

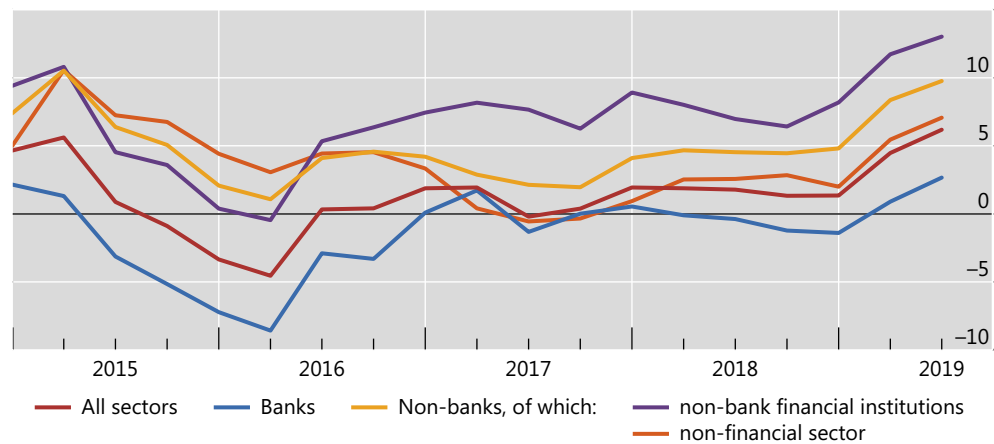


24 October 2019

Statistical release: BIS international banking statistics at end-June 2019

- Global cross-border bank claims expanded by **6%** year over year, their highest annual growth rate since the Great Financial Crisis.
- Growth in lending to all major sectors increased. Claims on non-bank financial institutions continued to expand the most rapidly (**13%** year over year).
- Growth in cross-border claims on emerging market and developing economies **varied considerably** by region, from +11% in Africa and the Middle East to –8% in developing Europe.

Lending to NBFIs continued to lead growth in cross-border claims



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

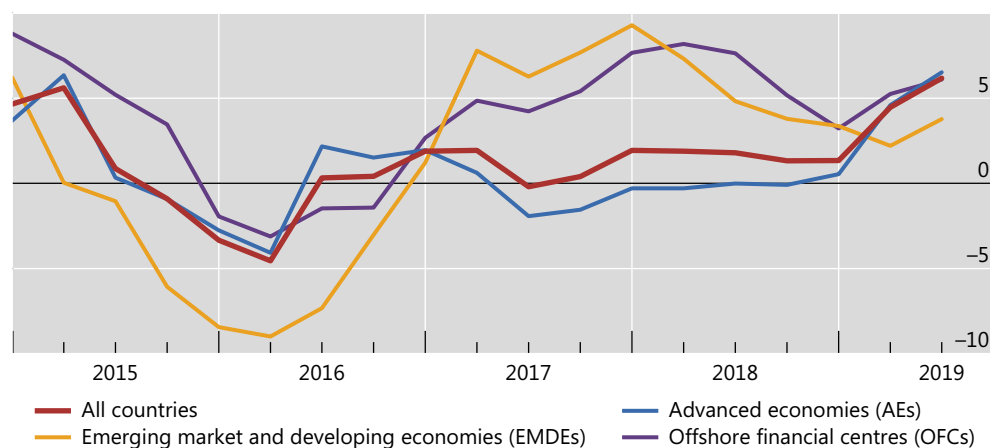
The BIS locational banking statistics (LBS) show that global cross-border bank claims rose by **\$365 billion** during the second quarter of 2019, to reach **\$31 trillion** by end-June. Their annual growth rate, which averaged around 0% since the Great Financial Crisis, reached a post-crisis high of 6% (Graph 1, red line).

Reporting banks' cross-border claims on all major sectors expanded during Q2 2019 (Graph 1). The **\$190 billion** expansion in claims on non-banks (yellow line) accounted for more than a half of the overall quarterly increase in global cross-border claims. This, in turn, was mostly driven by claims on non-bank financial institutions (NBFIs),¹ which increased by **\$172 billion**, resulting in an annual growth rate of 13% (purple line). The majority of this new lending to NBFIs was directed towards a few financial centres, such as the Cayman Islands (\$37 billion), the United Kingdom (\$34 billion) and Luxembourg (\$24 billion).

¹ [NBFIs](#) include entities such as insurance companies, pension funds, hedge funds and money market funds.

The latest increase in lending to NBFIs is part of a longer trend.² Over the past five years, cross-border claims on that sector have grown at an average annual pace of 7% (compared with 1% for claims on all sectors), reaching \$7 trillion at mid-2019. The BIS consolidated banking statistics (CBS) reveal that the surge in lending to NBFIs over the past few years was mainly driven by Canadian, French, Japanese, UK and US banks ([interactive graph](#)).

Cross-border lending to AEs and OFCs drove global expansion



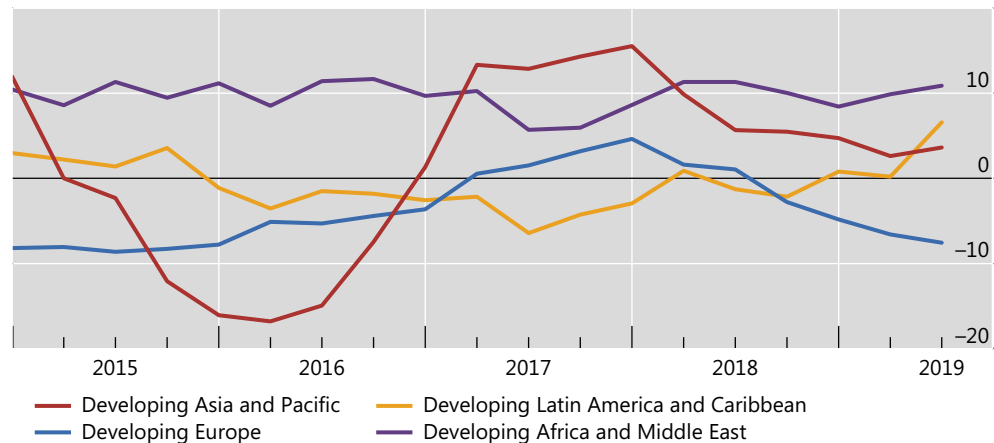
Graph 2: Annual percentage change in banks' cross-border claims by counterparty region ([interactive graph](#)).
Source: BIS locational banking statistics ([Table A1](#)).

