

Statistical release: BIS international banking statistics and global liquidity indicators at end-June 2023

- Banks' cross-border claims rose by \$479 billion during Q2 2023 to reach \$37.7 trillion (+2% year on year (yoy)), driven by derivatives valuations.
- Cross-border bank credit (ie loans and holdings of debt securities) fell by \$60 billion during Q2, pushing the yoy growth rate of credit down to 1%.
- In the first half of 2023, bank credit to non-bank financial institutions (NBFIs) swelled (+\$331 billion), mainly to NBFIs located in the major financial centres.
- Bank credit to emerging market and developing economies (EMDEs) dropped by \$57 billion (–4% yoy) in Q2. The yoy decline in dollar credit (–8%) was the largest in the past decade.
- The BIS global liquidity indicators (GLIs) in Q2 2023 show a contraction in both dollar and euro credit to non-banks in EMDEs compared with a year earlier.

Amid weak credit growth, credit to NBFIs swelled

The BIS locational banking statistics (LBS) show that banks' global cross-border claims rose by \$479 billion (+2% yoy) during the second quarter of 2023 on an FX- and break-adjusted basis (Graphs 1.A and 1.E). This pushed the outstanding stock of claims to \$37.7 trillion (Annex Graph A.1).¹ The increase in claims was due to the rise in the market value of derivatives (+\$517 billion) amid changing expectations about future path of monetary policy in major currencies.

By contrast, the yoy growth in cross-border bank credit slowed further in Q2 (Graph 1, lower panels). Bank credit comprises loans and banks' holdings of debt securities but excludes derivatives; its rate of growth fell to 1% yoy. While growth in credit to advanced economies (AEs) remained positive, the overall slowdown was driven by credit to EMDEs, which shrank by 4% yoy (Graph 1.F).

Regarding sectors, a key development was that cross-border bank credit to non-bank financial institutions (NBFIs) rose substantially in the first half of 2023 (Graph 2.A). NBFIs attracted \$331 billion in new credit from international banks during this period, mainly due to stronger dollar credit, which grew at a rate of 8% yoy at end-June 2023 (Graph 2.B). The dollar credit expansion more than offset a fall in euro credit and left banks' overall cross-border credit to NBFIs at almost \$7 trillion, or 23% of total cross-border credit. Most of the new credit went to NBFIs located in international financial centres (Graph 2.C).

¹ In the BIS LBS, bank claims comprise (i) loans and deposits; (ii) holdings of debt securities; and (iii) derivatives with a positive market value and other residual instruments (combined). Credit is defined as the sum of (i) and (ii).

Changes in banks' global cross-border claims

Graph 1

Quarterly changes¹

Claims

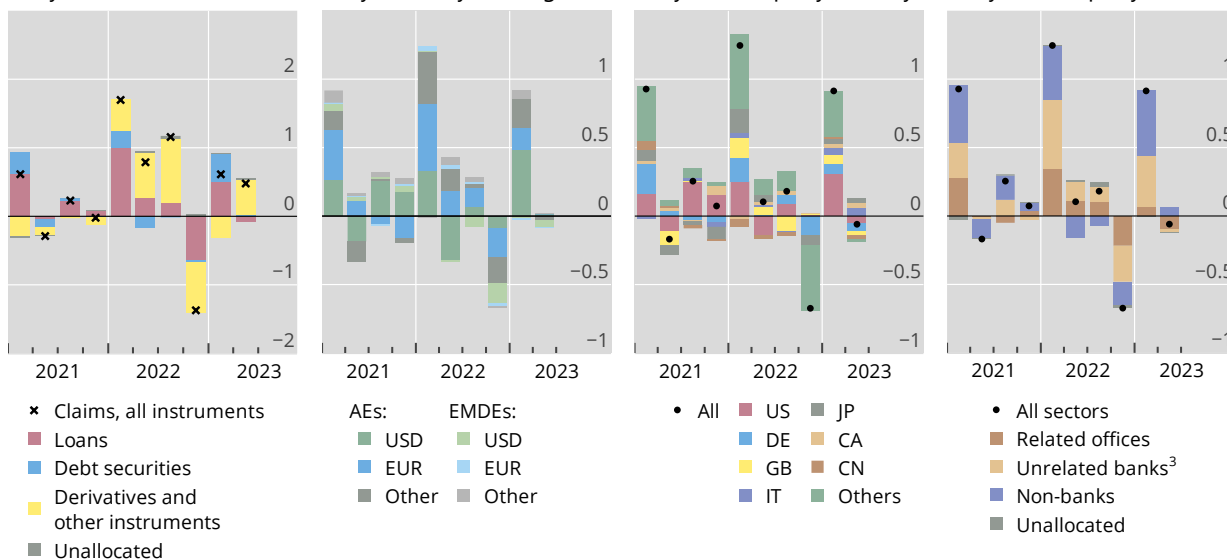
Of which: credit²

A. By instrument

B. By currency and region

C. By counterparty country

D. By counterparty sector



Year-on-year growth rates⁴

Claims

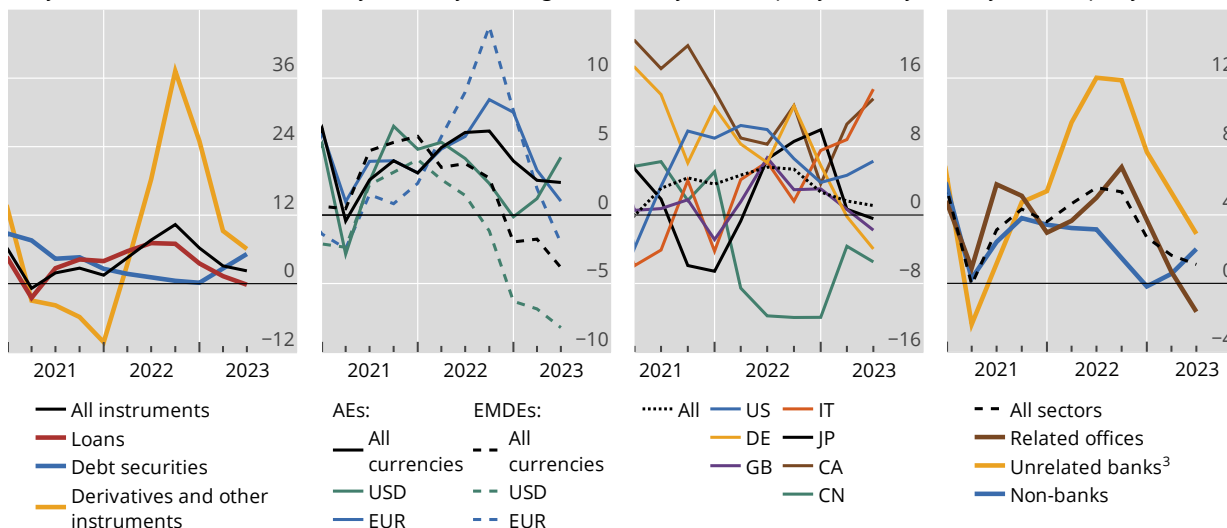
Of which: credit²

E. By instrument

F. By currency and region

G. By counterparty country

H. By counterparty sector

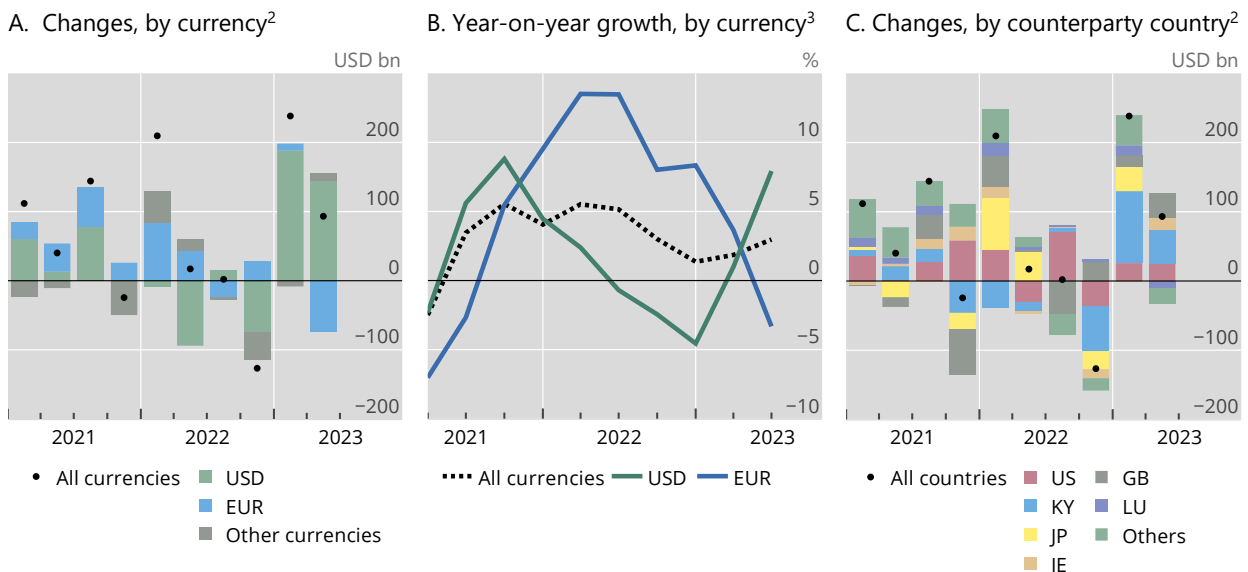


¹ Quarterly changes adjusted for breaks in series and exchange rate fluctuations, in trillions of US dollars. ² Credit refers to loans and holdings of debt securities, ie excluding from "claims" all other instruments (derivatives with positive market value, equity and other residual instruments). ³ Includes credit to central banks and to banks unallocated by subsector. ⁴ Annual compounded adjusted change, in per cent (see www.bis.org/statistics/bankstatsguide.pdf#page=42).

Source: BIS locational banking statistics.

Cross-border credit to non-bank financial institutions (NBFIs)¹

Graph 2



¹ Data for Japan relate to claims in all instruments. ² Quarterly changes adjusted for breaks in series and exchange rate fluctuations. ³ Annual compounded adjusted change, in per cent (see www.bis.org/statistics/bankstatsguide.pdf#page=42).

Source: BIS locational banking statistics.

