
30th November 2016

Bermuda Monetary Authority

Bermuda's Coordinated Portfolio Investment Survey (CPIS)

2015 Report



Foreword

The Coordinated Portfolio Investment Survey (CPIS) is a voluntary data collection exercise conducted annually under the auspices of International Monetary Fund (IMF). The CPIS collects information on economies' cross-border holdings of portfolio investment securities. Portfolio Investment is defined as cross-border transactions and positions involving debt or equity securities, other than those included in the direct investment or reserve assets.

The CPIS data, which is published on the IMF website, is augmented with information from two other surveys: the Securities Held as Foreign Exchange Reserve (SEFER) and Securities Held by International Organisations (SSIO).

The IMF has been conducting the CPIS since 1997 and 82 countries currently participate in the survey. Bermuda has been participating in this exercise since 2001.

Bermuda's numbers include data from both the domestic and international sector. The size and relevance of the latter makes Bermuda an International Financial Centre (IFC).

This report covers Bermuda's CPIS results for 2015. The report is a product of the staff of the Bermuda Monetary Authority's (Authority).

The Authority would like to extend its sincere gratitude to all entities that participated in this year's survey.

We hope you will find the information in this report of interest. Should you have any questions, comments or suggestion to improve this report please contact Leo Mucheriwa at lmucheriwa@bma.bm or Vashun Blanchette at yblanchette@bma.bm.

Bermuda Monetary Authority

November 2016

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1. Executive Summary

This study is part of the IMF's comprehensive international survey and measures Bermuda's holdings of foreign portfolio investment assets. Foreign portfolio investment assets relates to tradable financial instruments other than direct investments or reserve assets issued by unrelated non-residents¹.

Data for portfolio investment assets is separately requested for equity, investment funds shares and debt securities, and geographically allocated by the country of residency of the issuer. The primary purpose of this study is to provide countries with estimates of their foreign portfolio assets at market value and to enhance the quality of statistics on global capital flow.

Bermuda's foreign portfolio investment assets (foreign portfolio holdings) amounted to US\$ 505,656 million as of end-December 2015. This represented a decrease of 2% (US\$ 10,660 million) from 2014. The decrease can be attributed to a decline in the insurance sector's total assets² and the net assets values of investment funds³⁴, and this is also in line with the 5.6% decrease in the global cross border holdings over the year.

Bermuda's foreign portfolio holdings consist mainly of debt securities. As of end-December 2015, Bermuda's holding of foreign debt securities amounted to US\$ 398,394 million, representing 79% of Bermuda's foreign portfolio holdings. Debt securities were predominantly made up of long-term debt securities which accounted for 93% (US\$ 368,958 million) of total debt securities. Short-term debt securities amounted to US\$ 29,436 million, accounting for the remaining 7% of total debt securities. Holdings of foreign equity amounted to US\$ 107,262 million, representing 21% of Bermuda's foreign portfolio holdings.

Geographically, holdings in the United States dominated Bermuda's foreign portfolio investment assets. As of end-December 2015, the United States accounted for 58% (US\$ 293,799 million) of the total holdings of Bermuda's foreign portfolio investment assets, an increase of 9% (US\$ 25,375 million) from 2014. Issuances by the United Kingdom and

¹ The IMF defines unrelated non-resident as non-resident counterparty with an equity interest of less than 10% in the enterprise, or vice versa. If the counterparty's share is 10% or more, it is considered a related non-resident (direct investment) and reported under the Co-ordinated Direct Investment Survey (CDIS).

² Total assets for the insurance sector uses data based on 2014 filings which was published in the BMA's 2015 Annual Report

³ The increase or decrease in foreign portfolio holdings can be driven by several factors which include, among others, the risk strategy/appetite of different entities, geographical distribution of entities' affiliates and stakeholders etc.

⁴ Insurance sector total assets decreased from \$607 bln in 2014 to \$583 bln in 2015 and the total net asset value of investment funds decreased from \$165 bln in 2014 to \$144 bln in 2015

Canada accounted for the second and third largest share at 5% and 4%, respectively. The remaining countries had shares of 3% or less.

In addition to the geographical breakdown, Bermuda's foreign portfolio holdings are also broken down by subsector. The subsectors are broken down into three broad segments: insurance⁵; investment funds; and banking. The insurance subsector heavily dominates Bermuda's foreign portfolio holdings - as of end-December 2015 it had an ownership share of 84% (US\$ 425,159 million). Insurance has been the largest holder subsector since 2001, when the survey was first conducted in Bermuda. This is consistent with the size and relevance of the insurance subsector in Bermuda, a predominantly insurance-based international financial centre, specialising in the niche of catastrophe reinsurance.

Investment funds were the second largest subsector, accounting for 14% (US\$ 68,925 million), followed by banks which accounted for 2% (US\$ 9,402 million). Bermuda government's foreign portfolio holdings amounted to US\$ 2,170 million, representing less than 1% of the total Bermuda's foreign portfolio holdings as of end-December 2015.

As of end-December 2015, the value of Bermuda's derived liabilities⁶ amounted to US\$ 479,023 million, a decrease of 1% (or US\$ 4,413) from 2014.⁷ Bermuda's derived liabilities consist mainly of equity securities which represent 89% of Bermuda's total derived liabilities. Geographically, Bermuda derived liabilities are dominated by United States and Hong Kong, who together had a 77% share (United States 45% and Hong Kong 32%) as at end-2015.

⁵ Pension funds are included as part of insurance, however their contribution is less than 1% of the total insurance foreign portfolio holdings.

⁶ Derived liabilities shows, from the perspective of the economy issuing the securities, the value of securities held by non-residents as "derived" from information reported by the holders of the securities (creditor information).

⁷ The "derived liability" numbers are generated only when the sum of reported holdings of securities issued by a given country is at least US\$ 10 million.

Background

1.1. What is CPIS?

CPIS is a voluntary data collection exercise conducted annually under the auspices of IMF. Data is provided on holdings of cross-border portfolio investment securities issued by unrelated non-residents⁸. Data is separately requested for equity and investment fund shares, long-term debt instruments and short-term debt instruments, and geographically allocated by the economy (country) of residency of the issuer. The CPIS data, which is published on the IMF website, is augmented with information from two other surveys - SEFER and SSIO.

The IMF has been conducting the CPIS since 1997 and 82 countries currently participate in the survey. Bermuda has been participating in this exercise since 2001.

1.2. Why we do it?

Bermuda's participation in the CPIS contributes to improved understanding of Bermuda as an international financial centre and its impact on global financial intermediation. This ultimately enhances the reputation of Bermuda and re-emphasises our commitment to a high standard of transparency.

Overall, the aim of the CPIS is to improve statistics of holdings across the globe of portfolio investment assets in the form of equity, long-term debt and short-term debt. Specifically, the IMF has identified the following as the main objectives of the survey:

1. To collect comprehensive information, with geographical detail on the country of residence of the issuer, on the stock of cross-border equities, long-term bonds and notes and short-term debt instruments for use in the compilation or improvement of international investment position (IIP) statistics on portfolio investment capital. The IIP statistics, in turn, can provide information to check the coverage recorded estimates of portfolio investment financial flows and associated investment income transactions recorded in the balance of payments; and
2. To exchange the bilateral data. When the results of the CPIS become available, the data may be exchanged among the participating countries, as well as with other countries. By

⁸ The IMF defines unrelated non-resident as non-resident counterparty with an equity interest of less than 10% in the enterprise, or vice versa. If the counterparty's share is 10% or more, it is considered a related non-resident (direct investment) and reported under the Co-ordinated Direct Investment Survey (CDIS).

exchanging comparable data (subject to confidentiality constraints), participating countries should be able to improve their statistics of non-resident holdings of their portfolio investment liabilities, as well as associated financial flows and investment income data (information on the geographic distribution of non-resident creditors also becomes known).

2.1. What type of information is collected?

The CPIS collects information on economies' cross-border holdings of portfolio investment securities. "Portfolio investment" is defined as cross border transactions and positions involving debt or equity securities, other than those included in the direct investment or reserve assets. A "security" is defined as a financial instrument designed to be traded, i.e., it is characterised by its negotiability and classified as either equity or debt securities.

Equity securities comprise all instruments and records that acknowledge claims on the residual value of corporations or quasi-corporations after the claims of creditors have been met. For the purposes of the CPIS, mutual funds are also classified as equity regardless of their underlying assets.

Debt securities are negotiable instruments serving as evidence of debt. They give the holders the unconditional right to fixed or contractually determined variable payments (i.e., earnings of interest is not dependent on earnings of the debtors). The maturity of a debt instrument is classified as either long-term (a maturity of more than one year or with no stated maturity, other than on demand) or short-term (payable on demand or with a maturity of one year or less).

The CPIS collects data from the asset side only because the holder (creditor) will usually know what securities it holds. On the liabilities side, the issuer of the security (debtor) may not know the residency of the holder because the securities may be held by foreign custodians or other intermediaries. Using the assets data reported by CPIS participating economies, the IMF derives liabilities data for all economies; these data are termed "derived liabilities".

3. Methodology⁹

The CPIS is administered by the IMF and coordinated locally by the Authority. The 2015 survey was conducted by means of a questionnaire on a voluntary best effort basis using the approach stipulated in the IMF Coordinated Portfolio Investment Survey Guide, second edition, 2002¹⁰.

The data is reported in accordance with the residence principle recommended by the IMF's Balance of Payment and International Investment Position Manual (BPM6)¹¹. Therefore, Bermuda's numbers include data from non-resident entities legally domiciled in Bermuda. However, for the purpose of compiling balance of payments and national income accounts statistics, non-resident entities are excluded. The size and relevance of the non-resident entities makes Bermuda an IFC¹².

The CPIS questionnaire for the period ended December 31, 2014 was posted on the Authority's official website and all financial services entities (i.e. banks, insurers, investment funds and pension funds¹³) regulated by the Authority and the Bermuda government were invited to participate in the exercise. Participants were given up to six weeks to complete the survey (this was subsequently extended to eight weeks). At the end of eight weeks, the received data was aggregated and extrapolated using 2015 total financial assets for each subsector.

Limitations:

Bermuda's CPIS statistics is currently based on data collected from the Bermuda government and financial services industry only. The data does not include foreign portfolio holdings from other sectors, i.e. non-financial corporations and households¹⁴.

For the insurance subsector, the survey was limited to commercial (re)insurers only. As of end-December 2014, commercial (re)insurers represents 62% of the Bermuda-based insurance market if measured by premiums written or 63% if measured by assets.

⁹ All the figures that are reported in this report were extracted from the IMF website as at October 31, 2015.

¹⁰ https://www.imf.org/external/pubs/ft/cpis/2002/pdf/cpis_index.pdf

¹¹ IMF's Balance of Payments and International Investment Position Manual (BPM6) sixth edition
<https://www.imf.org/external/pubs/ft/bop/2007/pdf/bpm6.pdf>

¹² Zoromé, (2007), IMF working paper, define IFC as "country or jurisdiction that provides financial services to non-residents on a scale that is incommensurate with the size and the financing of its domestic economy".

¹³ For insurance entities, the invitation was only extended to commercial insurers; and Pension funds and Bermuda government does not fall under the Authority's directive.

¹⁴ Several other jurisdictions are currently collecting financial sector data only and do not capture data from households as the mechanism to ask individual householders about their holdings is not practicable.

Bermuda has been participating in this exercise since 2001; data collection methodology and sample size has ameliorated over the years. Therefore, Bermuda's CPIS data is constantly reviewed and assessed for reasonableness, and when errors are discovered, data from previous years is revised. As a result of these on-going improvements, some of the volatilities on Bermuda data trends are driven from changes in the sampling techniques.

Apart from checking for reasonableness, the Authority does not verify if the allocation of the portfolio holdings, either by type of securities or geographical distribution, is correct. Full reliance is placed on the participating entities that provide the data.

Under the CPIS data collection methodology, positions in investment funds are indistinctly classified as equity assets. However, the assets held through the intermediation of foreign investment funds might not consist of equity securities only. The country of residence of their issuer might differ from that of mutual fund, therefore, the security type and geographical distribution of such assets might be distorted¹⁵.

