

International Banking Statistics of India -March 31, 2003*

Introduction

The summary results of International Banking Statistics (IBS) of India as on March 31, 2003 (Q1: 2003) are presented in this article. As mentioned in the previous articles, commercial banks and co-operative banks, which are authorised to deal in foreign exchange and accept non-resident deposits (Indian rupee and foreign currencies), have been covered under the IBS system. The bank-level data, consolidated across the reported branches/ offices of these banks, are secured from the respective banks. The foreign branches of Indian banks also submit certain data on international claims, which provide the consolidated position of the Indian banks' international claims. These IBS data, received from banks, are in line with the reporting system of the Bank for International Settlements (BIS). The updated brief outline of the BIS reporting system of IBS comprising Locational Banking Statistics (LBS) and Consolidated Banking Statistics (CBS), purpose of IBS, BIS reporting countries and the distinction/relation between IBS of India and external debt of India have been provided in the Article on this subject, published in December 2002 issue of the RBI Bulletin.

Coverage

2. Out of 92 reporting banks as on March 31, 2003 (Q1: 2003), 56 are Indian banks covering 27 public sector banks, 26 private sector banks and 3 co-operative banks; and 36 are foreign banks. On account of merger of Nedungadi Bank with Punjab National Bank and due to closure of Siam Commercial Bank, during December 2002 - March 2003, the number of reporting banks decreased from 94 banks reported for the previous quarter. Although data do not relate to all branches of 92 banks, the coverage of number of branches has been gradually increasing over the quarters. In this direction, the reporting banks initiated steps to collect the related data in hard copy form, from some of their non-computerised branches in rural and semi-urban areas. Further, the quality of data reported by bank branches has been improving, over time, as more details in respect of country, currency and maturity of international assets and international liabilities, which were not available initially, are provided by the branches. In view of the above, the data are not strictly comparable over the quarters in terms of their magnitudes but they are compared through percentage shares, growth rates, *etc.* These branches also maintain non-resident Rupee deposits, like, Non-resident Non-repatriable (NRNR) deposits, Non-resident External Rupee (NRE) deposits, Non-resident Special Rupee (NRSR) deposits and Nonresident Ordinary (NRO) Rupee deposits. The relevant data are collected in IBS return and presented in the article.

3. The international liabilities of banks covered in IBS, as defined by the BIS, and external debt accounted for by the banking sector in India are not strictly comparable, as certain items of liabilities, like, ADRs, GDRs, equities, *etc.*, of banks towards non-residents are not part of the external debt. The results based on Locational Banking Statistics (LBS) and Consolidated Banking Statistics (CBS) as at the end of March 31, 2003 are presented in the following paragraphs. While detailed data on IBS are given in Statements I to VIII, summarised data are presented in the text. The Locational Banking Statistics (LBS) are given in Statements I to VI; and Statements VII and VIII present the Consolidated Banking Statistics (CBS). As per the requirements of BIS, bank branches report, among others, the data on international liabilities and

assets in actual currency of transaction and in amounts equivalent to Indian Rupees; and these details are also given in the article.

Locational Banking Statistics (LBS)¹

4. The locational banking statistics providing gross position of international assets and international liabilities of all banking offices located in India, report exclusively banks' international transactions including the transactions with any of their own branches /subsidiaries /joint ventures located either inside or outside India. The total international assets of the banks amounted to Rs.1,04,574 crore (*i.e.*, US \$ 22,016 million) as on March 31, 2003 as against Rs.1,03,876 crore (*i.e.*, US \$ 21,627 million) reported as on December 31, 2002 (Table-1). The total international liabilities amounted to Rs.2,00,493 crore (*i.e.*, US \$ 42,209 million) as on March 31, 2003 as against Rs.1,91,705 crore (*i.e.*, US \$ 39,914 million) as on December 31, 2002. The liabilities denominated in foreign currencies accounted for 59.4 per cent of the total international liabilities as on March 31, 2003, compared with 59.1 per cent at the end of the previous quarter.