Claims on borrowers located in advanced economies (AEs) expanded at a rapid pace. They grew at an annual rate of 7%, which took their outstanding stock to **\$21 trillion** at end-June 2019 (Graph 2, blue line). Their latest quarterly increase was **primarily driven** by claims on the United Kingdom (+\$67 billion), France (+\$65 billion), and Germany (+\$61 billion). By contrast, claims on the United States declined by **\$30 billion**.

Lending to offshore financial centres (OFCs) remained strong. It grew at 6% year over year (Graph 2, purple line) and stood at **\$5 trillion** as of end-June 2019, mostly to the benefit of NBFIs. Banks reported large increases in their claims on the Cayman Islands (+\$45 billion), Jersey (+\$9 billion) and Hong Kong SAR (+\$8 billion).

² For further discussion, see P García Luna and B Hardy, "[Non-bank counterparties in international banking](#)", *BIS Quarterly Review*, September 2019, pp 15–33.

Cross-border lending to EMDEs diverged considerably across regions



Graph 3: Annual percentage change in banks' cross-border claims by counterparty country ([interactive graph](#)). Source: BIS locational banking statistics ([Table A1](#)).

Cross-border claims on emerging market and developing economies (EMDEs) rose by \$43 billion during Q2 2019. As a result, their annual growth rate increased slightly (from 2% at end-March to 4% at end-June), but still remained considerably below its recent peak of 9% at end-2017 (Graph 2, yellow line). The outstanding stock stood at [\\$4.1 trillion](#) at end-June 2019.

The overall figures for EMDEs conceal considerable heterogeneity across regions.

The contraction in cross-border claims on developing Europe, which started in the middle of 2018, deepened in Q2 2019. The annual growth rate of lending to the region dropped to [-8%](#) at end-June 2019 (Graph 3, blue line). The decline in Q2 2019 was largely due to a sharp contraction in claims on Turkey (-\$11 billion).

In contrast, cross-border lending to borrowers in developing Asia-Pacific rose by [\\$27 billion](#), bringing the annual growth rate to 4% (Graph 3, red line). Claims on China, up by \$25 billion, accounted for almost the whole increase. Those claims have grown from a recent low of \$699 billion (at end-March 2016) to [\\$990 billion](#) (at end-June 2019).

The annual growth rate of cross-border claims on developing Latin America and the Caribbean accelerated to 7% (Graph 3, yellow line) in Q2 2019, after spending several years in negative or near-zero territory. Lending to developing Africa and the Middle East continued to expand rapidly, reaching an annual rate of 11% as of end-June 2019 (purple line).