¹⁵ Monti,P, Felettigh A (2008), Bank of Italy, Economics and International Relations

4. Overview of Bermuda’s foreign portfolio holdings

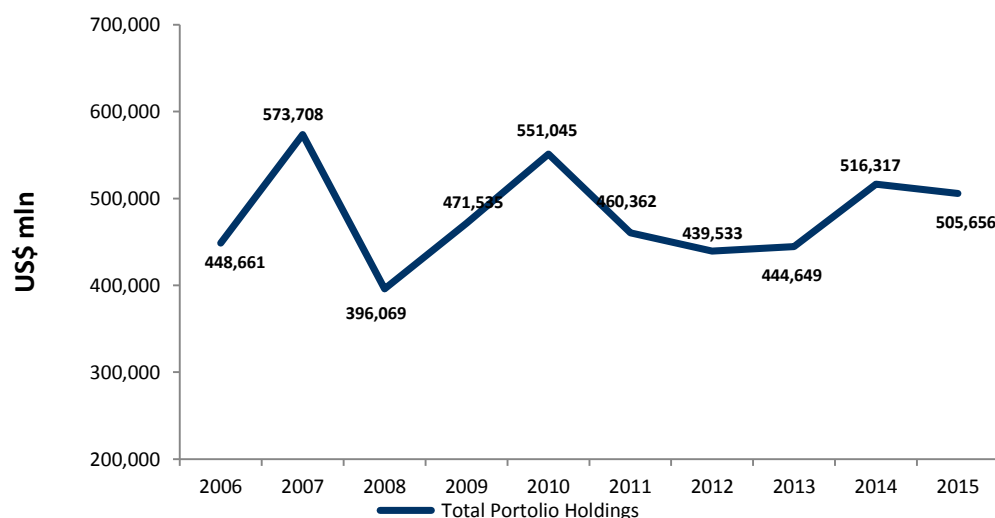
The value of Bermuda’s foreign portfolio investment assets (foreign portfolio holdings) totalled US\$ 505,656 million¹⁶ as of end-December 2015, a decrease of 2% from 2014 and an increase of 13% from 2006. Portfolio holdings for 2014 and 2006 were US\$ 516,317 million and US\$ 448,661 million, respectively.

Table 4.1 -Bermuda’s foreign portfolio holdings: 2006 – 2015

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Portfolio holdings - US\$ mln	448,661	573,708	396,069	471,535	551,045	460,362	439,533	444,649	516,317	505,656
Y/Y change - US\$ mln	-	125,047	-177,639	75,466	79,510	-90,683	-20,828	5,116	71,667	-10,660
Y/Y change - percent	-	28%	-31%	19%	17%	-16%	-5%	1%	16%	-2%

Consistent with global trends, Bermuda’s total foreign portfolio holdings experienced strong growth in the lead up to the global recession before dropping off in 2008 and since then have been gradually growing, albeit with some year-on-year fluctuations. The general increase in foreign portfolio holdings over the past ten years can be attributed to the growth of the financial service industry in Bermuda.

**Figure 4.1
Bermuda’s foreign portfolio holdings: 2006 – 2015**

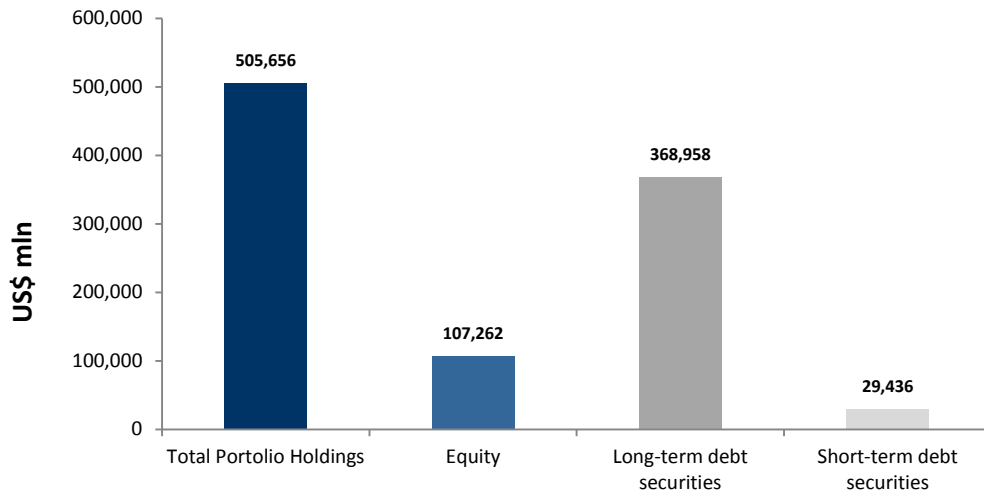


Bermuda’s foreign portfolio holdings consist mainly of debt securities. At the end of December 2015, Bermuda holdings of foreign debt securities amounted to US\$ 398,394 million, representing 79% of Bermuda’s foreign portfolio holdings. This is a decrease of 6% (or US\$ 24,677 million) from 2014 but an increase of 19% (or US\$ 63,655 million) from 2006. Debt securities are made up of predominantly long-term debt securities which account for 93% (or US\$ 368,958 million) of total foreign debt securities.

¹⁶ Bermuda’s portfolio holdings make up about 67% of the total Bermuda financial services assets.

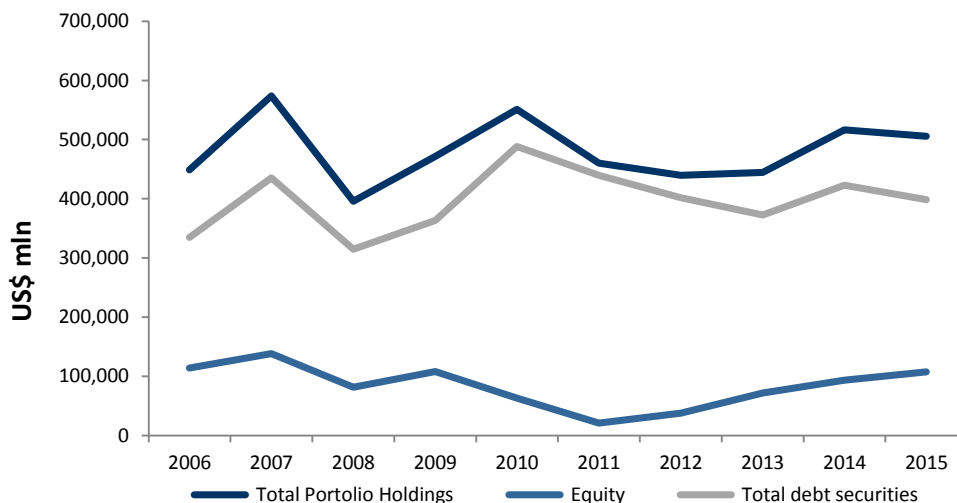
For the same period, foreign equity securities amounted to US\$ 107,262 million which is an increase of 15% (or US\$ 14,016 million) from 2014 but a decrease of 6% (or US\$ 6,660 million) from 2006. Over the past ten years, foreign equity securities have averaged 17% of the total foreign portfolio holdings for Bermuda.

Figure 4.2
Bermuda’s foreign portfolio holdings by security type – 2015



Total debt and equity foreign investment assets have both been fluctuating over the last ten years. Foreign debt securities peaked in 2010 when they amounted to US\$ 488,142 million, while the lowest point was in 2008 when foreign debt securities amounted to US\$ 314,771 million. Foreign equity securities reached its highest level in 2007 just before the recession, with holdings of US\$ 138,295 million. The lowest ever holdings on record for foreign equity was in 2011 at US\$ 20,802 million.

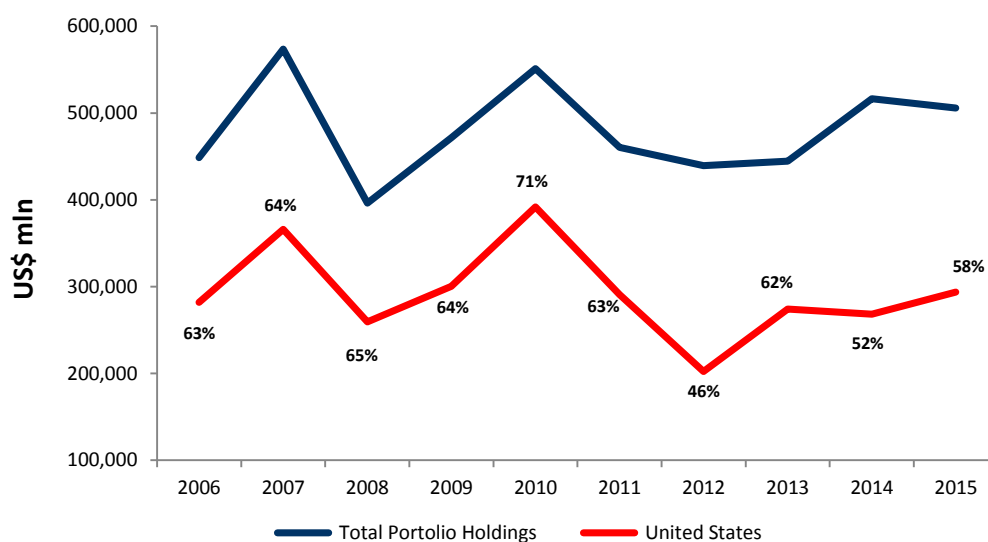
Figure 4.3
Bermuda’s foreign portfolio holdings by security type: 2006 – 2015



5. Geographical distribution

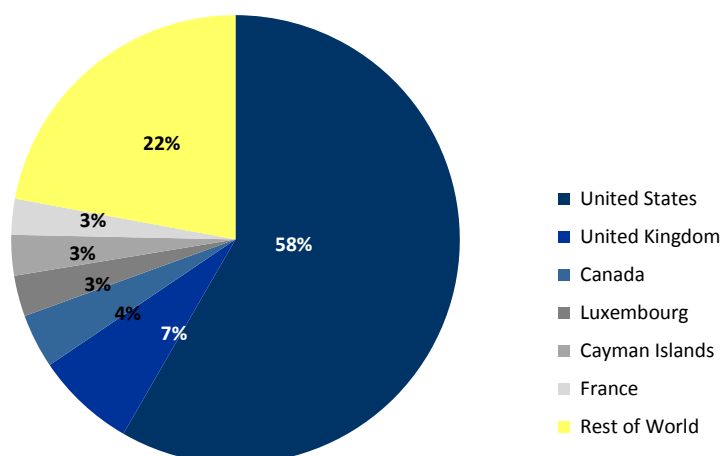
Bermuda's foreign portfolio holdings have demonstrated a relatively stable geographical distribution over the years. With a total market value of US\$ 293,799 million, as of end-December 2015, the investment securities issued by United States residents/entities dominate Bermuda's foreign portfolio investment assets. United States holdings represented 58% of the total Bermuda portfolio holdings abroad. This represents an increase of 10% (or US\$ 25,375 million) from 2014. Over the past ten years, the United States accounted on average for 61% of total foreign portfolio holdings for Bermuda.

Figure 5.1
Bermuda's portfolio holdings issued by United States: 2006 – 2015



Other countries which also had significant contribution to Bermuda's foreign portfolio holdings in 2015 include the United Kingdom and Canada, contributing 7% and 4%, respectively. Luxembourg, the Cayman Island and France each contributed 3% while all other countries had shares of 2% or less.

Figure 5.2
Geographical distribution of Bermuda's foreign portfolio holdings



The share of portfolio investment securities issued by United Kingdom residents/entities increased from 5% in 2014 to 7% in 2015. This is the highest share for the United Kingdom within the last three years. Over the last ten years, Bermuda’s holdings of securities from the United Kingdom have averaged 8%. Relating to Canada, its share has slightly dropped from 5% in 2014 to 4% in 2015. Overall, the top 15 countries listed in table 5.1 have remained the largest contributors to Bermuda’s foreign portfolio holdings over the ten-year period shown. However, share contribution from countries like Germany and Japan has slightly declined.

Table 5.1
Geographical distribution as of end-December, 2015 - Top 15 countries

2015 Ranking	Country	<i>contribution as percentage of total foreign portfolio holdings</i>									
		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1	United States	63%	64%	65%	64%	71%	63%	46%	62%	52%	58%
2	United Kingdom	12%	10%	6%	4%	7%	7%	14%	6%	5%	7%
3	Canada	1%	1%	1%	5%	2%	3%	3%	2%	5%	4%
4	Luxembourg	1%	1%	1%	1%	1%	2%	2%	2%	4%	3%
5	Cayman Islands	3%	3%	3%	9%	1%	1%	2%	5%	4%	3%
6	France	2%	3%	4%	3%	2%	3%	3%	2%	2%	3%
7	Germany	4%	4%	4%	3%	2%	3%	3%	2%	1%	2%
8	Netherlands	1%	2%	1%	2%	3%	3%	3%	2%	2%	2%
9	Japan	2%	2%	3%	1%	1%	0%	0%	0%	1%	2%
10	Ireland	1%	1%	2%	1%	1%	1%	3%	3%	4%	2%
11	Australia	1%	1%	1%	1%	1%	2%	2%	1%	2%	2%
12	China, P.R.: Hong Kong	1%	1%	1%	1%	1%	0%	0%	0%	2%	1%
13	Virgin Islands, British	1%	1%	0%	0%	0%	0%	0%	1%	2%	1%
14	Korea, Republic of	1%	1%	1%	0%	0%	0%	0%	0%	1%	1%
15	International Organizations	0%	0%	0%	0%	0%	2%	1%	1%	1%	1%

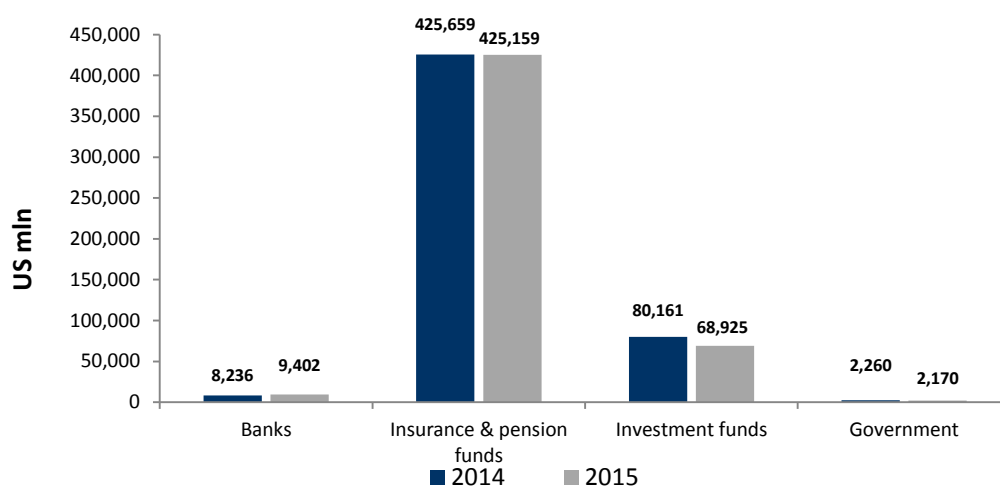
** International Organisations include securities issued by international agencies such as the United Nations and the World Bank. Such securities are not given a geographical attribution but rather are categorised under “international organisations”. International organisations have had a 1% percent share for the past four years as shown in Table 5.1.

