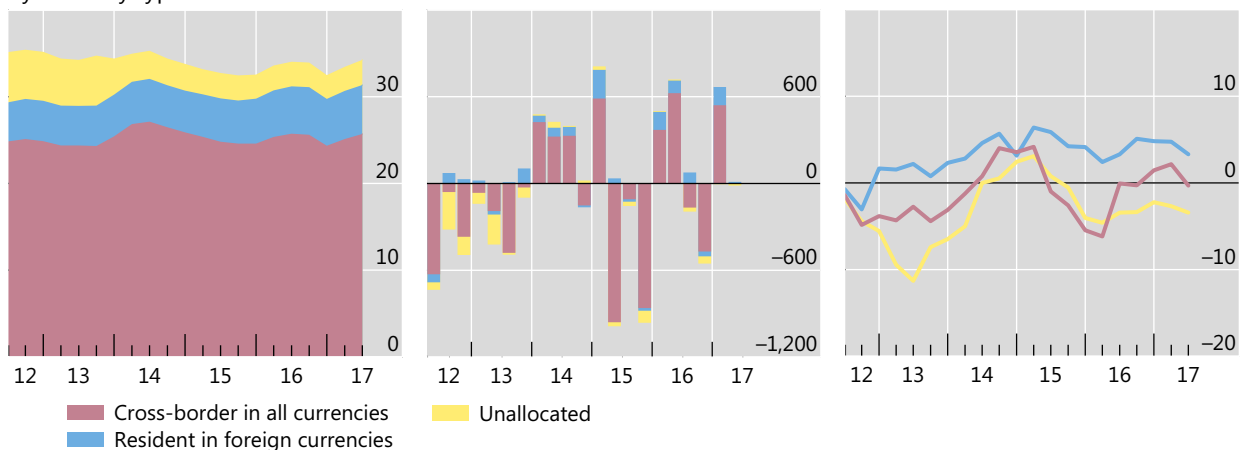
To emerging market economies



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

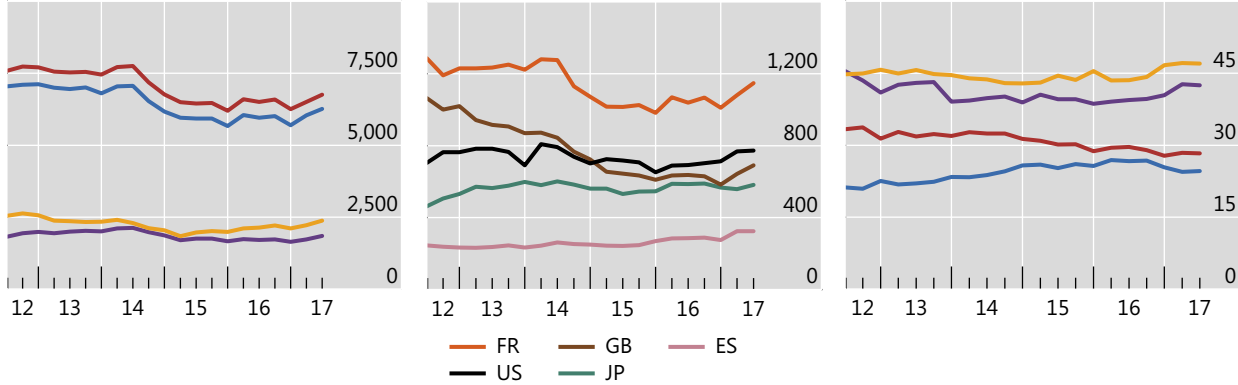
Graph B.1

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