Annex A Locational banking statistics: charts

Cross-border claims by sector, currency and instrument

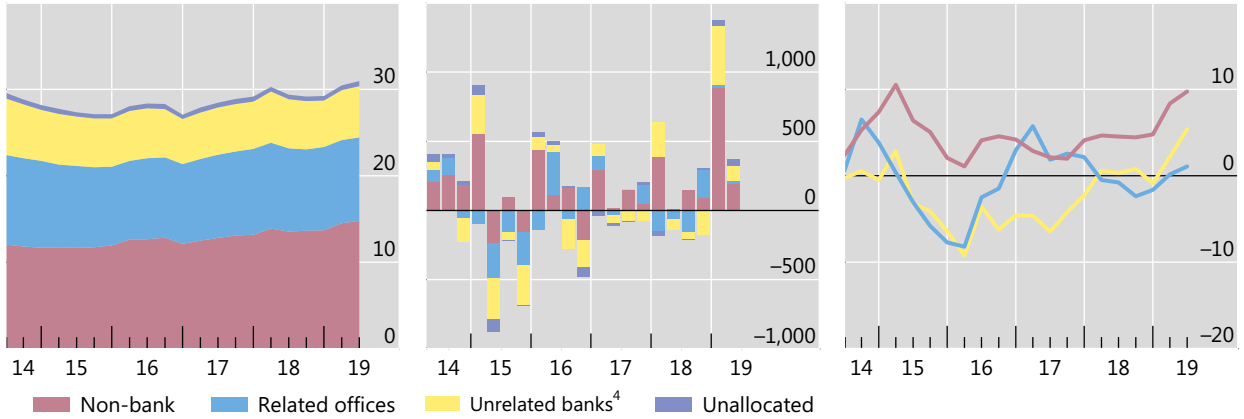
Graph A.1

Amounts outstanding, in USD trn¹

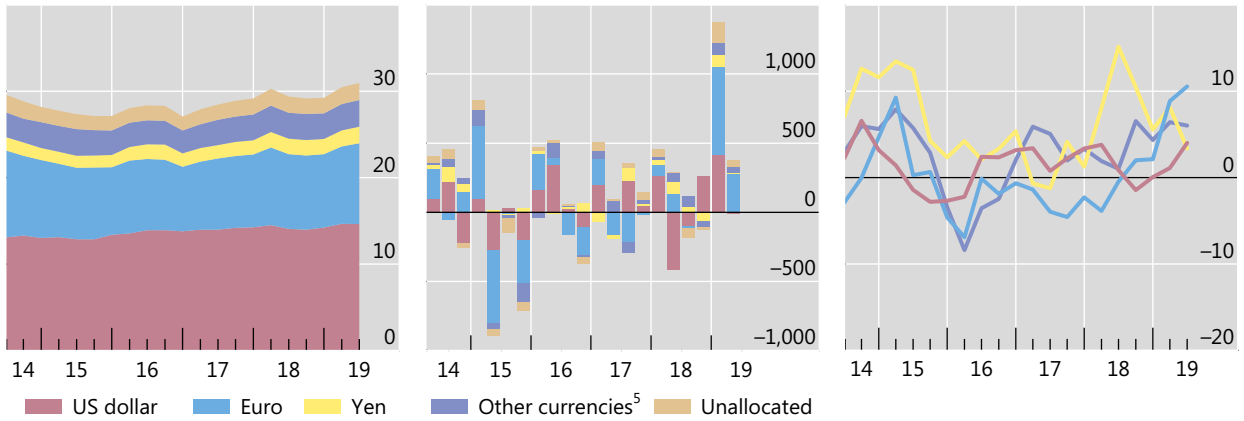
Adjusted changes, in USD bn²

Annual change, in per cent³

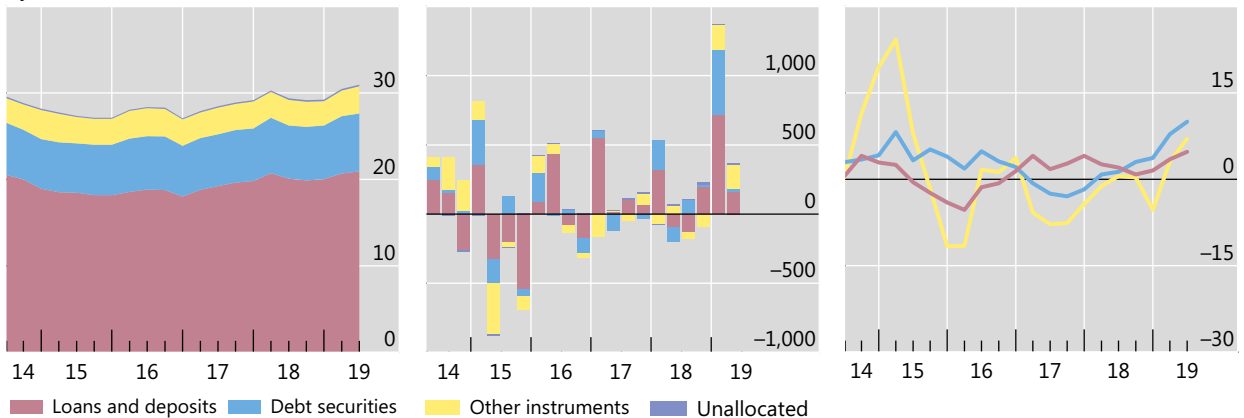
By sector of counterparty



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 the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ³ Geometric mean of quarterly percentage adjusted 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