6. Sector Breakdown

6.1. Overview of Sector Breakdown

Bermuda currently collects foreign portfolio holdings data from the Bermuda government and the financial services industry only. The financial services industry is the biggest sector in Bermuda contributes over 60% of Bermuda's economic output, according to the Department of Statistics. For the purpose of the CPIS, financial services subsectors are broken down into three broad segments - insurance, investment funds and banking. Figure 6.1 compares the breakdown of the Bermuda foreign portfolio holdings for each subsector in 2014 and 2015.

Figure 6.1.1- Bermuda's foreign portfolio holdings by sector



Bermuda is predominantly an insurance-based IFC and the distribution of foreign portfolio holdings follows the same trend. At the end of December 2015, the insurance subsector heavily dominated Bermuda's foreign portfolio holdings with an ownership share of 84% (or US\$ 425,159 million), followed by investment funds which had a share of 14% (or US\$ 68,925 million), and banking with a 2% (or US\$ 9,402 million) share. The insurance subsector has held the largest share since 2001 when the survey was conducted for the first time in Bermuda.

Table 6.1.1 - Bermuda foreign portfolio holdings by sector

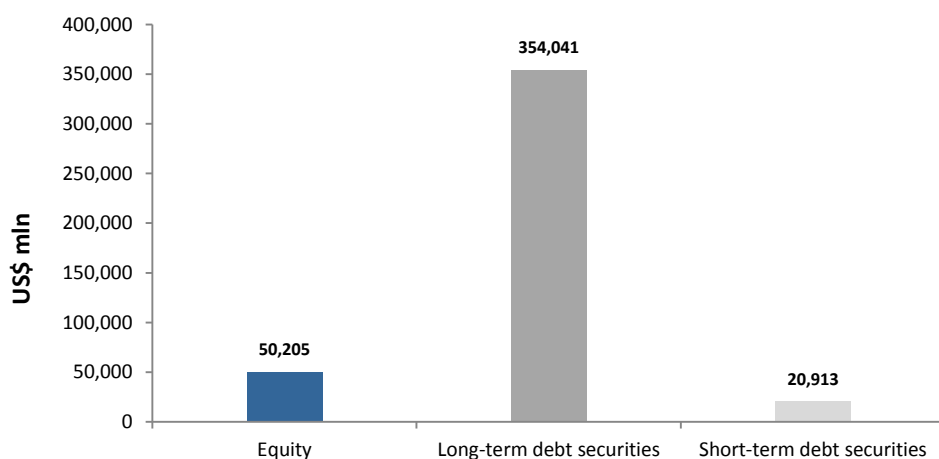
Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Insurance	270,231	356,237	239,333	352,265	424,482	351,149	331,757	338,311	425,659	425,159
Investment Funds	170,656	209,826	150,033	113,192	119,695	98,717	97,140	94,707	80,161	68,925
Banks	5,514	5,401	4,762	3,827	4,579	7,361	7,647	9,386	8,236	9,402
Government	1,555	1,483	1,305	1,549	1,869	1,882	2,042	2,246	2,260	2,170
Other	705	760	637	702	419	1,254	948	-	-	-

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Insurance	60.23%	62.09%	60.43%	74.71%	77.03%	76.28%	75.48%	76.08%	82.44%	84.08%
Investment Funds	38.04%	36.57%	37.88%	24.01%	21.72%	21.44%	22.10%	21.30%	15.53%	13.63%
Banks	1.23%	0.94%	1.20%	0.81%	0.83%	1.60%	1.74%	2.11%	1.60%	1.86%
Government	0.35%	0.26%	0.33%	0.33%	0.34%	0.41%	0.46%	0.51%	0.44%	0.43%
Other	0.16%	0.13%	0.16%	0.15%	0.08%	0.27%	0.22%	-	-	-

6.2. Insurance

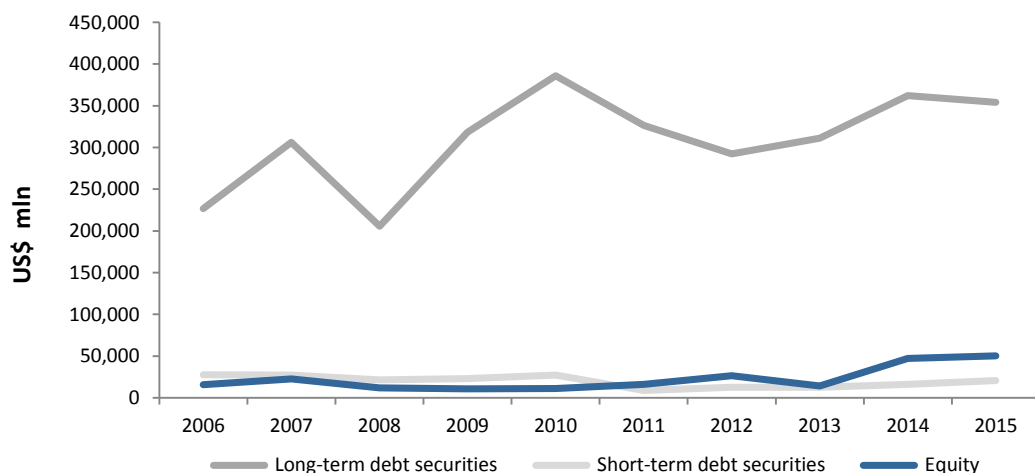
The insurance industry has been the largest foreign portfolio holder sector in Bermuda since the inception of the CPIS report in Bermuda. Consistent with Bermuda’s overall foreign portfolio holdings, insurance foreign portfolio investment assets in 2015 were predominately made up of debt securities. These securities account for 88% (or US\$ 374,954 million) of total insurance foreign portfolio holdings, of which 83% (or US\$ 354,041 million) were long-term debt securities and 5% (or US\$ 20,913 million) were short-term debt securities. Equity accounted for only 12% (or US\$ 50,205) of total insurance foreign portfolio holdings. Overall, insurance foreign portfolio holdings have increased by 57% over the last ten years from US\$ 270,231 million in 2006 to US\$ 425,159 million in 2015.

Figure 6.2.1 - Insurance foreign portfolio holdings by security type – 2015



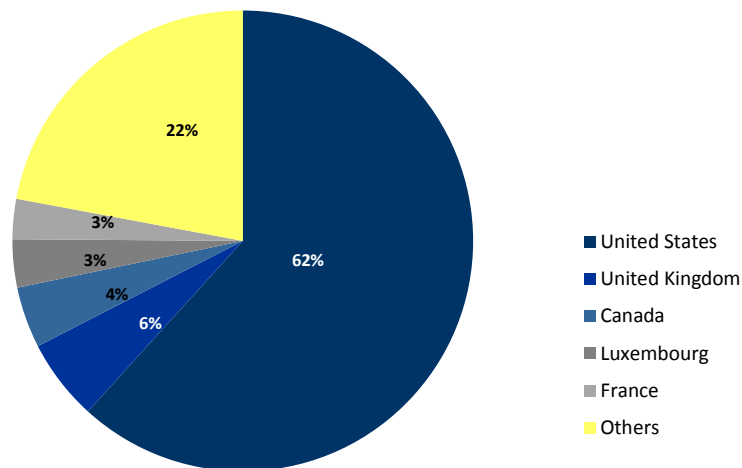
As shown in figure 6.2.2, the amount of debt securities relative to equity for insurance foreign portfolio holdings has increased over the last ten years, albeit with some year-on-year fluctuations.

Figure 6.2.2 - Insurance foreign portfolio holdings trend: 2006 – 2015



Geographically, insurance foreign portfolio holdings closely mirror the aggregated foreign portfolio holdings' geographical distribution for Bermuda. As of end-December 2015, the United States accounted for the largest share (62% or US\$ 261,640 million) followed by the United Kingdom (6% or US\$ 24,209 million) and Canada (4% or US\$ 18,182 million).

Figure 6.2.3
Geographical distribution insurance foreign portfolio holdings - 2015

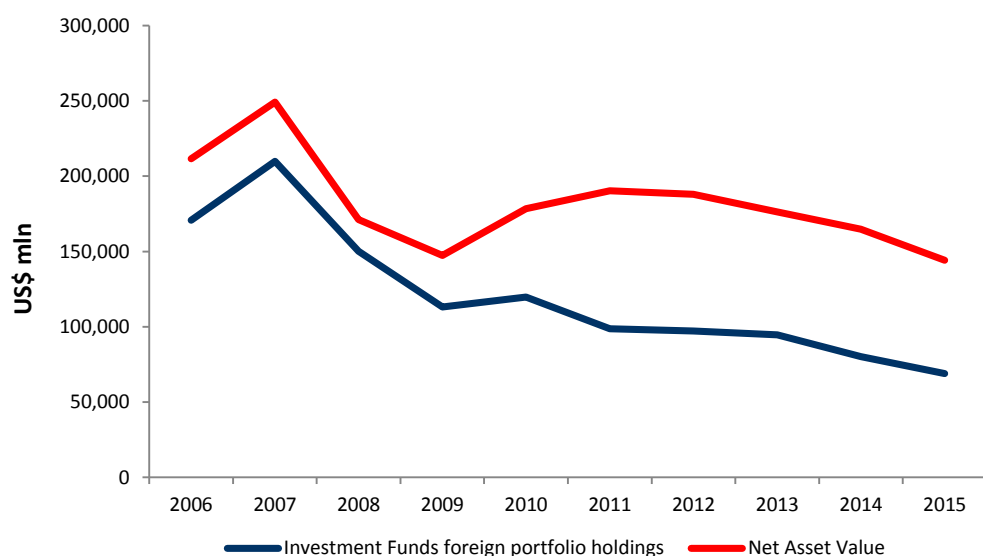


Since the inception of the CPIS for Bermuda in 2001, the United States, Canada, United Kingdom and Luxembourg have consistently been among the largest contributors to Bermuda's foreign portfolio holdings within the insurance subsector.

6.3. Investment Funds

As at 31 December, 2015, investment funds had a Net Asset Value (NAV) of US\$ 144,220 million or 19% of total financial services sector assets in Bermuda. This makes investment funds the second biggest financial subsector in Bermuda, after insurance. As of end-December 2015, investment fund foreign portfolio holdings amounted to US\$ 68,925 million, a decrease of 14% (or US\$ 11,236 million) from 2014. Overall, foreign portfolio holdings for investment funds have steadily decreased since 2007. This decrease, to a large extent, correlates with the net asset value trends of investments funds.

Figure 6.3.1
Investment Fund foreign portfolio holdings & Net Asset Value: - 2006 – 2015

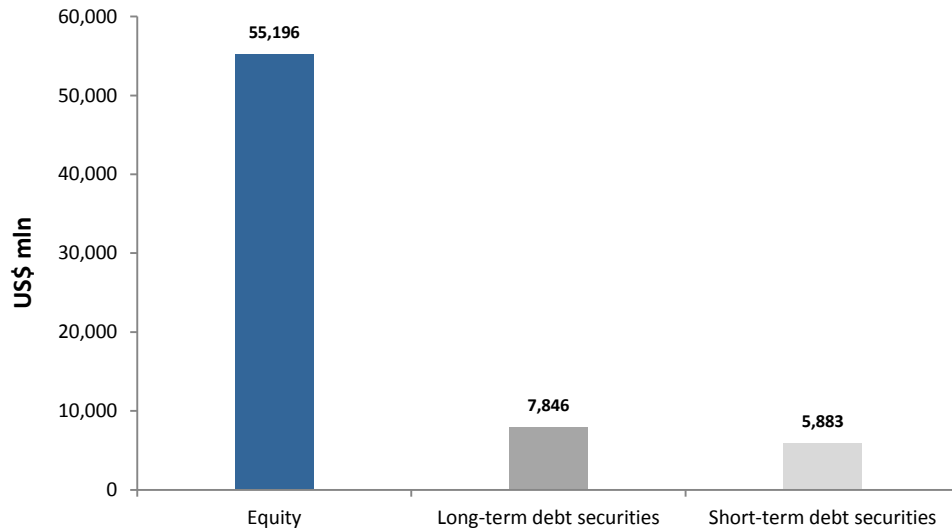


Investment fund foreign portfolio holdings have steadily declined in line with the fall of NAV. However, post the financial crisis, the foreign portfolio holdings as a percentage of NAV has decreased. This might be an indication of an increase in diversification of investment strategies by investment funds.

