

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' 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.

Geographical details *continued*

£ millions

	UK liabilities						UK claims														
	1979		1980		1981		1982		1983		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	31 Dec.	31 Dec.	31 Dec.	31 Dec.	31 Mar.	30 June	31 Mar.	30 June	
Non-oil developing countries																					
Latin America and the Caribbean:																					
Argentina	47	76	77	27	20	20	114	112	101	87	81	78									
Brazil	51	54	51	58	66	44	303	303	341	360	378	387									
Chile	9	21	15	9	7	6	19	15	16	14	18	9									
Colombia	4	5	18	20	21	20	20	15	11	8	7	5									
Costa Rica	1	2	1	1	1	1	5	3	2	1	1	—									
Guatemala	—	1	1	1	1	1	4	2	1	1	3	3									
Honduras	1	1	1	4	1	1	1	1	1	—	—	—									
Jamaica	14	11	13	13	16	15	13	11	7	8	17	10									
Mexico	8	11	11	11	9	11	114	112	409	487	522	565									
Uruguay	5	11	7	6	5	6	5	7	3	2	2	2									
Other	55	88	79	67	73	82	113	110	111	145	154	179									
Middle East:																					
Egypt	145	169	206	265	278	296	48	68	87	113	119	123									
Israel	45	100	131	112	115	130	61	46	54	57	67	66									
Syria	15	35	27	33	46	40	10	3	11	10	12	15									
Other	106	114	165	196	203	252	9	16	33	39	46	72									
Other Africa:																					
Angola	3	5	4	3	3	3	10	17	12	22	18	16									
Botswana	6	16	19	16	17	20	—	—	—	—	6	—									
Congo	1	1	1	1	1	2	—	—	—	3	4	5									
Ethiopia	15	16	11	10	11	12	1	1	1	5	6	7									
Ghana	68	93	75	100	104	94	38	15	34	55	74	72									
Ivory Coast	7	6	7	5	3	5	10	10	12	9	9	7									
Kenya	295	349	367	400	452	464	107	114	102	91	92	92									
Malawi	23	22	25	27	29	28	16	16	14	13	13	13									
Mauritius	13	25	19	21	21	29	2	3	5	3	34	5									
Sudan	28	33	36	43	45	47	46	38	33	18	13	12									
Swaziland	10	4	6	10	7	9	4	6	4	12	5	3									
Tanzania	43	58	73	74	78	72	29	30	24	30	28	31									
Tunisia	7	4	6	11	8	6	6	5	6	7	6	7									
Zaire	8	7	9	9	8	6	17	14	10	6	5	6									
Zambia	92	101	110	107	110	118	72	91	54	81	83	60									
Zimbabwe	25	31	44	60	63	62	2	3	53	113	131	140									
Other	133	126	113	131	136	69	74	68	73	102	117	84									
Other Asia:																					
Afghanistan	42	45	37	46	49	47	1	1	1	—	—	—									
Bangladesh	49	31	29	50	73	45	19	16	10	12	14	13									
China	14	12	41	158	202	29	1	13	9	17	20	57									
Macau	1	1	1	1	1	1	—	—	—	—	—	—									
Malaysia	77	157	140	303	419	340	12	29	71	167	287	227									
North Korea	14	24	46	55	24	32	—	—	1	—	—	2									
Pakistan	58	71	105	173	179	186	8	16	27	37	39	38									
Philippines	11	27	15	16	28	34	70	51	40	46	41	25									
South Korea	20	24	14	22	17	15	239	232	223	229	239	235									
Sri Lanka	21	31	33	44	52	53	1	3	3	7	14	9									
Taiwan	36	44	56	68	73	66	78	73	71	61	60	58									
Thailand	17	20	21	22	25	23	18	22	21	20	18	16									
Vietnam	1	2	4	3	2	2	12	12	9	7	7	7									
Other	179	246	311	358	404	358	25	25	72	111	120	121									
Other countries	14	15	8	14	16	19	—	—	1	3	1	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									
<i>of which liabilities to/claims on:</i>																					
Central monetary institutions and international organisations	871	1,259	1,133	1,480	1,743	1,522	8	46	157	314	1,006(b)	996									
Other banks abroad	2,740	4,176	6,036	8,544	9,171	9,747	700	2,828	4,109	4,448	4,695	4,544									
Other non-residents	5,031	6,129	7,432	9,033	9,728	9,856	6,253	6,606	8,112	11,193	11,607	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'.