

Understanding BIS Data for Nigeria

TRACKING BENEFICIAL OWNERSHIP AND THE PROCEEDS OF CORRUPTION: EVIDENCE FROM NIGERIA

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The Bank for International Settlements (BIS)

The BIS figures are one of the few reliable and current indications of cross-border bank deposits from and to Nigeria. However, this data only concerns bank balances at the end of a period. In consequence the data does not provide insight into the total assets of a (legal) person or the money flows. These figures are also a first indication of the potential existence of undeclared assets.

About the BIS

The Bank for International Settlements (BIS) act as a bank for all the central banks in the world. It was been established in 1930 with the primary motive to promote financial and monetary stability across the world through global cooperation. The head office of the BIS is located in Basel in Switzerland and there are two additional offices in Hong Kong and in Mexico City. All the central banks in the reporting countries collect data from the local commercial banks and send these data to the BIS. Every quarter they publish these statistics. The number of reporting countries are 47 in 2019. (https://www.bis.org/statistics/rep_countries.htm).

About the two databases:

One of the most important tasks of the BIS is to share standardized data on international money stocks based on reports from the banking offices located in 47 reporting countries in the world. The BIS publishes two types of statistics every quarter, the local banking statistics and the consolidated banking statistics, broken down by sector (banks and non-banks) and country of residence of the foreign banks. See:

https://www.bis.org/statistics/about_banking_stats.htm?m=6%7C31%7C637.

1. The Locational Statistics (LBS)

The LBS measure the claims and liabilities, including intra group office positions, of banking offices **resident** in 47 reporting countries against counterparties residing in more than 200 countries. Currently, banking offices located in 44 countries report the LBS, which capture around 95% of all the cross-border interbank business. According to the BIS the LBS are the best suited for country level analysis.

2. The Consolidated Banking Statistics (CBS)

The CBS measure the worldwide consolidated claims of banks **headquartered** in reporting countries, including claims of their own foreign affiliates but excluding intra group positions. These statistics are based on measures used by banks in their internal management systems. Currently, there are 31 countries who report these statistics.

One of the differences between the two datasets can be explained as follows: A subsidiary of a Swiss bank located in London is included as a bank in the UK in terms of the LBS. However, in the CBS, the figures of this subsidiary will be consolidated and included with those of the parent bank in Switzerland.

Information available for Nigeria

This work is based on Q1 data for 2019. Nigeria is not one of the 47 reporting countries, so there is no specific data available. The only information that is accessible relates to the reporting banks' cross-border positions on residents of Nigeria. The first statistic we use is the LBS, cross border positions from a residence perspective focusing on the location of the banking office.

Table 1: LBS 2019 in billions of US dollar

Period: Q1 2019	Claims	Liabilities
	28.7	44.1

This table A3.1. (in the BIS data reports available at <https://stats.bis.org/statx/srs/table/a3?m=S&p=20191&c=>) shows that all the foreign (reporting) banks together hold total claims (e.g. assets, loans etc.) of 28.7 billion USD on (legal) entities resident in Nigeria in the first quarter of 2019. A large part of these claims, 14.2 billion USD, are on the banking sector of Nigeria, the other part is on the non-banking sector. Even though no specifics are available, according to BIS, the non-banking sectors of the counterparties consist of 'non-banking financial companies' as well as 'non-financial entities' such as governments, households and non-financial corporations.¹

On the other hand, the reporting countries have a total of 44.1 billion USD worth of liabilities (e.g. deposits) that are owed to the bank accounts of (legal) persons resident in Nigeria in the same period. Therefore, this amount entails that, as of Q1 2019, the Nigerian counterparties hold deposits/funds/other investments in the foreign banks outside Nigeria in the total amount of 44.1 billion USD. It must be stated that this is only the stock figures on Q1 of 2019. It does not give us any information on the flows of money during the statistical periods. The graphics function within the BIS database does enable time series information for both claims and liabilities to be shown.

Table 1 above gives us only the aggregate data about Nigeria. So, to find out if there is more specific data available per country, we can use BIS Table A6.2. - Counterparties resident in Nigeria and this is exhibited in Table 2 in this report for Q1 2019. Significant items are shown in **RED** font.

Table 2: LBS Q1 2019 in millions of US dollar

	Total Claims				Total Liabilities			
	All Sectors		Non-banking Sectors		All Sectors		Non-banking Sectors	
	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only
Reporting country	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019
Australia	2.7	2.7	2.7	2.7	5.1	5.1	5.1	5.1
Austria	33.1	33.1	32.8	32.8	6.8	6.8	4.9	4.9
Belgium	257.6	257.1	224.0	223.5	218.5	218.1	200.0	199.6
Brazil								
Canada	5.9	5.9	5.9	5.9	21.2	21.2	21.2	21.2
Chile					0.0	0.0	0.0	0.0
Chinese Taipei	17.1	17.1	1.4	1.4	55.0	55.0	55.0	55.0
Denmark	3.6	1.0	3.6	1.0	2.7	2.7	2.4	2.4
Finland	0.5	0.5	0.5	0.5	0.4	0.4	0.4	0.4

¹ Luna, P. G., & Hardy, B. (2019). Non-bank counterparties in international banking. *BIS Quarterly Review*, September.