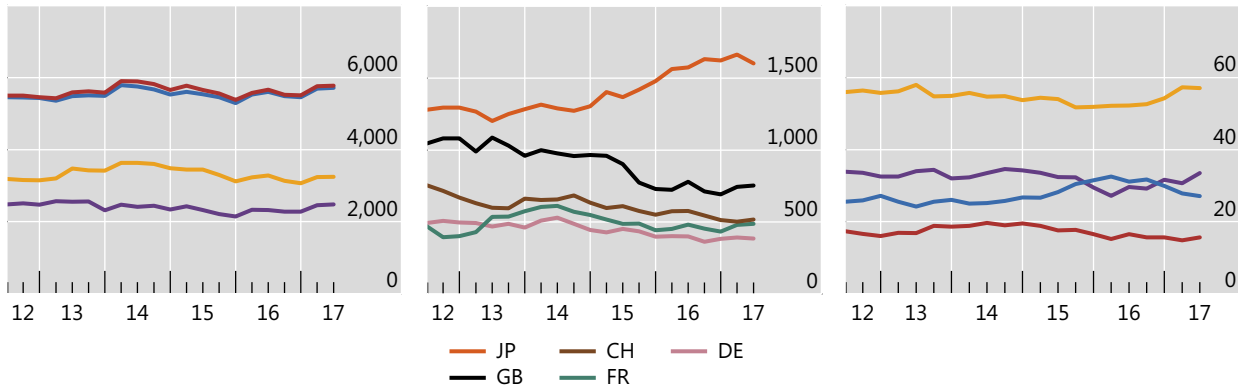
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

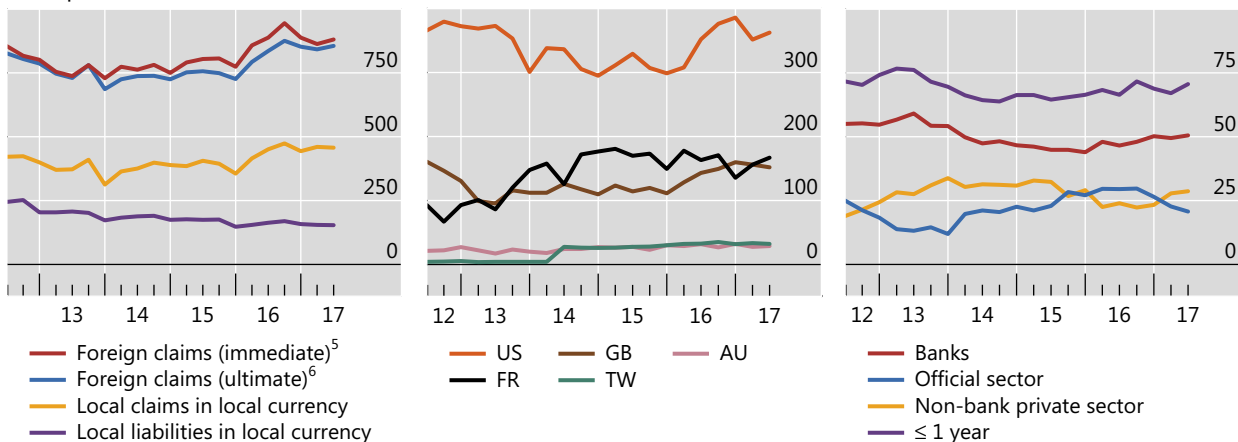
On the euro area



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 on is available at www.bis.org/statistics/constats.htm.

