UK banks' external liabilities and claims in sterling: geographical analysis

This note provides new statistics, analysed by country, of UK banks' sterling deposits from overseas. It fills a gap in the published external banking statistics.

Since June 1974 a comprehensive geographical analysis by country of UK banks' (1) foreign currency liabilities and claims has been published in Table 14.1 of the statistical annex. UK banks' sterling claims on individual countries have been included, along with foreign currency claims but separately identifiable, in the half-yearly maturity analysis of banks' external lending which has been published in the *Bulletin* from 1978 (Table 14.3). (2) In addition, certain geographical information (by area) of exchange reserves in sterling and of banking and money-market liabilities in sterling to other holders is given in Table 16.1 of the statistical annex. But there has been a gap in the published statistics in respect of country detail for the banks' liabilities in sterling.

The amount of international banking activity carried out in sterling forms only a modest proportion of total international banking business. Even though this proportion has shown little change, (3) overseas residents' sterling deposits with UK banks and the banks' sterling lending to overseas residents have grown considerably in nominal terms since the ending of exchange control in October 1979. Part of this growth reflects an expansion of UK banks' business with the eurosterling market and the growing integration of international sterling interbank markets. In future issues of the Bulletin it is planned to incorporate a quarterly analysis of UK banks' sterling liabilities to and claims on individual countries in Table 14.1 of the statistical annex. The aggregate figures in Table 14.1 will then show, inter alia, the contribution of banks in the United Kingdom to the overall international banking business with non-residents undertaken by banks in the BIS reporting area. (4) The latter figures are reproduced each quarter in Table 13.1 of the statistical annex from data published by the Bank for International

Settlements. It is hoped that the re-arranged Table 14.1 will provide a useful addition to the published statistics on international banking. (5) As an introduction to this change, information is given here on the banks' sterling liabilities to and claims on individual countries for the period end-December 1979 to end-June 1983.

The coverage of the accompanying table is as follows. Liabilities comprise overseas residents' deposits with monetary sector and other financial institutions in the United Kingdom, and certificates of deposit issued by monetary sector institutions which are held on behalf of overseas residents. Liabilities are thus more narrowly defined than in Table 16.1 of the statistical annex. Claims comprise loans and advances to overseas residents by monetary sector and other financial institutions, and their balances with overseas residents; commercial bills, promissory notes and other negotiable paper owned by the reporting institutions and drawn on overseas residents; lending under ECGD special schemes for exports, including amounts refinanced; and outstanding acceptances given by the reporting institutions on behalf of overseas residents.

Two breaks in series affect the figures shown in the table. The levels at 31 December 1981 include £540 million under total liabilities, and £355 million under total claims, resulting from an expansion in the number of institutions contributing statistics following the introduction of the monetary sector in November 1981. A further break occurred at March 1983 amounting to £302 million for total liabilities and £159 million for total claims. The geographical analysis for end-1981 is therefore not strictly comparable with end-1980 and end-March 1983 is not strictly comparable with end-1982.

⁽¹⁾ Throughout this note 'UK banks' should be read as meaning 'monetary sector and other financial institutions in the United Kingdom' (see additional notes to Table 14.1 in the March Bulletin).

⁽²⁾ Now published in the June and December issues only.

⁽³⁾ See the article 'The international banking markets in 1982' in the March Bulletin, page 59.

⁽⁴⁾ The reporting area covers Austria, Belgium, Canada, Denmark, France, Italy, Japan, Luxembourg, the Netherlands, the Republic of Ireland, Sweden, Switzerland, the United Kingdom, the United States and West Germany, and foreign branches of US banks in the Bahamas, the Cayman Islands, Panama, Hong Kong and Singapore.

⁽⁵⁾ A guide to sources of statistics on international banking published by the BIS and by other countries was given in the March Bulletin, page 52.

$\label{thm:monetary:external liabilities and claims in sterling} Monetary sector and other financial institutions in the United Kingdom: external liabilities and claims in sterling$