	Total Claims				Total Liabilities			
	All Sectors		Non-banking Sectors		All Sectors		Non-banking Sectors	
	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only
Reporting country	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019
France	2,061.0	2,034.0	1,381.0	1,381.0	3,045.0	3,045.0	214.0	214.0
Germany	485.0				1,084.0			
Greece								
Guernsey	10.7	10.7	10.7	10.7	5.2	5.2	5.2	5.2
Hong Kong SAR	92.9	84.3	14.1	5.6	3,211.7	3,207.5	2,863.2	2,863.2
Ireland	61.0	61.0	1.3	1.3	77.6	69.2	4.6	4.6
Isle of Man	386.0	386.0	228.4	228.4	137.1	137.1	133.4	133.4
Italy	12.0	3.3	11.9	3.3	30.2	30.2	30.2	30.2
Japan	63.0		57.4		1.5		1.0	
Jersey	155.0	155.0	155.0	155.0	202.0	202.0	202.0	202.0
Korea	550.9	550.9	529.9	529.9	2.9	2.9	2.8	2.8
Luxembourg	14.9	14.6	2.5	2.5	17.7	17.7	17.7	17.7
Macao SAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico								
Netherlands		474.1	413.4	355.0				
Philippines					0.3	0.3	0.1	0.1
South Africa	2,688.0	2,576.0	1,091.0	986.0	470.0	195.0	44.0	31.0
Spain	7.0	7.0	7.0	7.0	10.7	10.7	10.6	10.6
Sweden					11.8	11.7	2.2	2.2
Switzerland	400.1	387.9	365.3	354.4	581.2	366.1	549.4	344.3
United Kingdom	16,348.0	14,804.0	5,969.0	4,619.0	23,347.0	23,347.0	4,139.0	4,139.0
United States	447.0	447.0	14.0	14.0	6,911.0	6,910.0	435.0	435.0
All reporting countries	28,703.2	26,845.9	14,424.9	12,828.0	44,070.3	42,223.4	10,674.5	10,452.9

(Source: BIS - Table A6.2 - Banks' cross-border positions on residents of Nigeria Outstanding at end-March 2019, in millions of US dollars -<https://stats.bis.org/statx/srs/table/A6.2?c=NG&p=> accessed on 17/10/2019)

Sub table 2.1: Top 3 liability countries:

Nr	Country	Total liabilities	% total
	All reporting countries	44,070	100
1	United Kingdom	23,347	53.0
2	United States	6,911.0	15.7
3	Hong Kong SAR	3,211.7	7.3

Sub table 2.2: Top 3 claim countries:

Nr	Country	Total claims	% total
	All reporting countries	28,703	100
1	United Kingdom	16,348	57.0
2	South Africa	2,688	9.4
3	France	2,061	7.2

An investigation of table 2 and the sub tables indicates the striking role of United Kingdom. Across all reporting countries, 53% of the total cross-border investments/deposits/funds of Nigerian (legal) entities are held solely on the banking offices resident in the UK. These liabilities (investments/deposits/funds) held on the banks resident in UK, mainly belong to the banking sector of Nigeria, 19.2 billion USD. A much smaller amount of these liabilities, 4.1 billion USD, belongs to the Nigerian non-banking sector.

There is a similar picture for claims. Banks resident in UK own 57% of the total (across all reporting countries) cross-border claims (loans and assets) against Nigerian entities. A big part of these claims, 10.4 billion USD, are held on the banking sector of Nigeria with the rest, 6 billion USD, are claimed on Nigerian non-banking sector. Such high percentages that are accounted solely by a single country is highly substantial considering there are 47 reporting countries in total and may be indicative of the extensive bilateral commercial activity between Nigeria and the UK and, therefore, justification for further investigation of the assets registers in the UK. Although it may equally reflect the position of the UK as a major banking centre.

Extending this discussion, through the second sub table, to the top three claim countries (UK, South Africa and France) where banks resident in these countries hold the largest cross-border claims on Nigerian residents, it is worth investigating the constituents of these claim figures. Do these figures indicate that Nigerian legal persons and companies can borrow favorably (or easily or cheaply?) from banks resident in UK, South Africa and France? Further, if that's the case, then where do these borrowed monies go and for what purposes are they used?

The positions of Hong Kong and the USA are notable as well. The claims against Nigerian (legal) entities by banks resident in Hong Kong are only 92.9 million US dollars but the liabilities of these banks to Nigerian counterparties are *disproportionately* high - 3.2 billion US dollars. Similarly, the claims by the USA banks are 447.0 million US dollars where the investments/deposits/funds held on the USA resident banks are 6.9 billion USD. These differences are indications that Nigerian entities are preferring USA and Hong Kong resident banks to send their cross-border monies to, but don't prefer to borrow assets and take loans from these same banks.

May this picture have anything to do with the status of Hong Kong and the USA (Delaware and South Dakota) as an offshore financial centre (OFC)? Table 3 may shed some light on this conjecture:

Table 3: Share of cross border deposits in OFC countries²: Q1 2019 in million USA dollars

OFC country:	Total claims	% total	Total liabilities	% total
Guernsey	11	0.04	5	0.01
Hong Kong SAR	93	0.32	3212	7.29
Isle of Man	386	1.34	137	0.31
Jersey	155	0.54	202	0.46
Luxembourg	15	0.05	18	0.04
Switzerland	400	1.39	581	1.32
Ireland	61	0.21	78	0.18
United States	447	1.56	6911	15.68
Total	1,568	5.46	11,144	25.29
All reporting countries	28,703.2		44,070.3	

In total, the direct claims of OFC banks on the (legal) parties in Nigeria are approximately 1.6 billion US dollar. The investments/deposits/funds held on the same OFCs (by Nigerian counterparties) are much higher and are in total 11.1 billion US dollar. Among these OFCs, for the liabilities, Hong Kong and the USA, by far, dominate all the other OFCs. In terms of the claims, the role of the Isle of Man, Switzerland and the USA are noteworthy.

Tables 4.1 and 4.2 show the total claims and liabilities of (legal) entities from Nigeria in the reporting foreign banks between 2015 and 2018. The yearly figures exhibited in this table are calculated by taking the average of four quarterly figures. The claims and liability figures exhibited in these tables are bank balances (i.e. stock positions) recorded at the designated periods, and it should be noted that we cannot make any definitive linkages from the changes in these stock positions to the flows of money which caused the manifestation of these figures. Simply put, these stock positions are just snapshots of those accounts taken at the time of reporting and given the international monetary flows are not necessarily direct, these positions may be the end result of complex flow of monies transferred through a number of intermediate entities and countries. At best, these stock positions may give us an idea about the resultant direction of the overall monetary flow, but not providing any clue on the existence of any intermediary steps and the intermediate entities/countries that may have been involved.