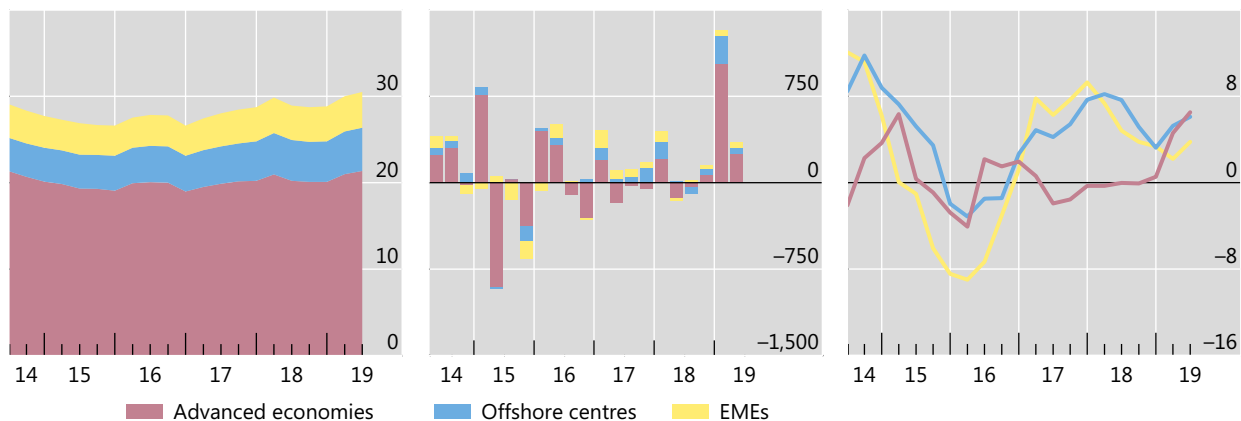
Graph A.2

Amounts outstanding, in USD trn¹

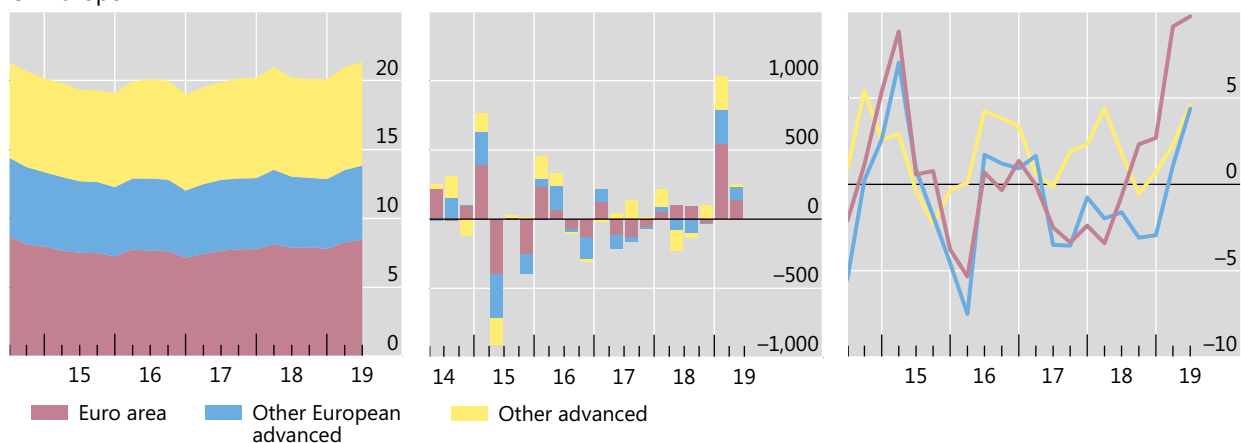
Adjusted changes, in USD bn²

Annual change, in per cent³

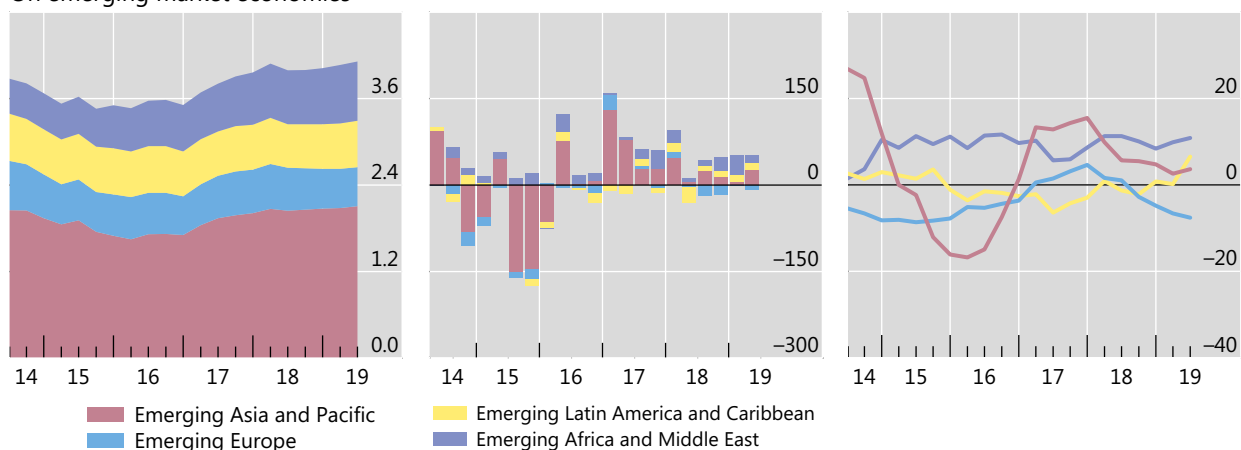
On all countries



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

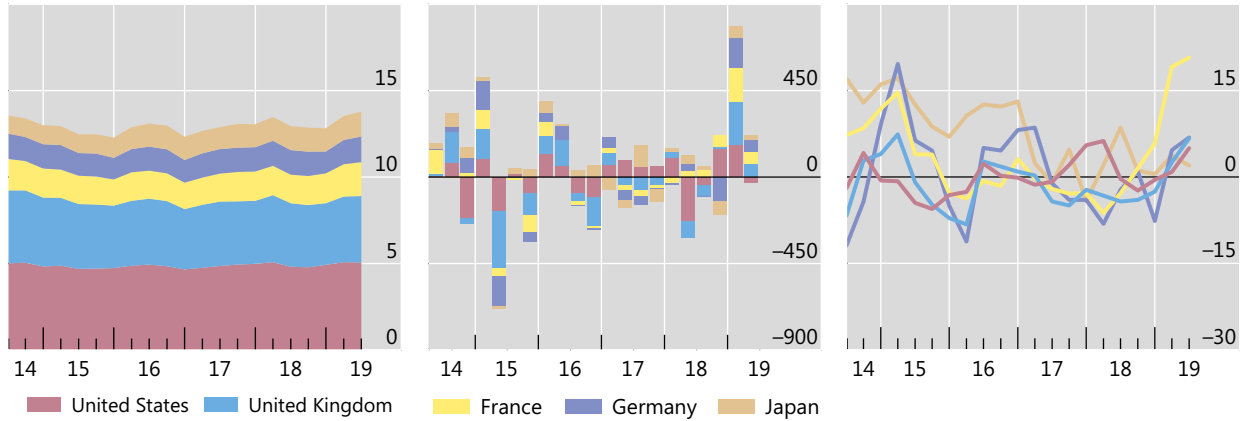
Graph A.3

Amounts outstanding, in USD trn¹

