



Statistical release

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External business of monetary financial institutions operating in the UK: 2016 Q3⁽¹⁾

Exchange rate adjusted changes in the external liabilities of monetary financial institutions (MFIs) operating in the UK fell by \$5.7 billion during 2016 Q3. The largest decrease in external liabilities was to Developed Countries, which was largely accounted for by United States, Germany and Japan. By contrast, liabilities to Offshore Centres increased, with the largest increases to Cayman Islands and Hong Kong. Liabilities to Developing Countries were largely unchanged.

During 2016 Q3, exchange rate adjusted changes in the external claims of MFIs operating in the UK fell by \$1.8 billion. The largest decrease in claims was on International Organisations and Other claims unallocated by country. Claims on Developing Countries also fell, with the largest decreases reported on China and United Arab Emirates. The largest increase in claims was on Developed Countries, more than accounted for by Switzerland. Claims on Offshore Centres were largely unchanged.

Table A: Regional breakdown of external claims and liabilities

US\$ billions

Not seasonally adjusted

	Exchange rate adjusted flows ⁽²⁾			Amounts outstanding ⁽²⁾ End-Q3 2016
	Q1 2016	Q2	Q3	
Liabilities to:				
Developed countries	-38.5	91.8	- 98.5	2,538.2
Offshore centres	1.1	13.4	44.7	684.4
Developing countries	- 11.7	9.5	0.7	459.4
International Organisations and Other ⁽³⁾	27.2	64.6	47.4	912.8
Total	- 21.9	179.3	-5.7	4,594.8
Claims on:				
Developed countries	- 24.8	104.6	10.2	3,356.8
Offshore centres	1.5	32.3	-0.5	560.9
Developing countries	- 28.9	7.2	-5.1	382.1
International Organisations and Other ⁽³⁾	13.8	17.8	-6.4	137.3
Total	- 38.4	162.0	-1.8	4,437.1

Chart 1: External liabilities outstanding by region

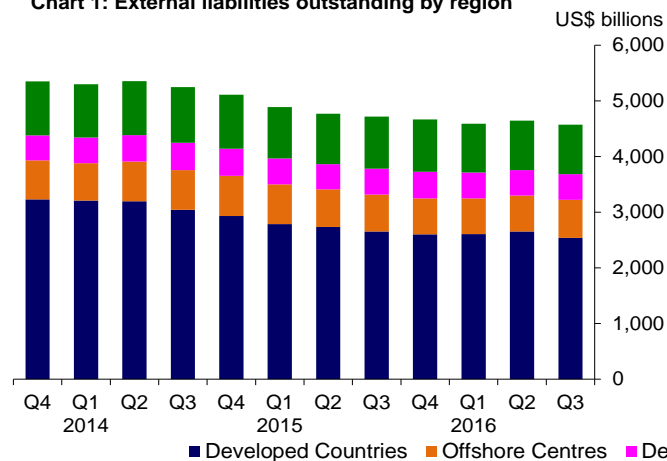
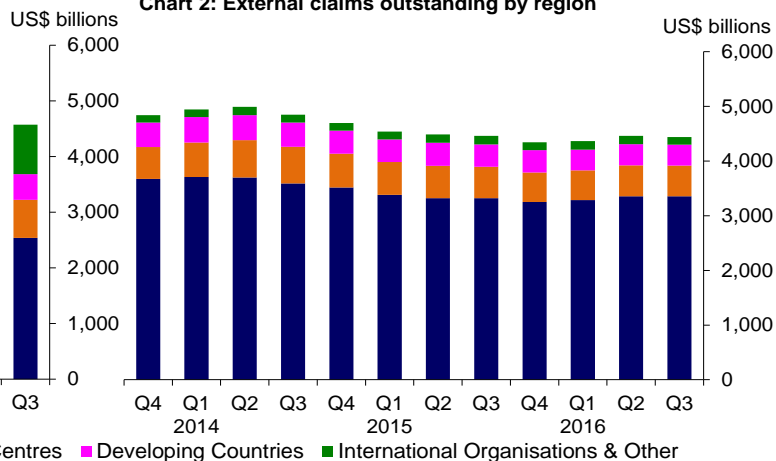


Chart 2: External claims outstanding by region



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Exchange rate adjusted changes in external claims and liabilities: Developed Countries⁽²⁾

