



22 January 2021

Statistical release: BIS international banking statistics at end-September 2020

- Global cross-border claims [changed little](#) in aggregate in Q3 2020 after large fluctuations in Q1 and Q2.
- Cross-border claims on emerging market and developing economies [continued to fall](#), driven again by claims on Latin America and the Caribbean.
- Since the start of the pandemic, the size of banks' [balance sheets](#) has increased sharply with the accumulation of claims on [governments and monetary authorities](#).
- A new [interactive chart](#) for visualising bilateral cross-border positions based on the locational banking statistics is now available online.

Global cross-border claims barely budged

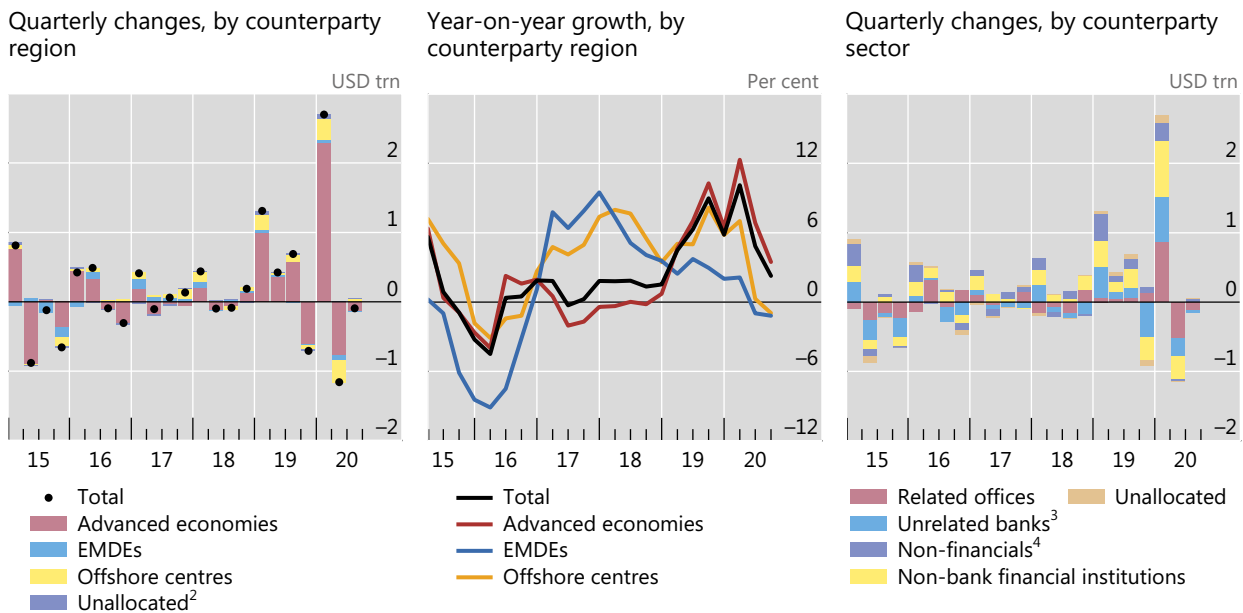
Banks' cross-border claims registered a modest contraction of [\\$93 billion](#) in the course of Q3 2020 on an FX- and break-adjusted basis (Graph 1, left-hand panel). This quarterly contraction was quite muted (0.3% of previous quarter stock) compared with the large fluctuations in Q1 and Q2 2020, of +\$2.7 trillion and -\$1.2 trillion, respectively. [Year-on-year growth rates](#) continued to fall from their recent Q1 2020 peak, when cross-border positions had surged (centre panel).

Claims on both [advanced economies](#) (AEs, -\$131bn) and emerging market and developing economies (EMDEs, -\$13bn) declined. As earlier in the year, these movements were in part driven by intragroup positions (Graph 1, right-hand panel). The decline in claims on AEs centred on related offices (-\$114bn), especially on those in the United States (-\$81bn). The unwinding of central bank dollar swap lines, which had swelled intragroup positions in Q1, contributed to this decline.¹ By contrast, claims on offshore centres expanded by \$41bn (left-hand panel), especially vis-à-vis Hong Kong SAR (+\$39bn) and the Cayman Islands (+\$24bn). More than half of the increase on Hong Kong was in the form of intragroup claims.

Some of the larger movements vis-à-vis AEs involved non-bank financial institutions (NBFIs). Claims on the United Kingdom (-\$50bn), the Netherlands (-\$50bn), Luxembourg (-\$46bn), France (-\$40bn) and Italy (-\$39bn) all fell, mostly vis-à-vis NBFIs. These declines were partly offset by increases in claims on Japan (+97bn) and Germany (+65bn), notably on their resident banks and NBFIs.

The modest aggregate decline also conceals large differences on the creditor side. Banks located in China, France and the United Kingdom saw the greatest increases in cross-border claims while those in Spain, Germany and the United States reported outside declines.

¹ See I Aldasoro, C Cabanilla, P Disyatat, T Ehlers, P McGuire and G von Peter, "Central bank swap lines and cross-border bank flows", *BIS Bulletin*, no 34, December.



¹ Quarterly changes are adjusted for breaks in series and exchange rate fluctuations. The year-on-year growth rates are calculated based on the adjusted changes for the past four quarters. ² Includes international organisations and unallocated cross-border claims. ³ Includes central banks and banks unallocated by subsector between intragroup and unrelated banks. ⁴ Includes non-banks unallocated by subsector.

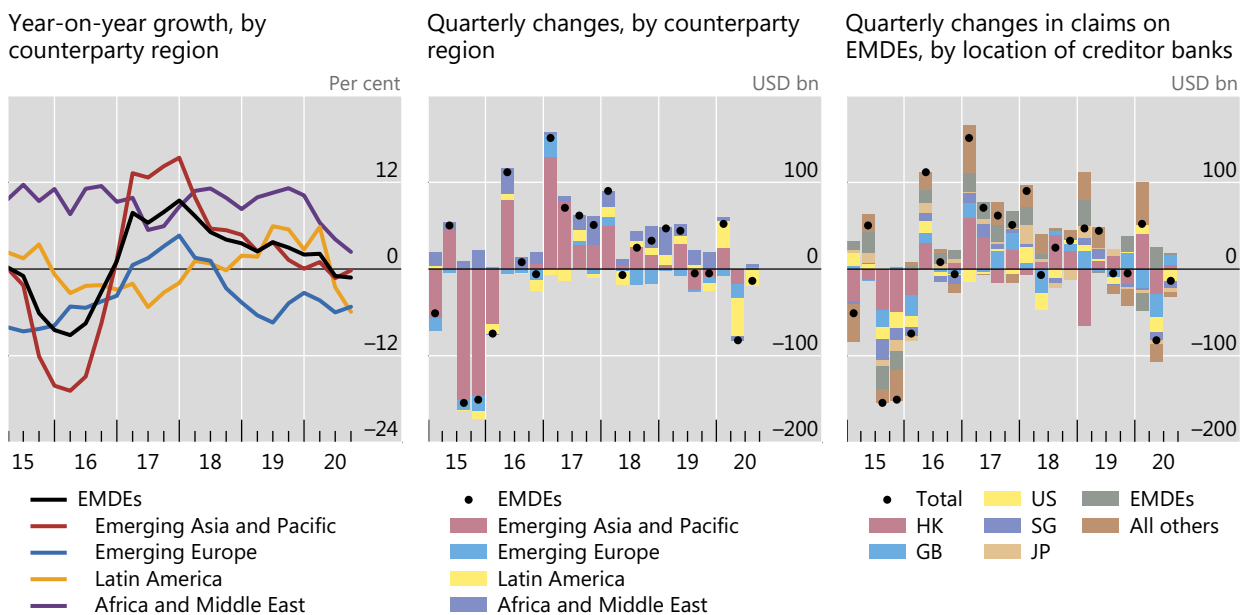
Source: BIS locational banking statistics.