Further, unlike the insurance subsector, foreign portfolio holdings for investment funds consist mainly of equity. At the end of 2015, equity made up 80% (or US\$ 55,196 million) and debt securities made up 20% (or US\$ 13,729 million) of total investment funds' foreign portfolio holdings. Approximately 57% (or US\$ 7,846 million) of investment fund debt securities are long-term and 43% (or US\$ 5,883 million) are short-term. Overall, the portion of debt to equity securities for investment funds' foreign portfolio holdings has consistently fluctuated over the years for which the CPIS has been conducted in Bermuda. This

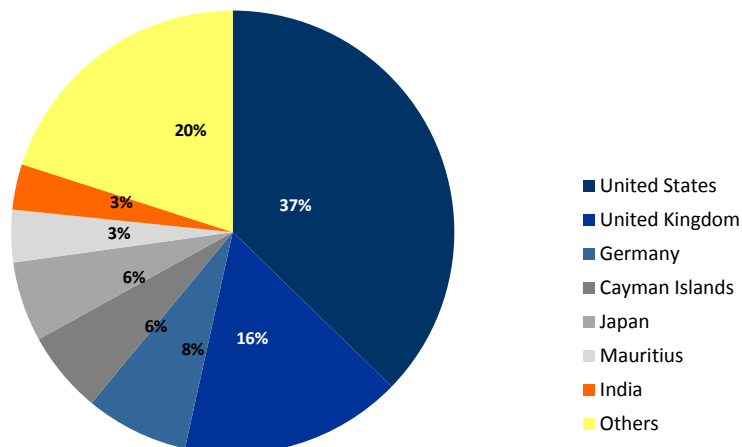
inconsistency is partly attributed to continued improvements in the data collection methodology and the increase in sample size which has enhanced the quality of Bermuda’s foreign portfolio holdings data.

Figure 6.3.2
Investment Fund foreign portfolio holdings by security type – 2015



Geographically, investment fund foreign portfolio holdings are somewhat different from the insurance subsector. While the United States still holds the largest portion (37% or US\$ 25,626 million), its share is relatively low compared to insurance foreign portfolio holdings (62% or US\$ 261,640 million). The United Kingdom holds the second largest share of investment fund foreign portfolio holdings (16% or US\$ 11,143 million). Germany, Cayman Islands and Japan are also significant contributors to total foreign portfolio holdings for investment funds.

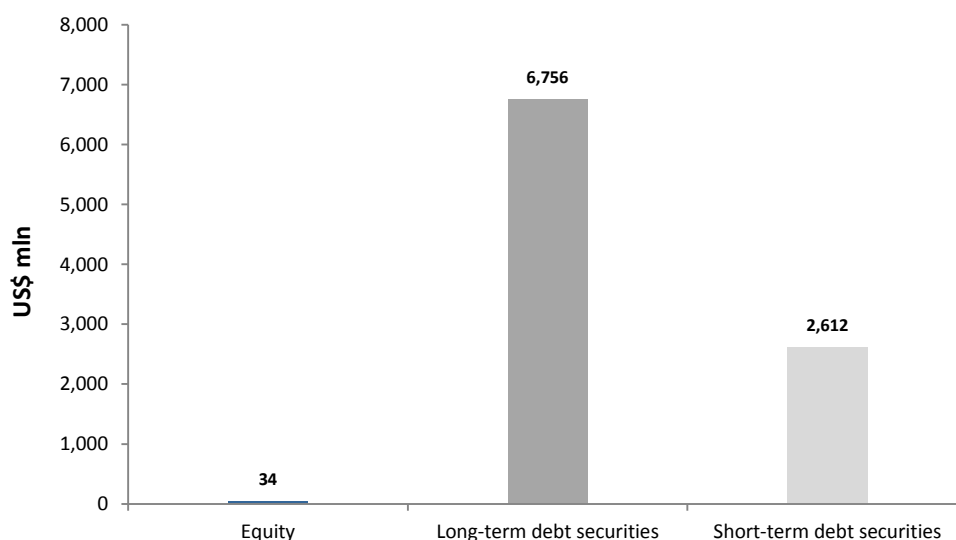
Figure 6.3.3
Geographical distribution of Investment Fund portfolio holdings – 2015



6.4. Banks

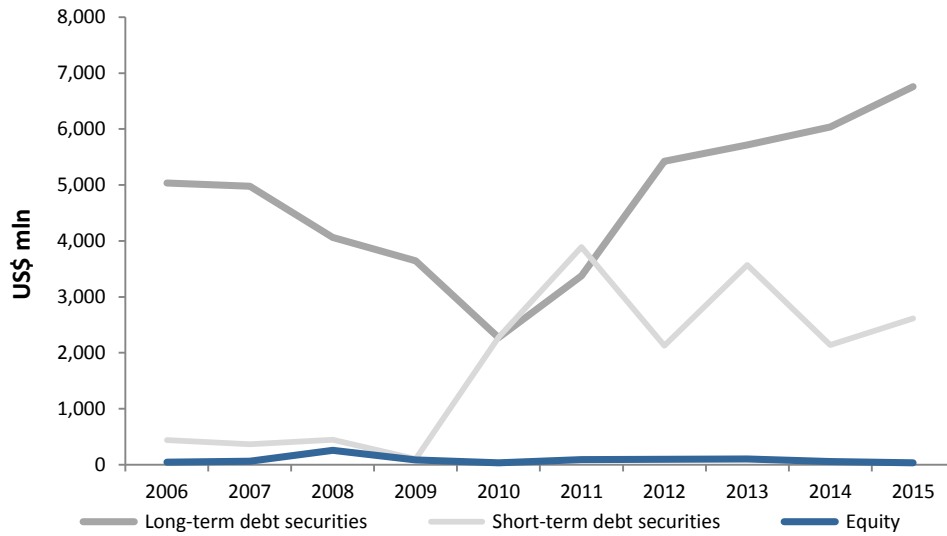
Bank assets made up 3% (or US\$ 24,072 million) of the total financial services assets in Bermuda as of end-December 2015 to make banking the third largest financial service subsector after insurance and investment funds. Foreign portfolio holdings for banks amounted to US\$ 9,402 million at the end of 2015, representing less than 2% of Bermuda's total foreign portfolio holdings. Consistent with overall foreign portfolio holdings for Bermuda, banks' foreign portfolio assets consist mainly of debt securities, which account for over 99% (or US\$ 9,368 million) of banks' foreign portfolio holdings. Equity represents less than 1% (or US\$ 34 million) of banking foreign portfolio holdings.

Figure 6.4.1
Banks' foreign portfolio holdings by security type – 2015



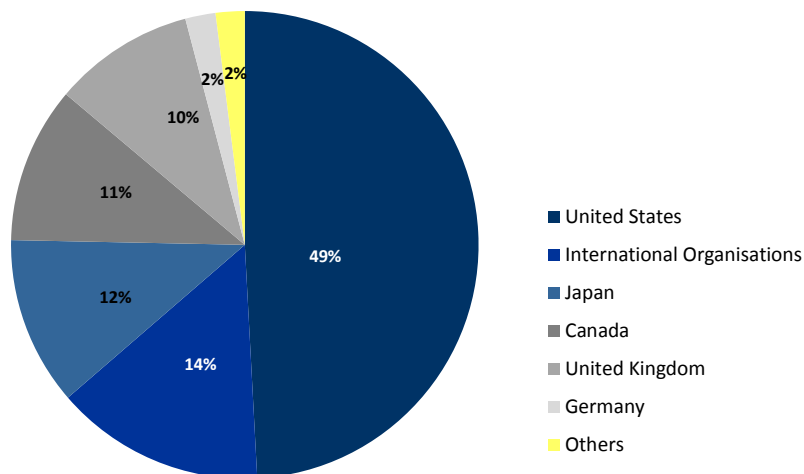
Noticeably, the proportion of banks' holdings on foreign short-term debt securities has dramatically increased since 2010. At the end of 2015, short-term debt securities amounted to US\$ 2,612 million which represented 27% of the banks' foreign portfolio holdings, compared to US\$ 437 million (or 8%) in 2010. Over the same period, long-term debt securities have also significantly increased. At the end of 2015, long-term debt securities amounted to US\$ 6,756 million. This is three times higher than the level recorded in 2010.

Figure 6.4.2
Banks' foreign portfolio holdings trend: 2006 – 2015



Geographically, banks' foreign portfolio holdings are dominated by holdings in the United States with 49% (or US\$ 4,612 million), International Organisations with 14% (or US\$ 1,361 million) and Japan with 12% (or US\$ 1,094 million). At the end of 2015, holdings from these three countries made up 75% (or US\$ 7,067 million) of banks' total foreign portfolio investments. Overall, United States, International Organisations, Japan, Canada and the United Kingdom have remained the largest contributors to Bermuda banks' foreign portfolio holdings over the years.

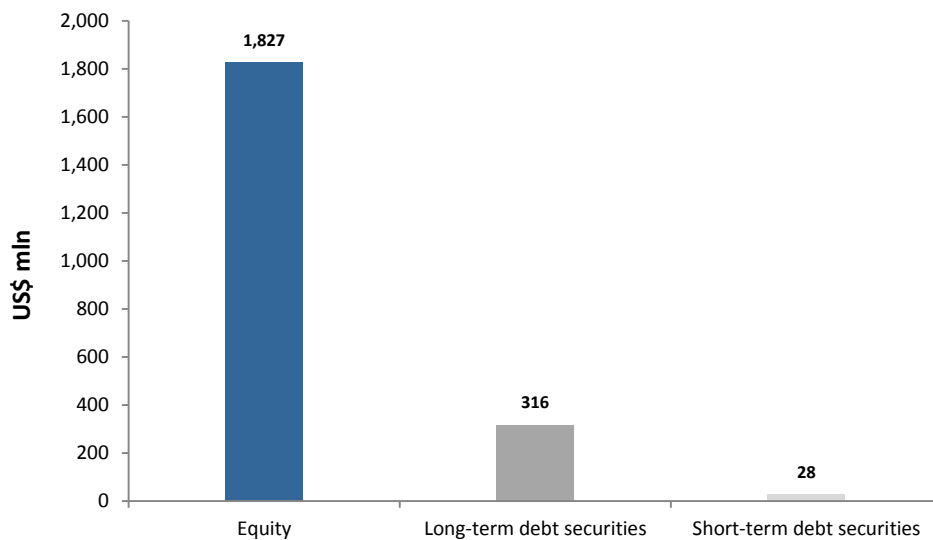
Figure 6.4.3
Geographical distribution of banks' foreign portfolio holdings - 2015



6.5. Bermuda Government

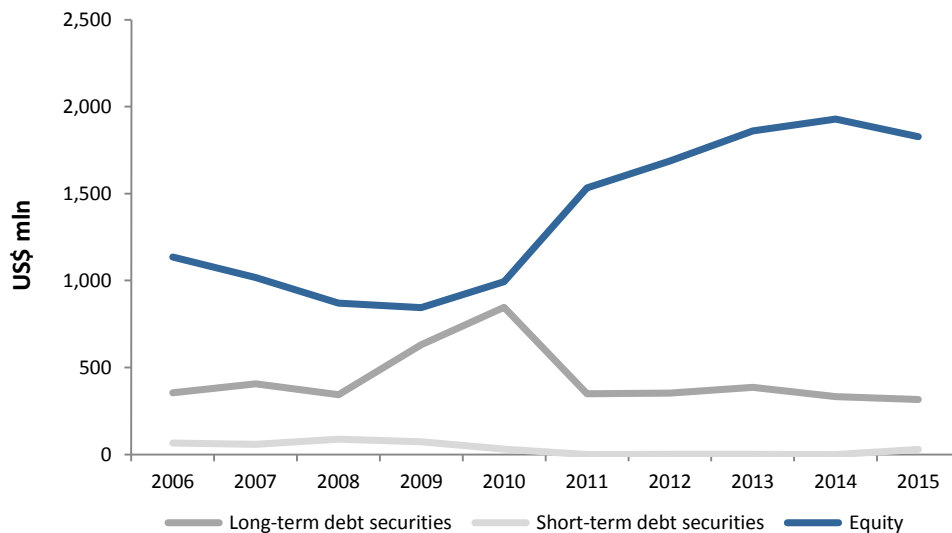
At the end of 2015, Bermuda government foreign portfolio holdings amounted to US\$ 2,171 million, representing less than 1% of Bermuda's total foreign portfolio holdings. The majority of Bermuda government foreign portfolio holdings are in equity securities (US\$ 1,827 million (or 84%). Debt securities holdings amounted to US\$ 334 million (or 16%), predominantly consisting of long-term debt securities.

