

## The Bank's accounts

The constitution of the Bank is laid down in a number of Acts and Charters but rests principally on the Bank of England Act 1946 and the Charter granted in the same year, when the Bank came into public ownership. The Bank is obliged (under the Bank Charter Act 1844) to keep separate its responsibilities in respect of the issue of bank notes from other banking business. Thus, the Bank's annual accounts are presented in two sections — 'Banking Department' and 'Issue Department'.

The *Banking Department* accounts for the year ended 28 February 1982 show an operating profit of £53.2 million, compared with £62.6 million in 1980/81. This is after charging a total of £20.0 million in respect of a further payment to the Pension Fund following the triennial actuarial valuation, offset by a net reduction in provisions for losses in respect of British Government securities and against advances under the Bank's involvement in support operations. After a payment in lieu of dividend of £18.0 million (compared with £15.0 million)

and a tax charge of £16.0 million, the profit transferred to reserves amounts to £19.2 million, compared with £17.4 million last year.

The current cost accounts, shown on page 30, show a profit before tax of £19.8 million, some £15.4 million less than in the historical cost accounts.

The *Issue Department* accounts are shown on page 32. In accordance with the Currency and Bank Notes Act 1928, the assets of the Issue Department comprise securities of an amount in value sufficient to cover the fiduciary note issue, the total of which is determined periodically in response to public demand for notes. The profits of the note issue amounted to £1,347.3 million compared with £1,739.9 million in 1980/81. The 1928 Act provides that the profits of the Issue Department shall be paid to the Treasury; the National Loans Act 1968 prescribes more specifically that they be paid into the National Loans Fund.

# Report of the Auditors

*To the Governor and Company of the Bank of England*

We have audited the accounts of the Banking Department on pages 19 to 29, and the statements of account of the Issue Department set out on page 32, in accordance with approved Auditing Standards.

In our opinion

- 1 The accounts of the Banking Department, which have been prepared on the basis of the accounting policies on pages 22 and 23, give a true and fair view of the state of affairs of the Banking Department at 28 February 1982 and of the profit and source and application of funds for the year then ended.
- 2 The statements of account of the Issue Department present fairly the outcome of the

transactions of the Department for the year ended 28 February 1982 and its balances on that date.

In our opinion, the abridged supplementary current cost accounts of the Banking Department on pages 30 and 31 have been properly prepared in accordance with the policies and methods described in notes 1 to 3, to give the information required by Statement of Standard Accounting Practice No. 16.

DELOITTE HASKINS & SELLS

*Chartered Accountants*

London

19 July 1982



## Banking Department

### Profit and loss account For the year ended 28 February 1982

1981			1982	
£000	£000		£000	£000
	62,582	Operating profit	(Note 2)	53,169
		after charging/(crediting):		
(151)		Provision for losses no longer required	(Note 4)	(10,910)
13,500		Additional provision for retirement benefits	(Note 5)	20,000
	15,000	Payment to the Treasury under Section 1(4) of the Bank of England Act 1946	(Note 6)	18,000
	47,582	Profit before taxation		35,169
	30,173	Taxation	(Note 7)	15,964
	17,409	Profit transferred to reserves	(Note 9)	19,205

The notes on pages 22 to 28 form part of these accounts.

## Banking Department

### Balance sheet: 28 February 1982

1981 £000			1982 £000	1982 £000
14,553	<b>Capital</b>		14,553	
233,230	<b>Reserves</b>	(Note 9)	359,257	
<u>247,783</u>				373,810
	<b>Current Liabilities</b>			
156,372	Public deposits	(Note 10)	226,937	
544,454	Bankers' deposits	(Note 11)	612,234	
1,191,621	Other accounts		1,419,947	
15,000	Payable to the Treasury	(Note 6)	18,000	
<u>1,907,447</u>				2,277,118
 <u>2,155,230</u>				 <u>2,650,928</u>

The notes on pages 22 to 28 form part of these accounts.

# Banking Department

## Balance sheet: 28 February 1982

1981			1982
£000		£000	£000
	<b>Liquid assets</b>		
24,503	Notes and coin	20,437	
156,071	Cheques in course of collection (Note 12)	210,767	
654,241	Treasury and other bills (Note 13)	719,213	
<u>834,815</u>			950,417
	<b>Investments</b> (Note 14)		
207,948	Securities of, or guaranteed by, the British Government	260,297	
21,486	Other securities	21,531	
<u>229,434</u>			281,828
959,867	<b>Advances and other accounts, less provisions</b> (Note 8)		1,175,681
	<b>Subsidiary companies</b> (Note 15)		
16,983	Investments	16,983	
10,137	Amounts owing	11,337	
<u>27,120</u>			28,320
103,994	<b>Premises and equipment</b> (Note 17)		214,682
<u>2,155,230</u>			<u>2,650,928</u>

GORDON RICHARDSON *Governor*

C W McMAHON *Deputy Governor*

NELSON OF STAFFORD *Director*

R D GALPIN *Chief of Corporate Services*



## Notes on the Banking Department accounts

### 1 Accounting policies

#### a Form of presentation of accounts

Although the Bank's constitution is not governed by the Companies Acts 1948 to 1981, the accounts have been prepared so as to comply with the requirements of those Acts and the Statements of Standard Accounting Practice issued by the accountancy bodies in so far as they are appropriate.

The accounts have been prepared on the historical cost basis of accounting, modified to include the revaluation of certain fixed assets.

#### b Treasury and other bills

Treasury and other bills are stated at cost plus interest accrued.

#### c Investments

Securities of, or guaranteed by, the British Government, and Other securities are stated in the balance sheet at cost less provision for losses; listed securities are valued at mid-market prices, unlisted at Directors' valuation.

Profits and losses on realisation are taken to profit and loss account in the year in which they arise.

#### d Premises and equipment

Freehold and leasehold land and buildings are stated at a professional valuation on an open-market value for existing use basis as at 28 February 1982. No account is taken of the liability to taxation which could arise if the premises were disposed of at their revalued amounts.

Equipment is stated at cost less accumulated depreciation. Fully depreciated items have been written out of the accounts.

Depreciation, on a straight line basis, is charged as follows:

Freehold premises	over the estimated future life
Leasehold premises	over the period of lease or estimated future life
Computers	over five years
Other equipment	over periods ranging from four to twenty years

#### e Bad and doubtful debts

Appropriate provision is made for bad and doubtful debts.

#### f Foreign currency translation

Assets and corresponding liabilities in foreign currencies are translated into sterling at the exchange rates ruling at 28 February.

#### g Commitments on behalf of the Treasury

Commitments in foreign currencies and gold, or on a gold basis, undertaken in the name of the Bank for account of the Treasury, principally in the course of operating the Exchange Equalisation Account, are not included in these accounts as the Bank is concerned in such transactions only as agent.

#### h Deferred tax

Deferred tax is provided at current rates of tax in respect of all material timing differences except where it is expected that the relevant timing difference will not reverse in the foreseeable future.

## j Retirement benefits

The profit of the year bears the cost of providing pensions in respect of current service. Any unfunded liability in respect of past service disclosed by an actuarial valuation is met either by a special contribution to the Pension Fund or by an increase in the current contribution rate.

The Bank of England Pension Fund is reviewed annually and full actuarial valuations are obtained every three years. The next full actuarial valuation will take place as at 29 February 1984.

