

Statistical release: BIS international banking statistics and global liquidity indicators at end-June 2024

- Global cross-border bank claims changed little during the second quarter of 2024. Claims dropped by a modest \$11 billion following a surge in the previous quarter.
- Cross-border bank *credit* (ie loans and holdings of debt securities) rose by a mere \$36 billion during Q2, leaving the year-on-year (yoy) growth rate at 6%. Credit to advanced economies (AEs) grew at 6% yoy, while that to emerging market and developing economies (EMDEs) accelerated to 3% yoy.
- Dollar-denominated credit to EMDEs continued to contract. By contrast, credit denominated in the Chinese renminbi rose further, mainly to borrowers in the Asia-Pacific region.
- The BIS global liquidity indicators (GLIs) show that dollar-denominated foreign currency credit to non-banks in EMDEs fell modestly during Q2 2024. Bank lending declined slightly while international bond issuance held up.

Global cross-border bank credit shows little change

The BIS locational banking statistics (LBS) reveal that banks' global cross-border claims dropped slightly in the second quarter of 2024, by \$11 billion on an exchange rate and break-adjusted basis (Graph 1.A).¹ This left the outstanding stock at \$39.2 trillion, 4% higher than a year earlier (Graph 1.E).

Bank credit – ie loans and holdings of debt securities, excluding derivatives and other instruments – rose by \$36 billion (Graph 1.C), leaving the yoy growth rate at 6%, as in the previous quarter (Graph 1.G). The modest increase mainly reflected greater credit to non-banks, although greater inter-office positions contributed somewhat (Graphs 1.D and 1.H). Among AEs, credit to the euro area and Japan fell by \$88 billion and \$57 billion, respectively, while credit to the Cayman Islands and the United States rose. At the same time, credit to EMDEs expanded by \$23 billion during the quarter.

¹ In the BIS LBS, bank claims comprise: (i) loans and deposits; (ii) holdings of debt securities; and (iii) derivatives with a positive market value and other residual instruments (combined). Credit is defined as the sum of (i) and (ii).

Changes in banks' global cross-border claims

Graph 1

Quarterly changes, in trillions of US dollars¹

Claims

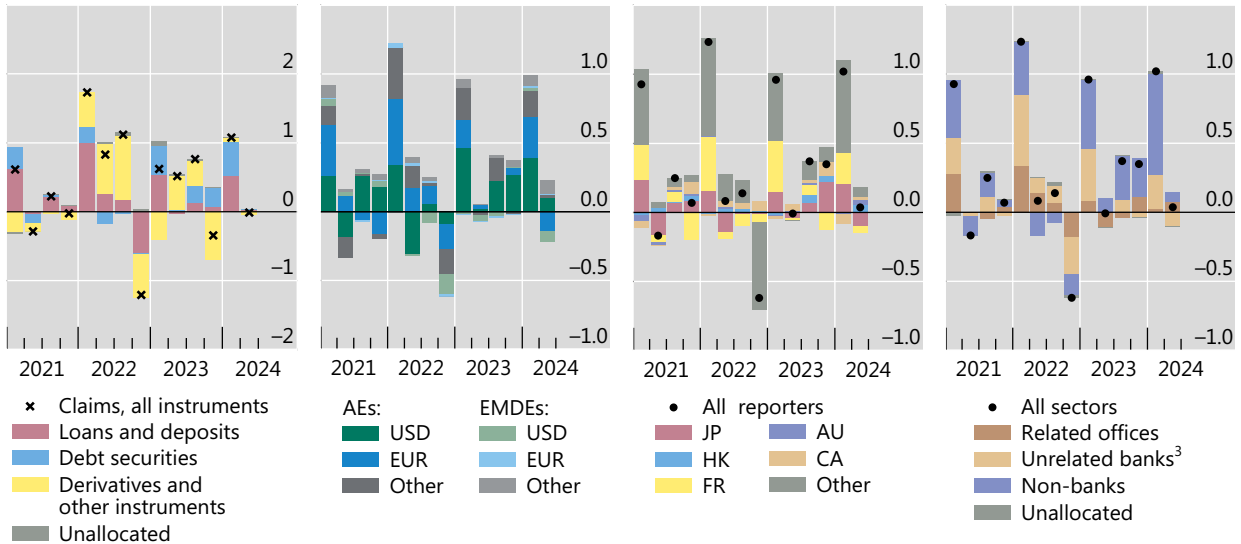
Of which: credit²

A. By instrument

B. By currency and region

C. By reporting country

D. By counterparty sector



Year-on-year growth rates, in per cent⁴

Claims

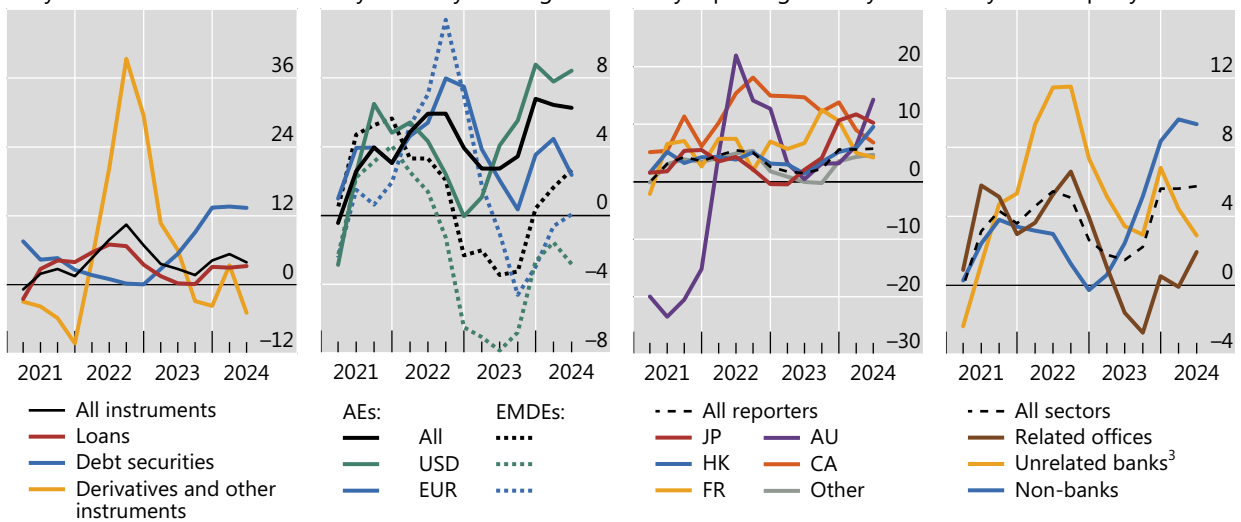
Of which: credit²

E. By instrument

F. By currency and region

G. By reporting country

H. By counterparty sector



¹ Quarterly changes adjusted for breaks in series and exchange rate fluctuations. ² Credit refers to loans and banks' holdings of debt securities, ie excluding from "claims" all other instruments (derivatives with positive market value, equity and other residual instruments). ³ Includes credit to central banks and to banks unallocated by subsector. ⁴ Annual compounded adjusted change (see BIS reporting guidelines).

Source: BIS locational banking statistics.

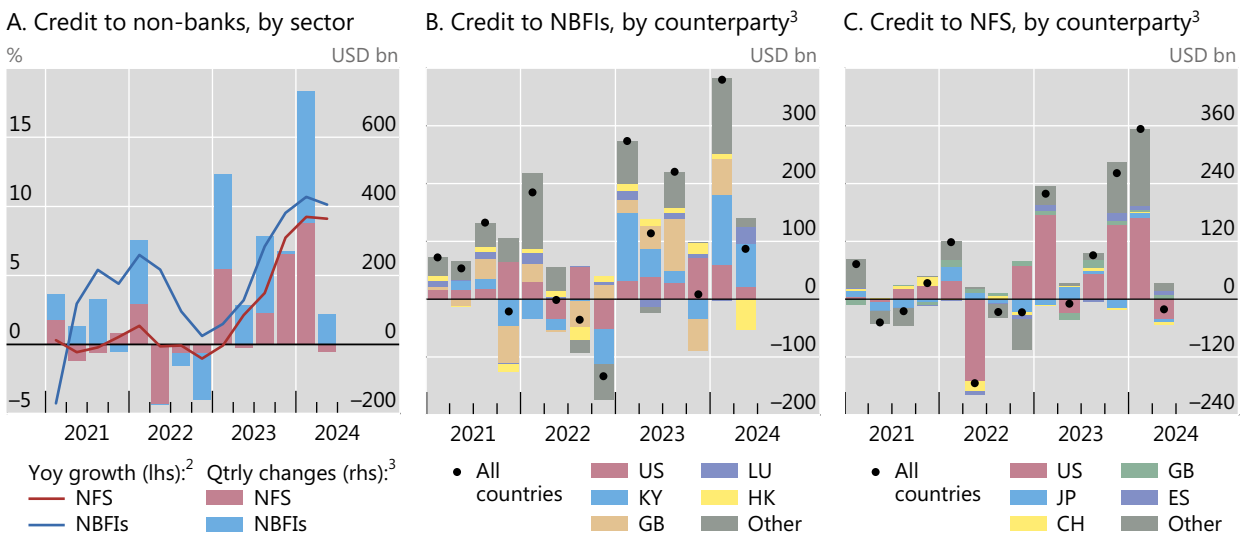
Credit to non-banks continues to rise

The uptick in global cross-border credit during Q2 mainly reflected lending to non-bank borrowers, extending a trend observed in recent quarters (Graph 1.D). The annual growth rate stood at 9%, a pace not seen since early 2020 (Graph 1.H).

The Q2 increase went to non-bank financial institutions (NBFIs), rather than to the non-financial sector (Graph 2.A). As a result, the yoy growth in credit to *NBFIs* remained at 10%, with the bulk extended to borrowers in the Cayman Islands and Luxembourg and, to a lesser extent, the United States (Graph 2.B). Credit to the *non-financial sector*, by contrast, fell by \$21 billion, mainly vis-à-vis borrowers in the United States (Graph 2.C). Banks in Japan recorded a drop of around \$110 billion, only partially offset by more credit from banks in France, the United Kingdom and Canada.²

Cross-border credit to non-banks¹

Graph 2



¹ Non-banks comprise non-bank financial institutions (NBFIs); the non-financial sector (NFS), which includes non-financial corporations, households and governments; and a residual unallocated by sector (not shown). ² Annual compounded adjusted change, in per cent. ³ Quarterly changes adjusted for breaks in series and exchange rate fluctuations.

Source: BIS locational banking statistics.

² Data for Japan relate to claims in all instruments, ie credit and other instruments including derivatives.

