



23 April 2018

## Statistical release: BIS international banking statistics at end-December 2017

The latest BIS locational and consolidated banking statistics refer to end-December 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](mailto:statistics@bis.org).

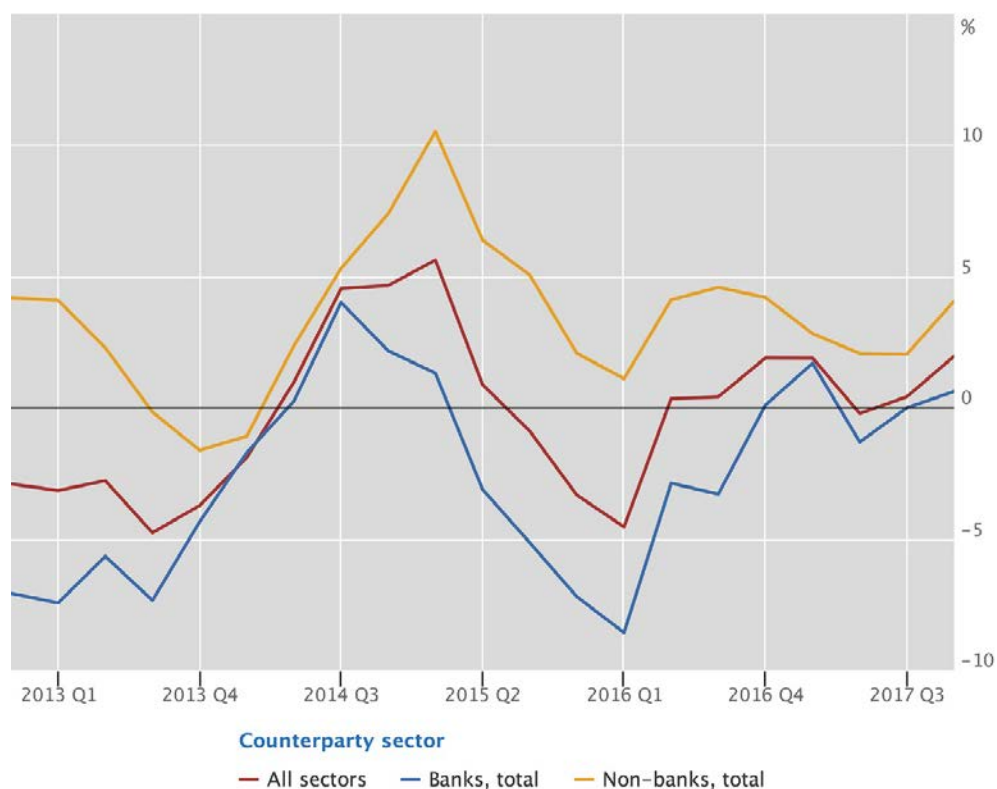
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## 1. Developments in the latest data

- International banking activity gained momentum in Q4 2017, with cross-border claims increasing by [\\$123 billion](#) between end-September and end-December 2017 to \$29 trillion. [Intragroup](#) activity led the increase, while credit to non-bank borrowers rose for the fourth consecutive quarter.
- Cross-border lending to emerging market economies (EMEs) rose by [\\$55 billion](#) in Q4 2017 to \$4 trillion. The latest increase was concentrated on countries in emerging Asia and Africa and the Middle East. Claims on emerging Europe and Latin America declined.
- Banks' outstanding claims on offshore banking centres surpassed their previous peak recorded in 2008 during the Great Financial Crisis (GFC). Outstanding cross-border claims on offshore centres totalled [\\$4.6 trillion](#) at end-2017, compared with \$4.3 trillion at end-March 2008.

### International banking activity gained momentum in Q4 2017

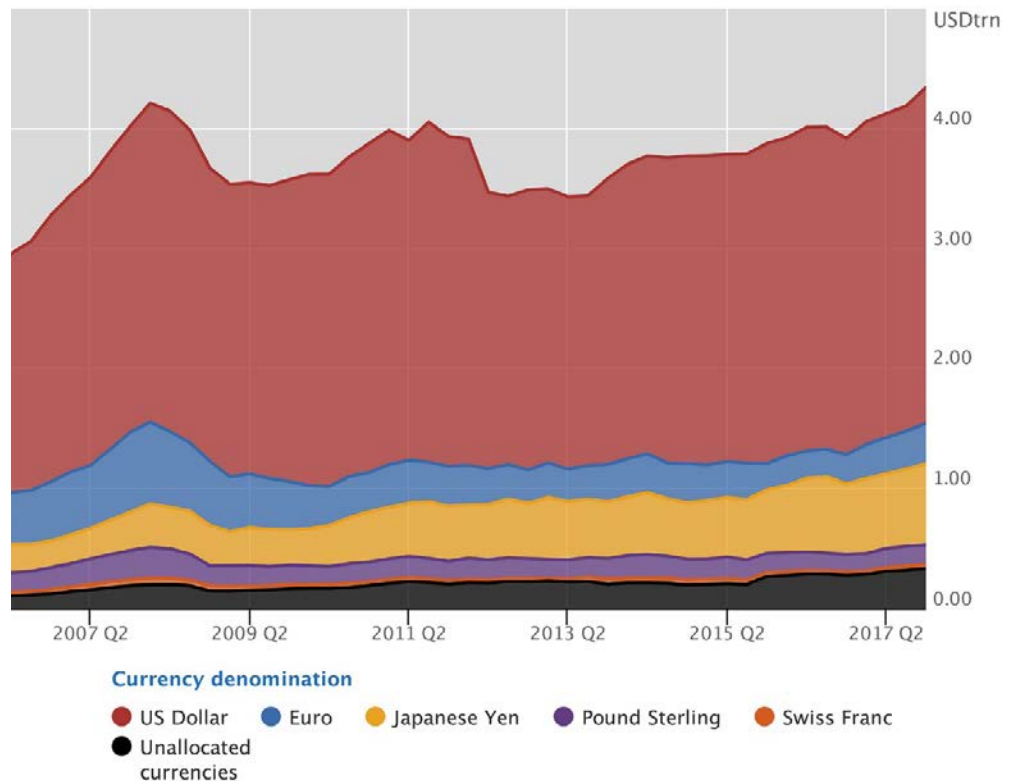


Graph 1: Annual percentage change in banks' cross-border claims ([interactive graph](#)).  
Source: BIS locational banking statistics ([Table A1](#)).

The upturn in international banking activity that began in Q3 2017 gained momentum in Q4 2017. Banks' cross-border claims rose by [\\$123 billion](#) between end-September and end-December 2017, which boosted their annual growth rate from under 1% to [2%](#) (Graph 1). Credit to non-bank borrowers rose by 4% in the year to end-December 2017, and credit to the bank sector by 1%. The pickup in interbank business was most pronounced for activity between offices belonging to the same banking group, which increased by [\\$134 billion](#) in the final quarter of 2017.

By region, the largest increases in Q4 2017 were reported for borrowers in offshore banking centres ([\\$124 billion](#)) and EMEs (\$55 billion). Lending to the United States also increased, by [\\$45 billion](#). By contrast, claims on Japan declined by \$63 billion and those on advanced economies in Europe by \$57 billion.