## 2 Operating profit

The operating profit is arrived at after taking account of the following:

1981 £ thousands		1982 £ thousands
	<b>Income</b>	
	Interest:	
77,113	Treasury and other bills	96,822
	Securities of, or guaranteed by, the	
29,166	British Government	31,806
41,585	Advances	16,701
	Interest and Dividends:	
1,131	Listed securities	1,291
2,778	Unlisted securities	2,596
34,001	Charges for services to the Government	37,897
1,194	Rents	1,839
(174)	Surplus/(deficit) over written down value on disposal of fixed assets (Note 9)	1,856
	<b>Charges</b>	
46,966	Interest paid to depositors	46,397
386	Directors' emoluments (Note 3)	410
50	Auditors' remuneration	53
233	Hire of computers and other equipment	87
3,223	Depreciation of premises and equipment (Note 1d)	4,247

## 3 Directors' and employees' emoluments

The aggregate emoluments of the Governors and Directors for the year ended 28 February were:

1981 £11,500	Fees	1982 £11,500
	Other emoluments, including remuneration of Governors and Executive Directors and contributions to Directors' Pension Scheme	
£374,213		£398,756
The emoluments of the Governor, excluding pension contributions, were £51,980 (1981 £51,980).		

Remuneration amounting to £21,944 (1981 £17,353) was waived by the Governor.

The following table shows for the year ended 28 February the number of Directors, other than the Governor, and of employees of the Bank receiving remuneration in excess of £20,000, within the bands stated (excluding pension contributions).

1981			1982		
Directors	Employees		Directors	Employees	
12	—	£500	12	—	
—	130	£20,001–£25,000	—	162	
—	44	£25,001–£30,000	—	74	
—	35	£30,001–£35,000	—	31	
1	27	£35,001–£40,000	—	38	
3	3	£40,001–£45,000	3	17	
—	—	£45,001–£50,000	1	—	
1	—	£50,001–£55,000	1	—	

The aggregate remuneration of the employees of the Bank was £55.6 million (1981 £50.7 million).



#### 4 Provision for losses

An amount of £10,910,000 has been transferred from the provisions for losses in respect of British Government securities and in respect of advances made and guarantees entered into in connection with the Bank's involvement in support operations, either solely or in association with the clearing banks.

#### 5 Retirement benefits

A valuation of the Bank of England Pension Fund as at 28 February 1981 disclosed an unfunded liability in respect of past service and a payment was made to the Fund during the year in order to maintain a fully-funded position.

#### 6 Payment to the Treasury

1981		1982
£ thousands		£ thousands
2,500	Payable 5 April 1982	5,500
12,500	Payable 5 October 1982	12,500
<u>15,000</u>		<u>18,000</u>

#### 7 Taxation

The charge for taxation, which is based on the profits of the year, comprises:

1981		1982
£ thousands		£ thousands
21,413	UK corporation tax at 52%	19,301
8,500	Deferred tax	(3,638)
260	Income tax on franked investment income	301
<u>30,173</u>		<u>15,964</u>

The charge for taxation reflects the benefit of accelerated capital allowances amounting to £3,350,000. No adjustments for deferred taxation in respect of the resultant timing differences have been made, as they are not expected to reverse within the foreseeable future.

#### 8 Deferred taxation

Included under Advances and other accounts is a deferred tax balance, relating to short-term timing differences, of £19,300,000 (1981 £15,600,000).

The potential liability for deferred taxation not provided in the accounts is:

1981		1982
£ thousands		£ thousands
8,681	Accelerated depreciation allowances	10,423
3,100	Capital gains tax on unrealised revaluation surpluses less deficits	22,000
<u>11,781</u>		<u>32,423</u>

#### 9 Reserves

	General reserve	Revaluation surplus	£ thousands Total
Balance at 1 March 1981	181,391	51,839	233,230
Profit of the year retained	19,205	—	19,205
Revaluation deficit on property now realised (see below)	(2,522)	2,522	—
Surplus on revaluation of properties	—	106,822	106,822
Balance at 28 February 1982	<u>198,074</u>	<u>161,183</u>	<u>359,257</u>

The written down value of property sold during the year at a book surplus (see note 2 above) was reduced to reflect a revaluation deficit of £2,522,000 in 1977. The overall result of the sales of fixed assets in the year was thus a deficit of £666,000.



## 10 Public deposits

Public deposits are the balances on government accounts, including Exchequer, National Loans Fund, National Debt Commissioners and dividend accounts.

## 11 Bankers' deposits

Bankers' deposits include £343,473,000 in respect of cash ratio deposits placed by recognised banks and licensed deposit-taking institutions.

## 12 Cheques in course of collection

These uncleared effects are mostly in respect of Public deposits.

## 13 Treasury and other bills

1981		1982
£ thousands		£ thousands
328,724	British Government Treasury bills	353,476
325,517	Other bills	365,737
<u>654,241</u>		<u>719,213</u>

## 14 Investments

1981			1982
£ thousands			£ thousands
Book value	Market value		Book value
207,948	218,892	Securities of, or guaranteed by, the British Government	260,297
8,778	26,007	Other securities:	8,778
	Directors' valuation	Listed	31,426
12,708	31,244	Unlisted	31,874
<u>229,434</u>	<u>276,143</u>		<u>281,828</u>
			<u>337,297</u>

The principal holdings of equity share capital included in Other securities are as follows:

1981		1982	
Percentage held		Percentage held	Country of incorporation
	Over 20%:		
27	Agricultural Mortgage Corporation p.l.c. shares of £1	27	Great Britain
29	Portals Holdings p.l.c. ordinary stock	29	Great Britain

As a matter of policy, the Bank does not seek to influence the above companies' commercial or financial decisions.

### Commonwealth Development Finance Company Ltd:

1	'A' ordinary shares of £1 (10p paid)	1	
93	'B' ordinary shares of £1 (50p paid)	93	Great Britain
42	Percentage of total nominal equity held	42	

The above investment is not treated in these accounts as an associated company under SSAP1 as the Bank considers this treatment would not be appropriate.

### Under 20%:

15	Finance for Industry p.l.c. shares of £1	15	Great Britain
10	Bank for International Settlements shares of 2,500 Swiss gold francs (25% paid)	10	Switzerland

## 15 Investments in subsidiaries

Investments in subsidiary companies, all of which are wholly owned and registered in England, are stated in the Bank's balance sheet at cost (which is not in excess of the net tangible assets of the subsidiaries) and include:

BE Services Ltd
5,000 shares of £1
EBS Investments Ltd
100 shares of £1
The Securities Management Trust Ltd
1,000 ordinary shares of £1
Slater, Walker Ltd
100,000 ordinary shares of £1
10,000,000 deferred shares of £1

The accounts of EBS Investments Ltd and Slater, Walker Ltd have not been consolidated with those of the Bank because, in the opinion of the Directors, it would be misleading to consolidate their assets and liabilities with those of the Banking Department in view of the circumstances of the acquisition of these companies by the Bank through involvement in support operations. The accounts of BE Services Ltd and The Securities Management Trust Ltd have not been consolidated with those of the Bank as the amounts are considered to be not material.

A dividend of £77,000 was paid by one subsidiary during the year. The net aggregate profits of the subsidiary companies attributable to the Bank, which are not dealt with in the accounts of the Banking Department, and which are stated by reference to audited accounts are as follows:

1981			1982
£ thousands			£ thousands
3,580*	3,810†	For the year ended 28 February 1982	1,999
7,917*	8,148†	Since acquisition	10,147

\* as reported.

† as restated on the basis of audited accounts.

A claim for damages and for an indemnity in respect of a sum totalling £3,720,000, with interest pursuant to statute since March 1975, in respect of alleged breaches of warranties and undertakings has been made against one of these subsidiaries. The subsidiary is defending the claim. Although it is not possible at this time to determine what provision may be necessary in respect of this claim, provision has been made on the basis of the best information presently available.