Exchange rate adjusted changes vis-à-vis Developed Countries by counterpart sector - 2016 Q3⁽⁴⁾

US\$ billions

Not seasonally adjusted

Chart 3: Changes in liabilities by counterpart sector

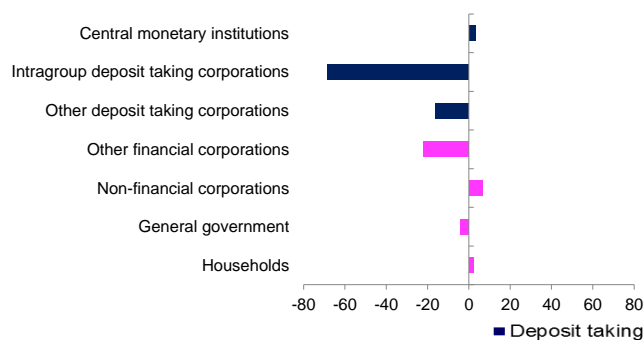
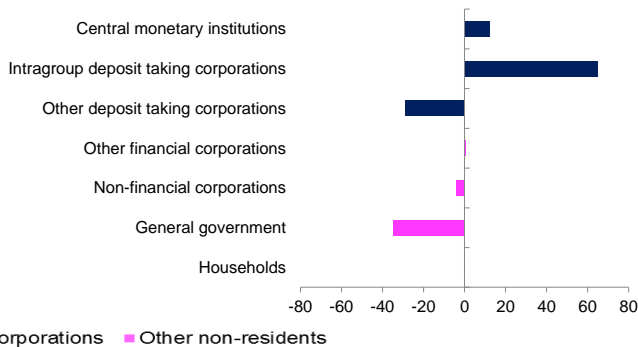


Chart 4: Changes in claims by counterpart sector



Total **liabilities** to Developed Countries decreased by \$98.5 billion during 2016 Q3. By sector, this was largely driven by a fall in liabilities to intragroup deposit taking corporations of \$68.8 billion. The next largest decrease was in liabilities to other financial corporations of \$22.0 billion.

Total **claims** on the region increased by \$10.2 billion over the quarter. By sector, the largest increase in claims was on intragroup deposit taking corporations up by \$65.1 billion. This was partially offset by falls on general government and other deposit taking corporations, down \$35.0 billion and \$28.8 billion respectively.

Table B: Exchange rate adjusted changes vis-à-vis Developed Countries - 2016 Q3

US\$ billions

Not seasonally adjusted

Liabilities		Claims	
Largest increases	Largest decreases	Largest increases	Largest decreases
France	5.0	Switzerland	15.1
Sweden	3.9	France	13.3
Luxembourg	3.7	Luxembourg	11.7
Norway	1.7	Germany	9.6
Canada	0.8	Canada	5.7
		United States	-19.5
		Italy	-12.4
		Spain	-6.5
		Norway	-4.3
		Netherlands	-3.0

By country, the largest decreases in **liabilities** were to United States and Germany, driven by deposit taking corporations. The largest increase was reported to France, which was almost entirely driven by deposit taking corporations.

The rise in **claims** was more than accounted for by increases on both Switzerland and France, largely driven by deposit taking corporations. The largest decrease was reported on United States, which was more than accounted for by other non-residents.

Exchange rate adjusted changes vis-à-vis Developed Countries - 2016 Q3

US\$ billions

Not seasonally adjusted

Chart 5: Changes in liabilities by country (5 largest increases/decreases)

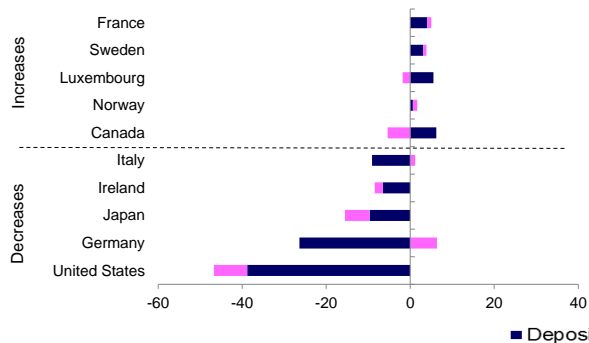
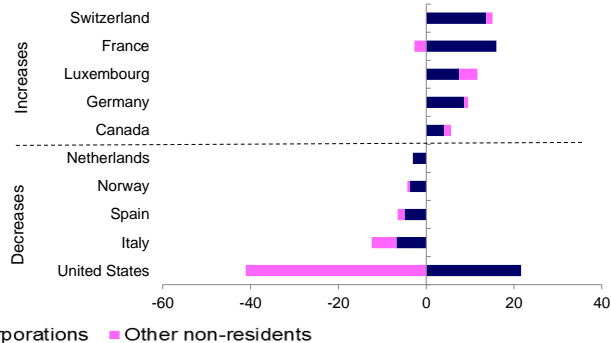