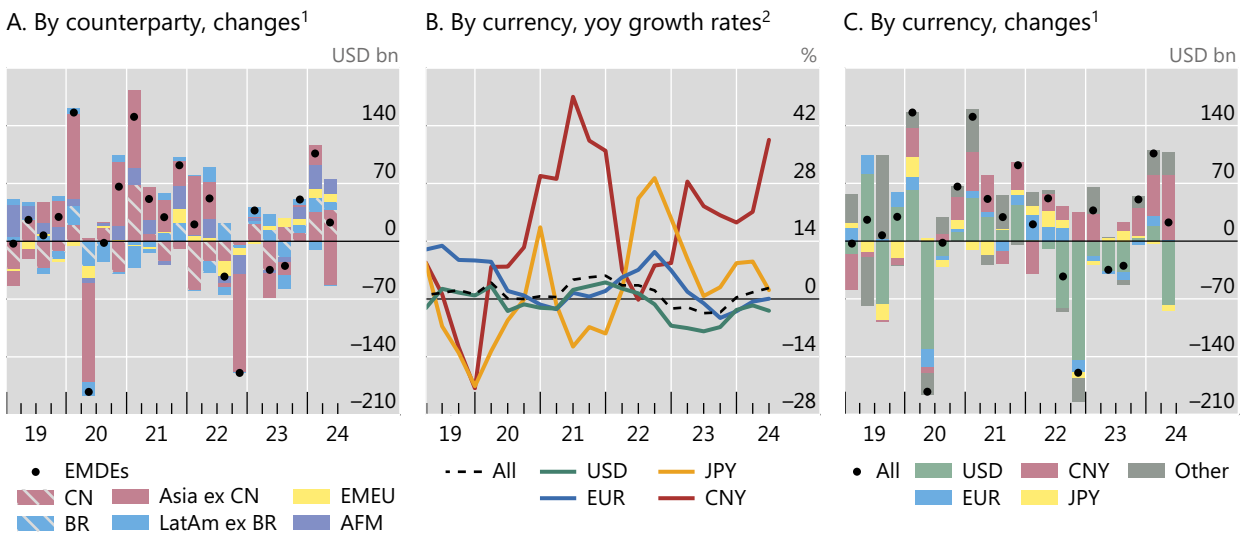
Rising renminbi credit within emerging Asia-Pacific

Cross-border bank credit to EMDEs rose for the third consecutive quarter, by \$23 billion (Graph 3.A). This pushed the growth rate to 3% yoy, up from 2% the quarter before (Graph 3.B, dashed line). Banks located in Hong Kong SAR, the United Kingdom and Macao SAR reported the largest increases in Q2, mainly in credit denominated in the Chinese renminbi (CNY).

Across EMDE regions, credit developments in Q2 were shaped by the major economies within each region (Graph 3.A). Credit to China increased by \$39 billion, while that to the rest of Asia-Pacific fell overall. Likewise, in Latin America and the Caribbean, credit to Brazil rose by \$9 billion while the rest of the region saw little change. Credit to emerging Europe increased by \$11 billion, about half of which went to Turkey. Credit to Africa and the Middle East rose by \$18 billion, mainly to borrowers in Qatar and Saudi Arabia.

Cross-border bank credit to EMDEs

Graph 3



AFM = Africa and Middle East; Asia = emerging Asia and Pacific; EMEU = emerging Europe; LatAm = Latin America and Caribbean.

¹ Quarterly changes adjusted for breaks in series and exchange rate fluctuations. ² Annual compounded adjusted change, in per cent.

Source: BIS locational banking statistics.

Credit to EMDEs diverged across currencies, with the decline in dollar credit offset by credit in renminbi, mainly to borrowers in the Asia-Pacific region. Credit denominated in US dollars has trended downwards since early 2022, coinciding with the start of the Federal Reserve's tightening cycle (Graph 3.C), and fell further in Q2 (-\$78 billion).³ The cumulative decline in dollar credit to EMDEs over this period has reached more than \$380 billion, mainly affecting borrowers in Asia-Pacific. Dollar credit to China has declined by \$80 billion since early 2022, while it dropped by a combined \$200 billion vis-à-vis Hong Kong and Macao. By contrast, renminbi-

³ During Q2 2024, the federal funds rate exceeded 5% and the dollar appreciated by 2.6% as measured by the nominal broad US dollar index.

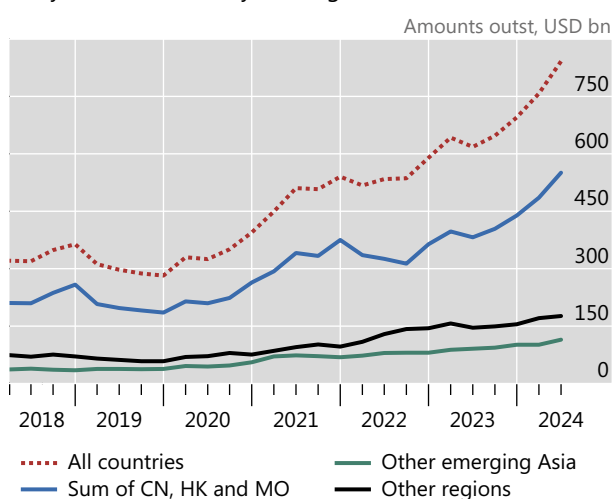
denominated cross-border credit to EMDEs grew for the ninth consecutive quarter, representing a cumulative increase of nearly \$240 billion since early 2022 (Graph 3.C).⁴

This rise in cross-border renminbi credit has been behind the overall increase in *international* renminbi credit, which includes both global cross-border credit plus locally extended credit to borrowers outside China. Much of this has been directed at borrowers in emerging Asia-Pacific (Graph 4.A). Cross-border renminbi credit to borrowers in China, and international renminbi credit to those in Hong Kong and Macao combined, reached \$550 billion in Q2 2024 (blue line). International credit to other borrowers in the region, eg in Korea, Malaysia and Singapore, has also been on the rise, though from a lower base (green line). International credit to borrowers *outside* the region, mainly in the United Kingdom, Cayman Islands and Australia, accounted for a small share of the total (black line).

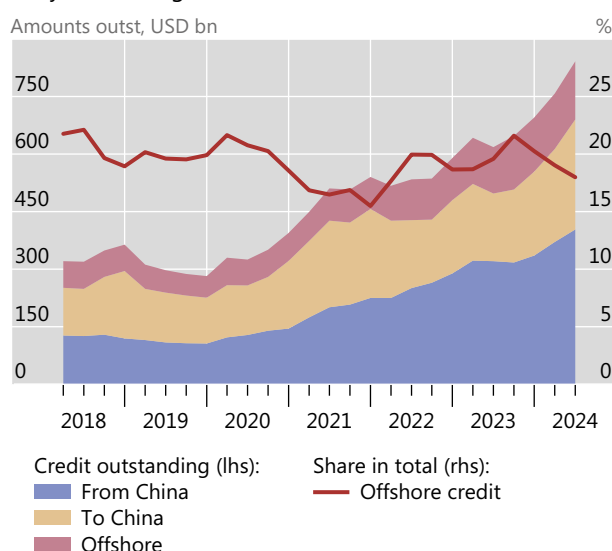
International use of renminbi¹

Graph 4

A. By borrower country and region



B. By market segment²



¹ Refers to international bank credit, which comprises cross-border credit and local credit (to residents outside China), including intragroup claims. ² Offshore credit consists of positions booked by banks outside China on counterparties outside China.

Source: BIS locational banking statistics.

The international use of renminbi to date remains largely centred on China. Banks *located* in China account for the largest part of cross-border credit denominated in renminbi (Graph 4.B, purple area). Much of the remaining renminbi credit is extended by banks *outside* China to borrowers located in China (tan area). These outward and inward positions with China thus account for the bulk of total credit. Renminbi use in *offshore* transactions (red area), ie for credit between banks and borrowers both located outside of China, remains limited, and has registered a smaller increase (+\$60 billion).⁵

⁴ In addition to China, 14 other economies, including Hong Kong, Macao, Korea and Australia, report renminbi-denominated claims.

⁵ For a fuller discussion of the currency dimension in international statistics, see P McGuire, G von Peter and S Zhu, "International finance through the lens of BIS statistics: the global reach of currencies", *BIS Quarterly Review*, June 2024.

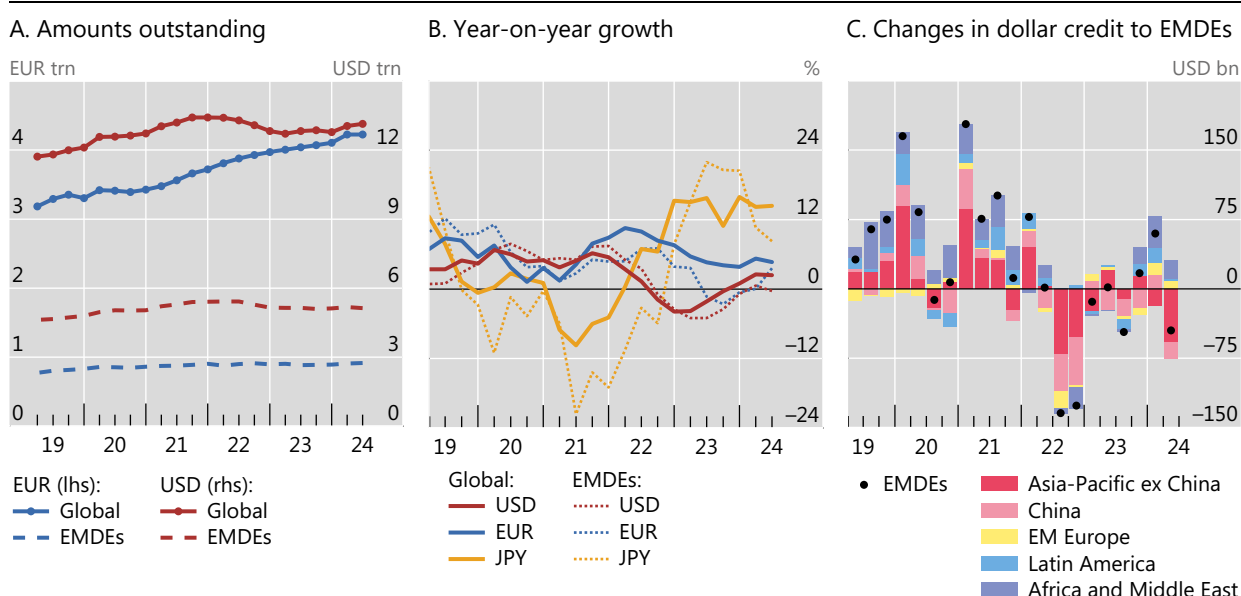
Global liquidity indicators at end-June 2024

The BIS global liquidity indicators (GLIs) track total credit to non-bank borrowers, covering both loans extended by banks and funding from international bond markets.⁶ The latter is captured through the net issuance (gross issuance less redemptions) of international debt securities (IDS). The focus is on foreign currency credit denominated in the three major reserve currencies (US dollar, euro and Japanese yen) to non-residents, ie borrowers outside the respective currency areas.

