

# Money and banking figures: forthcoming changes

*As foreshadowed in the Bank's paper Monetary control—provisions, which was published in August and reproduced on pages 347-50 of the September Bulletin, there are a number of statistical changes associated with the new monetary control arrangements. This note describes the main features of these changes and their implications for the statistics; it also introduces a revised presentation of the external and foreign currency counterparts to sterling  $M_3$ .*

## The new monetary sector

Hitherto, the UK banking sector, as defined in the national income and financial accounts, and in the calculation of the various monetary aggregates, has comprised those institutions included on the statistical lists of banks and discount market institutions, together with the Banking Department of the Bank of England. Inclusion on the statistical lists, which have existed for many years, was based chiefly on informal appraisal of a bank's size and reputation and was usually closely associated with the granting of authorised bank status for exchange control purposes. It carried with it, moreover, an obligation to observe the reserve asset and credit control arrangements introduced in 1971 and subsequently.

The implementation of the Banking Act 1979, which requires the Bank to issue formal lists of recognised banks and licensed deposit-takers (LDTs), and the removal of exchange control in the autumn of 1979, meant that the existence of a separate statistical list, which did not include some recognised banks and many LDTs, had become no longer appropriate. Moreover, the new monetary control arrangements were designed from the outset to apply in principle to all recognised banks and LDTs.

It was therefore decided, in consultation with the Treasury and the Central Statistical Office, that the banking sector should in future include all recognised banks and LDTs, together with the Banking Department of the Bank of England and the National Girobank (which is exempt from the provisions of the Banking Act). In addition, it was judged appropriate that the trustee savings banks, which are at present also exempt from the Banking Act, should be brought into the extended sector at the same time.

A more complicated question arose in the case of banking institutions in the Channel Islands and the Isle of Man, to which the Banking Act does not apply. Many of these institutions had been on the statistical list of banks and were significant contributors to the figures. In the event, all listed institutions in the Channel Islands and the Isle of Man (including the branches of listed mainland banks) were

given the option of remaining in the sector and acceding to the monetary control arrangements described in *Monetary control—provisions*, or of going outside it. The majority of such institutions opted to remain within the sector.

The extended sector, to be known as the monetary sector, which will take effect from end-December 1981 for the purposes of national income and financial accounts, will therefore comprise:

- (i) all recognised banks and LDTs;<sup>(1)</sup>
  - (ii) the National Girobank;
  - (iii) those listed institutions in the Channel Islands and the Isle of Man which have opted to comply with the new monetary control arrangements;
  - (iv) the trustee savings banks;
  - (v) the Banking Department of the Bank of England.
- The present members of the sector are listed in Appendix 1.

These changes in the population of the sector inevitably mean a break in many of the statistical series, including those for the sectors to which the new members of the monetary sector have hitherto belonged. In addition, as part of the current review of banking statistics<sup>(2)</sup> and with the object of minimising the burden of statistical reporting on smaller institutions, the Bank has agreed that institutions with eligible liabilities of less than £10 million and a total balance sheet of less than £100 million will no longer be asked to provide monthly statistics. All institutions, however, will be asked to complete end-quarter returns, although it is not proposed to ask those smaller institutions which have not hitherto been providing figures to start doing so until the current review of banking statistics has been completed.<sup>(3)</sup>

Breaks in series of this kind naturally make it difficult to interpret the figures and, in view of the importance of the monetary aggregates for policy purposes, it was considered essential to devise means of minimising the effects on them arising from a step-change of this nature. In particular, the Bank felt that, since the main series of banking figures used

(1) With the exception of 'opted-out' branches in the Channel Islands and the Isle of Man.

(2) The present integrated system of banking statistics was introduced in 1975 (see the June 1975 *Bulletin*, page 162) and is now in need of some revision. Discussions between the Bank and the British Bankers' Association started this autumn and will be continuing during 1982.

(3) Because these institutions are small, the effect of their temporary omission from the quarterly figures will be negligible. No attempt will, therefore, initially be made to gross up the series and in any case, until they start to complete statistical returns, the detailed information necessary to do so is not available. Subsequently, however, it may be possible to gross up the main series in arrears.

for policy purposes are those for banking month periods,<sup>(1)</sup> an end-year break, which could not be precisely related to the banking month series, would not be acceptable. Accordingly, the sector change in terms of the banking month series took place on 18 November 1981, the end of banking November. Banks and LDTs which were already contributing to the series were asked to submit two sets of figures at that date, the first on the basis of the existing sector and the second on the basis of the new sector. The difference between these two sets of returns will provide a starting-point for calculating the effect of the sector change on the main monthly banking series. The measure of the change thus obtained will be applied to the end-year figures so as to permit the effect to be estimated at that date also, for national accounting and other statistics.