² There is no objective international definition of offshore financial countries. According to the BIS there are 19 countries, while the IMF marks 46 countries as an OFC. So, we use the definition and number of OFC countries from the Phd of Dr. T.J van Koningsveld (2015). According to his study there are 40 OFC in the world. See also the report Offshore activities and money laundering: recent findings and challenges PANA Committee, 2017 ([http://www.europarl.europa.eu/RegData/etudes/STUD/2017/595371/IPOL_STU\(2017\)595371_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/STUD/2017/595371/IPOL_STU(2017)595371_EN.pdf))

Table 4.1: 2015 – 2018 Reporting Banks' cross-border positions (claims) on residents of Nigeria, in millions of US dollars

Source : Table A6.2. <https://stats.bis.org/statx/srs/table/a6.2?c=NG>

	Total Claims								Total Claims							
	All Sectors (Nigeria)								Non-banking Sectors (Nigeria)							
	All instruments				Loan and Deposits only				All instruments				Loan and Deposits only			
Reporting country	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Australia	3.4	3.6	2.4	3.7	3.4	3.6	2.3	3.7	3.1	3.6	2.4	3.7	3.1	3.6	2.3	3.6
Austria	4.8	11.6	3.3	33.9	4.8	11.6	3.3	33.8	4.5	3.3	2.8	33.5	4.5	3.3	2.8	33.5
Belgium	367.4	388.0	374.6	312.6	365.1	386.4	348.0	276.9	332.2	357.3	335.0	281.0	330.0	355.7	308.4	245.3
Brazil																
Canada	8.9	14.9	9.7	7.7	8.6	8.3	9.7	7.7	8.9	14.9	9.6	7.6	8.6	8.2	9.6	7.6
Chile																
Chinese Taipei	7.5	6.1	10.1	10.5	7.5	6.1	10.1	10.5	1.5	0.4	0.0	2.8	1.4	1.7		2.8
Denmark	2.0	1.1	4.2	4.2	1.2	1.0	1.0	1.6	1.5	1.2	4.1	3.7	1.2	0.9	0.9	1.1
Finland	1.6	1.1	1.0	0.5	1.6	1.2	1.3	0.5	1.0	1.1	0.8	0.5	1.0	1.1	1.1	0.5
France	1,962.3	2,337.5	2,297.8	2,175.8	1,962.3	2,337.5	2,289.8	2,148.8	1,425.0	1,878.5	1,929.8	1,618.8	1,425.0	1,878.5	1,925.5	1,617.5
Germany	562.0	294.8	280.3	446.3												
Greece																
Guernsey	15.6	12.6	17.9	13.9	15.6	12.6	17.8	13.9	15.6	12.6	17.9	13.9	15.6	12.6	17.8	13.9
Hong Kong SAR	88.5	71.5	52.0	30.7	65.1	56.7	43.5	25.2	63.1	59.9	38.5	10.1	44.9	45.3	30.1	5.5
Ireland	338.9	37.1	84.6	120.0	338.9	36.4	84.3	120.0	1.8	1.8	3.0	4.4	1.8	1.8	3.0	4.4
Isle of Man	337.9	233.4	307.2	341.3	337.9	233.4	307.2	341.3	101.4	69.8	155.7	238.5	101.4	69.8	155.7	238.5
Italy	3.9	24.1	11.9	13.2	3.9	24.1	11.9	10.0	3.8	17.8	9.6	12.1	3.8	17.8	9.6	8.9
Japan	37.3	16.5	35.9	66.7					13.0	9.5	23.9	49.6				
Jersey	109.8	79.8	98.5	138.3	109.5	79.5	98.5	138.3	109.8	79.8	98.5	138.3	109.5	79.5	98.5	138.3
Korea	75.0	69.7	340.5	595.1	75.0	69.7	340.5	595.1	31.3	41.8	318.4	569.1	31.3	41.8	318.4	569.1
Luxembourg	129.1	123.6	23.5	29.9	128.7	122.5	23.4	29.8	4.4	7.7	3.9	2.1	4.4	7.1	3.9	2.1

	Total Claims								Total Claims							
	All Sectors (Nigeria)								Non-banking Sectors (Nigeria)							
	All instruments				Loan and Deposits only				All instruments				Loan and Deposits only			
Macao SAR	169.1		0.0	0.0	169.1		0.0	0.0	169.1		0.0	0.0	169.1		0.0	0.0
Mexico																
Netherlands	353.7	385.2			334.9	363.5		364.1	194.7	212.8		319.5	180.0	201.1		267.0
Philippines		0.0	0.0	0.0		0.0	0.0	0.0			0.0	0.0			0.0	0.0
South Africa	1,900.0	1,911.3	2,230.0	2,219.0	1,860.3	1,804.0	2,081.3	2,059.5	675.5	880.5	1,099.3	1,109.5	646.3	828.3	983.3	1,001.5
Spain	26.8	12.9	5.4	4.7	26.8	12.9	5.4	4.7	4.7	3.9	5.1	4.7	4.7	3.9	5.1	4.7
Sweden																
Switzerland	597.2	426.5	515.0	494.4	586.3	418.8	502.4	478.3	299.3	293.2	396.0	392.8	292.4	286.1	384.2	377.7
United Kingdom	10,018.3	7,100.5	8,421.0	14,123.0	8,812.5	6,314.0	6,663.8	12,008.3	4,582.5	3,367.0	4,073.0	5,193.0	3,640.8	2,904.3	2,865.0	3,475.8
United States	396.5	338.0	361.3	718.8	396.5	338.0	361.3	718.8	122.3	122.3	19.3	11.5	122.3	122.3	19.3	11.5
All reporting countries	18,812.7	16,330.7	18,371.7	25,434.7	17,445.6	15,345.5	16,337.5	22,957.2	9,290.9	9,700.7	11,263.0	13,040.9	8,235.0	9,111.2	9,830.1	11,058.8