Global foreign currency credit denominated in US dollars and yen saw modest increases, while those in euros fell slightly in Q2 2024. The \$87 billion rise in dollar credit to non-banks outside the United States left the outstanding stock at \$13 trillion (Graph 5.A, solid red line). The growth rate remained at 2% year-on-year (yoy) (Graph 5.B, red line). Yen credit to non-banks outside Japan also expanded modestly in Q2; the outstanding amount surpassed ¥64 trillion (\$400 billion), up 14% from a year earlier (Graph 5.B, solid yellow line). Euro credit to non-banks outside the euro area rose fell slightly by around €200 million, to €4.2 trillion (\$4.5 trillion), but still up 5% from a year earlier (Graph 5, blue lines).

Foreign currency credit to non-banks, by counterparty region

Graph 5



Source: BIS global liquidity indicators.

In contrast to the global total, dollar credit to emerging market and developing economies (EMDEs) declined by \$45 billion, to \$5.1 trillion (Graph 5.A). The drop in dollar credit was more pronounced for borrowers in emerging Asia-Pacific economies, amounting to \$76 billion (Graph 5.C). Increases in dollar credit to other EMDE regions did not fully offset this decline. This resulted in almost zero yoy growth in dollar credit to EMDEs overall (Graph 5.B, dotted red line). Another notable feature

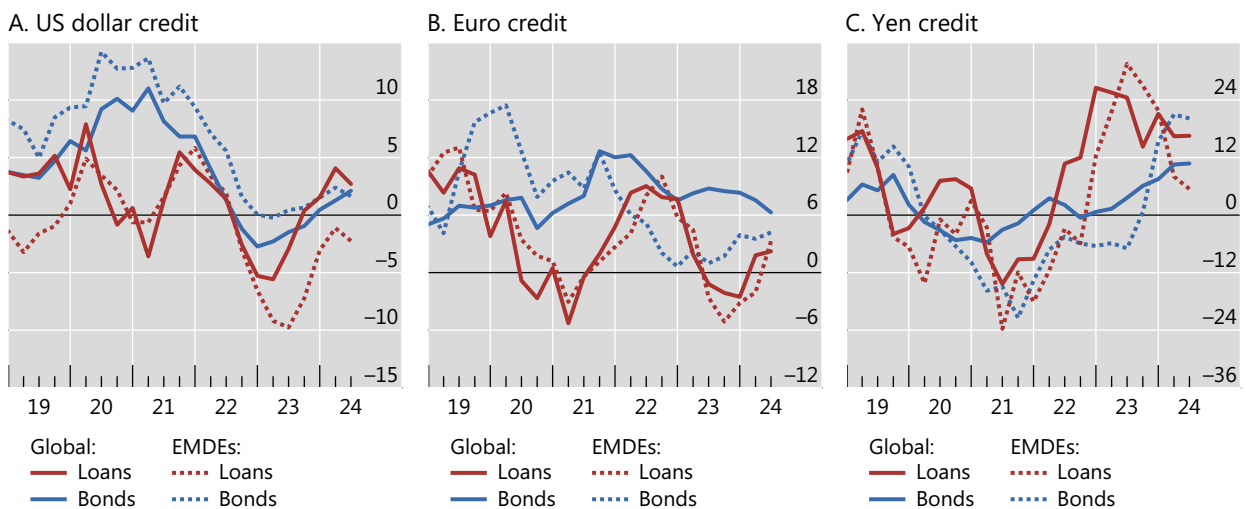
⁶ The GLIs cover total foreign currency credit denominated in US dollars, euros or Japanese yen, which includes loans from banks plus outstanding international bonds. This is broader than “bank credit” covered in previous sections, which captures banks’ loans and their holdings of debt securities.

of dollar credit to EMDEs has been the weakness in the bank lending component (rather than bond financing), extending a trend observed since before the pandemic. Since end-2018, growth in dollar-denominated bank lending (Graph 6.A, dotted red line) has consistently fallen short of growth in bond financing (dotted blue line), by an average of 7 percentage points.

Foreign currency credit to non-banks, by instrument and region

Year-on-year growth, in per cent

Graph 6



Source: BIS global liquidity indicators.

The disparity in growth between bank lending and bond financing to EMDE borrowers observed in dollar credit also stood out in the euro segment, but not in the yen segment. Since end-2018, growth in euro bank lending has been 3 percentage points below that in bond financing on average, despite signs of recovery in loan growth in the most recent period (Graph 6.B). For the yen, low interest rates and yen depreciation through mid-2024 went hand in hand with a surge in bank lending since mid-2022, although growth has slowed in 2024 (Graph 6.C).

Annex A Locational banking statistics

Cross-border claims¹ by sector, currency and instrument

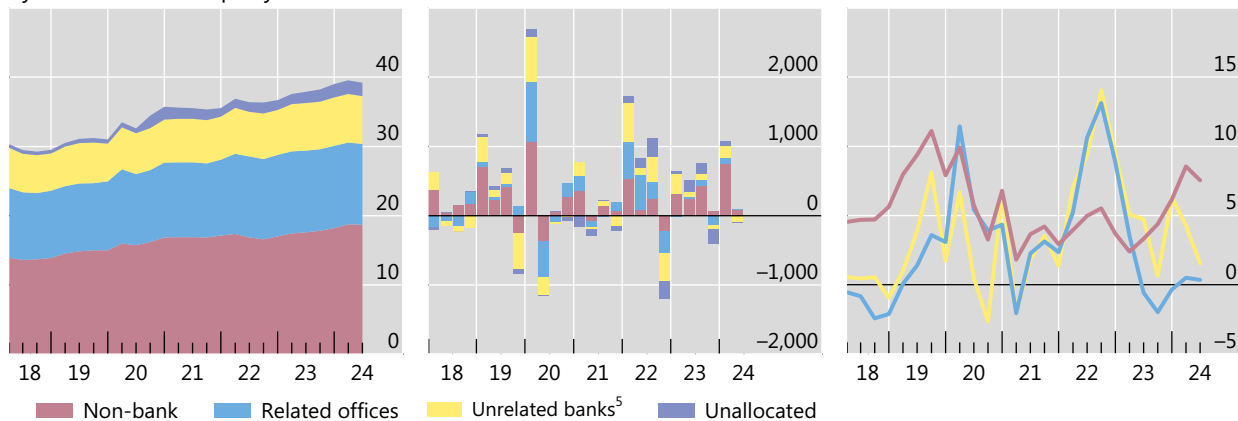
Graph A.1

Amounts outstanding, in USD trn²

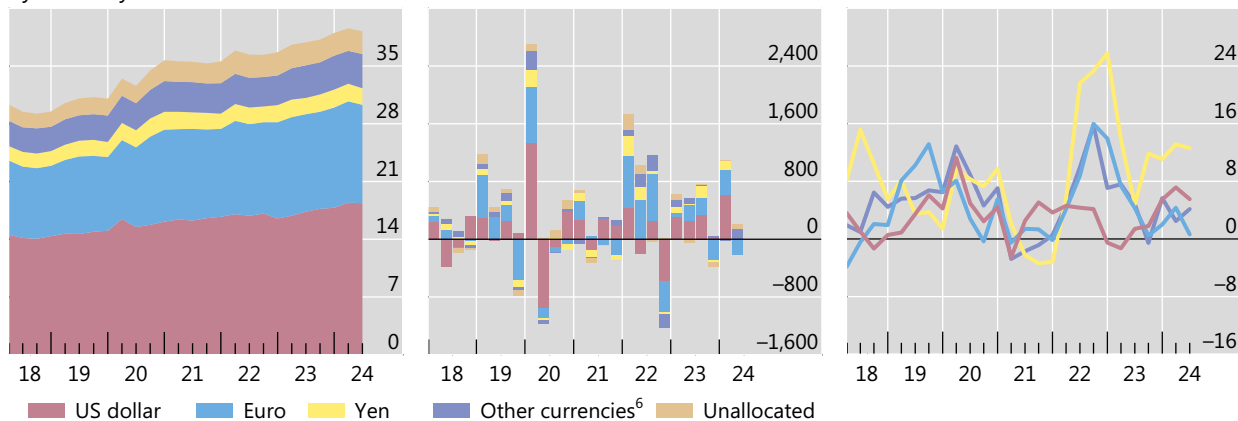
Adjusted changes, in USD bn³

Annual change, in per cent⁴

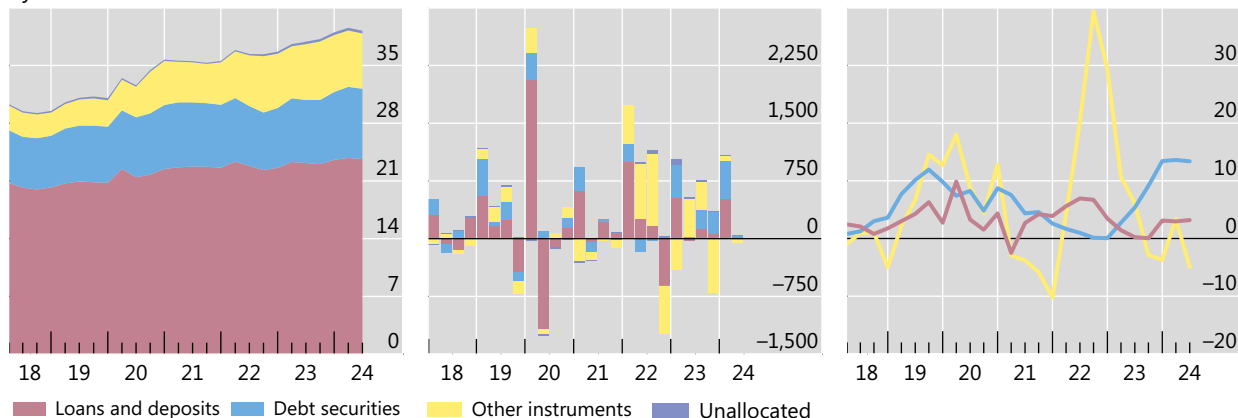
By sector of counterparty



By currency



By instrument



¹ Claims comprise loans and deposits, holdings of debt securities, and other instruments comprising derivatives with a positive market value and other residual instruments. ² At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ³ Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ⁴ Geometric mean of quarterly percentage adjusted changes. ⁵ Includes central banks and banks unallocated by subsector between interoffice and unrelated banks. ⁶ Other reported currencies, calculated as all currencies minus US dollar, euro, yen and unallocated currencies. The currency is known but reporting is incomplete.