The dual returns at mid-November will, in particular, enable the rate of growth of the monetary aggregates (which is not expected to be significantly affected by the sector change) to be estimated on a comparable basis for periods before and after mid-November. Although the coverage of the monetary aggregates will change at that date, with some seventy new institutions being brought into monthly reporting, the overall statistical effect of the change in population is likely to be modest. This is partly because the effect of bringing the new institutions into the sector is to some extent offset by some Channel Islands and Isle of Man banks going outside it and partly because, apart from the trustee savings banks, many of the new institutions are relatively small.

In total, the once-and-for-all net increase in the stock of sterling  $M_3$  is estimated to have been of the order of £8 billion<sup>(2)</sup> (10%), of which the trustee savings banks account for about three quarters. A detailed description of the way these statistical changes are being handled was made available with the money and banking figures press release on 15 October and is reproduced as Appendix 2.

Figures for mid-November on the basis of the new monetary sector will be first published in the January press release, together with the banking December figures. They will subsequently appear in the statistical annex of the March 1982 *Bulletin*.

In addition, there will be a number of detailed changes to some items in the tables in the statistical annex. These will be described in the relevant section of the additional notes.

### External and foreign currency counterparts to sterling $M_3$

One further statistical change, which will be introduced in the banking December figures, relates to the presentation of the external and foreign currency counterparts of sterling  $M_3$  as shown in Table 11.3 of the statistical annex.

For some time, the Bank has felt that it would be helpful, in interpreting movements in the banks' sterling claims on and liabilities to non-residents, if claims on and liabilities to banks overseas were distinguished from those relating to other overseas residents.<sup>(3)</sup> This has become particularly important in the period since the abolition of exchange controls in 1979, since that decision and the subsequent termination of the supplementary special deposits scheme in June 1980 facilitated the growth of the eurosterling market and its greater integration with the London inter-bank market. As a result, both the banks' sterling lending to non-residents and their sterling borrowing from non-residents have been inflated in gross terms, although the net effect has been small. The underlying flows of UK banks' overseas sterling lending and overseas residents' sterling deposits with UK banks have thus been somewhat obscured.

In future, therefore, banks' sterling lending to overseas residents will be split between lending to banks and lending to non-banks; similarly, overseas residents' sterling deposits will be split between the deposits of banks and those of other overseas residents. Sterling lending to overseas non-banks and sterling deposits of overseas residents other than banks will be shown separately, together with a net figure of sterling deposits from banks abroad *less* sterling lending to banks abroad.<sup>(4)</sup>

As a result of these changes, domestic credit expansion (DCE), which includes all sterling lending to non-residents, will no longer be directly calculable from the published components of Table 11.3. It will continue to be shown, but as a memorandum item.

A run of the most recent figures on the new basis, with the old basis for comparison, is set out in Appendix 3. A full run of figures back to 1975 on the new basis will be available on request by the time of the publication of the March 1982 *Bulletin*.

(1) That is, 'months' ending on the third Wednesday of the calendar month.

(2) This figure is an estimate based on partial information relating to various dates and does not derive from the mid-November returns which, at the time this note was prepared, were not available.

(3) Including central monetary institutions.

(4) Gross figures of total overseas deposits with, and borrowing from, UK banks are shown in Table 6 in the statistical annex.

## Appendix 1

### Institutions forming the monetary sector (at 18 November 1981)

#### A All recognised banks and licensed deposit-taking institutions

A complete list of all recognised banks and licensed deposit-taking institutions is produced by the Banking Supervision Division each month. Changes to the list are published monthly in the London Gazette, and these will also be recorded quarterly in the statistical annex of the Bulletin.