Geographical details

£ millions

	UK liab	oilities		_		_	UK claims						
	1979	1980	1981	1982	1983		1979	1980	1981	1982	1983	No.	
	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Mar.	30 June	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Mar.	30 June	
BIS reporting area									9				
Austria Belgium	32 185	36 398	43 592	41 782	63 879	48 863	67	14 644	38 706	53 721	766	67 673	
Denmark	26	42	41	37	47	68	48	57	92	93	118	151	
France	457 122	560 143	707	1,153 231	1,169	1,329 289	127	470 67	964 102	1,136 457	1,345	1,191 648	
taly Luxembourg	81	167	179	206	248	246	19	128	287	319	318	233	
Netherlands	272 520	484 525	699 715	784 851	798	892 991	95 522	462 539	412 521	323 699	386 763	333 843	
Republic of Ireland Sweden	52	60	54	63	1,016	72	81	138	212	420	482	507	
Switzerland West Germany	384 193	624 171	1,074	1,595 273	1,862	2,088 325	67	305 87	430 102	308 75	299	295	
Total European Are		3,210	4,557	6,016	6,693	7,211	1,145	2,911	3,866	4,604	5,288	5,021	
Canada	108	183	193	303	295	339	104	201	338	413	417	416	
apan	49	48	168	132	167	283	59	49	111	180	292	298	
Jnited States	417	552	639	946	1,000	1,046	473	585	748	888	1,051	874	
Total BIS are	ea 2,898	3,993	5,557	7,397	8,155	8,879	1,781	3,746	5,063	6,085	7,048	6,609	
Offshore banking centres	59	183	226	337	306	398	15	136	171	197	223	183	
Barbados	13	13	16	15	15	16	3	4	5	5	5	4	
Bermuda Cayman Islands	121 52	121 115	194 139	274 324	241 346	254 293	74	74 72	33	98 138	156 99	170 104	
long Kong	143	223	306	350	393	419	148	208	328	430	479	52	
ebanon .iberia	119 52	129 43	145	183 42	188	219 46	91	11 90	11 86	10 86	13 87	2:	
Netherlands Antilles	12	44	124	124	130	127	6	34	57	101	110	11	
anama	59	56	107	195	312	247 383	22 38	59 99	215	77 198	88	220	
ingapore 'anuatu	88	152	221	271	312	1	34	34	38	37	37	4	
Other West Indies	16	15	22	25	33	32	2	3	8	12	17	1	
Tot	al 737	1,095	1,554	2,142	2,327	2,435	478	824	1,135	1,389	1,528	1,588	
Other Western Europe Cyprus	78	102	140	161	183	187	17	20	24	24	25	30	
inland	26	37	42	104	69	77	116	136	260	355	341	32 14	
reece celand	113	177	165	205	211	237 7	47	39	45	43	57	14	
/lalta	63	91	120	156	152	175	1	3	3	4	3		
Norway Portugal	57 102	61 116	125	60 155	112	60 140	205	164 64	160	209 210	228	24 26	
pain	167	222	237	332	323	322	87	94	137	254	298	31	
Turkey Yugoslavia	38 20	48 25	38	53 15	67 22	66	100	72 92	62 70	63 54	65	7 5	
Other	41	70	72	107	116	16 126	5	7	18	36	47	3	
Tot	al 713	957	1,048	1,355	1,408	1,413	698	693	862	1,261	1,389	1,49	
Australia, New Zealand an South Africa	nd												
Australia	110	104	113	129	137	136	71	99	216	387	407 449	39: 42:	
New Zealand South Africa	80 160	84 214	102 210	115 235	241	107 251	246	301	331	566	582	57	
Tot	al 350	402	425	479	472	494	368	457	786	1,296	1,438	1,39	
Lastern Europe	4	2	2	9	8	7	6	6	5	7	9		
Bulgaria Ezechoslovakia	4 13	2 15	3 24	5	45	35	27	33	32	29	26	3	
German Democratic								24	26	25	25	2:	
Republic Jungary	9	10	9 6	16 6	16	14 7	22 20	24 18	26 28	80	96	9	
Poland	27	11	10	16	13	32	353	362	423	392	388	37	
Romania JSSR	39	3 73	65	88	109	7 140	51 273	82 315	103	131 338	129	138 35	
Tot	al 102	122	122	146	203	242	752	840	948	1,002	1,012	1,03	
Dil exporting countries		1.7/0	2 000	2.701	2041	2.004	(72	714	467	368	354	37	
Middle East(a) Other:	1,482	1,769	2,093	2,701	3,044	2,894	672	714					
Algeria	14	16	17	21	20	19	175	153	141	117	117	11.	
Trinidad and Tobago Venezuela	28 15	31 18	47 15	52 14	54 18	58 18	3 41	5 32	22	14	10	10	
			519	626	649	593	205	207	278	621	832	97	
Other	341	673	319	020	1 047		203				-		

⁽a) Bahrain, Iran, Iraq, Kuwait, Libya, Oman, Qatar, Saudi Arabia and United Arab Emirates.