Cross-border dollar credit to EMDEs continued to decline

Looking at borrower locations, cross-border bank credit to advanced economies (AEs) declined marginally during Q2, by \$11 billion overall (Graph 1.B). As a result, the stock of credit to AEs reached \$24.6 trillion, and its yoy growth remained positive at 2% (Graph 1.F), largely unchanged from the previous quarter. Within the AEs, cuts in credit to counterparties in the United States, Germany and the United Kingdom offset expansions in credit to those in Italy, Canada and Japan (Graph 1.C). Across currencies, growth in dollar credit to AEs accelerated (Graph 1.F), reaching 4% yoy. By contrast, growth in euro credit to AEs slowed to 1% yoy.

Cross-border bank credit to EMDEs continued to decline in Q2, this time by \$57 billion (Graph 3.A). This reduced the yoy growth rate to -4% (Graph 1.F), the lowest rate Q2 2016. This reflected mainly a slowdown in bank credit denominated in US dollars (Graph 3.B). In fact, dollar credit growth peaked in Q4 2021 at 4% yoy (Graph 3.C), the quarter before the Federal Reserve started its interest rate tightening cycle; growth has since turned negative, reaching -8% yoy at end-Q2 2023, the fastest rate of contraction since 2012.

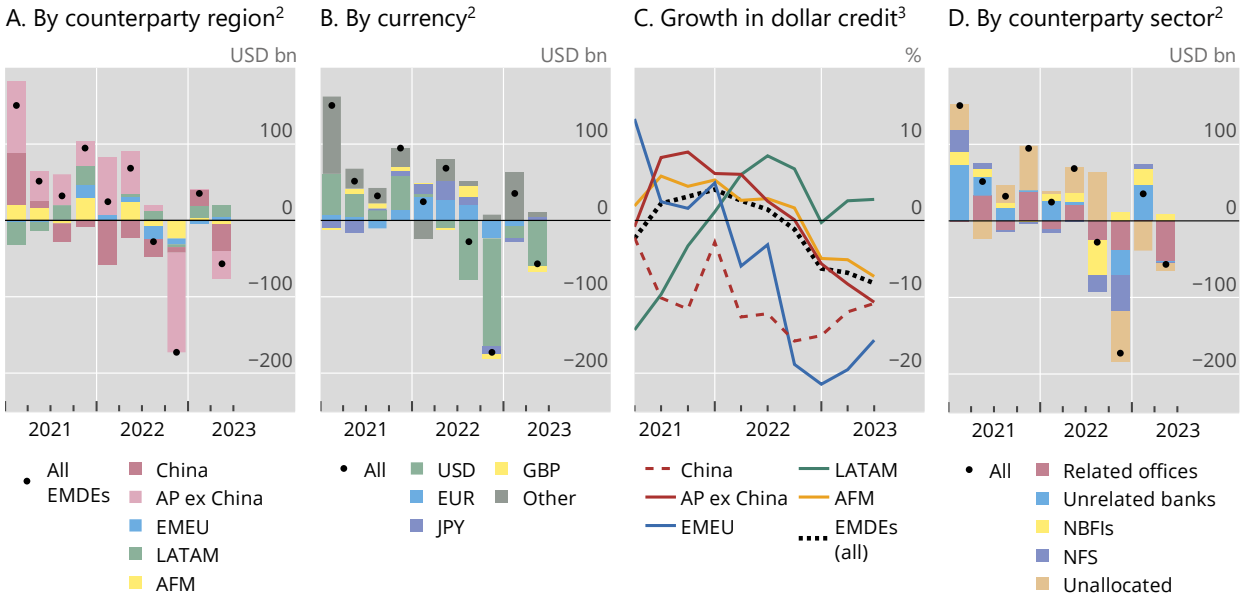
Across EMDE regions, credit to borrowers in Asia-Pacific has declined the most (Graph 3.A), reflecting a drop in credit booked via banks' related offices (Graph 3.D). As a result, dollar credit to the region shrank by 11% yoy (Graph 3.C), mostly for borrowers in Hong Kong SAR and China (Graph 4.A).

Growth in dollar credit to borrowers in Africa and the Middle East has also slowed noticeably in recent quarters (Graph 3.C). Over the period Q4 2021 to Q2 2023, dollar credit to borrowers in this region has fallen by a combined \$24 billion, with the largest

contractions observed for borrowers in Saudi Arabia and the United Arab Emirates (Graph 4.B). This reduced the yoy growth in dollar credit to the region to -7% yoy (Graph 3.C), down from a recent high of 5% at end-2021. By contrast, dollar credit to Latin America continued to expand in Q2 2023 (Graph 3.C). This was driven mainly by demand from borrowers located in Brazil, Mexico and Chile (Graph 4.C).

Cross-border bank credit to EMDEs¹

Graph 3



AFM = Africa and Middle East; AP = Asia and Pacific; EMEU = emerging Europe; LATAM = Latin America and Caribbean; NFS = Non-financials.

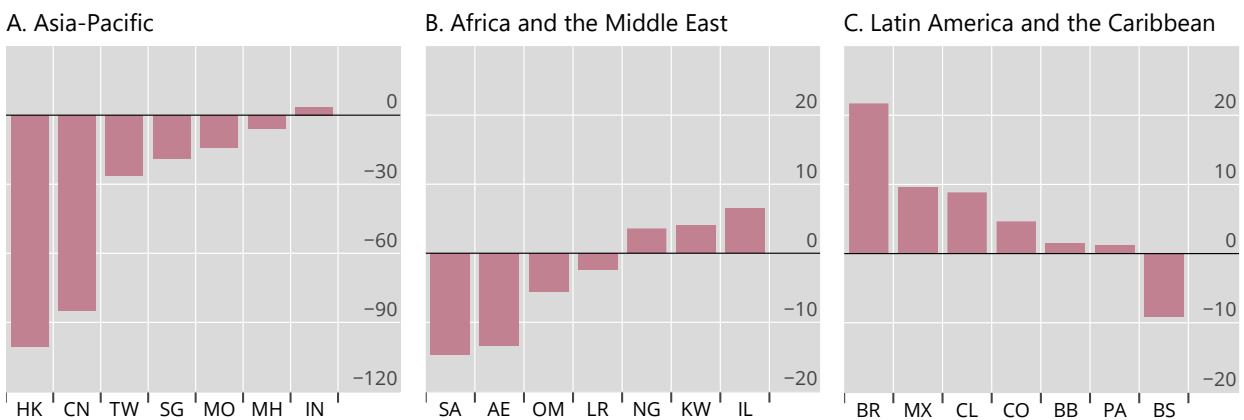
¹ Credit refers to loans and holdings of debt securities, ie removing from “total claims” all other instruments (derivatives with a positive market value, equity and other residual instruments). ² Quarterly changes adjusted for breaks in series and exchange rate fluctuations. ³ Annual compounded adjusted change, in per cent (see www.bis.org/statistics/bankstatsguide.pdf#page=42).

Source: BIS locational banking statistics.

Changes in USD credit to selected EMDEs (Q4 2021–Q2 2023)¹

Cumulative changes, in billions of US dollars

Graph 4



¹ Changes adjusted for breaks in series and exchange rate fluctuations.

Source: BIS locational banking statistics.

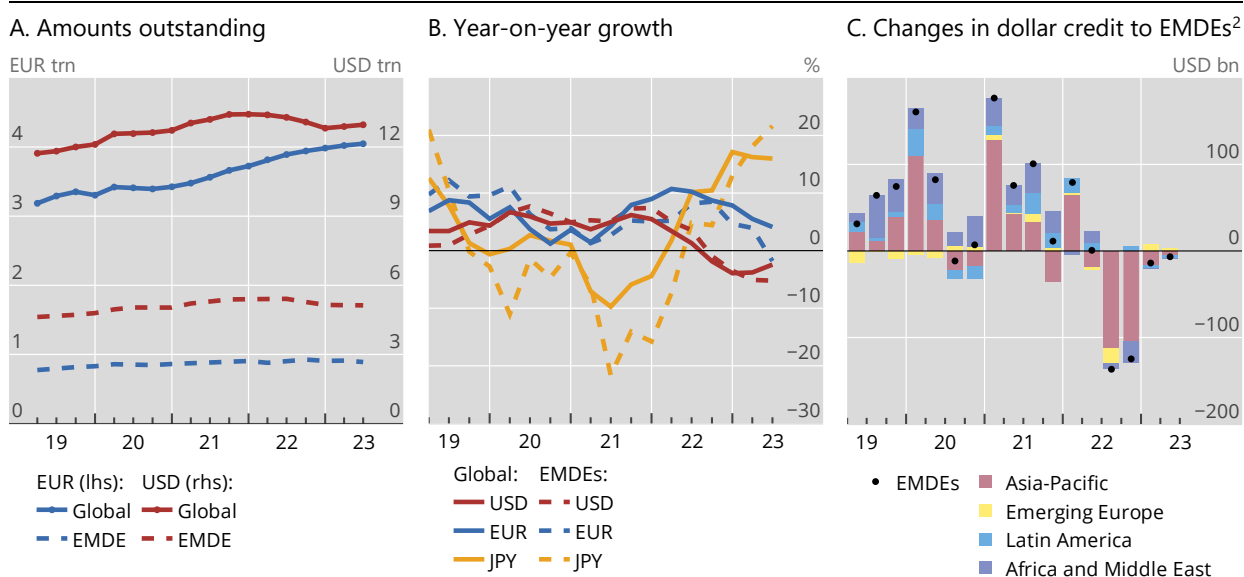
Global liquidity indicators at end-June 2023

The BIS global liquidity indicators (GLIs) track total credit to non-bank borrowers, covering both loans extended by banks and funding from global bond markets through the net issuance (gross issuance less redemptions) of international debt securities (IDS). The main focus is on foreign currency credit denominated in the three major reserve currencies (US dollars, euros and Japanese yen) to non-residents, ie borrowers outside the respective currency areas.²

Foreign currency credit in the three major currencies rose slightly in Q2 2023. The quarterly increase of \$77 billion in US dollar credit to non-banks outside the United States left the outstanding stock at \$13 trillion (Graph 5.A, solid red line). Even so, the yoy growth rate remained negative at -2% (Graph 5.B, solid red line). Euro-denominated credit to non-banks outside the euro area stabilised at €4 trillion (Graph 5.A, solid blue line), up 4% from a year earlier. Yen credit outside Japan continued to expand rapidly, driven by bank loans. The outstanding stock reached ¥58 trillion (\$400 billion), up 16% from a year earlier (Graph 5.B, solid yellow line).

Foreign currency credit to non-banks, by counterparty region¹

Graph 5



¹ Global refers to those economies outside the currency area. ² Data on local loans denominated in foreign currency extended by banks in Russia are not available after Q3 2021.