Included within Current liabilities is a total of £4,700,000 (1981 £2,936,000) due, in the normal course of business, to subsidiary companies.

## 16 Transactions with directors

To comply with the Companies Act 1980, the following particulars are given relating to transactions, arrangements and agreements entered into by the Bank of England with Directors, and persons connected with the Directors, of the Bank:

	Number of Directors	Total amount £ thousands
Loans	4	81

None of the Directors had a material interest, directly or indirectly, at any time during the year in any other significant transaction or arrangement with the Bank of England or any of its subsidiaries.



## 17 Premises and equipment

£ thousands

	Freehold premises	Leasehold premises (50 years and over unexpired)	Leasehold premises (under 50 years unexpired)	Equipment	Total
<b>Cost or valuation</b>					
At 1 March 1981	61,856	36,066	—	18,219	116,141
Acquisitions	2,217	2,806	147	5,269	10,439
Disposals	(2,300)	—	—	(635)	(2,935)
Adjustment in respect of fully depreciated assets	—	—	—	(1,481)	(1,481)
Revaluation	56,042	43,543	(117)	—	99,468
At 28 February 1982	117,815	82,415	30	21,372	221,632
<b>Accumulated depreciation</b>					
At 1 March 1981	3,808	1,961	—	6,378	12,147
Charge for the year	1,017	603	—	2,627	4,247
On disposals	(35)	—	—	(574)	(609)
Adjustment in respect of fully depreciated assets	—	—	—	(1,481)	(1,481)
Revaluation	(4,790)	(2,564)	—	—	(7,354)
At 28 February 1982	—	—	—	6,950	6,950
Net book value at 28 February 1982	117,815	82,415	30	14,422	214,682
Net book value at 28 February 1981	58,048	34,105	—	11,841	103,994
<b>Cost or valuation at 28 February 1982 comprised:</b>					
At valuation 1982	117,815	82,415	30	—	200,260
At cost	—	—	—	21,372	21,372
	117,815	82,415	30	21,372	221,632

The figures relating to property interests reflect a professional valuation of Bank freehold and leasehold premises on an open-market value for existing use basis as at 28 February 1982 by St Quintin, Chartered Surveyors.

Contracts for capital expenditure authorised by the Directors and outstanding at 28 February 1982 totalled £4,099,000 (1981 £6,957,000). Further capital expenditure authorised at that date, but not contracted for, is estimated at £698,000 (1981 £1,696,000).

## 18 Charitable donations

Charitable donations during the year amounted to £95,000; no political contributions were made.

## 19 Contingent liabilities

Outstanding exchange contracts for customers, together with irrevocable credits, amount to £74 million (1981 £21 million). These are covered by compensating contracts for corresponding amounts.

There are further contingent liabilities, including uncalled capital on UK investments, of £30 million (1981 £32 million).

Since 1930 there has also been a contingent liability, denominated in Swiss gold francs, in respect of uncalled capital on the Bank's investment in the Bank for International Settlements. The sterling equivalent of this liability based on the gold market price on 28 February 1982 was £167 million (1981 £186 million).

## 20 Date of approval

The Court of Directors approved the accounts on pages 19 to 31 on 8 July 1982.



## Banking Department

### Statement of source and application of funds For the year ended 28 February 1982

1981 £000		1982 £000
<b>Source of funds</b>		
62,582	Operating profit	53,169
Adjustment for items not involving the movement of funds:		
13,200	Provision for losses in respect of Other securities	—
3,397	Depreciation, less profits on disposal of fixed assets	2,391
79,179	Funds generated by operations	55,560
Funds from other sources:		
3,966	Disposal of Other securities	5
89	Disposal of premises and equipment	4,183
83,234		59,748
<b>Application of funds</b>		
14,752	Payment of taxation	25,035
6,500	Payment to the Treasury	15,000
2,599	Purchase of Other securities	50
7,602	Purchase of premises and equipment	10,440
51,781	Increase in working capital (see below)	9,223
83,234		59,748
<b>Analysis of increase in working capital</b>		
307,367	Current assets	167,951
472,348	Advances and other accounts	212,174
1,867	Advances to subsidiary companies	1,200
781,582		381,325
(729,801)	Current liabilities, excluding taxation and payment to the Treasury	(372,102)
51,781		9,223

# Banking Department

## Current cost profit and loss account For the year ended 28 February 1982

1981 £ millions			1982 £ millions
62.6	Operating profit as in historical cost accounts		53.2
	Current cost adjustments:		
2.3	Additional depreciation charge	(Note 2)	2.1
—	Fixed asset disposals		1.3
11.0	Monetary working capital	(Note 3)	12.0
49.3	Current cost operating profit		37.8
15.0	Payment to the Treasury under Section 1(4) of the Bank of England Act 1946		18.0
34.3	Current cost profit before taxation		19.8
30.2	Taxation		16.0
4.1	Current cost profit transferred to revenue reserve		3.8

## Current cost balance sheet: 28 February 1982

1981 £ millions			1982 £ millions
	<b>Liabilities</b>		
14.5	Capital		14.5
201.9	Revenue reserve	205.7	
129.6	Current cost reserve	(Note 4) 201.8	407.5
346.0			422.0
1,907.4	Current liabilities		2,277.1
2,253.4			2,699.1
	<b>Assets</b>		
834.8	Liquid assets		950.4
229.4	Investments		323.6
959.9	Advances		1,175.6
27.1	Subsidiary companies		28.3
202.2	Premises and equipment	(Note 5)	221.2
2,253.4			2,699.1

The notes on page 31 form part of these accounts.



## Notes on the current cost accounts

### 1 Basis

The current cost profit and loss account and balance sheet have been prepared on the basis of Statement of Standard Accounting Practice No. 16 issued by the accountancy bodies.

### 2 Accounting policies

(a) Except as indicated below, the accounting policies adopted have been the same as those described in note 1 on pages 22 and 23.

(b) Assets and liabilities are included in the current cost balance sheet on the following bases:

*Premises*—The figures relating to property interests reflect a professional valuation of Bank freehold and leasehold premises by St Quintin, Chartered Surveyors, as at 28 February 1982, on an open-market value for existing use basis.

*Equipment*—Some 55% of the value of equipment (mainly computer assets and printing machines) was calculated from suppliers' current price lists. The figures for the remainder of the equipment were calculated by using *Price index numbers for Current Cost Accounting* produced by the Central Statistical Office. The indices used were:

(i) Capital expenditure on plant and machinery in paper, printing and publishing; and

(ii) Price indices for specific types of office equipment.

*Investments*—British Government stocks at cost less provision. Other securities at market or Directors' valuation.

*Other assets and liabilities*—At the amounts shown in the historical cost accounts.

(c) Additional depreciation has been charged on premises and equipment in respect of the difference between the depreciation based on the current replacement cost and the depreciation charge in the historical cost accounts.

### 3 Monetary working capital adjustment

The adjustment has been calculated by applying the change in the UK retail price index during the year to the average of the opening and closing totals of net monetary assets. British Government stocks have been treated as monetary items and included at book value in this calculation.