Chart 6: Changes in claims by country (5 largest increases/decreases)



Exchange rate adjusted changes in external claims and liabilities: Offshore Centres⁽²⁾

Exchange rate adjusted changes vis-à-vis Offshore Centres by counterpart sector - 2016 Q3⁽⁴⁾

US\$ billions

Not seasonally adjusted

Chart 7: Changes in liabilities by counterpart sector

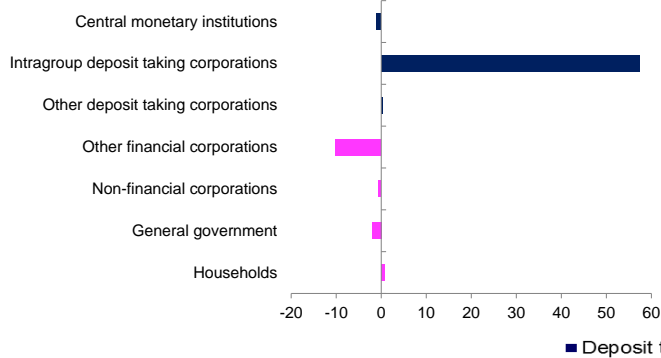
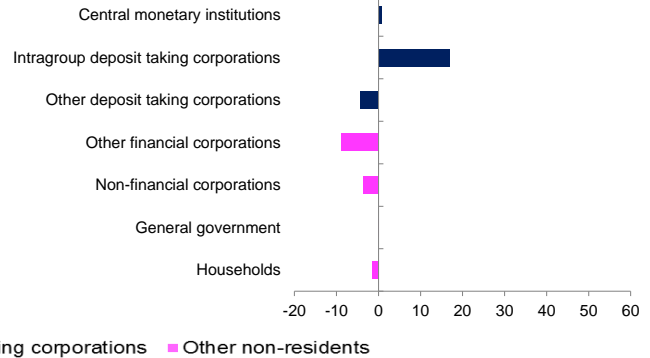


Chart 8: Changes in claims by counterpart sector



Total **liabilities** to Offshore Centres increased by \$44.7 billion over the quarter. By sector, this was more than accounted for by an increase in liabilities to intragroup deposit taking corporations, up \$57.4 billion over the quarter.

Total **claims** on Offshore Centres were largely unchanged during 2016 Q3. By sector, the largest increase in claims was on intragroup deposit taking corporations of \$16.9 billion; this was partly offset by a fall in claims on other financial corporations of \$8.8 billion.

Table C: Exchange rate adjusted changes vis-à-vis Offshore Centres - 2016 Q3

US\$ billions

Not seasonally adjusted

Liabilities		Liabilities		Claims		Claims	
Largest increases		Largest decreases		Largest increases		Largest decreases	
Cayman Islands	22.5	Bahamas	-3.1	Cayman Islands	5.6	Jersey	-3.1
Hong Kong	11.4	Curacao	-1.1	Guernsey	2.3	Hong Kong	-2.1
Singapore	9.7	Macao	-0.9	Singapore	1.4	Bermuda	-1.7
Guernsey	1.5	Gibraltar	-0.1	Mauritius	0.5	West Indies UK	-1.6
Jersey	1.3			Gibraltar	0.4	Curacao	-0.9

By country, the increase in **liabilities** was largely driven by increases to Cayman Islands and Hong Kong, more than accounted for by deposit taking corporations. The largest fall was reported to Bahamas, and was driven by other non-residents.

The largest increase in **claims** was on Cayman Islands, more than accounted for by deposit taking corporations. The second largest increase was on Guernsey, driven by other non-residents. The largest decrease was reported on Jersey, which was largely driven by other non-residents.

