



Statistical release

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Consolidated worldwide external claims of UK-owned monetary financial institutions (excluding central bank): 2015 Q3(1)

UK-owned monetary financial institutions and their branches and subsidiaries worldwide reported a decrease in consolidated external claims on an ultimate risk basis of \$194.9 billion during 2015 Q3, to a level of \$3,229.5 billion. The largest fall was on Developed Countries, down by \$144.0 billion to a level of \$1,757.7 billion. The fall was predominantly driven by lower claims on the United States, reflecting business restructuring by one reporting institution(2). Claims on Developing Countries decreased by \$60.0 billion to \$803.4 billion, principally driven by a fall in claims on China and Brazil. Claims on Offshore Centres rose by \$5.0 billion to \$608.9 billion, more than accounted for by an increase in claims on the Cayman Islands.

Developed Countries had net inward risk transfers of \$33.0 billion, with the largest to Germany and Japan. Offshore Centres had net outward risk transfers of \$25.6 billion, primarily from Hong Kong. Developing Countries had net inward risk transfers of \$15.2 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 Q3

US\$ billions

Not seasonally adjusted

Table with 8 columns: External claims on: (Developed Countries, Offshore Centres, Developing countries: Europe, Latin America & Caribbean, Africa & Middle East, Asia & Pacific), Total. Rows include Immediate Borrower, Net Risk Transfers, and Ultimate Risk.

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

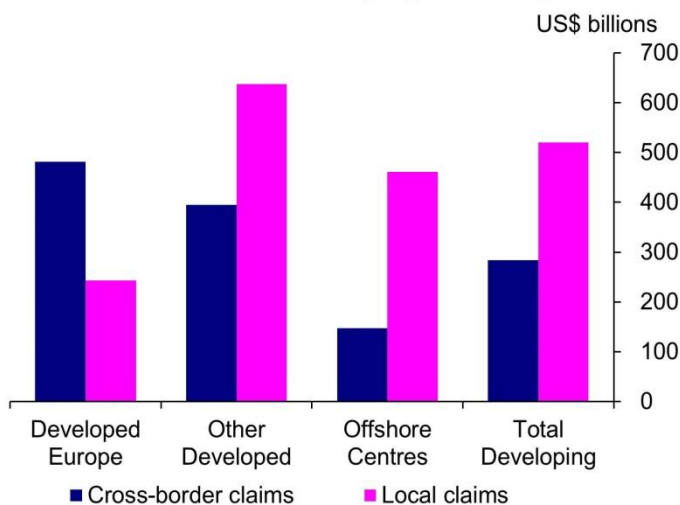


Chart 2: External claims on an ultimate risk basis by country share

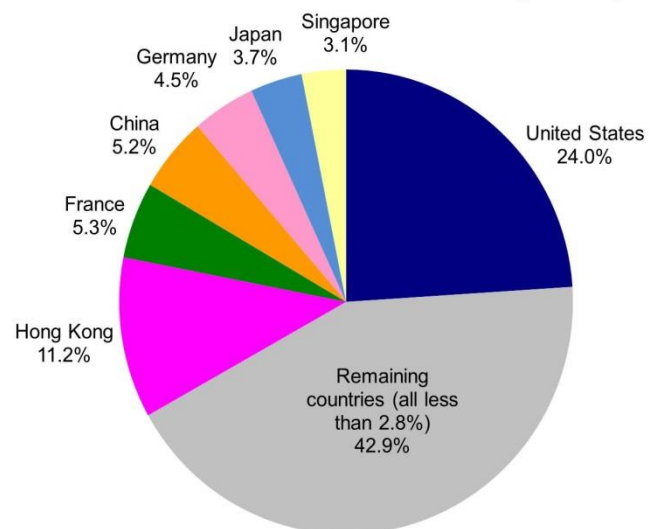


Table B: Changes in external claims on an ultimate risk basis by debtor country - End-2015 Q3

US\$ billions

Not seasonally adjusted

	Developed		Offshore Centres		Developing	
Largest increases	Japan	5.4	Cayman Islands	8.2	Kuwait	0.9
	Germany	4.1	Hong Kong	3.7	Egypt	0.6
	Italy	3.1	Bahrain	0.3	Qatar	0.6
	Finland	2.5	Guernsey	0.3	Ghana	0.5
	Switzerland	1.5	Bermuda	0.2	United Arab Emirates	0.4
Largest decreases	United States ⁽²⁾	-128.7	Singapore	-3.9	China	-17.0
	France	-7.5	West Indies UK	-1.7	Brazil	-11.4
	Netherlands	-5.8	Jersey	-0.8	Malaysia	-5.7
	Australia	-5.6	Macao	-0.4	Mexico	-4.1
	Ireland	-5.4	Curacao	-0.2	South Korea	-4.0

Total external claims on an ultimate risk basis on **Developed Countries** fell by \$144.0 billion to \$1,757.7 billion in the third quarter of 2015. The decrease was largely driven by lower claims on the United States, as local claims on non-financial corporations and households fell, due to business restructuring by one reporting institution⁽²⁾. The largest increase in claims was reported on Japan, more than accounted for by cross-border claims on the public sector.

Total external claims reported against **Offshore Centres** rose by \$5.0 billion to \$608.9 billion. By country, the increase was more than accounted for by the Cayman Islands, as cross-border claims on other financial corporations rose over the quarter. The largest decrease in claims was reported on Singapore, more than accounted for by a fall in local claims on non-financial corporations.

Total external claims on **Developing Countries** decreased by \$60.0 billion to \$803.4 billion. The largest decrease in claims was reported on China, largely driven by a fall in claims on deposit-taking corporations and non-financial corporations. The largest increase in claims was reported on Kuwait, as cross-border claims on deposit-taking corporations increased during the quarter.

Technical notes

1. Monetary financial institutions comprise banks and building societies, excluding the Bank of England.
2. Due to business restructuring by one reporting institution total foreign claims on the USA were reduced by approximately \$135bn.
3. 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.
4. [Total external claims on an ultimate risk basis](#) are calculated as follows:
$$\begin{aligned} &\text{Total external claims on an immediate borrower basis plus net risk transfers} \\ &\text{Net risk transfers equals inward risk transfers minus outward risk transfers} \\ &\text{External claims comprise cross-border and local claims in all currencies.} \end{aligned}$$
5. 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
6. 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/>.
With effect from Q3 2015, Bankstats table C4.2 now includes additional counterpart country data. As a result the composition of other countries not separately identified for each geographic region has also changed. Further details can be found in the following Bankstats article:
<http://www.bankofengland.co.uk/statistics/Documents/articles/2015/8nov.pdf>
7. 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.