Figure 6.5.1
Bermuda government foreign portfolio holdings by security type – 2015



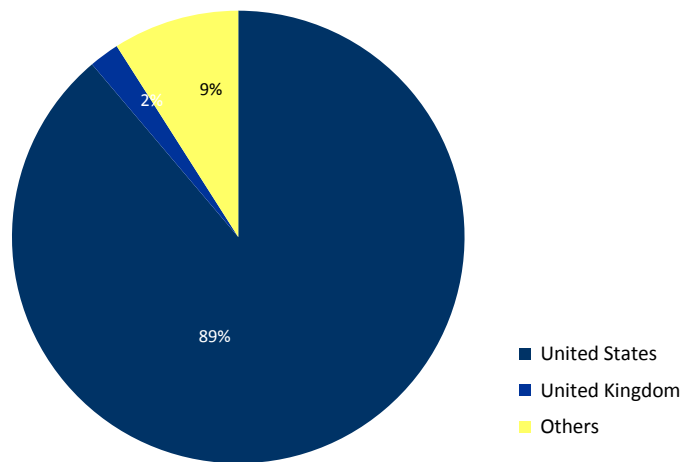
Post the 2008 recession, Bermuda government foreign portfolio holdings in equity securities have constantly increased. In contrast, both the long-term and short-term debt securities have stayed relatively flat over the past five years.

Figure 6.5.2 - Bermuda government foreign portfolio holdings trend: 2006 - 2015



In terms of geographical distribution, the portfolio investment securities issued by United States dominate foreign portfolio holdings of the Bermuda government. At the end of 2015, portfolio investment in the United States amounted to US\$ 1,922 million representing 89% of Bermuda government total foreign portfolio holdings. This was followed by United Kingdom which accounted US\$ 47 million, representing 2%. The rest of the countries each had shares of 1% or less each.

Figure 6.5.3
Geographical distribution of Bermuda government foreign portfolio holdings - 2015



7. Bermuda Derived Liabilities

Derived liabilities are securities held by non-residents. The value of these securities is “derived” from information reported by the securities’ holders (creditor information)¹⁷. As of end-December 2015, the value of Bermuda’s derived liabilities amounted to US\$ 479,023 million, a decrease of 1% (or US\$ 4,413) from 2014 and similar to the 2% decline on the asset side.

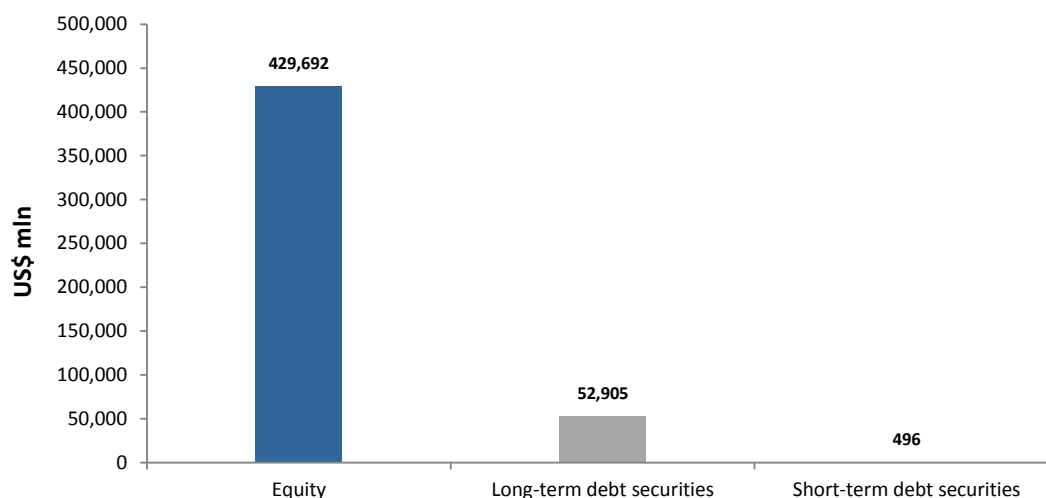
Table 7.1
Bermuda Derived Liabilities

Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Derived liabilities - US\$ mln	377,949	515,857	295,395	353,780	401,769	360,045	418,311	464,051	483,436	479,023
Y/Y change - US\$ mln	-	137,908	-220,462	58,385	47,989	-41,724	58,266	45,740	19,385	-4,413
Y/Y change - percent	-	36%	-43%	20%	14%	-10%	16%	11%	4%	-1%

Bermuda’s derived liabilities consist mainly of equity securities. As at end-December 2015, equity securities amounted to US\$ 429,692 million, a decrease of 0.7% (or US\$ 2,908 million) from 2014. In 2015, derived equity securities made up 89% of Bermuda’s total derived liabilities.

For the same period, derived debt securities amount to \$ 53,401 million, representing a decrease of 6% (or US\$ 3,633 million) from 2014. Derived debt securities accounted for 11% of Bermuda’s total derived liabilities in 2015. Derived debt securities are made up of predominately long-term debt securities which make up about 99.1% (or US\$ 52,905 million) of the total derived debt securities. Short-term securities accounted for only 0.9 % (or US\$ 496 million).

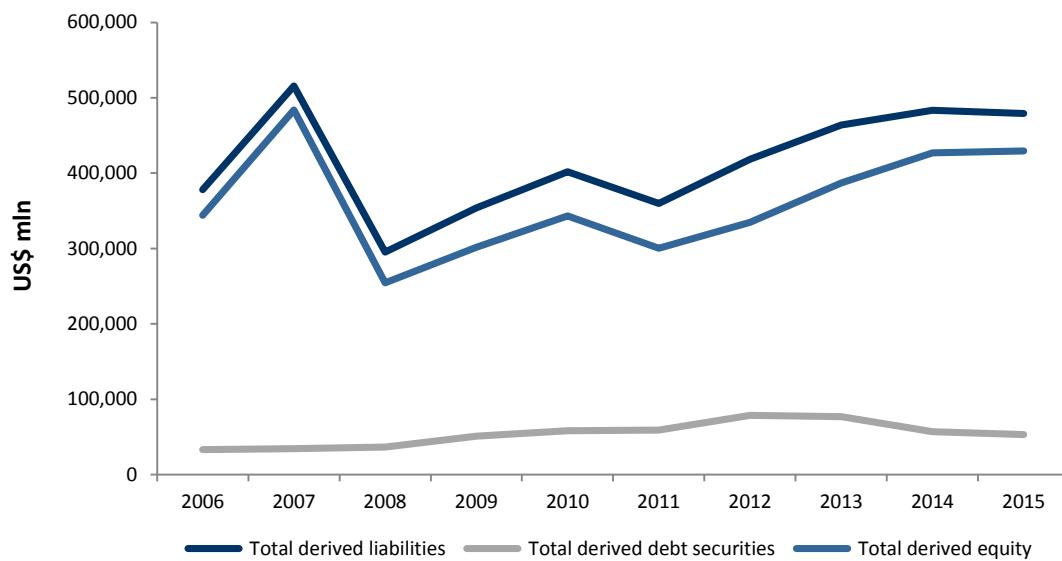
Figure 7.1 - Bermuda Derived Liabilities



¹⁷ The “derived liability” numbers are generated only when the sum of reported holdings of securities issued by a given country is at least US\$ 10 million.

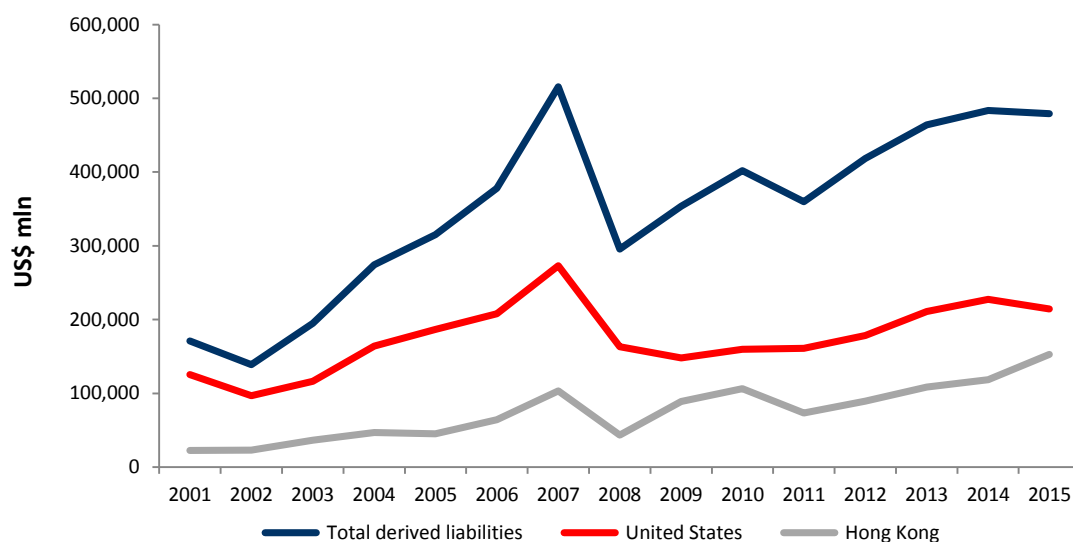
In line with the global trends and Bermuda’s foreign portfolio holdings, Bermuda’s derived liabilities experienced strong growth in the lead up to the global financial crisis, dramatically dropped in 2008 and since then have been gradually growing, albeit with some year-on-year fluctuations.

Figure 7.2
Bermuda Derived Liabilities Trends



Similar to the foreign portfolio investments, Bermuda’s derived liabilities have demonstrated a relatively stable geographical distribution over the years. The two countries with the largest share have been the same since 2005. Bermuda derived liabilities are dominated by United States and Hong Kong, who together had a 77% share as at end of 2015.

Figure 7.3
Bermuda Derived Liabilities – United States & Hong Kong share trends



Other countries which also had significant contribution to Bermuda’s derived liabilities in 2014 were Luxembourg and Japan, who contributed 4% and 3%, respectively. The rest of the countries had shares of less than 2% each.

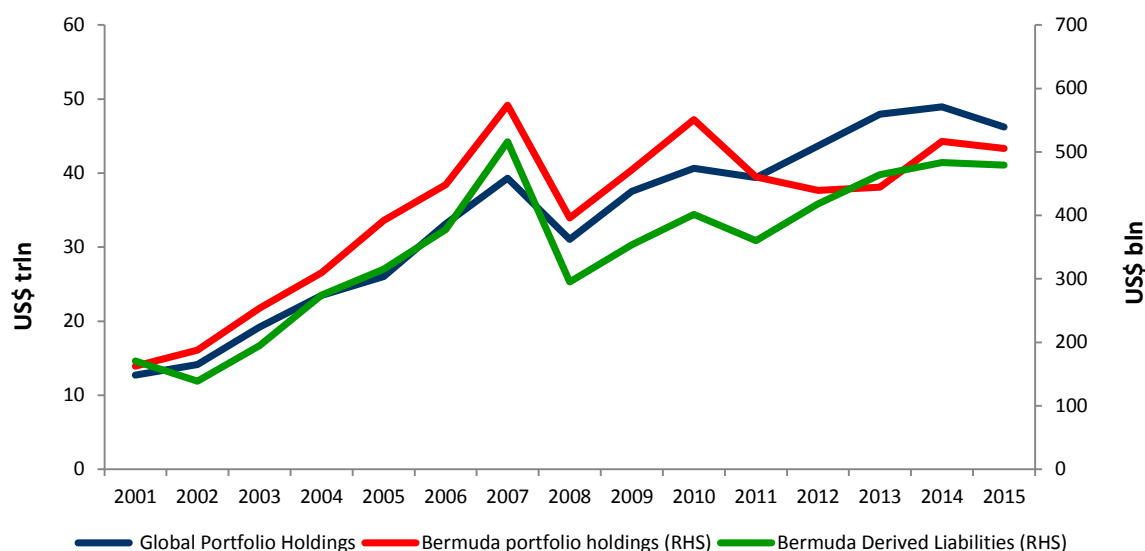
Table 7.2
Geographical distribution of Bermuda Derived Liabilities

2015		contribution as a percentage of total derived liabilities									
Ranking		2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
1	United States	55%	53%	55%	42%	40%	45%	43%	45%	47%	45%
2	China, P.R.: Hong Kong	17%	20%	15%	25%	27%	20%	21%	23%	24%	32%
3	Luxembourg	4%	5%	4%	5%	6%	5%	7%	5%	5%	4%
4	Japan	4%	2%	3%	4%	5%	6%	6%	6%	5%	3%
5	United Kingdom	2%	3%	3%	3%	3%	4%	2%	3%	3%	2%
6	Canada	2%	2%	2%	2%	3%	3%	3%	2%	2%	2%
7	Singapore	1%	1%	1%	2%	2%	2%	2%	2%	2%	2%
8	Netherlands	1%	1%	1%	1%	2%	1%	1%	2%	2%	2%
9	South Africa	1%	1%	2%	3%	3%	4%	3%	2%	2%	2%
10	Switzerland	1%	1%	1%	1%	1%	1%	1%	1%	1%	1%
	Rest of World	10%	11%	12%	12%	10%	10%	9%	9%	8%	5%

8. Global Holdings

Global cross border holdings of securities reached US\$ 46.2 trillion as of end-December 2015, a decrease of US\$ 2.7 trillion (or 5.6%) from 2014.