Cross-border claims on EMDEs continued to fall

Cross-border claims on EMDEs contracted for the second consecutive quarter in Q3 2020, by **\$13 billion**, and their year-on-year growth remained negative (Graph 2, left-hand panel).² Although smaller than in Q2, the quarterly decline was again driven by claims on borrowers in Latin America (-\$17bn, centre panel). More than three-quarters of the drop was on the major economies in the region, ie Brazil, Mexico, Chile, Colombia and Argentina. Claims on non-financial corporations in these countries fell the most.

During the pandemic, creditor banks located in AEs and offshore centres have reported a large contraction in their cross-border claims on EMDEs, while creditor banks within EMDEs reported a modest expansion. As a result, global cross-border claims on EMDEs declined by a combined **\$95 billion** during the second and third quarters of 2020. Major AE and offshore creditors to EMDEs, such as banks located in the United States, the United Kingdom, Hong Kong SAR, Singapore and Japan, reduced their lending by a combined \$97 billion during this period (Graph 2, right-hand panel). By contrast, banks in EMDEs booked a \$26 billion increase in cross-border claims on EMDEs during the past two quarters. Banks in emerging Asia-Pacific, mainly China and Chinese Taipei, led the expansion.

² Cross-border bank flows declined amid a resurgence of capital flows to emerging market economies in the third quarter of 2020. See *Financial Times*, "[Foreign investors dash into emerging markets at swiftest pace since 2013](#)", 18 December 2020.



Source: BIS locational banking statistics.

Claims on the official sector have surged since the start of pandemic

The fluctuations in cross-border positions provide but a partial picture of how internationally active banks’ balance sheets have evolved during the Covid-19 pandemic. A more comprehensive view based on the BIS consolidated banking statistics (CBS), which track the globally consolidated positions of banks headquartered in a given country (net of inter-office positions), shows that their total assets and liabilities have actually surged since the same period last year (Graph 3, left-hand panel). The [total assets](#) of banks headquartered in 22 BIS reporting countries grew from \$67 trillion at end-Q3 2019 to \$75 trillion by the third quarter of 2020, a 12% increase.³ Total liabilities followed a similar pattern.

The bulk of the increase in claims was in domestic positions (ie claims on residents of the reporting banks’ home country). Compared with the same period (Q3) the year before, banks’ consolidated total claims have increased by \$8 trillion in aggregate, almost 80% of this is on their home country borrowers. This pattern was evident across many banking systems. By contrast, banks’ foreign claims – ie cross-border claims and local claims booked by their affiliates located abroad – contributed only 20% to the increase during this period.⁴

³ The aggregation comprises banks headquartered in 22 of the 31 CBS-reporting countries because some countries report incomplete data. Throughout this section, the inclusion of a reporting country in the aggregate “All” depends on the completeness of data across time. In addition, the latest data are compared with Q3 2019, so as to avoid the year-end effects seen in Q4 data.

⁴ Data cited in this section are changes in amounts outstanding expressed in US dollars, and are not adjusted for exchange rate movements. In the period from September 2019 to September 2020, the US dollar depreciated against some major currencies (7% and 4% against EUR and CNY, respectively). Dollar depreciation increases reported amounts when positions denominated in other currencies are expressed in US dollars.

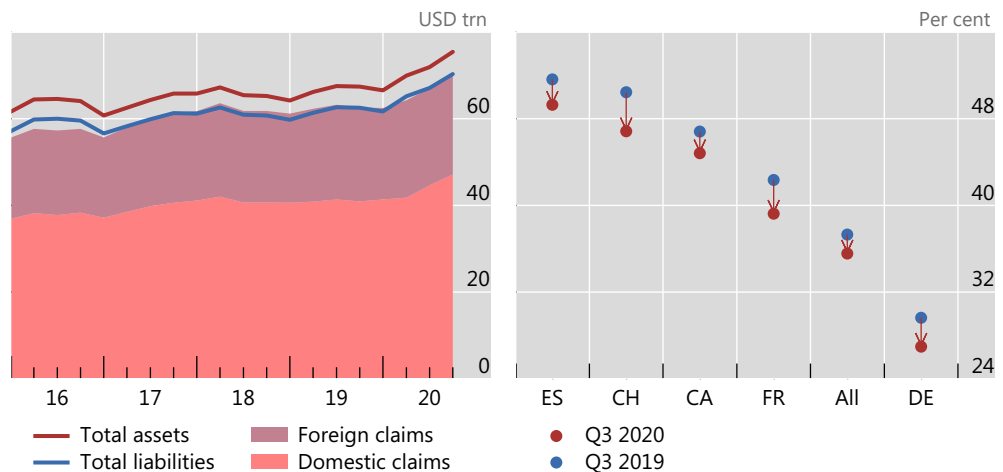
As a result, BIS reporting banks' portfolios have turned more domestic since the onset of the pandemic. Across several reporting banks, this share has decreased by about 2 percentage points (Graph 3, right-hand panel). For Canadian, French, German, Spanish and Swiss banks, the share declined by 2–4 percentage points compared with the same period the year before, Q3 2019.

Balance sheet positions of global banks

Graph 3

Total assets and liabilities across selected banking systems¹

Share of foreign claims in total claims, by national banking system²



¹ The aggregate comprises all CBS/IC-reporting countries except for AT, BR, CL, ES, JP, MX, PA, PT and TR. Domestic claims for AU and IN have been extrapolated backwards. ² "All" comprises the set of CBS/IC-reporting countries except for AU, BR, CL, IN, JP, MX, PA, PT and TR.

Source: BIS consolidated banking statistics on an immediate counterparty basis (CBS/IC).

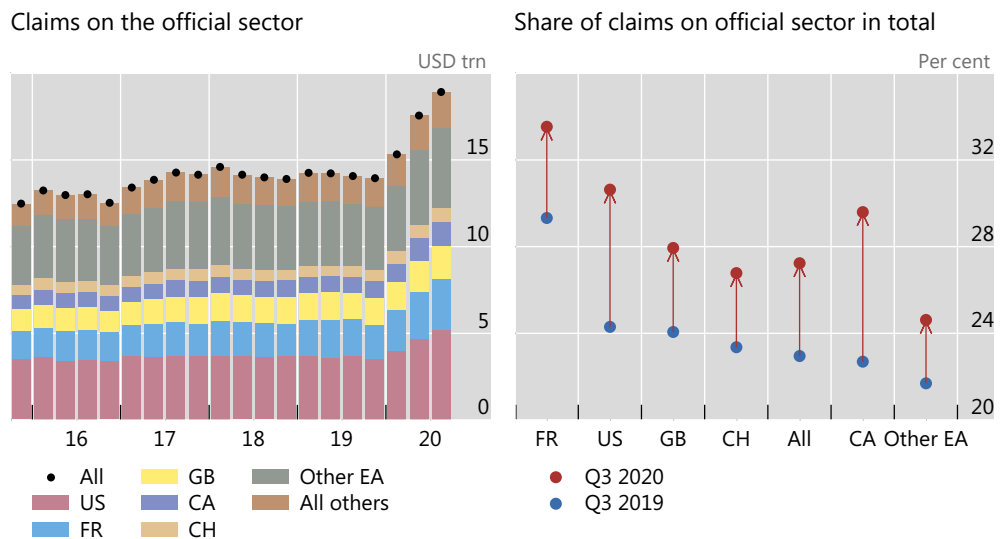
The expansion in total claims was mainly vis-à-vis the [official sector](#), comprising governments and central banks.⁵ Outstanding claims on this sector – mainly holdings of government bonds and reserves at central banks – stood at \$19 trillion at end-Q3 2020, up from \$14 trillion a year earlier, a 34% increase (Graph 4, left-hand panel). Over that period, their share in total claims at Canadian and US banks rose by roughly 6 percentage points (right-hand panel). The official sector share for many other banking systems also rose noticeably, by 3–4 percentage points. Banks' claims on the official sector of their home country generally grew the most.

