



Statistical release

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Consolidated worldwide external claims of UK-owned monetary financial institutions (excluding central bank): 2016 Q1⁽¹⁾

UK-owned monetary financial institutions and their branches and subsidiaries worldwide reported an increase in consolidated external claims on an ultimate risk basis of \$60.0 billion during 2016 Q1, to a level of \$3,124.6 billion. The largest increase was on Developed Countries, up by \$39.7 billion to a level of \$1,717.3 billion. The rise was driven by higher claims on Japan and Netherlands. Claims on Offshore Centres increased by \$11.1 billion, largely driven by an increase in claims on Hong Kong. Claims on Developing Countries rose by \$2.5 billion to \$767.5 billion, more than accounted for by a rise in claims on Brazil and Malaysia.

As at end-March 2016, Developed Countries had net inward risk transfers of \$27.4 billion, with the largest to Germany and Japan. Offshore Centres had net outward risk transfers of \$28.5 billion, almost entirely from Hong Kong. Developing Countries had net inward risk transfers of \$18.9 billion, with the largest net inward risk transfers reported to China and India.

Table A: Regional breakdown of external claims of UK-owned monetary financial institutions - End-Q1 2016

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	1,689.9	607.3	40.3	99.6	197.4	411.3	3,106.4
Net Risk Transfers	27.4	-28.5	-0.7	3.4	-5.4	21.6	18.2
Ultimate Risk	1,717.3	578.9	39.6	103.0	192.0	432.9	3,124.6

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

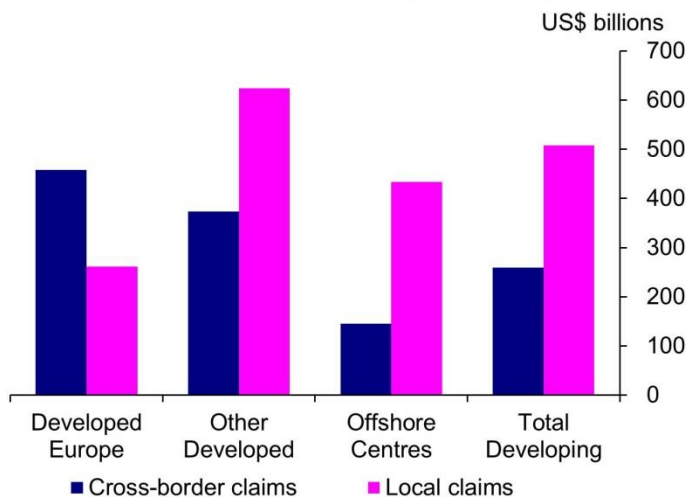


Chart 2: External claims on an ultimate risk basis by country

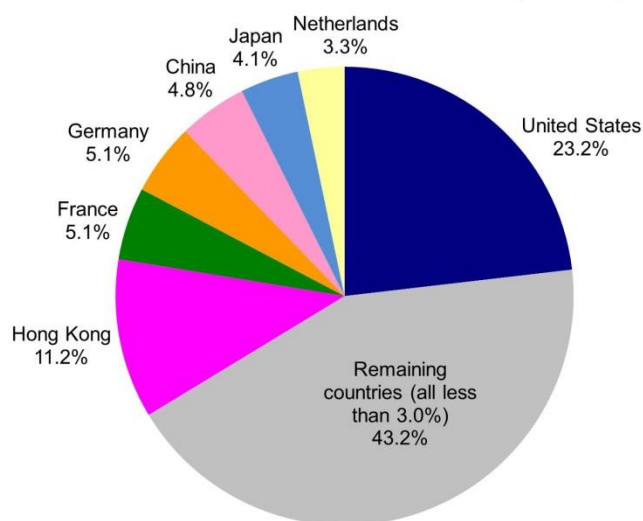


Table B: Changes in external claims on an ultimate risk basis by debtor country - End-Q1 2016

US\$ billions

Not seasonally adjusted

	Developed		Offshore Centres		Developing	
Largest increases	Japan	17.2	Hong Kong	6.7	Brazil	4.6
	Netherlands	12.1	Singapore	3.6	Malaysia	4.0
	France	9.8	Jersey	2.3	Saudi Arabia	3.7
	Australia	2.9	Cayman Islands	1.1	India	2.7
	Spain	2.6	Bermuda	0.1	Mexico	1.9
Largest decreases	United States	-5.0	West Indies UK	-0.9	China	-7.1
	Switzerland	-4.5	Bahrain	-0.6	South Africa	-6.0
	Ireland	-2.8	Macao	-0.4	Poland	-1.3
	Belgium	-1.5	Isle of Man	-0.3	Nigeria	-1.1
	Luxembourg	-1.2	Guernsey	-0.2	Egypt	-0.8

Total external claims on an ultimate risk basis on [Developed Countries](#) rose by \$39.7 billion to \$1,717.3 billion in the first quarter of 2016. The increase was largely driven by a rise in claims on Japan and Netherlands, with higher claims on the public sector and other financial corporations respectively. The largest decrease in claims was on the United States, which was mainly driven by a fall in claims on deposit-taking corporations and non-financial corporations.

Total external claims reported on [Offshore Centres](#) rose by \$11.1 billion to \$578.9 billion. The increase was largely driven by Hong Kong, as local claims on the public sector increased over the quarter. The largest decrease in claims was reported on the West Indies UK, which was more than accounted for by a fall in local claims, predominantly on non-financial corporations and households.

Total external claims on [Developing Countries](#) increased by \$2.5 billion to \$767.5 billion. The largest increase in claims was reported on Brazil, predominantly driven by an increase in local claims on the public sector. The largest decrease in claims was reported on China, which was well spread by sector.

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/>.
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>
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.