Figure 8.1
Portfolio holdings – All Economies: - 2001 – 2015



In terms of geographical distribution, 68% of the global total portfolio investment assets concentrated in ten economies. United States is the largest holder and issuer of portfolio investment assets. At the end of December 2015, United States foreign portfolio holdings amounted to US\$ 10,235,949 million, representing 22% of the global portfolio holdings. United Kingdom had the second largest share with holdings of US\$ 3,349,136 or 7% of the global portfolio holdings. These shares are in line with 2014.

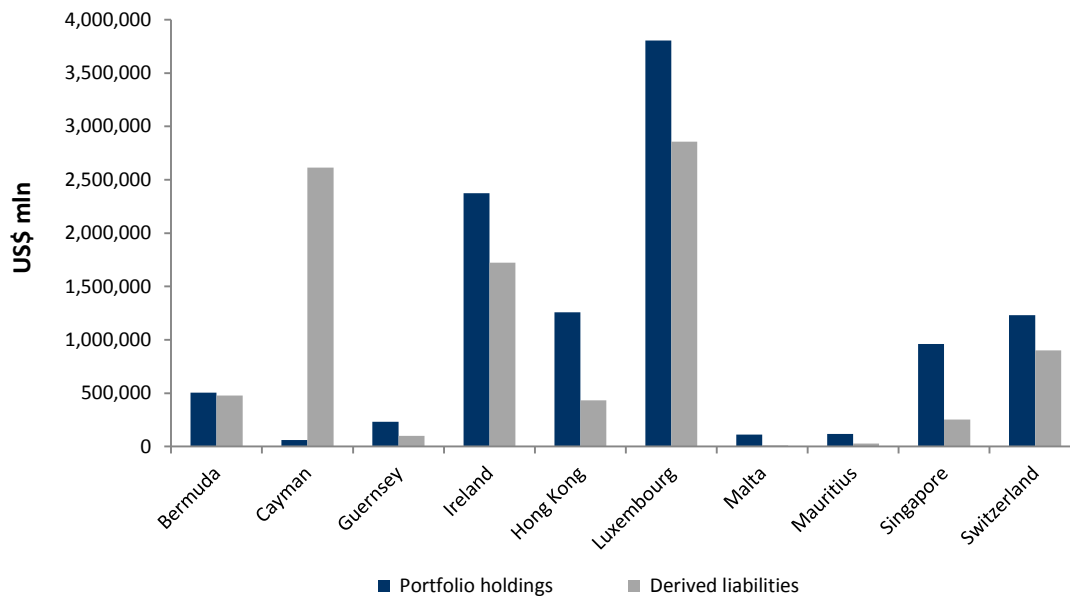
Table 8.1
Geographical breakdown of total portfolio investment assets: top ten economies by Holders and Issuers

Investment In:	Investment From:											Total Value of Investment
	United States	Luxembourg	United Kingdom	Japan	Germany	France	Netherlands	China, P.R.: Hong Kong	Switzerland	Canada	Other	
United States		887,360	968,186	1,369,423	320,482	245,894	425,217	123,595	272,133	748,521	4,875,138	10,235,949
United Kingdom	1,244,554	316,799		171,104	198,978	239,845	114,334	63,896	78,949	77,623	843,054	3,349,136
France	469,625	359,973	302,137	222,314	359,091		187,006	8,775	82,509	35,265	889,930	2,916,625
Luxembourg	128,036		110,424	100,324	525,756	314,328	95,799	50,445	197,347	8,371	1,326,429	2,857,259
Germany	378,630	317,529	288,405	128,649		231,018	225,401	16,055	82,766	29,426	1,102,826	2,800,704
Cayman Islands	1,198,490	91,795	80,278	617,647	18,616	15,577	22,159	321,664	54,985	21,575	172,490	2,615,275
Netherlands	412,984	187,872	177,752	118,160	228,784	259,375		7,351	70,714	16,909	411,090	1,890,991
Japan	806,703	111,718	213,004		27,305	109,160	41,081	46,131	26,431	53,301	417,143	1,851,976
Ireland	497,001	147,355	222,822	51,118	132,895	114,467	89,985	9,698	54,626	13,448	390,730	1,724,147
Italy	106,171	216,714	131,576	53,713	183,564	263,595	45,932	C	9,945	6,990	278,211	1,296,410
Other	4,205,524	1,168,295	1,284,145	679,241	910,147	736,777	463,314	609,320	302,236	203,911	4,124,376	14,687,285
Total Value of Investment	9,447,716	3,805,410	3,778,730	3,511,692	2,905,617	2,530,037	1,710,229	1,256,929	1,232,641	1,215,340	14,831,417	46,225,757

International Financial Centres (IFCs)

Foreign portfolio holdings for IFCs vary widely. This can be attributed to a number of factors including heterogeneous nature and size of the financial sectors, geographical location and/or the data collection methodology, among other things.

Figure 8.2
International Financial Centres - Foreign portfolio holdings 2015



-- Ends --

9. Annex A – IMF’s Frequently Asked Questions:

What is the CPIS?

The Coordinated Portfolio Investment Survey (CPIS) is a voluntary data collection exercise conducted under the auspices of the IMF. To participate, an economy provides data on its holdings of portfolio investment securities (data are separately requested for equity and investment fund shares, long-term debt instruments, and short-term debt instruments). The IMF augments the data that are reported in the CPIS with data from two other surveys, i.e., Securities Held as Foreign Exchange Reserves (SEFER), and Securities Held by International Organizations (SSIO). SEFER provides geographic and instrument detail on securities that are held as reserve assets, and SSIO provides the geographic and instrument detail on securities that are held by international organisations. Similar to the CPIS, SEFER is conducted semi-annually starting with data for end-June 2013, whereas SSIO is conducted annually. Data from the CPIS and SSIO surveys provide comprehensive information on holdings of portfolio investment securities and, together with data from the SEFER survey, the geographic detail captured in these three surveys can be used to derive estimates of portfolio investment liabilities for every economy.

In response to requests from data users, a number of enhancements to the CPIS were implemented starting with data for end-June 2013. These enhancements include increased frequency (as noted above, semi-annual CPIS data collections were implemented), improved timeliness (acceleration in both the collection and re-dissemination of data), and expanded scope (collection of data on an encouraged basis on the institutional sector of the non-resident issuer of securities; on short or negative positions; and on the institutional sector of the resident holder cross-classified by the institutional sector of selected non-resident issuers).

Are foreign direct investment positions included in the CPIS?

Foreign direct investment positions are excluded from the CPIS. However, under the international statistical standards including the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) and the fourth edition of the OECD Benchmark Definition of Foreign Direct Investment (BD4), debt positions between financial intermediaries (other than insurance corporations and pension funds) that are in a direct investment relationship are excluded from direct investment and classified instead in portfolio or other investment. In the circumstance where the data are classified in portfolio investment, the data would be in-scope of the CPIS.

Foreign direct investment is a category of cross border investment associated with a resident in one economy having control or a significant degree of influence on the management of enterprise in another economy. In practice, ownership of equity by a direct investor that entitles it to 10 percent or more of the voting power is used to determine a significant degree of influence (see BPM6, paragraphs 6.9-6.18). Data on bilateral direct investment positions are available from the IMF’s Coordinated Direct Investment Survey (CDIS).

Are loans included in the CPIS?

Generally, no, loans are financial claims where a creditor lends directly to a debtor, and are evidenced by documents that are not negotiable, i.e., cannot be traded (see BPM6 paragraph 5.51). Cross border data on loans and deposits are available in the BIS International Locational Banking Statistics database.

However, loans that have become negotiable are reclassified from loans to debt securities, in which case they should be included in the CPIS. For such reclassification to occur there should be evidence of secondary market trading, including the existence of market makers, and frequent quotations of the instrument, such as provided by bid offer spreads (see BPM6 paragraph 5.45).

Are reserve assets included in the CPIS and how?

As noted above, economies are invited to report data on securities held as reserve assets on the IMF's SEFER survey, which is a companion survey to the CPIS. The results from SEFER are included (along with the SSIO data) in the overall CPIS results. The SEFER data reported by individual reporting economies are not separately identified; SEFER data are disseminated only at an aggregate level.

The CPIS survey itself (not SEFER) covers portfolio investment securities (as opposed to reserves) held by the monetary authorities.

Are holdings of domestic securities covered?

No. The CPIS covers cross-border positions in equity and debt securities. Securities issued and held by residents of the same economy are excluded.

Are securities that a resident holder provides to a non-resident as collateral under a repurchase agreement or a securities lending agreement included in the resident economy's CPIS?

Yes. Foreign securities that a resident holder owns and provides as collateral to a non-resident under securities repurchase agreements and securities lending agreements are treated as not having changed economic ownership. These foreign securities remain part of the resident economy's portfolio investment holdings, and should be reported in the CPIS.

Are securities that a resident economy acquires from a non-resident as collateral under a reverse repurchase agreement or a securities lending agreement included in the resident economy's CPIS?

No. Securities that a resident economy acquires from a non-resident under a reverse repurchase agreement or under a securities lending agreement are not treated as having changed economic ownership. These securities remain part of the non-resident's holdings.

Why are there sometimes differences between International Investment Position (IIP) and CPIS data?

The concepts and valuation principles underlying the CPIS are the same as those contained in the BPM6 for valuing the IIP, and so the value of portfolio investment assets in both the CPIS and the IIP should in principle be the same. For most of the CPIS-reporting economies, the datasets are consistent, with some variances arising from differences in time of recording. For a few economies, there are more substantial differences, which are sometimes due to incomplete sectorial coverage in the CPIS or different data vintages (i.e., the IIP and CPIS may be compiled at different times and so one may have more up-to-date data). For both the CPIS and IIP, portfolio investment securities should be valued at market prices. A few CPIS reporting economies do not compile IIP statistics.

Can transactions be derived from the position data in the CPIS?

Cross border securities transactions can only be derived with significant uncertainty using the CPIS data. The CPIS currently collects end-June and end-December position data. Flows are defined as the difference between beginning- and end-of-period positions; flows reflect changes that are associated with a) transactions; and b) other flows. The latter cover changes that are recognised analytically under three broad subcategories: Other changes in volume, revaluations due to changes in exchange rates, and revaluations due to other price changes. The CPIS does not contain information to distinguish between transactions and other flows.

Do you have more detailed information that is not published?

No, all of the data reported to the IMF on the CPIS are published. However, the individual data collected on the two companion surveys (SEFER and SSIO) are reported to the IMF on a strictly confidential basis. These data are released only in aggregate form.

Why are sectoral breakdowns not available for some reporting economies?

The reporting of data by sector of holder is encouraged in the CPIS, but these data are not required for an economy to participate in the CPIS. Many economies report full sectoral breakdowns, a few economies report partial sectoral breakdowns, and others provide no sectoral breakdowns. The same is true of other encouraged CPIS data.

Are all economies participating in the CPIS?

No. Participation in the CPIS is voluntary. The IMF is actively working to expand participation, and most significant portfolio investment holding economies participate in the CPIS.

Why are data collected from the asset side, and what does “derived liabilities” mean?

More reliable detailed cross border positions data can usually be collected on an economy's holdings of portfolio investment because the holder (creditor) will usually know what securities it holds. On the liabilities side, the issuer of a security (debtor) may not know the residency of the holder because the securities may be held by foreign custodians or other

intermediaries. Using the assets data reported by CPIS participating economies, the IMF derives liabilities data for all economies (CPIS reporters as well as no reporters); these data are termed “derived liabilities”. A subset of economies also report liabilities data (an encouraged item in the CPIS).

How often are CPIS updated and revised?

End-June and end-December data are collected by the IMF with a lag of about seven months after the measurement date, and published within nine months after the reference date. Economies may submit revisions to previous periods’ data at any time, including when submitting data for the most recent period.

Are more high-frequency data available?

The IMF’s CPIS database is based on semi-annual data collections that began in January 2014 for the end-June 2013 observation. However, there are economies that are compiling higher or lower frequency data. Further information is available from individual economy metadata tables.