### Cross-border claims on offshore centres rose to a record high



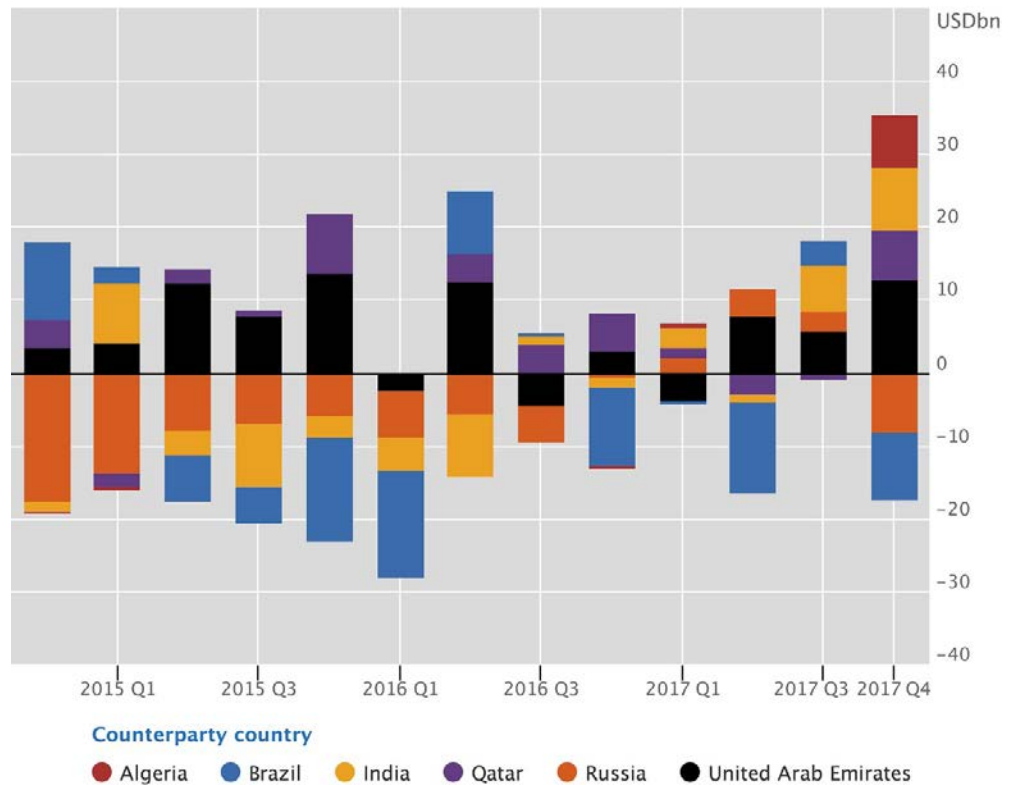
Source: BIS

Graph 2: Banks' outstanding cross-border claims on offshore centres ([interactive graph](#)).  
Source: BIS locational banking statistics ([Table A6.1](#)).

In recent years, activity with offshore banking centres has been one of the fastest-growing areas of cross-border banking. After contracting by [2%](#) in 2015, cross-border claims on borrowers in offshore centres rose by 3% in 2016 and more than 7% in 2017. Between end-September and end-December 2017, the centres that saw the largest increases were Hong Kong SAR ([\\$63 billion](#)) and Singapore (\$41 billion).

In 2017, banks' outstanding claims on offshore centres surpassed their previous peak seen in 2008 during the GFC. Cross-border claims on offshore centres totalled [\\$4.6 trillion](#) at end-2017, compared with \$4.3 trillion at end-March 2008 (Graph 2). These claims were overwhelmingly denominated in US dollars ([\\$2.8 trillion](#)), followed by yen (\$0.7 trillion) and euros (\$0.3 trillion).

## Middle East and Asia drove the latest increase in lending to EMEs



Source: BIS

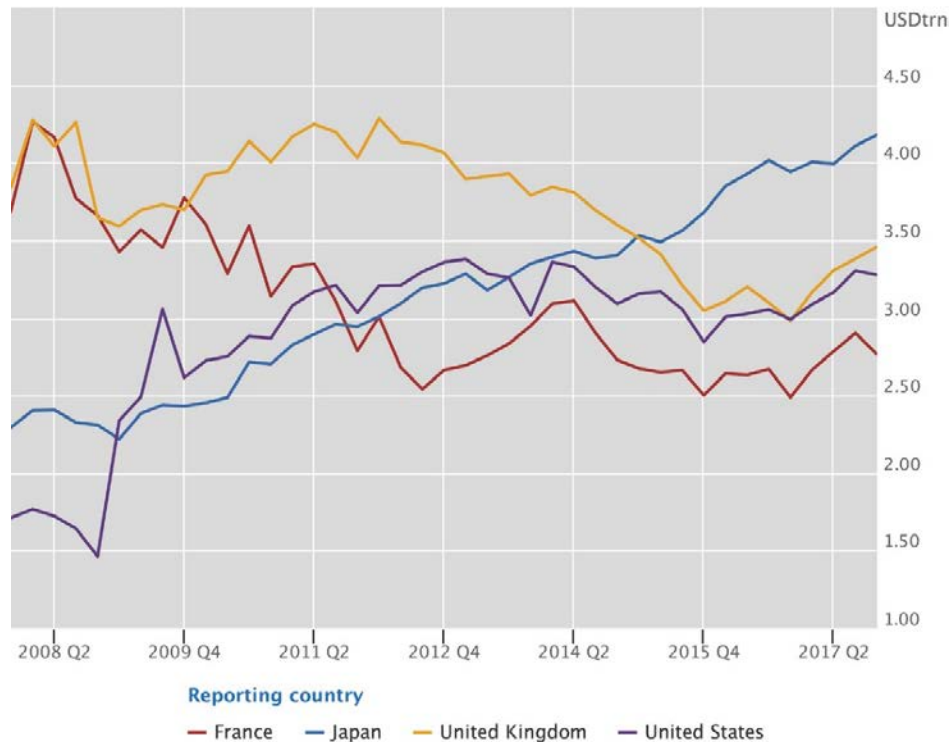
Graph 3: Adjusted changes in banks' cross-border claims ([interactive graph](#)).  
Source: BIS locational banking statistics ([Table A3](#)).

Cross-border lending to EMEs increased between end-September and end-December 2017 for the fourth consecutive quarter. The latest [\\$55 billion](#) quarterly expansion boosted their annual growth rate to 9%. The increase was driven mainly by lending to Africa and the Middle East ([\\$40 billion](#)) as well as emerging Asia ([\\$32 billion](#)). Borrowers located in Algeria, China, India, Qatar and the United Arab Emirates experienced the largest increases in lending (Graph 3).

Cross-border credit to borrowers in emerging Europe declined by \$5 billion in Q4 2017. Increases on Turkey ([\\$4 billion](#)) and Poland (\$2 billion) were offset by a drop in claims on Russia. After declining sharply between 2013 and 2016, cross-border claims on Russia had edged up in the first three quarters of 2017. However, they fell again between end-September and end-December 2017 ([-\\$8 billion](#)) to end the year at \$99 billion, down from \$189 billion in early 2013.