Geographical details continued

£ millions

	UK liabilities							UK claims						
	1979	1980	1981	981 1982	1983	100 m	1979	1980	1981	1982	1983			
	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Mar.	30 June	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Mar.	30 June		
Non-oil developing countries		•												
Latin America and the Caribbean:														
Argentina Brazil	47 51	76 54	77 51	27 58	20 66	20 44	114 303	112 303	101 341	87 360	81 378	78 387		
Chile Colombia	9	21 5	15 18	9 20	7 21	6 20	19 20	15 15	16 11	14	18 7	9		
Costa Rica Guatemala	1	2	1	1	1	1	5 4	3 2	2	1	1 3			
Honduras	1	1	1	4	1	1	1	1	1	_	<u> </u>	_		
Jamaica Mexico	14	11 11	13 11	13 11	16 9	15 11	13	11 112	7 409	8 487	17 522	10 565		
Uruguay Other	5 55	11 88	7 79	67	5 73	6 82	5 113	7 110	3 111	2 145	2 154	179		
Middle East:														
Egypt Israel	145 45	169 100	206 131	265 112	278 115	296 130	48	68 46	87 54	113 57	119 67	123 66		
Syria Other	15 106	35 114	27 165	33 196	46 203	40 252	10	3 16	11	10 39	12 46	15 72		
Other Africa:														
Angola Botswana	3 6	5 16	19	3 16	3 17	3 20	10	17	12	22	18 6	16		
Congo Ethiopia	1 15	1 16	1 11	1	1	2 12				3	4	5		
Ghana	68	93	75	10 100	11 104	94	38	1 15	1 34	5 55	6 74	72		
Ivory Coast Kenya	7 295	6 349	7 367	5 400	452	5 464	10	10 114	12	91	9 92	92		
Malawi Mauritius	23	22	25	27	29	28	16	16	14	13	13	13		
Sudan	13 28	25 33	19 36	21 43	21 45	29 47	2 46	38	33	3 18	34 13	12		
Swaziland Tanzania	10 43	4 58	6 73	10 74	7 78	9 72	4 29	6 30	4 24	12 30	5 28	31		
Tunisia	7	4	6	11	8	6	6	5	6	7	6	7		
Zaire Zambia	8 92	7 101	9 110	9 107	8 110	6 118	17 72	14 91	10 54	6 81	5 83	60		
Zimbabwe Other	25 133	31 126	113	60 131	63 136	62 69	74	68	53 73	113 102	131 117	140 84		
Other Asia:										102	117	04		
Afghanistan Bangladesh	42 49	45 31	37 29	46 50	49 73	47 45	1 19	1 16	10	12	14	13		
China Macau	14	12	41	158	202	29 1	1	13	9	17	20	57		
Malaysia	77	157	140	303	419	340	12	29	71	167	287	227		
North Korea Pakistan	14 58	24 71	46 105	55 173	24 179	32 186	8	16	1 27	37	39	38		
Philippines South Korea	11 20	27 24	15 14	16 22	28 17	34 15	70 239	51 232	40 223	46 229	41 239	25 235		
Sri Lanka	21	31	33	44	52	53	1	3	3	7	14	9		
Taiwan Thailand	36 17	44 20	56 21	68 22	73 25	66 23	78 18	73 22	71 21	61 20	60	58 16		
Vietnam Other	1 179	2 246	311	3 358	2 404	2 358	12 25	12 25	9 72	7	7 120	7 121		
Other countries	14	15	8	14	16	19			1	3	120	9		
Total	1,837	2,346	2,589	3,184	3,522	3,221	1,757	1,748	2,184	2,619	2,931	2,891		
Unallocated	20	29	469	603	435	542	30	28	368	908	366	309		
International organisations(a)	105	113	146	337	335	317	1	33	120	270	277	279		
Total external liabilities/ claims	8,642	11,564	14,601	19,057	20,642	21,125	6,961	9,480	12,378	15,955	17,308	17,086		
of which liabilities to/claims of						1147								
Central monetary institutions international organisations	871	1,259	1,133	1,480	1,743	1,522	8	46	157	314	1,006 _{(b}) 996		
Other banks abroad Other non-residents	2,740 5,031	4,176 6,129	6,036	8,544 9,033	9,171 9,728	9,747 9,856	700 6,253	2,828	4,109 8,112	4,448	4,695 11,607	4,544 11,546		

⁽a) Excluding the International Monetary Fund.(b) Most of the increase in this figure arises from a reclassification of certain institutions previously included under 'Other banks abroad'.