Cross-border credit¹ by borrowing region

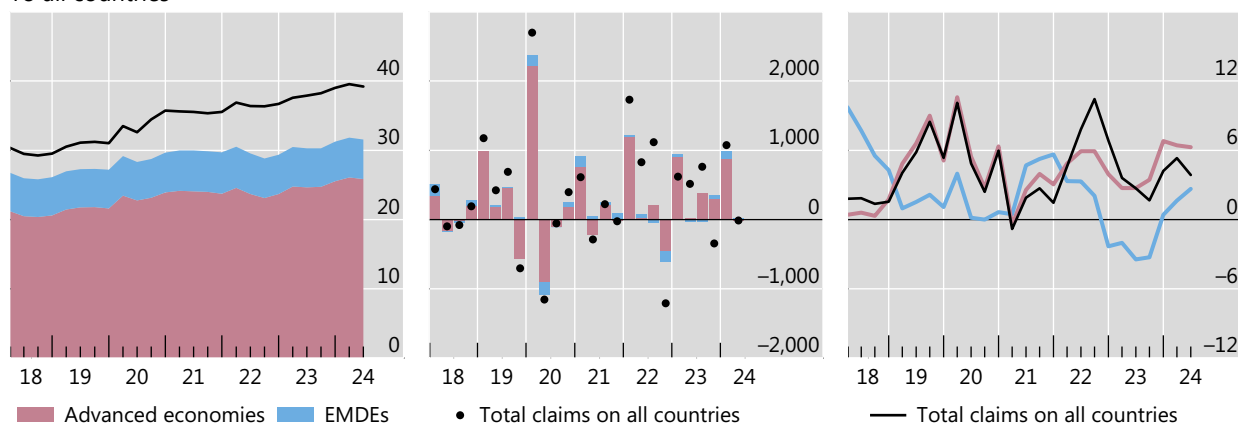
Graph A.2

Amounts outstanding, in USD trn²

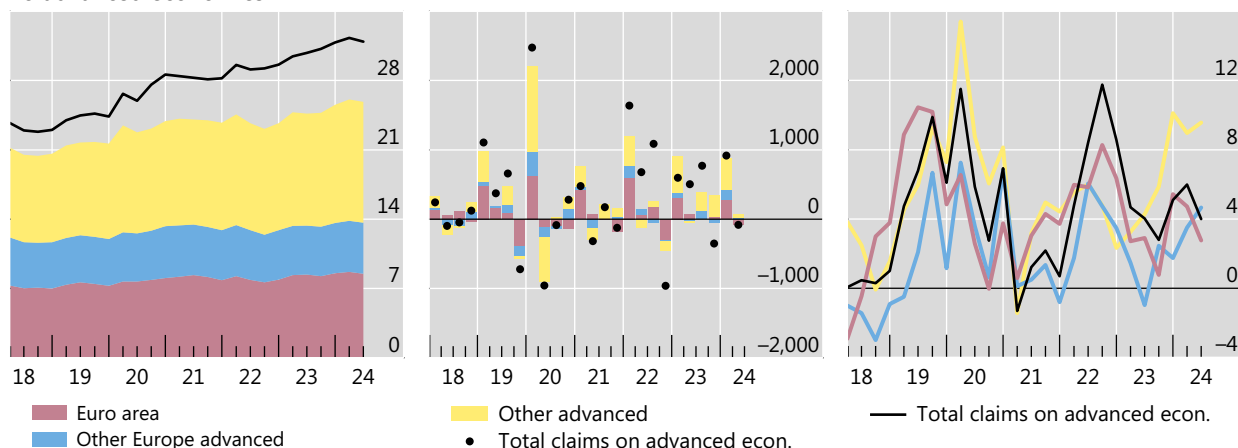
Adjusted changes, in USD bn³

Annual change, in per cent⁴

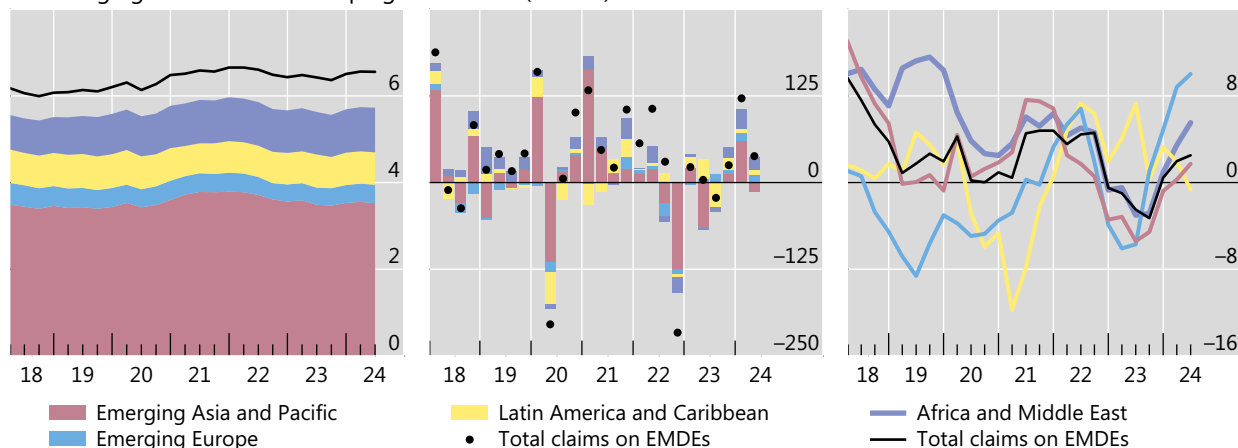
To all countries



To advanced economies



To emerging market and developing economies (EMDEs)



¹ Credit refers to loans and deposits, and holdings of debt securities, ie excluding from “claims” all other instruments (derivatives with positive market value and other residual instruments). ² At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ³ Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ⁴ Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

Cross-border credit¹ by borrowing country

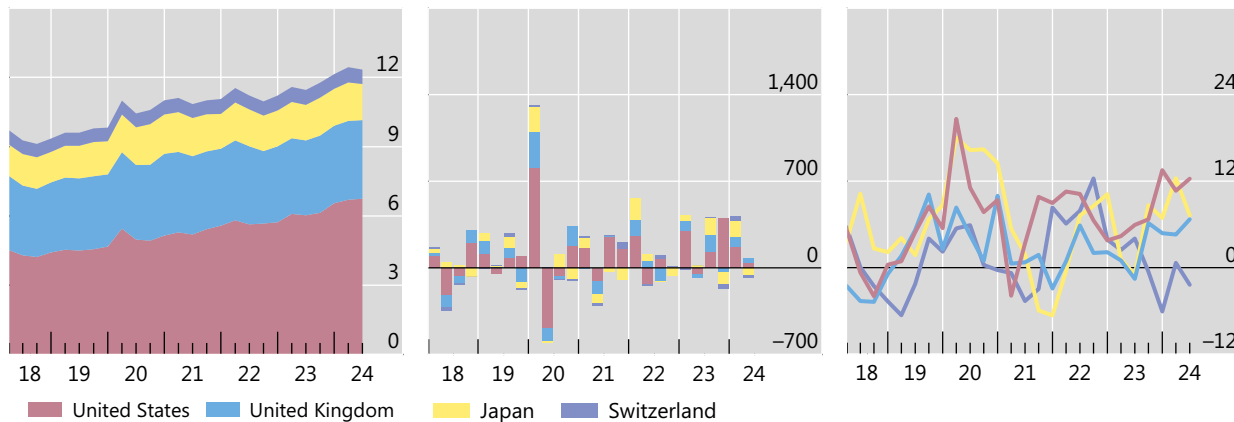
Graph A.3

Amounts outstanding, in USD trn²

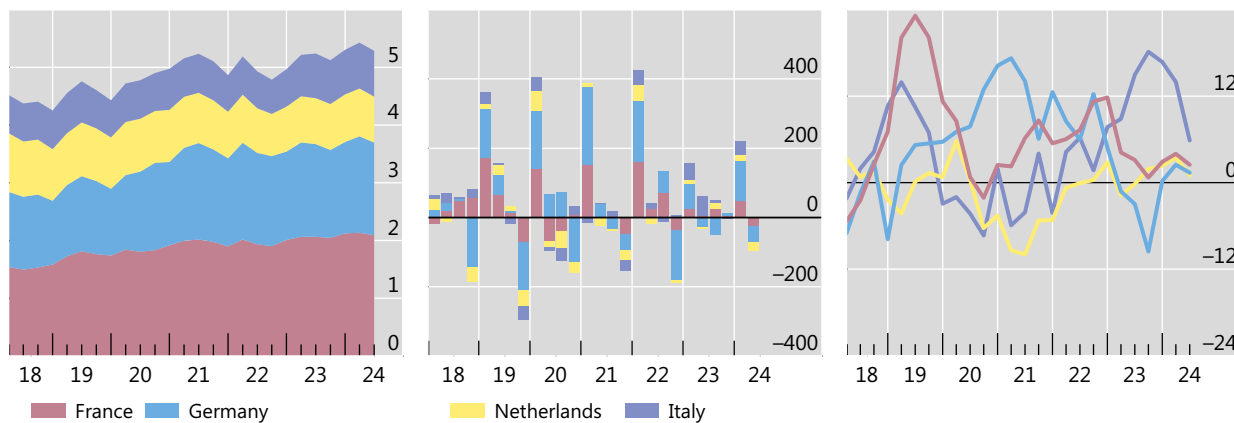
Adjusted changes, in USD bn³

Annual change, in per cent⁴

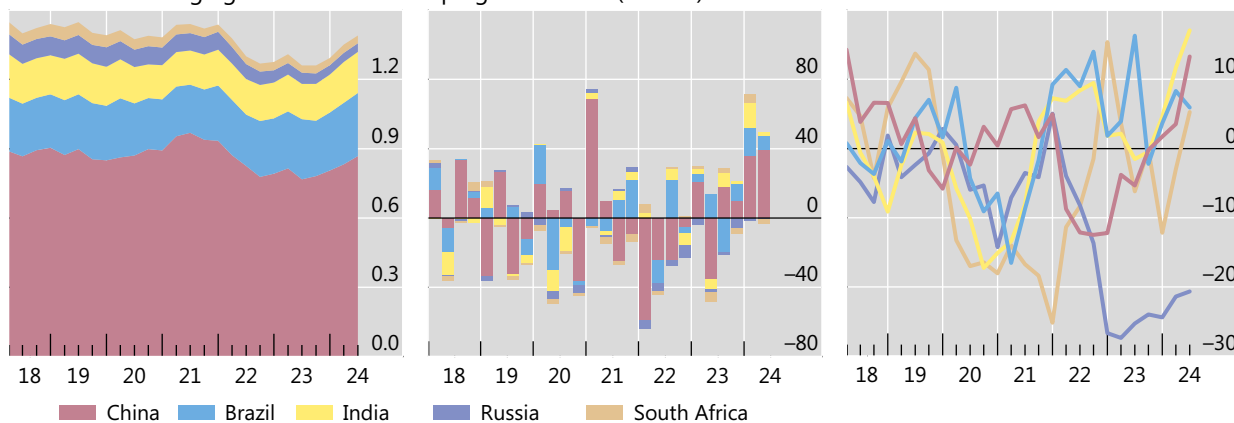
To selected advanced economies



To selected euro area countries



To selected emerging market and developing economies (EMDEs)



¹ Credit refers to loans and deposits, and holdings of debt securities, ie excluding from "claims" all other instruments (derivatives with positive market value and other residual instruments). ² At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ³ Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ⁴ Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