Credit to borrowers in Latin America continued to contract, down by \$12 billion in Q4 2017. This took the annual rate of contraction to [3%](#) in 2017, similar to the decline recorded in 2016. In Q4 2017, Brazil ([-\\$9 billion](#)) and Mexico ([-\\$6 billion](#)) saw the largest quarterly declines in cross-border credit. By contrast, cross-border claims on Chile and Argentina increased, by \$5 billion and \$2 billion, respectively.

## Japanese banks have become the largest foreign lenders



Source: BIS

Graph 4: Outstanding consolidated foreign claims on an immediate counterparty basis, by nationality of the banking group ([interactive graph](#)).

Source: BIS consolidated banking statistics ([Table B2](#)).

Together with this release, the BIS is publishing an updated [summary of the reporting population](#) for the locational banking statistics (LBS). The reporting population includes branches and subsidiaries that report separately from their parent banks. Germany has the largest number of reporting entities, at 1,634, and Bermuda the smallest, at four. However, data are not strictly comparable across LBS-reporting countries because some count only internationally active banks whereas others, such as Germany, count all resident banking entities.

The number of banking entities participating in the LBS declined from 8,340 at end-March 2017 to 8,123 at end-December 2017. Mergers, closures and methodological changes contributed to the decline. The number of entities indicates trends in the growth and complexity of international banking but is not representative of the size of banks' international balance sheets. The consolidated banking statistics (CBS) provide a measure of size that excludes [intragroup](#) positions. Measured by consolidated foreign claims on borrowers outside banks' home country, Japanese banks have the largest international balance sheets. Their [foreign claims](#) totalled [\\$4 trillion](#) at end-2017 (excluding Japanese banks' claims on residents of Japan).

Japanese banks have expanded their international presence substantially since 2009, surpassing French banks in 2011, US banks in 2013 and UK banks in 2015 (Graph 4). Together, banking groups headquartered in France, Japan, the United Kingdom and the United States accounted for about half of the outstanding foreign claims reported by the [31 countries](#) in the CBS at end-2017. However, this share does not take into account [Chinese banks](#), which have become increasingly important providers of international bank credit but do not report the CBS.

## 2. Revisions and breaks

The [reporting guidelines](#) set out requirements for the reporting of the BIS international 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 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. Break sizes are shown in the [BIS Statistics Explorer](#), under measure B. For a summary of breaks in the locational banking statistics, see [Table A2](#) and [Table A4](#); and in the consolidated banking statistics, [Table B1](#).

Significant revisions and breaks included for the first time with the statistics at end-December 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 “\”).

### Data repeated from previous quarters

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.

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	Brazil	End-September 2017
Brazil	End-September 2017	Singapore	End-September 2017
Curaçao	End-June 2017		

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

### Locational banking statistics: revisions and breaks

**Australia** completed its implementation of the enhancements recommended by the [Committee on the Global Financial System](#) (CGFS) and revised its reporting practices to align them more closely with the BIS's guidelines.<sup>1</sup> In addition to reporting the additional data required as part of the enhancements, such as a more detailed sector breakdown, Australia revised the reporting population for its LBS. Whereas previously banks in Australia reported the LBS on a group basis, including non-bank affiliates, as of end-December 2017 they started to report on a domestic book basis, excluding

<sup>1</sup> 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](http://www.bis.org/publ/qtrpdf/r_qt1509f.htm).

non-bank affiliates. These changes resulted in a break in series at end-December 2017 of about [\\$13 billion](#) for cross-border claims and \$75 billion for cross-border liabilities.

**Austria** reported a break arising from changes in the reporting population. Banking offices previously classified as belonging to foreign groups were reclassified as banks with Austrian parents. This reclassification impacted only the allocation of positions by bank nationality and did not impact the total claims or liabilities of banks located in Austria.

### Consolidated banking statistics: revisions and breaks

**Australia** completed its implementation of the enhancements recommended by the CGFS, which contributed to large changes in amounts outstanding between end-September and end-December 2017. Australia reported a more granular sectoral breakdown of claims on an immediate counterparty and ultimate risk basis, as well as positions on Australian residents (ie [domestic claims](#)). In addition, Australia revised its reporting practices to align them more closely with the BIS's guidelines. No information about the size of the related break in series was reported.

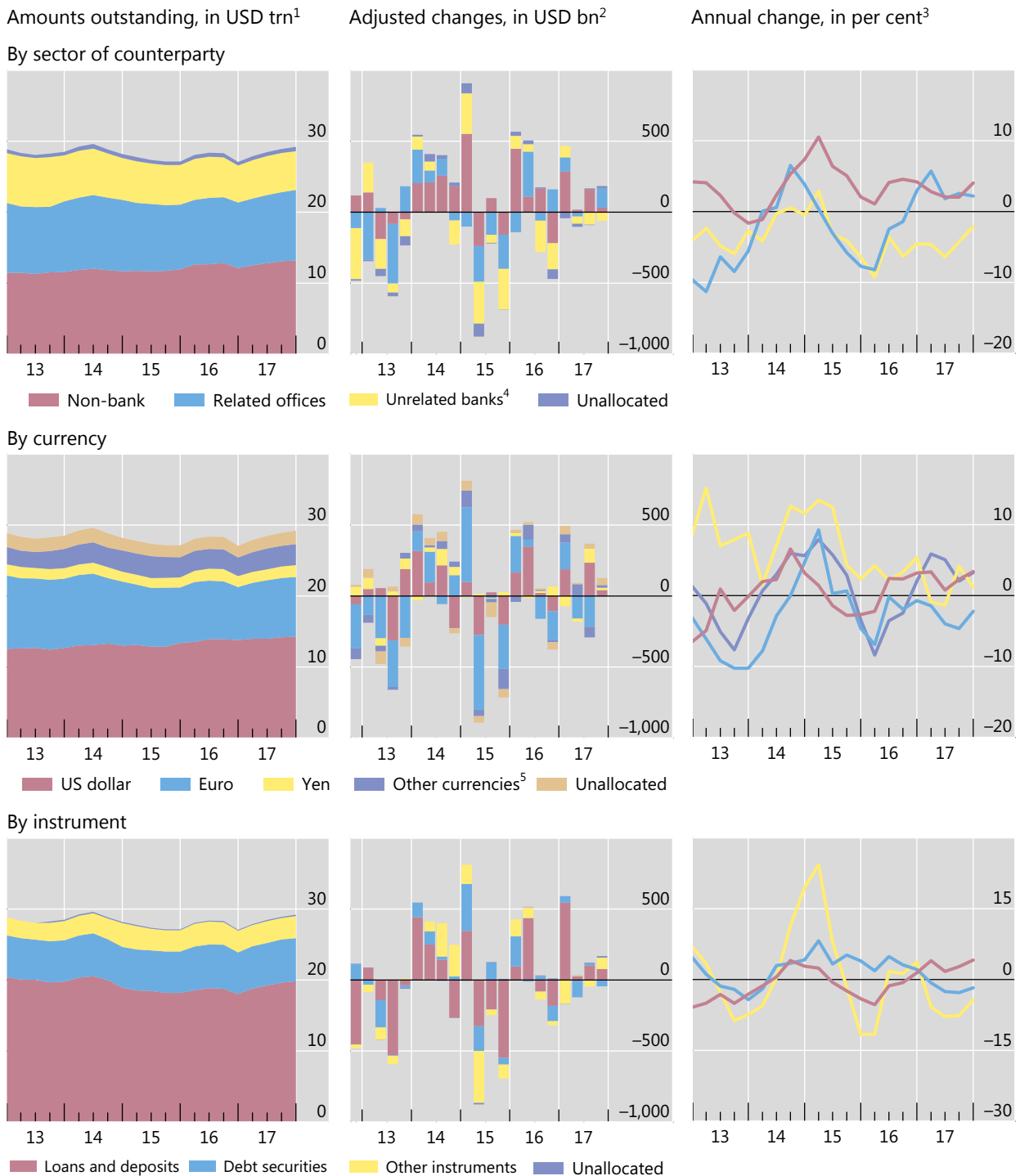
**Austria** reported a break arising from changes in the reporting population. Banking offices previously classified as belonging to foreign groups were reclassified as banks with Austrian parents. This reclassification increased the foreign claims of Austrian banks, mainly against counterparties in European countries.

