



Statistical release

Published on 18 September 2015 at 09:30

Consolidated worldwide external claims of UK-owned monetary financial institutions (excluding central bank): 2015 Q2¹

UK-owned monetary financial institutions and their branches and subsidiaries worldwide reported a fall in consolidated external claims on an ultimate risk basis of \$94.4 billion during 2015 Q2, to a level of \$3,426.4 billion. The largest decrease was on Developed Countries, down by \$77.5 billion to a level of \$1,901.7 billion, primarily driven by lower claims on the United States. Claims on Developing Countries decreased by \$32.1 billion to \$863.7 billion, well spread by country. Claims on Offshore Centres rose by \$11.6 billion to \$605.4 billion, more than accounted for by an increase in claims on Hong Kong and Singapore.

Developed Countries had net inward risk transfers of \$30.8 billion, with the largest to Japan and Germany. Offshore Centres had net outward risk transfers of \$32.2 billion, primarily from Hong Kong. Developing Countries had net inward risk transfers of \$16.2 billion, with the largest net inward risk transfer reported to India.

Table A: Regional breakdown of external claims of UK-owned monetary financial institutions - End-2015 Q2

US\$ billions

Not seasonally adjusted

	External claims on:		Developing countries:				Total
	Developed Countries	Offshore Centres	Europe	Latin America & Caribbean	Africa & Middle East	Asia & Pacific	
Immediate Borrower	1,870.9	637.5	50.8	115.5	211.8	469.4	3,411.4
Net Risk Transfers	30.8	-32.2	-0.3	0.9	-5.0	20.7	15.0
Ultimate Risk	1,901.7	605.4	50.5	116.3	206.8	490.1	3,426.4

Chart 1: UK-owned monetary financial institutions' external claims on an ultimate risk basis by region and origin of claim

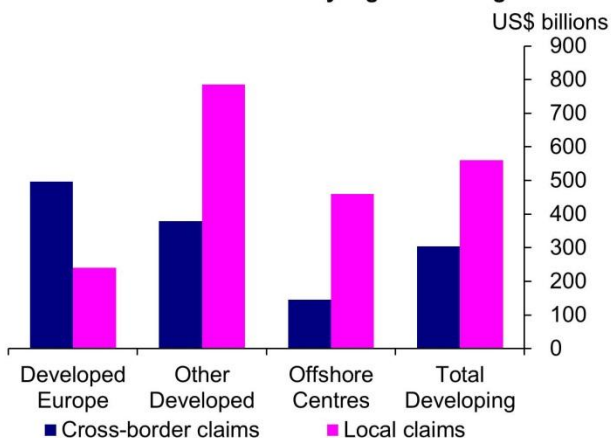


Chart 2: External claims on an ultimate risk basis by country share

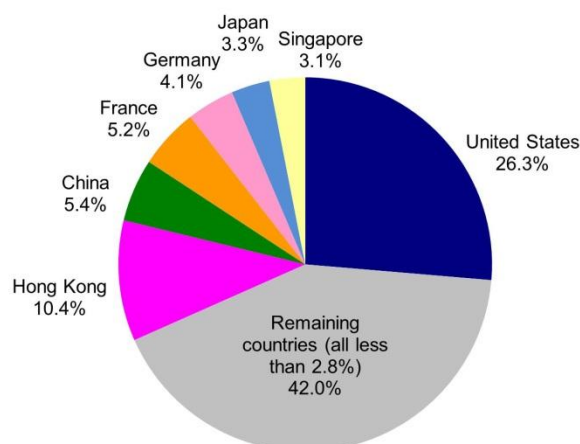


Table B: Changes in external claims on an ultimate risk basis by debtor country - End-2015 Q2

US\$ billions

Not seasonally adjusted

	Developed		Offshore Centres		Developing	
Largest increases	Canada	3.7	Hong Kong	8.8	South Africa	3.4
	Netherlands	2.4	Singapore	5.1	Poland	1.6
	France	1.5	Isle of Man	1.4	Czech Republic	1.4
	Australia	0.9	Jersey	1.1	Marshall Islands	0.6
	Austria	0.5	Bermuda	0.7	Saudi Arabia	0.4
Largest decreases	United States	-58.2	Cayman Islands	-5.2	China	-7.0
	Japan	-9.2	Panama	-0.4	India	-5.6
	Italy	-5.7	Mauritius	-0.3	Mexico	-5.0
	Germany	-3.2	West Indies UK	-0.2	Malaysia	-5.0
	Sweden	-2.7			Turkey	-3.6

Total external claims on an ultimate risk basis on [Developed Countries](#) decreased by \$77.5 billion to \$1,901.7 billion in the second quarter of 2015. The largest fall in claims was on the United States, largely reflecting lower local claims on other financial corporations. The largest increase in claims was reported on Canada, more than accounted for by cross-border claims on other financial corporations.

Total external claims reported against [Offshore Centres](#) increased by \$11.6 billion to \$605.4 billion. The largest rise in claims was on Hong Kong, more than accounted for by an increase in local claims on the public sector. The largest decrease in claims was reported on the Cayman Islands, almost entirely driven by a fall in cross-border claims on other financial corporations.

Total external claims on [Developing Countries](#) fell by \$32.1 billion to \$863.7 billion. The largest fall in claims was reported on China, more than accounted for by lower claims on deposit-taking corporations. The largest increase in claims was reported on South Africa, as local claims on households rose during the quarter.

Technical notes

1. Monetary financial institutions comprise banks and building societies, excluding the Bank of England.
2. Amounts outstanding are reported to the Bank of England in sterling regardless of the underlying currency, figures are then translated into US dollars at the end quarter exchange rate. By counterpart country, only the top five changes of greater than \$50 million are shown in Table B.
3. [Total external claims on an ultimate risk basis](#) are calculated as follows:

Total external claims on an immediate borrower basis plus net risk transfers

Net risk transfers equals inward risk transfers minus outward risk transfers

External claims comprise cross-border and local claims in all currencies.

4. These data differ from the other banking data as UK-owned banks and building societies are the only contributors; UK branches of banks incorporated abroad and foreign-owned subsidiaries are not included. Also the data include the operations of non-resident branches and subsidiaries of the contributing banks and building societies, with intra-group business netted out.

Total foreign claims on non-residents includes loans and advances, amounts receivable under finance leases, claims under sale and repurchase agreements, commercial bills, certificates of deposit and lending under ECGD bank guarantee. It also includes securities issued by foreign government, foreign institutions (e.g. IBRD) and corporate institutions registered outside the UK (not including the reporting institution's own subsidiaries and associates outside the UK). In addition, it includes sterling and other currency acceptances given under facilities opened on behalf of non-residents. Further information on the definition of consolidated worldwide external claims is shown separately at:

www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/consolidated_foreign_claims.aspx

5. A more detailed country breakdown of consolidated worldwide external claims of UK-owned banks and building societies are shown separately in Bankstats Table C4.2 and is available at:

www.bankofengland.co.uk/statistics/Pages/bankstats/default.asp

The additional table, shown separately, illustrates the codes for each series which can be used for downloading long runs from the Statistical Interactive Database. This database provides long runs of statistical data with comprehensive search options and the ability to download in a variety of formats, and can be accessed at: <http://www.bankofengland.co.uk/boeapps/iadb/>.

6. Data covering the worldwide consolidated claims of banks in other centres, as well as in the UK, are available from the Bank for International Settlements (BIS) on their website at: www.bis.org.