Source: BIS global liquidity indicators.

For non-banks in EMDEs, growth in credit denominated in dollars, euro and yen diverged. After three consecutive quarterly contractions, dollar credit to EMDEs remained weak in Q2 2023, leaving the stock near \$5.1 trillion (Graphs 5.A and 5.C).

² For more details, see the GLI methodology: www.bis.org/statistics/gli/gli_methodology.pdf.

Greater net issuance of IDS and an increase in cross-border loans to non-banks during Q2 partly offset the sizeable drop in dollar-denominated local bank loans.³

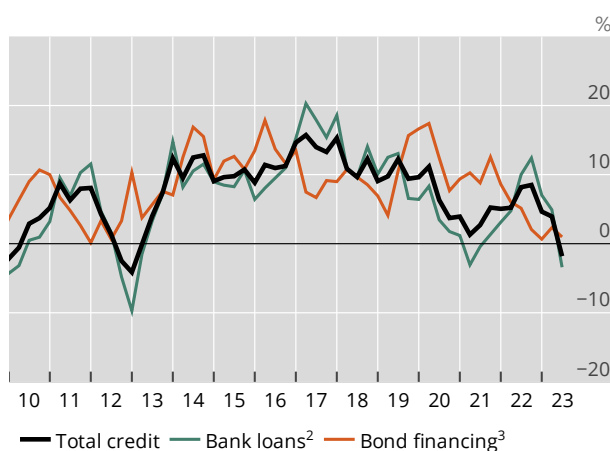
In contrast to dollar credit, the growth in yen credit to non-banks in EMDEs continued to accelerate, exceeding 20% yoy (Graph 5.B, dashed yellow line). This pushed the outstanding stock to ¥16 trillion (\$116 billion). The rapid growth in yen credit reflected mainly increased bank lending, which grew by 30% yoy. Since mid-2022, yen credit to non-bank borrowers in Asia-Pacific has expanded the most (¥1.9 trillion), followed by credit to those in Latin America (¥710 billion) and Africa and the Middle East (¥255 billion). Despite these developments, foreign currency credit in yen remains considerably smaller than the corresponding stocks of dollar and euro credit.

For its part, euro credit to non-banks in EMDEs fell by €21 billion in Q2 2023, leaving the outstanding stock at €890 billion. This contributed to a yoy contraction of 2%, the weakest rate of growth since end-2012 (Graph 6.A, black line). The decline reflected mainly a drop in bank loans, which shrank at a rate of 3% yoy (green line). The contraction in euro credit vis-à-vis non-bank borrowers in Asia-Pacific (-€13 billion) and emerging Europe (-€11 billion) accounted for the decline in the latest quarter (Graph 6.B).

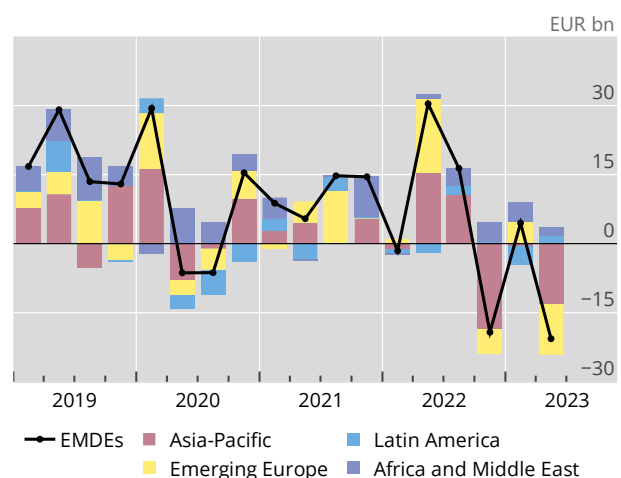
Euro-denominated foreign currency credit to non-banks in EMDEs

Graph 6

A. Year-on-year growth of euro credit, by instrument¹



B. Quarterly changes in euro credit, by borrower region



¹ Annual compounded growth rates. ² Euro-denominated cross-border and local bank loans to non-bank borrowers in EMDEs. ³ Euro-denominated IDS issuance by non-banks in EMDEs.

Source: BIS global liquidity indicators.

³ As discussed in the previous section, cross-border bank credit in dollars to EMDEs (all sectors) declined in Q2 2023; this was due to reduced lending via banks' related offices located in EMDEs. The GLI figures analysed here capture only dollar credit to *non-banks* in EMDEs; it includes loans to non-banks (cross-border and local) and debt securities issued by non-banks.

Annex A Locational banking statistics graphs

Cross-border claims¹ by sector, currency and instrument

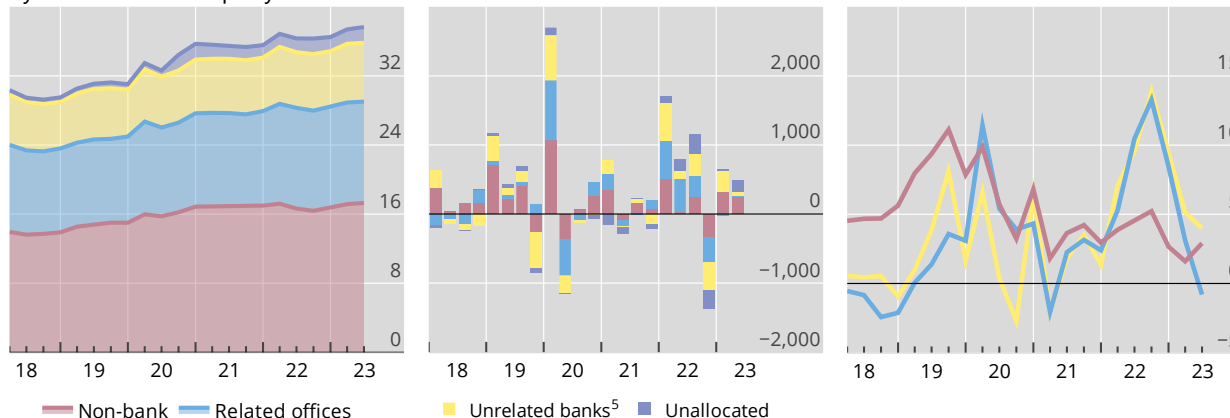
Graph A.1

Amounts outstanding, in USD trn²

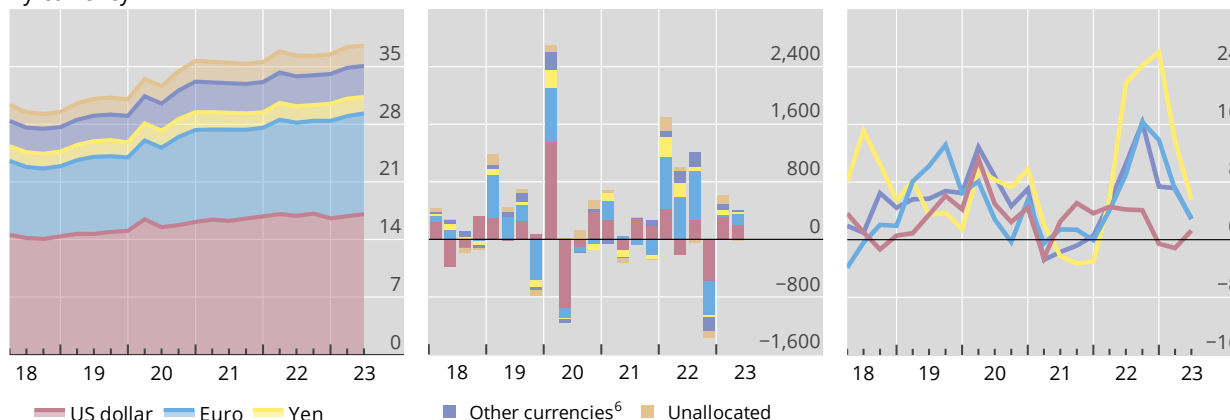
Adjusted changes, in USD bn³

Annual change, in per cent⁴

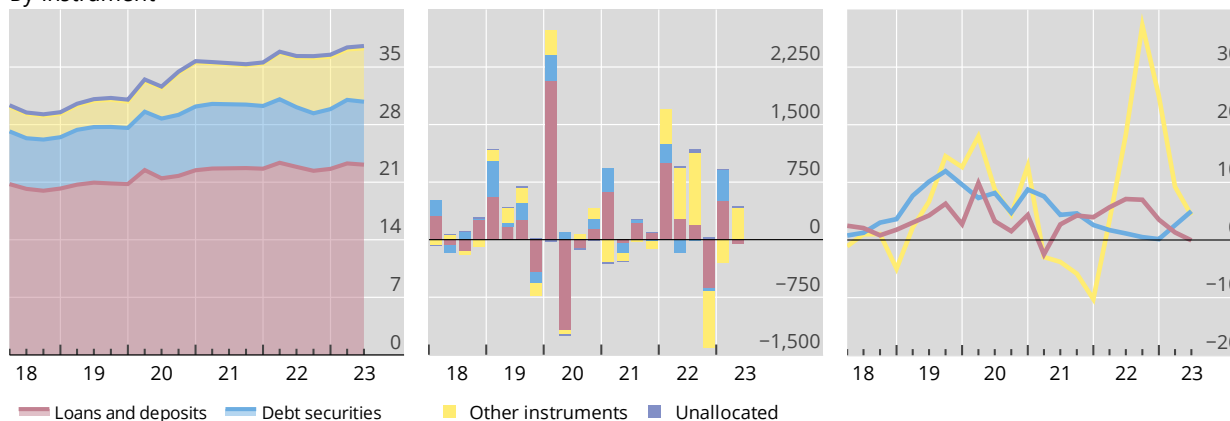
By sector of counterparty



By currency



By instrument



¹ Claims comprise loans and deposits, holdings of debt securities, and other instruments comprising derivatives with a positive market value and other residual instruments. ² 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. ³ Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ⁴ Annual compounded adjusted change, in per cent. ⁵ Includes central banks and banks unallocated by subsector between interoffice and unrelated banks. ⁶ 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 credit¹ by borrowing region

