



# Statistical release

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## External business of monetary financial institutions operating in the UK: 2015 Q3<sup>(1)(2)</sup>

Exchange rate adjusted changes in the external **liabilities** of monetary financial institutions operating in the UK fell by \$32.4 billion during 2015 Q3. The decrease was more than accounted for by Developed Countries, with the largest fall reported to the United States. Liabilities to Offshore Centres also fell, more than accounted for by Jersey. Liabilities to Developing Countries increased during the quarter, with Saudi Arabia chiefly responsible for the rise.

During 2015 Q3, exchange rate adjusted changes in the external **claims** of monetary financial institutions operating in the UK decreased by \$0.8 billion. The largest fall in claims was on Offshore Centres, with the largest falls reported on Hong Kong, Singapore and Bahrain. Claims on Developing Countries also decreased, predominantly driven by a fall in claims on China. External claims on Developed Countries increased, largely offsetting the falls in the other two regions, with the largest increase reported on Luxembourg.

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

US\$ billions

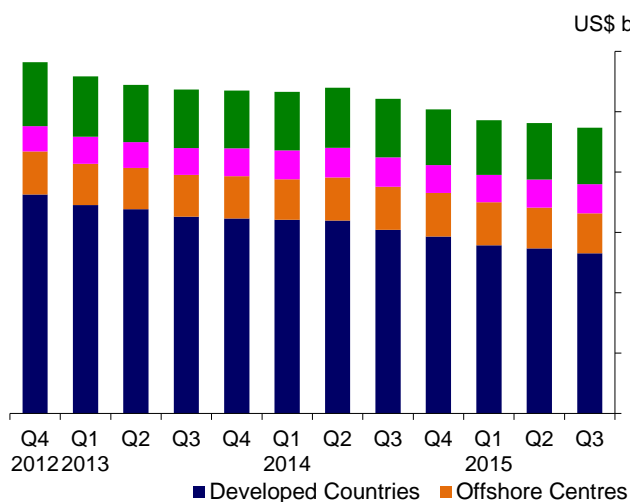
Not seasonally adjusted

Liabilities to:	Exchange rate adjusted flows			Amounts outstanding End-2015 Q3
	Q1 2015	Q2	Q3	
Developed Countries	14.0	- 112.2	- 70.6	2,651.4
Offshore Centres	14.0	- 54.3	- 6.0	665.0
Developing Countries	- 2.8	8.7	16.9	481.4
International Organisations and Other	32.6	- 24.4	27.4	937.9
<b>Total</b>	<b>57.9</b>	<b>- 182.2</b>	<b>- 32.4</b>	<b>4,735.7</b>

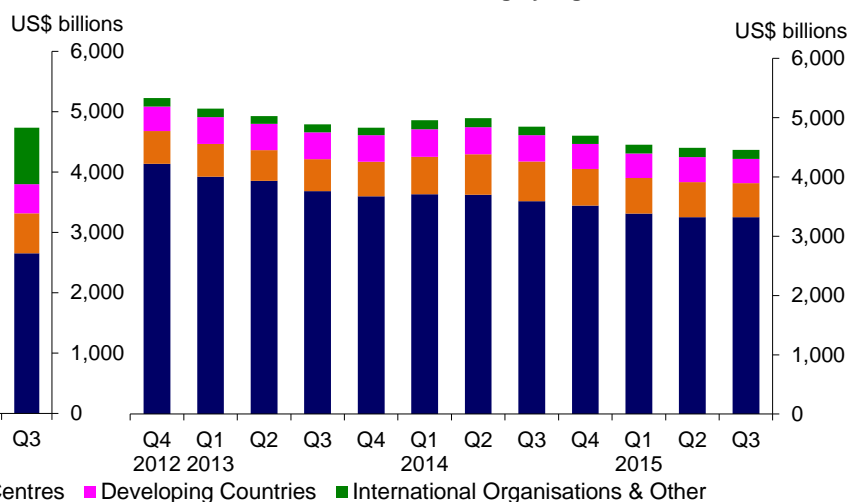
  

Claims on:	Exchange rate adjusted flows			Amounts outstanding End-2015 Q3
	Q1 2015	Q2	Q3	
Developed Countries	44.5	- 129.2	15.0	3,321.5
Offshore Centres	- 8.7	- 13.7	- 13.1	575.9
Developing Countries	- 1.9	4.3	- 6.8	409.2
International Organisations and Other	25.4	- 2.5	4.0	152.0
<b>Total</b>	<b>59.3</b>	<b>- 141.1</b>	<b>- 0.8</b>	<b>4,458.6</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 Q3**