10. Annex B – Bermuda Portfolio Investment

Reported portfolio Investment Assets by Economy of Non-resident Issuer - 2015

Investment (US\$ mln) in :	DEC. 2006	DEC. 2007	DEC. 2008	DEC. 2009	DEC. 2010	DEC. 2011	DEC. 2012	DEC. 2013	DEC. 2014	DEC. 2015
Afghanistan, Islamic Republic of	0	0	0	0	0	0	0	0	0	0
Albania	0	0	0	0	0	0	0	0	0	0
Algeria	0	0	0	0	0	0	0	0	0	0
American Samoa	0	0	0	0	0	0	0	0	0	0
Andorra	0	0	0	0	0	0	0	0	0	0
Angola	0	0	0	0	0	0	0	68	4	0
Anguilla	0	0	0	0	0	0	0	0	0	0
Antigua and Barbuda	0	0	0	0	0	0	0	0	0	0
Argentina	0	59	34	17	95	140	71	24	340	413
Armenia, Republic of	0	0	0	0	0	0	0	0	2	2
Aruba	12	0	1	6	0	0	1	0	0	0
Australia	3,793	7,779	3,681	6,974	6,847	7,166	10,922	6,365	10,898	8,349
Austria	951	507	444	818	857	1,059	1,669	542	476	1,018
Azerbaijan, Republic of	0	0	0	0	0	0	0	0	115	13
Bahamas, The	1,262	1,591	111	1,227	4	0	0	1	789	68
Bahrain, Kingdom of	0	0	0	0	48	116	251	0	39	2
Bangladesh	0	255	0	0	0	0	0	0	0	23
Barbados	2	0	17	1	93	199	173	4,596	34	8
Belarus	0	0	0	0	0	0	0	0	0	0
Belgium	930	866	512	990	1,010	1,204	1,178	2,184	1,605	1,094
Belize	0	2	0	0	0	0	0	0	0	0
Benin	0	0	0	0	0	0	0	0	0	0
Bermuda										
Bhutan	0	0	0	0	0	0	0	0	0	0
Bolivia	0	0	0	0	0	0	0	0	2	0
Bonaire, Sint Eustatius and Saba					0	0	0	0	0	0
Bosnia and Herzegovina	0	0	0	0	0	0	0	0	0	0
Botswana	0	14	0	0	0	0	0	131	2	0
Brazil	70	219	202	229	1,724	4,311	4,120	1,454	1,707	647
British Indian Ocean Territory	0	0	0	0	0	0	0	0	3	8
Brunei Darussalam	0	0	0	0	0	0	0	0	0	0
Bulgaria	0	2	0	0	0	0	0	0	38	0
Burkina Faso	0	0	0	0	0	0	0	0	0	0
Burundi	0	0	0	0	0	0	0	0	0	0
Cambodia	0	0	0	0	0	0	0	0	0	0
Cameroon	0	0	0	0	0	0	0	0	0	0
Canada	4,729	7,357	5,635	22,086	10,831	13,533	11,634	10,866	27,516	19,711
Cabo Verde	0	0	0	0	105	0	0	0	0	0
Cayman Islands	13,090	16,479	9,971	40,679	5,429	5,451	8,474	20,070	21,064	14,727
Central African Republic	0	0	0	0	30	0	0	0	0	0
Chad	0	0	0	0	0	0	0	0	0	0
Chile	1,747	2,385	1,613	87	289	581	672	775	2,308	1,179
China, P.R.: Hong Kong	6,372	5,794	4,056	4,507	3,923	475	919	855	10,563	7,128
China, P.R.: Macao	0	0	0	0	35	0	48	0	24	8
China, P.R.: Mainland	1,205	946	983	4,648	2,927	618	657	1,650	4,089	3,493
Christmas Island	0	0	0	0	0	0	0	0	0	0
Cocos (Keeling) Islands	0	0	0	0	0	0	0	0	0	0
Colombia	3	4	3	8	434	1,721	1,148	1,022	662	346
Comoros	0	0	0	0	0	0	0	0	0	0
Congo, Democratic Republic of	0	0	0	0	0	0	0	0	109	0
Congo, Republic of	0	0	0	0	0	0	0	0	0	0
Cook Islands	0	0	0	0	0	0	0	0	0	0
Costa Rica	8	9	6	15	0	77	115	28	245	44
Cote d'Ivoire	0	12	0	184	160	0	50	0	140	0
Croatia	16	23	20	3	0	0	153	23	283	16
Cuba	0	0	0	0	0	0	0	0	0	0
Curacao					21	55	72	74	125	64
Curacao & St. Maarten										

Cyprus	1	14	0	0	5	17	7	0	26	9
Czech Republic	205	4	9	16	21	7	11	0	55	64
Denmark	1,218	632	475	876	1,389	926	895	269	840	814
Djibouti	0	0	0	0	0	0	0	0	0	0
Dominica	0	0	0	0	0	0	0	0	0	0
Dominican Republic	0	0	0	0	0	14	123	0	6	4
Ecuador	0	2	0	0	0	0	0	0	3	0
Egypt	0	1	0	132	76	38	20	540	69	24
El Salvador	3	0	0	0	0	3	393	0	346	4
Equatorial Guinea	0	0	0	0	0	0	0	0	0	0
Eritrea	0	0	0	0	0	0	0	0	0	0
Estonia	0	0	0	0	0	0	0	0	0	0
Ethiopia	0	0	0	0	0	0	0	0	76	0
Falkland Islands	0	3	0	0	0	0	0	0	0	0
Faroe Islands	0	0	0	0	0	0	0	0	6	0
Fiji	0	0	0	0	0	0	0	0	0	0
Finland	564	760	881	131	517	533	1,481	1,243	670	908
France	9,494	15,280	14,990	13,309	13,225	13,646	15,080	11,026	12,596	13,015
French Southern Territories	0	0	0	0	0	0	0	0	0	0
French Territories: French Polynesia	0	0	0	0	0	0	0	0	0	0
French Territories: New Caledonia	0	0	0	0	0	0	0	0	0	0
Gabon	0	0	0	0	53	392	199	0	75	0
Gambia, The	0	0	0	0	0	0	0	0	0	0
Georgia	0	0	0	0	0	38	0	0	6	2
Germany	16,827	20,702	15,822	12,321	11,667	15,583	14,320	9,254	7,320	10,174
Ghana	0	0	0	0	0	27	101	0	169	0
Gibraltar	0	0	6	9	5	0	637	3	116	109
Greece	185	64	487	631	2	0	2,615	616	73	51
Greenland	0	0	0	0	0	0	0	0	0	0
Grenada	0	0	0	0	0	0	0	0	0	0
Guadeloupe	0	0	0	0	0	0	0	0	0	0
Guam	0	0	0	0	0	0	0	0	0	0
Guatemala	0	0	0	0	2	83	127	0	8	0
Guernsey	544	89	35	1	50	41	149	92	729	908
Guiana, French	3	3	2	0	0	0	0	0	0	0
Guinea	0	0	0	0	0	0	0	0	0	0
Guinea-Bissau	0	0	0	0	0	0	0	0	0	0
Guyana	8	10	6	0	6	0	0	0	0	0
Haiti	0	0	0	0	0	0	0	19	0	0
Honduras	0	0	0	0	0	0	0	0	3	4
Hungary	85	38	19	14	47	10	12	26	144	60
Iceland	92	82	22	5	26	0	9	18	71	0
India	133	288	75	194	645	439	655	492	1,015	2,442
Indonesia	149	32	44	133	746	1,489	1,637	517	1,149	486
Iran, Islamic Republic of	0	0	0	0	0	0	0	0	0	0
Iraq	0	0	12	1	5	0	2	58	18	2
Ireland	4,704	6,220	6,107	5,747	5,747	4,791	12,177	13,824	20,136	9,149
Isle of Man	8	10	6	11	56	32	34	28	21	31
Israel	7	14	82	143	51	301	5,329	469	676	313
Italy	2,820	3,178	2,274	2,796	1,046	825	1,188	820	1,360	1,039
Jamaica	25	9	7	0	0	0	4	0	6	3
Japan	7,927	14,340	13,291	4,041	4,341	1,992	1,873	2,176	5,597	9,219
Jersey	412	605	406	138	310	514	1,500	642	495	579
Jordan	0	0	0	0	10	35	10	42	29	16
Kazakhstan	0	0	0	0	138	1,108	229	82	491	103
Kenya	0	0	0	0	0	0	0	479	109	12
Kiribati	0	0	0	0	0	0	0	0	0	0
Korea, Democratic People's Rep. of							0	0	0	0
Korea, Republic of	4,518	6,541	4,081	1,264	1,527	1,254	1,170	677	4,778	4,903
Kosovo, Republic of							0	0	0	0
Kuwait	0	0	0	0	15	19	0	81	14	13
Kyrgyz Republic	1	0	0	0	0	0	0	0	0	4
Lao People's Democratic Republic	0	0	0	0	0	0	0	0	0	0
Latvia	0	0	0	0	0	0	0	0	11	2
Lebanon	0	0	0	0	0	0	0	0	0	0

Lesotho	0	0	0	0	0	0	0	0	0	0
Liberia	25	48	17	53	48	31	2	2	0	2
Libya	0	0	0	0	0	0	0	0	0	0
Liechtenstein	0	0	120	0	0	0	0	0	0	0
Lithuania	2	12	9	12	7	10	320	47	26	48
Luxembourg	5,268	7,005	4,059	2,387	5,684	8,507	6,963	9,338	19,563	14,862
Macedonia, FYR	0	0	0	0	0	0	0	0	2	0
Madagascar	0	0	0	0	0	0	0	0	0	0
Malawi	0	0	0	0	0	0	0	0	0	0
Malaysia	246	121	88	94	141	172	227	226	3,711	3,177
Maldives	1	0	0	0	0	0	0	0	0	126
Mali	0	5	1	0	10	0	0	0	0	13
Malta	0	0	246	0	0	0	0	0	261	269
Marshall Islands, Republic of	11	33	13	31	102	18	39	420	170	40
Martinique	0	0	0	0	0	0	0	0	0	0
Mauritania	0	0	0	0	0	0	0	0	0	0
Mauritius	0	0	0	0	455	1	232	62	3,632	2,628
Mayotte	0	0	0	0	0	0	0	0	0	0
Mexico	287	332	132	202	1,916	2,968	4,331	1,571	2,803	1,631
Micronesia, Federated States of	0	0	0	0	0	0	0	0	0	0
Moldova	0	0	0	0	0	0	0	0	0	0
Monaco	0	0	0	0	0	0	0	0	13	3
Mongolia	0	0	0	0	1	0	377	29	81	0
Montenegro	0	0	0	0	0	0	0	0	5	0
Montserrat	0	0	0	0	0	0	0	0	0	0
Morocco	14	0	0	0	27	110	289	0	118	23
Mozambique	0	0	0	0	1	0	0	0	0	0
Myanmar	0	0	0	0	0	0	0	0	0	0
Namibia	0	0	0	0	0	0	0	1	1	6
Nauru	0	0	0	0	0	0	0	0	0	0
Nepal	0	0	7	15	0	0	0	0	0	0
Netherlands	5,486	8,727	5,737	7,862	15,381	12,947	14,762	9,790	9,727	10,164
Netherlands Antilles	100	124	72	9						
New Zealand	350	87	64	271	725	1,819	811	525	1,029	615
Nicaragua	0	0	0	0	0	0	0	0	0	0
Niger	0	0	0	0	0	0	0	0	0	0
Nigeria	0	0	0	0	0	0	13	72	68	16
Niue	0	0	0	0	0	0	0	0	0	0
Norfolk Island	0	0	0	3	0	0	0	0	0	0
Norway	537	1,016	834	761	1,124	2,065	3,285	2,197	2,708	2,472
Oman	0	0	0	0	0	0	0	0	17	8
Pakistan	14	0	0	0	0	0	0	394	4	93
Palau	0	0	0	0	0	0	0	0	0	0
Panama	5	20	39	21	242	748	602	194	437	335
Papua New Guinea	3	49	58	9	45	0	0	0	5	0
Paraguay	0	0	0	0	0	0	112	0	59	2
Peru	3	0	1	4	274	1,120	689	160	406	260
Philippines	39	43	28	135	179	1,366	714	429	179	183
Pitcairn Islands	0	0	0	0	0	0	0	0	0	0
Poland	11	52	60	46	316	334	93	161	259	189
Portugal	35	30	207	449	70	31	0	0	150	26
Puerto Rico	5	10	30	3	5	269	100	33	17	16
Qatar	4	5	7	161	592	1,174	823	706	670	457
Reunion	0	0	0	0	0	0	0	0	0	0
Romania	90	119	0	3	12	30	212	50	100	65
Russian Federation	583	381	87	175	527	1,593	908	1,184	310	1,282
Rwanda	0	0	0	0	0	0	0	0	0	2
Saint Helena	0	0	0	0	0	0	0	0	0	0
Saint Pierre and Miquelon	0	2	2	0	6	0	0	0	0	0
Samoa	0	0	0	0	0	0	0	0	0	0
San Marino	0	0	0	0	0	0	0	0	0	0
Sao Tome and Principe	0	0	0	0	0	0	0	0	0	0
Saudi Arabia	0	1	0	1	3	43	2	0	51	26
Senegal	0	0	0	0	0	43	332	0	187	0
Serbia, Republic of	0	0	0	0	0	7	47	0	12	2