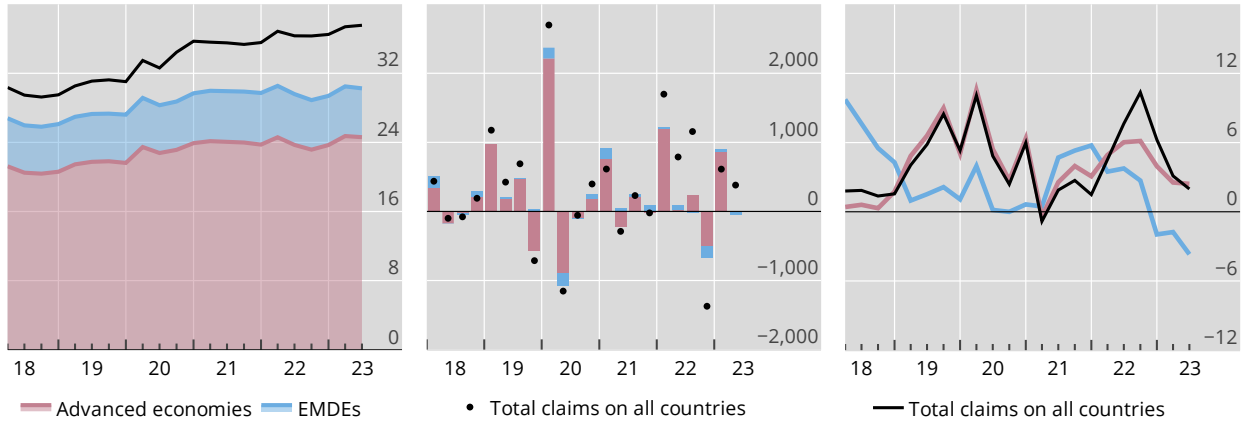
Graph A.2

Amounts outstanding, in USD trn²

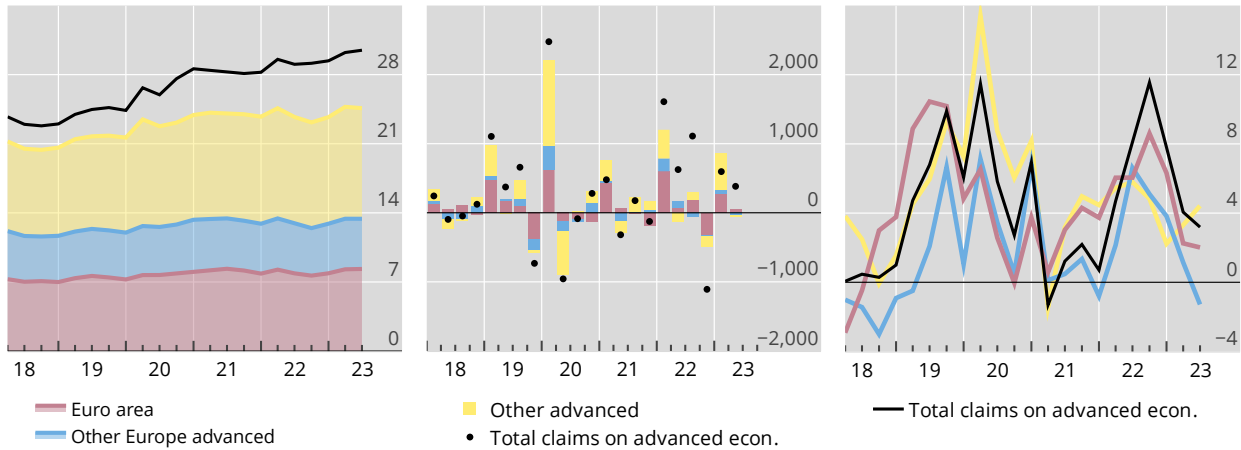
Adjusted changes, in USD bn³

Annual change, in per cent⁴

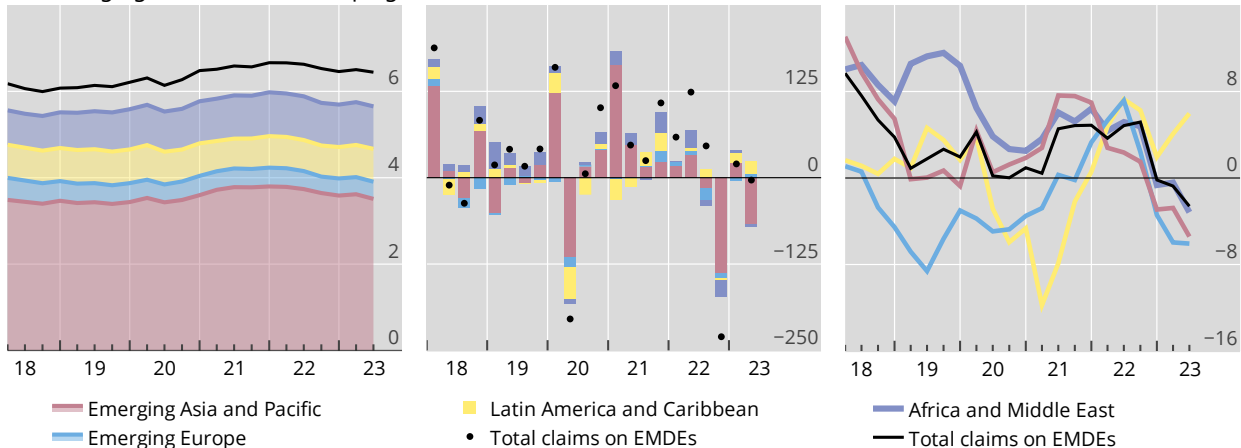
On all countries



On advanced economies



On emerging market and developing economies (EMDEs)



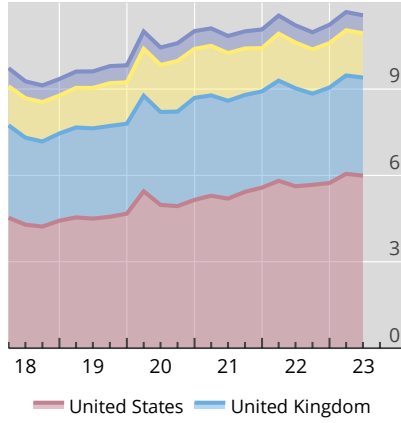
¹ Credit refers to loans and deposits, and holdings of debt securities, ie excluding from "claims" all other instruments (derivatives with positive market value and other residual instruments). ² At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ³ Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ⁴ Annual compounded adjusted change, in per cent.

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

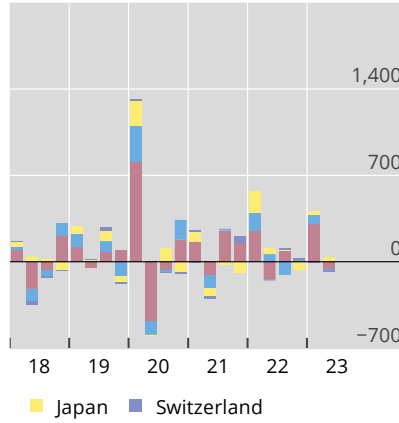
Cross-border credit¹ by borrowing country

Graph A.3

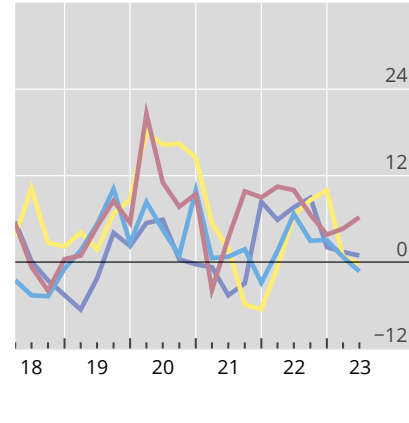
Amounts outstanding, in USD trn²
On selected advanced economies



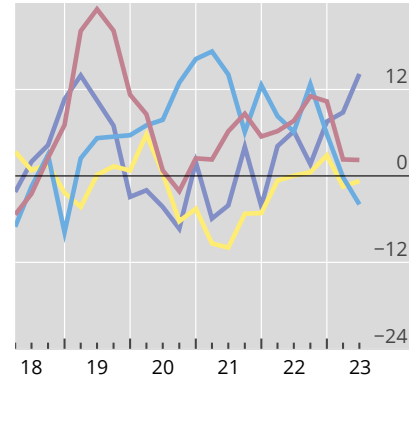
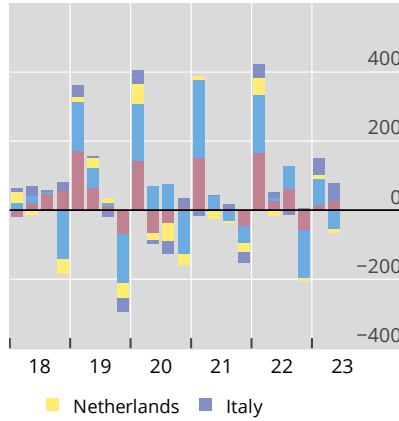
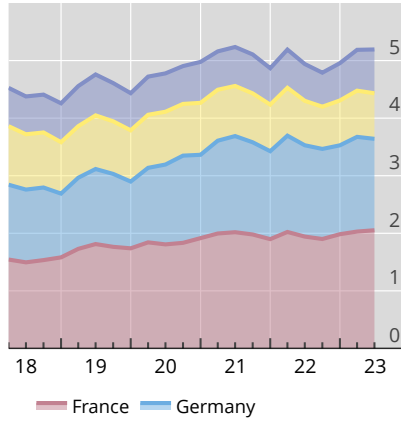
Adjusted changes, in USD bn³



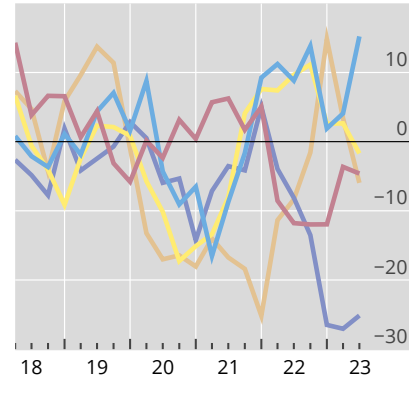
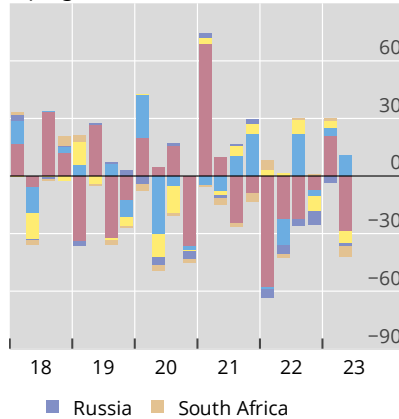
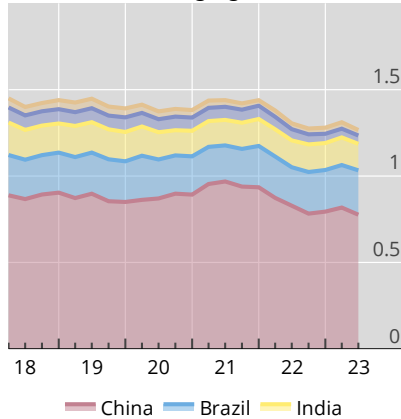
Annual change, in per cent⁴



On selected euro area countries



On selected emerging market and developing economies (EMDEs)



¹ Credit refers to loans and deposits, and holdings of debt securities, ie excluding from "claims" all other instruments (derivatives with positive market value and other residual instruments). ² 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. ³ Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ⁴ Annual compounded adjusted change, in per cent.