# Annexes

## A. Locational banking statistics: charts

Cross-border claims, by sector, currency and instrument

Graph A.1



<sup>1</sup> 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. <sup>2</sup> Quarterly changes in amounts outstanding, adjusted for exchange rate movements between quarter-ends and methodological breaks. <sup>3</sup> Geometric mean of quarterly percentage changes. <sup>4</sup> Includes central banks and banks unallocated by subsector between intragroup and unrelated banks. <sup>5</sup> 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](http://www.bis.org/statistics/bankstats.htm).



# Cross-border claims, by borrowing region

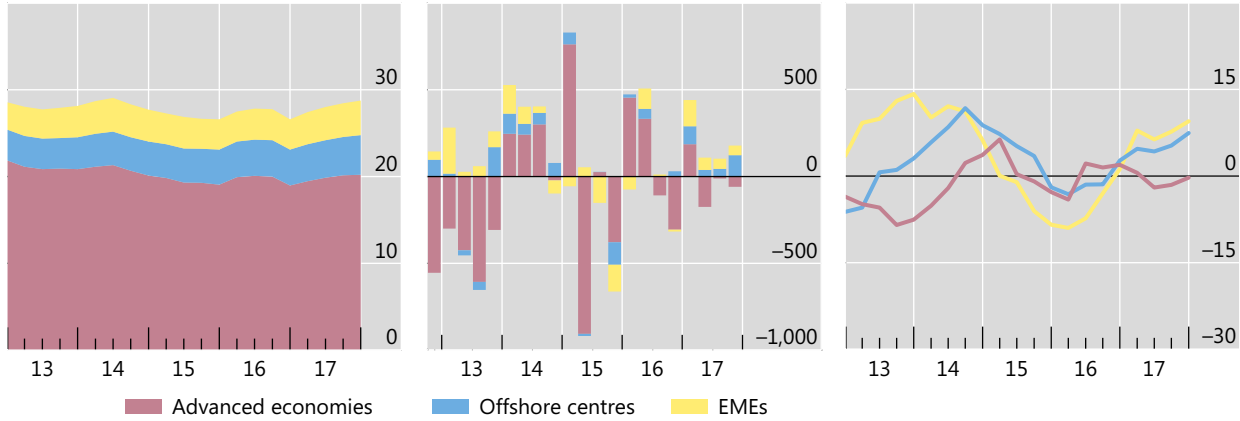
Graph A.2

Amounts outstanding, in USD trn<sup>1</sup>

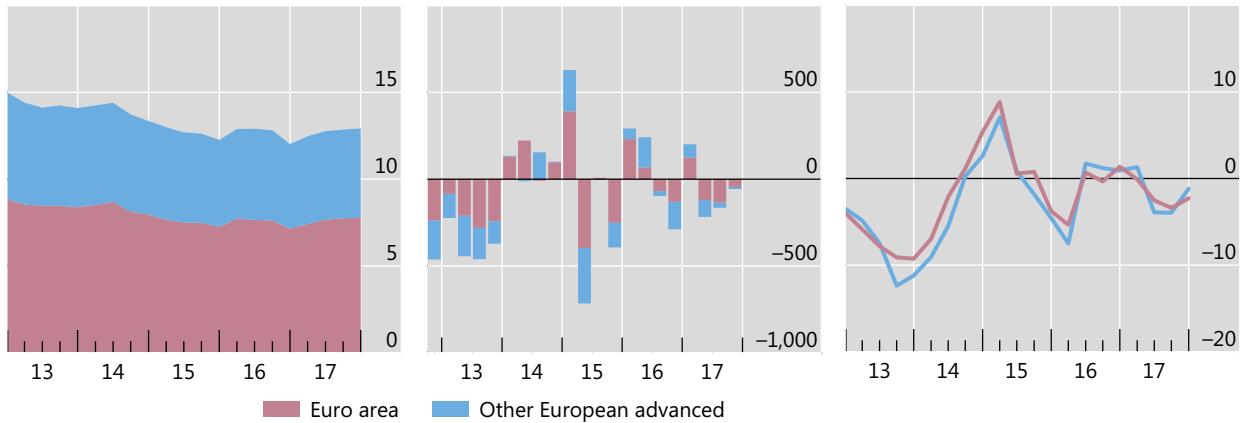
Adjusted changes, in USD bn<sup>2</sup>

Annual change, in per cent<sup>3</sup>

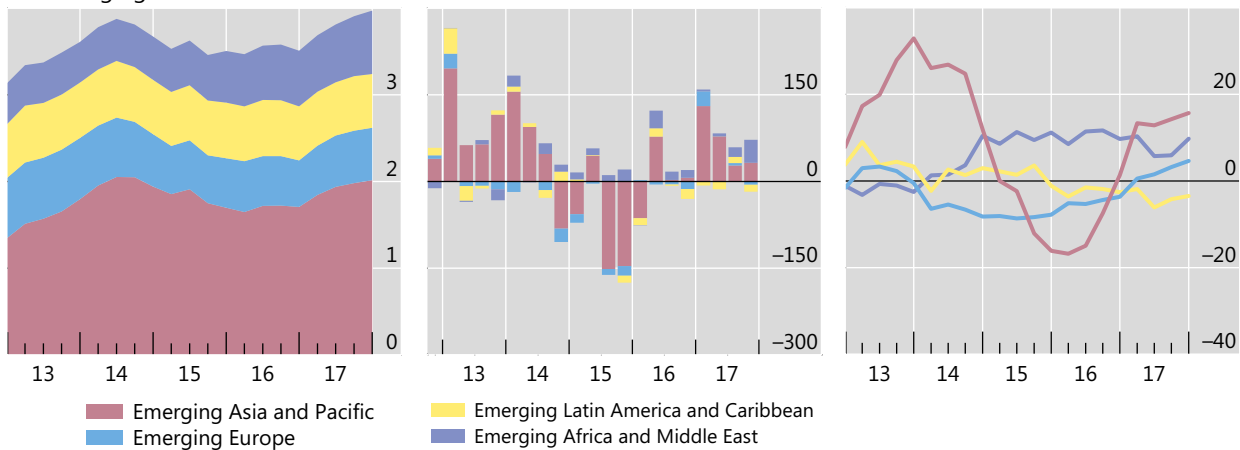
On all countries



On Europe



On emerging market economies



<sup>1</sup> 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. <sup>2</sup> Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. <sup>3</sup> Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at [www.bis.org/statistics/bankstats.htm](http://www.bis.org/statistics/bankstats.htm).