An examination of Table 4.1 reveals that across all reporting countries, the total claims on (legal) entities resident in Nigeria first show a decline from 18.8 billion to 16.3 billion USD between 2015 and 2016, but then recovers to 18.4 billion in 2017, steadily rising to 25.4 billion in 2018 and further to 28.7 billion in the first quarter of 2019 (shown in Table 1 & 2). Across these years, the highest rises in claims occur in Korea (from 75 million in 2015 to 595 million USD in 2018 – an increase of almost 693%), South Africa (from 1.9 billion in 2015 to 2.2 billion USD in 2018) and UK (from 10.0 billion in 2015 to 14.1 billion USD in 2018). The resident banks in these countries seem to be the most willing to increase their investments, assets on or loans lent to the Nigerian counterparties. On the other hand, between 2015 - 2018, the biggest declines in the claims on Nigeria are observed for the banks in Ireland and Macao SR. It's noteworthy to mention that the data on (all sector) claims held by the Netherlands resident banks is curiously missing after 2017.

Table 4.2: 2015 – 2018 Reporting Banks' cross-border positions (liabilities) on residents of Nigeria, in millions of US dollars

Source : Table A6.2. <https://stats.bis.org/statx/srs/table/a6.2?c=NG>

Reporting country	Total Liabilities								Total Liabilities							
	All Sectors (Nigeria)								Non-banking Sectors (Nigeria)							
	All instruments				Loan and Deposits only				All instruments				Loan and Deposits only			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Australia	1.9	1.9	2.3	5.4	1.9	1.9	2.2	5.4	1.9	1.9	2.1	5.4	1.9	1.9	2.0	5.4
Austria	5.0	4.8	5.2	5.7	5.0	4.8	5.2	5.7	4.0	4.5	5.0	5.1	4.0	4.5	5.0	5.1
Belgium	85.1	113.4	168.9	212.6	84.6	112.9	168.4	212.1	68.8	95.9	153.7	194.7	68.1	95.3	153.2	194.2
Brazil																
Canada	9.7	13.6	14.9	18.5	9.7	13.6	14.9	18.5	9.7	13.6	14.9	18.5	9.7	13.6	14.9	18.5
Chile		0.4		0.0		0.4		0.0				0.0				0.0
Chinese Taipei	35.6	40.0	29.2	26.7	35.6	40.0	29.2	26.7	35.6	40.0	29.2	26.7	35.6	40.0	29.2	26.7
Denmark	2.8	2.0	544.1	409.1	2.8	2.0		2.7	2.4	1.8	2.0	2.4	2.4	1.8	2.0	2.4
Finland		0.5	0.5	0.4		0.5	0.5	0.4		0.5	0.5	0.4		0.5	0.5	0.4
France	2,276.5	1,462.8	1,245.5	3,036.0	2,276.5	1,462.8	1,245.5	3,036.0	251.8	214.5	257.3	207.3	251.8	214.5	257.3	207.3
Germany	722.8	503.0	963.5	1,003.5												
Greece																
Guernsey	12.3	5.6	5.4	4.7	12.3	5.6	5.4	4.7	12.3	5.6	5.4	4.7	12.3	5.6	5.4	4.7
Hong Kong SAR	668.4	415.1	1,309.9	3,099.5	662.4	412.2	1,304.3	3,096.0	178.1	122.0	987.3	2,759.0	175.1	119.6	983.8	2,759.0
Ireland	162.3	169.5	151.1	145.0	144.2	152.5	126.5	116.1	0.8	2.6	1.0	1.5	0.8	2.6	1.0	1.5
Isle of Man	222.1	196.3	157.2	138.2	222.1	196.2	157.1	138.1	181.4	166.4	151.1	133.6	181.4	166.4	151.1	133.6
Italy	33.8	30.8	28.4	30.9	33.8	30.8	28.4	30.9	33.7	30.0	25.6	30.9	33.7	30.0	25.6	30.9
Japan	8.6	3.3	3.7	5.3					2.9	0.9	1.3	2.6				
Jersey	188.0	198.3	192.3	198.3	188.0	198.3	192.3	198.3	188.0	198.3	192.3	198.0	188.0	198.3	192.3	198.0
Korea	4.8	5.0	5.1	3.9	4.8	5.0	5.1	3.9	4.8	5.0	5.1	3.9	4.8	5.0	5.1	3.9
Luxembourg	16.1	20.2	20.0	18.0	16.0	19.3	19.9	18.0	14.4	18.5	19.8	18.0	14.3	18.5	19.7	18.0

	Total Liabilities								Total Liabilities							
	All Sectors (Nigeria)								Non-banking Sectors (Nigeria)							
	All instruments				Loan and Deposits only				All instruments				Loan and Deposits only			
Macao SAR	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Mexico																
Netherlands	35.9	27.3	13.9		35.9	27.3	13.9		35.9	27.3	13.9		35.9	27.3	13.9	
Philippines		0.0	0.1	0.4		0.0	0.1	0.4		0.0	0.0	0.1		0.0	0.0	0.1
South Africa	409.3	456.8	337.5	358.8	273.3	365.3	224.5	164.8	119.8	72.8	79.5	41.5	96.8	54.0	75.3	27.8
Spain	8.3	9.3	9.7	10.7	8.3	9.3	9.7	10.7	8.3	9.3	9.7	10.5	8.3	9.3	9.7	10.5
Sweden	17.4	137.0	11.1	10.5	17.4	137.0	11.0	10.4	1.9	2.1	2.5	2.2	1.9	2.1	2.5	2.2
Switzerland	1,094.6	1,103.7	811.9	632.7	713.2	727.0	549.5	419.7	805.8	871.1	710.0	576.7	429.3	503.3	454.3	369.6
United Kingdom	11,924.0	11,171.8	15,667.3	23,088.3	11,924.0	11,171.8	15,667.3	23,088.3	4,706.0	4,107.8	3,690.8	4,327.5	4,706.0	4,107.8	3,690.8	4,327.5
United States	4,179.8	3,769.3	5,057.5	6,227.8	4,179.5	3,769.3	5,057.5	6,227.3	97.0	88.8	132.3	272.0	97.0	88.8	132.3	272.0
All reporting countries	23,553.4	21,457.0	29,356.4	42,781.3	22,784.0	20,511.5	27,736.3	41,044.1	7,857.1	7,189.1	7,816.9	10,783.7	7,453.3	6,797.2	7,550.4	10,559.2