### 4 Current cost reserve

1981 £ millions			1982 £ millions
78.2	Balance at 1 March 1981	129.6	
	Adjustment following restatement of investments at valuation	35.8	
	Balance at 1 March 1981 as restated		165.4
40.4	Surplus on revaluation of:		
11.0	premises, equipment and investments		24.4
	Monetary working capital adjustment		12.0
129.6	Balance at 28 February 1982		201.8

### 5 Premises and equipment

1981 £ millions			1982 £ millions	
Net		Gross	Depreciation	Net
179.6	Premises	200.3	—	200.3
22.6	Equipment	43.3	22.4	20.9
202.2		243.6	22.4	221.2

## Issue Department

### Account for the year ended 28 February 1982

1981 £000		1982 £000	1982 £000
	Income and profits:		
1,135,330	Securities of, or guaranteed by, the British Government	921,531	
630,059	Other securities	461,858	
14,957	Other receipts	6,430	1,389,819
	Expenses:		
26,355	Cost of production of Bank notes	28,068	
13,088	Cost of issue, custody and payment of Bank notes	13,251	
1,030	Other expenses	1,177	42,496
1,739,873	Payable to the Treasury		1,347,323

### Statement of balances: 28 February 1982

1981 £000		1982 £000	1981 £000		1982 £000
	Notes issued:		11,015	Government debt	11,015
10,300,971	In circulation	10,754,771			
24,029	In Banking Department	20,229		Other securities of, or guaranteed by, the British Government	4,200,996
			6,689,160	Other securities	6,562,989
			3,624,825		
10,325,000		10,775,000	10,325,000		10,775,000

#### Notes:

- 1 The income and profits and value of securities include the effects of the quarterly revaluation of marketable securities, in accordance with the requirements of the National Loans Act 1968. The last such valuation was made at 25 February 1982.
- 2 The Court of Directors approved the above statements of account on 8 July 1982.

GORDON RICHARDSON *Governor*

C W McMAHON *Deputy Governor*

NELSON OF STAFFORD *Director*

R D GALPIN *Chief of Corporate Services*



# Banking Act 1979

## Annual report by the Bank of England 1981/82

*Presented to the Chancellor of the Exchequer, and by him to Parliament,  
pursuant to Section 4 of the Banking Act 1979*

This report on the exercise by the Bank of England of its functions conferred on it by the Banking Act 1979 is made in pursuance of Section 4(1) of that Act and covers the financial year of the Bank ended on 28 February 1982.

### I New authorisations to take deposits

During the year ended 28 February 1982 43 institutions were in licence to take deposits. 15 existing licensed companies were granted recognition as banks. A further 12 licensed deposit-taking institutions surrendered their licences as they intended to cease carrying on a deposit-taking business.

### II Published lists of authorised institutions

As required by Section 4(2) of the Act a list of authorised banks and licensed deposit-taking institutions is the Bank's financial year is annexed to this report. The list includes 285 recognised banks and 280 licensed deposit-taking institutions included within the Special List. 271 branches and subsidiaries of overseas companies. The latest list, which is updated annually, is available from the Bank by request.

### III Applications procedure

A standard procedure is followed for all applications for authorisation, whether for recognition as a bank or for a licence to carry on a deposit-taking business. A questionnaire is completed by the applicant to provide details

of the proposed business and financial resources. The Bank then carries out a detailed examination of the application and may require the applicant to provide further information.

At the end of the year 1981/82 the Bank had received 177 applications for authorisation. Of these 177 applications 100 were for banks, 77 for licensed deposit-taking institutions. The Bank's policy is to grant authorisation to those institutions which are able to carry on a deposit-taking business in a sound and prudent manner.

Under Section 11 of the Act the Bank is required to publish a list of authorised institutions which is updated by the Bank at the end of each financial year. The list is published in the Bank's Annual Report and is available to the public. The list includes 285 recognised banks and 280 licensed deposit-taking institutions included within the Special List. 271 branches and subsidiaries of overseas companies. The latest list, which is updated annually, is available from the Bank by request.

### IV Statutory criteria for authorisation to carry on a deposit-taking business

The Bank's policy is to grant authorisation to those institutions which are able to carry on a deposit-taking business in a sound and prudent manner. The Bank's policy is to grant authorisation to those institutions which are able to carry on a deposit-taking business in a sound and prudent manner.

# **Banking Act 1979**

## **Annual report by the Bank of England**

This report on the exercise by the Bank of the functions conferred on it by the Banking Act 1979 is made in pursuance of Section 4(1) of that Act and covers the financial year of the Bank ended on 28 February 1982.

### **I New authorisations to take deposits**

During the year ended 28 February 1982 41 institutions received licences to take deposits. 15 existing licensed companies were granted recognition as banks. A further 15 licensed deposit-taking institutions surrendered their licences as they intended to cease carrying on a deposit-taking business.

### **II Published lists of authorised institutions**

As required by Section 4(2) of the Act, a list of recognised banks and licensed deposit-taking institutions at the end of the Bank's financial year is annexed to this report. This list contains 293 recognised banks and 300 licensed deposit-taking institutions. Included within these figures are 271 branches and subsidiaries of overseas companies. The latest list, which is up-dated monthly, is available from the Bank on request.

### **III Applications procedure**

A standard procedure is followed for all applications for authorisation, whether for recognition as a bank or for a licence to carry on a deposit-taking business. A questionnaire is completed covering the nature of the applicant's

business or proposed business and information about its directors, controllers and managers. In addition, the Bank normally holds meetings with the senior management of an applicant institution to discuss the company's business.

At the next stage applications are assessed and reviewed to see if the criteria for authorisation are met. If it appears that an institution does not meet the requirements for a licence or recognition, it is so informed and is invited to make representations, in accordance with the Act, before the Bank makes its final determination.

Under Section 11 of the Act any institution which disputes the final decision of the Bank is entitled to appeal to the Chancellor of the Exchequer against the decision. Of the seven institutions mentioned in the 1980/81 report which had given notice of appeal to the Chancellor, six subsequently withdrew their appeals and in the other case, that of The People's Bank Ltd, the Chancellor, in line with the recommendations of the persons appointed to hear the appeal, confirmed the Bank's decision not to grant recognition. There were no appeals outstanding at the end of February 1982.

### **IV Statutory criteria for authorisation to carry on a deposit-taking business**

The interpretation and application of the statutory criteria for authorisation to carry on a deposit-taking business have been kept under review but remained the same as described in the Bank's report for 1979/80.



The Act allows the Bank discretion in determining whether an applicant for recognition as a bank satisfies the criterion of providing a wide range of banking services. In exercising this discretion across a range of different institutions the Bank sets out to make judgments fairly and consistently. Many institutions may specialise in providing particular banking services, or even types of transaction within a service, but may not offer the full range of services in the same depth.

The Bank asks each applicant for detailed information about its business, including a breakdown of the value of the turnover, numbers of transactions, numbers of customers, income earned, etc, for each of the five categories of service listed in Schedule 2 of the Act. In addition, account is taken of the nature of particular services, including their character, quality and complexity, and the skills necessary to provide them. In assessing whether a service is adequately provided for the purpose of the Schedule, the Bank has to balance a number of judgments about the nature and scope of each service provided. For example, where complex transactions are involved, a lower volume of turnover may be regarded as acceptable than in an operation involving relatively simple transactions. Therefore, no single benchmark for a qualifying level of transactions is set.

In general, the Bank expects institutions qualifying for recognition to provide all of the services specified in sub-paragraphs (c) to (e) of paragraph 2 of the Schedule to an adequate level. On occasion, however, the Bank has exercised the discretion provided in the Act to disregard the fact that an institution does not adequately provide one or two of these services. It exercises this discretion sparingly in order not to undermine the intention of the wide range of services criterion in the Act and only in circumstances where an institution provides other services to a more than satisfactory degree.