Seychelles	0	0	0	0	0	0	0	0	6	0
Sierra Leone	0	0	1	3	0	0	0	0	0	0
Singapore	1,726	1,701	1,158	1,622	1,231	742	779	3,049	5,479	3,335
Sint Maarten					0	0	0	0	0	0
Slovak Republic	0	0	9	0	5	0	0	1	3	6
Slovenia	0	0	0	0	13	137	59	0	607	55
Solomon Islands	0	0	0	0	0	0	0	0	0	0
Somalia	0	0	0	0	0	0	0	0	0	0
South Africa	917	1,047	652	105	339	943	1,319	288	837	475
South Sudan							0	0	0	0
Spain	1,009	1,007	1,452	2,415	1,321	1,874	1,138	494	1,573	1,154
Sri Lanka	0	94	0	0	0	425	48	116	258	26
St. Kitts and Nevis	0	0	0	0	0	0	0	0	0	0
St. Lucia	0	0	0	1	0	0	0	1	0	0
St. Vincent and the Grenadines	0	0	0	0	0	0	0	3	0	0
Sudan	0	0	0	0	0	0	0	0	0	0
Suriname	9	0	0	0	0	0	0	0	0	3
Swaziland	0	57	1	3	0	0	0	0	0	0
Sweden	4,013	2,740	2,595	1,832	6,450	1,710	9,794	2,325	3,132	3,329
Switzerland	1,493	1,671	1,836	1,594	2,632	1,911	2,054	2,573	2,722	2,276
Syrian Arab Republic	0	0	0	0	0	0	0	0	0	0
Taiwan Province of China	1,063	372	233	622	502	105	191	685	545	759
Tajikistan	0	0	0	0	0	0	0	0	0	0
Tanzania	0	0	0	0	0	0	6	236	46	14
Thailand	132	90	47	117	224	97	124	58	506	385
Timor-Leste, Dem. Rep. of	0	0	0	0	0	0	0	0	0	0
Togo	0	0	0	0	0	0	0	0	0	0
Tokelau Islands	0	5	4	0	6	0	0	0	0	0
Tonga	0	0	0	0	0	0	0	0	0	0
Trinidad and Tobago	10	13	11	0	74	145	36	0	44	4
Tunisia	0	0	0	0	43	73	1,630	0	69	2
Turkey	5	28	12	13	431	1,611	95	219	710	337
Turkmenistan	0	0	0	0	10	0	0	0	0	0
Turks and Caicos Islands	0	0	0	0	0	0	0	0	0	0
Tuvalu	0	0	0	0	0	0	0	0	0	0
Uganda	0	0	0	0	0	0	35	0	0	0
Ukraine	0	6	1	1	3	31	178	141	251	18
United Arab Emirates	28	111	73	138	969	445	5,699	1,301	1,339	944
United Kingdom	52,440	59,044	25,172	19,801	36,547	30,276	62,796	26,317	25,324	36,315
United States	282,094	365,848	259,277	300,363	391,810	290,935	202,338	274,228	268,424	293,799
Uruguay	3	2	1	1	194	580	45	0	238	46
US Pacific Islands	0	0	0	3	0	48	48	0	0	41
US Virgin Islands	9	0	0	0	0	0	0	2	5	1
Uzbekistan	0	0	0	0	0	0	0	0	0	0
Vanuatu	0	0	0	0	0	0	0	0	0	0
Vatican	0	0	0	0	0	0	0	0	0	0
Venezuela, Republica Bolivariana de	3	8	7	6	302	704	59	0	263	19
Vietnam	0	2	1	3	0	0	619	0	47	31
Virgin Islands, British	2,788	3,553	177	1,236	284	282	272	3,127	8,678	5,565
Wallis and Futuna	0	0	0	0	0	0	0	0	0	0
West Bank and Gaza	0	0	0	0	0	0	0	0	0	0
Western Sahara	0	0	0	0	0	0	0	0	0	0
Yemen, Republic of	0	0	0	0	0	0	0	0	0	0
Zambia	0	0	0	0	-1	0	0	0	82	0
Zimbabwe	0	0	0	0	0	0	774	77	6	0
Not Specified (including Confidential)	1,874	2,794	3,239	2,623	815	614	5,207	2,966	1,576	441
International Organizations	1,799	2,066	1,764	1,928	2,352	10,405	3,590	4,628	4,271	4,406
Total Value of Investment	448,661	573,708	396,069	471,535	551,045	460,362	439,533	444,649	516,317	505,656

11. Annex C – Bermuda Derived Liabilities

Derived Portfolio Investment liabilities by Economy of Non-resident Holder - 2015

Investment (US\$ ln) in:	DEC. 2006	DEC. 2007	DEC. 2008	DEC. 2009	DEC. 2010	DEC. 2011	DEC. 2012	DEC. 2013	DEC. 2014	DEC. 2015
Albania										9
Argentina	14,159	15,895	14,949	16,280	17,418	17,602	18,718	21,874	22,781	22,129
Aruba	282	323	233	299	369	353	368	341	319	332
Australia	129,639	173,759	113,723	166,646	197,785	203,723	233,118	244,795	272,411	255,627
Austria	27,100	32,399	22,486	26,331	26,935	24,303	25,581	27,054	28,762	28,810
Bahamas, The	10,892	726	1,065	2,618	5,874	653	5,381	6,803	3,050	
Bahrain, Kingdom of	10,162	13,184	9,465	8,568	7,192	6,356	6,458	7,251	2,672	4,182
Bangladesh									316	329
Barbados	10,494	11,152	12,391	8,774	5,133	9,042	9,635	10,315	3,540	4,576
Belarus									6	2
Belgium	54,878	60,491	53,197	46,621	44,466	38,544	40,352	39,354	44,318	38,874
Bermuda	282,094	365,848	259,277	300,363	391,810	290,935	202,338	274,228	268,424	293,799
Bolivia						166	239	452	799	877
Brazil	1,284	2,024	2,501	4,218	18,552	8,424	9,436	10,757	12,743	11,962
Bulgaria	230	56	68	189	345	202	456	408	581	474
Canada	324,382	383,824	263,009	324,612	399,609	423,801	528,306	629,737	719,096	748,521
Cayman Islands	59,094	57,737	30,823	29,132	25,588	23,036	18,408	20,582	14,532	24,146
Chile	28,124	40,356	22,903	32,007	39,704	46,244	51,340	57,877	63,089	60,861
China, P.R.: Hong Kong	64,871	70,391	72,525	91,922	92,539	74,129	78,344	90,160	102,529	123,595
China, P.R.: Macao	1,219	1,331	1,146	1,128	1,270	1,307	1,141	1,109	2,826	5,130
China, P.R.: Mainland										111,144
Colombia	6,496	8,548	8,256	8,991	9,915	11,269	11,249	15,895	19,137	19,043
Costa Rica	792	692	342	601	507	405	401	343	475	814
Curacao and Sint Maarten					2,006	3,287	3,457	3,524	7,149	
Cyprus	2,366	2,773	3,541	3,689	1,347	942	674	189	615	513
Czech Republic	1,718	2,234	2,031	2,408	2,400	1,837	1,929	2,114	2,369	2,259
Denmark	49,459	56,943	44,333	58,485	70,294	68,934	80,739	97,122	113,600	117,254
Egypt	461	601	371	1,864	7,652	1,575	1,537	1,353	1,047	275
Estonia	327	251	133	141	159	234	191	229	345	342
Finland	16,456	17,576	11,387	17,601	23,518	22,959	25,233	35,849	40,150	43,631
France	244,902	255,115	187,269	218,004	219,544	207,353	201,672	241,165	256,233	245,894
Germany	270,331	256,393	167,278	198,590	211,184	202,464	219,577	262,827	292,955	320,482
Gibraltar	45	72	347	217	89	139	563	295	423	79
Greece	7,190	9,856	10,800	7,070	5,692	3,965	1,928	1,947	1,306	1,038
Guernsey	38,566	42,378	29,808	30,007	34,417	37,914	38,096	39,243	42,285	57,492
Honduras									16	101
Hungary	918	1,010	1,027	2,130	2,382	1,251	1,260	1,267	1,400	1,160
Iceland	2,758	5,625	1,244	1,343	1,771	1,750	1,918	2,437	2,727	1,357
India	31	54	116	291	379	143	326	597	673	423
Indonesia	109	290	487	523	1,143	1,508	422	1,591	2,462	590
Ireland	395,711	491,138	464,772	475,544	548,792	568,078	583,394	637,315	635,278	
Isle of Man	1,956	2,136	1,762	1,783	1,871	1,836	2,236	3,335	1,020	
Israel	21,353	27,653	23,387	32,348	37,490	38,863	47,522	60,874	62,287	65,400
Italy	103,636	122,126	106,892	119,431	99,494	83,929	71,851	69,221	75,985	84,124
Japan	797,608	813,311	762,424	919,346	1,138,244	1,168,353	1,183,093	1,182,322	1,233,568	1,369,423
Jersey	132,546	111,091	85,783	55,076	77,142	44,719	52,835	45,009	33,286	30,878
Kazakhstan	9,237	12,415	18,526	13,818	18,769	27,300	34,742	38,430	41,603	34,403
Korea, Republic of	38,176	46,964	25,472	31,827	32,631	36,852	46,413	62,640	82,666	98,555
Kosovo					29	22	42	42	29	30
Kuwait	4,606	5,184	5,076	3,837	3,630	2,654	2,290	1,435	1,656	2,064
Latvia	12	20	43	80	532	259	636	625	1,447	2,323
Lebanon	510	1,142	1,440	1,951	2,056	3,191	2,518	1,862	2,291	1,379
Lithuania				198	126	90	128	144	136	125
Luxembourg	417,048	459,054	354,932	433,739	497,709	513,632	611,803	741,290	856,386	887,360
Malaysia	823	1,408	3,259	6,011	7,534	10,115	13,581	17,911	19,458	20,816
Malta	1,003	1,022	720	737	976	931	915	868	1,275	1,401

Mauritius	671	2,386	1,296	1,372	2,294	1,242	1,891	5,204	2,938	6,754
Mexico	9,622	9,432	6,219	11,209	42,927	38,635	47,151	48,667	48,551	50,031
Mongolia						9	10	26	32	41
Netherlands	316,113	374,022	296,574	346,461	334,928	320,650	351,281	388,921	435,963	425,217
Netherlands Antilles	5,094	4,502	3,834	6,280						
New Zealand	11,259	11,230	8,081	10,737	12,199	11,622	8,772	17,268	3,890	C
Norway	96,223	110,814	113,696	150,452	176,640	181,230	220,488	266,073	297,383	305,419
Pakistan	0		0	3	9	4	8	3	1	2
Palau									330	307
Panama	2,797	2,318	3,068	3,546	3,379	4,009	4,496	5,556	6,063	8,320
Philippines	3,091	2,369	1,812	2,458	1,816	1,596	2,439	1,869	2,932	4,753
Poland	2,253	1,972	1,068	1,016	876	501	457	1,928	2,091	2,745
Portugal	9,366	11,844	8,755	11,872	11,587	8,820	9,200	9,060	7,707	6,320
Romania	8	74	77	71	86	87	251	317	266	177
Russian Federation	4,684	1,148	2,673	4,160	1,954	1,681	2,079	707	1,972	3,514
Saudi Arabia								56,216	71,908	74,522
Singapore	77,360	104,288	76,597	95,141	133,014	164,980	199,379	239,911	270,439	267,529
Slovak Republic	581	838	823	1,211	1,251	835	1,075	756	726	825
Slovenia				1,415	1,507	1,150	1,183	1,382	1,470	1,504
South Africa	14,803	12,697	12,455	10,410	13,352	20,802	25,469	29,693	25,638	24,435
Spain	52,164	51,891	42,969	49,252	41,743	29,840	23,684	26,685	28,189	36,034
Sweden	93,465	104,332	70,669	90,887	108,057	100,307	107,970	135,304	156,453	144,112
Switzerland	119,843	135,032	115,893	145,458	160,756	167,221	177,216	202,554	249,714	272,133
Thailand	424	1,591	1,630	2,006	2,812	3,819	3,786	4,416	5,010	6,069
Turkey	903	168	132	201	130	105	196	246	287	354
Ukraine								55	62	72
United Kingdom	834,510	863,632	690,505	807,088	853,133	879,606	848,455	977,038	970,743	968,186
United States										
Uruguay	999	729	1,847	958	1,765	1,494	1,563	1,410	1,093	2,199
Vanuatu	44									
Venezuela, República Bolivariana de	6,650	9,461	6,450	5,056	4,953	5,142	3,545	4,726	3,444	3,352
West Bank and Gaza										25
SEFER + SSIO (**)	1,193,438	1,578,568	1,725,316	1,866,316	2,161,080	2,340,889	2,520,799	2,361,203	2,362,491	2,474,593
Value of Total Investment	6,442,417	7,379,911	6,395,458	7,332,422	8,408,263	8,523,848	9,037,631	9,801,603	10,354,314	10,235,949