Table 4.2 displays the liabilities of the reporting banks on Nigerian counterparties between 2015 and 2018. The total cross-border liabilities (investments/deposits/funds) of Nigerian entities held on all reporting banks first show a decline from 23.5 billion to 21.4 billion USD between 2015 and 2016, but then rises to 29.4 billion in 2017, rapidly jumping to 42.8 billion in 2018 and further to 44.1 billion in the first quarter of 2019 (shown in Table 1 & 2). Across these years, the highest increases in liability amounts occur for Hong Kong SAR (from 668 million in 2015 to 3.1 billion USD in 2018 – an increase of almost 368%), UK (from 11.9 billion in 2015 to 23.1 billion USD in 2018), United States (from 4.2 billion in 2015 to 6.2 billion USD in 2018) and France (from 2.3 billion in 2015 to 3.0 billion USD in 2018). The Nigerian counterparties seem to more be willing to invest/send their monies to the banks resident in these countries after 2015. Contrarily, the interest in investments/deposits/funds in Switzerland seems to be dwindling. The have reduced from 1.1 billion in 2015 to 632 million USD in 2018.

Sub table: Comparison of total liabilities and claims of all reporting countries on Nigerian entities across 2015 - 2018 (based on 4.1. versus 4.2).

Table	All reporting countries	2015	% of diff. to liabilities	2016	%	2017	%	2018	%	Results 2015-2018
4.2.	Total liabilities	23,553.4		21,457.0		29,356.4		42,781.3		+ 19,3
4.1.	Total claims	18,812.7		16,330.7		18,371.7		25,434.7		+6.5
	Difference	4,740.7	20.1	5,126.3	23.9	10,984.7	37.5	17,346.6	40.6	12.8

The years of 2015 and 2016 brought on marked changes in the public, political and economic arena for Nigeria. After a quite eventful general election held on March 2015, an economic recession followed, resulting in the devaluation of Naira by approximately 40% in June 2016.

The effects of this chaotic period can evidently be observed on the total cross-border liabilities and claims data of Nigerian (legal) entities as well. An examination of the sub table reveals that the difference between liabilities and claims (a positive number indicates cross-border liabilities are larger than claims) increased from 20.1% to 23.9% between 2015 and 2016. This is despite the decrease in both total liabilities and total claims between the years 2015 and 2016. In this period, the decrease in total liabilities remained smaller than the decrease observed in total claims. From 2016 to 2017 and to 2018, the total cross-border liabilities have increased profoundly against the claims carrying the gap to 37.5% in 2017 and to 40.6% in 2018. In 2018, on average, the difference between total cross-border liabilities and claims of Nigeria is observed to be 17.3 billion US dollars, that is almost three times the difference of 2015.

Across these years, the total claims changed from 18.9 (2015) to 25.4 billion (2018) USD (a positive 6.5 billion change), while the total liabilities changed from 23.5 (2015) to 42.8 billion (2018) USD (a positive 19.3 billion change). These figures may indicate an increased outflow of funds from Nigeria over time, i.e. the value of investments/deposits/funds in the banks outside of Nigeria increased by much higher than the foreign entities increased their deposits/assets (or other equivalent funds) in Nigerian banks.

Summary and Significant Findings

At the end of the first quarter of 2019, the banks of 31(out of 47) reporting countries have a claim of 28.7 and liabilities of 44.1 billion US dollars on the residents of Nigeria.

The total cross-border claims on residents of Nigeria has increased from 18.9 billion in 2015 to 28.7 billion in the first quarter of 2019, which corresponds to an increase of 9,8 billion US dollars in 4 years (52.6%). Over the same period, the cross-border liabilities have risen from 25.5 billion in 2015 to 44.1 billion in 2019. An increase of 20.6 billion US dollars in just 4 years (87.3%).

The three most important countries where the legal entities from Nigeria have their bank investments/deposits/funds are United Kingdom, USA and Hong Kong. In terms of the claims, the most influential countries seem to be the United Kingdom (57%), South Africa (9%) and France (7%). In total these three countries have around 75% of all the claims and it looks if it is still getting higher (see also Table 2: figures q1 2019).

The role of the United Kingdom for cross-border interactions of Nigerian based parties is striking. About 57% of all claims are owed by the banks in the UK and about 53% of all the investments/deposits/funds are held on the banks incorporated in UK.

The political and economic events of 2015 and 2016 in Nigeria had a substantial impact on their total cross-border claims and liabilities. The difference between these quantities initially closed between 2015 and 2016, but then markedly widened from 2016 to 2017 and from 2017 to 2018.

A comparative case for Nigeria – Angola

In this section, we will replicate the tables we have produced (based on BIS data) for Nigeria for another west-African country, Angola. The purpose of this analysis is to grasp a better understanding on the current state and the historical development of the Locational Banking Statistics in Nigeria through a comparison with a similar case from the same geography. Like Nigeria, Angola is not one of the 47 reporting countries to BIS. So, analogous to Nigeria, the only information that is accessible on BIS relates to the reporting banks' cross-border positions on residents of Angola.