**Table 1 : International Assets and International Liabilities of Banks in India
(Branches of Indian and Foreign Banks in India)**

Items	Amount Outstanding # as on			
	December 31, 2002		March 31, 2003	
	Rs. Crore+	US \$ million	Rs. Crore+	US \$ million
International Assets				
Foreign Currency(FC) Assets (includes FC loans to residents and non-residents, Outstanding Export Bills, FC lending to banks in India, FC deposits with banks in India, Overseas FC Assets, Remittable profits of foreign branches of Indian banks, etc.)	99,924	20,804	1,00,705	21,201
Assets in Indian Rupees with Non-residents (includes Rupee loans to non-residents out of non-resident deposits)	3,952	823	3,869	815
Total International Assets	1,03,876	21,627	1,04,574	22,016
International Liabilities				
Liabilities to residents and non-residents denominated in foreign currencies	1,13,373	23,605	1,19,186	25,092
Liabilities to non-residents denominated in Indian Rupees	78,332	16,309	81,308	17,117
Total International Liabilities	1,91,705	39,914	2,00,493	42,209

+ : 1 crore= 10 million. The RBI reference rate for Rupee-US Dollar exchange as on December 31, 2002 and March 31, 2003 were Rs 48.03 and Rs.47.50 per US Dollar respectively.

: Data pertain to only reporting branches. In view of the incompleteness of data coverage, these data are not comparable with those relating to data from all branches under a different data reporting system.

Notes :

1. All figures are inclusive of accrued interest.
2. Totals may not tally due to rounding off of figures.

5. The reporting banks provided details of international liabilities by type of accounts, namely, FCNR(B), NR(E)RA, NR(NR)D, EEFC, RFC and such other deposits. Table-2 presents details of these accounts under international liabilities. In absolute terms, international liabilities of banks in India in the form of FCNR(B), NR(E)RA, foreign currency borrowings, Resurgent India Bonds and India Millennium Deposits amounted to US \$ 33,602 million as on March 31,

2003 as against US \$ 30,947 million as on December 31, 2002. These liabilities are included in external debt statistics for the banking sector, and formed about 79.6 per cent of the total international liabilities as on March 31, 2003, which is higher by 2.1 percentage points compared to the position as on December 31, 2002. Non-repatriable deposits (NRNR, NRSR and NRO) amounted to US \$ 4,013 million as on March 31, 2003, while the amount reported by the bank branches as on December 31, 2002 was US \$ 4,578 million. The continuous reduction in the amount against non-repatriable rupee deposit schemes is attributed to the discontinuation of NRNR and NRSR schemes with effect from April 1, 2002 and the outstanding amount reported against NRNR/ NRSR are the balances in the existing term deposit accounts. Non-debt credits comprising of ADRs, GDRs, equities of banks held by NRIs and capital of foreign banks in India, amounted to US \$ 2,205 million as on March 31, 2003 as against US \$ 1,949 million as on December 31, 2002. Foreign currency liabilities to Residents amounted to US \$ 1,668 million as on March 31, 2003 as against US \$ 1,724 million as on December 31, 2002. Other types of international liabilities were relatively not significant.

6. The broad composition of international assets of banks reveal that the share of “Loans and Deposits” increased marginally by 0.1 percentage point as on March 31, 2003 compared to the position (93.3 per cent) as on December 31, 2002 (Table-3). However, in absolute terms, the amount of loans and deposits stood at Rs.97,657 crore as on March 31, 2003 compared with Rs. 96,873 crore as on December 31, 2002. However, there has been a net reduction in NOSTRO balances over the past two quarters. The net decrease in the balances from Rs. 40,874 crore in end December 2002 to Rs. 36,708 crore in end March 2003 in the NOSTRO Accounts (including term deposits) of the banks in India with banks/correspondences abroad is due to the fact that banks in India preferred to lend foreign currency funds in the domestic markets rather than investing abroad or maintaining funds in their accounts with correspondent banks abroad. This resulted in increase in ‘foreign currency loans to residents’ during the period under reference (from Rs. 34,420 crore to Rs.36,859 crore). Thus, the share of NOSTRO balances in total international assets of banks decreased by 4.2 percentage points to 35.1 per cent as on March 31, 2003 over the share in December 31, 2002 and that of ‘foreign currency loans to residents’ increased by 2.1 percentage point to 35.2 per cent during the same period.