⁵ Note that, in the CBS, the official sector includes the central bank, and thus differs from the general government sector in the System of National Accounts.

Banks' claims on the official sector grew during the pandemic

By banking system; including both foreign and domestic claims¹

Graph 4



¹ "All" comprises the set of CBS/G-reporting countries except for AU, IN, JP and PT. "Other EA" comprises DE, ES, IT, NL.

Source: BIS consolidated banking statistics on a guarantor basis (CBS/G).

These developments went hand in hand with a rise in [bank deposits](#), mostly from residents in banks' home countries. The growth in deposits has been evident since 2014, but accelerated during the pandemic (Graph 5, left-hand panel). End-Q3 2020 data show that the share of deposit liabilities⁶ in total liabilities increased by about 3 percentage points from a year earlier for several banking systems combined (right-hand panel); this rise contrasts with the overall stability observed in the previous two years. European banks, eg from Belgium, Finland, France, the Netherlands, Spain and Sweden, saw jumps of 4–7 percentage points in these shares compared with the year before. Other banking systems (eg German, Italian, Swiss, UK and US banks) also recorded increases.

⁶ In addition to deposits, total liabilities comprise debt securities, derivatives and other instruments, such as accounts payable and tax liabilities.

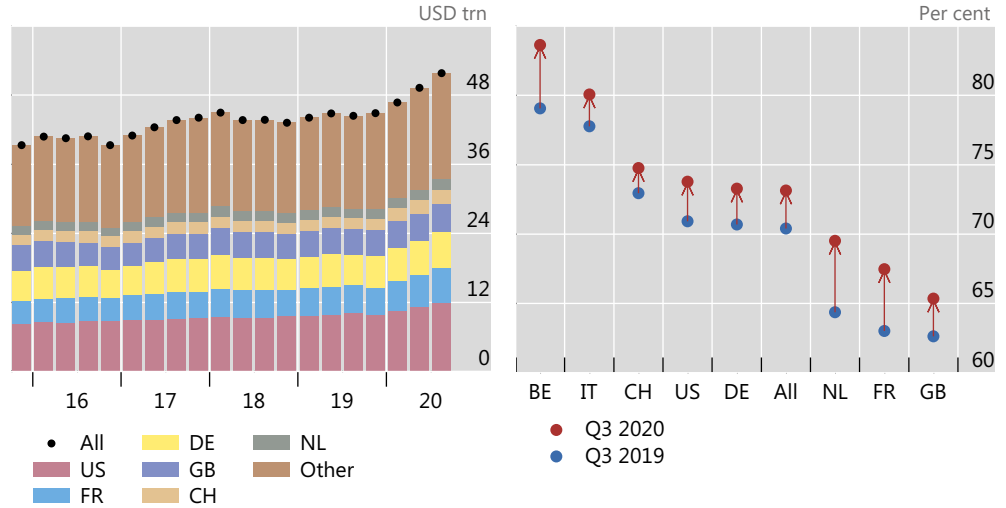
Marked increase in deposit liabilities

By banking system¹

Graph 5

Deposit liabilities

Share of deposit liabilities in total



¹ "All" comprises the set of CBS/IC-reporting countries except for AT, BR, CL, ES, JP, MX, PA and PT.

Source: BIS consolidated banking statistics on an immediate counterparty basis (CBS/IC).

New interactive chart on banks' cross-border bilateral positions

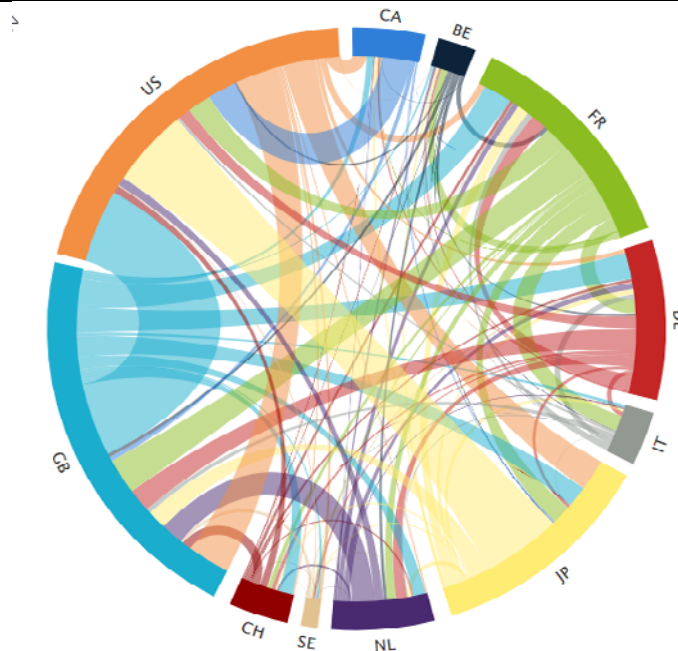
The BIS is releasing a new interactive tool for visualising banks' bilateral cross-border claims and liabilities in the locational banking statistics (LBS) by residence. The chart shows the relative size of the banks' bilateral claims or liabilities on all counterparties resident in the set of selected countries. The interactive tool allows users to visualise the *publicly available* bilateral LBS data, with selection options for bilateral country pairs, claims and liabilities and counterparty sector.

As an example, Graph A shows the cross-border claims of banks in G10 countries on all sectors in other G10 countries. The size of the orange node for the United States ("US") is a function of the size of cross-border claims of banks in the United States on all sectors in other countries (orange links) and the cross-border claims of banks elsewhere on all sectors in the United States (other links connected to the "US" node). The thickness of the link between two nodes is proportional to the size of cross-border positions among all the selected country pairs.

The interactive chart is linked directly to the underlying data on the BIS website. For example, clicking any node on the wheel will open that country's data from [Table 6.2](#). Similarly, clicking on any bilateral link opens a time series chart of that bilateral position. Finally, a tool tip shows the amounts outstanding and their period-to-period changes (both nominal and FX- and break-adjusted changes). For example, hovering on the "US" node on the wheel shows that the outstanding claims of all LBS-reporting banks on US residents amounted to \$5.6 trillion at the end of Q3 2020, of which \$1.4 trillion was credit from banks located in Japan. Hovering on the yellow bilateral link between Japan and the United States shows a quarterly nominal change of -\$7.8 billion and an FX- and break-adjusted change of -\$9.8 billion.