Consolidated claims of reporting banks on emerging market economies

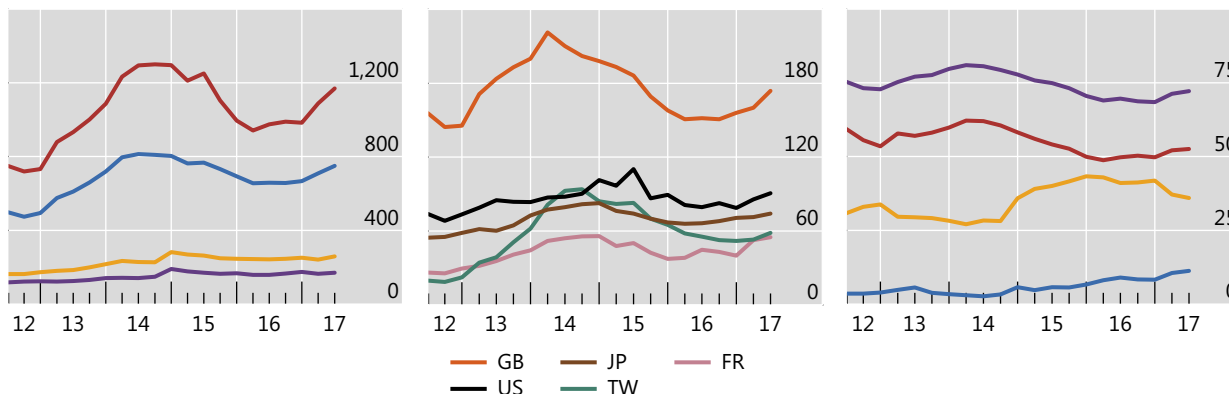
Graph B.2

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

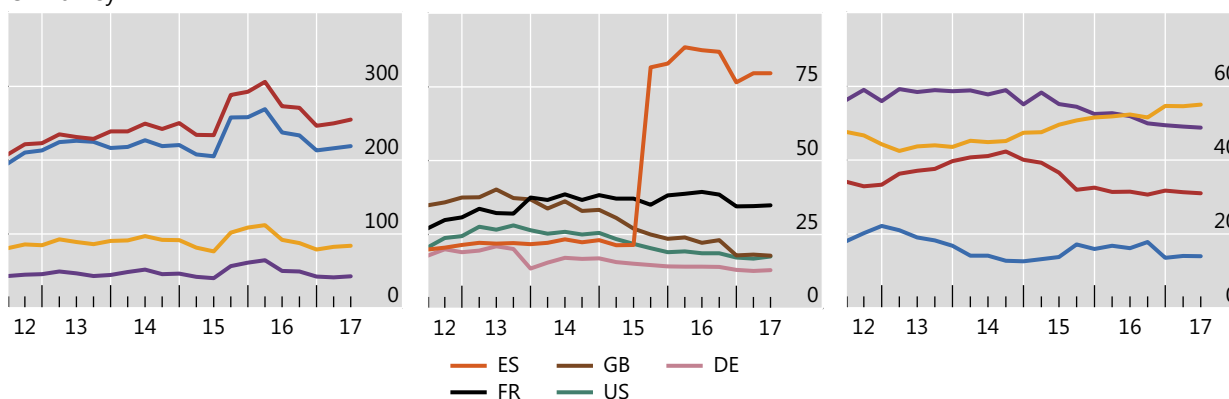
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

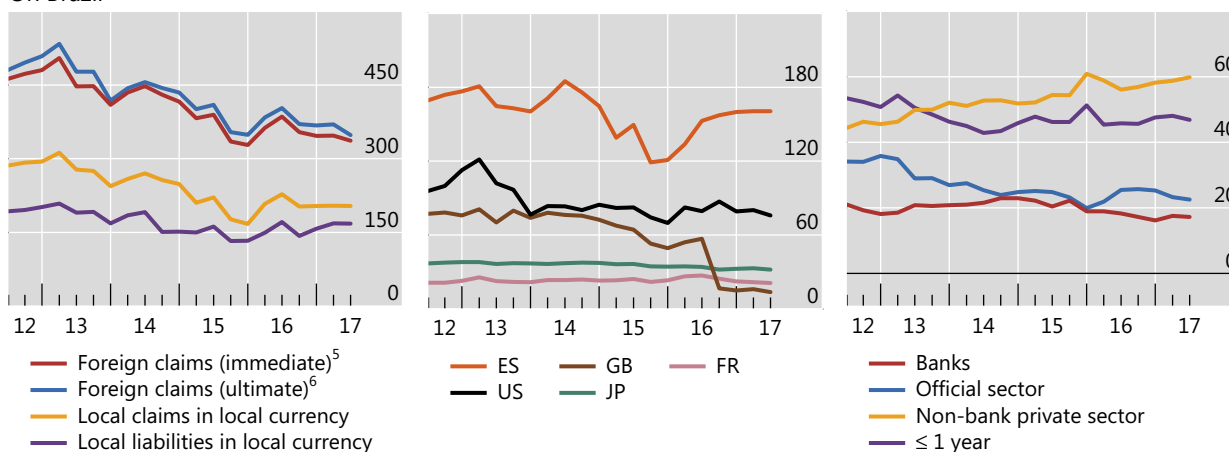
On China



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/consstats.htm.