Table 2 : International Liabilities of Banks in India

Categories /Items	(US \$ million)	
	Amount	
	Outstanding as on	
	December 31, 2002	March 31, 2003
I. Items included under External Debt Statistics +	30,947	33,602
1. Foreign Currency Non-Resident Bank [FCNR(B)] Schemes	8,952	9,261
2. Non-Resident External (NRE) Rupee A/Cs	10,035	11,184
3. Foreign Currency Borrowings (includes Inter-bank borrowings and external commercial borrowings of banks) other than through ADRs, GDRs, Bonds, etc.	2,654	3,876
4. Bonds (including Resurgent India Bonds and India Millennium Deposits)	9,306	9,281
5. Floating Rate Notes (FRNs)	0	0

II. Items not included under External Debt Statistics due to non availability of data	171	185
1. Embassy A/Cs	25	26
2. ESCROW A/Cs	36	32
3. Foreign Institutional Investors' (FII) A/Cs	110	127
III. Non-repatriable Deposits (not included in External Debt due to definitional aspects)	4,578	4,013
1. Non-Resident Non-Repatriable (NRNR) Deposits +	3,820	3,201
2. Non-Resident Special Rupee (NRSR) Deposits	95	74
3. Non-Resident Ordinary(NRO) Rupee Deposits	663	738
IV. Non-Debt Credits (not included in External Debt due to definitional aspects)	1,949	2,205
1. American Depository Receipts(ADRs) and Global Depository Receipts (GDRs)	801	807
2. Equities of banks held by NRIs	109	117
3. Capital of foreign banks/branches in India and certain other items in transition	1,039	1,281
V. FC Liabilities to Residents(not included in External Debt due to definitional aspects) +	1,724	1,668
1. Exchange Earners' Foreign Currency (EEFC) A/Cs	1,115	1,028
2. Resident Foreign Currency (RFC) Deposits	258	259
3. Inter-Bank Foreign Currency Deposits and other Foreign Currency Deposits of Residents	350	381
VI. Other Items of International Liabilities (not included in External Debt due to definitional aspects)	546	535
1. Balances in VOSTRO A/Cs of non-resident banks and exchange houses (including term deposits)	546	535
VII. Total international liabilities (including External Commercial Borrowings of banks (I+II+III+IV+V+VI))	39,914	42,209

+ : Data as reported under IBS do not cover all branches and are not comparable with data reported by all bank branches under a different set of data.

Notes:

1. All figures are inclusive of accrued interest.
2. The RBI Reference Rate for Rupee-Dollar exchange as on December 31, 2002 and March 31, 2003 were Rs. 48.03 and Rs. 47.5 per US Dollar respectively.
3. RIBs of Rs. 17,945 Crore and IMDs of Rs. 25,662 crore were mobilised by State Bank of India in August 1998 and November 2000, respectively.

Table 3 : Major Components of International Assets of Banks

(Rs. crore)

International Assets- Major Components	Amount	
	Outstanding as on	
	December 31, 2002	March 31, 2003
1. Loans and Deposits	96,873	97,657
	(93.3)	(93.4)
<i>Of which,</i>		
(i) Balances in NOSTRO A/Cs+	40,874	36,708
	(39.3)	(35.1)
(ii) Foreign Currency Loans to Residents	34,420	36,859
	(33.1)	(35.2)
(iii) Outstanding Export Bills drawn on Non-residents by Residents	16,545	19,242
	(15.9)	(18.4)
2. Holdings of Debt Securities	956	1,027
	(0.9)	(1.0)
3. Other Assets	6,047	5,890
	(5.8)	(5.6)
Total International Assets	1,03,876	1,04,574
	(100.0)	(100.0)

+ : Accounts of banks (Indian and foreign banks in India) with the banks outside India.

