



## **Locational Banking Statistics Explanatory Notes**

(March 2014)

### **General**

*Locational Banking Statistics*<sup>1</sup> contain data on the total positions, both claims (assets) and liabilities, of all reporting banks, as follows<sup>2</sup>:

- Table L.1.1: Analysis by Geography of banking offices resident in Ireland total positions vis-à-vis residents and non-residents<sup>3</sup>.
- Table L.1.2: Analysis by Currency and Analysis by Sector of banking offices resident in Ireland total positions vis-à-vis residents and non-residents<sup>4</sup>.
- Table L.2.1: Analysis by Geography of banking offices resident in Ireland loans and deposits positions vis-à-vis residents and non-residents.
- Table L.2.2: Analysis by Currency and Analysis by Sector of banking offices resident in Ireland Loans and Deposits positions vis-à-vis residents and non-residents.
- Table L.3.1: Analysis by Geography of banking offices resident in Ireland Debt Securities positions vis-à-vis residents and non-residents.
- Table L.3.2: Analysis by Currency and Analysis by Sector of banking offices resident in Ireland debt securities positions vis-à-vis residents and non-residents.
- Table L.4.1: Banking offices resident in Ireland income statement

The Locational Banking Statistics are intended to provide comprehensive and consistent data on the asset and liability positions of all reporting banks<sup>5</sup>. The basic organising principle underlying these statistics is the residence of the reporting banking office. This conforms to Balance of Payments and External Debt statistical methodology.

The reporting framework underpinning the compilation of *Locational Banking Statistics* has been subject to substantial change on foot of the implementation of the recommendations of the *Committee on the Global Financial System (CGFS)* in 2013 and 2014. While every effort has been made to avoid structural breaks in the series, users should note the possibility of such breaks in

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<sup>1</sup> Locational Banking Statistics (by residence).

<sup>2</sup> Tables L.1.1 and L.1.2 were previously published in the Central Bank of Ireland Quarterly Bulletin as tables C.1.1 and C.1.2

<sup>3</sup> GA refers to Geography (assets) and GL refers to Geography (liabilities), respectively. These statistics present the positions of all banks on non-residents in all currencies and residents in foreign currencies (unless otherwise stated).

<sup>4</sup> CTA/CTL refer to Currency; Total Positions (assets and liabilities) and STA/STL refer to Sector; Total Positions (assets and liabilities).

<sup>5</sup> Comprises licensed banks and building societies but excludes credit unions.

some series from Q4 2012 reference data onwards. The data are quarterly in frequency and are released no later than 90 calendar days after the reference quarter-end.

## Reporting Institutions

The reporting population which is covered in these tables is all banks resident in Ireland (including internationally active banks)<sup>6</sup>. A resident office means an office or branch of the reporting institution which is located in the State (the Republic of Ireland). These are: institutions incorporated and located in the Republic of Ireland, including subsidiaries of parent companies located outside of the Republic of Ireland; **and** branches of institutions that have their head office outside the Republic of Ireland. Reporting institutions report the data in respect of their resident offices only.

Banks resident in Ireland are disaggregated into two categories for the purposes of the *Locational Banking Statistics*, as follows:

**Irish-relevant banks** are the Domestic Market Banks.

- This category includes those banks with a significant retail presence in Ireland.
- This includes the Irish- (or 'covered') and foreign-owned retail banks.

**International Financial Services Centre banks** are banking offices resident in Ireland without a significant retail presence in the Irish marketplace.

## Glossary of Sector Categories

The sector breakdown provided in *Locational Banking Statistics* is based on the functional sector classification Bank and Non-Bank and the European System of Accounts (ESA) 2010. This allows trends in the international business of the banking offices resident in Ireland, including instrument<sup>7</sup> trends, to be analysed on the basis of the primary economic activity and residency of the counterparty.

**Bank** refers to those institutions whose business it is to receive deposits (or close substitutes), to grant credits or to invest in securities.

- This category includes Bank Affiliates<sup>8</sup>.
- Money Market Funds (MMFs), Investment Funds and Pension Funds are excluded from this category.

**Non-bank** includes Non-Bank Financial Institutions; Insurance Corporations and Pension Funds; Government; and Non-Financial Sectors.

- *Non-Bank Financial Institutions* are public or private financial institutions, other than banks, engaged in the provision of financial services and activities auxiliary to financial intermediation. These include MMFs, Special Purpose Vehicles (SPVs), Hedge Funds, Unit Trusts and other Financial Auxiliaries.
- *Non-Financial Sectors* is the sum of the Non-Financial Corporations (NFC) sector and the Household (incl. NPISH) sector.

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<sup>6</sup> A list of the reporting population, excluding credit unions, is available on the Central Bank of Ireland [website](#).

<sup>7</sup> Assets and liabilities.

<sup>8</sup> Refers to related (or inter-office) positions.

A full list of the sectors for which the asset and liability data is published is detailed in Appendix 1.