US\$ billions

Not seasonally adjusted

<b>Liabilities</b>				<b>Claims</b>			
Largest increases		Largest decreases		Largest increases		Largest decreases	
Netherlands	9.5	United States	-42.2	Luxembourg	11.9	Ireland	-9.6
Australia	5.4	Ireland	-20.7	Netherlands	6.7	Portugal	-7.0
Belgium	5.1	Germany	-17.1	United States	6.6	Canada	-2.9
Japan	4.7	Italy	-8.2	France	4.8	Belgium	-2.1
Luxembourg	3.3	Portugal	-5.4	Norway	2.3	Spain	-2.0

Total **liabilities** to Developed Countries decreased by \$70.6 billion during Q3 2015. The fall in liabilities was primarily driven by the United States. The largest increase was reported against the Netherlands. Total **claims** on the region increased, up \$15.0 billion over the quarter. The increase in claims was driven principally by an increase in claims on Luxembourg. The largest decreases were reported on Ireland and Portugal.

**Table C: Exchange rate adjusted changes vis-à-vis Offshore Centres - 2015 Q3**

US\$ billions

Not seasonally adjusted

<b>Liabilities</b>				<b>Claims</b>			
Largest increases		Largest decreases		Largest increases		Largest decreases	
Cayman Islands	11.8	Jersey	-12.7	Bahamas	2.1	Hong Kong	-6.3
Singapore	3.4	Guernsey	-4.9	Guernsey	2.1	Singapore	-5.6
Bahamas	1.8	Hong Kong	-4.9	West Indies UK	1.9	Bahrain	-5.0
Bermuda	1.4	Mauritius	-1.4	Bermuda	0.9	Cayman Islands	-3.4
Macao	0.6	Isle of Man	-0.8	Isle of Man	0.6	Mauritius	-0.5

A fall in total **liabilities** to Offshore Centres of \$6.0 billion was reported during the third quarter, more than accounted for by a decrease reported against Jersey. The largest increase was reported on the Cayman Islands. Total **claims** on Offshore Centres also fell, down by \$13.1 billion, driven by falls reported on Hong Kong, Singapore and Bahrain. The largest increases in claims were reported on the Bahamas and Guernsey.

**Table D: Exchange rate adjusted changes vis-à-vis Developing Countries - 2015 Q3**

US\$ billions

Not seasonally adjusted

<b>Liabilities</b>				<b>Claims</b>			
Largest increases		Largest decreases		Largest increases		Largest decreases	
Saudi Arabia	10.1	South Africa	-3.4	Saudi Arabia	2.6	China	-5.1
United Arab Emirates	5.6	Kuwait	-2.3	United Arab Emirates	2.4	Russia	-3.0
Russia	2.9	Nigeria	-2.2	India	1.6	Brazil	-1.5
Kazakhstan	2.6	Malaysia	-1.8	South Korea	1.0	Poland	-1.3
Ukraine	2.1	Qatar	-1.2	Czech Republic	0.7	Taiwan	-0.8

Total **liabilities** to Developing Countries increased by \$16.9 billion during the quarter, driven by an increase in liabilities to Saudi Arabia. The largest fall in liabilities was reported against South Africa. Total **claims** fell by \$6.8 billion, more than accounted for by China and Russia. The largest increases were reported against Saudi Arabia and the United Arab Emirates.

## 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 data were published in Bankstats tables C3.2 and C3.3 on 4 December 2015. With effect from Q3 2015, Bankstats table C3.2 now includes additional counterpart country data. As a result the composition of other countries not separately identified for each geographic region has also changed. The currency and sector analysis presented in Bankstats table C3.3 has also been expanded to include new subsector information. Amounts outstanding data are available from Q1 2014, while flows data are available from Q2 2014. The currency analysis compiled on the previous basis has been discontinued but is available upon request. For further details can be found in the following Bankstats article:

<http://www.bankofengland.co.uk/statistics/Documents/articles/2015/8nov.pdf>

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)