Note : Figures in brackets represent percentages to total international assets.

7. The other two components of international assets of banks, *viz.*, 'holdings of debt securities' and 'other assets' held their shares at 1.0 per cent and 5.6 per cent, respectively, as on March 31, 2003, as against 0.9 per cent and 5.8 per cent as on December 31, 2002. The latter component includes investments made by banks in foreign equities; and capital supplied to and profits receivable from foreign branches/subsidiaries of Indian banks. The instrument-wise details of international assets as on March 31, 2003 over December 31, 2002 are presented in Statement-I.

8. The broad composition of international liabilities of banks, in rupee terms, as on March 31, 2003 is similar to that prevailed in December 2002. The "Deposits and Loans" accounted for the highest share at 72.8 per cent of total international liabilities of banks as on March 31, 2003, compared with 71.8 per cent as on December 31, 2002. The shares of other two components, namely, "Own issues of Debt Securities" and "Other Liabilities" were at 22.0 per cent and 5.2 per cent, respectively, as on March 31, 2003 (Table-4). The corresponding shares in the preceding quarter were 23.3 per cent and 4.9 per cent, respectively.

Table 4 : Major Components of International Liabilities of Banks

International Liabilities-Major Components	Amount	
	Outstanding as on	
	December 31, 2002	March 31, 2003
1. Deposits and Loans	1,37,648	1,45,930
	(71.8)	(72.8)
<i>Of which,</i>		
FCNR(B) Deposits	42,998	43,989
	(22.4)	(21.9)
NRE Deposits	48,196	53,124

(Rs. crore)

	(25.1)	(26.5)
2.. Own Issues of Debt Securities	44,698	44,087
	(23.3)	(22.0)
<i>Of which,</i>		
Bonds (India Millennium Deposits and Resurgent India Bonds)	44,697	44,087
	(23.3)	(22.0)
3. Other Liabilities	9,359	10,475
	(4.9)	(5.2)
<i>Of which,</i>		
ADRs/GDRs	3,846	3,833
	(2.0)	(1.9)
Total International Liabilities	1,91,705	2,00,493
	(100.0)	(100.0)

Note: Figures in brackets represent percentages to total international liabilities.

9. Among the components of international liabilities, the NRE Rupee Deposits had the maximum share at 26.5 per cent as on March 31, 2003, compared with 25.1 per cent as on December 31, 2002, followed by the issue of bonds, viz., "RIBs and IMDs" at 22.0 per cent (23.3 per cent as on December 31, 2002) and the FCNR(B) Deposits at 21.9 per cent (22.4 per cent as on December 31, 2002). The continuous increase in outstanding amount for NRE Rupee deposit schemes compared to previous quarter could be attributable to the maturity proceeds under NRNR A/Cs, which are eligible for crediting to the account holders' NRE Rupee deposit A/C. The component-wise details of international liabilities are presented in Statement -II. Further, the share of "Foreign Currency Borrowing" has increased by 2.6 percentage points to 9.2 per cent as on March 31, 2003, over its share as on December 31, 2002. The increase in share of borrowing is due to enhancement of coverage as well as increased borrowing by banks from abroad for lending in domestic market. Further, the share of "Capital/ remittable profits of foreign banks in India" has increased by 0.4 percentage point to 3.0 per cent in March 2003 due to fresh capital infusion by some of the foreign banks from their head office.

10. The currency composition of international assets as on March 31, 2003, shows that the US dollar accounted for the maximum share at 77.2 per cent (77.9 per cent as on December 31, 2002) of the total international assets of banks in India (Table 5). The US dollar currency held the maximum share in the international liabilities of banks in India, at 51.3 per cent (50.5 per cent as on December 31, 2002), followed by rupee liabilities at 40.6 per cent as on March 31, 2003 (40.9 per cent as on December 31, 2002).