Bilateral cross-border positions for G10 countries

Graph A



Visit [this link](#) (or click the image above) for an [interactive chart](#).

Based on claims on all sectors in all instruments as of Q3 2020. Data cited as released on 22 January 2021. Data dimensions can be customised, such as the balance sheet position (eg claims or liabilities), sector (eg all sectors or non-banks), instruments (eg all instruments or loans and deposits) and country (as a reporter and as a counterparty).

Annex A Locational banking statistics: charts

Cross-border claims by sector, currency and instrument

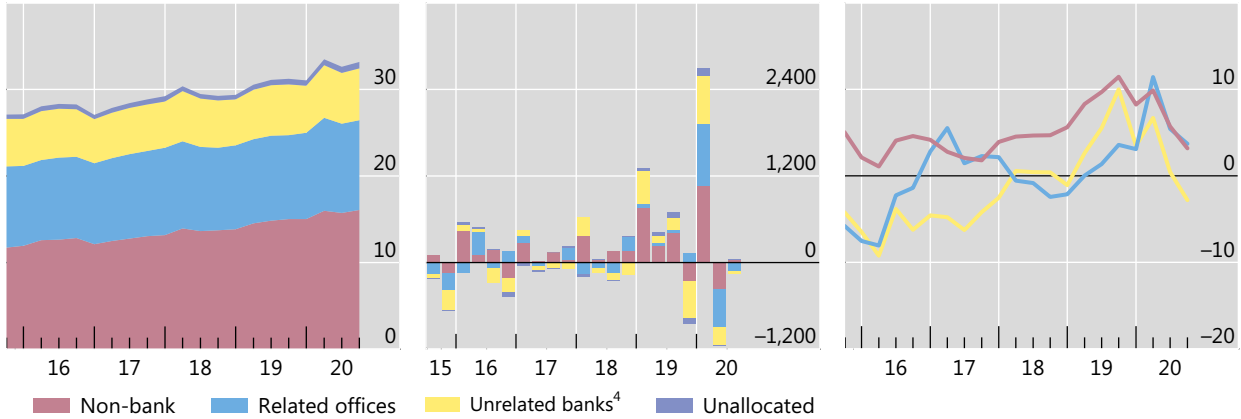
Graph A.1

Amounts outstanding, in USD trn¹

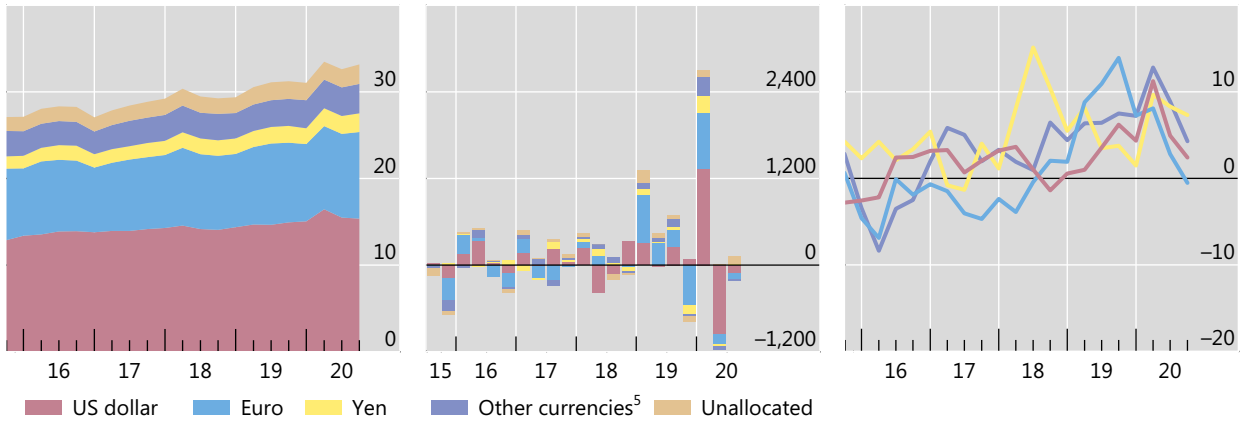
Adjusted changes, in USD bn²

Annual change, in per cent³

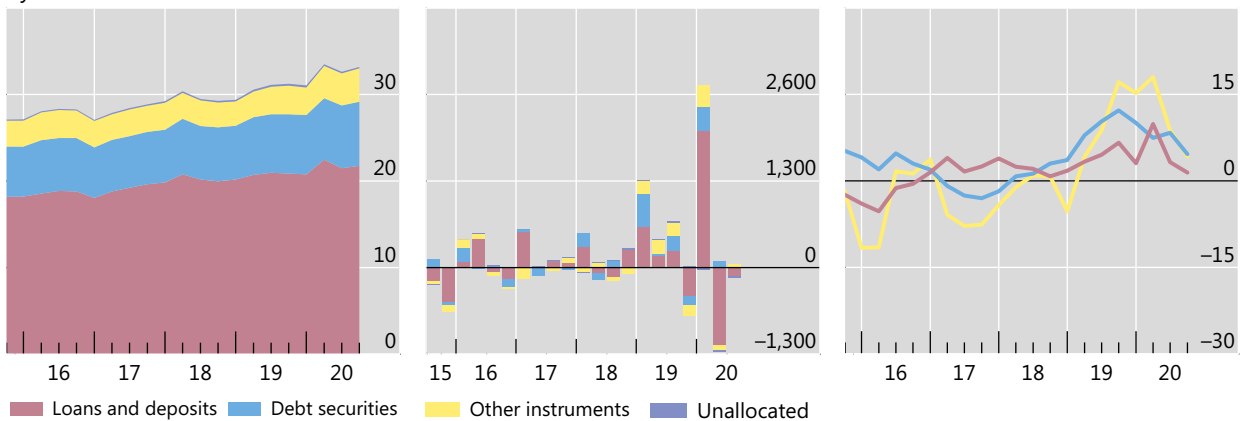
By sector of counterparty



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

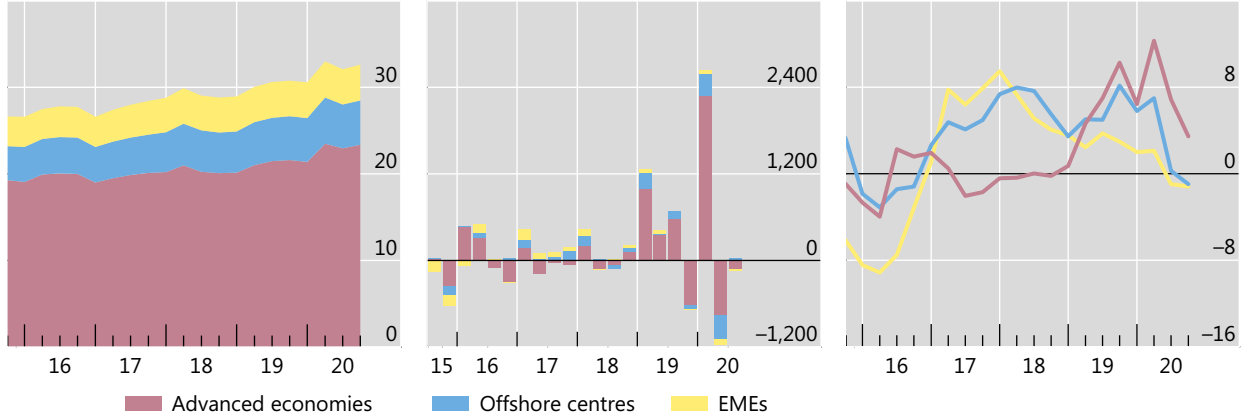
Graph A.2

Amounts outstanding, in USD trn¹

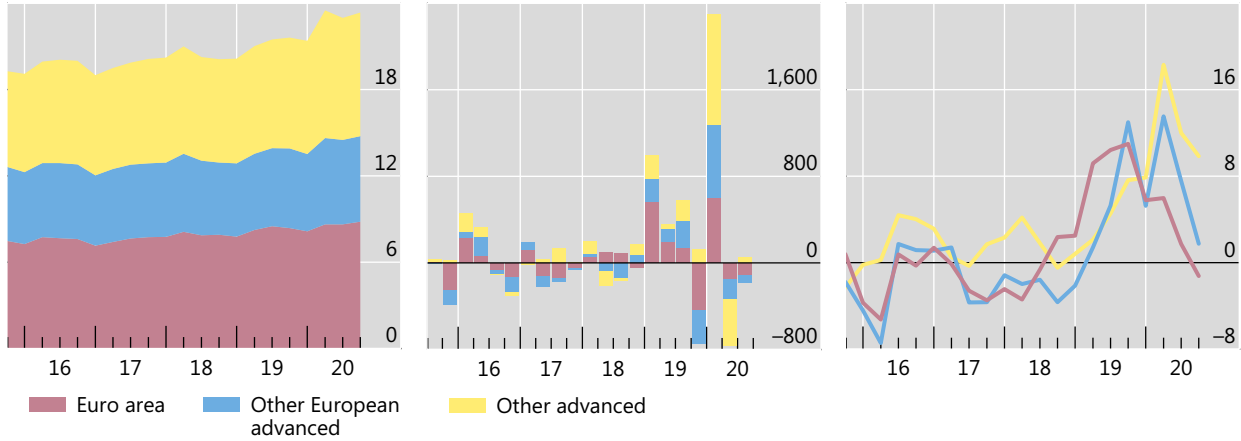
Adjusted changes, in USD bn²

Annual change, in per cent³

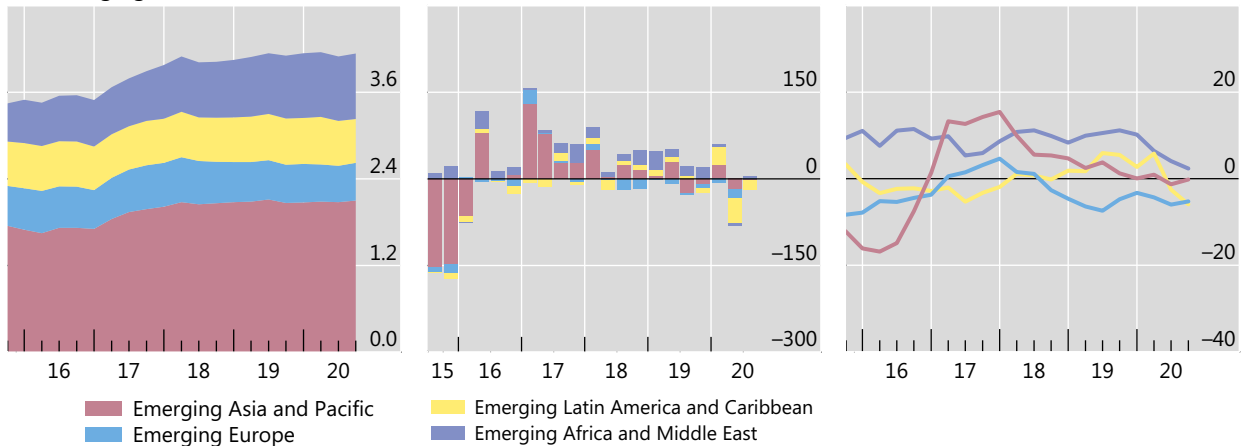
On all countries