AI (Investment) Ltd	Bank Julius Baer International Ltd
Abbey Finance Co Ltd	Bank Leumi (U.K.) Ltd
Afghan National Credit & Finance Ltd	Bank Mellat
African Continental Bank Ltd	Bank Melli Iran
Alexanders Discount Company Ltd	Bank of America International Ltd
Algemene Bank Nederland N.V.	Bank of America N.T. & S.A.
Allen, Harvey & Ross plc	Bank of Baroda
The Alliance Trust Co Ltd	The Bank of California N.A.
Allied Arab Bank Ltd	Bank of Ceylon
Allied Bank International	Bank of China
Allied Bank of Pakistan Ltd	Bank of Credit and Commerce International S.A.
Allied Irish Banks Ltd	Bank of Cyprus (London) Ltd
Allied Irish Finance Co Ltd	Bank of India
Allied Irish Investment Bank Ltd	The Bank of Ireland
Al Saudi Banque S.A.	Bank of Ireland Finance Ltd
Altajir Ltd	Bank of Ireland Finance (N.I.) Ltd
American Express International Banking Corporation	Bank of London & South America Ltd
American National Bank and Trust Company of Chicago	Bank of Montreal
Amex Bank Ltd	Bank of New South Wales
Amsterdam-Rotterdam Bank N.V.	The Bank of New York
Anglo-Romanian Bank Ltd	Bank of New Zealand
Anglo-Yugoslav (LDT) Ltd	The Bank of Nova Scotia
Henry Ansbacher & Co Ltd	The Bank of Nova Scotia Trust Company
A P Bank Ltd	(United Kingdom) Ltd
Arab Bank Ltd	Bank of Oman Ltd
Arab Bank Investment Co Ltd	Bank of Scotland
Arbuthnot Latham & Co Ltd	The Bank of Tokyo, Ltd
Armada Investments Ltd	Bank of Tokyo International Ltd
Assemblies of God Property Trust	The Bank of Tokyo Trust Company
Associated Credits Ltd	The Bank of Yokohama Ltd
Associated Japanese Bank (International) Ltd	Bank Saderat Iran
Associates Capital Corporation Ltd	Bank Sepah
Atlantic International Bank Ltd	Bank Street Securities Ltd
Auban Finance Ltd	Bank Tejarat
Australia & New Zealand Banking Group Ltd	Bankers Trust Company
Avco Trust Ltd	Bankers Trust International Ltd
Banca Commerciale Italiana	Banque Belge Ltd
Banca Nazionale del Lavoro	Banque Belgo-Zairoise S.A.
Banca Serfin, S.A.	Banque de L'Indochine et de Suez S.A.
Banco Central, S.A.	Banque de Paris et des Pays-Bas S.A.
Banco de Bilbao S.A.	Banque du Rhone et de la Tamise S.A.
Banco de Jerez S.A.	Banque Francaise de Credit International Ltd
Banco de la Nación Argentina	Banque Francaise du Commerce Extérieur
Banco de Santander, S.A.	Banque Nationale de Paris plc
Banco de Vizcaya S.A.	Banque Occidentale pour l'industrie et le commerce
Banco di Roma Sp.A.	The Baptist Union Corporation Ltd
Banco di Sicilia	Barbados National Bank
Banco do Brasil S.A.	Barclays Bank Ltd
Banco do Estado de São Paulo S.A.	Barclays Bank International Ltd
Banco Español en Londres S.A.	Barclays Bank Trust Company Ltd
Banco Espirito Santo e Comercial de Lisboa	Barclays Bank U.K. Ltd
Banco Mercantil de São Paulo S.A.	Barclays Merchant Bank Ltd
Bancomer, S.A.	Baring Brothers & Co Ltd
Banco Nacional de Mexico S.A.	Thomas Barlow & Bro. Ltd
Banco Português do Atlântico	Bayerische Hypotheken-und Wechsel-Bank A.G.
Banco Real S.A.	Bayerische Landesbank Girozentrale
Banco Totta & Açores E.P.	Bayerische Vereinsbank
Banco Urquijo Hispano Americano Ltd	B.C.F. Finance Co Ltd
Bangkok Bank Ltd	Beirut Riyad Bank S.A.L.
BankAmerica Finance Ltd	Beneficial Trust Ltd
Bank Brussels Lambert (U.K.) Ltd	Berliner Bank A.G.
Bank Bumiputra Malaysia Berhad	Boston Trust & Savings Ltd
Bank für Gemeinwirtschaft A.G.	Bowmaker Ltd
Bank Handlowy w Warszawie S.A.	Bradford Investments
Bank Hapoalim B.M.	Bremar Holdings Ltd
	Bridgeover Ltd