Table 1: LBS 2019 for Angola in billions of US dollar

Period: Q1 2019	Claims	Liabilities
	10.2	21.5

This table indicates that the total claims (e.g. assets, loans etc.) of all the foreign (reporting) banks sums to 10.2 billion USD on (legal) entities resident in Angola in the first quarter of 2019. In the same period, the reporting countries have a total of 21.5 billion USD worth of liabilities (e.g. deposits) that are owed to the bank accounts of (legal) persons resident in Angola.

Table 2: LBS Q1 2019 for Angola in millions of US dollar

Reporting country	Total Claims				Total Liabilities			
	All Sectors		Non-banking Sectors		All Sectors		Non-banking Sectors	
	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only
	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019
Australia	1.1	1.1	1.1	1.1	1.6	1.6	1.6	1.6
Austria	397.5	397.5	397.5	397.5	3.1	0.9	0.9	0.9
Belgium	236.1	234.1	204.8	203.6	373.5	371.1	50.7	49.0
Brazil								
Canada					0.9	0.9	0.9	0.9
Chile								
Chinese Taipei	22.0	15.5	22.0	15.5	10.8	10.7	10.8	10.7
Denmark	1.5		1.5		3.9	3.9	3.9	3.9
Finland					0.1	0.1	0.1	0.1
France	710.0	710.0	651.0	651.0	115.0	115.0	107.0	107.0
Germany	790.0				1,222.0			
Guernsey					0.2	0.2	0.2	0.2
Hong Kong SAR	48.4	47.5	48.4	47.5	2,970.6	2,969.9	2,817.0	2,817.0
Ireland					1.9	0.2	0.2	0.2
Isle of Man	17.3	17.3	17.3	17.3	17.2	17.2	17.2	17.2
Italy	2.1	2.1	0.4	0.4	96.1	96.1	9.2	9.2

	Total Claims				Total Liabilities			
	All Sectors		Non-banking Sectors		All Sectors		Non-banking Sectors	
	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only	All instruments	Loan and Deposits only
Reporting country	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019	Q1/2019
Jersey	2.0	2.0	2.0	2.0	21.0	21.0	21.0	21.0
Korea	1.8	1.8	1.6	1.6	0.5	0.5	0.5	0.5
Luxembourg	9.3	9.3	9.3	9.3	68.3	56.6	56.6	56.6
Macao SAR	493.5	493.5	493.5	493.5	96.3	96.3	95.6	95.6
Netherlands								
Philippines	0.0	0.0			0.1	0.1	0.0	0.0
South Africa	358.0	356.0	325.0	323.0	640.0	640.0	21.0	21.0
Spain	1,072.6	838.1	732.0	732.0	512.2	223.7	80.8	80.8
Sweden	67.0	67.0	0.0	0.0	0.7	0.5	0.4	0.4
Switzerland	32.2	32.1	32.2	32.1	1,096.5	1,019.1	286.2	210.0
United Kingdom	2,656.0	2,622.0	688.0	653.0	6,153.0	6,153.0	5,391.0	5,391.0
United States					793.0	793.0	37.0	37.0
All reporting countries	10,245.3	8,956.4	5,995.6	5,568.2	21,498.2	21,103.1	12,158.9	12,080.0

(Source: BIS - Table A6.2 - Banks' cross-border positions on residents of Angola Outstanding at July 2020, in millions of US dollars - <https://stats.bis.org/statx/srs/table/A6.2?c=AO&p=20191> accessed on 03/07/2020)

Sub table 2.1: Top 3 liability countries:

Nr	Country	Total liabilities	% total
	All reporting countries	21,498	100
1	United Kingdom	6,153	28.6
2	Hong Kong SAR	2,971	13.8
3	Germany	1,222	5.7

Sub table 2.2: Top 3 claim countries:

Nr	Country	Total claims	% total
	All reporting countries	10,245	100
1	United Kingdom	2,656	25.9
2	Spain	1,073	10.5
3	Germany	790	7.7

Similar to Nigeria, the United Kingdom plays a noteworthy role for Angola. In terms of claims, banks resident in UK own 25.9% of the total (largest among all reporting countries) cross-border claims (loans and assets) against Angolan entities. For liabilities, across all reporting countries, 28.6% of the total (again largest among all reporting countries) cross-border investments/deposits/funds of Angolan (legal) entities are held solely on the banking offices

resident in the UK. Another resemblance is the striking role of Hong Kong SAR. The claims against Angolan (legal) entities by banks resident in Hong Kong SAR are only 48.4 million US dollars but the liabilities of these banks to Angolan counterparties are *disproportionately* high – 2.9 billion US dollars. Similar to Nigerian entities, Angolans are also preferring Hong Kong resident banks to send their cross-border monies to, but don't prefer to borrow assets and take loans from them. Unlike Nigeria, Angola seems to have significant cross-border transactions with Germany, which is the third largest reporting country in terms of both claims and liabilities.

Table 3: Share of cross border monies in OFC countries: Q1 2019 in million USA dollars

OFC country:	Total claims	% total	Total liabilities	% total
Guernsey	0.0	0.00	0.2	0.00
Hong Kong SAR	48.4	0.47	2970.6	13.82
Isle of Man	17.3	0.17	17.2	0.08
Jersey	2.0	0.02	21.0	0.10
Luxembourg	9.3	0.09	68.3	0.32
Switzerland	32.2	0.31	1096.5	5.10
Ireland	0.0	0.00	1.9	0.01
United States	0.0	0.00	793.0	3.69
Total	109.2	1.07	4968.7	23.11
All reporting countries	10,245.3		21,498.2	

In total, the direct claims of OFC banks on the (legal) parties in Angola are approximately 109 million US dollar which makes up a much smaller percentage of the total claims with respect to that in Nigeria (1.07% vs. 5.46%). The investments/deposits/funds held on the same OFCs (by Angolan counterparties) are higher and are in total 5.0 billion US dollar and constitute a similar ratio to total liabilities when compared against Nigeria (23.11% vs. 25.29%). Among these OFCs, for the liabilities, Hong Kong SAR, Switzerland and the USA, by far, dominate all the other OFCs. Tables 4.1 and 4.2 show the total claims and liabilities of (legal) entities from Nigeria in the reporting foreign banks between 2015 and 2018.