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

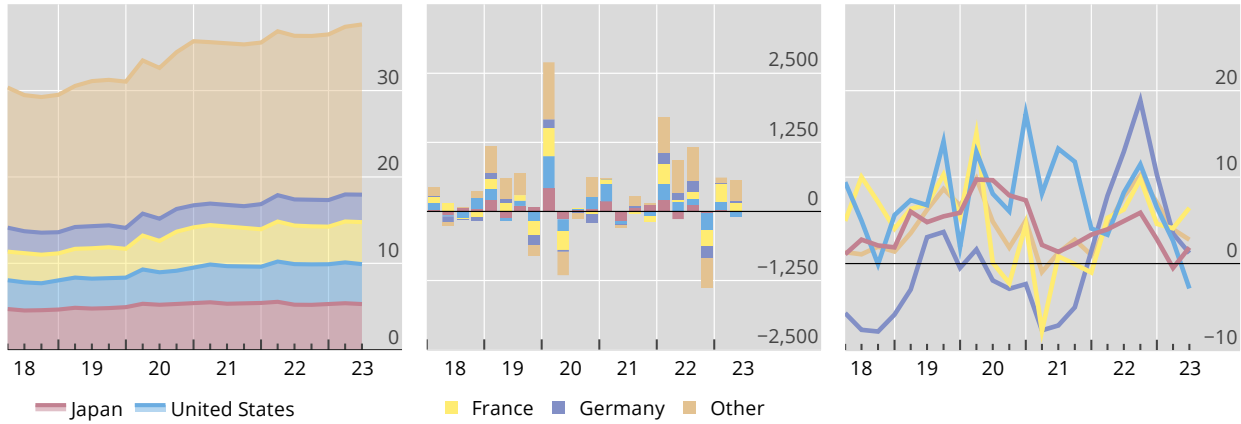
Cross-border claims by nationality of reporting bank and currency of denomination Graph A.4

Amounts outstanding, in USD trn¹

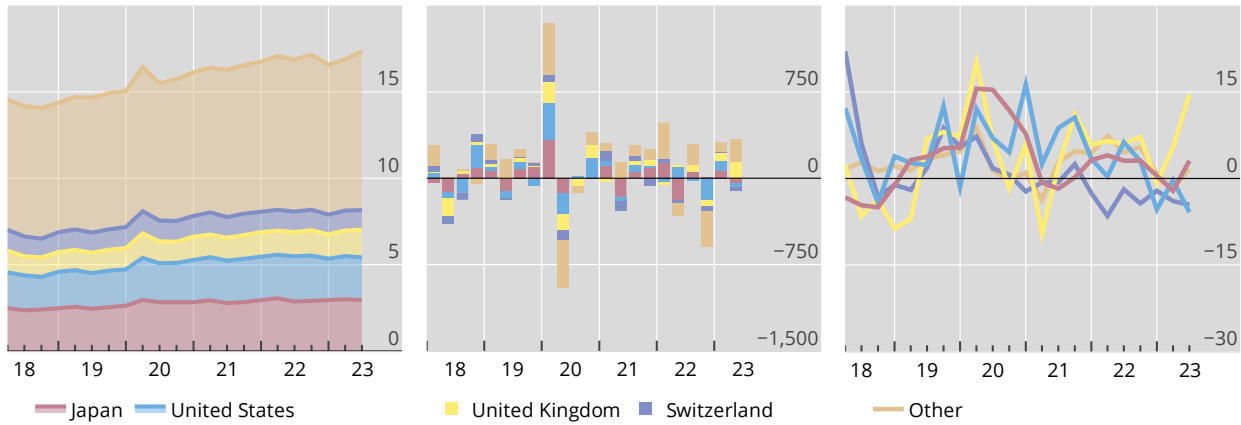
Adjusted changes, in USD bn²

Annual change, in per cent³

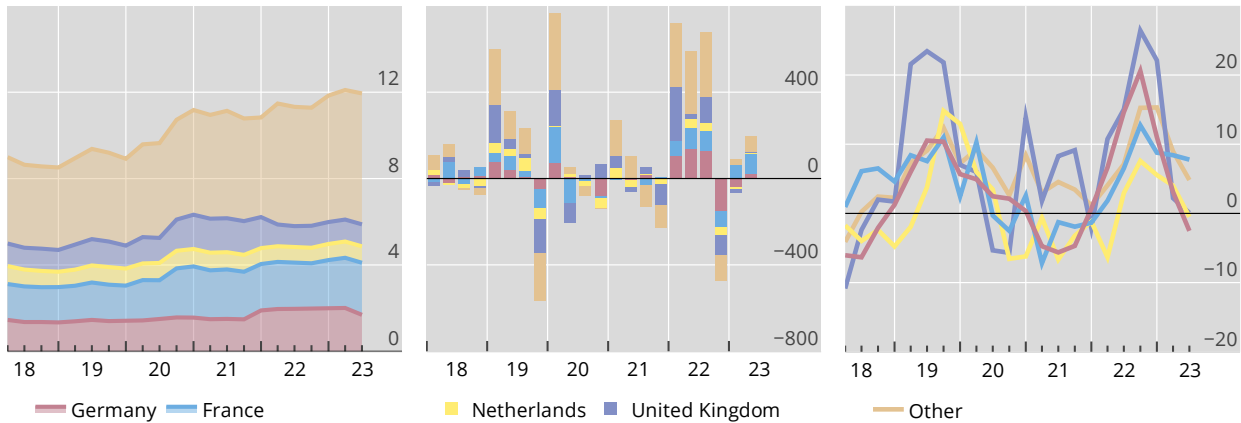
All currencies



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 Annual compounded adjusted change, in per cent.