## V Continuing supervision

The Bank's method of supervision continues to be based on the regular submission by each authorised institution of statistical information in the form of a set of inter-related returns. A balance sheet is supplemented by other returns containing more detailed information. After analysis of this information the Bank holds prudential discussions with senior management.

Discussions with institutions incorporated in the United Kingdom normally take place quarterly. For the clearing bank groups, however, the meetings cover the range of separately authorised institutions within each group on an annual basis. A number of other meetings are held with these banks during the course of a year at which specific aspects of their business are covered. Discussions with the UK branches of overseas companies, where under the provisions of the Act the Bank is enabled to place substantial reliance on the supervisory authorities in the country of origin, are usually held annually.

On most occasions meetings take place at the Head Office of the Bank but interviews with licensed deposit-taking institutions situated outside London are held from time to time at their own premises or at one of the branches of the Bank. These regular contacts assist the Bank to assess the quality of management and to satisfy itself that each authorised institution continues to conduct its business prudently and meets the other relevant criteria.

Following the issue in April 1981 of the Bank's paper on *Foreign currency exposure* discussions were held with each institution dealing in foreign currency to establish appropriate individual guidelines of exposure to risks arising from movements in exchange rates. During this period a new monthly prudential return was introduced, in a form agreed with the banks, on which institutions report their positions in foreign currency. The first returns were made in October 1981.



The paper on *The measurement of capital* issued in September 1980 continues to be the basis on which the Bank measures the adequacy of the capital of authorised institutions in relation both to their liabilities to the public, and to the risks inherent in their assets.

In a paper *The liquidity of banks* published in March 1981, the Bank set out the main principles underlying its approach to the prudential supervision of the liquidity of banks and licensed institutions. A further paper, entitled *The measurement of liquidity*, was circulated as a consultative document in the summer of 1981. That document developed the principles of the earlier paper and proposed a general framework for measuring liquidity centring on the expected cash flows arising from assets and liabilities. Following consultations with the banks the final version of this paper was issued in July 1982 and will serve as the basis for assessing the adequacy of liquidity of all deposit-taking businesses covered by the Banking Act. Discussions will take place with all such institutions with the aim of establishing individual guidelines against which their liquidity will be monitored.

## **VI Revocation of recognition or a licence**

There were no occasions during the year ended on 28 February 1982, in which the Bank exercised its powers to revoke recognition or a licence in circumstances where it had ceased to be satisfied that the statutory criteria for recognition or a licence were being fulfilled.

## **VII International developments**

The criteria for authorisation under the Banking Act require that the Bank be satisfied that the whole of the business is conducted prudently, and is adequately capitalised, including those parts of the business which may be situated outside the United Kingdom. At the same time, the large number of banking institutions which now conduct their international business through branches or subsidiaries in more than one country or through borrowing from or lending to markets across national frontiers, has prompted

co-operation between the supervisory authorities of different countries. During the year the Bank continued to play a full part in this co-operation, notably through its participation in:

- the Committee on Banking Regulations and Supervisory Practices which meets at the Bank for International Settlements in Basle and brings together supervisors from the Group of Ten major industrialised countries, Luxembourg and Switzerland;
- the Contact Group of supervisors from the Member States of the European Community; and the Banking Advisory Committee to the European Commission.

During the year the Basle Committee, which is chaired by Mr W P Cooke, Head of Banking Supervision of the Bank of England, examined a number of topics bearing on the supervision of banks' international operations. In particular, the Committee encouraged practical implementation of the principle that the risk exposure of international banks can best be monitored on a consolidated basis; and examined the methods used by banks to assess and control their exposure to country risk.

In committees of the European Community, considerable work was undertaken on the construction of *observation ratios* provided for under Article 6 of the First Co-ordination Directive on Credit Institutions of 12 December 1977. Ratios for comparing the solvency, liquidity and profitability of credit institutions in the Member States of the Community were devised and tested in trial calculations.

During 1981 the Commission of the European Community put forward to the Council two new proposals for directives. The first, submitted in March 1981, deals with the annual accounts of banks and other financial institutions. It is designed to fill the gap left by the EEC fourth company law directive, enacted in the UK by the Companies Act 1981, which laid down accounting rules for the content and format of the annual accounts of companies in general.



The proposed bank accounts directive will provide particular rules for the content and format of the accounts of banks and other financial institutions.

The second proposal, presented in September 1981, lays down that credit institutions which hold substantial participations in other credit institutions or financial institutions should be supervised on a consolidated basis at least once a year by the supervisory authorities of the Member State in which they have their head office.

## VIII Administration

In the year before the Banking Act came into force 77 people were employed on banking supervision. This number was built up to 91 primarily to cope with the extra work of processing applications for recognition or for a licence but also to sustain the general level of supervision. Subsequently, helped by greater use of computers in prudential analysis and notwithstanding the introduction of the deposit

protection arrangements, numbers fell to 88 as at 28 February 1982.

## IX Orders and regulations

### *1981 No 1381, The Banking Act 1979 (Exempt Transactions) (Amendment) (No 2) Regulations 1981*

This amendment added British Telecommunications to the list of public undertakings whose deposits from similar undertakings are exempt from the prohibition on deposit-taking imposed by Section 1 of the Banking Act.

### *1982 No 188, The Banking Act 1979 (Commencement No 2) Order 1982*

Together with some routine matters, this order brought into operation on 19 February 1982 provisions relating to the Deposit Protection Scheme. This is covered in the separate report of the Deposit Protection Board.

To date, the main provision which has not yet been implemented is Section 39 concerned with the fraudulent inducement to make a deposit.

## Banking Act 1979

### *List at 28 February 1982*

#### 1 Recognised banks

Alexanders Discount p.l.c.  
Algemene Bank Nederland N.V.  
Allied Arab Bank Ltd  
Allied Bank International  
Allied Bank of Pakistan Ltd  
Allied Irish Banks Ltd  
Allied Irish Investment Bank Ltd  
American Express International Banking Corporation  
American National Bank and Trust Company of Chicago  
Amex Bank Ltd  
Amsterdam-Rotterdam Bank N.V.  
Anglo-Romanian Bank Ltd  
Henry Ansbacher & Co. Ltd  
A P Bank Ltd  
Arab Bank Ltd  
Arbuthnot Latham & Co. Ltd  
Associated Japanese Bank (International) Ltd  
Atlantic International Bank Ltd  
Australia & New Zealand Banking Group Ltd

Banca Commerciale Italiana  
Banca Nazionale del Lavoro  
Banco Central, S.A.  
Banco de Bilbao S.A.  
Banco de la Nación Argentina  
Banco de Santander, S.A.  
Banco de Vizcaya S.A.  
Banco di Roma S.p.A.  
Banco do Brasil S.A.  
Banco do Estado de São Paulo S.A.  
Banco Espírito Santo e Comercial de Lisboa  
Banco Exterior—U.K. S.A.