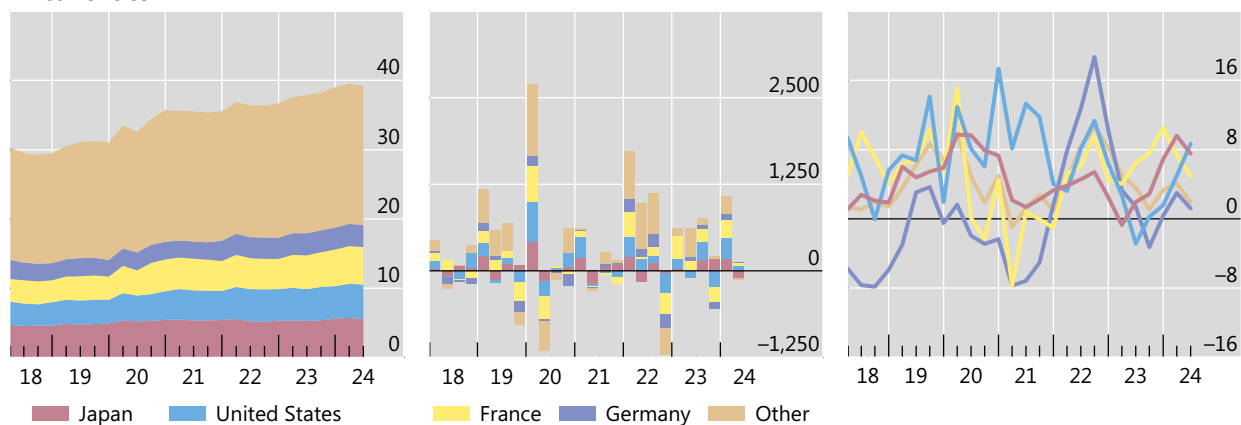
Cross-border claims by nationality of reporting bank and currency of denomination Graph A.4

Amounts outstanding, in USD trn¹

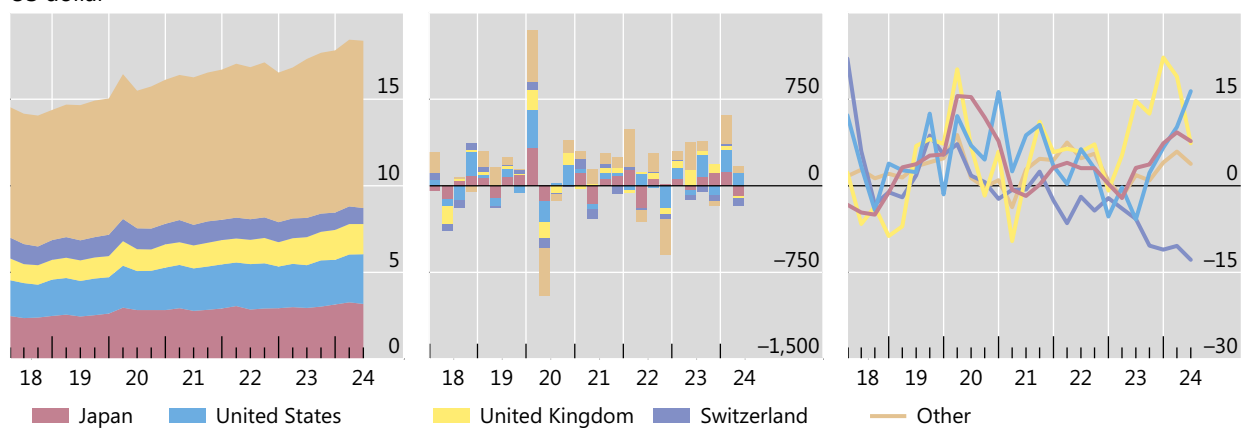
Adjusted changes, in USD bn²

Annual change, in per cent³

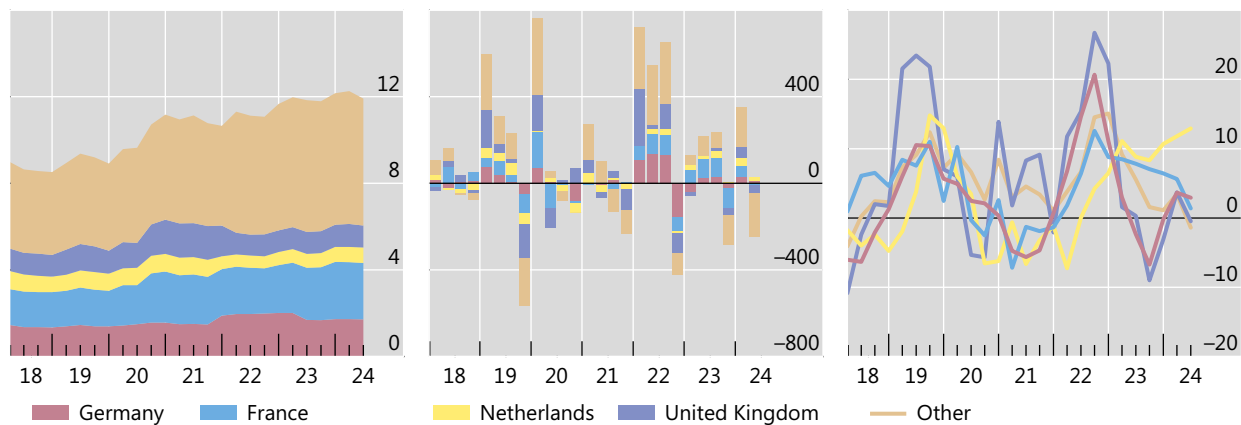
All currencies



US dollar



Euro



¹ At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ³ Geometric mean of quarterly percentage adjusted changes.

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

Debt liabilities¹ of reporting banks

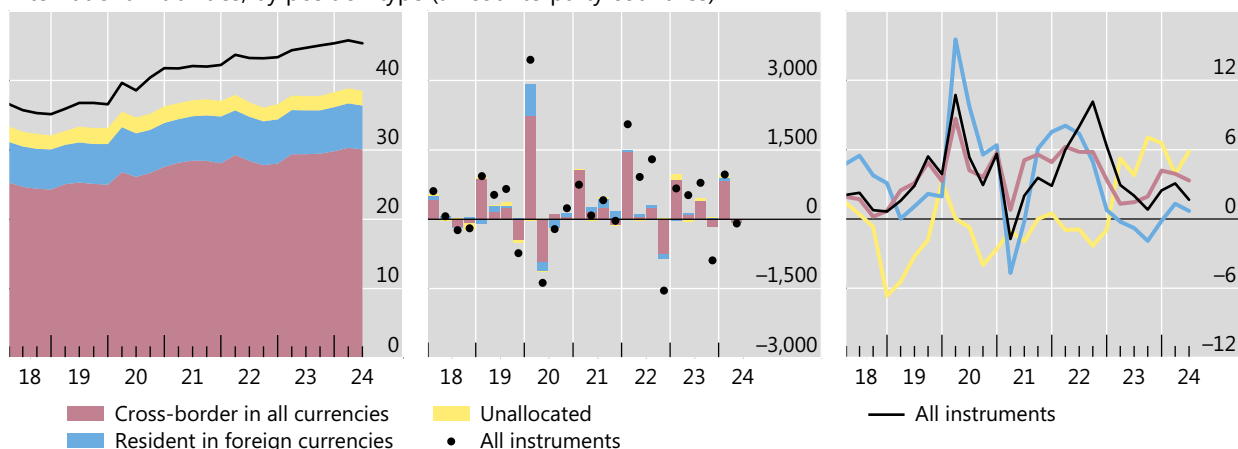
Graph A.5

Amounts outstanding, in USD trn²

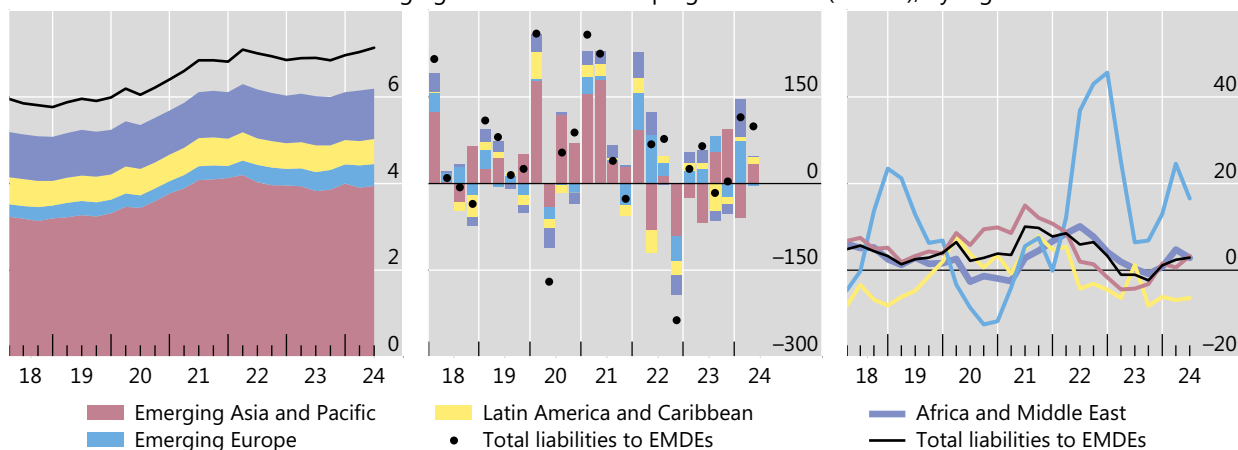
Adjusted changes, in USD bn³

Annual change, in per cent⁴

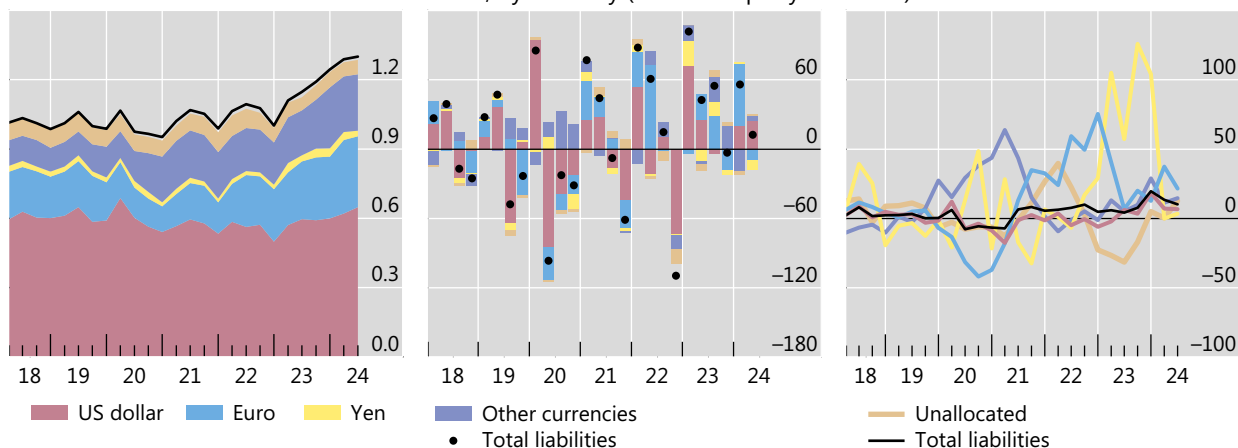
International liabilities, by position type (all counterparty countries)⁵



Cross-border liabilities vis-à-vis emerging market and developing economies (EMDEs), by region



Cross-border liabilities vis-à-vis central banks, by currency (all counterparty countries)



¹ Debt liabilities refer to deposits in reporting banks and banks' debt securities liabilities (it excludes from "total liabilities" derivatives with negative market value and other residual instruments). Black dots and lines in all panels refer to "All instruments". ² At quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ³ Quarterly changes in amounts outstanding, adjusted for the impact of exchange rate movements between quarter-ends and methodological breaks in the data. ⁴ Geometric mean of quarterly percentage adjusted changes. ⁵ International liabilities are defined as cross-border liabilities plus local liabilities in foreign currencies. All instruments refer to sum of cross-border liabilities (all currencies), local liabilities in foreign currencies and unallocated liabilities (all currencies).