# Cross-border claims, by borrowing country

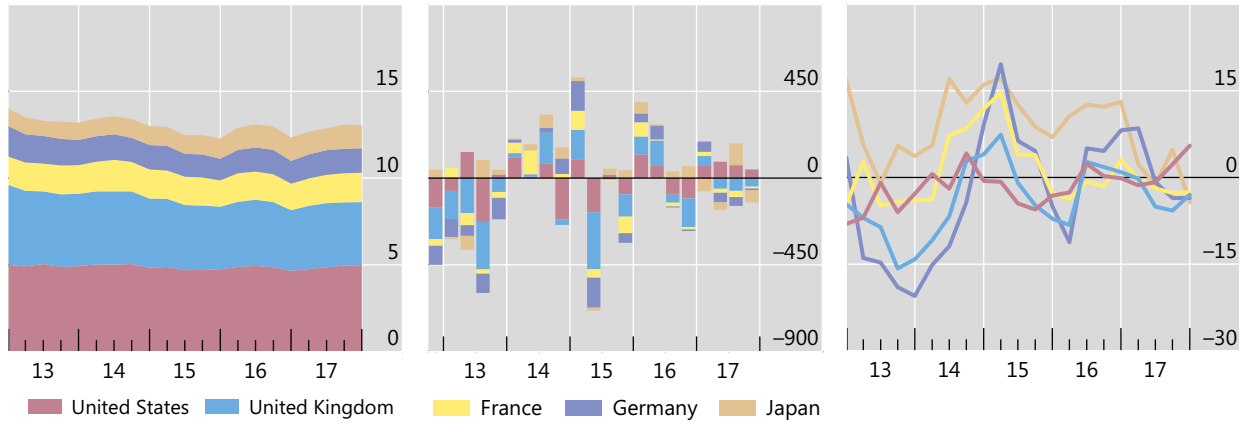
Graph A.3

Amounts outstanding, in USD trn<sup>1</sup>

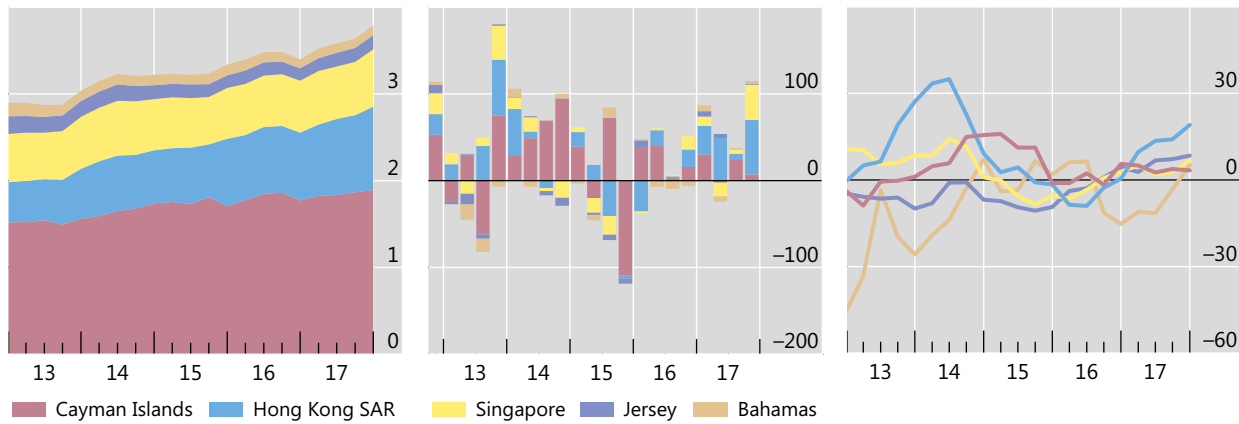
Adjusted changes, in USD bn<sup>2</sup>

Annual change, in per cent<sup>3</sup>

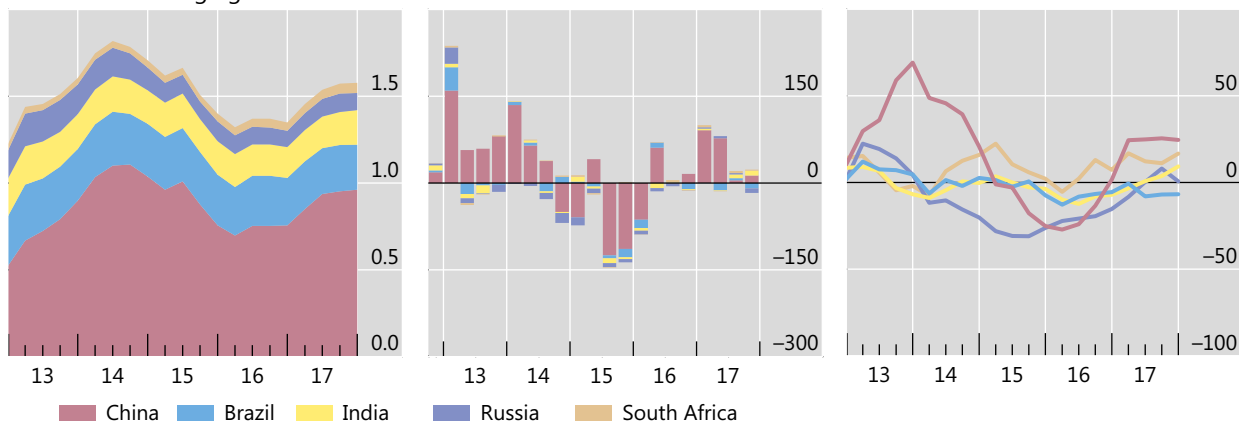
On selected advanced economies



On selected offshore centres



On selected emerging market economies



<sup>1</sup> 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. <sup>2</sup> Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. <sup>3</sup> Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at [www.bis.org/statistics/bankstats.htm](http://www.bis.org/statistics/bankstats.htm).