Banco Mercantil de São Paulo S.A.  
Bancomer, S.A.  
Banco Nacional de Mexico S.A.  
Banco Real S.A.  
Banco Totta & Açores E.P.  
Banco Urquijo Hispano Americano Ltd  
Bangkok Bank Ltd  
Bank Brussels Lambert (U.K.) Ltd  
Bank Bumiputra Malaysia Berhad  
Bank für Gemeinwirtschaft A.G.  
Bank Hapoalim B.M.  
Bank Julius Baer & Co. Ltd  
Bank Leumi (U.K.) Ltd  
Bank Mellat  
Bank Melli Iran  
Bank of America International Ltd  
Bank of America N.T. & S.A.  
Bank of Baroda  
The Bank of California N.A.  
Bank of Ceylon  
Bank of China  
Bank of Cyprus (London) Ltd  
Bank of India  
The Bank of Ireland  
Bank of London & South America Ltd  
Bank of Montreal  
Bank of New South Wales  
The Bank of New York  
Bank of New Zealand  
The Bank of Nova Scotia  
Bank of Scotland  
The Bank of Tokyo, Ltd  
Bank of Tokyo International Ltd



The Bank of Tokyo Trust Company  
 The Bank of Yokohama Ltd  
 Bank Saderat Iran  
 Bank Sepah  
 Bankers Trust Company  
 Banque Belge Ltd  
 Banque Belgo-Zairoise S.A.  
 Banque de L'Indochine et de Suez S.A.  
 Banque de Paris et des Pays-Bas S.A.  
 Banque Francaise de Credit International Ltd  
 Banque Francaise du Commerce Extérieur  
 Banque Nationale de Paris p.l.c.  
 Barclays Bank p.l.c.  
 Barclays Bank International Ltd  
 Barclays Merchant Bank Ltd  
 Baring Brothers & Co Ltd  
 Bayerische Hypotheken—und Wechsel—Bank A.G.  
 Bayerische Landesbank Girozentrale  
 Bayerische Vereinsbank  
 The British Bank of the Middle East  
 The British Linen Bank Ltd  
 Brown, Shipley & Co. Ltd  
 Canadian Imperial Bank of Commerce  
 Carolina Bank Ltd  
 Cater Allen p.l.c.  
 Center Bank N.A.  
 Central Bank of India  
 Central Trustee Savings Bank Ltd  
 The Chartered Bank  
 Charterhouse Japhet p.l.c.  
 Chase Bank (Ireland) Ltd  
 The Chase Manhattan Bank, N.A.  
 Chase Manhattan Ltd  
 Chemical Bank  
 Chemical Bank International Ltd  
 The Cho-Heung Bank, Ltd  
 Citibank N.A.  
 Citicorp International Bank Ltd  
 Clive Discount Company Ltd  
 Clydesdale Bank p.l.c.  
 The Commercial Bank of Australia Ltd  
 Commercial Bank of Korea Ltd  
 The Commercial Bank of the Near East Ltd  
 Commercial Bank of Wales p.l.c.  
 The Commercial Banking Company of Sydney, Ltd  
 Commerzbank A.G.  
 Commonwealth Trading Bank of Australia  
 Continental Illinois Ltd  
 Continental Illinois National Bank and Trust Company of Chicago  
 Co-operative Bank p.l.c.  
 County Bank Ltd  
 Coutts & Co.  
 Crédit Industriel et Commercial  
 Crédit Lyonnais  
 Crédit Suisse  
 Credit Suisse First Boston Ltd  
 Creditanstalt—Bankverein  
 Credito Italiano  
 Crocker National Bank  
 The Dai-Ichi Kangyo Bank, Ltd  
 The Daiwa Bank, Ltd  
 The Detroit Bank & Trust Company  
 Deutsche Bank A.G.  
 Discount Bank (Overseas) Ltd  
 Dow Scandia Banking Corporation Ltd  
 Dresdner Bank A.G.  
 Euro-Latinamerican Bank Ltd  
 European Arab Bank Ltd  
 European Banking Company Ltd  
 European Brazilian Bank Ltd  
 The Fidelity Bank  
 First City National Bank of Houston  
 First Dallas Ltd  
 First Interstate Bank of California  
 First National Bank in Dallas  
 The First National Bank of Boston  
 The First National Bank of Chicago  
 First Pennsylvania Bank N.A.  
 First Wisconsin National Bank of Milwaukee  
 Robert Fleming & Co Ltd  
 French Bank of Southern Africa Ltd  
 The Fuji Bank, Ltd  
 Gerrard & National p.l.c.  
 Ghana Commercial Bank  
 Antony Gibbs & Sons, Ltd  
 Gillett Brothers Discount Company Ltd  
 Girard Bank  
 Gray Dawes Bank p.l.c.  
 Grindlay Brandts Ltd  
 Grindlays Bank p.l.c.  
 Guinness Mahon & Co. Ltd  
 Gulf International Bank B.S.C.  
 Habib Bank A.G. Zurich  
 Habib Bank Ltd  
 Hambros Bank Ltd  
 Hanil Bank  
 Harris Trust and Savings Bank  
 Havana International Bank Ltd  
 Hessische Landesbank—Girozentrale—  
 Hill Samuel & Co. Ltd  
 C. Hoare & Co.  
 The Hokkaido Takushoku Bank, Ltd  
 The Hongkong and Shanghai Banking Corporation  
 Hungarian International Bank Ltd  
 The Industrial Bank of Japan, Ltd  
 International Commercial Bank p.l.c.  
 International Energy Bank Ltd  
 International Mexican Bank Ltd  
 International Westminster Bank p.l.c.  
 Irving Trust Company  
 Italian International Bank Ltd  
 Japan International Bank Ltd  
 Jessel, Toynbee p.l.c.  
 Johnson Matthey Bankers Ltd  
 Leopold Joseph & Sons Ltd  
 King & Shaxson p.l.c.  
 Kleinwort, Benson Ltd  
 Korea Exchange Bank  
 Korea First Bank  
 The Kyowa Bank, Ltd  
 Lazard Brothers & Co., Ltd  
 Libra Bank Ltd  
 Lloyds Bank p.l.c.  
 Lloyds Bank International Ltd  
 Lloyds Bank International (France) Ltd  
 London & Continental Bankers Ltd  
 London Interstate Bank Ltd  
 The Long-Term Credit Bank of Japan, Ltd  
 Malayan Banking Berhad  
 Manufacturers Hanover Ltd  
 Manufacturers Hanover Trust Company  
 Marine Midland Bank N.A.  
 Mellon Bank, N.A.  
 Mercantile Bank Ltd  
 Merrill Lynch International Bank Ltd  
 Midland Bank p.l.c.  
 Midland and International Banks p.l.c.  
 The Mitsubishi Bank Ltd  
 The Mitsubishi Trust and Banking Corporation  
 The Mitsui Bank Ltd  
 The Mitsui Trust & Banking Company Ltd  
 Samuel Montagu & Co. Ltd  
 Morgan Grenfell & Co. Ltd  
 Morgan Guaranty Trust Company of New York  
 Moscow Narodny Bank Ltd  
 Muslim Commercial Bank Ltd  
 National Bank of Abu Dhabi  
 The National Bank of Australasia Ltd  
 National Bank of Canada  
 National Bank of Detroit  
 National Bank of Greece S.A.  
 The National Bank of New Zealand Ltd  
 National Bank of Pakistan  
 National Westminster Bank p.l.c.  
 Nedbank Ltd  
 The Nippon Credit Bank, Ltd  
 Noble Grossart Ltd  
 Nordic Bank p.l.c.  
 North Carolina National Bank  
 Northern Bank Ltd  
 The Northern Trust Company  
 Orion Royal Bank Ltd  
 Oversea-Chinese Banking Corporation Ltd  
 Overseas Union Bank Ltd  
 Page & Gwyther Ltd  
 Philippine National Bank  
 Privatbanken Ltd  
 Punjab National Bank  
 Qatar National Bank S.A.Q.  
 Gerald Quin, Cope & Co. Ltd  
 Rafidain Bank  
 Rea Brothers Ltd  
 P.S. Refson & Co. Ltd  
 RepublicBank Dallas, N.A.  
 Reserve Bank of Australia  
 The Riggs National Bank of Washington, D.C.  
 N. M. Rothschild & Sons Ltd



