



भारतीय रिज़र्व बैंक

RESERVE BANK OF INDIA

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FCNR (B) Flows caused Surge in International Liabilities of Indian Banks in 2013

The Reserve Bank of India today released, on its website, [data related](#) to International Banking Statistics (IBS) of India for the quarters ending March, June, September and December 2013.

The data release on IBS covers statements based both on Locational Banking Statistics (LBS)* and Consolidated Banking Statistics (CBS)*. LBS present data on international assets and liabilities according to type of instrument/components, currency, country of residence and sector of counter-party/transacting unit, and nationality of reporting banks. CBS cover data by residual maturity and sector of borrower along with the exposures by country of immediate borrower and on the reallocation of claims (*i.e.*, risk transfers) to the country of ultimate risk. The data are presented in terms of INR as well as USD.

Highlights:

- International liabilities (in ₹ terms), based on LBS of the banks located in India surged by 35.8 per cent (y-o-y) in December 2013, on account of accretion of capital flows through Foreign Currency Non-Resident (Bank) (FCNR(B)) deposits and foreign currency borrowings.
- The international assets (LBS) also recorded substantial growth at 23.4 per cent over the previous year as compared with a decline of 1.4 per cent observed a year ago.
- During 2013, increase in both international liabilities and assets (LBS) was contributed by increase in exposure towards the USA, UK, UAE, Singapore, Germany and Hong Kong.
- As at end-December 2013, the share of US Dollar in international liabilities (LBS) rose to 40.5 per cent from 34.0 per cent a year ago.
- The international claims of Indian banks, on immediate risk basis (CBS) on all other countries grew at a higher rate of 17.4 per cent as at end-December 2013 as compared with 15.0 per cent for the previous year. However, the exposure towards banking sector grew at a lower rate (15.6 per cent) while that towards non-bank sector registered a higher growth (18.4 per cent).
- The consolidated foreign claims (CBS) of Indian banks on ultimate risk basis grew at 14.0 per cent at end-December 2013 as compared to 11.2 per cent observed a year ago, reflected by claims towards Hong Kong, UAE and Canada.

The full article analysing the broad trends under Locational and Consolidated Banking Statistics will be published in July 2014 issue of the RBI Bulletin.

***Concepts**

The Bank for International Settlements (BIS) compiles the following two separate sets of quarterly statistics under the International Banking Statistics (IBS):

1. Locational Banking Statistics (LBS)

- International Banking Locational by Residence (IBLR): This set reports the international assets and liabilities of banks based on the residence of the reporting banks and the residence of the counterparties;
- International Banking Locational by Nationality (IBLN): This reports the international assets and liabilities of banks based on the residence of the reporting banks and the nationality of ownership of the reporting banks.

The IBLR and IBLN statistics together are termed as Locational Banking Statistics (LBS).

2. Consolidated Banking Statistics (CBS).

Worldwide consolidated international claims of reporting institutions, both on an immediate and ultimate risk basis broadly termed as Consolidated Banking Statistics (CBS). The statistics reports information on international financial claims of domestic bank head offices on a worldwide consolidated basis, i.e., including the exposures of own foreign offices but excluding inter-office positions.