On advanced economies



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

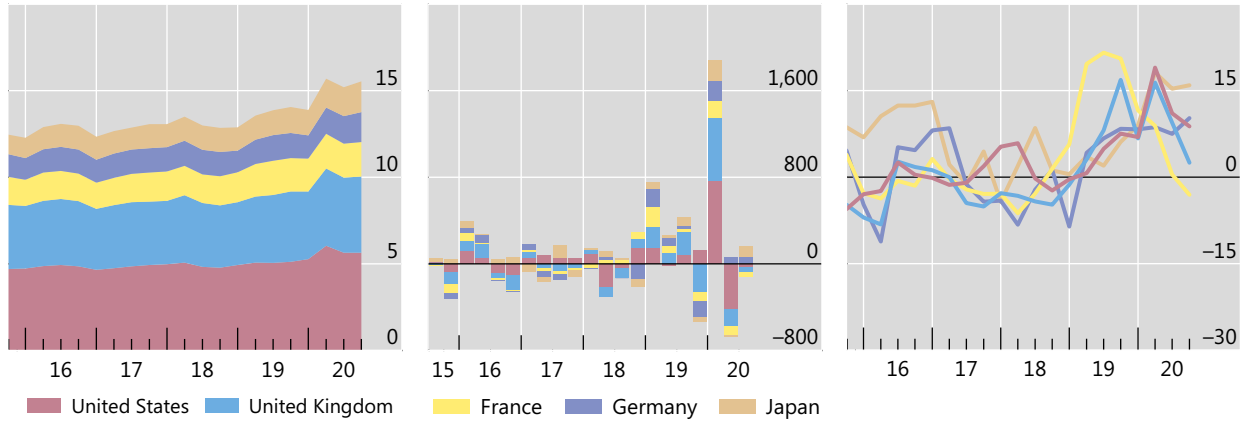
Graph A.3

Amounts outstanding, in USD trn¹

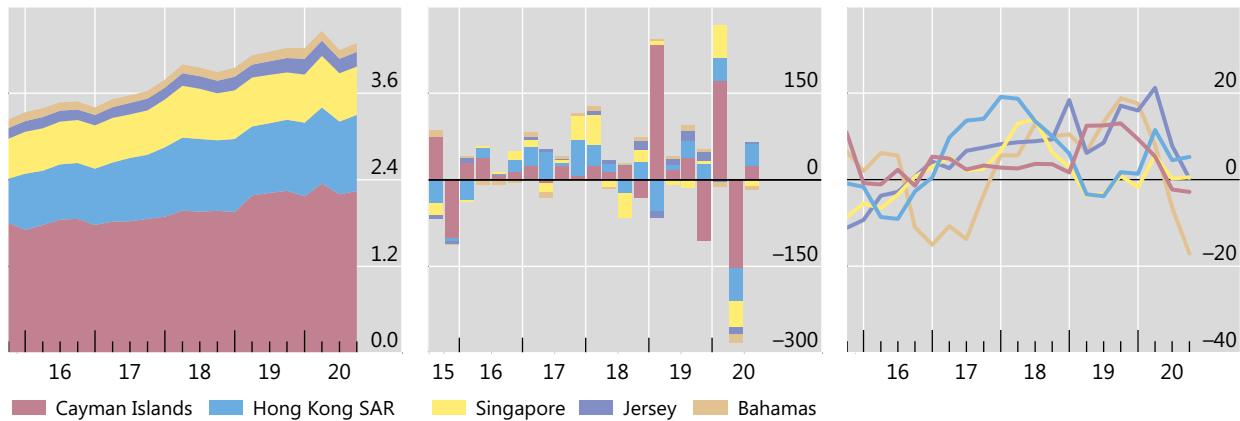
Adjusted changes, in USD bn²

Annual change, in per cent³

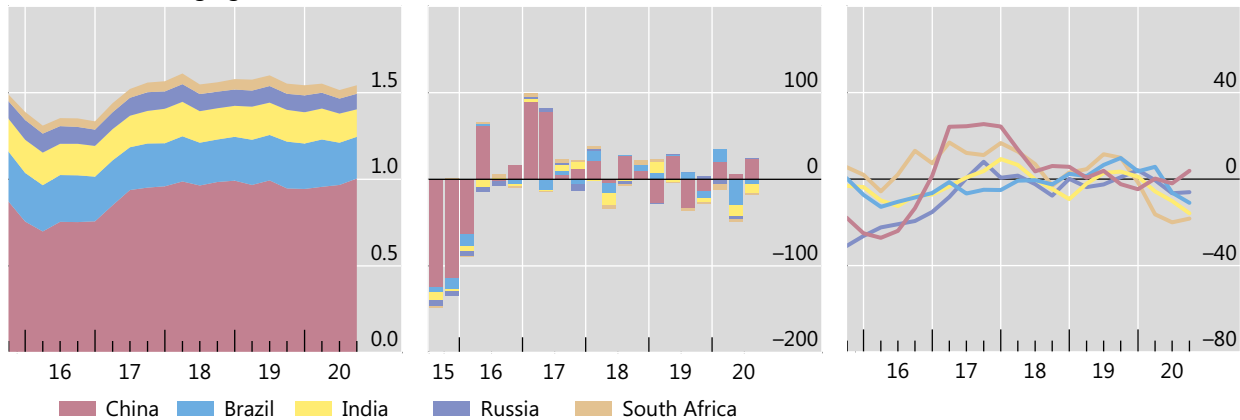
On selected advanced economies



On selected offshore centres



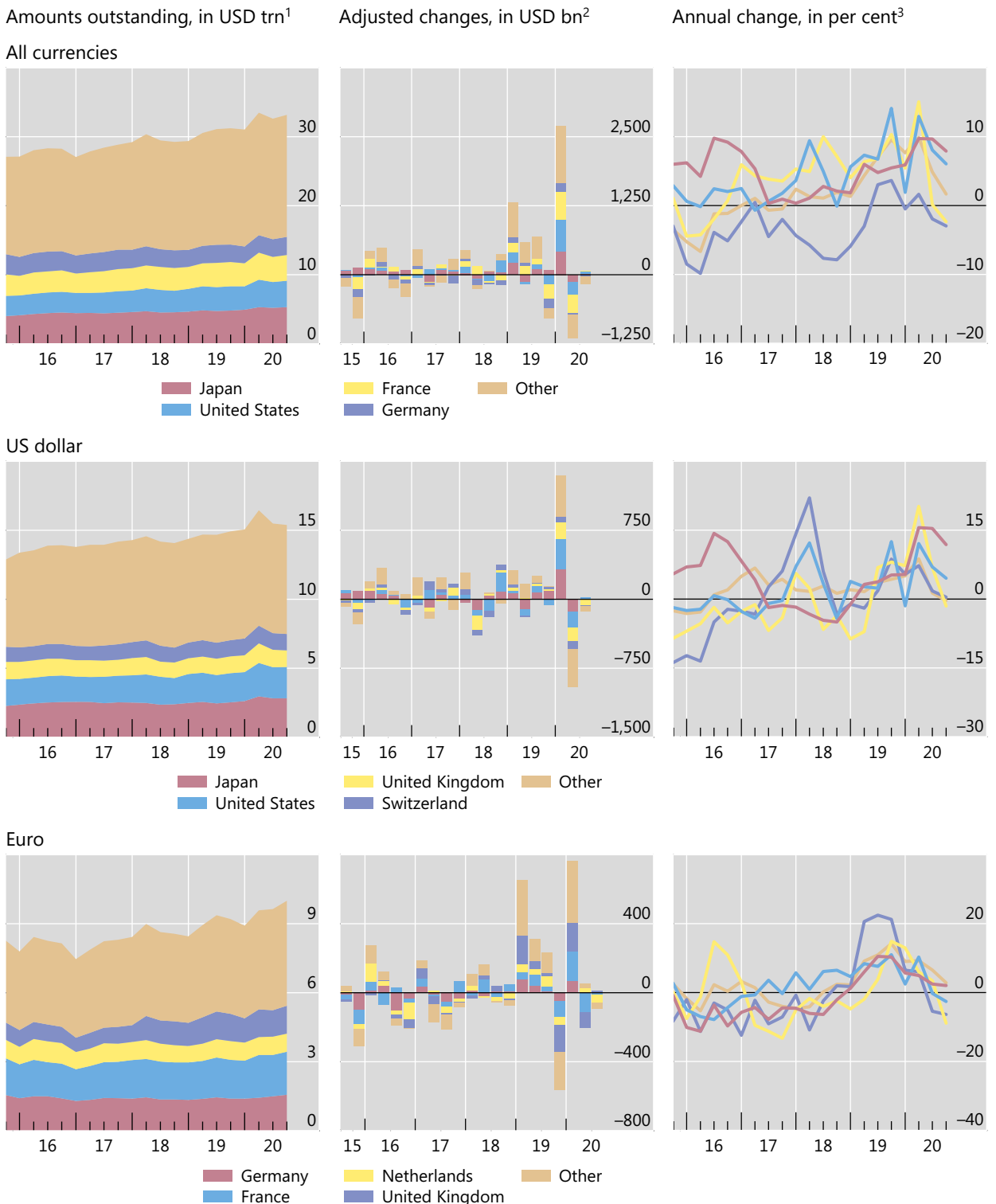
On selected emerging market economies



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

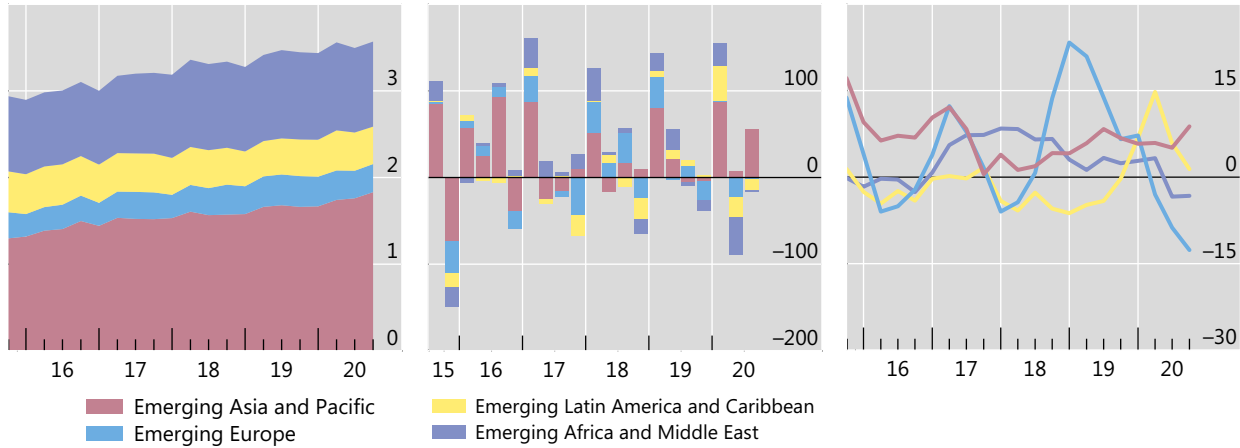
Graph A.5