11. As regards the sectoral distribution (into bank and non-bank) of international assets of banks, the percentage share of 'bank' sector decreased by 4.2 percentage points to 46.3 per cent as on March 31, 2003 over the share as on December 31, 2002. Accordingly, the share of non-bank sector was considerably higher by 4.2 percentage point as on March 31, 2003 compared to the position as on December 31, 2002.

**Table 5 : International Assets and International Liabilities of Banks (Based on LBS Statements) –
Currency and Sectoral Break-up**

(i) Currency Composition	(Rs. crore)	(ii) Sectoral Break-up	(Rs. crore)
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Currency Name	International Assets		International Liabilities		Sector	International Assets		International Liabilities	
	Amount		Amount			Amount		Amount	
	Outstanding as on		Outstanding as on			Outstanding as on		Outstanding as on	
	December 31, 2002	March 31, 2003	December 31, 2002	March 31, 2003		December 31, 2002	March 31, 2003	December 31, 2002	March 31, 2003
Total	1,03,876	1,04,574	1,91,705	2,00,493	Bank	52,441	48,409	40,248	47,435
	(100.0)	(100.0)	(100.0)	(100.0)		(50.5)	(46.3)	(21.0)	(23.7)
Of which,									
US Dollar	80,876	80,762	96,729	1,02,880	Non-bank	51,435	56,165	1,51,457	1,53,058
	(77.9)	(77.2)	(50.5)	(51.3)		(49.5)	(53.7)	(79.0)	(76.3)
Pound Sterling	8,044	7,865	11,876	11,953	Total	1,03,876	1,04,574	1,91,705	2,00,493
	(7.7)	(7.5)	(6.2)	(6.0)		(100.0)	(100.0)	(100.0)	(100.0)
Indian Rupee	3,952	3,869	78,332	81,308					
	(3.8)	(3.7)	(40.9)	(40.6)					

Note: Figures in brackets represent percentages to total in the respective group(column).

As stated earlier, change in the sectoral distribution of banks' international assets is mainly due to drawing down of balances in NOSTRO A/Cs abroad and lending the funds to corporates in India. As regards the international liabilities, the share of non-bank sector in banks' liabilities as on March 31, 2003 was high at 76.3 per cent which registered a decline from 79.0 per cent as on December 31, 2002. Accordingly, the share of 'bank' sector stood at 23.7 per cent compared with 21.0 per cent at the end of previous quarter (Table-5). The details of currency-wise position of international assets and international liabilities as on March 31, 2003, are presented in Statement-III.

12. Considering the international assets of the banks according to country of residence (*i.e.*, the country of residence of the entity, namely, bank and non-bank sector, with whom banks have financial claims), India accounted for the largest share at 35.3 per cent of total international assets, followed by the USA at 28.1 per cent, the UK at 10.0 per cent and Singapore at 3.9 per cent as on March 31, 2003 (Table-6).

Table 6 : International Assets of Banks in India According to Country of Residence (Based on LBS Statements)

Country of Residence	(Rs. Crore)	
	December 31, 2002	March 31, 2003
Total International Assets	1,03,876	1,04,574
	(100.0)	(100.0)
Of which,		
India	34,541	36,949
	(33.3)	(35.3)
United States of America	30,295	29,343
	(29.2)	(28.1)
United Kingdom@	10,997	10,444
	(10.6)	(10.0)

Singapore	4,406	4,055
	(4.2)	(3.9)

@ : excluding Guernsey, Isle of Man and Jersey.

Note: Figures in brackets represent percentages to total international assets

The composition by country of residence was more or less similar to that as on December 31, 2002. Other prominent countries based on country of residence principle were Hong Kong (2.5 per cent), Germany (2.2 per cent) and Bahrain (2.1 per cent). The details of international assets of banks in India as on March 31, 2003, according to country of residence are presented in Statement-IV.

