



Statistical release

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External business of monetary financial institutions operating in the UK: 2014 Q4 ⁽¹⁾

External **liabilities** of monetary financial institutions operating in the UK fell by \$48.5 billion during 2014 Q4. The largest decrease in liabilities was to Developed Countries, more than accounted for by the United States and Spain. Liabilities to Developing Countries fell, with the largest decrease reported to Saudi Arabia. In contrast, liabilities to Offshore Centres rose, more than accounted for by the Cayman Islands and Hong Kong.

During 2014 Q4, external **claims** of monetary financial institutions operating in the UK fell by \$37.6 billion. The decrease in claims was more than accounted for by Offshore Centres, with the largest fall reported on the Cayman Islands. Claims on Developing Countries fell, more than accounted for by China and Russia. Claims on Developed Countries rose during the quarter, more than accounted for by Germany.

Table A: Regional breakdown of external claims and liabilities

US\$ billions

Not seasonally adjusted

| Liabilities to: | Exchange rate adjusted flows ⁽²⁾ | | | Amounts outstanding ⁽²⁾ End-Q4 2014 |
|--|---|-------------|---------------|---|
| | Q2 2014 | Q3 | Q4 | |
| Developed Countries | - 8.7 | -16.3 | - 39.4 | 2,930.6 |
| Offshore Centres | 36.7 | 26.9 | 20.0 | 722.1 |
| Developing Countries | 13.5 | 0.9 | - 18.0 | 463.5 |
| International Organisations & Other ⁽³⁾ | - 4.3 | 28.8 | - 11.1 | 923.0 |
| Total | 37.3 | 40.2 | - 48.5 | 5,039.1 |
| Claims on: | | | | |
| Developed Countries | 2.0 | 46.8 | 13.0 | 3,515.2 |
| Offshore Centres | 48.5 | 2.5 | - 40.7 | 621.4 |
| Developing Countries | - 6.7 | -6.4 | - 21.6 | 421.5 |
| International Organisations & Other ⁽³⁾ | - 13.3 | 7.9 | 11.7 | 137.8 |
| Total | 30.4 | 50.7 | - 37.6 | 4,695.8 |

Chart 1: External liabilities outstanding analysed by region

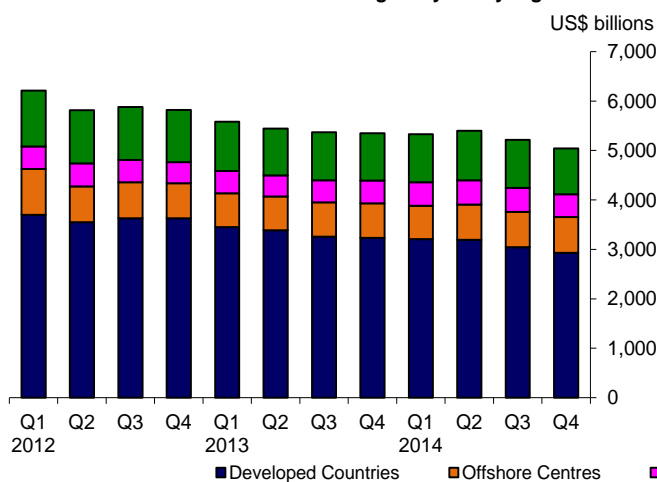


Chart 2: External claims outstanding analysed by region

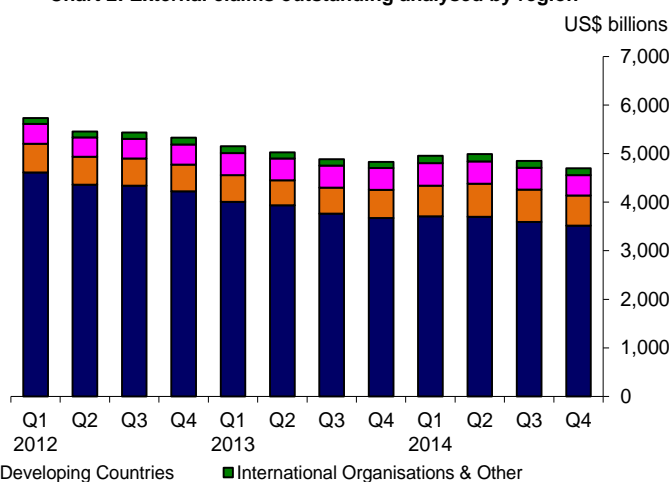


Table B: Analysis of exchange rate adjusted changes vis-à-vis Developed Countries - 2014 Q4

US\$ billions

Not seasonally adjusted

| Liabilities | | | | Claims | | | |
|--------------------|------|-------------------|-------|-------------------|------|-------------------|-------|
| Largest increases | | Largest decreases | | Largest increases | | Largest decreases | |
| Japan | 20.2 | United States | -42.6 | Germany | 21.2 | Spain | -25.4 |
| Netherlands | 10.8 | Spain | -27.1 | Ireland | 13.3 | Italy | -11.6 |
| Norway | 8.4 | Germany | -5.5 | Netherlands | 13.1 | Switzerland | -7.1 |
| Ireland | 3.8 | Italy | -5.5 | Norway | 7.6 | Luxembourg | -6.9 |
| Belgium | 2.6 | Australia | -3.7 | Canada | 7.2 | Belgium | -4.1 |

Total **liabilities** to Developed Countries decreased by \$39.4 billion during 2014 Q4. The decrease in liabilities was more than accounted for by falls to the United States and Spain. The largest increase in liabilities was reported against Japan. Total **claims** on the region rose by \$13.0 billion. The increase in claims was more than accounted for by Germany, Ireland and the Netherlands, partly offset by a fall in claims reported on Spain.