Amounts outstanding, in USD trn¹

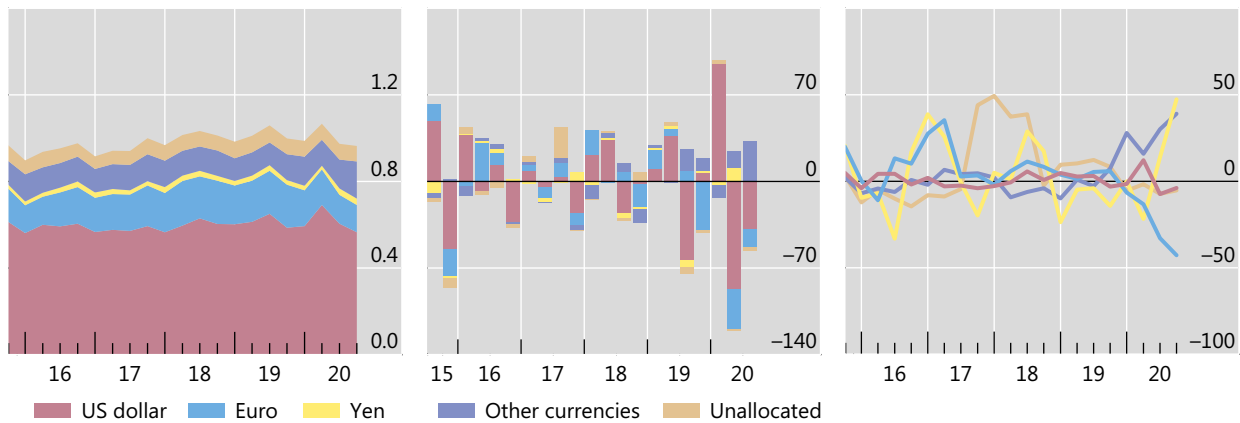
Adjusted changes, in USD bn²

Annual change, in per cent³

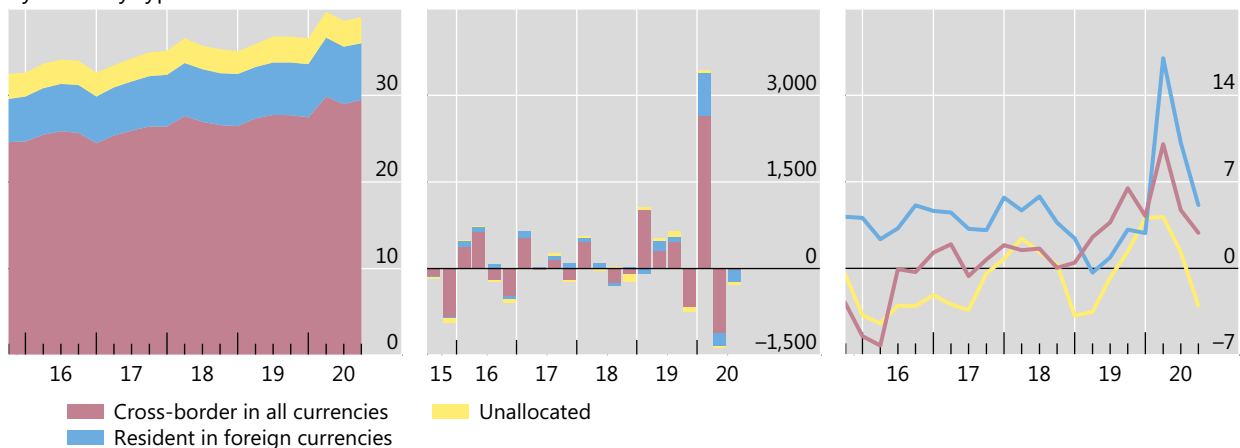
To emerging market economies



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.

Annex B Consolidated banking statistics: charts

Consolidated claims of reporting banks on advanced economies

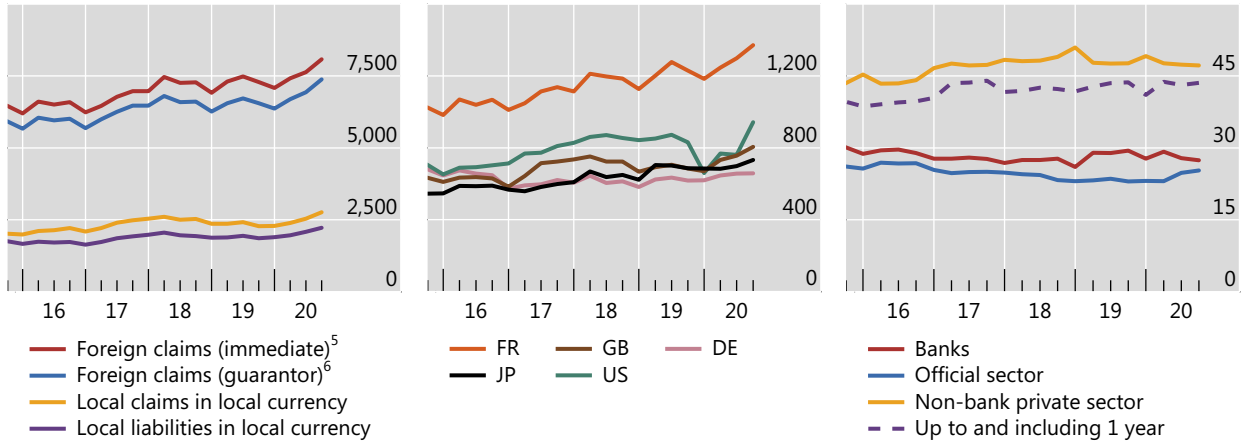
Graph B.1

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

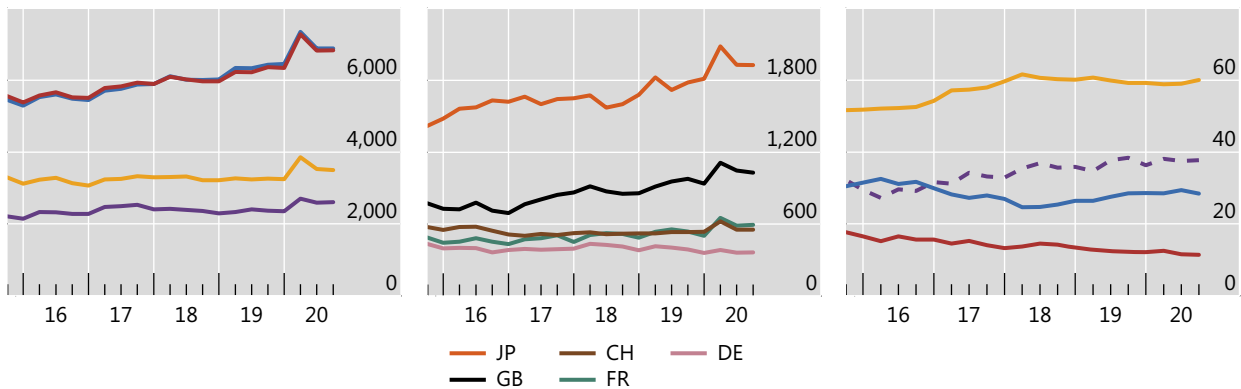
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