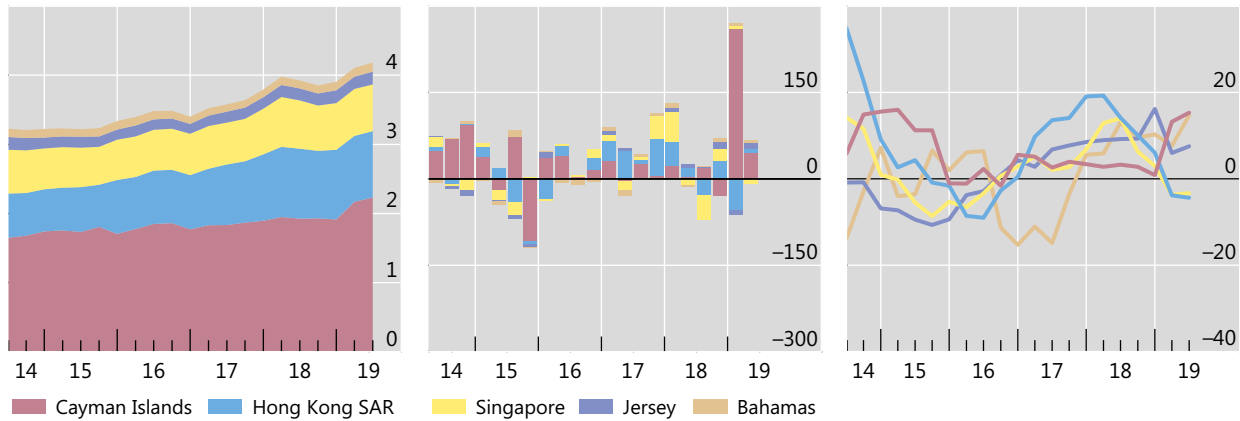
Adjusted changes, in USD bn²

Annual change, in per cent³

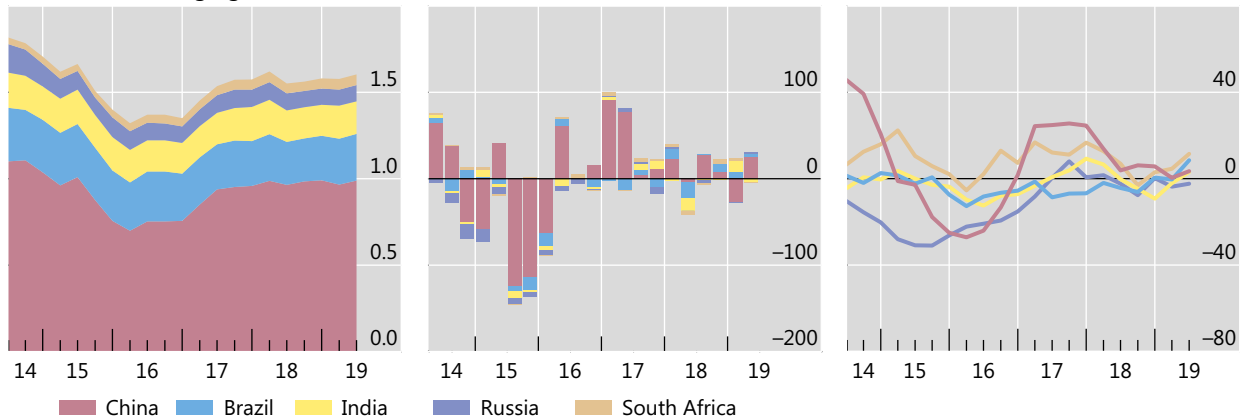
On selected advanced economies



On selected offshore centres



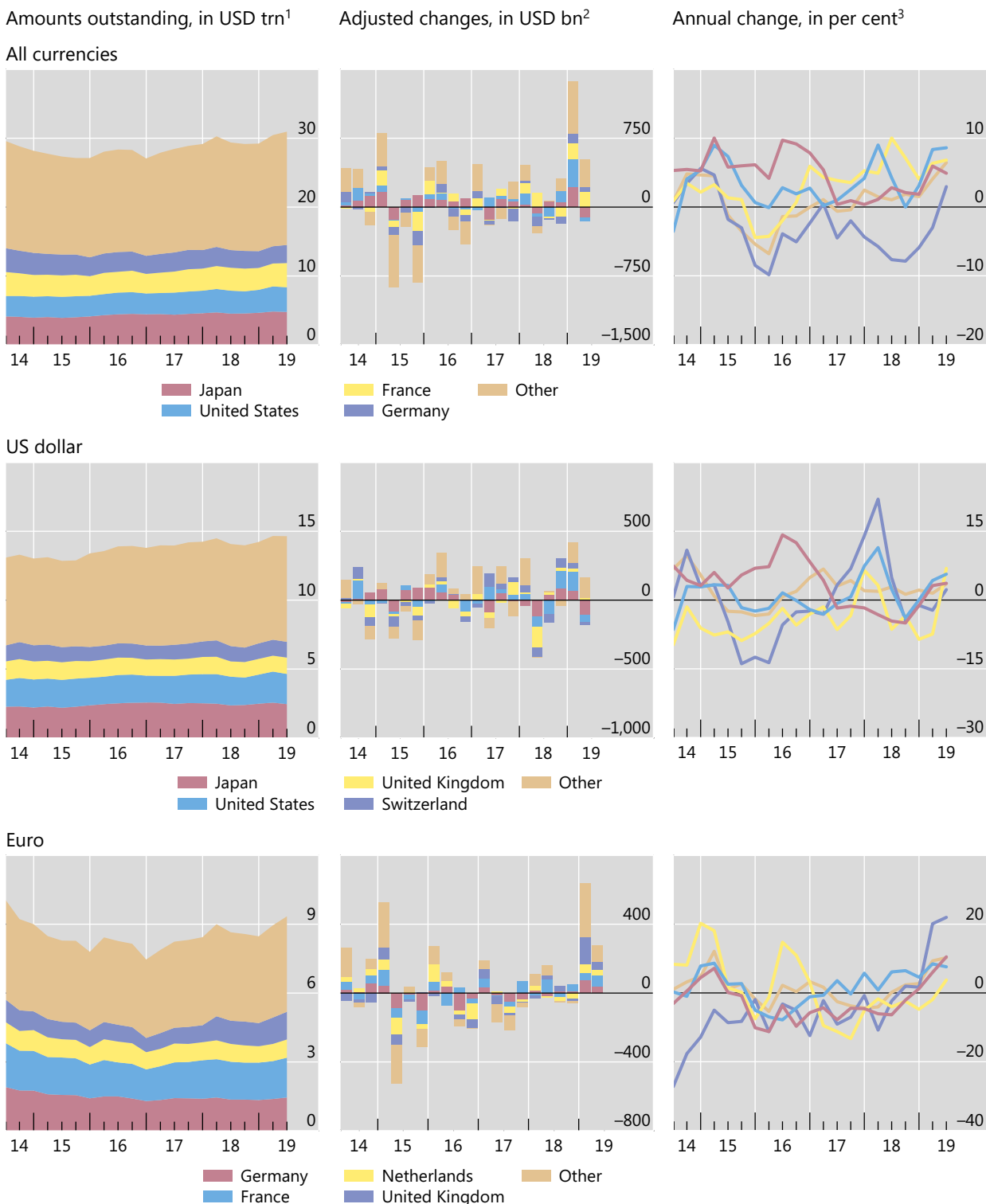
On selected emerging market economies



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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