## Glossary of Instrument Categories

### 1. Income and Expense Data

**Total Operating Income**, of which<sup>9</sup>:

- **Interest Income** refers to Interest (on an accruals basis), earned on loans to third parties and deposits with third parties.
- **Account Fees and Charges** refer to fee income relating to maintenance charges and/or transaction fees on customer accounts.

**Total Other Income**, of which:

- **Interest from Bonds and Money Market Instruments (MMIs)** refer to Interest income, on an accruals basis, from bonds and notes or MMIs.
- **Dividend Income** refers to all dividends receivable from non-group companies in the reporting period, whether received or not.

**General Operating Expenses** refer to the operating costs of the company under various headings including: wages & salaries; professional fees; computer services; insurance (premiums); and depreciation.

**Corporation tax** refers to tax payable for the reference quarter as per the company accounts.

## Notes to Specific Tables

**Table L.1.1 and L.1.2:** The data on Total Positions (Assets and Liabilities) includes the category 'Other'<sup>10</sup> commencing reference period Q4 2012.

**Table L.1.2:** The composition of the regional grouping Offshore Centres has been expanded commencing reference period Q4 2012.

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<sup>9</sup> Where an 'of which' split is presented, these are only sub-categories and do not aggregate to the total.

<sup>10</sup> Pre-Q4 2012, Assets and Liabilities comprised only Loans & Deposits and Debt Securities (held or issued). Other Assets and Other Liabilities include equities, derivatives and residual on-balance sheet items.

## APPENDIX 1 – Sectoral Classification of Counterparties

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### **Banks**

Credit Institutions, as defined in Community Law, are undertakings whose business is to receive deposits or other repayable funds from the public and to grant credits for their own account and/or issue means of payment in the form of electronic money.

Credit Institutions comprise licensed banks, building societies and credit unions as regulated by the Registrar of Credit Unions. Credit unions are excluded from the reporting population and so this sector is known as ‘Banks’ for the purpose of these statistics.

### **Pension Funds**

The pension funds sector consists of all financial corporations and quasi-corporations who are principally engaged in financial intermediation as consequence of the pooling of social risks and needs of the insured persons (social insurance). Pension funds, as social insurance schemes, provide income in retirement, and often benefits for death and disability.

This sector consists of only those social insurance pension funds that are institutional units separate from the units that create them. Such autonomous funds have autonomy of decision and keep a complete set of accounts. Non-autonomous pension funds are not institutional units and remain part of the institutional unit that sets them up.

### **Insurance Corporations**

The insurance corporation sector consists of all financial corporations and quasi-corporations who are principally engaged in financial intermediation as a consequence of the pooling of risks mainly in the form of direct insurance or reinsurance. Insurance corporations provide the following services:

- Life and non-life insurance to individual units or groups of units;
- Reinsurance to other insurance corporations.

**Non-Financial Corporations**

The non-financial corporations sector consists of institutional units which are independent legal entities, and market producers, and whose principal activity is the production of goods and non-financial services. The non-financial corporations sector also includes non-financial quasi-corporations.

**Government**

The government sector consists of institutional units which are non-market producers whose output is intended for individual and collective consumption, are financed by compulsory payments made by units belonging to other sectors, and are principally engaged in the redistribution of national income and wealth.

**Households**

The household sector consists of individuals or groups of individuals as consumers and as entrepreneurs producing market goods and non-financial and financial services (market producers), provided that the production of goods and services is not by separate entities treated as quasi-corporations. It also includes individuals or groups of individuals as producers of goods and non-financial services for exclusively own final use.

**NPISHs**

The non-profit institutions serving households (NPISHs) sector consists of non-profit institutions which are separate legal entities, which serve households and which are private non-market producers. Their principal resources are voluntary contributions in cash or in kind from households in their capacity as consumers, from payments made by general governments and from property income.

## APPENDIX 2 – Country Aggregates

### **Other EU**

Bulgaria

Czech Republic

Hungary

Latvia

Lithuania

Poland

Romania

### **Other Europe**

Andorra

Albania

Armenia

Azerbaijan

Bosnia and Herzegovina

Bouvet Island

Belarus

Georgia

Croatia (until mid-2013)

Iceland

Kazakhstan

Liechtenstein

Moldova (Republic of)

Montenegro

Macedonia (FYR)

Norway

Serbia

Russian Federation

Svalbard and Jan Mayen

Turkey

Ukraine

Uzbekistan

Holy See (Vatican City State)

### **Offshore Centres**

Aruba

Bahamas

Bahrain

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Barbados

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Bermuda

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Cayman Islands

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Curacao

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Gibraltar

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Guernsey

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Hong Kong SAR

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Isle of Man

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Jersey

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Lebanon

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Macao SAR

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Mauritius

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Netherlands Antilles

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Panama

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Samoa

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Singapore

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Sint Maarten

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Vanuatu

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West Indies UK (incl. Anguilla, Antigua and Barbuda)

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