The Royal Bank of Canada  
The Royal Bank of Canada (London) Ltd  
The Royal Bank of Scotland Ltd  
The Royal Trust Company of Canada

The Saitama Bank Ltd  
The Sanwa Bank, Ltd  
Saudi International Bank  
(Al-Bank Al-Saudi Al-Alami Ltd)  
Scandinavian Bank Ltd  
J. Henry Schroder Wagg & Co. Ltd  
Seattle—First National Bank  
Secombe Marshall & Campion p.l.c.  
Security Pacific National Bank  
Singer & Friedlander Ltd  
Smith St. Aubyn & Co. Ltd  
Société de Banque Occidentale  
pour l'industrie et le commerce  
Société Générale Bank Ltd  
Société Générale pour favoriser le développement du  
commerce et de l'industrie en France  
Sonali Bank  
The Standard Bank p.l.c.  
Standard Chartered Bank p.l.c.  
Standard Chartered Merchant Bank Ltd  
State Bank of India  
The Sumitomo Bank, Ltd  
The Sumitomo Trust and Banking Company Ltd  
Swiss Bank Corporation  
Syndicate Bank

The Taiyo Kobe Bank Ltd  
Texas Commerce Bank N.A.  
The Thai Farmers Bank Ltd  
The Tokai Bank, Ltd  
The Toronto-Dominion Bank  
Toronto Dominion International Bank Ltd  
The Toyo Trust & Banking Company Ltd  
Trade Development Bank

UBAF Bank Ltd  
Ulster Bank Ltd  
Union Bank of Switzerland  
The Union Discount Company of London Ltd  
United Bank Ltd  
The United Bank of Kuwait Ltd  
United Commercial Bank  
United Overseas Bank Ltd

S. G. Warburg & Co. Ltd  
Wells Fargo Bank N.A.  
Westdeutsche Landesbank Girozentrale  
Williams & Glyn's Bank Ltd  
Wintrust Securities Ltd  
Württembergische Kommunale Landesbank Girozentrale

The Yasuda Trust and Banking Co., Ltd  
Yorkshire Bank p.l.c.

Zambia National Commercial Bank Ltd  
Zivnostenská Banka National Corporation

## 2 Licensed deposit-taking institutions

Al (Investment) Ltd  
Abbey Finance Co. Ltd  
Afghan National Credit & Finance Ltd  
African Continental Bank Ltd  
The Alliance Trust p.l.c.  
Allied Irish Finance Co. Ltd  
Al Saudi Banque S.A.  
Altajir Ltd  
Anglo-Yugoslav (LDT) Ltd  
Arab Bank Investment Co. Ltd  
Arab Banking Corporation B.S.C.  
Armada Investments Ltd  
Assemblies of God Property Trust  
Associated Credits Ltd  
Associates Capital Corporation Ltd  
Auban Finance Ltd  
Avco Trust Ltd  
  
Banca Serfin, S.A.  
Banco de Jerez S.A.  
Banco di Sicilia  
Banco Português do Atlântico  
BankAmerica Finance Ltd  
Bank Handlowy w Warszawie S.A.  
Bank of Credit and Commerce International S.A.  
Bank of Ireland Finance Ltd  
Bank of Ireland Finance (N.I.) Ltd  
The Bank of Nova Scotia Trust Company (United Kingdom) Ltd  
Bank of Oman Ltd  
Bank Street Securities Ltd  
Bank Tejarat  
Bankers Trust International Ltd

Banque du Rhone et de la Tamise S.A.  
The Baptist Union Corporation Ltd  
Barbados National Bank  
Barclays Bank Trust Company Ltd  
Barclays Bank UK Ltd  
Thomas Barlow & Bro. Ltd  
B.C.F. Finance Co. Ltd  
Beaver Investments Ltd  
Beirut Riyad Bank S.A.L.  
Beneficial Trust Ltd  
Berliner Bank A.G.  
Boston Trust & Savings Ltd  
Bowmaker Ltd  
Bradford Investments  
Bremar Holdings Ltd  
Bridgeover Ltd  
Bridgeway Finance Ltd  
Bristol & West Investments Ltd  
British Credit Trust Ltd  
Brook Securities & Co. Ltd  
Brutton Mortgage Investments (Hampshire) Ltd  
Buchanan Securities Ltd  
Bucks Land & Building Co. Ltd  
Bunge & Co. Ltd  
Burlington Investments Ltd  
Business Mortgages & Investment Trust p.l.c.  
Byblos Bank S.A.L.

Calculus Finance Ltd  
Canada Permanent Trust Co. (U.K.) Ltd  
Cassa di Risparmio delle Provincie Lombarde  
Castle Court Trust Ltd  
Castle Phillips Finance Co. Ltd  
Cattles Holdings Finance Ltd  
Cavendish Guaranty Trust Ltd  
Cayzer Ltd  
Cedar Holdings Ltd  
Century Factors Ltd  
Century Industrial Services Ltd  
Chancellor Finance Ltd  
Chancery Securities Ltd  
Charter Consolidated Financial Services Ltd  
Chartered Trust p.l.c.  
Charterhouse Japhet Credit Ltd  
Chesterfield Street Trust Ltd  
CP Choularton, Sons & Partners Ltd  
The Chuo Trust & Banking Company Ltd  
Citibank Trust Ltd  
City Trust Ltd  
Close Brothers Ltd  
Clydesdale Bank Finance Corporation Ltd  
CE Coates & Co. Ltd  
Cobnar Finance Co. Ltd  
Colonial Bank  
Combined Capital Ltd  
Commercial Credit Services Ltd  
Commonwealth Savings Bank of Australia  
Consolidated Credits & Discounts Ltd  
Co-operative Bank (Commercial) Ltd  
Corinthian Securities Ltd  
Coutts Finance Co.  
Craneheath Securities Ltd  
Crédit du Nord  
Cross & Bevingtons (Finance) Ltd  
Cue & Co.  
Cyprus Credit Bank Ltd  
Cyprus Finance Corporation (London) Ltd  
The Cyprus Popular Bank

Dalbeattie Finance Co. Ltd  
Darlington Merchant Credits Ltd  
Dartington & Co. Ltd  
Dawnay, Day & Co. Ltd  
Deutsche Genossenschaftsbank  
The Development Bank of Singapore Ltd  
Dunbar & Co. Ltd  
Duncan Lawrie Ltd  
Dunsterville Allen Ltd

Eagil Trust Co. Ltd  
East Anglian Securities Trust Ltd  
East Midlands Finance Co. Ltd  
Eastcheap Investments Ltd  
Eccles & District Finance Co. Ltd  
The English Association Trust Ltd  
Ensign Discount Co. Ltd  
Equatorial Trust Corporation Ltd  
E. T. Trust Ltd  
Everett Chettle Associates  
Exeter Trust Ltd

Family Finance Ltd  
F. & C. Management Ltd  
Farmers (WCF) Finance Ltd  
Federated Trust Corporation Ltd  
FFI (UK Finance) p.l.c.