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

Cross-border debt liabilities¹ of reporting banks

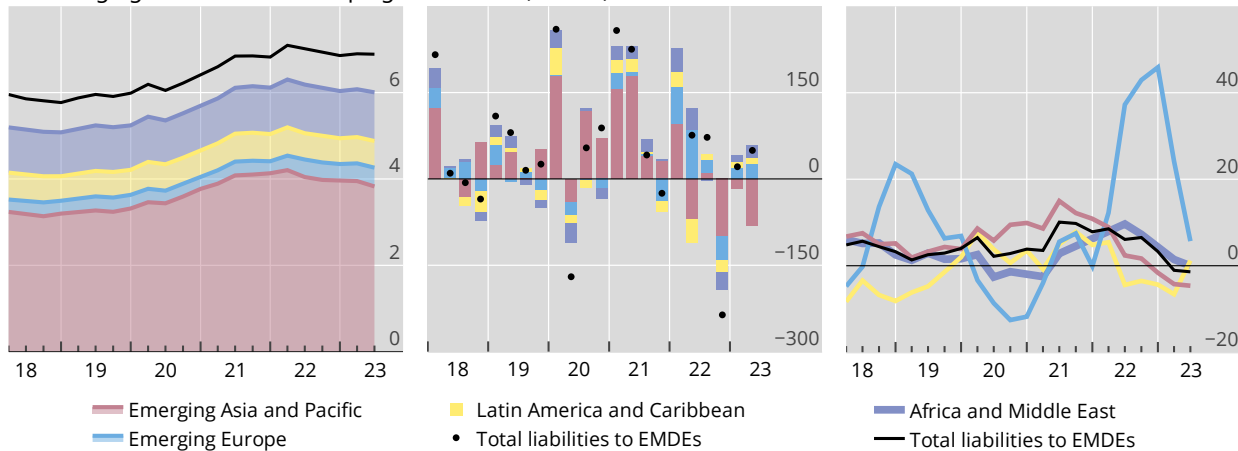
Graph A.5

Amounts outstanding, in USD trn²

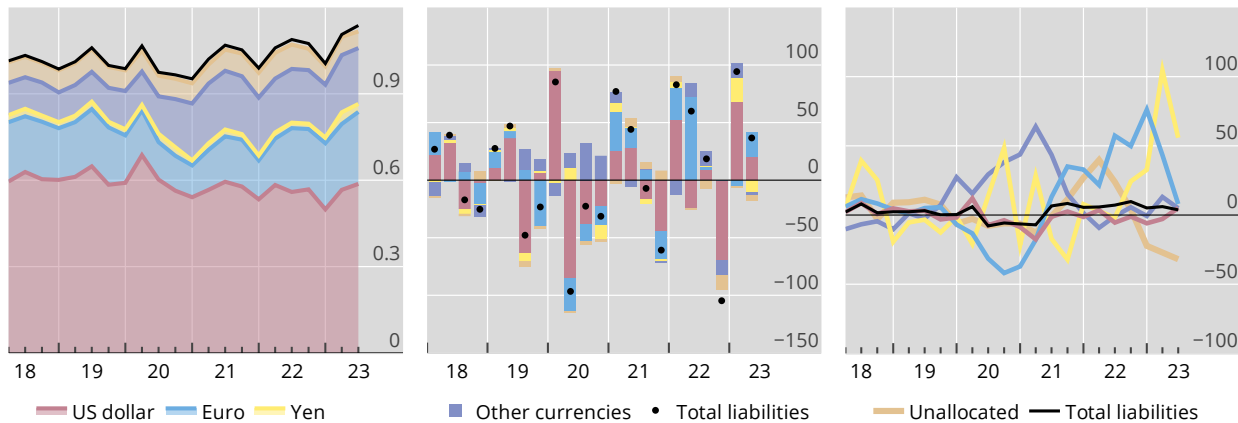
Adjusted changes, in USD bn³

Annual change, in per cent⁴

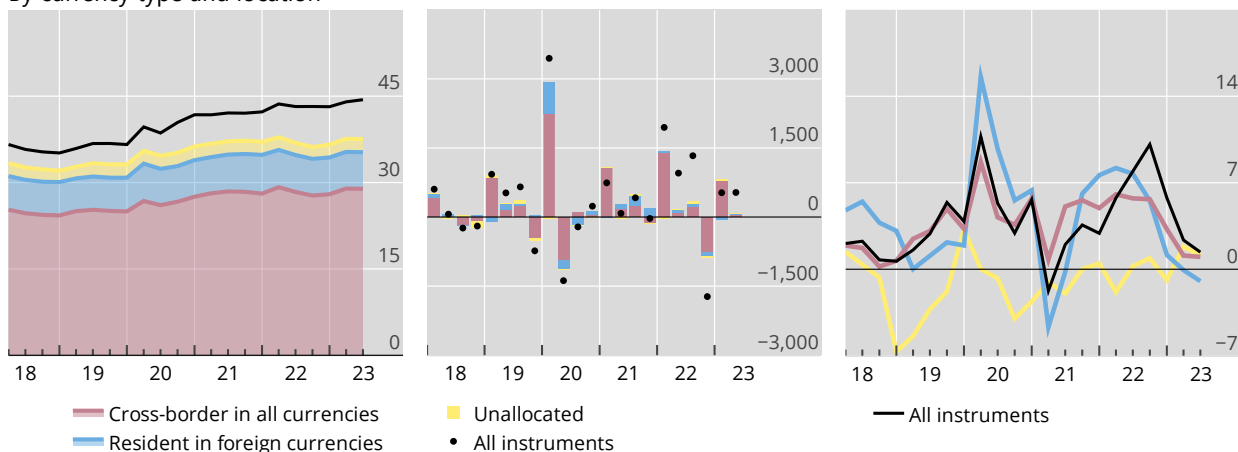
To emerging market and developing economies (EMDEs)



To central banks



By currency type and location



¹ Debt liabilities refer to loans and deposits and debt securities, ie excluding from “liabilities” all other instruments (derivatives with negative market value and other residual instruments). ² 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. ³ Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ⁴ Annual compounded adjusted change, in per cent.

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

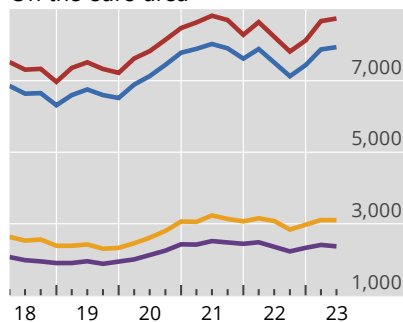
Annex B Consolidated banking statistics graphs

Consolidated claims of reporting banks on advanced economies

Graph B.1

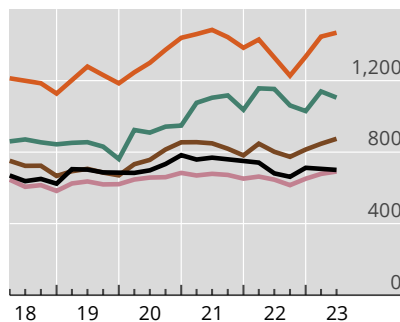
Foreign claims and local positions, in USD bn^{1,2}

On the euro area



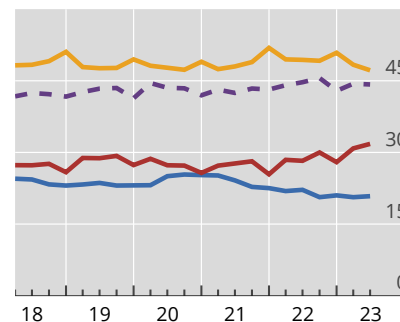
— Foreign claims (immediate)⁵
 — Foreign claims (guarantor)⁶
 — Local claims in local currency
 — Local liabilities in local currency

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



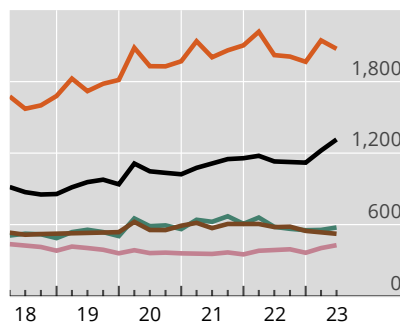
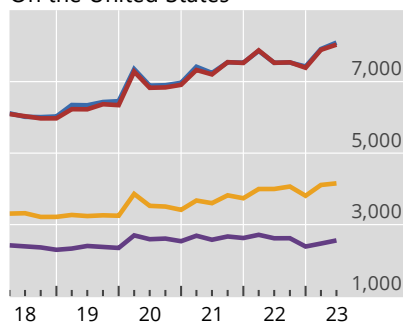
— FR — GB — DE
 — JP — US

International claims, by sector and maturity, in per cent⁴

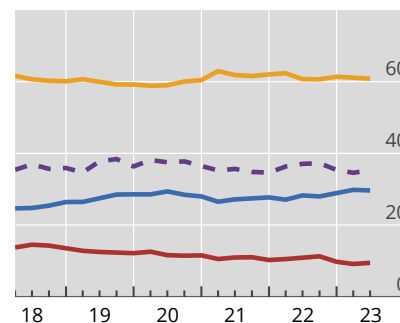


— Banks
 — Official sector
 — Non-bank private sector
 - - Up to and including 1 year

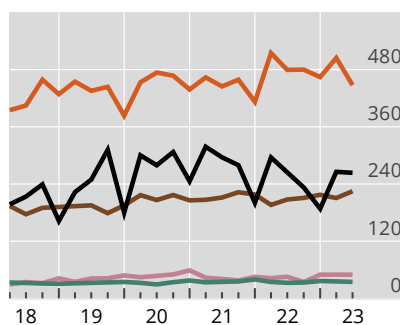
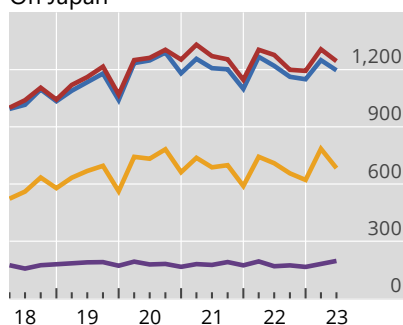
On the United States



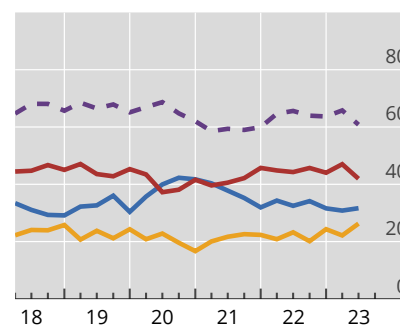
— JP — CH — DE
 — GB — FR



On Japan



— US — GB — AU
 — FR — TW



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 and developing economies (EMDEs)

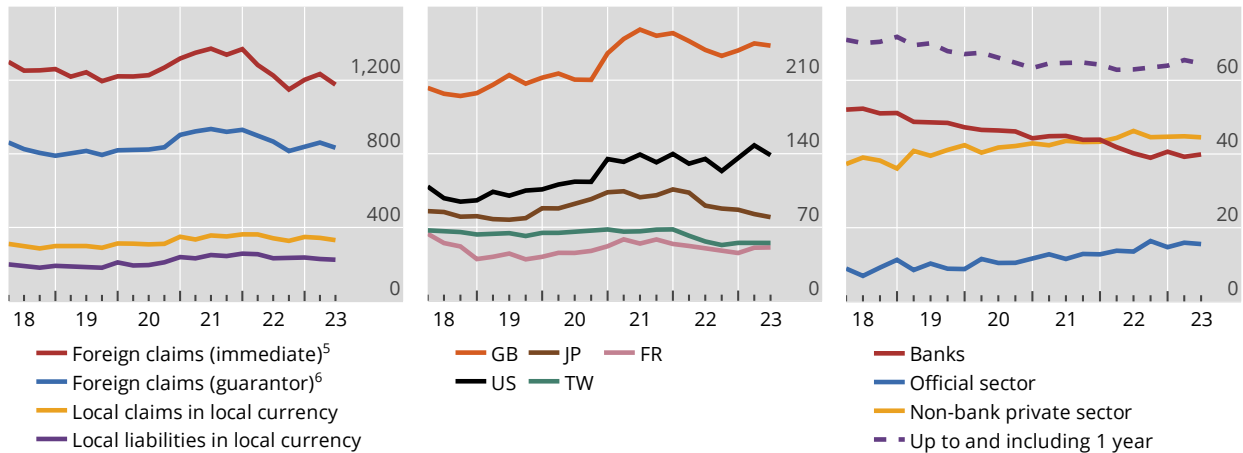
Graph B.2

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

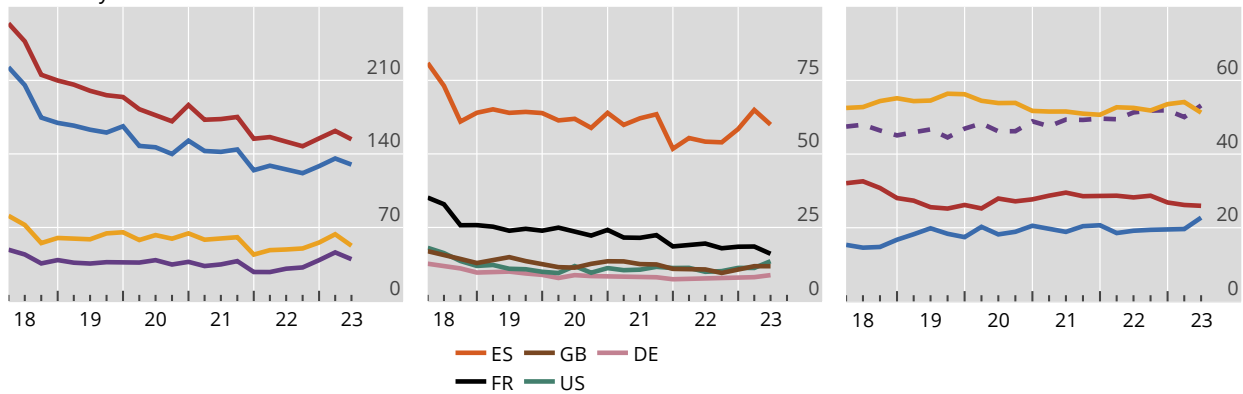
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

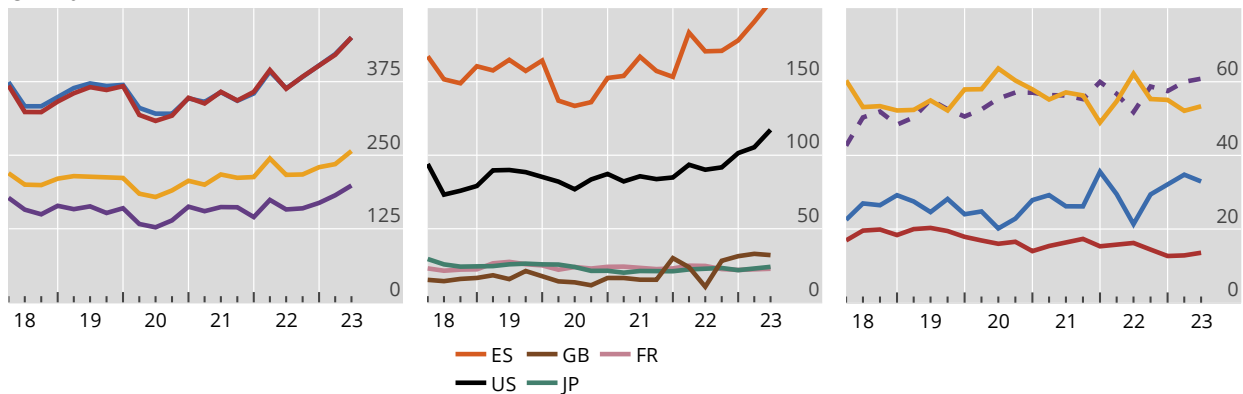
On China



On Türkiye



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, 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. 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.