13. With regard to international liabilities of the banks according to country of residence (*i.e.*, the country of residence of the entity, namely, bank and non-bank sector, towards whom banks are liable to meet the claims) as on March 31, 2003, the USA remained at the top with a share of 19.3 per cent (19.6 per cent as on December 31, 2002) of total international liabilities (Table-7), followed by the UAE at 14.7 per cent (14.1 per cent as on December 31, 2002), the UK at 13.3 per cent (12.8 per cent as on December 31, 2002), India at 7.3 per cent (8.4 per cent as on December 31, 2002) and Saudi Arabia at 3.6 per cent (3.9 per cent as on December 31, 2002).

Table 7 : International Liabilities of Banks in India According to Country of Residence (Based on LBS Statements)

Country of Residence	(Rs. crore)	
	Amount Outstanding as on December 31, 2002	March 31, 2003
Total International Liabilities	1,91,705	2,00,493
	(100.0)	(100.0)
<i>Of which,</i>		
United States of America	37,585	38,768
	(19.6)	(19.3)
United Arab Emirates	27,101	29,489
	(14.1)	(14.7)
United Kingdom@	24,578	26,751
	(12.8)	(13.3)
India	16,180	14,687
	(8.4)	(7.3)
Saudi Arabia	7,518	7,303
	(3.9)	(3.6)

@ : excluding Guernsey, Isle of Man and Jersey.

Note : Figures in brackets represent percentages to total international liabilities.

Other prominent countries based on country of residence principle were Singapore (3.2 per cent), Hong Kong (2.9 per cent), and Kuwait (2.5 per cent). The details of international liabilities of banks classified according to country of residence as on March 31, 2003 are presented in Statement-V.

Table 8 : International Assets and International Liabilities of Banks According to Country of Incorporation of Reporting Bank (Based on LBS Statements)

(Rs. crore)

Country of Incorporation of bank	International Assets		International Liabilities	
	Amount Outstanding as on		Amount Outstanding as on	
	December 31, 2002	March 31, 2003	December 31, 2002	March 31, 2003
Total	1,03,876 (100.0)	1,04,574 (100.0)	1,91,705 (100.0)	2,00,493 (100.0)
Of which,				
India	89,815 (86.5)	92,036 (88.0)	1,61,198 (84.1)	1,68,334 (84.0)
United States of America	5,371 (5.2)	4,894 (4.7)	9,700 (5.1)	9,372 (4.7)
Hong Kong	3,280 (3.2)	2,047 (2.0)	6,641 (3.5)	7,586 (3.8)
Netherlands	1,779 (1.7)	1,958 (1.9)	2,307 (1.2)	2,711 (1.4)
United Kingdom @	1,633 (1.6)	1,809 (1.7)	5,202 (2.7)	4,864 (2.4)
Canada	466 (0.4)	435 (0.4)	781 (0.4)	699 (0.3)

@ : excluding Guernsey, Isle of Man and Jersey.

Note : Figures in brackets represent percentages to total in the respective group (column).

14. As regards classification of international assets of banks according to country of incorporation of banks, the Indian banks accounted for the maximum share in international assets at 88.0 per cent as on March 31, 2003 (86.5 per cent as on December 31, 2002), followed by the banks incorporated in the USA, Hong Kong, the Netherlands, the UK, and Canada, each having a share of 4.7 per cent or less (Table 8). As regards international liabilities, the relative position of countries with regard to country of incorporation of banks is almost similar to that of international assets. The details on the position of international assets and international liabilities as on March 31, 2003, according to country of incorporation of banks, are presented in Statement-VI.