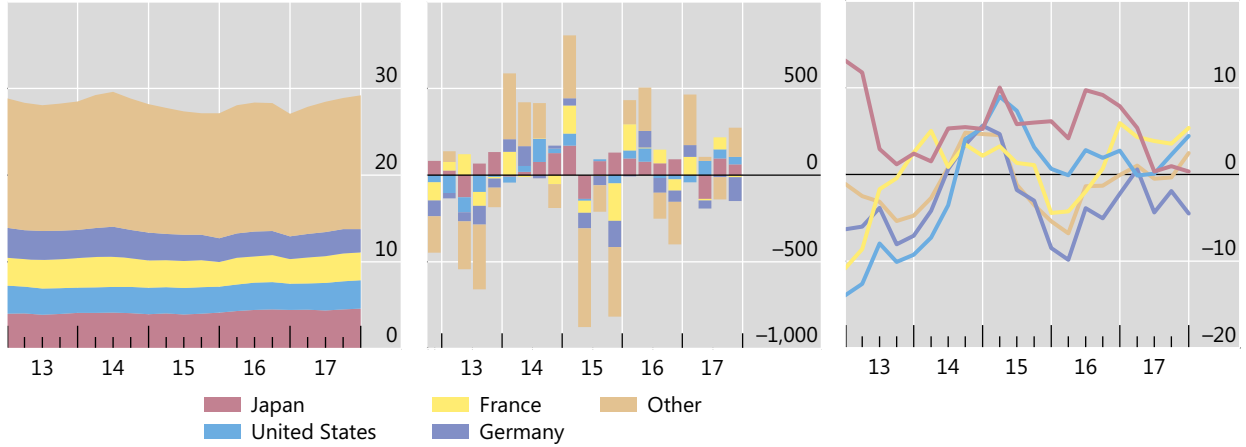
Cross-border claims, by nationality of reporting bank and currency of denomination Graph A.4

Amounts outstanding, in USD trn<sup>1</sup>

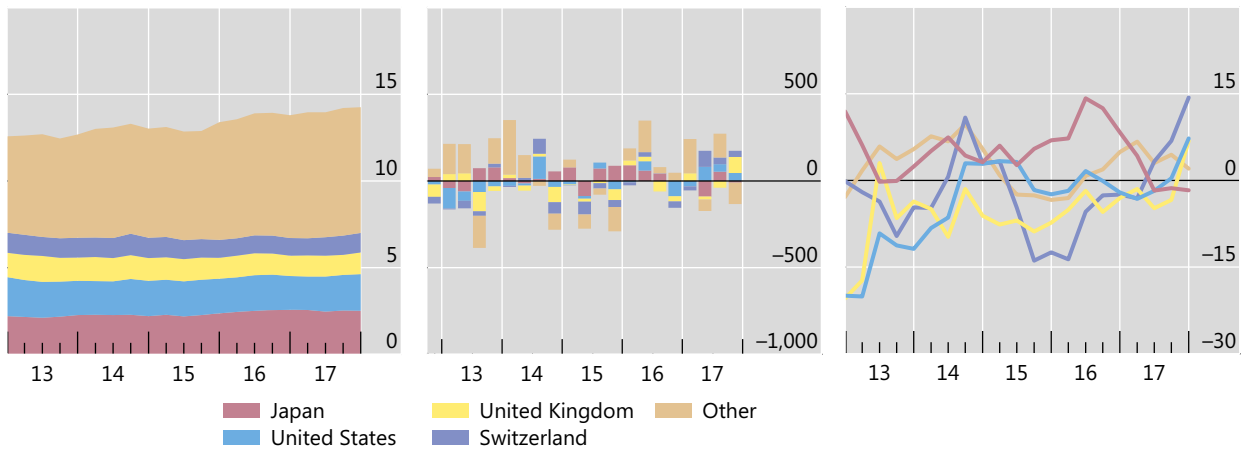
Adjusted changes, in USD bn<sup>2</sup>

Annual change, in per cent<sup>3</sup>

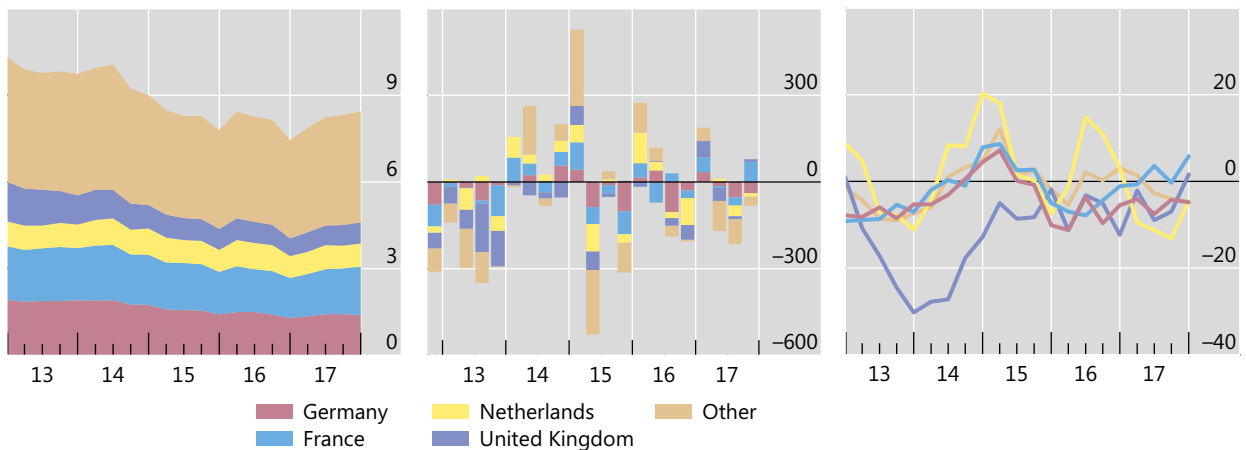
All currencies



US dollar



Euro



<sup>1</sup> 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. <sup>2</sup> Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. <sup>3</sup> Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at [www.bis.org/statistics/bankstats.htm](http://www.bis.org/statistics/bankstats.htm).

