



# Statistical release

Published on 4 September 2015 at 09:30am

## External business of monetary financial institutions operating in the UK: 2015 Q2<sup>(1)(2)</sup>

Exchange rate adjusted changes in the external **liabilities** of monetary financial institutions operating in the UK fell by \$182.2 billion during 2015 Q2. The largest decrease in external liabilities was to Developed Countries, with the largest falls reported to Germany and Japan. Liabilities to Offshore Centres also fell, largely driven by decreases reported to the Cayman Islands and Jersey. Liabilities to Developing Countries rose during the quarter, almost entirely accounted for by Saudi Arabia.

During 2015 Q2, exchange rate adjusted changes in the external **claims** of monetary financial institutions operating in the UK decreased by \$141.5 billion. The fall in claims was almost entirely driven by Developed Countries, with the largest decreases reported on the United States and the Netherlands. Claims on Offshore Centres also fell, more than accounted for by the Cayman Islands and Hong Kong. Claims on Developing Countries increased during the quarter, more than accounted for by the United Arab Emirates and Qatar.

**Table A: Regional breakdown of external claims and liabilities**

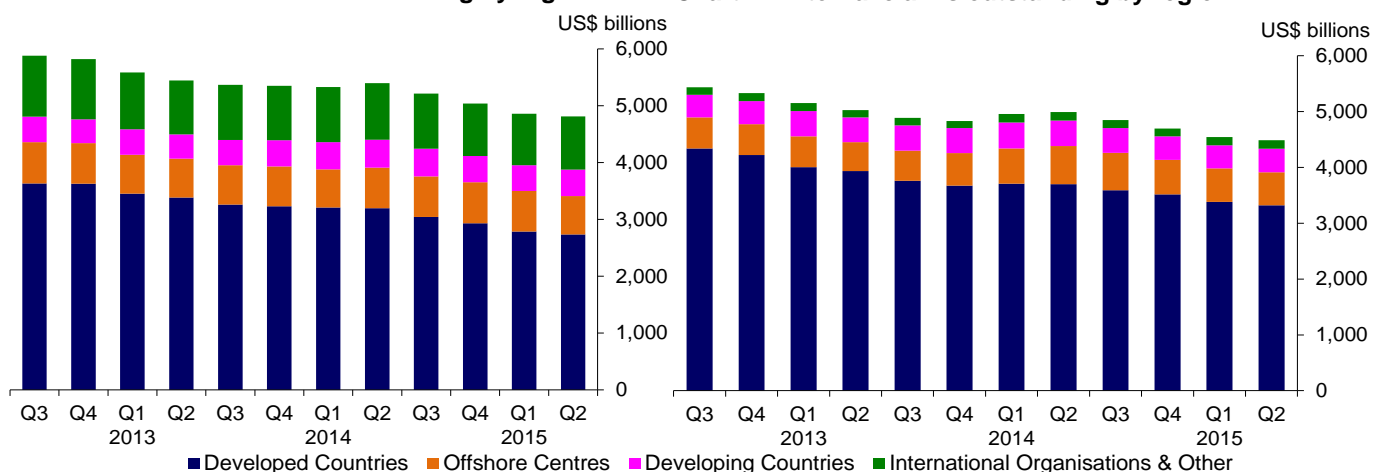
US\$ billions

Not seasonally adjusted

	Exchange rate adjusted flows <sup>(3)</sup>		Amounts outstanding <sup>(3)</sup>	
	Q4 2014	Q1	Q2 2015	End-2015 Q2
<b>Liabilities to:</b>				
Developed Countries	- 39.3	14.0	- 112.3	2,734.0
Offshore Centres	20.3	14.0	- 54.2	675.6
Developing Countries	- 18.1	- 2.8	8.7	466.8
International Organisations & Other <sup>(4)</sup>	- 11.3	32.8	- 24.4	932.9
<b>Total</b>	<b>- 48.4</b>	<b>58.1</b>	<b>- 182.2</b>	<b>4,809.2</b>
<b>Claims on:</b>				
Developed Countries	12.3	44.5	- 129.6	3,319.7
Offshore Centres	- 40.8	- 8.7	- 13.7	592.3
Developing Countries	- 21.5	- 1.9	4.3	420.8
International Organisations & Other <sup>(4)</sup>	11.9	25.4	- 2.5	156.3
<b>Total</b>	<b>- 38.2</b>	<b>59.3</b>	<b>- 141.5</b>	<b>4,489.1</b>