Table 4.1: 2015 – 2018 Reporting Banks' cross-border positions (claims) on residents of Angola, in millions of US dollars

Source : Table A6.2. <https://stats.bis.org/statx/srs/table/A6.2?c=AO&p=>

Reporting country	Total Claims								Total Claims							
	All Sectors (Angola)								Non-banking Sectors (Angola)							
	All instruments				Loan and Deposits only				All instruments				Loan and Deposits only			
	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Australia	129.4	1.0	1.1	1.0	129.4	1.0	1.1	1.0	129.4	1.0	1.1	1.0	129.4	1.0	1.1	1.0
Austria	167.0	269.8	304.3	401.0	154.7	211.0	288.8	401.0	167.0	269.8	304.3	401.0	154.7	211.0	288.8	401.0
Belgium	537.9	452.1	424.8	296.4	535.3	447.9	423.5	294.0	350.3	314.8	311.1	253.9	348.1	313.8	310.1	252.6
Brazil																
Canada																
Chile																
Chinese Taipei	5.4	7.4	4.8	8.7	0.3	0.7	0.8	2.8	5.3	7.2	4.4	6.8		1.2	0.5	2.5
Denmark	0.7	1.8	1.8	2.2	0.5	0.4			0.7	1.8	1.8	2.2	0.5	0.4		
Finland	0.0				0.0				0.0				0.0			
France	555.5	698.5	802.3	761.3	555.5	698.5	802.0	761.3	455.3	576.5	713.0	692.0	455.3	576.5	712.8	692.0
Germany	290.5	312.0	604.5	778.5												
Guernsey																
Hong Kong SAR	105.1	84.3	72.7	74.0	103.6	83.2	71.3	56.0	104.8	84.2	72.7	56.9	103.6	83.2	71.3	56.0
Ireland	0.3		0.0		0.3		0.0		0.6				0.6			
Isle of Man																
Italy	4.5	14.2	3.4	2.9	4.5	14.2	3.4	2.9	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.2
Jersey	14.0	5.0	1.5	2.0	14.0	5.0	1.5	2.0	14.0	5.0	1.5	2.0	14.0	5.0	1.5	2.0
Korea	224.0	109.7	63.0	2.1	224.0	109.7	63.0	2.1	219.9	108.9	62.9	1.1	219.9	108.9	62.9	1.1
Luxembourg	78.2	302.2	245.4	97.0	78.2	302.2	245.3	96.9	78.2	302.2	245.3	96.9	78.2	302.2	245.3	96.9
Macao SAR	0.8	0.7	181.4	307.8	0.8	0.7	181.4	307.8			181.4	307.8			181.4	307.8
Netherlands	68.7				68.2				72.8				72.8			
Philippines		0.0	0.0	0.0		0.0	0.0	0.0								
South Africa	716.0	385.8	340.8	293.3	712.8	381.5	340.8	292.3	467.8	220.8	243.0	255.5	466.3	220.8	243.0	254.3

	Total Claims								Total Claims							
	All Sectors (Angola)								Non-banking Sectors (Angola)							
	All instruments				Loan and Deposits only				All instruments				Loan and Deposits only			
Spain	890.0	902.1	1,721.0	1,357.2	890.0	902.1	1,364.7	1,021.6	627.9	673.3	913.6	865.5	627.9	673.3	913.7	865.5
Sweden	55.2	82.2	84.4	75.2	55.2	82.2	84.4	75.2	0.4	0.3	0.2	0.0	0.4	0.3	0.2	0.0
Switzerland	176.1	156.3	140.0	97.2	173.4	152.8	139.3	97.1	166.1	155.8	139.1	97.2	163.4	152.4	138.3	97.1
United Kingdom	2,200.5	2,010.3	2,812.3	2,633.8	2,188.8	1,999.0	2,821.5	2,632.3	2,178.8	1,516.0	842.0	703.0	2,167.3	1,504.8	851.8	701.0
United States																
All reporting countries	9,076.1	9,041.6	10,697.0	10,236.2	8,443.9	8,019.6	9,630.7	9,193.1	6,214.4	6,123.7	6,021.7	6,051.7	5,968.1	5,321.6	5,379.3	5,563.8

Table 4.2: 2015 – 2018 Reporting Banks' cross-border positions (liabilities) on residents of Angola, in millions of US dollars

Source : Table A6.2. <https://stats.bis.org/statx/srs/table/A6.2?c=AO&p=>

	Total Liabilities								Total Liabilities							
	All Sectors (Angola)								Non-banking Sectors (Angola)							
	All instruments				Loan and Deposits only				All instruments				Loan and Deposits only			
Reporting country	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018	2015	2016	2017	2018
Australia	1.4	0.7	0.8	1.8	1.4	0.7	0.8	1.8	1.4	0.7	0.8	1.8	1.4	0.7	0.8	1.8
Austria	1.0	15.9	3.5	2.5	1.0	15.4	2.5	0.9	0.8	0.8	2.5	0.9	0.8	0.8	2.5	0.9
Belgium	437.9	817.3	736.9	484.1	431.8	812.7	732.7	481.2	89.4	65.8	49.0	66.3	84.6	62.1	45.8	63.8
Brazil	1.5	2.5	1.3	1.0	1.5	2.5	1.3	1.0	1.5	2.5	1.3	1.0	1.5	2.5	1.3	1.0
Canada	7.3	3.7	2.4	2.1	7.3	3.7	2.4	2.1	7.3	3.7	2.4	2.1	7.3	3.7	2.4	2.1
Chile	0.0				0.0											
Chinese Taipei	1.5	2.1	4.0	6.9	1.3	2.0	4.0	6.4	1.5	2.1	4.0	6.9	1.3	2.0	4.0	6.4
Denmark	14.5	8.0	5.0	3.5	2.6	5.8	5.0	3.5	14.5	7.9	5.0	3.5	2.6	5.8	5.0	3.5
Finland	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.1
France	180.5	136.5	111.3	115.8	180.5	136.5	111.3	115.8	141.5	114.0	103.3	104.3	141.5	114.0	103.3	104.3
Germany	1,499.3	1,261.3	2,117.0	1,256.3												
Guernsey	0.8	0.1	0.1	0.2	0.8	0.1	0.1	0.2	0.8	0.1	0.1	0.2	0.8	0.1	0.1	0.2