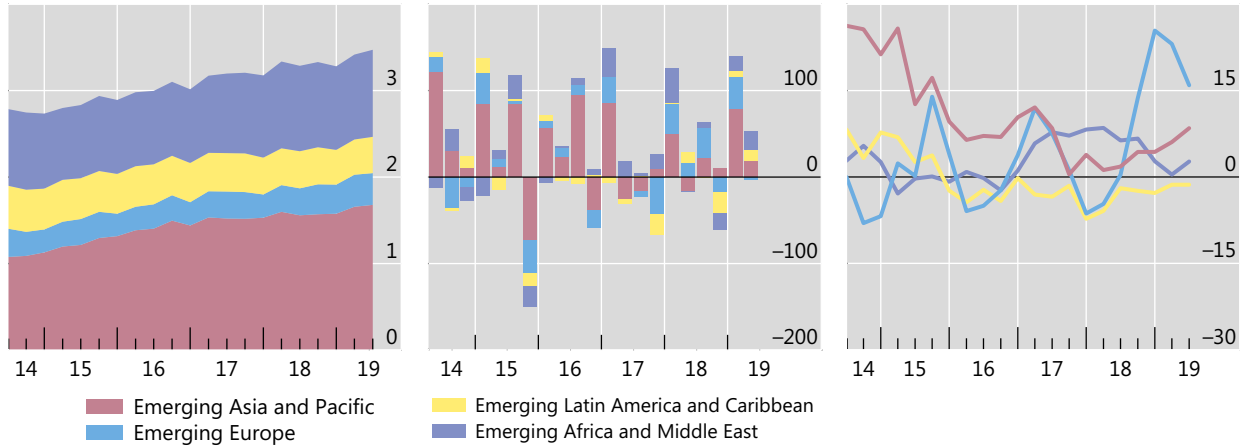
Graph A.5

Amounts outstanding, in USD trn¹

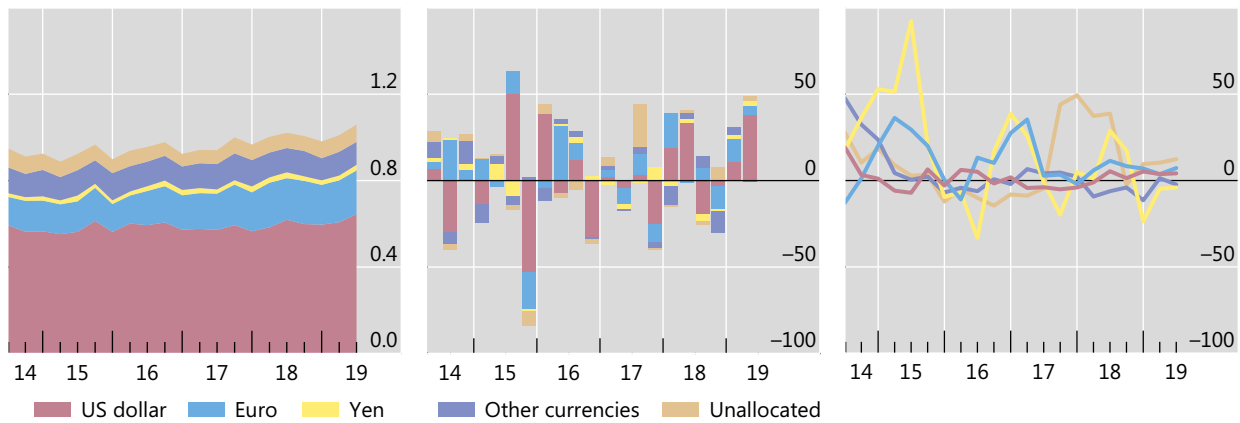
Adjusted changes, in USD bn²

Annual change, in per cent³

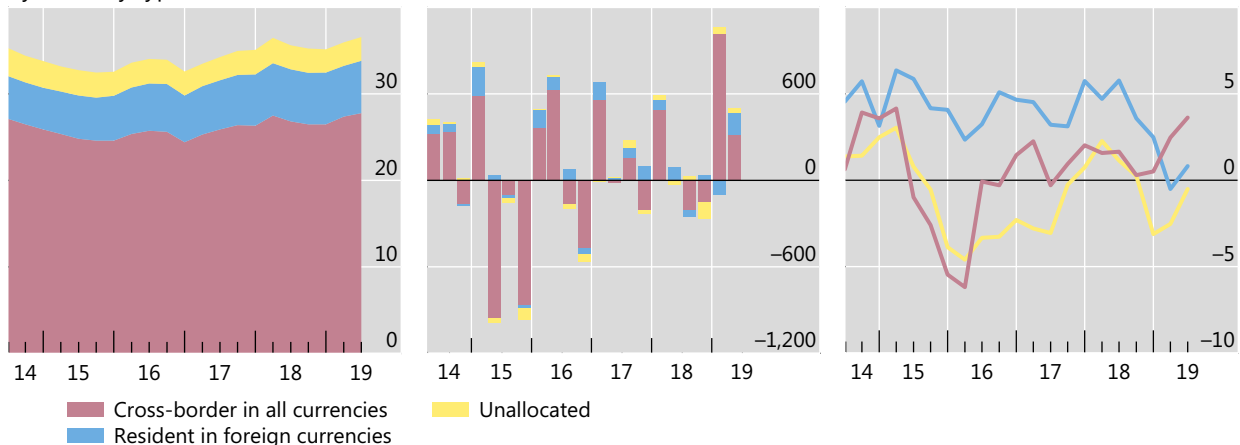
To emerging market economies



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.

Annex B Consolidated banking statistics: charts

Consolidated claims of reporting banks on advanced economies

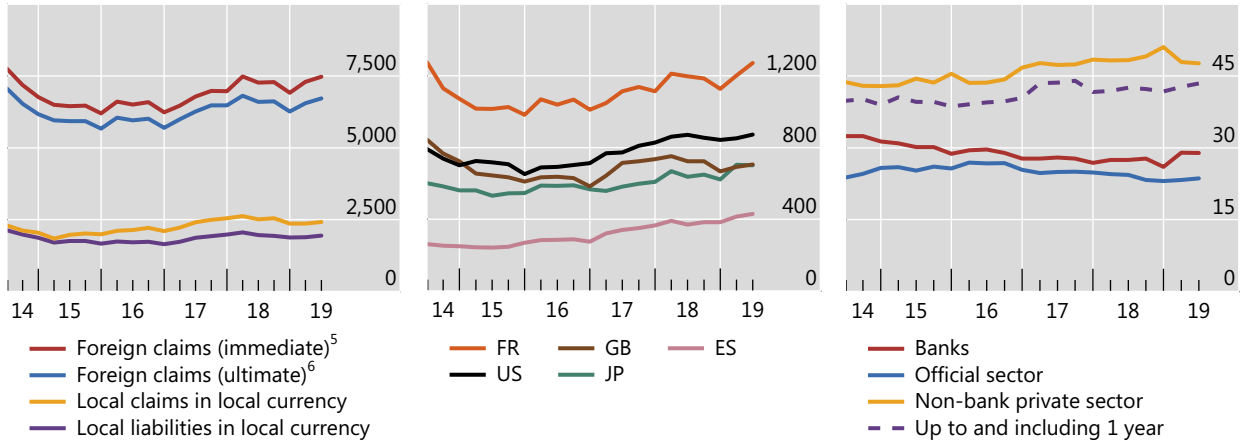