Table C: Analysis of exchange rate adjusted changes vis-à-vis Offshore Centres - 2014 Q4

US\$ billions

Not seasonally adjusted

| Liabilities | | | | Claims | | | |
|--------------------|------|-------------------|-------|-------------------|-----|-------------------|-------|
| Largest increases | | Largest decreases | | Largest increases | | Largest decreases | |
| Cayman Islands | 15.0 | Jersey | -16.0 | Bahamas | 4.3 | Cayman Islands | -32.8 |
| Hong Kong | 12.7 | Singapore | -0.6 | Guernsey | 0.9 | Singapore | -8.2 |
| Gibraltar | 5.3 | Barbados | -0.6 | Bahrain | 0.8 | Hong Kong | -3.1 |
| Bermuda | 3.0 | Isle of Man | -0.5 | Curacao | 0.4 | Lebanon | -1.5 |
| Bahamas | 2.4 | Bahrain | -0.4 | Bermuda | 0.4 | Jersey | -1.1 |

Total **liabilities** to Offshore Centres rose by \$20.0 billion during 2014 Q4. The increase was more than accounted for by a rise in liabilities to the Cayman Islands and Hong Kong. The largest fall in liabilities was to Jersey. Total **claims** on Offshore Centres decreased by \$40.7 billion, largely driven by the Cayman Islands. The largest increase in claims was reported on the Bahamas.

Table D: Analysis of exchange rate adjusted changes vis-à-vis Developing Countries - 2014 Q4

US\$ billions

Not seasonally adjusted

| Liabilities | | | | Claims | | | |
|--------------------|-----|-------------------|-------|----------------------|-----|-------------------|-------|
| Largest increases | | Largest decreases | | Largest increases | | Largest decreases | |
| Nigeria | 2.5 | Saudi Arabia | -10.7 | Qatar | 4.0 | China | -12.1 |
| Chile | 1.8 | Russia | -5.2 | South Africa | 1.2 | Russia | -10.2 |
| Qatar | 1.7 | India | -3.3 | South Korea | 1.1 | Taiwan | -3.6 |
| Angola | 1.6 | Kuwait | -2.3 | Philippines | 1.0 | Malaysia | -1.7 |
| China | 1.4 | Ukraine | -2.0 | United Arab Emirates | 1.0 | India | -1.5 |

Total **liabilities** to Developing Countries fell by \$18.0 billion during the quarter. The largest decrease in liabilities was reported against Saudi Arabia. The largest increase in liabilities was to Nigeria. Total **claims** on the region decreased by \$21.6 billion, more than accounted for by falls reported on China and Russia. The largest increase in claims was reported on Qatar.

About these data

1. Monetary Financial Institutions comprise banks, including the Bank of England and building societies.
2. Amounts outstanding are reported to the Bank of England in sterling regardless of the original underlying currency. Figures are then translated into US dollars at the end quarter exchange rate. Changes data are adjusted to remove the effects of exchange rate movements and material break in series. Further information on the distinction between amounts outstanding and changes data is available at:
www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/Changes_flows_growth_rates.aspx
3. **Other liabilities** comprises liabilities that cannot be allocated by counterpart country, reporting population differences and estimates of: international issues of securities; commercial paper and certificates of deposit issued; and net non-euro foreign currency items in suspense and balances awaiting settlement of securities transactions, which are assumed to be held by non-residents. **Other claims** comprises claims that cannot be allocated by counterpart country, reporting population differences and net non-euro foreign currency items in suspense and balances awaiting settlement of securities transactions. Population differences arise as the country allocation of external claims and liabilities is collected from a sample of UK monetary financial institutions that have significant business with non-residents whereas total external claims and liabilities reflects the external business of all UK monetary financial institutions.
4. **UK liabilities** by counterpart country comprise deposits and advances received by reporting institutions from non-residents; liabilities under sale and repurchase agreements with non-residents; liabilities arising from acceptances given on behalf of non-residents; and certificates of deposit issues in London by reporting institutions and held by non-residents. **UK claims** by counterpart country comprise the reporting institutions' loans and advances to non-residents; claims under sales and repurchase agreements with non-residents; commercial bills and other negotiable paper drawn on non-residents; lending under ECGD special schemes for exports, including amounts refinanced; acceptances given on behalf of non-residents; assets leased out under finance leases; and holdings of certain non-resident investments with an original maturity of one year or more. Investments in the share capital of reporting institutions' non-resident subsidiaries and in securities without contractually defined repayment dates (e.g. equities) are excluded. Further information on the definitions of external claims and liabilities are shown separately at:
http://www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/external_business.aspx
5. Tables providing a more detailed country and currency breakdown of external business of monetary financial institutions operating in the UK are shown separately. In addition, the Statistical Interactive Database provides long runs of statistical data with comprehensive search options and the ability to download in a variety of formats. This database can be accessed at:
<http://www.bankofengland.co.uk/boeapps/iadb>
The additional tables, shown separately, illustrate the codes for each series which can be used for downloading long runs from the database.
6. Data covering the external business 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