**Chart 1: External liabilities outstanding by region**

**Chart 2: External claims outstanding by region**



**Table B: Exchange rate adjusted changes vis-à-vis Developed Countries - 2015 Q2**

US\$ billions

Not seasonally adjusted

<b>Liabilities</b>				<b>Claims</b>			
Largest increases		Largest decreases		Largest increases		Largest decreases	
Norway	8.8	Germany	-32.8	Norway	7.7	United States	-35.3
Canada	4.4	Japan	-31.4	Sweden	1.1	Netherlands	-28.9
Australia	3.0	Belgium	-10.8	Cyprus	0.8	Ireland	-11.7
Finland	1.1	United States	-9.2	Greece	0.3	Switzerland	-11.6
Portugal	0.3	Netherlands	-8.3			Italy	-10.4

Total **liabilities** to Developed Countries decreased by \$112.3 billion during 2015 Q2. The largest falls in liabilities were reported to Germany and Japan. The largest increase in liabilities was reported against Norway. Total **claims** on the region fell by \$129.6 billion. The largest falls in claims were reported on the United States and the Netherlands. The largest increase in claims was on Norway.

**Table C: Exchange rate adjusted changes vis-à-vis Offshore Centres - 2015 Q2**

US\$ billions

Not seasonally adjusted

<b>Liabilities</b>				<b>Claims</b>			
Largest increases		Largest decreases		Largest increases		Largest decreases	
West Indies UK	1.7	Cayman Islands	-26.6	Guernsey	5.1	Cayman Islands	-9.7
Barbados	1.6	Jersey	-12.9	Jersey	4.5	Hong Kong	-6.1
Isle of Man	0.4	Singapore	-5.8	Curacao	0.8	Singapore	-5.5
Bermuda	0.2	Guernsey	-3.4	Bermuda	0.8	Mauritius	-2.0
Macao	0.1	Hong Kong	-2.8	West Indies UK	0.4	Bahrain	-1.1

Total **liabilities** to Offshore Centres decreased by \$54.2 billion during the second quarter of 2015. The decrease was largely driven by falls reported against the Cayman Islands and Jersey. The largest increase in liabilities was to the West Indies UK. Total **claims** on Offshore Centres decreased by \$13.7 billion, more than accounted for by the Cayman Islands and Hong Kong. The largest increases were reported on Guernsey and Jersey.

**Table D: Exchange rate adjusted changes vis-à-vis Developing Countries - 2015 Q2**

US\$ billions

Not seasonally adjusted

<b>Liabilities</b>				<b>Claims</b>			
Largest increases		Largest decreases		Largest increases		Largest decreases	
Saudi Arabia	8.7	Taiwan	-4.5	United Arab Emirates	4.2	Taiwan	-3.4
South Korea	4.4	Bulgaria	-2.2	Qatar	2.6	South Africa	-1.6
Russia	2.5	United Arab Emirates	-1.3	Venezuela	1.9	India	-1.1
Brazil	2.0	Oman	-1.0	Poland	1.7	Mexico	-1.1
Qatar	1.6	Angola	-1.0	Marshall Islands	1.5	Brazil	-1.0

Total **liabilities** to Developing Countries rose by \$8.7 billion during the quarter. The increase was almost entirely accounted for by Saudi Arabia. The largest decrease in liabilities was to Taiwan. Total **claims** on the region increased by \$4.3 billion, more than accounted by the United Arab Emirates and Qatar. The largest fall in claims was reported on Taiwan.

## Technical notes

1. Monetary financial institutions comprise banks, including the Bank of England and building societies.
2. Additional data on external business of monetary financial institutions operating in the UK are available in the following Bankstats tables:
  - C3.1 – Changes to the external business of monetary financial institutions operating in the UK: Analysis by region and nationality
  - C3.2 – External business of monetary financial institutions operating in the UK: Analysis by region and country
  - C3.3 – External business of monetary financial institutions operating in the UK: Analysis by currency and sector

New sub-sector data were published for the first time on 5 June 2015 and can be found in the following Bankstats table:

- C3.4 – External business of monetary financial institutions operating in the UK: Analysis by region and sector

Further information on the new sub-sector breakdown can found in the following Bankstats article:

<http://www.bankofengland.co.uk/statistics/Documents/ms/articles/art2may15.pdf>

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.

3. 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. By counterpart country, only the top five changes of greater than \$50 million are shown in Tables B-D. 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](http://www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/Changes_flows_growth_rates.aspx)
4. **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.

5. [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](http://www.bankofengland.co.uk/statistics/Pages/iadb/notesiadb/external_business.aspx)

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](http://www.bis.org)