Graph B.1

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

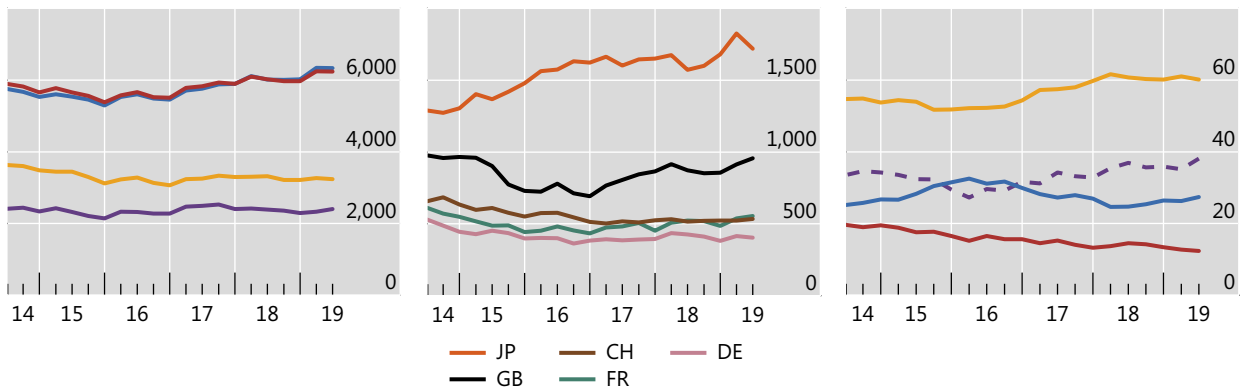
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

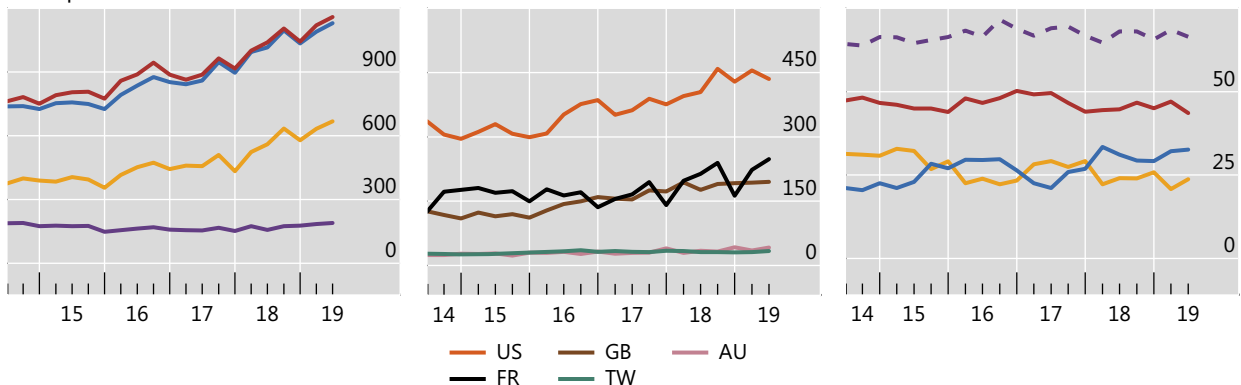
On the euro area



On the United States



On Japan



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 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 (CBS). Further information is available at www.bis.org/statistics/consstats.htm.