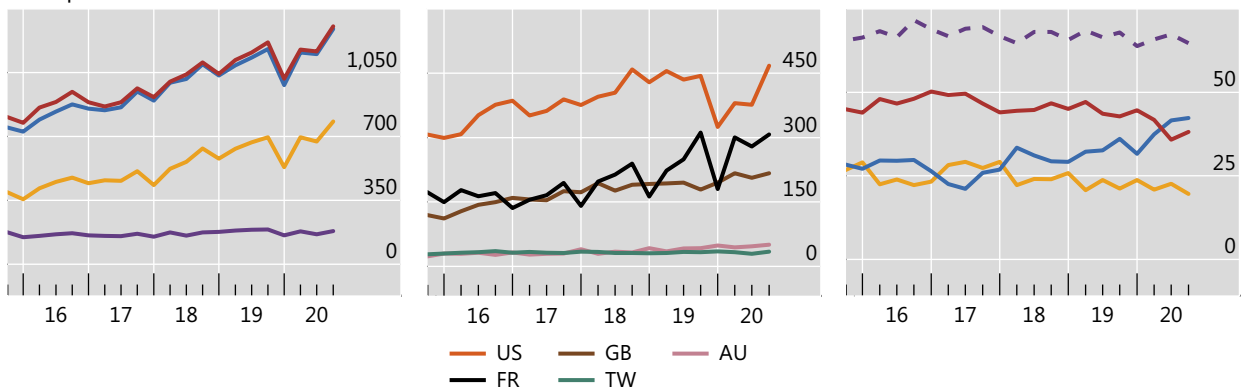
On the euro area



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 a guarantor 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 a guarantor 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

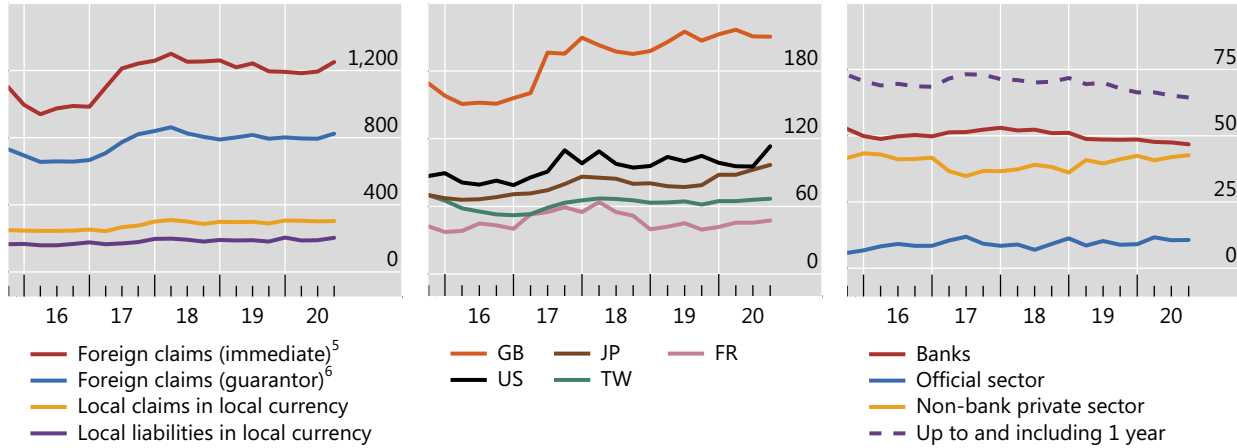
Graph B.2

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

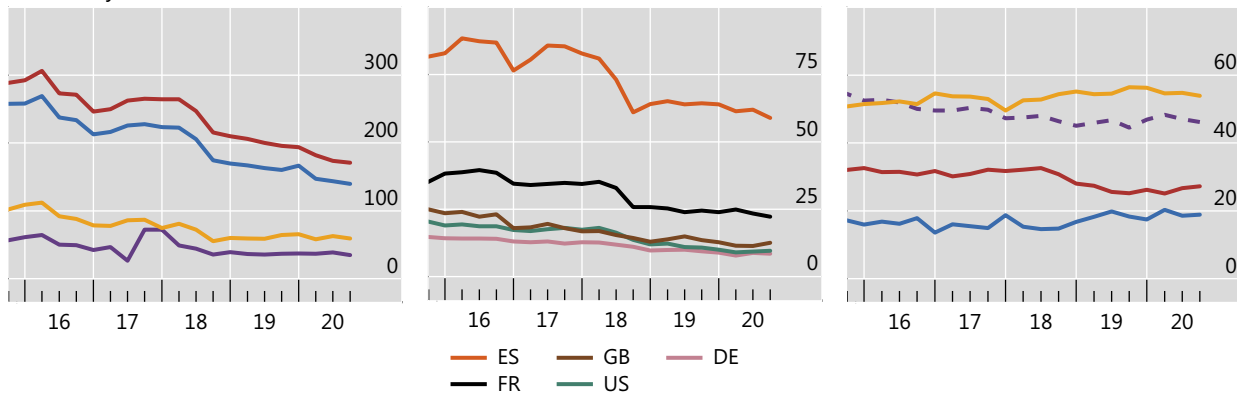
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

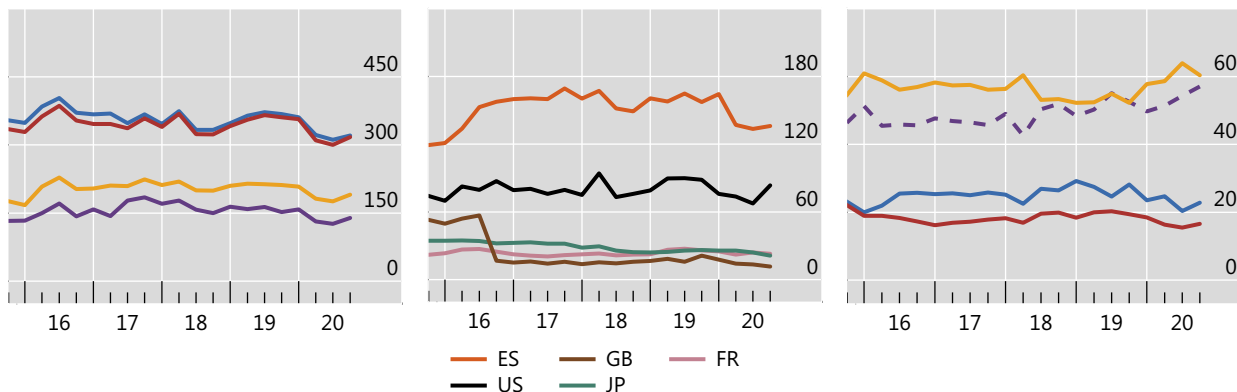
On China



On Turkey



On Brazil



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, i.e. claims on residents of a bank's home country. ³ Foreign claims on a guarantor 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 a guarantor basis.

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