



Consolidated Banking Statistics Explanatory Notes

(Created October 2017)

General

The Consolidated Banking Statistics (CBS) detail quarterly developments in the exposure of Irish-headquartered credit institutions to non-residents, by counterpart country and sector on an ultimate risk basis i.e. according to the country and sector where the ultimate guarantor of the risk resides. The dataset used is similar in methodology to the Consolidated Banking Statistics published by the Bank for International Settlements (BIS) and is released on a quarterly basis.

Reporting institutions are banks headquartered in Ireland. The CBS distinguish between types of claims based on the location of the banking office that books or records the position. Total positions on counterparties residing in a given country are defined as the sum of cross-border and local positions. Reporting institutions provide a full counterparty-country breakdown for foreign claims. In conjunction with the counterparty-country breakdown, reporting institutions provide a counterparty-sector breakdown of their claims, as defined below.

Counterparty Sector Definitions

Banks - Financial institutions whose business it is to receive deposits or close substitutes for deposits and to grant credits or invest in securities on their own account. For the purposes of the CBS, the bank sector excludes central banks and multilateral development banks.

Official Sector - The general government sector, central bank sector and international organisations (including multilateral development banks). Public non-bank financial institutions and public corporations should not be classified as “official sector”, but rather should be classified as non-bank financial institutions or non-financial private sector, respectively. Claims on official institutions are allocated to the respective countries of their residence. The only exception is for claims on international organisations, which are reported as a separate item in the counterparty-country breakdown.

Non-bank private sector - Sum of non-bank financial institutions and non-financial private sector.

- **Non-bank financial institutions** - Private or public financial institutions, other than banks, engaged primarily in the provision of financial services and activities auxiliary to financial intermediation such as fund management. Includes special purpose vehicles, hedge funds, securities brokers, money market funds, pension funds, insurance companies, financial leasing corporations, central clearing counterparties, unit trusts, other financial auxiliaries and other captive financial institutions. It also includes any public financial institutions such as development banks and export credit agencies.
- **Non-financial private sector** - Sum of non-financial corporations and households including non-profit institutions serving households (NPISHs).
 - **Non-financial corporations** - Privately and publicly owned corporations as well as unincorporated enterprises that function as if they were corporations, such as partnerships and the branches of foreign corporations.
 - **Households including NPISHs** - Individuals, families, unincorporated enterprises owned by households, and non-profit institutions serving households (NPISHs) such as charities, religious institutions, trade unions and consumer associations.

Total - Sum of banks' exposures to the official sector and non-bank private sector.

Glossary of Terms

Foreign Claims – Claims are financial assets including, as a minimum, deposits and balances with other banks, loans and advances to non-banks as well as banks, and holdings of debt securities. Foreign claims are those on residents of countries other than the reporting country. In the CBS, foreign claims are calculated as the sum of cross-border claims and local claims of reporting banks' foreign affiliates.

- **Cross-border** - Positions where the country in which the counterparty is located is different from that where the banking office that grants or extends the claim is located.

- **Local** - Positions vis-à-vis residents of the country where the banking office that books the claim is located.

Derivatives - A financial instrument whose value depends on some underlying financial asset, commodity index or predefined variable. A derivative claim is an instrument with a positive market value.

Guarantees - Contingent liabilities arising from an irrevocable obligation to pay a third-party beneficiary when a client fails to perform certain contractual obligations. They include secured, bid and performance bonds, warranties and indemnities, confirmed documentary credits, irrevocable and standby letters of credit, acceptances and endorsements. Guarantees extended also include the contingent liabilities of the protection seller of credit derivatives instruments.

Credit Commitments - Arrangements that irrevocably obligate an institution, at a client's request, to extend credit in the form of loans, participation in loans, lease financing receivables, mortgages, overdrafts or other loan substitutes or commitments to extend credit in the form of the purchase of loans, securities or other assets, such as backup facilities including those under note issuance facilities and revolving underwriting facilities. In the CBS, banks are asked to report the unused amounts of legally binding credit commitments.

International Institution - International institutions are those that meet either of the following conditions:

- The members of the institutions are either national states or other international institutions whose members are national states; they thus derive their authority either directly from the national states that are their members or indirectly from them through other international institutions.
- They are entities established by formal political agreements between their members that have the status of international treaties; law in their member countries recognises their existence.

Notes on Specific Tables

Table F.1 Summary Table: Foreign Claims of Domestic Irish Banks

This table contains a summary of all foreign claims of domestic Irish banks on an ultimate risk basis. The total figure is broken down by sector and whether the claims are cross border or local. Other exposures of domestic Irish banks are also included in the form of derivatives, guarantees and credit commitments.

Table F.2 Total Foreign Claims of Domestic Irish Banks

This table contains total foreign claims of domestic Irish banks broken down by geographic location. Claims on international institutions are also included.

- **Table F.2.1.1 Foreign Claims Sectoral Breakdown; Banks**

This is a subset of Table F.2 containing data relating to the banking sector.

- **Table F.2.1.2 Foreign Claims Sectoral Breakdown; Official Sector**

This is a subset of Table F.2 containing data relating to the official sector.

- **Table F.2.1.3 Foreign Claims Sectoral Breakdown; Non-Bank Private Sector**

This is a subset of Table F.2 containing data relating to the non-bank private sector.

- **Table F.2.1.3.1 Foreign Claims Sectoral Breakdown; Non-Bank Financial Institutions**

This is a subset of table F.2.1.3 containing data only relating to non-bank financial institutions.

- **Table F.2.1.3.2 Foreign Claims Sectoral Breakdown; Non-Financial Corporations**

This is a subset of table F.2.1.3 containing data relating to non-financial corporations.

- **Table F.2.1.3.3 Foreign Claims Sectoral Breakdown; Households incl. NPISHs**

This is a subset of table F.2.1.3 containing data relating to households incl. NPISHs.

- **Table F.2.2.1 Foreign Claims Cross-border/Local Breakdown; Cross-border**

This table contains a geographical breakdown of cross-border claims. Claims on international institutions are also included.

- **Table F.2.2.2 Foreign Claims Cross-border/Local Breakdown; Local**

This table shows a geographical breakdown of local claims. Claims on international institutions are also included.

Table F.3 Other Exposures of Domestic Irish Banks; Total

This table contains a geographical breakdown of other exposures of domestic Irish banks, which includes derivatives, guarantees and credit commitments. Other exposures to international institutions are also included.