Exchange rate adjusted changes vis-à-vis Offshore Centres - 2016 Q3

US\$ billions

Not seasonally adjusted

Chart 9: Changes in liabilities by country (5 largest increases/decreases)

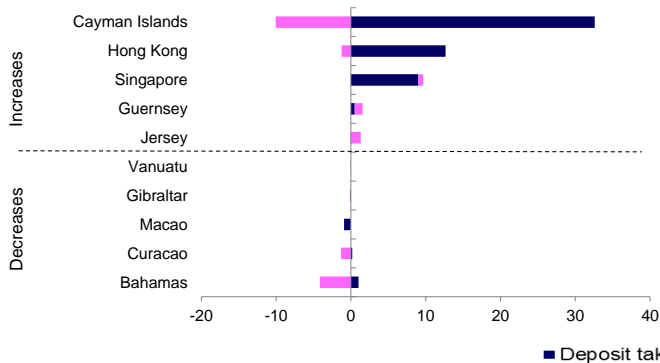
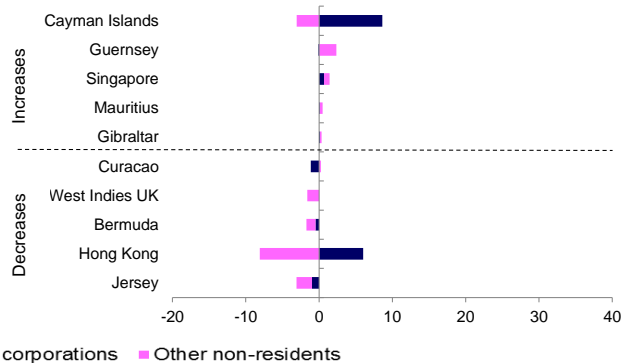


Chart 10: Changes in claims by country (5 largest increases/decreases)



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Exchange rate adjusted changes in external claims and liabilities: Developing Countries⁽²⁾

Exchange rate adjusted changes vis-à-vis Developing Countries by counterpart sector - 2016 Q3⁽⁴⁾

US\$ billions

Not seasonally adjusted

Chart 11: Changes in liabilities by counterpart sector

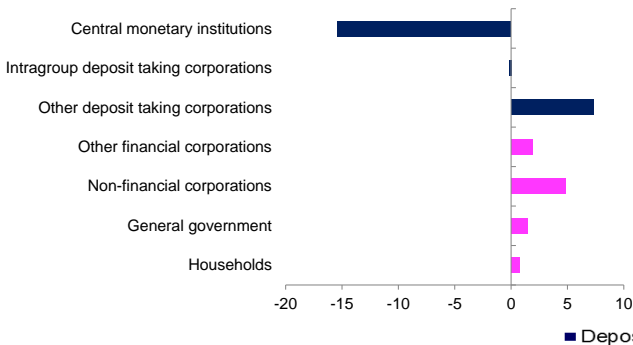
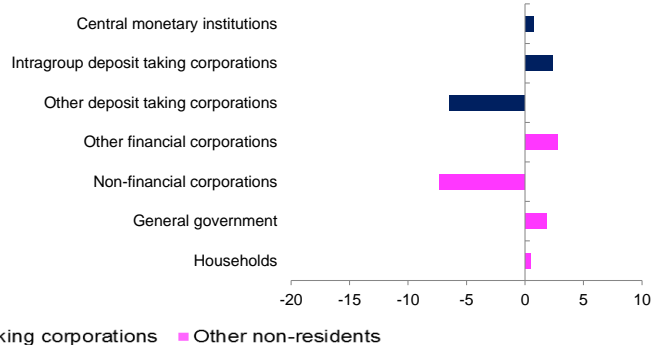


Chart 12: Changes in claims by counterpart sector



Total **liabilities** to Developing Countries were largely unchanged during 2016 Q3. By sector, the largest fall in liabilities was to central monetary institutions, down \$15.4 billion. The largest increase in liabilities was to other deposit taking corporations of \$7.3 billion.

Total **claims** on the region decreased by \$5.1 billion over the quarter. By sector, the largest fall in claims was on non-financial corporations, down by \$7.3 billion. Claims on other deposit taking corporations also fell by \$6.4 billion. This was partially offset by increases on other financial corporations and intragroup deposit taking corporations, up by \$2.8 billion and \$2.4 billion respectively.