Consolidated claims of reporting banks on emerging market economies

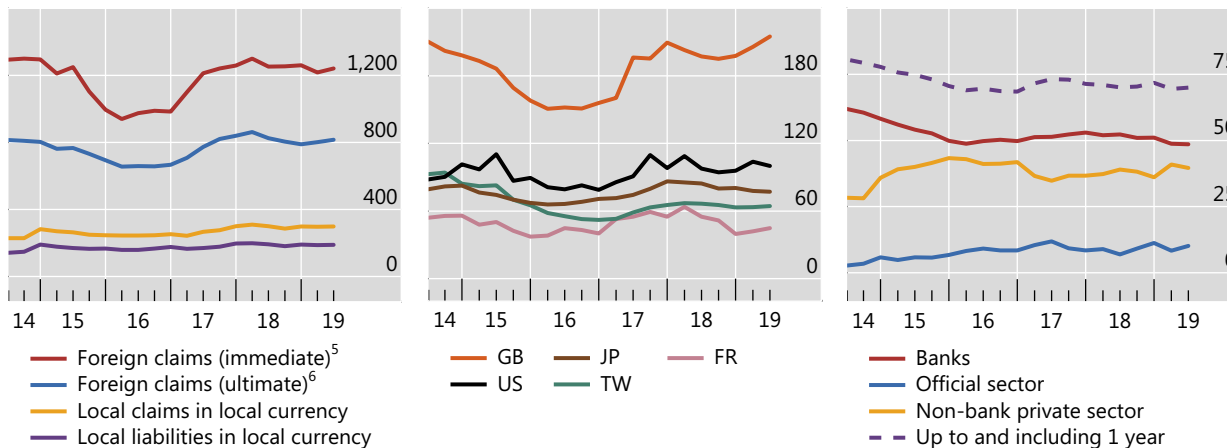
Graph B.2

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

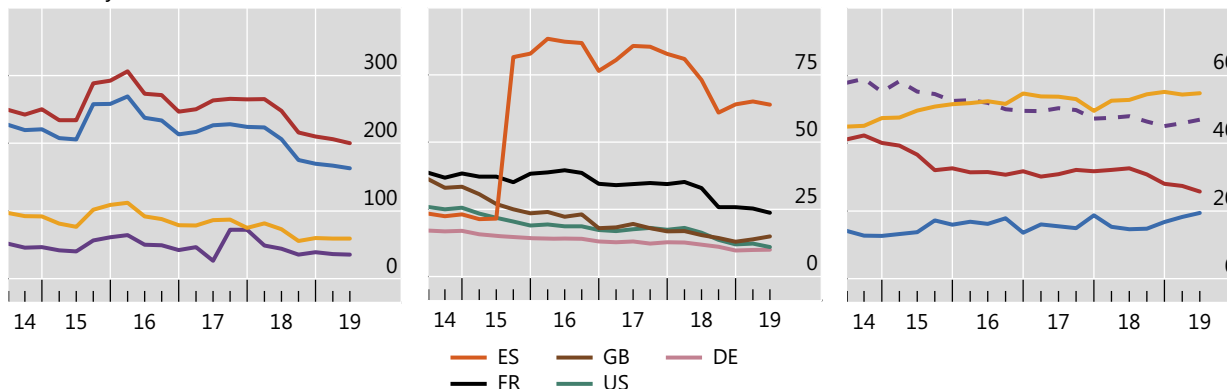
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

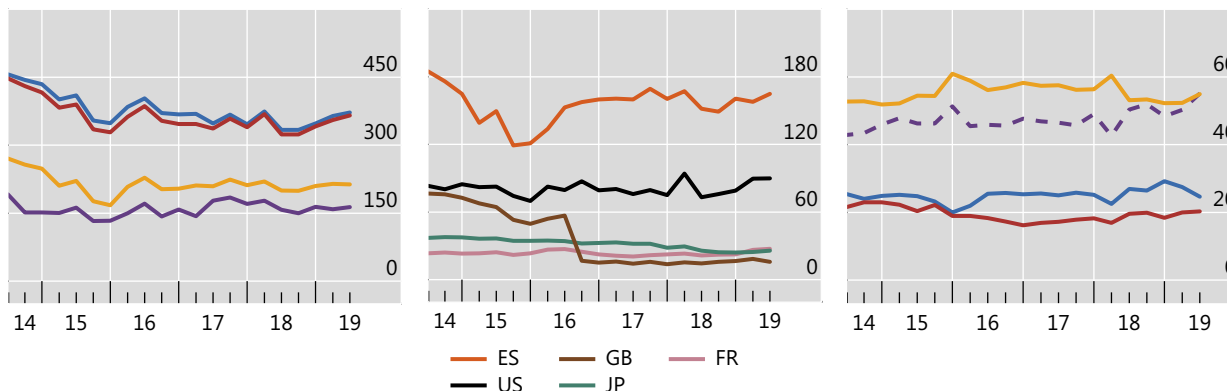
On China



On Turkey



On Brazil



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