

of bank assets by industries in Canada. The major change in assets by industry is the increase in loans to the oil and gas industry. Over the last three years, the oil and gas industry has become one of the largest areas of risk concentration; risk exposure for this area has increased three to four times over the last several years. Although there are no figures available expressing loan concentration by bank per sector, Burns, Fry Limited estimated in its brief that the Canadian banks have approximately \$22.0 billion of Canadian dollar assets in the oil and gas sector.

In addition, Table 3.6 estimates the breakdown of foreign currency assets by risk according to country. The Canadian banks are heavily oriented to the United States, and to the United Kingdom and other Western European countries. Over 60 per cent of foreign currency assets are located in these countries. Many foreign currency loans are sovereign risks arranged with countries such as Mexico, Venezuela and Indonesia. The incidence of rescheduling loans among sovereign risks, although increasing, has always been low.

Table 3.6

CHARTERED BANK BALANCE SHEET

All Schedule A Banks

December 31, 1981

ASSETS			LIABILITIES		
With Canadian Residents			From Canadian Residents		
Cash	\$ 8.2	2.4%			
With Canadian governments	13.7	4.0	From Cdn. govts.	\$ 8.9	2.6%
With banks & investment dealers	4.4	1.3	From banks	3.2	0.9
With individuals			From individuals		
—personal loans	33.0		—demand	3.8	
—mortgage loans	28.5		—notice	51.6	
	<u>\$61.5</u>	17.9%	—term	<u>49.6</u>	
				<u>\$ 105.0</u>	30.5%
With farmers	10.0	2.9			
With business			From business		
—oil & gas	22.0		—demand	14.1	
—real estate	19.0		—notice	1.9	
—merchandisers	14.0		—term	46.2	
—mining	7.0			<u>\$ 64.4</u>	18.7%
—other businesses	62.0				
	<u>\$ 124.0</u>	36.1%			
Other Assets	4.2	1.2	Other Liabilities	6.8	2.0
			Bank Debentures	2.7	0.8
			Bank Equity ⁽¹⁾	11.6	1.4
			Net Cdn. borrowing from foreigners to balance	22.9	6.7
Total Canadian	\$ 225.8	65.7%	Total Canadian	\$ 225.8	65.7%