- Bridgeway Finance Ltd  
 Bristol & West Investments Ltd  
 The British Bank of the Middle East  
 British Credit Trust Ltd  
 The British Linen Bank Ltd  
 Brook Securities & Co Ltd  
 Brown, Shipley & 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 plc  
 Byblos Bank S.A. L.  
 Calculus Finance Ltd  
 Canada Permanent Trust Co (U.K.) Ltd  
 Canadian Imperial Bank of Commerce  
 Carolina Bank Ltd  
 Castle Phillips Finance Co Ltd  
 Cater Ryder plc  
 Cattles Holdings Finance Ltd  
 Cayzer Ltd  
 Cedar Holdings Ltd  
 Central Bank of India  
 Central Trustee Savings Bank Ltd  
 Century Factors Ltd  
 Century Industrial Services Ltd  
 Chancellor Finance Ltd  
 Chancery Securities Ltd  
 Charter Consolidated Financial Services Ltd  
 The Chartered Bank  
 Chartered Trust plc  
 Charterhouse Japhet Ltd  
 Charterhouse Japhet Credit Ltd  
 Chase Bank (Ireland) Ltd  
 The Chase Manhattan Bank, N.A.  
 Chase Manhattan Ltd  
 Chemical Bank  
 Chemical Bank International Ltd  
 Chesterfield Street Trust Ltd  
 The Cho-Heung Bank, Ltd  
 CP Choularton, Sons & Partners Ltd  
 The Chuo Trust & Banking Company Ltd  
 Citibank N.A.  
 Citibank Trust Ltd  
 Citicorp International Bank Ltd  
 City Trust Ltd  
 Cleveland Guaranty Ltd  
 Clive Discount Company Ltd  
 Close Brothers Ltd  
 Clydesdale Bank Ltd  
 Clydesdale Bank Finance Corporation Ltd  
 CE Coates & Co Ltd  
 Cobnar Finance Co Ltd  
 Colonial Bank  
 The Commercial Bank of Australia Ltd  
 Commercial Bank of Korea Ltd  
 The Commercial Bank of the Near East Ltd  
 Commercial Bank of Wales Ltd  
 The Commercial Banking Company of Sydney, Ltd  
 Commercial Credit Services Ltd  
 Commerzbank A.G.  
 Commonwealth Savings Bank of Australia  
 Commonwealth Trading Bank of Australia  
 Consolidated Credits & Discounts Ltd  
 Continental Illinois Ltd  
 Continental Illinois National Bank and Trust Company of Chicago  
 Co-operative Bank plc  
 Co-operative Bank (Commercial) Ltd  
 Corinthian Securities Ltd  
 County Bank Ltd  
 Coutts & Co  
 Coutts Finance Co  
 Craneheath Securities Ltd  
 Crédit Industriel et Commercial  
 Crédit Lyonnais  
 Crédit Suisse  
 Credit Suisse First Boston Ltd  
 Creditanstalt-Bankerein  
 Credito Italiano  
 Crocker National Bank  
 Cross & Bevingtons (Finance) Ltd  
 Cue & Co  
 Cyprus Credit Bank Ltd  
 Cyprus Finance Corporation (London) Ltd  
 The Cyprus Popular Bank  
 The Dai-Ichi Kangyo Bank, Ltd  
 The Daiwa Bank, Ltd  
 Dalbeattie Finance Co Ltd  
 Darlington Merchant Credits Ltd  
 Dartington & Co Ltd  
 Dawney, Day & Co Ltd  
 The Detroit Bank & Trust Company  
 Deutsche Bank A.G.  
 Deutsche Genossenschaftsbank  
 The Development Bank of Singapore Ltd  
 Discount Bank (Overseas) Ltd  
 Dow Scandia Banking Corporation Ltd  
 Dresdner Bank A.G.  
 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  
 EBS Investments Ltd  
 Eccles & District Finance Co Ltd  
 The English Association Trust Ltd  
 Ensign Discount Co Ltd  
 Equatorial Finance Ltd  
 E. T. Trust Ltd  
 Euro-Latinamerican Bank Ltd  
 European Arab Bank Ltd  
 European Banking Company Ltd  
 European Brazilian Bank Ltd  
 Everett Chettle Associates  
 Exeter Trust Ltd  
 Family Finance Ltd  
 F & C Management Ltd  
 Farmers (WCF) Finance Ltd  
 F. C. Finance Ltd  
 Federated Trust Corporation Ltd  
 FFI (UK Finance) Ltd  
 The Fidelity Bank  
 Finance for Industry Ltd  
 Financial and General Securities Ltd  
 James Finlay Corporation Ltd  
 Finova Finance Ltd  
 First City National Bank of Houston  
 First Dallas Ltd  
 First Guarantee Trust Co Ltd  
 First Indemnity Credit Ltd  
 First Interstate Bank of California  
 First Knightsbridge Guarantee Ltd  
 First National Bank in Dallas  
 First National Bank in St Louis  
 The First National Bank of Boston  
 The First National Bank of Chicago  
 First National Bank of Maryland  
 First National Bank of Minneapolis  
 First National Securities Ltd  
 First Pennsylvania Bank N.A.  
 First Wisconsin National Bank of Milwaukee  
 Robert Fleming & Co Ltd  
 Ford Financial Trust Ltd  
 Ford Motor Credit Co Ltd  
 Forward Trust Ltd  
 Robert Fraser & Partners Ltd  
 French Bank of Southern Africa Ltd  
 The Fuji Bank, Ltd  
 Gavel Finance  
 Gerrard & National plc  
 Ghana Commercial Bank  
 Antony Gibbs & Sons, Ltd  
 Gillespie Bros. & Company Ltd  
 Gillett Brothers Discount Company Ltd