Source: BIS locational banking statistics. Further information is available at www.bis.org/statistics/bankstats.htm.

Annex B Consolidated banking statistics

Consolidated claims of reporting banks on advanced economies

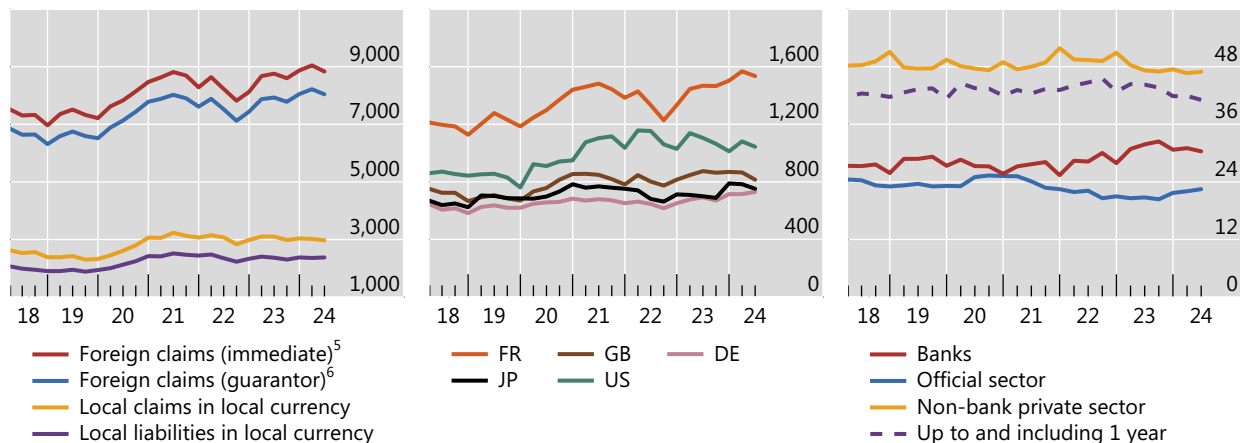
Graph B.1

Foreign claims and local positions, in USD bn^{1,2}

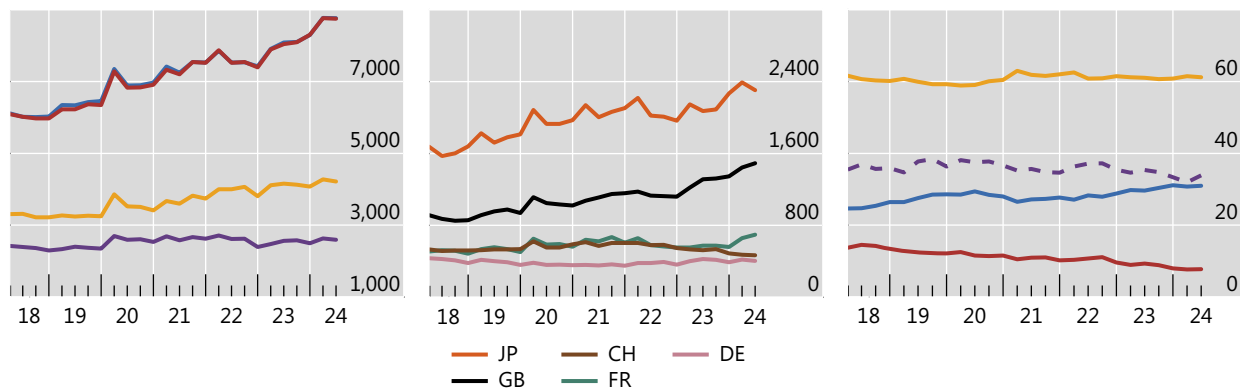
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

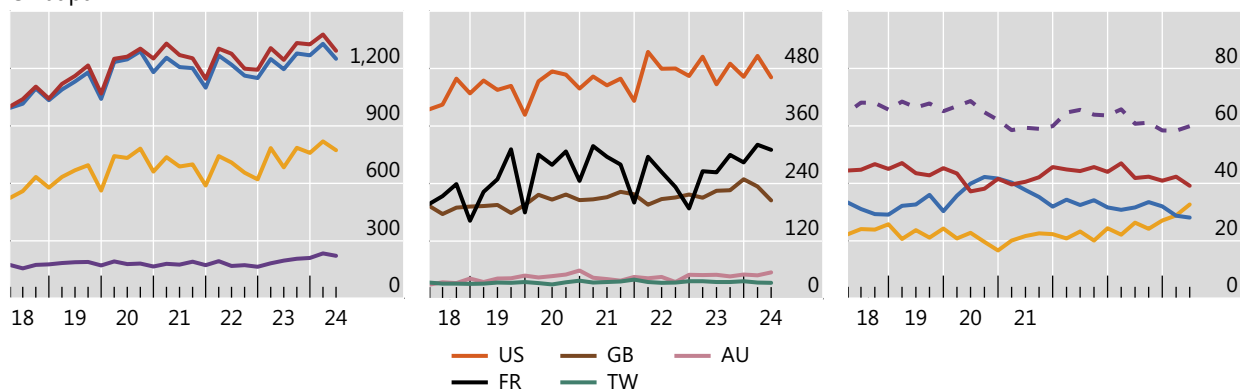
On the euro area



On the United States



On Japan



¹ Amounts outstanding at quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Excludes domestic claims, ie claims on residents of a bank's home country. ³ Foreign claims on a guarantor basis, by nationality of reporting bank. The banking systems shown are not necessarily the largest foreign bank creditors on each reference date. ⁴ As a percentage of international claims outstanding. ⁵ On an immediate counterparty basis. Includes the unconsolidated claims of banks headquartered outside but located inside CBS-reporting countries. ⁶ On a guarantor basis.

Source: BIS consolidated banking statistics (CBS). Further information is available at www.bis.org/statistics/consstats.htm.

Consolidated claims of reporting banks on emerging market and developing economies (EMDEs)

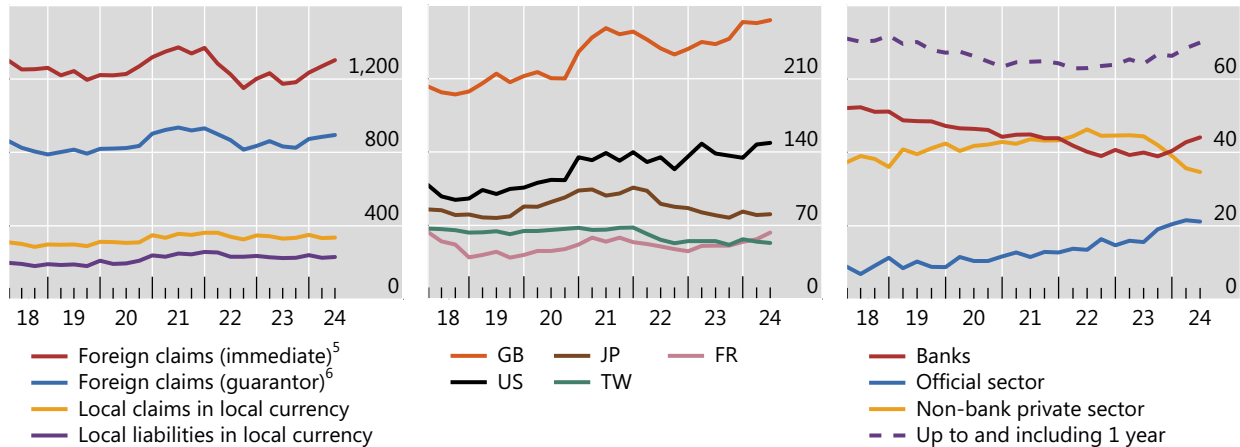
Graph B.2

Foreign claims and local positions, in USD bn^{1,2}

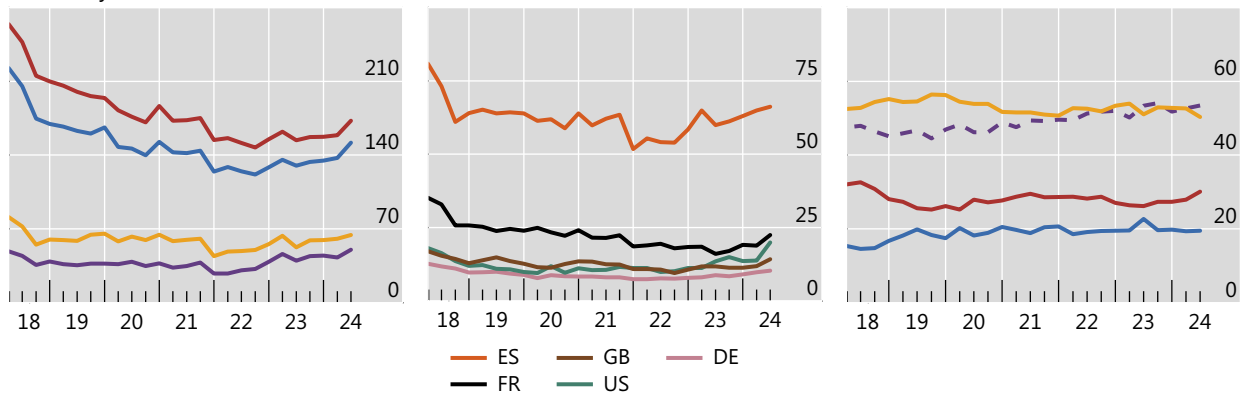
Foreign claims of selected creditors, in USD bn^{1,3}

International claims, by sector and maturity, in per cent⁴

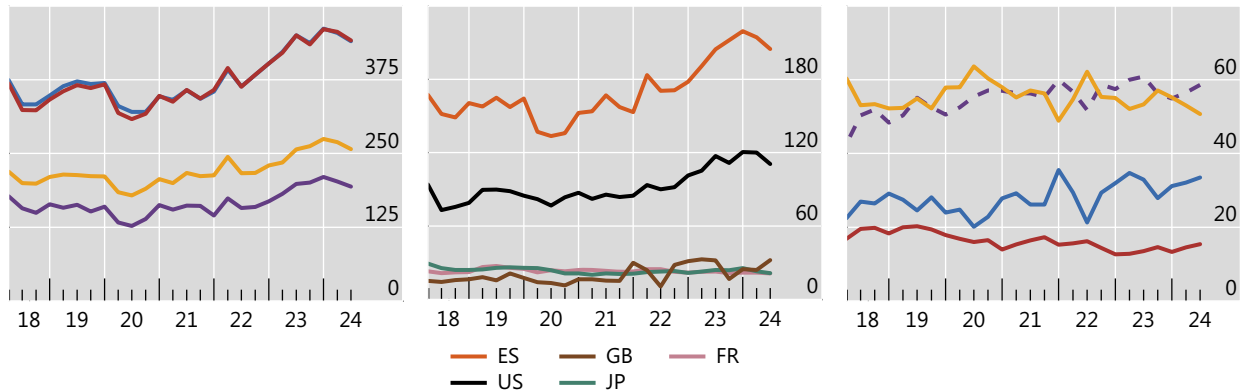
On China



On Türkiye



On Brazil



¹ Amounts outstanding at quarter-end. Amounts denominated in currencies other than the US dollar are converted to US dollars at the exchange rate prevailing on the reference date. ² Excludes domestic claims, ie claims on residents of a bank's home country. ³ Foreign claims on a guarantor basis, by nationality of reporting bank. The banking systems shown are not necessarily the largest foreign bank creditors on each reference date. ⁴ As a percentage of international claims. ⁵ On an immediate counterparty basis. Includes the unconsolidated claims of banks headquartered outside but located inside CBS-reporting countries. ⁶ On a guarantor basis.