	Total Liabilities								Total Liabilities							
	All Sectors (Angola)								Non-banking Sectors (Angola)							
	All instruments				Loan and Deposits only				All instruments				Loan and Deposits only			
Hong Kong SAR	3,209.8	8,211.1	4,097.4	2,641.6	3,209.8	8,211.1	4,097.2	2,641.2	3,172.2	8,210.9	4,058.1	2,467.5	3,172.2	8,210.9	4,058.0	2,467.5
Ireland	1.9	1.9	1.9	1.9	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Isle of Man	68.4	32.5	20.5	20.3	68.4	32.5	20.5	20.3	25.9	20.1	20.5	20.3	25.9	20.1	20.5	20.3
Italy	59.9	21.2	13.9	20.7	59.9	21.2	13.9	20.7	9.8	8.6	8.9	8.9	9.8	8.6	8.9	8.9
Jersey	22.5	23.0	28.0	24.0	22.5	23.0	28.0	24.0	22.5	23.0	28.0	24.0	22.5	23.0	28.0	24.0
Korea	1.1	1.2	1.1	0.5	1.1	1.2	1.1	0.5	1.1	1.2	1.1	0.5	1.1	1.2	1.1	0.5
Luxembourg	63.5	70.1	76.3	73.4	63.3	64.9	73.8	61.4	62.8	64.7	73.8	61.4	62.8	64.7	73.8	61.4
Macao SAR	121.0	106.8	102.5	97.1	121.0	106.8	102.5	97.1	109.2	93.5	97.7	95.7	109.2	93.5	97.7	95.7
Netherlands																
Philippines		0.2	0.2	0.1		0.2	0.2	0.1		0.2	0.2	0.1		0.2	0.2	0.1
South Africa	209.3	420.3	438.3	510.3	209.3	420.3	438.3	510.3	13.0	20.3	20.3	18.3	13.0	20.3	20.3	18.3
Spain	262.1	152.4	819.3	626.3	262.1	152.4	206.9	263.1	35.3	37.4	75.2	79.3	35.3	37.4	75.2	79.3
Sweden	4.9	1.9	0.7	0.4	4.9	1.9	0.7	0.3	3.7	1.5	0.6	0.3	3.7	1.5	0.6	0.3
Switzerland	1,394.8	1,116.6	704.4	988.7	1,320.4	1,040.6	627.6	911.9	330.0	338.8	320.8	276.9	265.9	272.2	252.9	203.2
United Kingdom	8,273.5	7,199.5	7,247.3	6,704.0	8,273.5	7,199.5	7,247.3	6,704.0	5,041.5	4,262.5	5,161.8	5,347.0	5,041.5	4,262.5	5,161.8	5,347.0
United States	1,208.8	803.8	261.0	684.5	1,208.0	803.8	261.0	684.5	13.8	18.5	15.3	21.0	13.8	18.5	15.3	21.0
All reporting countries	22,846.1	29,332.0	26,090.5	22,368.0	22,755.7	29,075.7	25,375.2	21,894.2	10,958.7	16,402.4	13,290.9	11,733.5	10,887.8	16,330.3	13,217.8	11,651.5

Sub table: Comparison of total liabilities and claims of all reporting countries on Angolan entities across 2015 - 2018 (based on 4.1. versus 4.2).

Table	All reporting countries	2015	% of diff. to liabilities	2016	%	2017	%	2018	%	Results 2016-2018
4.2.	Total liabilities	22,846.1		29,332.0		26,090.5		22,368.0		-6,964.0
4.1.	Total claims	9,076.1		9,041.6		10,697.0		10,236.2		1,194.6
	Difference	13,770.0	60.3	20,290.4	69.2	15,393.5	59.0	12,131.8	54.2	-8,158.6

The political and economic turmoil that affected Nigeria seems to propagate across Angola as well. An examination of the sub table reveals that, between 2015 and 2016, the difference between liabilities and claims (a positive number indicates cross-border liabilities are larger than claims) increased from 60.3% to 69.2%. This is primarily caused by the large increase in liabilities (from 22.8 to 29.3 billion USD) between the years 2015 and 2016, while the total claims remained nearly the same (9.1 vs 9.0 billion USD). These figures may indicate an increased outflow of funds from Angola between these two years, i.e. the value of investments/deposits/funds in the banks outside of Angola increased by a great amount, whereas the foreign entities slightly decreased their deposits/assets (or other equivalent funds) in Angolan banks. After 2016, however, there's a remarked change on the total cross-border claims and liabilities structure for Angola. From 2016 to 2017 and to 2018, the total liabilities decreased from 29.3 (2016) to 22.4 billion (2018) USD (a negative 6.9 billion change), while the total claims increased from 9.0 (2016) to 10.2 billion (2018) USD (a positive 1.2 billion change). Across this period, the total cross-border liabilities have decreased profoundly against the claims reducing the gap to 59.0% in 2017 and to 54.2% in 2018. In 2018, on average, the difference between total cross-border liabilities and claims of Angola is observed to be 12.1 billion US dollars, that is almost half of the difference in 2016 and even smaller than that in 2015. These patterns are in stark contrast with Nigeria.