- Girard Bank  
 Girozentrale und Bank der Österreichischen Sparkassen A.G.  
 Goode Durrant Trust Ltd  
 Goodwin Squires Securities Ltd  
 Gray Dawes Bank Ltd  
 H. T. Greenwood Ltd  
 Greetwell Finance Ltd  
 Gresham Trust Ltd  
 Greyhound Guaranty Ltd  
 Grindlay Brandts Ltd  
 Grindlays Bank Ltd  
 Grindlays Bank (Scotland) Ltd  
 Grindlays Humberclyde Ltd  
 G. T. Management Ltd  
 Guinness Mahon & Co Ltd  
 Gulf International Bank BSC
- Habib Bank A.G. Zurich  
 Habib Bank Ltd  
 Hambros Bank Ltd  
 The Hanil Bank Ltd  
 The Hardware Federation Finance Co Ltd  
 Hargrave Securities Ltd  
 Harris Trust and Savings Bank  
 Harrods Trust Ltd  
 Harton Securities Ltd  
 Harwal Finance Group Ltd  
 Havana International Bank Ltd  
 The Heritable & General Trust Ltd  
 Hessische Landesbank-Girozentrale-  
 H.F.C. Trust Ltd  
 H. & J. Finance Co (Midlands) Ltd  
 Hill Samuel & Co Ltd  
 C. Hoare & Co  
 Hobart Securities Ltd  
 The Hokkaido Takushoku Bank, Ltd  
 Holdenhurst Securities Ltd  
 The Hongkong and Shanghai Banking Corporation  
 Houston Financial Services Ltd  
 Hume Corporation Ltd  
 Hungarian International Bank Ltd
- IBJ International Ltd  
 The Industrial Bank of Japan, Ltd  
 Industrial Funding Trust Ltd  
 International Commercial Bank Ltd  
 International Energy Bank Ltd  
 International Mexican Bank Ltd  
 International Westminster Bank Ltd  
 The Investment Bank of Ireland Ltd  
 Investment Trustees Ltd  
 Iran Overseas Investment Corporation Ltd  
 Irving Trust Company  
 Italian International Bank Ltd
- Jabac Finances Ltd  
 Japan International Bank Ltd  
 Jessel, Toynbee & Co, Ltd  
 Johnson Matthey Bankers Ltd  
 Joliman Finance Ltd  
 Leopold Joseph & Sons Ltd
- Keesler Federal Credit Union  
 King & Shaxson Ltd  
 Kintyre Securities Ltd  
 Kleinwort, Benson Ltd  
 Knowsley & Co Ltd  
 Korea Exchange Bank  
 Korea First Bank  
 The Kyowa Bank, Ltd
- Langris Trust Ltd  
 Lazard Brothers & Co, Ltd  
 Libra Bank Ltd  
 Lloyds & Scottish Ltd  
 Lloyds & Scottish Trust Ltd  
 Lloyds Bank Ltd  
 Lloyds Bank International Ltd  
 Lloyds Bank International (France) Ltd  
 Lloyds Bank (LABCO) Ltd  
 Lodhi Finance Ltd
- Lombard & Ulster Ltd  
 Lombard North Central Ltd  
 Lombard Street Investment Trust Co Ltd  
 London & Continental Bankers Ltd  
 London Interstate Bank Ltd  
 London Law Securities Ltd  
 London Scottish Finance Corporation Ltd  
 The Long-Term Credit Bank of Japan, Ltd  
 Lordsvale Finance Ltd
- McNeill Pearson Ltd  
 Malayan Banking Berhad  
 Mallinhal Ltd  
 Manchester Exchange Trust Ltd  
 W. M. Mann & Co (Investments) Ltd  
 Edward Manson & Co Ltd  
 Manufacturers Hanover Ltd  
 Manufacturers Hanover Export Finance Ltd  
 Manufacturers Hanover Industrial Finance Ltd  
 Manufacturers Hanover Trust Company  
 The Mardun Investment Co Ltd  
 Marine Midland Bank N.A.  
 Matheson Trust Co Ltd  
 Medens Trust Ltd  
 Meghraj & Sons Ltd  
 Mellon Bank, N. A.  
 Mercantile Bank Ltd  
 Mercantile Credit Company Ltd  
 Merchant Banking (N.I.) Ltd  
 Mercury Provident Society Ltd  
 Merrill Lynch International Bank Ltd  
 Merseyside Finance Ltd  
 The Methodist Chapel Aid Association Ltd  
 M. H. Credit Corporation Ltd  
 MMH Investments Ltd  
 Middle East Bank Ltd  
 Midland Bank Ltd  
 Midland Bank Finance Corporation Ltd  
 Midland Bank Industrial Equity Holdings Ltd  
 Midland Bank Trust Company Ltd  
 Midland and International Banks Ltd  
 Milford Mutual Facilities Ltd  
 Minster Trust Ltd  
 The Mitsubishi Bank Ltd  
 The Mitsubishi Trust and Banking Corporation  
 The Mitsui Bank Ltd  
 The Mitsui Trust & Banking Company Ltd  
 Moneycare Ltd  
 Samuel Montagu & Co Ltd  
 Morgan Grenfell & Co Ltd  
 Morgan Guaranty Trust Company of New York  
 Mortgage Management & Investments Ltd  
 Moscow Narodny Bank Ltd  
 Motor Investments (West Midlands) Ltd  
 Multibanco Comermex S.A.  
 Musket Finance Ltd  
 Muslim Commercial Bank Ltd  
 Mynshul Finance Ltd
- National Bank of Abu Dhabi  
 The National Bank of Australasia Ltd  
 National Bank of Canada  
 National Bank of Detroit  
 National Bank of Fort Sam Houston  
 National Bank of Greece S.A.  
 The National Bank of New Zealand Ltd  
 National Bank of Nigeria Ltd  
 National Bank of Pakistan  
 National Commercial & Glyns Ltd  
 National Guardian Finance Corporation Ltd  
 National Westminster Bank Ltd  
 Nedbank Ltd  
 Nederlandsche Middenstandsbank N.V.  
 New Nigeria Bank Ltd  
 M. J. H. Nightingale & Co Ltd  
 N.I.I.B. Group Ltd  
 The Nippon Credit Bank, Ltd  
 Noble Grossart Ltd  
 Nordic Bank Ltd  
 North Carolina National Bank  
 The North of Scotland Finance Co Ltd