FIBI Financial Trust Ltd  
Finance for Industry p.l.c.  
Financial and General Securities Ltd  
James Finlay Corporation Ltd  
Finova Finance Ltd  
First Co-operative Finance Ltd  
First Guarantee Trust Co. Ltd  
First Indemnity Credit Ltd  
First Knightsbridge Guarantee Ltd  
First National Bank of Maryland  
First National Bank of Minneapolis  
First National Boston Ltd  
First National Securities Ltd  
Ford Financial Trust Ltd  
Ford Motor Credit Co. Ltd  
Forward Trust Ltd  
Robert Fraser & Partners Ltd

Gavel Finance  
Gillespie Bros. & Company Ltd  
Girozentrale und Bank der österreichischen Sparkassen A.G.  
Goode Durrant Trust Ltd  
Goodwin Squires Securities Ltd  
H. T. Greenwood Ltd  
Greetwell Finance Ltd  
Gresham Trust Ltd  
Greyhound Guaranty Ltd  
Grindlays Bank (Scotland) Ltd  
Grindlays Humberclyde Ltd  
G.T. Management Ltd

The Hardware Federation Finance Co. Ltd  
Hargrave Securities Ltd  
Harrods Trust Ltd  
Harton Securities Ltd  
Harwal Finance Group Ltd  
The Heritable & General Trust Ltd  
H. F. C. Trust Ltd  
H. & J. Finance Co. (Midlands) Ltd  
Hobart Securities Ltd  
Holdenhurst Securities Ltd  
Houston Financial Services Ltd  
Hume Corporation Ltd

IBJ International Ltd  
Industrial Funding Trust Ltd  
Industrial National Bank of Rhode Island  
The Investment Bank of Ireland Ltd  
Investment Trustees Ltd  
Iran Overseas Investment Corporation Ltd

Jabac Finances Ltd  
Jolimian Finance Ltd

Keesler Federal Credit Union  
Kintyre Securities Ltd  
Knowsley & Co. Ltd

Lloyds & Scottish Ltd  
Lloyds & Scottish Trust Ltd  
Lloyds Bank (LABCO) Ltd  
Lodhi Finance Ltd  
Lombard & Ulster Ltd  
Lombard North Central Ltd  
Lombard Street Investment Trust Co. Ltd  
London Law Securities Ltd  
London Scottish Finance Corporation p.l.c.  
Lordsvale Finance Ltd

McNeill Pearson Ltd  
Mallinhal Ltd  
Manchester Exchange Trust Ltd  
W. M. Mann & Co. (Investments) Ltd  
Edward Manson & Co. Ltd  
Manufacturers Hanover Export Finance Ltd  
Manufacturers Hanover Industrial Finance Ltd  
The Mardun Investment Co. Ltd  
Matheson Trust Co. Ltd  
Medens Trust Ltd  
Meghraj & Sons Ltd  
Mercantile Credit Company Ltd  
Merchant Banking (N.I.) Ltd  
Mercury Provident Society Ltd  
Merseyside Finance Ltd  
The Methodist Chapel Aid Association Ltd  
M.H. Credit Corporation Ltd  
MMH Investments Ltd  
Middle East Bank Ltd  
Midland Bank Finance Corporation Ltd  
Midland Bank Industrial Equity Holdings Ltd  
Midland Bank Trust Company Ltd  
Milford Mutual Facilities Ltd  
Minster Trust Ltd  
Moneycare Ltd  
Moorgate Mercantile Holdings p.l.c.  
Mortgage Management & Investments Ltd

Multibanco Comermex S.A.  
Musket Finance Ltd  
Mynshul Trust Ltd

National Bank of Fort Sam Houston  
National Bank of Nigeria Ltd  
National Commercial & Glyns Ltd  
National Guardian Finance Corporation Ltd  
Nederlandsche Middenstandsbank N.V.  
New Nigeria Bank Ltd  
M. J. H. Nightingale & Co. Ltd  
N.I.B. Group Ltd  
North West Securities Ltd  
The North of Scotland Finance Co. Ltd  
Northern Bank Development Corporation Ltd  
Northern Bank Executor & Trustee Company Ltd  
Northern Ireland Industrial Bank (I.O.M.) Ltd  
Norwich General Trust Ltd  
Nowet (Financiers) Ltd

Oriental Credit Ltd  
Overseas Trust Bank Ltd  
Park Street Securities Ltd  
The People's Trust & Savings Ltd  
Personal Loans (Investments) Ltd  
Phibrobank A.G.  
PKB Investments Ltd  
Pointon York Ltd  
Prestwick Investment Trust Ltd  
PSP & Company (U.K.) Ltd  
Punjab & Sind Bank

R. Raphael & Sons Ltd  
Rathbone Bros. & Co.  
Reliance Trust Ltd  
Republic National Bank of New York  
Rhône Trust Ltd  
Roxburghe Guarantee Corporation Ltd

St. Margaret's Trust Ltd  
St. Martin-le-Grand Securities Ltd  
David Sassoon & Co. Ltd  
Saturn Investment Management Co. Ltd  
Savings Bank of South Australia  
Schroder Leasing Ltd  
E. S. Schwab & Co. Ltd  
Shanghai Commercial Bank Ltd  
Shawlands Securities Ltd  
The Siam Commercial Bank, Ltd  
N. V. Slavenburg's Bank  
Smith & Williamson Securities  
South Notts Finance Ltd  
Southsea Mortgage & Investment Co. Ltd  
S. P. Finance Ltd  
Spring Gardens Securities p.l.c.  
Spry Finance Ltd  
Standard Credit Services Ltd  
Standard Property Investment Co. Ltd  
State Bank of Victoria  
Sterling Credit Ltd  
Swiss Bank Corporation International Ltd

TCB Ltd  
The Teachers & General Investment Co. Ltd  
Texas Commerce International Ltd  
Thorncliffe Finance Ltd  
Treesford Securities Ltd  
Treloan Ltd  
Tricity Acceptances Ltd  
Trinity Trust & Savings Ltd  
Trucanda Trusts Ltd  
Turkish Bank Ltd  
Tyndall & Co.

Ulster Bank Trust Company  
Ulster Investment Bank Ltd  
Unico Finance Ltd  
Union Bank of India  
United Dominions Trust Ltd  
Universal Credit Ltd

Barrie Vanger & Co. Ltd  
Venture Finance Ltd  
Vernons Trust Corporation

Wagon Finance Ltd  
Wallace, Smith Trust Co. Ltd  
Wells Fargo Ltd  
West Riding Securities Ltd  
Western Trust & Savings Ltd  
Whiteaway Laidlaw & Co. Ltd  
Wimbledon & South West Finance Co. Ltd  
N. H. Woolley & Co. Ltd

Yorkshire Bank Finance Ltd  
Yorkshire Bank Leasing Ltd  
H. F. Young & Co. Ltd



## Addresses and telephone numbers

London	Head Office	Threadneedle Street London EC2R 8AH	01-601 4444 <sup>(1)</sup>
	Registrar's Department	New Change London EC4M 9AA	01-601 4444
	Printing Works	Langston Road Loughton Essex IG10 3TN	01-508 6221
Branches	Birmingham	PO Box 3 Birmingham B2 5EY	021-643 8571
	Bristol	PO Box 10 Wine Street Bristol BS99 7AH	0272 277251
	Leeds	King Street Leeds LS1 1HT	0532 441711
	Liverpool	PO Box 76 31 Castle Street Liverpool L69 2AZ	051-236 7092
	Manchester	PO Box 301 Faulkner Street Manchester M60 2HP	061-228 1771
	Newcastle	PO Box 81 Pilgrim Street Newcastle-upon-Tyne NE99 2BE	0632 611411
	Southampton	PO Box 20 31-33 High Street Southampton SO9 7AZ	0703 39421
Glasgow Agency		25 St Vincent Place Glasgow G1 2EB	041-221 7973

(1) Enquiries relating to this *Report* or to the *Quarterly Bulletin* may be made on 01-601 4030.