

## Banking statistics: country exposure

This note describes a new table in the statistical annex—Table 13 in this issue. It covers (or will eventually cover) all the consolidated claims and unused commitments of UK-registered banks in sterling and foreign currency, in respect of non-residents of the United Kingdom. The information is compiled primarily to enable the Bank of England to monitor the exposure of these banks, and of the British banking system as a whole, to individual countries; it is supplied by UK-registered banks only,<sup>(1)</sup> and is collected on a consolidated basis, covering the operations not only of the banks' offices in the United Kingdom but also of their banking subsidiaries and offices abroad. Because this series covers the world-wide activities of UK-registered banks, it is not directly comparable with other data in the *Bulletin* giving a geographical analysis of banks' lending. It is, however, a system of reporting which is being increasingly used by supervisory authorities.

The form which the banks have been asked to submit is a complex one, and its full introduction is being phased in over a period. The table in this issue of the *Bulletin* provides data only on total cross-border claims by individual country—classified by remaining maturity—together with outstanding unused binding commitments. The data for end-June 1980—to be published in the March 1981 *Bulletin*—will also classify cross-border claims and unused commitments by sector,<sup>(2)</sup> as well as providing details of 'risk transfers' for individual countries. 'Risk transfers' relate to those loans and commitments to individual countries where, in the event of default, the underlying claim is attributable to a third party in another country. An example would be a loan granted to a company or bank in one country which is guaranteed by an entity in another country. Thus for each country the table will contain details of claims and unused commitments which are guaranteed by residents of other countries, together with claims and unused commitments originally classified to other countries which are guaranteed by that country. Until data on the risk transfer element of claims on individual countries are available, the picture of banks' exposure shown in the table will not be a complete one.

Also, from end-December 1980 data on the domestic activities of overseas offices—that is, claims on and liabilities to local residents in local currency—will become available.

(1) Not all UK-registered banks are UK-owned. Some are wholly or partly owned by foreign parents.

(2) Banks, public sector (including central monetary institutions) and other.