Table D: Exchange rate adjusted changes vis-à-vis Developing Countries - 2016 Q3

US\$ billions

Not seasonally adjusted

Liabilities				Claims			
Largest increases		Largest decreases		Largest increases		Largest decreases	
United Arab Emirates	4.0	Saudi Arabia	-9.0	Saudi Arabia	3.2	China	-3.5
Taiwan	3.8	South Africa	-2.2	Qatar	2.5	United Arab Emirates	-3.3
Kazakhstan	1.9	China	-2.1	South Africa	1.6	Russia	-1.8
Qatar	1.8	Angola	-1.1	Mexico	1.1	Malaysia	-1.7
India	1.4	Chile	-0.8	Czech Republic	0.8	Argentina	-1.5

By country, the largest increases in **liabilities** were to United Arab Emirates and Taiwan, driven by deposit taking corporations and other non-residents respectively. The largest decrease was reported to Saudi Arabia, which was more than accounted for by deposit taking corporations.

The fall in **claims** was driven by decreases on China and United Arab Emirates. The fall in claims on China was largely accounted for by deposit taking corporations, while the decrease in claims on United Arab Emirates was well spread by sector. The largest increase was reported on Saudi Arabia, and was largely driven by other non-residents.

Exchange rate adjusted changes vis-à-vis Developing Countries - 2016 Q3

US\$ billions

Not seasonally adjusted

Chart 13: Changes in liabilities by country (5 largest increases/decreases)

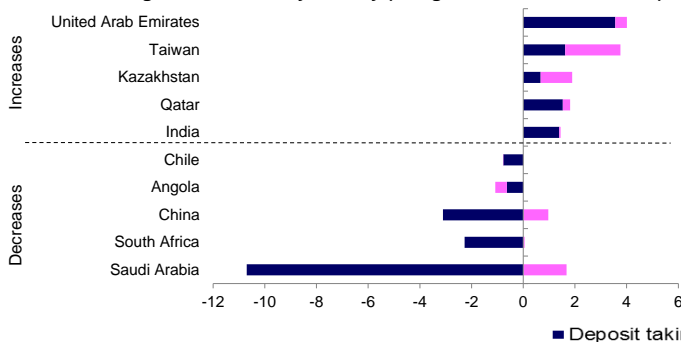
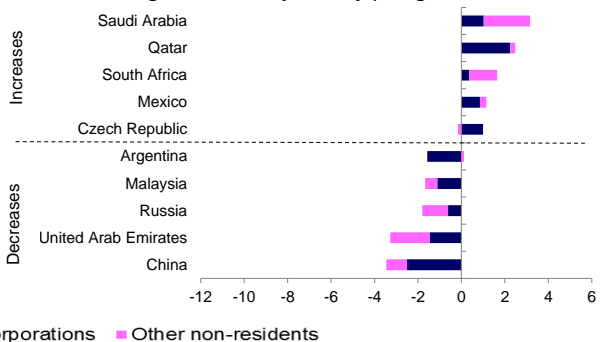


Chart 14: Changes in claims by country (5 largest increases/decreases)



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Technical notes

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. 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
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. **Households** includes individuals, families, non-quasi-corporations or enterprises owned by household members and non-profit institutions serving households (NPISHs) such as charities, religious institutions, trade unions and consumer associations. **General government** includes central government, state government, local government and social security funds. For more information on sector classifications, see Part III.10 of the Classification of Accounts Guide, which can be accessed at:
<http://www.bankofengland.co.uk/statistics/Documents/reporters/defs/cag201310.pdf>
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
6. Additional data on external business of monetary financial institutions operating in the UK are available in the following Bank of England Bankstats (Monetary & Financial Statistics) at
www.bankofengland.co.uk/statistics/Pages/bankstats/default.aspx:
 - 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
 - C3.4 – External business of monetary financial institutions operating in the UK: Analysis by region and sector

In addition, The Statistical Interactive Database, IADB, 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/NewIntermed.asp>

The additional tables, shown separately, illustrate the codes for each series which can be used for downloading long runs from the database.

7. Data covering the external business of banks in other centres as well as in the UK are available from the Bank for International Settlements on their website at: www.bis.org