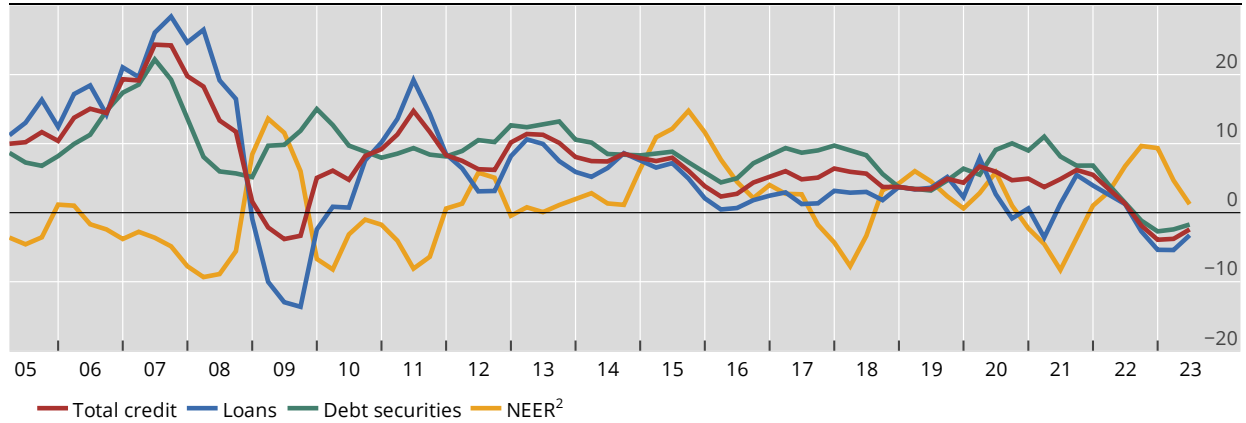
Source: BIS consolidated banking statistics (CBS). Further information is available at www.bis.org/statistics/consstats.htm.

Annex C Global liquidity indicators graphs

US dollar credit outside the United States¹

Annual change, in per cent

Graph C.1



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

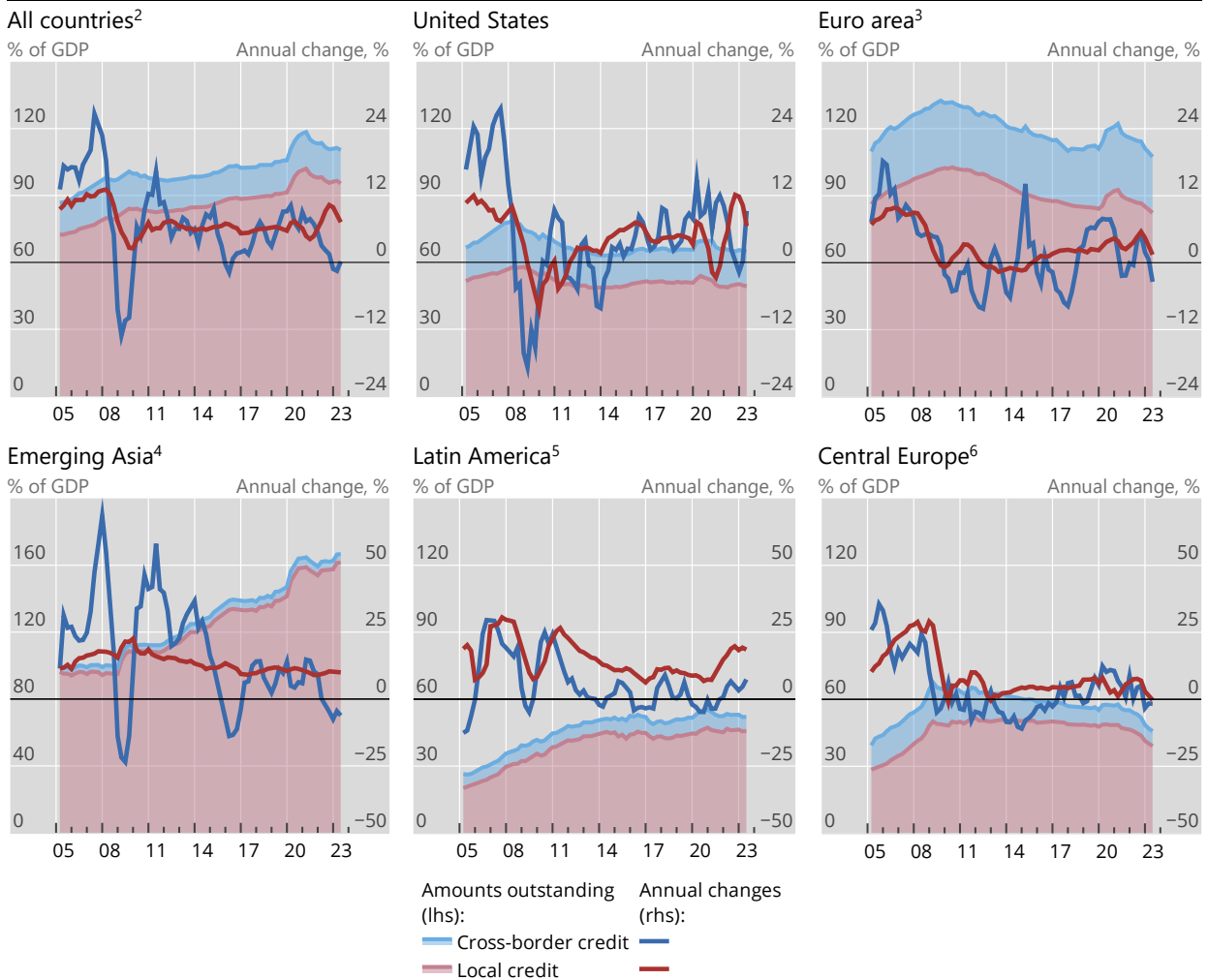
¹ Annual growth of US dollar-denominated credit to non-banks outside the United States. ² Annual growth of the US dollar nominal effective exchange rate (NEER). An increase indicates an appreciation of the US dollar NEER.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics; BIS effective exchange rate statistics; BIS calculations.

Global bank credit to the private non-financial sector, by residence of borrower

Banks' cross-border credit plus local credit in all currencies¹

Graph C.2



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

¹ Cross-border claims of LBS-reporting banks to the non-bank sector plus local claims of all banks to the private non-financial sector. Weighted averages of the economies listed, based on four-quarter moving sums of GDP. ² Australia, Canada, Denmark, Israel, Japan, New Zealand, Norway, Russia, Saudi Arabia, South Africa, Sweden, Switzerland, Türkiye and the United Kingdom, plus the countries in the other panels. ³ Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. ⁴ China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Singapore and Thailand. ⁵ Argentina, Brazil, Chile, Colombia and Mexico. ⁶ The Czech Republic, Hungary and Poland.

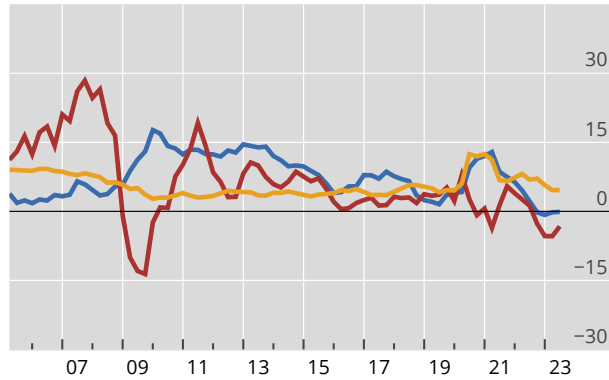
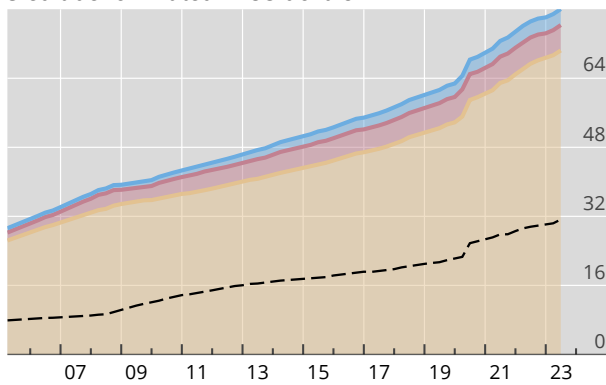
Sources: BIS statistics on credit to the non-financial sector; BIS locational banking statistics (LBS); BIS calculations.