North West Securities Ltd  
 Northern Bank Ltd  
 Northern Bank Development Corporation Ltd  
 Northern Bank Executor & Trustee Company Ltd  
 Northern Ireland Industrial Bank (I.O.M.) Ltd  
 The Northern Trust Company  
 Norwich General Trust Ltd  
 Nowet (Financiers) Ltd  
 NWS Trust

Oriental Credit Ltd  
 Orion Royal Bank Ltd  
 Oversea-Chinese Banking Corporation Ltd  
 Overseas Trust Bank Ltd  
 Overseas Union Bank Ltd

Page & Gwyther Ltd  
 Park Street Securities Ltd  
 The People's Trust and Savings Ltd  
 Personal Loans (Investments) Ltd  
 Phibrobank AG  
 Philippine National Bank  
 PKB Investments Ltd  
 Pointon York Ltd  
 Prestwick Investment Trust Ltd  
 Privatbanken Ltd  
 Provincial Bank of Ireland Ltd  
 PSP & Company (U.K.) Ltd  
 Punjab National Bank  
 Punjab & Sind Bank

Qatar National Bank S.A.Q.  
 Gerald Quin, Cope & Co Ltd

Rafidain Bank  
 R. Raphael & Sons Ltd  
 Rathbone Bros. & Co  
 Rea Brothers Ltd  
 P. S. Refson & Co Ltd  
 Reliance Trust Ltd  
 Republic National Bank of New York  
 RepublicBank Dallas, N.A.  
 Reserve Bank of Australia  
 Rhone Trust Ltd  
 The Riggs National Bank of Washington, D.C.  
 N. M. Rothschild & Sons Ltd  
 Roxburghe Guarantee Corporation 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

St Margaret's Trust Ltd  
 St. Martin-le-Grand Securities Ltd  
 The Saitama Bank, Ltd  
 The Sanwa Bank, Ltd  
 David Sassoon & Co Ltd  
 Saturn Investment Management Co Ltd  
 Saudi International Bank  
 (Al-Bank Al-Saudi Al-Alami Ltd)  
 Savings Bank of South Australia  
 Scandinavian Bank Ltd  
 Schlesinger Ltd  
 Schroder Leasing Ltd  
 J. Henry Schroder Wagg & Co Ltd  
 E. S. Schwab & Co Ltd  
 Seattle-First National Bank  
 Secombe Marshall & Campion Ltd  
 Security Pacific National Bank  
 Shanghai Commercial Bank Ltd  
 Shawlands Securities Ltd  
 Singer & Friedlander Ltd  
 N. V. Slavenburg's Bank  
 Smith St. Aubyn & Co Ltd  
 Smith & Williamson Securities  
 Société Générale Bank Ltd  
 Société Générale pour favoriser le développement du  
 commerce et de l'industrie en France  
 Sonali Bank  
 South Notts Finance Ltd

Southsea Mortgage & Investment Co Ltd  
 S.P. Finance Ltd  
 Spring Gardens Securities Ltd  
 Spry Finance Ltd  
 The Standard Bank Ltd  
 Standard Chartered Bank Ltd  
 Standard Chartered Merchant Bank Ltd  
 Standard Credit Services Ltd  
 Standard Property Investment Co Ltd  
 State Bank of India  
 State Bank of Victoria  
 Sterling Credit Ltd  
 The Sumitomo Bank, Ltd  
 The Sumitomo Trust and Banking Company Ltd  
 Swiss Bank Corporation  
 Swiss Bank Corporation International Ltd  
 Syndicate Bank