# Cross-border liabilities of reporting banks

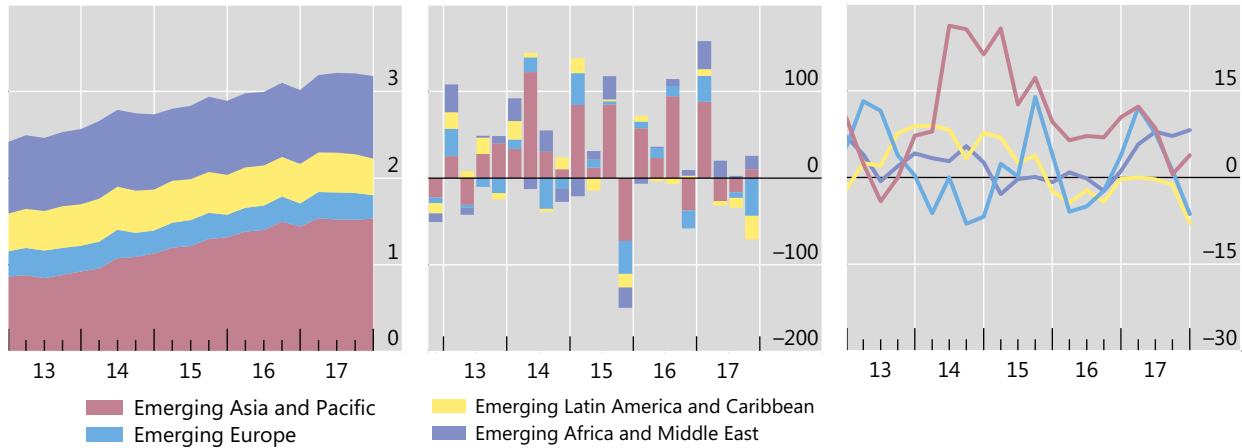
Graph A.5

Amounts outstanding, in USD trn<sup>1</sup>

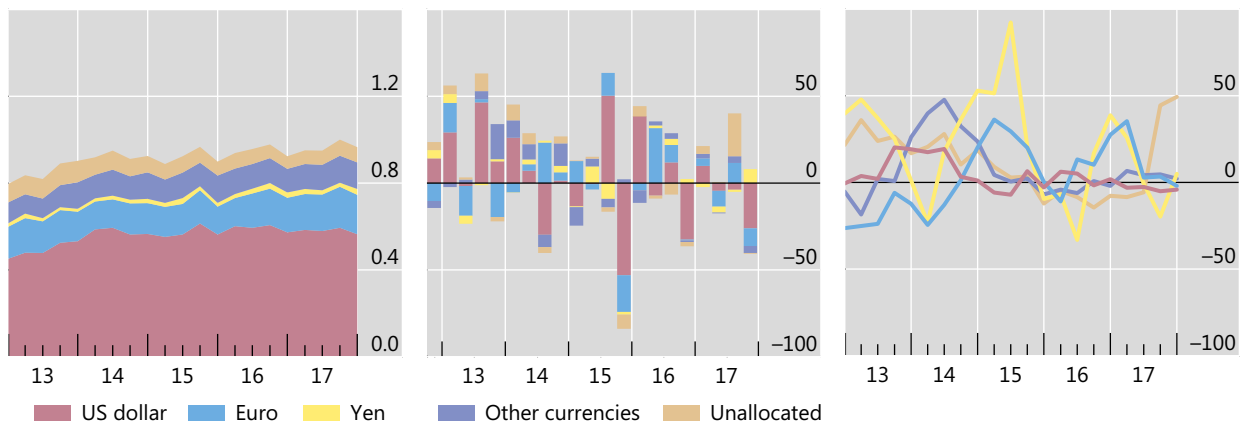
Adjusted changes, in USD bn<sup>2</sup>

Annual change, in per cent<sup>3</sup>

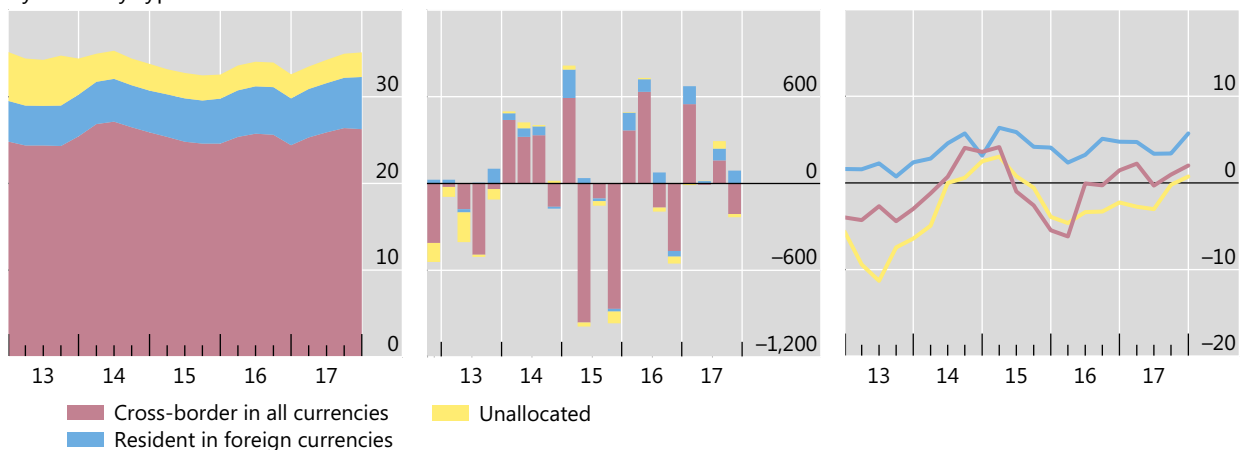
To emerging market economies



To central banks



By currency type and location



<sup>1</sup> 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. <sup>2</sup> Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. <sup>3</sup> Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at [www.bis.org/statistics/bankstats.htm](http://www.bis.org/statistics/bankstats.htm).

## B. Consolidated banking statistics: charts

Consolidated claims of reporting banks on advanced economies

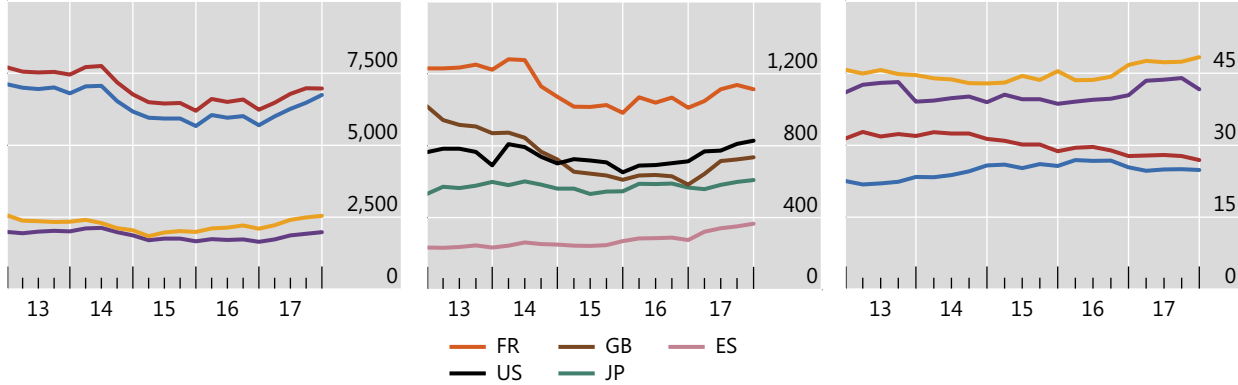
Graph B.1

Foreign claims and local positions, in USD bn<sup>1,2</sup>

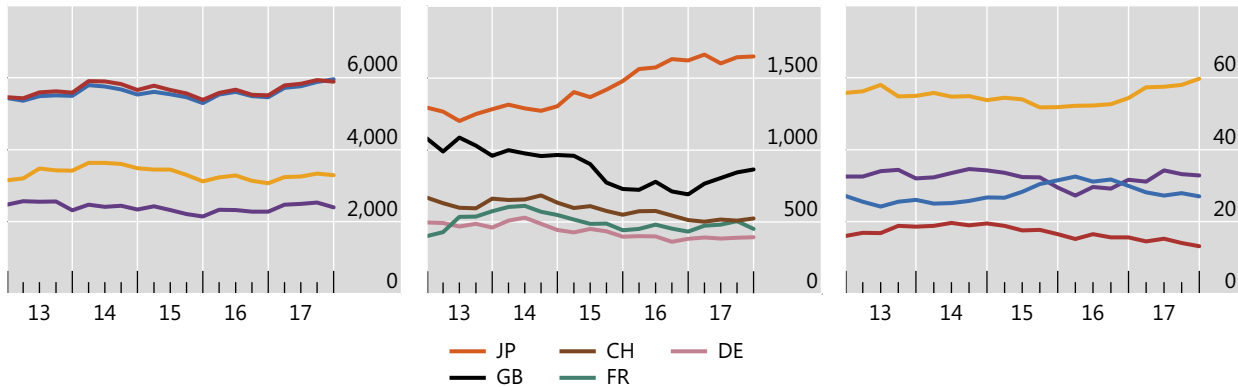
Foreign claims of selected creditors, in USD bn<sup>1,3</sup>