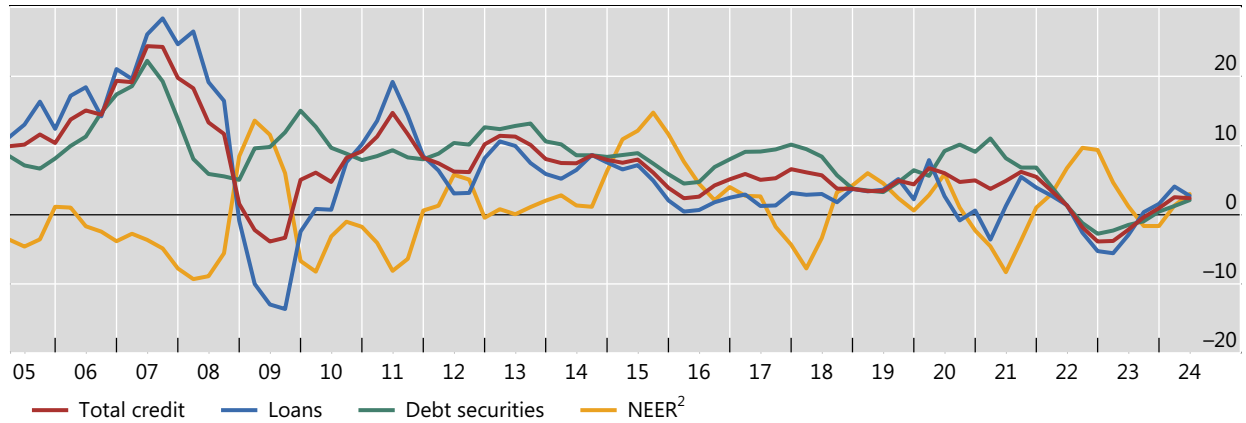
Source: BIS consolidated banking statistics (CBS). Further information is available at www.bis.org/statistics/consstats.htm.

Annex C Global liquidity indicators

US dollar credit outside the United States¹

Annual change, in per cent

Graph C.1



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/gli/gli_methodology.pdf.

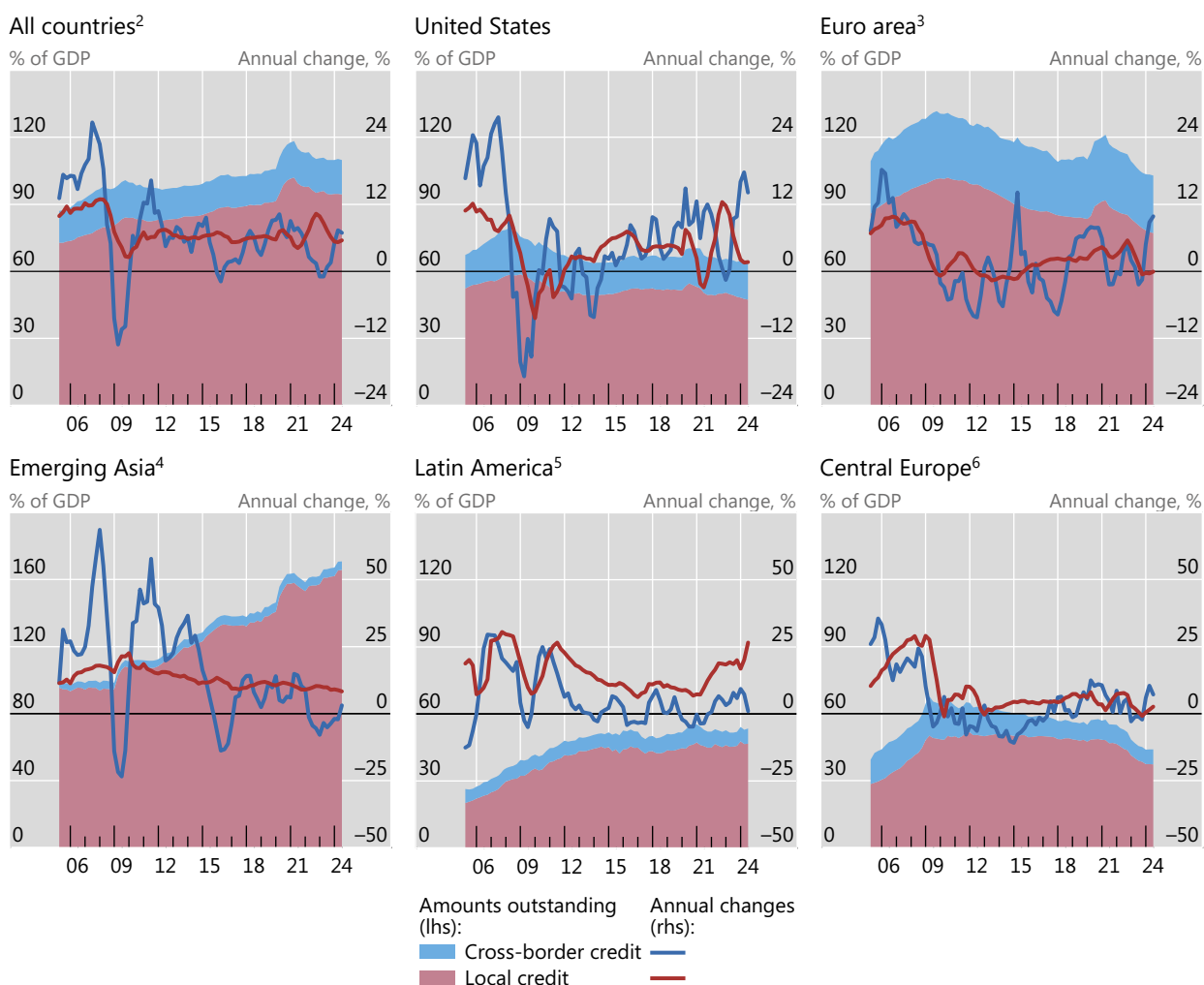
¹ Annual growth of US dollar-denominated credit to non-banks outside the United States. ² Annual growth of the US dollar nominal effective exchange rate (NEER). An increase indicates an appreciation of the US dollar NEER.

Sources: Datastream; Dealogic; Euroclear; LSEG; Xtrakter Ltd; national data; BIS locational banking statistics; BIS effective exchange rate statistics; BIS calculations.

Global bank credit to the private non-financial sector, by residence of borrower

Banks' cross-border credit plus local credit in all currencies¹

Graph C.2



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/gli/gli_methodology.pdf.

¹ Cross-border claims of LBS-reporting banks to the non-bank sector plus local claims of all banks to the private non-financial sector. Weighted averages of the economies listed, based on four-quarter moving sums of GDP. ² Australia, Canada, Denmark, Israel, Japan, New Zealand, Norway, Russia, Saudi Arabia, South Africa, Sweden, Switzerland, Turkey and the United Kingdom, plus the countries in the other panels. ³ Austria, Belgium, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. ⁴ China, Hong Kong SAR, India, Indonesia, Korea, Malaysia, Singapore and Thailand. ⁵ Argentina, Brazil, Chile, Colombia and Mexico. ⁶ The Czech Republic, Hungary and Poland.

Sources: BIS statistics on credit to the non-financial sector; BIS locational banking statistics (LBS); BIS calculations.

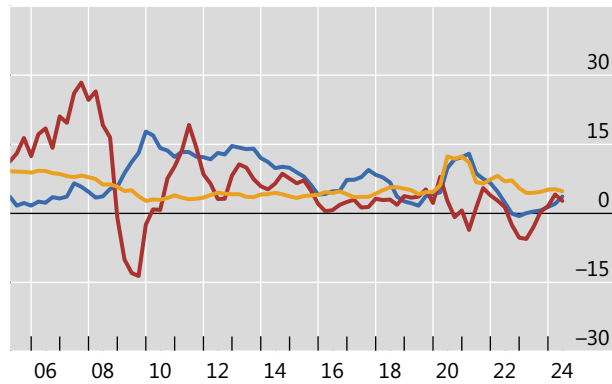
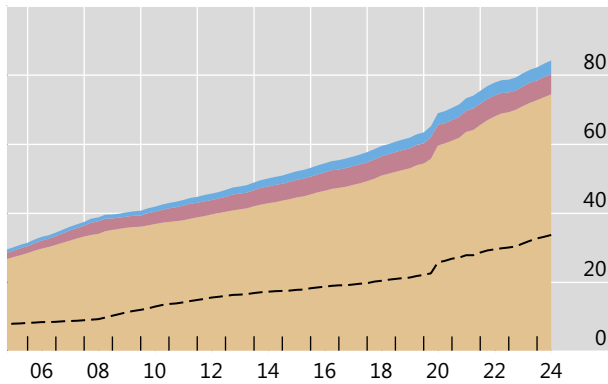
Global credit to the non-financial sector, by currency