The Taiyo Kobe Bank Ltd  
 TCB Ltd  
 The Teachers & General Investment Co Ltd  
 Texas Commerce Bank N.A.  
 Texas Commerce International Ltd  
 The Thai Farmers Bank Ltd  
 Thorncliffe Finance Ltd  
 The Tokai Bank, Ltd  
 The Toronto-Dominion Bank  
 Toronto Dominion International Bank Ltd  
 Toyo Trust & Banking Company Ltd  
 Trade Development Bank  
 Treesford Securities Ltd  
 Treloan Ltd  
 Tricity Acceptances Ltd  
 Trinity Trust & Savings Ltd  
 Trucanda Trusts Ltd  
 Turkish Bank Ltd  
 Tyndall & Co

UBAF Bank Ltd  
 Ulster Bank Ltd  
 Ulster Bank Trust Company  
 Ulster Investment Bank Ltd  
 Unico Finance Ltd  
 Union Bank of India  
 Union Bank of Switzerland  
 The Union Discount Company of London Ltd  
 United Bank Ltd  
 The United Bank of Kuwait Ltd  
 United Commercial Bank  
 United Dominions Trust Ltd  
 United Overseas Bank Ltd  
 Universal Credit Ltd

Barrie Vanger & Co Ltd  
 Venture Finance Ltd  
 Vernons Trust Corporation

Wagon Finance Ltd  
 Wallace, Smith Trust Co Ltd  
 S. G. Warburg & Co Ltd  
 Wellgate Old Hall Ltd  
 Wells Fargo Bank N.A.  
 Wells Fargo Ltd  
 West Riding Securities Ltd  
 Westdeutsche Landesbank Girozentrale  
 Western Trust & Savings Ltd  
 Whiteaway Laidlaw & Co Ltd  
 Williams & Glyn's Bank Ltd  
 Wimbledon & South West Finance Co Ltd  
 Wintrust Securities Ltd  
 N. H. Woolley & Co Ltd  
 Württembergische Kommunale Landesbank Girozentrale

The Yasuda Trust and Banking Co Ltd  
 Yorkshire Bank Ltd  
 Yorkshire Bank Finance Ltd  
 Yorkshire Bank Leasing Ltd  
 H. F. Young & Co Ltd

Zambia National Commercial Bank Ltd  
 Zivnostenská Banka National Corporation

**B Certain institutions in the Channel Islands and the Isle of Man**

*The Banking Act 1979 does not apply to the Channel Islands or the Isle of Man. Institutions operating in these islands—including branches of recognised banks and licensed deposit-takers—were therefore given the option of complying with the monetary control provisions and thereby becoming part of the UK monetary sector, or of remaining outside these arrangements. The following is a list of those institutions which have opted to belong to the UK monetary sector:*

Algemene Bank Nederland N.V.	Kleinwort, Benson (Channel Islands) Ltd
Allied Irish Banks (I.O.M.) Ltd	Kleinwort, Benson (Guernsey) Ltd
Australia & New Zealand Banking Group (Channel Islands) Ltd	Kleinwort, Benson (Isle of Man) Ltd
Bank Cantrade Switzerland (C.I.) Ltd	LBI Finance (Jersey) Ltd
Bank of America N.T. & S.A.	Lazard Brothers & Co (Jersey) Ltd
Bank of India	Leopold Joseph & Sons (Guernsey) Ltd
The Bank of Nova Scotia (Channel Islands) Ltd	Lloyds Bank Ltd
Bankers Trust Company	Lombard Bank (Isle of Man) Ltd
Banque Nationale de Paris S.A.	Lombard Banking (Jersey) Ltd
Barclays Finance Company (Guernsey) Ltd	Midland Bank Ltd
Barclays Finance Company (Isle of Man) Ltd	Midland Bank Trust Corporation (Guernsey) Ltd
Barclays Bank Finance Company (Jersey) Ltd	Midland Bank Trust Corporation (Isle of Man) Ltd
Barclays Bank Ltd	Midland Bank Trust Corporation (Jersey) Ltd
Bilbao International Bank (Jersey) Ltd	Morgan Grenfell (Guernsey) Ltd
Brown, Shipley (Jersey) Ltd	Morgan Grenfell (Jersey) Ltd
Charterhouse Japhet (Jersey) Ltd	Morgan Guaranty Trust Company of New York
Chase Bank (C.I.) Ltd	National Girobank
The First National Bank of Boston (Guernsey) Ltd	National Westminster Bank Finance (C.I.) Ltd
The First National Bank of Chicago (C.I.) Ltd	Orion Bank (Guernsey) Ltd
Grindlays Bank (Jersey) Ltd	Rea Brothers (Guernsey) Ltd
Guinness Mahon Guernsey Ltd	Rea Brothers (Isle of Man) Ltd
Hambros Bank (Guernsey) Ltd	N. M. Rothschild & Sons (C.I.) Ltd
Hambros Bank (Jersey) Ltd	The Royal Bank of Canada (Channel Islands) Ltd
Hill Samuel & Co (Guernsey) Ltd	Singer and Friedlander (Isle of Man) Ltd
Hill Samuel & Co (Jersey) Ltd	Trustee savings banks
The Hongkong and Shanghai Banking Corporation	S. G. Warburg & Co (Jersey) Ltd
The Hongkong and Shanghai Banking Corporation (C.I.) Ltd	
Italian International Bank (Channel Islands) Ltd	
Jersey International Bank of Commerce Ltd	
<b>C Other</b>	
National Girobank	Banking Department of the Bank of England
Trustee savings banks	