Consolidated Banking Statistics (CBS)¹

15. The main purpose of the consolidated banking statistics is to provide comprehensive and consistent quarterly data on banks' financial claims on other countries, both on immediate borrower basis for providing a measure of country transfer risk, and on ultimate risk basis for assessing country credit risk exposures of national banking system². The immediate country risk refers to the country where the original risk lies and the ultimate risk country refers to the country where the final risk lies. In line with the risk reallocation principle for measuring country exposure recommended by the Basel Committee on Banking Supervision, the country of ultimate risk or where the final risk lies is defined as the country in which the guarantor of a financial claim resides and/or the country in which the head office of a legally dependent branch is located³. Collateral may be considered as an indicator of where the final risk lies to the extent that it is recognised as a risk mitigant under the Basel Capital Accord. The data include on- and off-balance sheet claims reported mainly by domestic banks, including the exposures of their foreign offices (*i.e.*, branches and subsidiaries), and are collected on a worldwide-consolidated basis with inter-office positions being netted out.

16. In the consolidated banking statistics (CBS), banks are classified under three categories, *viz.*, “Domestic Banks” having head offices in India, “Inside area Foreign Banks” having head offices in another BIS-Reporting countries and “Outside Area Foreign Banks” having head offices outside BIS-Reporting countries. The following aspects are taken into consideration for reporting/segregating of international claims for the three categories of banks:

- (i) Head offices of banks in the reporting countries (*i.e.*, domestic banks) are required to provide consolidated reports on financial claims of their offices worldwide both on an ultimate risk and an immediate borrower basis; worldwide consolidated reporting entails that, for example, an Indian bank with a foreign branch in the USA should report its claims on all non-residents and the claims of its foreign branch in the USA on all nonresidents (other than entities in India) and on residents in the USA in currencies other than US dollar. Claims between the Indian head office and its foreign branch in the USA should be netted out. Besides, the foreign branches are also required to report their local assets and local liabilities in local currency, as a memorandum item.
- (ii) Banking offices in reporting countries whose head office is outside the reporting countries (*i.e.*, outside area foreign banks, such as, Mumbai office of a Thai bank where Thailand is not a BIS member) are required to provide non-consolidated data on financial claims on non-residents on an immediate borrower basis only; and
- (iii) Banking offices in reporting countries whose head office is located in another reporting country (*i.e.*, inside area foreign banks) are required to provide non-consolidated data on claims on entities in their respective home country on an immediate borrower basis only (e.g., the branch or subsidiary of a US bank in India should report claims on the United States only).

17. As stated above, the claims of foreign branches of domestic (Indian) banks are considered to arrive at consolidated position of domestic banks. Out of 93 foreign branches of 9 Indian banks, most of the branches have submitted data through their head offices. Accordingly, the data in CBS remains unconsolidated to the extent of non-availability of data from the non-reporting foreign branch(es) of domestic (Indian) banks.

18. The CBS gives country-wise (immediate country risk), sector-wise and residual-maturity wise classification of international claims of banks on countries other than India. Based on the data of reporting branches of banks in India and reporting foreign branches of Indian banks, the CBS statements have been generated. Accordingly, Statements VII and VIII present the claims of banks on countries other than India. Following paragraphs highlight the important features, summarised through Tables 9, 10 and 11.

19. The international assets (*i.e.*, financial claims) of banks, as per CBS statements, classified according to country of immediate risk reveal that reporting banks’ claims on USA accounted for the largest share at 22.5 per cent of total international claims as on March 31, 2003 compared with 21.8 per cent as on December 31, 2002 (Table-9). This is followed by the Hong Kong at 14.7 per cent (14.2 per cent as on December 31, 2002), UK at 14.0 per cent (14.3 per cent as on December 31, 2002), Singapore at 6.3 per cent (6.4 per cent as on December 31, 2002) and

Germany at 3.6 per cent (same as on December 31, 2002). The details of international assets of banks according to residual maturity and country of immediate risk as on March 31, 2003 are provided in Statement-VII.

Table 9 : Consolidated International Claims of Banks on Countries other than India (Based on CBS Statement) on Immediate Country Risk Basis (#)
(Rs. crore)

Country	Amount Outstanding as on	
	December 31, 2002	March 31, 2003
Total Consolidated International Claims (excluding claims on India)	90,068 (100.0)	91,061 (100.0)
<i>Of which,</i>		
United States of America	19,678 (21.8)	20,446 (22.5)
Hong Kong	12,815 (14.2)	13,416 (14.7)
United Kingdom @	12,887 (14.3)	12,779 (14.0)
Singapore	5,806 (6.4)	5,776 (6.3)
Germany	3,233 (3.6)	3,281 (3.6)

@ : excluding Guernsey, Isle of Man and Jersey.