International claims, by sector and maturity, in per cent<sup>4</sup>

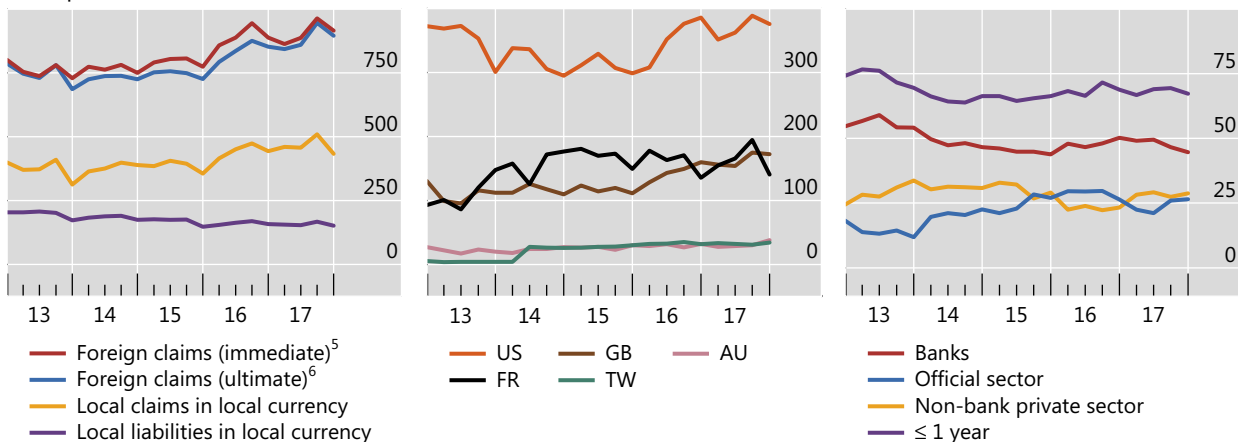
On the euro area



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.

<sup>1</sup> 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. <sup>2</sup> Excludes domestic claims. <sup>3</sup> 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. <sup>4</sup> As a percentage of international claims outstanding. <sup>5</sup> On an immediate counterparty basis. Includes the unconsolidated claims of banks headquartered outside but located inside CBS-reporting countries. <sup>6</sup> On an ultimate risk basis.

Source: BIS consolidated banking statistics. Further information on is available at [www.bis.org/statistics/constats.htm](http://www.bis.org/statistics/constats.htm).

# Consolidated claims of reporting banks on emerging market economies

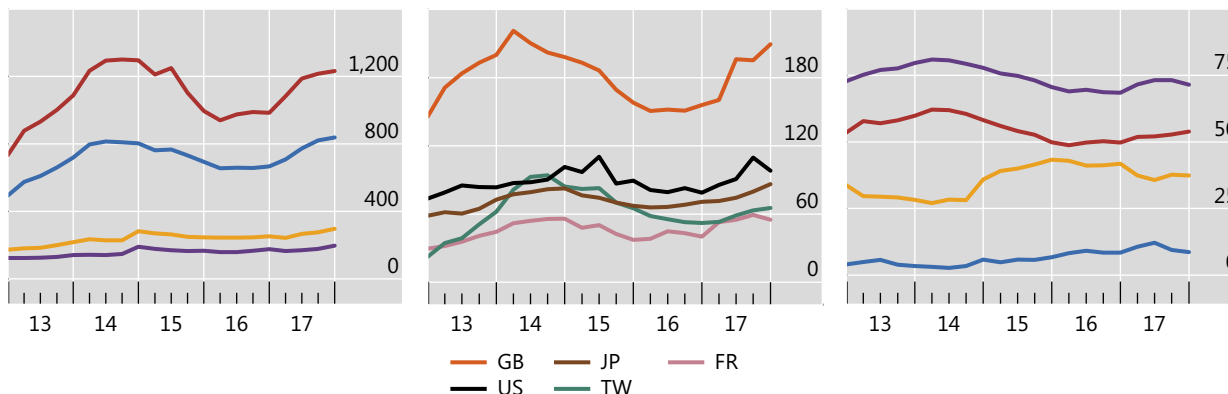
Graph B.2

Foreign claims and local positions, in USD bn<sup>1,2</sup>

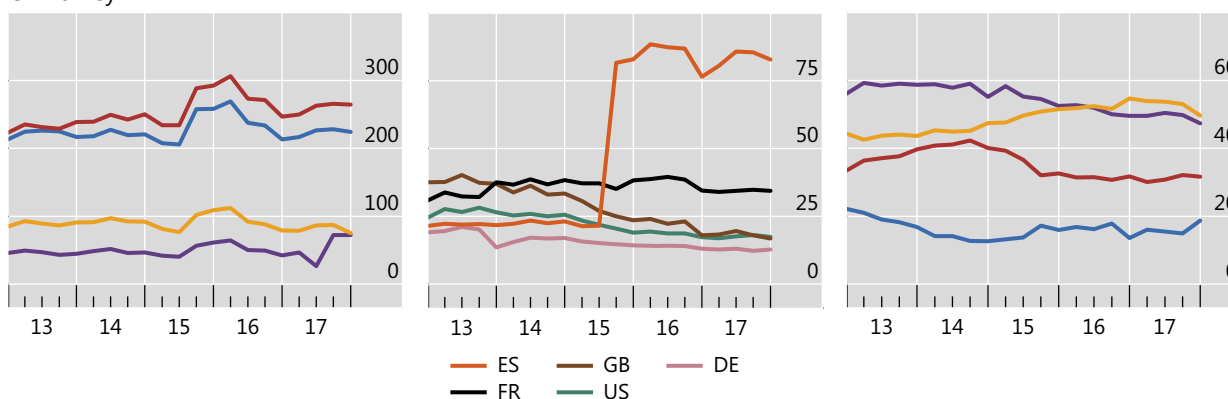
Foreign claims of selected creditors, in USD bn<sup>1,3</sup>

International claims, by sector and maturity, in per cent<sup>4</sup>

## On China



## On Turkey



## On Brazil



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

<sup>1</sup> 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. <sup>2</sup> Excludes domestic claims, ie claims on residents of a bank's home country. <sup>3</sup> 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. <sup>4</sup> As a percentage of international claims. <sup>5</sup> On an immediate counterparty basis. Includes the unconsolidated claims of banks headquartered outside but located inside CBS-reporting countries. <sup>6</sup> On an ultimate risk basis.

Source: BIS consolidated banking statistics. Further information is available at [www.bis.org/statistics/consstats.htm](http://www.bis.org/statistics/consstats.htm).