Global credit to the non-financial sector, by currency

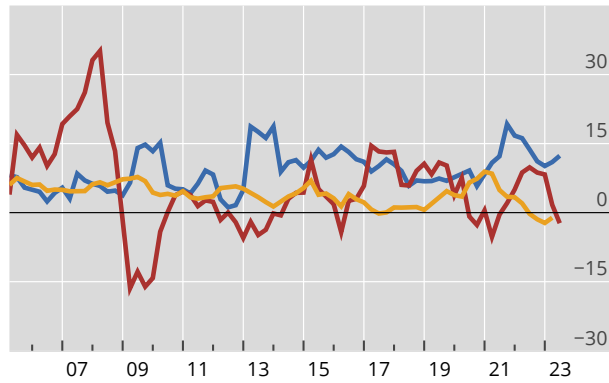
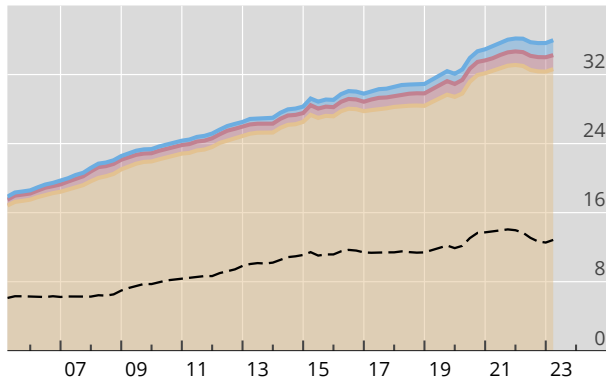
Graph C.3

Amounts outstanding, in trillions of currency units¹
Credit denominated in US dollars

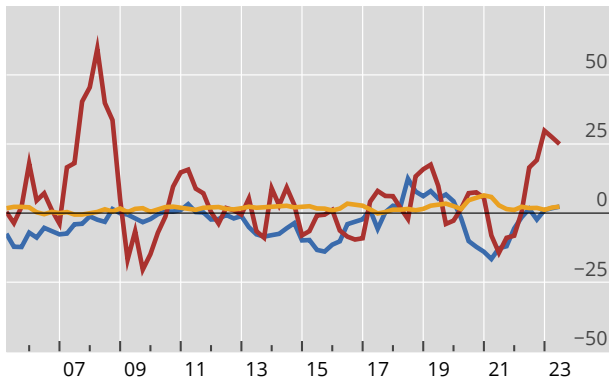
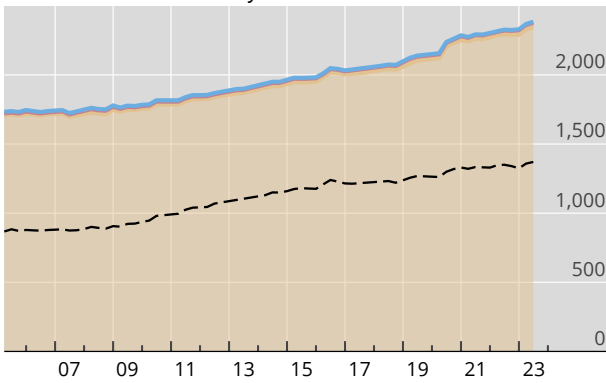
Annual change, in per cent²



Credit denominated in euros



Credit denominated in yen



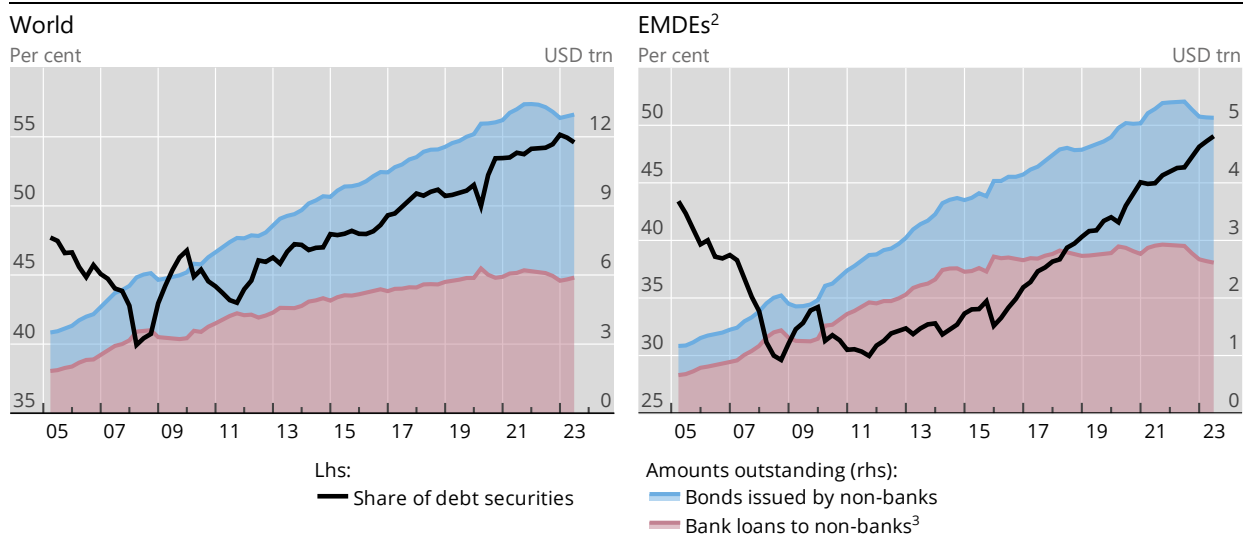
Credit to non-residents: Credit to residents:⁵
■ Bank loans³ ■ Total
■ Debt securities⁴ - - Of which: government

Credit to non-residents:
■ Bank loans³
■ Debt securities⁴
■ Credit to residents⁵

Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

¹ Amounts outstanding at quarter-end. ² Based on quarterly break- and exchange rate-adjusted changes. ³ Loans by LBS-reporting banks to non-bank borrowers, including non-bank financial entities, comprise cross-border plus local loans. ⁴ Excluding debt securities issued by special purpose vehicles and other financial entities controlled by non-financial parents. Euro-denominated debt securities exclude those issued by institutions of the European Union. ⁵ Credit to non-financial borrowers residing in the United States / euro area / Japan. National financial accounts are adjusted using BIS banking and securities statistics to exclude credit denominated in non-local currencies.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

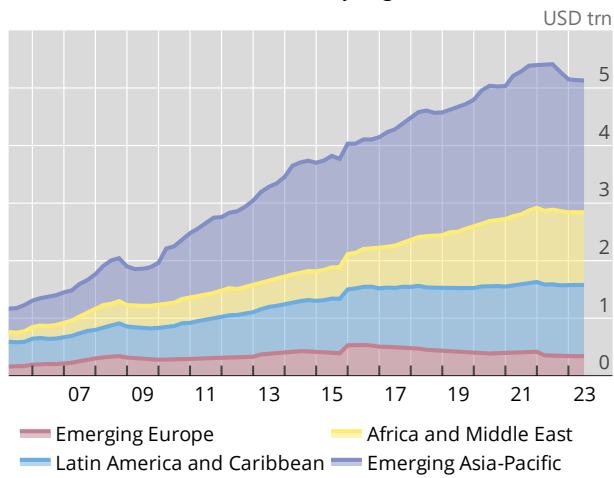
¹ Non-banks comprise non-bank financial entities, non-financial corporations, governments, households and international organisations. ² From December 2022, this grouping has been aligned with the country classification in the BIS Annual Economic report, as detailed [here](#). ³ Loans by LBS-reporting banks to non-bank borrowers, including non-bank financial entities, comprise cross-border plus local loans.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.

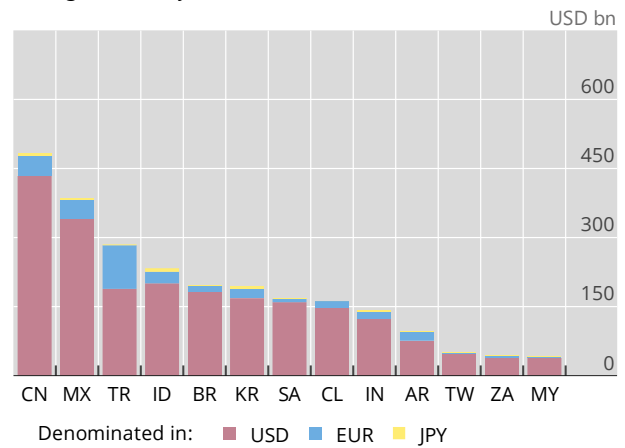
Foreign currency credit to non-banks in EMDEs¹

Graph C.5

US dollar-denominated credit by region



Foreign currency credit to selected EMDEs²



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/about_gli_stats.htm.

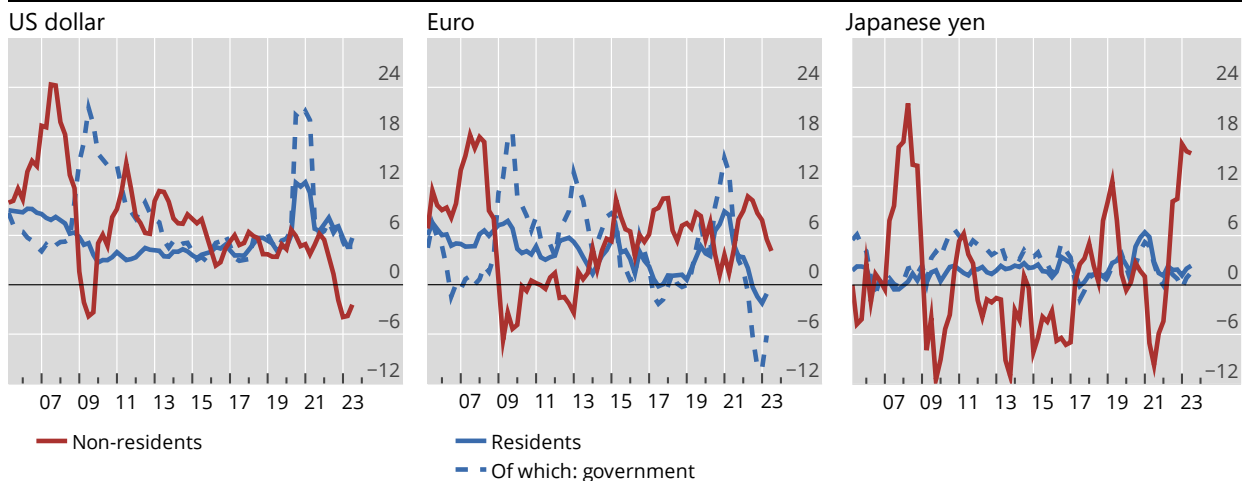
¹ From December 2022, this grouping has been aligned with the country classification in the BIS Annual Economic report, as detailed [here](#). ² Amounts outstanding for the latest available data.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics; BIS calculations.

Credit to non-residents and residents

Year-on-year change, in per cent

Graph C.6



Credit to non-resident non-bank sector and resident non-financial sector.

Sources: Datastream; Dealogic; Euroclear; Thomson Reuters; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.