: Please refer to Paragraph nos. 15-17 in the Article.

Note: Figures in brackets represent percentages to the total international claims.

20. The residual maturity classification of international claims of banks on immediate country risk basis is presented in Table-10. As on March 31, 2003, the share of claims with residual maturity of "Up to and including 6 months" stood at 65.7 per cent slightly lower than the share of 66.2 per cent as on December 31, 2002. The share of claims with residual maturity of "Over 2 years" marginally increased to 20.7 per cent as against 20.2 per cent in the previous quarter. The share of claims with residual maturity of "over 6 months and up to and including one year", also marginally increased to 7.0 per cent as on March 31, 2003 from 6.5 per cent in the previous quarter.

Table 10 : Maturity-wise break-up of Consolidated International Claims of Banks on Countries Other than India (Based on CBS Statement) on Immediate Country Risk Basis (#)

Residual Maturity	Amount Outstanding as on	
	December 31, 2002	March 31, 2003
Up to and including 6 months	59,667 (66.2)	59,831 (65.7)
Over 6 months and up to and including one year	5,854 (6.5)	6,412 (7.0)
Over one year and up to and including 2 years	4,377 (4.9)	4,247 (4.7)
Over 2 years	18,232 (20.2)	18,861 (20.7)
Unallocated	1,938	1,710

	(2.2)	(1.9)
Total Consolidated International	90,068	91,061
Claims (excluding claims on India)	(100.0)	(100.0)

: Please refer to Paragraph nos. 15-17 in the article.

Notes :

1. Residual Maturity - "Unallocated" comprises maturity not applicable (e.g. for equities) and maturity information not available from reporting bank branches.
2. Figures in brackets represent percentages to total international assets.

21. The sector classification of international claims of banks (as per CBS statement) on other countries on immediate country risk basis is presented in Table-11. The share of banks in the international claims fractionally increased to 56.6 per cent as on March 31, 2003 from 56.5 per cent as on December 31, 2002.

Table 11 : Sector-wise Consolidated International Claims of Banks on Countries other than India (Based on CBS Statement) on Immediate Country Risk Basis (#)

Sector	(Rs.crore)	
	Amount Outstanding as on	
	December 31, 2002	March 31, 2003
Bank	50,885 (56.5)	51,551 (56.6)
Non-Bank Public Sector	2,052 (2.3)	2,331 (2.6)
Non-Bank Private Sector	37,130 (41.2)	37,179 (40.8)
Total Consolidated International	90,068	91,061
Claims (excluding claims on India)	(100.0)	(100.0)

: Please refer to Paragraph nos. 15-17 in the Article.

Note : Figures in brackets represent percentages to total international claims.

On the other hand, the share of non-bank private sector decreased to 40.8 per cent from 41.2 per cent during the same period. The share of non-bank public sector increased marginally to 2.6 per cent as on March 31, 2003. The details of country of immediate risk of international claims of banks according to sector as on March 31, 2003, are presented in Statement-VIII.

* Prepared in the Banking Statistics Division of the Department of Statistical Analysis and Computer Services. The previous article on the subject as on December 31, 2002 was published in June 2003 issue of the Bulletin.

1 On June 2, 2003, the BIS released (www.bis.org) LBS data of December 2002 relating to all BIS reporting countries, including India.

1 On July 25, 2003, the BIS has released (www.bis.org) CBS data of March 2003 relating to all BIS reporting countries, including India.

2 Guide to the International Banking Statistics- July 2000, Bank for International Settlements.

3 The Consultative Document of the New Basel Capital Accord, Basel Committee on Banking Supervision, January 2001.