Graph C.3

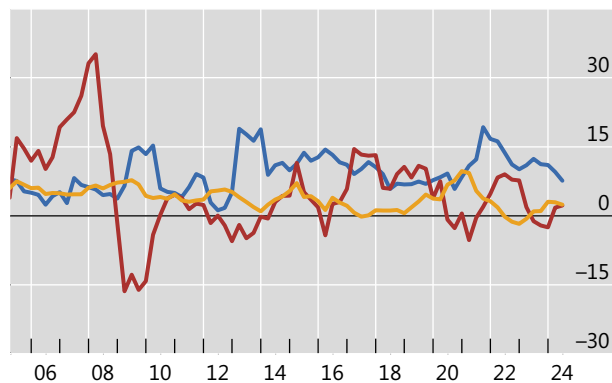
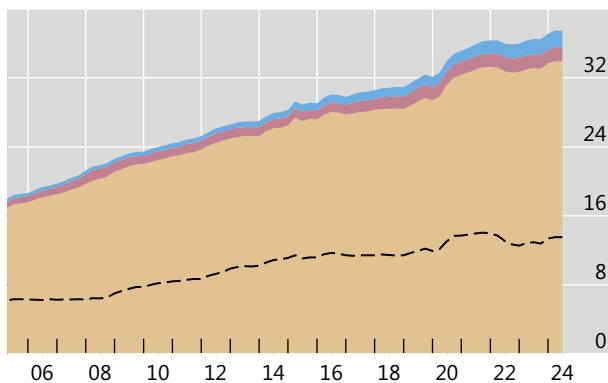
Amounts outstanding, in trillions of currency units¹

Annual change, in per cent²

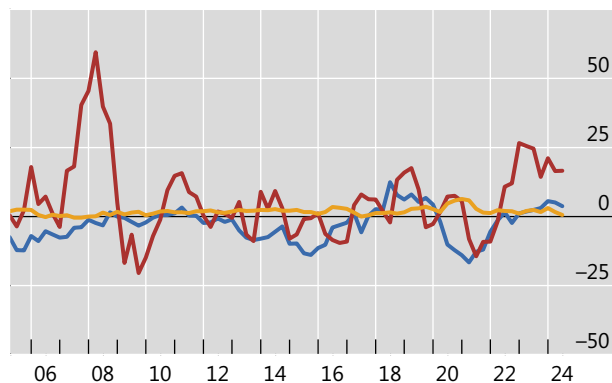
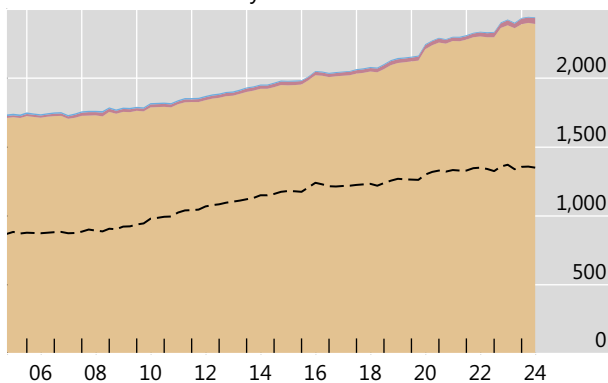
Credit denominated in US dollars



Credit denominated in euros



Credit denominated in yen



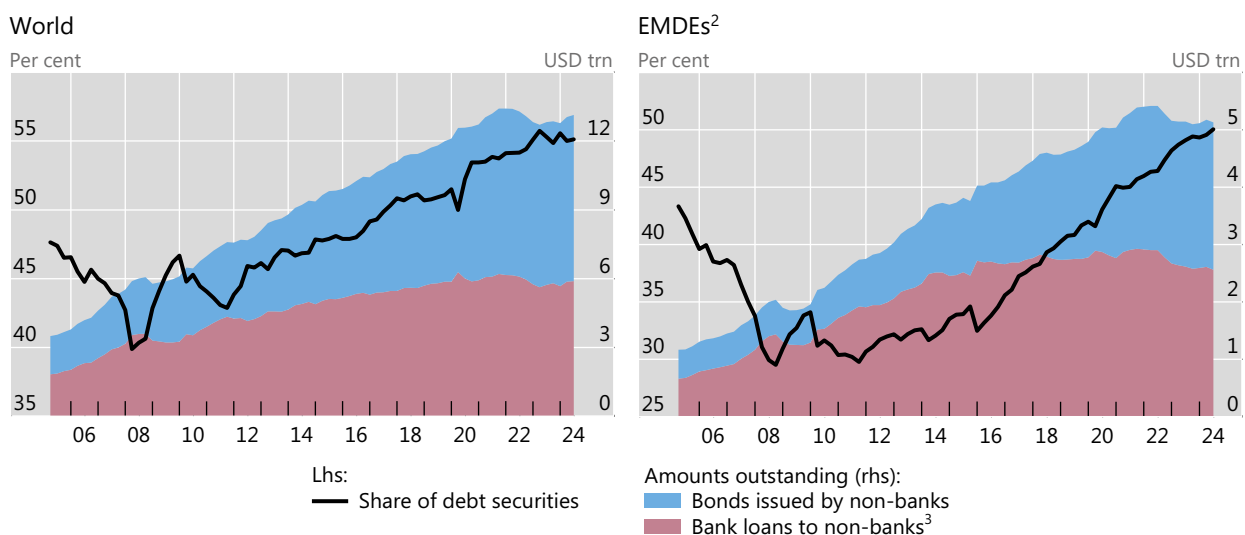
Credit to non-residents: Credit to residents:⁵
 Bank loans³ Total
 Debt securities⁴ — Of which: government

Credit to non-residents: Credit to residents:⁵
 Bank loans³
 Debt securities⁴

Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/gli/gli_methodology.pdf.

¹ Amounts outstanding at quarter-end. ² Based on quarterly break- and exchange rate-adjusted changes. ³ Loans by LBS-reporting banks to non-bank borrowers, including non-bank financial entities, comprise cross-border plus local loans. ⁴ Excluding debt securities issued by special purpose vehicles and other financial entities controlled by non-financial parents. Euro-denominated debt securities exclude those issued by institutions of the European Union. ⁵ Credit to non-financial borrowers residing in the United States / euro area / Japan. National financial accounts are adjusted using BIS banking and securities statistics to exclude credit denominated in non-local currencies.

Sources: Datastream; Dealogic; Euroclear; LSEG; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/gli/gli_methodology.pdf.

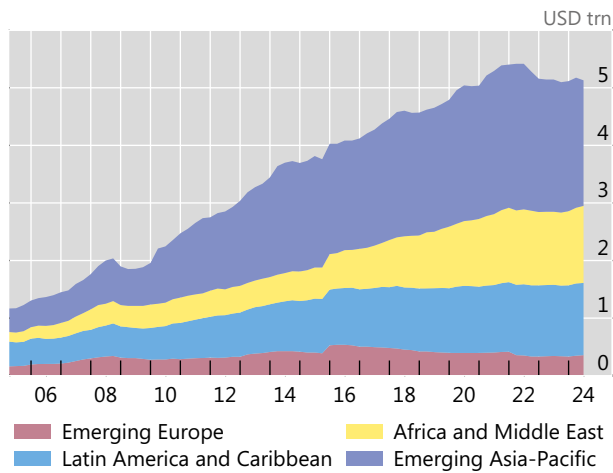
¹ Non-banks comprise non-bank financial entities, non-financial corporations, governments, households and international organisations. ² From December 2022, this grouping has been aligned with the country classification in the BIS Annual Economic report, as detailed at www.bis.org/statistics/country_groupings.pdf. ³ Loans by LBS-reporting banks to non-bank borrowers, including non-bank financial entities, comprise cross-border plus local loans.

Sources: Datastream; Dealogic; Euroclear; LSEG; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.

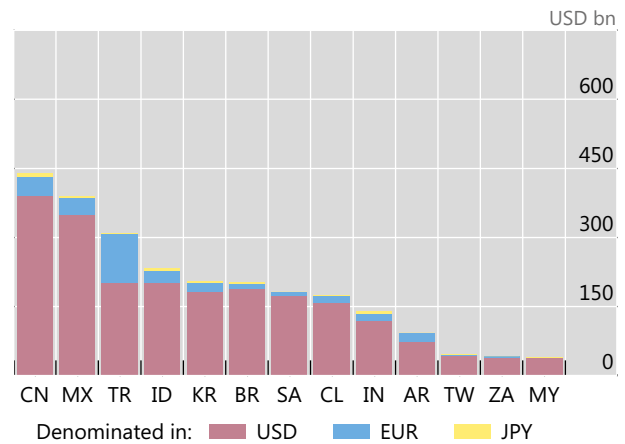
Foreign currency credit to non-banks in EMDEs¹

Graph C.5

US dollar-denominated credit by region



Foreign currency credit to selected EMDEs²



Further information on the BIS global liquidity indicators is available at www.bis.org/statistics/gli/gli_methodology.pdf.

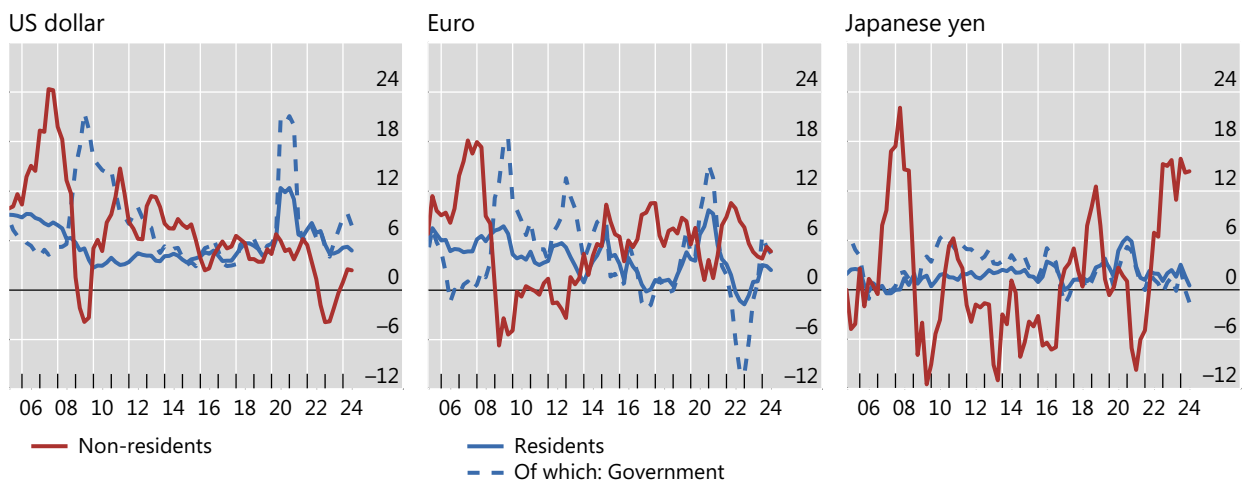
¹ From December 2022, this grouping has been aligned with the country classification in the BIS Annual Economic report, as detailed at www.bis.org/statistics/country_groupings.pdf. ² Amounts outstanding for the latest available data.

Sources: Datastream; Dealogic; Euroclear; LSEG; Xtrakter Ltd; national data; BIS locational banking statistics; BIS calculations.

Credit to non-residents and residents

Year-on-year change, in per cent

Graph C.6



Credit to non-resident non-bank sector and resident non-financial sector.

Sources: Datastream; Dealogic; Euroclear; LSEG; Xtrakter Ltd; national data; BIS locational banking statistics (LBS); BIS calculations.