## Appendix 2 Forthcoming statistical changes

Notice issued by the Bank on 15 October.

As indicated in the paper *Monetary control—provisions*, published on 5 August, the statistical definition of the banking sector will shortly be changed to include all recognised banks and licensed deposit-taking institutions, plus the trustee savings banks and some other institutions. The enlarged sector, which will be called the monetary sector, will be the basis on which the monetary aggregates will thereafter be calculated. For the monthly statistics the change-over will take place on 18 November, the November reporting date, and the Bank will be asking for returns from currently reporting listed banks on both the old and the new basis for that date; from then on, monthly reporting institutions (certain small institutions will be excused monthly reporting on *de minimis* grounds) will report on the basis of the monetary sector. For quarterly statistics, including the national income and financial flow accounts published by the Central Statistical Office, the change-over will take effect from 31 December 1981.

Consequently, there will be a break in November in the monthly monetary statistics. This is estimated to amount to a rise of some 10% in the level of sterling  $M_3$ , of which about 7½% is accounted for by the trustee savings banks. For the purpose of interpreting performance in relation to the current target, which runs from mid-February 1981 to mid-April 1982, it will be necessary to make an adjustment to the February 1981 base level, and to the mid-February to mid-November growth, in order to calculate growth on a comparable basis for periods starting before and ending after mid-November. Figures from those institutions currently reporting will be grossed up to allow for the additional recognised banks and licensed deposit-takers that will commence monthly reporting in November. In the case of the trustee savings banks, which are not recognised banks or licensed deposit-takers, the statistics necessary for calculating their contribution to the overall adjustment are available and grossing up will not therefore be necessary for them. The total adjustments will be published in January 1982 with the provisional estimate for the change in sterling  $M_3$  in banking December, the first month of figures on the new basis.

## Appendix 3 Counterparts to sterling $M_3$ <sup>(a)</sup>

Old style  
£ millions

Month ended	Sterling lending to overseas sector	External and foreign currency finance			Total
		Overseas sector sterling deposits (increase -)	Banks' net foreign currency deposit liabilities (increase -)	External finance of public sector	
1980					
Oct. 15	+234	-327	+305	+462	+440
Nov. 19	+515	-182	+55	-138	-265
Dec. 10	+236	-144	-456	+279	-321
1981					
Jan. 21	-156	-158	+79	-179	-258
Feb. 18	+403	-212	+276	+30	+94
Mar. 18	+611	-253	-192	+247	-198
Apr. 15	+323	-16	-344	-237	-597
May 20	-135	-82	+356	-32	+242
June 17	+292	-314	-387	+45	-656
July 15	+592	-513	+279	-371	-605
Aug. 19	+156	-721	+406	+2	-313
Sept. 16	+450	-131	-303	-279	-713
Oct. 21	+461	+447	-363	-468	-384

New style  
£ millions

Month ended	External and foreign currency counterparts					Total
	Sterling lending to overseas non-banks	Net sterling deposits from banks abroad (increase -)	Other overseas sterling deposits (increase -)	Banks' net foreign currency deposit liabilities (increase -)	External finance of public sector	
1980						
Oct. 15	-14	-68	-11	+305	+462	+674
Nov. 19	+288	+99	-54	+55	-138	+250
Dec. 10	-120	+192	+20	-456	+279	-85
1981						
Jan. 21	-213	-109	+8	+79	-179	-414
Feb. 18	+221	+136	-166	+276	+30	+497
Mar. 18	+246	+184	-72	-192	+247	+413
Apr. 15	+129	+239	-61	-344	-237	-274
May 20	+139	-290	-66	+356	-32	+107
June 17	+150	-71	-101	-387	+45	-364
July 15	+294	+124	-339	+279	-371	-13
Aug. 19	+116	-548	-133	+406	+2	-157
Sept. 16	+291	+159	-131	-303	-279	-263
Oct. 21	+288	+522	+98	-363	-468	+77

(a) Counterparts not shown are unaffected by the revised presentation.